

BRASKEM SA
Form 6-K
March 29, 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 March, 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.

Financial Statements

at December 31, 2017

and Independent Auditors' Report

Independent auditor's report in the individual and consolidated financial statements

To Shareholders, Members of the Board and Management

Braskem S.A.

Camaçari - Bahia

Opinion

We have audited the individual and consolidated financial statements of Braskem S.A. ("the Company"), respectively referred to as Parent and Consolidated, which comprise the statement of financial position as at December 31, 2017, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

Opinion on the individual financial statements

In our opinion, the accompanying individual financial statements present fairly, in all material respects, the financial position of the Braskem S.A. ("the Company") as at December 31, 2017, and of its financial performance and its cash flows for the year then ended in accordance with Accounting Practices Adopted in Brazil.

Opinion on the consolidated financial statements

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Braskem S.A. as at December 31, 2017, and of its consolidated financial performance and its cash flows for the year then ended in accordance with Accounting Practices Adopted in Brazil and with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB).

Basis for Opinion

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

Key Audit Matters

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

Recoverable value of intangible assets with indefinite useful life (goodwill) and deferred tax assets - notes 3.4 (b), 14 (a) and 21.2 (individual and consolidated)

The Company maintains a significant balance of intangible assets with indefinite useful life, in connection with the goodwill on business combination, allocated to operating segments of Polyolefins, Vinyls and Chemicals (cash generating unit Químicos Sul). The Company also holds a significant balance of deferred tax asset, generated by tax losses and temporary differences.

The recoverability of these assets is based on analyses and projections of cash flow and generation of results. Due to uncertainties inherent to the process of determining future cash flows and some assumptions - such as discount rates, which are the basis for evaluation of recoverable value of such assets -, we considered this matter as significant for our audit.

How our audit conducted this issue

We understood the process and evaluated the design of internal controls related to the preparation and review of the business plan, budgets and impairment analysis provided by the Company. We used the support of our specialists in corporate finance, we have evaluated assumptions and methodologies used by the Company to forecast cash flows for each segment, such as discount rate based on average capital cost (WAAC), growth rate for the next 5 years, expected sales volume and margin, among others. Also with the assistance of our specialists, sensitivity analyses were conducted in relation to the main assumptions used by management. We also evaluated disclosures made by the Company, including those related to sensitivity analysis, which demonstrate the impact on recoverable value resulting from possible and reasonable changes in key assumptions used by the Company.

Based on evidence from the procedures summarized above, we consider that, in relation to its recoverability, the value of intangible assets with indefinite useful life (goodwill) and deferred tax assets, as the related disclosures, are acceptable in the context of individual and consolidated financial statements taken as a whole, for the year ended December 31, 2017.

Fair value of derivative financial instruments and designation of hedge accounting - notes 3.6, 4.1 and 19 (individual and consolidated)

The Company uses derivative financial instruments to manage risks related to exchange rate changes and interest rates of loans and financing. These instruments are recorded at fair value based on the market prices of the own instrument or similar instruments or according to pricing techniques, which consider market curves of interest rate and exchange rate. The Company designates derivative financial instruments as hedge instruments when adopting hedge accounting policy, and regularly performs effectiveness tests on designated hedge relations.

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

How our audit conducted this issue

We understood the process and evaluated design and implementation of internal controls related to the process of evaluating derivative financial instruments and hedge accounting. Our audit engagements work also included tests on samples of transactions with these financial instruments and, with the involvement of our valuation specialists in derivative financial instruments, we recalculated them based on pricing techniques and data and information sources independently defined, and compared our results with those recorded by the Company. Also with the assistance of these specialists, we evaluated the sufficiency of the documentation prepared by the Company supporting the designation as hedge accounting, particularly designations containing the descriptions of all strategies and methodologies adopted for measurement of effectiveness. Also with the assistance of our specialists, sensitivity analyses were conducted in relation to the fair value of derivative financial instruments. We also evaluated the adequacy of disclosures made by the Company involving transactions with derivative financial instruments and hedge accounting, including those related to sensitivity analysis of these instruments.

Based on the evidences obtained through the procedures summarized above, we considered acceptable the balances of derivative financial instruments, as well as the designations maintained as hedge accounting in the context of the individual and consolidated financial statements taken as a whole, for the year ended December 31, 2017.

Other matters

Statements of value added

The individual and consolidated statements of value added (DVA) for the year ended December 31, 2017, prepared under the responsibility of the Company's management, and presented herein as supplementary information for IFRS purposes, have been subject to audit procedures jointly performed with the audit of the Company's financial statements. In order to form our opinion, we assessed whether those statements are reconciled with the financial statements and accounting records, as applicable, and whether their format and contents are in accordance with criteria determined in the Technical Pronouncement 09 (CPC 09) - Statement of Value Added issued by the Committee for Accounting Pronouncements (CPC). In our opinion, the statements of value added have been fairly prepared, in all material respects, in accordance with the criteria determined by the aforementioned Technical Pronouncement, and are consistent with the overall individual and consolidated financial statements.

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

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

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

In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the individual and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks,

and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and its subsidiaries ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company and subsidiaries to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the individual and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

São Paulo, March 28, 2018.

KPMG Auditores Independentes
CRC 2SP014428/O-6
Original report in Portuguese signed by
Anselmo Neves Macedo
Accountant CRC 1SP160482/O-6

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

All amounts in thousands of reais

Assets	Note	2017	Consolidated 2016	2015
Current assets				
Cash and cash equivalents	6	3,775,093	6,701,864	1,953,000
Financial investments	7	2,302,672	1,190,483	1,833,300
Trade accounts receivable	8	3,281,196	1,634,137	1,824,700
Inventories	9	6,846,923	5,238,014	4,800,800
Taxes recoverable	11	1,349,064	1,355,695	830,100
Dividends and interest on capital	10	10,859	14,986	10,800
Prepaid expenses		134,337	101,747	105,200
Related parties	10(b)			30,400
Derivatives operations	19.2	3,793	8,387	3,700
Other receivables		288,391	180,915	232,500
		17,992,328	16,426,228	11,625,000
Non-current assets held for sale	5		359,704	
		17,992,328	16,785,932	11,625,000
Non-current assets				
Financial investments	7	10,336		
Trade accounts receivable	8	37,496	70,236	1,336,200
Advances to suppliers	9	46,464	61,533	46,400
Taxes recoverable	11	1,023,633	1,088,353	1,023,200
Deferred income tax and social contribution	21.2(b)	1,165,726	1,653,115	
Judicial deposits		289,737	233,320	278,000
Related parties	10(b)			16,000
Insurance claims		39,802	50,653	39,800
Derivatives operations	19.2	32,666	29,308	
Other receivables		112,997	140,971	109,100
Investments in subsidiaries and jointly-controlled investments	12	101,258	92,313	4,915,600
Property, plant and equipment	13	29,761,610	29,336,710	16,326,200
Intangible assets	14	2,727,497	2,809,087	2,501,500
		35,349,222	35,565,599	26,592,200
Total assets		53,341,550	52,351,531	38,217,300

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

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

All amounts in thousands of reais

Continued

Liabilities and shareholders' equity	Note	2017	Consolidated 2016	2017	Parent
Current liabilities					
Trade payables		5,265,670	6,545,136	1,198,842	
Borrowings	15	1,184,781	2,594,463	382,304	
Braskem Idesa borrowings	16	9,691,450	10,437,791		
Debenture	17	27,183			
Derivatives operations	19.2	6,875	29,042		
Payroll and related charges		630,517	562,455	493,098	
Taxes payable	20	1,261,204	1,153,760	774,391	
Dividends		3,850	3,083	3,709	
Advances from customers		353,222	203,216	187,304	
Leniency agreement	23.3	257,347	1,354,492	202,892	
Sundry provisions	22	178,676	112,891	125,130	
Accounts payable to related parties	10(b)			783,181	
Other payables		276,957	476,262	104,181	
		19,137,732	23,472,591	4,255,032	
Non-current liabilities held for sale	5		95,396		
		19,137,732	23,567,987	4,255,032	
Non-current liabilities					
Trade payables		259,737	201,686	13,845,472	
Borrowings	15	22,176,640	20,736,604	2,823,692	
Debenture	17	286,141			
Derivatives operations	19.2		861,302		
Taxes payable	20	52,802	24,097	50,815	
Accounts payable to related parties	10(b)			7,197,573	
Loan to non-controlling shareholders of Braskem Idesa		1,756,600	1,620,519		
Deferred income tax and social contribution	21.2(b)	940,079	510,523	715,938	
Post-employment benefits		193,775	162,136	83,233	
Provision for losses on subsidiaries				102,750	
Advances from customers			162,955		
Contingencies	23	1,092,645	985,237	1,084,528	
Leniency agreement	23.3	1,371,767	1,498,738	1,322,051	

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Sundry provisions	22	234,996	206,245	213,318
Other payables		148,286	92,792	5,048
		28,513,468	27,062,834	27,444,418
Shareholders' equity	25			
Capital		8,043,222	8,043,222	8,043,222
Capital reserve		232,430	232,430	232,430
Revenue reserves		3,945,898	834,616	3,945,898
Equity valuation adjustments		(5,653,880)	(6,321,859)	(5,653,880)
Treasury shares		(49,819)	(49,819)	(49,819)
Total attributable to the Company's shareholders		6,517,851	2,738,590	6,517,851
Non-controlling interest in subsidiaries		(827,501)	(1,017,880)	
		5,690,350	1,720,710	6,517,851
Total liabilities and shareholders' equity		53,341,550	52,351,531	38,217,301

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

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

		Consolidated		Parent company
	Note	2017	2016	2016
	2.4(b)		Adjusted	Adjusted
	27			
		49,260,594	47,663,988	36,481,806
Cost of products sold		(36,400,748)	(34,985,569)	(28,929,876)
		12,859,846	12,678,419	7,551,930
Selling and distribution		(1,459,608)	(1,403,673)	(925,663)
General and administrative		(1,434,272)	(1,285,613)	(865,085)
Research and development		(167,456)	(162,010)	(105,286)
Results from equity investments	12(c)	39,956	30,078	2,441,996
Other income (expenses), net	29	(479,404)	(3,905,954)	(449,092)
		9,359,062	5,951,247	7,648,800
	30			
Financial expenses		(3,747,217)	(3,570,962)	(2,627,262)
Financial income		603,630	690,122	545,262
Exchange rate variations, net		(798,762)	(3,210,417)	(878,154)
		(3,942,349)	(6,091,257)	(2,960,154)
				(4,268,629)

		5,416,713	(140,010)	4,688,646	(171,011)
Current and deferred income tax and social contribution	21.1	(1,292,268)	(616,046)	(614,532)	(271,419)
		4,124,445	(756,056)	4,074,114	(442,430)
Profit from discontinued operations	5				
		13,499	40,760	13,499	30,958
Current and deferred income tax and social contribution		(4,623)	(13,901)	(4,623)	
		8,876	26,859	8,876	30,958
		4,133,321	(729,197)	4,082,990	(411,472)
Company's shareholders		4,082,990	(411,472)		
Non-controlling interest in subsidiaries		50,331	(317,725)		
		4,133,321	(729,197)		

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

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

	Note	2017	Consolidated 2016	2015
Profit (loss) for the year		4,133,321	(729,197)	4,082,124
Other comprehensive income:				
Items that will be reclassified subsequently to profit or loss				
Fair value of cash flow hedge		605,204	215,510	540,100
Income tax and social contribution		(203,186)	(75,333)	(183,800)
Fair value of cash flow hedge - Braskem Idesa				48,500
Income tax and social contribution				(14,500)
Fair value of cash flow hedge from jointly-controlled		3,534	(3,309)	3,500
		405,552	136,868	394,100
Exchange variation of foreign sales hedge	19.4(a.i)	(397,045)	4,121,849	(397,000)
Sales Hedge - transfer to profit or loss	19.4(a.i)	1,022,830	1,297,910	1,022,800
Income tax and social contribution on exchange variation		(212,767)	(1,842,718)	(212,700)
Exchange variation of foreign sales hedge - Braskem Idesa	19.4(a.ii)	472,717	(1,995,065)	354,100
Sales Hedge - transfer to profit or loss - Braskem Idesa	19.4(a.ii)	163,696	59,834	122,100
Income tax on exchange variation - Braskem Idesa		(190,924)	581,304	(143,100)
		858,507	2,223,114	747,100
Foreign subsidiaries currency translation adjustment		(602)	339,296	51,400
Total		1,263,457	2,699,278	1,192,100
Items that will not be reclassified to profit or loss				
Defined benefit plan actuarial loss, net of taxes		(5,750)	(4,119)	(5,700)
Post-employment plans - Health plan, net of taxes		(2,904)		(2,900)
Total		(8,654)	(4,119)	(8,600)
Total comprehensive income for the year		5,388,124	1,965,962	5,267,100

Attributable to:

Company's shareholders	5,267,167	2,355,580
Non-controlling interest in Braskem Idesa	120,957	(389,618)
Total comprehensive income (loss) for the year	5,388,124	1,965,962

	Note	2019	2018
Profit (loss) per share attributable to the shareholders of the Company of continued operations at the end of the year (R\$) (expressed in reais)		Basic	and diluted
Earnings per share - common		5.11	5.11
Earnings per share - preferred shares class "A"	26	5.11	5.11
Earnings per share - preferred shares class "B"		0.60	0.60

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

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

All amounts in thousands of reais

	Note	Attributed to shareholders' interest							
		Capital	Legal	Tax	Revenue reserves	Additional	Equity	Retained	
		reserve	reserve	incentive	Retention	dividends	valuation	Treasury	earnings
		Capital	Legal	Tax	of profits	proposed	adjustments	shares	(losses)
At December 31,									
2015		8,043,222	232,430	229,992	2,404,663	247,364	(9,060,710)	(49,819)	(416,768)
Comprehensive									
income for the									
year:									
Profit for the year									(411,472)
Exchange									
variation of									
foreign sales									
hedge, net of									
taxes							2,561,596		
Fair value of cash									
flow hedge, net of									
taxes								145,878	
Foreign									
subsidiaries									
currency									
translation									
adjustment								63,697	
								2,771,171	(411,472)
Equity valuation									
adjustments:									
Realization of									
additional									
property, plant									
and equipment									
price-level									
restatement, net									
of taxes								(27,236)	27,236

Realization of deemed cost of jointly-controlled investment, net of taxes					(965)	965
Actuarial loss with post-employment benefits, net of taxes					(4,119)	
					(32,320)	28,201
Contributions and distributions to shareholders:						
Absorption of losses and adjustments				(800,039)		800,039
Capital increase						
Additional dividends approved by the General Meeting					(247,364)	
Interim dividends approved by Board of Directors				(1,000,000)		
				(1,800,039)	(247,364)	800,039
At December 31, 2016	8,043,222	232,430	229,992	604,624	(6,321,859)	(49,819)
Comprehensive income for the year:						
Loss for the year						4,082,990
Exchange variation of foreign sales hedge, net of taxes					747,135	
Fair value of cash flow hedge, net of taxes					394,251	
Foreign currency translation adjustment					51,445	
					1,192,831	4,082,990
Equity valuation adjustments:						

Realization of
additional
property, plant
and equipment
price-level
restatement, net
of taxes