

BRASKEM SA
Form 6-K
August 17, 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 August, 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- _____.

Braskem S.A.

Financial Statements

at December 31, 2016

and Independent Auditors' Report

KPMG Auditores Independentes

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Independent Auditor's Report in the Individual and Consolidated Financial Statements

To Shareholders, Members of the Board and Management

Braskem S.A.

Camaçari - Bahia

Opinion

We have audited the individual and consolidated financial statements of Braskem S.A. ("the Company"), respectively referred to as Parent and Consolidated, which comprise the statement of financial position as at December 31, 2016, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

Opinion on the individual financial statements

In our opinion, the accompanying individual financial statements present fairly, in all material respects, the financial position of the Braskem S.A. ("the Company") as at December 31, 2016, and of its financial performance and its cash flows for the year then ended in accordance with Accounting Practices Adopted in Brazil.

Opinion on the consolidated financial statements

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Braskem S.A. as at December 31, 2016, and of its consolidated financial performance and its cash flows for the year then ended in accordance with Accounting Practices Adopted in Brazil and with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Individual and Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the relevant ethical requirements included in the Accountant Professional Code of Ethics ("Código de Ética Profissional do Contador") and in the professional standards issued by the Brazilian Federal Accounting Council ("Conselho Federal de Contabilidade") and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of a matter

We call your attention to note 23.3, which says that, in the ambit of Lava Jato operation investigations, existence of undue payments by the Company were confirmed from 2006 to 2014 as services provided by third-parties with no proof of effective rendering of services. Such note also says that the Company entered into a Leniency Agreement (the “Agreement”) with the Federal Prosecution Office, the Department of Justice (DoJ) and the Securities and Exchange Commission (SEC) of the United States of America, and with the General Prosecution Office of Switzerland, in the approximate amount of R\$3.1 billion, and discloses information on progress of class action brought in the United States of America. Except for the value of the Agreement, as well as other non-monetary penalties enforced, the Company is not able, for the moment, to reliably foresee or measure the extent of financial and non-financial impacts on the Company and, accordingly, is not able to record possible additional losses that confirmation of accusations, possible lawsuits filed by other authorities and/or third-parties, and parallel investigations could cause to the Company, as well as resources required to remedy such occurrences, including possible effects deriving from the outcome of above-mentioned class action. Our opinion is not qualified in relation to this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the individual and consolidated financial statements of the current period. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Contingencies and disputes – note 23.3 (individual and consolidated)

As explained in note 23.3 to individual and consolidated financial statements, in the ambit of “Lava Jato” operation of the Brazilian Federal Police, the Company was mentioned in testimonies of witnesses with immunity as involved in undue payments made for services provided by third-parties, with no proof of effective rendering. In view of such events, the Company made necessary arrangements, including internal investigation conducted with the aid of independent office specialized in investigations, dialogue with competent Brazilian and international authorities, and follow-up of progress of class action brought in the United States of America. As a result of dialogues and discussions around this theme with competent authorities, including the USA Department of Justice (DOJ) and Securities and Exchange Commission (SEC), and the Brazilian Public Prosecution Office, the Company entered into a Leniency Agreement and committed to paying the amount of approximately R\$3.1 billion as fine and indemnity, which was recorded in financial statements as of December 31, 2016. In addition, the Company paid taxes for prior years referring to outsourced services, with no proof of effective rendering of services. These taxes were retrospectively recorded at their proper periods. Given the complexity of the matter, relevance of impacts and disclosures in financial statements and involved decisions, we considered this matter as significant for our audit.

How our audit conducted this issue

Main procedures conducted by us are as follows:

- Discussion with the executive office, Tax Council and Board of Directors about scope and results of internal investigations conducted by the Company.
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- Involvement of our forensic investigation specialists to evaluate scope and methodology used for internal investigation, follow up work conducted by the Company's external legal advisors, conduct interviews with the Company's main executives, and determine other procedures considered as necessary under work circumstances.
- Procedures for analysis of transaction documents related to the theme, including, among others, purchases of raw material (Nafta), expenses with services and payments without effective proof of service rendering, which were identified by the law firm responsible for investigations.
- Recalculation, with the aid of our tax specialists, of tax effects deriving from payments referring to services without effective proof of rendering.
- Obtaining specific representations of executive board, Tax Council, and Board of Directors.
- Evaluation of disclosures related to this theme in the financial statements.

Intangible assets recoverable value with undefined useful life (goodwill) and deferred tax assets – notes 14(a) and 20.2 (individual and consolidated)

The Company maintains a significant balance of intangible assets with undefined useful lives (goodwill) and deferred tax assets, whose recoverability is based on cash flow analyses and projections, and income generation. Due to uncertainties inherent to the process of determining future cash flows and some assumptions - such as discount rates, which are the basis for evaluation of recoverable value of such assets -, we considered this matter as significant for our audit.

How our audit conducted this issue

We understood the process and evaluated the design and implementation of internal controls related to the preparation and review of the business plan, budgets and impairment analysis provided by the Company. We can count with the help of our specialists in corporate finance to evaluate assumptions and methodologies, such as discount rate based on average capital cost (WAAC), growth rate for the next 5 years, expected sales volume and margin, among others, used by the Company to project cash flow. We also evaluated disclosures made by the Company, mainly those related to sensitivity analysis, which demonstrate the impact on recoverable value resulting from possible and reasonable changes in key assumptions used by the Company.

Fair value of financial instruments – notes 4 and 17 (individual and consolidated)

In view of relevance and complexity of estimates made to measure fair value of financial instruments and possible impact that changes in pricing assumptions and techniques used to measure such value would have on the Company's income and financial position, and also considering that the Company adopts hedge accounting, we consider this as a significant matter for our audit.

How our audit conducted this issue

We understood the process and evaluated design and implementation of internal controls related to the process of evaluating financial instruments. Our audit work also included tests on samples of transactions with these financial instruments and, with the involvement of our specialists in financial instruments, we recalculated them based on pricing methodologies and data and information sources independently defined, and compared our results with those recorded by the Company. We evaluated effectiveness of hedge accounting calculation and also evaluated adequacy of disclosures made by the Company involving transactions with financial instruments and hedge accounting, mainly those related to sensitivity analysis of these instruments.

Other matters

Statements of value added

The individual and consolidated statements of value added (DVA) for the year ended December 31, 2016, prepared under the responsibility of the Company's management, and presented herein as supplementary information for IFRS purposes, have been subject to audit procedures jointly performed with the audit of the Company's financial statements. In order to form our opinion, we assessed whether those statements are reconciled with the financial statements and accounting records, as applicable, and whether their format and contents are in accordance with criteria determined in the Technical Pronouncement 09 (CPC 09) - Statement of Value Added issued by the Committee for Accounting Pronouncements (CPC). In our opinion, the statements of value added have been fairly prepared, in all material respects, in accordance with the criteria determined by the aforementioned Technical Pronouncement, and are consistent with the overall individual and consolidated financial statements.

Audit of the corresponding amounts

The examination of the individual and consolidated balance sheet on January 1, 2015 (derived from the financial statements for the year ended December 31, 2014), originally prepared prior to the adjustments described in Note 2.4, was conducted under the responsibility of other independent auditors, who issued an audit report without changes dated February 12, 2015. As part of our analysis of the financial statements for the year ended December 31, 2016, we examined the adjustments in the corresponding amounts of the balance sheets on January 1, 2015 and, in our opinion, are appropriate and have been properly carried out, in all material respects. We were not hired to audit, review or apply any other procedures in regard to the information related to the balance sheets as of January 1, 2015 and, accordingly, we did not express an opinion or any type of assurance taken as a whole.

Other information accompanying the individual and consolidated financial statements and the auditor's report

Management is responsible for the other information comprising the management report.

Our opinion on the individual and consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the individual and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Responsibilities of Management and Those Charged with Governance for the Individual and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with Accounting Practices Adopted in Brazil and with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and subsidiaries financial reporting process.

Auditors' Responsibilities for the Audit of the Individual and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and international standards on auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and international standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and its subsidiaries ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to

draw attention in our auditors' report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company and subsidiaries to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the individual and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the individual and consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

São Paulo, August 15, 2017

KPMG Auditores Independentes

CRC 2SP014428/O-6

Original report in Portuguese signed by

Anselmo Neves Macedo

Accountant CRC 1SP160482/O-6

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

All amounts in thousands of reais

Assets	Note	Consolidated				2016	2015
		2016	2015	1/1/2015	2016		
	2.4		Restated	Restated		Restated	
Current assets							
Cash and cash equivalents	6	6,701,864	7,043,262	3,891,271	3,561,431	4,415,312	
Financial investments	7	1,190,483	414,893	194,431	741,086	358,112	
Trade accounts receivable	8	1,634,137	2,755,708	2,409,146	952,689	2,454,112	
Inventories	9	5,238,014	6,108,697	5,619,322	3,795,899	4,749,112	
Taxes recoverable	11	826,015	1,312,341	2,152,121	543,275	762,112	
Dividends and interest on capital	10	14,986	1,998		31,421	87,112	
Prepaid expenses		101,747	166,170	99,469	83,252	139,112	
Related parties	10		10,507	66,616	172,344	118,112	
Derivatives operations	17.3	8,387	53,662	33,555	8,387	12,112	
Other receivables		180,915	272,530	282,213	128,231	248,112	
		15,896,548	18,139,768	14,748,144	10,018,015	13,348,112	
Non-current assets held for sale	5	359,704			263,912		
		16,256,252	18,139,768	14,748,144	10,281,927	13,348,112	
Non-current assets							
Financial investments	7		46,193	42,494		46,112	
Trade accounts receivable	8	70,236	19,822	25,050	2,794,889	4,279,112	
Advances to suppliers	9	61,533	135,046	68,988	61,533	135,112	
Taxes recoverable	11	1,088,353	1,317,760	1,059,132	998,039	1,212,112	
Deferred income tax and social contribution	20(c)	1,653,115	3,204,666	886,081	42,459	2,157,112	
Judicial deposits		233,320	277,093	230,945	226,894	268,112	
Related parties	10		144,633	138,501	14,472	124,112	
Insurance claims		50,653	63,199	143,932	50,653	60,112	
Derivatives operations	17.3	29,308	12,280	39,350			
Other receivables		140,971	192,193	86,024	129,704	125,112	
Investments in subsidiaries and jointly-controlled investments	12	92,313	86,354	126,535	4,132,529	4,499,112	
Property, plant and equipment	13	29,336,710	34,100,289	29,070,958	15,963,127	16,542,112	
Intangible assets	14	2,809,087	2,887,604	2,835,728	2,521,243	2,572,112	
		35,565,599	42,487,132	34,753,718	26,935,542	32,024,112	
Total assets		51,821,851	60,626,900	49,501,862	37,217,469	45,372,112	

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

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

All amounts in thousands of reais

Continued

Liabilities and shareholders' equity	Note	2016	Consolidated		2016	Re
			2015	1/1/2015		
			Restated	Restated		
Current liabilities						
Trade payables		6,545,136	12,373,555	10,839,875	2,056,661	10,1
Borrowings	15	2,594,463	1,969,993	1,419,470	2,117,409	2,5
Braskem Idesa borrowings	16	10,437,791	302,266	26,462		
Derivatives operations	17.3	29,042	57,760	95,626		
Payroll and related charges		562,455	610,286	533,373	431,688	4
Taxes payable	18	624,080	1,003,273	233,434	424,088	5
Dividends	26(b)	3,083	753,668	215,888	3,083	7
Advances from customers	21	203,216	119,680	99,750	28,200	
Leniency agreement	23.3 and 30	1,354,492			948,286	
Sundry provisions	22	112,891	93,942	88,547	87,084	
Post-employment benefits	24.2.3			336,357		
Accounts payable to related parties	10				956,609	4,2
Other payables	25	476,262	358,572	197,808	295,233	2
		22,942,911	17,642,995	14,086,590	7,348,341	19,0
Non-current liabilities held for sale	5	95,396				
		23,038,307	17,642,995	14,086,590	7,348,341	19,0
Non-current liabilities						
Trade payables		201,686	57,148		8,832,553	3,4
Borrowings	15	20,736,604	25,380,518	18,926,729	6,463,032	8,2
Braskem Idesa borrowings	16		11,975,167	7,551,033		
Derivatives operations	17.3	861,302	1,119,741	594,383	861,302	1,1
Taxes payable	18	24,097	26,716	260,010	23,830	
Accounts payable to related parties	10				8,234,053	10,9
Loan to non-controlling shareholders of Braskem Idesa	19	1,620,519	1,538,784	792,188		
Deferred income tax and social contribution	20(c)	510,523	772,828	627,011		
Post-employment benefits	24.2	162,136	170,237	114,478	71,899	
Provision for losses on subsidiaries					92,365	1
Advances from customers	21	162,955	31,116	88,402		
Contingencies	23	985,237	554,481	408,711	926,819	5
Leniency agreement	23.3 and 30	1,498,738			1,400,224	
Sundry provisions	22	206,245	99,491	96,966	169,499	
Other payables	25	92,792	312,189	358,303	6,070	1

		27,062,834	42,038,416	29,818,214	27,081,646	24,6
Shareholders' equity	26					
Capital		8,043,222	8,043,222	8,043,222	8,043,222	8,0
Capital reserve		232,430	232,430	232,430	232,430	2
Revenue reserves		834,616	2,882,019	736,180	834,616	2,8
Other comprehensive income		(6,321,859)	(9,060,710)	(2,943,172)	(6,321,859)	(9,06
Treasury shares		(49,819)	(49,819)	(48,892)	(927)	
Accumulated losses			(416,768)	(278,177)		(41
Total attributable to the Company's shareholders		2,738,590	1,630,374	5,741,591	2,787,482	1,6
Non-controlling interest in Braskem Idesa		(1,017,880)	(684,885)	(144,533)		
		1,720,710	945,489	5,597,058	2,787,482	1,6
Total liabilities and shareholders' equity		51,821,851	60,626,900	49,501,862	37,217,469	45,3

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

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

	Note	Consolidated		Parent company	
		2016	2015	2016	2015
			Restated		Restated
Continued operations	2.4				
Net sales revenue	28	47,663,988	46,879,989	35,178,466	33,583,599
Cost of products sold		(34,940,619)	(36,728,023)	(27,095,009)	(25,860,037)
		12,723,369	10,151,966	8,083,457	7,723,562
Income (expenses)					
Selling and distribution		(1,410,828)	(1,083,156)	(972,394)	(813,888)
General and administrative		(1,477,199)	(1,280,470)	(824,573)	(868,057)
Research and development		(162,010)	(169,635)	(104,832)	(110,583)
Results from equity investments	12(c)	30,078	2,219	955,535	617,744
Other income (expenses), net	30	(3,752,163)	(731,204)	(3,039,575)	(308,129)
		5,951,247	6,889,720	4,097,618	6,240,649
Financial results	31				
Financial expenses		(3,570,962)	(3,163,402)	(2,847,039)	(3,038,547)
Financial income		690,122	584,933	632,452	425,868
Exchange rate variations, net		(3,210,417)	102,910	(2,054,042)	757,658
		(6,091,257)	(2,475,559)	(4,268,629)	(1,855,021)
Profit before income tax and social contribution		(140,010)	4,414,161	(171,011)	4,385,628
Current and deferred income tax and social contribution	20(a)	(616,046)	(1,660,354)	(271,419)	(1,385,796)
Profit (loss) for the year of continued operations		(756,056)	2,753,807	(442,430)	2,999,832
Discontinued operations results					
Profit from discontinued operations		40,760	16,827	30,958	1,888
Current and deferred income tax and social contribution		(13,901)	(10,445)		
		26,859	6,382	30,958	1,888
Profit (loss) for the year		(729,197)	2,760,189	(411,472)	3,001,720

Attributable to:

Company's shareholders	(411,472)	3,001,720
Non-controlling interest in Braskem Idesa	(317,725)	(241,531)
Profit (loss) for the year	(729,197)	2,760,189

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

Braskem S.A.**Statement of comprehensive income****Years ended December 31****All amounts in thousands of reais, except earnings (loss) per share**

	Note	Consolidated		Parent
	2.4	2016	2015 Restated	2016
Profit (loss) for the year		(729,197)	2,760,189	(411,472)
Other comprehensive income or loss:				
Items that will be reclassified subsequently to profit or loss				
Fair value of cash flow hedge		215,510	(621,991)	266,995
Income tax and social contribution		(75,333)	206,315	(90,778)
Fair value of cash flow hedge - Braskem Idesa				(38,614)
Income tax and social contribution				11,584
Fair value of cash flow hedge from jointly-controlled		(3,309)	2,295	(3,309)
		136,868	(413,381)	145,878
Exchange variation of foreign sales hedge	17.4(a.i)	4,121,849	(8,437,079)	4,121,849
Sales Hedge - transfer to profit or loss	17.4(a.i)	1,297,910		1,297,910
Income tax and social contribution on exchange variation		(1,842,718)	2,868,607	(1,842,718)
Exchange variation of foreign sales hedge - Braskem Idesa	17.4(a.ii)	(1,995,065)	(1,589,544)	(1,496,298)
Sales Hedge - transfer to profit or loss - Braskem Idesa	17.4(a.ii)	59,834		44,875
Income tax on exchange variation - Braskem Idesa		581,304	476,518	435,978
		2,223,114	(6,681,498)	2,561,596
Foreign subsidiaries currency translation adjustment		339,296	653,349	63,697
Total		2,699,278	(6,441,530)	2,771,171
Items that will not be reclassified to profit or loss				
Defined benefit plan actuarial loss, net of taxes		(4,119)	(849)	(4,119)
Post-employment plans - Health plan, net of taxes			(8,280)	
Total		(4,119)	(9,129)	(4,119)
Total comprehensive income (loss) for the year		1,965,962	(3,690,470)	2,355,580

Attributable to:

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Company's shareholders	2,355,580 (3,087,616)
Non-controlling interest in Braskem Idesa	(389,618) (602,854)
Total comprehensive income (loss) for the year	1,965,962 (3,690,470)

	Note	2016 Basic and diluted	Parent Basic and diluted
Profit (loss) per share attributable to the shareholders of the Company of continued operations at the end of the year (R\$) (expressed in reais)	27		
Earnings per share - common		(0.5562)	
Earnings per share - preferred shares class "A"		(0.5562)	
Earnings per share - preferred shares class "B"			

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

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

	Note	Capital reserve	Legal reserve	Retention of profits	Revenue reserves Additional dividends proposed	Attributable comprehensive income	
At January 1, 2015 - previously disclosed		8,043,222	232,430	71,542	394,121	270,517	(2,921,113)
Adjustment of restatement	2.4						(3,113)
Opening balance at January 1, 2015 (restated)		8,043,222	232,430	71,542	394,121	270,517	(2,924,226)
Comprehensive income for the year:							
Profit for the year							(6,408,113)
Exchange variation of foreign sales hedge, net of taxes							(35,000)
Fair value of cash flow hedge, net of taxes							7,000
Foreign subsidiaries currency translation adjustment							(6,000)
Equity valuation adjustments:							
Realization of additional property, plant and equipment price-level restatement, net of taxes							(2,000)
Realization of deemed cost of jointly-controlled investment, net of taxes							(3,000)
Actuarial loss with post-employment benefits, net of taxes							(3,000)
Post-employment plans - Health plan, net of taxes							(3,000)
Contributions and distributions to shareholders:							
Capital increase							
Repurchase of treasury shares							
Prescribed dividends							
Additional dividends approved by the General Meeting							(270,517)
Legal reserve			158,450				
Additional dividends proposed							247,364
Retained earnings				2,010,542			
			158,450	2,010,542			(23,153)

At December 31, 2015		8,043,222	232,430	229,992	2,404,663	247,364	(9,000,000)
Comprehensive income for the year:							
Loss for the year							2,500,000
Exchange variation of foreign sales hedge, net of taxes							1,000,000
Fair value of cash flow hedge, net of taxes							2,700,000
Foreign currency translation adjustment							
Equity valuation adjustments:							
Realization of additional property, plant and equipment price-level restatement, net of taxes							(2,000,000)
Realization of deemed cost of jointly-controlled investment, net of taxes							
Actuarial gains post-employment benefits of subsidiaries, net of taxes							(3,000,000)
Contributions and distributions to shareholders:	26(b)						
Absorption of losses and adjustments					(800,039)		
Capital increase							
Additional dividends approved by the General Meeting						(247,364)	
Interim dividends approved by Board of Directors					(1,000,000)		
					(1,800,039)	(247,364)	
At December 31, 2016		8,043,222	232,430	229,992	604,624		(6,300,000)

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

Braskem S.A.**Statement of changes in equity**

All amounts in thousands of reais

Continued

	Note	Capital reserve	Legal reserve	Retention of profits	Revenue reserves Additional dividends proposed	compreh i	
At January 1, 2015 - previously disclosed		8,043,222	232,430	71,542	394,121	270,517	(2,92
Adjustment of restatement	2.4						(
Opening balance at January 1, 2015 (restated)		8,043,222	232,430	71,542	394,121	270,517	(2,92
Comprehensive income for the year:							
Profit for the year							
Exchange variation of foreign sales hedge, net of taxes							(6,40
Fair value of cash flow hedge, net of taxes							(35
Foreign subsidiaries currency translation adjustment							7 (6,08
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							(2
Actuarial loss with post-employment benefits, net of taxes							
Post-employment plans - Health plan, net of taxes							(3
Contributions and distributions to shareholders:							
Repurchase of treasury shares							
Prescribed dividends							
Additional dividends approved by the General Meeting							(270,517)
Legal reserve							158,450
Additional dividends proposed							247,364
Retained earnings							2,010,542
							158,450 2,010,542 (23,153)
At December 31, 2015		8,043,222	232,430	229,992	2,404,663	247,364	(9,00

Comprehensive income for the year:

Loss for the year						
Exchange variation of foreign sales hedge, net of taxes					2,5	
Fair value of cash flow hedge, net of taxes					1	
Foreign currency translation adjustment					2,7	
Equity valuation adjustments:						
Realization of deemed cost of jointly-controlled investment, net of taxes					(2	
Realization of additional property, plant and equipment price-level restatement, net of taxes						
Post-employment benefits of subsidiaries actuarial gains, net of taxes					(3	
Contributions and distributions to shareholders:	26(b)					
Absorption of losses and adjustments				(800,039)		
Additional dividends approved by the General Meeting					(247,364)	
Interim dividends approved by Board of Directors				(1,000,000)		
				(1,800,039)	(247,364)	
At December 31, 2016		8,043,222	232,430	229,992	604,624	(6,3

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

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

	Note	Consolidated 2016	2015 Restated	Parent company 2016	2015 Restated
Profit (loss) before income tax and social contribution and for the result with discontinued operations	2.4		(99,250) 4,430,988	(140,053)	4,387,516
Adjustments for reconciliation of profit					
Depreciation, amortization and depletion		2,683,100	2,125,796	2,052,972	1,774,973
Results from equity investments	12(c)	(30,078)	(2,219)	(986,493)	(619,632)
Interest and monetary and exchange variations, net		3,026,008	3,182,577	2,252,597	3,197,646
Leniency agreement	23.3	2,853,230		2,348,510	
Provision for losses and write-offs of long-lived assets		41,016	130,758	39,718	28,779
		8,474,026	9,867,900	5,567,251	8,769,282
Changes in operating working capital					
Held-for-trading financial investments		(649,535)	(144,955)	(271,049)	(119,488)
Trade accounts receivable		1,007,875	(342,616)	2,985,748	(1,578,529)
Inventories		862,338	(501,734)	914,160	(749,626)
Taxes recoverable		1,058,104	841,908	623,932	464,733
Prepaid expenses		64,029	(66,701)	56,416	(66,671)
Other receivables		353,981	(10,174)	341,762	37,751
Trade payables		(4,254,575)	(1,518,288)	(1,318,768)	24,676
Taxes payable		(292,131)	220,226	(161,824)	123,890
Advances from customers		216,850	(37,356)	(16,328)	(14,693)
Sundry provisions		558,231	153,690	544,863	145,575
Other payables		38,464	734,351	(61,546)	(310,142)
Cash from operations		7,437,657	9,196,251	9,204,617	6,726,758
Interest paid		(1,538,518)	(1,086,166)	(478,594)	(431,567)
Income tax and social contribution paid		(1,152,847)	(232,302)	(204,121)	(46,784)
Net cash generated by operating activities		4,746,292	7,877,783	8,521,902	6,248,407
Proceeds from the sale of fixed assets		564	1,282	122	605

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Acquisitions to property, plant and equipment	(i)	(2,839,155)	(4,103,882)	(1,307,105)	(1,026,669)
Acquisitions of intangible assets		(35,780)	(20,106)	(33,272)	(20,088)
Premium in the dollar put option	17.3.1(a.i)	(4,856)		(4,856)	
Held-for-maturity financial investments		38,353	2,441	38,353	(28)
Net cash used in investing activities		(2,840,874)	(4,120,265)	(1,306,758)	(1,046,180)
Short-term and Long-term debit					
Obtained		4,107,626	5,481,546	4,067,345	2,918,405
Payments		(4,901,593)	(6,087,217)	(5,682,323)	(4,515,350)
Braskem Idesa borrowings					
Obtained		503,921	1,501,939		
Payments		(469,282)	(510,715)		
Related parties					
Obtained				2,791,610	1,108,868
Payments				(7,248,125)	(2,142,746)
Transactions current active					1,766
Dividends paid		(1,997,984)	(482,117)	(1,997,984)	(482,117)
Repurchase of treasury shares				(927)	