

BRASKEM SA
Form 6-K
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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13A-16
OR 15D-16 OF THE SECURITIES EXCHANGE ACT OF 1934**

For the month of February, 2016
(Commission File No. 1-14862)

BRASKEM S.A.
(Exact Name as Specified in its Charter)

N/A
(Translation of registrant's name into English)

Rua Eteno, 1561, Polo Petroquimico de Camacari
Camacari, Bahia - CEP 42810-000 Brazil
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K
in paper as permitted by Regulation S-T Rule 101(b)(1).

Indicate by check mark if the registrant is submitting the Form 6-K
in paper as permitted by Regulation S-T Rule 101(b)(7).

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to
the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82- _____.

Braskem's operating performance, record-high exports, overseas operations and international petrochemical spreads support strong results in 2015

EBITDA reached R\$9,372 million

HIGHLIGHTS:

Brazil:

4 In 2015, Brazilian demand for resins (PE, PP and PVC) was approximately 4.9 million tons, down 7.6% from 2014. During the period, the market share gain by 1 p.p. led the sales volume in the year to 3.4 million tons, down 6% from 2014, less than the contraction in the market.

4 Despite the contraction in domestic resins demand in 2015, Braskem's crackers operated at an average capacity utilization rate of 89%, up 3 p.p. on the prior year, reflecting the Company's solid operating performance, with record production of basic petrochemicals; on the other hand, the Rio de Janeiro Complex continued to operate at low capacity utilization rates due to lower feedstock deliveries. Excluding the impact from the lower feedstock supply in Rio de Janeiro, the utilization rate in the year would have been 92%. In 4Q15, Braskem's crackers operated at an average utilization rate of 83%, reflecting the incident at the Mauá Petrochemical Complex.

4 To offset the contraction in the domestic market, Braskem's resins exports in 4Q15 came to 289 kton, 5% more than in 4Q14. Exports of key basic petrochemicals were 342 kton, down 16% from 4Q14. In 2015, the Company reported record exports of resins and basic petrochemicals, with growth of 28% and 1%, respectively.

4 On Dec. 23, 2015, Braskem signed a new petrochemical naphtha supply agreement with Petrobras, valid for five years. Even though the new contract does not fully reflect the necessary conditions to guarantee the competitiveness of the chemical and petrochemical industry, Braskem considers the agreement important for reducing the severe uncertainties surrounding the industry and for preventing the shutdown of petrochemical crackers, given the challenging moment faced by Brazil's industrial sector and economy.

United States, Europe and Mexico:

4 In the USA & Europe unit, the PP plants in 4Q15 operated at an average capacity utilization rate of 101%, reflecting the excellent operating efficiency and stronger demand for PP. In 2015, the average utilization rate was 98%, up 6 p.p. from 2014, led by the industrial units in the United States, which set new production record.

4 The fourth quarter of the year registered a new production record at the USA & Europe unit, of 510 kton, up 9% from 4Q14. For the third straight quarter, PP sales posted a new record, of 517 kton, influenced by the recoveries in the U.S. and European economies.

4 The petrochemical complex in Mexico, which is operated by the subsidiary Braskem Idesa, reached 99% completion at the end of the year. The utilities area is already operational and the main and accessory feedstocks have already been delivered to the site to support the cracker's startup and the launch of polyethylene production.

Braskem – Consolidated:

4 In 2015, Braskem recorded record EBITDA in both BRL and USD, of R\$9,372 million and US\$2,808 million, representing a growth of 67% and 17%, respectively, on the prior year. The improvement is mainly due to (i) the good operating performance; (ii) healthy resins spreads in the international market; (iii) higher export sales volume; (iv) the performance of the United States & Europe operations; and (v) the 42% average Brazilian real depreciation.

4 In 4Q15, the Company posted EBITDA in BRL and USD of R\$2,234 million and US\$581 million, respectively, contracting from 3Q15, which is explained by: (i) seasonality, with lower sales volumes of resins and basic petrochemicals; (ii) the lower petrochemical spreads in the international market; which were partially offset by (iii) the 8% average Brazilian real depreciation; and (iv) the continued good performance of the United States & Europe operations. Compared to the same period last year, EBITDA advanced 65% in Brazilian real and 8% in U.S. dollar.

4 Consolidated net income amounted to R\$158 million in the quarter and R\$2,899 million in the year, or R\$220 million and R\$3,140 million attributable to the Company's shareholders, related to Parent Company net income.

4 Braskem's leverage, as measured by the ratio of Net Debt to EBITDA in U.S. dollar, stood at 1.91 times, which is the lowest level of the last nine years, 7% lower than in 3Q15 and 26% lower than in 4Q14.

4 In December, the risk rating agencies Standards & Poor's and Fitch Ratings reaffirmed the Company's investment grade rating on the global scale of "BBB-", despite the downgrade in Brazil's sovereign rating. This marks the first time that Braskem's rating is above that of the country's sovereign rating. Braskem maintains investment grade ratings at the three main rating agencies: Fitch, S&P and Moody's.

4 In 2015, Braskem class "A" preferred stock was the third best performing stock among components of the Bovespa Index, after gaining 66% in the year.

Innovation & Sustainability

4 For the eleventh straight year, Braskem was selected as a component of the Corporate Sustainability Index (ISE) of the São Paulo Stock Exchange (BM&FBovespa). Braskem's continued inclusion in the index reflects its commitment to the best practice of corporate governance, social responsibility, financial management and environmental preservation.

4 In occupational safety, the recordable and lost-time injury frequency rate, considering both Team Members and Partners, was 0.68 accident per million hours worked, which is Braskem's best result ever and maintains a sequence of 8 years of successive reductions in accident rates. In environmental performance, Braskem made progress on various actions that supported record results in all of the Company's eco-efficiency indicators.

4 Another highlight is the assistance provided to 470 Clients through 16,000 support tests conducted at the Innovation & Technology Center in Brazil. Meanwhile, the technology center in the United States provided support to 50 clients through 7,000 analysis.

EXECUTIVE SUMMARY

The year 2015 was marked by a more unfavorable economic scenario in Brazil than initially expected, lower-than-expected GDP growth in China (6.9%, the lowest in 25 years), declines in international commodity prices and weakening currencies in emerging economies, especially the Brazilian real.

In this context, Braskem's operations in Brazil focused on improving their key operational indicators and boosting sales by increasing exports. Other priorities in year were renewing the power supply agreement with Chesf, which is critical to the operation of Braskem's plants in Alagoas and Bahia, and the signing of a long-term naphtha supply agreement with Petrobras.

In the USA & Europe operations, the focus remained on operating performance in order to capitalize on the recovery of the U.S. economy and the stabilization of European economies. As a result, the year 2015 was marked by record production and sales at the USA & Europe operations.

Regarding the Mexico project, the main challenge was completing construction of the new petrochemical complex.

Brazil:

The sharp slowdown in key sectors of the Brazilian economy, such as services, construction and infrastructure, continued to affect the labor market by reducing income levels and consequently household spending and investments. The Central Bank's Economic Activity Index points to a contraction of 3.85% through November 2015 compared to the prior year.

Brazil's resins market stood at 4,926 kton, contracting 7.6% from 2014, with a sharper contraction of 17% in the 4Q15 compared to 4Q14.

This situation led Braskem to pursue opportunities in the export market during the year in order to maintain its crackers in Brazil operating at high capacity utilization rates.

In this context, Braskem sold 3,362 kton in Brazil in 2015, 6% less than in 2014, which represents the recovery of 1 p.p. in market share. In the quarter, Braskem's sales came to 751 kton, decreasing 12% from 4Q14, leading its market share to contract by 1 p.p.

The Company's resins exports in the year increased 28% to 1.4 million tons. Exports of the main basic petrochemicals came to 1.5 million tons, an increase of 1% from 2014.

In terms of feedstock supply, the year was marked by two important agreements: (i) in August 2015, the power supply agreement with CHESF, valid through 2037; and (ii) on Dec. 23, 2015, the petrochemical naphtha supply agreement with Petrobras for annual supply of 7 million tons of naphtha over five years, at a price corresponding to 102.1% of the ARA price reference.

Crude oil prices fell sharply over the course of 2015, which reduced the competitive advantage of gas-based producers compared to naphtha-based producers.

In this scenario, naphtha, the main feedstock used by the global petrochemical industry, registered an average price in the year of US\$462/ton, down 45% from 2014. In 4Q15, the average price stood at US\$412/ton, down 4% from 3Q15. The decline is partially explained by the 13% drop in crude oil prices in the period, to an average price of US\$43/bbl, which were pressured by concerns with the expansion in global supply in a scenario of weaker demand, especially from China.

The average price of natural gas in 2015 was US\$139/ton (US\$2.76/MMBTU), down 39% from 2014. In the quarter, the average price stood at US\$119/ton (US\$2.36/MMBTU), decreasing 18% from 3Q15, with a higher volume of inventory due to the strong production in the United States and the weak demand in the period.

The average spread¹ of Braskem's thermoplastic resin² reached US\$1,125/ton in 2015, down 25% from 2014. In the quarter, the average spread fell 10%, mainly due to the declines in international references in the Asian market. In the case of the key basic petrochemicals³, average spreads contracted 29% on the back of lower crude oil prices.

United States, Europe and Mexico:

Braskem's United States & Europe operations posted important results in 2015, supported by their operating performance, with record-high production, high petrochemical margins and stronger PP demand fueled by economic growth. The PP plants in the USA & Europe operated at an average capacity utilization rate of 98%, up 6 p.p. on the prior year, and produced 1.97 million tons. PP spreads⁴ in the USA expanded 163% in 2015 due to the decline in propylene prices caused by oversupply and strong demand for PP in the U.S. market.

The petrochemical complex in Mexico, which is operated by the subsidiary Braskem Idesa, reached 99% completion. The utilities facility is already operational and the main and accessory feedstocks have already been delivered to the site to support the cracker's startup and the launch of polyethylene production. Polyethylene production is expected to start already in 1Q16, further improving diversifying in terms of feedstock profile (gas-based complex) and markets with the production of PE in Mexico.

Braskem – Consolidated:

In the year, Braskem posted record EBITDA of US\$2,808 million, up 17% from the prior year. In Brazilian real, EBITDA also reached a record of R\$9,372 million, mainly supported by (i) operating performance; (ii) healthy resins spreads in the international market; (iii) higher export volume; (iv) good performance of the USA & Europe operations; and (v) the 42% average Brazilian real depreciation.

In 2015, 43% of Braskem's net revenue (ex-resales of naphtha and condensate) came from international market, due to its exports from Brazil and its operations in the United States and Germany.

Consolidated net income amounted to R\$158 million in the quarter and R\$2,899 million in the year, or R\$220 million and R\$3,140 million attributable to the Company's shareholders, related to Parent Company net income.

On Dec. 31, 2015, Braskem's net debt stood at US\$5,411 million, down 5% from the balance at the end of the third quarter. The reduction in net debt combined with the recovery in EBITDA in the last 12 months led financial leverage, as measured by the ratio of Net Debt to EBITDA in U.S. dollar, to decline from 2.05 times at the end of the third quarter to 1.91 times at the end of 2015.

In line with its strategy to cut expenses, Braskem launched a program with 11 work fronts, which include improving processes and optimizing the scope and structure, for potential recurring annual savings of R\$400 million, whose benefits should be fully attained in 2017. In 2015, these initiatives captured recurring gains of R\$156 million.

Attesting to its commitment to sustainability, Braskem was included for the eleventh straight year in the Corporate Sustainability Index (ISE) of the São Paulo Stock Exchange (BM&FBovespa).

¹ Difference between the price of petrochemicals and the price of naphtha.

² 53% PE (USA), 34% PP (Asia) and 12% PVC (Asia), in accordance with the capacity mix of Braskem's industrial units in Brazil.

³ 80% ethylene and propylene, 20% BTX (base Europe).

⁴ Difference between the US PP price and the US Propylene price.

PERFORMANCE

4 Net Revenue

In 4Q15, Braskem's consolidated net revenue was US\$3.2 billion, down 13% from 3Q15. In Brazilian real, net revenue was R\$12.3 billion, down 6%, which is explained by the contraction in sales volume caused by the deterioration in Brazil's economic situation, seasonality and the unscheduled shutdown caused by the incident at the cracker in São Paulo. Excluding naphtha/condensate resales from the analysis, net revenue in the quarter decreased 17% in U.S. dollar and 10% in Brazilian real.

Compared to 4Q14, consolidated net revenue in U.S. dollar decreased 30%, reflecting the decline in resin and basic petrochemical prices in the international market, following the decline in crude oil and naphtha prices. In Brazilian real, consolidated net revenue increased 6%.

Overseas revenue ex-resales of naphtha and condensate amounted to 42% of Braskem's total revenue, of which R\$2.2 billion came from exports. In U.S. dollar, this figure was US\$1.3 billion in 4Q15 (US\$571 million from exports), down 26% from the prior quarter, which is basically explained by the lower export volume due to seasonality, the unscheduled shutdown of the São Paulo cracker and the lower petrochemical spreads in the period, especially in Asia. Compared to the same period of 2014, overseas revenue declined 32%, which is explained by the same factors.

*Exports of goods made in Brazil

In 2015, Braskem's consolidated net revenue was US\$14.3 billion, down 27% from the prior year. In Brazilian real, net revenue was R\$47.3 billion, increasing 3%. The reduction in international resins and basic petrochemicals prices due to lower oil and naphtha prices was partially offset by the increase in total sales volume and the 42% average Brazilian real depreciation between the periods. Excluding naphtha/condensate resales from the analysis, net revenue in the quarter decreased 29% in U.S. dollar and was stable in Brazilian real.

On the same basis, overseas revenue, in U.S. dollar, came to US\$6.8 billion, down 20% from 2014, also influenced by the lower average price of resins and basic petrochemicals in the international market. In Brazilian real, overseas revenue accounted for 43% of Braskem's total revenue, at R\$22.7 billion, of which R\$10.2 billion came from exports.

United States & Europe:

Operations in the United States & Europe posted 4Q15 net revenue of US\$615 million, an increase of 2% from 3Q15. In Brazilian real, the unit's net revenue was R\$2,363 million, advancing 10% on 3Q15. The increase is explained by (i) better international spreads for PP in the U.S. market⁵, which increased 11% in the period; and (ii) record PP sales volume for the third straight quarter.

In 2015, USA & Europe operations posted net revenue of US\$2,473 million, or R\$8,240 million, an increase of 4%. The increase is explained by better resin prices in the U.S. market and higher sales volume in the PP market.

Highlights by Segment

4 Capacity utilization rate

In 4Q15, Braskem's crackers operated at an average capacity utilization rate of 83% and were adversely affected by the incident on Oct. 14 at the industrial unit located at the Capuava Petrochemical Complex in Mauá, Greater São Paulo, which shut the unit down for 39 days until operations resumed on Nov. 22. Excluding this incident, the utilization rate in 4Q15 would have been 91%, in line with previous quarters.

The PP plants in Brazil operated at an average utilization rate of 76% in 4Q15, up 2 p.p. from 3Q15, a period that was affected by the scheduled maintenance shutdown at the Rio de Janeiro site.

The PE plants operated at an average utilization rate of 81%, down 11 p.p. from 3Q15, due to the incident at the Capuava Petrochemical Complex in Mauá, São Paulo.

The PVC plants operated at an average utilization rate of 82%, increasing 8 p.p. on the prior quarter.

In 2015, Braskem's crackers operated at an average capacity utilization rate of 89%, an increase of 3 p.p. from 2014. The increase is mainly explained by the improvements in processes and the investments made over recent years, as well the company's capacity to export any surplus volumes not absorbed by Brazil's domestic market.

Furthermore, it is important to note that the current levels of feedstock prices led to a partial recovery in the competitiveness of naphtha-based crackers compared to gas-based ones, which supported the better performance of the complexes in Bahia and Rio Grande do Sul, which offset the incident at the complex in São Paulo and the lower supply at the Rio de Janeiro cracker.

United States & Europe:

At the USA & Europe Unit, the PP plants operated in the quarter at an average capacity utilization rate of 101%, up 4 p.p. on 3Q15, due to the focus on producing higher-productivity grades and the normalization of operations following the maintenance shutdown at the Schkopau unit in Germany in 3Q15.

In 2015, the PP plants operated at an average utilization rate of 98%, up 6 p.p. from 2014, mainly due to the good operating performance and the recovery in the U.S. economy.

⁵ U.S. PP price vs. U.S. Propylene price.

4 Polyolefins

Brazilian market: the sharp slowdown in economic activity in prior quarters continued in 4Q15, leading the estimated market for polyolefins (PE and PP) to contract 10% on the prior quarter, to 859 kton. Compared to the same period last year, the estimated market contracted by 13%.

Production: production volume in the quarter was approximately 1,007 kton, down 4% from 3Q15, mainly due to the unscheduled maintenance shutdown of lines at the complex in São Paulo, as explained above. Compared to 4Q14, production volume was stable.

Domestic sales: Braskem's sales amounted to 633 kton in 4Q15, down 13% from 3Q15. Compared to 4Q14, sales volume declined 7%, following the market trend. Market share stood at 74%, down 3 p.p. on the prior quarter.

Export sales: export sales volume came to 275 kton, decreasing 32% on the prior quarter, which is explained by the priority on sales in the domestic market, given the drop in production caused by the incident at the São Paulo site. Compared to 4Q14, export sales remained stable.

*Includes figures for Green PE as of 1Q15.

Heavily impacted by the weak performance of the Brazilian economy in 2015, domestic demand for polyolefins (PE and PP) was approximately 3.9 million tons, down 5% from 2014.

In 2015, production volume reached 4.2 million tons, up 4% from 2014, supported by high utilization rates throughout the year and the Company's capacity to export volumes not absorbed by the domestic market.

Braskem's domestic polyolefins sales contracted 3% to 2,833 kton. Its market share in 2015 stood at 73%, expanding 2 p.p. on 2014.

Meanwhile, export sales amounted to 1,307 kton, increasing 22% on 2014.

4 Vinyls

Brazilian market: in 4Q15, estimated PVC consumption amounted to 221 kton, decreasing 18% from 3Q15. Compared to 4Q14, this volume contracted by 31%.

Production: PVC production volume was 147 kton in 4Q15, up 10% from 3Q15 and down 3% from 4Q14. Caustic soda production volume was 114 kton, stable from 3Q15 and 2% higher than in 4Q14.

Domestic sales: PVC sales in the domestic market amounted to 118 kton in 4Q15, down 14% from 3Q15. Compared to 4Q14, sales volume accompanied the market's performance and contracted 30%.

Caustic soda sales volume was 109 kton, down 4% from 3Q15. Compared to the year-ago period, caustic soda sales volume decreased 5%, which is explained by the weaker performance of the economy, especially in the aluminum industry.

Export sales: The new dynamic imposed by the contraction of the domestic market and new exchange rate level led the Company, for the third quarter straight, to export part of its PVC production, with export sales volume reaching 13 kton in 4Q15.

In 2015, Brazilian PVC demand came to approximately 1,048 kton, decreasing 16% from 2014. The infrastructure and construction sectors, which are the resin's main consumers, were the ones that suffered the most from the effects of the economic crisis during the year.

PVC production volume in the year was 542 kton. Braskem's domestic sales in the period stood at 529 kton, decreasing 20% from 2014, with a market share of 51%.

In 2015, Braskem, taking advantage of more competitive opportunities overseas, began exporting PVC. Total PVC export volume in the period was 65 kton. In the case of caustic soda, production volume was 436 kton and domestic sales volume was 435 kton in 2015.

4 Basic Petrochemicals

Ethylene production in the fourth quarter came to 787 kton, down 10% from 3Q15, affected by the unscheduled shutdown caused by the incident at the complex in São Paulo. Compared to 4Q14, production volume fell 3%.

Performance (tons)	4Q15	3Q15	4Q14	Change	Change	2015	2014	Change
	(A)	(B)	(C)	(A)/(B)	(A)/(C)	(D)	(E)	(D)/(E)

**BASIC
PETROCHEMICALS**
Production

Ethylene	786,949	871,006	810,966	-10%	-3%	3,357,078	3,237,886	4%
Propylene	329,136	354,719	323,231	-7%	2%	1,389,796	1,306,636	6%
Butadiene	89,959	101,279	98,295	-11%	-8%	389,272	374,827	4%
BTX*	231,914	271,985	263,440	-15%	-12%	1,031,280	1,013,873	2%

BTX* - Benzene, Toluene, Orthoxylene and Paraxylene

Ethylene and propylene: the Company's total sales amounted to 225 kton in 4Q15, down 15% from the previous quarter, mainly reflecting the products' lower supply and seasonality. Compared to 4Q14, sales decreased by 4%.

Butadiene: butadiene sales volume was 91 kton in the quarter, down 11% from 3Q15, when sales benefited from a one-off increase in demand, mainly in Europe. Compared to 4Q14, sales volume fell 9%.

BTX: BTX sales volume amounted to 256 kton, in line with 3Q15. Compared to 4Q14, sales volume fell 6%, mainly on weaker domestic demand for benzene and paraxylene.

Performance (tons)	4Q15	3Q15	4Q14	Change	Change	2015	2014	Change
BASIC PETROCHEMICALS	(A)	(B)	(C)	(A)/(B)	(A)/(C)	(D)	(E)	(D)/(E)
Total Sales								
Ethylene/Propylene	225,240	264,308	233,422	-15%	-4%	965,154	957,123	1%
Butadiene	91,386	102,689	100,016	-11%	-9%	385,514	378,853	2%
BTX*	255,572	254,889	273,142	0%	-6%	1,037,307	1,012,091	2%

BTX* - Benzene, Toluene, Orthoxylene and Paraxylene

In 2015, despite being affected by the incident at the São Paulo site and the feedstock supply issues at the Rio de Janeiro site, ethylene production reached 3.4 million tons, increasing 4% from 2014. The main factors contributing to this performance were (i) the good operating performance; (ii) the improvement in the competitiveness of naphtha-based crackers in the international market due to lower oil and naphtha prices; and (iii) the Company's capacity to export the surplus production not absorbed by the domestic market.

The production volume of the main basic petrochemicals also increased from the prior year, led by the production of propylene and paraxylene, which benefited from the high average cracker utilization rate.

In this context, ethylene/propylene sales volume grew 1%. BTX and Butadiene sales increased 2% in 2015.

4 United States & Europe:

Regional market: U.S. demand for PP increased 7% from 4Q14, explained by the recovery in the country's economy and the increased competitiveness PP over substitute materials. In Europe, PP demand in the quarter increased 5.09% from the prior quarter. Compared to 4Q14, European demand increased 6.09%.

Production: production stood at 510 kton in the quarter, up 4% from 3Q15, which is mainly

explained by: (i) stronger demand after the holiday season in the Northern Hemisphere; and (ii) the ramp-up of utilization rates following the scheduled shutdown at the Germany unit. Compared to 4Q14, production volume advanced 9%.

Sales: PP sales volume in the quarter was 517 kton, increasing 3% and 14% from 3Q15 and 4Q14, respectively. In both periods, the increases are mainly explained by the good performance of PP against substitute materials and the improvement in local economies.

Performance (tons)	4Q15	3Q15	4Q14	Change	Change	2015	2014	Change
UNITED STATES AND EUROPE	(A)	(B)	(C)	(A)/(B)	(A)/(C)	(D)	(E)	(D)/(E)
Sales								
PP	517,329	502,293	453,582	3%	14%	1,973,274	1,862,560	6%
Production								
PP	509,806	490,788	469,376	4%	9%	1,967,028	1,855,676	6%

In 2015, U.S. demand for PP increased 5.5%. This good performance reflects the gain in competitiveness resulting from the lower price of propylene due to the product's oversupply. In Europe, PP demand increased 5.18% in the year.

Initiatives to improve industrial productivity, such as identifying the best products for each plant, optimizing production parameters for each product (accelerating the production pace of these products) and adopting initiatives to eliminate logistics bottlenecks in inbound feedstock shipments, supported growth of 6% in PP production volume on the previous year.

Sales volume in the year advanced 6%, accompanying the higher supply and the improvement in the economic scenario, especially in the United States.

4 **Cost of Goods Sold (COGS)**

Braskem's cost of goods sold (COGS) in 4Q15 amounted to R\$9.5 billion, decreasing 4% from 3Q15, which is basically explained by lower feedstock prices and lower sales volume. In U.S. dollar, COGS was US\$2.5 billion, down 12%.

Braskem acquires around 70% of its naphtha feedstock from Petrobras, with the remainder imported from producers in North African and South American countries. The ARA naphtha price reference for domestic supply (three-month moving average) stood at US\$422/ton in 4Q15, down 17% from US\$510/ton in 3Q15. The average ARA naphtha price, the price reference for imported naphtha, stood at US\$412/ton, down 4% from US\$429/ton in 3Q15.

Following the signing of a new naphtha supply agreement with Petrobras on Dec. 23, 2015, the portion of naphtha acquired from Petrobras will be priced at 102.1% of the average ARA price in the previous month.

In 4Q15, the Mont Belvieu price reference for ethane consumed by the Rio de Janeiro cracker decreased 8% from 3Q15, to US\$18 cts/gal (US\$130/ton). The price reference for propane increased 3% to US\$42 cts/gal (US\$217/ton).

Compared to 4Q14, COGS in BRL decreased 6%, reflecting the average USD appreciation in the period, which offset the decline in international naphtha prices following the new level of crude oil prices.

In 2015, COGS amounted to R\$36.9 billion, decreasing 8% from 2014. The higher sales volume and Brazilian real depreciation were offset by lower feedstock prices in the international market. In U.S. dollar, COGS came to US\$11.1 billion, down 35% from 2014.

United States & Europe:

Propylene, the main feedstock used by our units in the United States & Europe, accounted for 16.2% of consolidated COGS in 4Q15. The average international price reference in the U.S. Gulf (USG) stood at US\$691/ton, down 6% from the previous quarter, supported by the

oversupply of propylene in the U.S. market.

In 2015, the average USG reference price for propylene was US\$859/ton, down 45% from 2014, as explained above.

4 **Selling, General and Administrative Expenses (SG&A)**

In 4Q15, **Selling, General and Administrative Expenses** amounted to R\$768 million, increasing R\$114 million from the prior quarter. Compared to 4Q14, SG&A expenses increased 12%. In U.S. dollar, SG&A expenses came to US\$200 million, up 6% from 3Q15.

Selling Expenses amounted to R\$306 million in 4Q15, up 4% from 3Q15, reflecting the higher total sales volume at the USA & Europe operations and the corresponding effect from exchange variation. Compared to 4Q14, selling expenses remained stable.

General and Administrative Expenses amounted to R\$462 million in the quarter, increasing 28% and 21% from 3Q15 and 4Q14, respectively, mainly due to: (i) higher payroll expenses (collective bargaining agreement), with wages adjusted retroactively to September at the units in Alagoas, Bahia and Rio de Janeiro; (ii) the impact from exchange variation on dollar-denominated expenses; and (iii) expenses with corporate publicity and advertising materials.

In 2015, Selling, General and Administrative Expenses amounted to R\$2,624 million, up 5% from 2014, mainly due to (i) the higher sales volume and the effect from exchange variation on expenses at the United States & Europe unit; (ii) expenses related to innovation and technology; (iii) higher expenses with payroll and third-party services. In U.S. dollar, expenses amounted to US\$788 million, down 26% from 2014.

4 **Other operating income/expenses:**

The Company recorded R\$707 million under “other operating expenses, net,” which comprises: (i) depreciation and maintenance of idle industrial plants, including the depreciation and maintenance of the São Paulo site during the period the unit was shut down, in the amount of R\$152 million; (ii) provision for investment losses and expenses with projects of R\$241 million; (iii) labor and tax claims in the amount of R\$106 million; (iv) environmental provisions in the amount of R\$66 million; and (vi) provision for the health insurance in the amount of R\$54 million.

4 **EBITDA**

Braskem’s consolidated EBITDA⁶ in 4Q15 amounted to R\$2,234 million, decreasing 27% from 3Q15. The main factors contributing to this performance were (i) the lower sales volumes of resins and basic petrochemicals explained by seasonality; (ii) lower sales and exports due to the incident at the industrial unit located at the São Paulo Petrochemical Complex, where operations were shut down preventively for around 40 days; (iii) lower resins and basic petrochemicals spreads in the international market; which were partially offset by (iv) the 8% average Brazilian currency depreciation; and (v) the continued good performance of the USA & Europe operations. In U.S. dollar, EBITDA came to US\$581 million. EBITDA margin excluding naphtha/condensate resales stood at 20%, down 5 p.p..

Compared to 4Q14, EBITDA advanced 8% in U.S. dollar and 65% in Brazilian real. EBITDA growth was driven mainly by (i) the 51% Brazilian real depreciation between the periods; and (ii) the higher volume of resin exports and the operating performance by the USA and Europa.

⁶ EBITDA is defined as the net result in the period plus taxes on profit (income tax and social contribution), the financial result and depreciation, amortization and depletion. The Company

opts to present adjusted EBITDA, which excludes or adds other items from the statement of operations that help improve the information on its potential gross cash generation.

EBITDA is used by the Company's management as a measure of performance, but does not represent cash flow for the periods presented and should not be considered a substitute for net income or an indicator of liquidity. The Company believes that in addition to serving as a measure of operating performance, EBITDA allows for comparisons with other companies. However, note that EBITDA is not a measure established in accordance with International Financial Reporting Standards (IFRS) and is presented herein in accordance with Instruction 527 issued on October 4, 2012 by the Securities and Exchange Commission of Brazil (CVM).

In 2015, Braskem's consolidated EBITDA amounted to R\$9,372 million, increasing 67% from 2014. In U.S. dollar, EBITDA advanced 17% to US\$2,808 million.

The improvement compared to 2014 is mainly explained by (i) the good operating performance; (ii) healthy resins spreads in the international market; (iii) higher export volume; (iv) the performance of the USA & Europe operations; and (v) the 42% average Brazilian real depreciation.

4 Net Financial Result

The net financial result in 4Q15 was an expense of R\$1,114 million, compared to an expense of R\$174 million in the previous quarter.

Braskem holds net exposure to the U.S. dollar (more dollar-denominated liabilities than dollar-denominated pegged assets). On Dec. 31, 2015, this exposure was composed of: (i) in operations, by 79% of suppliers, which was partially offset by 60% of accounts receivable; and (ii) in the capital structure, by 84% of net debt. Since its operating cash flow is heavily linked to the dollar, the Company believes that maintaining this level of net exposure to the dollar in liabilities acts as a natural hedge, which is in compliance with its Financial Management Policy. Virtually 100% of its revenue is directly or indirectly pegged to the variation in the U.S. dollar and approximately 80% of its costs are pegged to this currency.

Since Braskem regularly exports part of its production and aiming to better reflect exchange variation in its result, it designated, as of May 1, 2013, part of its dollar-denominated liabilities as hedge for its future exports (hedge accounting of exports).

The subsidiary Braskem Idesa, aiming to better reflect exchange variation in its profit and loss, decided, on Oct. 1, 2014, to designate the dollar-denominated liabilities related to the financing of the Mexico project, which adopts a project finance model in U.S. dollar, as hedge for its future sales, which will be made in the same currency.

As a result, the exchange variation arising from liabilities related to the project, which amounted to US\$3.2 billion on Dec. 31, 2015, is temporarily recorded under shareholders' equity and transferred to the income statement only when such sales occur, thus enabling the simultaneous recognition of the impact of the U.S. dollar on its liabilities and sales.

In this context, the cumulative balance of the effect from hedge accounting was R\$10 billion, while in the quarter the impact was negative R\$245 million.

The effect from the 2% depreciation in the U.S. dollar⁷ on the consolidated net exposure generated a negative impact on the financial result of R\$340 million.

Excluding the effects from exchange and monetary variation, the net financial result in 4Q15 was an expense of R\$713 million, increasing by R\$111 million from the expense in the prior quarter, which is mainly explained by the R\$89 million impact on “Net Interest on Tax Provisions” due to a tax contingency, and by the impact on “Other Expenses” from the reestablishment on July 1, 2015 of the PIS and COFINS tax rates on financial income, after having been zeroed since 2005.

On the same basis, the net financial result in 2015 was an expense of R\$2,328 million, or R\$268 million higher than in 2014, which is explained by the impact from exchange variation on the outstanding balance of dollar-denominated debt; and the reinstatement of PIS and COFINS taxes on financial income; which were partially offset by the higher balance of cash and equivalents and the higher returns on financial investments due to the cumulative increase in the basic interest rate. The following table shows the composition of Braskem’s net financial result.

R\$ million	4Q15	3Q15	4Q14	2015	2014
Financial Expenses	(1,197)	(1,141)	(559)	(4,194)	(2,746)
Interest Expenses	(435)	(505)	(348)	(1,688)	(1,273)
Monetary Variation (MV)	(103)	(100)	(82)	(377)	(320)
Foreign Exchange Variation (FX)	(283)	(285)	193	(1,035)	(39)
Net Interest on Fiscal Provisions	(114)	(14)	(117)	(152)	(222)
Others	(262)	(237)	(205)	(941)	(892)
Financial Revenue	84	967	(162)	1,701	355
Interest	80	136	66	386	253
Monetary Variation (MV)	43	28	36	143	75
Foreign Exchange Variation (FX)	(57)	785	(281)	1,105	(46)
Net Interest on Fiscal Credits	2	2	1	9	30
Others	16	16	16	58	44
Net Financial Result					