

GOLDMAN SACHS GROUP INC  
Form FWP  
December 21, 2018

January 2019

Free Writing Prospectus pursuant to Rule 433 dated December 21, 2018 / Registration Statement  
No. 333-219206

## STRUCTURED INVESTMENTS

Opportunities in International Equities

# GS Finance Corp.

## Market-Linked Notes Based on the Value of the EURO STOXX 50® Index due February 5, 2024

**The Market-Linked Notes do not bear interest and are unsecured notes issued by GS Finance Corp. and guaranteed by The Goldman Sachs Group, Inc.** The amount that you will be paid on your notes on the stated maturity date (expected to be February 5, 2024) is based on the performance of the EURO STOXX 50® Index as measured from the pricing date (expected to be January 31, 2019) to and including the valuation date (expected to be January 31, 2024).

At maturity, if the final index value (the index closing value on the valuation date) is *greater than* the initial index value (set on the pricing date), the return on your notes will be positive and equal to the *product* of the leverage factor of 200% *multiplied* by the index percent change (the percentage change in the final index value from the initial index value). If the final index value is equal to or less than the initial index value, you will receive the stated principal amount of your investment.

At maturity, for each \$10 principal amount of your notes, you will receive an amount in cash equal to:

- if the final index value is *greater than* the initial index value, the *sum* of (i) \$10 *plus* (ii) the *product* of (a) \$10 *times* (b) 2 *times* (c) the index percent change; or
- if the final index value is *equal to or less than* the initial index value, \$10.

The notes are for investors who are willing to forgo interest payments for the potential to earn 200% of any positive return of the index, without participating in the negative return of the index.

**SUMMARY TERMS** (continued on page PS-2)

<b>Issuer / Guarantor:</b>	GS Finance Corp. / The Goldman Sachs Group, Inc.
<b>Underlying index:</b>	EURO STOXX 50® Index (Bloomberg symbol, SX5E Index )
<b>Pricing date:</b>	January , 2019 (expected to price on or about January 31, 2019)
<b>Original issue date:</b>	February , 2019 (expected to be February 5, 2019)
<b>Valuation date:</b>	expected to be January 31, 2024, subject to postponement
<b>Stated maturity date:</b>	expected to be February 5, 2024
<b>Stated principal amount/Original issue price:</b>	\$10 per note / 100% of the principal amount
<b>Estimated value range:</b>	\$9.10 to \$9.40. See page PS-2 for more information.

**Your investment in the notes involves certain risks, including the credit risk of GS Finance Corp. and The Goldman Sachs Group, Inc. See page PS-9.** You should read the disclosure herein to better understand the terms and risks of your investment.

<b>Original issue date:</b>	February , 2019	<b>Original issue price:</b>	100.00% of the principal amount
<b>Underwriting discount:</b>	3.85% (\$ total)*	<b>Net proceeds to the issuer:</b>	96.15% (\$ in total)*

\*Morgan Stanley Wealth Management, acting as dealer for the offering, will receive a selling concession of \$0.35 for each note it sells. It has informed us that it intends to internally allocate \$0.05 of the selling concession for each note as a structuring fee. Goldman Sachs & Co. LLC will receive an underwriting discount of \$0.035 for each note.

**Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this document, the accompanying general terms supplement, the accompanying prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.**

The notes are not bank deposits and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency, nor are they obligations of, or guaranteed by, a bank.

**Goldman Sachs & Co. LLC**

The issue price, underwriting discount and net proceeds listed on the cover page relate to the notes we sell initially. We may decide to sell additional notes after the date of this document, at issue prices and with underwriting discounts and net proceeds that differ from the amounts set forth above. The return (whether positive or negative) on your investment in notes will depend in part on the issue price you pay for such notes.

GS Finance Corp. may use this document in the initial sale of the notes. In addition, Goldman Sachs & Co. LLC or any other affiliate of GS Finance Corp. may use this document in a market-making transaction in a note after its initial sale. **Unless GS Finance Corp. or its agent informs the purchaser otherwise in the confirmation of sale, this document is being used in a market-making transaction.**

ADDITIONAL SUMMARY TERMS	
	\$10 + supplemental payment
<b>Payment at maturity:</b>	<i>In no event will the payment at maturity be less than the stated principal amount.</i>
<b>Supplemental payment:</b>	$\$10 \times \text{leverage factor} \times \text{the index percent change}$ , provided that in no event will the supplemental payment be less than \$0
<b>Leverage factor:</b>	200%
<b>Index percent change:</b>	$(\text{final index value} - \text{initial index value}) / \text{initial index value}$
<b>Initial index value:</b>	, which is the index closing value on the pricing date
<b>Final index value:</b>	The index closing value on the valuation date
<b>CUSIP / ISIN:</b>	36256M858 / US36256M8588
<b>Listing:</b>	The notes will not be listed on any securities exchange
<b>Underwriter:</b>	Goldman Sachs & Co. LLC

### Estimated Value of Your Notes

*The estimated value of your notes at the time the terms of your notes are set on the pricing date (as determined by reference to pricing models used by Goldman Sachs & Co. LLC (GS&Co.) and taking into account our credit spreads) is expected to be in the range (the estimated value range) specified on the cover of this document (per \$10 principal amount), which is less than the original issue price. The value of your notes at any time will reflect many factors and cannot be predicted; however, the price (not including GS&Co.'s customary bid and ask spreads) at which GS&Co. would initially buy or sell notes (if it makes a market, which it is not obligated to do) and the value that GS&Co. will initially use for account statements and otherwise is equal to approximately the estimated value of your notes at the time of pricing, plus an additional amount (initially equal to \$ per \$10 principal amount).*

*Prior to , the price (not including GS&Co.'s customary bid and ask spreads) at which GS&Co. would buy or sell your notes (if it makes a market, which it is not obligated to do) will equal approximately the sum of (a) the then-current estimated value of your notes (as determined by reference to GS&Co.'s pricing models) plus (b) any remaining additional amount (the additional amount will decline to zero on a straight-line basis from the time of pricing through ). On and after , the price (not including GS&Co.'s customary bid and ask spreads) at which GS&Co. would buy or sell your notes (if it makes a market) will equal approximately the then-current estimated value of your notes determined by reference to such pricing models.*



**About Your Notes**

GS Finance Corp. and The Goldman Sachs Group, Inc. have filed a registration statement (including a prospectus, as supplemented by the prospectus supplement and general terms supplement no. 1,735 listed below) with the Securities and Exchange Commission (SEC) for the offering to which this communication relates. Before you invest, you should read the prospectus, prospectus supplement and general terms supplement no. 1,735 and any other documents relating to this offering that GS Finance Corp. and The Goldman Sachs Group, Inc. have filed with the SEC for more complete information about us and this offering. You may get these documents without cost by visiting EDGAR on the SEC web site at [sec.gov](http://sec.gov). Alternatively, we will arrange to send you the prospectus, prospectus supplement and general terms supplement no. 1,735 if you so request by calling (212) 357-4612.

The notes are part of the Medium-Term Notes, Series E program of GS Finance Corp. and are fully and unconditionally guaranteed by The Goldman Sachs Group, Inc. This document should be read in conjunction with the following:

- [General terms supplement no. 1,735 dated July 10, 2017](#)
- [Prospectus supplement dated July 10, 2017](#)
- [Prospectus dated July 10, 2017](#)

The information in this document supersedes any conflicting information in the documents listed above. In addition, some of the terms or features described in the listed documents may not apply to your notes.

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*We refer to the notes we are offering by this document as the offered notes or the notes. Each of the notes has the terms described under Summary Terms and Additional Provisions in this document. Please note that in this document, references to GS Finance Corp., we, our and us mean only GS Finance Corp. and do not include its subsidiaries or affiliates, references to The Goldman Sachs Group, Inc., our parent company, mean only The Goldman Sachs Group, Inc. and do not include its subsidiaries or affiliates and references to Goldman Sachs mean The Goldman Sachs Group, Inc. together with its consolidated subsidiaries and affiliates, including us. Also, references to the accompanying prospectus mean the accompanying prospectus, dated July 10, 2017, references to the accompanying prospectus supplement mean the accompanying prospectus supplement, dated July 10, 2017, for Medium-Term Notes, Series E, and references to the accompanying general terms supplement no. 1,735 mean the accompanying general terms supplement no. 1,735, dated July 10, 2017, in each case of GS Finance Corp. and The Goldman Sachs Group, Inc. The notes will be issued under the senior debt indenture, dated as of October 10, 2008, as supplemented by the First Supplemental Indenture, dated as of February 20, 2015, each among us, as issuer, The Goldman Sachs Group, Inc., as guarantor, and The Bank of New York Mellon, as trustee. This indenture, as so supplemented and as further supplemented thereafter, is referred to as the GSFC 2008 indenture in the accompanying prospectus supplement.*

## Investment Summary

The Market-Linked Notes Based on the Value of the EURO STOXX 50® Index due February 5, 2024 (the notes) offer 200% participation in the positive performance of the underlying index. The notes provide investors:

- an opportunity to gain leveraged exposure to any appreciation of the EURO STOXX 50® Index over the term of the notes
- the repayment of principal and no exposure to any decline of the underlying index if the notes are held to maturity.

You will not receive dividends on the stocks comprising the underlying index (the underlying index stocks) or any interest payments on your notes. At maturity, if the underlying index has depreciated or has not appreciated at all, you will receive the stated principal amount of \$10 per note, without any positive return on your investment. All payments on the notes, including the repayment of principal at maturity, are subject to our credit risk.

**Maturity:** Approximately 5 years

**Payment at maturity:**

- If the final index value is greater than the initial index value, \$10 + the supplemental payment.

- If the final index value is equal to or less than the initial index value, \$10. *In no event will the payment at maturity be less than the stated principal amount.*

<b>Final index value:</b>	The index closing value on the valuation date
<b>Index percent change:</b>	$(\text{final index value} - \text{initial index value}) / \text{initial index value}$
<b>Supplemental payment:</b>	$\$10 \times \text{leverage factor} \times \text{the index percent change}$ . <i>In no event will the supplemental payment be less than \$0.</i>
<b>Leverage factor:</b>	200%
<b>Minimum payment at maturity:</b>	\$10
<b>Interest:</b>	None
<b>Redemption:</b>	None. The notes will not be subject to redemption right or price dependent redemption right.

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Market-Linked Notes Based on the Value of the EURO STOXX 50® Index due February 5, 2024

**Key Investment Rationale**

The notes offer leveraged exposure to any positive performance of the EURO STOXX 50® Index and provide for the repayment of principal at maturity. They are for investors who are concerned about principal risk but seek an equity index-based return, and who are willing to forgo interest payments in exchange for the repayment of principal at maturity plus the potential to receive a supplemental payment based on the performance of the underlying index. At maturity, if the underlying index has appreciated in value, investors will receive the stated principal amount of their investment plus the supplemental payment. If the underlying index has not appreciated or has depreciated in value, investors will receive the principal amount of their investment. **Investors will not receive dividends on the underlying index stocks or any interest payments on the notes.** All payments on the notes are subject to the credit risk of GS Finance Corp., as issuer, and The Goldman Sachs Group, Inc., as guarantor.

**Repayment of principal**

The notes offer investors 200% upside exposure to the performance of the underlying index, while providing for the repayment of principal at maturity.

**Upside Scenario**

The underlying index increases in value. In this case, you receive a full return of principal as well as the supplemental payment reflecting 200% of the appreciation of the underlying index. For example, if the final index value is 2.00% greater than the initial index value, the notes will provide a total return of 4.00% at maturity.

**Par Scenario**

The underlying index declines or does not appreciate in value. In this case, the notes pay only the stated principal amount of \$10 at maturity.

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## How the Notes Work

### Payoff Diagram

The payoff diagram below illustrates the payment at maturity on the notes based on the following terms:

<b>Stated principal amount:</b>	\$10 per note
<b>Leverage factor:</b>	200%
<b>Minimum payment at maturity:</b>	\$10

**Payoff Diagram**

## How it works

§ **Upside Scenario.** If the final index value is greater than the initial index value, investors will receive the \$10 stated principal amount plus a supplemental payment reflecting 200% of the appreciation of the underlying index from the pricing date to the valuation date of the notes.

§ If the underlying index appreciates 2.00%, investors will receive a 4.00% return, or \$10.40 per note reflecting the \$10 principal amount and \$0.40 supplemental payment.

§ **Par Scenario.** If the final index value is equal to or less than the initial index value, investors will receive the \$10 stated principal amount per note.

If the underlying index depreciates 30.00%, the investor would receive \$10 per note.

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**Additional Hypothetical Examples**

The following examples are provided for purposes of illustration only. They should not be taken as an indication or prediction of future investment results and merely are intended to illustrate the impact that the various hypothetical index closing values on the valuation date could have on the payment at maturity assuming all other variables remain constant.

The examples below are based on a range of final index values that are entirely hypothetical; the index closing value on any day throughout the life of the notes, including the final index value on the valuation date, cannot be predicted. The underlying index has been highly volatile in the past meaning that the index closing value has changed considerably in relatively short periods and its performance cannot be predicted for any future period.

The information in the following examples reflects hypothetical rates of return on the offered notes assuming that they are purchased on the original issue date at the stated principal amount and held to the stated maturity date. If you sell your notes in a secondary market prior to the stated maturity date, your return will depend upon the market value of your notes at the time of sale, which may be affected by a number of factors that are not reflected in the examples below such as interest rates, the volatility of the underlying index and the creditworthiness of GS Finance Corp., as issuer, and the creditworthiness of The Goldman Sachs Group, Inc., as guarantor. The information in the examples also reflects the key terms and assumptions in the box below.

<b>Key Terms and Assumptions</b>	
Stated principal amount	\$10
Leverage factor	200.00%
Neither a market disruption event nor a non-index business day occurs on the originally scheduled valuation date	
No change in or affecting any of the underlying index stocks or the method by which the underlying index publisher calculates the underlying index	
Notes purchased on original issue date at the stated principal amount and held to the stated maturity date	

Moreover, we have not yet set the initial index value that will serve as the baseline for determining the amount that we will pay on your notes at maturity. We will not do so until the pricing date. As a result, the actual initial index value may differ substantially from the index closing value prior to the pricing date.

For these reasons, the actual performance of the underlying index over the life of your notes, as well as the amount payable at maturity may bear little relation to the hypothetical examples shown below or to the historical index closing values shown elsewhere in this document. For information about the historical values of the underlying index during recent periods, see [The Underlying Index Historical Index Closing Values](#) below. Before investing in the offered notes, you should consult publicly available information to determine the values of the underlying index between the date of this document and the date of your purchase of the offered notes.

Also, the hypothetical examples shown below do not take into account the effects of applicable taxes. Because of the U.S. tax treatment applicable to your notes, tax liabilities could affect the after-tax rate of return on your notes to a comparatively greater extent than the after-tax return on the underlying index stocks.

The values in the left column of the table below represent hypothetical final index values and are expressed as percentages of the initial index value. The amounts in the right column represent the hypothetical payments at maturity, based on the corresponding hypothetical final index value, and are expressed as percentages of the stated principal amount of a note (rounded to the nearest one-thousandth of a percent). Thus, a hypothetical payment at maturity of 100.000% means that the value of the cash payment that we would deliver for each \$10 of the outstanding stated principal amount of the offered notes on the stated maturity date would equal 100.000% of the stated principal amount of a note, based on the corresponding hypothetical final index value and the assumptions noted above.

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Hypothetical Final Index Value (as Percentage of Initial Index Value)	Hypothetical Payment at Maturity (as Percentage of Stated Principal Amount)
200.000%	300.000%
175.000%	250.000%
150.000%	200.000%
125.000%	150.000%
<b>100.000%</b>	<b>100.000%</b>
75.000%	100.000%
50.000%	100.000%
30.000%	100.000%
25.000%	100.000%
<b>0.000%</b>	<b>100.000%</b>

If, for example, the final index value were determined to be 25.000% of the initial index value, the payment at maturity that we would deliver on your notes at maturity would be 100.000% of the stated principal amount of your notes, as shown in the table above. As a result, if you purchased your notes on the original issue date at the stated principal amount and held them to the stated maturity date, you would receive no return on your investment.

The payments at maturity shown above are entirely hypothetical; they are based on market prices for the underlying index stocks that may not be achieved on the valuation date and on assumptions that may prove to be erroneous. The actual market value of your notes on the stated maturity date or at any other time, including any time you may wish to sell your notes, may bear little relation to the hypothetical payments at maturity shown above, and these amounts should not be viewed as an indication of the financial return on an investment in the offered notes. The hypothetical payments at maturity on notes held to the stated maturity date in the examples above assume you purchased your notes at their stated principal amount and have not been adjusted to reflect the actual issue price you pay for your notes. The return on your investment (whether positive or negative) in your notes will be affected by the amount you pay for your notes. If you purchase your notes for a price other than the stated principal amount, the return on your investment will differ from, and may be significantly lower than, the hypothetical returns suggested by the above examples. Please read **Risk Factors** **The Market Value of Your Notes May Be Influenced by Many Unpredictable Factors** below.

Payments on the notes are economically equivalent to the amounts that would be paid on a combination of other instruments. For example, payments on the notes are economically equivalent to a combination of an interest-bearing bond bought by the holder and one or more options entered into between the holder and us (with one or more implicit option premiums paid over time). The discussion in this paragraph does not modify or affect the terms of the notes or the U.S. federal income tax treatment of the notes, as described elsewhere in this document.

We cannot predict the actual final index value or what the market value of your notes will be on any particular index business day, nor can we predict the relationship between the index closing value and the market value of your notes at any time prior to the stated maturity date. The actual amount that you will receive at maturity and the rate of return on the offered notes will depend on the actual initial index value, which we will set on the pricing date, and the actual final index value determined by the calculation agent as described above. Moreover, the assumptions on which the hypothetical returns are based may turn out to be inaccurate.

Consequently, the amount of cash to be paid in respect of your notes on the stated maturity date may be very different from the information reflected in the examples above.

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## Risk Factors

*An investment in your notes is subject to the risks described below, as well as the risks and considerations described in the accompanying prospectus, in the accompanying prospectus supplement and under Additional Risk Factors Specific to the Notes in the accompanying general terms supplement no. 1,735. You should carefully review these risks and considerations as well as the terms of the notes described herein and in the accompanying prospectus, the accompanying prospectus supplement and the accompanying general terms supplement no. 1,735. Your notes are a riskier investment than ordinary debt securities. Also, your notes are not equivalent to investing directly in the underlying index stocks, i.e., the stocks comprising the underlying index to which your notes are linked. You should carefully consider whether the offered notes are suited to your particular circumstances.*

### **Your Notes Do Not Bear Interest**

You will not receive any interest payments on your notes. As a result, even if the payment at maturity payable for your notes on the stated maturity date exceeds the stated principal amount of your notes, the overall return you earn on your notes may be less than you would have earned by investing in a non-indexed debt security of comparable maturity that bears interest at a prevailing market rate.

### **The Notes Are Subject to the Credit Risk of the Issuer and the Guarantor**

Although the return on the notes will be based on the performance of the underlying index, the payment of any amount due on the notes is subject to the credit risk of GS Finance Corp., as issuer of the notes, and the credit risk of The Goldman Sachs Group, Inc., as guarantor of the notes. The notes are our unsecured obligations. Investors are dependent on our ability to pay all amounts due on the notes, and therefore investors are subject to our credit risk and to changes in the market's view of our creditworthiness. Similarly, investors are dependent on the ability of The Goldman Sachs Group, Inc., as guarantor of the notes, to pay all amounts due on the notes, and therefore are also subject to its credit risk and to changes in the market's view of its creditworthiness. See Description of the Notes We May Offer Information About Our Medium-Term Notes, Series E Program How the Notes Rank Against Other Debt on page S-4 of the accompanying prospectus supplement and Description of Debt Securities We May Offer Guarantee by The Goldman Sachs Group, Inc. on page 42 of the accompanying prospectus.



**The Return on Your Notes Will Not Reflect Any Dividends Paid on the Underlying Index Stocks**

The underlying index publisher calculates the value of the underlying index by reference to the prices of its underlying index stocks, without taking account of the value of dividends paid on those underlying index stocks. Therefore, the return on your notes will not reflect the return you would realize if you actually owned the underlying index stocks and received the dividends paid on those underlying index stocks. You will not receive any dividends that may be paid on any of the underlying index stocks by the underlying index stock issuer. See [Investing in the Notes is Not Equivalent to Investing in the Underlying Index; You Have No Shareholder Rights or Rights to Receive Any Underlying Index Stock](#) below for additional information.

**The Estimated Value of Your Notes At the Time the Terms of Your Notes Are Set On the Pricing Date (as Determined By Reference to Pricing Models Used By GS&Co.) Is Less Than the Original Issue Price Of Your Notes**

The original issue price for your notes exceeds the estimated value of your notes as of the time the terms of your notes are set on the pricing date, as determined by reference to GS&Co.'s pricing models and taking into account our credit spreads. Such expected estimated value on the pricing date is set forth above under [Estimated Value of Your Notes](#); after the pricing date, the estimated value as determined by reference to these models will be affected by changes in market conditions, the creditworthiness of GS Finance Corp., as issuer, the creditworthiness of The Goldman Sachs Group, Inc., as guarantor and other relevant factors. The price at which GS&Co. would initially buy or sell your notes (if GS&Co. makes a market, which it is not obligated to do), and the value that GS&Co. will initially use for account statements

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and otherwise, also exceeds the estimated value of your notes as determined by reference to these models. As agreed by GS&Co. and the distribution participants, this excess (i.e., the additional amount described under [Estimated Value of Your Notes](#) ) will decline to zero on a straight line basis over the period from the date hereof through the applicable date set forth above under

[Estimated Value of Your Notes](#) . Thereafter, if GS&Co. buys or sells your notes it will do so at prices that reflect the estimated value determined by reference to such pricing models at that time. The price at which GS&Co. will buy or sell your notes at any time also will reflect its then current bid and ask spread for similar sized trades of structured notes.

In estimating the value of your notes as of the time the terms of your notes are set on the pricing date, as disclosed above under

[Estimated Value of Your Notes](#) , GS&Co. 's pricing models consider certain variables, including principally our credit spreads, interest rates (forecasted, current and historical rates), volatility, price-sensitivity analysis and the time to maturity of the notes. These pricing models are proprietary and rely in part on certain assumptions about future events, which may prove to be incorrect. As a result, the actual value you would receive if you sold your notes in the secondary market, if any, to others may differ, perhaps materially, from the estimated value of your notes determined by reference to our models due to, among other things, any differences in pricing models or assumptions used by others. See [The Market Value of Your Notes May Be Influenced by Many Unpredictable Factors](#) below.

The difference between the estimated value of your notes as of the time the terms of your notes are set on the pricing date and the original issue price is a result of certain factors, including principally the underwriting discount and commissions, the expenses incurred in creating, documenting and marketing the notes, and an estimate of the difference between the amounts we pay to GS&Co. and the amounts GS&Co. pays to us in connection with your notes. We pay to GS&Co. amounts based on what we would pay to holders of a non-structured note with a similar maturity. In return for such payment, GS&Co. pays to us the amounts we owe under your notes.

In addition to the factors discussed above, the value and quoted price of your notes at any time will reflect many factors and cannot be predicted. If GS&Co. makes a market in the notes, the price quoted by GS&Co. would reflect any changes in market conditions and other relevant factors, including any deterioration in our creditworthiness or perceived creditworthiness or the creditworthiness or perceived creditworthiness of The Goldman Sachs Group, Inc. These changes may adversely affect the value of your notes, including the price you may receive for your notes in any market making transaction. To the extent that GS&Co. makes a market in the notes, the quoted price will reflect the estimated value determined by reference to GS&Co. 's pricing models at that time, plus or minus its then current bid and ask spread for similar sized trades of structured notes (and subject to the declining excess amount described above).

Furthermore, if you sell your notes, you will likely be charged a commission for secondary market transactions, or the price will likely reflect a dealer discount. This commission or discount will further reduce the proceeds you would receive for your notes in a secondary market sale.

There is no assurance that GS&Co. or any other party will be willing to purchase your notes at any price and, in this regard, GS&Co. is not obligated to make a market in the notes. See [Your Notes May Not Have an Active Trading Market](#) below.

**The Amount Payable on Your Notes Is Not Linked to the Value of the Underlying Index at Any Time Other than the Valuation Date**

The final index value will be based on the index closing value on the valuation date (subject to adjustment as described elsewhere in this document). Therefore, if the index closing value dropped precipitously on the valuation date, the payment at maturity for your notes may be significantly less than it would have been had the payment at maturity been linked to the index closing value prior to such drop in the value of the underlying index. Although the actual value of the underlying index on the stated maturity date or at other times during the life of your notes may be higher than the final index value, you will not benefit from the index closing value at any time other than on the valuation date.

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**The Market Value of Your Notes May Be Influenced by Many Unpredictable Factors**

When we refer to the market value of your notes, we mean the value that you could receive for your notes if you chose to sell them in the open market before the stated maturity date. A number of factors, many of which are beyond our control, will influence the market value of your notes, including:

- the value of the underlying index;
- the volatility i.e., the frequency and magnitude of changes in the index closing value of the underlying index;
- the dividend rates of the underlying index stocks;
- economic, financial, regulatory, political, military and other events that affect stock markets generally and the underlying index stocks, and which may affect the index closing value of the underlying index;
- interest rates and yield rates in the market;
- the time remaining until your notes mature; and
- our creditworthiness and the creditworthiness of The Goldman Sachs Group, Inc., whether actual or perceived, including actual or anticipated upgrades or downgrades in our credit ratings or the credit ratings of The Goldman Sachs Group, Inc. or changes in other credit measures.

These factors, and many other factors, will influence the price you will receive if you sell your notes before maturity, including the price you may receive for your notes in any market making transaction. If you sell your notes before maturity, you may receive less than the principal amount of your notes or the amount you may receive at maturity.

You cannot predict the future performance of the underlying index based on its historical performance. The actual performance of the underlying index over the life of the offered notes or the payment at maturity may bear little or no relation to the historical index closing values of the underlying index or to the hypothetical examples shown elsewhere in this document.

#### **Your Notes May Not Have an Active Trading Market**

Your notes will not be listed or displayed on any securities exchange or included in any interdealer market quotation system, and there may be little or no secondary market for your notes. Even if a secondary market for your notes develops, it may not provide significant liquidity and we expect that transaction costs in any secondary market would be high. As a result, the difference between bid and asked prices for your notes in any secondary market could be substantial.

#### **If the Value of the Underlying Index Changes, the Market Value of Your Notes May Not Change in the Same Manner**

The price of your notes may move quite differently than the performance of the underlying index. Changes in the value of the underlying index may not result in a comparable change in the market value of your notes. Even if the value of the underlying index increases above the initial index value during some portion of the life of the notes, the market value of your notes may not reflect this amount. We discuss some of the reasons for this disparity under [The Market Value of Your Notes May Be Influenced by Many Unpredictable Factors](#) above.

#### **Anticipated Hedging Activities by Goldman Sachs or Our Distributors May Negatively Impact Investors in the Notes and Cause Our Interests and Those of Our Clients and Counterparties to be Contrary to Those of Investors in the Notes**

Goldman Sachs expects to hedge our obligations under the notes by purchasing listed or over-the-counter options, futures and/or other instruments linked to the underlying index. Goldman Sachs also expects to adjust the hedge by, among other things, purchasing or selling any of the foregoing, and perhaps other instruments linked to the underlying index or the underlying index stocks, at any time and from time to time, and to unwind the hedge by selling any of the foregoing on or before the valuation date for your notes. Alternatively, Goldman Sachs may hedge all or part of our obligations under the notes with

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**GS Finance Corp.**

[Market-Linked Notes Based on the Value of the EURO STOXX 50® Index due February 5, 2024](#)

unaffiliated distributors of the notes which we expect will undertake similar market activity. Goldman Sachs may also enter into, adjust and unwind hedging transactions relating to other index-linked securities whose returns are linked to changes in the value of the underlying index or the underlying index stocks, as applicable.

In addition to entering into such transactions itself, or distributors entering into such transactions, Goldman Sachs may structure such transactions for its clients or counterparties, or otherwise advise or assist clients or counterparty

	14.2
	82,749
	95,626
	17,937
	18,588
 Payroll and related charges	
	629,152
	533,373

	470,936
	412,890
Taxes payable	15
	342,293
	203,392
	198,154
	117,696
Dividends and interest on capital	215,882
	215,888
	218,659
	218,664
Advances from customers	

	115,191
	99,750
	51,706
	45,887
Sundry provisions	18
	51,955
	88,547
	40,453
	53,049
Post-employment benefits	19
	336,357
	24



	336,357
Accounts payable to related parties	7
	647,805
	447,357
Other payables	192,105
	212,945
	98,590
	110,814

16,340,205

14,083,292

16,814,261

14,339,965

**Non-current liabilities**

Borrowings

12

21,249,855

18,918,021

7,881,897

26

	7,863,666
Project finance	13
	9,353,080
	7,551,033
Derivatives operations	14.2
	904,292
	594,383
	894,591
	594,383
Taxes payable	

15

30,699

30,699

30,634

30,634

Accounts payable to related parties

7

11,926,341

10,008,077

Ethylene XXI Project Loan

16

1,000,950

28

	792,188
Deferred income tax and social contribution	17
	706,408
	603,490
Post-employment benefits	19
	76,613
	69,176
Provision for losses on subsidiaries	
	1,111,298
	654,766

Advances from customers

81,203

88,402

21,053

26,147

Sundry provisions

18

513,400

505,677

442,950

439,915

Other payables

301,680

291,040

30

259,663

254,933

**34,218,180**

**29,444,109**

**22,568,427**

**19,872,521**

**Shareholders' equity**

21

Capital

31

8,043,222

8,043,222

8,043,222

8,043,222

Capital reserve

232,430

232,430

232,430

232,430

Revenue reserves

736,180

736,180

736,180



	736,180
Other comprehensive income	
	(5,455,351)
	(2,924,057)
	(5,455,351)
	(2,924,057)
Treasury shares	
	(49,819)
	(48,892)
	(927)
Accumulated profit	
	258,454

258,454

Total attributable to the Company's shareholders

3,765,116

6,038,883

3,814,008

6,087,775

Non-controlling interest in Braskem Idesa

(265,930)

(144,533)

**3,499,186**

**5,894,350**

**3,814,008**

**6,087,775**

**Total liabilities and shareholders' equity**

**54,057,571**

**49,421,751**

**43,196,696**

The Management notes are an integral part of the financial statements

**Braskem S.A.****Statement of operations and statement of comprehensive income**

at March 31, 2015

All amounts in thousands of reais

	Note	Consolidated Mar/2015	Consolidated Mar/2014	Parent company Mar/2015	Parent company Mar/2014
<b>Net sales revenue</b>	23	<b>10,195,322</b>	<b>11,842,626</b>	<b>7,256,878</b>	<b>6,595,075</b>
Cost of products sold		(8,590,489)	(10,324,626)	(6,067,009)	(5,724,864)
<b>Gross profit</b>		<b>1,604,833</b>	<b>1,518,000</b>	<b>1,189,869</b>	<b>870,211</b>
<b>Income (expenses)</b>					
Selling and distribution	25	(261,924)	(269,509)	(194,937)	(162,924)
General and administrative	25	(297,096)	(275,014)	(209,415)	(173,737)
Research and development	25	(39,819)	(34,142)	(27,360)	(20,573)
Results from equity investments	9(c)	2,003	(6)	64,691	221,381
Other operating income (expenses), net	25	(39,893)	189,949	3,840	251,881
<b>Operating profit</b>		<b>968,104</b>	<b>1,129,278</b>	<b>826,688</b>	<b>986,239</b>
<b>Financial results</b>	24				
Financial expenses		(1,192,102)	(577,028)	(1,651,664)	(392,098)
Financial income		603,323	16,883	1,166,146	(91,073)
		<b>(588,779)</b>	<b>(560,145)</b>	<b>(485,518)</b>	<b>(483,171)</b>
<b>Profit before income tax and social contribution</b>		<b>379,325</b>	<b>569,133</b>	<b>341,170</b>	<b>503,068</b>
Current and deferred income tax and social contribution	17	(175,333)	(172,790)	(89,767)	(97,762)
<b>Profit for the period</b>		<b>203,992</b>	<b>396,343</b>	<b>251,403</b>	<b>405,306</b>
<b>Attributable to:</b>					
Company's shareholders		251,403	405,306		
Non-controlling interest in Braskem Idesa		(47,411)	(8,963)		
<b>Profit for the period</b>		<b>203,992</b>	<b>396,343</b>		

The Management notes are an integral part of the financial statements

**Braskem S.A.****Statement of operations and statement of comprehensive income**

at March 31, 2015

All amounts in thousands of reais, except earnings per share

Continued

	Note	Mar/2015	Consolidated Mar/2014	Mar/2015
<b>Profit for the period</b>		<b>203,992</b>	<b>396,343</b>	<b>251,403</b>
<b>Other comprehensive income or loss:</b>				
<b>Items that will be reclassified subsequently to profit or loss</b>				
Fair value of cash flow hedge		(389,703)	4,634	(311,431)
Income tax and social contribution		122,966	(8,395)	105,887
Fair value of cash flow hedge - Braskem Idesa				(45,895)
		(266,737)	(3,761)	(251,439)
Exchange variation of foreign sales hedge	14.2.1(b.ii.i)	(3,728,640)	537,876	(3,728,640)
Exchange variation of foreign sales hedge - Braskem Idesa	14.2.1(b.ii.ii)	(379,332)		(284,499)
Income tax and social contribution		1,267,738	(182,878)	1,267,738
Braskem Idesa Income tax		70,984		53,238
		(2,769,250)	354,998	(2,692,163)
Foreign subsidiaries currency translation adjustment		437,758	(49,669)	419,359
<b>Total</b>		<b>(2,598,229)</b>	<b>301,568</b>	<b>(2,524,243)</b>
<b>Total comprehensive income (loss) for the year</b>		<b>(2,394,237)</b>	<b>697,911</b>	<b>(2,272,840)</b>
<b>Attributable to:</b>				
Company's shareholders		(2,272,840)	715,423	
Non-controlling interest in Braskem Idesa		(121,397)	(17,512)	
<b>Total comprehensive income (loss) for the period</b>		<b>(2,394,237)</b>	<b>697,911</b>	
	Note			Mar/2015
<b>Profit per share attributable to the shareholders of the Company</b>				<b>Basic and diluted B</b>

**of continued operations at the end of the period (R\$)**

22

Earnings per share - common

0.0944

Earnings per share - preferred shares class "A"

0.6061

Earnings per share - preferred shares class "B"

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 reserve	Capital reserve	Legal reserve	Revenue Un Retained earnings
<b>At December 31, 2013</b>		<b>8,043,222</b>	<b>232,430</b>	<b>26,895</b>	<b>28,412</b>
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					
<b>At March 31, 2014</b>		<b>8,043,222</b>	<b>232,430</b>	<b>26,895</b>	<b>28,412</b>
<b>At December 31, 2014</b>		<b>8,043,222</b>	<b>232,430</b>	<b>71,542</b>	<b>394,121</b>
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:  
Repurchase of treasury shares

21(b)

**At March 31, 2015**

**8,043,222 232,430 71,542 394,121**

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**

	<b>Note</b>	<b>Capital reserve</b>	<b>Capital reserve</b>	<b>Le reser</b>
<b>At December 31, 2013</b>		<b>8,043,222</b>	<b>232,430</b>	<b>26,8</b>
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				
<b>At March 31, 2014</b>		<b>8,043,222</b>	<b>232,430</b>	<b>26,8</b>
<b>At December 31, 2014</b>		<b>8,043,222</b>	<b>232,430</b>	<b>71,5</b>
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:  
Repurchase of treasury shares

21(b)

**At March 31, 2015**

**8,043,222 232,430 71,5**

The Management notes are an integral part of the financial statements

**Braskem S.A.****Statement of cash flows****at March 31, 2015****All amounts in thousands of reais**

	<b>Note</b>	<b>Consolidated Mar/2015</b>	<b>Consolidated Mar/2014</b>	<b>Parent company Mar/2015</b>	<b>Parent company Mar/2014</b>
Profit before income tax and social contribution		379,325	569,133	341,170	503,068
Adjustments for reconciliation of profit					
Depreciation, amortization and depletion		518,805	505,535	442,786	318,520
Results from equity investments	9(c)	(2,003)	6	(64,691)	(221,381)
Interest and monetary and exchange variations, net		1,166,712	305,541	1,175,350	223,342
Cost amount of the investment sold in the divestment date			37,662		37,662
Provision for losses and asset write-downs of long-term		3,790	3,691	2,029	2,769
		<b>2,066,629</b>	<b>1,421,568</b>	<b>1,896,644</b>	<b>863,980</b>
Changes in operating working capital					
Held-for-trading financial investments		8,330	(4,744)	17,653	2,677
Trade accounts receivable		(618,069)	23,282	(1,097,247)	(183,521)
Inventories		578,262	(498,471)	616,081	(401,725)
Taxes recoverable		290,810	(44,633)	198,677	(14,369)
Prepaid expenses		5,494	16,702	17,713	3,035
Other receivables		(252,734)	(332,375)	(255,658)	(192,214)
Trade payables		449,302	(266,760)	424,869	421,948
Taxes payable		129,570	(50,545)	77,499	(144,094)
Advances from customers		8,242	(12,086)	725	(117,330)
Sundry provisions		(28,869)	(14,551)	(9,561)	(43,439)
Other payables		(40,600)	184,657	(292,697)	182,728
<b>Cash from operations</b>		<b>2,596,367</b>	<b>422,044</b>	<b>1,594,698</b>	<b>377,676</b>
Interest paid		(349,811)	(193,520)	(113,903)	(100,139)
Income tax and social contribution paid		(10,459)	(22,362)	(9,124)	(10,132)
<b>Net cash generated by operating activities</b>		<b>2,236,097</b>	<b>206,162</b>	<b>1,471,671</b>	<b>267,405</b>
Proceeds from the sale of fixed assets		532	363	139	
Acquisitions to property, plant and equipment		(816,353)	(1,156,787)	(226,751)	(309,659)
Acquisitions of intangible assets		(595)	(8,870)	(595)	(8,868)

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Held-for-maturity financial investments		7,265		14
<b>Net cash used in investing activities</b>		<b>(816,416)</b>	<b>(1,158,029)</b>	<b>(227,207)</b>
Short-term and Long-term debit				
Obtained borrowings		1,394,810	1,656,951	699,973
Payment of borrowings		(1,886,696)	(1,841,649)	(1,087,288)
Project finance	13			
Obtained borrowings		357,319		
Payment of borrowings		(86,748)		
Related parties				
Obtained loans				191,680
Payment of loans			(200,022)	(54,017)
Transactions current active			1,766	308,779
Dividends paid		(6)	(2)	(6)
Repurchase of treasury shares	21(b)	(927)		(927)
<b>Net cash provided by (used in) financing activities</b>		<b>(222,248)</b>	<b>(184,700)</b>	<b>(586,504)</b>
Exchange variation on cash of foreign subsidiaries		(119,521)	14,773	
<b>Increase (decrease) in cash and cash equivalents</b>		<b>1,077,912</b>	<b>(1,121,794)</b>	<b>657,960</b>
Represented by				
Cash and cash equivalents at the beginning of the period		3,993,359	4,335,859	2,416,288
Cash and cash equivalents at the end of the period		5,071,271	3,214,065	3,074,248
<b>Increase (decrease) in cash and cash equivalents</b>		<b>1,077,912</b>	<b>(1,121,794)</b>	<b>657,960</b>

The Management notes are an integral part of the financial statements

**Braskem S.A.****Statement of value added**

at March 31, 2015

All amounts in thousands of reais

	<b>Consolidated</b>	<b>Parent company</b>		
	<b>Mar/2015</b>	<b>Mar/2014</b>	<b>Mar/2015</b>	<b>Mar/2014</b>
<b>Revenue</b>	<b>11,818,880</b>	<b>13,711,837</b>	<b>8,712,813</b>	<b>7,882,562</b>
Sale of goods, products and services	11,868,714	13,530,643	8,718,300	7,638,722
Other income (expenses), net	(34,135)	190,532	9,427	252,665
Allowance for doubtful accounts	(15,699)	(9,338)	(14,914)	(8,825)
<b>Inputs acquired from third parties</b>	<b>(9,787,237)</b>	<b>(11,841,094)</b>	<b>(6,974,570)</b>	<b>(6,495,631)</b>
Cost of products, goods and services sold	(9,482,475)	(11,468,834)	(6,764,592)	(6,262,839)
Material, energy, outsourced services and others	(304,826)	(372,552)	(209,978)	(232,844)
Impairment of assets	64	292		52
<b>Gross value added</b>	<b>2,031,643</b>	<b>1,870,743</b>	<b>1,738,243</b>	<b>1,386,931</b>
<b>Depreciation, amortization and depletion</b>	<b>(518,805)</b>	<b>(505,535)</b>	<b>(442,786)</b>	<b>(318,520)</b>
<b>Net value added produced by the entity</b>	<b>1,512,838</b>	<b>1,365,208</b>	<b>1,295,457</b>	<b>1,068,411</b>
<b>Value added received in transfer</b>	<b>605,410</b>	<b>17,177</b>	<b>1,230,877</b>	<b>130,399</b>
Results from equity investments	2,003	(6)	64,691	221,381
Financial income	603,323	16,883	1,166,146	(91,073)
Other	84	300	40	91
<b>Total value added to distribute</b>	<b>2,118,248</b>	<b>1,382,385</b>	<b>2,526,334</b>	<b>1,198,810</b>
<b>Personnel</b>	<b>270,091</b>	<b>227,962</b>	<b>147,831</b>	<b>133,911</b>
Direct compensation	205,921	174,764	108,228	102,312
Benefits	50,869	40,033	28,699	21,297
FGTS (Government Severance Pay Fund)	13,301	13,165	10,904	10,302
<b>Taxes, fees and contributions</b>	<b>386,913</b>	<b>123,977</b>	<b>419,112</b>	<b>224,846</b>
Federal	16,001	210,055	121,199	127,252
State	363,551	(91,780)	295,334	96,133
Municipal	7,361	5,702	2,579	1,461
<b>Remuneration on third parties' capital</b>	<b>1,257,252</b>	<b>634,103</b>	<b>1,707,988</b>	<b>434,747</b>
Financial expenses (including exchange variation)	1,188,642	574,277	1,650,362	390,678

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Rentals	68,610	59,826	57,626	44,069
<b>Remuneration on own capital</b>	<b>203,992</b>	<b>396,343</b>	<b>251,403</b>	<b>405,306</b>
Profit for the year	251,403	405,306	251,403	405,306
Non-controlling interests in profit (loss) for the period	(47,411)	(8,963)		
<b>Value added distributed</b>	<b>2,118,248</b>	<b>1,382,385</b>	<b>2,526,334</b>	<b>1,198,810</b>

The Management notes are an integral part of the financial statements



**Braskem S.A.**

**Notes to the financial statements**

**at March 31, 2015**

**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\$315,000. 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 (“Other operating income (expenses), net”).

Other corporate events of 2014 and which did not produce significant impact on these financial statements were presented in the 2014 annual financial statements of the Company in Note 1(a).

**(b) Naphtha agreement with Petrobras**

On August 29, 2014, Braskem and Petrobras entered into a new amendment to the naphtha supply contract of 2009, which extended the original contract duration by 6 months (from September 1, 2014 to February 28, 2015). The naphtha pricing formula of the original contract was temporarily maintained until the execution of a new long-term contract. It was also established that, if a new long-term contract was to be executed, the pricing formula in the new contract would be applied retroactively to any purchases made during the duration of the amendment. On the other hand, if a new long-term contract was not executed, the average price base negotiated between the parties would be

valid throughout the duration of the amendment. After applying the average price scenario, it was determined that Braskem was entitled to a refund of R\$242,900 related to amounts paid over the duration of the amendment. This amount was recorded under “Cost of goods sold” in the statement of operations for the current period.

On February 27, 2015, Braskem and Petrobras executed a new amendment to the naphtha supply contract of 2009. The amendment is valid through August 31, 2015, and maintained the naphtha pricing formula provided for in the original contract. The amendment also established that if a new price formula is adopted in a new contract, it will be applied retroactively to any purchases made during the duration of said amendment. As of the date on which the issue of these financial statements was authorized, Braskem and Petrobras had not concluded their negotiations of a new contract.

**(c) Net working capital**

On March 31, 2015, Consolidated net working capital was negative R\$1,000,424 (positive R\$677,907 on December 31, 2014), while the Parent Company posted a negative R\$2,448,557 (negative R\$726,012 on December 31, 2014). The negative result on March 31, 2015 was caused chiefly by the increase in “Trade payables”, driven by the depreciation of the Brazilian real against the U.S. dollar (20.77% in the first quarter of 2015).

**Braskem S.A.**

**Notes to the financial statements**

**at March 31, 2015**

**All amounts in thousands of reais, unless otherwise stated**

As part of its working capital management, Braskem relies on revolving credit facilities, maturing in 2019, in the amount of R\$2,900,000 (US\$750 million + R\$500,000). These credit facilities may be withdrawn at any time.

**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, 2014 financial statements.

**2.1. Basis of preparation**

This Quarterly Information should be read together with the financial statements of Braskem as of December 31, 2014, 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, 2014 financial statements.

**2.1.1 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.

The individual and consolidated Statement of Value Added (“DVA”) is required under Brazilian corporations law and under the accounting practices adopted in Brazil for public companies. IFRS does not require the presentation of this statement. As a result, under IFRS, it is presented as supplementary information, without prejudice to the set of financial statements.

**Braskem S.A.****Notes to the financial statements****at March 31, 2015****All amounts in thousands of reais, unless otherwise stated****2.1.2 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:

			<b>Total interest - %</b>	
		<b>Headquarters</b>	<b>Mar/2015</b>	<b>Dec/2014</b>
<b>Direct and Indirect subsidiaries</b>				
Alclor Química de Alagoas Ltda ("Alclor")	(i)	Brazil	100.00	100.00
Braskem America Finance Company ("Braskem America Finance")		USA	100.00	100.00
Braskem America, Inc. ("Braskem America")		USA	100.00	100.00
Braskem Argentina S.A. ("Braskem Argentina")		Argentina	100.00	100.00
Braskem International GmbH ("Braskem Austria")		Austria	100.00	100.00
Braskem Austria Finance GmbH ("Braskem Austria Finance")		Austria	100.00	100.00
Braskem Chile Ltda. ("Braskem Chile")	(ii)	Chile		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 Importação e Exportação Ltda. ("Braskem Importação")	(iii)	Brazil		100.00
Braskem Incorporated Limited ("Braskem Inc")		Cayman Islands	100.00	100.00
Braskem Mexico, S. de RL de CV ("Braskem México")		Mexico	100.00	100.00

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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 ("Braskem Holanda Finance")		Netherlands	100.00	
Braskem Netherlands Inc. ("Braskem Holanda Inc")		Netherlands	100.00	
Braskem Participações S.A. ("Braskem Participações")	(iii)	Brazil		100.00
Braskem Petroquímica Chile Ltda. ("Petroquímica Chile")		Chile	100.00	100.00
Braskem Petroquímica Ibérica, S.L. ("Braskem Espanha")		Spain	100.00	100.00
Braskem Petroquímica Ltda ("Braskem Petroquímica")		Brazil	100.00	100.00
IQ Soluções e Química S.A. ("Quantiq")		Brazil	100.00	100.00
IQAG Armazéns Gerais Ltda ("IQAG")		Brazil	100.00	100.00
Lantana Trading Co. Inc. ("Lantana")		Bahamas	100.00	100.00
Norfolk Trading S.A. ("Norfolk")	(iv)	Uruguay		100.00
Politeno Empreendimentos Ltda. ("Politeno Empreendimentos")	(iii)	Brazil		100.00
<b>Specific Purpose Entity ("SPE")</b>				
Fundo de Investimento Multimercado Crédito Privado Sol ("FIM Sol")		Brazil	100.00	100.00

- (i) In process of merger by Braskem Petroquímica.
- (ii) Merged into the Petroquímica Chile in december, 2014.
- (iii) Merged into the Brskem Petroquímica in february, 2015.
- (iv) Dissolved in the period ended in march, 31, 2015.

**Braskem S.A.**

**Notes to the financial statements**

**at March 31, 2015**

**All amounts in thousands of reais, unless otherwise stated**

**2.2. Effect of exchange variation**

**(a) Functional and presentation currency**

The functional and presentation currency of the Company is the real

**(b) Functional currency other than the Brazilian real**

Some subsidiaries and the jointly controlled subsidiary have a different functional currency from that of the Parent Company, as follows:

	<b>Functional currency</b>
<b>Subsidiaries</b>	
Braskem Alemanha, Braskem Austria and Braskem Austria Finance	Euro
Braskem America, Braskem America Finance, Braskem Holand Finance and Braskem Holanda Inc	U.S.dollar
Braskem Holanda	(i) U.S.dollar
Braskem Idesa , Braskem Idesa Serviços, Braskem México and Braskem México Serviços	Mexican peso
<b>Jointly-controlled investments</b>	
Propileno Del Sur S.A. ("Propilsur")	U.S.dollar

(i) The functional currency adopted for Braskem Holanda was changed from the Brazilian real to the U.S. dollar on January 1, 2015, due to significant volume of financial and commercial transactions in U.S. dollars, particularly with the beginning of Naphtha sales in 2015.

**(c) Exchange variation effects**

The main effects from exchange variation that impacted these financial statements are shown below:

	Mar/2015	End of period rate		Average rate for period ended		
		Dec/2014	Variation	Mar/2015	Mar/2014	Variation
U.S. dollar - Brazilian real	3.2080	2.6562	20.77%	2.8702	2.3652	21.35%
U.S. dollar - Mexican peso	15.2498	14.7180	3.61%	14.9592	13.2311	13.06%
U.S. dollar - Euro	0.9310	0.8231	13.11%	0.8900	0.7300	21.91%

**2.3. Reconciliation of equity and profit for the period**

between Parent Company and consolidated

	Shareholders' equity		Profit for the period	
	Mar/2015	Dec/2014	Mar/2015	Mar/2014
<b>Parent Company</b>	<b>3,814,008</b>	<b>6,087,775</b>	<b>251,403</b>	<b>405,306</b>
Braskem shares owned by subsidiary	(48,892)	(48,892)		
Non-controlling interest in Braskem Idesa	(265,930)	(144,533)	(47,411)	(8,963)
<b>Consolidated</b>	<b>3,499,186</b>	<b>5,894,350</b>	<b>203,992</b>	<b>396,343</b>



**Braskem S.A.****Notes to the financial statements****at March 31, 2015****All amounts in thousands of reais, unless otherwise stated****3. Cash and cash equivalents**

The information on cash and cash equivalents were presented in the 2014 annual financial statements of the Company, in Note 5.

		<b>Mar/2015</b>	<b>Consolidated Dec/2014</b>
Cash and banks	(i)	353,179	227,237
Cash equivalents:			
Domestic market		2,876,650	2,253,648
Foreign market	(i)	1,841,442	1,512,474
<b>Total</b>		<b>5,071,271</b>	<b>3,993,359</b>

(i) On March 31, 2015, it includes cash and banks of R\$78,381 (R\$26,830 on December 31, 2014) and cash equivalents of R\$223,813 (R\$307,034 on December 31, 2014) of the subsidiary Braskem Idesa, available for use in its project.

**4. Financial investments**

The information on financial investments was presented in the 2014 annual financial statements of the Company, in Note 6.

		<b>Mar/2015</b>	<b>Consolidated Dec/2014</b>
<b>Held-for-trading</b>			

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	Investments in FIM Sol		91,242	85,573
	Other		1,571	4,155
<b>Held-to-maturity</b>				
	Quotas of investment funds in credit rights		39,011	42,495
	Investments in foreign currency	(i)	483,788	399,005
	Compensation of investments in foreign currency	(i)	(483,788)	(399,005)
Total			<b>131,824</b>	<b>132,223</b>
	In current assets		92,813	89,729
	In non-current assets		39,011	42,494
Total			<b>131,824</b>	<b>132,223</b>

(i) On March 31, 2015, Braskem Holanda had a balance of financial investments held to maturity that was irrevocably offset by an export prepayment agreement of the Parent Company, in the amount of US\$150 million, as provided for in the credit assignment agreement entered into between these two companies and Banco Bradesco. This accounting offset was carried out in accordance with CPC 39 and IAS 32, which provide for the possibility of offsetting financial instruments when there is intent and legally exercised right to realize an asset and settle a liability simultaneously.

**Braskem S.A.****Notes to the financial statements****at March 31, 2015****All amounts in thousands of reais, unless otherwise stated****5. Trade accounts receivable**

The information on trade accounts receivable was presented in the 2014 annual financial statements of the Company, in Note 7.

	<b>Mar/2015</b>	<b>Consolidated Dec/2014</b>	<b>Mar/2015</b>	<b>Parent Company Dec/2014</b>
Consumers				
Domestic market	1,813,094	1,523,458	1,732,217	1,455,216
Foreign market	1,860,386	1,517,035	5,054,249	4,219,228
Allowance for doubtful accounts	(338,281)	(322,831)	(283,773)	(268,859)
<b>Total</b>	<b>3,335,199</b>	<b>2,717,662</b>	<b>6,502,693</b>	<b>5,405,585</b>
In current assets	3,199,385	2,692,612	6,369,909	5,382,456
In non-current assets	135,814	25,050	132,784	23,129
<b>Total</b>	<b>3,335,199</b>	<b>2,717,662</b>	<b>6,502,693</b>	<b>5,405,585</b>

**6. Inventories**

The information on inventories was presented in the 2014 annual financial statements of the Company, in Note 8.

	<b>Mar/2015</b>	<b>Consolidated Dec/2014</b>	<b>Mar/2015</b>	<b>Parent company Dec/2014</b>
Finished goods	3,289,446	3,681,204	1,925,731	2,325,911
Raw materials, production inputs and packaging	848,183	1,067,512	739,198	963,550
Maintenance materials	261,978	247,327	194,071	187,773

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Advances to suppliers	365,100	346,885	319,085	324,893
Imports in transit and other	88,122	94,206	76,828	77,359
<b>Total</b>	<b>4,852,829</b>	<b>5,437,134</b>	<b>3,254,913</b>	<b>3,879,486</b>
In current assets	4,692,269	5,368,146	3,094,353	3,810,498
In non-current assets	160,560	68,988	160,560	68,988
<b>Total</b>	<b>4,852,829</b>	<b>5,437,134</b>	<b>3,254,913</b>	<b>3,879,486</b>

**7. Related parties**

The information concerning related parties was presented in the 2014 annual financial statements of the Company, in Note 9.

**Braskem S.A.****Notes to the financial statements****at March 31, 2015****All amounts in thousands of reais, except where stated otherwise****(a) Consolidated**

	<b>Balances at March 31, 2015</b>				<b>Associated companies, Jointly-controlled investment and Related companies</b>	
	Odebrecht and subsidiaries	Petrobras and subsidiaries	Other	Total	Odebrecht and subsidiaries	Petrobras and subsidiaries
<b>Balance sheet</b>						
<b>Assets</b>						
Current						
Trade accounts receivable		6,691	213,595	49,647	269,933	4,347
Inventories	(i)	122,227			122,227	108,929
Related parties			253,281 (ii)	187	253,468	55
Other receivables						
Non-current						
Advances to suppliers	(i)	160,560			160,560	68,988
Related parties						
Intracompany loan			139,835		139,835	
<b>Total assets</b>		<b>289,478</b>	<b>606,711</b>	<b>49,834</b>	<b>946,023</b>	<b>182,319</b>
<b>Liabilities</b>						
Current						
Trade payables		265,001	1,142,356		1,407,357	459,412
<b>Total liabilities</b>		<b>265,001</b>	<b>1,142,356</b>		<b>1,407,357</b>	<b>459,412</b>

	<b>Period ended March 31, 2015</b>				<b>Associated companies, Jointly-controlled investment and Related companies</b>	
	Odebrecht and subsidiaries	Petrobras and subsidiaries	Other	Total	Odebrecht and subsidiaries	Petrobras and subsidiaries
<b>Transactions</b>						
Sales of products		12,688	601,706	118,932	733,326	8,845

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Purchases of raw materials, finished goods						
services and utilities	829,358	2,558,116	13,450	3,400,924	49,933	2,1
Financial income (expenses)		(35,065)		(35,065)		
General and administrative expenses						
Post-employment benefits plan ("EPE")						
Odebrecht previdência Privada ("Odeprev")			4,907	4,907		
Gain from divestment of asset					277,338(iii)	
<b>Total transactions</b>	<b>842,046</b>	<b>3,124,757</b>	<b>137,289</b>	<b>4,104,092</b>	<b>336,116</b>	<b>2,4</b>

(i) Amount related to advances to raw material suppliers.

(ii) Includes credit of R\$242,900 from the naphtha contract additive (Note 1(b)).

(iii) Amount related to divestment in subsidiary (Note 1(a)).

**Braskem S.A.****Notes to the financial statements****at March 31, 2015****All amounts in thousands of reais, except where stated otherwise****(b) Parent Company**

	<b>Associated companies, Jointly-controlled investment and associated companies</b>						
	Braskem Inc.	Braskem Holanda	Braskem Petroquímica	Braskem America	Braskem Austria	Braskem Argentina	Other companies
<b>Balance sheet</b>							
<b>Assets</b>							
Current							
Cash and equivalents							
Trade accounts receivable	3,340,921	797,016	233,310	77,579		169,136	106,926
Inventories							
Dividends and interest on capital			67,575				2,380
Related parties	45	16	16,317	65,846	59		17,537
Non-current							
Advances to suppliers							
Related parties							
Loan agreements	13,167						93
Advance for future capital increase							11,007
Other receivables							
<b>Total assets</b>	<b>3,354,133</b>	<b>797,032</b>	<b>317,202</b>	<b>143,425</b>	<b>59</b>	<b>169,136</b>	<b>137,943</b>
<b>Liabilities</b>							
Current							
Trade payables	6,420,796		45,905	317			227,556
Accounts payable to related parties							
Advance to export	11,096	371,945		6,961	69,593		
Other payables			149,486	381			38,343
Non-current							
Accounts payable to related parties							
Advance to export	122,973	10,464,698		907,864	417,040		
Payable notes	12,319		1,447				

<b>Total liabilities</b>	<b>6,567,184</b>	<b>10,836,643</b>	<b>196,838</b>	<b>915,523</b>	<b>486,633</b>	<b>265,899</b>
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**Associated companies, Jointly-controlled investment and associated companies**

	Braskem Inc.	Braskem Holanda	Braskem Petroquímica	Braskem America	Braskem Austria	Braskem Argentina	Other
<b>Transações</b>							
Sales of products	28,380	499,828	581,020	934		83,144	160,904
Purchases of raw materials, finished products services and utilities	823,890		121,041				11,509
Financial income (expenses)	(708,341)	(1,946,565)		(150,472)	(87,037)	24,922	21,037
General and administrative expenses							
Post-employment benefits							
Odebrecht previdência Privada ("Odeprev")							
<b>Total transactions</b>	<b>143,929</b>	<b>(1,446,737)</b>	<b>702,061</b>	<b>(149,538)</b>	<b>(87,037)</b>	<b>108,066</b>	<b>193,450</b>



**Braskem S.A.****Notes to the financial statements****at March 31, 2015****All amounts in thousands of reais, except where stated otherwise**

	<b>Associated companies, Jointly-controlled investment and associated com</b>					
	<b>Braskem Inc.</b>	<b>Braskem Holanda</b>	<b>Braskem Petroquímica</b>	<b>Braskem Qpar</b>	<b>Braskem America</b>	<b>Braskem Austria Argentina</b>
<b>Balance sheet</b>						
<b>Assets</b>						
Current						
Cash and equivalents						
Trade accounts receivable	2,740,452	472,347	248,350		68,940	116,520
Inventories						
Dividends and interest on capital			67,575			
Related parties	37	15	24,658		53,684	54
Non-current						
Advances to suppliers						
Related parties						
Current accounts						
Loan agreements	10,787					
Other receivables						
<b>Total assets</b>	<b>2,751,276</b>	<b>472,362</b>	<b>340,583</b>		<b>122,624</b>	<b>54 116,520</b>
<b>Liabilities</b>						
Current						
Trade payables	5,476,274		11,879		15	
Accounts payable to related parties						
Advance to export		191,619			12,319	54,304
Other payables	1,040		89,449		345	
Non-current						
Advance to export		8,797,501			751,705	345,306
Current accounts						
Payable notes	112,021					
<b>Total liabilities</b>	<b>5,589,335</b>	<b>8,989,120</b>	<b>101,328</b>		<b>764,384</b>	<b>399,610</b>

	<b>Associated companies, Jointly-controlled investment and associated com</b>						
	<b>Braskem Inc.</b>	<b>Braskem Holanda</b>	<b>Braskem Petroquímica</b>	<b>Braskem Qpar</b>	<b>Braskem America</b>	<b>Braskem Austria</b>	<b>Braskem Argentina</b>
<b>Transações</b>							
Sales of products	329,516	136,670	262,425	52,413	3,662		68,830
Purchases of raw materials, finished products services and utilities	887,904		88,579	112,216			
Financial income (expenses)	89,278	65,728			8,458	10,350	(3,002)
General and administrative expenses							
Post-employment benefits							
Odebrecht previdência Privada ("Odeprev")							
Gain from divestment of asset							
<b>Total transactions</b>	<b>1,306,698</b>	<b>202,398</b>	<b>351,004</b>	<b>164,629</b>	<b>12,120</b>	<b>10,350</b>	<b>65,828</b>

**Braskem S.A.****Notes to the financial statements****at March 31, 2015****All amounts in thousands of reais, except where stated otherwise****(c) Key management personnel**

<b>Income statement transactions</b>	<b>Parent company and consolidated</b>	
	<b>Mar/2015</b>	<b>Mar/2014</b>
<b>Remuneration</b>		
Short-term benefits to employees and managers	4,057	3,486
Post-employment benefit	59	76
Long-term incentives		22
<b>Total</b>	<b>4,116</b>	<b>3,584</b>

**8. Taxes recoverable**

The information on taxes recoverable was presented in the 2014 annual financial statements of the Company, in Note 10.

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>Mar/2015</b>	<b>Dec/2014</b>	<b>Mar/2015</b>	<b>Dec/2014</b>
<b>Brazil</b>				
IPI	25,660	20,456	21,669	16,945
Value-added tax on sales and services (ICMS) - normal operations	409,094	413,066	306,060	307,689
ICMS - credits from PP&E	131,631	136,308	125,447	129,979
Social integration program (PIS) and social contribution on revenue (COFINS) - normal operations	421,823	675,983	419,122	663,140
PIS and COFINS - credits from PP&E	252,305	244,194	240,238	232,510
Income tax and social contribution (IR and CSL)	696,915	692,723	620,086	597,980
REINTEGRA program	295,440	263,771	292,515	258,735
Federal supervenience	165,346	170,264	161,486	166,448

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Other		21,276	9,217	2,898	5,648
<b>Other countries</b>					
Value-added tax	(i)	466,275	547,947		
Other		9,149	1,336		
<b>Total</b>		<b>2,894,914</b>	<b>3,175,265</b>	<b>2,189,521</b>	<b>2,379,074</b>
Current assets		1,653,295	2,129,837	1,042,861	1,416,523
Non-current assets		1,241,619	1,045,428	1,146,660	962,551
<b>Total</b>		<b>2,894,914</b>	<b>3,175,265</b>	<b>2,189,521</b>	<b>2,379,074</b>

(i) Includes R\$421,805 from purchases of machinery and equipment for the Ethylene XXI Project. The Management expects these credits to be received in the short term based on the laws of the countries that are involved.

**Braskem S.A.****Notes to the financial statements****at March 31, 2015****All amounts in thousands of reais, except where stated otherwise****9. Investments**

The information related to investments was presented in the Company's 2014 annual financial statements, in Note 11.

**(a) Information on investments**

	Interest in total capital			Adjusted net profit		Adjusted	
	Direct	Direct e	Indirect	Mar/2015	Mar/2014		Mar/2015
	total (%) - 3/31/2015			for the period		equity	
<b>Subsidiaries</b>							
Alclor	100.00		100.00	(809)		37,678	15,5
Braskem Alemanha	5.66		100.00	(34,596)	16,612	1,258,615	1,077,9
Braskem America			100.00	10,897	29,444	1,275,324	1,047,2
Braskem America Finance			100.00	85	(84)	1,737	1,6
Braskem Argentina	96.77		100.00	(5,713)	2,599	21,427	27,1
Braskem Austria	100.00		100.00	(1,590)	(392)	(8,381)	(7,37
Braskem Austria Finance			100.00	(8)	(5)	85	
Braskem Chile					(136)		
Braskem Espanha			100.00			(9)	(
Braskem Holanda	100.00		100.00	(16,893)	11,990	1,667,871	1,394,9
Braskem Finance	100.00		100.00	(91,620)	(28,792)	(305,108)	(213,48
Braskem Idesa	75.00		75.00	(369,220)	(15,140)	(1,063,718)	(578,12
Braskem Idesa Serviços			75.00	4,088	518	6,683	5,4
Braskem Importação							2
Braskem Inc.	100.00		100.00	262,012	101,399	760,927	498,9
Braskem México	99.97		100.00	34,125	15,320	432,270	337,9
Braskem México Serviços			100.00	2,117	199	2,899	1,6
Braskem Participações					(7)		45,6
Braskem Petroquímica	100.00		100.00	61,580	61,233	1,916,781	1,795,2

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Braskem Qpar	(i)				106,927		
IQAG	0.12	100.00	1,346	938	11,254	8,4	
Lantana		100.00	(148)	21	(860)	(71	
Norfolk				(57)		(43	
Petroquímica Chile	97.96	100.00	333	1,081	7,798	7,6	
Politeno Empreendimentos				(1)		14,2	
Quantiq	99.90	100.00	(7,077)	7,955	232,429	239,5	
<b>Jointly-controlled investment</b>							
Refinaria de Petróleo Riograndense S.A.("RPR")	33.20	33.20	8,173	324	141,704	125,9	
Odebrecht Comercializadora de Energia S.A. ("OCE")	20.00	20.00	216	159	915	7	
Propilsur	49.00	49.00		(88)	121,547	121,5	
<b>Associates</b>							
Borealis	20.00	20.00	8,529		170,809	174,4	
Companhia de Desenvolvimento Rio Verde ("Codeverde")	35.97	35.97		(197)	46,342	46,3	

(i) Merged into the parent company in December 2014.

**Braskem S.A.****Notes to the financial statements**

at March 31, 2015

All amounts in thousands of reais, except where stated otherwise

**(b) Changes in investments – parent company**

	Balance at Dec/2014	Merger	Capital increase	Equity in results of investees Effect of results	Adjustment of profit in inventories	Amortization of fair value adjustment	Other	Current translati adjustmen
<b>Subsidiaries and jointly- controlled investment</b>								
<b>Domestic subsidiaries</b>								
Alclor	15,595		22,892	(809)				
Braskem Participações	45,634	(45,634)						
Braskem Petroquímica	1,911,604	59,932		61,580	(4,481)	(7,784)		
Politeno Empreendimentos	14,298	(14,298)						
Quantiq	243,466			(7,077)		9		
RPR	41,822			2,732				2,4
OCE	148			36				
	<b>2,272,567</b>		<b>22,892</b>	<b>56,462</b>	<b>(4,481)</b>	<b>(7,775)</b>		<b>2,4</b>
<b>Foreign subsidiaries</b>								
Braskem Alemanha	61,014			(1,958)				12,1
Braskem Argentina	26,155			(5,713)	(2,552)			
Braskem Holanda	1,394,890			(16,893)	(6,377)			289,7
Braskem Inc.	497,945			262,012	(5,097)			
Braskem México	337,975			34,125				60,1
Petroquímica Chile	7,609			333	(1,513)		(143)	
	<b>2,325,588</b>			<b>271,906</b>	<b>(15,539)</b>		<b>(143)</b>	<b>362,1</b>
	<b>4,598,155</b>		<b>22,892</b>	<b>328,368</b>	<b>(20,020)</b>	<b>(7,775)</b>	<b>(143)</b>	<b>364,6</b>
<b>Associates</b>								
<b>Domestic subsidiaries</b>								
Borealis	34,887			(725)				
	<b>34,887</b>			<b>(725)</b>				
<b>Total</b>	<b>4,633,042</b>		<b>22,892</b>	<b>327,643</b>	<b>(20,020)</b>	<b>(7,775)</b>	<b>(143)</b>	<b>364,6</b>





**Braskem S.A.****Notes to the financial statements**

at March 31, 2015

All amounts in thousands of reais, except where stated otherwise

**(c) Equity accounting results - breakdown**

	<b>Consolidated</b>		<b>Parent company</b>	
	<b>Mar/2015</b>	<b>Mar/2014</b>	<b>Mar/2015</b>	<b>Mar/2014</b>
Equity in results of subsidiaries, associate and jointly-controlled	2,003	(6)	307,623	272,139
Amortization of fair value adjustment			(7,775)	(21,607)
Provision for subsidiaries with negative equity			(235,159)	(29,191)
Other			2	40
	<b>2,003</b>	<b>(6)</b>	<b>64,691</b>	<b>221,381</b>

**(d) Summary of information from the partially owned subsidiary Braskem Idesa****Balance sheet**

<b>Assets</b>	<b>Mar/2015</b>	<b>Dez/2014</b>	<b>Liabilities</b>	<b>Mar/2015</b>
<b>Current</b>			<b>Current</b>	
Cash and cash equivalents	302,194	333,864	Trade payables	420,320
Inventories	244,495	238,193	Project finance	31,350
Taxes recoverable	423,669	499,173	Other payables	97,240
Other receivables	111,047	96,350		<b>548,910</b>
	<b>1,081,405</b>	<b>1,167,580</b>		
<b>Non-current</b>			<b>Non-current</b>	
Other receivables	281,570	219,010	Project finance	9,353,070
Property, plant and equipment	11,402,880	9,260,814	Loan agreements	3,913,200
	<b>11,684,450</b>	<b>9,479,824</b>	Other payables	14,300
				<b>13,280,640</b>
			<b>Shareholders' equity</b>	<b>(1,063,710)</b>
<b>Total assets</b>	<b>12,765,855</b>	<b>10,647,404</b>	<b>Total liabilities and shareholders' equity</b>	<b>12,765,855</b>

**Statement of operations****Statement of cash flows**

	<b>Mar/2015</b>	<b>Mar/2014</b>		<b>Mar/2015</b>
Gross profit	(4,717)	(768)	Cash flows from operating activities	
Operating expenses, net	(18,589)	(14,017)	Cash generated by operating activities	128,920
Financial results	(143,951)	(4,819)	Interest paid	(178,840)
Loss before income tax	<b>(167,257)</b>	<b>(19,604)</b>	Net cash used by operating activities	<b>(49,920)</b>
Income tax	(23,337)	4,464	Net cash used in investing activities	<b>(548,290)</b>
Loss for the period	<b>(190,594)</b>	<b>(15,140)</b>	Net cash provided by financing activities	
			Short-term and Long-term debit - obtained loans	357,300
			Related parties	244,300
				<b>601,600</b>
			Exchange variation on cash	(35,090)
			Decrease in cash and cash equivalents	<b>(31,670)</b>
			Represented by	
			Cash and cash equivalents at the beginning for the period	333,800
			Cash and cash equivalents at the end for the period	302,130
			Decrease in cash and cash equivalents	<b>(31,670)</b>

**Braskem S.A.****Notes to the financial statements****at March 31, 2015****All amounts in thousands of reais, except where stated otherwise****10. Property, plant and equipment**

The information on property, plant and equipment was presented in the Company's 2014 annual financial statements, in Note 12.

	Mar/2015			Consolidated Dec/2014		
	Cost	Accumulated depreciation/ depletion	Net	Cost	Accumulated depreciation/ depletion	Net
Land	458,908		458,908	436,540		436,540
Buildings and improvements	1,898,139	(869,514)	1,028,625	1,899,018	(848,243)	1,050,775
Machinery, equipment and installations	26,994,353	(13,279,082)	13,715,271	26,581,334	(12,772,515)	13,808,819
Projects in progress	(i) 15,425,960		15,425,960	13,179,475		13,179,475
Other	1,122,740	(583,049)	539,691	1,065,324	(539,443)	525,881
<b>Total</b>	<b>45,900,100</b>	<b>(14,731,645)</b>	<b>31,168,455</b>	<b>43,161,691</b>	<b>(14,160,201)</b>	<b>29,001,490</b>

(i) It includes spending on the construction of the plant in Mexico (Ethylene XXI Project) in the amount of R\$11,402,880.

**Impairment test for property, plant and equipment**

There were no significant events or circumstances in the period ended March 31, 2015 that indicate the need for impairment testing on the property, plant and equipment.

**11. Intangible assets**

The information on intangible assets was presented in the 2014 annual financial statements of the Company, in Note 13.

	<b>Mar/2015</b>			<b>Consolidated Dec/2014</b>		
	<b>Cost</b>	<b>Accumulated amortization</b>	<b>Net</b>	<b>Cost</b>	<b>Accumulated amortization</b>	<b>Net</b>
Goodwill based on future profitability	3,187,722	(1,128,804)	2,058,918	3,187,722	(1,128,804)	2,058,918
Trademarks and patents	216,816	(95,170)	121,646	213,031	(91,121)	121,910
Software and use rights	510,513	(310,336)	200,177	497,813	(292,250)	205,563
Contracts with customers and suppliers	813,337	(350,696)	462,641	729,711	(280,374)	449,337
<b>Total</b>	<b>4,728,388</b>	<b>(1,885,006)</b>	<b>2,843,382</b>	<b>4,628,277</b>	<b>(1,792,549)</b>	<b>2,835,728</b>

**Impairment of intangible assets with definite and indefinite useful life**

There were no significant events or circumstances in the period ended March 31, 2015 that indicated the need for updating the impairment testing of intangible assets with indefinite useful life made in October 2014, or that indicated the need to perform an impairment testing of intangible assets with definite useful life.

**Braskem S.A.****Notes to the financial statements****at March 31, 2015****All amounts in thousands of reais, except where stated otherwise****12. Borrowings**

The information on borrowings was presented in the 2014 annual financial statements of the Company, in Note 14.

	Annual financial charges		Consolidated	
	Monetary restatement	Average interest (unless otherwise stated)	Mar/2015	Dec/2014
<b><u>Foreign currency</u></b>				
Bonds and Medium term notes (MTN)	Note 12 (a)	Note 12 (a)	14,203,162	11,776,438
Advances on exchange contracts	US dollar exchange variation	1.68%	33,758	
Export prepayment	Note 12 (b)	Note 12 (b)	517,959	427,074
BNDES	Note 12 (c)	Note 12 (c)	443,033	396,439
Export credit notes	Note 12 (d)	Note 12 (d)	1,158,286	956,010
Working capital	US dollar exchange variation	1.59%		
Transactions costs		above Libor	763,280	633,104
			(261,868)	(260,656)
<b><u>Local currency</u></b>				
Export credit notes	Nota 12 (d)	Nota 12 (d)	2,460,259	2,435,839
BNDES	Nota 12 (c)	Nota 12 (c)	2,999,687	3,137,035
BNB/ FINAME/ FINEP/ FUNDES		6.52%	736,128	762,757
BNB/ FINAME/ FINEP/ FUNDES	TJLP	0.70%	6,628	8,512
Fundo de Desenvolvimento do Nordeste (FDNE)		6.50%	51,890	51,090
Other	TJLP	0.04%	27,685	26,928
Transactions costs			(13,093)	(14,007)
<b>Total</b>			<b>23,126,794</b>	<b>20,336,563</b>
Current liabilities			1,876,939	1,418,542
Non-current liabilities			21,249,855	18,918,021



**Braskem S.A.****Notes to the financial statements****at March 31, 2015****All amounts in thousands of reais, except where stated otherwise****(a) Bonds and MTN**

<b>Issue date</b>	<b>Issue amount (US\$ in thousands)</b>	<b>Maturity</b>	<b>Interest (% per year)</b>	<b>Mar/2015</b>	<b>Consolidated Dec/2014</b>
July - 1997	250,000	June - 2015	9.38	177,417	149,394
September - 2006	275,000	January - 2017	8.00	185,145	165,863
June - 2008	500,000	June - 2018	7.25	451,076	381,567
May - 2010	400,000	May - 2020	7.00	157,201	127,945
May - 2010	350,000	May - 2020	7.00	1,154,020	939,251
October - 2010	450,000	no maturity date	7.38	1,469,033	1,216,348
April - 2011	750,000	April - 2021	5.75	2,461,177	2,009,294
July - 2011	500,000	July - 2041	7.13	1,625,587	1,369,631
February - 2012	250,000	April - 2021	5.75	823,136	672,005
February - 2012	250,000	no maturity date	7.38	816,130	675,749
May - 2012	500,000	May - 2022	5.38	1,639,444	1,339,601
July - 2012	250,000	July - 2041	7.13	812,794	684,815
February - 2014	500,000	February - 2024	6.45	1,620,668	1,363,317
May - 2014	250,000	February - 2024	6.45	810,334	681,658
<b>Total</b>	<b>5,475,000</b>			<b>14,203,162</b>	<b>11,776,438</b>

**(b) Export prepayments ("EPP")**

<b>Issue date</b>	<b>Initial amount of the transaction (US\$ thousand)</b>	<b>Maturity</b>	<b>Charges (% per year)</b>	<b>Co Mar/2015</b>
January - 2013	200,000	November - 2022	US dollar exchange variation + semiannual Libor + 1.10	517,959
<b>Total</b>	<b>200,000</b>			<b>517,959</b>





**Braskem S.A.****Notes to the financial statements****at March 31, 2015****All amounts in thousands of reais, except where stated otherwise****(c) BNDES borrowings**

<b>Projects</b>	<b>Issue date</b>	<b>Maturity Charges (% per year)</b>	<b>Mar/2015</b>	<b>Cons</b>
<b><u>Foreign currency</u></b>				
Other	2006	October - 2016 US dollar exchange variation + 6.88	5,000	
Braskem Qpar expansion	2006/2007/2008	April - 2016 US dollar exchange variation + 6.73 to 6.88	6,582	
Green PE	2009	July - 2017 US dollar exchange variation + 6.66	35,530	
Limit of credit II	2009	January - 2017 US dollar exchange variation + 6.66	65,824	
New plant PVC Alagoas	2010	January - 2020 US dollar exchange variation + 6.66	125,235	
Limit of credit III	2011	October - 2018 US dollar exchange variation + 6.50 to 6.53	159,203	
Butadiene	2011	January - 2021 US dollar exchange variation + 6.53	45,659	
			<b>443,033</b>	
<b><u>Local currency</u></b>				
Other	2006	September - 2016 TJLP + 2.80	26,893	
Braskem Qpar expansion	2006/2007/2008	February - 2016 TJLP + 2.15 to 3.30	31,799	
Green PE	2008/2009	June - 2017 TJLP + 0.00 to 4.78	178,080	
Limit of credit II	2009	January - 2017 TJLP + 2.58 to 3.58	143,274	
Limit of credit II	2009	January - 2021 4.00 to 4.50	93,096	
New plant PVC Alagoas	2010	December - 2019 TJLP + 0.00 to 3.58	278,845	
New plant PVC Alagoas	2010	December - 2019 5.50	31,739	
Limit of credit III	2011	January - 2021 TJLP + 0.00 to 3.58	1,272,651	1
Limit of credit III	2011	January - 2021 SELIC + 2.58 to 2.78	259,420	
Limit of credit III	2011	January - 2021 3.50 to 6.00	236,822	
Butadiene	2011	December - 2020 TJLP + 0.00 to 3.45	110,423	
Finem	2014	March - 2021 TJLP + 2.78	197,254	
Finem	2014	March - 2021 SELIC + 2.78	136,720	
Finem	2014	March - 2021 6.00	2,671	
			<b>2,999,687</b>	<b>3</b>
<b>Total</b>			<b>3,442,720</b>	<b>3</b>



**Braskem S.A.****Notes to the financial statements****at March 31, 2015****All amounts in thousands of reais, except where stated otherwise****(d) Export credit notes ("NCE")**

<b>Issue date</b>	<b>Initial amount of the transaction</b>	<b>Maturity Charges (% per year)</b>	<b>Consolidated Mar/2015</b>	<b>Dec/2014</b>
<b><u>Foreign currency</u></b>				
November - 2006	167,014	May - 2018 Us dollar exchange variation + 8.10	258,162	209,561
April - 2007	101,605	March - 2018 Us dollar exchange variation + 7.87	166,466	135,220
May - 2007	146,010	May - 2019 Us dollar exchange variation + 7.85	246,896	200,518
January - 2008	266,430	February - 2020 Us dollar exchange variation + 7.30	486,762	410,711
	<b>681,059</b>		<b>1,158,286</b>	<b>956,010</b>
<b><u>Local currency</u></b>				
April - 2010	50,000	October - 2021 105% of CDI	37,187	36,120
June - 2010	200,000	October - 2021 105% of CDI	148,746	144,481
February - 2011	250,000	October - 2021 105% of CDI	148,746	144,481
April - 2011 (i)	450,000	abr-2019 112,5% of CDI	461,767	461,254
June - 2011	80,000	October - 2021 105% of CDI	59,498	57,792
August - 2011 (i)	400,000	August - 2019 112,5% of CDI	404,672	404,309
June - 2012	100,000	October - 2021 105% of CDI	74,373	72,241
September - 2012	300,000	October - 2021 105% of CDI	223,120	216,722
October - 2012	85,000	October - 2021 105% of CDI	63,217	61,405
February - 2013 (ii)	100,000	September - 2017 8.00	101,075	101,161
February - 2013 (ii)	100,000	February - 2016 8.00	101,161	101,161
February - 2013 (ii)	50,000	September - 2017 8.00	50,419	50,440
February - 2013 (ii)	100,000	February - 2016 8.00	101,075	101,096
March - 2013 (ii)	50,000	March - 2016 8.00	50,257	50,257
June - 2014 (ii)	50,000	June - 2017 7.50	50,010	50,010
June - 2014 (ii)	17,500	June - 2017 8.00	17,504	17,504
June - 2014 (ii)	10,000	June - 2017 8.00	10,002	10,002
September - 2014	100,000	August - 2020 108% of CDI	100,715	103,579
November - 2014 (ii)	150,000	November - 2017 8.00	154,029	151,094
November - 2014	100,000	April - 2015 8.00	102,686	100,730
<b>Total</b>	<b>2,742,500</b>		<b>2,460,259</b>	<b>2,435,839</b>

- (i) The Company enters into swap transactions to offset the variation in the Interbank Certificate of Deposit (CDI) rate (Note 14.2.1 (b.i)).
- (ii) The Company enters into swap transactions for these contracts (from 67.10% to 92.70% of CDI) (Note 14.2.1 (a)).

**Braskem S.A.****Notes to the financial statements****at March 31, 2015****All amounts in thousands of reais, except where stated otherwise****(e) Payment schedule**

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

	<b>Mar/2015</b>	<b>Consolidated Dec/2014</b>
2016	808,814	1,253,774
2017	1,580,571	1,528,616
2018	2,226,665	1,977,384
2019	2,119,218	1,997,887
2020	2,269,811	1,940,691
2021	3,475,090	2,947,526
2022	1,703,656	1,417,085
2023	7,448	7,652
2024	2,422,033	2,008,387
2025 and thereafter	4,636,549	3,839,019
<b>Total</b>	<b>21,249,855</b>	<b>18,918,021</b>

**(f) Capitalized financial charges - consolidated**

In the period ended March 31, 2015, a total of R\$33,334 corresponding to financial charges were capitalized (R\$19,842 in the period ended March 31, 2014), including monetary variation and part of the exchange variation. The average rate of these charges in the period was 7.53% p.a. (7.41% p.a. in the period ended March 31, 2014).

**(g) Guarantees**

Braskem gave collateral for part of its borrowings as follows:

<b>Loans</b>	<b>Maturity</b>	<b>Total Mar/2015</b>	<b>Total guaranteed</b>	<b>Guarantees</b>
BNB	March - 2023	474,054	474,054	Mortgage of plants, pledge of machinery and equipment
BNDES	January - 2021	3,442,720	3,442,720	Mortgage of plants, land and property, pledge of machinery and equipment
FUNDES	June - 2020	167,753	167,753	Mortgage of plants, land and property, pledge of machinery and equipment
FINEP	July - 2024	98,400	98,400	Bank surety
FINAME	February - 2022	2,549	2,549	Pledge of equipment
<b>Total</b>		<b>4,185,476</b>	<b>4,185,476</b>	

**Braskem S.A.****Notes to the financial statements****at March 31, 2015****All amounts in thousands of reais, except where stated otherwise****13. Project finance**

The information on project finance was presented in the 2014 annual financial statements in Note 15.

<b>Identification</b>	<b>US\$ thousands</b>		<b>Maturity Charges (% per year)</b>
	<b>Contract value</b>	<b>Value received</b>	
Project finance I	700,000	643,626	February - 2027 Us dollar exchange variation + quarterly Libor + 3.25
Project finance II	210,000	161,358	February - 2027 Us dollar exchange variation + 6.17
Project finance III	600,000	519,801	February - 2029 Us dollar exchange variation + 4.33
Project finance IV	660,000	638,577	February - 2029 Us dollar exchange variation + quarterly Libor + 3.85
Project finance V	400,000	367,787	February - 2029 Us dollar exchange variation + quarterly Libor + 4.63
Project finance VI	90,000	57,624	February - 2029 Us dollar exchange variation + quarterly Libor + 2.75
Project finance VII	533,095	490,163	February - 2029 Us dollar exchange variation + quarterly Libor + 4.63
Transactions costs			
<b>Total</b>	<b>3,193,095</b>	<b>2,878,936</b>	

VAT borrowings (i) November - 2029 MXN exchange variation + 2.00% above TIE (ii)

Current liabilities

Non-current liabilities

**Total**

(i) Financing for Braskem IDESA to be paid exclusively to the refund of value-added taxes (Note 8.i).

(ii) TIE – “*Tasa de Interés Interbancaria de Equilibrio*” – basic interest rate in Mexico, similar to the CDI overnight rate in Brazil.

Braskem Idesa capitalized the charges incurred on this financing in the period ending March 31, 2015, in the amount of R\$137,653 (R\$72,289 in the period ended March 31, 2014), including a portion of exchange variation. The average interest rate over these charges in the period was 8.81% p.a. (5.02% p.a. in the period ended March 31, 2014).

The maturity profile of this long-term financing, by year of maturity, is as follows:

	<b>Mar/2015</b>	<b>Consolidated Dec/2014</b>
2016	172,291	137,360
2017	509,258	417,129
2018	624,201	511,886
2019	649,920	533,244
2020	767,569	630,543
2021	878,550	722,211
2022	733,411	603,387
2023	970,004	797,728
2024	1,050,043	863,811
2025 and thereafter	2,997,833	2,333,734
<b>Total</b>	<b>9,353,080</b>	<b>7,551,033</b>



**Braskem S.A.****Notes to the financial statements****at March 31, 2015****All amounts in thousands of reais, except where stated otherwise****14. Financial instruments**

The information related to financial instruments was presented in the 2014 financial statements of the Company, in Note 16.

**14.1. Non-derivative financial instruments – measured at fair value - consolidated**

	Note	Classification by category	Fair value hierarchy	Book value		Fair value	
				Mar/2015	Dec/2014	Mar/2015	Dec/2014
<b>Cash and cash equivalents</b>	3						
Cash and banks				353,179	227,237	353,179	227,237
Financial investments in Brazil		Held-for-trading	Nível 2	808,020	1,146,880	808,020	1,146,880
Financial investments in Brazil		Loans and receivables		2,068,630	1,106,768	2,068,630	1,106,768
Financial investments abroad		Held-for-trading	Nível 2	1,841,442	1,512,474	1,841,442	1,512,474
				<b>5,071,271</b>	<b>3,993,359</b>	<b>5,071,271</b>	<b>3,993,359</b>
<b>Financial investments</b>	4						
FIM Sol investments		Held-for-trading	Nível 2	91,242	85,573	91,242	85,573
Other		Held-for-trading	Nível 2	1,571	4,155	1,571	4,155
Quotas of receivables investment fund		Held-to-maturity		39,011	42,495	39,011	42,495
				<b>131,824</b>	<b>132,223</b>	<b>131,824</b>	<b>132,223</b>
<b>Trade accounts receivable</b>	5			<b>3,335,199</b>	<b>2,717,662</b>	<b>3,335,199</b>	<b>2,717,662</b>
<b>Related parties credits</b>	7			<b>393,303</b>	<b>205,117</b>	<b>393,303</b>	<b>205,117</b>

		Loans and receivables				
<b>Trade payables</b>			<b>12,802,587</b>	<b>10,852,410</b>	<b>12,802,587</b>	<b>10,852,410</b>
<b>Borrowings</b>	12					
Foreign currency - Bond		Nível 1	14,203,162	11,776,438	13,365,211	11,900,361
Foreign currency - other						
borrowings			2,916,316	2,412,627	2,916,316	2,412,627
Local currency			6,282,277	6,422,161	6,282,277	6,422,161
			<b>23,401,755</b>	<b>20,611,226</b>	<b>22,563,804</b>	<b>20,735,149</b>
<b>Project finance</b>	13		<b>9,510,402</b>	<b>7,689,093</b>	<b>9,510,402</b>	<b>7,689,093</b>
<b>Ethylene XXI Project Loan</b>	16		<b>1,000,950</b>	<b>792,188</b>	<b>1,000,950</b>	<b>792,188</b>
<b>Other payables</b>			<b>302,805</b>	<b>296,969</b>	<b>302,805</b>	<b>296,969</b>

**(a) Fair value hierarchy**

Level 1 – fair value obtained through prices quoted (without adjustments) in active markets for identical assets or liabilities, such as the stock exchange; and

Level 2 – fair value obtained from discounted cash flow models, when the instrument is a forward purchase or sale or a swap contract, or valuation models of option contracts, such as the Black-Scholes model, when the derivative has the characteristics of an option.

**Braskem S.A.****Notes to the financial statements**

at March 31, 2015

All amounts in thousands of reais, except where stated otherwise

**14.2. Derivative financial instruments designated and not designated for hedge accounting****14.2.1 Changes**

Identification	Note	Fair value hierarchy	Operation characteristics		Balance at Dec/2014	Change in fair value	Fair value settlements
			Principal exposure	Derivatives			
<b><u>Non-hedge accounting transactions</u></b>							
Exchange swap		Level 2	Argentine peso	Dollar	1,383	3,155	
Interest rate swaps	14.2.1 (a)	Level 2	Fixed rate	CDI	18,588	(3,289)	
Deliverable Forward		Level 2	Euro	Dollar	2,230	(5,081)	
					<b>22,201</b>	<b>(5,215)</b>	
<b><u>Hedge accounting transactions</u></b>							
Exchange swap	14.2.1 (b.i)	Level 2	CDI	Dollar+Interests	560,828	323,348	
Interest rate swaps	14.2.1 (c.i.i)	Level 2	Libor	Fixed price	3,542	72,724	
Deliverable Forward	14.2.1 (c.i.ii)	Level 2	Mexican peso	Dollar	30,533	10,368	
					<b>594,903</b>	<b>406,440</b>	
<b><u>Derivatives operations</u></b>							
Current assets					(33,555)		
Non-current assets					(39,350)		
Current liabilities					95,626		
Non-current liabilities					594,383		
					<b>617,104</b>		

(a) Interest rate swap linked to NCE

<b>Identification</b>	<b>Nominal value</b>	<b>Interest rate (hedge)</b>	<b>Maturity</b>	<b>Fair value</b>	
				<b>Mar/2015</b>	<b>Dec/2014</b>
Swap NCE I	100,000	90.65% CDI	February - 2016	3,361	3,576
Swap NCE II	50,000	88.20% CDI	February - 2016	1,722	1,879
Swap NCE III	100,000	92.64% CDI	February - 2016	3,507	3,773
Swap NCE IV	50,000	92.70% CDI	February - 2016	1,805	1,928
Swap NCE V	50,000	68.15% CDI	December - 2016	537	360
Swap NCE VI	100,000	91.92% CDI	February - 2016	3,516	3,781
Swap NCE VII	50,000	92.25% CDI	March - 2016	1,785	1,911
Swap NCE VIII	17,500	91.10% CDI	March - 2016	601	640
Swap NCE IX	10,000	77.52% CDI	August - 2016	262	241
Swap NCE X	50,000	67.15% CDI	December - 2016	424	251
Swap NCE XI	50,000	67.10% CDI	December - 2016	417	248
<b>Total</b>	<b>627,500</b>			<b>17,937</b>	<b>18,588</b>
<b><u>Derivatives operations</u></b>					
Current liabilities				17,937	18,588
<b>Total</b>				<b>17,937</b>	<b>18,588</b>

**Braskem S.A.****Notes to the financial statements****at March 31, 2015****All amounts in thousands of reais, except where stated otherwise****(b) Operations designated for hedge accounting****(b.i) Swaps related to export credit notes (NCE)**

<b>Identification</b>	<b>Nominal value</b>	<b>US\$ thousands</b>	<b>Hedge interest rate per year</b>	<b>Maturity</b>	<b>Fair value</b>	
					<b>Mar/2015</b>	<b>Dec/2014</b>
Swap NCE I	200,000	122.100	6.15%	August - 2019	228,633	155,961
Swap NCE II	100,000	60.187	6.15%	August - 2019	111,194	75,373
Swap NCE III	100,000	59.588	6.15%	August - 2019	109,029	73,565
Swap NCE IV	100,000	56.205	5.50%	April - 2019	90,761	57,906
Swap NCE V	100,000	56.180	5.50%	April - 2019	90,699	57,831
Swap NCE VI	150,000	82.372	7.90%	April - 2019	154,525	80,506
Swap NCE VII	100,000	58.089	4.93%	April - 2019	93,115	59,686
<b>Total</b>	<b>850,000</b>	<b>494.721</b>			<b>877,956</b>	<b>560,828</b>

**Derivatives operations**

Current assets					(16,635)	(33,555)
Non-Current liabilities					894,591	594,383
<b>Total</b>					<b>877,956</b>	<b>560,828</b>

**(b.ii) Non-derivative liabilities designated for export hedge accounting****(b.ii.i) Future exports in U.S. dollars**

On May 1, 2013, Braskem S.A. designated non-derivative financial instrument liabilities, denominated in U.S. dollars, as hedge for the flow of its highly probable future exports. Thus, the impact of exchange rates on future cash flows in dollars derived from these exports will be offset by the foreign exchange variation on the designated liabilities, partly eliminating the volatility of results.

Hedged exports amounted to US\$6.757.231, as shown below:

	<b>Total nominal value US\$ thousands</b>
2016	839,447
2017	829,685
2018	787,894
2019	733,980
2020	724,000
2021	716,000
2022	719,000
2023	718,372
2024	688,853
	<b>6,757,231</b>

**Braskem S.A.**

**Notes to the financial statements**

**at March 31, 2015**

**All amounts in thousands of reais, except where stated otherwise**

On March 31, 2015, the maturities of the financial liabilities designated as this hedge, within the scope of the consolidated balance sheet, were as follows:

	<b>Total nominal value US\$ thousands</b>
2015	2,219,245
2016	278,849
2017	84,383
2018	1,136,428
2019	183,684
2020	567,677
2021	1,016,965
2022	520,000
2024	750,000
	<b>6,757,231</b>

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

On October 1, 2014, Braskem Idesa designated its liabilities related to Project Finance, denominated in U.S. dollar, as hedge instruments to protect highly probably future sales flows. Therefore, the impact of exchange variation on future cash flows in U.S. dollar derived from these sales in dollar will be offset by the exchange variation on the designated liabilities, partially eliminating the volatility in the results of the subsidiary.

On March 31, 2015, hedged sales and the maturities of financial liabilities amounted to US\$2,878,936 thousand and were distributed as follows

**Total nominal value**

	<b>US\$ thousands</b>
2016	60,862
2017	165,217
2018	200,138
2019	206,844
2020	240,596
2021	273,942
2022	229,136
2023	300,853
2024	324,902
2025	322,097
2026	278,065
2027	136,576
2028	111,765
2029	27,943
	<b>2,878,936</b>

For the purposes of analyzing the prospective and retroactive effectiveness of the transactions, the Company used the dollar offset and volatility reduction coefficient methods, respectively.



**Braskem S.A.****Notes to the financial statements****at March 31, 2015****All amounts in thousands of reais, except where stated otherwise****(c) Hedge operations by Braskem Idesa related to project finance**

The hedge operations of Braskem Idesa share the same guarantees with the Project Finance.

**(c.i) Interest rate swap linked to Libor (operation designated for hedge accounting)**

<b>Identification</b>	<b>Nominal value</b>	<b>Interest rate (hedge)</b>	<b>Maturity</b>	<b>Mar/2015</b>	<b>Fair value Dec/2014</b>
Swap Libor I	299,996	1.9825%	May - 2025	14,013	790
Swap Libor II	299,996	1.9825%	May - 2025	14,184	870
Swap Libor III	299,996	1.9825%	May - 2025	14,021	775
Swap Libor IV	129,976	1.9825%	May - 2025	6,071	330
Swap Libor V	132,996	1.9825%	May - 2025	6,266	386
Swap Libor VI	149,932	1.9825%	May - 2025	7,009	391
<b>Total</b>	<b>1,312,892</b>			<b>61,564</b>	<b>3,542</b>

**Derivatives operations**

Current assets					(39,350)
Current liabilities				51,863	42,892
Non-current liabilities				9,701	
<b>Total</b>				<b>61,564</b>	<b>3,542</b>

**(c.ii) Currency futures contract– Mexican Peso / U.S. Dollar (operation designated for hedge accounting)**

<b>Identification</b>	<b>Nominal value</b>	<b>Foreign exchange (hedge)</b>	<b>Maturity</b>	<b>Mar/2015</b>	<b>Fair value Dec/2014</b>
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Deliverable Forward	23,381	12.9518	February - 2015		7,723
Deliverable Forward	29,047	13.1969	March - 2015		8,485
Deliverable Forward	18,625	13.0980	March - 2015		5,841
Deliverable Forward	10,230	13.0490	April - 2015	4,792	3,334
Deliverable Forward	5,897	13.1167	June - 2015	2,714	1,878
Deliverable Forward	7,014	13.4329	June - 2015	2,811	1,947
Deliverable Forward	2,245	13.2538	July - 2015	996	708
Deliverable Forward	1,847	13.1486	August - 2015	870	617
<b>Total</b>	<b>98,286</b>			<b>12,183</b>	<b>30,533</b>

**Derivatives operations**

Current liabilities				12,183	30,533
<b>Total</b>				<b>12,183</b>	<b>30,533</b>

**(d) Estimated maximum loss**

The amount at risk of the derivatives held by Braskem which is defined as the loss that could result in one month as from March 31, 2015, with a probability of 5%, and under normal market conditions, was estimated by the Company at US\$27,238 thousand for the NCE exchange swap (Note 14.2.1(b.i)) and R\$427 for the NCE interest rate swap (Note 14.2.1(a)), and US\$3,472 thousand to the swap of Libor related to Braskem's project in Mexico (Note 14.2.1(c.i)).

**Braskem S.A.****Notes to the financial statements****at March 31, 2015****All amounts in thousands of reais, except where stated otherwise****14.3. Credit quality of financial assets****(a) Trade accounts receivable**

On March 31, 2015, the credit ratings for the domestic market were as follows:

	<b>Mar/2015</b>	<b>Dec/2014</b>
		(%)
1 Minimum risk	5.49	5.09
2 Low risk	43.96	40.23
3 Moderate risk	29.67	30.81
4 High risk	19.93	23.15
5 Very high risk	0.95	0.72

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

Default indicators for the periods ended:

	<b>Domestic Market</b>	<b>Last 12 months Export Market</b>
March 31, 2015	0.18%	0.68%
March 31, 2014	0.31%	0.60%
December 31, 2014	0.65%	0.18%
December 31, 2013	0.14%	0.13%

**(b) Other financial assets**

In order to determine the credit ratings of counterparties in financial assets classified as cash and cash equivalents, held-for-trading, held-to-maturity and loans and receivables, Braskem uses the following credit rating agencies: Standard & Poor's, Moody's and Fitch Ratings.

	<b>Mar/2015</b>	<b>Dec/2014</b>
<b>Financial assets with risk assessment</b>		
AAA	4,759,232	3,765,527
AA		65,304
AA-	37,178	
A+	61,554	53,229
A	257,301	180,233
A-	46,267	13,648
	5,161,532	4,077,941
<b>Financial assets without risk assessment</b>		
Quotas of investment funds in credit rights (i)	39,011	42,495
Sundry funds (ii)	472	3,056
Other financial assets with no risk assessment	2,080	2,090
	41,563	47,641
<b>Total</b>	<b>5,203,095</b>	<b>4,125,582</b>

- (i) Financial assets with no internal or external ratings and approved by the Management of the Company.
- (ii) Investment funds with no internal and external risk assessment whose portfolio is composed of assets from major financial institutions and that comply with Braskem's financial policy.

Braskem's financial policy determines "A-" as the minimum rating for financial investments.

**Braskem S.A.**

**Notes to the financial statements**

**at March 31, 2015**

**All amounts in thousands of reais, except where stated otherwise**

**14.4. Sensitivity analysis**

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

**(a) Selection of risks**

On March 31, 2015, the main risks that can affect the value of Braskem's financial instruments are:

- Brazilian real/U.S. dollar exchange rate;
- Libor floating interest rate;
- CDI interest rate; and
- TJLP interest rate.

For the purposes of the risk sensitivity analysis, Braskem presents the exposures to currencies as if they were independent, that is, without reflecting in the exposure to a foreign exchange rate the risks of the variation in other foreign exchange rates that could be directly influenced by it.

**(b) Selection of scenarios**

**(b.1) Probable scenario**

The Market Readout published by the Central Bank of Brazil on March 27, 2015 was used to create the probable scenario for the U.S. dollar/Brazilian real exchange rate and the CDI interest rate, using the reference date of March 31, 2015. The Market Readout presents a consensus of market expectations based on a survey of the forecasts made by various financial and non-financial institutions. According to the Market Readout, at the end of 2015, the U.S. dollar will appreciate by 26.12% against the Brazilian real compared to end-2014, and the CDI rate will reach 11.75%.

The probable scenario for the TJLP is an increase of 0.50% from the current rate of 5.5%, in line with the size of the government's most recent decisions to increase or decrease the rate, while the CDI rate shows an increase of 1.0% by the end of 2015. The Market Readout does not publish forecasts for the Libor interest rate. Therefore, to determine the probable scenario, Braskem considered a 5% increase on current market levels.

**Braskem S.A.****Notes to the financial statements****at March 31, 2015****All amounts in thousands of reais, except where stated otherwise****(b.2) Possible and extreme adverse scenarios**

The sensitivity values in the table below are the changes in the value of the financial instruments in each scenario:

<b>Instrument / Sensitivity</b>	<b>Probable</b>	<b>Possible adverse (25%)</b>	<b>Extreme adverse (50%)</b>
<b>Brazilian real/U.S. dollar exchange rate</b>			
Bonds and MTN	(617,954)	(3,490,136)	(6,980,273)
BNDES	(19,611)	(110,758)	(221,517)
Working capital / structured operations	(85,057)	(480,392)	(960,783)
Export prepayments	(22,075)	(124,677)	(249,353)
Project finance	(415,396)	(2,346,108)	(4,692,216)
Financial investments abroad	113,724	642,299	1,284,597
Swaps	(79,141)	(367,838)	(814,818)
<b>Mexican peso/U.S. dollar exchange rate</b>			
Deliverable Forward	(1,503)	(14,967)	(24,960)
<b>Libor floating interest rate</b>			
Working capital / structured operations	(2,505)	(12,524)	(25,048)
Export prepayments	(3,276)	(16,381)	(32,762)
<b>CDI interest rate</b>			
NCE	39,745	(136,271)	(288,079)
NCA	54,021	(192,567)	(419,683)
Foreign loans / other in local currency	1,053	(3,570)	(7,484)
	<b>Probable</b>	<b>Possible adverse</b>	<b>Extreme adverse</b>
<b>Instrument / Sensitivity</b>	<b>5.5%</b>	<b>6.0%</b>	<b>6.5%</b>

**TJLP interest rate**  
BNDES

(38,222)

(86,715)

(130,939)

36

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**Braskem S.A.****Notes to the financial statements**

at March 31, 2015

All amounts in thousands of reais, except where stated otherwise

**15. Taxes payable**

The information related to taxes payable was presented in the Company's 2014 annual financial statements, in Note 17.

	<b>Mar/2015</b>	<b>Consolidated Dec/2014</b>	<b>Mar/2015</b>	<b>Parent company Dec/2014</b>
<b>Parent Company and subsidiaries in Brazil</b>				
IPI	74,760	53,536	64,685	46,518
IR and CSL	108,539	31,474	25,899	27,847
ICMS	125,804	99,328	94,381	26,758
Other	51,559	45,177	43,823	47,207
<b>Other countries</b>				
Other	12,330	4,576		
<b>Total</b>	<b>372,992</b>	<b>234,091</b>	<b>228,788</b>	<b>148,330</b>
Current liabilities	342,293	203,392	198,154	117,696
Non-current liabilities	30,699	30,699	30,634	30,634
<b>Total</b>	<b>372,992</b>	<b>234,091</b>	<b>228,788</b>	<b>148,330</b>

**16. Ethylene XXI Project Loan**

Braskem Idesa is building a plant in Mexico, called the Ethylene XXI Project and financed under the project finance modality (Note 13). The financing structure observes the ratio of 70% debt (Project Finance) and 30% using shareholder funds, in the form of equity or subordinated loan (loan). This loan, which is due to the non-controlling shareholder of Braskem Idesa will be paid exclusively with cash generated from the project.



**Braskem S.A.****Notes to the financial statements****at March 31, 2015****All amounts in thousands of reais, except where stated otherwise****17. Income tax (“IR”) and social contribution (“CSLL”)**

The information related to income tax and social contribution was presented in the Company’s 2014 annual financial statements, in Note 19.

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

	<b>Mar/2015</b>	<b>Consolidated Mar/2014</b>	<b>Parent company Mar/2015</b>	<b>Mar/2014</b>
<b>Income before IR and CSL</b>	<b>379,325</b>	<b>569,133</b>	<b>341,170</b>	<b>503,068</b>
IR and CSL at the rate of 34%	(128,974)	(193,505)	(115,998)	(171,043)
<b>Permanent adjustments to the IR and CSL calculation basis</b>				
IR and CSL on equity in results of investees	681	(8,057)	24,595	92,527
Other permanent adjustments (i)	(47,040)	28,772	1,636	(19,246)
<b>Effect of IR and CSL on results of operations</b>	<b>(175,333)</b>	<b>(172,790)</b>	<b>(89,767)</b>	<b>(97,762)</b>
<b>Breakdown of IR and CSL:</b>				
Current IR and CSL	(50,302)	(53,456)	(2,960)	
Deferred IR and CSL	(125,031)	(119,334)	(86,807)	(97,762)
<b>Total IR and CSL on income statement</b>	<b>(175,333)</b>	<b>(172,790)</b>	<b>(89,767)</b>	<b>(97,762)</b>

(i) The main impact on this account include permanent tax restatement resulting from the effects of inflation on the subsidiary Braskem Idesa (14.62% increase on the effective tax rate).

The nominal income tax (IR) rates of subsidiaries abroad differ from those in Brazil, of 34% (IR – 25% and CSLL 9%), as shown below:

	<b>Headquarters (Country)</b>	<b>Official rate - % Mar/2015</b>
<b>Direct and Indirect subsidiaries</b>		
Braskem Alemanha	Germany	31.90
Braskem America and Braskem America Finance	USA	35.00
Braskem Argentina	Argentina	35.00
Braskem Austria and Braskem Austria Finance	Austria	25.00
Braskem Petroquímica Chile	Chile	20.00
Braskem Holanda, Braskem Holanda Finance and Braskem Holanda Inc	Netherland	25.00
Braskem Idesa, Braskem Idesa Serviços, Braskem México and Braskem México Serviços	Mexico	30.00

**Braskem S.A.****Notes to the financial statements****at March 31, 2015****All amounts in thousands of reais, except where stated otherwise****(b) Breakdown of deferred income tax and social contribution**

<b>Assets</b>	<b>Mar/2015</b>	<b>Consolidated</b>		<b>Parent company</b>	
		<b>Mar/2015</b>	<b>Dec/2014</b>	<b>Mar/2015</b>	<b>Dec/2014</b>
Tax losses (IR) and negative base (CSL)	1,536,305	1,082,097	386,126	276,727	
Goodwill amortized	7,062	7,411	7,062	7,411	
Exchange variations	2,493,436	1,302,801	2,491,263	1,302,801	
Temporary adjustments	49,690	151,639	652,709	526,377	
Business combination	188,188	187,859	89,769	89,770	
Pension plan		104,227		104,226	
Deferred charges - write-off	21,024	24,854	20,848	20,848	
	<b>4,295,705</b>	<b>2,860,888</b>	<b>3,647,777</b>	<b>2,328,160</b>	
<b>Liabilities</b>					
Amortization of goodwill based on future profitability	709,823	699,179	620,756	612,277	
Tax depreciation	732,352	694,039	669,726	633,414	
Temporary differences	511,638	416,230	11,702	11,704	
Business combination	224,368	232,301	76,651	81,349	
Write-off negative goodwill of incorporated subsidiaries	445	594	445	593	
Additional indexation PP&E	121,312	124,762	121,312	124,762	
Amortization of fair value adjustments on the assets from the acquisition of Quattor	307,385	313,422	307,385	313,423	
Other	125,981	113,645	59,680	57,335	
	<b>2,733,304</b>	<b>2,594,172</b>	<b>1,867,657</b>	<b>1,834,857</b>	
<b>Net</b>	<b>1,562,401</b>	<b>266,716</b>	<b>1,780,120</b>	<b>493,303</b>	
Assets presented in Balance Sheet	2,268,809	870,206	1,780,120	493,303	
	706,408	603,490			

(-) Liabilities presented in  
Balance Sheet

<b>Net</b>	<b>1,562,401</b>	<b>266,716</b>	<b>1,780,120</b>	<b>493,303</b>
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**Braskem S.A.****Notes to the financial statements****at March 31, 2015****All amounts in thousands of reais, except where stated otherwise****(c) Net balance of deferred income and social contribution tax assets and liabilities**

				<b>Mar/2015</b>
	<b>Headquarters (Country)</b>	<b>Asset</b>	<b>IR and CSL Liability</b>	<b>Balance</b>
<b>Assets</b>				
Braskem S.A.	Brazil	3,647,778	(1,867,658)	1,780,120
Braskem Argentina	Argentina	5,783		5,783
Braskem Alemanha	Germany	93,591		93,591
Braskem Idesa	Mexico	342,159	(61,096)	281,063
Braskem México Serviços	Mexico	2,167		2,167
Quantiq	Brazil	9,116	(1,450)	7,666
Braskem Petroquímica - business combination effects	Brazil	98,419		98,419
		<b>4,199,013</b>	<b>(1,930,204)</b>	<b>2,268,809</b>
<b>Liabilities</b>				
Braskem Petroquímica - business combination effects	Brazil		(147,717)	(147,717)
Braskem Petroquímica	Brazil	96,586	(155,192)	(58,606)
Petroquímica Chile	Chile	106	(256)	(150)
Braskem America	USA		(499,935)	(499,935)
		<b>96,692</b>	<b>(803,100)</b>	<b>(706,408)</b>
<b>Dec/2014</b>				
	<b>Headquarters (Country)</b>	<b>Asset</b>	<b>IR and CSL Liability</b>	<b>Balance</b>
<b>Assets</b>				
Braskem S.A.	Brazil	2,328,160	(1,834,857)	493,303
Braskem Argentina	Argentina	3,772		3,772
Braskem Alemanha	Germany	88,999		88,999
Braskem Idesa	Mexico	231,504	(52,463)	179,041

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Quantiq	Brazil	8,393	(1,392)	7,001
Braskem Petroquímica - business combination effects	Brazil	98,090		98,090
		<b>2,758,918</b>	<b>(1,888,712)</b>	<b>870,206</b>
<b>Liabilities</b>				
Braskem Petroquímica - business combination effects	Brazil		(150,951)	(150,951)
Braskem Petroquímica	Brazil	101,919	(149,897)	(47,978)
Petroquímica Chile	Chile	51	(84)	(33)
Braskem America	USA		(404,528)	(404,528)
		<b>101,970</b>	<b>(705,460)</b>	<b>(603,490)</b>

(d) **Realization of deferred income tax and social contribution**

In the period ended March 31, 2015, there were no material events or circumstances that indicate any compromise of the realization of these deferred taxes.



**Braskem S.A.**

**Notes to the financial statements**

**at March 31, 2015**

**All amounts in thousands of reais, except where stated otherwise**

**(e) Law 12,973 of May 13, 2014**

Federal Law 12,973 of May 13, 2014, created from the conversion of Provisional Presidential Decree 627 of November 11, 2013, among others, revoked the Transitional Tax System (RTT) and included additional measures, notably:

- (i) Changes in the federal tax laws related to income tax (IR) and social contribution (CSLL), PIS/PASEP and COFINS taxes in order to align tax accounting with corporate accounting;
- (ii) provisions on the calculation of interest on equity;
- (iii) considerations on investments valued using the equity method of accounting;
- (iv) provision regarding the tax treatment of dividends calculated based on the results in the period from January 2008 to December 2013; and
- (v) provisions regarding new rules on taxation of profits earned abroad. The provisions in this law are applicable from 2015, except in the event of early adoption in 2014.

Later, in the fourth quarter of 2014, Brazil's Federal Revenue Service issued several normative instructions to regulate the provisions of Federal Law 12,973, most notably IN 1,515/14, which specifically addressed the effects of the cancellation of RTT, and IN 1,520/14, which regulated the provisions on taxation of profits earned abroad.

With regard to the exercise of the option to apply the effects of Law 12,973, the Company opted to anticipate the effects of the cancellation of the transitional tax system (RTT) under IN 1,515/14 in calendar year 2014.

**18. Sundry provisions**

The information on sundry provisions was presented in the 2014 annual financial statements of the Company, in Note 20.

		<b>Consolidated</b>		<b>Parent company</b>	
	<b>Mar/2015</b>	<b>Dec/2014</b>	<b>Mar/2015</b>	<b>Dec/2014</b>	
Provision for customers rebates	38,604	66,702	27,120	31,572	
Provision for recovery of environmental damages	93,921	102,534	90,515	98,659	
Judicial and administrative provisions	418,123	412,811	365,768	362,733	
Other	14,707	12,177			
<b>Total</b>	<b>565,355</b>	<b>594,224</b>	<b>483,403</b>	<b>492,964</b>	
Current liabilities	51,955	88,547	40,453	53,049	
Non-current liabilities	513,400	505,677	442,950	439,915	
<b>Total</b>	<b>565,355</b>	<b>594,224</b>	<b>483,403</b>	<b>492,964</b>	

**Braskem S.A.****Notes to the financial statements****at March 31, 2015****All amounts in thousands of reais, except where stated otherwise**

The composition of provisions for judicial and administrative suits is as follows:

	<b>Mar/2015</b>	<b>Consolidated Dec/2014</b>	<b>Mar/2015</b>	<b>Parent company Dec/2014</b>
Labor claims	145,450	141,240	130,210	127,311
Tax claims				
Income tax and social contribution	36,648	35,682		
PIS and COFINS	39,145	39,145	39,145	39,145
ICMS - interstate purchases	94,732	94,732	94,732	94,732
ICMS - other	12,559	12,559	12,559	12,559
Other tax claims	88,202	88,202	87,735	87,735
Societary claims and other	1,387	1,251	1,387	1,251
	<b>418,123</b>	<b>412,811</b>	<b>365,768</b>	<b>362,733</b>

**19. Post-employment**

The information on post-employment and defined-benefit plans was presented in the 2014 annual financial statements of the Company, in Note 21.

The amounts recognized are as follows:

	<b>Mar/2015</b>	<b>Consolidated Dec/2014</b>
<b>Petros plans</b>	(i)	336,357

**Defined benefit**

Novamont Braskem America	20,982	18,356
Plano Braskem Alemanha	55,631	50,820
<b>Total</b>	<b>76,613</b>	<b>405,533</b>
Current liabilities		336,357
Non-current liabilities	76,613	69,176
<b>Total</b>	<b>76,613</b>	<b>405,533</b>

(i) On January 6, 2015, PREVIC – National Superintendence for Supplementary Pension Plans issued an official letter to the Management of Braskem requesting the contribution related to the capital deficit of the Petros Copesul Plan on the date of approval of the withdrawal of sponsorship (October 2012), restated by the IPCA consumer price index + 6% p.a. through December 31, 2014. This amount, restated in accordance with the aforementioned calculation, was settled in February 2015, in the amount of R\$358,563.

**Braskem S.A.**

**Notes to the financial statements**

**at March 31, 2015**

**All amounts in thousands of reais, except where stated otherwise**

**20. Contingencies**

**(a) Allegations**

In early March 2015, declarations made by defendants in lawsuits filed against third parties were made public, in which Braskem and two of its former executive officers were cited in allegations of supposed improper payments between 2006 and 2012 to benefit the Company in raw-material supply agreements entered into with Petrobras. As of the date of publication of these financial statements, to the knowledge of the management, Braskem has not received any notification of the filing of any proceeding or investigation by Brazilian or U.S. authorities.

In light of such facts, the Company's Management and Board of Directors approved in April the internal plan for investigation into the allegations ("Investigation") to be carried out by law firms experienced in similar cases in the United States and in Brazil. The law firms will work under the coordination of an ad hoc committee formed by members of its Board of Directors, specially created for this purpose.

In addition, the following measures have already been taken:

- (i) Voluntary announcement about the Investigation and periodical updates sent to regulatory agencies of capital markets in Brazil (Securities and Exchange Commission of Brazil - CVM) and the United States (Securities and Exchange Commission – SEC, and the Department of Justice - DOJ);
- (ii) Publication of two Material Fact notices and one Notice to the Market to clarify the news reports and to keep shareholders and the market informed of actions taken by the Company; and
- (iii) Updating the Audit Board and external auditors about the progress of the Investigation and of the actions already taken.

Braskem and its subsidiaries are subject to a series of anticorruption and anti-bribery laws in the countries where they operate. To reduce the likelihood of infringement of such laws, a series of procedures and controls were implemented and are continuously being improved.

On the other hand, if any of the allegations proves to be true, the Company may be subject to material penalties envisaged in law. At this moment, the Company Management believes that it is not possible to estimate the duration or outcome of the Investigation and, consequently, whether it will have any impact on future financial statements.

The Management is committed to taking all the necessary measures to clarify the facts and will keep the market informed of any progress on this matter.

**Braskem S.A.**

**Notes to the financial statements**

**at March 31, 2015**

**All amounts in thousands of reais, except where stated otherwise**

**(b) Other Contingencies**

In addition to the event mentioned in the previous item, Braskem has other contingent liabilities related to lawsuits and administrative proceedings arising from the normal course of its business. These contingencies are of a labor and social security, tax, civil and corporate nature and involve risks of losses that are classified as possible by the Management of the Company.

In the quarter ended March 31, 2015, there were no material events or changes in the provisions reported on December 31, 2014.

The description of the main contingent liabilities of the Company was presented in the 2014 annual financial statements, in Note 22.

**21. Shareholders' Equity**

The information related to the Company's shareholders' equity was presented in its 2014 annual financial statements, in Note 24.

**(a) Capital**

<b>Common shares</b>	<b>%</b>	<b>Preferred shares class A</b>	<b>%</b>	<b>Preferred shares class B</b>	<b>%</b>	<b>Total</b>	<b>%</b>
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OSP e Odebrecht	226,334,623	50.11%	79,182,498	22.96%			305,517,121	38.32%
Petrobras	212,426,952	47.03%	75,278,545	21.82%			287,705,497	36.09%
BNDESPAR			40,102,837	11.62%			40,102,837	5.03%
ADR	(i)		33,634,066	9.75%			33,634,066	4.22%
Other	12,907,077	2.86%	115,570,174	33.50%	593,818	100.00%	129,071,069	16.19%
<b>Total</b>	<b>451,668,652</b>	<b>100.00%</b>	<b>343,768,120</b>	<b>99.64%</b>	<b>593,818</b>	<b>100.00%</b>	<b>796,030,590</b>	<b>99.85%</b>
Treasury shares			80,000	0.02%			80,000	0.01%
Braskem shares owned by subsidiary of Braskem								
Petroquímica	(ii)		1,154,758	0.33%			1,154,758	0.14%
<b>Total</b>	<b>451,668,652</b>	<b>100.00%</b>	<b>345,002,878</b>	<b>100.00%</b>	<b>593,818</b>	<b>100.00%</b>	<b>797,265,348</b>	<b>100.00%</b>

(i) American Depository Receipt, negotiated in the New York stock market (USA).

(ii) These shares are considered “treasury shares” in the consolidated shareholders’ equity, amounting to R\$48,892.

**(b) Stock buyback program**

On February 11, 2015, Braskem’s Board of Directors approved the fifth program for the repurchase of shares effective for the period between February 19, 2015 and February 19, 2016, through which the Company may acquire up to 3,500,000 class A preferred shares at market price.

During the first quarter of 2015, the Company repurchased 80,000 shares for R\$927.

The weighted average price of repurchased shares is R\$11.58 (lowest price of R\$10.94 and highest price of R\$11.90).



**Braskem S.A.****Notes to the financial statements****at March 31, 2015****All amounts in thousands of reais, except where stated otherwise****(c) Other comprehensive income - shareholders' equity**

	<b>Additional indexation of PP&amp;E (i)</b>	<b>Deemed cost of PP&amp;E (i)</b>	<b>Defined benefit plan actuarial Gain (loss) (ii)</b>	<b>Fair value of hedge (iii)</b>	<b>Parent company Foreign currency translation adjustment (iv)</b>	<b>on in in subs</b>
<b>On December 31, 2013</b>	<b>272,069</b>	<b>19,240</b>	<b>(11,647)</b>	<b>(1,605,356)</b>	<b>242,407</b>	<b>(</b>
Additional indexation						
Realization by depreciation or write-off assets	(10,317)					
Income tax and social contribution	3,507					
Deemed cost of jointly-controlled investment						
Realization by depreciation or write-off assets		(366)				
Income tax and social contribution		125				
Foreign sales hedge						
Exchange rate				537,876		
Income tax and social contribution				(182,878)		
Fair value of Cash flow hedge						
Change in fair value				8,431		
Transfer to result				1,217		
Income tax and social contribution				(8,395)		
Foreign currency translation adjustment					(46,134)	
<b>On March 31, 2014</b>	<b>265,259</b>	<b>18,999</b>	<b>(11,647)</b>	<b>(1,249,105)</b>	<b>196,273</b>	<b>(</b>
<b>On December 31, 2014</b>	<b>244,831</b>	<b>18,275</b>	<b>(11,647)</b>	<b>(3,553,399)</b>	<b>387,287</b>	<b>(</b>
Additional indexation						

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Realization by depreciation or write-off assets	(10,317)				
Income tax and social contribution	3,507				
Deemed cost of jointly-controlled investment					
Realization by depreciation or write-off assets	(365)				
Income tax and social contribution	124				
Foreign sales hedge					
Exchange rate			(4,013,139)		
Income tax and social contribution			1,320,976		
Fair value of Cash flow hedge					
Change in fair value			(347,224)		
Transfer to result			(22,911)		
Income tax and social contribution			118,696		
Foreign currency translation adjustment					
<b>On March 31, 2015</b>	<b>238,021</b>	<b>18,034</b>	<b>(11,647)</b>	<b>(6,497,001)</b>	<b>806,646</b>

- (i) Realization as the asset is depreciated or written-off.
- (ii) Realization upon extinction of the plan.
- (iii) Realization upon maturity, prepayment or loss of efficacy for hedge accounting.
- (iv) Realization upon write-off of subsidiary abroad.
- (v) Realization upon divestment or transfer of control of subsidiary.

**Braskem S.A.****Notes to the financial statements****at March 31, 2015****All amounts in thousands of reais, except where stated otherwise****22. Earnings per share**

The information related to the earnings per share of the Company was presented in its 2014 annual financial statements, in Note 25.

The table below shows the reconciliation of profit or loss for the period adjusted for the amounts used to calculate basic and diluted earnings per share.

	<b>Mar/2015</b>	<b>Basic and diluted Mar/2014</b>
Profit for the period attributed to Company's shareholders	251,403	405,306
Distribution of dividends attributable to priority:		
Preferred shares class "A"	208,409	208,437
Preferred shares class "B"	360	360
	208,769	208,797
Distribution of 6% of unit value of common shares	42,634	196,509
<b>Reconciliation of income available for distribution, by class (numerator):</b>		
Common shares	42,634	196,509
Preferred shares class "A"	208,409	208,437
Preferred shares class "B"	360	360
	251,403	405,306
<b>Weighted average number of shares, by class (denominator):</b>		
Common shares	451,668,652	451,668,652
Preferred shares class "A"	(i) 343,830,342	343,848,120
Preferred shares class "B"	593,818	593,818
	796,092,812	796,110,590

**Profit per share (in R\$)**

Common shares	0.0944	0.4351
Preferred shares class "A"	0.6061	0.6062
Preferred shares class "B"	0.6062	0.6062

(i) Calculation of weighted average of outstanding shares at the beginning of the period, adjusted by the number of shares repurchased during the first quarter of 2015, multiplied by a weighted time factor:

	Note	Outstanding shares	Preferred shares class "A" Weighted average
<b>Balance at December 31, 2014</b>		<b>343,848,120</b>	<b>343,848,120</b>
Repurchase of treasury shares	21(b)	(80,000)	(17,778)
<b>Balance at March 31, 2015</b>		<b>343,768,120</b>	<b>343,830,342</b>

**Braskem S.A.****Notes to the financial statements****at March 31, 2015****All amounts in thousands of reais, except where stated otherwise****23. Net sales revenues**

The information on net sales revenue was presented in the 2014 annual financial statements of the Company, in Note 26.

	<b>Mar/2015</b>	<b>Consolidated Mar/2014</b>	<b>Mar/2015</b>	<b>Parent company Mar/2014</b>
<b>Sales revenue</b>				
Domestic market	7,674,427	8,505,375	7,174,835	5,998,134
Foreign market	4,264,711	5,125,059	1,615,977	1,708,229
	11,939,138	13,630,434	8,790,812	7,706,363
<b>Sales deductions</b>				
Taxes	(1,673,392)	(1,688,017)	(1,461,422)	(1,043,647)
Sales returns	(70,424)	(99,791)	(72,512)	(67,641)
	(1,743,816)	(1,787,808)	(1,533,934)	(1,111,288)
<b>Net sales revenue</b>	<b>10,195,322</b>	<b>11,842,626</b>	<b>7,256,878</b>	<b>6,595,075</b>

**24. Financial results**

The information on financial results was presented in the 2014 annual financial statements of the Company, in Note 29.

	<b>Mar/2015</b>	<b>Consolidated Mar/2014</b>	<b>Mar/2015</b>	<b>Parent company Mar/2014</b>
<b>Financial incomes</b>				
Interest income	152,115	52,124	72,672	44,121
Monetary variations	38,705	16,719	28,136	16,090

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Exchange rate variations	402,395	(60,899)	1,057,485	(157,488)
Other	10,108	8,939	7,853	6,204
	<b>603,323</b>	<b>16,883</b>	<b>1,166,146</b>	<b>(91,073)</b>

**Financial expenses**

Interest expenses	(422,194)	(306,859)	(416,177)	(287,032)
Monetary variations	(84,778)	(85,866)	(84,086)	(86,180)
Exchange rate variations	(451,495)	53,865	(971,708)	155,923
Inflation adjustments on fiscal debts	(8,918)	(30,425)	(7,421)	(24,949)
Discounts granted	(48,056)	(31,293)	(34,905)	(16,961)
Loans transaction costs - amortization	(20,450)	(6,777)	(1,713)	(1,843)
Adjustment to present value - appropriation	(111,731)	(141,992)	(107,150)	(120,162)
Other	(44,480)	(27,681)	(28,504)	(10,894)
	<b>(1,192,102)</b>	<b>(577,028)</b>	<b>(1,651,664)</b>	<b>(392,098)</b>

<b>Total</b>	<b>(588,779)</b>	<b>(560,145)</b>	<b>(485,518)</b>	<b>(483,171)</b>
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	<b>Mar/2015</b>	<b>Consolidated Mar/2014</b>	<b>Mar/2015</b>	<b>Parent company Mar/2014</b>
<b>Interest income</b>				
Held for sale	22,362	373	10,838	373
Loans and receivables	52,932	32,759	49,246	30,656
Held-to-maturity	8,317	8,558	8,317	8,558
	83,611	41,690	68,401	39,587
Other assets not classifiable	68,504	10,434	4,271	4,534
<b>Total</b>	<b>152,115</b>	<b>52,124</b>	<b>72,672</b>	<b>44,121</b>

**Braskem S.A.****Notes to the financial statements****at March 31, 2015****All amounts in thousands of reais, except where stated otherwise****25. Expenses by nature**

The information on expenses by nature was presented in the 2014 annual financial statements of the Company, in Note 30.

	<b>Mar/2015</b>	<b>Consolidated Mar/2014</b>	<b>Mar/2015</b>	<b>Parent company Mar/2014</b>
Raw materials other inputs	(7,141,820)	(8,939,861)	(4,891,746)	(4,836,054)
Personnel expenses	(552,904)	(530,148)	(404,316)	(332,952)
Outsourced services	(381,240)	(418,358)	(298,761)	(242,230)
Tax expenses	(3,120)	(3,257)	(1,735)	(2,117)
Depreciation, amortization and depletion	(518,805)	(501,105)	(442,786)	(318,520)
Freights	(429,418)	(386,191)	(314,954)	(246,674)
Other operating income (expenses), net	(201,914)	65,578	(140,583)	148,330
<b>Total</b>	<b>(9,229,221)</b>	<b>(10,713,342)</b>	<b>(6,494,881)</b>	<b>(5,830,217)</b>

**Braskem S.A.****Notes to the financial statements**at **March 31, 2015**

All amounts in thousands of reais, except where stated otherwise

**26. Segment information**

The information by segment was presented in the 2014 annual financial statements, in Note 31.

		Net sales revenue	Cost of products sold	Gross profit	Operating expenses Selling, general and distribution expenses	Results from equity investments	Other operating income (expenses), net	
<b>Reporting segments</b>								
Basic petrochemicals		5,100,026	(4,629,944)	470,082	(157,188)		(6,583)	
Polyolefins		4,605,943	(3,714,139)	891,804	(277,232)		(6,302)	
Vinyls		639,826	(599,738)	40,088	(51,116)		4,837	
USA and Europe		1,751,244	(1,582,825)	168,419	(88,981)			
Chemical distribution		193,009	(152,199)	40,810	(30,156)		148	
<b>Total</b>		<b>12,290,048</b>	<b>(10,678,845)</b>	<b>1,611,203</b>	<b>(604,673)</b>		<b>(7,900)</b>	
Other segments	(i)	106,689	(77,189)	29,500	(51,853)		(1,750)	
Corporate unit					57,687	2,003	(30,243)	
<b>Braskem consolidated before eliminations</b>		<b>12,396,737</b>	<b>(10,756,034)</b>	<b>1,640,703</b>	<b>(598,839)</b>	<b>2,003</b>	<b>(39,893)</b>	<b>1,</b>
Eliminations		(2,201,415)	2,165,545	(35,870)				
<b>Total</b>		<b>10,195,322</b>	<b>(8,590,489)</b>	<b>1,604,833</b>	<b>(598,839)</b>	<b>2,003</b>	<b>(39,893)</b>	

	Net sales revenue	Cost of products sold	Gross profit	Operating expenses Selling, general and distribution expenses	Results from equity investments	Other operating income (expenses), net	



**Reporting segments**

Basic petrochemicals	6,638,139	(5,993,749)	644,390	(151,098)		217,528 (ii)	
Polyolefins	4,529,089	(3,807,709)	721,380	(233,081)		(7,609)	
Vinyls	699,563	(645,765)	53,798	(43,075)		1,746	
USA and Europe	2,042,039	(1,914,377)	127,662	(78,459)		2,795	
Chemical distribution	231,348	(193,567)	37,781	(24,159)		(3,070)	
<b>Total</b>	<b>14,140,178</b>	<b>(12,555,167)</b>	<b>1,585,011</b>	<b>(529,872)</b>		<b>211,390</b>	<b>1,</b>
Other segments	(i)	56,599	(56,912)	(313)	(15,423)	784	(
Corporate unit					(33,370)	(6)	(22,225)
<b>Braskem consolidated before eliminations</b>		<b>14,196,777</b>	<b>(12,612,079)</b>	<b>1,584,698</b>	<b>(578,665)</b>	<b>(6)</b>	<b>189,949</b>
Eliminations		(2,354,151)	2,287,453	(66,698)			(
<b>Total</b>		<b>11,842,626</b>	<b>(10,324,626)</b>	<b>1,518,000</b>	<b>(578,665)</b>	<b>(6)</b>	<b>189,949</b>

(i) This segment includes the results of the subsidiary Braskem Idesa.

(ii) Includes gain from sale of DAT (Note 1(a)).

**27. Subsequent events**

(a) On April 9, 2015, the Annual Shareholders' Meeting approved the payment of dividends for the fiscal year ended December 31, 2014, in the amount of R\$482,593, which will be effected as from April 23, 2015.

(b) On April 22, 2015, Braskem Idesa received the fifth tranche of the Project Finance in the amount of US\$290,545. The sixth and final tranche should be received in the second half of 2015.

(c) In April 2015, Braskem raised the amount of US\$180 million in a working capital operation, with maturity in 2019.

