

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

04711-904 - São Paulo/SP - Brasil

Caixa Postal 79518 - CEP 04707-970 - São Paulo/SP - Brasil

Telefone +55 (11) 3940-1500, Fax +55 (11) 3940-1501

www.kpmg.com.br

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

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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	Parent company	
				2Q2017	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

	Note	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)	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			
Balance sheet	Odebrecht and subsidiaries and associates	Petrobras and subsidiaries	Other	Total	Odebrecht and subsidiaries and associates	Petrobras and subsidiaries	Other	Total
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								

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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

Odebrecht
and

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