

AMERICAN CENTURY INVESTMENT MANAGEMENT INC
Form SC 13G
February 14, 2006

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13G

Under the Securities Exchange Act of 1934

(Amendment No.)

PILGRIM'S PRIDE CORPORATION

(Name of Issuer)

COMMON STOCK

(Title of Class of Securities)

721467108

(CUSIP Number)

DECEMBER 31, 2005

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities and Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 721467108

1. Names of Reporting Persons.
I.R.S. Identification Nos. of above persons (entities only).

American Century Companies, Inc. 43-1325032

2. Check the Appropriate Box if a Member of a Group. (See Instructions)

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(a) []

(b) []

3. SEC Use Only.

4. Citizenship or Place of Organization.

Delaware

Number of Shares Beneficially Owned by Each Reporting Person With:

5. Sole Voting Power. 3,521,949

6. Shared Voting Power. N/A

7. Sole Dispositive Power. 3,768,281

8. Shared Dispositive Power. N/A

9. Aggregate Amount Beneficially Owned by Each Reporting Person. 3,768,281

10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares. (See Instructions) []

11. Percent of Class Represented by Amount in Row. (9) 5.7%

12. Type of Reporting Person. (See Instructions) HC

CUSIP No. 721467108

1. Names of Reporting Persons.

I.R.S. Identification Nos. of above persons (entities only).

American Century Investment Management, Inc. 44-0640487

2. Check the Appropriate Box if a Member of a Group. (See Instructions)

(a) []

(b) []

3. SEC Use Only.

 4. Citizenship or Place of Organization.

Delaware

Number of	5. Sole Voting Power.	3,521,949
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Shares Bene-

ficially Owned	6. Shared Voting Power.	N/A
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by Each

Reporting	7. Sole Dispositive Power.	3,768,281
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Person With:

	8. Shared Dispositive Power.	N/A
--	------------------------------	-----

9. Aggregate Amount Beneficially Owned by Each Reporting Person. 3,768,281

10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares. (See Instructions) []

11. Percent of Class Represented by Amount in Row. (9) 5.7%

12. Type of Reporting Person. (See Instructions) IA

Item 1.

(a) Name of Issuer.

Pilgrim's Pride Corporation

(b) Address of Issuer's Principal Executive Offices.

110 S. Texas Street
 Pittsburg, TX 75686-0093

Item 2.

(a) Name of Person Filing.

(1) American Century Companies, Inc.

(2) American Century Investment Management, Inc.

(b) Address of Principal Business Office or, if none, Residence.

4500 Main Street
 9th Floor

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Kansas City, MO 64111

(c) Citizenship.

(1) Delaware

(2) Delaware

(d) Title of Class of Securities.

Reference is made to the cover page of this filing.

(e) CUSIP Number.

Reference is made to the cover page of this filing.

- Item 3. (1) American Century Companies, Inc. is a parent holding company or control person in accordance with Section 240.13d-1(b)(1)(ii)(G).
- (2) American Century Investment Management, Inc. is an investment adviser in accordance with Section 240.13d-1(b)(1)(ii)(E).

Item 4. Ownership.

Reference is made to Items 5-9 and 11 on the cover pages of this filing.

Item 5. Ownership of Five Percent or Less of a Class.

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following [].

Item 6. Ownership of More than Five Percent on Behalf of Another Person.

Various persons, including the investment companies and separate institutional investor accounts that American Century Investment Management, Inc. ("ACIM") serves as investment adviser, have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the securities that are the subject of this schedule. Except as may be otherwise indicated if this is a joint filing, not more than 5% of the class of securities that is the subject of this schedule is owned by any one client advised by ACIM.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company.

See attached Exhibit A.

Item 8. Identification and Classification of Members of the Group.

Not applicable.

Item 9. Notice of Dissolution of Group.

Not applicable.

Item 10. Certification.

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: February 14, 2006 AMERICAN CENTURY COMPANIES, INC. ("ACC")

AMERICAN CENTURY INVESTMENT MANAGEMENT, INC. ("ACIM")

By: /s/ David C. Tucker

David C. Tucker
Senior Vice President, ACIM
Vice President and Secretary, ACC

SCHEDULE 13G - TO BE INCLUDED IN STATEMENTS FILED PURSUANT TO RULE 13d-1(b) or 13d-2(b).

EXHIBIT A

This Exhibit has been prepared to identify each subsidiary of American Century Companies, Inc. ("ACC") that is a beneficial owner of securities that are the subject of this schedule (the "Subject Securities"). American Century Investment Management, Inc. ("ACIM") is a wholly-owned subsidiary of ACC and an investment adviser registered under Section 203 of the Investment Advisers Act of 1940.

SCHEDULE 13G - TO BE INCLUDED IN STATEMENTS FILED PURSUANT TO RULE 13d-1(b) or

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13d-2(b) and Rule 13d-1(f)(1) Agreement.

EXHIBIT B

Rule 13d-1(f)(1)(iii) Agreement

Each of the undersigned hereby agrees and consents to the execution and joint filing on its behalf by American Century Investment Management, Inc. of this Schedule 13G respecting the beneficial ownership of the securities which are the subject of this schedule.

Dated this 14th day of February, 2006.

AMERICAN CENTURY COMPANIES, INC. ("ACC")

AMERICAN CENTURY INVESTMENT MANAGEMENT, INC. ("ACIM")

By: /s/ David C. Tucker

David C. Tucker
Senior Vice President, ACIM
Vice President and Secretary, ACC

;font-weight:normal;font-style:normal;text-transform:none;font-variant: normal;">(2,646)

(1,973)

(767)

(1,217)

(609)

Other liabilities

4,574

(2,320)

2,181

(321)

1,055

Net cash provided by operating activities

69,738

66,900

21,925

25,595

24,022

Cash flows from Investing activities

Capital expenditures

(33,962)

(30,113)

(13,939)

(10,104)

(9,432)

Investments in investees

(105)

(137)

(8)

(75)

(87)

Proceeds from disposal of assets - Divestment

16,883

9,458

3

9,378

3

Divestment (Investment) in marketable securities (*)

2,143

(2,924)

(90)

(128)

(2,314)

Dividends received (**)

1,810

806

137

957

231

Net cash used in investing activities

(13,231)

(22,910)

(13,897)

28

(11,599)

Cash flows from Financing activities

Investments by non-controlling interest

119

(194)

142

(144)

(52)

Financing and loans, net:

Proceeds from financing

30,626

72,082

3,395

7,973

28,094

Repayment of principal

(97,105)

(90,642)

(15,599)

(37,645)

(35,297)

Repayment of interest (**)

(16,194)

(17,384)

(5,663)

(4,527)

(5,254)

Dividends paid to shareholders of Petrobras

(1,190)

(595)

(595)

—

Dividends paid to non-controlling interests

(636)

(479)

(328)

(308)

(69)

Proceeds from sale of interest without loss of control

—

—

—

—

—

Net cash used in financing activities

(84,380)

(36,617)

(18,648)

(35,246)

(12,578)

Effect of exchange rate changes on cash and cash equivalents

10,182

(2,050)

1,887

8,797

(3,384)

Net increase / (decrease) in cash and cash equivalents

(17,691)

5,323

(8,733)

(826)

(3,539)

Cash and cash equivalents at the beginning of the year

74,494

69,108

65,536

66,362

77,970

Cash and cash equivalents at the end of the period

56,803

74,431

56,803

65,536

74,431



SEGMENT INFORMATION

Consolidated Income Statement by Segment –9M-2018

	R\$ million							
	E&P	RTM	GAS & POWER	BIOFUEL	DISTRIB. CORP.	ELIMIN.	TOTAL	
Sales revenues	140,771	197,049	33,114	670	75,701	–	(190,189) 257,116	
Intersegments	134,682	45,093	8,843	626	945	–	(190,189)–	
Third parties	6,089	151,956	24,271	44	74,756	–	– 257,116	
Cost of sales	(79,662)	(174,004)	(24,745)	(624)	(71,176)	–	186,135 (164,076)	
Gross profit	61,109	23,045	8,369	46	4,525	–	(4,054) 93,040	
Expenses	(7,804)	(7,420)	(8,307)	(63)	(2,197)	(15,645)	(104) (41,540)	
Selling expenses	(227)	(4,587)	(6,996)	(5)	(2,375)	(510)	(75) (14,775)	
General and administrative expenses	(666)	(1,026)	(400)	(53)	(614)	(3,801)	(1) (6,561)	
Exploration costs	(1,438)	–	–	–	–	–	– (1,438)	
Research and development expenses	(1,192)	(30)	(63)	–	(3)	(427)	– (1,715)	
Other taxes	(339)	(308)	(118)	(12)	(243)	(611)	– (1,631)	
Other income and expenses, net	(3,942)	(1,469)	(730)	7	1,038	(10,296)	(28) (15,420)	
Operating income (loss)	53,305	15,625	62	(17)	2,328	(15,645)	(4,158) 51,500	
Net finance income (expense)	–	–	–	–	–	(15,734)	– (15,734)	
Share of earnings in equity-accounted investments	266	1,284	269	(13)	(8)	(2)	– 1,796	
Income (loss) before income taxes	53,571	16,909	331	(30)	2,320	(31,381)	(4,158) 37,562	
Income taxes	(18,123)	(5,313)	(21)	6	(792)	8,987	1,414 (13,842)	
Net income (loss)	35,448	11,596	310	(24)	1,528	(22,394)	(2,744) 23,720	
Net income (loss) attributable to:								
Shareholders of Petrobras	35,462	11,725	(56)	(24)	1,105	(21,791)	(2,744) 23,677	
Non-controlling interests	(14)	(129)	366	–	423	(603)	– 43	
	35,448	11,596	310	(24)	1,528	(22,394)	(2,744) 23,720	

Consolidated Income Statement by Segment – 9M-2017

	R\$ million							
	E&P	RTM	GAS & POWER	BIOFUEL	DISTRIB. CORP.	ELIMIN.	TOTAL	
Sales revenues	97,583	157,846	28,093	495	63,914	–	(140,748) 207,183	
Intersegments	94,352	37,962	6,992	469	973	–	(140,748)–	
Third parties	3,231	119,884	21,101	26	62,941	–	– 207,183	
Cost of sales	(65,281)	(137,548)	(20,224)	(519)	(59,177)	–	141,958 (140,791)	
Gross profit	32,302	20,298	7,869	(24)	4,737	–	1,210 66,392	
Expenses	(8,950)	(6,821)	1,646	(34)	(2,902)	(12,463)	170 (29,354)	
Selling expenses	(310)	(4,143)	(3,946)	(5)	(2,383)	81	190 (10,516)	
General and administrative expenses	(764)	(1,096)	(411)	(58)	(647)	(4,002)	(1) (6,979)	
Exploration costs	(1,570)	–	–	–	–	–	– (1,570)	
Research and development expenses	(796)	(27)	(69)	–	(1)	(418)	– (1,311)	
Other taxes	(229)	(334)	(725)	(18)	(120)	(2,947)	– (4,373)	

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Other income and expenses, net	(5,281)	(1,221)	6,797	47	249	(5,177)	(19)	(4,605)
Operating income (loss)	23,352	13,477	9,515	(58)	1,835	(12,463)	1,380	37,038
Net finance income (expense)	—	—	—	—	—	(24,001)	—	(24,001)
Share of earnings in equity-accounted investments	257	1,197	290	(80)	—	1	—	1,665
Income (loss) before income taxes	23,609	14,674	9,805	(138)	1,835	(36,463)	1,380	14,702
Income taxes	(7,940)	(4,583)	(3,235)	20	(624)	7,878	(469)	(8,953)
Net income (loss)	15,669	10,091	6,570	(118)	1,211	(28,585)	911	5,749
Net income (loss) attributable to:								
Shareholders of Petrobras	15,625	10,173	6,289	(118)	1,211	(29,060)	911	5,031
Non-controlling interests	44	(82)	281	—	—	475	—	718
	15,669	10,091	6,570	(118)	1,211	(28,585)	911	5,749

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Consolidated Income Statement by Segment –3Q-2018

	R\$ million							
	E&P	RTM	GAS & POWER	BIOFUEL	DISTRIB. CORP.	ELIMIN.	TOTAL	
Sales revenues	51,813	76,289	13,518	236	27,611	–	(71,207)	98,260
Intersegments	49,305	18,277	3,081	223	321	–	(71,207)	–
Third parties	2,508	58,012	10,437	13	27,290	–	–	98,260
Cost of sales	(28,159)	(68,601)	(11,270)	(220)	(26,030)	–	70,664	(63,616)
Gross profit	23,654	7,688	2,248	16	1,581	–	(543)	34,644
Expenses	(5,357)	(3,099)	(3,589)	(24)	(64)	(5,460)	(32)	(17,625)
Selling expenses	(86)	(1,672)	(3,312)	(2)	(815)	13	(25)	(5,899)
General and administrative expenses	(210)	(337)	(168)	(19)	(204)	(1,276)	1	(2,213)
Exploration costs	(412)	–	–	–	–	–	–	(412)
Research and development expenses	(434)	(11)	(30)	–	(2)	(150)	–	(627)
Other taxes	(147)	(103)	(33)	(4)	(205)	(299)	–	(791)
Other income and expenses, net	(4,068)	(976)	(46)	1	1,162	(3,748)	(8)	(7,683)
Operating income (loss)	18,297	4,589	(1,341)	(8)	1,517	(5,460)	(575)	17,019
Net finance income (expense)	–	–	–	–	–	(5,841)	–	(5,841)
Share of earnings in equity-accounted investments	253	537	179	19	(8)	(5)	–	975
Income (loss) before income taxes	18,550	5,126	(1,162)	11	1,509	(11,306)	(575)	12,153
Income taxes	(6,220)	(1,561)	456	3	(516)	2,394	195	(5,249)
Net income (loss)	12,330	3,565	(706)	14	993	(8,912)	(380)	6,904
Net income (loss) attributable to:								
Shareholders of Petrobras	12,334	3,410	(808)	14	712	(8,638)	(380)	6,644
Non-controlling interests	(4)	155	102	–	281	(274)	–	260
	12,330	3,565	(706)	14	993	(8,912)	(380)	6,904

Consolidated Income Statement by Segment – 2Q-2018

	R\$ million							
	E&P	RTM	GAS & POWER	BIOFUEL	DISTRIB. CORP.	ELIMIN.	TOTAL	
Sales revenues	48,250	65,431	10,398	214	24,674	–	(64,572)	84,395
Intersegments	46,363	14,693	3,005	201	310	–	(64,572)	–
Third parties	1,887	50,738	7,393	13	24,364	–	–	84,395
Cost of sales	(27,415)	(56,246)	(7,642)	(197)	(23,301)	–	62,029	(52,772)
Gross profit	20,835	9,185	2,756	17	1,373	–	(2,543)	31,623
Expenses	(3,297)	(1,953)	(2,144)	(18)	(1,104)	(6,404)	(37)	(14,957)
Selling expenses	(72)	(1,472)	(1,847)	(2)	(805)	(527)	(23)	(4,748)
General and administrative expenses	(206)	(346)	(110)	(19)	(210)	(1,313)	(2)	(2,206)
Exploration costs	(584)	–	–	–	–	–	–	(584)
Research and development expenses	(423)	(9)	(20)	–	–	(141)	–	(593)
Other taxes	(28)	(125)	(50)	(4)	(16)	(136)	–	(359)
Other income and expenses, net	(1,984)	(1)	(117)	7	(73)	(4,287)	(12)	(6,467)

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Operating income (loss)	17,538	7,232	612	(1)	269	(6,404)	(2,580)	16,666
Net finance income (expense)	–	–	–	–	–	(2,647)	–	(2,647)
Share of earnings in equity-accounted investments	12	307	15	(27)	–	3	–	310
Income (loss) before income taxes	17,550	7,539	627	(28)	269	(9,048)	(2,580)	14,329
Income taxes	(5,963)	(2,459)	(208)	1	(92)	3,206	877	(4,638)
Net income (loss)	11,587	5,080	419	(27)	177	(5,842)	(1,703)	9,691
Net income (loss) attributable to:								
Shareholders of Petrobras	11,592	5,259	271	(27)	122	(5,442)	(1,703)	10,072
Non-controlling interests	(5)	(179)	148	–	55	(400)	–	(381)
	11,587	5,080	419	(27)	177	(5,842)	(1,703)	9,691

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Other Income (Expenses) by Segment – 9M-2018

R\$ million								
	E&P	RTM	GAS & POWER	BIOFUEL	DISTRIB. CORP.	ELIMIN.	TOTAL	
Pension and medical benefits	–	–	–	–	–	(4,054)	–	(4,054)
Agreement with American Authorities	–	–	–	–	–	(3,536)	–	(3,536)
Unscheduled stoppages and pre-operating expenses	(2,945)	(69)	(314)	–	–	(7)	–	(3,335)
(Losses)/gains on legal, administrative and arbitral proceedings	(475)	(361)	(491)	(4)	1,043	(2,236)	–	(2,524)
Gains/(losses) with Commodities Derivatives	–	–	–	–	–	(2,129)	–	(2,129)
Profit Share	(594)	(367)	(64)	(3)	(67)	(477)	–	(1,572)
Impairment of assets	(1,482)	174	(74)	–	–	–	–	(1,382)
Careers and remuneration plan	(546)	(205)	(41)	–	–	(348)	–	(1,140)
Institutional relations and cultural projects	(2)	(5)	–	–	(94)	(389)	–	(490)
Operating expenses with thermoelectric plants	–	–	(245)	–	–	–	–	(245)
Expenses with Health, safety and environment	(71)	(34)	(3)	–	(1)	(73)	–	(182)
Provision for doubtful receivables	11	(298)	25	(1)	–	163	–	(100)
Voluntary Separation Incentive Plan - PIDV	1	3	1	–	(16)	1	–	(10)
Government Grants	12	12	178	9	–	–	–	211
Ship/Take or Pay Agreements with Gas Distributors	10	102	92	–	26	6	–	236
(Expenditures)/reimbursements from operations in E&P partnerships	809	–	–	–	–	–	–	809
Reimbursement of expenses regarding "Car Wash" operation	–	1	–	–	–	1,735	–	1,736
Gains / (losses) on disposal/write-offs of assets; returned areas and cancelled projects (*)	1,834	(161)	(71)	–	26	245	–	1,873
Others	(504)	(261)	277	6	121	803	(28)	414
	(3,942)	(1,469)	(730)	7	1,038	(10,296)	(28)	(15,420)

Other Income (Expenses) by Segment – 9M-2017

R\$ million								
	E&P	RTM	GAS & POWER	BIOFUEL	DISTRIB. CORP.	ELIMIN.	TOTAL	
Pension and medical benefits	–	–	–	–	–	(4,587)	–	(4,587)
Agreement with American Authorities	–	–	–	–	–	–	–	–
Unscheduled stoppages and pre-operating expenses	(3,457)	(95)	(238)	–	–	(3)	–	(3,793)
(Losses)/gains on legal, administrative and arbitral proceedings	(1,339)	(432)	(465)	(2)	(104)	(370)	–	(2,712)

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Gains/(losses) with Commodities	-	-	-	-	-	-	-	-
Derivatives								
Profit Share	(110)	(70)	(11)	-	(17)	(106)	-	(314)
Impairment of assets	-	(112)	(239)	-	-	-	-	(351)
Careers and remuneration plan	-	-	-	-	-	-	-	-
Institutional relations and cultural projects	(2)	(5)	-	-	(100)	(376)	-	(483)
Operating expenses with thermoelectric plants	-	-	(178)	-	-	-	-	(178)
Expenses with Health, safety and environment	(29)	(17)	(7)	-	(1)	(105)	-	(159)
Provision for doubtful receivables	(1,505)	(24)	(1)	-	-	(60)	-	(1,590)
Voluntary Separation Incentive Plan - PIDV	168	(40)	137	-	143	348	-	756
Government Grants	13	31	170	9	-	-	-	223
Ship/Take or Pay Agreements with Gas Distributors	2	152	1,183	-	19	-	-	1,356
(Expenditures)/reimbursements from operations in E&P partnerships	863	-	-	-	-	-	-	863
Reimbursement of expenses regarding "Car Wash" operation	-	-	-	-	-	154	-	154
Gains / (losses) on disposal/write-offs of assets; returned areas and cancelled projects*	(601)	(408)	6,252	9	33	(16)	-	5,269
Cumulative Translation Adjustment - CTA	-	-	-	-	-	(116)	-	(116)
Remeasurement of remaining interests at fair value	-	-	698	-	-	-	-	698
Others	716	(201)	(504)	31	276	60	(19)	359
	(5,281)	(1,221)	6,797	47	249	(5,177)	(19)	(4,605)

* In 2018, includes basically the results with divestments. In 2017, includes basically returned areas, cancelled projects and the gain with NTS divestment.

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Other Income (Expenses) by Segment – 3Q-2018

R\$ million							
	E&P	RTM	GAS & POWER	BIOFUEL	DISTRIB. CORP.	ELIMIN.	TOTAL
Pension and medical benefits	–	–	–	–	–	(1,352)–	(1,352)
Agreement with American Authorities	–	–	–	–	–	(3,536)–	(3,536)
Unscheduled stoppages and pre-operating expenses	(1,412)	(26)	(122)	–	–	(3) –	(1,563)
(Losses)/gains on legal, administrative and arbitral proceedings	(218)	(130)	(64)	(3)	1,210	(411) –	384
Gains/(losses) with Commodities Derivatives	–	–	–	–	–	(172) –	(172)
Profit share	(124)	(142)	(25)	(3)	(67)	(111) –	(472)
Impairment of assets	(1,483)	(9)	(9)	–	–	– –	(1,501)
Careers and remuneration plan	(546)	(205)	(41)	–	–	(348) –	(1,140)
Institutional relations and cultural projects	(1)	(1)	–	–	(55)	(148) –	(205)
Operating expenses with thermoelectric plants	–	–	(73)	–	–	– –	(73)
Expenditures on Safety, Environment and Health	(15)	(7)	(1)	–	–	(23) –	(46)
Provision for doubtful receivables	3	(242)	(1)	(1)	–	221 –	(20)
Voluntary Separation Incentive Plan - PIDV	2	–	1	–	–	(1) –	2
Government grants	4	5	58	3	–	– –	70
Ship/Take or Pay Agreements with Gas Distributors	2	72	71	–	12	1 –	158
(Expenditures)/reimbursements from operations in E&P partnerships	342	–	–	–	–	– –	342
Reimbursement of expenses regarding "Car Wash" operation	–	1	–	–	–	1,734 –	1,735
Gains / (losses) on disposal/write-offs of assets; returned areas and cancelled projects (*)	(210)	(160)	(61)	–	16	165 –	(250)
Others	(412)	(132)	221	5	46	236 (8)	(44)
	(4,068)	(976)	(46)	1	1,162	(3,748)(8)	(7,683)

Other Income (Expenses) by Segment – 2Q-2018

R\$ million							
	E&P	RTM	GAS & POWER	BIOFUEL	DISTRIB. CORP.	ELIMIN.	TOTAL
Pension and medical benefits	–	–	–	–	–	(1,351)–	(1,351)
Agreement with American Authorities	–	–	–	–	–	– –	–
Unscheduled stoppages and pre-operating expenses	(881)	(24)	(90)	–	–	(2) –	(997)
(Losses)/gains on legal, administrative and arbitral proceedings	(177)	(68)	(46)	(1)	(89)	(1,255)–	(1,636)
Gains/(losses) with Commodities Derivatives	–	–	–	–	–	(1,252)–	(1,252)
Profit share	(278)	(132)	(22)	–	–	(217) –	(649)

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Impairment of assets	1	240	(64)	-	-	-	-	177
Careers and remuneration plan	-	-	-	-	-	-	-	-
Institutional relations and cultural projects	(1)	(2)	-	-	(31)	(138)	-	(172)
Operating expenses with thermoelectric plants	-	-	(90)	-	-	-	-	(90)
Expenditures on Safety, Environment and Health	(16)	(13)	(1)	-	(1)	(25)	-	(56)
Provision for doubtful receivables	14	(54)	22	-	-	(40)	-	(58)
Voluntary Separation Incentive Plan - PIDV	1	2	-	-	6	2	-	11
Government grants	5	3	52	3	-	-	-	63
Ship/Take or Pay Agreements with Gas Distributors	1	48	17	-	13	(14)	-	65
(Expenditures)/reimbursements from operations in E&P partnerships	286	-	-	-	-	-	-	286
Reimbursement of expenses regarding "Car Wash" operation	-	-	-	-	-	-	-	-
Gains / (losses) on disposal/write-offs of assets; returned areas and cancelled projects (*)	(1,040)	1	(34)	-	9	(74)	-	(1,138)
Others	101	(2)	139	5	20	79	(12)	330
	(1,984)	(1)	(117)	7	(73)	(4,287)	(12)	(6,467)

Consolidated Assets by Segment – 09.30.2018

R\$ million

	E&P	RTM	GAS & POWER	BIOFUEL	DISTRIB. CORP.	ELIMIN.	TOTAL
Total assets	507,532	182,698	60,041	676	20,799	112,414	(17,404) 866,756
Current assets	15,673	55,040	8,166	220	10,870	77,645	(17,413) 150,201
Non-current assets	491,859	127,658	51,875	456	9,929	34,769	9 716,555
Long-term receivables	30,158	12,122	4,035	9	3,338	31,752	162 81,576
Investments	5,016	5,201	2,998	164	–	17	– 13,396
Property, plant and equipment	448,659	109,665	43,911	283	5,841	2,522	(153) 610,728
Operating assets	345,316	95,678	34,203	276	5,047	1,666	(153) 482,033
Assets under construction	103,343	13,987	9,708	7	794	856	– 128,695
Intangible assets	8,026	670	931	–	750	478	– 10,855

Consolidated Assets by Segment – 12.31.2017

R\$ million

	E&P	RTM	GAS & POWER	BIOFUEL	DISTRIB. CORP.	ELIMIN.	TOTAL
Total assets	478,400	168,927	61,383	626	20,246	121,554	(19,621) 831,515
Current assets	25,056	41,912	5,992	213	9,795	90,878	(17,937) 155,909
Non-current assets	453,344	127,015	55,391	413	10,451	30,676	(1,684) 675,606
Long-term receivables	25,206	11,014	7,924	12	3,553	24,772	(1,526) 70,955
Investments	4,727	4,937	2,747	108	16	19	– 12,554
Property, plant and equipment	418,421	110,488	43,767	293	6,158	5,388	(158) 584,357
Operating assets	302,308	96,652	34,999	280	5,300	4,320	(158) 443,701
Assets under construction	116,113	13,836	8,768	13	858	1,068	– 140,656
Intangible assets	4,990	576	953	–	724	497	– 7,740

Reconciliation of Consolidated Adjusted EBITDA Statement by Segment – 9M-2018

	R\$ million							
	E&P	RTM	GAS & POWER	BIOFUEL	DISTRIB. CORP.	ELIMIN.	TOTAL	
Net income (loss)	35,448	11,596	310	(24)	1,528	(22,394)	(2,744)	23,720
Net finance income (expense)	–	–	–	–	–	15,734	–	15,734
Income taxes	18,123	5,313	21	(6)	792	(8,987)	(1,414)	13,842
Depreciation, depletion and amortization	24,499	5,781	1,732	13	343	352	–	32,720
EBITDA	78,070	22,690	2,063	(17)	2,663	(15,295)	(4,158)	86,016
Share of earnings in equity-accounted investments	(266)	(1,284)	(269)	13	8	2	–	(1,796)
Impairment losses / (reversals)	1,482	(174)	74	–	–	–	–	1,382
Realization of cumulative translation adjustment	–	–	–	–	–	–	–	–
Foreign Exchange gains or losses on material provisions for legal proceedings	–	–	–	–	–	1,962	–	1,962
Gains / (losses) on disposal / write-offs of assets**	(1,834)	161	71	–	(26)	(245)	–	(1,873)
Adjusted EBITDA*	77,452	21,393	1,939	(4)	2,645	(13,576)	(4,158)	85,691

Reconciliation of Consolidated Adjusted EBITDA Statement by Segment – 9M-2017

	R\$ million							
	E&P	RTM	GAS & POWER	BIOFUEL	DISTRIB. CORP.	ELIMIN.	TOTAL	
Net income (loss)	15,669	10,091	6,570	(118)	1,211	(28,585)	911	5,749
Net finance income (expense)	–	–	–	–	–	24,001	–	24,001
Income taxes	7,940	4,583	3,235	(20)	624	(7,878)	469	8,953
Depreciation, depletion and amortization	23,482	5,810	1,924	12	382	423	–	32,033
EBITDA	47,091	20,484	11,729	(126)	2,217	(12,039)	1,380	70,736
Share of earnings in equity-accounted investments	(257)	(1,197)	(290)	80	–	(1)	–	(1,665)
Impairment losses / (reversals)	–	112	239	–	–	–	–	351
Realization of cumulative translation adjustment	–	–	–	–	–	116	–	116
Foreign Exchange gains or losses on material provisions for legal proceedings	–	–	–	–	–	–	–	–
Gains / (losses) on disposal / write-offs of assets**	601	408	(6,950)	(9)	(33)	16	–	(5,967)
Adjusted EBITDA*	47,435	19,807	4,728	(55)	2,184	(11,908)	1,380	63,571

Reconciliation of Consolidated Adjusted EBITDA Statement by Segment – 3Q-2018

	R\$ million							
	E&P	RTM	GAS & POWER	BIOFUEL	DISTRIB. CORP.	ELIMIN.	TOTAL	
Net income (loss)	12,330	3,565	(706)	14	993	(8,912)	(380)	6,904
Net finance income (expense)	–	–	–	–	–	5,841	–	5,841
Income taxes	6,220	1,561	(456)	(3)	516	(2,394)	(195)	5,249
Depreciation, depletion and amortization	7,947	1,932	597	3	106	115	–	10,700
EBITDA	26,497	7,058	(565)	14	1,615	(5,350)	(575)	28,694

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Share of earnings in equity-accounted investments	(253)	(537)	(179)	(19)	8	5	–	(975)
Impairment losses / (reversals)	1,483	9	9	–	–	–	–	1,501
Foreign Exchange gains or losses on material provisions for legal proceedings	–	–	–	–	–	386	–	386
Gains / (losses) on disposal / write-offs of assets**	210	160	61	–	(16)	(165)	–	250
Adjusted EBITDA*	27,937	6,690	(674)	(5)	1,607	(5,124)	(575)	29,856

Reconciliation of Consolidated Adjusted EBITDA Statement by Segment – 2Q-2018

	R\$ million							
	E&P	RTM	GAS & POWER	BIOFUEL	DISTRIB.	CORP.	ELIMIN.	TOTAL
Net income (loss)	11,587	5,080	419	(27)	177	(5,842)	(1,703)	9,691
Net finance income (expense)	–	–	–	–	–	2,647	–	2,647
Income taxes	5,963	2,459	208	(1)	92	(3,206)	(877)	4,638
Depreciation, depletion and amortization	8,279	1,852	587	6	118	121	–	10,963
EBITDA	25,829	9,391	1,214	(22)	387	(6,280)	(2,580)	27,939
Share of earnings in equity-accounted investments	(12)	(307)	(15)	27	–	(3)	–	(310)
Impairment losses / (reversals)	(1)	(240)	64	–	–	–	–	(177)
Foreign Exchange gains or losses on material provisions for legal proceedings	–	–	–	–	–	1,477	–	1,477
Gains / (losses) on disposal / write-offs of assets**	1,040	(1)	34	–	(9)	74	–	1,138
Adjusted EBITDA*	26,856	8,843	1,297	5	378	(4,732)	(2,580)	30,067

* See definitions of Adjusted EBITDA in glossary.

** Includes the accounts of gains / losses on disposal of assets and gains / losses at remeasurement of remaining interests at fair value.

Glossary

ACL – Ambiente de Contratação Livre (Free contracting market) in the electricity system.

ACR - Ambiente de Contratação Regulada (Regulated contracting market) in the electricity system.

Adjusted cash and cash equivalents - Sum of cash and cash equivalents, government bonds and time deposits from highly rated financial institutions abroad with maturities of more than 3 months from the date of acquisition, considering the expected realization of those financial investments in the short-term. This measure is not defined under the International Financial Reporting Standards – IFRS and should not be considered in isolation or as a substitute for cash and cash equivalents computed in accordance with IFRS. It may not be comparable to adjusted cash and cash equivalents of other companies, however management believes that it is an appropriate supplemental measure to assess our liquidity and supports leverage management.

Adjusted EBITDA – Net income plus net finance income (expense); income taxes; depreciation, depletion and amortization; results in equity-accounted investments; impairment, cumulative translation adjustment and gains/losses on disposal/write-offs of assets and, exchange variation effect on relevant contingencies in foreign currency. Adjusted EBITDA is not a measure defined by IFRS and it is possible that it may not be comparable to similar measures reported by other companies, however management believes that it is an appropriate supplemental measure to assess our profitability. Adjusted EBITDA shall be considered in conjunction with other metrics for a better understanding on our performance.

Adjusted EBITDA Margin - Adjusted EBITDA divided by sales revenues.

ANP - Brazilian National Petroleum, Natural Gas and Biofuels Agency.

Basic and diluted earnings (losses) per share - calculated based on the weighted average number of shares.

Gross Margin – Gross profit over sales revenues.

Jet fuel –Aviation fuel.

Leverage – Ratio between the Net Debt and the sum of Net Debt and Shareholders’ Equity. Leverage is not a measure defined in the International Standards - IFRS and it is possible that it may not be comparable to similar measures reported by other companies,. however management believes that it is an appropriate supplemental measure to assess our liquidity.

Lifting Cost - Crude oil and natural gas lifting cost indicator, which considers expenditures occurred in the period.

LNG – Liquefied natural gas.

LPG – Liquefied crude oil gas.

LTM Adjusted EBITDA – sum of the last 12 months (Last Twelve Months) of Adjusted EBITDA. LTM Adjusted EBITDA is not a measure defined by IFRS and it is possible that it may not be comparable to similar measures reported by other companies, however management believes that it is an appropriate supplemental measure to assess our liquidity and supports leverage management. Adjusted EBITDA shall be considered in conjunction with other metrics for a better understanding on our liquidity.

LTM OCF – Sum of last 12 months (Last Twelve Months) of OCF and represents the most directly comparable measure in relation to the LTM Adjusted EBITDA.

Net debt – Gross debt less adjusted cash and cash equivalents. Net debt is not a measure defined in the International Standards - IFRS and should not be considered in isolation or as a substitute for total long-term debt calculated in accordance with IFRS. Our calculation of net debt may not be comparable to the calculation of net debt by other companies. Management believes that net debt is an appropriate supplemental measure that helps investors assess our liquidity and supports leverage management.

Net Income by Business Segment- Company’s segment results. Petrobras is an integrated energy company and most of the crude oil and natural gas production from the Exploration & Production segment is transferred to other business segments of the Company. Our results by business segment include transactions carried out with third parties, transactions between companies of Petrobras’s Group and transfers between Petrobras’s business segments that are calculated using internal prices defined through methodologies based on market parameters. On

<p>Consolidated Structured Entities - Entities that have been designated so that voting or similar rights are not the determining factor that decides who controls the entity. Petrobras has no share of earnings in investments in certain structured entities that are consolidated in the financial statements, but the control is determined by the power it has over its relevant operating activities. As there are no interests, the result came from certain consolidated structured entities is attributable to non-controlling interests in the income statement, and it is not considered on net income attributable to shareholders of Petrobras.</p>	<p>April 28, 2016, the Extraordinary General Meeting approved the statutory adjustments according to the new organizational structure of the company and its new management and governance model, to align the organization to the new reality of the oil and gas sector and prioritize profitability and capital discipline. On September 30th, 2018, the presentation related to the business segment information reflects management's assessment related to the performance and the business resources allocation.</p>
<p>CTA – Cumulative translation adjustment – The exchange variation cumulative amount that is recognized on Shareholders' Equity should be transferred to the Statement of Income at the moment of the investment disposal.</p>	<p>Net Margin – Net income (loss) over sales revenues.</p> <p>NGL – Natural gas liquids.</p> <p>OCF - Net Cash provided by (used in) operating activities (operating cash flow).</p> <p>Operating indicators – indicators used for businesses management and are not reviewed by independent auditor.</p>
<p>Domestic crude oil sales price - Average of the internal transfer prices from Exploration & Production to Refining, Transportation and Marketing.</p>	<p>Operating Margin - operating income (loss) over sales revenues.</p> <p>PLD (differences settlement price) - Electricity price in the spot market. Weekly weighed prices per output level (light, medium and heavy), number of hours and related market capacity.</p>
<p>Domestic natural gas production - Natural gas production in Brazil less LNG plus gas reinjection.</p>	<p>Reference feedstock or installed capacity of primary processing - Maximum sustainable feedstock processing reached at the distillation units at the end of each period, respecting the project limits of equipment and the safety, environment and product quality requirements. It is lower than the authorized capacity set by ANP (including temporary authorizations) and by environmental protection agencies.</p>
<p>Effect of average cost in the Cost of Sales – In view of the average inventory term of 60 days, the crude oil and oil products international prices movement, as well as foreign exchange effect over imports, production taxes and other factors that impact costs, do not entirely influence the cost of sales in the period, having its total effects only in the next period</p>	<p>Refining plants utilization factor (%) - Feedstock processed (excluding NGL) divided by the reference feedstock.</p>
<p>Feedstock processed (excluding NGL) - Daily volume of crude oil processed in the Company's refineries in Brazil and is factored into the calculation of the Refining Plants Utilization Factor.</p>	<p>Total feedstock processed – Volume of crude oil processed abroad in destilation units in the refineries, plus the volume of intermediate products acuired from third parties and used as cargo in other refining units.</p>
<p>Feedstock processed – Brazil – Daily volume of crude oil and NGL processed.</p>	<p>Total Capital Expenditures and Investments – Capital expenditures based on the cost assumptions and financial methodology adopted in our Business and Management Plan, which include acquisition of PP&E and intangibles assets, investment in investees and other items that do not necessarily qualify as cash flows used in investing activities, primarily geological and geophysical expenses, research and development expenses, pre-operating charges, purchase of property, plant and equipment on credit and borrowing costs directly attributable to</p>
<p>Free cash flow - Net cash provided by operating activities less capital expenditures and investments in investees. Free cash flow is not defined under the International Financial Reporting Standards – IFRS and should not be considered in isolation or as a substitute for cash and cash equivalents calculated in</p>	

accordance with IFRS. It may not be comparable to works in progress.
free cash flow of other companies, however
management believes that it is an appropriate
supplemental measure to assess our liquidity and
supports leverage management.

Total liabilities net – Total liability less adjusted cash and cash
equivalents.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: November 6, 2018.

PETRÓLEO BRASILEIRO S.A.—PETROBRAS

By: /s/ Rafael Salvador Grisolia

Rafael Salvador Grisolia

Chief Financial Officer and Investor Relations Officer