(A free translation of the original in Portuguese)

Petrobras Distribuidora S.A. and subsidiaries

Parent company and consolidated financial statements at December 31, 2015 and independent auditor's report

Petrobras Distribuidora S.A.

Contents

Independent auditor's report ..... 3 to 4
Statement of financial position ..... 5 and 6
Statement of profit or loss 7
Statement of comprehensive income 8
Statement of changes in equity 9
Statement of cash flow - Indirect method 10
Statement of value added ..... 11 and 12
Notes to the financial statements ..... 13 to 111
Members of the Board of Directors 112

(A free translation of the original in Portuguese)

Independent auditor's report

To the Board of Directors and Stockholders
Petrobras Distribuidora S.A.

We have audited the accompanying parent company financial statements of Petrobras Distribuidora S.A. ("Parent Company" or "Company"), which comprise the balance sheet as at December 31, 2015 and the statements of operations, comprehensive income (loss), changes in equity and cash flows for the year then ended, as well as the accompanying consolidated financial statements of Petrobras Distribuidora S.A. and its subsidiaries ("Consolidated"), which comprise the consolidated balance sheet as at December 31, 2015 and the consolidated statements of operations, comprehensive income (loss), changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Brazilian and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers, Rua do Russel 804, Edifício Manchete, Térreo, 6º e 7º, Rio de Janeiro, RJ, Brasil, 22210-907,
T: (21) 3232-6112, www.pwc.com/br

Petrobras Distribuidora S.A.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Petrobras Distribuidora S.A. and of Petrobras Distribuidora S.A. and its subsidiaries as at December 31, 2015, and the financial performance and cash flows for the year then ended, as well as the consolidated financial performance and cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Emphases of matters

Operação Lava Jato "Operation Car Wash"

We draw attention to Note 2.3 to these financial statements, which describes the effects of the "Operation Car Wash" on the Company, including: (i) the write-off of R$ 23 million in the parent company and consolidated financial statements referring to additional expenditures improperly capitalized in the purchase of property, plant and equipment items; and (ii) the measures that have been adopted in relation to the matter, including the internal investigations that have been conducted by law firms and are led by a Special Committee formed by the Company's controlling stockholder. Our opinion is not qualified in respect of these matters.

Reissue of the financial statements

As mentioned in Note 2.2 to the financial statements, aiming to improve the presentation of its financial statements, the Company's management included additional disclosures in the financial statements for the year ended December 31, 2014, in order to adjust these financial statements to the requirements and standards of the Brazilian Securities Commission (CVM) for the purpose described in the aforementioned Note, as well the restatement of the earnings per share due to the stock split mentioned in Note 21. Accordingly, the aforementioned financial statements are being reissued and, therefore, this report replaces those previously issued on March 21, 2016 and October 16, 2017.

Other matters

Supplementary information - Statements of value added

We have also audited the parent company and consolidated statements of value added for the year ended December 31, 2015, which are the responsibility of the Company's management. The presentation of these statements is required by the Brazilian corporate legislation for listed companies, but it is considered supplementary information for IFRS. The statements were subject to the same audit procedures described above and, in our opinion, are fairly presented, in all material respects, in relation to the financial statements taken as a whole.

Rio de Janeiro, November 21, 2017

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5 "F" RJ

Alexandre Fermino Alvares
Contador CRC 1SP211793/O-5 "S" RJ

Petrobras Distribuidora S.A.
Statement of financial position
Years ended on December 31, 2015 and 2014 and January 1, 2014
(In R$ million) (A free translation of the original in Portuguese)

		Consolidated			Parent Company		
Asset	**Note**	**2015**	**2014 (Restated)**	**01.01.2014 (Restated)**	**2015**	**2014 (Restated)**	**01.01.2014 (Restated)**
Current							
Cash and cash equivalent	5	810	742	916	607	533	667
Trades receivable, net	7	8,114	6,863	5,439	8,098	6,896	5,378
Inventory	8	2,843	2,606	2,356	2,834	2,597	2,348
Advances to suppliers		112	140	137	112	140	137
Recoverable taxes	19.1	424	502	564	405	478	557
Prepaid Expenses	10	498	380	302	498	380	302
Other		43	39	26	43	39	25
		12,844	**11,272**	**9,740**	**12,597**	**11,063**	**9,414**
Non-current							
Trades receivable, net	7	6,206	6,051	3,726	6,162	6,016	3,692
Securities	6	28	23	22	28	23	22
Judicial deposits	9	798	871	734	778	852	716
Recoverable taxes	19.1	377	314	273	331	281	238
Deferred income tax and social contribution	19.4	2,558	984	363	2,557	983	361
Prepaid expenses	10	1,873	1,490	1,173	1,873	1,490	1,173
Other long-term assets		12	15	51	8	10	50
		11,852	**9,748**	**6,342**	**11,737**	**9,655**	**6,252**
Investments	11	46	45	20	234	227	191
Property, plant and equipment	12	6,039	6,100	5,511	5,610	5,405	4,642
Intangible assets	13	460	454	499	459	452	497
		18,397	**16,347**	**12,372**	**18,040**	**15,739**	**11,582**
Total assets		**31,241**	**27,619**	**22,112**	**30,637**	**26,802**	**20,996**

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

Petrobras Distribuidora S.A.
Statement of financial position
Years ended on December 31, 2015 and 2014 and January 1, 2014
(In R$ million) **(continued)**

		Consolidated			Parent Company		
Liabilities and equity	**Note**	**2015**	**2014 (Restated)**	**01.01.2014 (Restated)**	**2015**	**2014 (Restated)**	**01.01.2014 (Restated)**
Current liabilities							
Trade payables	14	3,047	3,168	3,030	3,023	3,147	3,001
Borrowing	15	644	295	149	527	214	27
Intragroup loans - controlling shareholder	18.4	-	6,596	-	-	6,596	-
Assignment of receivables	18.2	24	404	2,655	-	380	2,639
Finance leases	28.3.3	48	42	39	87	57	39
Advances from customers	17	424	342	292	369	338	286
Taxes and contributions payable	19.2	249	337	269	242	326	262
Dividends / interest on capital proposed	21.3	616	267	506	616	267	506
Salaries, accrued vacation and payroll taxes		216	190	190	215	189	189
Voluntary redundancy program		96	9	-	96	9	-
Profit sharing	20.5	-	61	65	-	60	65
Pension and healthcare plans	20	113	83	84	112	83	84
Other payables		115	143	121	155	161	132
		5,592	**11,937**	**7,400**	**5,442**	**11,827**	**7,230**
Non-current							
Borrowing	15	12,250	1,072	1,217	11,255	81	277
Finance leases	28.3.3	81	97	121	624	385	121
Pension and healthcare plans	20	2,262	2,001	1,164	2,260	1,998	1,162
Provision for risks	27	1,105	357	279	1,104	357	278
Other payables		26	34	30	27	33	27
		15,724	**3,561**	**2,811**	**15,270**	**2,854**	**1,865**
Total liabilities		**21,316**	**15,498**	**10,211**	**20,712**	**14,681**	**9,095**
Equity	21						
Share capital		6,352	5,991	5,991	6,352	5,991	5,991
Profit reserves		4,107	6,559	5,787	4,107	6,559	5,787
Accumulated other comprehensive (deficit)		(534)	(429)	123	(534)	(429)	123
		9,925	**12,121**	**11,901**	**9,925**	**12,121**	**11,901**
Total liabilities and equity		**31,241**	**27,619**	**22,112**	**30,637**	**26,802**	**20,996**

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

Petrobras Distribuidora S.A.
Statement of profit or loss
Years ended on December 31, 2015 and 2014
(In R$ millions, except earnings per thousand shares) (A free translation of the original in Portuguese)

	Note	Consolidated		Parent Company	
		2015	2014 (Restated)	2015	2014 (Restated)
Operating revenue	22	97,280	98,528	96,949	98,153
Cost of products sold and services rendered		(89,967)	(91,237)	(89,687)	(90,929)
Gross profit		**7,313**	**7,291**	**7,262**	**7,224**
Operating expenses:					
Selling		(6,454)	(4,524)	(6,428)	(4,489)
General and administrative		(820)	(748)	(803)	(734)
Taxes		(208)	(160)	(203)	(157)
Other expenses, net	23	(1,470)	(601)	(1,469)	(602)
		(8,952)	**(6,033)**	**(8,903)**	**(5,982)**
Profit (loss) before financial income (costs), profit sharing and taxes		**(1,639)**	**1,258**	**(1,641)**	**1,242**
Financial income (costs)	25				
Costs		(1,597)	(802)	(1,590)	(796)
Income		505	387	470	369
Exchange rate changes and inflation adjustments, net		793	705	829	719
		(299)	**290**	**(291)**	**292**
Share of profit (loss) of investees	11.4	**3**	**(2)**	**(7)**	**5**
Profit (loss) before income tax and social contribution		**(1,935)**	**1,546**	**(1,939)**	**1,539**
Income tax and social contribution					
Current		(815)	(881)	(811)	(874)
Deferred		1,589	458	1,589	458
	19	**774**	**(423)**	**778**	**(416)**
Profit (loss) for the year		**(1,161)**	**1,123**	**(1,161)**	**1,123**
Basic and diluted earnings (loss) per shares - R$		(1.00)	0.96	(1.00)	0.96

Capital comprised of 1,165,000,000 common shares.(*)

(*) Net income (loss) per share, presented before the reverse share split, is evidenced in Note 21.5.

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

Petrobras Distribuidora S.A.
Statement of comprehensive income
Years ended on December 31, 2015 and 2014
(In R$ million) (A free translation of the original in Portuguese)

	Consolidated		Parent Company	
	2015	2014	2015	2014
Profit (loss) for the year	(1,161)	1,123	(1,161)	1,123
Other comprehensive income (loss)				
Items that will not be reclassified to profit or loss				
Pension plans				
Actuarial gains (losses)	43	(473)	43	(473)
Deferred income tax and social contribution	(15)	161	(15)	161
	28	**(312)**	**28**	**(312)**
Healthcare plan				
Actuarial gains (losses)	(133)	(240)	(133)	(240)
	(133)	**(240)**	**(133)**	**(240)**
	(105)	**(552)**	**(105)**	**(552)**
Total comprehensive income (loss) for the year	**(1,266)**	**571**	**(1,266)**	**571**

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

Petrobras Distribuidora S.A.

Statement of changes in equity

Years ended on December 31, 2015 and 2014

(In R$ million) (A free translation of the original in Portuguese)

	Consolidated								Parent Company
		Profit reserves					Accumulated other comprehensive (deficit)		
	Share capital	Legal	Statutory	Earnings retention	Additional dividends proposed	Retained earnings (accumulated losses)	Unrealized fair value gain (losses)	Total equity	Total equity
At January 1, 2014	**5,991**	**751**	**240**	**4,796**	**-**	**-**	**123**	**11,901**	**11,901**
Unrealized actuarial losses	-	-	-	-	-	-	(552)	(552)	(552)
Profit for the year	-	-	-	-	-	1,123	-	1,123	1,123
Allocations:									
Recognition of reserves	-	56	30	480	-	(566)	-	-	-
Interest on capital / Dividends	-	-	-	-	206	(557)	-	(351)	(351)
At December 31, 2014	**5,991**	**807**	**270**	**5,276**	**206**	**-**	**(429)**	**12,121**	**12,121**
Capital increase	361	-	-	(361)	-	-	-	-	-
Unrealized actuarial losses	-	-	-	-	-	-	(105)	(105)	(105)
Loss for the year	-	-	-	-	-	(1,161)	-	(1,161)	(1,161)
Allocations:									
Absorption of losses into reserves	-	-	-	(1,161)	-	1,161	-	-	-
Interest on capital / Dividends	-	-	-	(724)	(206)	-	-	(930)	(930)
		807	**270**	**3,030**	**-**				
At December 31, 2015	**6,352**			**4,107**		**-**	**(534)**	**9,925**	**9,925**

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

Petrobras Distribuidora S.A.
Statement of Cash Flow
Years ended on December 31, 2015 and 2014
(In R$ million) (A free translation of the original in Portuguese)

	Note	Consolidated		Parent Company	
		2015	2014 (Restated)	2015	2014 (Restated)
Operating activities					
Profit (loss) for the year		(1,161)	1,123	(1,161)	1,123
Adjustments:					
Income tax and social contribution		(774)	423	(778)	416
Depreciation and amortization		471	403	466	398
Impairment of assets	12.1	298	-	298	-
Gains (losses) on fixed assets disposed of		12	(40)	12	(36)
Allowance for impairment on receivables, net of reversals		2,919	1,109	2,921	1,113
Share of (profit) loss of investees		(3)	2	7	(5)
Appropriation of advances - customer bonuses		412	348	412	348
Recognition of insurance, rentals and other		68	52	68	52
Interest, exchange rate changes and inflation adjustments, net		408	(215)	379	(243)
Actuarial expenses on pension and healthcare plans	20.4	317	214	317	214
Provision for risks		747	78	747	78
Accrued voluntary redundancy program liabilities		92	158	92	158
Other adjustments		3	37	2	39
Decrease (increase) in assets					
Trade receivables		(1,038)	(3,649)	(1,125)	(3,777)
Inventory		(235)	(250)	(236)	(249)
Prepaid expenses		(982)	(902)	(982)	(902)
Judicial deposits		106	(83)	106	(83)
Other		30	15	30	13
Increase (decrease) in liabilities					
Trade payables		(259)	124	(263)	132
Income tax and social contribution paid		(879)	(652)	(875)	(647)
Taxes and contributions		21	(226)	31	(212)
Pension and healthcare plans		(116)	(92)	(116)	(92)
Voluntary redundancy incentive plan		(5)	(149)	(5)	(149)
Other		30	78	(24)	80
Cash provided by (used in) operating activities		**482**	**(2,094)**	**323**	**(2,231)**
Investing activities					
Purchase of property, plant and equipment and intangible assets		(723)	(959)	(710)	(884)
Acquisition of investments		-	(27)	-	(28)
Proceeds from the sale of assets		25	40	25	36
Investments in FIDC		(2,208)	(353)	(2,156)	(359)
Dividends received		1	-	3	2
Net cash used in investing activities		**(2,905)**	**(1,299)**	**(2,838)**	**(1,233)**
Financing activities					
Intragroup loans		(6,950)	6,186	(6,950)	6,186
Borrowing					
Borrowing	15 and 18.4	11,179	17	11,151	-
Repayment of the principal	15 and 18.4	(299)	(43)	(202)	(17)
Payment of interest	15 and 18.4	(521)	(127)	(462)	(17)
Assignment of receivables - FIDC-NP	18.2	(380)	(2,251)	(380)	(2,259)
Dividends paid		(496)	(520)	(496)	(520)
Other		(42)	(43)	(72)	(43)
Net cash provided by financing activities		**2,491**	**3,219**	**2,589**	**3,330**
Changes in cash and cash equivalents for the year		68	(174)	74	(134)
Cash and cash equivalents at beginning of year		742	916	533	667
Cash and cash equivalents at end of year		**810**	**742**	**607**	**533**

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

Petrobras Distribuidora S.A.
Statement of value added
Years ended on December 31, 2015 and 2014
(In R$ million) (A free translation of the original in Portuguese)

	Consolidated		Parent company	
	2015	2014 (Restated)	2015	2014 (Restated)
Revenue				
Sales of products and services and other revenue	119,161	120,902	118,758	120,425
Impairment on trade receivables	(2,919)	(1,109)	(2,921)	(1,113)
Revenue from construction of assets for own use	511	663	472	518
	116,753	**120,456**	**116,309**	**119,830**
Inputs acquired from third parties				
Materials	72	81	-	-
Cost of goods for resale	89,995	91,147	89,819	90,944
Power, outsourced services and others	3,741	3,242	3,677	3,121
Tax credits on inputs acquired	4,656	4,498	4,656	4,499
Loss on asset recovery value - Impairment	298	-	298	-
	98,762	**98,968**	**98,450**	**98,564**
Gross value added	**17,991**	**21,488**	**17,859**	**21,266**
Retentions				
Depreciation and amortization	471	403	466	398
Net value added produced by the company	**17,520**	**21,085**	**17,393**	**20,868**
Value added received through transfer				
Share of profit (loss) of investees	3	(2)	(7)	5
Finance income, including inflation adjustments and exchange rate changes	1,483	1,175	1,446	1,145
Rentals and royalties	254	239	254	239
	1,740	**1,412**	**1,693**	**1,389**
Total value added to distribute	**19,260**	**22,497**	**19,086**	**22,257**

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

Petrobras Distribuidora S.A.
Statement of value added
Years ended on December 31, 2015 and 2014
(In R$ million) **(continued)**

	Consolidated		Parent company	
	2015	2014 (Restated)	2015	2014 (Restated)
Distribution of value added				
Personnel and management				
Salaries and wages				
Personnel	834	726	821	712
Profit sharing	-	61	-	60
Benefits				
Advantages	91	234	88	232
Retirement and pension plans	298	287	298	287
Healthcare plan	180	149	179	148
Severance Pay Fund (FGTS)	66	61	64	61
	1,469	**1,518**	**1,450**	**1,500**
Taxes				
Federal	(720)	1,120	(757)	1,071
State	17,490	17,372	17,447	17,309
Municipal	21	22	19	21
	16,791	**18,514**	**16,709**	**18,401**
Financial institutions and suppliers				
Interest, exchange rate changes and inflation adjustments	1,811	965	1,737	853
Rental expenses	350	377	351	380
	2,161	**1,342**	**2,088**	**1,233**
Shareholders				
Interest on capital / Dividends	-	351	-	351
Retained earnings (accumulated losses)	(1,161)	772	(1,161)	772
	(1,161)	**1,123**	**(1,161)**	**1,123**
Value added distributed	**19,260**	**22,497**	**19,086**	**22,257**

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

1 General Information

1.1 General considerations

Petrobras Distribuidora S.A. (the "Company" or "BR") is a privately-held corporation domiciled in Brazil. Organized on November 12, 1971, the Company is a subsidiary of and an entity controlled by Petróleo Brasileiro S.A. ("Petrobras") and its corporate purpose includes the distribution, transportation, sale, processing and production of petroleum byproducts and other fuels, production, transportation, distribution and sale of all forms of energy, chemicals and asphalt, as well as the provision of related services, imports and exports relating to the abovementioned products and activities. The Company's registered office is located in Rio de Janeiro, State of Rio de Janeiro.

1.2 Capital structure

To improve its capital structure, the Company entered into the following financing agreements:

- Export Credit Note (NCE) with Banco do Brasil S.A., in the amount of R$4.5 billion, in April 2015
- Export Credit Note (NCE) with Banco Bradesco S.A., in the amount of R$3.0 billion, in June 2015
- Export Credit Note (NCE) with Banco da Amazônia S.A., in the amount of R$200 million, in June 2015.
- Issuance of debentures in the amount of R$3.5 billion, in August 2015.

The general terms and conditions of such agreements are described in Note 15.1 – "Financing agreements" by final institutions.

2 Basis of presentation of the financial statements

2.1 Statement of compliance (with respect to IFRSs and CPCs)

The financial statements have been prepared in accordance with the accounting practices adopted in Brazil, including the pronouncements issued by the Accounting Pronouncements Committee (CPC) and the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), and disclose all relevant information for the financial statements, and only this information, which is consistent with that used by the Company's Management in its duties.

The main accounting policies applied to preparing these financial statements are described in Note 4.

The preparation of financial statements requires Management to use certain critical accounting estimates and exercise judgment in applying the Company's accounting policies. Those areas involving a higher degree of judgment and complexity, as well as those where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.20.

Individual and consolidated financial statements

The individual (parent company) and consolidated financial statements have been prepared in accordance with the accounting practices adopted in Brazil, issued by the Accounting Pronouncements Committee (CPC), in compliance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB). The individual (parent company) financial statements are disclosed together with the consolidated financial statements.

The presentation of the parent company and consolidated statements of value added ("DVA") have been prepared in accordance with technical pronouncement CPC 09, as supplementary information.

2.2 Basis of measurement

The financial statements have been prepared at historical cost, except for financial assets available for sale, other financial assets and financial liabilities, which are measured at fair value.

These financial statements for the year ended December 31, 2015 were originally authorized and presented by the Company on March 21, 2016. However, considering that the Company has plans to go public on Brazilian market, Management decided to restate, on October 16, 2017, the said financial statements to: (1) ensure that its disclosures comply with the accounting requirements applicable to publicly-held companies; and (2) make the reclassifications deemed necessary for the better presentation of these financial statements, as mentioned in Note 2.4.

In addition, as a result of the management´s decision to grouping the shares, which took place on November 14, 2017, as presented in note 21 - Equity, the Board of Directors of the Company, at a meeting held on November 21, 2017, authorized the re-issuance of these financial statements. Therefore, these financial statements superseed those previously approved and issued on March 20, 2017 and October 16, 2017.

2.3 Operation Car Wash and its effects on the Company

In 2009, the Brazilian Federal Police started an operation dubbed *Lava Jato* ("Car Wash') to probe money-laundering activities by criminal organizations in several Brazilian states. Operation Car Wash is an extremely broad investigation into several criminal practices and has been carried out through different work groups, focusing on crimes committed by individuals in different parts of Brazil and different sectors of the Brazilian economy.

Beginning in 2014 and continuing throughout 2015, Brazil's Public Prosecutor's Office focused part of its investigations on irregularities involving Petrobras' contractors and suppliers, and uncovered a far-reaching illicit payment scheme that involved a large group of participants, including Petrobras' former employees. Based on the information available to Petrobras, the payment scheme involved a group of 27 companies that, from 2004 to April 2012, formed a cartel to win Petrobras System contracts, inflate the costs of those contracts and funnel the excess funds to political parties, elected politicians or other public officials, employees of construction firms and suppliers, former Petrobras employees and others involved in the scheme of overpayments. This scheme was referred to as the "scheme of overpayments" and the companies involved as the "cartel members".

In addition to the scheme of overpayments described above, the investigations identified several specific instances of other companies that allegedly overcharged Petrobras and passed on the excess to certain former Petrobras employees. Those companies are not cartel members and acted independently. These specific cases were referred to as "non-cartel payments".

Former executives of the Company and Petrobras were arrested and/or charged with money laundering and corruption, including Paulo Roberto Costa (former supply director), Renato de Souza Duque (former services director), Pedro José Barusco Filho (former executive management of the engineering area), Celso Araripe D'Oliveira (former service managers), Nestor Cuñat Cerveró (former director of the international area and chief financial officer of the Company until 2014), Jorge Luis Zelada (former director of the international area), and Eduardo Costa Vaz Musa (former manager of the international area). Other former Petrobras System executives, as well as executives of firms providing goods and services to Petrobras, have been or may be charged as a result of the investigation. The amounts overpaid by Petrobras and the Company to the suppliers and contractors involved in the scheme described above were fully included in the historical costs of the respective assets. However, Management understand that, in accordance with IAS 16, the portion of the payments made to such companies and used by them to make overpayments, which represents additional expenditure incurred as a result of the scheme of overpayments, should not have been capitalized. Therefore, in the third quarter of 2014, the Company recognized a write-off in the amount of R$23 relating to capitalized expenses relating to overpayments made by the Company to acquire property, plant and equipment in prior years.

As described below, the Company and its controlling stockholder (Petrobras) have monitored the investigations on a continuous basis to obtain additional information and evaluate its potential impact on the adjustments made and, in preparing the financial statements for the year ended December 31, 2015, no additional information was identified that might impact

the calculation methodology adopted and, consequently, the accounting for supplemental write-offs.

The Company and its controlling stockholder (Petrobras) will continue to monitor the outcome of the investigations and the availability of other information regarding the scheme of overpayments and, if any information becomes available that indicates with sufficient accuracy that the estimates described above should be adjusted, the Company will evaluate whether the recognition of an adjustment is necessary.

2.3.1 Company´s response to the facts uncovered during the investigations

The Company, through its controlling stockholder, has monitored the investigations and has been cooperating fully with the Federal Police, the Public Prosecutor's Officer, the Judiciary, the Federal Audit Court (TCU), and the Federal General Controller (CGU) so that all crimes and irregularities are investigated.

The Company initiated lawsuits against the cartel members, whereby the Company and Petrobras will have rights relating to financial damages and, possibly, civil fines. The Company reiterate the commitment to continuing to cooperate with all the government agencies mentioned on paragraph above in order to clarify the facts and communicated on a regular basis to our investors and the general public.

The Company and its controlling stockholder do not tolerate corruption, and consider any illegal business practices involving its employees inadmissible. Therefore, in 2015, the Company took several actions in response to the facts uncovered by Operation Car Wash.

To strengthen its internal control structure, the Company continues to implement measures to improve its corporate governance and compliance systems, such as, for example, the establishment of the Governance, Risk and Compliance Management function.

To investigate indications or instances that may represent non-compliance with the corporate rules, procedures or regulations, we established inquiry working groups ("*grupos de trabalho de averiguação"* - GTA) and the findings of the work performed by these groups are forwarded to the Brazilian authorities.

We have also undertaken the measures needed to recover from the damage suffered from the scheme of overpayments, including damage related to our corporate image.

To the extent that the Operation Car Wash investigations result in leniency agreements with the cartel members or plea agreements with individuals pursuant to which they agree to return funds, the Company and its controlling stockholder may be entitled to receive a portion of these funds.

The Company has not yet recovered any amounts relating to the overpayments made by the suppliers, and cannot reliably estimate any recoverable amount at this point. Any recoverable

amounts will be recognized as income when they are received, or when realization is reasonably certain.

2.3.2 Approach adopted to adjust the assets affected by overcharging

Identifying the specific periods or amounts of the overpayments made to contractors and suppliers is impracticable. Thus, the Company has developed an approach to estimate the total amount of the overcharging incurred as part of the scheme of overpayments to be able to determine the amounts of the write-offs made, quantifying the amounts at which its assets were overstated as a result of the overpayments required by suppliers and contractors and used by them to make overpayments.

Identifying the specific dates and amounts of the overpayments imposed by contractors and suppliers to the Company continues to be impracticable due to the following limitations:

- The information made available to the Company from the testimonies identifies the companies involved in the scheme of overpayments, the period over which the scheme operated and several contracts that were subject to illicit acts; however, it does not identify specific payments made under the contracts which included embedded overcharging, or the period over which the overcharged payments were made.

- The Company itself did not make any overpayments. Since such payments were made by contractors and suppliers, determining the exact amounts overpaid by the Company and used to finance the illicit scheme is not possible. Any information that would allow the determination of the amount by which the Company was overcharged by the cartel members has not been included in the accounting records, which only reflect the terms of the contracts executed by the Company and its suppliers. These contracts had their prices inflated as a result of collusion between the cartel members and the former Petrobras employees indicated above. Because the Company cannot identify the amounts overcharged on supply contracts or the specific period over which the overcharging occurred, determining the periods in relation to which property, plant and equipment should be adjusted is not possible.

- Two law firms have been conducting an independent internal investigation under the direction of the Special Committee mentioned in item 3.1; however, the work is underway, and no quantitative information the nature of which is sufficiently comprehensive to support an adjustment to the financial statements is expected to be provided. Since the information made available to investigators is limited to the Company's internal information, specifically identifying the amounts by which the Company was overcharged is not possible. Because the alleged money-laundering activities were intended to conceal the source of funds and the amounts involved, the existence of specific records of these activities is not expected.

- The investigations by the Brazilian authorities are focused on determining the criminal liability of the defendants, and not on determining the exact amounts by which Petrobras was overcharged by the cartel members, or the amounts used by these companies to make the

overpayments. Moreover, the process of investigation and evaluation of all the evidence and allegations may take several years.

- The Brazilian authorities have filed lawsuits against the contractors and suppliers and their respective representatives, seeking redress for administrative misconduct. In these lawsuits, the authorities have applied a rate of 3% of the contract prices paid to the contractors and suppliers in order to measure the financial damages attributable to the scheme of overpayments, which is consistent with the approach used by the Company to account for the impacts of this scheme. The scope of these lawsuits is not expected to produce a full accounting of all overpayments, even considering the significant amount of time the investigation being conducted by the Brazilian authorities may take. Additionally, Brazilian legislation prohibits access to suppliers' internal records and documents in civil lawsuits, and therefore these lawsuits are not expected to produce new information in addition to that produced by the criminal investigation and lawsuits.

Given that identifying the periods during and amounts by which the Company was overcharged, Petrobras has developed a methodology to estimate the adjustments that were made to property, plant and equipment in the third quarter of 2014, which involves the following five steps:

1) Identify the counterparty of the contract: All companies identified as cartel members were listed and, based on this information, the companies and entities related to them were identified.

2) Identify the period: based on the testimonies, a conclusion was reached that the scheme of overpayments operated from 2004 to April 2012.

3) Identify the contracts: all contracts signed with the counterparts mentioned in step (1) during the period identified in step (2), including any addenda to contracts originally executed between 2004 and April 2012. Subsequently, all property, plant and equipment items related to those contracts have been identified.

4) Identify payments: the total amount of the contracts identified in step (3) was calculated.

5) Apply a fixed percentage to the total amount of the contracts determined in step (4): the percentage of 3%, indicated in the testimonies, was used to estimate the amount overcharged on the total amount value of the contracts identified.

The calculation considered all the amounts recorded in the Company's accounting books between 2004 and September 2014, with respect to contracts initially executed between 2004 and April 2012, as well as any addenda executed between Petrobras System companies and the cartel members (individually or as consortium members). This comprehensive scope of contracts was adopted to permit the best possible estimate of overpayments, even though there is no evidence that all contracts executed with the related companies were part of the scheme of overpayments. In verifying its accounting records, the Company also identified amounts

related to specific contracts and projects with companies that were not cartel members to account for overcharging by these companies used to finance illegal payments but not related to the scheme of overpayments or to the cartel.

The Company has several projects under construction for which the original contracts were executed between 2004 and April 2012. The approach adopted to making these adjustments considers that the amounts overcharged by the contractors and suppliers have been applied to the total amount of the contract, that is, including payments that will still be incurred in future periods. Since allocating the overcharged amounts imposed by these companies to specific periods is not practicable, the portion of overcharging relating to payments that will be made by the Company in the future may have already been charged in advance. Therefore, the write-off of additional costs that were capitalized inappropriately included the total amounts of the contracts executed, and not only the amounts of payments already made. However, as mentioned above, based on the information made available, the Company believes that the activity of the cartel in connection with the scheme of overpayments ceased after April 2012 and that, considering the recent developments in the criminal investigations, the overpayments made under the scheme have ceased.

The Company believes that it adopted a methodology that produces the best estimate of the amount by which its property, plant and equipment was overstated as a result of the scheme of overpayments, since the methodology is based on a threshold amount selected from among the estimates considered reasonable. In its estimate, the Company considered that all contracts with the identified counterparts were impacted and that the 3% percentage represents the amounts overcharged by the contractors and suppliers and used by these companies to make overpayments. Both assumptions are corroborated by the testimonies. However, some testimonies indicate lower percentages in relation to certain contracts, a shorter period of cartel operation (2006 to 2011), and fewer suppliers and contractors involved.

In preparing the financial statements for the period ended December 31, 2015, the Company considered all of the information available and did not identify any additional information that might impact the adopted calculation methodology and, consequently, the recording of additional write-offs:

- Testimonies provided under plea agreements entered into with the Public Prosecutor's Office and that are no longer being kept confidential;

- Administrative misconduct lawsuits filed by the Public Prosecutor's Office against the cartel members for financial damages attributable to the scheme of overpayments;

- Criminal lawsuits filed by the Public Prosecutor's Office against the cartel members involved in the scheme of overpayments, including contractors' representatives, intermediaries or former Petrobras employees;

- Decisions of the Judiciary on administrative misconduct lawsuits and criminal lawsuits filed by the Public Prosecutor's Office: Adjudication of the properties of part of the

defendants, approval of requests for the pre-trial detention of the defendants, receipt of complaints, among others;

• Lower court decisions issued for part of the criminal lawsuits filed by the Public Prosecutor's Office;

• Leniency agreements executed between Setal Engenharia e Construções, a cartel member, and the Brazilian authorities;

• Execution of a Cease-and-Desist Commitment between Construções e Comércio Camargo Corrêa, a cartel member, and the Brazilian authorities;

• Technical Note No. 38/2015 issued by the Brazilian Antitrust Agency (CADE), on which the Administrative Proceedings started against the cartel members were based.

The Company does not believe that new information arising from the Operation Car Wash investigations by the Brazilian authorities, the independent internal investigation being conducted by the engaged law firms or new internal investigation commissions that may be established (or revisions to the findings of the internal commissions already completed) will significantly impact or change such methodology. Nevertheless, the Company will continue to monitor the investigations to obtain additional information and evaluate any potential impact on the adjustments made.

2.4 Reclassifications in liabilities and profit (loss) for the year

On March 21, 2016, the financial statements for the year ended December 31, 2015 were initially authorized and presented by the Company. However, considering that the Company has plans to go public, Management decided to restate the said financial statements to: (1) ensure that its disclosures comply with the Brazilian Securities Commission (CVM) requirements, (2) reclassify impairment losses to "other expenses, net", in the amount of R$298, (3) reclassify pension and healthcare plans to "other expenses, net", in the amount of R$163, (4) reclassify voluntary redundancy program expenses, in the amount of R$96, from "Salaries, accrued vacation and payroll taxes" to a separate account, and (5) reclassify the social security contribution (INSS) from "other payables" to "salaries, accrued vacation and payroll taxes", in the amount of R$23.

Restatement of periods prior to the year ended December 31, 2015

In 2015, prior year adjustments (reclassifications) relating to the following events were identified.

For better comparability with the current reporting period, the Company's management decided to restate the financial statements, without any impact on the total profit (loss) and equity, in relation to the following matters: (1) reclassification of interest included in the price of the products charged by customers from "sales revenue" to "finance income (costs)"; (2) reclassification of investments in the FIDC Receivables Investment Fund (FIDC-NP) from "cash and cash equivalents" to "trade receivables"; (3) reclassification of the balances of "assignment of receivables" as a reduction in trade receivables to current liabilities; (4) reclassification of the "provision for risks" from current liabilities to noncurrent liabilities; (5) reclassification of a portion of "recoverable taxes" from current assets to non-current assets; (6) reclassification of "prepaid expenses" from non-current assets to current assets; (7) reclassification of the unreleased portion of bonuses granted to "prepaid expenses"; (8) reclassification of "pension and healthcare plans" to "other expenses, net", and (9) reclassification of "profit sharing" to "other expenses, net".

Effect of restatements

The impacts of the above restatements are summarized in the following tables:

	Consolidated December 31, 2014								
Financial Statement	**Originally presented on Wednesday, April 22, 2015**	**FIDC Reclassification of "Cash and cash equivalents" to "Trade receivables"**	**Reclassification of "Assignment of Receivables" from Assets to Liabilities**	**Reclassification of "Provision for risks" from Short to Long term**	**Reclassification of "Recoverable taxes" from Short to Long term**	**Reclassification of "Prepaid expenses" from Long to Short term**	**Reclassification of unreleased portion of conditional subsidies to "Prepaid expenses"**	**Other reclassifications**	**Restated**
Asset									
Current									
Cash and cash equivalents	1,161	(419)	-	-	-	-	-	-	742
Trade receivables, net	6,040	419	380	-	-	-	-	24	6,863
Inventory	2,606	-	-	-	-	-	-	-	2,606
Advances to suppliers	76	-	-	-	-	-	-	64	140
Recoverable taxes	747	-	-	-	(245)	-	-	-	502
Prepaid expenses	49	-	-	-	-	331	-	-	380
Other	103	-	-	-	-	-	-	(64)	39
Total current assets	10,782	-	380	-	(245)	331	-	24	11,272
Non-Current									
Trade receivables, net	6,136	-	-	-	-	-	(85)	-	6,051
Securities	23	-	-	-	-	-	-	-	23
Judicial deposits	871	-	-	-	-	-	-	-	871
Recoverable taxes	69	-	-	-	245	-	-	-	314
Deferred income tax and social contribution	984	-	-	-	-	-	-	-	984
Prepaid expenses	1,736	-	-	-	-	(331)	85	-	1,490
Other	6,614	-	-	-	-	-	-	-	6,614
Total non-current assets	16,433	-	-	-	245	(331)	-	-	16,347
Total assets	27,215	-	380	-	-	-	-	24	27,619
Liabilities and equity									
Current liabilities									
Suppliers	3,144	-	-	-	-	-	-	24	3,168
Borrowing	295	-	-	-	-	-	-	-	295
Intragroup loans - controlling shareholder	6,596	-	-	-	-	-	-	-	6,596
Assignment of receivables	-	-	380	-	-	-	-	24	404
Finance leases	42	-	-	-	-	-	-	-	42
Advances from customers	342	-	-	-	-	-	-	-	342
Taxes and contributions payable	344	-	-	-	-	-	-	(7)	337
Dividends / interest on capital proposed	267	-	-	-	-	-	-	-	267
Salaries, accrued vacations and payroll taxes	176	-	-	-	-	-	-	14	190
Voluntary redundancy program	-	-	-	-	-	-	-	9	9
Profit sharing	61	-	-	-	-	-	-	-	61
Pension and healthcare plans	83	-	-	-	-	-	-	-	83
Provision for risks	159	-	-	(159)	-	-	-	-	-
Other payables	183	-	-	-	-	-	-	(40)	143
Total current liabilities	11,692	-	380	(159)	-	-	-	24	11,937
Total non-current liabilities	3,402	-	-	159	-	-	-	-	3,561
Total liabilities	15,094	-	380	-	-	-	-	24	15,498
Net Worth	12,121	-	-	-	-	-	-	-	12,121
Total liabilities and equity	27,215	-	380	-	-	-	-	24	27,619

	Consolidated December 31, 2013								
Financial Statement	**Originally presented on Tuesday, February 25, 2014**	**Reclassification of "Assignment of Receivables" from Assets to Liabilities**	**Change of classification of investment in jointly-owned subsidiaries**	**Change to classification of advances - customer bonuses from "Trade receivables" to "Prepaid expenses"**	**Reclassification of "Provision for risks" from Short to Long term**	**Reclassification of "Recoverable taxes" from Short to Long term**	**Reclassification of "Prepaid expenses" from Long to Short term**	**Other reclassifications**	**Restated**
Asset									
Current									
Cash and cash equivalents	931	-	(6)	-	-	-	-	(9)	916
Trade receivables, net	2,714	2,639	(4)	(12)	-	-	-	102	5,439
Inventory	2,356	-	-	-	-	-	-	-	2,356
Advances to suppliers	129	-	(1)	-	-	-	-	9	137
Recoverable taxes	746	-	(2)	-	-	(180)	-	-	564
Prepaid expenses	44	-	-	12	-	-	246	-	302
Other	34	-	1	-	-	-	-	(9)	26
Total current assets	6,954	2,639	(12)	-	-	(180)	246	93	9,740
Non-Current									
Trade receivables, net	4,999	-	-	(1,287)	-	-	-	14	3,726
Securities	22	-	-	-	-	-	-	-	22
Judicial deposits	734	-	-	-	-	-	-	-	734
Recoverable taxes	94	-	(1)	-	-	180	-	-	273
Deferred income tax and social contribution	361	-	2	-	-	-	-	-	363
Prepaid expenses	132	-	-	1,287	-	-	(246)	-	1,173
Other	6,129	-	(34)	-	-	-	-	(14)	6,081
Total non-current assets	12,471	-	(33)	-	-	180	(246)	-	12,372
Total assets	19,425	2,639	(45)	-	-	-	-	93	22,112
Liabilities and equity									
Current liabilities									
Suppliers	3,019	-	(2)	-	-	-	-	13	3,030
Borrowing	165	-	(16)	-	-	-	-	-	149
Assignment of receivables	-	2,639	-	-	-	-	-	16	2,655
Finance leases	37	-	2	-	-	-	-	-	39
Advances from customers	212	-	-	-	-	-	-	80	292
Taxes and contributions payable	278	-	(3)	-	-	-	-	(6)	269
Dividends / interest on capital proposed	506	-	-	-	-	-	-	-	506
Salaries, accrued vacations and payroll taxes	166	-	(1)	-	-	-	-	25	190
Voluntary redundancy program	-	-	-	-	-	-	-	-	-
Profit sharing	65	-	-	-	-	-	-	-	65
Pension and healthcare plans	84	-	-	-	-	-	-	-	84
Provision for risks	115	-	-	-	(115)	-	-	-	-
Other payables	159	-	(3)	-	-	-	-	(35)	121
Total current liabilities	4,806	2,639	(23)	-	(115)	-	-	93	7,400
Total non-current liabilities	2,718	-	(22)	-	115	-	-	-	2,811
Total liabilities	7,524	2,639	(45)	-	-	-	-	93	10,211
Net Worth	11,901	-	-	-	-	-	-	-	11,901
Total liabilities and equity	19,425	2,639	(45)	-	-	-	-	93	22,112

	Consolidated							
	December 31, 2014							
	Originally presented on Wednesday, April 22, 2015	Interest embedded in the prices charged to customers	FIDC Reclassification of "Cash and cash equivalents" to "Trade receivables"	Reclassification of "Assignment of Receivables" from Assets to Liabilities	Transfer of line "Pension and healthcare plans" to "Other expenses, net"	Transfer of line "Profit sharing" to "Other expenses, net"	Other	Restated
Statement of income								
Sales revenue	98,914	(386)	-	-	-	-	-	98,528
Costs of sold products	(91,237)	-	-	-	-	-	-	(91,237)
Gross profit	7,677	(386)	-	-	-	-	-	7,291
Selling	(4,524)	-	-	-	-	-	-	(4,524)
General and administrative	(748)	-	-	-	-	-	-	(748)
Taxes	(160)	-	-	-	-	-	-	(160)
Impairment of assets	-	-	-	-	-	-	-	-
Pension and healthcare plans	(111)	-	-	-	111	-	-	-
Other expenses, net	(429)	-	-	-	(111)	(61)	-	(601)
Profit (loss) before financial income (costs), profit sharing and taxes	1,705	(386)	-	-	-	(61)	-	1,258
Financial income (costs)								
Costs	(1,188)	386	-	-	-	-	-	(802)
Income	368	-	-	-	-	-	19	387
Exchange rate changes and inflation adjustments, net	724	-	-	-	-	-	(19)	705
Share of profit (loss) of investees	(2)	-	-	-	-	-	-	(2)
Profit sharing	(61)	-	-	-	-	61	-	-
Profit (loss) before income tax and social contribution	1,546	-	-	-	-	-	-	1,546
Income tax and social contribution	(423)	-	-	-	-	-	-	(423)
Profit (loss) for the year	1,123	-	-	-	-	-	-	1,123
Statement of Cash Flow								
Net cash used in operating activities	(4,296)	-	(57)	2,259	-	-	-	(2,094)
Net cash used in investing activities	(946)	-	(353)	-	-	-	-	(1,299)
Net cash used in financing activities	5,478	-	-	(2,259)	-	-	-	3,219
Increase in cash and cash equivalent	236	-	(410)	-	-	-	-	(174)
Statements of value added								
Income	120,842	(386)	-	-	-	-	-	120,456
Supplies purchased from third parties	(98,968)	-	-	-	-	-	-	(98,968)
Retention	(403)	-	-	-	-	-	-	(403)
Value added received through transfer	1,393	-	-	-	-	-	19	1,412
Value added to be distributed	22,864	(386)	-	-	-	-	19	22,497
Personnel and management	1,518	-	-	-	-	-	-	1,518
Taxes	18,514	-	-	-	-	-	-	18,514
Financial institutions and suppliers	1,709	(386)	-	-	-	-	19	1,342
Dividends / interest on capital	351	-	-	-	-	-	-	351
Retained profit (loss) for the year	772	-	-	-	-	-	-	772
Value added to be distributed	22,864	(386)	-	-	-	-	19	22,497

2.5 New standards and interpretations

The main standards issued by the IASB that are not yet effective and were not adopted early by the Company through December 31, 2015 are as follow:

IFRS 9 - Financial Instruments

Introduced a new model for classifying financial assets, based on the characteristics of the cash flow and on the business model used to manage the assets. Changed the method for recognizing impairment losses to a new expected loss impairment model. Introduced new hedge accounting requirements. Effective date: January 1, 2018.

The Company is assessing the impact of the standard, mainly in relation to a provision for doubtful accounts in relation to trade receivables, using a provision matrix based on historical experience which will consider a prospective view. The analyses are being prepared and will be measured and disclosed in the financial statements for the year ended December 31, 2017.

IFRS 15 - Revenue from Contracts with Customers

Introduced a new model for the recognition, measurement and disclosure of revenue from contracts with customers. IFRS 15 requires that the revenue be recognized when the customer obtains control over the goods or services sold, which is different from the current model, which is based on the transfer of risks and rewards. In addition, the new standards provide further clarifications on revenue recognition in complex contracts. Effective date: January 1, 2018.

To date, based on internal studies, the Company does not expect significant impacts. However, a final conclusion will be reached upon completion of the analyses.

IFRS 16 - Leases

On January 13, 2016, IASB issued IFRS 16 - Leases, which will be effective for annual periods beginning or after January 1, 2019 and will replace IAS 17 - Leases and related interpretations.

IFRS 16 introduced a model for the identification, recognition, presentation and disclosure of leases by lessors and lessees.

For lessors, IFRS 16 will eliminate the classification between finance and operating leases, required by IAS 17. Therefore, a single model will exist under which all leases will result in the recognition of assets representing the right to use the underlying leased assets. If payments under lease agreements are due in the long term, they should also be recognized as financial liabilities.

For lessees, IFRS 16 will maintain the classification between finance and operating leases, required by IAS 17. Therefore, IFRS 16 should not substantially change the approach to the accounting treatment of leases by lessors compared to that in IAS 17.

The Company has a significant volume of lease agreements as a lessee of a number of assets, such as equipment, real properties and plots of land (mostly service station locations).

The Company is evaluating the impact of the adoption of this new standard on such lease agreements. This analysis includes an estimate of the lease term, considering the non-cancellable period and the additional periods covered, if the option to extend the lease is exercised for cases in which the lessee is reasonable certain to exercise the extension option, which will largely depend on the expected use of the Company's assets installed with the leased assets.

In addition to lease terms, assumptions will be used to calculate the discount rate, which will largely depend on the incremental financing rate for the estimated terms.

Due to the complexity of the estimates and the significant volume of lease agreements, the Company has not yet completed the implementation process. Accordingly, as at December 31, 2016, it is not possible reliably to estimate the impact of the adoption of the standard. However, considering the existing volume of agreements, the Company estimates that the impacts of the implementation of IFRS 16 on its financial statements will be significant, including the recognition of the right to use and the respective obligations relating to the agreements, which, according to the current standard, are classified as operating leases. In addition, the amortization of the right to use assets and the recognition of interest on the lease obligation will replace a significant portion of the lease amount recognized as expenses in the income statement.

3 Basis of consolidation

The subsidiaries are consolidated from the date on which control is obtained until the date on which such control ceases, through the adoption of accounting policies consistent with those of the Company.

The subsidiaries and joint operations included in the consolidated process are as follow:

	Participation in capital - Subscribed, paid-in and voting - %	
	2015	2014
Subsidiaries (Note 11.2)		
Fundo de Investimento Imobiliário FCM (FII)	99.01	99.01
Stratura Asfaltos S.A.- Stratura	100.00	100.00
Joint Operation (Note 11.3)		
Brasil Carbonos S.A.(*)	49.00	49.00

(*) Brasil Carbonos is consolidated on a 49% basis.

4 Summary of significant accounting policies

The accounting policies have been consistently applied by the Company to all reporting periods presented in these individual and consolidated financial statements.

Assets and liabilities expected to be received or settled within 12 months are presented as current assets or liabilities, whereas other assets and liabilities are recorded as non-current.

4.1 Functional currency

The functional and reporting currency used by the Company and its investees is the Brazilian Real (R$).

4.2 Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank deposits and short term investments redeemable in up to three months from the acquisition date, considered highly liquid, immediately convertible into a known cash amount and subject to an insignificant risk of changes in value.

4.3 Trade receivables

Trade receivables correspond to the amounts receivable for goods sold and services rendered in the normal course of the Company's activities.

Trade receivables are initially accounted for at the fair value of the consideration to be received and subsequently measured at amortized cost using the effective interest method less an allowance for doubtful debts.

The Company does not expect to record losses on receivables past due to actions included in the collections policy and also due to the collateral placed by the customers.

4.4 Prepaid expenses

Prepaid expenses are recorded at the amounts actually paid and are recognized in profit (loss) for the year on a straight line basis over the term of the agreement, or when the amount paid is not likely to be recovered.

4.5 Other non-derivative financial instruments

These instruments are classified as follows: held-to-maturity financial assets, financial assets measured at fair value through profit or loss (financial assets held for trading), available-for-sale financial assets, and loans and receivables. The classification depends on Management's intent in acquiring such financial assets. Management determines the classification of the Company's financial assets upon initial recognition.

Held-to-maturity financial assets

Financial assets which the Company has the positive intent and ability to hold to maturity are carried at cost, plus income earned after their initial recognition.

Financial assets at fair value through profit or loss - Held for trading

Financial assets measured at fair value upon their initial and subsequent recognition. Interest, inflation adjustments and changes arising from measurement at fair value are recognized in profit or loss when incurred.

Loans and receivables

These are comprised of financial assets with fixed or determinable payments that are not quoted in an active market. They include trade receivables, loans, cash balances and other assets. These assets are initially recognized at the fair value of the consideration to be received net of any attributable transaction costs. After the initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less estimated losses on the collection of doubtful debts.

4.6 Inventory

Stated as follows:

- Petroleum byproducts, biofuels and raw materials are stated at the lower of the average acquisition cost and the net realizable value;

- Materials and supplies representing manufacturing inputs, operational materials and consumables intended to be used in the Company's activities are stated at the average acquisition cost, which does not exceed the replacement value.

4.7 Judicial deposits

Judicial deposits are stated and adjusted for inflation based on the nature of the respective lawsuits. Deposits related to federal taxes are adjusted based on the SELIC (the Central Bank´s monetary policy). Deposits related to labor claims are adjusted based on the TR (managed prime rate) plus interest of 3% per year, whereas deposits related to other lawsuits are adjusted by the TR plus 6% per year.

4.8 Subsidiaries, joint ventures and associates

Include investments in subsidiaries, joint ventures and associates, incorporated as privately-held companies.

Subsidiaries

In the Company's individual financial statements, investments in subsidiaries are accounted for based on the equity method. The Company controls the investee when it is exposed, or has rights, to variable returns on the basis of its involvement with the investee, and when it has the ability to affect these returns by means of its power over the investee.

Joint ventures

A joint venture may be a joint operation or a jointly-controlled business, depending on the rights and obligations of the parties and the facts and circumstance related to the business.

Joint ventures' profits, losses, assets and liabilities are recognized based on the equity method in the individual and consolidated financial statements.

The Company recognizes its portion of the revenue, expenses, assets and liabilities held in joint operations in the consolidated financial statements. In the Company's individual financial statements, its investment is recognized based on the equity method.

Associates

The Company's investment in an associate is recognized based on the equity method in the individual and consolidated financial statements.

An Associate is any entity over which the Company has significant influence, defined as the power to participate in the financial and operating decisions of the investee without exercising individual or joint control over those policies.

4.9 Property, plant and equipment

These are stated at their acquisition or construction cost, depreciated on a straight line basis at rates defined based on the estimated useful life of assets, as mentioned in Note 12.1. Land is not depreciated.

The depreciation methods and useful life estimates are revised on annual basis. In 2015, the estimated useful lives changed, as mentioned in Note 4.20.

The Company's property, plant and equipment are primarily comprised of tanks, pumps and aircraft fueling units, in addition to offices, plant, buildings, improvements and assets under construction.

The carrying amount of an asset is immediately written down to its recoverable value if the carrying amount of the asset is higher than its estimated recoverable value (Note 4.11).

4.10 Intangible assets

Intangible assets include expenses on rights and concessions, goodwill and computer software.

The straight line amortization is based on rates determined according to the estimated useful lives of the assets.

The amortization of intangible assets representing the natural gas concession in the State of Espírto Santo for a period of 50 years, expiring in 2043. See Note 13.2 for additional information on the terms of such concessions.

Software maintenance costs are recognized in profit or loss as they are incurred. Development costs that are directly attributable to software programs are recognized as intangible assets when they are identifiable, are controlled by the Company and will generate future economic benefits to the Company.

Goodwill arising on the acquisition of subsidiaries is allocated to intangible assets (Note 13).

4.11 Impairment of assets

The Company revises its property, plant and equipment and intangible assets with finite useful lives to reflect impairment when there is any indication that their carrying amounts may not be recovered.

When testing assets for impairment, the carrying amount of an asset or cash-generating unit (CGU) is compared to its recoverable value. Considering the specifics of the Company´s assets, the recoverable value used for testing its assets for impairment was the value in use.

The value in use is estimated based on the present value of future cash flow, which results from the Company's best estimates. The cash flow derived from the continuous use of the related assets is adjusted for the risks specific to the assets using a pre-tax discount rate. This rate is derived from the post-tax rate based on the Weighted Average Cost of Capital (WACC). The main cash flow assumptions are as follow: Prices based on the latest strategic plan disclosed, market operating costs and investments required to carry out the projects. This appraisal is carried out at the lowest levels of assets for which there is separate identifiable cash flow.

Goodwill is tested for impairment annually, regardless of whether there are indications of impairment.

The annual impairment testing for goodwill is performed based on the Company´s strategic plan assumptions and estimated future cash flow, forecast from 2016 to 2030, the latter being projected in perpetuity at a discount rate of 6.4% (5.3% in 2014).

Impairment testing was performed and, based on Management´s analyses, the need to make adjustments to the Company's assets due to impairment was identified (Note 12).

4.12 Leases

Lease agreement obligations involving the substantial transfer of rewards, risk and control of the assets are recognized in liabilities as finance leases. These liabilities are initially recognized at the lower of the fair value of the leased assets or the present value of the minimum lease payments. Finance charges are recognized over the lease term so as to achieve a periodic constant interest rate on the remaining balance outstanding.

When the Company is the lessor, receivables are recognized at the amount corresponding to the investment, net of the interest rate under the lease agreement.

Leases where the lessor retains substantially all of the risks and rewards of ownership are classified as operating leases, and lease payments are expenses in the income statements over the term of the lease.

4.13 Income tax and social contribution

Current income tax and social contribution expenses are calculated based on the taxable income, applying the tax rates effective at the end of the reporting period.

Management periodically revises the positions assumed by the Company for the calculation of taxes on income in cases where the applicable tax regulation gives rise to different interpretations and, where appropriate, recognizes provisions based on the estimated amounts payable to tax authorities.

Deferred income tax and social contribution are recognized on temporary differences. Deferred income tax and social contribution assets are recognized only to the extent that it is probable that future taxable income will be available, against which temporary differences can be offset.

The Company presents deferred income tax and social contribution on a net basis in assets or in liabilities, considering the balance of each consolidated company (Note 19). Deferred income tax and social contribution assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current liabilities and when they are related to the same tax authority.

4.14 Provisions and contingent liabilities

Provisions are recognized when: (i) the Company has a legal or constructive obligation as a result of past events; and (ii) it is probable that an outflow of resources will be required to settle the obligation; and (iii) its amount can be reliably estimated.

Provisions are recorded based on the best estimates of the risk involved.

Contingent liabilities (losses that were not assessed as probable) are not recognized in the balance sheet. However, they are disclosed in the notes to the financial statements when an outflow of resources is deemed possible (Note 27.2).

4.15 Borrowing and financing

Borrowing is initially recognized at fair value, net of transaction costs incurred, and, after the initial recognition, it is measured at amortized cost, using the effective interest method.

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of those assets. Borrowing costs are added to the cost of the

assets until the date when these assets are ready for use. Qualifying assets are assets that necessarily require a substantial period of time to get ready for their intended use.

Borrowing costs eligible for capitalization are reduced by interest income from the temporary investment of the funds borrowed but not yet used for the acquisition or construction of qualifying assets.

All other borrowing costs are recognized in profit or loss for the year in which they are incurred.

4.16 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired from suppliers in the ordinary course of business.

Trade payables are recognized initially at the fair value of the goods or services acquired in the ordinary course of business and subsequently measured at amortized cost, using the effective interest method.

4.17 Employee benefits

Actuarial obligations for retirement, pension and healthcare plans are provided for based on the actuarial calculations prepared annually by an independent actuary, in accordance with the projected credit unit method, net of the assets securing the plan, when applicable.

The projected unit credit method considers each period of service as generating an additional benefit unit, which accumulates for the calculation of the final obligation amount.

Changes to the defined benefit obligations (assets) are recognized when they are incurred, as follow: i) service cost and net interest, in the income statement for the year; and ii) in other comprehensive income, the remeasurements of which are not reclassified to the income statement for future periods.

Service costs include: i) current service costs, which represent an increase in the present value of the defined benefit obligation resulting from the services provided by an employee in the current period; ii) past service costs, which represent the changes in the present value of the defined benefit obligation based on the services provided by an employee in previous periods, resulting from changes (introduction, change or cancellation of a defined benefit plan) of reductions (a significant reduction, by the entity, in the number of employees covered by a plan, and iii) any settlement gains or losses.

The net interest on the value of the liabilities (assets) of the defined benefit plan represents the change, during the period, in the value of the liabilities (assets) of the defined benefit plan resulting from the passage of time.

Remesurements of the net value of the liabilities (assets) of the defined benefit planinclude: I) actuarial gains and losses; II) return on the assets of the plan, excluding amounts included in net interest on the net worth (assets) liabilities of the defined benefit plan; and iii) any change in the ceiling effect of assets (*asset ceiling*), excluding amounts included in net interest on the net value of liabilities (assets) to a defined benefit plan.

The actuarial assumptions include biometric and financial estimates, estimated medical costs, as well as historical data on expenses and contributions from employees.

The company also makes contributions to the defined contribution plans, the percentages of which are based on the payroll, and these contributions are included in the result.

4.18 Advances from customers

These correspond to the contractual obligations arising from prepayments received from customers for the future delivery of goods and for establishing marketing funds.

The advances from customers are recognized as revenue upon the effective delivery of the products.

The marketing fund represents the constitution of a fund constitued by contributions from the dealers, where by each reseller benefits from the advertising and promotional activities carried out by the company.

The values of the Fund are carried out by means of payments of marketing actions, not being registered as a result.

4.18.1 Petrobras Premmia Program

The Petrobras Premmia Program, the company's loyalty program, is one of the main programs funded by the resources available in the marketing fund.

These funds are used to buy different promotional rewards (air miles, events and products, among others) that are made available to the participants in the plan, limited to availability.

Under the program, the company may also enter into partnerships with other companies, by virtue of which participants may obtain discounts on acquisitions of goods and/or services offered by these other companies.

In any case, the company is responsible to participants for the fulfillment of the obligations assumed by such companies under the partnerships mentioned in the previous paragraph.

The Petrobras Premmia Program partnerships may be cancelled or suspended by the company, at its sole discretion, regardless of prior notice to participants.

The program partners are responsible for the products and/or services they provide for redemption.

4.19 Capital and shareholder remuneration

Capital is represented by common shares, classified in net equity.

Remuneration to shareholders is made in the form of dividends and/or interest on capital, on the basis of the limits defined in the company's bylaws.

The mandatory minimum dividends meet the limits defined in the company's bylaws and are recognized as a liability.

Interest on equity is recognized as a liability and treated as dividends.

The tax benefit of interest on capital is recognized in the profit or loss for the financial year.

4.20 Recognition of revenue, costs and expenses

The company markets fuels like gasoline, diesel, aviation kerosene, ethanol, natural gas, fuel oil and lubricants, among others. These products are substantially acquired from the parent company Petrobras and are resold to service stations, industrial customers airlines, governments, transportation companies, thermal power plants and retail dealer transporters, among other consumers.

4.21 Information by segment

Information by operating segment is presented consistently with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, responsible for resource allocation and for the evaluation of performance of the operating segments, is the Executive Office.

Accounting information by operating segment (business area) of the company is prepared based on the items directly attributable to a segment, as well as those that can be allocated to it on a reasonable basis.

The calculation of the targeted results includes transactions carried out with third parties.

There are no transfers between the business areas.

Information by business area in the company is segmented in the following areas:

Retail Stations

Sell oil-derived fuels, lubricants, natural gas for vehicles, biofuels and convenience products of the company, aiming to reach the market and profitability goals set out, as well as creating favorable conditions for sustainable growth.

Major Consumers

Sell fuels, lubricants and related services in all segments in the market of large consumers of the company.

Aviation Products

Sell products and services in aviation facilities in the country's airports to airlines operating both domestic and international flights.

The corporate entities group includes those items that cannot be allocated to the other areas, in particular those activities related to corporate financial management, overheads related to Central Management and other expenses, including actuarial expenses referring to pension and healthcare plans for retirees and beneficiaries.

4.22 Use of estimates and judgments

The preparation of financial statements requires the use of estimates and judgments for certain operations and their reflections in assets, liabilities, income and expenses. The assumptions used are based on history and other factors considered relevant, and are periodically revised by Management, whose actual results may differ from the estimated values.

Accounting estimates and judgments are assessed on an ongoing basis, and are based on past experience and other factors, including expectations of future events which are considered reasonable under the circumstances.

The following represents information about accounting practices and estimates that require a high level of judgment or complexity in their application, and whixh may materially affect the financial position and results of the company.

a) Pension benefits and other post-employment benefits

Actuarial commitments and costs under the defined benefit pension plans, as well as retirement and medical care, depend on a series of financial and demographic assumptions, among which the mostsignificant are as follow:

- Discount rate - includes the projected inflation curve based on the market plus actual interest determined at an equivalent rate that combines the maturity profiles of the pension and health obligations with the future curve of the returns of longer term securities of the Brazilian Government; and

- Rate of change of medical and hospital costs - represented by a projected set of annual rates considering the historical evolution of per capita expenditure of healthcare plans observed in the last five years, to define a starting point of a curve that gradually decreases over 30 years to reach the level of overall inflation in the economy.

These and other estimates are reviewed annually and may differ from the actual results due to changes in market and economic conditions, in addition to the actual behavior of the actuarial assumptions.

The sensitivity analysis of discount rates and variations in medical and hospital costs, as well as further information on the assumptions, are disclosed in Note 20.

b) Estimates relating to legal proceedings and contingencies

The company is a party to several judicial and administrative proceedings involving civil, tax, labor and environmental matters arising from the normal course of its operations, for which estimates to determine the values of the obligations and the probability of outflow of resources are made by the company, based on the opinion of its legal advisors and the judgment of Management.

Information about provisioned proceedings and contingencies is presented in Note 27.

c) Impairment of trade receivables

The company recognizes the estimated losses on doubtful accounts when there is objective evidence of losses on the recoverable value, as a result of one or more events that occurred after the initial recognition of the asset, which impact the estimated future cash flow and which can be reliably estimated. Evidence of loss includes: cases of significant financial difficulties and the significant probability of a client entering bankruptcy or reorganization. The loss is recognized in the result as a sales expense.

d) Useful lives of the assets

The company recognizes the depreciation and amortization of assets based on the rates determined on the basis of the estimated useful lives of the assets. The methods of depreciation and amortization are reviewed annually.

In 2015, the company revised the economic useful lives of the fixed assets and intangible assets, based on the reports of external evaluators, which resulted in the following changes:

Asset	Estimated lifetime (in years)	Old	New
Property, plant and equipment	Buildings and improvements	10 to 47	25 to 60
	Equipment and other assets	5 to 30	4 to 25
	Distribution - pumps	9	15
	Distribution - tanks	25	20
Intangible	*Computer Software*	5	4

The effects of changes in estimates of the useful lives of these assets were recognized from January 1, 2015, increasing the annual expense on depreciation for 2015 by R$ 24 and on amortization by R$6.

4.22.1 Write-off – overpayments incorrectly capitalized

As described in Note 2.3, in the third quarter of 2014 the Company wrote off R$ 23 of capitalized costs representing the estimated amounts that the Company had overpaid for the acquisition of property, plant and equipment.

To account for these overpayments, the Company developed an estimation methodology, as set out in Note 2.3. The Company acknowledges the degree of uncertainty involved in the estimation methodology and is continuing to monitor the ongoing investigations and the availability of other information concerning the amounts it may have overpaid in the context of the payment scheme. If reliable information becomes available that indicates with sufficient precision that the Company's estimate should be modified, it will evaluate the materiality and adjust if appropriate.

However, as previously discussed, the Company believes that it has used the most appropriate methodology and assumptions to determine the amounts of overpayments incorrectly capitalized, and there is no evidence that would indicate the possibility of a material change in the amounts written-off.

5 Cash and cash equivalents

	Consolidated		Parent Company	
	2015	2014	2015	2014
Cash and banks	609	543	607	533
Financial investments	201	199	-	-
Increase in cash and cash equivalents	**810**	**742**	**607**	**533**

6 Securities

	Consolidated		Parent Company	
	2015	2014	2015	2014
Held until maturity	**9**	**23**	**9**	**23**
FIDC Shares - FCM	-	18	-	18
NTN-P	9	5	9	5
Available for sale	**19**	**-**	**19**	**-**
FIDC Shares - FCM	19	-	19	-
Total	**28**	**23**	**28**	**23**

7 Trades receivable, net

	Consolidated		Parent Company	
	2015	2014	2015	2014
Related Parties				
Trade receivables investment fund - FIDC - NP (Note 18.2)	2,766	419	2,711	416
Electricity sector - isolated systems (Note 7.2)	8,528	6,289	8,528	6,289
Federal government customers	124	99	124	99
Companies of the Petrobras system, except for the electricity sector -	306	448	391	526
Total related parties (Notes 18.1.1 and 18.2)	**11,724**	**7,255**	**11,754**	**7,330**
Third parties				
Customers and other trade receivables (a)	6,699	7,022	6,604	6,938
Electricity sector - Isolated systems - third parties (Note 7.2)	1,216	1,037	1,216	1,037
Total third parties	**7,915**	**8,059**	**7,820**	**7,975**
Total Trade receivables (Note 7.1)	**19,639**	**15,314**	**19,574**	**15,305**
Impairment of trade receivables				
Third parties	(2,664)	(2,220)	(2,659)	(2,213)
Related Parties	(2,655)	(180)	(2,655)	(180)
Total impairment of trade receivables	**(5,319)**	**(2,400)**	**(5,314)**	**(2,393)**
Trade receivables - net	**14,320**	**12,914**	**14,260**	**12,912**
Trade receivables (current), net	8,114	6,863	8,098	6,896
Trade receivables (non-current), net	6,206	6,051	6,162	6,016

	Consolidated		Parent Company	
Change of estimated loss to impaired receivables	2015	2014	2015	2014
Beginning balance	**(2,400)**	**(1,291)**	**(2,393)**	**(1,280)**
Increases	(3,211)	(1,180)	(3,210)	(1,180)
Decreases	7	71	7	67
Reversals	285	-	282	-
Closing balance	**(5,319)**	**(2,400)**	**(5,314)**	**(2,393)**
Impairment of trade receivables (current)	(2,303)	(1,384)	(2,298)	(1,377)
Impairment of trade receivables (non-current)	(3,016)	(1,016)	(3,016)	(1,016)

(a) Includes the balance of loans receivable (R$881 in 2015 and R$909 in 2014) – Note 7.4.

The estimated loan losses for the year, amounting to R$ 2,919 (R$1,109 on December 31, 2014), of which R$2,921 in the parent company (R$1,113 on December 31, 2014), were recognized in cost of sales (Note 24).

7.1 Composition of trade receivables balances - overdue and outstanding

On December 31, 2015, overdue trade receivables from clients totaled R$5,516 (R$5,464 in the parent company), of which R$4,076 (R$4,071 in the parent company) were subject to a provision for losses. Of the balance of outstanding trade receivables from clients, R$1,243 (R$1,243 in the parent company) are subject to a provision for loss.

	Consolidated					
	12/31/2015			12/31/2014		
	Trade receivables, gross	Impairment of trade receivables	Trades receivable, net of impairment of trade receivables	Trade receivables, gross	Impairment of trade receivables	Trades receivable, net of impairment of trade receivables
Overdue						
Up to 3 months	888	260	628	1,163	274	889
3 to 6 months	357	236	121	261	146	115
6 to 12 months	2,248	1,939	309	264	169	95
Over 12 months	2,023	1,641	382	2,031	1,706	325
Total	**5,516**	**4,076**	**1,440**	**3,719**	**2,295**	**1,424**
Outstanding (excluding FIDC transaction)	11,357	1,243	10,114	11,176	105	11,071
FIDC	2,766	-	2,766	419	-	419
Total	**19,639**	**5,319**	**14,320**	**15,314**	**2,400**	**12,914**

	Parent Company					
	12/31/2015			12/31/2014		
	Trade receivables, gross	Impairment of trade receivables	Trades receivable, net of impairment of trade receivables	Trade receivables, gross	Impairment of trade receivables	Trades receivable, net of impairment of trade receivables
Overdue						
Up to 3 months	882	260	622	1,153	274	879
3 to 6 months	351	236	115	260	146	114
6 to 12 months	2,244	1,939	305	261	169	92
Over 12 months	1,987	1,636	351	1,994	1,699	295
Total	**5,464**	**4,071**	**1,393**	**3,668**	**2,288**	**1,380**
Outstanding (excluding FIDC transaction)	11,399	1,243	10,156	11,221	105	11,116
FIDC	2,711	-	2,711	416	-	416
Total	**19,574**	**5,314**	**14,260**	**15,305**	**2,393**	**12,912**

7.2 Composition – Electricity sector (Isolated system)

	Consolidated					
	2015			2014		
	Outstanding	Overdue	Total	Outstanding	Overdue	Total
Accounts receivable						
Eletrobras System	5,943	2,500	8,443	5,793	410	6,203
Petrobras System	-	85	85	-	86	86
Third parties	801	415	1,216	71	966	1,037
	6,744	3,000	9,744	5,864	1,462	7,326
(-) Impairment of trade receivables						
Electricity sector - Electronic System companies	(351)	(2,285)	(2,636)	(167)	(13)	(180)
Electricity sector - Third parties	(780)	(314)	(1,094)	(55)	(865)	(920)
	(1,131)	(2,599)	(3,730)	(222)	(878)	(1,100)
Total	**5,613**	**401**	**6,014**	**5,642**	**584**	**6,226**
Related Parties	5,592	300	5,892	5,626	483	6,109
Third parties	21	101	122	16	101	117

7.3 Trade receivables – Electricity sector

	Balance at December 31, 2014	Increases	Receivables	Reversals	Inflation Adjustment	Balance at December 31, 2015
Related parties (Eletrobras System)						
Amazonas Distribuidora de Energia	4,508	2,503	(1,589)	-	519	5,941
Centrais Elétricas de Rondônia - CERON	1,185	1,354	(750)	-	122	1,911
Centrais Elétricas do Norte - ELETRONORTE	126	259	(380)	-	-	5
Cia de Eletricidade do Acre - ELETROACRE	215	193	(117)	-	31	322
Eletrobras Roraima (Boa Vista Energia S.A.)	169	156	(81)	-	20	264
Total Trade receivables Eletrobras System	6,203	4,465	(2,917)	-	692	8,443
(-) Impairment of trade receivables	(180)	(2,582)	-	126	-	(2,636)
Trade receivables Eletrobras System, net	6,023	1,883	(2,917)	126	692	5,807
Related parties (Petrobras System)						
Breitener Jaraqui	48	1	-	-	-	49
Breitener Tambaqui	23	-	-	-	-	23
Manauara	15	-	(2)	-	-	13
Total Trade receivables Petrobras System	86	1	(2)	-	-	85
(-) Impairment of trade receivables	-	-	-	-	-	-
Trade receivables Petrobras System, net	86	1	(2)	-	-	85
Third parties						
Alcoa World Alumina Brasil LTDA	14	81	(73)	-	-	22
Amapari Energia	14	-	-	-	-	14
Centrais Elétricas do Pará - CELPA	210	362	(430)	-	14	156
Centrais Elétricas Matogrossenses - CEMAT	1	10	(10)	-	-	1
Cia de Eletricidade do Amapá - CEA	590	131	(44)	-	150	827
Cia de Energia de Pernambuco - CELPE	1	6	(7)	-	-	-
Cia de Energia de Roraima - CER	37	24	(14)	-	-	47
Geradora de Energia do Amazonas - GERA	35	57	(74)	-	-	18
Rio Amazonas Energia - RAESA	135	33	(37)	-	-	131
Total Trade receivables Third parties	1,037	704	(689)	-	164	1,216
(-) Impairment of trade receivables	(920)	(413)	-	239	-	(1,094)
Trade receivables Third parties, net	117	291	(689)	239	164	122
Total Trade receivables	7,326	5,170	(3,608)	-	856	9,744
(-) Impairment of trade receivables	(1,100)	(2,995)	-	365	-	(3,730)
Total Trade receivables, net	6,226	2,175	(3,608)	365	856	6,014
Current						
Total Trade receivables	782					1,012
(-) Impairment of trade receivables	(84)					(714)
Non-Current						
Total Trade receivables	6,544					8,732
(-) Impairment of trade receivables	(1,016)					(3,016)

On December 31, 2015, the company had electricity sector receivables related to the supply of fuel oil and diesel fuel for thermoelectric generation plants (subsidiaries of Eletrobras), State utilities and Independent Power Producers (PIEs) located in the North of the country with a total amount of R$ 9,744 (R$7,326 on December 31, 2014), of which R$8,732 (R$ 6,544 on December 31, 2014) were classified as non-current assets.

A significant portion of the resources used for the financial settlement of these assets came from the sectorial fund called the fuel consumption account (CCC), which has as one of its main purposes the partial reimbursement of the cost of acquisition of the fuels used for power generation in isolated power systems. However, several changes to the legislation over time, have imposed restrictions that have reduced the amounts reimbursed by the CCC to thermoelectric power plants in isolated systems, which in turn started to make smaller payments than those due to the Company for the supply of fuels for electricity generation..

In 2013, new legislation introduced relevant adjustments to the origin of resources used to support the generation of energy by plants in isolated systems. Subsidies began to be covered by the sectorial fund of the energy development account (CDE), and not only through the direct collection of dues from the CCC. Therefore, the National Treasury should make contributions to cover costs that were previously met solely by the CCC. These contributions, however, proved insufficient in the face of the amount necessary to cover the costs of thermal generation of isolated systems in the northern region.

From 2013, the flow of payments before involving the transfer of resources from the existing CCC, which was already insufficient to cover the costs of the purchase of fuels, reduced significantly. With the growing increase in the debts of thermal power plants in isolated systems, the company intensified its negotiations with the State utilities, PIEs, private companies and the subsidiaries of Eletrobras. Before this scenario and with the direct participation of the Ministry of Mines and Energy, at December 31, 2014, the Company and the companies of the Eletrobrás System concluded debt confession agreements amounting to R$5,344 (R$5,194 refers to the portion of the company and R$150 refers to Petrobras' share), covering debts accrued until November 30, 2014, updated by the SELIC rate, with 120 monthly installments from February 2015. This debt confession stands valid as of December 31, 2015.

Part of the confession of debt was guaranteed by pledges of receivables amounting to R$ 5,233 (R$126 related to securities endorsed by Petrobras) from the energy development account (CDE), the purpose of which is to provide resources for the expenditure of the JCC for the generation of energy in an isolated system, among others.

The pledge of CDE credits, in February 2015, happens due to the recognition by the national electricity Agency (ANEEL) ofclaims arising from the reimbursement of costs related to fuel public service power distribution in the isolated system.

From the beginning of 2015, with the change in legislation and the introduction of the new tariff policy for the electricity sector, including increases already in force in the first quarter, greater financial stability was expected for companies in the sector, and consequently a reduction in bad debt related to fuel supply from the second quarter, which in fact did not occur. Depending on the time required for the increase in the electricity bills of the consumers of electric power distributors provide the financial stability for these companies, the flow of the readjustment of the JCC resources occurs more slowly, in turn delaying the reimbursements for the costs of acquisition of fuels provided by the Company and exacerbating the delinquency of these customers.

With the publication on September 1, 2015 of Normative Resolution No. 679 of the National Electric Energy Agency (ANEEL), Company expects a greater speed in the release of resources, due to the possibility of direct payment by CCC to the Company in relation to the provision of fuel held in the immediately preceding month and limited to 75% of the average disbursement of the JCC for the last three months, which effectively has not occurred, exacerbating the delinquency of these clients.

The company hoped to complete the signing of debt confession agreements and the conclusion of new contracts of pledges of collateral for credits from the CDE, based on the government authorization for the renegotiation of debt from the creditor companies of CDE CCC, considering the debts due during the period from December 1, 2014 to June 30, 2015. However, given the failure to conclude such negotiations within the expected timeframe, the company recognized a provision for losses on doubtful accounts atthe end of the fourth quarter of 2015, amounting to R$1,703, equivalent to the guarantees under negotiation

Based on the above and on the judgment of the directors, the Company acknowledged, in the result for 2015, a provision for losses on doubtful accounts amounting to R$2,630 (R$1,096 in 2014).

Negotiations with Eletrobrás to obtain new guarantees are ongoing, as well as negotiation regarding the restrictive measures to prevent the growth of delinquency, such as, for example, the supply of products in advance, except when prevented judicially.

As discussed in Note 30 - Subsequent Events in the financial statements for the year ended December 31, 2015, the Extraordinary General Shareholders' Meeting, on August 31, 2017, approved the partial splitting of the Company, with the incorporation of the split portion into Downstream Participações Ltda. (a Petrobras subsidiary), in the amount of R$ 6,339 million.

The partial split did not include the receivables from sales of goods which occured after November 30, 2014, the amounts of which are 100% covered by the allowance for doubtful accounts.

7.4 Loans receivable - recovered

Redemption loans financing (Parentt Company), R$ 881 (R$ 909 in 2014), refers to funding in kind and in the form of products to customers, with pledged assets on guarantees, guarantees or sureties, with the main objective of deploying or upgrading of retail stations, as well as the payment of overdue debts.

Financial charges correspond mainly to the variations of the IGP-M (General Index of Average Prices) or another reference rate plus interest of 1% per month, and the amortization periods are established on the basis of economic and financial analyses of each negotiation and are agreed in the contracts.

7.5 Non-standard Credit Rights Investment Fund ("FIDC-NP")

The Non-standard credit rights investment fund ("FIDC-NP") of the Petrobras system is intended, mainly, for the acquisition of credit rights "portfolio" and/or "non-performing loans" of operations carried out by subsidiaries of the Petrobras system.

The subsidiaries of the Petrobras system have 100% of senior units of the FIDC-NP and, historically, all requests for redemptions of subsidiaries have been answered.

8 Inventory

	Consolidated		Parent Company	
	2015	**2014**	**2015**	**2014**
Products for Sale				
Oil derivatives				
Gasoline	251	284	251	284
Diesel oil	1,060	989	1,060	989
Fuel oil	208	215	208	215
Other	569	541	569	542
Biofuels	512	255	512	255
	2,600	2,284	2,600	2,285
Other products	243	322	234	312
Total	**2,843**	**2,606**	**2,834**	**2,597**

Part of the Company's inventory is pledged as collateral for judicial proceedings in which the Company is a defendant. The total inventory offered as collateral as at December 31, 2015 is R$ 242 (R$ 312 in 2014).

No reduction in the net realizable value of inventory was recognized in 2014 and 2015.

The goods, recognized in income and included in cost of sales amounted to R$ 89,631 (R$ 90,822 in 2014).

9 Judicial deposits

	Consolidated		Parent Company	
	2015	2014	2015	2014
Taxes	577	690	557	672
Labor	127	104	127	104
Civil	86	68	86	68
Environmental	8	9	8	8
Total	**798**	**871**	**778**	**852**

10 Prepaid expenses

	Consolidated		Parent Company	
	2015	2014	2015	2014
Advances - customer bonuses	2,142	1,712	2,142	1,712
Rentals	205	148	205	148
Other	24	10	24	10
	2,371	**1,870**	**2,371**	**1,870**
Current	498	380	498	380
Non-Current	1,873	1,490	1,873	1,490

The anticipated bonuses granted to customers match the portion provided in kind and in the form of products, held under pre-established conditions with customers, that once attended, become unenforceable, being absorbed by the company.

The company recognizes in its result the parcels of the bonuses, in proportion to the periods of validity of contracts, having been recorded as a reduction of gross revenue in the amount of R$ 412 (R$ 348 in 2014) in the Consolidated and parent company (Note 22).

11 Investments

11.1 Summary accounting information on the subsidiaries, joint ventures and related businesses

The table below presents the total assets, liabilities and results of investees, not proportionally to the company's participation:

	Controlled Companies		Joint ventures					Affiliated Company
			Joint operation	Jointly owned ventures				
	Fundo de Investimento Imobiliário FCM(*)	Stratura	Brasil Carbonos	CDGN (**)	Brasil Supply (**)	Energética Camaçari Muricy II	Pecém Energia	BRF Biorefinos (**)
Asset								
Current assets								
Cash and cash equivalents	193	1	17	6	-	-	-	23
Other	86	134	6	14	64	-	-	1
Long-term assets	599	110	11	3	3	-	-	-
Investments	-	-	-	8	-	-	-	-
Fixed	339	15	103	59	736	-	-	20
Intangibles	-	1	-	-	3	-	-	-
	1,217	**261**	**137**	**90**	**806**	-	-	**44**
Liability								
Current liabilities								
Loans and financing	82	11	14	11	57	-	-	-
Other current liabilities	133	123	5	12	56	1	1	-
Non-current liabilities								
Loans and financing	994	-	36	16	613	-	-	-
Other non-current liabilities	56	3	-	3	76	-	-	-
Stockholders' equity attributable to parent company	(48)	124	82	48	4	(1)	(1)	44
	1,217	**261**	**137**	**90**	**806**	-	-	**44**
Results								
Net revenue	3	306	50	96	90	-	-	-
Profit (loss) for the year	(16)	4	10	-	(64)	(1)	(1)	(2)
Ownership percentage - %	99.01%	100.00%	49.00%	49.00%	0.38%	50.00%	45.00%	49.00%

(*) Shares.
(**) Stake: 11/30/2015

The companies in which the Company holds shares do not have shares traded on the stock exchange.

The company has commitments to injections of capital in its advances, when agreed with the other partners.

11.2 Description of activities of subsidiaries

(a) Fundo de Investimento Imobiliário - FII FCM

Aims to acquire and/or build, through real estate sales and purchase agreements, represented by terminals, bases, stations and lubricants plants, owned by the company. Fundo de Investimento Imobiliário (FII FCM) is administered by the Rio Bravo Investimentos S.A. Distribuidora de Títulos e Valores Mobiliários. The assets under construction by FII relate to the Lubrax expansion project.

Under the applicable regulations, FII FCM shall not grant loans or advances to its shareholders.

The company has an obligation to provide resources in the event that FII FCM does not have the resources to bear the costs and expenses related to any payment or compensation due in accordance with their articles of association and prospectuses for the issue of Receivables (CRIs).

(b) Stratura Asfaltos S.A. – Stratura

Has as its main activities the production and commercialization of emulsions and asphalt products in general, chemicals, lubricating oils, greases, as well as the provision of administrative and technical services, including those related to alsphalt paving and other services correlated.

The raw materials used in the production process are mainly acquired from the parent company Petrobras.

Stratura is subject to restrictions issued by the Department of Coordination and Governance of State Enterprises (DEST), an agency of the Ministry of Planning that expresses its opinion over the state-owned companies's requests, with regard to the wage policy of the companies, approval of possible changes to the pension plans of these companies and its number of employees.

11.3 Description of joint operations

Brasil Carbonos S.A.

This entity's main activity is the construction and/or operation of facilities for the storage and processing of green oil coke, being able to industrialize, mix and benefit from any and all forms, carbonaceous products and solid fuel, whether domestic or imported.

Participation in Brasil Carbonos allows the Company to act as a logistical operator of green oil Coke to the Petrobras system. The industrialized product received and stored by Brazil Carbons is distributed at the Petrobras system refineries.

Brasil Carbonos services are provided in full to our company. There are contracts with take-or-pay clauses for the services provided in the plant of Taubaté/SP. The contract stipulates the provision of processing services for 23,520 thousand tons of green petroleum coke by December 2032.

11.4 Changes to investments in subsidiaries, joint ventures and related business

	Controlled (*)	Joint ventures			Affiliated Company			
		Joint operation	Jointly owned ventures					
	Stratura	Brasil Carbonos (**)	CDGN	Brasil Supply	BRF Biorefinos	Other investments	2015	2014
At beginning of the year	121	61	23	-	21	1	227	191
Acquisition and contribution of capital	-	-	-	-	-	-	-	28
Equivalence in earnings	4	4	1	1	-	-	10	13
Dividends	(1)	-	-	-	-	-	(1)	(4)
Amortization of added value of assets	-	(1)	-	-	-	-	(1)	(1)
Other	-	-	-	(1)	-	-	(1)	-
At end of year	**124**	**64**	**24**	**-**	**21**	**1**	**234**	**227**

* The balance of the participation in FII FCM in December 31, 2014 and 2015 is zero due to the recognition of losses on those holdings, and an investment surplus of R$16 in 2015 (R$ 7 in 2014) in liabilities.

** A surplus value was determined on the acquisition of the stake in Brasil Carbonos S.A., in December 2010, which is amortized due to the assets' useful lives. In December 2015, the Consolidated report recorded a R$ 23 balance under property, plant and equipment.

12 Property, plant and equipment

12.1 By asset type

	Consolidated			
	Land, Buildings and Improvements	**Equipment and other assets**	**Assets under construction**	**Total**
Balance at January 1, 2014	**2,242**	**1,787**	**1,482**	**5,511**
Increases	20	328	520	868
Decreases	(5)	(3)	-	(8)
Depreciation	(104)	(253)	-	(357)
Transfers	565	50	(615)	-
Capitalized interest	-	-	79	79
Other	-	11	(4)	7
Balance at December 31, 2014	**2,718**	**1,920**	**1,462**	**6,100**
Increases	17	213	436	666
Decreases	(2)	(43)	-	(45)
Depreciation	(140)	(285)	-	(425)
Transfers	768	281	(1,049)	-
Impairment of assets	(297)	-	(1)	(298)
Capitalized interest	-	-	29	29
Other	7	-	5	12
Balance at December 31, 2015	**3,071**	**2,086**	**882**	**6,039**
Cost	3,474	4,282	1,462	9,218
Depreciation	(756)	(2,362)	-	(3,118)
Balance at December 31, 2014	**2,718**	**1,920**	**1,462**	**6,100**
Cost	3,968	4,710	882	9,560
Depreciation	(897)	(2,624)	-	(3,521)
Balance at December 31, 2015	**3,071**	**2,086**	**882**	**6,039**
Estimated lifetime	4 to 60 years (*)	4 to 30 years		

(*) except Land

	Parent Company			
	Land, Buildings and Improvements	Equipment and other assets	Assets under construction	Total
Balance at January 1, 2014	**2,189**	**1,743**	**710**	**4,642**
Increases	19	326	454	799
Decreases	(4)	(4)	-	(8)
Depreciation	(103)	(250)	-	(353)
Transfers	244	50	(294)	-
Other	326	12	(13)	325
Balance at December 31, 2014	**2,671**	**1,877**	**857**	**5,405**
Increases	17	210	425	652
Decreases	(2)	(42)	-	(44)
Depreciation	(140)	(282)	-	(422)
Transfers	464	280	(744)	-
Impairment of assets	(297)	-	(1)	(298)
Other (**)	312	-	5	317
Balance at December 31, 2015	**3,025**	**2,043**	**542**	**5,610**
Cost	3,423	4,221	857	8,501
Depreciation	(752)	(2,344)	-	(3,096)
Balance at December 31, 2014	**2,671**	**1,877**	**857**	**5,405**
Cost	3,918	4,646	542	9,106
Depreciation	(893)	(2,603)	-	(3,496)
Balance at December 31, 2015	**3,025**	**2,043**	**542**	**5,610**
Estimated lifetime	25 to 60 years (*)	4 to 25 years		

(*) except Land

(**) In May 2015, the Base Cruzeiro do Sul, in the State of Acre, which was built by IFI FCM, became an asset of the Company. Upon the completion of the works and obtaining the necessary licenses for operations, the fixed asset was transferred to the company and the right of use of buildings and land was recognized, amounting to R$ 304, by reason of the financial leasing contract concluded between the parties.

Part of the Company's property, plant and equipment is pledged as collateral in judicial proceedings in which the Company is a defendant. The amount of R$ 25 (R$ 21 in 2014) was given as collateral for tax, civil and labor processes.

The construction of the Consolidated assets relate primarily to leasehold improvements for its own and third party use.

The consolidated and parent company fixed assets include assets resulting from finance leasing contracts, amounting to R$ 454 (R$ 471 as at December 31, 2014).

In December 2015, the company recognized a loss on the devaluation of rights to use the base BASUL II amounting to R$ 298. That loss was recognized based on the fact that the base operate significantly below its capacity, due to the loss of sales in the State of Acre.

12.2 Depreciation

Depreciation in the periods ending December 31, 2015 and December 31, 2014 is presented as follows:

	Consolidated (*)		Parent Company	
	2015	2014	2015	2014
Costs of sold products	12	11	9	8
Operating expenses:	413	346	413	345
	425	**357**	**422**	**353**

(*) Includes the amortization of the surplus value for assets of the joint operation Brasil Carbonos, as stated in Note 11.4.

13 Intangible assets

13.1 By asset type

	Consolidated			
	Rights and Concessions	*Computer Software*	Other	Total
Balance at January 1, 2014	**338**	**132**	**29**	**499**
Increases	32	47	-	79
Decreases	(75)	-	-	(75)
Amortization	(23)	(23)	-	(46)
Other	(2)	(1)	-	(3)
Balance at December 31, 2014	**270**	**155**	**29**	**454**
Increases	14	43	-	57
Decreases	(1)	-	-	(1)
Amortization	(11)	(35)	-	(46)
Other	-	(4)	-	(4)
Balance at December 31, 2015	**272**	**159**	**29**	**460**
Cost	328	340	29	697
Amortization	(58)	(185)	-	(243)
Balance at December 31, 2014	**270**	**155**	**29**	**454**
Cost	340	378	29	747
Amortization	(68)	(219)	-	(287)
Balance at December 31, 2015	**272**	**159**	**29**	**460**
Estimated lifetime - years	5 to 33 years	4 to 8 years	Undefined	

	Parent Company			
	Rights and Concessions	*Computer Software*	Other	Total
Balance at January 1, 2014	**335**	**133**	**29**	**497**
Increases	31	47	-	78
Decreases	(75)	-	-	(75)
Amortization	(21)	(24)	-	(45)
Other	(2)	(1)	-	(3)
Balance at December 31, 2014	**268**	**155**	**29**	**452**
Increases	14	43	-	57
Decreases	(1)	-	-	(1)
Amortization	(11)	(33)	-	(44)
Other	-	(5)	-	(5)
Balance at December 31, 2015	**270**	**160**	**29**	**459**
Cost	325	340	29	694
Amortization	(57)	(185)	-	(242)
Balance at December 31, 2014	**268**	**155**	**29**	**452**
Cost	337	378	29	744
Amortization	(67)	(218)	-	(285)
Balance at December 31, 2015	**270**	**160**	**29**	**459**
Estimated lifetime - years	10 to 33 years	4 years	Undefined	

Amortization for the year of R$46 (R$ 44) was recognized in the cost of sales and administrative expenses.

13.2 Concession for exploitation and marketing of natural gas in the State of Espírito Santo

The company's dealership for the exclusive exploration of public piped gas distribution in the State of Espírito Santo, by the concession agreement signed by the Government of that State for a period of 50 years, maturing in 2043. The contract is renewable for an equivalent period, upon the express agreement of the parties.

The grant provides for the provision of distribution services to users of the industrial segments, collective and individual residential, commercial, vehicular, air conditioning, cogeneration, raw material and thermal. The Government of the State of Espírito Santo monitors compliance with the concession agreement through the regulatory body (Public Service Energy Agency of the State of Espírito Santo - ASPE).

As a conssionaire, the company is responsible for making the investments necessary for the provision of the service given and for updating the inventory of property acquired and facilities built for this purpose.

After the concession, the contract establishes severance pay to the company for the investment tranches linked to reversible assets, according to surveys, evaluations and liquidations to be performed in order to determine the value of that compensation.

The services must be provided to all users that require, upon payment of the applicable fees in accordance with the regulatory provisions in force, and the economic, technical and operational criteria for the installation and expansion of the distribution network – attending the cities of Vitoria, Vila Velha, Cariacica, Anchieta, Viana, Aracruz, Itapemirim Cachoeiro de Itapemirim, Colatina, Linhares, São Mateus and Sooretama.

The remuneration of the company corresponds to the value of the rates charged by the volume of gas distributed, which are subject to tariff adjustments and revisions specified in the concession contract.

The value of the assets, net of depreciation, linked the granting of gas and recorded as intangible assets at December 31, 2015 is R$ 270 (R$ 267 in 2014). The increase in R$ 3, on balance, includes investments made throughout the year 2015.

The company does not operating with any margin on construction of buildings, having recognized revenue net of construction costs of R$ 12 in 2015 (R$ 29 in 2014).

On February 2, 2016 the official period of State of Espirito Santo, i.e. *Diário Oficial do Espírito Santo* published the law 10.493/2016 that recognizes the extinction/invalidity of the concession contract for piped gas distribution services, based on the application of the provisions in Article 43 of Federal Law No. 8987, of February 13, 1995. The company made no provision for losses, because the existing book value at December 31, 2015 is guaranteed by the compensation provided for in the said law.

14 Trade payables

	Consolidated		
	Petrobras System Companies (Note 17.1)	Third parties	Total
Outstanding	2,053	837	2,890
Overdue			
Up to 3 months	1	112	113
3 to 6 months	1	37	38
Over 6 months	1	5	6
At December 31, 2015	**2,056**	**991**	**3,047**
At December 31, 2014	**2,179**	**989**	**3,168**

	Parent Company		
	Petrobras System Companies (Note 17.1)	Third parties	Total
Outstanding	2,035	831	2,866
Overdue			
Up to 3 months	1	112	113
3 to 6 months	1	37	38
Over 6 months	1	5	6
At December 31, 2015	**2,038**	**985**	**3,023**
At December 31, 2014	**2,164**	**983**	**3,147**

Vendor balances fall due within 12 months.

15 Borrowing

15.1 By financial institution

	Consolidated		Parent Company	
	2015	2014	2015	2014
Banco Bradesco	3,258	-	3,252	-
Banco da Amazônia	215	194	215	194
Banco do Brasil	4,551	34	4,521	-
Banco IBM	91	101	90	101
CRI´s	1,075	1,038	-	-
Banco Itau - Debetures	3,704	-	3,704	-
	12,894	**1,367**	**11,782**	**295**

On April 14, 2015, the company signed a financing agreement with Banco do Brazil, worth R$ 4,5 billion, with final maturity in March 2021. The funding will be amortized quarterly, while interest and principal amortization will occur through the payment of four semi-annual installments, starting September 2019.

The charges on financing are equivalent to 114.25% of the IDU rate. The collection has as a collateral Notes of Export credit, based on the company's export flow, and the endorsement of Petrobras. There are exemptions for IOF in the collection, as provided for in Law 6,313/75.

The resources obtained were fully used for the repayment of part of the balance of loans held with Petrobras, on April 14, 2015.

On June 1, 2015, the company signed a financing agreement with Banco Bradesco, in relation to Note(s) of export credits in the amount of R$ 3 billion and for a period of five years.

Financing interests will be paid annually, and the amortization of the principal will occur through the payment of three equal installments, at the end of the 36th, 48th and 60th months of financing.

Using part of the resources obtained from Bradesco, the company repaid the remaining balances of the loans with Petrobras.

The charges on financing are equivalent to 118.00% of the CDI. The collateral for funding is the acquisition and sale of ethanol, and the resources will be reapplied to the purchase and export of fuels. There are exemptions from IOF for the operation, as provided for in Law 6,313/75. Petrobras is the guarantor of the operation.

On June 25, 2015, the company signed a financing agreement with Banco da Amazônia S.A. (BASA), as Export Credit Note(s) in the amount of R$ 200 million and maturing on June 26, 2017, having as collateral exports of aviation kerosene. The charges of 106.6% of the CDI-over will be written off, along with the principal, upon the maturity of the operation. No guarantees have been granted for this funding.

On August 10, 2015 the company signed a contract with Banco Itaú BBA for the issuance of debentures, not convertible into shares, worth R$ 3.5 billion, for a period of five years.

Financing interests will be amortized semi-annually, and the amortization of the principal will occur through of a single payment at the end of the contract on April 15, 2020.

The charges on the remuneration to be paid by the debentures are equivalent to 111.57% of the CDI.

The funding collateral is the acquisition of ethanol. There are exemption of IOF in the operation, as provided for in Law 6,313/75. Petrobras is the guarantor of the operation.

15.2 Movements on debt

			Consolidated	Parent Company
Non-Current	**Banking Market**	**Capital Markets (CRI´s and Debentures)**	**Total**	**Total**
In the country				
Beginning balance at January 1, 2014	305	912	1,217	277
Provisioning of interest	8	-	8	8
Transfer of long term to short term	(209)	(62)	(271)	(204)
Exchange rate changes and inflation adjustments	-	118	118	-
Final balance at December 31, 2015	104	968	1,072	81
Current				
In the country				
Beginning balance at January 1, 2014	33	116	149	27
Increase (new loans)	17	-	17	-
Provisioning of interest	17	-	17	15
Repayment of the principal	(33)	(10)	(43)	(17)
Payment of interest	(19)	(108)	(127)	(17)
Transfer of long term to short term	209	62	271	204
Exchange rate changes and inflation adjustments	2	9	11	2
Final balance at December 31, 2015	226	69	295	214
Total balance at December 31, 2014	330	1,037	1,367	295
Non-Current				
In the country				
Beginning balance at January 1, 2013	104	968	1,072	81
Increase (new loans)	7,641	3,511	11,152	11,151
Provisioning of interest	140	-	140	139
Transfer of long term to short term	(141)	(125)	(266)	(116)
Exchange rate changes and inflation adjustments	-	152	152	-
Final balance at December 31, 2015	7,744	4,506	12,250	11,255
Current				
In the country				
Beginning balance at January 1, 2013	226	69	295	214
Increase (new loans)	27	-	27	-
Provisioning of interest	670	193	863	860
Repayment of the principal	(230)	(69)	(299)	(202)
Payment of interest	(464)	(57)	(521)	(462)
Transfer of long term to short term	141	125	266	116
Exchange rate changes and inflation adjustments	1	12	13	1
Final balance at December 31, 2015	371	273	644	527
Total balance at December 31, 2015	8,115	4,779	12,894	11,782

	Consolidated		Parent Company	
	2015	**2014**	**2015**	**2014**
Current				
Short-term debt	12	-	-	-
Current portion of long-term debt	108	273	17	202
Interest on financing	524	22	510	12
	644	295	527	214

15.3 Summary information on debt maturity

							Consolidated	Parent Company
	Up to 1 years	Over 1 up to 2 years	Over 2 up to 3 years	Over 3 up to 4 years	Over 4 up to 5 years	5 years on	Total	Total
Financing in Reais (R$):								
Indexed at floating rates	644	311	1,097	2,221	6,875	1,746	12,894	11,782
Average rate of Financing in Reais	14.24%	13.18%	12.66%	11.08%	10.54%	9.93%	11.93%	12.53%
Total at Thursday, December 31, 2015	**644**	**311**	**1,097**	**2,221**	**6,875**	**1,746**	**12,894**	**11,782**
Total at December 31, 2014	295	100	102	104	103	663	1,367	295

The fair values of the financing are mainly derived from observable market prices (Level 2). The fair value of the loans at December 31, 2015 is R$ 12,894.

The sensitivity analysis of financial instruments is presented in Note 28.2.2.1

15.4 Guarantees

Brasil Carbonos S.A. owns fixed assets pledged (chattel mortgages) in the amount of R$ 2 for the financing obtained by FINAME and R$ 7 for the funding of BNDES.

16 Finance leases

16.1 Finance leases

The company has financial commitments to FII FCM, administered by Rio Bravo Investimentos DTVM Ltda., as a function of the rights resulting from operations involving leases of buildings and equipment, and the construction of bases and terminals, updated by the IGPM and IPCA.

The loans originated in Purchase and Sale Private Agreements provided the collateral for the issue of certificates of real estate receivables (CRIs), intermediated by RB Capital Securitizadora S.A.. The CRIs are registered for trading on the secondary market at BOVESPA FIX, administered by B3 – Brasil Bolsa Balcão S.A..

The company leased equipment from CDGN, subsidiary of the company, and these equipment are rented for Suzano Papel e Celulose S.A. and Fiat Automóveis Ltda. The balance receivable from these customers is originated from leases that totals R$ 28 (Note 28.3.3).

16.2 Operating commercial leases

In 2015, the company paid an amount of R$ 305 (R$ 295 in 2014) in relation to contractual commitments under operating leases, of which R$ 198 are related to pitches and R$ 107 to the variable tranches.

The estimate of disbursements for the next years is presented below:

	Consolidated	Parent Company
2016	155	155
2017 - 2020	366	366
2021 onward	298	298
	819	**819**

17 Advances to customers

	Consolidated		Parent Company	
	2015	2014	2015	2014
Marketing funds (a)	132	56	132	56
Advances from customers	276	267	222	263
Other	16	19	15	19
Total	**424**	**342**	**369**	**338**

(a) Advances received from customers annually, such as dealers, franchisees and business partners, for use in advertising and promotional actions developed by the company.

18 Related Parties

18.1 Business transactions and other operations

18.1.1 Per operation

		Consolidated						
		12/31/2015						
			Asset			Liability		
		Overall	Current	Non-Current	Total	Current	Non-Current	Total
Overall								
Revenue, mostly from sales		8,200						
Exchange rate changes and inflation adjustments, net		664						
Net financial income (expenses)		(821)						
Asset								
Trade receivables, mostly from sales			927	8,031	8,958			
Securities			-	9	9			
Cash and cash equivalents			419	-	419			
Judicial deposits			-	594	594			
Liability								
Suppliers (Note 14)						2,056	-	2,056
Dividends						616	-	616
Borrowing						66	4,700	4,766
Advance to customers						121	-	121
	At 12/31/2015	**8,043**	**1,346**	**8,634**	**9,980**	**2,859**	**4,700**	**7,559**
	At 12/31/2014	**10,824**	**1,637**	**6,264**	**7,901**	**9,408**	**22**	**9,430**

		Parent Company					
		12/31/2015					
			Asset			Liability	
	Overall	Current	Non-Current	Total	Current	Non-Current	Total
Overall							
Revenue, mostly from sales	8,224						
Exchange rate changes and inflation adjustments, net	563						
Net financial income (expenses)	(821)						
Asset							
Trade receivables, mostly from sales		1,012	8,031	9,043			
Securities		-	9	9			
Cash and cash equivalents		409	-	409			
Judicial deposits		-	574	574			
Liability							
Suppliers (Note 14)					2,038	-	2,038
Dividends					616	-	616
Borrowing					37	4,699	4,736
Advance to customers					121	-	121
Finance leases					83	599	682
At 12/31/2015	**7,966**	**1,421**	**8,614**	**10,035**	**2,895**	**5,298**	**8,193**
At 12/31/2014	**10,792**	**1,700**	**6,245**	**7,945**	**9,421**	**370**	**9,791**

The purchases made by Petrobras totaled R$ 75,140 (R$ 78,563 in 2014). Transactions with related parties are conducted on commercial terms and conditions defined by the parties.

18.1.2 Per company

Consolidated

	Overall		Asset				Liability			
			12/31/2015			12/31/2014	12/31/2015			12/31/2014
	2015	2014	Current	Non-Current	Total	Total	Current	Non-Current	Total	Total
Subsidiaries and joint ventures of the Petrobras System and Electricity sector (Eletrobras System)										
Electricity companies (Eletrobras System)	5,157	5,471	497	7,946	8,443	6,203	42	-	42	-
Petrobras	1,776	1,837	240	-	240	260	2,588	-	2,588	8,947
Arembepe (*)	39	547	-	-	-	68	-	-	-	-
Camaçari Muricy (*)	32	482	-	-	-	60	-	-	-	-
Termocabo	113	176	16	-	16	25	-	-	-	-
Transpetro	47	44	9	-	9	13	4	-	4	6
Petrobras Paraguay Operaciones y Logistica	12	13	7	-	7	3	7	-	7	16
Other	148	232	12	85	97	99	58	-	58	41
	7,324	8,802	781	8,031	8,812	6,731	2,699	-	2,699	9,010
Affiliates of the Petrobras System										
Suape II	540	1,151	19	-	19	-	1	-	1	7
Braskem	101	209	1	-	1	4	2	-	2	2
Guarani S.A.	72	61	1	-	1	2	11	-	11	23
Other affiliates	26	23	1	-	1	-	1	-	1	-
	739	1,444	22	-	22	6	15		15	32
Government entities										
Government securities	5	1	-	9	9	5	-	-	-	-
Banks Controlled by the Federal Government	(476)	43	419	594	1,013	1,060	66	4,700	4,766	228
Customers - Government	451	534	124	-	124	99	79	-	79	160
	(20)	578	543	603	1,146	1,164	145	4,700	4,845	388
	8,043	**10,824**	**1,346**	**8,634**	**9,980**	**7,901**	**2,859**	**4,700**	**7,559**	**9,430**

	Parent Company									
			Asset				Liability			
	Overall		12/31/2015			12/31/2014	12/31/2015			12/31/2014
	2015	2014	Current	Non-Current	Total	Total	Current	Non-Current	Total	Total
Subsidiaries and joint ventures of the Petrobras System and Electricity sector (Eletrobras System)										
Electricity companies (Eletrobras System)	5,156	5,471	497	7,946	8,443	6,203	42	-	42	-
Petrobras	1,776	1,837	239	-	239	257	2,563	-	2,563	8,925
Termocabo	113	176	16	-	16	25	-	-	-	-
Arembepe (*)	39	547	-	-	-	68	-	-	-	-
Camaçari Muricy (*)	32	482	-	-	-	60	-	-	-	-
Transpetro	47	44	9	-	9	13	4	-	4	6
Petrobras Paraguay Operaciones y Logistica	12	15	7	-	7	3	7	-	7	16
FCM Real Estate Inv. Fund	(101)	(39)	82	-	82	81	86	599	685	412
Other	173	238	16	85	101	102	62	-	62	46
	7,247	8,771	866	8,031	8,897	6,812	2,764	599	3,363	9,405
Affiliates of the Petrobras System										
Suape II	540	1,151	19	-	19	-	1	-	1	7
Braskem	101	209	1	-	1	4	2	-	2	2
Guarani S.A.	72	61	1	-	1	2	11	-	11	23
Other affiliates	26	23	1	-	1	-	1	-	1	-
	739	1,444	22	-	22	6	15	-	15	32
Government entities										
Government securities	4	1	-	9	9	5	-	-	-	-
Banks Controlled by the Federal Government	(475)	42	409	574	983	1,023	37	4,699	4,736	194
Customers - Government	451	534	124	-	124	99	79	-	79	160
	(20)	577	533	583	1,116	1,127	116	4,699	4,815	354
	7,966	**10,792**	**1,421**	**8,614**	**10,035**	**7,945**	**2,895**	**5,298**	**8,193**	**9,791**

(*) Incorporated by Petrobras in 2015.

18.2 Non-standard Credit Rights Investment Fund –FIDC-NP

	Consolidated		Parent Company	
	2015	2014	2015	2014
Trade receivables (Note 7)	2,766	419	2,711	416
Total classification current asset	**2,766**	**419**	**2,711**	**416**
Assignment of performing and non-performing receivables	(24)	(404)	-	(380)
Total classification current liabilities	**(24)**	**(404)**	**-**	**(380)**
	2015	**2014**	**2015**	**2014**
Financial income FIDC-NP	139	57	139	57
Financial Expenses FIDC-NP	(61)	(283)	(59)	(283)
Net earnings	**78**	**(226)**	**80**	**(226)**

Disposals of the non-performing loans portfolio and credit rights are classified under current liabilities. The discount rate on transfers of receivables of FIDC NP Petrobras is 100.5% of the CDI; There is not any IOF neither income tax in such operation.

18.3 Constractual commitments - Petrobras

The company has unconditional purchase commitments to Petrobras for the period from 2016 to 2025 of about 6.8 billion m³ of natural gas, which corresponds to a total estimated outstanding commitment of R$ 4.6 billion.

18.4 Intecompany loans

Funding obtained from Banco do Brasil and a part of the amount obtained from Bradesco (Note 15.1) was used to discharge the balance of loans held with Petrobras in the amount of R$ 6,950, being R$ 6,186 for the principal and R$ 764 of interest. The intercompany loans payment was made on April 14, 2015 (R$ 4,492) and June 1, 2015 (R$ 2,458).

In 2015, no new mutual agreements were concluded between the company and Petrobras.

On December 31, 2015, there were no guarantees or intercompany loans granted by Company to its subsidiaries.

18.5 Compensation of officials and employees

The Plan of Jobs, Salaries, Benefits and Advantages of the company and the specific legislation set the criteria for all the remuneration payable to its directors and employees.

The remuneration of employees, including the bonuses for the management and directors of the Company relating to the month of December on 2014 and 2015 were as follow:

	Parent Company	
In Reais	**2015**	**2014**
Compensation per employee		
Lowest compensation	3,126.69	3,074.85
Average compensation	13,538.57	12,105.13
Highest compensation	71,634.19	65,401.43
Compensation per Company official (highest)	101,664.96	94,055.84
(Amounts expressed in Reais)		

The total remuneration of short term benefits to the key personnel of the company during the financial year was 2015 R$ 8,340 (R$ 7,142 in 2014) in Parent Company and R$ 13,429 (R$ 11,015 in 2014) consolidated.

In 2015, the fees of Directors and advisers in the consolidated amounted to R$ 8,937 (R$ 8,181 in 2014).

On December 31, 2015, the company kept five members on the Executive Board and nine members on the Board of Directors.

19 Taxes and contributions

19.1 Recoverable taxes

	Consolidated		Parent Company	
	2015	2014	2015	2014
Current assets				
ICMS	285	472	279	457
PIS/COFINS	10	5	-	1
Income tax	76	3	75	-
Social contribution	24	1	23	-
Other taxes	29	21	28	20
	424	**502**	**405**	**478**
Non-current asset				
Deferred ICMS	10	8	10	7
ICMS - Tax substitution	264	175	264	175
ICMS	103	131	57	99
	377	**314**	**331**	**281**
	801	**816**	**736**	**759**

19.2 Tax and contribution payable

	Consolidated		Parent Company	
	2015	2014	2015	2014
Current Liabilities				
ICMS	173	213	172	213
PIS/COFINS	20	16	20	16
Income tax and social contribution deducted at source	34	28	34	28
Income tax and social contribution, current	2	60	-	54
Other	20	20	16	15
	249	**337**	**242**	**326**

19.3 State Amnesty programs

On September 30, 2015, the company liquidated the ICMS tax debts with the State of Espírito Santo of R$ 46, through the Amnesty Program instituted by Law No. 10,376/2015.

On November 9, 2015, the company and the State of Rio de Janeiro signed the conduct adjustment term tax, pursuant to State Law 7,020/2015, whereby the company liquidated debts related to ICMS assessments of R$ 99.

On December 18, 2015, the company liquidated ICMS tax debts in the Federal District amounting to R$ 11, through the Amnesty Program instituted by Law No. 5,463/2015.

In these agreements, the Company recognized in its profit and loss a total of R$ 177, which on R$ 122 are related to tax expenses and R$ 55 to financial expenses.

19.4 Deferred income tax and social contribution– Non-Current

The fundamentals and expectations regarding the realization of assets and liabilities are presented below:

(a) Deferred income tax and social contribution, net

Nature	Consolidated		Parent Company		Grounds for realization
	2015	2014	2015	2014	
Absorption of conditional financing	381	296	381	296	End of financing contracts
Impairment of trade receivables	1,362	386	1,362	386	Receipt or realization of loss
Provision for risks	376	122	375	121	Legal cases with an expectation of loss to the Company is considered probable
Obligation to PETROS - Inactive futures	175	132	175	131	As a percentage based on actuarial report, which is updated annually
Discount on Judicial guarantees	15	14	15	14	Due to settlement of bonds
Finance leases	208	116	208	116	Payment of contractual commitments
Income from the sale of Certificates of Real Estate Receivables (CRIs)	8	10	8	10	Due to realization of revenue
Expected loss for devaluation of assets	102	-	102	-	The realization is the sale or final removal of facility
Voluntary redundancy program - PIDV	33	3	33	3	Through indemnity payments at the time of termination of employee
Actuarial Losses - CPC 33	179	194	179	194	Annually, as time of new calculation
Interest on National Treasury Notes	(1)	(1)	(1)	(1)	Due to sale or redemption of National Treasury Notes type "P"
Rights to use - financial leases	(222)	(124)	(222)	(123)	Realization for depreciation, disposal or incorporation
Depreciation - lifetime review	(29)	(94)	(28)	(92)	Due to depreciation of property, plant and equipment (corporate depreciation adjustments in relation to tax deduction allowed)
Update of escrow deposits	(84)	(119)	(84)	(118)	On the occasion upon winning lawsuit
Other	55	49	54	46	
	2,558	**984**	**2,557**	**983**	

(b) Movements in Deferred income tax and social contribution, net

	Consolidated							Parent Company
Origin of deferred income tax and social contribution entry	**Fixed**	**Trade receivables / payable, prepaid expenses and borrowing and financing**	**Finance leases**	**Provision for risks**	**Post-employment benefits**	**Other**	**Total**	**Total**
At January 1, 2014	**(79)**	**252**	**6**	**95**	**144**	**(55)**	**363**	**361**
Recognized in profit or loss for the financial year	(18)	430	(4)	27	21	2	458	458
Recognized in equity	-	-	-	-	161	-	161	161
Other	-	-	-	-	-	2	2	3
At December 31, 2014	**(97)**	**682**	**2**	**122**	**326**	**(51)**	**984**	**983**
Recognized in profit or loss for the financial year	168	1,061	(9)	254	44	71	1,589	1,589
Recognized in equity	-	-	-	-	(15)	-	(15)	(15)
At December 31, 2015	**71**	**1,743**	**(7)**	**376**	**355**	**20**	**2,558**	**2,557**

(C) Estimated realization of deferred income tax and social contribution, net

	2015	
	Deferred income tax and CSLL, net	
	Consolidated	Parent Company
Period	Assets	Assets
2016	674	674
2017	1,186	1,186
2018	176	176
2019	176	176
2020	81	81
2021	73	73
2022	73	73
2023 onward	119	118
At December 31, 2015	**2,558**	**2,557**

	2014	
	Deferred income tax and CSLL, net	
	Consolidated	Parent Company
Period	Assets	Assets
2015	149	149
2016	438	438
2017	105	105
2018	105	105
2019	33	33
2020	28	28
2021	21	20
2022 onward	105	105
At December 31, 2014	**984**	**983**

(d) Reconciliation of income tax and social contribution on net income

The reconciliation of taxes calculated according to the nominal rates and the value of the taxes recorded in the 2015 and 2014 periods is shown below:

	Consolidated		Parent Company	
	2015	2014	2015	2014
Profit before income tax and social contribution	(1,935)	1,546	(1,939)	1,539
Income tax and social contribution at nominal rates (34%)	658	(526)	659	(523)
Adjustments for calculation of the effective rate:				
• Interest on capital	246	190	246	190
• Permanent additions/exclusions, net	(147)	(92)	(147)	(94)
• IT and CSSL adjustments, earlier years	-	(16)	-	(16)
• Equity in earnings	-	(1)	(2)	2
• Tax Incentives	22	25	22	25
• Other items	(5)	(3)	-	-
Expenses for recognition of provision for income tax and social contribution	**774**	**(423)**	**778**	**(416)**
Current IT and CSLL	(815)	(881)	(811)	(874)
Deferred IT and CSLL	1,589	458	1,589	458
	774	**(423)**	**778**	**(416)**
Actual income tax and social contribution rate	40.0%	27.4%	40.1%	27.0%

20 Employee Benefits

Balances relating to pension and health plans are shown below:

	Consolidated		Parent Company	
	2015	2014	2015	2014
Liability				
Pension plans	1,095	1,030	1,092	1,027
Healthcare plans	1,280	1,054	1,280	1,054
	2,375	**2,084**	**2,372**	**2,081**
Current	113	83	112	83
Non-Current	2,262	2,001	2,260	1,998

20.1 Pension plans in Brazil - defined benefit and variable contribution

The management of the pension plans of the company is the responsibility of Fundação Petrobras de Seguridade Social (Petros), which was formed by Petrobras as a legal entity, non-profit organization, with administrative and financial autonomy.

(a) Petros plan - Fundação Petrobras de Seguridade Social

The Petros Plan is a defined benefit pension plan which was established by Petrobras in July 1970, and provides participants with a supplement to the benefits granted by Social Security, and is currently aimed at employees of Petrobras and the company. The plan is closed to employees recruited after September 2002.

For most of benefit plans, the assessment of the costing plan of Petros is carried by independent actuaries, on a capitalization system. The sponsors make regular contributions at values equal to the values of the contributions of the participants (employees, assisted and pensioners), i.e. Joint form.

Petros has until July 31, 2016 to present to the National Supplementary Pension Authority (PREVIC) their financial statements of 2015 and, in the event that the Petros Plan's deficit exceeds the limits established by resolution No. 22/2015, adopted by the National Council of Welfare (CNPC), Petros must submit an equating plan to PREVIC up to end of 2016 and starting 60 days from the date of the approval of the equating plan by the Board of Directors. Under constitutional amendment 20/1998 and complementary laws No. 108 and 109/2001, the deficit should be paid by participants and sponsors, observed the proportion of their contributions.

It should be stressed that the said limit set by resolution No. 22/2015 corresponds to the following formula: 1% x (estimated duration of obligation term "duration" subtracted from 4) x (mathematical provision, that is, estimating the total amount of the actuarial future obligation).

On December 31, 2015, the balances of the terms of financial commitment (TCF), signed in 2008 by the company and Petros, totalled R$ 371 (R$ 371 on the Parent Company), of which R$ 23 (R$ 23 on the Parent Company) are related to interest that due on 2016. The commitments of the TCF mature in 20 years, with semiannual payment of interest of 6% p.a. on the balance payable date. On this same date, Petrobras had stock of oil and/or oil derivatives given as guarantee of TCF of R$ 6,711.

The contributions expected from the company to entire year of 2016 are R$ 60 (R$ 60 in the parent company).

The average length of the actuarial liabilities of the plan on December 31, 2015 is 10.64 years.

According Note 30 - Subsequent Events in the financial statements for the year ended December 31, 2015, the Advisory Council of Fundação Petros, On May 26, 2017, approved the financial statements for 2016 with an accumulated deficit of R$ 26.7 billion (a deficit of R$ 22.6 billion until 2015). However, on June 19, 2017, the National Superintendence for Pension Funds (PREVIC) published the Policy Adjustment Commitment (TAC), executed by Fundação Petros whereby the entity sets due dates to implement a plan to cover the accumulated deficit, that will begin in 2017.

(b) Petros Plan 2 - Fundação Petrobras de Seguridade Social

Petros Plan 2 was implemented in July 2007, with variable contributions by Petrobras and some subsidiaries that have taken past service contributions corresponding to the period in which the participants had no plan, from August 2002, or subsequent recruits up to August 29, 2007. The plan is open to new accessions, but there will be no payment for past service.

The portion of this plan with defined benefit features refers to the risk coverage for disability and death, guarantee a minimum benefit and life annuity, actuarial related commitments which are recorded according to the projected unit credit method. The portion of the plan with defined contribution features is intended for the formation of reserves for retirement, whose contributions are recognized in the income statement according to their payments. In 2015, the Company's contribution to the defined contribution portion totaled R$ 42 (R$ 42 in the parent company).

The portion of the contribution related to defined benefits is suspended between July 1, 2012 to June 30 2016, according to a decision of the Board of Directors of Petros Foundation, based on a recommendation from the Actuarial Foundation Consulting. That way, every contribution for this period is being directed for the participant's individual account.

The average length of the actuarial liabilities of the plan on December 31, 2015 is 29.58 years.

20.2 Assets of pension plans

The investment strategy for the assets of benefit plans is a reflection of a long term vision, an assessment of the risks inherent in various asset classes, as well as the use of diversification as a risk reduction mechanism. The asset portfolio of the plan must conform to the standards set by the National Monetary Council.

The Foundation shall establish investment Policies. Petros has the function of guiding investment management for periods of five years, which are reviewed annually. The model of *Asset and Liability Management* (ALM) is used to resolve mismatches of the net cash flow benefit plans administered by it, considering the parameters of liquidity and solvency, adopting the simulations for a horizon of 30 years.
The limits on the allocation of certain assets in the investment policy of the Petros Plan Petrobras system from 2016 to 2020 are: 30% to 90% in fixed income, 6% to 45% in variable income, 2% to 8% in property, 0% to 15% in loans to participants, 0% to 10% in structured investments and 0% in overall variable income. The Petros Plan 2 allocation limits for the same period are: 60% to 90% in fixed income, 0% to 20% in variable income, 0% to 5% in real estate, 0% to 15% in participating loans, 0% to 8% in structured investments and 0% in global variable income.

	Consolidated					
	2015				2014	
Asset Category	Prices quoted in active market	Prices not quoted in active market	Total fair value	%	Total fair value	%
Fixed income	**941**	**235**	**1,176**	**43%**	**1,136**	**38%**
Private securities	-	34	34		55	
Government bonds	941	-	941		866	
Other investments	-	201	201		215	
Variable income	**930**	**36**	**966**	**36%**	**1,279**	**43%**
Spot stock	930	-	930		1,226	
Other investments	-	36	36		53	
Structured investments	-	**211**	**211**	**8%**	**236**	**8%**
Private Equity Funds	-	193	193		210	
Venture Capital Funds	-	2	2		3	
Real estate funds	-	16	16		23	
Property	-	**232**	**232**	**9%**	**211**	**7%**
	1,871	**714**	**2,585**	**96%**	**2,862**	**96%**
Loans to participants			115	4%	106	4%
			2,700	**100%**	**2,968**	**100%**

20.3 Healthcare Plan

(a) Multidisciplinary Health Assistance (AMS)

The Company, Petrobras, Petrobras Transporte S.A. – Transpetro, Petrobras Biocombustível S.A., Transportadora Brasileira Gasoduto Brasil-Bolívia S.A. - TBG and Termobahia S.a. maintain a medical care plan (AMS) that covers all employees of these companies in Brazil (active and inactive) and their dependents. Its management is based on the principles of self-sustainability of benefits, preventative programs and healthcare. The main risk linked to health benefits is the rate of growth of medical costs, which stems from both the implementation of new technologies and the inclusion of new cover as a higher demand of healthcare plans. In this sense, Petrobras seeks to mitigate

this risk through continuous improvements to its technical procedures and administrative requirements, as well as the enhancement of various programs offered to beneficiaries. The employees contribute a pre-defined monthly installment to cover high risks, and with a portion of the expenses incurred in relation to the other roofs, both established as tables of participation based on certain parameters, including wage levels, besides the benefit in pharmacies that provides special conditions for the acquisition, in determined pharmacies distributed throughout the national territory, of certain drugs. The plan for medical care is not covered by asset guarantors. The payment of benefits is made by the company based on the costs incurred by participants.

The average length of the actuarial liabilities of the plan on December 31, 2015 is 22.66 years.

20.4 Obligations and net expenditure actuarial liability, calculated by independent actuaries, and the fair value of the assets of the plans

The information on all of the defined benefit plans were combined, because they contains similar assumptions. All pension plans have accumulated benefit obligations in excess of the assets of the plans.

(a) **Changes in actuarial liabilities, fair value of assets and amounts recognized in the balance sheet**

	2015				
	Consolidated				Parent Company
	Pension Plan				
	Benefit Defined	Variable Contribution	Healthcare Plan	Total	Total
Present value of actuarial liabilities					
Actuarial obligation at the beginning of year	3,919	79	1,054	5,052	5,049
Interest cost	499	8	135	642	642
Cost of current service	27	9	18	54	54
Participants' contributions	20	-	-	20	20
Paid benefits	(177)	(1)	(60)	(238)	(238)
Remeasurement: Actuarial (Gains)/Losses - demographic assumptions	(163)	9	(98)	(252)	(252)
Remeasurement: Actuarial (Gains)/Losses - financial assumptions	(412)	(26)	234	(204)	(204)
Remeasurement: Actuarial (Gains)/Losses - demographic assumptions	12	(8)	(3)	1	1
Actuarial obligation at end of year	**3,725**	**70**	**1,280**	**5,075**	**5,072**
Plan assets at the beginning of year	2,925	43	-	2,968	2,968
Interest income	374	6	-	380	380
Contributions paid by the company	55	-	-	55	55
Participants' contributions	20	-	-	20	20
Paid benefits	(177)	(1)	-	(178)	(178)
Remeasurement: Return on assets over interest income	(551)	6	-	(545)	(545)
Plan assets at end of year	**2,646**	**54**	**-**	**2,700**	**2,700**

	2015				
	Consolidated				Parent Company
	Pension Plan				
	Benefit Defined	Variable Contribution	Healthcare Plan	Total	Total
Amounts recognized in the balance sheet					
Present value of funded obligations	3,725	70	1,280	5,075	5,072
(-) Fair value of plan assets	(2,646)	(54)	-	(2,700)	(2,700)
Actuarial liabilities at December 31, net	1,079	16	1,280	2,375	2,372
Actuarial liabilities rollforward – net of assets					
Balance at December 31, 2014	994	36	1,054	2,084	2,081
(+) Effects of remesurement recognized in OCI	(12)	(31)	133	90	90
(+) Costs incurred in the period	28	8	18	54	54
(-) Payment of contributions	(56)	-	(60)	(116)	(116)
(+) Net interest on net liabilities	125	3	135	263	263
Balance at December 31, 2015	1,079	16	1,280	2,375	2,372

	2014				
	Consolidated				Parent Company
	Pension Plan				
	Benefit Defined	Variable Contribution	Healthcare Plan	Total	Total
Present value of actuarial liabilities					
Actuarial obligation at the beginning of year	3,369	44	736	4,149	4,147
Interest cost	443	5	102	550	550
Cost of current service	13	5	19	37	37
Participants' contributions	23	-	-	23	23
Paid benefits	(132)	(1)	(42)	(175)	(175)
Remeasurement: Actuarial (Gains)/Losses - experience	215	18	150	383	383
Remeasurement: Actuarial (Gains)/Losses - demographic assumptions	(233)	(6)	(137)	(376)	(376)
Remeasurement: Actuarial (Gains)/Losses - financial assumptions	221	14	226	461	460
Actuarial obligation at end of year	**3,919**	**79**	**1,054**	**5,052**	**5,049**
Plan assets at the beginning of year	2,877	24		2,901	2,901
Interest income	370	3	-	373	373
Contributions paid by the company	50	-	-	50	50
Participants' contributions	23	-	-	23	23
Paid benefits	(132)	(1)	-	(133)	(133)
Remeasurement: Return on assets over interest income	(263)	17	-	(246)	(246)
Plan assets at end of year	**2,925**	**43**	**-**	**2,968**	**2,968**

	2014				
	Consolidated				Parent Company
	Pension Plan				
	Benefit Defined	Variable Contribution	Healthcare Plan	Total	Total
Amounts recognized in the balance sheet					
Present value of funded obligations	3,919	79	1,054	5,052	5,049
(-) Fair value of plan assets	(2,925)	(43)	-	(2,968)	(2,968)
Actuarial liabilities at December 31, net	994	36	1,054	2,084	2,081
Actuarial liabities rollforward – net of assets					
Balance at December 31, 2013	492	20	736	1,248	1,246
(+) Effects of remesurement recognized in OCI	467	8	240	715	715
(+) Costs incurred in the period	13	5	19	37	37
(-) Payment of contributions	(51)	-	(42)	(93)	(94)
(+) Net interest on net liabilities	73	3	101	177	177
Balance at December 31, 2014	994	36	1,054	2,084	2,081

(b) Components of the cost of defined benefit plans

	2015				
	Consolidated				Parent Company
	Pension Plan				
	Benefit Defined	Variable Contribution	Healthcare Plan	Total	Total
Cost of services	26	9	18	53	53
Net interest on net liabilities	125	4	135	264	264
Net cost for the year	151	13	153	317	317
On current employees:					
Absorbed in the costing of activities operating	5	1	2	8	8
Directly in the result	76	12	58	146	146
Inactive employees:	70	-	93	163	163
Net cost for the year	151	13	153	317	317

	2014				
	Consolidated				Parent Company
	Pension Plan				
	Benefit Defined	Variable Contribution	Healthcare Plan	Total	Total
Cost of services	13	5	19	37	36
Net interest on net liabilities	73	2	102	177	178
Net cost for the year	86	7	121	214	214
On current employees:					
Absorbed in the costing of activities operating	3	-	2	5	5
Directly in the result	36	7	55	98	97
Inactive employees:	47	-	64	111	112
Net cost for the year	86	7	121	214	214

(c) Sensitivity analysis

A variation of 1%. in the assumptions regarding the discount rate and medical costs would have the following effects:

	Consolidated					
	Discount rate				Medical costs	
	Pension		Health		Health	
	+ 1 p.p.	- 1 p.p.	+ 1 p.p.	- 1 p.p.	+ 1 p.p.	- 1 p.p.
Increase (decrease) in actuarial obligation	(319)	383	(142)	174	184	(153)
Increase (decrease) in cost of service and interest	(20)	24	(11)	13	30	(25)

(d) Actuarial assumptions used in the calculation

	2015	2014
Discount rate (Actual)	7.33% [1] /7.28% [2] /7.32% [3]	6.14% [1] /6.20% [2] /6.15% [3]
Inflation (IPCA)	6.87% [1][2][3][4]	6.50% [1][2][3][4]
Nominal discount rate (Real + inflation)	14.70% [1] /14.65% [2] /14.69% [3]	13.04% [1] /13.10% [2] /13.05% [3]
Rate of salary increase (Actual)	1.48% [1] / 2.79% [2]	1.761% [1] / 3.77% [2]
Rate of nominal salary increase (Actual + inflation)	8.45% [1] / 9.85% [2]	8.37% [1] / 10.52% [2]
Turnover rate of health plans	0.753% p.a [5]	0.642% p.a [5]
Turnover rate of pension plans	Zero	Zero
Rate of change of medical and hospital costs	14.92% to 3.70% p.a [6]	14.47% to 3.00% p.a [6]
General mortality table	EX-PETROS 2013 (both genders) [1] Female AT-2000 smoothed in 10% [2]	EX-PETROS 2013 (both genders) [1] Female AT-2000 smoothed in 10% [2]
Disability entry table	TASA 1927 [1] / Álvaro Vindas [2]	TASA 1927 [1] / Álvaro Vindas [2]
Disabled mortality table	Male AT-49 aggravated in 10% [1] IAPB 1957 weak [2]	Male AT-49 aggravated in 10% [1] IAPB 1957 weak [2]
Age of entry into retirement	Men, 57 years/ Women, 56 years [7]	Men, 57 years/ Women, 56 years [7]

[1] Petrobras System Petros Plan.
[2] Petros 2 Plan.
[3] AMS Plan.
[4] Inflation curve projected based on the market at 6.87% for 2016 and reaching 3.70% in 2025 onward.
[5] Average turnover only of Petrobras sponsor, which varies according to age and length of service.
[6] Decreasing rate reaching over the next 30 years the expected inflation projected in the long-term. Refers only to Petrobras sponsor fee.
[7] Except for the Petros 2 Plan, for which eligibility was used according to the rules of the General Social Security Regime (RGPS).

(e) Debt Maturity Profile

Expected payment of benefits at end of fiscal year	
2016	304
2017	298
2018	291
2019	281
2020 onward	3,901
	5,075

20.5 Profit sharing

The employees' participation in profits or results (PLR) is based on the prevailing legal provisions, as well as the guidelines set forth by the Department for the Coordination and governance of state-owned enterprises (DEST), of the Ministry of Planning, Budget and Management by the Ministry of Mines and Energy and by Petrobras.

During the year ended December 31, 2015 there was no profit, and thus there is no provision for the payment of participation in the outcome for 2015.

20.6 Voluntary Dismissal Incentive Program – PIDV

In October of 2015, the company implemented the plan to encourage the voluntary redundancy (PIDV) BR 2015, aiming to contribute to the achievement of the performance goals of the business plan and management.

The period for registration with the PIDV ended on December 30, 2015 and totalled 345 employees registered. After the registration period, were defined dates of termination to these employees enrolled in the period of three months between January 25 to April 25, 2015, as the action plan for the management of knowledge or managerial succession inherent in the processes and activities in which they operate.

Employees who joined the PIDV had at least 55 years old, and were already retired at Social Security on December 30, 2015, as provided for in internal policy of PIDV BR 2015, may withdraw at any time, a situation in which would be entitled to financial incentives.

The financial incentive to be paid to employees when they leave company through the PIDV comprises ten times a month salary of the employee in addition to a percentage of 40% of the balance of FGTS for severance, with a ceiling of R$ 600,000 (six hundred thousand Reais) and the floor is R$ 200,000 (two hundred thousand Reais), in addition to the legal and corporative advantages.

The company recognized the provision on December 31, 2015, subject to amendment for the occurrence of possible defections, the updating of remuneration under the collective labor agreements until the date of termination of employees, and the updating of the floor and ceiling by the IPCA.

The provision for the PIDV is recorded in current liabilities and represented as follows:

	Parent Company
Balance at December 31, 2014	**9**
Use for termination	(5)
PIDV - 2015	92
Balance at December 31, 2015	**96**

21 Equity

21.1 Share Capital

The Extraordinary General Meeting held on 25 May 2015, was approved the capital increase of R$ 361, relating to the incorporation of the surplus of booking profits, without the issuance of new shares, as the note 21.2.

At the Extraordinary Shareholders' Meeting held on November 14, 2017, and based on the terms of articles 12 and 122 of Law 6404/76, the proposal for grouping shares of the Company's capital stock was approved, in the proportion of 29,8521666575107:1, so that each set of 29,8521666575107 shares were grouped into a single share. The amendment on the article 4, from the By-laws was also approved to reflect the change in the number of shares, from 34,777,774,156 shares (unchanged since 2013) to 1,165,000,000 common shares, representing in book-entry form and with no nominal value.

The share capital on December 31, 2015 (R$ 6,352) and December 31, 2014 (R$ 5,991), is fully subscribed and paid in.

21.2 Profit reserves

(a) Legal reserves

This reserve is composed by the appropriation of 5% of the net profit for the year, but does not exceed 20% of the capital, in accordance with Article 193 of the Brazilian Corporation Law.

(b) Statutory Reserve

Constituted by the appropriation to the net profit for each financial year of an amount equivalent to at least 0.5% of the capital stock at the end of the year, and is intended to cover the expenses of the programs for research and technological development. The balance of this reserve may not exceed 5% of the capital stock, in accordance with Article 46 of the Company's Bylaws.

(c) Reserve of retained earnings

This reserve is intended for use on planned investments in the capital budget, mainly in distribution activities for petroleum derivatives, ethanol, infrastructure support, contributions of capital and financing to customers, in line with Article 196 of the Brazilian Corporation Law.

In the 2015 exercise, the loss for the financial year must be absorbed by the booking of retained earnings in the amount of R$ 1,161, as well as the interest on own capital declared for Petrobras in the value of R$ 724.

Interest on capital is subject to income tax deduction at source at a rate of 15%, pursuant to Law 9,249/95 and amendments. These subsidies have been accounted for in the operating results, as required by the tax law, and were reversed from accumulated profits resulting in a tax benefit from income tax and social contribution in the amount of R$ 246 (R$ 190 in 2014).

21.3 Dividends/interest on capital

Stockholders are assured a mandatory dividend of 25% of the adjusted net income for the year, according to Article 7 of the Company's Bylaws and pursuant to Article 202 of the Brazilian Corporation Law.

The Board of Directors of the Company, at a meeting held on 18 December 2015, approved the distribution of interest on own capital to Petrobras.

The calculation of the proposed dividends is as follows:

	2015	2014
Profit (loss) for the year	(1,161)	1,123
Appropriation		
Legal reserves	-	(56)
Basic profit for determination of dividends	**(1,161)**	**1,067**
Dividends payable - Recognized under current liabilities		
Equivalent to 0% (25% in 2014) of basic profit	-	267
Composition of the dividends payable, additional dividends proposed and interest on capital:		
Interest on capital	724	557
Dividends	-	(206)
Total dividends/ interest on capital distributed	**724**	**351**
Withholding tax on interest on capital	(108)	(84)
Total dividends/ interest on capital proposed	**616**	**267**
Dividends per thousand shares	0.53	0.23

Dividends will be adjusted to inflation from December 31, 2015 to the date of settlement, according to the variations in the SELIC rate.

21.4 Accumulated other comprehensive (deficit)

This refers to the recognition of gains and losses on the actuarial liability, net, calculated by independent actuaries at the end of each fiscal year.

21.5 Earnings per share

	Parent Company	
	2015	2014
Net Profit (Loss)	(1,161)	1,123
Weighted average of number of shares in circulation (number of shares)	1,165,000,000	1,165,000,000
Net Profit (Loss) basic and diluted net income per share (R$ per shares)	**(1.00)**	**0.96**

The basic and diluted net income (loss) per thousand shares, previously presented, considering 34,777,774,156 common shares was R$ 33.38 of loss on December 31, 2015 (R$ 32.29 of profit on December 31, 2014).

22 Sales revenue

	Consolidated		Parent Company	
	2015	2014	2015	2014
Revenue				
Oil derivatives	110,067	113,635	109,690	113,184
Diesel	53,943	51,820	53,943	51,820
Gasoline	32,254	31,673	32,254	31,673
Fuel oil	8,413	12,504	8,413	12,504
Aviation kerosene	8,983	10,952	8,983	10,952
Asphalt	1,061	1,300	684	849
Lubricants	2,187	2,028	2,187	2,028
Other	3,226	3,358	3,226	3,358
Ethanol	6,755	4,502	6,755	4,502
Natural gas	1,698	1,700	1,698	1,700
Other	1,747	1,824	1,722	1,801
Interest embedded in the price of products	(568)	(386)	(568)	(386)
Advances - customer bonuses	(412)	(348)	(412)	(348)
Bonus for performance	(216)	(180)	(216)	(180)
Sales Charges	(21,791)	(22,219)	(21,720)	(22,120)
Sales revenue	**97,280**	**98,528**	**96,949**	**98,153**

23 Other income (expenses), net

	Consolidated		Parent Company	
	2015	2014	2015	2014
Rentals and royalties	254	239	254	239
Operating leases	(99)	(124)	(99)	(124)
Credit - EPASA - extrajudicial transaction	(50)	-	(50)	-
Expenses for shared costs and expenses	-	(130)	-	(130)
Gratuity	-	(58)	-	(58)
ICMS - low credit balance in the state of Amapá	(45)	-	(45)	-
Operation Car Wash (Note 2.3)	-	(23)	-	(23)
Profit sharing	-	(61)	-	(60)
Impairment of assets	(298)	-	(298)	-
Losses and provisions related to lawsuits	(785)	(111)	(785)	(111)
Voluntary redundancy program - PIDV	(92)	(157)	(92)	(157)
Pension and healthcare plans - inactive employees	(163)	(111)	(163)	(111)
Joint storage revenue	59	66	59	66
Institutional relations and cultural projects	(197)	(190)	(197)	(190)
Other	(54)	59	(53)	57
	(1,470)	**(601)**	**(1,469)**	**(602)**

24 Expenses by nature

	Consolidated											
	2015						2014					
	Cost of products and services sold	Sale expenses	Administrative and General Expenses	Other expenses, net	Tax expenses	Total	Cost of products and services sold	Sale expenses	Administrative and General Expenses	Other expenses, net	Tax expenses	Total
Raw materials and products for resale	(90,067)	-	-	-	-	(90,067)	(91,228)	-	-	-	-	(91,228)
Third party services, freight costs and rentals	(153)	(2,068)	(232)	143	-	(2,310)	(163)	(2,065)	(220)	103	-	(2,345)
Personnel Expenses	(68)	(823)	(486)	(255)	-	(1,632)	(64)	(749)	(445)	(420)	-	(1,678)
Impairment of trade receivables	-	(2,919)	-	-	-	(2,919)	-	(1,109)	-	-	-	(1,109)
Depreciation and amortization	(12)	(408)	(51)	-	-	(471)	(10)	(357)	(36)	-	-	(403)
Variations of inventory	237	-	-	-	-	237	249	-	-	-	-	249
Institutional relations and cultural projects	-	-	-	(197)	-	(197)	-	-	-	(190)	-	(190)
Taxes	-	-	-	58	(208)	(150)	-	-	-	(5)	(160)	(165)
Losses and provisions for lawsuits	-	-	-	(785)	-	(785)	-	-	-	(111)	-	(111)
Impairment of assets	-	-	-	(298)	-	(298)	-	-	-	-	-	-
Other	96	(236)	(51)	(136)	-	(327)	(21)	(244)	(47)	22	-	(290)
Total	**(89,967)**	**(6,454)**	**(820)**	**(1,470)**	**(208)**	**(98,919)**	**(91,237)**	**(4,524)**	**(748)**	**(601)**	**(160)**	**(97,270)**

	Parent Company											
	2015						2014					
	Cost of products and services sold	Sale expenses	Administrative and General Expenses	Other expenses, net	Tax expenses	Total	Cost of products and services sold	Sale expenses	Administrative and General Expenses	Other expenses, net	Tax expenses	Total
Raw materials and products for resale	(89,819)	-	-	-	-	(89,819)	(90,944)	-	-	-	-	(90,944)
Third party services, freight costs and rentals	(146)	(2,054)	(228)	143	-	(2,285)	(157)	(2,041)	(213)	103	-	(2,308)
Personnel Expenses	(57)	(818)	(480)	(255)	-	(1,610)	(55)	(744)	(437)	(420)	-	(1,656)
Impairment of trade receivables	-	(2,921)	-	-	-	(2,921)	-	(1,113)	-	-	-	(1,113)
Depreciation and amortization	(9)	(407)	(50)	-	-	(466)	(8)	(356)	(34)	-	-	(398)
Variations of inventory	237	-	-	-	-	237	249	-	-	-	-	249
Institutional relations and cultural projects	-	-	-	(197)	-	(197)	-	-	-	(190)	-	(190)
Taxes	-	-	-	58	(203)	(145)	-	-	-	(5)	(157)	(162)
Losses and provisions for lawsuits	-	-	-	(785)	-	(785)	-	-	-	(111)	-	(111)
Impairment of assets	-	-	-	(298)	-	(298)	-	-	-	-	-	-
Other	107	(228)	(45)	(135)	-	(301)	(14)	(235)	(50)	21	-	(278)
Total	**(89,687)**	**(6,428)**	**(803)**	**(1,469)**	**(203)**	**(98,590)**	**(90,929)**	**(4,489)**	**(734)**	**(602)**	**(157)**	**(96,911)**

25 Financial result, net

	Consolidated		Parent Company	
	2015	2014	2015	2014
Costs				
Finance leases	(9)	(10)	(9)	(10)
Loans and financing	(1,003)	(25)	(999)	(23)
FIDC	(61)	(284)	(59)	(283)
Mutual	(354)	(410)	(354)	(410)
Other	(170)	(73)	(169)	(70)
	(1,597)	**(802)**	**(1,590)**	**(796)**
Income				
Deposits	28	31	27	29
FIDC	139	58	139	57
Interest and customer financing	295	269	285	263
Other	43	29	19	20
	505	**387**	**470**	**369**
Monetary variations				
Asset				
Update of receivables - Electricity sector - Isolated System - Eletrobras System	698	715	698	715
Update of receivables - Electricity sector - Isolated System - Third parties	164	-	164	-
Other	24	38	24	38
	886	**753**	**886**	**753**
Liability				
Finance leases	(12)	(8)	(113)	(29)
Update of dividends to be paid to Petrobras	(28)	(18)	(28)	(18)
Loans and financing	(136)	(50)	(1)	(2)
Other	(5)	(6)	(5)	(7)
	(181)	**(82)**	**(147)**	**(56)**
Exchange differences	**88**	**34**	**90**	**22**
Exchange rate changes and inflation adjustments, net	**793**	**705**	**829**	**719**
Net earnings	**(299)**	**290**	**(291)**	**292**

26 Information by segment

The Board of Directors, operational the decision-maker and group policyholder, considers the business from the perspective of the profile/market for its customers, in relation to the Retail Stations. In relation to the profile of clients, Management separately considers the activities of the Retail Stations, Major Consumers and Aviation segments.

The remaining segments related to sales of chemical products, asphalt and the generation of energy were aggregated into "other" as operating segments reportable, for not having reached the quantitative criterion required by IFRS/CPC for reportable segments.

The result of the revenue of the Company from customers in Brazil is R$ 95,561 (R$ 96,411 in 2014), and the total revenue from customers abroad, based on the country of destination of the sale, is R$ 1,719 (R$ 2,117 in 2014).

The Assets of the Company, notably the bases, terminals and other fixed assets are not presented by segment to the Executive Board, since they are used without segmentation, by all business units. In the same way, the liabilities are not presented by segment, since they are managed by the central treasury.

The following table shows the main financial information assessed by the Executive Board:

Consolidated Statement of Result per Business Area - 2015

	Retail Stations	Major Customers	Aviation Products	Other	Corporate	Total of segments	Reconciliation to Financial Statement		Total
Sales Revenue	53,791	30,275	7,900	5,728	(2)	97,692	(412)	(a)	97,280
Cost of sales	(49,986)	(27,908)	(7,230)	(4,828)	(3)	(89,955)	(12)	(b)	(89,967)
Gross profit	**3,805**	**2,367**	**670**	**900**	**(5)**	**7,737**	**(424)**		**7,313**
Expenses									
Sales, general and administrative	(1,631)	(1,163)	(507)	(454)	(197)	(3,952)	(3,322)	(c)	(7,274)
Taxes	(4)	-	(1)	(10)	(26)	(41)	(167)	(d)	(208)
Other income (expenses), net	236	(2)	17	50	(596)	(295)	(1,175)	(e)	(1,470)
Share of profit (loss) of investees	-	-	-	3	-	3	-		3
Net financial result	-	-	-	-	-	-	(299)	(f)	(299)
Adjusted EBITDA	**2,406**	**1,202**	**179**	**489**	**(824)**	**3,452**			
Profit (loss) before taxes							**(5,387)**		**(1,935)**

Consolidated Statement of Result per Business Area - 2014

	Retail Stations	Large Costumers	Aviation Products	Other	Corporate	Total of segments	Reconciliation to Financial Statement		Total
Sales revenue	49,990	33,271	9,610	6,022	(17)	98,876	(348)	(a)	98,528
Costs of sold products	(46,968)	(30,303)	(8,929)	(5,021)	(6)	(91,227)	(10)	(b)	(91,237)
Gross profit	**3,022**	**2,968**	**681**	**1,001**	**(23)**	**7,649**	**(358)**		**7,291**
Costs							-		
Sales, general and administrative	(1,518)	(1,113)	(486)	(450)	(216)	(3,783)	(1,489)	(c)	(5,272)
Taxes	(4)	-	-	(9)	(15)	(28)	(132)	(d)	(160)
Other income (expenses), net	139	32	-	37	(517)	(309)	(292)	(e)	(601)
Share of profit (loss) of investees	-	-	-	(3)	1	(2)	-		(2)
Financial results, net	-	-	-	-	-	-	290	(f)	290
Adjusted EBITDA	**1,639**	**1,887**	**195**	**576**	**(770)**	**3,527**			
Income before tax							**(1,981)**		**1,546**

Reconciliation with the financial statements	**12/31/2015**	**12/31/2014**
(a) Sales Revenue		
Appropriation of early bonuses granted to customers		
Sales Revenue is adjusted by the bonuses advances granted to resellers of service stations to which the Company distributes fuels and lubricants corresponding to the installment made available mainly in kind and held under the terms established in advance with such parties, which once completed, become unenforceable, being absorbed as expenses by the Company. This corresponds to a target scheme which, once met, exempts the recipients - resellers of service stations - from returning to the Company these amounts advanced as bonuses. They are classified as prepaid expenses and are recognized in the statement in proportion to their due dates.	(412)	(348)
(b) Cost of sold goods		
Depreciation and amortization	(12)	(10)
(c) Sales, general and administrative		
Depreciation and amortization	(459)	(393)
Provision for impairment of trade receivables		
The adjusted values refer to the provisions relating to receivables owed to the Company by the thermal companies of isolated and interconnected power systems, a segment to which the Company substantially provides service, and which has lately faced financial difficulties.	(2,863)	(1,096)
(d) Taxes		
Tax adjustments refer to tax amnesties and tax charges on revenue.		
Tax amnesties: payment provisions for joining the amnesty programs established by State Laws and the Special Tax Regularization Program (PERT) from the Federal Government concerning tax liabilities related to ICMS (Tax on Product Circulation) and federal taxes with the State and Federal Government, respectively. The Company considers the adjustment adequate because it provides investors additional information not deriving from our main operations.	(122)	-
Tax charges on revenue: the adjustments refer to expenditure with IOF PASEP and COFINS, levied on the Company's revenue and which are classified as tax expenses.	(45)	(132)
(e) Other revenue (expenses), net		
Losses and provisions related to lawsuits		
The adjusted amounts refer to losses incurred in final and unappealable lawsuits, as well as the provisions made on the basis of the opinions obtained from the lawyers responsible for handling the lawsuits or by the Company's Legal Department.	(785)	(111)
Voluntary Dismissal Incentive Plan		
The adjustment refer to amounts that affected the Company's profits given the provision of the estimated expenditure on indemnities related to the plan, as well as the reversal of the provision due to the withdrawal from the plan, which took place in the respective periods.	(92)	(158)
Impairment Test		
The Company recorded an impairment of Cruzeiro do Sul (BASUL II) base, totaling BRL 298 million. That loss was recorded because the base is operating significantly below its capacity, due to the loss of sales in the state of Acre, attributed mainly to the loss of the contract with Eletroacre.	(298)	-
Lava-jato (Car Wash)		
The Company concluded that as a result of the alleged participation of contractors and suppliers in collusion to charge additional amounts of the Company, part of the costs incurred in the construction of certain fixed assets were derived from such additional expenses with suppliers participating in the collusion, and should not have been recognized and therefore were unduly capitalized.	-	(23)
(f) Net financial result	(299)	290
Total	**(5,387)**	**(1,981)**

27 Legal proceedings and contingencies

27.1 Proceedings Provisioned

The Company and its entities, in the normal course of operations, are involved in legal, tax, civil, labor and environmental proceedings. The Company and its investees make provisions for legal proceedings, the values of which are considered sufficient to cover probable losses, based on an analysis of their legal advisors and directors.

These provisions are presented according to the nature of the corresponding causes:

	Consolidated		Parent Company	
	2015	2014	2015	2014
Labor claims	149	128	149	128
Tax claims	702	40	701	39
Civil claims	243	181	243	181
Environmental claims	11	8	11	9
Total	**1,105**	**357**	**1,104**	**357**

	Consolidated		Parent Company	
	2015	2014	2015	2014
Beginning balance	**357**	**279**	**357**	**278**
Increases	779	108	779	108
Write Offs / Reversal	(50)	(38)	(50)	(37)
Update	19	8	18	8
Closing balance	**1,105**	**357**	**1,104**	**357**

Expenditure on judicial proceedings are recognized in other operating expenses.

In line with its legal area, the company made provisions on the amount of R$555 for various acts of infringement from deductions applied to the monthly payments of ICMS-ST, in function, mainly the use of ICMS credits arising from purchases of carriers that are located in the State of Mato Grosso (State Decree No. 2.683/2010), as well as contracts for the purchase and sale of credits granted in favor of construction firms, in compliance with the agreements drawn up between the State of Mato Grosso, the company and the construction companies, which was made through letters issued by the State of Mato Grosso to the Company (ICMS Agreement nº 85/2011).

27.1.1 Proceedings subject to provisions and judicial deposits

	Consolidated					
	2015			2014		
	Judicial proceedings	Judicial deposits	Net proceedings of judicial deposits	Judicial proceedings	Judicial deposits	Net proceedings of judicial deposits
Labor claims	149	80	69	128	66	62
Tax claims	702	10	692	40	8	32
Civil claims	243	65	178	181	49	132
Environmental claims	11	4	7	8	4	4
Total	**1,105**	**159**	**946**	**357**	**127**	**230**

27.2 Proceedings not subject to provision - (Possible losses)

	Consolidated		Parent Company	
Nature	**2015**	**2014**	**2015**	**2014**
Tax	4,528	4,335	4,521	4,313
Civil - General	1,148	959	1,148	959
Labor	135	123	135	123
Civil - Environmental	-	10	-	10
	5,811	**5,427**	**5,804**	**5,405**

Here are the main processes not subject to provision:

(a) Tax proceedings

	Description of tax proceedings	Estimate
	Plaintiffs: States of Minas Gerais and Rio de Janeiro	
1)	Collection of the difference in the rate on in internal transactions with aviation kerosene. The States have enacted a special regime for airlines, reducing the ICMS rate. – Today, the Company charges this rate difference from distributors related to the sales to airlines companies and/or transfers between the Company's facilities.	1,249
	Plaintiff: Federal Government	
2)	Proceedings in which the Company is charged with supposedly failing to collect taxes on credit, foreign exchange and insurance, or otherwise relating to bonds/securities arising from qualified operations by Tax Authorities, over the montly cash remittance to Petróleo Brasileiro S/A - Petrobras and loans from various contributors (gas stations).	410
	Plaintiffs: States of Amapá, Minas Gerais and São Paulo and Pernambuco State fuel distributor	
3)	Proceedings in which the company is contesting who is liable for the payment of ICMS not withheld for tax substitution due to injunctions obtained by buyers, but which are now due as a result of final failure of such buyers in the demands they initiated against the State.	456
	Plaintiffs: States of Alagoas, Goiás, Pará, Rio de Janeiro, Roraima, Santa Catarina, and Tocantins	
4)	Collection of ICMS-ST on consignment and symbolic return of aviation kerosene for resale; consideration of establishment as wholesale retailer; reputability of tax documents.	402
	Plaintiffs: States of Amazonas, Ceará, Goiás, Mato Grosso, Matro Grosso do Sul, Pará, Paraíba, Pernambuco, Roraima, São Paulo and Sergipe and the Federal District	
5)	Proceedings in which the Company disputes the non-applicability of ICMS to variations in fuel volumes for leftovers and inventory shortages arising from the operation and transportation of products. The company receives oil refinery products invoiced based on a temperature of 20. When sold to customers, the Company sells the product at room temperature, resulting in variations in inventory arising from natural volumetric variations due to temperature.	338
	Plaintiffs: State of Pernambuco	
6)	ICMS charges on alleged sales of aviation kerosene without ICMS highlighted for national and foreign airlines, for flights to other states or abroad.	340
	Plaintiffs: States of Alagoas, Bahia, Mato Grosso, Pará, Rio de Janeiro and Rondônia, the Federal District and the Federal Government	
7)	Punishment applied by the breach of accessory obligations related to the payment and crediting of ICMS, IRPJ, CSLL ICMS, PIS and COFINS, levied on transactions in general by the Company.	278
	Plaintiff: Federal Government	
8)	Proceedings in which the Company disputes the level of IPI over products derived from oil and the possibility of maintaining IPI credits on acquisition of inputs used in the production of oil derivatives.	497
9)	Proceedings in which Petrobras is the main responsible of social security contributions, but the Company is assessed as jointly liable.	87
10)	Proceedings in which the Company disputes Social Security contribution levied on PLR and performance bonus monies paid to employees.	76
11)	Proceedings in which the company disputes who stands to be sued in regard to the payment of PIS and COFINS not withheld for tax substitution due to injunctions obtained by buyers, but which are now due as a result of final failure of such buyers in the demands they initiated against Federal Government.	54
	Plaintiffs: States of Amazonas, Bahia, Ceará, Goiás, Minas Gerais, Rondônia and São Paulo	
12)	Proceedings in which the Company disputes whether or not it is entitled to credit ICMS paid on CIF freight in interstate operations is covered by immunity. Distinction between operation and transport service.	63
	Plaintiffs: States of Bahia, Ceará, Minas Gerais, Pará, Paraná, Pernambuco, Rondônia and São Paulo	
13)	Proceedings in which Revenue Services accuses the Company of having taken/used credits in operations that would not generate such crediting entitlement, as cases of misapplication of the principle of non-cumulative taxation.	62
	Plaintiff: State of Mato Grosso	
14)	Charge in relation to GST-ST understood by the State as due in interstate transfers of product from terminal in another State to the State of Mato Grosso.	46
	Plaintiffs: State of Ceará, Goiás, Minas Gerais, Rio de Janeiro, Tocantins and the Federal District	
15)	ICMS levied on direct sales to final consumers, where one of the traditional retail chain do not exist.	45
	Miscellaneous tax proceedings	125
		4,528

(b) Civil proceedings

	Description of civil proceedings	2015
	Plaintiff: DISCOM Distribuidora de Combustíveis e Comércio Ltda	
1)	DISCOM claims that the Company, in October 1997, signed a contract of promise of commercial purchase and sale, whereby the Company accepted the obligation to supply products. Claims that the Company had failed to fulfill the contract without reason, suspending the delivery of products from May 25, 2000, and thus violated the agreement generating numerous losses for DISCOM. Requests indemnity for damages and lost profits and indemnity for moral damages. Current status: the Court of Justice of Pernambuco, awaiting trial of the appeal.	127
	Plaintiff: C A Soares da Costa	
2)	Civil action before the courts of Rondônia, seeking indemnity for damages and losses related to the claim of breach of transportation contract by the Company. Current status: the Court of Rondônia upheld the earlier decision, in favor of the Company. The plaintiff filed a special appeal, referred to the Superior Court of Justice – STJ.	131
	Plaintiff: Francisco Messias Cameli	
3)	Civil action before the Courts of the State of Amazonas for rental charges, due to vessel demurrage on the Cruzeiro Sul Secondary Distribution Base (BASUL). Current Status: Conviction in the first instance, awaiting trial in second instance by the Court of Justice of the State of Amazonas. Case held by the judge under advisement.	177
	Plaintiff: Forte Comércio, Importação, Exportação e Administração	
4)	Civil action before the Court of the State of São Paulo, with a request for the termination of contracts and compensation for damages, claiming that the Company has failed to fulfill an obligation that it allegedly undertook for the incorporation of Grupo Forte. Current Status: Pending trial of the special appeal filed by the Company.	145
	Plaintiff: Discom-Distribuidora de Combustíveis e Comércio Ltda e Outras	
5)	Proceedings in which the company disputes who stands to be sued in regard to the payment of ICMS not withheld for tax substitution due to injunctions obtained by buyers, but today are due as a result of final failure of such buyers in the demands they initiated against the State.	55
	Plaintiff: Compassa - Cia de Petróleo Y Asfalto S.A.	
6)	Lawsuit for damages and losses against the Company and Petrobras in Asuncion - Paraguay, by contractual default.	54
	Plaintiff: Único Combustíveis Ltda	
7)	Lawsuit on contractual breach by the Company, which interrupted the provision of fuel considering that the plaintiffs did not have credit limits available and conditions the provision to registration reinforcement - guarantee, bank surety letter, mortgage or reduction of payment term in vendor program. The plaintiffs state that the contract did not include a clauses on the interruption to the supply of products until registration reinforcement, whereas the Company was necessarily obliged to deliver products at the quantity ordered.	51
	Plaintiff: Feijó, Cavagnolli & Cia. Ltda	
8)	Pursuant to the contract executed, the plaintiff transferred the rights arising from its registration in the DNC (National Department of Fuels), in exchange for the Company's commitment to assign him a merchant commission contract in one of the points that were under negotiation with the city of Poá/ SP. The negotiation with the city involved the transfer of use of 14 (fourteen) points in the city, but there was a legislative amendment which reduced it to 6 (six) points of exploitation to be granted to the Company. With the change, the Company has not fulfilled the agreement with the reseller station, which motivated the filing of the action.	42
	Plaintiff: Gnc Gas Natural Carmopolis	
9)	The author filed a Claim for Changes against the Company, for breach of contractual clauses on the minimum annual removal of Compressed Natural Gas, in the manner and within the time set forth in the contract.	45
	Miscellaneous civil proceedings	321
		1,148

28 Financial instruments and risk management

The financial instruments held by the Company are managed by means of operational strategies and internal controls, aiming at liquidity, the choice of counterparties, and the profitability and security of shopping areas for which operations are carried out.

The control policy involves the continuous monitoring of the rates contracted compared to those prevailing in the market, with the ultimate goal of the preservation of the margins obtained on a hedging policy defined in conjunction with the shopping areas. The Company does not perform applications of speculative character in derivatives or any other high risk assets.

Due to the nature of our business, the Company is mainly exposed to credit risk, since that part of this exposition is indexed to interest rates applied to the customer loans. The Company is also subject to liquidity risk, market risk and the risk of variations in the exchange rate.

The descriptions of the financial instruments included in the balance sheet are as follow:

		Consolidated		Parent Company	
	Notes	2015	2014	2015	2014
Loans and receivables					
Cash and banks	5	609	543	607	533
Financial investments	5	201	199	-	-
Accounts receivable	7	14,291	12,887	14,231	12,885
		15,101	**13,629**	**14,838**	**13,418**
Fair value through result					
Judicial deposits	7	29	27	29	27
		29	**27**	**29**	**27**
Financial assets available for sale					
FIDC Supplier	6	19	-	19	-
		19	-	**19**	-
Financial assets held to maturity					
FIDC Supplier	6	-	18	-	18
NTN-P	6	9	5	9	5
		9	**23**	**9**	**23**
Financial liabilities measured at amortized cost					
Suppliers	14	3,047	3,168	3,023	3,147
Borrowing	15	12,894	1,367	11,782	295
Intragroup loans with the Parent Company	18.4	-	6,596	-	6,596
Assignment of receivables	18	24	404	-	380
Finance leases	28.3.3	129	139	711	442
		16,094	**11,674**	**15,516**	**10,860**

28.1 Objectives and risk management strategies

The Company's main forum for the discussion of credit risk management is the Credit Committee, which defines the main parameters and guidelines of the credit granting policy. The analysis of credit applications, based on the amounts requested, are subject to specific procedures and increasing levels of demand in line with the level of exposure, in some cases requiring a decision of the Board of Executive Directors.

28.2 Market Risk

28.2.1 Credit risk

The exposure to credit risk of the Company arises from the supply of products in the long term, due to the nature of the Company's business operations. This risk represents the possibility of not receiving the amount from sales.

28.2.1.1 Managing credit risk

The company's Credit and Collections Policy defines the levels of approval for each client considering the amounts requested, and establishes deadlines for the duration limits, to enable the periodic re-evaluation of the situation of each client with respect to the risk that it represents.

The analysis includes an evaluation of the behavior of the client and the constraints of the market, the real guarantees (mortgages), personal guarantees (securities) and carried out analyses of swings. The Company uses a table of limits of competence, approved by Management, for the granting of credit.

The credit granted to financial institutions is distributed among the major international banks considered by international ratings agencies as Investment Grade, and the most significant Brazilian banks.

The portfolio of commercial credit of the Company is quite diversified, serving customers in the automotive chain and large consumers segments, represented mainly by industrial and government clients. The exposure to risk is represented primarily by the balance of accounts receivable from customers.

The portfolio of the company totaled approximately R$ 11.2 billion at December 31, 2015.

28.2.2 Interest rate risk

The interest rate risk on the liability of the company is associated mainly with the CDI, the index of funding from BASA, Banco do Brasil, Itaú and Bradesco (Note 15.1), and the inflation indices, IGPM and IPCA, which are the sources of mortgage-backed securities. The assets are characterized, for the most part, by the customers financing, which are generally tied to the IGP, and by the contracts for the assumption of debt of companies of the System Eletrobras, updated by the SELIC rate.

28.2.2.1 Managing interest risk

The Company currently does not use derivative financial instruments to manage its exposure to interest rate fluctuations.

Follows a sensitivity analysis of the interest of the consolidated principal assets and liabilities in December 31, 2015.

Instruments	Exposure (R$ thousands)	Note	Risk	Financial (expense)/income in scenario 1 (*)	Financial result with 25% decrease	Financial result with 50% decrease	Financial result with 25% increase	Financial result with 50% increase
Confession of debt contract - Electricity sector - Isolated system - Eletrobras system	5,745		Reduction of SELIC	698	524	349	873	1,047
CRIs	(1,075)	15.2	Increase of IPC-A and IGP-	(164)	(123)	(82)	(205)	(246)
Company Borrowing	(11,782)	15.2	Increase of CDI	(1,000)	(750)	(500)	(1,250)	(1,500)
Investments - FIDC	2,766	7	Reduction in CDI	139	104	70	174	209

(*) Scenario I corresponds to the effect recognized in profit or loss for the financial year, considering the December 31, 2015 base date.

28.3 Liquidity Risk

The Company uses its resources primarily to meet its operating expenses. Generally, the obligations are fulfilled using resources generated internally, but on the basis of existing opportunities in the financial market, any financial operations for financing projects or as a response to a liquidity event (example: default rates for the electricity sector).

28.3.1 Managing liquidity risk

The cash flow forecast is held on a centralized basis by the financial area of the Company. It is an annual flow, monitored through reviews of monthly projections, discussed in forums and executive committees.

The goal is to have a generation of cash sufficient to meet operational needs, current expenditure and investments of the Company, trying always to maintain a cash balance able to accommodate fluctuations in daily flow.

Any excess is applied to the shares of the FIDC-NP, exclusive funds and the corporate Petrobras System, with interest charged. Events that may impact the cash generation, within the limit of its cash flow, are remedied with corporate funds.

In parallel, there is still always room for financial structuring to improve the structure and cost of capital, as well as strengthening the box in specific situations.

28.3.2 Nominal flow of principal and interest of funding

Period	Consolidated		
	Principal	Interest	Total
2016	131	1,885	2,016
2017	312	1,859	2,171
2018	1,129	1,785	2,914
2019	2,271	1,593	3,864
2020	6,941	856	7,797
2021 onward	3,054	442	3,496
Total	**13,838**	**8,420**	**22,258**

28.3.3 Flow of payments and receipts from financial market leases

	2015			
	Consolidated		Parent Company	
	Minimum receipts	Minimum payments	Minimum receipts	Minimum payments
2016	6	54	6	119
2017 - 2020	24	123	24	479
2021 onward	22	22	22	1,883
Future receipts/ payments of estimated commitments	**52**	**199**	**52**	**2,481**
Minus amount of annual interest	(24)	(70)	(24)	(1,770)
Present value of the minimum receipts/ payments	**28**	**129**	**28**	**711**
Current	3	48	3	87
Non-Current	25	81	25	624
At December 31, 2015	**28**	**129**	**28**	**711**
Current	2	42	2	57
Non-Current	14	97	14	385
At December 31, 2014	**16**	**139**	**16**	**442**

28.4 Capital Management

Capital management consists of a set of processes that aim to ensure that the company maintains an adequate capital base for the development of their activitiesrelative to their financial commitments and risks.

The capital structure of the Company, as well as its cash management, should always be guided, in the final analysis, by the best capital structure and financial management from the perspective of Petrobras, opting for the alternative that offers the greatest synergy to the Petrobras System.

The management and monitoring of capital occurs through:

- Control of the daily flow of cash;
- Projection and monitoring the implementation of the short and medium term cash flow of the Company, structuring the financial plan that will support the budgeting processes;
- Analysis of the cash-to-cash cycle and the need for working capital;
- Monitoring of variables that impact the capital, integrating the initiatives related to the management of working capital needs;

The index of financial leverage as at December 31, 2015 and 2014 was calculated as follows:

	Consolidated		Parent Company	
	2015	2014	2015	2014
Borrowing (Note 15)	12,894	1,367	11,782	295
Financial leases (Note 28.3.3)	129	139	711	442
Intragroup loans with the Parent Company	-	6,596	-	6,596
Assignment of receivables (Note 18.2)	24	404	-	380
Total Indebtedness	13,047	8,506	12,493	7,713
Less: Cash and cash equivalents (Note 5)	(810)	(742)	(607)	(533)
Net Indebtedness	12,237	7,764	11,886	7,180
Net equity attributable to controlling shareholders (Note 21)	9,925	12,121	9,925	12,121
Net debt/(net debt + net equity)	**55%**	**39%**	**54%**	**37%**

The increase in the index of financial leverage it was due to raising funds through operations with NCEs and debentures as described in Note 15.1.

28.5 Fair value of financial assets and liabilities

The fair values are determined based on quotes for market prices when available or, failing these, on the present value of cash flow expected. The fair values of cash and cash equivalents, accounts receivable from customers, short term debt and accounts payable to suppliers are equivalent to their book values. The fair value of other assets and long term liabilities does not differ significantly from their book values.

The different levels of financial instruments recorded at fair value were defined as follow:

- Level 1 - prices negotiated (no adjustments) in the market for identical assets or liabilities.

- Level 2 - Inputs, except for quoted prices, included in Level 1 that are observable for the asset or liability, directly (prices) or indirectly (derived from prices).

- Level 3 - Assumptions for the asset or liability that are not based on observable data of the market (inputs may not be observed).

There was no transfer between the levels of financial instruments compared to 2014. The balance of R$ 2 of hedges in 2015 (R$ 0 in 2014), recorded at fair value on recurrent basis, is classified as Level 2.

29 Insurance

The Company and its subsidiaries have adopted an insurance policy, which mainly takes into consideration the risk concentration, the relevance and the replacement value of assets.

The facilities, equipment and products of the Parent Company have coverage against fireat an amount as at December 31, 2015 of R$ 10,487 (R$ 7,781 in 2014). There is full coverage for transfers of products between the establishments of the Company, sales and products purchased from suppliers, which is the responsibility of the Company. The consolidated amount as at December 31, 2015, was R$ 15,874 (R$ 11,528 in 2014).

The assumptions regarding risks takenare not within the scope of an audit of financial statements, and therefore were not examined by the independent auditors.

The main information about the insurance cover as at December 31, 2015 is as follows:

		2015		2014	
		Amount Insured		Amount Insured	
Asset	Type of coverage	Consolidated	Parent Company	Consolidated	Parent Company
Facilities, equipment and inventory products	Fire risks	10,518	10,487	7,810	7,781
General civil liability	Operations and environmental pollution.	976	976	664	664
Civil liability - Downstream	Aircraft supply operations	3,904	3,904	2,656	2,656
Other		476	474	398	396
Total		**15,874**	**15,841**	**11,528**	**11,497**

30 Events after the reporting period

Concession to operate and sell natural gas in the State of Espírito Santo

On February 2, 2016, the Official Gazzette of the State of Espírito Santo published Law No. 10,493/2016 which recognized the termination of the piped gas distribution service concession agreement (Note 13.2).

On August 12, 2016, the Company executed a Memorandum of Understanding with the Government of Espírito Santo State in order to establish a state-owned company to provide piped natural gas distribution services.

The Company did not record any allowance for loss, since the existing carrying amount is collateralized by the compensation from the State of Espírito Santo to the Company under said Law.

Policy Adjustment Commitment (TAC) of Petros Plan

On May 26, 2017, the Advisory Council of Fundação Petros approved the financial statements for 2016 with an accumulated deficit of R$ 26.7 billion (a deficit of R$ 22.6 billion until 2015) for Petrobras System´s Petros Plan, based on the accounting practices adopted in Brazil applicable to entities regulated by the National Pension Industry Council (CNPC).

On June 19, 2017, the National Superintendence for Pension Funds (PREVIC) published the Policy Adjustment Commitment (TAC) executed by Fundação Petros, whereby the entity sets due dates for the implementation of a plan to cover the accumulated deficit recorded in 2015 under Petrobras System´s Petros Plans. The amount to be contributed and the payment conditions will be submitted to the approval of Fundação Petros'Advisory Council and, subsequently, Petrobras will submit the said amount to an analysis by the Government-owned Companies Coordination and Governance Department (SEST).

Fundação Petros expects that participants and sponsors will start making extra contributions during 2017, provided that all approval stages are completed.

Capital Increase

As at August 31, 2017, the Extraordinary Stockholders' Meeting approved a capital increase in cash in the amount of R$ 6,313 million, which will result in administrative and economic benefits, allowing the Company to improve its financial ratios, such as liquidity and solvency.

Early Payment of Credit Notes

On August 31, 2017, the Company made early settlement of the Export Credit Notes (NCE) issued in favor of Banco do Brasil and Bradesco, in the total amount of R$ 7,708 million.

Partial Spin-off

On August 31, 2017, the Extraordinary Stockholders' Meeting approved the partial spin-off of the Company through the incorporation of the portion spun off by Downstream Participações Ltda. (a subsidiary of Petrobras), in the amount of R$ 6,339 million, relating to receivables from Eletrobras system companies, which were rescheduled in 2014, and amounts receivable from the customers Breitener Tambaqui and Breitener Jaraqui, both part of the Petrobras System, in order to improve the capital structure management of the economic group of the said companies. This transaction, in addition to the benefits for stockholders resulting from the appreciation of their assets and business, will bring administrative and economic benefits for the spun-off Company, ultimately resulting in an improvement in its financial ratios, such as liquidity and solvency.

Lawsuits

Tax on Financial Transactions (IOF)

Due to the decision favorable to the Company issued by the first appellate court, as part of the administrative proceedings under which the Company is required to pay IOF on transactions qualified by inspectors as remittances of money to Petrobras and intragroup loans to service station dealers, the Company changed its assessment of the expected loss significantly reduced the involved financial risks, which was reclassified from a possible loss in the amount of R$ 400 as at December 31, 2015 to a probable loss in the amount of R$ 0.3 as at July 31, 2017, for the portion of IOF on intragroup loans to service station dealers.

BOARD OF DIRECTORS

AUGUSTO MARQUES DA CRUZ FILHO
Chairman

BRUNO CESAR DE PAIVA E SILVA
Officer

CLEMIR CARLOS MAGRO
Officer

DURVAL JOSÉ SOLEDADE SANTOS
Officer

FRANCISCO ARRUDA VIEIRA DE MELO FILHO
Officer

JERÔNIMO ANTUNES
Officer

JORGE CELESTINO RAMOS
Officer

REINALDO GUERREIRO
Officer

SEGEN FARID ESTEFEN
Officer

EXECUTIVE OFFICE

IVAN DE SÁ PEREIRA JUNIOR
Chief Executive Officer

MARCELO FERNANDES BRAGANÇA
Operations and Logistics Officer and Officer of Service Stations

GUSTAVO HENRIQUE BRAGA COUTO
Consumer Market Officer

RAFAEL SALVADOR GRISOLIA
Chief Executive and Investors Relations Officer

ACCOUNTING MANAGEMENT

LUÍS CLÁUDIO SACRAMENTO BISPO
Accountant - CRC - RJ - 077.292/O-2