

BRASKEM SA
Form 6-K
November 07, 2014

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 November, 2014
(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.

Quarterly Information (ITR) at

September 30, 2014

and Independent Auditors' Report Review

Report on Review of Quarterly Information

To the Board of Directors and Shareholders

Braskem S.A.

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of Braskem S.A., included in the Quarterly Information Form (ITR) for the quarter ended September 30, 2014, comprising the balance sheet as at that date and the statements of operations and comprehensive income for the quarter and nine-month periods then ended, and the statements of changes in equity and cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of the parent company interim accounting information in accordance with the accounting standard CPC 21 - Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC), and of the consolidated interim accounting information in accordance with CPC 21 and International Accounting Standard (IAS) 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB), as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim accounting information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Reviews of 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 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 Brazilian and International 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.

Conclusion on the parent company interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

Conclusion on the consolidated interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

Other matters

Statements of value added

We have also reviewed the parent company and consolidated statements of value added for the nine-month period ended September 30, 2014. These statements are the responsibility of the Company's management, and are required to be presented in accordance with standards issued by the CVM applicable to the preparation of Quarterly Information (ITR) and are considered supplementary information under IFRS, which do not require the presentation of the statement of value added. These statements have been submitted to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they have not been prepared, in all material respects, in a manner consistent with the parent company and consolidated interim accounting information taken as a whole.

Salvador, November 6, 2014

PricewaterhouseCoopers

Auditores Independentes

CRC 2SP000160/O-5 "F" BA

Fábio Cajazeira Mendes

Contador CRC 1SP196825/O-0 "S" BA

Braskem S.A.**Balance sheet****at September 30, 2014****All amounts in thousands of reais**

Assets	Note	Consolidated		Parent Company	
		Sep/2014	Dec/2013	Sep/2014	Dec/2013
	2.1.1(a)		Revised		Revised
Current assets					
Cash and cash equivalents	3	3,722,404	4,335,859	2,274,380	2,425,078
Financial investments	4	102,243	86,719	102,239	86,535
Trade accounts receivable	5	3,048,781	2,810,520	4,551,460	3,814,830
Inventories	6	5,110,534	5,033,593	2,974,530	2,848,700
Taxes recoverable	8	2,581,241	2,237,213	1,272,096	1,246,858
Dividends and interest on capital	7		150	79,208	78,031
Prepaid expenses		119,200	62,997	70,776	19,778
Related parties	7	64,597	124,487	52,128	100,173
Derivatives operations	14.1.1	26,446	34,101	26,446	28,951
Other receivables		299,403	233,808	173,491	141,360
		15,074,849	14,959,447	11,576,754	10,790,294
Non-current assets held for sale	1(a)		37,681		
		15,074,849	14,997,128	11,576,754	10,790,294
Non-current assets					
Financial investments	4	33,276	20,779	33,277	20,774
Trade accounts receivable	5	17,814	61,875	11,988	60,328
Advances to suppliers	6	49,346	116,714	49,346	116,714
Taxes recoverable	8	1,017,085	1,285,990	793,979	899,751
Deferred income tax and social contribution	2.1.1(a) e 17	1,244,949	1,123,313	912,637	674,273
Judicial deposits		211,769	209,910	195,411	194,397
Related parties	7	137,245	133,649	95,712	404,668
Insurance claims		188,258	139,497	182,059	138,308
Derivatives operations	14.1.1	81,502	137,345		
Other receivables		136,389	141,526	106,196	112,497
Investments in subsidiaries and jointly-controlled investments	9	113,670	115,385	11,191,030	10,479,371
Other investments		6,511	6,501	6,123	6,123

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Property, plant and equipment	10	27,842,810	25,413,548	11,622,125	11,650,667
Intangible assets	11	2,844,365	2,912,630	2,216,753	2,225,326
		33,924,989	31,818,662	27,416,636	26,983,197
Total assets		48,999,838	46,815,790	38,993,390	37,773,491

The Management notes are an integral part of the financial statements

Braskem S.A.**Balance sheet****at September 30, 2014****All amounts in thousands of reais****Continued**

Liabilities and shareholders' equity	Note	Sep/2014	Consolidated Dec/2013 Revised	Parent Sep/2014
	2.1.1(a)			
Current liabilities				
Trade payables		9,566,665	10,421,687	8,918,789
Borrowings	12	1,308,737	1,248,804	1,867,402
Project finance	13	23,764	25,745	
Derivatives operations	14.1.1	68,861	95,123	10,619
Payroll and related charges		490,611	490,816	317,845
Taxes payable	15	674,058	445,424	334,491
Dividends and interest on capital		4,506	131,799	1,729
Advances from customers		408,765	297,403	39,991
Sundry provisions	18	92,876	105,856	51,807
Post-employment benefits	19		158,137	
Accounts payable to related parties	7			278,444
Other payables		162,811	174,007	72,179
		12,801,654	13,594,801	11,893,296
Non-current liabilities				
Borrowings	12	17,762,820	17,353,687	7,355,763
Project finance	13	6,966,827	4,705,661	
Derivatives operations	14.1.1	481,726	396,040	481,726
Taxes payable	15	879,532	902,875	806,126
Accounts payable to related parties	7			10,023,105
Ethylene XXI Project Loan	16	638,356	370,420	
Deferred income tax and social contribution	2.1.1(a) e 17	856,568	863,405	
Post-employment benefits	19	278,831	44,054	207,134
Provision for losses on subsidiaries and jointly-controlled investments				225,004
Advances from customers		101,104	152,635	32,169
Sundry provisions	18	452,830	449,694	214,121
Other payables		264,379	301,184	252,568
		28,682,973	25,539,655	19,597,716
Shareholders' equity	21			

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Capital	8,043,222	8,043,222	8,043,222
Capital reserve	232,430	232,430	232,430
Revenue reserves	55,307	410,149	55,307
Other comprehensive income	(1,652,516)	(1,092,691)	(1,652,516)
Treasury shares	(48,892)	(48,892)	
Accumulated profit	823,935		823,935
Total attributable to the Company's shareholders	7,453,486	7,544,218	7,502,378
Non-controlling interest in Braskem Idesa	61,725	137,116	
	7,515,211	7,681,334	7,502,378
Total liabilities and shareholders' equity	48,999,838	46,815,790	38,993,390

The Management notes are an integral part of the financial statements

Braskem S.A.**Statement of operations and statement of comprehensive income****at September 30, 2014****All amounts in thousands of reais**

				Consolidated	
	Note	3Q14	YTD14	3Q13	YTD13
	2.1.1(b)			Revised	Revised
Net sales revenue	23	11,723,962	34,419,697	10,938,005	30,186,419
Cost of products sold		(10,051,035)	(29,975,456)	(9,209,295)	(26,353,530)
Gross profit		1,672,927	4,444,241	1,728,710	3,832,889
Income (expenses)					
Selling and distribution		(301,347)	(852,547)	(247,041)	(744,279)
General and administrative		(299,955)	(864,695)	(290,857)	(792,587)
Research and development		(34,317)	(101,335)	(27,905)	(79,146)
Results from equity investments	9(c)	(269)	317	1,493	(1,701)
Other operating income (expenses), net	24	(67,237)	107,746	(46,785)	(100,463)
Operating profit		969,802	2,733,727	1,117,615	2,114,713
Financial results	25				
Financial expenses		(1,087,418)	(2,187,035)	(575,168)	(1,808,135)
Financial income		455,482	517,226	38,361	491,874
		(631,936)	(1,669,809)	(536,807)	(1,316,261)
Profit before income tax and social contribution		337,866	1,063,918	580,808	798,452
Current and deferred income tax and social contribution	17	(108,126)	(313,432)	(181,370)	(291,201)
Profit for the period		229,740	750,486	399,438	507,251
Attributable to:					
Company's shareholders		268,999	802,782	398,535	500,455
Non-controlling interest in Braskem Idesa		(39,259)	(52,296)	903	6,796
Profit for the period		229,740	750,486	399,438	507,251

The Management notes are an integral part of the financial statements

Braskem S.A.**Statement of operations and statement of comprehensive income****at September 30, 2014****All amounts in thousands of reais**

				Parent Company	
	Note	3Q14	YTD14	3Q13	YTD13
	2.1.1(b)			Revised	Revised
Net sales revenue	23	6,910,995	19,575,668	6,337,171	17,645,495
Cost of products sold		(6,014,678)	(17,214,864)	(5,205,537)	(15,193,655)
Gross profit		896,317	2,360,804	1,131,634	2,451,840
Income (expenses)					
Selling and distribution		(176,098)	(499,878)	(162,192)	(456,707)
General and administrative		(193,737)	(554,041)	(165,895)	(476,078)
Research and development		(25,986)	(70,650)	(20,772)	(59,713)
Results from equity investments	9(c)	228,588	681,745	192,071	236,240
Other operating income (expenses), net	24	(23,216)	233,615	(31,107)	(39,431)
Operating profit		705,868	2,151,595	943,739	1,656,151
Financial results	25				
Financial expenses		(943,983)	(1,747,404)	(535,636)	(1,427,046)
Financial income		534,429	432,554	108,188	461,474
		(409,554)	(1,314,850)	(427,448)	(965,572)
Profit before income tax and social contribution		296,314	836,745	516,291	690,579
Current and deferred income tax and social contribution	17	(27,315)	(33,963)	(117,756)	(190,124)
Profit for the period		268,999	802,782	398,535	500,455

The Management notes are an integral part of the financial statements

Braskem S.A.

Statement of operations and statement of comprehensive income

at September 30, 2014

All amounts in thousands of reais, except earnings per share

Continued

				Consolidated	
	Nota 2.1.1(b)	3Q14	YTD14	3Q13 Revised	YTD13 Revised
Profit for the period		229,740	750,486	399,438	507,251
Other comprehensive income:					
Items that will be subsequently reclassified to profit or loss:					
Fair value of cash flow hedge		(99,189)	(67,606)	(130,375)	(130,375)
Income tax and social contribution		33,724	22,986	28,810	28,810
Fair value of cash flow hedge Braskem Idesa		(61,757)	(99,624)		
		(127,222)	(144,244)	(101,565)	(101,565)
Hedge export - exchange variation	14.1.1(c)	(1,679,172)	(732,484)	(25,078)	(1,542,676)
Income tax and social contribution		570,919	249,045	8,527	524,510
		(1,108,253)	(483,439)	(16,551)	(1,018,166)
Foreign currency translation adjustment		159,881	65,916	5,264	116,691
Total		(1,075,594)	(561,767)	(112,852)	(1,003,040)
Total comprehensive income for the period		(845,854)	188,719	286,586	(495,789)
Attributable to:					
Company's shareholders		(799,096)	264,110	300,788	(499,179)
Non-controlling interest in Braskem Idesa		(46,758)	(75,391)	(14,202)	3,390
Total comprehensive income for the period		(845,854)	188,719	286,586	(495,789)

The Management notes are an integral part of the financial statements

Braskem S.A.**Statement of operations and statement of comprehensive income****at September 30, 2014****All amounts in thousands of reais, except earnings per share****Continued**

				Parent Company	
	Nota	3Q14	YTD14	3Q13	YTD13
	2.1.1(b)			Revised	Revised
Profit for the period		268,999	802,782	398,535	500,455
Other comprehensive income:					
Items that will be subsequently reclassified to profit or loss:					
Fair value of cash flow hedge		(99,189)	(67,606)	(84,736)	(84,736)
Income tax and social contribution		33,724	22,986	28,810	28,810
Fair value of cash flow hedge Braskem Idesa		(46,318)	(74,718)	(34,229)	(34,229)
		(111,783)	(119,338)	(90,155)	(90,155)
Hedge export - exchange variation	14.1.1(c)	(1,679,172)	(732,484)	(25,078)	(1,542,676)
Income tax and social contribution		570,919	249,045	8,527	524,510
		(1,108,253)	(483,439)	(16,551)	(1,018,166)
Foreign currency translation adjustment		151,941	64,105	8,959	108,687
Total		(1,068,095)	(538,672)	(97,747)	(999,634)
Total comprehensive income for the period		(799,096)	264,110	300,788	(499,179)

				Parent Company	
	Nota			YTD14	YTD13
	2.1.1(b)			Basic and Diluted	Basic and Diluted
				Revised	Revised
Profit per share attributable to the shareholders of the Company of continued operations at the end of the period (R\$)					

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Earnings per share - common	1.0087	0.6286
Earnings per share - preferred shares class "A "	1.0087	0.6286
Earnings per share - preferred shares class "B "	0.6062	0.6062

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	Legal reserve	Returns Earnings	Attributed to shareholders' interest			
						Revenue reserves Additional dividends proposed	Other comprehensive income	Treasury shares	Accumulated profit (loss)
At December 31, 2012		8,043,222	797,979				337,411	(48,892)	(565,549)
Comprehensive income for the period:									
Profit for the period									500,455
Exchange variation of foreign sales hedge, net of taxes							(1,018,166)		
Fair value of cash flow hedge, net of taxes							(90,155)		
Foreign currency translation adjustment							108,687 (999,634)		500,455
Equity valuation adjustments:									
Realization of additional property, plant and equipment price-level							(725)		725

restatement, net of taxes									
Realization of deemed cost of jointly-controlled investment, net of taxes						(20,427)		20,427	
						(21,152)		21,152	
Contributions to shareholders:									
Absorption of losses		(565,549)							565,549
Capital increase of non-controlling shareholders									
Loss on interest in subsidiary		(565,549)				(1,961)			
						(1,961)		565,549	
At Setember 30, 2013 (Revised)	2.1.1(b)	8,043,222	232,430			(685,336)	(48,892)	521,607	
At December 31, 2013		8,043,222	232,430	26,895	28,412	354,842	(1,092,691)	(48,892)	
Comprehensive income for the period:									
Profit (loss) for the period									802,782
Exchange variation of foreign sales hedge, net of taxes						(483,439)			
Fair value of cash flow hedge, net of taxes						(119,338)			
Foreign currency translation adjustment						64,105			
						(538,672)			802,782
Equity valuation adjustments:									
Realization of additional property, plant and equipment price-level						(20,430)			20,430

restatement, net of taxes								
Realization of deemed cost of jointly-controlled investment, net of taxes						(723)	723	
						(21,153)		21,153
Contributions and distributions to shareholders:								
Additional dividends								
proposed	21(b)				(354,842)			
					(354,842)			
At Setember 30, 2014		8,043,222	232,430	26,895	28,412	(1,652,516)	(48,892)	823,935

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 re
At December 31, 2012		8,043,222	797,979
Comprehensive income for the period:			
Profit for the period			
Exchange variation of foreign sales hedge, net of taxes			
Fair value of cash flow hedge, net of taxes			
Foreign currency translation adjustment			
Equity valuation adjustments:			
Realization of additional property, plant and equipment price-level restatement, net of taxes			
Realization of deemed cost of jointly-controlled investment, net of taxes			
Contributions to shareholders:			
Loss on interest in subsidiary			(565,549)
Write-off non-controlling by investments sale			(565,549)
At Setember 30, 2013 (Revised)	2.1.1(b)	8,043,222	232,430
At December 31, 2013		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			
Realization of deemed cost of jointly-controlled investment, net of taxes			

Contributions and distributions to shareholders:

Additional dividends proposed

21(b)

At September 30, 2014

8,043,222 232,430 2

The Management notes are an integral part of the financial statements

Braskem S.A.**Statement of cash flows****at September 30, 2014****All amounts in thousands of reais**

	Note	Consolidated	Parent Company
	2.1.1(b)	Sep/2014	Sep/2013
		Sep/2013	Sep/2014
		Revised	Revised
Profit before income tax and social contribution		1,063,918	798,452
			836,745
			690,579
Adjustments for reconciliation of profit			
Depreciation, amortization and depletion		1,532,681	1,517,155
Results from equity investments	9(c)	(317)	1,701
Interest and monetary and exchange variations, net		1,489,880	855,083
Cost amount of the investment sold in the divestment date	24	(277,338)	(277,338)
Provision for losses and asset write-downs of long-term		6,213	10,999
			4,883
			(27,560)
		3,815,037	3,183,390
			1,913,124
			2,197,529
Changes in operating working capital			
Held-for-trading financial investments		(14,972)	118,922
Trade accounts receivable		(204,308)	(425,229)
Inventories		4,539	(770,335)
Taxes recoverable		20,773	(72,827)
Prepaid expenses		(56,203)	(41,217)
Other receivables		(50,054)	(43,056)
Trade payables		(1,168,241)	365,184
Taxes payable		35,384	(135,186)
Advances from customers		59,831	(5,266)
Sundry provisions		(9,844)	14,773
Other payables		279,943	112,323
			9,907
			141,371
Cash from (used in) operations		2,711,885	2,301,476
			915,239
			1,843,632
Interest paid		(744,132)	(785,178)
Income tax and social contribution paid		(95,896)	(44,024)
			(33,592)
			(21,352)
Net cash generated (used in) by operating activities		1,871,857	1,472,274
			432,992
			1,456,473
Proceeds from the sale of fixed assets		10,108	1,820
			10,061

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Proceeds from the sale of investments	24	315,000	387,036	315,000	387,036
Beginning cash of Quantiq and IQAG	2.1.1(b)		9,985		
Acquisitions of investments in subsidiaries and associates			(31)	(4,709)	(107,242)
Acquisitions to property, plant and equipment		(3,632,263)	(3,925,330)	(909,008)	(721,055)
Acquisitions of intangible assets		(19,729)	(12,425)	(19,110)	(11,927)
Held-for-maturity and available for sale financial investments		12,352	10,037	12,352	3,762
Net cash used in investing activities		(3,314,532)	(3,528,908)	(595,414)	(449,426)
Short-term and long-term debt					
Obtained borrowings		5,298,661	5,416,263	2,649,930	4,260,796
Payment of borrowings		(5,846,691)	(6,176,473)	(3,219,904)	(4,516,360)
Project finance	13				
Obtained funds			3,316,211		
Related parties		1,894,507			
Obtained loans				303,478	325,880
Payment of loans				(561,107)	256,332
Net current transactions				1,321,462	(139,551)
Dividends paid		(482,135)	(33)	(482,135)	(33)
Non-controlling interests in Braskem Idesa		(300)	32,712		
Net cash provided (used in) by financing activities		864,042	2,588,680	11,724	187,064
Exchange variation on cash of foreign subsidiaries		(34,822)	41,076		
Increase (decrease) in cash and cash equivalents		(613,455)	573,122	(150,698)	1,194,111
Represented by					
Cash and cash equivalents at the beginning for the period		4,335,859	3,287,622	2,425,078	1,627,928
Cash and cash equivalents at the end for the period		3,722,404	3,860,744	2,274,380	2,822,039
Increase (decrease) in cash and cash equivalents		(613,455)	573,122	(150,698)	1,194,111

The Management notes are an integral part of the financial statements

Braskem S.A.**Statement of value added****at September 30, 2014****All amounts in thousands of reais**

	Note	Sep/2014	Consolidated Sep/2013 Revised	Parent Company Sep/2014	Sep/2013 Revised
	2.1.1(b)				
Revenue		39,490,654	34,857,375	22,836,693	20,722,932
Sale of goods, products and services		39,396,833	35,020,487	22,636,929	20,760,430
Other income (expenses), net		149,396	(131,271)	253,263	(11,439)
Allowance for doubtful accounts		(55,575)	(31,841)	(53,499)	(26,059)
Inputs acquired from third parties		(33,393,774)	(29,278,978)	(19,608,451)	(17,345,262)
Cost of products, goods and services sold		(32,268,200)	(28,302,703)	(18,882,067)	(16,728,643)
Material, energy, outsourced services and others		(1,124,997)	(976,318)	(726,851)	(614,858)
Impairment of assets		(577)	43	467	(1,761)
Gross value added		6,096,880	5,578,397	3,228,242	3,377,670
Depreciation, amortization and depletion		(1,532,681)	(1,517,155)	(945,656)	(958,986)
Net value added produced by the entity		4,564,199	4,061,242	2,282,586	2,418,684
Value added received in transfer		518,116	490,428	1,114,587	697,970
Results from equity investments	9(c)	317	(1,701)	681,745	236,240
Financial income		517,226	491,874	432,554	461,474
Other		573	255	288	256
Total value added to distribute		5,082,315	4,551,670	3,397,173	3,116,654
Personnel		783,029	604,572	436,593	378,268
Direct compensation		595,489	471,497	330,267	297,345
Benefits		147,175	98,315	75,164	53,460
FGTS (Government Severance Pay Fund)		40,365	34,760	31,162	27,463
Taxes, fees and contributions		1,218,084	1,530,455	303,134	729,475
Federal		452,263	782,316	131,952	280,400
State		754,010	735,792	166,531	444,625
Municipal		11,811	12,347	4,651	4,450
Remuneration on third parties' capital		2,330,716	1,909,392	1,854,664	1,508,456

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Financial expenses (including exchange variation)	2,169,517	1,787,140	1,736,978	1,412,247
Rentals	161,199	122,252	117,686	96,209
Remuneration on own capital	750,486	507,251	802,782	500,455
Profit for the period	802,782	500,455	802,782	500,455
Non-controlling interests in Braskem Idesa	(52,296)	6,796		
Value added distributed	5,082,315	4,551,670	3,397,173	3,116,654

- The statement of value added is not required under the standards issued by the International Accounting Standards Board (“IASB”).

The Management notes are an integral part of the financial statements

Braskem S.A.

Notes to the financial statements

at September 30, 2014

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.

(a) Significant corporate and operating events impacting these financial statements

On December 31, 2013, the parent company entered into a share sales agreement with Odebrecht Ambiental (“OA”), through which it sold its interest in the subsidiary Distribuidora de Águas Triunfo S.A. (“DAT”) for R\$315 million, which were received over the course of the second quarter of 2014.

The assets of DAT were shown in the balance sheet of December 31, 2013 as “non-current assets held for sale.” DAT did not register results or hold liabilities in the year ended on December 31, 2013.

On February 3, 2014, the Extraordinary Shareholders’ Meeting of DAT approved the change in its management and consequently the transfer of the management of the operations from Braskem to OA, upon the recognition of a gain of R\$277,338 (Note 24).

Other corporate events of 2013 and which did not produce significant impact on these financial statements were presented in the 2013 annual financial statements of the Company in Note 1(b).

(b) Solvay Indupa

On December 17, 2013, the Parent Company entered into a share purchase agreement (“Agreement”) with Solvay Argentina S.A. (“Solvay Argentina”), by which it committed to acquire, upon fulfillment of certain conditions envisaged in the Agreement (“Acquisition”), 70.59% of the total and voting capital of Solvay Indupa S.A.I.C. (“Solvay Indupa”), at the price of US\$0.085 per share, to be paid on the date of consummation of the acquisition. The acquisition price is based on the Enterprise Value of US\$ 290 million.

Solvay Indupa, which produces PVC and caustic soda, has two integrated production sites located in: (i) Santo André, São Paulo, with the capacity to produce 300 kton of PVC* and 170 kton of caustic soda*; and (ii) Bahía Blanca in the Province of Buenos Aires, with the capacity to produce 240 kton of PVC* and 180 kton of caustic soda*.

In turn, Solvay Indupa holds (i) 99.99% of the voting and total capital of Solvay Indupa do Brasil S.A. (“Indupa Brasil”); and (ii) 58.00% of the voting and total capital of Solalban Energía S.A. (“Solalban”).

On December 18, 2013, Braskem submitted to the Securities and Exchange Commission of Argentina (“CNV”) a proposal to carry out a public tender offer for shares representing 29.41% of the capital of Solvay Indupa traded on the Buenos Aires Stock Exchange, pursuant to applicable legislation. This initial proposal was not fully accepted by CNV, and on February 21, 2014 Braskem submitted a new proposal, which is still under analysis by CNV. Moreover, Braskem also intends to cancel the registration of Solvay Indupa do Brasil with the Securities and Exchange Commission of Brazil (“CVM”).

On June 24, 2014, the General Secretariat of Brazil’s antitrust agency (“CADE”) issued a report challenging the operation, but the report is neither final nor binding, but rather represents the first step in the process of analyzing the transaction. The plenary session of CADE will appraise the process by the end of this year.

* *Unaudited*

Braskem S.A.

Notes to the financial statements

at September 30, 2014

All amounts in thousands of reais, unless otherwise stated

(c) Naphtha agreement with Petrobras

On August 29, 2014, Braskem signed a new amendment to the naphtha supply agreement with Petrobras extending its term until the end of February 2015. The current terms of the agreement were maintained and the price will be adjusted retroactively to September 1, 2014, upon the signing of the new agreement.

(d) Net working capital

On September 30, 2014, the Parent Company's net working capital was negative R\$316,542 (in 2013, negative R\$564,412). On the other hand, consolidated net working capital is positive R\$2,273,195 (in 2013, R\$1,402,327). Consolidated numbers are used in the management of working capital, since the Company uses mechanisms to transfer funds between the companies efficiently without jeopardizing the fulfillment of the commitments of each of the entities forming the consolidated statements. For this reason, any analysis of the Parent Company's working capital will not reflect the actual liquidity position of the Company.

(e) Effect of foreign exchange variation

The Company is exposed to foreign exchange variation on the balances and transactions made in currencies other than its functional currencies, particularly in U.S. dollar, such as financial investments, trade accounts receivable, trade payables, borrowings and sales. In addition to the exchange effect of the U.S. dollar in relation to the Brazilian real, Braskem is also exposed to the U.S. dollar through its subsidiaries abroad, particularly those where the functional currency is the euro and the Mexican peso. The balances of assets and liabilities are translated based on the exchange rate at the end of each period, while transactions are based on the effective exchange rate on the date of each operation.

The following table shows the U.S. dollar average and end-of-period exchange rates for the periods in this report:

End of period rate

U.S. dollar - Brazilian real, Sep/2014	2.4510	U.S. dollar - Mexican peso, Set/2014
U.S. dollar - Brazilian real, Dec/2013	2.3426	U.S. dollar - Mexican peso, Dec/2013
Devaluation of the U.S. dollar in relation to the Brazilian real	4.63%	Devaluation of the U.S. dollar in relation to the Mexican peso

Average rate for the period

U.S. dollar - Brazilian real, Sep/2014	2.2894	U.S. dollar - Mexican peso, Set/2014
U.S. dollar - Brazilian real, Sep/2013	2.1223	U.S. dollar - Mexican peso, Sep/2013
Appreciation of the U.S. dollar in relation to the Brazilian real	7.87%	Appreciation of the U.S. dollar in relation to the Mexican peso

Braskem S.A.

Notes to the financial statements

at September 30, 2014

All amounts in thousands of reais, unless otherwise stated

2. Summary of significant accounting policies

2.1. Basis of preparation

This Quarterly Information should be read together with the financial statements of Braskem as of December 31, 2013, which were prepared and presented 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).

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, 2013 financial statements.

On September 30, 2014, the Company started to include in its balance sheet the net value, per legal entity, of the amounts related to deferred income and social contribution tax assets and liabilities on its profit, due to due legal right of each entity to offset these amounts. The balance sheet at December 31, 2013 was revised to reflect such adjustment, as shown in Note 2.1.1 (a).

2.1.1 Revised

The financial statements for the periods ended December 31, 2013 and September 30, 2013 were restated as follows:

(a) December 31, 2013 – The balance sheets and respective notes were restated to reflect deferred Income Tax (“IR”) and Social Contribution (“CSLL”) on a net basis.

The effects of this restatement are shown below:

Balance Sheet

	Consolidated			Parent Company		
	Published	(a) Effects	Revised	Published	(a) Effects	Revised
Assets						
Current assets	14,997,128		14,997,128	10,790,294		10,790,294
Non-current assets						
Deferred income tax and social contribution	2,653,606	(1,530,293)	1,123,313	1,769,683	(1,095,410)	674,273
Other assets	30,695,349		30,695,349	26,308,924		26,308,924
	33,348,955	(1,530,293)	31,818,662	28,078,607	(1,095,410)	26,983,197
Total assets	48,346,083	(1,530,293)	46,815,790	38,868,901	(1,095,410)	37,773,491
Liabilities and shareholders' equity						
Current liabilities	13,594,801		13,594,801	11,354,706		11,354,706
Non-current liabilities						
Deferred income tax and social contribution	2,393,698	(1,530,293)	863,405	1,095,410	(1,095,410)	
Other liabilities	24,676,250		24,676,250	18,825,675		18,825,675
	27,069,948	(1,530,293)	25,539,655	19,921,085	(1,095,410)	18,825,675
Shareholders' equity	7,681,334		7,681,334	7,593,110		7,593,110
Total liabilities and shareholders' equity	48,346,083	(1,530,293)	46,815,790	38,868,901	(1,095,410)	37,773,491

Braskem S.A.**Notes to the financial statements****at September 30, 2014****All amounts in thousands of reais, unless otherwise stated**

(b) September 30, 2013 – The statement of operations, of changes in equity, of cash flows, of value added and respective notes were restated to include the results of the operations of Quantiq Distribuidora Ltda. (“Quantiq”) and IQAG Armazéns Gerais Ltda. (“IQAG”) as a result of the decision by the Company not to sell these businesses.

The effects of these restatements were as follows:

Statement of operations for the period

	3Q13					Co
	Published	(b) Effects	Revised	Published	(b) Effects	
Net sales revenue	10,700,268	237,737	10,938,005	29,523,643	662,776	3
Cost of products sold	(9,006,096)	(203,199)	(9,209,295)	(25,792,392)	(561,138)	(2)
Gross profit	1,694,172	34,538	1,728,710	3,731,251	101,638	
Income (expenses)						
Selling and distribution	(242,149)	(4,892)	(247,041)	(728,717)	(15,562)	
General and administrative	(271,632)	(19,225)	(290,857)	(736,791)	(55,796)	
Research and development	(27,905)		(27,905)	(79,146)		
Results from equity investments	1,493		1,493	(1,701)		
Other operating income (expenses), net	(45,899)	(886)	(46,785)	(100,057)	(406)	
Operating profit	1,108,080	9,535	1,117,615	2,084,839	29,874	
Financial results						
Financial expenses	(573,667)	(1,501)	(575,168)	(1,799,481)	(8,654)	(

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Financial income	38,107	254	38,361	490,938	936
	(535,560)	(1,247)	(536,807)	(1,308,543)	(7,718)
Profit before income tax and social contribution	572,520	8,288	580,808	776,296	22,156
Current and deferred income tax and social contribution	(178,702)	(2,668)	(181,370)	(283,899)	(7,302)
Profit for the period	393,818	5,620	399,438	492,397	14,854
Attributable to:					
Company's shareholders	392,915	5,620	398,535	485,601	14,854
Non-controlling interest in Braskem Idesa	903		903	6,796	
	393,818	5,620	399,438	492,397	14,854

Braskem S.A.

Notes to the financial statements

at September 30, 2014

All amounts in thousands of reais, unless otherwise stated

3Q13

**Parent Company
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