

BRAZILIAN PETROLEUM CORP
Form 6-K
November 17, 2006

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

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

For the month of November, 2006

Commission File Number 1-15106

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

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

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

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

Form 20-F Form 40-F

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

Yes No

(A free translation from the original in Portuguese)

FEDERAL PUBLIC SERVICE
 BRAZILIAN SECURITIES COMMISSION (CVM)
 ITR - QUARTERLY INFORMATION - As of - 09/30/2006
 COMMERCIAL, INDUSTRIAL & OTHER TYPES OF COMPANY

Corporate Law

THE REGISTRATION WITH THE CVM DOES NOT IMPLY THAT ANY OPINION IS EXPRESSED ON THE COMPANY. THE INFORMATION PROVIDED IS THE RESPONSIBILITY OF THE COMPANY'S MANAGEMENT

1 - CVM CODE 00951-2	2 - NAME OF THE COMPANY PETRÓLEO BRASILEIRO S.A. PETROBRAS	3 - CNPJ (TAXPAYERS RECORD NUMBER) 33.000.167/0001-01
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08.01 COMMENTS ON THE CONSOLIDATED PERFORMS IN THE QUARTER

01.01 - IDENTIFICATION

1 - CVM CODE 00951-2	2 - NAME OF THE COMPANY PETRÓLEO BRASILEIRO S.A. - PETROBRAS	3 - CNPJ (Taxpayers Record Number) 33.000.167/0001-01
4 - NIRE 33300032061		

01.02 - HEAD OFFICE

1 - ADDRESS AV. REPÚBLICA DO CHILE, 65 2ª floor				2 - QUARTER OR DISTRICT CENTRO
3 - CEP (ZIP CODE) 20031-912	4 - CITY RIO DE JANEIRO			5 - STATE RJ
6 - AREA CODE 021	7 - PHONE 3224-2040	8 - PHONE 3224-2041	9 - PHONE -	10 - TELEX
11 - AREA CODE 021	12 - FAX 3224-9999	13 - FAX 3224-6055	14 - FAX 3224-7784	
15 - E-MAIL petroinvest@petrobras.com.br				

01.03 - DIRECTOR OF INVESTOR RELATIONS (BUSINESS ADDRESS)

1 - NAME ALMIR GUILHERME BARBASSA	
2 - ADDRESS AV. REPÚBLICA DO CHILE, 65 2ª floor	3 - QUARTER OR DISTRICT CENTRO

4 - CEP (ZIP CODE) 20031-912	5 - CITY RIO DE JANEIRO			6 - STATE RJ
7 - AREA CODE 021	8 - PHONE NUMBER 3224-2040	9 - PHONE NO. 3224-2041	10 - PHONE NO. -	11 - TELEX
12 - AREA CODE 021	13 - FAX No. 3224-9999	14 - FAX No. 3224-6055	15 - FAX No. 3224-7784	
16 - E-MAIL barbassa@petrobras.com.br				

01.04 GENERAL INFORMATION/INDEPENDENT ACCOUNTANTS

CURRENT FISCAL YEAR		CURRENT QUARTER			PREVIOUS QUARTER		
1 - BEGINNING	2 - ENDING	3 - QUARTER	4 - BEGINNING	5 - END	6 - QUARTER	7 - BEGINNING	8 - END
01/01/2006	12/31/2006	3	07/01/2006	09/30/2006	2	04/01/2006	06/30/2006
9- NAME OF INDEPENDENT ACCOUNTING FIRM KPMG AUDITORES INDEPENDENTES						10- CVM CODE 00418-9	
11- NAME OF THE ENGAGEMENT PARTNER MANUEL FERNANDES RODRIGUES DE SOUSA						12- CPF (Taxpayers registration) 783.840.017-15	

01.05 - CURRENT BREAKDOWN OF PAID-IN CAPITAL

No. OF SHARES (THOUSANDS)	1- CURRENT QUARTER 09/30/2006	2 - PREVIOUS QUARTER 06/30/2006	3 - SAME QUARTER IN THE YEAR 09/30/2005
Capital Paid-in			
1 - Common	2.536.674	2.536.674	2.536.674
2 - Preferred	1.850.364	1.849.478	1.849.478
3 - Total	4.387.038	4.386.152	4.386.152
Treasury Stock			
4 - Common	0	0	0
5 - Preferred	0	0	0
6 - Total	0	0	0

01.06 - CHARACTERISTICS OF THE COMPANY

1 - TYPE OF COMPANY Commercial, Industrial and Other
2 SITUATION Operational
3 - TYPE OF SHARE CONTROL State Holding Company
4 - ACTIVITY CODE
5 - MAIN ACTIVITY PROSPECTING OIL/GAS, REFINING AND ENERGY ACTIVITIES
6 - TYPE OF CONSOLIDATION Total
7 - TYPE OF SPECIAL REVIEW REPORT Unqualified

01.07 - CORPORATIONS/PARTNERSHIPS EXCLUDED FROM THE CONSOLIDATED STATEMENTS

1 ITEM	2 CNPJ (TAXPAYERS RECORD NUMBER)	3 NAME

01.08 - DIVIDENDS/INTEREST ON CAPITAL APPROVED AND/OR PAID DURING AND AFTER THE CURRENT QUARTER

1 - ITEM	2 - EVENT	3 - APPROVAL DATE	4 - TYPE	5 - PET BEGINS ON	6 - TYPE OF SHARE	7 - DIVIDENDS PER SHARE
01	RCA	10/20/2006	Interest on capital payable		COMMON	1,0000000000
02	RCA	10/20/2006	Interest on capital payable		PREFERRED	1,0000000000

01.09 - SUBSCRIBED CAPITAL AND CHANGES IN THE CURRENT YEAR

1 ITEM	2 - DATE OF CHANGE	3 - CAPITAL (R\$ Thousand)	4 - AMOUNT OF CHANGE (R\$ Thousand)	5 REASON FOR CHANGE	7 - NUMBER OF SHARES ISSUED (Thousands)	8 - SHARE ISSUE PRICE (R\$)
01	01/06/2006	48.263.983	16.314	Incorporation of shares	886	18,3996000000

1.10 - INVESTOR RELATIONS DIRECTOR

1 DATE 11/10/2006	2 SIGNATURE
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02.01 UNCONSOLIDATED BALANCE SHEET - ASSETS (THOUSANDS OF REAIS)

1 Code	2 DESCRIPTION	3 - 09/30/2006	4 - 06/30/2006
1	Total Assets	172.948.450	162.653.530
1.01	Current Assets	47.707.256	44.269.095
1.01.01	Cash And Cash Equivalents	17.551.479	16.264.442
1.01.01.01	Cash And Banks	1.868.282	1.169.139
1.01.01.02	Short-Term Investments	15.683.197	15.095.303
1.01.02	Credits	9.882.305	9.140.443
1.01.02.01	Accounts Receivable	3.525.992	3.655.462
1.01.02.02	Subsidiaries and Affiliated Companies for Sales	5.181.872	4.310.080
1.01.02.03	Other Accounts Receivable	1.287.895	1.275.142
1.01.02.04	Provision for Doubtful Debts	(113.454)	(100.241)
1.01.03	Inventories	13.527.803	13.800.496
1.01.04	Other	6.745.669	5.063.714
1.01.04.01	Dividends Receivable	249.191	252.684
1.01.04.02	Recoverable Taxes	5.338.216	3.687.083
1.01.04.03	Prepaid Expenses	747.992	713.012
1.01.04.04	Other Current Assets	410.270	410.935
1.02	Non-Current Assets	43.097.597	38.962.658
1.02.01	Sundry Credits	1.002.850	785.861
1.02.01.01	Petroleum and Alcohol Accounts - STN	782.126	776.555
1.02.01.02	Marketable Securities	8.000	7.936
1.02.01.03	Investments in Companies Privatization Process	1.366	1.370
1.02.01.04	Other	211.358	0
1.02.02	Credits with Affiliated Companies	34.116.167	29.877.722
1.02.02.01	With Affiliated Companies	141.288	141.288
1.02.02.02	With Subsidiaries	33.953.864	29.529.532
1.02.02.03	With Other Related Parties	21.015	206.902
1.02.03	Other	7.978.580	8.299.075
1.02.03.01	Structured Projects	949.169	788.103
1.02.03.02	Deferred Taxes and Social Contributions	1.284.752	1.453.700
1.02.03.03	Deferred ICMS	772.551	975.161
1.02.03.04	Advances to Suppliers	556.146	570.770
1.02.03.05	Prepaid Expenses	909.803	958.781
1.02.03.06	Compulsory Loans - Eletrobras	115.923	117.120
1.02.03.07	Judicial Deposits	1.388.046	1.455.282
1.02.03.08	Advances for Pension Plan	1.248.628	1.228.424
1.02.03.09	Inventories	472.041	467.685
1.02.03.10	Other Non-Current Assets	281.521	284.049
1.03	Permanent Assets	82.143.597	79.421.777
1.03.01	Investments	22.741.041	22.562.845
1.03.01.01	Investments in Affiliated Companies	2.156	2.156
1.03.01.02	Investments in Subsidiaries	22.505.350	22.326.818
1.03.01.02.01	Petroquisa	1.715.434	1.669.812
1.03.01.02.02	BR Distribuidora	5.927.868	5.769.629

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1.03.01.02.03	Gaspetro	2.051.966	1.944.132
1.03.01.02.04	Transpetro	1.677.174	1.644.606
1.03.01.02.05	MPX Termoceaná	153.757	159.839

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02.01 UNCONSOLIDATED BALANCE SHEET - ASSETS (THOUSANDS OF REAIS)

1 - Code	2 DESCRIPTION	3 - 09/30/2006	4 - 06/30/2006
1.03.01.02.06	Downstream	1.084.531	1.147.322
1.03.01.02.07	Brasoil	893.399	937.285
1.03.01.02.08	termomacaé	730.212	804.943
1.03.01.02.09	FAFEN Energia	212.892	216.259
1.03.01.02.10	5283 Participações	798.927	795.405
1.03.01.02.11	E-Petro	23.697	24.269
1.03.01.02.12	Petrobras Energia	68.764	95.149
1.03.01.02.13	Braspetro Netherlands - PIB BV	2.970.404	2.957.292
1.03.01.02.14	PNBV	878.679	758.984
1.03.01.02.15	Termorio	2.574.961	2.611.182
1.03.01.02.16	Baixada Santista Energia	217.836	217.836
1.03.01.02.17	Soc. Fluminense Energia Eletrobolt	82.666	122.254
1.03.01.02.18	Other	8.048	14.434
1.03.01.02.19	Jointly-Owned Subsidiaries	619.912	622.939
1.03.01.02.20	Goodwill/Discount in Subsidiaries	(185.777)	(186.753)
1.03.01.03	Other Investments	233.535	233.871
1.03.02	Property, Plant and Equipment	58.668.242	56.177.144
1.03.03	Deferred Assets	734.314	681.788

02.02 UNCONSOLIDATED BALANCE SHEET LIABILITIES (THOUSANDS OF REAIS)

1 - CODE	2 DESCRIPTION	3 - 09/30/2006	4 - 06/30/2006
2	Total Liabilities	172.948.450	162.653.530
2.01	Current Liabilities	47.747.656	40.724.414
2.01.01	Loans and Financing	1.437.332	1.658.266
2.01.01.01	Financing	1.326.698	1.380.818
2.01.01.02	Interest on Financing	110.634	277.448
2.01.02	Debentures	0	0
2.01.03	Suppliers	5.076.821	4.418.937
2.01.04	Taxes and Contributions Payable	7.851.631	8.105.731
2.01.05	Dividends Payable	4.387.038	0
2.01.06	Provisions	1.799.111	1.701.946
2.01.06.01	Salaries, Vacation and Related Charges	1.325.381	1.114.321
2.01.06.02	Provision for Contingencies	83.712	193.562
2.01.06.03	Pension Plan	390.018	394.063
2.01.07	Debts with Affiliated Companies	22.740.391	21.371.273
2.01.07.01	Suppliers	22.740.391	21.371.273
2.01.08	Other	4.455.332	3.468.261
2.01.08.01	Advances from Customers	417.686	275.505
2.01.08.02	Structured Projets	1.999.772	952.867
2.01.08.03	Other	2.037.874	2.239.889
2.02	Non-Current Liabilities	27.546.085	26.715.859
2.02.01	Loans and Financing	5.618.755	5.827.782
2.02.02	Debentures	0	0
2.02.03	Provisions	17.444.352	16.527.168
2.02.03.01	Health Care Benefits	7.443.342	7.127.888
2.02.03.02	Provision for Contingencies	160.657	161.060
2.02.03.03	Pension Plan	2.549.573	2.302.616
2.02.03.04	Deferred Taxes and Social Contributions	7.290.780	6.935.604
2.02.04	Debts With Affiliated Companies	1.919.900	1.830.756
2.02.05	Other	2.563.078	2.530.153
2.2.05.01	Provision for Well Abandonment	1.836.437	1.804.351
2.2.05.02	Other Expenses Payable	726.641	725.802
2.03	Deferred Income	0	0
2.05	Shareholders' Equity	97.654.709	95.213.257
2.05.01	Capital	48.263.983	48.247.669
2.05.01.01	Paid up Capital	48.263.983	48.247.669
2.05.01.02	Monetary Correction	0	0
2.05.02	Capital Reserves	372.064	372.064
2.05.02.01	AFRMM and Other	372.064	372.064
2.05.03	Revaluation Reserves	68.506	70.473
2.05.03.01	Own Assets	0	0
2.05.03.02	Assets of Subsidiaries/Affiliates	68.506	70.473
2.05.04	Revenue Reserves	32.023.412	32.023.412
2.05.04.01	legal	5.207.914	5.207.914

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2.05.04.02	statutory	1.008.119	1.008.119
2.05.04.03	contingencies	0	0

02.02 UNCONSOLIDATED BALANCE SHEET LIABILITIES (THOUSANDS OF REAIS)

1 - Code	2 DESCRIPTION	3 - 09/30/2006	4 - 06/30/2006
2.05.04.04	Unrealized Profits	0	0
2.05.04.05	Retained Earnings	25.807.379	25.807.379
2.05.04.06	Special for Undistributed Dividends	0	0
2.05.04.07	Other	0	0
2.05.05	Retained Earnings	16.926.744	14.499.639

03.01 UNCONSOLIDATED STATEMENT OF INCOME FOR THE QUARTER (THOUSANDS OF REAIS)

1 - Code	2 DESCRIPTION	3- 07/01/2006 to 09/30/2006	4- 01/01/2006 to 09/30/2006	5- 07/01/2005 to 09/30/2005	6- 01/01/2005 to 09/30/2005
3.01	Gross sales and Services Revenue	43.724.993	120.516.772	37.870.949	104.651.716
3.02	Deductions from Gross Revenue	(11.150.588)	(31.390.136)	(9.778.549)	(27.888.594)
3.03	Net Sales and/or Services Revenue	32.574.405	89.126.636	28.092.400	76.763.122
3.04	Cost of Products and Services Sold	(18.941.435)	(47.528.930)	(15.030.559)	(41.613.197)
3.05	Gross Profit	13.632.970	41.597.706	13.061.841	35.149.925
3.06	Operating Expenses/Income	(4.873.342)	(11.904.243)	(4.270.217)	(12.389.719)
3.06.01	Selling	(1.318.601)	(3.657.463)	(1.221.668)	(2.900.737)
3.06.02	General and Administrative	(1.030.672)	(2.832.068)	(895.230)	(2.544.245)
3.06.02.01	Directors' Fees	(953)	(2.858)	(899)	(2.769)
3.06.02.02	Administrative	(1.029.719)	(2.829.210)	(894.331)	(2.541.476)
3.06.03	Financial	319.010	408.565	(217.002)	(676.718)
3.06.03.01	Financial Income	990.078	2.068.062	337.994	1.044.551
3.06.03.02	Financial Expenses	(671.068)	(1.659.497)	(554.996)	(1.721.269)
3.06.04	Other Operating Revenues	0	0	0	0
3.06.05	Other Operating Expenses	(2.366.022)	(6.402.221)	(2.022.562)	(7.357.530)
3.06.05.01	Taxes	(146.993)	(480.642)	(114.519)	(323.056)
3.06.05.02	Research and Technological Development	(367.348)	(1.099.101)	(247.456)	(662.010)
3.06.05.03	Exploratory Costs for the Extraction of Crude Oil and Gas	(320.431)	(707.045)	(334.116)	(809.783)
3.06.05.04	Net Monetary and Exchange Adjustments	(22.009)	(524.885)	(401.757)	(1.441.204)
3.06.05.05	Benefits Expenses	(455.848)	(1.367.544)	(456.980)	(1.469.640)
3.06.05.06	Other Operating Income/Expenses, Net	(1.053.393)	(2.223.004)	(467.734)	(2.651.837)
3.06.06	Participation in the Shareholders' Equity of Affiliated Companies	(477.057)	578.944	86.245	1.089.511
3.07	Operating Income /Expenses	8.759.628	29.693.463	8.791.624	22.760.206
3.08	Nonoperating income / expenses	(30.555)	(84.057)	1.064	(215.103)
3.08.01	Income	2.726	76.610	450.552	460.606

03.01 UNCONSOLIDATED STATEMENT OF INCOME FOR THE QUARTER (THOUSANDS OF REAIS)

1 - Code	2 DESCRIPTION	3- 07/01/2006 to 09/30/2006	4- 01/01/2006 to 09/30/2006	5- 07/01/2005 to 09/30/2005	6- 01/01/2005 to 09/30/2005
3.08.02	Expenses	(33.281)	(160.667)	(449.488)	(675.709)
3.09	Income before Taxes/Participations	8.729.073	29.609.406	8.792.688	22.545.103
3.10	Provision for Income Tax and Social Contribution	(2.988.029)	(9.174.658)	(3.002.751)	(6.001.854)
3.11	Deferred Income Tax	1.071.132	391.170	(111.709)	(1.058.567)
3.12	Statutory Participation/Contributions	0	0	0	0
3.12.01	Participations	0	0	0	0
3.12.01.01	Profit Sharing for Employees and Management	0	0	0	0
3.12.02	Contributions	0	0	0	0
3.13	Reversal of Interest on Shareholders' Equity	0	0	0	0
3.15	Net Income for the Period	6.812.176	20.825.918	5.678.228	15.484.682
	NUMBER OF SHARES, EX-TREASURY (THOUSANDS)	4.387.038	4.387.038	4.386.152	4.386.152
	NET INCOME PER SHARE	1,55280	4,74715	1,29458	3,53036
	LOSS PER SHARE				

04.01 - NOTES TO QUARTELY INFORMATION

1. PRESENTATION OF THE QUARTERLY FINANCIAL INFORMATION

Significant accounting policies

The quarterly information was prepared in accordance with the accounting practices adopted in Brazil, pursuant to the provisions of Brazilian Corporate Law and the standards and procedures established by the Brazilian Securities Commission (CVM).

There have been no changes to the significant accounting policies adopted by the Company in relation to those mentioned in the 2005 annual report, except for the accounting practice adopted with regard to the programmed stoppages for major maintenance of the industrial plants and ships.

Until December 31, 2005, the Company used to recognize monthly, a provision for the maintenance of its industrial plants and ships during the period prior to the programmed stoppage, based on estimated costs.

Starting in January 2006, following the CVM in a Pronouncement no. Decision 489/2005 and The Brazilian Institute of Independent Auditors - IBRACON Technical Interpretation 1/2006, the Company reversed the provision for programmed stoppages and adopted as a new accounting policy, the recognition of relevant expenditures realized on the maintenance of its industrial plants and ships, which include spare parts, assembling and disassembling services, among other, in the Property, Plant and Equipment account.

Such stoppages occur on average every 4 years and the respective expenditures are depreciated as production cost until the next stoppage begins.

Being a change in accounting policy, the reversion of the provision as at December 31, 2005, the additional depreciation corresponding to the major maintenance, the capitalization of the costs incurred and the related accumulated depreciation on such costs prior to December 31, 2005, were adjusted against retained earnings, net of taxes effects, as a prior year adjustment, amounting to R\$529.406 thousand.

Certain balances relating to prior periods were reclassified in order to properly compare the interim financial information between the periods.

To converge with international accounting practices, CVM Pronouncement no. 488 approved the IBRACON NPC Pronouncement no. 27 that established new standards for presenting and disclosing the financial statements. According to the aforementioned decision, assets should be classified as Current and Non-Current, with the latter also for long-term accounts receivable, investments, intangibles and deferred assets. Liabilities should be classified as Current and Non-Current.

(A free translation from the original in Portuguese)

FEDERAL PUBLIC SERVICE**BRAZILIAN SECURITIES COMMISSION (CVM)****ITR - QUARTERLY INFORMATION - As of - 09/30/2006****Corporate Law****COMMERCIAL, INDUSTRIAL & OTHER TYPES OF COMPANY****00951-2 PETRÓLEO BRASILEIRO S.A. - PETROBRAS 33.000.167/0001-01****04.01 NOTES TO QUARTELY INFORMATION**

Below is a presentation of the financial statements with the new presentation standards:

ASSET	R\$ Thousand			
	CONSOLIDATED		PARENT COMPANY	
	09.30.2006	06.30.2006	09.30.2006	06.30.2006
<u>CURRENT</u>				
Cash and cash equivalents	24.518.654	22.713.083	17.551.479	16.264.442
Accounts receivable, net	14.365.111	13.141.708	9.882.305	9.140.443
Inventories	16.591.646	17.316.288	13.527.803	13.800.496
Recoverable taxes	7.796.025	6.556.627	5.338.216	3.687.083
Other	2.219.789	2.295.088	1.407.453	1.376.631
	65.491.225	62.022.794	47.707.256	44.269.095
<u>NON-CURRENT</u>				
Non-current assets				
Petroleum and Alcohol accounts	782.126	776.555	782.126	776.555
Accounts receivable, Net	2.250.855	1.635.984	34.327.525	29.877.722
Structured Projects			949.169	788.103
Advances to Suppliers	701.039	715.003	556.146	570.770
Deferred Taxes and Social Contributions	4.457.387	4.349.734	2.057.303	2.428.861
Judicial Deposits	1.757.312	1.848.689	1.388.046	1.455.282
Advance Pension Plan	1.248.628	1.228.424	1.248.628	1.228.424
Other	3.889.806	4.021.338	1.788.654	1.836.941
	15.087.153	14.575.727	43.097.597	38.962.658
Investments	5.083.758	4.075.391	22.741.041	22.562.845
Property, Plant and Equipment	109.999.348	104.953.253	55.978.770	53.467.364
Intangible	2.825.129	2.832.033	2.689.472	2.709.780

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Deferred	2.107.884	2.062.749	734.314	681.788
	135.103.272	128.499.153	125.241.194	118.384.435
<u>TOTAL</u>	200.594.497	190.521.947	172.948.450	162.653.530

R\$ Thousand

	CONSOLIDATED		PARENT COMPANY	
LIABILITIES	09.30.2006	06.30.2006	09.30.2006	06.30.2006
<u>CURRENT</u>				
Loans	11.308.328	11.670.314	1.437.332	1.658.266
Suppliers	10.215.738	9.718.687	27.817.212	25.790.210
Taxes and Social Contributions	9.485.208	9.717.948	7.851.631	8.105.731
Dividends/Interest on Own Capital	4.570.435	188.141	4.387.038	
Provision for pension plan	405.302	411.275	390.018	394.063
Structured Projects	33.838	28.833	1.999.772	952.867
Advances from customers	1.214.051	1.084.765	417.686	275.505
Other	6.172.839	5.811.743	3.446.967	3.547.772
	43.405.739	38.631.706	47.747.656	40.724.414
<u>NON-CURRENT</u>				
Loans	30.101.328	29.036.316	5.618.755	5.827.782
Subsidiaries and Associated Companies			1.919.900	1.830.756
Provision for pension plan	2.810.292	2.538.168	2.549.573	2.302.616
Provision for health care plan	8.065.596	7.728.026	7.443.342	7.127.888
Deferred Taxes and Social Contributions	8.792.024	8.488.581	7.290.780	6.935.604
Provision for well abandonment	1.984.761	1.951.855	1.836.437	1.804.351
Other	1.965.506	1.705.525	887.298	886.862
	53.719.507	51.448.471	27.546.085	26.715.859
<u>DEFERRED INCOME</u>	424.118	406.451		
<u>MINORITIES INTERESTS</u>	7.175.330	6.871.802		
<u>SHAREHOLDERS EQUITY</u>	95.869.803	93.163.517	97.654.709	95.213.257
<u>TOTAL</u>	200.594.497	190.521.947	172.948.450	162.653.530

2. CASH AND CASH EQUIVALENTS

	R\$ Thousand			
	Consolidated		Parent company	
	09.30.2006	06.30.2006	09.30.2006	06.30.2006
Cash and banks	3.100.188	2.705.299	1.868.282	1.169.139
Short-term investments				
Domestic:				
Exclusive financial investment funds				
Foreign currency	6.109.764	6.930.626	5.879.679	6.930.626
Interbank Deposits	6.918.379	4.955.201	5.781.723	4.955.201
Government securities	864.113	912.124		
Financial investment funds - foreign currency	79.555	241.183		
Financial investment funds - Interbank Deposits	1.044.653	1.669.791		
Other	817.949	1.040.417	21.253	128.325
	15.834.413	15.749.342	11.682.655	12.014.152
Foreign:				
Time deposit	2.971.927	1.554.632	2.093.365	765.284
Fixed-income securities	2.612.126	2.703.810	1.907.177	2.315.867
Total short-term investments	5.584.053	4.258.442	4.000.542	3.081.151
TOTAL CASH AND CASH EQUIVALENTS	24.518.654	22.713.083	17.551.479	16.264.442

Domestic short term investments are mainly comprised of quotas in exclusive funds, whose funds are invested in federal public bonds with immediate liquidity. The Funds may present diversification in its portfolio. Through financial derivative operations, executed by fund managers, the portfolio is tied to the American dollar quotation, to the remuneration of the Interbank Deposits - DI and to the Government bonds. Exclusive funds do not have any significant financial obligations and are limited to daily obligations of adjustments to the positions of the BM&F (Stock and Futures Exchange), auditing services, services fees regarding custody of assets and execution of financial operations and other administrative expenses.

Marketable securities balances are recorded at cost, plus income earned to the balance sheet date, not exceeding market value.

On September 30, 2006, the Company and its subsidiary PIFCo had amounts invested abroad in an exclusive investment fund that held, among other, debt securities of some of the PETROBRAS Group companies and certain of the Special Purpose Entities established in connection with the Company's projects, mainly CLEP project, in the amount of R\$ 3.558.762 thousand (R\$ 4.209.410 thousand on June 30, 2006). This amount, related to the consolidated companies, was offset against the balance of Loans and borrowings account classified under current and long-term liabilities.

3. ACCOUNTS RECEIVABLE, NET

Accounts receivable are broken down as follows:

	R\$ Thousand			
	Consolidated		Parent company	
	09.30.2006	06.30.2006	09.30.2006	06.30.2006
Customers				
Third parties	14.061.663	12.605.804	3.525.992	3.655.462
Related parties (Note 4a)	1.829.616	1.695.472	39.298.039(*)	34.187.802(*)
Other	3.122.877	2.856.350	1.499.253	1.275.142
	19.014.156	17.157.626	44.323.284	39.118.406
Less: Provision for doubtful debts	(2.398.190)	(2.379.934)	(113.454)	(100.241)
	16.615.966	14.777.692	44.209.830	39.018.165
Less: long-term accounts receivable,	(2.250.855)	(1.635.984)	(34.327.525)	(29.877.722)
Short-term amounts receivable net	14.365.111	13.141.708	9.982.305	9.140.443

(*) Does not include dividends receivable R\$ 249.191 thousand on September 30, 2006 (R\$ 252.684 thousand on June 30, 2006) and refunds receivable of R\$ 831.809 thousand on September 30, 2006 (R\$ 673.136 thousand on June 30, 2006).

	R\$ Thousand			
	Consolidated		Parent company	
	09.30.2006	06.30.2006	09.30.2006	06.30.2006
Provision for doubtful debts				
Balance at beginning of quarter	2.379.934	2.364.093	100.241	102.697
Additions	34.821	29.112	27.683	23
Write offs (*)	(16.565)	(13.271)	(14.470)	(2.479)
Balance at end of quarter	2.398.190	2.379.934	113.454	100.241
Short-term	345.774	348.170	113.454	100.241
Long-term	2.052.416	2.031.764		

(*) Includes foreign exchange variances on the provision for doubtful debts from foreign companies.

4. RELATED PARTIES

The commercial operations of PETROBRAS with its subsidiaries are governed by normal market prices and conditions. The purchases of oil and oil products made by PETROBRAS from its subsidiary PIFCo have a longer term, since PIFCo is a subsidiary that was created for this purpose. The interest accumulated during the period is charged. The advance payment of exports and funds raised on the international market are made at the same rates obtained by the subsidiary. The rates, return and charges for other operations, mainly loan transactions, are established according to the same market conditions and/or in accordance with the specific legislation governing such transactions.

a) Assets

	PARENT COMPANY						
	Current assets			Non-current assets			
	Account receivable, mainly for sales	Dividends receivable	Advance for capital increase	Amounts referring to the construction of platforms and gas pipelines	Intercompany loans	Other Operations	Reimbursements receivable
PETROQUISA and Subsidiaries	107.815				4		
BR DISTRIBUIDORA and Subsidiaries	861.571				822.557		
GASPETRO and Subsidiaries	359.429			1.252.679	117.111		
PIFCO and Subsidiaries	2.329.561				26.480.892	4.226	
PNBV and Subsidiaries			10.693	11.669		1.344	
DOWNSTREAM and Subsidiary	124.085				817.229		
TRANSPETRO and Subsidiary	282.847					354	
PIB-BV NETHERLANDS and Subsidiaries	153.130					81.236	
BRASOIL and Subsidiaries	3.713				3.288.520	8.241	
BOC	224				533.986		
PETROBRAS COMERCIALIZADORA DE ENERGIA LTDA.	146.130	242.994					
OTHER SUBSIDIARIES AND							