

PETROBRAS - PETROLEO BRASILEIRO SA  
Form 6-K  
August 12, 2016

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**SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 6-K**

Report of Foreign Private Issuer  
Pursuant to Rule 13a-16 or 15d-16 of the  
Securities Exchange Act of 1934

**For the month of August, 2016**

**Commission File Number 1-15106**

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**PETRÓLEO BRASILEIRO S.A. - PETROBRAS**  
(Exact name of registrant as specified in its charter)

**Brazilian Petroleum Corporation - PETROBRAS**  
(Translation of Registrant's name into English)

**Avenida República do Chile, 65**  
**20031-912 - Rio de Janeiro, RJ**  
**Federative Republic of Brazil**  
(Address of principal executive office)

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 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

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*(Expressed in millions of reais, unless otherwise indicated)*

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(A free translation of the original in Portuguese)

Report on review of Quarterly Information

To the Board of Directors and Shareholders

Petróleo Brasileiro S.A. - Petrobras

## **Introduction**

We have reviewed the accompanying parent company and consolidated interim accounting information of Petróleo Brasileiro S.A - Petrobras, included in the Quarterly Information Form (ITR) for the quarter ended June 30, 2016, comprising the balance sheet at that date and the statements of income and comprehensive income for the quarter and six-month periods then ended, and the statements of changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory information.

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

## **Scope of review**

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## **Conclusion on the interim information**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company and consolidated interim accounting information included in

the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

### **Emphasis – Impact of the Lava Jato Operation on the Company’s results**

We draw attention to note 3 of the interim financial information which describes that:

i) no additional information has been identified through the date of this accounting information which could materially impact the estimation methodology adopted for the write off recorded on September 30, 2014 ; and

ii) the internal investigations being conducted by outside legal counsel under the supervision of a Special Committee created by the Company and the investigation conducted by the Securities and Exchange Commission are still on going.

We also draw attention to note 29.4 of the interim financial information which describes legal actions filed against the Company, for which a possible loss, or range of possible losses, cannot be reasonably estimated as they are in their preliminary stages.

Our report is not modified as a result of these matters.

### **Other matters – Statements of Value Added**

We have also reviewed the parent company and consolidated statements of value added for the six-month period ended June 30, 2016. These statements are the responsibility of the Company's management, and are required to be presented in accordance with standards issued by the CVM applicable to the preparation of Quarterly Information (ITR) and are considered supplementary information under IFRS, which do not require the presentation of the statement of value added. These statements have been submitted to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they have not been prepared, in all material respects, in a manner consistent with the parent company and consolidated interim accounting information taken as a whole.

Rio de Janeiro, August 11, 2016

PricewaterhouseCoopers

Auditores Independentes

CRC 2SP000160/O-5 "F" RJ

Marcos Donizete Panassol

Contador CRC 1SP155975/O-8 "S" RJ





Company Data / Share Capital Composition

**Number of Shares**

**(Thousand)**

**Current Quarter  
06/30/2016**

From Paid-in Capital

Common

7,442,454

Preferred

5,602,043

Total

13,044,497

Treasury Shares

Common

0

Preferred

0

Total

0

## Parent Company Interim Accounting Information / Statement of Financial Position - Assets

*(R\$ Thousand)*

<b>Account Code</b>	<b>Account Description</b>	<b>Current Quarter</b>	<b>Previous Fiscal Year</b>
		<b>06/30/2016</b>	<b>12/31/2015</b>
1	Total Assets	660,246,000	698,646,000
1.01	Current Assets	64,653,000	82,453,000
1.01.01	Cash and Cash Equivalents	6,323,000	16,553,000
1.01.02	Marketable Securities	5,890,000	10,794,000
1.01.03	Trade and Other Receivables	16,750,000	20,863,000
1.01.04	Inventories	24,303,000	24,015,000
1.01.06	Recoverable Taxes	6,604,000	6,506,000
1.01.06.01	Current Recoverable Taxes	6,604,000	6,506,000
1.01.06.01.01	Current Income Tax and Social Contribution	1,493,000	1,520,000
1.01.06.01.02	Other Recoverable Taxes	5,111,000	4,986,000
1.01.08	Other Current Assets	4,783,000	3,722,000
1.01.08.01	Non-Current Assets Held for Sale	8,000	535,000
1.01.08.03	Others	4,775,000	3,187,000
1.01.08.03.01	Advances to Suppliers	410,000	208,000
1.01.08.03.02	Others	4,365,000	2,979,000
1.02	Non-Current Assets	595,593,000	616,193,000
1.02.01	Long-Term Receivables	35,223,000	49,085,000
1.02.01.01	Marketable Securities Measured at Fair Value	1,000	2,000
1.02.01.02	Marketable Securities Measured at Amortized Cost	274,000	258,000
1.02.01.03	Trade and Other Receivables	4,783,000	6,361,000
1.02.01.06	Deferred Taxes	10,924,000	24,641,000
1.02.01.06.01	Deferred Income Tax and Social Contribution	1,509,000	15,156,000
1.02.01.06.02	Deferred Taxes and Contributions	9,415,000	9,485,000
1.02.01.09	Other Non-Current Assets	19,241,000	17,823,000
1.02.01.09.03	Advances to Suppliers	755,000	1,017,000
1.02.01.09.04	Judicial Deposits	9,796,000	8,590,000
1.02.01.09.05	Other Long-Term Assets	8,690,000	8,216,000
1.02.02	Investments	110,846,000	115,536,000
1.02.03	Property, Plant and Equipment	440,514,000	442,439,000
1.02.04	Intangible Assets	9,010,000	9,133,000



## Parent Company Interim Accounting Information / Statement of Financial Position - Liabilities

*(R\$ Thousand)*

<b>Account Code</b>	<b>Account Description</b>	<b>Previous Fiscal</b>	
		<b>Current Quarter Year</b>	<b>12/31/2015</b>
		<b>06/30/2016</b>	
2	Total Liabilities	660,246,000	698,646,000
2.01	Current Liabilities	100,241,000	105,247,000
	Payroll, Profit Sharing and Related		
2.01.01	Charges	5,302,000	4,212,000
2.01.02	Trade Payables	21,088,000	28,172,000
	Current Debt and Finance Lease		
2.01.04	Obligations	58,362,000	54,481,000
2.01.04.01	Current Debt	56,887,000	52,913,000
2.01.04.03	Finance Lease Obligations	1,475,000	1,568,000
2.01.05	Other Liabilities	13,026,000	15,458,000
2.01.05.02	Others	13,026,000	15,458,000
2.01.05.02.04	Other Taxes and Contributions	9,561,000	11,762,000
2.01.05.02.05	Other Accounts Payable	3,465,000	3,696,000
2.01.06	Provisions	2,463,000	2,436,000
2.01.06.02	Other Provisions	2,463,000	2,436,000
2.01.06.02.04	Pension and Medical Benefits	2,463,000	2,436,000
	Liabilities Associated with Non-Current		
2.01.07	Assets Held for Sale and Discontinued	–	488,000
2.02	Non-Current Liabilities	288,610,000	338,668,000
	Non-Current Debt and Finance Lease		
2.02.01	Obligations	197,645,000	250,865,000
2.02.01.01	Non-Current Debt	192,474,000	245,439,000
2.02.01.03	Finance Lease Obligations	5,171,000	5,426,000
2.02.04	Provisions	90,965,000	87,803,000
	Provisions for Tax Social Security,		
2.02.04.01	Labor and Civil Lawsuits	8,268,000	7,282,000
2.02.04.02	Other Provisions	82,697,000	80,521,000
2.02.04.02.04	Pension and Medical Benefits	47,076,000	44,546,000
2.02.04.02.05	Provision for Decommissioning Costs	34,667,000	34,641,000
2.02.04.02.06	Other Provisions	954,000	1,334,000
2.03	Shareholders' Equity	271,395,000	254,731,000
2.03.01	Share Capital	205,432,000	205,432,000
2.03.02	Capital Reserves	253,000	237,000
2.03.04	Profit Reserves	92,396,000	92,396,000
2.03.05	Retained Earnings/Losses	(869,000)	–
2.03.08	Other Comprehensive Income	(25,817,000)	(43,334,000)



## Parent Company Interim Accounting Information / Statement of Income

*(R\$ thousand)*

<b>Account Code</b>	<b>Account Description</b>	<b>Current Quarter 04/01/2016 to 06/30/2016</b>	<b>Accumulated of the Current Year 01/01/2016 to 06/30/2016</b>	<b>Same Quarter of the Previous Year 04/01/2015 to 06/30/2015</b>	<b>Accumulated of the Previous Year 01/01/2015 to 06/30/2015</b>
3.01	Sales Revenues	55,458,000	110,708,000	64,112,000	123,069,000
3.02	Cost of Sales	(38,660,000)	(78,178,000)	(44,788,000)	(85,971,000)
3.03	Gross Profit	16,798,000	32,530,000	19,324,000	37,098,000
3.04	Operating Expenses / Income	(9,983,000)	(20,642,000)	(12,186,000)	(17,795,000)
3.04.01	Selling Expenses General and	(4,401,000)	(8,385,000)	(4,326,000)	(6,438,000)
3.04.02	Administrative Expenses Other Operating	(2,030,000)	(3,858,000)	(1,977,000)	(3,871,000)
3.04.05	Expenses	(7,881,000)	(13,729,000)	(9,657,000)	(14,635,000)
3.04.05.01	Other Taxes	(85,000)	(322,000)	(3,724,000)	(4,178,000)
3.04.05.02	Research and Development Expenses	(507,000)	(1,009,000)	(606,000)	(1,166,000)
3.04.05.03	Exploration Costs	(1,553,000)	(2,687,000)	(1,399,000)	(2,277,000)
3.04.05.05	Other Operating Expenses, Net	(5,736,000)	(9,711,000)	(3,928,000)	(7,014,000)
3.04.06	Share of Profit / Gains on Interest in Equity-Accounted Investments	4,329,000	5,330,000	3,774,000	7,149,000
3.05	Net Income Before Financial Results, Profit Sharing and Income Taxes	6,815,000	11,888,000	7,138,000	19,303,000
3.06	Finance Income (Expenses), Net	(7,334,000)	(14,121,000)	(4,821,000)	(10,178,000)
3.06.01	Finance Income	543,000	1,141,000	1,076,000	1,869,000
3.06.01.01	Finance Income	543,000	1,141,000	1,076,000	1,869,000
3.06.02	Finance Expenses	(7,877,000)	(15,262,000)	(5,897,000)	(12,047,000)
3.06.02.01	Finance Expenses	(5,217,000)	(9,908,000)	(5,688,000)	(8,115,000)
3.06.02.02	Foreign Exchange and Inflation Indexation	(2,660,000)	(5,354,000)	(209,000)	(3,932,000)

	Charges, Net				
	Net Income Before				
3.07	Income Taxes	(519,000)	(2,233,000)	2,317,000	9,125,000
	Income Tax and Social				
3.08	Contribution	889,000	1,357,000	(1,786,000)	(3,264,000)
3.08.02	Deferred	889,000	1,357,000	(1,786,000)	(3,264,000)
	Net Income from				
3.09	Continuing Operations	370,000	(876,000)	531,000	5,861,000
	Income / Loss for the				
3.11	Period	370,000	(876,000)	531,000	5,861,000
	Basic Income per Share				
3.99	(Reais / Share)				
3.99.01	Basic Income per Share				
3.99.01.01	Common	0.03000	(0.07000)	0.04000	0.45000
3.99.01.02	Preferred	0.03000	(0.07000)	0.04000	0.45000
	Diluted Income per				
3.99.02	Share				
3.99.02.01	Common	0.03000	(0.07000)	0.04000	0.45000
3.99.02.02	Preferred	0.03000	(0.07000)	0.04000	0.45000

## Parent Company Interim Accounting Information / Statement of Comprehensive Income

*(R\$ thousand)*

<b>Account Code</b>	<b>Account Description</b>	<b>Current Quarter 04/01/2016 to 06/30/2016</b>	<b>Accumulated of the Current Year 01/01/2016 to 06/30/2016</b>	<b>Same Quarter of the Previous Year 04/01/2015 to 06/30/2015</b>	<b>Accumulated of the Previous Year 01/01/2015 to 06/30/2015</b>
4.01	Net Income for the Period	370,000	(876,000)	531,000	5,861,000
4.02	Other Comprehensive Income	8,359,000	17,524,000	2,932,000	(7,489,000)
4.02.03	Cumulative Translation Adjustments	(8,038,000)	(16,064,000)	1,802,000	7,090,000
4.02.07	Unrealized Gains / (Losses) on Cash Flow Hedge - Recognized in Shareholders' Equity	19,300,000	39,156,000	4,659,000	(20,301,000)
4.02.08	Unrealized Gains / (Losses) on Cash Flow Hedge - Reclassified to Profit or Loss	2,285,000	4,924,000	1,358,000	2,041,000
4.02.09	Deferred Income Tax and Social Contribution on Cash Flow Hedge	(7,339,000)	(14,987,000)	(2,046,000)	6,208,000
4.02.10	Share of Other Comprehensive Income of Equity-Accounted Investments	2,151,000	4,495,000	(2,841,000)	(2,527,000)
4.03	Total Comprehensive Income for the Period	8,729,000	16,648,000	3,463,000	(1,628,000)



## Parent Company Interim Accounting Information / Statement of Cash Flows – Indirect Method

*(R\$ Thousand)*

<b>Account Code</b>	<b>Account Description</b>	<b>Accumulated of the Current Year 01/01/2016 to 06/30/2016</b>	<b>Accumulated of the Previous Year 01/01/2015 to 06/30/2015</b>
6.01	Net Cash - Operating Activities	15,329,000	26,819,000
6.01.01	Cash Provided by Operating Activities	32,498,000	30,464,000
6.01.01.01	Net Income (loss) for the Period	(876,000)	5,861,000
6.01.01.03	Actuarial Expense with Pension and Medical Benefits	3,704,000	3,106,000
6.01.01.04	Share of Profit of Equity-Accounted Investments	(5,330,000)	(7,149,000)
6.01.01.05	Depreciation, Depletion and Amortization	18,657,000	12,998,000
6.01.01.06	Impairment Charges on Property, Plant and Equipment and Other Assets	1,465,000	1,193,000
6.01.01.07	Exploration Expenditures Written Off (Gains) / Losses on Disposal / Write-Offs of Non-Current Assets, E&P Areas Returned and Cancelled Projects	1,765,000	1,569,000
6.01.01.08	Foreign Exchange Variation, Indexation and Finance Charges	217,000	112,000
6.01.01.09	Deferred Income Taxes, Net	13,572,000	9,879,000
6.01.01.10	Allowance for Impairment of Trade Receivables	(1,357,000)	3,264,000
6.01.01.12	Decrease / (Increase) in Assets / Increase/(Decrease) in Liabilities	681,000	(369,000)
6.01.02	Trade and Other Receivables	(17,169,000)	(3,645,000)
6.01.02.01	Inventories	(4,699,000)	(55,000)
6.01.02.02	Judicial deposits	(288,000)	(2,670,000)
6.01.02.03	Other Assets	(1,206,000)	(2,010,000)
6.01.02.04	Trade Payables	(2,624,000)	(2,023,000)
6.01.02.05	Taxes Payables	(6,099,000)	(1,054,000)
6.01.02.06	Pension and Medical Benefits	(2,176,000)	6,328,000
6.01.02.07	Other Liabilities	(1,147,000)	(1,053,000)
6.01.02.08	Net Cash - Investing Activities	1,070,000	(1,108,000)
6.02	Capital Expenditures	(12,303,000)	(33,315,000)
6.02.01	Additions to Investments	(17,159,000)	(25,877,000)
6.02.02	Proceeds from Disposal of Assets (Divestment)	(2,082,000)	(13,510,000)
6.02.03	Investments in Marketable Securities	—	223,000
6.02.04		5,514,000	2,139,000

6.02.05	Dividends Received	1,424,000	3,405,000
	Cash and Cash Equivalents of		
	Consolidated Companies Previously		
6.02.06	Accounted for by the Equity Method	–	305,000
6.03	Net Cash - Financing Activities	(13,256,000)	5,887,000
6.03.02	Proceeds from Long-Term Financing	33,364,000	44,712,000
6.03.03	Repayment of Principal	(42,664,000)	(35,661,000)
6.03.04	Repayment of Interest	(3,956,000)	(3,164,000)
	Net Increase/ (Decrease) in Cash and		
6.05	Cash Equivalents	(10,230,000)	(609,000)
	Cash and Cash Equivalents at the		
6.05.01	Beginning of the Year	16,553,000	5,094,000
	Cash and Cash equivalents at the End		
6.05.02	of the Period	6,323,000	4,485,000

## Parent Company Interim Accounting Information / Statement of Changes in Shareholders' Equity - 01/01/2016 to 06/30/2016

*(R\$ thousand)*

<b>Account Code</b>	<b>Account Description</b>	<b>Share Capital</b>	<b>Capital Reserves, Granted Options and Treasury Shares</b>	<b>Profit Reserves</b>	<b>Retained Earnings (Losses)</b>	<b>Accumulated Other Comprehensive Income</b>	<b>Shareholders' Equity</b>
5.01	Balance at the Beginning of the Period	205,432,000	237,000	92,396,000	–	(43,334,000)	254,731,000
5.03	Adjusted Opening Balance	205,432,000	237,000	92,396,000	–	(43,334,000)	254,731,000
5.04	Capital Transactions with Owners	–	16,000	–	7,000	(7,000)	16,000
5.04.08	Change in Interest in Subsidiaries	–	16,000	–	–	–	16,000
5.04.09	Realization of the Deemed Cost	–	–	–	7,000	(7,000)	–
5.05	Total of Comprehensive Income	–	–	–	(876,000)	17,524,000	16,648,000
5.05.01	Net Income for the Period	–	–	–	(876,000)	–	(876,000)
5.05.02	Other Comprehensive Income	–	–	–	–	17,524,000	17,524,000
5.07	Balance at the End of the Period	205,432,000	253,000	92,396,000	(869,000)	(25,817,000)	271,395,000



## Parent Company Interim Accounting Information / Statement of Changes in Shareholders' Equity - 01/01/2015 to 06/30/2015

*(R\$ thousand)*

<b>Account Code</b>	<b>Account Description</b>	<b>Share Capital</b>	<b>Capital Reserves, Granted Options and Treasury Shares</b>	<b>Profit Reserves</b>	<b>Retained Earnings (Losses)</b>	<b>Accumulated Other Comprehensive Income</b>	<b>Shareholders' Equity</b>
5.01	Balance at the Beginning of the Period	205,432,000	(430,000)	127,222,000	–	(23,376,000)	308,848,000
5.03	Adjusted Opening Balance	205,432,000	(430,000)	127,222,000	–	(23,376,000)	308,848,000
5.04	Capital Transactions with Owners	–	–	–	5,000	(5,000)	–
5.04.09	Realization of the Deemed Cost	–	–	–	5,000	(5,000)	–
5.05	Total of Comprehensive Income	–	–	–	5,861,000	(7,489,000)	(1,628,000)
5.05.01	Net Income for the Period	–	–	–	5,861,000	–	5,861,000
5.05.02	Other Comprehensive Income	–	–	–	–	(7,489,000)	(7,489,000)
5.07	Balance at the End of the Period	205,432,000	(430,000)	127,222,000	5,866,000	(30,870,000)	307,220,000

## Parent Company Interim Accounting Information / Statement of Added Value

*(R\$ Thousand)*

<b>Account Code</b>	<b>Account Description</b>	<b>Accumulated of the Current Year 01/01/2016 to 06/30/2016</b>	<b>Accumulated of the Previous Year 01/01/2015 to 06/30/2015</b>
7.01	Sales Revenues	169,783,000	192,158,000
7.01.01	Sales of Goods and Services	148,129,000	160,700,000
7.01.02	Other Revenues	3,714,000	4,496,000
	Revenues Related to the Construction of Assets to be Used in Own		
7.01.03	Operations	18,621,000	26,593,000
	Allowance / Reversal for Impairment of		
7.01.04	Trade Receivables	(681,000)	369,000
7.02	Inputs Acquired from Third Parties	(62,915,000)	(89,438,000)
7.02.01	Cost of Sales	(23,676,000)	(37,347,000)
	Materials, Power, Third-Party Services and Other Operating Expenses		
7.02.02	Impairment Charges / Reversals of	(28,754,000)	(40,937,000)
7.02.03	Assets	(1,465,000)	(1,193,000)
7.02.04	Others	(9,020,000)	(9,961,000)
	Tax Credits on Inputs Acquired from		
7.02.04.01	Third Parties	(9,020,000)	(9,961,000)
7.03	Gross Added Value	106,868,000	102,720,000
7.04	Retentions	(18,657,000)	(12,998,000)
	Depreciation, Amortization and		
7.04.01	Depletion	(18,657,000)	(12,998,000)
7.05	Net Added Value Produced	88,211,000	89,722,000
7.06	Transferred Added Value	5,332,000	9,936,000
	Share of Profit of Equity-Accounted		
7.06.01	Investments	5,330,000	7,149,000
7.06.02	Finance Income	(433,000)	2,767,000
7.06.03	Others	435,000	20,000
7.07	Total Added Value to be Distributed	93,543,000	99,658,000
7.08	Distribution of Added Value	93,543,000	99,658,000
7.08.01	Employee Compensation	13,547,000	12,252,000
7.08.01.01	Salaries	7,153,000	7,502,000
7.08.01.02	Fringe Benefits	5,813,000	4,192,000
7.08.01.03	Unemployment Benefits (FGTS)	581,000	558,000
7.08.02	Taxes and Contributions	36,440,000	44,045,000
7.08.02.01	Federal	19,933,000	27,645,000
7.08.02.02	State	16,313,000	16,225,000

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7.08.02.03	Municipal	194,000	175,000
7.08.03	Return on Third-Party Capital	44,432,000	37,500,000
7.08.03.01	Interest	15,899,000	15,206,000
7.08.03.02	Rental Expenses	28,533,000	22,294,000
7.08.04	Return on Shareholders' Equity	(876,000)	5,861,000
7.08.04.03	Retained Earnings / (Losses) for the Period	(876,000)	5,861,000

## Consolidated Interim Accounting Information / Statement of Financial Position - Assets

*(R\$ Thousand)*

<b>Account Code</b>	<b>Account Description</b>	<b>Previous Fiscal</b>	
		<b>Current Quarter Year</b>	<b>12/31/2015</b>
		<b>06/30/2016</b>	
1	Total Assets	818,332,000	900,135,000
1.01	Current Assets	132,625,000	169,581,000
1.01.01	Cash and Cash Equivalents	62,940,000	97,845,000
1.01.02	Marketable Securities	2,430,000	3,047,000
1.01.03	Trade and Other Receivables	17,047,000	22,659,000
1.01.04	Inventories	28,508,000	29,057,000
1.01.06	Recoverable Taxes	9,285,000	10,732,000
1.01.06.01	Current Recoverable Taxes	9,285,000	10,732,000
	Current Income Tax and Social		
1.01.06.01.01	Contribution	2,488,000	3,839,000
1.01.06.01.02	Other Recoverable Taxes	6,797,000	6,893,000
1.01.08	Other Current Assets	12,415,000	6,241,000
1.01.08.01	Non-Current Assets Held for Sale	6,938,000	595,000
1.01.08.03	Others	5,477,000	5,646,000
1.01.08.03.01	Advances to Suppliers	625,000	421,000
1.01.08.03.02	Others	4,852,000	5,225,000
1.02	Non-Current Assets	685,707,000	730,554,000
1.02.01	Long-Term Receivables	59,874,000	74,879,000
	Marketable Securities Measured at		
1.02.01.01	Fair Value	21,000	21,000
	Marketable Securities Measured at		
1.02.01.02	Amortized Cost	290,000	321,000
1.02.01.03	Trade and Other Receivables	12,976,000	14,327,000
1.02.01.06	Deferred Taxes	20,362,000	34,507,000
	Deferred Income Tax and Social		
1.02.01.06.01	Contribution	9,429,000	23,490,000
1.02.01.06.02	Deferred Taxes and Contributions	10,933,000	11,017,000
1.02.01.09	Other Non-Current Assets	26,225,000	25,703,000
1.02.01.09.03	Advances to Suppliers	5,136,000	6,395,000
1.02.01.09.04	Judicial Deposits	11,013,000	9,758,000
1.02.01.09.05	Other Long-Term Assets	10,076,000	9,550,000
1.02.02	Investments	13,088,000	13,772,000
1.02.03	Property, Plant and Equipment	601,166,000	629,831,000
1.02.04	Intangible Assets	11,579,000	12,072,000





## Consolidated Interim Accounting Information / Statement of Financial Position - Liabilities

*(R\$ Thousand)*

<b>Account Code</b>	<b>Account Description</b>	<b>Previous Fiscal</b>	
		<b>Current Quarter Year</b>	<b>12/31/2015</b>
		<b>06/30/2016</b>	
2	Total Liabilities	818,332,000	900,135,000
2.01	Current Liabilities	83,681,000	111,572,000
	Payroll, Profit Sharing and Related		
2.01.01	Charges	6,081,000	5,085,000
2.01.02	Trade Payables	17,840,000	24,888,000
2.01.03	Taxes Obligations	669,000	410,000
2.01.03.01	Federal Taxes Obligations	669,000	410,000
	Income Tax and Social Contribution		
2.01.03.01.01	Payable	669,000	410,000
	Current Debt and Finance Lease		
2.01.04	Obligations	36,513,000	57,407,000
2.01.04.01	Current Debt	36,433,000	57,334,000
2.01.04.03	Finance Lease Obligations	80,000	73,000
2.01.05	Other Liabilities	16,662,000	20,738,000
2.01.05.02	Others	16,662,000	20,738,000
2.01.05.02.04	Other Taxes and Contributions	10,202,000	13,139,000
2.01.05.02.05	Other Accounts Payable	6,460,000	7,599,000
2.01.06	Provisions	2,563,000	2,556,000
2.01.06.02	Other Provisions	2,563,000	2,556,000
2.01.06.02.04	Pension and Medical Benefits	2,563,000	2,556,000
	Liabilities Associated with Non-Current		
2.01.07	Assets Held for Sale and Discontinued	3,353,000	488,000
	Liabilities Associated with Non-Current		
2.01.07.01	Assets Held for Sale	3,353,000	488,000
2.02	Non-Current Liabilities	459,359,000	530,633,000
	Non-Current Debt and Finance Lease		
2.02.01	Obligations	361,247,000	435,616,000
2.02.01.01	Non-Current Debt	360,934,000	435,313,000
2.02.01.03	Finance Lease Obligations	313,000	303,000
2.02.03	Deferred Taxes	782,000	906,000
	Deferred Income Tax and Social		
2.02.03.01	Contribution	782,000	906,000
2.02.04	Provisions	97,330,000	94,111,000
	Provisions for Tax Social Security,		
2.02.04.01	Labor and Civil Lawsuits	10,424,000	8,776,000

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2.02.04.02	Other Provisions	86,906,000	85,335,000
2.02.04.02.04	Pension and Medical Benefits	50,240,000	47,618,000
2.02.04.02.05	Provision for Decommissioning Costs	35,226,000	35,728,000
2.02.04.02.06	Other Provisions	1,440,000	1,989,000
2.03	Shareholders' Equity	275,292,000	257,930,000
2.03.01	Share Capital	205,432,000	205,432,000
2.03.02	Capital Reserves	37,000	21,000
2.03.04	Profit Reserves	92,612,000	92,612,000
2.03.05	Retained Earnings/Losses	(869,000)	—
2.03.08	Other Comprehensive Income	(25,817,000)	(43,334,000)
2.03.09	Non-Controlling Interests	3,897,000	3,199,000

## Consolidated Interim Accounting Information / Statement of Income

*(R\$ Thousand)*

<b>Account Code</b>	<b>Account Description</b>	<b>Current Quarter 04/01/2016 to 06/30/2016</b>	<b>Accumulated of the Current Year 01/01/2016 to 06/30/2016</b>	<b>Same Quarter of the Previous Year 04/01/2015 to 06/30/2015</b>	<b>Accumulated of the Previous Year 01/01/2015 to 06/30/2015</b>
3.01	Sales Revenues	71,320,000	141,657,000	79,943,000	154,296,000
3.02	Cost of Sales	(48,499,000)	(97,828,000)	(54,381,000)	(106,324,000)
3.03	Gross Profit	22,821,000	43,829,000	25,562,000	47,972,000
3.04	Operating Expenses / Income	(15,239,000)	(27,711,000)	(15,933,000)	(25,171,000)
3.04.01	Selling Expenses General and	(3,690,000)	(7,441,000)	(3,886,000)	(5,610,000)
3.04.02	Administrative Expenses Other Operating	(2,844,000)	(5,496,000)	(2,764,000)	(5,474,000)
3.04.05	Expenses	(9,103,000)	(15,560,000)	(9,452,000)	(14,429,000)
3.04.05.01	Other Taxes	(446,000)	(988,000)	(3,960,000)	(4,713,000)
3.04.05.02	Research and Development Expenses	(507,000)	(1,010,000)	(610,000)	(1,174,000)
3.04.05.03	Exploration Costs	(1,641,000)	(2,788,000)	(1,420,000)	(2,403,000)
3.04.05.05	Other Operating Expenses, Net	(6,509,000)	(10,774,000)	(3,462,000)	(6,139,000)
3.04.06	Share of Profit / Gains on Interest in Equity-Accounted Investments	398,000	786,000	169,000	342,000
3.05	Net Income Before Financial Results, Profit Sharing and Income Taxes	7,582,000	16,118,000	9,629,000	22,801,000
3.06	Finance Income (Expenses), Net	(6,061,000)	(14,754,000)	(6,048,000)	(11,669,000)
3.06.01	Finance Income	764,000	1,650,000	615,000	1,349,000
3.06.01.01	Finance Income	764,000	1,650,000	615,000	1,349,000
3.06.02	Finance Expenses	(6,825,000)	(16,404,000)	(6,663,000)	(13,018,000)
3.06.02.01	Finance Expenses	(6,138,000)	(12,284,000)	(5,561,000)	(9,252,000)
3.06.02.02	Foreign Exchange and Inflation Indexation	(687,000)	(4,120,000)	(1,102,000)	(3,766,000)

	Charges, Net				
	Net Income Before				
3.07	Income Taxes	1,521,000	1,364,000	3,581,000	11,132,000
	Income Tax and Social				
3.08	Contribution	(622,000)	(846,000)	(2,673,000)	(5,696,000)
3.08.01	Current	(1,911,000)	(3,548,000)	(905,000)	(1,884,000)
3.08.02	Deferred	1,289,000	2,702,000	(1,768,000)	(3,812,000)
	Net Income from				
3.09	Continuing Operations	899,000	518,000	908,000	5,436,000
	Income / Loss for the				
3.11	Period	899,000	518,000	908,000	5,436,000
	Attributable to				
	Shareholders of				
3.11.01	Petrobras	370,000	(876,000)	531,000	5,861,000
	Attributable to				
3.11.02	Non-Controlling Interests	529,000	1,394,000	377,000	(425,000)
	Basic Income per Share				
3.99	(Reais / Share)				
3.99.01	Basic Income per Share				
3.99.01.01	Common	0.03000	(0.07000)	0.04000	0.45000
3.99.01.02	Preferred	0.03000	(0.07000)	0.04000	0.45000
3.99.02	Diluted Income per Share				
3.99.02.01	Common	0.03000	(0.07000)	0.04000	0.45000
3.99.02.02	Preferred	0.03000	(0.07000)	0.04000	0.45000

## Consolidated Interim Accounting Information / Statement of Comprehensive Income

*(R\$ Thousand)*

<b>Account Code</b>	<b>Account Description</b>	<b>Current Quarter 04/01/2016 to 06/30/2016</b>	<b>Accumulated of the Current Year 01/01/2016 to 06/30/2016</b>	<b>Same Quarter of the Previous Year 04/01/2015 to 06/30/2015</b>	<b>Accumulated of the Previous Year 01/01/2015 to 06/30/2015</b>
4.01	Consolidated Net Income for the Period	899,000	518,000	908,000	5,436,000
4.02	Other Comprehensive Income	8,057,000	16,771,000	2,819,000	(7,114,000)
4.02.03	Cumulative Translation Adjustments	(8,340,000)	(16,817,000)	(1,891,000)	7,340,000
4.02.07	Unrealized Gains / (Losses) on Cash Flow Hedge - Recognized in Shareholders' Equity	21,474,000	43,487,000	5,352,000	(22,949,000)
4.02.08	Unrealized Gains / (Losses) on Cash Flow Hedge - Reclassified to Profit or Loss	2,497,000	5,397,000	1,507,000	2,331,000
4.02.09	Deferred Income Tax and Social Contribution on Cash Flow Hedge	(8,148,000)	(16,618,000)	(2,330,000)	7,013,000
4.02.10	Share of Other Comprehensive Income of Equity-Accounted Investments	574,000	1,322,000	181,000	(849,000)
4.03	Total Consolidated Comprehensive Income for the Period	8,956,000	17,289,000	3,727,000	(1,678,000)
4.03.01	Attributable to Shareholders of Petrobras	8,729,000	16,648,000	3,463,000	(1,628,000)
4.03.02	Attributable to Non-Controlling Interests	227,000	641,000	264,000	(50,000)



## Consolidated Interim Accounting Information / Statement of Cash Flows – Indirect Method

*(R\$ Thousand)*

<b>Account Code</b>	<b>Account Description</b>	<b>Accumulated of the Current Year 01/01/2016 to 06/30/2016</b>	<b>Accumulated of the Previous Year 01/01/2015 to 06/30/2015</b>
6.01	Net Cash - Operating Activities	39,250,000	39,317,000
6.01.01	Cash Provided by Operating Activities	46,257,000	44,511,000
6.01.01.01	Net Income (loss) for the Period	518,000	5,436,000
6.01.01.02	Actuarial Expense with Pension and Medical Benefits	4,023,000	3,368,000
6.01.01.03	Share of Profit of Equity-Accounted Investments	(786,000)	(342,000)
6.01.01.04	Depreciation, Depletion and Amortization	24,598,000	17,544,000
6.01.01.05	Impairment Charges on Property, Plant and Equipment and Other Assets	1,478,000	1,286,000
6.01.01.06	Exploration Expenditures Written Off (Gains) / Losses on Disposal / Write-Offs of Non-Current Assets, E&P	1,810,000	1,663,000
6.01.01.07	Areas Returned and Cancelled Projects	235,000	(189,000)
6.01.01.08	Foreign Exchange Variation, Indexation and Finance Charges	14,596,000	11,871,000
6.01.01.09	Deferred Income Taxes, Net	(2,702,000)	3,812,000
6.01.01.11	Allowance for Impairment of Trade Receivables	1,237,000	24,000
6.01.01.12	Inventory Write-Down to Net Realizable Value (Market Value) Decrease / (Increase) in Assets / Increase/(Decrease) in Liabilities	1,250,000	38,000
6.01.02	Trade and Other Receivables	(7,007,000)	(5,194,000)
6.01.02.01	Inventories	2,984,000	(343,000)
6.01.02.02	Judicial Deposits	(2,141,000)	(2,654,000)
6.01.02.03	Other Assets	(1,284,000)	(1,944,000)
6.01.02.04	Trade Payables	(1,468,000)	(1,564,000)
6.01.02.05	Taxes Payables	(4,971,000)	(2,456,000)
6.01.02.06	Pension and Medical Benefits	(181,000)	7,169,000
6.01.02.07	Income Tax and Social Contribution Paid	(1,230,000)	(1,122,000)
6.01.02.08	Other Liabilities	(579,000)	(1,177,000)
6.01.02.09	Net Cash - Investing Activities	1,863,000	(1,103,000)
6.02	Capital Expenditures	(25,277,000)	(16,078,000)
6.02.01	Additions to Investments	(26,519,000)	(35,069,000)
6.02.02		(316,000)	(231,000)
6.02.03		14,000	612,000



Proceeds from Disposal of Assets (Divestment)			
6.02.04	Investments in Marketable Securities	788,000	18,143,000
6.02.05	Dividends Received	756,000	467,000
6.03	Net Cash - Financing Activities	(36,910,000)	9,086,000
6.03.01	Non-Controlling Interest	189,000	505,000
6.03.02	Proceeds from Long-Term Financing	32,679,000	37,472,000
6.03.03	Repayment of Principal	(56,188,000)	(19,446,000)
6.03.04	Repayment of Interest	(13,590,000)	(9,445,000)
Effect of Exchange Rate Changes on			
6.04	Cash and Cash Equivalents	(11,968,000)	4,602,000
Net Increase/ (Decrease) in Cash and			
6.05	Cash Equivalents	(34,905,000)	36,927,000
Cash and Cash Equivalents at the			
6.05.01	Beginning of the Year	97,845,000	44,239,000
Cash and Cash equivalents at the End			
6.05.02	of the Period	62,940,000	81,166,000

## Consolidated Interim Accounting Information / Statement of Changes in Shareholders' Equity - 01/01/2016 to 06/30/2016

*(R\$ Thousand)*

<b>Account Code</b>	<b>Account Description</b>	<b>Share Capital</b>	<b>Capital Reserves, Granted Options and Treasury Shares</b>	<b>Profit Reserves</b>	<b>Retained Earnings / Accumulated Losses</b>	<b>Other Comprehensive Income</b>	<b>Share Equity</b>
5.01	Balance at the Beginning of the Period	205,432,000	21,000	92,612,000	–	(43,334,000)	254,701,000
5.03	Adjusted Opening Balance	205,432,000	21,000	92,612,000	–	(43,334,000)	254,701,000
5.04	Capital Transactions with Owners	–	16,000	–	7,000	(7,000)	16,000
5.04.06	Dividends	–	–	–	–	–	–
5.04.08	Change in Interest in Subsidiaries	–	16,000	–	–	–	16,000
5.04.09	Realization of the Deemed Cost	–	–	–	7,000	(7,000)	–
5.05	Total of Comprehensive Income	–	–	–	(876,000)	17,524,000	16,648,000
5.05.01	Net Income for the Period	–	–	–	(876,000)	–	(876,000)
5.05.02	Other Comprehensive Income	–	–	–	–	17,524,000	17,524,000
5.07	Balance at the End of the Period	205,432,000	37,000	92,612,000	(869,000)	(25,817,000)	271,483,000

## Consolidated Interim Accounting Information / Statement of Changes in Shareholders' Equity - 01/01/2015 to 06/30/2015

*(R\$ Thousand)*

<b>Account Code</b>	<b>Account Description</b>	<b>Share Capital</b>	<b>Capital Reserves, Granted Options and Treasury Shares</b>	<b>Profit Reserves</b>	<b>Retained Earnings / Accumulated Losses</b>	<b>Other Comprehensive Income</b>	<b>Share Equity</b>
5.01	Balance at the Beginning of the Period	205,432,000	(646,000)	127,438,000	—	(23,376,000)	30
5.03	Adjusted Opening Balance	205,432,000	(646,000)	127,438,000	—	(23,376,000)	30
5.04	Capital Transactions with Owners	—	—	—	5,000	(5,000)	—
5.04.06	Dividends	—	—	—	—	—	—
5.04.08	Change in Interest in Subsidiaries	—	—	—	—	—	—
5.04.09	Realization of the Deemed Cost	—	—	—	5,000	(5,000)	—
5.05	Total of Comprehensive Income	—	—	—	5,861,000	(7,489,000)	(1,628,000)
5.05.01	Net Income for the Period	—	—	—	5,861,000	—	5,861,000
5.05.02	Other Comprehensive Income	—	—	—	—	(7,489,000)	(7,489,000)
5.07	Balance at the End of the Period	205,432,000	(646,000)	127,438,000	5,866,000	(30,870,000)	30



## Consolidated Interim Accounting Information / Statement of Added Value

*(R\$ Thousand)*

<b>Account Code</b>	<b>Account Description</b>	<b>Accumulated of the Current Year 01/01/2016 to 06/30/2016</b>	<b>Accumulated of the Previous Year 01/01/2015 to 06/30/2015</b>
7.01	Sales Revenues	209,743,000	233,158,000
7.01.01	Sales of Goods and Services	180,306,000	193,287,000
7.01.02	Other Revenues	5,035,000	6,586,000
7.01.03	Revenues Related to the Construction of Assets to be Used in Own Operations	25,639,000	33,309,000
7.01.04	Allowance / Reversal for Impairment of Trade Receivables	(1,237,000)	(24,000)
7.02	Inputs Acquired from Third Parties	(83,277,000)	(109,587,000)
7.02.01	Cost of Sales	(35,336,000)	(51,848,000)
7.02.02	Materials, Power, Third-Party Services and Other Operating Expenses	(35,368,000)	(48,345,000)
7.02.03	Impairment Charges / Reversals of Assets	(1,478,000)	(1,286,000)
7.02.04	Others	(11,095,000)	(8,108,000)
7.02.04.01	Tax Credits on Inputs Acquired from Third Parties	(9,845,000)	(8,070,000)
7.02.04.02	Inventory Write-Down to Net Realizable Value (Market Value)	(1,250,000)	(38,000)
7.03	Gross Added Value	126,466,000	123,571,000
7.04	Retentions	(24,598,000)	(17,544,000)
7.04.01	Depreciation, Amortization and Depletion	(24,598,000)	(17,544,000)
7.05	Net Added Value Produced	101,868,000	106,027,000
7.06	Transferred Added Value	2,628,000	1,902,000
7.06.01	Share of Profit of Equity-Accounted Investments	786,000	342,000
7.06.02	Finance Income	1,650,000	1,349,000
7.06.03	Others	192,000	211,000
7.07	Total Added Value to be Distributed	104,496,000	107,929,000
7.08	Distribution of Added Value	104,496,000	107,929,000
7.08.01	Employee Compensation	16,361,000	15,310,000
7.08.01.01	Salaries	9,362,000	9,988,000
7.08.01.02	Fringe Benefits	6,343,000	4,689,000
7.08.01.03	Unemployment Benefits (FGTS)	656,000	633,000
7.08.02	Taxes and Contributions	52,746,000	60,436,000

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7.08.02.01	Federal	26,914,000	34,721,000
7.08.02.02	State	25,430,000	25,394,000
7.08.02.03	Municipal	402,000	321,000
7.08.03	Return on Third-Party Capital	34,871,000	26,747,000
7.08.03.01	Interest	19,344,000	15,749,000
7.08.03.02	Rental Expenses	15,527,000	10,998,000
7.08.04	Return on Shareholders' Equity	518,000	5,436,000
7.08.04.03	Retained Earnings / (Losses) for the Period	(876,000)	5,861,000
7.08.04.04	Non-controlling Interests on Retained Earnings / (Losses)	1,394,000	(425,000)

Notes to the financial statements

*(Expressed in millions of Reais, unless otherwise indicated)*

## **1. The Company and its operations**

Petróleo Brasileiro S.A. - Petrobras is dedicated, directly or through its subsidiaries (referred to jointly as “Petrobras”, “the Company”, or “Petrobras Group”) to prospecting, drilling, refining, processing, trading and transporting crude oil from producing onshore and offshore oil fields and from shale or other rocks, as well as oil products, natural gas and other liquid hydrocarbons. In addition, Petrobras carries out energy related activities, such as research, development, production, transport, distribution and trading of all forms of energy, as well as other related or similar activities. The Company’s head office is located in Rio de Janeiro – RJ, Brazil.

## **2. Basis of preparation of interim financial information**

The consolidated interim accounting information has been prepared and is being presented in accordance with IAS 34 - Interim Financial Reporting, as issued by the International Accounting Standards Board (IASB) and also in accordance with the accounting practices adopted in Brazil for interim financial reporting (CPC 21 - R1).

The parent company interim accounting information has been prepared and is being presented in accordance with the accounting practices adopted in Brazil for interim financial reporting (CPC 21 - R1) and does not differ from the consolidated information.

This interim accounting information presents the significant changes in the period, avoiding repetition of certain notes to the financial statements previously reported in notes to the Company’s financial statements, and presents the consolidated information, considering Management’s understanding that the consolidated financial information provides a comprehensive view of the Company’s financial position and operational performance. Certain information about the parent company are also included. Hence, this interim financial information should be read together with the Company’s annual financial statements for the year ended December 31, 2015, which include the full set of notes.

The Company’s Board of Directors in a meeting held on August 11, 2016 authorized the issuance of these consolidated interim financial information.

### **2.1. Accounting estimates**

The preparation of interim financial information requires the use of estimates and assumptions for certain assets, liabilities and other transactions. These estimates include: oil and gas reserves, depreciation, depletion and amortization, impairment of assets, pension and medical benefits liabilities, provisions for legal proceedings, dismantling of areas and environmental remediation, deferred income taxes, cash flow hedge accounting and allowance for impairment of trade receivables. Although our management uses assumptions and judgments that are periodically reviewed, the actual results could differ from these estimates.

### **3. The “Lava Jato (Car Wash) Operation” and its effects on the Company**

In the third quarter of 2014, the Company wrote off R\$ 6,194 (R\$ 4,788 in the Parent Company) of capitalized costs representing amounts that Petrobras overpaid for the acquisition of property, plant and equipment in prior years. For further information see note 3 to the Company’s December 31, 2015 audited consolidated financial statements.

In preparing its financial statements for the period ended June 30, 2016, the Company considered all available information and did not identify any additional information in the investigations related to the “Lava Jato” (Car Wash) Operation by the Brazilian authorities or by the independent law firms conducting an internal investigation that could materially impact or change the methodology adopted to recognize the write-off. The Company will continuously monitor the investigations for additional information and will review its potential impacts on the adjustment made.

As of June 30, 2016, the Company has recovered R\$ 309 through leniency agreements, of which R\$ 230 were received in 2015. The amounts recovered were recognized as other income (amounts recovered – “overpayments incorrectly capitalized”).

Additionally, on July 15, 2016, the Ministry of Transparency, Oversight and Control (Ministério da Transparência, Fiscalização e Controle – “MTFC”), the Public Prosecutor’s Office (Ministério Público Federal – “MPF”), the General Counsel for the Republic (Advocacia Geral da União – “AGU”) and SBM Offshore, signed a leniency agreement through which the Dutch company will pay compensation of US\$ 342 million, of which US\$ 328 million will be reimbursed to Petrobras as follows: (i) the first installment of US\$ 129 million will be paid as soon as the agreement becomes effective; (ii) the second and third installments will be paid 12 and 24 months after the signature of the agreement in the amount of US\$ 10 million each; (iii) the remaining US\$ 179 million will be deducted from future payments owed by the Company to SBM pursuant to existing contracts.



Notes to the financial statements

*(Expressed in millions of Reais, unless otherwise indicated)*

To the extent that any of the proceedings resulting from the Lava Jato investigation involve new leniency agreements with cartel members or plea agreements with individuals pursuant to which they agree to return funds, Petrobras may be entitled to receive a portion of such funds and will recognize them as other income when received.

#### **4. Basis of consolidation**

The consolidated interim financial information includes the interim information of Petrobras, its subsidiaries, joint operations and consolidated structured entities.

There were no significant changes in the consolidated entities in the six-month period ended June 30, 2016, except for the assets and liabilities of the subsidiary Petrobras Argentina S.A. – PESA, which are classified as held for sale, as set out in note 9.1.

#### **5. Summary of significant accounting policies**

The same accounting policies and methods of computation were followed in these consolidated interim financial statements as those followed in the preparation of the annual financial statements of the Company for the year ended December 31, 2015.

## Notes to the financial statements

*(Expressed in millions of Reais, unless otherwise indicated)***6. Cash and cash equivalents and Marketable securities****Cash and cash equivalents**

	<b>Consolidated 06.30.2016</b>	<b>12.31.2015</b>
Cash at bank and in hand	1,660	3,157
Short-term financial investments		
- In Brazil		
Single-member funds (Interbank Deposit) and other short-term deposits	2,050	3,599
Other investment funds	40	42
	2,090	3,641
- Abroad		
Time deposits	36,132	51,842
Automatic investing accounts and interest checking accounts	19,061	34,471
Other financial investments	3,997	4,734
	59,190	91,047
Total short-term financial investments	61,280	94,688
Total cash and cash equivalents	62,940	97,845

Short-term financial investments in Brazil comprise investment in funds holding Brazilian Federal Government Bonds. Short-term financial investments abroad are comprised of time deposits with maturities of three months or less, highly-liquid automatic investing accounts, interest checking accounts and other short-term fixed income instruments.

**Marketable securities**

	<b>Consolidated 06.30.2016</b>			<b>12.31.2015</b>		
	<b>In Brazil</b>	<b>Abroad</b>	<b>Total</b>	<b>In Brazil</b>	<b>Abroad</b>	<b>Total</b>
Trading securities	2,430	–	2,430	3,042	–	3,042
Available-for-sale securities	21	–	21	21	5	26
Held-to-maturity securities	290	–	290	271	50	321
Total	2,741	–	2,741	3,334	55	3,389
Current	2,430	–	2,430	3,042	5	3,047

Non-current	311	–	311	292	50	342
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Trading securities refer mainly to investments in Brazilian Federal Government Bonds. These financial investments have maturities of more than three months and are, mostly, classified as current assets due to their maturity or the expectation of their realization in the short term.

Notes to the financial statements

*(Expressed in millions of Reais, unless otherwise indicated)*

## **7. Trade and other receivables**

### **7.1. Trade and other receivables, net**

	<b>Consolidated 06.30.2016</b>	<b>12.31.2015</b>
<b>Trade receivables</b>		
Third parties	20,163	28,358
Related parties		
Investees (note 18.5)	1,598	2,085
Receivables from the electricity sector (note 7.4)	15,662	13,335
Petroleum and alcohol accounts - receivables from Federal Government	865	857
Other receivables	6,874	6,625
	45,162	51,260
Allowance for impairment of trade receivables	(15,139)	(14,274)
Total	30,023	36,986
Current	17,047	22,659
Non-current	12,976	14,327

### **7.2. Trade receivables overdue - Third parties**

	<b>Consolidated 06.30.2016</b>	<b>12.31.2015</b>
Up to 3 months	1,014	1,229
From 3 to 6 months	284	701
From 6 to 12 months	1,022	3,135
More than 12 months	7,875	6,775
Total	10,195	11,840

### **7.3. Changes in the allowance for impairment of trade receivables**

	<b>Consolidated</b>	
	<b>06.30.2016</b>	<b>12.31.2015</b>
Opening balance	14,274	8,956
Additions	1,593	7,133
Write-offs	(4)	(41)
Reversals	(266)	(2,476)
Cumulative translation adjustment	(458)	702
Closing balance	15,139	14,274
Current	6,808	6,599
Non-current	8,331	7,675

Notes to the financial statements

*(Expressed in millions of Reais, unless otherwise indicated)***7.4. Trade receivables – electricity sector (isolated electricity system in the northern region of Brazil)**

	<b>Consolidated</b>		<b>Allowance for impairment of trade receivables</b>				
	<b>As of 12.31.2015</b>	<b>Amounts Sales received</b>	<b>Transfers received (*)</b>	<b>Recognition</b>	<b>Reversals (*)</b>	<b>Transfers</b>	<b>Inflation index</b>
<b>Related parties (Eletrobras Group)</b>							
AME(**)	7,793	865 (943)	1,915	(776)	76	(1,255)	439
Ceron(***)	1,111	153 (184)	–	–	–	–	75
Others	302	188 (211)	–	(38)	30	–	30
Subtotal	9,206	1,206 (1,338)	1,915	(814)	106	(1,255)	544
<b>Third parties</b>							
Cigás	558	1,148 (425)	(1,915)	(153)	–	1,255	1
Centrais Elétricas do Pará							
Cia de Eletricidade do Amapá							
Cia de Energia de Pernambuco-CELPE							
Others	168	573 (700)	–	(161)	76	–	59
Subtotal	726	1,721 (1,125)	(1,915)	(314)	76	1,255	60
Trade receivables, net	9,932	2,927 (2,463)	–	(1,128)	182	–	604
Trade receivables - Eletrobras Group	13,335	1,206 (1,338)	1,915	–	–	–	544
(-) Allowance for impairment of trade receivables	(4,129)	– –	–	(814)	106	(1,255)	–
Subtotal	9,206	1,206 (1,338)	1,915	(814)	106	(1,255)	544
Trade receivables - Third parties	3,018	1,721 (1,125)	(1,915)	–	–	–	60
(-) Allowance for impairment of trade receivables	(2,292)	– –	–	(314)	76	1,255	–

Subtotal	726	1,721 (1,125)	(1,915)	(314)	76	1,255	60
Trade receivables - Total	16,353	2,927 (2,463)	–	–	–	–	604
(-) Allowance for impairment of trade receivables	(6,421)	–	–	(1,128)	182	–	–
Trade receivables, net	9,932	2,927 (2,463)	–	(1,128)	182	–	604

(\*) Cigás assigned receivables from Amazonas Distribuidora de Energia to Petrobras, pursuant to the agreement of natural gas (upstream and downstream contracts).

(\*\*) Amazonas Distribuidora de Energia

(\*\*\*) Centrais Elétricas do Norte

As of June 30, 2016, R\$ 6,837 of the Company's net trade receivables from the isolated electricity system in the northern region of Brazil, related to the sale of fuel oil, natural gas, electricity and other products to thermoelectric power plants (which are subsidiaries of Eletrobras), state-owned natural gas distribution companies and independent electricity producers (*Produtores Independentes de Energia – PIE*) operating in that region, were classified as non-current assets. The balance of those receivables was R\$ 10,054 as of June 30, 2016 (R\$ 9,932 as of December 31, 2015).

A significant portion of the funds used by those companies to pay for products supplied by the Company came from the Fuel Consumption Account (*Conta de Consumo de Combustível – CCC*), which provides funds to cover a portion of the costs related to the supply of fuel to thermoelectric power plants located in the northern region of Brazil (operating in the isolated electricity system). However, as a result of changes in the CCC regulations over time, funds transferred from the CCC to these electricity companies have not been sufficient for them to meet their financial obligations and, as a result, some have not been able to pay for the products supplied by Petrobras.

In 2012, a new legislation (Provisional Measure 579 of September 11, 2012, revoked by Law No. 12.783/2013) significantly changed the sources of funds that were used to cover the cost of electricity generated in the Isolated Electricity System and the Brazilian Federal Government started to provide funds to cover costs that in the past were only borne by the CCC. This assistance from the Federal Government would be made available through funds deposited in the Energy Development Account (*Conta de Desenvolvimento Energético – CDE*) by the Brazilian National Treasury. Those funds, however, proved to be insufficient to cover the operational costs of the isolated electricity system in the northern region of Brazil.

## Notes to the financial statements

*(Expressed in millions of Reais, unless otherwise indicated)*

The funds available in the CCC, which were already insufficient to cover the costs related to fuel supplied by the Company, decreased significantly. Following an increase in the amounts owed by the thermoelectric power plants operating in the Isolated Electricity System, the Company put pressure on the negotiations with the state-owned natural gas distribution companies, the independent electricity producers (*PIEs*), subsidiaries of Eletrobras and other private companies. On December 31, 2014, the Company entered into a debt acknowledgement agreement with subsidiaries of Eletrobras with respect to the balance of its receivables as of November 30, 2014. Eletrobras acknowledged it owed R\$ 8,601 to the Company. This amount is being adjusted monthly based on the Selic interest rate (Brazilian short-term interest rate). Under this agreement, the first of 120 monthly installments was paid in February 2015 and these payments have continued. As of May 7, 2015, R\$ 7,380 (R\$ 6,084 as of December 31, 2014) had been guaranteed by the collateralization of certain amounts payable by the *CDE* to the CCC.

In early 2015, the Brazilian government reviewed its electricity price regulations and implemented a new pricing policy for the electricity sector, which has resulted in increases in the tariffs charged to end-customers since the first quarter of 2015. The Company had expected that this new policy would have strengthened the financial situation of the companies in the electricity sector and, consequently to reduce the balance of their accounts payable with respect to fuel oil and other products supplied by the Company, which has not occurred. Despite the increase in amount of electricity tariffs to end-users of electricity distributors in order to provide financial stability to these companies, the recovery flow of CCC funds has occurred slowly, delaying the reimbursements for fuel acquisition costs provided by Petrobras and deteriorating the default of those customers to the Company.

Pursuant to the issuance of Normative Instruction 679 on September 1, 2015 by the Brazilian National Electricity Agency (Agência Nacional de Energia Elétrica - ANEEL), the Company expected that the flow of funds it would receive from the CCC would accelerate. This is because funds would be paid directly from the CCC for products supplied in the prior month with a limit of 75% of the average payments made by the CCC in the previous three months. However, it has not occurred and, therefore, the insolvency of these receivables increased and these receivables continue to be delinquent.

In 2015, the Company recognized R\$ 1,876 as allowance for impairment of trade receivables (net of reversals) due to frustrated negotiations to enter into additional debt acknowledgement agreements and new pledges of receivables from the CDE.

In the six-month period ended June 30, 2016, the Company recognized an allowance for impairment of trade receivables (net of reversals) in the amount of R\$ 946, mainly related to new supplies of (i) fuel oil by legal enforcement (injunction) in the first quarter of 2016; and (ii) natural gas, mainly in the second quarter of 2016. In July 2016, the AME paid part of receivables maturing in May and June 2016 in amount of R\$ 257, therefore no allowance for



impairment was recognized concerning this amount.

Accordingly, the Company adopted the following measures:

- judicial collection of overdue receivables with respect to natural gas supplied to AME, Eletrobras and Cigás;
- judicial collection of overdue receivables with respect to fuel oil supplied by the whole owned subsidiary BR Distribuidora to companies of Eletrobras Group (Amazonas, Acre, Rondônia and Roraima);
- partial suspension of gas supply;
- suspension of fuel oil supply, except when legally enforced; and
- registration of entities controlled by Eletrobras as delinquent companies in Brazilian Central Bank files and registration of AME as a delinquent company in ANEEL files.

## Notes to the financial statements

*(Expressed in millions of Reais, unless otherwise indicated)***8. Inventories**

	<b>Consolidated</b>	
	<b>06.30.2016</b>	<b>12.31.2015</b>
Crude oil	10,299	11,305
Oil products	9,863	8,613
Intermediate products	2,514	2,390
Natural gas and LNG (*)	440	989
Biofuels	564	616
Fertilizers	167	239
Total products	23,847	24,152
Materials, supplies and others	4,706	4,967
Total	28,553	29,119
Current	28,508	29,057
Non-current	45	62

(\*) Liquid Natural Gas

Inventories are presented net of an R\$ 117 allowance reducing inventories to net realizable value (R\$ 607 as of December 31, 2015), mainly due to changes in international prices of crude oil and oil products. In the six-month period ended June 30, 2016 the Company recognized as cost of sales a R\$ 1,250 allowance charge reducing inventories to net realizable value (R\$ 38 in the same period of 2015).

A portion of the crude oil and/or oil products inventories have been pledged as security for the Terms of Financial Commitment (TFC) signed by Petrobras and Petros in the amount of R\$ 6,263 (R\$ 6,711 as of December 31, 2015), as set out in note 21.1.

Notes to the financial statements

*(Expressed in millions of Reais, unless otherwise indicated)*

## 9. Disposal of Assets

The Company's 2015-2019 Business and Management Plan forecasts a dynamic portfolio of partnerships and divestments during the two years period of 2015-2016, subject to market and business conditions during the negotiations, which can change in accordance with the ongoing Company's business analysis and also with the external environment. Accordingly, the conditions to recognize assets and liabilities as held for sale are achieved only when the Board of Directors approves a disposal.

### 9.1. Sale of Petrobras Argentina

On May 12, 2016, the Board of Directors approved the disposal of the Company's entire 67.19% interest in Petrobras Argentina -PESA, owned through the subsidiary Petrobras Participaciones S.L. ("PPSL"), to Pampa Energía, in the amount of US\$ 892 million, without taking into account the effect of price adjustments and tax impact. This transaction was concluded (still subject to adjustments) on July 27, 2016, as set out in note 33.3.

### 9.2. Termination of the contract for the sale of Bijupirá and Salema fields (BJS)

On February 26, 2016, Petro Rio S.A. terminated the contracts signed with the Company on July 1, 2015, for the sale of a 20% interest in Bijupirá and Salema concessions (BJS) and in the Dutch joint operation BJS Oil Operations B.V. (BJSOO BV). Accordingly, the amounts related to these fields were reclassified from assets and liabilities held for sale back to property, plant and equipment R\$ 527 and to provision for decommissioning costs R\$ 493, respectively, plus interest.

Due to the aforementioned reclassification, the respective assets were depreciated based on their historical data and their recoverable amounts were reassessed. As a result, the Company recognized an impairment loss as set out in note 13.

### 9.3. Assets classified as held for sale

	<b>Consolidated</b>					
	<b>06.30.2016</b>					<b>12.31.2015</b>
	<b>Exploration</b>	<b>Refining,</b>	<b>Gas</b>			
	<b>and</b>	<b>Transport.</b>	<b>&amp;</b>			
	<b>&amp;</b>	<b>Production Marketing</b>	<b>Power</b>	<b>Others</b>	<b>Total</b>	<b>Total</b>
<b>Assets classified as held for sale (*)</b>						

Cash and Cash Equivalents	65	–	3	223	291	11
Trade receivables	83	176	595	148	1,002	43
Inventories	107	485	26	33	651	–
Investments	733	51	108	96	988	–
Property, plant and equipment	2,658	359	156	170	3,343	541
Others	428	40	165	30	663	–
Total	4,074	1,111	1,053	700	6,938	595

**Liabilities on assets classified as held for sale (\*)**

Trade Payables	77	83	55	17	232	–
Finance debt	1	–	–	1,010	1,011	488
Provision for decommissioning costs	341	–	–	1	342	–
Others	865	257	97	549	1,768	–
Total	1,284	340	152	1,577	3,353	488

(\*)As of June 30, 2016, the amounts mainly refer to assets and liabilities transferred by the disposal of the entire interest in PPSL, which owns 67.19% of PESA.

Notes to the financial statements

*(Expressed in millions of Reais, unless otherwise indicated)***10. Investments****10.1. Changes in investments (Parent Company)**

	<b>Balance at 12.31.2015</b>	<b>Investments</b>	<b>Capital transactions</b>	<b>Share of results of investments (* )</b>	<b>Cumulative translation adjustments (CTA)</b>	<b>Other comprehen results</b>
<b>Subsidiaries</b>						
PNBV	76,324	1,505	27	2,890	(14,509)	—
BR Distribuidora	9,703	—	—	(304)	—	—
TAG	2,832	—	—	2,064	—	3,165
PIB BV	6,491	—	—	(826)	(1,188)	8
Transpetro	5,095	—	—	412	(255)	—
PB-LOG	3,093	—	—	362	—	—
PBIO	1,124	658	—	(117)	(73)	248
Logigás	1,100	—	—	256	—	—
Liquigás	1,051	—	—	92	—	—
Citepe	562	554	—	(113)	—	—
Gaspetro	950	—	—	42	—	—
Araucária Nitrogenados	842	—	—	(28)	—	—
Termomacaé Ltda	717	—	—	13	—	—
Petroquímica Suape	378	433	—	(135)	—	—
Breitener	609	—	—	18	—	—
<b>Other subsidiaries</b>	675	5	—	138	—	—
<b>Joint operations</b>	223	—	—	31	—	—
<b>Joint ventures</b>	280	—	—	46	—	(12)
<b>Associates</b>						
Braskem	3,142	—	—	438	(78)	1,086
Other associates	325	—	—	26	—	—
Subsidiaries, joint operations/joint ventures and associates	115,516 20	3,155 —	27 —	5,305 —	(16,103)	4,495 —

Other investments						
Total investments	115,536	3,155	27	5,305	(16,103)	4,495
Provision for losses in subsidiaries				25	39	–
Equity in earnings of investments and other comprehensive income				5,330	(16,064)	4,495
(*) Includes unrealized profits from transactions between companies.						

## 10.2. Changes in investments (Consolidated)

	Balance at 12.31.2015	Investments (*)	Share of results in investments	Cumulative translation adjustments (CTA)	Other comprehensive income	Dividends
Petrobras Oil & Gas B.V. - PO&G	6,031	–	(2)	(1,047)	–	(177)
Braskem S.A.	3,142	–	438	(78)	1,086	(90)
State-controlled natural gas distributors	980	–	91	–	–	(73)
Investees in Venezuela	851	–	(6)	(80)	–	–
Guarani S.A.	759	268	12	(73)	244	–
Nova Fronteira Bionergia	465	–	54	–	–	–
Other petrochemical investees	176	–	29	–	–	–
Compañía Mega S.A. - MEGA	174	–	56	(34)	–	(109)
Compañía de Inversiones de Energía S.A. - CIESA	170	–	9	(25)	–	(5)
UEG Araucária	169	–	(9)	–	–	(23)
Other associates	810	47	102	(139)	(8)	(50)
Other investees	45	–	–	2	–	–

Total	13,772	315	774	(1,474)	1,322	(527)
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(\*) Not include the amount of R\$ 12 related to PESA investees classified as assets held for sale.

Notes to the financial statements

(Expressed in millions of Reais, unless otherwise indicated)

### 10.3. Investments in listed companies

Company	Thousand-share lot		Type	Quoted stock exchange prices (R\$ per share)		Market value	
	06.30.2016	12.31.2015		06.30.2016	12.31.2015	06.30.2016	12.31.2015
<b>Indirect subsidiary</b>							
Petrobras Argentina S.A. (*)	–	1,356,792	Common	–	2,38	–	3,229
						–	3,229
<b>Associate</b>							
Braskem S.A.	212,427	212,427	Common	16.00	15.91	3,399	3,380
Braskem S.A.	75,762	75,762	Preferred A	19.04	27.62	1,443	2,093
						4,842	5,473

(\*) Transferred to assets classified as held for sale in May 2016 as set out in note 9.1.

The market value of these shares does not necessarily reflect the realizable value upon sale of a large block of shares.

#### Braskem S.A. - Investment in publicly traded associate:

Braskem's shares are publicly traded on stock exchanges in Brazil and abroad. As of June 30, 2016, the quoted market value of the Company's investment in Braskem was R\$ 4,842, based on the quoted values of both Petrobras' interest in Braskem's common stock (47% of the outstanding shares), and preferred stock (22% of the outstanding shares). However, there is extremely limited trading of the common shares, since non-signatories of the shareholders' agreement hold only approximately 3% of the common shares.

Given the operational relationship between Petrobras and Braskem, on December 31, 2015, the recoverable amount of the investment for impairment testing purposes was determined based on value in use, considering future cash flow projections and the manner in which the Company can derive value from this investment via dividends and other distributions to arrive at its value in use. As the recoverable amount was higher than the carrying amount, no



impairment losses were recognized for this investment.

The main assumptions on which cash flow projections were based to determine Braskem's value in use are set out in note 14 to the Company's consolidated financial statements for the year ended December 31, 2015.

Notes to the financial statements

*(Expressed in millions of Reais, unless otherwise indicated)***11. Property, plant and equipment****11.1. By class of assets**

	<b>Consolidated</b>				<b>Parent Company</b>	
	<b>Land, buildings and improvement assets</b>	<b>Equipment and other assets</b>	<b>Assets under construction (*)</b>	<b>Exploration and development costs (oil and gas producing properties)</b>	<b>Total</b>	<b>Total</b>
Balance at January 1, 2015	21,341	260,297	140,627	158,725	580,990	437,150
Additions	657	4,396	60,263	1,745	67,061	50,464
Additions to / review of estimates of decommissioning costs	–	–	–	15,932	15,932	16,511
Capitalized borrowing costs	–	–	5,842	–	5,842	4,767
Write-offs	(27)	(192)	(6,184)	(1,455)	(7,858)	(5,994)
Transfers	4,006	28,814	(54,132)	27,668	6,356	664
Depreciation, amortization and depletion	(1,528)	(21,241)	–	(15,296)	(38,065)	(27,642)
Impairment recognition	(928)	(14,981)	(11,489)	(20,324)	(47,722)	(33,597)
Impairment reversal	1	42	21	90	154	116
Cumulative translation adjustment	299	31,404	11,913	3,525	47,141	–
Balance at December 31, 2015	23,821	288,539	146,861	170,610	629,831	442,439
Cost	33,561	438,533	146,861	262,480	881,435	617,596
Accumulated depreciation, amortization and	(9,740)	(149,994)	–	(91,870)	(251,604)	(175,157)

depletion						
Balance at December 31, 2015	23,821	288,539	146,861	170,610	629,831	442,439
Additions	3	1,945	21,408	376	23,732	17,009
Additions to / review of estimates of decommissioning costs	–	–	–	34	34	–
Capitalized borrowing costs	–	–	2,934	–	2,934	2,205
Write-offs	(5)	(34)	(2,009)	(131)	(2,179)	(1,994)
Transfers (***)	1,493	16,127	(28,014)	9,229	(1,165)	772
Depreciation, amortization and depletion	(680)	(13,043)	–	(10,600)	(24,323)	(18,451)
Impairment recognition	–	(33)	(1,125)	(313)	(1,471)	(1,466)
Impairment reversal	–	24	–	–	24	–
Cumulative translation adjustment	(205)	(16,287)	(7,847)	(1,912)	(26,251)	–
Balance at June 30, 2016	24,427	277,238	132,208	167,293	601,166	440,514
Cost	34,423	428,648	132,208	263,048	858,327	633,554
Accumulated depreciation, amortization and depletion	(9,996)	(151,410)	–	(95,755)	(257,161)	(193,040)
Balance at June 30, 2016	24,427	277,238	132,208	167,293	601,166	440,514
	40	20				
Weighted average of useful life in years	(25 to 50)	(3 to 31)				
	(except land)	(**)		Units of production method		

(\*) See note 28 for assets under construction by business area.

(\*\*) Includes exploration and production assets depreciated based on the units of production method.

(\*\*\*) Includes R\$ 3,765 transferred to assets classified as held for sale due to the disposal of PESA, as set out in note 9.1.

As of June 30, 2016, the consolidated and the parent company's property, plant and equipment include assets under finance leases of R\$ 187 and R\$ 9,060, respectively (R\$ 189 and R\$ 9,248 at December 31, 2015).

### **11.2. Concession for exploration of oil and natural gas - Assignment Agreement (“Cessão Onerosa”)**

Petrobras and the Brazilian Federal Government entered into the Assignment Agreement in 2010, which grants the Company the right to carry out prospection and drilling activities for oil, natural gas and other liquid hydrocarbons located in the pre-salt area limited to the production of five billion barrels of oil equivalent in up to 40 years and renewable for a further five years subject to certain conditions. As of June 30, 2016, the Company's property, plant and equipment includes the amount of R\$ 74,808 related to the Assignment Agreement

Petrobras has already declared commerciality in fields of all six blocks in the scope of this agreement: Franco (Búzios), Florim (Itapu), Nordeste de Tupi (Sépia), Entorno de Iara (Norte de Berbigão, Sul de Berbigão, Norte de Sururu, Sul de Sururu, Atapu), Sul de Guará (Sul de Sapinhoá) and Sul de Tupi (Sul de Lula).

The agreement establishes that the review procedures of the agreement will commence immediately after the declaration of commerciality for each area and must be based on independent technical appraisal reports. The review of the Assignment Agreement will be concluded after the review of all the areas. However, no specific date has been established for the review procedures to be concluded.

If the review of the Assignment Agreement determines that the value of acquired rights is greater than initially paid, the Company may be required to pay the difference to the Federal Government, or may proportionally reduce the total volume of barrels acquired under the agreement. If the review determines that the value of the acquired rights is lower than initially paid by the Company, the Federal Government will reimburse the Company for the difference by delivering cash or bonds or equivalent means of payment, subject to budgetary regulations.

## Notes to the financial statements

(Expressed in millions of Reais, unless otherwise indicated)

The formal review procedures for each block are based on costs incurred through the exploration stage and estimated costs and production levels included in the independent technical appraisal reports. The review of the Assignment Agreement may result in changes in: (i) the amount of the agreement; (ii) the total volume (in barrels of oil) to be produced; (iii) the term of the agreement; and (iv) the minimum percentages of local content.

The appraisal assumptions for the blocks in the scope of the Assignment Agreement are still under negotiation with the Brazilian Federal Government and the final amount to be established for this Agreement still lacks: (i) assumptions validation; (ii) independent technical appraisal reports and (iii) the outcome of the negotiations.

## 12. Intangible assets

### 12.1. By class of assets

	<b>Consolidated</b>				<b>Parent</b>	
	<b>Rights and</b>	<b>Software</b>	<b>Developed</b>	<b>Goodwill</b>	<b>Company</b>	
	<b>ConcessionsAcquired</b>	<b>in-house</b>	<b>Goodwill</b>	<b>Total</b>	<b>Total</b>	
Balance at January 1, 2015	9,542	315	1,148	971	11,976	9,108
Addition	59	73	259	—	391	299
Capitalized borrowing costs	—	—	18	—	18	18
Write-offs	(589)	—	(7)	—	(596)	(169)
Transfers	273	21	36	—	330	273
Amortization	(75)	(109)	(325)	—	(509)	(396)
Impairment recognition	(98)	—	—	—	(98)	—
Cumulative translation adjustment	404	8	2	146	560	—
Balance at December 31, 2015	9,516	308	1,131	1,117	12,072	9,133
Cost	10,526	1,699	3,762	1,117	17,104	12,442
Accumulated amortization	(1,010)	(1,391)	(2,631)	—	(5,032)	(3,309)
Balance at December 31, 2015	9,516	308	1,131	1,117	12,072	9,133
Addition	16	24	94	—	134	101
	—	—	6	—	6	6

Capitalized borrowing costs						
Write-offs	(17)	—	(3)	—	(20)	(17)
Transfers	16	2	8	(86)	(60)	(7)
Amortization	(43)	(58)	(174)	—	(275)	(206)
Cumulative translation adjustment	(197)	(4)	(4)	(73)	(278)	—
Balance at June 30, 2016	9,291	272	1,058	958	11,579	9,010
Cost	9,991	1,699	3,840	958	16,488	12,516
Accumulated amortization	(700)	(1,427)	(2,782)	—	(4,909)	(3,506)
Balance at June 30, 2016	9,291	272	1,058	958	11,579	9,010
Estimated useful life in years	(*)	5	5	Indefinite		

(\*) Mainly comprised of assets with indefinite useful lives, which are reviewed annually to determine whether events and circumstances continue to support an indefinite useful life assessment.

Notes to the financial statements

*(Expressed in millions of Reais, unless otherwise indicated)*

### **13. Impairment**

The Company's assets are tested for impairment on December 31, annually, or when there is an indication that their carrying amount may not be recoverable.

In the first half of 2016, impairment losses (net of reversals) were recognized as other expenses, net, in the amount of R\$ 1,478, mainly due to:

- COMPERJ – Reassessment of this project that confirmed its postponement until December 2020 (first refining unit) with continuous efforts to seek new partnerships to its resumption. The construction of Comperj facilities related to natural gas processing plant (UPGN) will be continued, since they are part of the transport and processing of natural gas from the pre-salt layer in Santos Basin infrastructure. However, the estimated costs and period of time to complete these facilities constructions were revised and, therefore, the Company recognized an impairment charge of the project remaining balance (R\$ 1,124) as of June 30, 2016.
- Bijupirá and Salema –due to the termination of the sale contract of these fields on February 26, 2016, their related assets and liabilities, previously classified as held for sale, were reclassified, triggering reassessments of the respective recoverable amounts. Accordingly, an impairment charge of R\$ 317 was recognized.

In the first half of 2015, considering changes in circumstances and projections, projects removed from the 2015-2019 Business and Management Plan were also removed from their cash-generating units as previously set out in the Company's financial statements for the year ended December 31, 2014 (when those assets had not suffered impairment losses).

Based on the assessment of the recoverable amount of such assets (tested for impairment individually), an impairment charge of R\$ 1,286 was recognized as other expenses in the second quarter of 2015, mainly for: (i) Nitrogen Fertilizer Plant - UFN-V (R\$ 585); (ii) RTM assets (R\$ 364); and (iii) E&P producing properties in Brazil (several CGUs) and assets held for sale (R\$ 246).

### **14. Exploration for and evaluation of oil and gas reserves**

The exploration and evaluation activities include the search for oil and gas reserves from obtaining the legal rights to explore a specific area to the declaration of the technical and commercial viability of the reserves.

Changes in the balances of capitalized costs directly associated with exploratory wells pending determination of proved reserves and the balance of amounts paid for obtaining rights and concessions for exploration of oil and natural gas (capitalized acquisition costs) are set out in the following table:

<b>Capitalized Exploratory Well Costs / Capitalized Acquisition Costs (*)</b>	<b>Consolidated</b>	
	<b>06.30.2016</b>	<b>12.31.2015</b>
Property, plant and equipment		
Opening Balance	20,310	18,594
Additions to capitalized costs pending determination of proved reserves	2,056	7,310
Capitalized exploratory costs charged to expense	(1,643)	(2,874)
Transfers upon recognition of proved reserves	(1,711)	(3,423)
Cumulative translation adjustment	(260)	703
Closing Balance	18,752	20,310
Intangible Assets	7,816	7,996
Capitalized Exploratory Well Costs / Capitalized Acquisition Costs	26,568	28,306

(\*) Amounts capitalized and subsequently expensed in the same period have been excluded from this table.

Exploration costs recognized in the statement of income and cash used in oil and gas exploration and evaluation activities are set out in the following table:



## Notes to the financial statements

*(Expressed in millions of Reais, unless otherwise indicated)*

<b>Exploration costs recognized in the statement of income</b>	<b>Consolidated</b>	
	<b>Jan-Jun/2016</b>	<b>Jan-Jun/2015</b>
Geological and geophysical expenses	704	676
Exploration expenditures written off (includes dry wells and signature bonuses)	1,810	1,663
Other exploration expenses	274	64
Total expenses	2,788	2,403
<b>Cash used in:</b>		
Operating activities	812	740
Investment activities	2,214	4,932
Total cash used	3,026	5,672

**15. Trade payables**

	<b>Consolidated</b>	
	<b>06.30.2016</b>	<b>12.31.2015</b>
Third parties in Brazil	9,887	13,005
Third parties abroad	6,723	10,020
Related parties	1,230	1,863
Balance on current liabilities	17,840	24,888

**16. Finance debt**

The Company obtains funding through debt financing for capital expenditures to develop crude oil and natural gas producing properties, construct vessels and pipelines, construct and expand industrial plants, among other uses.

The Company has covenants that were not in default on June, 30 2016 in its loan agreements and notes issued in the capital markets requiring, among other obligations, the presentation of interim financial statements within 90 days of the end of each quarter (not reviewed by independent auditors) and audited financial statements within 120 days of the end of each fiscal year. Non-compliance with these obligations do not represent immediate events of

default and the grace period in which the Company has to deliver these financial statements ranges from 30 to 60 days, depending on the agreement. The Company also has covenants with respect to debt level in some of its loan agreements with the Brazilian Development Bank (*Banco Nacional de Desenvolvimento* - BNDES).

A roll-forward schedule of non-current debt is set out as follows:

## Notes to the financial statements

*(Expressed in millions of Reais, unless otherwise indicated)*

	<b>Consolidated Export Credit Agencies</b>	<b>Banking Market</b>	<b>Capital Market</b>	<b>Others</b>	<b>Total</b>
<b>Non-current</b>					
In Brazil					
Opening balance at January 1, 2015	–	77,795	3,456	74	81,325
Cumulative translation adjustment (CTA)	–	482	–	–	482
Additions (new funding obtained)	–	15,962	3,510	–	19,472
Interest incurred during the period	–	951	1	–	952
Foreign exchange/inflation indexation charges	–	9,662	257	7	9,926
Transfer from long-term to short-term	–	(8,416)	(490)	(13)	(8,919)
Balance as of December 31, 2015	–	96,436	6,734	68	103,238
Abroad					
Opening balance at January 1, 2015	13,930	79,414	142,930	1,723	237,997
Cumulative translation adjustment (CTA)	4,772	33,669	62,702	607	101,750
Additions (new funding obtained)	501	18,285	6,283	–	25,069
Interest incurred during the period	13	110	161	26	310
Foreign exchange/inflation indexation charges	1,439	4,112	(3,350)	181	2,382
Transfer from long-term to short-term	(2,517)	(14,671)	(18,098)	(147)	(35,433)
Balance as of December 31, 2015	18,138	120,919	190,628	2,390	332,075
Total Balance as of December 31, 2015	18,138	217,355	197,362	2,458	435,313
<b>Non-current</b>					
In Brazil					
Opening balance at January 1, 2016	–	96,436	6,734	68	103,238

Cumulative translation adjustment (CTA)	–	(380)	–	–	(380)
Additions (new funding obtained)	–	632	–	–	632
Interest incurred during the period	–	510	1	–	511
Foreign exchange/inflation indexation charges	–	(5,607)	125	3	(5,479)
Transfer from long-term to short-term	–	(5,166)	(215)	(4)	(5,385)
Balance as of June 30, 2016	–	86,425	6,645	67	93,137
Abroad					
Opening balance at January 1, 2016	18,138	120,919	190,628	2,390	332,075
Cumulative translation adjustment (CTA)	(2,371)	(18,936)	(32,646)	(325)	(54,278)
Additions (new funding obtained)	–	3,926	23,539	–	27,465
Interest incurred during the period	7	31	91	16	145
Foreign exchange/inflation indexation charges	(644)	(3,934)	(484)	(89)	(5,151)
Transfer from long-term to short-term	(1,345)	(3,218)	(26,747)	(88)	(31,398)
Transfer to liabilities associated with assets classified as held for sale	–	–	(1,061)	–	(1,061)
Balance as of June 30, 2016	13,785	98,788	153,320	1,904	267,797
Total Balance as of June 30, 2016	13,785	185,213	159,965	1,971	360,934

<b>Current</b>	<b>Consolidated 06.30.2016</b>	<b>12.31.2015</b>
Short-term debt	963	5,946
Current portion of long-term debt	30,662	44,907
Accrued interest	4,808	6,481
Total	36,433	57,334

## Notes to the financial statements

*(Expressed in millions of Reais, unless otherwise indicated)***16.1. Summarized information on current and non-current finance debt**

Maturity in	Consolidated					2021 and onwards	Total (*)	Fair value
	2016	2017	2018	2019	2020			
Financing in Brazilian Reais (R\$):	6,987	6,427	7,929	13,384	18,775	25,705	79,207	72,465
Floating rate debt	5,734	5,005	6,441	11,934	17,389	19,412	65,915	
Fixed rate debt	1,253	1,422	1,488	1,450	1,386	6,293	13,292	
Average interest rate	14.4%	14.3%	12.4%	11.6%	10.7%	9.9%	11.4%	
Financing in U.S. Dollars (US\$):	10,822	16,742	29,719	54,689	31,075	114,189	257,236	232,715
Floating rate debt	6,154	12,818	25,290	39,253	18,286	29,232	131,033	
Fixed rate debt	4,668	3,924	4,429	15,436	12,789	84,957	126,203	
Average interest rate	4.3%	3.7%	3.4%	4.0%	4.5%	5.9%	4.8%	
Financing in R\$ indexed to US\$:	1,701	2,262	2,258	2,250	2,250	17,405	28,126	26,755
Floating rate debt	39	74	70	62	62	113	420	
Fixed rate debt	1,662	2,188	2,188	2,188	2,188	17,292	27,706	
Average interest rate	8.5%	7.0%	7.1%	7.0%	7.1%	7.0%	7.1%	
Financing in Pound Sterling (£):	255	—	—	—	—	7,281	7,536	5,942
Fixed rate debt	255	—	—	—	—	7,281	7,536	
Average interest rate	5.9%	—	—	—	—	6.1%	6.1%	
Financing in Japanese Yen (¥):	1,472	324	323	—	—	—	2,119	2,106
Floating rate debt	161	322	322	—	—	—	805	

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Fixed rate debt	1,311	2	1	–	–	–	1,314	
Average interest rate	1.8%	0.5%	0.4%	–	–	–	1.4%	
Financing in Euro (€):	411	38	5,120	4,625	675	12,252	23,121	20,718
Floating rate debt	41	38	38	38	537	–	692	
Fixed rate debt	370	–	5,082	4,587	138	12,252	22,429	
Average interest rate	2.9%	1.7%	3.8%	3.9%	4.2%	4.4%	4.1%	
Financing in other currencies:	–	22	–	–	–	–	22	22
Fixed rate debt	–	22	–	–	–	–	22	
Average interest rate	–	14.0%	–	–	–	–	14.0%	
Total as of June 30, 2016	21,648	25,815	45,349	74,948	52,775	176,832	397,367	360,723
Average interest rate	7.7%	6.6%	5.2%	5.4%	6.8%	6.5%	6.3%	
Total as of December 31, 2015	57,333	44,505	62,827	88,231	60,670	179,081	492,647	385,017
Average interest rate	5.9%	6.4%	5.6%	5.8%	6.9%	6.7%	6.3%	

\* The average maturity of outstanding debt as of June 30, 2016 is 7.30 years (7.14 years as of December 31, 2015).

The fair value of the Company's finance debt is determined primarily by quoted prices in active markets for identical liabilities (level 1), when applicable, amounting to R\$ 149,032 as of June 30, 2016. When a quoted price for an identical liability is not available, the finance debt is fair valued by a discounted cash flow based on a theoretical curve derived from the yield curve of the Company's most liquid bonds (level 2), amounting to R\$ 211,691, as of June 30, 2016.

The sensitivity analysis for financial instruments subject to foreign exchange variation is set out in note 31.2.

## Notes to the financial statements

*(Expressed in millions of Reais, unless otherwise indicated)***16.2. Capitalization rate used to determine the amount of borrowing costs eligible for capitalization**

The capitalization rate used to determine the amount of borrowing costs eligible for capitalization was the weighted average of the borrowing costs applicable to the borrowings that were outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. In the first half of 2016, the capitalization rate was 5.38% p.a. (4.93% p.a. in the first half of 2015).

**16.3. Lines of credit**

<b>Company Abroad (Amounts in US\$ million)</b>	<b>Financial institution</b>	<b>Date</b>	<b>Maturity</b>	<b>Amount Available (Lines of Credit)</b>	<b>Used</b>	<b>Balance</b>
Petrobras	JBIC UKEF -	7/16/2013	12/31/2018	1,500	-	1,500
PGT BV	JPMORGAN	12/17/2015	12/22/2016	500	238	262
Total				2,000	238	1,762
<b>In Brazil</b>						
Petrobras	BNDES	7/31/2013	7/15/2016	502	490	12
Petrobras	FINEP	4/16/2014	12/26/2017	255	177	78
PNBV	BNDES	9/3/2013	3/26/2018	9,878	2,018	7,860
Transpetro	BNDES	1/31/2007	Not defined	5,133	594	4,539
Transpetro	Banco do Brasil Caixa Econômica	7/9/2010	4/10/2038	354	159	195
Transpetro	Federal	11/23/2010	Not defined	349	-	349
Total				16,471	3,438	13,033

**16.4. Collateral**

Most of the Company's debt is unsecured, however, collaterals are granted to financial institutions if required.

The loans obtained by structured entities are collateralized based on the projects' assets, as well as liens on receivables of the structured entities.

The global notes issued by the Company in the international capital market through its wholly-owned subsidiary Petrobras Global Trading – PGF are unsecured global notes, however Petrobras fully, unconditionally and irrevocably guarantees these notes. In addition, there were no changes in the structure of collateralization with respect to the last global notes offering in the international capital market occurred in May 2016.

## 17. Leases

### 17.1. Future minimum lease payments / receipts – finance leases

Estimated lease payments / receivable	Consolidated Receipts			Payments		
	Future value	Annual interest	Present value	Future value	Annual interest	Present value
2016	393	(246)	147	80	(28)	52
2017 - 2020	2,524	(1,447)	1,077	356	(147)	209
2021 and thereafter	5,025	(1,430)	3,595	770	(638)	132
As of June 30, 2016	7,942	(3,123)	4,819	1,206	(813)	393
Current			260			80
Non-current			4,559			313
As of June 30, 2016			4,819			393
Current (*)			256			73
Non-current (*)			5,441			303
As of December 31, 2015			5,697			376

(\*) For comparative purposes, the present value of payments in the amount of R\$ 25 was reclassified from trade payables in current liabilities and the amount of R\$ 149 was reclassified from others in non-current liabilities.

### 17.2. Future minimum lease payments – operating leases

Operating leases mainly include oil and gas production units, drilling rigs and other exploration and production equipment, vessels and support vessels, helicopters, land and building leases.



## Notes to the financial statements

*(Expressed in millions of Reais, unless otherwise indicated)*

	<b>Consolidated</b>
2016	21,342
2017 - 2020	107,284
2021 and thereafter	194,561
As of June 30, 2016	323,187
As of December 31, 2015	387,332

As of June 30, 2016, the balance of estimated future minimum lease payments under operating leases includes R\$ 181,155 in the Consolidated (R\$ 236,739 on December 31, 2015) with respect to assets under construction, for which the lease term has not commenced.

In the first half of 2016, the Company recognized expenditures of R\$ 17,869 (R\$ 15,330 in the first half of 2015) for operating leases installments.

**18. Related-party transactions****18.1. Commercial and other transactions**

The Company has a related-party transactions policy, approved by its Board of Directors, which establishes rules to ensure that all decisions involving related parties and potential conflicts of interest take into account applicable laws in the countries in which the Company operates and the parties involved in negotiations.

**18.1.1. By transaction (parent company)**

	<b>06.30.2016</b>			<b>12.31.2015</b>		
	<b>Current</b>	<b>Non-current</b>	<b>Total</b>	<b>Current</b>	<b>Non-current</b>	<b>Total</b>
<b>Assets</b>						
Trade and other receivables						
Trade and other receivables, mainly from sales	7,264	–	7,264	8,916	–	8,916
Dividends receivable	1,879	–	1,879	1,595	–	1,595

Intercompany loans	–	235	235	–	266	266
Capital increase (advance)	–	287	287	–	1,364	1,364
Amounts related to construction of natural gas pipeline	–	1,097	1,097	–	1,050	1,050
Finance leases	65	904	969	61	873	934
Other operations	531	446	977	637	414	1,051
Total		9,739	2,969	12,708	11,209	3,967

**Liabilities**

Finance leases	(1,475)	(5,102)	(6,577)	(1,568)	(5,354)	(6,922)
Intercompany loans	–	(32,343)	(32,343)	–	(51,465)	(51,465)
Prepayment of exports	(20,336)	(88,671)	(109,007)	(18,346)	(109,607)	(127,953)
Accounts payable to suppliers	(10,402)	–	(10,402)	(13,541)	–	(13,541)
Purchases of crude oil, oil products and others	(6,559)	–	(6,559)	(7,251)	–	(7,251)
Affreightment of platforms	(3,596)	–	(3,596)	(5,778)	–	(5,778)
Advances from clients	(247)	–	(247)	(512)	–	(512)
Other operations	–	(82)	(82)	–	(99)	(99)
Total	(32,213)	(126,198)	(158,411)	(33,455)	(166,525)	(199,980)

**Profit or Loss**

					<b>Jan-Jun/2016</b>	<b>Jan-Jun/2015</b>
Revenues, mainly sales revenues					62,698	73,936
Foreign exchange and inflation indexation charges					(3,915)	(3,962)
Financial income (expenses), net					(6,349)	(4,380)
Total					52,434	65,594

Notes to the financial statements

*(Expressed in millions of Reais, unless otherwise indicated)***18.1.2. By company (parent company)**

	<b>Income (expense)</b>		<b>06.30.2016</b>			<b>12.31.2015</b>	<b>06.30.2016</b>	
	<b>Jan-Jun/2016</b>	<b>Jan-Jun/2015</b>	<b>Current Assets</b>	<b>Non-current Assets</b>	<b>Total Assets</b>	<b>Total Assets</b>	<b>Current Liabilities</b>	<b>Net Equity</b>
<b>Subsidiaries</b>								
(*)								
BR	38,849	45,265	1,992	–	1,992	2,608	(212)	–
Gaspetro	3,369	5,448	732	97	829	1,074	(270)	–
PIB-BV	1,799	6,313	2,370	114	2,484	2,287	(20,983)	(1,100)
PNBV	1,722	1,030	1,603	28	1,631	2,236	(5,340)	–
Transpetro	506	447	1,343	213	1,556	786	(1,256)	–
Logigas	(125)	–	28	1,097	1,125	1,078	(488)	–
Thermoelectrics	(136)	(110)	47	306	353	455	(134)	(9)
Fundo de Investimento Imobiliário	(167)	(145)	73	–	73	158	(243)	(1)
TAG	(787)	(920)	197	904	1,101	1,075	(1,908)	–
Other subsidiaries	1,721	2,003	836	206	1,042	2,788	(665)	–
Total Subsidiaries	46,751	59,331	9,221	2,965	12,186	14,545	(31,499)	(1)
<b>Structured Entities</b>								
PDET Off Shore	(53)	(28)	–	–	–	–	(311)	(7)
CDMPI	(103)	(30)	–	–	–	–	(331)	(1)
Total Structured Entities	(156)	(58)	–	–	–	–	(642)	(2)
<b>Associates</b>								
Companies from the petrochemical sector	5,812	6,309	456	–	456	559	(23)	(8)
Other associates	27	12	62	4	66	72	(49)	–
Total Associates	5,839	6,321	518	4	522	631	(72)	(8)
Total	52,434	65,594	9,739	2,969	12,708	15,176	(32,213)	(1)

(\*) Includes its subsidiaries and joint ventures.

**18.1.3. Annual rates for intercompany loans**

	<b>Parent Company</b>		<b>Liabilities</b>	
	<b>Assets</b>			
	<b>06.30.2016</b>	<b>12.31.2015</b>	<b>06.30.2016</b>	<b>12.31.2015</b>
Up to 5%	–	–	–	(5,623)
From 5.01% to 7%	80	81	(32,343)	(45,842)
From 7.01% to 9%	102	128	–	–
More than 9.01%	53	57	–	–
Total	235	266	(32,343)	(51,465)

**18.2. Non standardized receivables investment fund**

The Parent Company invests in the receivables investment fund FIDC-NP (FIDC-NP and FIDC-P, as of December 31, 2015), which comprises mainly receivables and non-performing receivables arising from the operations performed by subsidiaries of the Petrobras Group. Investments in FIDC-NP and FIDC-P are recognized as marketable securities.

The assignment of performing and non-performing receivables is recognized as current debt within current liabilities.

	<b>Parent Company</b>	
	<b>06.30.2016</b>	<b>12.31.2015</b>
Marketable securities	3,513	7,812
Assignments of non-performing receivables	(21,231)	(20,779)
	<b>Jan-Jun/2016</b>	<b>Jan-Jun/2015</b>
Finance income FIDC P and NP	434	360
Finance expense FIDC P and NP	(1,241)	(932)
Net finance income (expense)	(807)	(572)

**18.3. Collateral Granted**

Petrobras collateralizes certain financial transactions carried out by its foreign subsidiaries.

## Notes to the financial statements

*(Expressed in millions of Reais, unless otherwise indicated)*

Petrobras, based on contractual clauses that support the financial transactions between foreign subsidiaries and third parties, collateralizes the payment of debt service in the event that a subsidiary defaults on a financing agreement.

The outstanding balances of financial transactions carried out by these subsidiaries and collateralized by Petrobras are set out below:

<b>Maturity date of the loans</b>	<b>06.30.2016</b>					<b>12.31.2015</b>	
	<b>PGF (*)</b>	<b>PGT (**)</b>	<b>PNBV</b>	<b>TAG</b>	<b>Others</b>	<b>Total</b>	<b>Total</b>
2016	3,979	—	457	—	212	4,648	29,089
2017	4,218	—	1,308	—	982	6,508	22,132
2018	11,221	8,025	9,665	—	2,106	31,017	45,479
2019	24,456	18,938	7,591	—	1,250	52,235	63,241
2020	15,121	17,108	1,817	—	6,698	40,744	48,680
2021	35,557	—	802	—	5,624	41,983	30,753
2022 and thereafter	71,063	28,705	8,244	14,692	4,139	126,843	148,579
<b>Total</b>	<b>165,615</b>	<b>72,776</b>	<b>29,884</b>	<b>14,692</b>	<b>21,011</b>	<b>303,978</b>	<b>387,953</b>

(\*) Petrobras Global Finance B.V., subsidiary of PIBBV.

(\*\*) Petrobras Global Trading B.V., subsidiary of PIBBV.

**18.4. Investment in an investment fund by subsidiaries abroad**

As of June 30, 2016, a subsidiary of PIB BV had R\$ 13,216 (R\$ 15,623 as of December 31, 2015) invested in an investment fund abroad that held debt securities of TAG (a subsidiary of Petrobras) and its subsidiaries, PGF and of consolidated structured entities, mainly with respect to the following projects: Gasene, Malhas, CDMPI, CLEP and Marlim Leste (P-53).

**18.5. Transactions with joint ventures, associates, government entities and pension funds**

The balances of significant transactions are set out in the following table:

<b>Consolidated</b>		<b>Jan-Jun/</b>	
<b>2016</b>	<b>06.30.2016</b>	<b>2015</b>	<b>12.31.2015</b>

	<b>Income (expense)</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Income (expense)</b>	<b>Assets</b>	<b>Liabilities</b>
<b>Joint ventures and associates</b>						
State-controlled gas distributors	3,242	751	230	5,214	996	281
Petrochemical companies	5,806	452	109	6,304	565	174
Other associates and joint ventures	813	395	1,209	904	524	1,768
Subtotal	9,861	1,598	1,548	12,422	2,085	2,223
<b>Government entities</b>						
Government bonds	225	2,884	—	626	4,352	—
Banks controlled by the Federal Government	(6,035)	11,763	88,041	(5,473)	10,181	95,034
Receivables from the Electricity sector (note 7.4)	1,750	15,662	21	3,011	13,335	—
Petroleum and alcohol account - receivables from Federal government <sup>8</sup>		865	—	5	857	—
Others	276	1,271	1,008	71	1,190	1,230
Subtotal	(3,776)	32,445	89,070	(1,760)	29,915	96,264
Pension plans	—	241	175	—	141	431
Total	6,085	34,284	90,793	10,662	32,141	98,918
Revenues, mainly sales revenues	11,077			15,001		
Foreign exchange and inflation indexation charges, net	(898)			(1,896)		
Finance income (expenses), net	(4,094)			(2,443)		
Current assets		9,331			8,806	
Non-current assets		24,953			23,335	
Current liabilities			14,623			12,683
Non-current liabilities			76,170			86,235
Total	6,085	34,284	90,793	10,662	32,141	98,918

## 18.6. Compensation of employees and officers

The total compensation of Petrobras' (Parent Company) key management is set out as follows:

Notes to the financial statements

*(Expressed in millions of Reais, unless otherwise indicated)*

	<b>Jan-Jun/2016</b>			<b>Jan-Jun/2015</b>		
	<b>Board (members and Officers alternates)</b>		<b>Total</b>	<b>Board (members) Officers</b>		<b>Total</b>
Wages and short-term benefits	6.0	0.7	6.7	6.8	0.5	7.3
Social security and other employee-related taxes	1.7	0.1	1.8	1.8	0.1	1.9
Post-employment benefits (pension plan)	0.6	–	0.6	0.4	–	0.4
Benefits due to termination of tenure	0.1	–	0.1	–	–	–
Total compensation recognized in the statement of income	8.4					