

BRASKEM SA
Form 6-K
August 09, 2018

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, 2018
(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.

**Report on review of
interim financial information**

As of June 30, 2018

KPMG Auditores Independentes

August, 2018

KPDS 235521

KPMG Auditores Independentes

Rua Arquiteto Olavo Redig de Campos, 105, 6º andar - Torre A

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Report on review of interim financial information

To Shareholders, Members of the Board and Management

Braskem S.A.

Camaçari - Bahia

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Braskem S.A. (the “Company”) included in the Quarterly Financial Information for the quarter ended June 30, 2018, which comprises the balance sheet as of June 30, 2018, the statements of profit or loss and comprehensive income for the three and six-month period then ended, changes in equity and cash flows for the six-month period then ended, and notes to the interim financial information.

Management is responsible for the preparation and presentation of this individual interim financial information in accordance with CPC 21(R1) Technical Pronouncement - Interim Financial Reporting and the consolidated interim financial information in accordance with CPC 21(R1) and international standard IAS 34 - *Interim Financial Reporting*, issued by the *International Accounting Standards Board* - IASB, as

well as for the presentation of this quarterly information in accordance with the standards issued by CVM - Brazilian Securities and Exchange Commission, applicable to the preparation of interim financial information. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

KPMG Auditores Independentes, uma sociedade simples brasileira e firma-membro da rede KPMG de firmas-membro independentes e afiliadas à KPMG International Cooperative (“KPMG International”), uma entidade suíça. *KPMG Auditores Independentes, a Brazilian entity and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (“KPMG International”), a Swiss entity.*

Conclusion on the individual interim financial information

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

Conclusion on the consolidated interim financial information

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

Other matters

Statements of value added

The individual and consolidated interim financial information related to the Statements of added value (DVA) for the six-month period ended June 30, 2018, prepared under the responsibility of the Company's management, presented herein as supplementary information for IAS 34 purposes, have been subject to review procedures jointly performed with the review of the Company's interim financial information - ITR. In order to form our conclusion, we assessed whether those statements are reconciled with the interim financial information and accounting records, as applicable, and whether their format and contents are in accordance with criteria determined in the Technical Pronouncement CPC 09 - Demonstração do Valor Adicionado. Based on our review, nothing has come to our attention that causes us to believe that the statements of added value referred to above were not prepared, in all material respects, consistently with the overall individual and consolidated interim financial information.

São Paulo, August 7, 2018

KPMG Auditores Independentes

CRC 2SP014428/O-6

Original report in Portuguese signed by

Anselmo Neves Macedo

Accountant CRC 1SP160482/O-6

KPMG Auditores Independentes, uma sociedade simples brasileira e firma-membro da rede KPMG de firmas-membro independentes e afiliadas à KPMG International Cooperative (“KPMG International”), uma entidade suíça. *KPMG Auditores Independentes, a Brazilian entity and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (“KPMG International”), a Swiss entity.*

Braskem S.A.

Quarterly Information (ITR) at

June 30, 2018

and Independent Auditors' Report Review

Braskem S.A.**Balance sheet****at June 30, 2018****All amounts in thousands of reais**

| Assets | Note | Consolidated | | Parent company | |
|---|-------|-------------------|-------------------|-------------------|-------------------|
| | | Jun/2018 | Dec/2017 | Jun/2018 | Dec/2017 |
| Current assets | | | | | |
| Cash and cash equivalents | 3 | 5,149,873 | 3,775,093 | 3,175,305 | 1,953,056 |
| Financial investments | 4 | 2,055,906 | 2,302,672 | 2,013,250 | 1,833,320 |
| Trade accounts receivable | 5 | 3,306,114 | 3,281,196 | 1,505,662 | 1,824,740 |
| Inventories | 6 | 8,114,007 | 6,846,923 | 6,106,998 | 4,800,860 |
| Taxes recoverable | 8 | 911,871 | 1,349,064 | 590,786 | 830,152 |
| Dividends and interest on capital | 7 | 5,837 | 10,859 | 5,837 | 10,859 |
| Prepaid expenses | | 140,935 | 134,337 | 96,270 | 105,255 |
| Related parties | 7(b) | | | 25,960 | 30,478 |
| Derivatives operations | 16.2 | 16,224 | 3,793 | | 3,793 |
| Other receivables | | 296,205 | 288,391 | 210,573 | 232,532 |
| | | 19,996,972 | 17,992,328 | 13,730,641 | 11,625,045 |
| Non-current assets | | | | | |
| Financial investments | 4 | 10,242 | 10,336 | | |
| Trade accounts receivable | 5 | 37,321 | 37,496 | 2,026,567 | 1,336,229 |
| Advances to suppliers | 6 | 38,929 | 46,464 | 38,929 | 46,464 |
| Taxes recoverable | 8 | 1,055,695 | 1,023,633 | 1,055,631 | 1,023,245 |
| Deferred income tax and social contribution | 18(b) | 1,976,537 | 1,165,726 | 654,561 | |
| Judicial deposits | | 255,673 | 289,737 | 243,822 | 278,006 |
| Related parties | 7(b) | | | 18,961 | 16,053 |
| Insurance claims | | 73,550 | 39,802 | 73,550 | 39,802 |
| Derivatives operations | 16.2 | 93,276 | 32,666 | | |
| Other receivables | | 179,728 | 112,997 | 112,682 | 109,129 |
| Investments | 9 | 72,548 | 101,258 | 7,372,998 | 4,915,609 |
| Property, plant and equipment | 10 | 31,625,941 | 29,761,610 | 16,032,074 | 16,326,216 |
| Intangible assets | 11 | 2,739,662 | 2,727,497 | 2,500,548 | 2,501,503 |
| | | 38,159,102 | 35,349,222 | 30,130,323 | 26,592,256 |
| Total assets | | 58,156,074 | 53,341,550 | 43,860,964 | 38,217,301 |

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

Braskem S.A.**Balance sheet****at June 30, 2018****All amounts in thousands of reais****Continued**

| Liabilities and shareholders' equity | Note | Jun/2018 | Consolidated Dec/2017 | Jun/2018 | Parent company Dec/2017 |
|---|-------------|-------------------|----------------------------------|------------------|------------------------------------|
| Current liabilities | | | | | |
| Trade payables | | 8,257,968 | 5,265,670 | 912,427 | 1,198,842 |
| Borrowings | 12 | 1,118,936 | 1,184,781 | 593,686 | 382,304 |
| Braskem Idesa borrowings | 13 | 10,979,179 | 9,691,450 | | |
| Debentures | 14 | 27,510 | 27,183 | | |
| Derivatives operations | 16.2 | 104,746 | 6,875 | 104,746 | |
| Payroll and related charges | | 495,750 | 630,517 | 383,347 | 493,098 |
| Taxes payable | 17 | 1,049,785 | 1,261,204 | 827,161 | 774,391 |
| Dividends | | 5,100 | 3,850 | 4,999 | 3,709 |
| Advances from customers | | 201,239 | 353,222 | 58,395 | 187,304 |
| Leniency agreement | 20.3 | 276,399 | 257,347 | 219,391 | 202,892 |
| Sundry provisions | 19 | 108,802 | 178,676 | 81,970 | 125,130 |
| Accounts payable to related parties | 7(b) | | | 975,358 | 783,181 |
| Other payables | | 453,547 | 276,957 | 137,568 | 104,181 |
| | | 23,078,961 | 19,137,732 | 4,299,048 | 4,255,032 |
| Non-current liabilities | | | | | |
| Trade payables | | 236,899 | 259,737 | 19,720,254 | 13,845,472 |
| Borrowings | 12 | 24,303,244 | 22,176,640 | 2,892,551 | 2,823,692 |
| Debentures | 14 | 276,540 | 286,141 | | |
| Derivatives operations | 16.2 | 205,127 | | 205,127 | |
| Taxes payable | 17 | 65,231 | 52,802 | 63,838 | 50,815 |
| Accounts payable to related parties | 7(b) | | | 8,358,249 | 7,197,573 |
| Loan to non-controlling shareholders of Braskem Idesa | | 2,127,583 | 1,756,600 | | |
| Deferred income tax and social contribution | 18(b) | 267,227 | 940,079 | | 715,938 |
| Post-employment benefits | | 210,411 | 193,775 | 83,233 | 83,233 |
| | | | | 138,906 | 102,750 |

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| | | | | | |
|---|------|-------------------|-------------------|-------------------|-------------------|
| Provision for losses on subsidiaries | | | | | |
| Contingencies | 20 | 1,032,619 | 1,092,645 | 1,022,512 | 1,084,528 |
| Leniency agreement | 20.3 | 1,110,180 | 1,371,767 | 1,110,180 | 1,322,051 |
| Sundry provisions | 19 | 238,061 | 234,996 | 212,794 | 213,318 |
| Other payables | | 155,469 | 148,286 | 4,682 | 5,048 |
| | | 30,228,591 | 28,513,468 | 33,812,326 | 27,444,418 |
| Shareholders' equity | 22 | | | | |
| Capital | | 8,043,222 | 8,043,222 | 8,043,222 | 8,043,222 |
| Capital reserve | | 232,430 | 232,430 | 232,430 | 232,430 |
| Revenue reserves | | 2,445,898 | 3,945,898 | 2,445,898 | 3,945,898 |
| Other comprehensive income | | (6,537,210) | (5,653,880) | (6,537,210) | (5,653,880) |
| Treasury shares | | (49,819) | (49,819) | (49,819) | (49,819) |
| Retained earnings | | 1,615,069 | | 1,615,069 | |
| Total attributable to the Company's shareholders | | 5,749,590 | 6,517,851 | 5,749,590 | 6,517,851 |
| Non-controlling interest in Subsidiaries | | (901,068) | (827,501) | | |
| | | 4,848,522 | 5,690,350 | 5,749,590 | 6,517,851 |
| Total liabilities and shareholders' equity | | 58,156,074 | 53,341,550 | 43,860,964 | 38,217,301 |

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

Braskem S.A.

Statement of operations and statement of comprehensive income

at June 30, 2018

All amounts in thousands of reais

| Continued operations | Note | 2Q2018 | YTD2018 | 2Q2017 | Consolidated YTD2017 |
|---|-------|--------------------|--------------------|-------------------|-------------------------|
| Net sales revenue | 24 | 13,786,228 | 26,815,028 | 11,870,430 | 24,470,158 |
| Cost of products sold | | (10,503,537) | (20,830,669) | (9,046,164) | (17,981,335) |
| | | 3,282,691 | 5,984,359 | 2,824,266 | 6,488,823 |
| Income (expenses) | | | | | |
| Selling and distribution | | (298,794) | (666,312) | (358,284) | (704,586) |
| General and administrative | | (381,579) | (690,409) | (311,821) | (622,384) |
| Research and development | | (46,750) | (85,676) | (38,483) | (72,145) |
| Results from equity investments | 9(c) | (1,513) | (1,471) | 10,642 | 22,851 |
| Other income (expenses), net | 25 | (117,506) | (189,905) | 185,123 | 107,152 |
| | | 2,436,549 | 4,350,586 | 2,311,443 | 5,219,711 |
| Financial results | 26 | | | | |
| Financial expenses | | (757,130) | (1,428,075) | (820,578) | (1,656,087) |
| Financial income | | 151,822 | 255,787 | 151,550 | 316,530 |
| Exchange rate variations, net | | (1,536,379) | (1,456,394) | (8,431) | 276,604 |
| | | (2,141,687) | (2,628,682) | (677,459) | (1,062,953) |
| Profit before income tax and social contribution | | 294,862 | 1,721,904 | 1,633,984 | 4,156,758 |
| Current and deferred income tax and social contribution | 18(a) | 197,784 | (78,236) | (491,563) | (1,108,963) |
| Profit for the period of continued operations | | 492,646 | 1,643,668 | 1,142,421 | 3,047,795 |

Discontinued operations results

| | | | | |
|---|----------------|------------------|------------------|------------------|
| Profit from discontinued operations | | | | 13,499 |
| Current and deferred income tax and social contribution | | | | (4,623) |
| | | | | 8,876 |
| Profit for the period | 492,646 | 1,643,668 | 1,142,421 | 3,056,671 |
| Attributable to: | | | | |
| Company's shareholders | 547,253 | 1,600,844 | 1,089,848 | 2,897,400 |
| Non-controlling interest in Braskem Idesa | (54,607) | 42,824 | 52,573 | 159,271 |
| Profit for the period | 492,646 | 1,643,668 | 1,142,421 | 3,056,671 |

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

Braskem S.A.

Statement of operations and statement of
comprehensive income

at June 30, 2018

All amounts in thousands of reais, except earnings or
loss per share

Continued

| Continued operations | Note | 2Q2018 | YTD2018 | 2Q2017 | Parent company YTD2017 |
|---|-------|--------------------|--------------------|------------------|---------------------------|
| Net sales revenue | 24 | 9,508,633 | 18,759,906 | 9,113,983 | 18,321,499 |
| Cost of products sold | | (7,823,420) | (15,749,160) | (7,170,196) | (14,369,362) |
| | | 1,685,213 | 3,010,746 | 1,943,787 | 3,952,137 |
| Income (expenses) | | | | | |
| Selling and distribution | | (139,960) | (363,471) | (224,638) | (449,130) |
| General and administrative | | (271,865) | (497,102) | (228,073) | (427,875) |
| Research and development | | (29,641) | (55,320) | (26,670) | (49,961) |
| Results from equity investments | 9(c) | 618,459 | 1,454,337 | 404,481 | 1,573,361 |
| Other income (expenses), net | 25 | (109,512) | (192,494) | 172,450 | 94,887 |
| | | 1,752,694 | 3,356,696 | 2,041,337 | 4,693,419 |
| Financial results | 26 | | | | |
| Financial expenses | | (435,734) | (783,486) | (548,302) | (1,107,714) |
| Financial income | | 98,194 | 185,924 | 136,930 | 288,022 |
| Exchange rate variations, net | | (1,024,704) | (1,289,896) | (198,128) | (411,403) |
| | | (1,362,244) | (1,887,458) | (609,500) | (1,231,095) |
| Profit before income tax and social contribution | | 390,450 | 1,469,238 | 1,431,837 | 3,462,324 |
| Current and deferred income tax and social contribution | 18(a) | 156,803 | 131,606 | (341,989) | (573,800) |
| | | 547,253 | 1,600,844 | 1,089,848 | 2,888,524 |

Profit for the period of continued operations

Discontinued operations results

Profit from discontinued operations

8,876

Profit for the period

547,253

1,600,844

1,089,848

2,897,400

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

Braskem S.A.**Statement of operations and statement of
comprehensive income****at June 30, 2018****All amounts in thousands of reais, except earnings or
loss per share****Continued**

| | Note | 2Q2018 | YTD2018 | 2Q2017 | Consolidated YTD2017 |
|---|-------------|----------------|------------------|------------------|---------------------------------|
| Profit for the period | | 492,646 | 1,643,668 | 1,142,421 | 3,056,671 |
| Other comprehensive income or loss: | | | | | |
| Items that will be reclassified subsequently to profit or loss | | | | | |
| Fair value of cash flow hedge | | (291,904) | (231,905) | (36,411) | 51,167 |
| Income tax and social contribution | | 99,859 | 82,247 | 12,821 | (15,650) |
| Fair value of cash flow hedge from jointly-controlled | | 1,861 | 2,547 | 3,168 | 3,762 |
| | | (190,184) | (147,111) | (20,422) | 39,279 |
| Exchange variation of foreign sales hedge | 16.3(a.i) | (2,952,710) | (3,040,403) | (711,317) | (230,507) |
| Sales Hedge - transfer to profit or loss | 16.3(a.i) | 265,759 | 513,112 | 249,722 | 498,962 |
| Income tax and social contribution on exchange variation | | 913,563 | 859,279 | 156,942 | (91,275) |
| Exchange variation of foreign sales hedge - Braskem Idesa | 16.3(a.ii) | (807,076) | (112,966) | 496,071 | 1,403,603 |
| Sales Hedge - transfer to profit or loss - Braskem Idesa | 16.3(a.ii) | 59,371 | 106,305 | 42,992 | 73,910 |
| Income tax on exchange variation - Braskem Idesa | | 224,311 | 1,998 | (161,719) | (443,254) |
| | | (2,296,782) | (1,672,675) | 72,691 | 1,211,439 |

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| | | | | |
|--|--------------------|------------------|------------------|------------------|
| Foreign subsidiaries currency translation adjustment | 1,004,884 | 834,289 | 10,846 | (288,565) |
| Total | (1,482,082) | (985,497) | 63,115 | 962,153 |
| Total comprehensive income for the period | (989,436) | 658,171 | 1,205,536 | 4,018,824 |
| Attributable to: | | | | |
| Company's shareholders | (740,543) | 730,342 | 1,121,975 | 3,706,792 |
| Non-controlling interest in Braskem Idesa | (248,893) | (72,171) | 83,561 | 312,032 |
| Total comprehensive income for the period | (989,436) | 658,171 | 1,205,536 | 4,018,824 |

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

Braskem S.A.**Statement of operations and statement of
comprehensive income****at June 30, 2018****All amounts in thousands of reais, except earnings or
loss per share****Continued**

| | Note | 2Q2018 | YTD2018 | 2Q2017 | Parent company YTD2017 |
|---|-------------|----------------|------------------|------------------|-----------------------------------|
| Profit for the period | | 547,253 | 1,600,844 | 1,089,848 | 2,897,400 |
| Other comprehensive income or loss: | | | | | |
| Items that will be reclassified subsequently to profit or loss | | | | | |
| Fair value of cash flow hedge | | (307,180) | (316,880) | (47,451) | 7,494 |
| Income tax and social contribution | | 104,441 | 107,739 | 16,133 | (2,548) |
| Fair value of cash flow hedge - Braskem Idesa | | 11,457 | 63,731 | 8,280 | 32,754 |
| Income tax and social contribution | | (3,437) | (19,119) | (2,484) | (9,826) |
| Fair value of cash flow hedge from jointly-controlled | | 1,861 | 2,547 | 3,168 | 3,762 |
| | | (192,858) | (161,982) | (22,354) | 31,636 |
| Exchange variation of foreign sales hedge | 16.3(a.i) | (2,952,710) | (3,040,403) | (711,317) | (230,507) |
| Sales Hedge - transfer to profit or loss | 16.3(a.i) | 265,759 | 513,112 | 249,722 | 498,962 |
| Income tax and social contribution on exchange variation | | 913,563 | 859,279 | 156,942 | (91,275) |
| Exchange variation of foreign sales hedge - Braskem Idesa | 16.3(a.ii) | (605,308) | (84,725) | 372,053 | 1,052,702 |
| Sales Hedge - transfer to profit or loss - Braskem Idesa | 16.3(a.ii) | 44,529 | 79,729 | 32,244 | 55,432 |

| | | | | |
|---|--------------------|------------------|--|---|
| Income tax on exchange variation - Braskem Idesa | 168,234 | 1,499 | (121,289) | (332,440) |
| | (2,165,933) | (1,671,509) | (21,645) | 952,874 |
| Foreign subsidiaries currency translation adjustment | 1,070,995 | 962,989 | 76,126 | (175,118) |
| Total | (1,287,796) | (870,502) | 32,127 | 809,392 |
| Total comprehensive income for the period | (740,543) | 730,342 | 1,121,975 | 3,706,792 |
| | | | YTD2018 Basic and diluted | Parent company YTD2017 Basic and diluted |
| Profit per share attributable to the shareholders of the Company of continued operations at the end of the period (expressed in reais) | Note | | | |
| | 23 | | | |
| Earnings per share - common | | | 2.0121 | 3.6309 |
| Earnings per share - preferred shares class "A" | | | 2.0121 | 3.6309 |
| Earnings per share - preferred shares class "B" | | | 0.5768 | 0.6069 |

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

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

| | Note | Capital | Capital reserve |
|---|-------------|------------------|----------------------------|
| At December 31, 2016 | | 8,043,222 | 232,430 |
| Comprehensive income for the period: | | | |
| Profit for the period | | | |
| Exchange variation of foreign sales hedge, net of taxes | | | |
| Fair value of cash flow hedge, net of taxes | | | |
| Foreign subsidiaries currency translation adjustment | | | |
| Equity valuation adjustments: | | | |
| Realization of additional property, plant and equipment price-level restatement, net of taxes | | | |
| Realization of deemed cost of jointly-controlled investment, net of taxes | | | |
| Contributions to shareholders: | | | |
| Lapsed dividends | | | |
| At June 30, 2017 | | 8,043,222 | 232,430 |
| At December 31, 2017 | | 8,043,222 | 232,430 |
| 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 | | | |

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| | | |
|---|-------|-----------------------------|
| Realization of deemed cost of jointly-controlled investment, net of taxes | | |
| Actuarial gains from post-employment benefits of subsidiaries, net of taxes | | |
| Long-term incentive plan, net of taxes | 21 | |
| Fair value adjustments of trade accounts receivable | | |
| Contributions to shareholders: | | |
| Lapsed dividends | | |
| Additional dividends approved in the board meeting | 22(b) | |
| At June 30, 2018 | | 8,043,222 232,430 |

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

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

| | Note | Capital | Capital reserve |
|---|-------------|------------------|----------------------------|
| At December 31, 2016 | | 8,043,222 | 232,430 |
| Comprehensive income for the period: | | | |
| Profit for the period | | | |
| Exchange variation of foreign sales hedge, net of taxes | | | |
| Fair value of cash flow hedge, net of taxes | | | |
| Foreign subsidiaries currency translation adjustment | | | |
| Equity valuation adjustments: | | | |
| Realization of additional property, plant and equipment price-level restatement, net of taxes | | | |
| Realization of deemed cost of jointly-controlled investment, net of taxes | | | |
| Contributions to shareholders: | | | |
| Lapsed dividends | | | |
| At June 30, 2017 | | 8,043,222 | 232,430 |
| At December 31, 2017 | | 8,043,222 | 232,430 |
| 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 deemed cost of jointly-controlled investment, net of taxes | | | |

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| | | | |
|---|-------|------------------|----------------|
| Realization of additional property, plant and equipment price-level restatement, net of taxes | | | |
| Actuarial gains from post-employment benefits of subsidiaries, net of taxes | | | |
| Long-term incentive plan, net of taxes | 21 | | |
| Fair value adjustments of trade accounts receivable | | | |
| Contributions to shareholders: | | | |
| Lapsed dividends | | | |
| Additional dividends approved in the board meeting | 22(b) | | |
| At June 30, 2018 | | 8,043,222 | 232,430 |

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

Braskem S.A.**Statement of cash flows****at June 30, 2018****All amounts in thousands of reais**

| | Note | Jun/2018 | Consolidated Jun/2017 | Jun/2018 | Parent company Jun/2017 |
|--|------|------------------|--------------------------|------------------|----------------------------|
| Profit before income tax and social contribution and | | | | | |
| for the result with discontinued operations | | 1,721,904 | 4,156,758 | 1,469,238 | 3,462,324 |
| Adjustments for reconciliation of profit | | | | | |
| Depreciation, amortization and depletion | | 1,460,858 | 1,424,202 | 969,526 | 921,386 |
| Results from equity investments | 9(c) | 1,471 | (22,851) | (1,454,337) | (1,573,361) |
| Interest and monetary and exchange variations, net | | 4,131,828 | 1,292,218 | 1,277,504 | 1,282,308 |
| Gain from divestment in subsidiary | | | (276,816) | | (276,366) |
| Provision for losses and write-offs of long-lived assets | | 50,478 | 25,730 | 45,593 | 19,535 |
| | | 7,366,539 | 6,599,241 | 2,307,524 | 3,835,826 |
| Changes in operating working capital | | | | | |
| Trade accounts receivable | | (26,617) | (820,306) | (370,896) | (1,102,601) |
| Inventories | | (1,212,872) | (663,855) | (1,270,813) | (174,709) |
| Taxes recoverable | | 965,873 | 184,040 | 448,384 | 185,809 |
| Prepaid expenses | | (6,598) | (102,697) | 8,985 | (48,982) |
| Other receivables | | (138,010) | (46,675) | (33,522) | 140,474 |
| Trade payables | | 1,270,625 | (1,346,034) | 3,889,533 | 1,521,780 |
| Taxes payable | | (818,305) | (177,213) | (206,900) | (26,184) |
| Advances from customers | | (151,983) | (71,718) | (128,909) | 5,917 |
| Leniency agreement | | (330,006) | (607,358) | (267,985) | (206,460) |
| Sundry provisions | | (126,835) | (2,516) | (105,700) | (8,545) |
| Other payables | | 443,073 | (227,315) | (76,733) | (296,579) |
| Cash from operations | | 7,234,884 | 2,717,594 | 4,192,968 | 3,825,746 |
| Financial investments | | 332,006 | (1,430,383) | (111,985) | (1,447,486) |

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(includes Letras financeiras do tesouro - LFT's and Letras Financeiras - LF's)

| | | | | |
|---|--------------------|------------------|--------------------|--------------------|
| Cash generated from operations and handling of financial investments | 7,566,890 | 1,287,211 | 4,080,983 | 2,378,260 |
| Interest paid | (878,134) | (1,024,942) | (134,418) | (366,823) |
| Income tax and social contribution paid | (560,742) | (602,278) | (241,404) | (299,376) |
| Net cash generated by operating activities | 6,128,014 | (340,009) | 3,705,161 | 1,712,061 |
| Proceeds from the sale of fixed assets | 1,184 | 1,468 | 1,100 | 1,255 |
| Funds received on the sale of investments | 81,000 | 450,000 | 81,000 | 449,550 |
| Funds received in the investments' capital reduction | 2,254 | | 2,254 | |
| Acquisitions of property, plant and equipment and intangible assets | (1,145,358) | (755,063) | (689,161) | (501,396) |
| Premium in the dollar put option | (2,167) | (9,771) | (2,167) | (9,771) |
| Net cash used in investing activities | (1,063,087) | (313,366) | (606,974) | (60,362) |
| Short-term and Long-term debit | | | | |
| Obtained | 2,303,053 | 1,486,963 | 1,975,132 | 1,486,963 |
| Payments | (3,837,361) | (1,513,356) | (2,057,681) | (1,101,584) |
| Braskem Idesa borrowings | | | | |
| Obtained | | 187,959 | | |
| Payments | (371,199) | (448,525) | | |
| Related parties | | | | |
| Obtained | | | 334 | 87,067 |
| Payments | | | (295,401) | (2,969,803) |
| Dividends paid | (1,499,776) | (41) | (1,498,322) | (41) |
| Net cash provided by financing activities | (3,405,283) | (287,000) | (1,875,938) | (2,497,398) |
| Exchange variation on cash of foreign subsidiaries | (284,864) | (50,039) | | |
| Increase (decrease) in cash and cash equivalents | 1,374,780 | (990,414) | 1,222,249 | (845,699) |
| Represented by | | | | |
| Cash and cash equivalents at the beginning of the period | 3,775,093 | 6,701,864 | 1,953,056 | 3,561,431 |
| Cash and cash equivalents at the end of the period | 5,149,873 | 5,711,450 | 3,175,305 | 2,715,732 |
| Increase (decrease) in cash and cash equivalents | 1,374,780 | (990,414) | 1,222,249 | (845,699) |

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

Braskem S.A.

Statement of value added

at June 30, 2018

All amounts in thousands of reais

| | Jun/2018 | Consolidated Jun/2017 | Jun/2018 | Parent company Jun/2017 |
|--|---------------------|--------------------------|---------------------|----------------------------|
| Revenue | 31,865,576 | 28,908,199 | 23,705,887 | 22,829,462 |
| Sale of goods, products and services | 31,719,982 | 28,643,780 | 23,632,357 | 22,605,553 |
| Other income (expenses), net | 52,310 | 261,729 | (20,925) | 221,528 |
| Allowance for doubtful accounts | 93,284 | 2,690 | 94,455 | 2,381 |
| Inputs acquired from third parties | | | (18,854,129) | (16,912,801) |
| | (23,808,898) | (20,198,975) | | |
| Cost of products, goods and services sold | (22,668,788) | (19,217,807) | (18,025,680) | (16,173,930) |
| Material, energy, outsourced services and others | (1,109,729) | (964,070) | (815,031) | (721,948) |
| Impairment of assets | (30,381) | (17,098) | (13,418) | (16,923) |
| Gross value added | 8,056,678 | 8,709,224 | 4,851,758 | 5,916,661 |
| Depreciation, amortization and depletion | (1,460,858) | (1,424,202) | (969,526) | (921,386) |
| Net value added produced by the entity | 6,595,820 | 7,285,022 | 3,882,232 | 4,995,275 |
| Value added received in transfer | 254,354 | 348,282 | 1,640,299 | 1,870,284 |
| Results from equity investments | (1,471) | 31,727 | 1,454,337 | 1,582,237 |
| Financial income | 255,787 | 316,530 | 185,924 | 288,022 |
| Other | 38 | 25 | 38 | 25 |
| Total value added to distribute | 6,850,174 | 7,633,304 | 5,522,531 | 6,865,559 |
| Personnel | 752,250 | 679,581 | 532,421 | 481,802 |
| Direct compensation | 602,135 | 550,942 | 414,871 | 381,901 |
| Benefits | 118,318 | 98,014 | 84,798 | 68,577 |
| FGTS (Government Severance Pay Fund) | 31,797 | 30,625 | 32,752 | 31,324 |
| Taxes, fees and contributions | 1,441,418 | 2,398,190 | 1,210,555 | 1,869,218 |
| Federal | 789,885 | 1,424,171 | 575,764 | 933,795 |

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| | | | | |
|---|------------------|------------------|------------------|------------------|
| State | 623,059 | 960,432 | 623,059 | 926,121 |
| Municipal | 28,474 | 13,587 | 11,732 | 9,302 |
| Remuneration on third parties' capital | 3,012,838 | 1,498,862 | 2,178,711 | 1,617,139 |
| Financial expenses (including exchange variation) | 2,878,229 | 1,370,715 | 2,069,633 | 1,512,694 |
| Rentals | 134,609 | 128,147 | 109,078 | 104,445 |
| Remuneration on own capital | 1,643,668 | 3,056,671 | 1,600,844 | 2,897,400 |
| Profit for the period | 1,600,844 | 2,888,524 | 1,600,844 | 2,888,524 |
| Non-controlling interest in Braskem Idesa | 42,824 | 159,271 | | |
| Discontinued operations results | | 8,876 | | 8,876 |
| Value added distributed | 6,850,174 | 7,633,304 | 5,522,531 | 6,865,559 |

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

Braskem S.A.

Notes to the financial statements

at June 30, 2018

All amounts in thousands of reais, unless otherwise stated

1. Operations

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

As per the Material Fact notice disclosed on June 15, 2018, the Company was informed by Odebrecht, its controlling shareholder, of the start of negotiations with LyondellBasell, public company with registered office in Rotterdam, about a possible transaction involving the transfer of the entire interest held by Odebrecht in Braskem to LyondellBasell.

(a) Significant operating events impacting these Quarterly Information

(a.i) In April 2018, the Company received the amount of R\$81,000 monetarily corrected related to the outstanding balance of the R\$100 million provided for in the sale made of the subsidiaries Quantiq Distribuidora Ltda and IQAG Armazéns Gerais Ltda, in 2017. The difference between the restated amount provided for and the amount received was recognized in the second quarter of 2018 in the line “Other income (expenses), net,” in the amount of R\$19,558, resulting from the adjustment envisaged in the agreement.

(a.ii) Because of the logistics constraints caused by the truck drivers’ strike, the Company’s operations in Brazil registered a slight reduction in production. The reduction occurred from May 20, 2018, and early June 2018, when the strike began to wind down. The Company remains committed to recovering as much as possible the effects from the strike during the entire second half of 2018.

(b) Net Working Capital

On June 30, 2018, in compliance with CPC 26 and its corresponding IAS 1 (Presentation of Financial Statements), the subsidiary Braskem Idesa maintained as current liabilities its financial obligations whose original maturities were long term. This reclassification derives from non-compliance with certain contractual covenants for which, provided for in the financing agreement of Braskem Idesa (Note 13). Consequently, the consolidated net working capital was negative R\$3,081,989.

Note that Braskem Idesa has been settling all its obligations in accordance with the original debt and no creditor has requested or indicated the intention to request the immediate reimbursement of said obligations or the acceleration of debt repayment. Without the aforementioned reclassification, consolidated net working capital was positive R\$6,956,098.

(c) Risk management

In May 2018, the Company, in keeping with its commitment to ensuring its financial liquidity, contracted an international revolving credit facility in the amount of US\$1 billion, which expires in 2023. Because of the Company's credit quality, the credit facility may be tapped without restriction or in the event of any deterioration in the macroeconomic scenario.

The two facilities held by the Company until then in the amounts of R\$750 million with expiration in December 2019 and of R\$500 million with expiration in September 2019 were cancelled.

As of June 30, 2018, this new line had not been used.

Braskem S.A.

Notes to the financial statements

at June 30, 2018

All amounts in thousands of reais, unless otherwise stated

2. Summary of significant accounting policies

There were no changes in the accounting practices used in the preparation of the Quarterly Information in relation to those presented in the December 31, 2017, except the changes to accounting policies described in Note 2.2.1.

2.1. Long-term incentive plan (“LTI Plan”)

The LTI Plan, approved in March 2018 (Note 21(a)), is booked in accordance with “CPC10/IFRS 2- Share-based Payment,” according to which the organization must to calculate the value of equity instruments granted based on their fair value on the grant date. Such cost is recognized during the vesting period for the acquisition of the right to exercise the instruments.

In view of the characteristics of the LTI Plan, the aggregate amount to be booked as an expense, with a corresponding adjustment to shareholders' equity, is determined based on the fair value of the options granted on the grant date. The fulfillment of the vesting condition is incorporated into the assumptions of the number of shares expected to be granted. At the end of each period, the Company revises its estimates of the number of shares expected to be delivered after the vesting period.

Expired the vesting period, the Company grants the shares held in treasury to the beneficiaries.

2.2. Basis of preparation

This Quarterly Information includes the six-month period ended June 30, 2018 and should be read together with the financial statements of Braskem as of December 31, 2017, which were prepared and presented (i) in the consolidated, in accordance with accounting practices adopted in Brazil, including the pronouncements issued by the Brazilian Accounting Pronouncements Committee (CPC), and in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB); and (ii) in the Parent Company, in accordance with the accounting practices adopted in Brazil, in compliance with Federal Law 6,404/76, including amendments, and with the standards issued by CPC.

The preparation of the Quarterly Information requires the use of certain critical accounting estimates. It also requires the Management of the Company to exercise its judgment in the process of applying its accounting policies.

There were no significant changes in the assumptions and judgments made by the Company's management in the use of estimates for the preparation of the Quarterly Information in relation to those used in the December 31, 2017 financial statements.

Issue of these financial statements was authorized by the Executive Board on August 7, 2018.

2.2.1. Changes to the main accounting policies

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

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

Braskem S.A.

Notes to the financial statements

at June 30, 2018

All amounts in thousands of reais, unless otherwise stated

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

The effect from the adoption of these standards is attributed mainly to the following: (i) presentation of variable considerations (bonuses) deducted directly from gross sales revenue (Note 24); (ii) replacement of the “incurred loss” model for the prospective model of “expected credit losses.” (Note 5); (iii) change in the classification and measurement of financial assets (Note 16); and (iv) change in the accounting of operations involving dollar put and call options designated for hedge accounting (Note 16.2.1.a).

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

2.2.2. Consolidated and parent company quarterly information

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

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

2.2.3. Consolidated quarterly information

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

Braskem S.A.**Notes to the financial statements****at June 30, 2018****All amounts in thousands of reais, unless otherwise stated**

| | Headquarters | Total and voting interest - % | |
|--|---------------------|--------------------------------------|-----------------|
| | | Jun/2018 | Dec/2017 |
| Direct and Indirect subsidiaries | | | |
| Braskem America Finance Company ("Braskem America Finance") | EUA | 100.00 | 100.00 |
| Braskem America, Inc. ("Braskem America") | EUA | 100.00 | 100.00 |
| Braskem Argentina S.A. ("Braskem Argentina") | Argentina | 100.00 | 100.00 |
| Braskem International GmbH ("Braskem Austria") (i) | Austria | 100.00 | 100.00 |
| Braskem Europe GmbH ("Braskem Alemanha") | Germany | 100.00 | 100.00 |
| Braskem Finance Limited ("Braskem Finance") | Cayman Islands | 100.00 | 100.00 |
| Braskem Idesa S.A.P.I. ("Braskem Idesa") | Mexico | 75.00 | 75.00 |
| Braskem Idesa Servicios S.A. de CV ("Braskem Idesa Serviços") | Mexico | 75.00 | 75.00 |
| Braskem Incorporated Limited ("Braskem Inc") | Cayman Islands | 100.00 | 100.00 |
| Braskem Mexico Proyectos S.A. de C.V. SOFOM ("Braskem México Sofom") | Mexico | 100.00 | 100.00 |
| Braskem Mexico, S. de RL de CV ("Braskem México") | Mexico | 100.00 | 100.00 |
| Braskem Mexico Servicios S. RL de CV ("Braskem México Serviços") | Mexico | 100.00 | 100.00 |
| Braskem Netherlands B.V. ("Braskem Holanda") | Netherlands | 100.00 | 100.00 |
| Braskem Netherlands Finance B.V. ("Braskem Holanda Finance") | Netherlands | 100.00 | 100.00 |
| Braskem Netherlands Inc. B.V. ("Braskem Holanda Inc") | Netherlands | 100.00 | 100.00 |
| Braskem Petroquímica Chile Ltda. ("Braskem Chile") | Chile | 100.00 | 100.00 |
| Cetrel S.A. ("Cetrel") | Brazil | 63.66 | 63.66 |
| Distribuidora de Água Camaçari S.A. ("DAC") | Brazil | 63.66 | 63.66 |
| Lantana Trading Co. Inc. ("Lantana") | Bahamas | 100.00 | 100.00 |
| Specific Purpose Entity ("SPE") | | | |
| Fundo de Investimento Caixa Júpiter Multimercado Crédito Privado Longo Prazo ("FIM Júpiter") | Brazil | 100.00 | 100.00 |

- (i) Dissolved in June 2018.

Braskem S.A.**Notes to the financial statements****at June 30, 2018****All amounts in thousands of reais, unless otherwise stated****2.3. Foreign and functional currency**

The information on functional and foreign currency was presented in the 2017 annual financial statements of the Company, in Note 2.2.

Exchange variation effects

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

| | Jun/2018 | Dec/2017 | Final rate Variation | Jun/2018 | Average rate for period ended Jun/2017 | Variation |
|---------------------------------|-----------------|-----------------|---------------------------------|-----------------|---|------------------|
| U.S. dollar - Brazilian real | 3.8558 | 3.3080 | 16.56% | 3.4274 | 3.1807 | 7.76% |
| U.S. dollar - Mexican peso | 19.6576 | 19.6890 | -0.16% | 19.0851 | 19.4478 | -1.87% |
| U.S. dollar - Euro | 0.8562 | 0.8464 | 1.16% | 0.8262 | 0.9239 | -10.57% |

3. Cash and cash equivalents

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

| | |
|-----------------|----------------------------------|
| Jun/2018 | Consolidated Dec/2017 |
|-----------------|----------------------------------|

| | | | |
|-------------------|-----|------------------|------------------|
| Cash and banks | (i) | 1,982,170 | 1,428,766 |
| Cash equivalents: | | | |
| Domestic market | | 1,906,703 | 1,706,784 |
| Foreign market | (i) | 1,261,000 | 639,543 |
| Total | | 5,149,873 | 3,775,093 |

(i) On June 30, 2018, it includes cash and banks of R\$427,852 (R\$247,285 on December 31, 2017) and cash equivalents of R\$307,332 (R\$47,400 on December 31, 2017) of the subsidiary Braskem Idesa, available for its exclusive use.

Braskem S.A.**Notes to the financial statements****at June 30, 2018****All amounts in thousands of reais, unless otherwise stated****4. Financial investments**

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

| | Jun/2018 | Consolidated Dec/2017 |
|--|------------------|----------------------------------|
| Amortized cost | | |
| Time deposit investments | | 440,616 |
| Fair value through profit or loss | | |
| Time deposit investments | 49,721 | 15,764 |
| <i>Letras financeiras do tesouro - LFT's and Letras Financeiras - LF's</i> | (i) 1,963,112 | 1,816,889 |
| Restricted funds investments | (ii) 12,310 | 12,404 |
| Other | 41,005 | 27,335 |
| Total | 2,066,148 | 2,313,008 |
| Current assets | 2,055,906 | 2,302,672 |
| Current liabilities | 10,242 | 10,336 |
| Total | 2,066,148 | 2,313,008 |

(i) Refers 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 on the secondary market and Management expects them to be realized in the short term.

(ii) Restricted funds represent bank deposits with yields of approximately 100% of the Interbank Deposit Rate (“CDI”), and their use is related to the fulfillment of the contractual obligations of the debentures.

5. Trade accounts receivable

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

| | | Consolidated | | Parent Company |
|---------------------------------|------------------|---------------------|------------------|-----------------------|
| | Jun/2018 | Dec/2017 | Jun/2018 | Dec/2017 |
| Customers | | | | |
| Domestic market | 1,107,989 | 1,459,623 | 1,182,707 | 1,521,082 |
| Foreign market | 2,492,187 | 2,209,094 | 2,592,763 | 1,977,584 |
| Allowance for doubtful accounts | (i) (256,741) | (350,025) | (243,241) | (337,697) |
| Total | 3,343,435 | 3,318,692 | 3,532,229 | 3,160,969 |
| Current assets | 3,306,114 | 3,281,196 | 1,505,662 | 1,824,740 |
| Non-current assets | 37,321 | 37,496 | 2,026,567 | 1,336,229 |
| Total | 3,343,435 | 3,318,692 | 3,532,229 | 3,160,969 |

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

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

Braskem S.A.**Notes to the financial statements****at June 30, 2018****All amounts in thousands of reais, unless otherwise stated**

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

Stage 3 – includes financial assets that have objective evidence of impairment. The trigger for evidence of impairment is an unprecedented delay superior to ninety days.

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

| | | | Estimated loss percentage | Trade accounts receivable | Jun/2018 Allowance for doubtful accounts |
|---------|---|------------------------------------|--|--|---|
| Stage 1 | Performing | Operation risk 1 | No risk | 2,368,398 | |
| | | Operation risk 2 | No risk | 553,643 | |
| | | Operation risk 3 | 0.27% | 293,551 | 911 |
| | | Operation risk 4 | 0.63% | 123,111 | 980 |
| | | Operation risk 5 | 100% | 48 | 48 |
| | | | | 3,338,751 | 1,939 |
| Stage 2 | Significant Increase in Loss Risk | 1° Renegotiation < 24 months | 12% ou 100% | 6,806 | 1,186 |
| | | 2° Renegotiation or > 24 months | 91% ou 100% | 24,794 | 24,763 |
| | | Legal | 100% | 172,836 | 172,836 |
| | | | | 204,436 | 198,785 |
| Stage 3 | No payment performance | Between 90 and 180 days | 50% ou 100% | 3,129 | 2,157 |

| | | | | |
|----------------------------|----------------|------|------------------|----------------|
| (Indicative of impairment) | Above 180 days | 100% | 53,860 | 53,860 |
| | | | 56,989 | 56,017 |
| Total | | | 3,600,176 | 256,741 |

6. Inventories

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

| | Jun/2018 | Consolidated Dec/2017 | Jun/2018 | Parent company Dec/2017 |
|--|------------------|----------------------------------|------------------|------------------------------------|
| Finished goods | 4,840,258 | 4,255,114 | 3,396,185 | 2,785,179 |
| Raw materials, production inputs and packaging | 2,574,170 | 1,715,757 | 2,325,442 | 1,549,001 |
| Maintenance materials | 423,200 | 365,803 | 173,227 | 165,073 |
| Advances to suppliers | 285,518 | 482,043 | 221,283 | 273,401 |
| Imports in transit and other | 29,790 | 74,670 | 29,790 | 74,670 |
| Total | 8,152,936 | 6,893,387 | 6,145,927 | 4,847,324 |
| Current assets | 8,114,007 | 6,846,923 | 6,106,998 | 4,800,860 |
| Non-current assets | 38,929 | 46,464 | 38,929 | 46,464 |
| Total | 8,152,936 | 6,893,387 | 6,145,927 | 4,847,324 |

Braskem S.A.**Notes to the financial statements****at June 30, 2018****All amounts in thousands of reais, unless otherwise stated****7. Related parties**

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

(a) Consolidated

| | Balances at June 30, 2018 | | | | Balances at December 31, 2017 | | | |
|-----------------------------------|--|----------------------------|---------------|----------------|--|----------------------------|---------------|----------------|
| | Associated companies, Jointly-controlled investment and Related companies | | | | Associated companies, Jointly-controlled investment and Related companies | | | |
| | Odebrecht and subsidiaries | Petrobras and subsidiaries | Other | Total | Odebrecht and subsidiaries | Petrobras and subsidiaries | Other | Total |
| Balance sheet | and associates | | | | and associates | | | |
| Assets | | | | | | | | |
| Current | | | | | | | | |
| Trade accounts receivable | 12,176 | 31,541 | 29,175 | 72,892 | 7,634 | 45,184 | 60,502 | 113,320 |
| Inventories | 172,303 | | | 172,303 | 250,904 | 118 | | 251,022 |
| Dividends and interest on capital | | | 5,837 | 5,837 | | | 10,859 | 10,859 |
| Total assets | 184,479 | 31,541 | 35,012 | 251,032 | 258,538 | 45,302 | 71,361 | 375,201 |
| Liabilities | | | | | | | | |
| Current | | | | | | | | |
| Trade payables | 11,900 | 86,429 | 1,229 | 99,558 | 21,530 | 149,058 | 700 | 171,288 |
| Other | | | | | 2,338 | 562 | 7,591 | 10,491 |

| | | | | | | | | |
|--------------------------|---------------|---------------|--------------|---------------|---------------|----------------|--------------|----------------|
| Total liabilities | 11,900 | 86,429 | 1,229 | 99,558 | 23,868 | 149,620 | 8,291 | 181,779 |
|--------------------------|---------------|---------------|--------------|---------------|---------------|----------------|--------------|----------------|

Six-month period ended June 30, 2018
Associated companies, Jointly-controlled
investment and Related companies

Six-month period ended June 30, 2017
Associated companies, Jointly-controlled
investment and Related companies

| | Odebrecht and subsidiaries | Petrobras and subsidiaries | Other | Total | Odebrecht and subsidiaries | Petrobras and subsidiaries | Other | Total |
|--|----------------------------------|----------------------------------|---------|-----------|----------------------------------|----------------------------------|---------|-----------|
| Transactions | | | | | | | | |
| Sales of products | | 579,159 | | 898,144 | 25,008 | 833,004 | | 1,181,628 |
| | | | 318,985 | | | | 323,616 | |
| Purchases of raw materials, finished goods services and utilities | 167,309 | 6,283,603 | 3,931 | 6,454,843 | 403,618 | 6,691,063 | 2,657 | 7,097,338 |
| Financial income (expenses) | 1,493 | (47) | | 1,446 | 4,929 | (36,110) | | (31,181) |
| General and administrative expenses | | | | | | | | |
| Post-employment benefits plan | | | | | | | | |
| Odebrecht Previdência Privada ("Odeprev") | | | 15,368 | 15,368 | | | 11,026 | 11,026 |

Braskem S.A.**Notes to the financial statements****at June 30, 2018****All amounts in thousands of reais, unless otherwise stated****(b) Parent Company**

| | Associated companies, Jointly-controlled investment and associated companies | | | | | | |
|-------------------------------------|---|------------------|---------------------|-----------------|-------------------|---------------|-----------------------|
| | Braskem Inc. | Braskem Holanda | Braskem Holanda Inc | Braskem America | Braskem Argentina | Other | Odebre su and a |
| Balance sheet | | | | | | | |
| Assets | | | | | | | |
| Current | | | | | | | |
| Cash and equivalents | | | | | | | |
| Financial investments | | | | | | | |
| Trade accounts receivable | | | | 20,235 | 156,207 | 43,654 | |
| Inventories | | | | | | | |
| Dividends and interest on capital | | | | | | 5,837 | |
| Related parties | 192 | 55 | | 487 | 1 | 25,225 | |
| Non-current | | | | | | | |
| Trade accounts receivable | | | 1,990,507 | | | | |
| Related parties | | | | | | | |
| Loan agreements | 18,018 | | | | | 943 | |
| Total assets | 18,210 | 1,990,562 | | 20,722 | 156,208 | 75,659 | |
| Liabilities | | | | | | | |
| Current | | | | | | | |
| Trade payables | 29 | 2 | | 4 | | 14,765 | |
| Accounts payable to related parties | | | | | | | |
| Advance to export | | | 188,221 | 787,137 | | | |
| Other payables | | 116 | | | | | |
| Non-current | | | | | | | |
| Trade Payables | | 19,483,354 | | | | | |

| | | | | | |
|-------------------------------------|---------------|-------------------|------------------|------------------|---------------|
| Accounts payable to related parties | | | | | |
| Advance to export | | | 8,023,411 | 320,031 | |
| Payable notes | 14,807 | | | | |
| Total liabilities | 14,836 | 19,483,472 | 8,211,632 | 1,107,172 | 14,765 |

Associated companies, Jointly-controlled investment and associated companies

| | Braskem Inc | Braskem Holanda | Braskem Holanda Inc | Braskem America | Braskem Argentina | Other | Odeb su and a |
|--|----------------|--------------------|------------------------|--------------------|----------------------|---------|---------------------|
| Transactions | | | | | | | |
| Sales of products | | 1,656,981 | | 110,268 | 183,206 | 374,393 | |
| Purchases of raw materials, finished products services and utilities | | 6,018,599 | | 309 | | 81,970 | |
| Financial income (expenses) | 770 | (2,352,073) | (1,473,533) | (163,522) | 21,658 | 8,577 | |
| General and administrative expenses - Odeprev | | | | | | | |

Braskem S.A.**Notes to the financial statements****at June 30, 2018****All amounts in thousands of reais, unless otherwise stated**

| | Associated companies, Jointly-controlled investment and associated companies | | | | | |
|-------------------------------------|---|--------------------|------------------------|-------------------------|--------------------|----------------------|
| | Braskem Inc. | Braskem Holanda | Braskem Holanda Inc | Braskem Petroquímica | Braskem America | Braskem Argentina |
| Balance sheet | | | | | | |
| Assets | | | | | | |
| Current | | | | | | |
| Cash and equivalents | | | | | | |
| Financial investments | | | | | | |
| Trade accounts receivable | | 428 | | | 23,833 | 111,824 |
| Inventories | | | | | | |
| Dividends and interest on capital | | | | | | |
| Related parties | | 115 | | | 20,771 | |
| Non-current | | | | | | |
| Trade accounts receivable | | | 1,298,733 | | | |
| Related parties | | | | | | |
| Loan agreements | 15,172 | | | | | |
| Total assets | 15,172 | 1,299,276 | | | 44,604 | 111,824 |
| Liabilities | | | | | | |
| Current | | | | | | |
| Trade payables | 25 | | | | | |
| Accounts payable to related parties | | | | | | |
| Advance to export | | | | 107,574 | 675,547 | |
| Other payables | | | | | 60 | |
| Other | | | | | | |
| Non-current | | | | | | |
| Trade Payables | | 13,585,736 | | | | |
| Accounts payable to related parties | | | | | | |
| Advance to export | | | | 6,910,306 | 274,564 | |
| Payable notes | 12,703 | | | | | |
| Total liabilities | 12,728 | 13,585,736 | 7,017,880 | | 950,171 | |

Associated companies, Jointly-controlled investment and associated companies

| | Braskem Inc | Braskem Holanda | Braskem Holanda Inc | Braskem Petroquímica | Braskem America | Braskem Argentina |
|---|----------------|--------------------|------------------------|-------------------------|--------------------|----------------------|
| Transactions | | | | | | |
| Sales of products | | 2,012,852 | | 1,313,882 | 62,287 | 145,145 |
| Purchases of raw materials, finished products services and utilities | | 3,456,409 | | 1,593,216 | | |
| Financial income (expenses) | 34,155 | (144,980) | (407,808) | 25 | (34,215) | 1,032 |
| General and administrative expenses - Odeprev | | | | | | |

Braskem S.A.

Notes to the financial statements

at June 30, 2018

All amounts in thousands of reais, unless otherwise stated

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

In the period ended June 30, 2018, the Company engaged in the following transactions with related parties, except for those engaged with subsidiaries of the Company:

(i) Sales of gasoline to Refinaria de Petróleo Riograndense S.A. (“RPR”) are made based on monthly negotiations. Sales in the period amounted to R\$103,413.

(ii) Since January 2018, Braskem has held agreements for the sale of gasoline to Petrobrás Distribuidora S.A., which are renewed monthly. Sales in the period amounted to R\$542,791.

(iii) In May 2018, Braskem entered into an agreement for caustic soda movement and storage services with Liquiport Vila Velha S.A., a wholly owned subsidiary of Odebrecht Transport S.A. The agreement has an estimated maximum value of R\$93,000 and is valid for 10 years. There were no transactions in the period.

(d) Key management personnel

| Income statement transactions | Jun/2018 | Consolidated Jun/2017 |
|--------------------------------------|-----------------|----------------------------------|
| Remuneration | | |
| Short-term benefits | 29,955 | 25,873 |
| Post-employment benefit | 410 | 219 |
| LTI Plan | 874 | |
| Total | 31,239 | 26,092 |

Braskem S.A.**Notes to the financial statements****at June 30, 2018****All amounts in thousands of reais, unless otherwise stated****8. Taxes recoverable**

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

| | Jun/2018 | Consolidated Dec/2017 | Parent Company Jun/2018 | Dec/2017 |
|--|------------------|----------------------------------|------------------------------------|------------------|
| Parent Company and subsidiaries in Brazil | | | | |
| IPI | 17,106 | 18,226 | 17,106 | 18,226 |
| Value-added tax on sales and services (ICMS) - normal operations | 468,421 | 499,984 | 468,416 | 499,979 |
| ICMS - credits from PP&E | 155,813 | 140,904 | 155,813 | 140,904 |
| Social integration program (PIS) and social contribution on revenue (COFINS) - normal operations | 485 | 22,389 | | 21,904 |
| PIS and COFINS - credits from PP&E | 256,811 | 223,297 | 256,811 | 222,964 |
| Income tax and social contribution (IR and CSL) | 556,373 | 691,697 | 547,986 | 684,570 |
| REINTEGRA program | 42,708 | 102,166 | 42,708 | 102,166 |
| Federal supervenience | 156,324 | 160,198 | 156,324 | 160,198 |
| Other | 2,215 | 4,322 | 1,253 | 2,486 |
| Foreign subsidiaries | | | | |
| Value-added tax | 75,255 | 90,050 | | |
| Income tax (IR) | 226,973 | 415,443 | | |
| Other | 9,082 | 4,021 | | |
| Total | 1,967,566 | 2,372,697 | 1,646,417 | 1,853,397 |
| Current assets | 911,871 | 1,349,064 | 590,786 | 830,152 |
| Non-current assets | 1,055,695 | 1,023,633 | 1,055,631 | 1,023,245 |
| Total | 1,967,566 | 2,372,697 | 1,646,417 | 1,853,397 |

Braskem S.A.**Notes to the financial statements****at June 30, 2018****All amounts in thousands of reais, unless otherwise stated****9. Investments**

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

(a) Information on investments

| | Interest in total and voting capital (%) - 6/30/2017 Direct and indirect | Adjusted net profit (loss) for the year | | Adjusted equity | |
|----------------------------|---|--|-----------------|----------------------------|-----------------|
| | | Jun/2018 | Jun/2017 | Jun/2018 | Dec/2017 |
| Subsidiaries | | | | | |
| Braskem Alemanha | 100.00 | 717,501 | 464,212 | 5,532,595 | 4,069,847 |
| Braskem America | 100.00 | 651,042 | 425,256 | 5,004,200 | 3,665,456 |
| Braskem America Finance | 100.00 | 1,097 | 334 | (5,445) | (5,667) |
| Braskem Argentina | 100.00 | (15,031) | 6,511 | 19,903 | 34,934 |
| Braskem Austria (i) | | (58) | (201) | | 4,459 |
| Braskem Chile | 100.00 | 2,153 | 1,929 | 21,220 | 19,067 |
| Braskem Holanda | 100.00 | 1,478,060 | 1,419,289 | 6,415,592 | 4,006,132 |
| Braskem Holanda Finance | 100.00 | (1,912) | (6) | (12,208) | (8,658) |
| Braskem Holanda Inc | 100.00 | 1,980 | 869 | 6,801 | 3,909 |
| Braskem Finance | 100.00 | (36,014) | (7,143) | (137,908) | (101,894) |
| Braskem Idesa | 75.00 | 138,798 | 637,085 | (3,901,919) | (3,586,358) |
| Braskem Idesa Serviços | 75.00 | 117 | 33,111 | 18,204 | 15,450 |
| Braskem Inc. | 100.00 | 1,159 | (24,691) | 244,719 | 243,560 |
| Braskem México | 100.00 | 5,602 | (19,804) | 219,116 | 183,595 |
| Braskem México Sofom | 100.00 | (3,055) | 2,319 | 17,430 | 15,397 |
| Braskem México Serviços | 100.00 | (1,615) | 1,350 | 1,480 | 2,812 |

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| | | | | | |
|--|--------|--------|--------|---------|---------|
| Braskem Petroquímica | | | 96,417 | | |
| Cetrel | 63.66 | 22,357 | | 204,765 | 190,118 |
| DAC | 63.66 | 12,027 | | 83,392 | 76,971 |
| Lantana | 100.00 | (147) | (13) | (1,035) | (888) |
| Jointly-controlled investment | | | | | |
| RPR | 33.20 | 3,352 | 52,868 | 118,173 | 201,038 |
| Odebrecht Comercializadora de Energia S.A. ("OCE") (i) | | (48) | 74 | | 5,178 |
| Associates | | | | | |
| Borealis | 20.00 | (786) | 12,082 | 165,998 | 166,630 |

(i) Dissolved in June 2018.

Braskem S.A.**Notes to the financial statements****at June 30, 2018****All amounts in thousands of reais, unless otherwise stated****(b) Changes in investments – Parent Company**

| | Subsidiaries and jointly-controlled investment Domestic subsidiaries | Foreign subsidiaries | Domestic associate | Total |
|-------------------------------------|---|---------------------------------|-------------------------------|------------------|
| Balance at December 31, 2017 | 188,818 | 4,693,385 | 33,406 | 4,915,609 |
| Equity of investments | | | | |
| Effect of results | 12,899 | 1,512,526 | (126) | 1,525,299 |
| Adjustment of profit in inventories | | (34,776) | | (34,776) |
| Equity valuation adjustments | 2,547 | 41,484 | | 44,031 |
| Currency translation adjustments | | 961,986 | | 961,986 |
| Capital decrease | | | (2,254) | (2,254) |
| Provision for loss | | | 2,173 | 2,173 |
| Dividends and interest on equity | (33,645) | (4,398) | | (38,043) |
| Selling of investments | | | (1,027) | (1,027) |
| Balance at June 30, 2018 | 170,619 | 7,170,207 | 32,172 | 7,372,998 |

(c) Equity accounting results

| | Jun/2018 | Parent company Jun/2017 |
|---|------------------|------------------------------------|
| Equity in results of subsidiaries, associate and jointly-controlled | 1,490,523 | 1,594,603 |
| Amortization of fair value adjustment | | (14,497) |
| Reversal to subsidiaries with short-term liabilities | (36,156) | (6,745) |
| Dividends received | (30) | |
| | 1,454,337 | 1,573,361 |

Braskem S.A.**Notes to the financial statements****at June 30, 2018****All amounts in thousands of reais, unless otherwise stated****(d) Impacts on consolidation of Braskem Idesa**

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

Balance sheet

| Assets | Consolidated Braskem Ex consolidated Braskem Idesa | | Braskem Idesa consolidated (i) | | Elimin De | |
|-------------------------------|--|-------------------|-----------------------------------|-------------------|--------------------|--------------|
| | Jun/2018 | Dec/2017 | Jun/2018 | Dec/2017 | Jun/2018 | De |
| Curent | | | | | | |
| Cash and cash equivalents | 4,414,689 | 3,480,407 | 735,184 | 294,687 | | |
| Financial investments | 2,055,906 | 2,302,672 | | | | |
| Trade accounts receivable | 2,731,086 | 2,809,034 | 646,668 | 620,531 | (71,640) | (14 |
| Inventories | 7,591,590 | 6,500,198 | 522,417 | 346,725 | | |
| Taxes recoverable | 867,908 | 1,286,035 | 43,963 | 63,029 | | |
| Derivatives operations | | 3,793 | 16,224 | | | |
| Other receivables | 363,683 | 388,957 | 79,294 | 44,629 | | |
| | 18,024,862 | 16,771,096 | 2,043,750 | 1,369,601 | (71,640) | (14 |
| Non-current | | | | | | |
| Taxes recoverable | 1,055,634 | 1,023,581 | 61 | 52 | | |
| Deferred tax | 790,125 | 129,469 | 1,186,412 | 1,036,257 | | |
| Related parties | 5,940,571 | 5,051,706 | | | (ii) (5,940,571) | (5,05 |
| Other receivables | 667,399 | 637,549 | 93,868 | 33,207 | | |
| Property, plant and equipment | 19,679,212 | 19,180,263 | 12,676,586 | 11,228,346 | (iii) (729,857) | (64 |
| Intangible | 2,561,289 | 2,575,567 | 178,373 | 151,930 | | |
| | 30,694,230 | 28,598,135 | 14,135,300 | 12,449,792 | (6,670,428) | (5,69 |
| Total assets | 48,719,092 | 45,369,231 | 16,179,050 | 13,819,393 | (6,742,068) | (5,84 |

Liabilities and shareholders' equity**Current**

| | | | | | | |
|-----------------------------|-------------------|------------------|-------------------|------------------|-----------------|-----------------|
| Trade payables | 8,146,369 | 5,254,167 | 183,239 | 159,872 | (71,640) | (14,000) |
| Borrowings | 1,118,936 | 1,184,781 | | | | |
| Debentures | 27,510 | 27,183 | | | | |
| Braskem Idesa Borrowings | | | 10,979,179 | 9,691,450 | | |
| Payroll and related charges | 476,386 | 609,883 | 19,364 | 20,634 | | |
| Taxes payable | 1,037,494 | 1,248,137 | 12,291 | 13,067 | | |
| Other payables | 1,074,949 | 1,019,346 | 74,884 | 57,581 | | |
| | 11,881,644 | 9,343,497 | 11,268,957 | 9,942,604 | (71,640) | (14,000) |

Non-current

| | | | | | | |
|--------------------------------------|-------------------|-------------------|------------------|------------------|--------------------|--------------------|
| Loan agreements | 24,303,244 | 22,176,640 | | | | |
| Debentures | 276,540 | 286,141 | | | | |
| Accounts payable to related parties | | | 6,004,324 | 5,065,971 (ii) | (6,004,324) | (5,065,971) |
| Loan agreement Etileno XXI project | | | (v) 2,127,583 | 1,756,600 | | |
| Provision for losses on subsidiaries | 2,926,439 | 2,689,769 | | | (iv) (2,926,439) | (2,689,769) |
| Other payables | 3,507,223 | 4,286,245 | 14,001 | 7,842 | | |
| | 31,013,446 | 29,438,795 | 8,145,908 | 6,830,413 | (8,930,763) | (7,751,740) |

Shareholders' equity

| | | | | | | |
|---|-------------------|-------------------|--------------------|--------------------|--------------------|--------------------|
| Attributable to the Company's shareholders | 5,749,590 | 6,517,850 | (3,235,815) | (2,953,624) | 3,235,815 | 2,953,624 |
| Non-controlling interest in Braskem Idesa | 74,412 | 69,089 | | | (975,480) | (896,391) |
| | 5,824,002 | 6,586,939 | (3,235,815) | (2,953,624) | 2,260,335 | 2,057,233 |
| Total liabilities and shareholders' equity | 48,719,092 | 45,369,231 | 16,179,050 | 13,819,393 | (6,742,068) | (5,844,835) |

(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.

Braskem S.A.

Notes to the financial statements

at June 30, 2018

All amounts in thousands of reais, unless otherwise stated

Statement of operations

| | Consolidated Braskem | | Braskem Idesa consolidated | | Eliminations | |
|---|-----------------------------|------------------------------|----------------------------|------------------|------------------|------------------|
| | Ex consolidated Jun/2018 | Braskem Idesa Jun/2017 | Jun/2018 | Jun/2017 | Jun/2018 | Jun/2017 |
| Continued operations | | | | | | |
| Net sales revenue | 25,265,098 | 22,879,823 | 1,795,554 | 1,857,606 | (245,624) | (267,271) |
| Cost of products sold | (20,090,785) | (17,216,861) | (1,010,165) | (1,038,061) | 270,281 | 273,587 |
| | 5,174,313 | 5,662,962 | 785,389 | 819,545 | 24,657 | 6,316 |
| Income (expenses) | | | | | | |
| Selling and distribution | (578,269) | (619,997) | (88,043) | (84,589) | | |
| General and administrative | (643,972) | (575,857) | (44,923) | (61,369) | (1,514) | 14,842 |
| Research and development | (85,676) | (72,145) | | | | |
| Results from equity investments | 102,628 | 500,665 | | | (104,099) | (477,814) |
| Other income (expenses), net | (255,071) | 126,255 | 65,166 | (19,103) | | |
| | 3,713,953 | 5,021,883 | 717,589 | 654,484 | (80,956) | (456,656) |
| Financial results | | | | | | |
| Financial expenses | (1,062,885) | (1,293,569) | (507,616) | (494,436) | 142,426 | 131,918 |
| Financial income | 379,101 | 445,771 | 19,112 | 2,677 | (142,426) | (131,918) |
| Exchange rate variations, net | (1,312,246) | (446,018) | (189,534) | 778,735 | 45,386 | (56,113) |
| | (1,996,030) | (1,293,816) | (678,038) | 286,976 | 45,386 | (56,113) |
| Profit before income tax and social contribution | 1,717,923 | 3,728,067 | 39,551 | 941,460 | (35,570) | (512,769) |
| IR and CSL - current and deferred | (108,955) | (839,543) | 30,719 | (269,420) | | |
| Profit for the period of continued operations | 1,608,968 | 2,888,524 | 70,270 | 672,040 | (35,570) | (512,769) |
| Discontinued operations results | | | | | | |
| Profit from discontinued operations | | 13,499 | | | | |

| | | | | | | | |
|-----------------------------------|------------------|------------------|---------------|----------------|-----------------|------------------|--|
| IR and CSL - current and deferred | | (4,623) | | | | | |
| | | 8,876 | | | | | |
| Profit for the period | 1,608,968 | 2,897,400 | 70,270 | 672,040 | (35,570) | (512,769) | |

Braskem S.A.**Notes to the financial statements****at June 30, 2018****All amounts in thousands of reais, unless otherwise stated****Statement of cash flows**

| | Consolidated Braskem | | Braskem Idesa consolidated | | |
|--|-----------------------------|----------------------|-----------------------------------|------------------|-----------------|
| | Ex consolidated | Braskem Idesa | | | |
| | Jun/2018 | Jun/2017 | Jun/2018 | Jun/2017 | Jun/2017 |
| Profit before income tax and social contribution and for the result with discontinued operations | 1,717,923 | 3,728,067 | 39,551 | 941,460 | (35,570) |
| Adjustments for reconciliation of profit (loss) | | | | | |
| Depreciation, amortization and depletion | 1,100,949 | 1,091,056 | 383,052 | 354,304 | (23,143) |
| Results from equity investments | (102,628) | (500,665) | | | 104,091 |
| Interest and monetary and exchange variations, net | 3,410,292 | 1,360,610 | 766,922 | (124,505) | (45,386) |
| Gain from divestment in subsidiary | | (276,816) | | | |
| Leniency agreement | | | | | |
| Provision for losses and write-offs of long-lived assets | 47,846 | 25,402 | 2,632 | 328 | |
| | 6,174,382 | 5,427,654 | 1,192,157 | 1,171,587 | |
| Changes in operating working capital | | | | | |
| Time deposit investments | | | | | |
| Trade accounts receivable | 76,249 | (585,091) | (26,137) | (253,646) | (76,729) |
| Inventories | (1,052,982) | (644,312) | (159,890) | (19,543) | |
| Taxes recoverable | 946,542 | 156,471 | 19,331 | 27,569 | |
| Prepaid expenses | (2,532) | (73,496) | (4,066) | (29,201) | |
| Other receivables | (107,362) | (15,035) | (30,648) | (31,640) | |
| Trade payables | 1,170,529 | (1,293,533) | 23,367 | (34,070) | 76,729 |
| Taxes payable | (674,598) | (21,779) | (143,707) | (155,434) | |
| Advances from customers | (170,221) | (63,951) | 18,238 | (7,767) | |
| Leniency agreement | (330,006) | (607,358) | | | |
| Other payables | (39,435) | (280,448) | 355,673 | 50,617 | |
| Cash from operations | 5,990,566 | 1,999,122 | 1,244,318 | 718,472 | |
| Financial investments (includes Letras financeiras do tesouro - LFT's and Letras Financeiras - LF's) | 332,006 | (1,430,383) | | | |

| | | | | |
|---|--------------------|--------------------|------------------|------------------|
| Cash generated from operations and handling of financial investments | 6,322,572 | 568,739 | 1,244,318 | 718,472 |
| Interest paid | (611,936) | (777,700) | (266,198) | (247,242) |
| Income tax and social contribution paid | (560,468) | (600,908) | (274) | (1,370) |
| Net cash generated by operating activities | 5,150,168 | (809,869) | 977,846 | 469,860 |
| Proceeds from the sale of fixed assets | 1,184 | 1,468 | | |
| Proceeds from the sale of investments | 81,000 | 450,000 | | |
| Funds received in the investments' capital reduction | 2,254 | | | |
| Acquisitions to property, plant and equipment and intangible assets | (1,134,894) | (692,092) | (10,464) | (62,971) |
| Other investments | (2,167) | (9,771) | | |
| Net cash used in investing activities | (1,052,623) | (250,395) | (10,464) | (62,971) |
| Short-term and long-term debt | | | | |
| Obtained | 2,303,053 | 1,486,963 | | |
| Payments | (3,837,361) | (1,513,356) | | |
| Braskem Idesa borrowings | | | | |
| Obtained | | | | 187,959 |
| Payments | | | (371,199) | (448,525) |
| Related parties | | | | |
| Obtained loans (payment of loans) | 72,880 | 20,637 | (72,880) | (20,637) |
| Dividends paid | (1,499,776) | (41) | | |
| Net provided (used) in financing activities | (2,961,204) | (5,797) | (444,079) | (281,203) |
| Exchange variation on cash of foreign subsidiaries | (202,059) | (16,546) | (82,805) | (33,493) |
| Increase (decrease) in cash and cash equivalents | 934,282 | (1,082,607) | 440,498 | 92,193 |
| Represented by | | | | |
| Cash and cash equivalents at the beginning for the period | 3,480,407 | 6,500,265 | 294,686 | 201,599 |
| Cash and cash equivalents at the end for the period | 4,414,689 | 5,417,658 | 735,184 | 293,792 |
| Increase (decrease) in cash and cash equivalents | 934,282 | (1,082,607) | 440,498 | 92,193 |

Braskem S.A.**Notes to the financial statements****at June 30, 2018****All amounts in thousands of reais, unless otherwise stated****10. Property, plant and equipment**

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

| | Jun/2018 | | | Consolidated Dec/2017 | | |
|--|-------------------|--|-------------------|----------------------------------|--|-------------------|
| | Cost | Accumulated depreciation/ depletion | Net | Cost | Accumulated depreciation/ depletion | Net |
| Land | 601,736 | | 601,736 | 500,646 | | 500,646 |
| Buildings and improvements | 6,651,545 | (1,836,430) | 4,815,115 | 6,058,259 | (1,487,762) | 4,570,497 |
| Machinery, equipment and installations | 42,255,972 | (21,051,707) | 21,204,265 | 39,211,042 | (18,627,943) | 20,583,099 |
| Projects and stoppage in progress | 4,337,166 | | 4,337,166 | 3,274,665 | | 3,274,665 |
| Other | 1,766,182 | (1,098,523) | 667,659 | 1,755,092 | (922,389) | 832,703 |
| Total | 55,612,601 | (23,986,660) | 31,625,941 | 50,799,704 | (21,038,094) | 29,761,610 |

Capitalized charges in the six-month period ended June 30, 2018 were R\$75,071 (R\$73,186 on June 30, 2017).

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

11. Intangible assets

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

| | Jun/2018 | | | Consolidated Dec/2017 | | |
|--|------------------|-----------------------------|------------------|--------------------------|-----------------------------|------------------|
| | Cost | Accumulated amortization | Net | Cost | Accumulated amortization | Net |
| Goodwill based on future profitability | 3,187,722 | (1,128,848) | 2,058,874 | 3,187,722 | (1,128,848) | 2,058,874 |
| Trademarks and patents | 433,959 | (187,144) | 246,815 | 349,316 | (119,229) | 230,087 |
| Software and use rights | 770,508 | (550,221) | 220,287 | 607,528 | (415,388) | 192,140 |
| Contracts with customers and suppliers | 977,511 | (763,825) | 213,686 | 772,253 | (525,857) | 246,396 |
| Total | 5,369,700 | (2,630,038) | 2,739,662 | 4,916,819 | (2,189,322) | 2,727,497 |

There were no significant events or circumstances in the period ended June 30, 2018 that indicated the need for updating the impairment testing of intangible assets with indefinite useful life made in the end of 2017, or that indicated the need to perform an impairment testing of intangible assets with definite useful life.

Braskem S.A.**Notes to the financial statements****at June 30, 2018****All amounts in thousands of reais, unless otherwise stated****12. Borrowings**

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

(a) Borrowings

| | Annual financial charges (%) | Jun/2018 | Consolidated Dec/2017 |
|--------------------------------|--|-------------------|----------------------------------|
| <u>Foreign currency</u> | | | |
| Bonds | US dollar exchange variation + interest between 3.50 and 7.38 | 22,816,200 | 20,082,588 |
| Advances on exchange contracts | US dollar exchange variation + 3.70 | 414,783 | |
| Export prepayment | US dollar exchange variation + semiannual Libor + interest between 1.10 and 1.61 | 874,129 | 781,573 |
| Export credit notes | US dollar exchange variation + 7.30 | 595,845 | 679,895 |
| Working capital | US dollar exchange variation + 3.15 | 60,688 | 883,181 |
| Transactions costs | | (284,773) | (285,657) |
| | | 24,476,872 | 22,141,580 |
| Current liabilities | | 959,047 | 985,639 |
| Non-current liabilities | | 23,517,825 | 21,155,941 |
| Total | | 24,476,872 | 22,141,580 |
| <u>Local currency</u> | | | |

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| | | | | |
|---|----------------------------------|------|-------------------|-------------------|
| Export credit notes | 105.00 e 108.00 of CDI | | 406,356 | 508,146 |
| | TJLP + interest between 0.00 and | | | |
| BNDES | 2.62 | (i) | | 31,347 |
| BNDES | SELIC + 2.32 | (i) | | 22,039 |
| | Interest between 3.50 | | | |
| BNDES | and 4.00 | (ii) | 70,388 | 132,020 |
| BNB/FINEP/FUNDES/FINISA/FINAME | 6.21 | | 426,497 | 486,227 |
| | TJLP + interest between 1.90 and | | | |
| FINAME | 6.00 | | 2,002 | 2,293 |
| Fundo de Desenvolvimento do Nordeste (FDNE) | 6.50 | | 39,565 | 42,045 |
| Other | CDI + 0.04 | | 544 | 655 |
| Transactions costs | | | (44) | (4,931) |
| | | | 945,308 | 1,219,841 |
| Current liabilities | | | 159,889 | 199,142 |
| Non-current liabilities | | | 785,419 | 1,020,699 |
| Total | | | 945,308 | 1,219,841 |
| <u>Foreign currency and local currency</u> | | | | |
| Current liabilities | | | 1,118,936 | 1,184,781 |
| Non-current liabilities | | | 24,303,244 | 22,176,640 |
| Total | | | 25,422,180 | 23,361,421 |

(i) Contracts with advance settlement.

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

| | | | Parent company |
|---|-------------------------|------------------|---------------------------|
| | | Jun/2018 | Dec/2017 |
| <u>Foreign currency</u> | | | |
| | Current liabilities | 439,208 | 189,600 |
| | Non-current liabilities | 2,114,609 | 1,813,113 |
| | | 2,553,817 | 2,002,713 |
| <u>Local currency</u> | | | |
| | Current liabilities | 154,478 | 192,704 |
| | Non-current liabilities | 777,942 | 1,010,579 |
| | | 932,420 | 1,203,283 |
| <u>Foreign currency and local currency</u> | | | |
| | Current liabilities | 593,686 | 382,304 |
| | Non-current liabilities | 2,892,551 | 2,823,692 |
| | Total | 3,486,237 | 3,205,996 |

Braskem S.A.**Notes to the financial statements****at June 30, 2018****All amounts in thousands of reais, unless otherwise stated****(b) Payment schedule**

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

| | Jun/2018 | Consolidated Dec/2017 |
|---------------------|-------------------|----------------------------------|
| 2019 | 119,167 | 1,245,895 |
| 2020 | 2,255,686 | 2,199,869 |
| 2021 | 3,970,442 | 3,655,465 |
| 2022 | 2,092,350 | 1,801,844 |
| 2023 | 2,190,083 | 1,709,587 |
| 2024 | 3,156,798 | 2,539,216 |
| 2025 | 52,841 | 45,994 |
| 2026 | 51,201 | 44,239 |
| 2027 | 20,540 | 17,586 |
| 2028 | 4,818,349 | 4,133,762 |
| 2029 and thereafter | 5,575,787 | 4,783,183 |
| Total | 24,303,244 | 22,176,640 |

(c) Guarantees

Braskem gave collateral for part of its borrowings as follows:

| Loans | Maturity | Total debt Jun/2018 | Total guaranteed | Guarantees |
|--------------|-----------------|--------------------------------|-----------------------------|---|
| BNB | Dec-2022 | 102,570 | 102,570 | Mortgage of plants, pledge of machinery and equipment |

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| | | | | |
|--------------|----------|----------------|----------------|--|
| BNB | Aug-2024 | 172,879 | 172,879 | Bank surety |
| BNDES | Dec-2021 | 70,388 | 70,388 | Mortgage of plants, land and property, pledge of machinery and equipment |
| FUNDES | Jun-2020 | 63,895 | 63,895 | Mortgage of plants, land and property, pledge of machinery and equipment |
| FINEP | Jul-2024 | 75,435 | 75,435 | Bank surety |
| FINEP | Dec-2019 | 4,308 | 4,308 | Bank surety, pledge of equipment and current account lockout (restricted fund) |
| FINAME | Feb-2022 | 3,413 | 3,413 | Pledge of equipment |
| FINISA | Dec-2023 | 5,999 | 5,999 | Bank surety |
| Other | Jul-2021 | 544 | 544 | Pledge of equipment |
| Total | | 499,431 | 499,431 | |

Braskem S.A.**Notes to the financial statements****at June 30, 2018****All amounts in thousands of reais, unless otherwise stated****13. Braskem Idesa borrowings**

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

| Identification | Initial value of operation US\$ | Maturity Charges (% per year) | Jun/2018 | Consolidated Dec/2017 |
|-------------------------------|--|--|-------------------|----------------------------------|
| <u>Project finance</u> | (i) | | | |
| Project finance I | 700,000 | Feb-2027 Us dollar exchange variation + quarterly Libor + 3.25 | 2,454,535 | 2,177,000 |
| Project finance II | 210,000 | Feb-2027 Us dollar exchange variation + 6.17 | 696,320 | 62,000 |
| Project finance III | 600,000 | Feb-2029 Us dollar exchange variation + 4.33 | 2,071,166 | 1,820,000 |
| Project finance IV | 660,000 | Feb-2029 Us dollar exchange variation + quarterly Libor + 3.88 | 2,313,718 | 2,030,000 |
| Project finance V | 400,000 | Feb-2029 Us dollar exchange variation + quarterly Libor + 4.65 | 1,385,449 | 1,220,000 |
| Project finance VI | 89,994 | Feb-2029 Us dollar exchange variation + quarterly Libor + 2.73 | 310,346 | 27,000 |
| Project finance VII | 533,095 | Feb-2029 Us dollar exchange variation + quarterly Libor + 4.64 | 1,846,417 | 1,620,000 |
| Transactions costs | | | (98,772) | (92,000) |
| Total | 3,193,089 | | 10,979,179 | 9,690,000 |
| Non-current liabilities | | | 10,979,179 | 9,690,000 |
| Total | | | 10,979,179 | 9,690,000 |

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

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

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

On the reporting date of the quarterly financial statements hereto the company was in un-remedied breach of some of its non-financial contractual obligations. As a result, the entire balance of non-current liabilities, in the amount of R\$10,038,087 was reclassified to current liabilities, in accordance with CPC 26 and its corresponding accounting standard IAS 1 (Presentation of Financial Statements).

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

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

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

Braskem S.A.**Notes to the financial statements****at June 30, 2018****All amounts in thousands of reais, unless otherwise stated**

| | Jun/2018 | Dec/2017 |
|---------------------|-------------------|------------------|
| 2019 | 444,283 | 748,071 |
| 2020 | 1,021,181 | 877,450 |
| 2021 | 1,165,938 | 1,002,270 |
| 2022 | 972,552 | 835,009 |
| 2023 | 1,285,430 | 1,105,295 |
| 2024 | 1,390,766 | 1,195,682 |
| 2025 | 1,386,832 | 1,195,096 |
| 2026 | 1,199,829 | 1,052,156 |
| 2027 | 584,764 | 474,438 |
| 2028 | 483,994 | 362,629 |
| 2027 and thereafter | 102,518 | 59,637 |
| Total | 10,038,087 | 8,907,733 |

14. Debentures

The information related to debentures was presented in the 2017 annual financial statements of the Company, in Note 17. The debentures were issued by the subsidiaries Cetrel and DAC.

| Issue date | Series | Maturity | Annual financial charges (%) | Jun/2018 | Dec/2017 |
|-------------------------|---------------|-----------------|-------------------------------------|-----------------|-----------------|
| March-2013 | Single | March-2025 | IPCA + 6% | 213,834 | 216,968 |
| September-2013 | Single | September-2025 | 126,5% of CDI | 90,216 | 96,356 |
| | | | | 304,050 | 313,324 |
| Current liabilities | | | | 27,510 | 27,183 |
| Non-current liabilities | | | | 276,540 | 286,141 |
| Total | | | | 304,050 | 313,324 |

(a) Payment schedule

| | Jun/2018 | Consolidated Dec/2017 |
|--------------|-----------------|----------------------------------|
| 2019 | 16,075 | 26,629 |
| 2020 | 44,949 | 43,674 |
| 2021 | 49,202 | 49,326 |
| 2022 | 49,225 | 49,326 |
| 2023 | 49,249 | 49,326 |
| 2024 | 49,277 | 49,326 |
| 2025 | 18,563 | 18,534 |
| Total | 276,540 | 286,141 |

Braskem S.A.**Notes to the financial statements****at June 30, 2018****All amounts in thousands of reais, unless otherwise stated****15. Changes in borrowings, debentures, and Braskem Idesa borrowings**

| | Balance at December 31, 2017 | Obtained | Principal | Payments Interest paid | Interest, changes monetary and foreign exchange, net | debts |
|--|---|------------------|--------------------|-----------------------------------|---|------------------|
| Borrowings | | | | | | |
| Current | 1,184,781 | 1,903,053 | (3,667,462) | (611,936) | | 791,484 |
| Non-current | 22,176,640 | 400,000 | (146,552) | | | 2,055,328 |
| Total | 23,361,421 | 2,303,053 | (3,814,014) | (611,936) | | 2,846,812 |
| Debentures | | | | | | |
| Current | 27,183 | | (23,347) | | | 10,150 |
| Non-current | 286,141 | | | | | 3,923 |
| Total | 313,324 | | (23,347) | | | 14,073 |
| Total borrowings and debentures | | | | | | |
| Current | 1,211,964 | 1,903,053 | (3,690,809) | (611,936) | | 801,634 |
| Non-current | 22,462,781 | 400,000 | (146,552) | | | 2,059,251 |
| Total | 23,674,745 | 2,303,053 | (3,837,361) | (611,936) | | 2,860,885 |
| Braskem Idesa financing | | | | | | |
| Current | 9,691,450 | | (371,199) | (266,198) | | 393,542 |
| Total | 9,691,450 | | (371,199) | (266,198) | | 393,542 |
| Total geral | | | | | | |
| Current | 10,903,414 | 1,903,053 | (4,062,008) | (878,134) | | 1,195,176 |
| Non-current | 22,462,781 | 400,000 | (146,552) | | | 2,059,251 |
| Total | 33,366,195 | 2,303,053 | (4,208,560) | (878,134) | | 3,254,427 |

16. Financial instruments

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

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

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

Braskem S.A.**Notes to the financial statements****at June 30, 2018****All amounts in thousands of reais, unless otherwise stated****16.1. Non-derivative financial instruments and leniency agreement (Note 20.3) – consolidated**

| | Note | Classification by category | | Fair value hierarchy | Book value | | Fair value | |
|----------------------------------|------|----------------------------|-----------------------------------|----------------------|------------------|------------------|------------------|------------------|
| | | CPC 38 / IAS 39 | CPC 48 / IFRS 9 | | Jun/2018 | Dec/2017 | Jun/2018 | Dec/2017 |
| Cash and cash equivalents | 3 | | | | | | | |
| Cash and banks | | Loans and receivables | Amortized cost | | 1,982,170 | 1,428,766 | 1,982,170 | 1,428,766 |
| Financial investments in Brazil | | Loans and receivables | Fair value through profit or loss | Level 2 | 1,906,703 | 1,706,784 | 1,906,703 | 1,706,784 |
| Financial investments abroad | | Held-for-trading | Fair value through profit or loss | Level 2 | 1,261,000 | 639,543 | 1,261,000 | 639,543 |
| | | | | | 5,149,873 | 3,775,093 | 5,149,873 | 3,775,093 |
| Financial investments | 4 | | | | | | | |
| LFT's and LF's | | Held-for-trading | Fair value through profit or loss | Level 2 | 1,963,112 | 1,816,889 | 1,963,112 | 1,816,889 |
| Time deposit investments | | Loans and receivables | Amortized cost | Level 2 | | 440,616 | 40,588 | 440,616 |
| Time deposit investments | | Held-for-trading | Fair value through profit or loss | Level 2 | 49,721 | 15,764 | 49,721 | 15,764 |
| Other | | Held-for-trading | Fair value through profit or loss | Level 2 | 53,315 | 39,739 | 12,727 | 39,739 |
| | | | | | 2,066,148 | 2,313,008 | 2,066,148 | 2,313,008 |
| Trade accounts receivable | 5 | Loans and receivables | Amortized cost | | 3,196,685 | 3,244,851 | 3,196,685 | 3,244,851 |

| | | | | | | | | |
|--|------|--|---|---------|-------------------|-------------------|-------------------|-------------------|
| Trade accounts receivable | 5 | Loans and receivables | Fair value through other comprehensive income | Level 2 | 146,750 | 73,841 | 146,750 | 73,240 |
| Trade payables | | Financial liabilities not measured at fair value | Amortized cost | | 8,494,867 | 5,525,407 | 8,494,867 | 5,525,407 |
| Borrowings | 12 | Financial liabilities not measured at fair value | Amortized cost | | | | | |
| Foreign currency - Bond | | | | Level 1 | 22,816,200 | 20,082,588 | 22,806,869 | 21,230,567 |
| Foreign currency - other borrowings | | | | Level 2 | 1,945,445 | 2,344,649 | 1,820,551 | 2,228,608 |
| Local currency | | | | Level 2 | 945,352 | 1,224,772 | 764,727 | 1,039,873 |
| | | | | | 25,706,997 | 23,652,009 | 25,392,147 | 24,499,048 |
| Braskem Idesa borrowings | 13 | Financial liabilities not measured at fair value | Amortized cost | Level 2 | 11,077,951 | 9,784,388 | 9,596,842 | 8,675,711 |
| Debentures | 14 | Financial liabilities not measured at fair value | Amortized cost | Level 2 | 304,050 | 313,324 | 243,274 | 214,815 |
| Loan ton non-controlling shareholder of Braskem Idesa | | Financial liabilities not measured at fair value | Amortized cost | | 2,127,583 | 1,756,600 | 2,127,583 | 1,756,600 |
| Leniency agreement | 20.3 | Financial liabilities not measured at fair value | Amortized cost | | 1,386,579 | 1,629,114 | 1,386,579 | 1,629,114 |

Braskem S.A.

Notes to the financial statements

at June 30, 2018

All amounts in thousands of reais, unless otherwise stated

16.2. Derivative financial instruments designated for hedge accounting**16.2.1 Changes**

| Identification | Note | Fair value hierarchy | Operation characteristics Principal exposure | Derivatives | Accumulated OCI (equity) | Net | | Net | |
|---|---------------|----------------------|---|--------------------|--------------------------|--------------------|----------------------|----------------------|--------------------|
| | | | | | | Liability Dec/2017 | Change in fair value | Financial settlement | Liability Jun/2018 |
| <u>Hedge accounting transactions</u> | | | | | | | | | |
| Dollar put option | 16.2.1 (a.i) | Level 2 | Real | Dollar | (143,085) | (3,793) | 139,870 | | 136,077 |
| Exchange swap | 16.2.1 (a.ii) | Level 2 | IPCA | Dollar + Interests | (173,795) | | 173,795 | | 173,795 |
| Interest rate swaps | | Level 2 | Libor | Fixed rates | (196,521) | (25,791) | (77,753) | (5,955) | (109,499) |
| | | | | | (513,401) | (29,584) | 235,912 | (5,955) | 200,373 |
| <u>Derivatives operations</u> | | | | | | | | | |
| Current assets | | | | | | (3,793) | | | (16,224) |
| Non-current assets | | | | | | (32,666) | | | (93,276) |
| Current liabilities | | | | | | 6,875 | | | 104,746 |
| Non-current liabilities | | | | | | | | | 205,127 |
| | | | | | | (29,584) | | | 200,373 |

(a) Operations designated for hedge accounting

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

On June 30, 2018, Braskem held a total notional amount of put options of US\$2.2 billion, with an average strike price of 3.09 R\$/US\$. Simultaneously, the Company also held a total notional amount of call options of US\$1.6 billion, with an average strike price of R\$4.41. The operations have a maximum term of 23 months. As a hedged object, future sales in Brazilian real dollarized were designated, with the months of recognition always coinciding with those of the options.

According to CPC 48/IFRS 9, the accounting standard in force as from January 1, 2018, the amount of the mark-to-market (“MtM”) adjustment, as well as the amount of the premium of the operation, is recognized as “Other comprehensive income” (“OCI”) under shareholders' equity. The MtM adjustment of the options is composed of the notional value of the operations multiplied by the sum of the intrinsic value, which refers to the amount by which the option exceeded the exercise price at the time of evaluation, and the extrinsic value, which corresponds to the time value of the derivative until its maturity.

(a.ii) Swap IPCA

To maintain its strategy of managing risks related to currencies and interest rates, the Company opted to swap to fixed rates in U.S. dollar the portions not yet due under the Leniency Agreement entered into with the Federal Prosecution Office (MPF) (Note 20.3(a)), which originally were denominated in Brazilian real and pegged to the IPCA inflation index. For such, derivative instruments were contracted in the amount of R\$1.3 billion, divided into five annual installments due on January 30 of each year as from 2019. These operations were designated as cash flow hedge accounting, where the hedging instruments are currency derivatives and the hedged objects are the liabilities under said agreement. Accordingly, the mark-to-market adjustment of the effective portion of the hedge will be recognized under shareholders equity in OCI and will be recognized in the financial result only upon the maturity of each installment.

Braskem S.A.

Notes to the financial statements

at June 30, 2018

All amounts in thousands of reais, unless otherwise stated

16.3. Non-derivative liabilities designated for export hedge accounting

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

On June 30, 2018, exports that were designated and not yet realized are shown below:

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

There were no changes in financial instruments designated for this hedge in the period ended June 30, 2018:

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On June 30, 2018, the maturities of financial liabilities designated, within the scope of the consolidated balance sheet, were as follows:

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

The Management of the Company advanced in 2017 the payment of dollar-denominated obligations, including liabilities designated for this hedge. As a result of the decision, the amount not realized in the amount of US\$390,163, was discontinued prospectively. Exchange variation on the discontinued amount, of R\$509,670, which is recorded under Shareholders' Equity as OCI will be taken to net financial income (expenses) as of July 2018, as the hedged exports are realized.

| | Total nominal value US\$ | Conversion rate at Inception R\$/US\$ | Closing rate R\$/US\$ | Gross nominal value |
|---|-------------------------------------|--|----------------------------------|--------------------------------|
| Hedge discontinued - related to the third quarter 2018 | 193,190 | 2.0017 | 3.3080 | 252,364 |
| Hedge discontinued - related to the fourth quarter 2018 | 196,973 | 2.0017 | 3.3080 | 257,306 |
| | 390,163 | | | 509,670 |

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 six-month period ended June 30, 2018:

Braskem S.A.**Notes to the financial statements****at June 30, 2018****All amounts in thousands of reais, unless otherwise stated**

| | Total nominal value US\$ | Conversion rate at Inception R\$/US\$ | Closing rate R\$/US\$ | Gross nominal value |
|----------------|---|--|----------------------------------|------------------------------------|
| First quarter | 189,325 | 2.0017 | 3.3082 | 247,353 |
| Second quarter | 208,405 | 2.0017 | 3.2769 | 265,759 |
| | 397,730 | | | 513,112 |

The changes in foreign exchange variation and Income Tax and Social Contribution under OCI of this hedge are as follows:

| | Exchange variation | IR and CSL | Net effect |
|---|-------------------------------|-------------------|-----------------------|
| At December 31, 2017 | (6,814,142) | 2,316,808 | (4,497,334) |
| Exchange variation recorded in the period on OCI / IR and CSL | (3,040,403) | 1,033,737 | (2,006,666) |
| Exchange variation transferred to profit or loss / IR and CSL | 513,112 | (174,458) | 338,654 |
| At June 30, 2018 | (9,341,433) | 3,176,087 | (6,165,346) |

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

On June 30, 2018, sales designated and not yet realized are as follows:

| | Nominal value US\$ |
|------|-------------------------------|
| 2018 | 112,765 |
| 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 |
| | 2,833,037 |

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

| | | Realization in the period | Realization of discontinued hedge | US\$ Jun/2018 |
|--------------------|-----------------|--------------------------------------|--|--------------------------|
| | Dec/2017 | | | |
| Designated balance | 2,930,246 | (109,025) | 196 | 2,821,417 |

Braskem S.A.**Notes to the financial statements****at June 30, 2018****All amounts in thousands of reais, unless otherwise stated**

On June 30, 2018, the maturities of financial liabilities designated were distributed as follows:

| | Nominal value US\$ |
|------|-------------------------------|
| 2018 | 112,561 |
| 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 |
| | 2,821,417 |

The following table provides the balance of exchange variation of the discontinued amount, net of realization already occurred, in the period ended June 30, 2018 (US\$11,619), which is recorded in Braskem Idesa's shareholders' equity under OCI 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 | 11,619 | 13.4541 | 17.9915 | 52,720 | 10,344 |
| | | | | 52,720 | 10,344 |

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 six-month period ended June 30, 2018:

| | Total nominal value US\$ | Conversion rate at Inception MXN/US\$ | Closing rate MXN/US\$ | Total nominal value MXN | Gross nominal value |
|----------------|-------------------------------------|--|----------------------------------|------------------------------------|--------------------------------|
| First quarter | 53,889 | 13.6537 | 18.3561 | 253,408 | 46,934 |
| Second quarter | 55,136 | 13.6537 | 18.3561 | 259,272 | 59,371 |
| | 109,025 | | | 512,680 | 106,305 |

The changes in foreign exchange variation and Income Tax and Social Contribution under OCI are as follows:

Braskem S.A.**Notes to the financial statements****at June 30, 2018****All amounts in thousands of reais, unless otherwise stated**

| | Exchange variation | IR | Net effect |
|---|-------------------------------|------------------|-----------------------|
| At December 31, 2017 | (3,545,639) | 1,064,426 | (2,481,213) |
| Exchange variation recorded in the period on OCI / IR | (112,966) | 33,890 | (79,076) |
| Exchange variation transferred to profit or loss / IR | 106,305 | (31,892) | 74,413 |
| At June 30, 2018 | (3,552,300) | 1,066,424 | (2,485,876) |

16.4. Credit quality of financial assets**(a) Trade accounts receivable**

On June 30, 2018, the credit ratings for the domestic market were as follows:

| | Jun/2018 | Dec/2017 |
|-----------------|-----------------|-----------------|
| | | (%) |
| 1Minimum risk | 28.11 | 18.84 |
| 2Low risk | 42.17 | 50.84 |
| 3Moderate risk | 14.65 | 13.33 |
| 4High risk | 10.97 | 13.40 |
| 5Very high risk | (i) 4.10 | 3.59 |

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

Default indicators

| | Domestic Market | Last 12 months Export Market |
|-------------------|----------------------------|---|
| June 30, 2018 | 0.12% | 0.13% |
| December 31, 2017 | 0.08% | 0.19% |
| June 30, 2017 | 0.49% | 0.08% |

The methodology for calculating the allowance for doubtful accounts and its result is shown in Note 5.

(b) Other financial assets

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

Braskem S.A.**Notes to the financial statements****at June 30, 2018****All amounts in thousands of reais, unless otherwise stated**

| | Jun/2018 | Dec/2016 |
|---|------------------|------------------|
| Financial assets with risk assessment | | |
| AAA | 4,145,841 | 3,569,392 |
| AA+ | 1,286,010 | 27,094 |
| AA | 44,660 | 8,047 |
| AA- | 112,004 | 209,389 |
| A+ | 715,490 | 1,465,107 |
| A | 49,721 | 349,823 |
| A- | 392,225 | |
| BBB+ | 463,434 | 453,367 |
| | 7,209,385 | 6,082,219 |
| Financial assets without risk assessment | | |
| Other financial assets with no risk assessment | (i) 6,636 | 5,882 |
| | 6,636 | 5,882 |
| Total | 7,216,021 | 6,088,101 |

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

16.5. Sensitivity analysis

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

(a) Selection of risks

On June 30, 2018, the main risks that can affect the value of Braskem's financial instruments are:

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

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

(b) Value at risk

The value at risk of the derivatives held by Braskem which is defined as the loss that could result in one month as from June 30, 2018, with a probability of 5%, and under normal market conditions, was estimated by the Company at US\$48,394 for put and call options (Note 16.2.1(a.i)) and US\$10,649 for the swap of Libor related to Braskem Idesa's project.

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Notes to the financial statements

at June 30, 2018

All amounts in thousands of reais, unless otherwise stated

(c) Selection of scenarios

(c.1) Probable scenario

The *Market Readout* published by the Central Bank of Brazil was used to create the probable scenario for the U.S. dollar/Brazilian real exchange rate, Selic basic interest rate and the CDI interest rate, using the reference date of June 29, 2018. According to the Market Readout, at the end of 2018, the U.S. dollar will depreciate by approximately 4.04% against the Brazilian real, compared to the closing PTAX rate at June 29, 2018, while the Selic rate will be 6.50% p.a. The Selic rate is used as a reference for analyses of sensitivity to the CDI.

The probable scenario for the TJLP is for maintenance of the current rate of 6.60%. The Market Readout does not publish forecasts for the Libor interest rate. Therefore, to determine the probable scenario, Braskem considered an increase by 5%. For adverse scenarios, it considered 25% and 50% increases on current market levels.

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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 | 912,066 | (5,643,046) | (11,286,091) |
| Working capital / other | 21,254 | (131,501) | (263,001) |
| Export credit notes | 24,076 | (148,961) | (297,922) |
| Braskem Idesa borrowings | 443,632 | (2,744,795) | (5,489,589) |
| Export prepayments | 14,067 | (87,032) | (174,063) |
| Advances on exchange contracts | 16,760 | (103,696) | (207,391) |
| Dollar put option | 62,117 | (809,272) | (2,118,004) |
| Financial investments abroad | 125,642 | (777,360) | (1,554,719) |
| Brazilian real/Euro exchange rate | | | |
| Working capital / other | 1,410 | (15,172) | (30,344) |
| Libor floating interest rate | | | |
| Working capital / other | (5,356) | (26,781) | (53,562) |
| Export prepayments | (1,966) | (9,832) | (19,664) |
| Swaps | 16,868 | 61,988 | 141,761 |
| Braskem Idesa borrowings | (95,774) | (478,869) | (957,738) |
| CDI interest rate | | | |
| Export credit notes | 19,484 | (24,482) | (65,304) |
| Debentures | 12,789 | (2,892) | (14,889) |
| Financial investments | | 64,998 | 130,031 |

IPCA interest rate

| | | | |
|------------|----------|----------|----------|
| Debentures | (21,338) | (20,550) | (42,008) |
|------------|----------|----------|----------|

TJLP interest rate

| | | | |
|-------------------------|--|------|-------|
| Other government agents | | (70) | (140) |
|-------------------------|--|------|-------|

Braskem S.A.**Notes to the financial statements****at June 30, 2018****All amounts in thousands of reais, unless otherwise stated****17. Taxes payable**

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

| | Jun/2018 | Consolidated Dec/2017 | Jun/2018 | Parent company Dec/2017 |
|-------------------------|------------------|----------------------------------|-----------------|------------------------------------|
| Brazil | | | | |
| IPI | 98,988 | 60,917 | 98,984 | 60,134 |
| IR and CSL | 280,711 | 405,567 | 287,091 | 400,544 |
| ICMS | 322,699 | 257,720 | 316,585 | 254,935 |
| PIS and COFINS | 162,030 | 82,140 | 159,224 | 80,591 |
| PERT installment | 30,315 | 29,002 | 29,115 | 29,002 |
| Other | | | | |
| Other countries | 188,036 | 434,563 | | |
| IR | 11,684 | 20,173 | | |
| Value-added tax | 20,553 | 23,924 | | |
| Total | 1,115,016 | 1,314,006 | 890,999 | 825,206 |
| Current liabilities | 1,049,785 | 1,261,204 | 827,161 | 774,391 |
| Non-current liabilities | 65,231 | 52,802 | 63,838 | 50,815 |
| Total | 1,115,016 | 1,314,006 | 890,999 | 825,206 |

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

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

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

| | Jun/2018 | Consolidated Jun/2017 | Jun/2018 | Parent company Jun/2017 |
|--|------------------|----------------------------------|------------------|------------------------------------|
| Income before IR and CSL | 1,721,904 | 4,156,758 | 1,469,238 | 3,462,324 |
| IR and CSL at the rate of 34% | (585,447) | (1,413,298) | (499,541) | (1,177,190) |
| Permanent adjustments to the IR and CSL calculation basis | | | | |
| IR and CSL on equity in results of investees | (514) | 4,151 | 506,438 | 545,318 |
| Tax loss and negative basis - installment rectification | | 38,403 | | |
| Tax benefits (Sudene and PAT) | 72,096 | 41,654 | 72,096 | 41,586 |
| Difference of rate applicable to each country | 243,288 | 166,406 | | |
| Other permanent adjustments | 192,341 | 53,721 | 52,613 | 16,486 |
| IR and CSL on results of operations | (78,236) | (1,108,963) | 131,606 | (573,800) |
| Breakdown of IR and CSL: | | | | |
| Current IR and CSL | (511,134) | (363,969) | (272,694) | (85,074) |
| Deferred IR and CSL | 432,898 | (744,994) | 404,300 | (488,726) |
| Total | (78,236) | (1,108,963) | 131,606 | (573,800) |

Braskem S.A.**Notes to the financial statements****at June 30, 2018****All amounts in thousands of reais, unless otherwise stated****(b) Breakdown of deferred income tax and social contribution****(b.i) According to tax collection records**

| Assets | Jun/2018 | Consolidated | Parent company | |
|--|------------------|---------------------|-----------------------|------------------|
| | | Dec/2017 | Jun/2018 | Dec/2017 |
| Tax losses (IR) and negative base (CSL) | 2,180,109 | 1,878,809 | 58,421 | 58,421 |
| Goodwill amortized | 49,309 | 59,335 | 3,734 | 3,916 |
| Exchange variations | 1,026,701 | 388,293 | 1,912,689 | 388,293 |
| Temporary adjustments | 838,969 | 220,954 | 800,424 | 922,422 |
| Business combination | 176,185 | 183,785 | 165,887 | 183,785 |
| | 4,271,273 | 2,731,176 | 2,941,155 | 1,556,837 |
| Liabilities | | | | |
| Amortization of goodwill based on future profitability | 717,468 | 712,873 | 715,568 | 712,873 |
| Tax depreciation | 991,322 | 960,202 | 991,322 | 960,202 |
| Temporary adjustments | 276,191 | 231,822 | 8,187 | 8,187 |
| Business combination | 7,480 | 9,664 | 1,302 | 1,302 |
| Additional indexation PP&E | 67,600 | 67,072 | 67,600 | 67,072 |
| Amortization of fair value adjustments on the assets from the acquisition of Braskem Qpar | 499,101 | 519,623 | 499,101 | 519,623 |
| Other | 2,801 | 4,273 | 3,514 | 3,516 |
| | 2,561,963 | 2,505,529 | 2,286,594 | 2,272,775 |

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

| | | Jun/2018 |
|---------------------|-------------------|-----------------|
| Headquarters | IR and CSL | |

| | (Country) | Tax calculation | Compensation | Balance |
|-------------------------|-----------|--------------------|--------------------|------------------|
| Assets | | | | |
| Braskem S.A | Brazil | 2,941,155 | (2,286,594) | 654,561 |
| Braskem Argentina | Argentina | 11,125 | | 11,125 |
| Braskem Alemanha | Germany | 24,839 | | 24,839 |
| Braskem Chile | Chile | 65 | (63) | 2 |
| Braskem Idesa | Mexico | 1,178,345 | | 1,178,345 |
| Braskem México Serviços | Mexico | 8,439 | | 8,439 |
| DAC | Brazil | 28,773 | (7,048) | 21,725 |
| Cetrel | Brazil | 78,532 | (1,031) | 77,501 |
| | | 4,271,273 | (2,294,736) | 1,976,537 |
| Liabilities | | | | |
| Braskem S.A | Brazil | 2,286,594 | (2,286,594) | |
| Braskem America | USA | 267,227 | | 267,227 |
| Braskem Chile | Chile | 63 | (63) | |
| DAC | Brazil | 7,048 | (7,048) | |
| Cetrel | Brazil | 1,031 | (1,031) | |
| | | 2,561,963 | (2,294,736) | 267,227 |

Braskem S.A.**Notes to the financial statements****at June 30, 2018****All amounts in thousands of reais, unless otherwise stated**

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

(c) Realization of deferred income tax and social contribution

In the six-month period ended June 30, 2018, there were no material events or circumstances that indicate any compromise of the realization of these deferred taxes.

19. Sundry provisions

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

| | Jun/2018 | Consolidated Dec/2017 | Jun/2018 | Parent company Dec/2017 |
|---|-----------------|----------------------------------|-----------------|------------------------------------|
| Provision for customers rebates | 43,290 | 87,913 | 16,458 | 34,367 |
| Provision for recovery of environmental damages | 274,998 | 300,249 | 274,998 | 300,249 |
| Other | 28,575 | 25,510 | 3,308 | 3,832 |
| Total | 346,863 | 413,672 | 294,764 | 338,448 |
| Current liabilities | 108,802 | 178,676 | 81,970 | 125,130 |
| Non-current liabilities | 238,061 | 234,996 | 212,794 | 213,318 |
| Total | 346,863 | 413,672 | 294,764 | 338,448 |

Braskem S.A.**Notes to the financial statements****at June 30, 2018****All amounts in thousands of reais, unless otherwise stated****20. Contingencies****20.1. Claims with probable loss and with possible loss arising from business combinations**

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

| | Jun/2018 | Consolidated Dec/2017 | Jun/2018 | Parent company Dec/2017 |
|-----------------------------|------------------|----------------------------------|------------------|------------------------------------|
| Labor claims | 221,219 | 255,938 | 213,630 | 247,821 |
| Tax claims | | | | |
| Normal operations | | | | |
| IR and CSL | 19,354 | 17,313 | 19,354 | 17,313 |
| PIS and COFINS | 155,179 | 155,681 | 154,534 | 155,681 |
| ICMS | 71,546 | 76,342 | 71,546 | 76,342 |
| Other tax claims | 14,340 | 8,985 | 12,467 | 8,985 |
| | 260,419 | 258,321 | 257,901 | 258,321 |
| Business Combination | | | | |
| IR and CSL | 51,596 | 50,051 | 51,596 | 50,051 |
| PIS and COFINS | 57,921 | 56,135 | 57,921 | 56,135 |
| ICMS - interstate purchases | 272,001 | 263,538 | 272,001 | 263,538 |
| | 381,518 | 369,724 | 381,518 | 369,724 |
| Corporate claims | 106,691 | 135,779 | 106,691 | 135,779 |
| Civil claims and other | 62,772 | 72,883 | 62,772 | 72,883 |
| | 1,032,619 | 1,092,645 | 1,022,512 | 1,084,528 |

20.2. Claims with possible losses

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

(a) Civil

(i) Hashimoto Public-Interest Civil Action

The Public-Interest Civil Action was filed in June 2018 by the São Paulo State Public Prosecutor's Office against the Company and other firms that operate in the Capuava Petrochemical Complex, claiming the reparation and/or remediation of environmental damages supposedly arising from the emission of pollutants in the air, as well as the joint judgement of companies that comprise said complex seeking environmental moral damages in the amount of R\$100 million.

Based on the opinion of the external legal counsel handling the case, the Management believes that the lawsuit possibly will be dismissed within a period of eight years.

No judicial deposit or other form of security was accrued for the case.

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(b) Tax claims

(i) ICMS – Use and consumption credit

In January 2018, the Company was served a notice by the State of Rio Grande do Sul, charging, at the administrative level, ICMS tax and a fine of 120% for using ICMS credits in the acquisition of goods (“*pallets*”), which were considered by the Tax Authority as for use and consumption in the period from January 2013 to November 2017. The Treasury understands that the pallets could not be characterized as an input and, therefore, would not give the right to ICMS credit. On June 30, 2018, the updated amount of these deficiency notices amounted to R\$80 million.

The Company’s external legal advisors argue for the decadence/limitation for part of the period covered by the assessment. Additionally, for the entire period of the assessment, they show that the goods are not included among those destined to the use and consumption of the establishment and are therefore considered as inputs. The chances of success in relation to the matter are considered as possible and estimate that the administrative proceedings should be concluded in 2022.

No judicial deposit or other form of security was accrued for this proceeding, as it is currently still in its administrative stage.

20.3. Global settlement with authorities

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

(a) Global Settlement with authorities

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

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

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

1. US\$94,894 (R\$296,591) to the DoJ, paid on February 8, 2017;
2. US\$65,000 (R\$206,460) to the SEC, paid on April 27, 2017;
3. CHF30,240 (R\$104,307) to the Swiss Office of the Attorney General, paid on June 27, 2017;
4. R\$736,445 to the MPF, paid on July 6, 2017;
5. R\$267,985 to the MPF, corresponding to the first of the six annual installments owed up to 2023, paid on January 30, 2018; and
6. CHF16,065 (R\$62,021) to the Swiss Office of the Attorney General, corresponding to the first of four annual installments owed up to 2021, paid on June 28, 2018.

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

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1. CHF48,195 to the Swiss Office of the Attorney General, corresponding to three outstanding annual installments of CHF16.065 due on June 30 of each year as from 2019;
2. R\$1.3 billion to the MPF, corresponding to five outstanding annual installments adjusted for inflation by the variation in the IPCA inflation index due on January 30 of each year as from 2019. To guarantee payment of the installments coming due, Braskem gave as collateral assets from its property, plant and equipment corresponding to one annual installment.

(b) Reimbursement for damages and other considerations

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

Under the Agreement, the MPF undertook to coordinate actions with other authorities or government agencies, as well as state-owned companies and mixed-economy companies with which Braskem comes to negotiate for entering into agreements based on the facts object of the collaboration, including for the purpose of preventing duplicate restitution with regard to the amount paid under the Agreement. Accordingly, as communicated to the market on July 10, 2018, the Company is holding talks with the Ministry of Transparency, Supervision and Controller General (CGU) and with the Office of the General Counsel of the Federal Government (AGU).

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

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

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

(c) Control deficiencies and Compliance Program

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

In the same year, it began developing a comprehensive Compliance Program at Braskem with the goal of mitigating the risks of lawsuits and promoting significant improvements in Braskem's overall control environment. The Program also contains initiatives that have been implemented throughout 2017.

As of the period ended June 30, 2018, a series of Compliance initiatives are being implemented and/or improved by the Company, including:

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- (i) Increase in the number of Team Members in the Compliance Department;
- (ii) Designation and engagement of independent monitors jointly with the DoJ and MPF, and beginning of analysis of the Company's processes and documents by said monitors;
- (iii) Approval or review of the relevant guideline documents: Global Anti-corruption Policy; Global Policy of the Compliance System; Code of Conduct; Code of Conduct for Contractors; Global Risk Management Policy; Internal Controls Directive, Internal Audit Directive; Corporate Credit Card Directive; Conflicts of Interest Directive; Procedure for Payment of Commissions to Agents; and Ethics Line Investigation Protocols;
- (iv) Approving the Directive and Procedure for Relations with Government Officials, which regulates interactions with politicians and executives at state-owned companies;
- (v) Approving the Procedure for the Ethics Line, considering the formal process for handling reports of violations and investigation protocols; Continuing the training program with a focus on the Compliance System, applicable legislation and raising Team Member awareness;
- (vi) Setting a corporate target related to Compliance for all Leaders at the Company;
- (vii) Formally and effectively participating in working groups: UN Anticorruption and ETHOS Integrity;
- (viii) Improving the supplier registration and approval process by implementing a third-party risk and integrity assessment;
- (ix) Developing the Communication Plan for disseminating the Company's commitment to conducting its Business Ethically with Integrity and Transparency;
- (x) Outsourcing of the Whistleblowing Channel and improving the tool for receiving reports of violations;
- (xi) Mapping of risks and controls and beginning of assessment of the effectiveness of controls for the most relevant corporate processes in Brazil, United States, Mexico, Netherlands and Germany;
- (xii) Incorporating anti-corruption clauses in agreements with third parties;
- (xiii) Implementing improvements to internal controls with a view to remediating deficiencies identified in internal processes (especially material deficiencies) and preventing future vulnerabilities;

(xiv) Defining the corporate methodology for Risk Management to be adopted in Brazil, United States, Mexico, Netherlands and Germany;

(xv) Conducting Internal Audit works to address weaknesses and recommendations for improvements to areas involved in the processes assessed.

(d) Class actions

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

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

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

Braskem S.A.

Notes to the financial statements

at June 30, 2018

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On February 21, 2018, a hearing was held in which a decision was handed down for the final approval of the agreement regarding the entire class of investors and the dismissal of the case. Said decision became final and unappealable. The individual distribution of the amount of the agreement is the responsibility of the manager of the Escrow Account, as determined by the Court and in accordance with the ratified allocation plan.

The Proposed Settlement was signed solely to avoid the risk, uncertainty, and expense of further litigation and does represent the admission of any wrongdoing or liability by Braskem.

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

21. Benefits to Team Members

(a) LTI Plan

On March 21, 2018, the Extraordinary Shareholders' Meeting approved the LTI Plan, which aims to align the interests of its participants with those of the Company's shareholders and to encourage participants' retention at the Company by offering eligible participants an opportunity to receive restricted shares in the Company by voluntarily investing own funds and holding such shares through the end of the three-year vesting period.

On March 28, 2018, the Board of Directors approved the "LTI Plan 2018," in accordance with the terms and conditions of the LTI Plan, which includes the list of eligible persons, the deadline for acquiring own shares by participants and the number of restricted shares to be delivered to participants as matching contribution for each own share acquired. The maximum number of shares the Company expects to deliver to the participants of the LTI Program 2018, after the

vesting period and subject to compliance with all necessary requirements, is 685,195 shares. The program's grant date is April 6, 2018. The shares to be delivered by the Company to participants of the LTI Program 2018 are those currently held in treasury or acquired through repurchase programs, and in the event said shares cannot be delivered, the Company will pay participants in cash the amount corresponding to the shares, based on the quote on the stock exchange on the second business day immediately prior to the respective payment date.

The fair value of the Company's matching contribution is the market price of the equity instruments quoted on the grant date. For eligible persons of the Parent company, the fair value is based on the quoted price of the class "A" preferred shares (R\$46.62). For eligible persons of subsidiaries abroad, the fair value is based on the quoted price of the American Depository Receipts - ADR (US\$27.56).

The fair value, net of taxes, calculated on equity at June 30, 2018, is R\$1,590.

22. Shareholders' Equity

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

In the period ended June 30, 2018, 78,100 class "B" preferred shares were converted into 39,050 class "A" preferred shares.

Braskem S.A.**Notes to the financial statements****at June 30, 2018****All amounts in thousands of reais, unless otherwise stated****(a) Capital**

| | Common shares | | Preferred shares class A | | Preferred shares class B | | Amount of shares | |
|-----------------|--------------------|---------------|--------------------------|---------------|--------------------------|---------------|--------------------|---------------|
| | shares | % | shares | % | shares | % | Total | % |
| Odebrecht | 226,334,623 | 50.11 | 79,182,498 | 22.95 | | | 305,517,121 | 38.33 |
| Petrobras ADR | 212,426,952 | 47.03 | 75,761,739 | 21.96 | | | 288,188,691 | 36.15 |
| | (i) | | 55,873,884 | 16.19 | | | 55,873,884 | 7.01 |
| Other | 12,907,077 | 2.86 | 132,996,793 | 38.54 | 500,230 | 100.00 | 146,404,100 | 18.36 |
| Total | 451,668,652 | 100.00 | 343,814,914 | 99.64 | 500,230 | 100.00 | 795,983,796 | 99.85 |
| Treasury shares | | | 1,234,758 | 0.36 | | | 1,234,758 | 0.15 |
| Total | 451,668,652 | 100.00 | 345,049,672 | 100.00 | 500,230 | 100.00 | 797,218,554 | 100.00 |

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

(b) Dividends

On April 30, 2018, the Annual Shareholders Meeting approved additional dividends on the net income for fiscal year 2017 in the amount of R\$1,500,000, which started to be paid on May 10, 2018, of which R\$851,729 was paid to the holders of common shares and R\$648,271 was paid to the holders of class "A" preferred shares.

Braskem S.A.

Notes to the financial statements

at June 30, 2018

All amounts in thousands of reais, unless otherwise stated

(c) Other comprehensive income – shareholders' equity

| | | | | | Attributed to shareholders' in | | | | |
|---|---|--|--|---------------------------|--------------------------------|-----------------|------------------|--|-----|
| Ajustes de avaliação patrimonial | | | | | Other comprehensive income | | | | |
| Goodwill in acquisition of subsidiary under common control | Deemed cost and indexation of PP&E | Fair value and adjustments of trade accounts receivable | Gain (loss) on interest in subsidiary | Foreign sales hedge | Fair value of hedge | Defined | | Foreign currency translation adjustment | Bra |
| | | | | | | benefit | plans | | |
| (i) | (ii) | (iii) | (i) | (iv) | (iv) | (v) | (vi) | (vi) | in |
| On December 31, 2016 | 206,703 | | (9,404) | (7,105,377) | (539,518) | (43,351) | 1,169,088 | (6,32 | |
| Additional indexation | | | | | | | | | |
| Realization Income tax and social contribution | (20,437) | | | | | | | | (20 |
| | 6,949 | | | | | | | | |
| Deemed cost of jointly-controlled investment | | | | | | | | | |
| Realization | (730) | | | | | | | | |

| | | | | | | | | | |
|---|------------------|----------------|--|----------------|--------------------|------------------|-----------------|------------------|--------------------|
| Income tax and social contribution | 248 | | | | | | | | |
| Foreign sales hedge | | | | | | | | | |
| Exchange rate | | | | 822,195 | | | | | 822,195 |
| Transfer to result | | | | 554,394 | | | | | 554,394 |
| Income tax and social contribution | | | | (423,715) | | | | | (423,715) |
| Fair value of Cash flow hedge | | | | | | | | | |
| Change in fair value | | | | | (7,979) | | | | (7,979) |
| Transfer to result | | | | | 48,227 | | | | 48,227 |
| Income tax and social contribution | | | | | (12,374) | | | | (12,374) |
| Fair value of cash flow hedge from jointly-controlled | | | | | 3,762 | | | | 3,762 |
| Foreign currency translation adjustment | | | | | | | | (175,118) | (175,118) |
| On March 31, 2017 | | 192,733 | | (9,404) | (6,152,503) | (507,882) | (43,351) | 993,970 | (5,520,437) |
| On December 31, 2017 | (488,388) | 178,893 | | (9,404) | (6,358,242) | (145,267) | (52,005) | 1,220,533 | (5,654,900) |
| Additional indexation | | | | | | | | | |
| Realization | | (20,240) | | | | | | | (20,240) |
| Income tax and social contribution | | 6,882 | | | | | | | 6,882 |
| Deemed cost of jointly-controlled investment | | | | | | | | | |
| Realization | | (729) | | | | | | | (729) |

| | | | |
|---|-------|-------------|-------------|
| Income tax and social contribution | 248 | | |
| Fair value adjustments | | | |
| Accounts receivable | (690) | | |
| Foreign sales hedge | | | |
| Exchange rate | | (3,125,128) | (3,125,128) |
| Transfer to result | | 592,841 | 592,841 |
| Income tax and social contribution | | 860,778 | 860,778 |
| Fair value of Cash flow hedge | | | |
| Change in fair value | | (256,581) | (256,581) |
| Transfer to result | | 3,432 | 3,432 |
| Income tax and social contribution | | 88,620 | 88,620 |
| Fair value of cash flow hedge from jointly-controlled | | 2,547 | 2,547 |
| Ganhos atuarias líquidos de benefícios pós-emprego, líquidas dos impostos | | | 111 |
| Plano LTI fair value | | | |
| Change in fair value | 2,409 | | |
| Income tax and social contribution | (819) | | |
| Foreign currency | | | 962,989 |

translation
adjustment

**On March 31,
2018**

(488,388) 165,054 900 (9,404) (8,029,751) (307,249) (51,894) 2,183,522 (6,53

- (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) For receivables classified as fair value through other comprehensive income, transfer to the income statement when attained.
 - For the LTI Plan, Transfer to retained earnings according to the grace period of the plan.
 - (iv) Transfer to the income statement when maturity, prepayment or loss of efficacy for hedge accounting.
 - (v) Transfer to the income statement when write-off of subsidiary abroad.
 - (vi) Transfer to the income statement when divestment or transfer of control of subsidiary.
-

Braskem S.A.**Notes to the financial statements****at June 30, 2018****All amounts in thousands of reais, unless otherwise stated****23. 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.

| | Jun/2018 | Basic and diluted Jun/2017 |
|--|-----------------|---------------------------------------|
| Profit for the period attributed to Company's shareholders of continued operations | 1,600,844 | 2,888,524 |
| Distribution of dividends attributable to priority: | | |
| Preferred shares class "A" | 208,450 | 208,416 |
| Preferred shares class "B" | 303 | 351 |
| | 208,753 | 208,767 |
| Distribution of 6% ??of unit value of common shares | 273,840 | 273,827 |
| Distribution of plus income, by class: | | |
| Common shares | 634,943 | 1,366,133 |
| Preferred shares class "A" | 483,308 | 1,039,797 |
| | 1,118,251 | 2,405,930 |
| Reconciliation of income available for distribution, by class (numerator): | | |
| Common shares | 908,783 | 1,639,960 |
| Preferred shares class "A" | 691,758 | 1,248,213 |
| Preferred shares class "B" | 303 | 351 |
| | 1,600,844 | 2,888,524 |
| Weighted average number of shares, by class (denominator): | | |
| Common shares | 451,668,652 | 451,668,652 |
| Preferred shares class "A" | 343,802,381 | 343,775,864 |

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| | | |
|----------------------------------|-------------|-------------|
| Preferred shares class "B" | 525,296 | 578,330 |
| | 795,996,329 | 796,022,846 |
| Profit per share (in R\$) | | |
| Common shares | 2.0121 | 3.6309 |
| Preferred shares class "A" | 2.0121 | 3.6309 |
| Preferred shares class "B" | 0.5768 | 0.6069 |

Braskem S.A.**Notes to the financial statements****at June 30, 2018****All amounts in thousands of reais, unless otherwise stated****(a) Share weighting**

| | Jun/2018 | | | |
|---|--------------------|--------------------|--------------------|-------------------------|
| | | Class "A" | | Preferred shares |
| | Outstanding | Weighted | Outstanding | Class "B" |
| | shares | average | shares | Weighted |
| | | | | average |
| Amount at beginning of the period | 343,775,864 | 343,775,864 | 578,330 | 578,330 |
| Conversion of preferred shares class "B" to "A" | 39,050 | 26,517 | (78,100) | (53,034) |
| Amount at the end of the period | 343,814,914 | 343,802,381 | 500,230 | 525,296 |

24. Net sales revenues

| | Jun/2018 | Consolidated | Parent company | |
|--------------------------------------|-----------------|---------------------|-----------------------|-----------------|
| | | Jun/2017 | Jun/2018 | Jun/2017 |
| Sales revenue | | | | |
| Domestic market | 19,416,623 | 17,000,644 | 19,331,180 | 17,889,789 |
| Foreign market | 12,448,839 | 11,753,851 | 4,393,997 | 4,780,599 |
| | 31,865,462 | 28,754,495 | 23,725,177 | 22,670,388 |
| Sales and services deductions | | | | |
| Taxes | | | | |
| Domestic market | (4,884,929) | (4,158,457) | (4,872,451) | (4,284,054) |
| Foreign market | (20,025) | (15,165) | | |
| Sales returns | | | | |
| Domestic market | (85,148) | (61,683) | (85,148) | (61,434) |
| Foreign market | (60,332) | (49,032) | (7,672) | (3,401) |

| | | | | |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|
| | (5,050,434) | (4,284,337) | (4,965,271) | (4,348,889) |
| Net sales and services revenue | 26,815,028 | 24,470,158 | 18,759,906 | 18,321,499 |

As described in Note 2.2.1, with the adoption of CPC 47/IFRS 15 as from January 1, 2018, the Company started to present its variable considerations related to bonuses offered to customers by deducting them directly from gross sales revenue.

25. Other net income (expenses)

| | | Jun/2018 | Consolidated Jun/2017 |
|---|-----|------------------|----------------------------------|
| Participation of members in profits and results | | (197,658) | (174,133) |
| Provision of legal and labor lawsuits | | (25,239) | (19,771) |
| Fine on supply contract of raw material | (i) | 97,816 | |
| Capital gain - sale of Quantiq | | | 276,816 |
| Other | | (64,824) | 24,240 |
| | | (189,905) | 107,152 |

(i) Contractual penalty for failing to supply feedstock to the subsidiary Braskem Idesa.

Braskem S.A.

Notes to the financial statements

at June 30, 2018

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26. Financial results

| | Jun/2018 | Consolidated Jun/2017 | Parent company Jun/2018 | Parent company Jun/2017 |
|---|--------------------|--------------------------|----------------------------|----------------------------|
| Financial income | | | | |
| Interest income | 219,176 | 286,111 | 170,808 | 264,281 |
| Other | 36,611 | 30,419 | 15,116 | 23,741 |
| | 255,787 | 316,530 | 185,924 | 288,022 |
| Financial expenses | | | | |
| Interest expenses | (1,019,005) | (1,147,962) | (503,475) | (780,105) |
| Monetary variations on fiscal debts | (34,872) | (46,365) | (34,839) | (43,933) |
| Discounts granted | (68,825) | (60,255) | (68,767) | (58,310) |
| Loans transaction costs - amortization | (44,208) | (25,469) | (17,584) | (2,334) |
| Adjustment to present value - appropriation | (113,552) | (174,589) | (108,946) | (130,370) |
| Other | (147,613) | (201,447) | (49,875) | (92,662) |
| | (1,428,075) | (1,656,087) | (783,486) | (1,107,714) |
| Exchange rate variations, net | | | | |
| On financial assets | 1,176,318 | 209,373 | 526,783 | 248,529 |
| On financial liabilities | (2,632,712) | 67,231 | (1,816,679) | (659,932) |
| | (1,456,394) | 276,604 | (1,289,896) | (411,403) |
| Total | (2,628,682) | (1,062,953) | (1,887,458) | (1,231,095) |

27. Expenses by nature and function

| | Jun/2018 | Consolidated Jun/2017 | Parent company Jun/2018 | Parent company Jun/2017 |
|--|----------|--------------------------|----------------------------|----------------------------|
|--|----------|--------------------------|----------------------------|----------------------------|

Classification by nature:

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| | | | | |
|--|---------------------|---------------------|---------------------|---------------------|
| Raw materials other inputs | (17,224,365) | (14,509,167) | (13,250,994) | (11,928,164) |
| Personnel expenses | (1,170,970) | (1,074,155) | (871,995) | (836,106) |
| Outsourced services | (967,018) | (986,094) | (637,982) | (698,126) |
| Depreciation, amortization and depletion | (1,460,858) | (1,424,202) | (969,526) | (921,386) |
| Freights | (1,022,891) | (1,011,658) | (665,715) | (658,909) |
| Costs of idle industrial plants | (88,345) | (38,934) | (71,801) | (21,795) |
| Other expenses, net | (528,524) | (229,088) | (389,534) | (136,955) |
| Total | (22,462,971) | (19,273,298) | (16,857,547) | (15,201,441) |
| Classification by function: | | | | |
| Cost of products sold | (20,830,669) | (17,890,990) | (15,749,160) | (14,369,362) |
| Selling and distribution | (666,312) | (704,586) | (363,471) | (449,130) |
| General and administrative | (690,409) | (622,384) | (497,102) | (427,875) |
| Research and development | (85,676) | (72,145) | (55,320) | (49,961) |
| Other income (expenses), net | (189,905) | 16,807 | (192,494) | 94,887 |
| Total | (22,462,971) | (19,273,298) | (16,857,547) | (15,201,441) |

Braskem S.A.

Notes to the financial statements

at June 30, 2018

All amounts in thousands of reais, unless otherwise stated

28. Segment information

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

| | | | | | | | Jun/2018 |
|---|-------------------|-----------------------|------------------|--|---------------------------------|--|----------------------|
| | Net sales revenue | Cost of products sold | Gross profit | Selling, general and distribution expenses | Results from equity investments | Operating expenses Other income (expenses), net | Consolidated Braskem |
| Reporting segments | | | | | | | |
| Chemicals | 13,929,240 | (11,901,350) | 2,027,890 | (296,130) | | (49,860) | 1,681,900 |
| Polyolefins | 10,620,300 | (8,903,020) | 1,717,280 | (622,300) | | (34,170) | 1,060,810 |
| Vinyls | 1,397,270 | (1,358,930) | 38,340 | (81,020) | | (16,450) | (59,130) |
| USA and Europe | 5,604,490 | (4,226,020) | 1,378,470 | (274,980) | | (28,410) | 1,075,080 |
| Mexico | 1,831,760 | (1,027,020) | 804,740 | (133,480) | | 68,190 | 739,450 |
| Total | 33,383,060 | (27,416,340) | 5,966,720 | (1,407,910) | | (60,700) | 4,498,110 |
| Other segments | 146,703 | (82,214) | 64,489 | (13,018) | | 323 | 51,794 |
| Corporate unit | | | | (90,294) | (1,471) | (129,528) | (221,293) |
| Braskem consolidated before eliminations and reclassifications | 33,529,763 | (27,498,554) | 6,031,209 | (1,511,222) | (1,471) | (189,905) | 4,328,611 |
| Eliminations and reclassifications | (6,714,735) | 6,667,885 | (46,850) | 68,825 | | | 21,975 |
| Total | 26,815,028 | (20,830,669) | 5,984,359 | (1,442,397) | (1,471) | (189,905) | 4,350,586 |

| | | | | | | | Jun/2017 |
|---|-------------------|-----------------------|------------------|--|---------------------------------|--|----------------------|
| | Net sales revenue | Cost of products sold | Gross profit | Selling, general and distribution expenses | Results from equity investments | Operating expenses Other income (expenses), net | Consolidated Braskem |
| Reporting segments | | | | | | | |
| Chemicals | 12,514,921 | (10,204,043) | 2,310,878 | (376,465) | | (42,766) | 1,891,647 |
| Polyolefins | 9,705,309 | (7,619,440) | 2,085,869 | (639,369) | | (46,457) | 1,400,043 |
| Vinyls | 1,457,179 | (1,252,403) | 204,776 | (76,209) | | (50,072) | 78,495 |
| USA and Europe | 4,734,490 | (3,586,801) | 1,147,689 | (296,192) | | 7,259 | 858,756 |
| Mexico | 1,821,095 | (1,054,080) | 767,015 | (134,618) | | 4,975 | 637,372 |
| Total | 30,232,994 | (23,716,767) | 6,516,227 | (1,522,853) | | (127,061) | 4,866,313 |
| Other segments | 7,220 | (8,659) | (1,439) | (129) | | (1,639) | (3,207) |
| Corporate unit | | | | 63,612 | 22,851 | 235,852 | 322,315 |
| Braskem consolidated before eliminations and reclassifications | 30,240,214 | (23,725,426) | 6,514,788 | (1,459,370) | 22,851 | 107,152 | 5,185,421 |
| Eliminations and reclassifications | (5,770,056) | 5,744,091 | (25,965) | 60,255 | | | 34,290 |
| Total | 24,470,158 | (17,981,335) | 6,488,823 | (1,399,115) | 22,851 | 107,152 | 5,219,711 |

29. Subsequent events

Braskem America contracted a credit facility in the amount of up to US\$225 million that is secured by Euler Hermes, a German export credit agency, which will be used to finance a portion of the investments in the new PP plant located in Houston, Texas, United States. The transaction, which matures on December 30, 2028, has a cost of 0.65% p.a. + semiannual LIBOR, with semiannual amortization as of December 30, 2020. The funds will be tapped in accordance with the progress of the project's construction and the total amount is expected to be disbursed by December 30, 2020.

In July 2018, US\$126 million was disbursed.

