

PETROBRAS - PETROLEO BRASILEIRO SA
Form 6-K
April 30, 2013

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 April, 2013

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

Edgar Filing: PETROBRAS - PETROLEO BRASILEIRO SA - Form 6-K

This report on Form 6-K is incorporated by reference in the Registration Statement on Form F-3 of Petróleo Brasileiro -- Petrobras (No. 333-163665).

FIRST QUARTER OF 2013**RESULTS****(A free translation from the original in Portuguese)**

Rio de Janeiro – April 26, 2013 Petrobras today announces its consolidated results stated in millions of Reais, prepared in accordance with International Financial Reporting Standards – IFRS issued by the International Accounting Standards Board – IASB.

Consolidated net income attributable to the shareholders of Petrobras reached R\$7,693 million in the 1Q-2013. Adjusted EBITDA reached R\$16,231 million in the 1Q-2013, 36% higher compared to the 4Q-2012.

Highlights

4Q-2012	1Q13 X 4Q12 (%)		For the first quarter of		2013 X 2012 (%)
			2013	2012	
7,747	(1)	Consolidated net income attributable to the shareholders of Petrobras	7,693	9,214	(17)
2,614	(2)	Total domestic and international crude oil and natural gas production (Mbbbl/d)	2,552	2,676	(5)
11,944	36	Adjusted EBITDA	16,231	16,521	(2)
254,852	(10)	Market capitalization (Parent Company)	228,203	311,659	(27)

The Company reported 1Q-2013 earnings of R\$ 7,693 million and the following highlights:

- A 5.4% increase of diesel prices and a 6.6% increase of gasoline prices in January 30, as well as a 5% increase of diesel prices in March 6, helped reduce the gap between domestic prices for oil products and international prices.
 - Higher performance indicators in refining operations, reaching 2,083 Mbb/d of feedstock processed (6% increase compared to the 4Q-2012), reducing oil products imports.
 - A 36% increase in the Adjusted EBITDA, driven by lower operating expenses, along with the highlights above.
 - Oil production decreased as previously scheduled, due to a higher number of stoppages and to the natural production decline of the fields, partially offset by the higher production of the new production systems.
 - On February 20 2013, the Company reached the level of 300 Mbb/d of oil production at the pre-salt layer.
-

Comments from the CEO

Mrs. Maria das Graças Silva Foster

Dear Shareholders and Investors,

In the first quarter of 2013, we achieved a net income before financial results, share of profit of equity-accounted investments and income taxes of R\$ 9.8 billion, an increase of 72% as compared to the prior quarter. Of the principal factor behind this improvement, I would like to highlight the increases in diesel and gasoline prices which took place in January and March 2013, higher production of oil products at our refineries, and lower operating expenses. Net income attributable to the shareholders of Petrobras was R\$ 7.7 billion, in line with the net income of the 4Q12, which benefited from R\$ 2.1 billion in lower income tax due to the provisioning of interest on capital.

As we previously announced, oil production fell in the 1Q13 (4% as compared to 4Q12). In our 2013-2017 Business & Management Plan (2013-17 BMP), we stated that average production of oil and natural gas throughout 2013 would be similar to that of 2012, with lower levels in the first half of the year due to a higher rate of maintenance stoppages. In 1Q13 our average refinery output set new daily records of processing. Throughput was 2,127 thousand bpd, increasing 6% over the previous quarter as a result of higher operational efficiency in refineries, with an average utilization factor of 98%. We also maintained excellent operating performance in our gas and power business during the quarter, supplying an average of 88 million m³/d per day of natural gas, and generating an average of 5,120 MW of power at our thermoelectric plants.

I would also like to stress our confidence in the outlook for growth of Petrobras' oil and gas production. We started operating two units this quarter, FPSO Cidade de São Paulo and Cidade de Itajaí. FPSO Cidade de Paraty has been on location at Lula NE field since April 18th, where it is being anchored, and is due to start-up on May 28th. An additional four units will go on stream throughout the year (P-63, P-55, P-58 and P-61); contributing to the sustainable production increase as from the second half of 2013.

I've been saying that improving our cash flow would not come only from price increases, but also from our operational efficiency and cost optimization. Price increases are indeed important and we remain committed to an alignment with international prices, as shown in the latest price increases. However, it is just as important to improve our efficiency in operational activities and in capital expenditures with projects, objectives evident in programs such as Proef (operational efficiency increase), PRC-Poço (well capital expenditure reduction), Infralog (logistical optimization), Prodesin (divestment portfolio) and Procop (operating costs optimization). I would like to highlight the contribution of the latter: from January to March 2013, we targeted a reduction in operating costs of R\$ 646 million. During the first quarter, we were able to save R\$ 1.3 billion, which is one third of the 2013 target (R\$ 3.8 billion).

We are doing our homework, and results are being delivered as planned. I constantly monitor the progress of our investment projects and structuring programs with the Directors, Executive Managers, and all other leaders involved. I regard the increased integration between the Company's areas and their teams as extremely positive; the proper management of our project portfolio provides us with the confidence that we will be able to achieve the goals of 2013-17 BMP, which will guarantee the returns expected by our shareholders and investors.

Maria das Graças Silva Foster

Chief Executive Officer

FINANCIAL HIGHLIGHTS

Main Items and Consolidated Economic Indicators

4Q-2012	1Q13 X 4Q12 (%)		For the first quarter of		2013 X 2012 (%)
			2013	2012	
73,405	(1)	Sales revenues	72,535	66,134	10
16,562	14	Gross profit	18,856	20,244	(7)
		Net Income before financial results, share of profit of equity-accounted investments and income taxes			
5,739	72		9,849	11,771	(16)
2,788	(50)	Net finance income (expense)	1,390	465	199
		Consolidated net income attributable to the shareholders of Petrobras			
7,747	(1)		7,693	9,214	(17)
0.59	-	Basic and diluted earnings per share ¹	0.59	0.71	(17)
254,852	(10)	Market capitalization (Parent Company)	228,203	311,659	(27)
23	3	Gross margin (%)	26	31	(5)
8	6	Operating margin (%) ²	14	18	(4)
11	-	Net margin (%)	11	14	(3)
11,944	36	Adjusted EBITDA – R\$ million³	16,231	16,521	(2)
		<u>Net Income before financial results, share of profit of equity-accounted investments and income taxes by business segment</u>			
17,474	(14)	. Exploration & Production	15,084	18,846	(20)
(8,715)	25	. Refining, Transportation and Marketing	(6,537)	(7,101)	8

579	104	. Gas & Power	1,183	989	20
(49)	(37)	. Biofuel	(67)	(51)	(31)
823	32	. Distribution	1,083	552	96
(4)	-	. International	1,188	1,447	(18)
(2,770)	-	. Corporate	(2,778)	(2,445)	(14)
		Capital expenditures and investments			
24,329	(19)		19,769	18,020	10
110.02	2	Brent crude (US\$/bbl)	112.55	118.49	(5)
2.06	(3)	Average commercial selling rate for U.S. dollar (R\$/U.S.\$)	2.00	1.77	13
2.04	(1)	Period-end commercial selling rate for U.S. dollar (R\$/U.S.\$)	2.01	1.82	10
7.18	-	Selic interest rate - average (%)	7.13	10.30	(3)
		Average price indicators			
		Domestic basic oil products price (R\$/bbl)			
196.33	4	Sales price - Brazil	203.74	176.72	15
100.56	2	. Crude oil (U.S. dollars/bbl) ⁴	102.91	111.56	(8)
46.50	2	. Natural gas (U.S. dollars/bbl)	47.42	52.12	(9)
		Sales price - International			
93.43	1	. Crude oil (U.S. dollars/bbl)	94.26	99.99	(6)
13.80	67	. Natural gas (U.S. dollars/bbl)	23.02	20.15	14

¹ Basic and diluted earnings per share calculated based on the weighted average number of shares.

² Calculated based on net income before financial results, share of profit of equity-accounted investments and income taxes.

³ EBITDA + share of profit of equity-accounted investments and impairment.

⁴ Average between exports and the internal transfer prices from Exploration & Production to Refining, Transportation and Marketing.

FINANCIAL HIGHLIGHTS

RESULTS OF OPERATIONS

1Q-2013 x 4Q-2012 Results:

Gross Profit

Gross profit was 14% higher (R\$ 2,294 million), mainly due to:

Ø Sales revenues of R\$ 72,535 million, 1% lower compared to the 4Q-2012, due to the decreased domestic demand (3%), mainly of diesel (7%) and gasoline (5%), and lower crude oil exports generated by lower production and higher feedstock processed. These effects were partially offset by the increase of diesel and gasoline prices in January and March and by increased oil product exports.

Ø Costs of sales of R\$ 53,679 million, 6% lower compared to the 4Q-2012 due to the lower share of oil product imports over sales volumes, mainly due to the 3% decrease on domestic sales volume and to increased domestic oil product production.

Net income before financial results, share of profit of equity-accounted investments and income taxes

Net income before financial results, share of profit of equity-accounted investments and income taxes increased by 72% (R\$ 4,110 million), mainly due to the higher gross profit, to lower write-offs of dry or sub-commercial wells in Brazil (R\$ 656 million) and to the decrease in other operating expenses (R\$ 658 million) that were impacted by impairment charges in the 4Q-2012.

Net finance income (expense)

Positive net finance income was R\$ 1,390 million, mainly as a result of the exchange variation gain on net debt (impact of 1.5% from the appreciation of the Real relative to the U.S. dollar). In the 4Q-2012, the positive net finance income of R\$ 2,788 million was impacted by the recognition of gains on disposal of National Treasury Notes – B Series (NTN-B) and by the monetary updating of judicial deposits (R\$2,635 million).

Net income attributable to the shareholders of Petrobras

Net income attributable to the shareholders of Petrobras reached R\$ 7,693 million, flat compared to the 4Q-2012. The increase of net income before financial results, share of profit of equity-accounted investments and income taxes (72%) was partially offset by the lower net finance income and by the higher income tax expenses on net income that in the 4Q-2012 were reduced by the tax benefit of R\$ 2,131 million from the deduction of interest on capital.

FINANCIAL HIGHLIGHTS

RESULTS OF OPERATIONS

1Q-2013 x 1Q-2012 Results:

Gross Profit

Gross profit was 7% lower (R\$ 1,388 million), mainly due to:

Ø Sales revenues of R\$ 72,535 million, 10% higher compared to the 1Q-2012, reflecting:

- Higher oil product prices in the domestic market due to increased gasoline and diesel prices, to higher electricity prices besides the impact of the depreciation of the Real (13% impact) on oil products that are adjusted to reflect international prices;
- A 9% increase in domestic demand, mainly of gasoline (6%), diesel (7%), natural gas (29%) and fuel oil (57%), offset by lower crude oil exports volumes due to higher feedstock processed and to lower crude oil production.

Ø Cost of sales of R\$ 53,679 million, 17% higher compared to the 1Q-2012, due to:

- A 9% increase in domestic sales volumes, mainly met by higher diesel and natural gas imports;
- The impact of the depreciation of the Real (13% impact) on crude oil, oil products and natural gas import costs;
- Increased oil production expenses, due to higher number of well maintenances and to the production start-up of new plants.

Net income before financial results, share of profit of equity-accounted investments and income taxes

Net income before financial results, share of profit of equity-accounted investments and income taxes reached R\$ 9,849 million, a 16% decrease compared to the 1Q-2012, due to the lower gross profit and to a 6% increase in operating expenses, mainly as a result of higher exploration costs (R\$271 million), reflecting higher geology and geophysics expenses.

Net finance income (expense)

Positive net finance income of R\$1,390 million, R\$ 925 million higher compared to the 1Q-2012, driven by positive exchange variation effects on a higher net debt.

Net income attributable to the shareholders of Petrobras

Net income attributable to the shareholders of Petrobras reached R\$ 7,693 million in the 1Q-2013, a 17% decrease (R\$1,521 million) compared to the 1Q-2012, mainly reflecting the lower net income before financial results, share of profit of equity-accounted investments and income taxes and the higher income tax expenses on net income that in the 1Q-2012 were reduced by the tax benefit of R\$ 887 million from the deduction of interest on capital. These effects were partially offset by the higher net finance income.

FINANCIAL HIGHLIGHTS**NET INCOME BY BUSINESS SEGMENT**

Petrobras is an integrated energy company, with the greater part of its oil and gas production in the Exploration & Production segment being transferred to other business segments of the Company.

The measurement of segment results includes transactions carried out with third parties and transactions between business areas which are charged at internal transfer prices defined between the areas using methods based on market parameters.

EXPLORATION & PRODUCTION

4Q-2012	1Q13 X 4Q12 (%)	Net Income	For the first quarter of		2013 X 2012 (%)
			2013	2012	
11,521	(14)		9,958	12,444	(20)

(1Q-2013 x 4Q-2012): Net income decreased due to the lower crude oil and NGL production, besides the higher depreciation/depletion costs. These effects were partially offset by lower write-offs of dry or sub-commercial wells.

The spread between the average domestic oil price (sale/transfer) and the average Brent price increased from U.S.\$9.46/bbl in the 4Q-2012 to U.S.\$9.64/bbl in the 1Q-2013.

(1Q-2013 x 1Q-2012): Net income was lower due to decreased crude oil and NGL production, higher depreciation/depletion costs, higher personnel expenses, increased freight costs for oil platforms, higher well interventions and maintenances costs, as well as higher geological and geophysical expenses. These effects were partially offset by higher crude oil prices (sales/transfer), reflecting the depreciation of the Real.

The spread between the average domestic oil price (sale/transfer) and the average Brent price increased from U.S.\$6.93/bbl in the 1Q-2012 to U.S.\$9.64/bbl in 1Q-2013.

4Q-2012	1Q13 X 4Q12 (%)	Exploration & Production - Brazil (Mbb/d) (*)	For the first quarter of		2013 X 2012 (%)
			2013	2012	
1,980	(4)	Crude oil and NGLs	1,910	2,066	(8)
398	1	Natural gas ⁵	400	364	10
2,378	(3)	Total	2,310	2,430	(5)

(1Q-2013 x 4Q-2012): As previously scheduled, crude oil and NGL production decreased due to the higher number of scheduled stoppages, to the natural decline of the fields, to platforms SS-11 and P-34 that departed from Baúna and Jubarte fields, respectively, besides the end of extended well test of Oliva.

These effects were partially offset by the start-up of the ultimate production system of FPSO Cidade de Itajaí, by the higher output of FPSO Cidade de Anchieta in Baleia Azul field, by the production start-up of FPSO Cidade de São Paulo in Sapinhoá field and the anticipated production system in Sapinhoá Norte, through FPSO Cidade de São Vicente.

(1Q-2013 x 1Q-2012): Crude oil and NGL production decreased due to higher number of stoppages, to interruption of Frade field production, to platforms SS-11 and P-34 that departed from Baúna and Jubarte fields, respectively, besides the natural decline in production from fields.

Production started-up in FPSO Cidade de Anchieta in the Baleia Azul field, FPSO Cidade de São Paulo in the Sapinhoá field and FPSO Cidade de Itajaí in the Baúna field.

Natural gas production increased due to the higher efficiency of Mexilhão field and to the production start-up in FPSO Cidade de Santos in the Uruguá field.

(*) Not revised by independent auditor.

⁵ Does not include LNG. Includes gas reinjection.

FINANCIAL HIGHLIGHTS

4Q-2012	1Q13 X 4Q12 (%)	Lifting Cost - Brazil ⁶ (*)	For the first quarter of		2013 X 2012 (%)
			2013	2012	
		U.S.\$/barrel:			
13.80	7	Excluding production taxes	14.76	12.91	14
33.11	1	Including production taxes	33.56	35.61	(6)
		R\$/barrel:			
28.33	4	Excluding production taxes	29.49	22.57	31
67.87	(1)	Including production taxes	67.08	61.60	9

Lifting Cost - Excluding production taxes – U.S.\$/barrel

(1Q-2013 x 4Q-2012): Lifting cost excluding production taxes in U.S.\$/barrel increased by 7%. Excluding the impact of the depreciation of the Real it increased by 5% mainly due to the lower production.

(1Q-2013 x 1Q-2012): Lifting cost excluding production taxes in U.S.\$/barrel increased by 14% in the 1Q-2013 compared to the 1Q-2012. Excluding the impact of the depreciation of the Real it increased by 22% due to the higher number of well maintenances in the Marlim, Barracuda, Espadarte and Roncador fields, the production start-up of FPSOs Cidade de Anchieta (Baleia Azul), Cidade de São Paulo (Sapinhoá) and Cidade de Itajaí (Baúna), as well as higher employee compensation costs arising from the 2012 Collective Bargaining Agreements and lower production volumes.

Lifting Cost - Including production taxes – U.S.\$/barrel

(1Q-2013 x 4Q-2012): Lifting cost, including production taxes, in U.S.\$/barrel, increased by 1%. Excluding the impact of the depreciation

(1Q-2013 x 1Q-2012): Lifting cost including production taxes, in U.S.\$/barrel, decreased by 6% in the 1Q-2013 compared to the

of the Real it remained relatively flat.

1Q-2012. Excluding the impact of the depreciation of the Real it decreased by 2% due to the lower average reference price for domestic oil (adjusted to reflect international prices) and to the new levels of special participation charges in Marlim, Jubarte, Marlim Leste and Barracuda fields, due to lower production at these fields.

(*) Not revised by independent auditor.

⁶ Lifting cost was revised to exclude scheduled stoppages expenses. Though lifting cost is a non-GAAP measure, it was revised pursuant to the International Financial Reporting Standards – IFRS. Based on the previous criteria (pursuant to USGAAP), such expenses impacted our lifting cost at the period of their realization, at the moment of the consumption of the materials or completion/rendering of services. Amounts previously reported for 2012 were recalculated for comparability purposes. Such adjustment did not impact our financial statements and EBITDA, for which the amortization of scheduled stoppages was already computed as Depreciation, Amortization and Depletion according to the period of realization.

FINANCIAL HIGHLIGHTS

REFINING, TRANSPORTATION AND MARKETING

4Q-2012	1Q13 X 4Q12 (%)	Net Income	For the first quarter of		2013 X 2012 (%)
			2013	2012	
(5,650)	25		(4,256)	(4,599)	7

(1Q-2013 x 4Q-2012): The decreased net loss was due to the higher diesel and gasoline domestic prices in January and March, besides the lower share of oil product imports over sales volumes, generated by higher feedstock processed at the refineries and by the lower domestic demand.

(1Q-2013 x 1Q-2012): The decreased net loss was due to the higher diesel and gasoline prices in the domestic market, and to the impact of the depreciation of the Real on oil products prices that are adjusted to reflect international prices. These effects were partially offset by higher crude oil costs (acquisition/transfer).

4Q-2012	1Q13 X 4Q12 (%)	Imports and Exports of Crude Oil and Oil Products (Mbbbl/d) ^(*)	For the first quarter of		2013 X 2012 (%)
			2013	2012	
301	61	Crude oil imports	484	358	35
505	(26)	Oil product imports	376	406	(7)
806	7	Imports of crude oil and oil products	860	764	13
236	(9)	Crude oil exports ⁷	215	497	(57)
141	35	Oil product exports	191	217	(12)
377	8	Exports of crude oil and oil products	406	714	(43)
(429)	(6)	Exports (imports) net of crude oil and oil products	(454)	(50)	(808)
1	100	Other exports	2	6	(67)

(1Q-2013 x 4Q-2012): Lower oil product imports, mainly of gasoline, due to higher output at the refineries. Higher crude oil imports to meet increased feedstock processed and preparation for stoppages of pipe and water treatment unit in São Paulo region.

Lower crude oil export volumes due to lower production and increased feedstock processed of domestic crude oil at the refineries. Higher oil product exports, mainly of fuel oil.

(1Q-2013 x 1Q-2012): Lower oil product imports, due to the higher production, and increased crude oil imports driven by the higher feedstock processed, associated with lower crude oil production.

Lower crude oil export volumes due to the increased feedstock processed and lower production, as well as decreased oil products exports driven by domestic demand growth, mainly fuel oil to thermoelectric power plants.

(*) Not revised by independent auditor.

7 Include crude oil exports volumes of Refining, Transportation and Marketing and Exploration & Production segments.

FINANCIAL HIGHLIGHTS

4Q-2012	1Q13 X 4Q12 (%)	Refining Operations (Mbb/d) (*)	For the first quarter of		2013 X 2012 (%)
			2013	2012	
2,010	6	Output of oil products	2,127	1,942	10
2,010	3	Installed capacity ⁸	2,079	2,010	3
97	1	Utilization of nominal capacity ⁹ (%)	98	93	5
1,970	6	Feedstock processed - Brazil ¹⁰	2,083	1,884	11
83	-	Domestic crude oil as % of total feedstock processed	83	81	2

(1Q-2013 x 4Q-2012): The daily feedstock processed increased 6%, mainly due to the scheduled stoppage in REFAP in the 4Q-2012, besides the higher utilization of installed capacity.

(1Q-2013 x 1Q-2012): Daily feedstock processed increased by 11% due to the sustainable improvement of operating efficiency of the refineries, setting up a new level of processing capacity of 2,079 Mbpd. Such level was reached after exhausting tests to raise the distillation feedstock processing respecting the project limits of equipments and the safety, environment and product quality requirements. These adjustments were also possible due to the production start-up of ten new conversion and quality units in 2012.

4Q-2012	1Q13 X 4Q12 (%)	Refining Cost - Brazil ¹¹ (*)	For the first quarter of		2013 X 2012 (%)
			2013	2012	

3.37	(7)	Refining cost (U.S.\$/barrel)	3.14	3.74	(16)
6.98	(11)	Refining cost (R\$/barrel)	6.24	6.60	(5)

(1Q-2013 x 4Q-2012): Refining cost in U.S.\$/barrel decreased by 7%. In R\$/barrel it decreased by 11%, mainly as a result of lower routine maintenance expenses and higher feedstock processed.

(1Q-2013 x 1Q-2012): Refining cost in U.S.\$/barrel decreased by 16% in the 1Q-2013 compared to the 1Q-2012. In R\$/barrel it decreased by 5%, due to higher feedstock processed and lower routine maintenance and repair expenses, partially offset by higher employee compensation costs arising from the 2012 Collective Bargaining Agreements.

(*) Not revised by independent auditor.

8 Installed capacity considers the maximum sustainable feedstock processing reached at the distillation units, respecting the project limits of equipments and the safety, environment and product quality requirements. It is lower than the authorized capacity set by ANP (including temporary authorizations) and by environmental institutions.

9 Utilization of nominal capacity of crude oil processing is the relation between the installed capacity and the feedstock processed of domestic crude oil.

10 Feedstock processed – Brazil includes NGL processing.

11 Refining cost was revised to exclude scheduled stoppages expenses. Though refining cost is a non-GAAP measure, it was revised pursuant to the International Financial Reporting Standards – IFRS. Based on the previous criteria (pursuant to USGAAP), such expenses impacted our refining cost at the period of their realization, at the moment of the consumption of the materials or completion/rendering of services. Amounts previously reported for 2012 were recalculated for comparability purposes. Such adjustment did not impact our financial statements and EBITDA, for which the amortization of scheduled stoppages was already computed as Depreciation, Amortization and Depletion according to the period of realization.

FINANCIAL HIGHLIGHTS

GAS & POWER

4Q-2012	1Q13 X 4Q12 (%)	Net Income	For the first quarter of		2013 X 2012 (%)
			2013	2012	
500	76		878	707	24

(1Q-2013 x 4Q-2012): Net income increased due to higher average prices of electricity, as a result of higher differences settlement price and of lower share of imported LNG over cost of sales.

(1Q-2013 x 1Q-2012): Net income increased due to higher electricity generation and higher average electricity prices, mainly due to lower reservoir levels, causing higher differences settlement prices.

These effects were partially offset by higher natural gas and LNG import costs to meet the thermoelectric demand.

4Q-2012	1Q13 X 4Q12 (%)	Physical and Financial Indicators (*)	For the first quarter of		2013 X 2012 (%)
			2013	2012	
2,363	(21)	Sales of electricity (contracts) - average MW	1,864	2,315	(19)
5,279	(3)	Generation of electricity - average MW	5,120	862	494
308	6	Differences settlement price - R\$/MWh ¹²	325	59	451
107	(7)	Imports of LNG (Mbb/d)	99	14	607
199	(1)	Imports of Gas (Mbb/d)	198	167	19

(1Q-2013 x 4Q-2012): Electricity sales volumes decreased due to the lower average prices at the short-term market.

(1Q-2013 x 1Q-2012): Electricity sales volumes decreased due to the lower average prices at the spot market.

The decreased generation of electricity was generated by the lower dispatch of thermal plants by the National Electricity System Operator (Operador Nacional do Sistema Elétrico - ONS) in March, in the period of light feedstock.

The electricity generation and the differences settlement price were higher, driven by the lower rainfall and reservoir levels in the period.

LNG and Bolivian natural gas import volumes decreased due to the lower demand of the non-thermoelectric sector, generated by lower industrial consumption.

LNG and Bolivian natural gas import volumes increased to meet the domestic thermoelectric demand.

(*) Not revised by independent auditor.

12 Weekly weighed prices per output level (light, medium and heavy), number of hours and submarket capacity.

FINANCIAL HIGHLIGHTS

BIOFUEL

4Q-2012	1Q13 X 4Q12 (%)	Net Income	For the first quarter of		2013 X 2012 (%)
			2013	2012	
(17)	(182)		(48)	(44)	(9)

(1Q-2013 x 4Q-2012): Net loss increased due to the lower biodiesel trade margins at the own plants, mainly reflecting the 7% decrease in auction prices. These effects were partially offset by the improved results from investments in the ethanol sector, due to the 11% increase of the average realization prices in the 1Q-2013.

(1Q-2013 x 1Q-2012): Losses on biofuel operations increased due to the lower biodiesel trade margins, partially offset by the improved results from investments in the ethanol sector.

DISTRIBUTION

4Q-2012	1Q13 X 4Q12 (%)	Net Income	For the first quarter of		2013 X 2012 (%)
			2013	2012	
544	32		716	364	97

(1Q-2013 x 4Q-2012): Net income was higher due to a 3% increase in average sales prices, besides the decreased contingencies and advertising expenses. These effects were partially offset by the 7% decrease of sales volume.

(1Q-2013 x 1Q-2012): Net income was higher due to a 9% increase in average sales prices and to a 7% increase in sales volumes. These effects were partially offset by higher selling expenses, mainly due to increased personnel and freight expenses.

4Q-2012	1Q13 X 4Q12 (%)		For the first quarter of		2013 X 2012 (%)
			(*) 2013	2012	
38.6%		- Market Share	38.8%	38.5%	-

(*) Not revised by independent auditor.

FINANCIAL HIGHLIGHTS

INTERNATIONAL

4Q-2012	1Q13 X 4Q12 (%)	Net Income	For the first quarter of		2013 X 2012 (%)
			2013	2012	
(629)	216		732	990	(26)

(1Q-2013 x 4Q-2012): Net income was higher in the 1Q-2013 due to: i) increased sales volumes and lower operating costs; ii) impairment losses in the U.S. Pasadena Refinery in the 4Q-2012 (R\$464 million); iii) lower exploration costs (R\$75 million) and write-offs of wells (R\$239 million); iv) provision for impairment of trade receivables in Angola in the 4Q-2012 (R\$110 million); and lower inventory write-downs (R\$192 million).

(1Q-2013 x 1Q-2012): Net income was lower mainly due to lower sales volumes in Nigeria, driven by lower sales prices, reflecting international prices.

4Q-2012	1Q13 X 4Q12 (%)	Exploration & Production - International (Mbb/d) ¹³ (*)	For the first quarter of		2013 X 2012 (%)
			2013	2012	
133	8	Consolidated international production Crude oil and NGLs	143	141	1

97	(4) Natural gas	93	98	(5)
230	3 Total	236	239	(1)
6	- Non-consolidated international production	6	7	(14)
236	3 Total international production	242	246	(2)

(1Q-2013 x 4Q-2012): Crude oil and NGL production increased due to the return back of Akpo field in Nigeria into its normal operation, after the maintenance scheduled stoppage occurred last November.

Decreased natural gas production mainly in Argentina, due to the well interventions in Santa Cruz and to the weather conditions in Neuquina Basin.

(1Q-2013 x 1Q-2012): Crude oil and NGL production increased due to the higher volume from U.S. fields (first oil production of Cascade and Chinook in 2012). This effect was partially offset by: i) decreased production in Nigeria driven by gas injection problems in the Akpo field; ii) end of the contract of Upia field in Colombia; and iii) the lower production in Argentina due to the natural decline of mature fields.

Decreased natural gas production in Argentina due to the well maintenances in Santa Cruz and to the weather conditions in Neuquina Basin, partially offset by the higher natural gas production in Bolivia due to the higher Brazilian demand.

(*) Not revised by independent auditor.

¹³ Some of the countries that comprise the international production, such as Nigeria and Angola, are operating under the production-sharing model, with the production taxes charged in crude oil barrels.

FINANCIAL HIGHLIGHTS

4Q-2012	1Q13 X 4Q12 (%)	Lifting Cost - International (U.S.\$/barrel) ¹⁴ (*)	For the first quarter of		2013 X 2012 (%)
			2013	2012	
10.06	(16)		8.50	7.47	14

(1Q-2013 x 4Q-2012): Lifting cost decreased due to the occurrence, in the 4Q-2012, of repair services costs in tanks used for temporary storage production in Argentina, and of submarine inspection in Cascade and Chinook fields in the United States.

(1Q-2013 x 1Q-2012): Lifting cost was higher due to increased production costs in the Cascade field as from February 2012 and in the Chinook field as from September 2012, both in the United States, as well as higher well maintenance costs and natural decline of mature fields in Argentina.

4Q-2012	1Q13 X 4Q12 (%)	Refining Operations - International (Mbbbl/d) (*)	For the first quarter of		2013 X 2012 (%)
			2013	2012	
159	9	Feedstock processed	173	192	(10)
177	5	Output of oil products	185	209	(11)
231	-	Installed capacity	231	231	-
65	7	Utilization of nominal capacity (%)	72	75	(3)

(1Q-2013 x 4Q-2012): Higher feedstock processed, output of oil products and nominal

(1Q-2013 x 1Q-2012): Lower feedstock processed in the United States, due to light oil

capacity utilization due to the stable conditions at the U.S. Pasadena Refinery in the United States, after the maintenance stoppage occurred last December. This effect was partially offset by the operating stoppage for eight days in Baía Blanca, in Argentina, in March 2013, according to a legal decision.

processing bottleneck and a lower intermediate crude oil feedstock processed. A delay in crude oil supply and inventory bottleneck were experienced in Japan due to a maintenance in two fuel oil tanks. There was also an 8-day operating stoppage in Baía Blanca, in Argentina, in March 2013, by a legal decision.

4Q-2012	1Q13 X 4Q12 (%)	Refining Cost - International (U.S.\$/barrel) ^{14 (*)}	For the first quarter of		2013 X 2012 (%)
			2013	2012	
4.78	(21)		3.79	3.24	17

(1Q-2013 x 4Q-2012): Refining cost decreased due to the lower inspection expenses at the Japanese Refinery tanks and to the lower maintenance cost in the United States, as well as higher feedstock processed in the 1Q-2013.

(1Q-2013 x 1Q-2012): Refining cost was higher due to the lower feedstock processed and to higher insurance costs in the United States.

(*) Not revised by independent auditor.

14 Lifting and refining costs were revised to exclude scheduled stoppages expenses. Though lifting and refining costs are non-GAAP measures, it was revised pursuant to the International Financial Reporting Standards – IFRS. Based on the previous criteria (pursuant to USGAAP), such expenses impacted our lifting and refining costs at the period of their realization, at the moment of the consumption of the materials or completion/rendering of services. Amounts previously reported for 2012 were recalculated for comparability purposes. Such adjustment did not impact our financial statements and EBITDA, for which the amortization of scheduled stoppages was already computed as Depreciation, Amortization and Depletion according to the period of realization.

FINANCIAL HIGHLIGHTS

		Sales Volumes (Mbbbl/d) (*)		
4Q-2012	1Q13	For the first		2013
	X 4Q12 (%)	2013	2012	X 2012 (%)
986	(7) Diesel	921	864	7
610	(5) Gasoline	580	545	6
108	9 Fuel oil	118	75	57
156	15 Naphtha	180	173	4
223	(4) LPG	213	214	-
106	(1) Jet fuel	105	106	(1)
202	(3) Others	196	191	3
2,391	(3) Total oil products	2,313	2,168	7
91	(11) Ethanol, nitrogen fertilizers, renewables and other products	81	80	1
408	2 Natural gas	417	323	29
2,890	(3) Total domestic market	2,811	2,571	9
378	8 Exports	408	720	(43)
484	1 International sales	489	470	4
862	4 Total international market	897	1,190	(25)
3,752	(1) Total	3,708	3,761	(1)

Our domestic sales volumes increased by 9% in the 1Q-2013 compared with 1Q-2012, primarily due to:

- Gasoline (a 6% increase) – due to the increase in the flex-fuel automotive fleet, higher competitive advantage relative to ethanol in most Brazilian federal states and to the decreased market share of our competitors;

- Diesel (a 7% increase) – due to the increase in the retail sector, along with higher thermoelectric consumption and higher grain harvest;
- Natural gas (a 29% increase) – due to higher thermoelectric demand, driven by lower water reservoir levels at hydroelectric power plants;
- Fuel oil (a 57% increase) – due to the increased consumption at thermoelectric plants for electricity generation and to the higher usage in some companies, to increase the supply of natural gas for thermoelectric plants.

(*) Not revised by independent auditor.

FINANCIAL HIGHLIGHTS

LIQUIDITY AND CAPITAL RESOURCES

Consolidated Statement of Cash Flows Data – Summary ¹⁵

R\$ Million			
		For the first quarter of	
4Q -2012		2013	2012
30,187	Cash and cash equivalents at the beginning of period	27,628	35,747
11,677	(+) Net cash provided by operating activities	14,879	15,086
(21,121)	(-) Net cash used in investing activities	(16,320)	(17,318)
(23,386)	Investments in operating segments	(18,408)	(16,577)
2,265	Investments in marketable securities	2,088	(741)
(9,444)	(=) Net cash flow	(1,441)	(2,232)
6,448	(+) Net financings	1,133	8,582
13,069	(+) Proceeds from long-term financing	7,329	14,514
(6,621)	(-) Repayments	(6,196)	(5,932)
(1)	(-) Dividends paid	(1)	(2,162)
427	(+) Acquisition of non-controlling interest	(104)	21
11	(+) Effect of exchange rate changes on cash and cash equivalents	20	(52)
27,628	Cash and cash equivalents at the end of period	27,235	39,904

At March 31, 2013, we had cash and cash equivalents of R\$ 27,235 million compared with R\$ 27,628 million at December 31, 2012.

Net cash provided by operating activities increased by 27% in the 1Q-2013 (R\$ 14,879 million) compared with the 4Q-2012 (R\$ 11,677 million), driven by the positive effect of higher diesel and gasoline prices in the domestic market (adjusted in January and March 2013) and lower oil product imports on gross margins. These effects were partially offset by decreased crude oil production and exports in the period.

Net cash used in investing activities decreased from R\$ 21,121 million in the 4Q-2012 to R\$ 16,320 million in the 1Q-2013, mainly due to lower investments in business areas, specially Exploration & Production and Refining, Transportation and Marketing.

Cash provided by long-term financing, net of repayments decreased from R\$ 6,448 million in the 4Q-2012 to R\$ 1,133 million in the 1Q-2013 due to the bonds issued in the European market in October 2012.

Cash provided by long-term financing (R\$ 1,133 million) along with cash provided by operating activities (R\$ 14,879 million) sourced more than our capital expenditures needs and repayment of debts, hence our cash and cash equivalents increased by R\$ 393 million in the 1Q-2013.

Our adjusted cash and cash equivalents¹⁶ reached R\$ 46,262 million at March 31, 2013 (which includes government securities with maturity of more than 90 days of R\$ 19,027 million), 5% lower compared with R\$ 48,497 million at December 31, 2012.

	03.31.2013	12.31.2012	%
Cash and cash equivalents	27,235	27,628	(1)
Government securities	19,027	20,869	(9)
Adjusted cash and cash equivalents ¹⁶	46,262	48,497	(5)

¹⁵ For more details, see the Consolidated Statement of Cash Flows Data on page 20.

¹⁶ Our adjusted cash and cash equivalents are not computed in accordance with International Standards -IFRS and should not be considered in isolation or as a substitute for cash and cash equivalents calculated in accordance with IFRS. Our calculation of adjusted cash and cash equivalents may not be comparable to adjusted cash and cash equivalents of other

companies. Management believes that adjusted cash and cash equivalents is an appropriate supplemental measure that helps investors assess our liquidity and assists management in targeting leverage improvements.

FINANCIAL HIGHLIGHTS**Capital expenditures and investments**

	R\$ million				
	2013		For the first quarter of 2012		
		%		%	%
Exploration & Production	10,684	54	9,376	52	14
Refining, Transportation and Marketing	6,881	35	6,421	35	7
Gas & Power	696	4	738	4	(6)
International	1,051	5	690	4	52
Exploration & Production	994	95	633	92	57
Refining, Transportation and Marketing	34	3	44	7	(23)
Gas & Power	1	-	1	-	-
Distribution	18	2	10	1	80
Other	4	-	2	-	100
Distribution	225	1	284	2	(21)
Biofuel	3	-	18	-	(83)
Corporate	229	1	493	3	(54)
Total capital expenditures and investments	19,769	100	18,020	100	10

Pursuant to its strategic objectives, the Company operates through joint ventures in Brazil and abroad, as a concessionaire of oil and gas exploration, development and production rights.

In the 1Q-2013 we invested an amount of R\$ 19,769 million, primarily aiming at increasing production, modernizing and expanding our refineries, as well as integrating and expanding our transportation network through pipelines and distribution systems.

FINANCIAL HIGHLIGHTS**Consolidated debt**

	03.31.2013	12.31.2012	%
Current debt ¹⁷	14,565	15,320	(5)
Non-current debt ¹⁸	182,370	180,994	1
Total	196,935	196,314	-
Cash and cash equivalents	27,235	27,628	(1)
Government securities (maturity of more than 90 days)	19,027	20,869	(9)
Adjusted cash and cash equivalents	46,262	48,497	(5)
Net debt ¹⁹	150,673	147,817	2
Net debt/(net debt+shareholders' equity)	31%	31%	-
Total net liabilities ²⁰	649,051	635,366	2
Capital structure			
(Net third parties capital / total net liabilities)	48%	48%	-
Net debt/Adjusted EBITDA ratio	2.32	2.77	(16)

	03.31.2013	12.31.2012	%
Current debt	7,233	7,497	(4)
Non-current debt	90,560	88,570	2
Total	97,793	96,067	2
Net debt	74,820	72,335	3

The net debt of the Consolidated Petrobras Group in Reais increased by 2% over December 31, 2012, due to the accrual of interests and to the lower adjusted cash and cash equivalents.

¹⁷ Includes Capital lease obligations (R\$39 million on March 31, 2013 and R\$ 37 million on December 31, 2012).

¹⁸ Includes Capital lease obligations (R\$178 million on March 31, 2013 and R\$ 176 million on December 31, 2012).

¹⁹ Our net debt is not computed in accordance with 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 assists management in targeting leverage improvements.

²⁰ Total liabilities net of adjusted cash and cash equivalents.

FINANCIAL HIGHLIGHTS**FINANCIAL STATEMENTS****Income Statement – Consolidated**

4Q-2012		For the first quarter of	
		2013	2012
73,405	Sales revenues	72,535	66,134
(56,843)	Cost of sales	(53,679)	(45,890)
16,562	Gross profit	18,856	20,244
(2,370)	Selling expenses	(2,294)	(2,353)
(2,605)	General and administrative expenses	(2,471)	(2,200)
(2,152)	Exploration costs	(1,282)	(1,011)
(703)	Research and development expenses	(673)	(518)
(271)	Other taxes	(223)	(148)
(2,722)	Other operating income and expenses, net	(2,064)	(2,243)
(10,823)		(9,007)	(8,473)
	Net income before financial results, share of profit of equity-accounted investments and income taxes		
5,739		9,849	11,771
3,426	Finance income	972	1,196
(1,118)	Finance expense	(1,199)	(865)
480	Foreign exchange and inflation indexation charges	1,617	134
2,788	Net finance income (expense)	1,390	465
			-
182	Share of profit of equity-accounted investments	156	136
8,709	Net income before income taxes	11,395	12,372
(942)	Income taxes	(3,560)	(2,944)
7,767	Net income	7,835	9,428
	Net income attributable to:		

Edgar Filing: PETROBRAS - PETROLEO BRASILEIRO SA - Form 6-K

7,747	Shareholders of Petrobras	7,693	9,214
20	Non-controlling interests	142	214
7,767		7,835	9,428

FINANCIAL HIGHLIGHTS**Statement of Financial Position – Consolidated²¹**

	03.31.2013	12.31.2012
Current assets	116,893	118,102
Cash and cash equivalents	27,235	27,628
Marketable securities	19,302	21,316
Trade and other receivables, net	22,442	22,681
Inventories	31,802	29,736
Recoverable taxes	10,737	11,387
Other current assets	5,375	5,354
Non-current assets	578,420	565,761
Long-term receivables	53,753	53,361
Trade and other receivables, net	8,602	9,075
Marketable securities	370	359
Judicial deposits	5,685	5,510
Deferred taxes	18,122	17,440
Other tax assets	10,886	10,673
Advances to suppliers	6,162	6,449
Other non-current assets	3,926	3,855
Investments	11,756	12,477
Property, plant and equipment	431,874	418,716
Intangible assets	81,037	81,207
Total assets	695,313	683,863

03.31.2013	12.31.2012
-------------------	-------------------

Current liabilities	68,529	69,620
Current debt	14,565	15,320
Trade payables	25,047	24,775
Taxes payable	11,732	12,522
Dividends payable	6,257	6,154
Employee compensation (payroll, profit-sharing and related charges)	4,164	4,420
Pension and medical benefits	1,677	1,610
Other current liabilities	5,087	4,819
Non-current liabilities	289,119	283,761
Non-current debt	182,370	180,994
Deferred taxes	41,968	39,262
Pension and medical benefits	41,064	40,051
Provision for decommissioning costs	19,065	19,292
Provisions for legal proceedings	3,027	2,585
Other non-current liabilities	1,625	1,577
Shareholders' equity	337,665	330,482
Share capital	205,392	205,392
Profit reserves and others	130,045	122,736
Non-controlling interests	2,228	2,354
Total liabilities and shareholders' equity	695,313	683,863

²¹Some amounts of 2012 were adjusted by the adoption of the IAS 19 amendment, that eliminated the “corridor approach” for the recognition of actuarial gains or losses (see Note 2.2 of the Consolidated Financial Statements Report in Reais of March 31, 2013).

FINANCIAL HIGHLIGHTS

Statement of Cash Flows Data – Consolidated

4Q-2012	For the first quarter of	
	2013	2012
7,747 Net income attributable to the shareholders of Petrobras	7,693	9,214
3,930 (+) Adjustments for:	7,186	5,872
5,925 Depreciation, depletion and amortization	6,382	4,749
612 Foreign exchange and inflation indexation and finance charges	(1,053)	(503)
20 Non-controlling interests	142	214
(182) Share of profit of equity-accounted investments	(156)	(136)
(50) Gains/(Losses) on disposal of non-current assets	127	79
676 Deferred income taxes, net	2,122	2,331
1,502 Exploration expenditures written-off	607	545
665 Impairment	147	143
1,056 Pension and medical benefits (actuarial expense)	1,402	1,006
100 Inventories	(2,324)	(1,252)
(1,798) Trade and other receivables, net	374	(164)
(1,621) Trade payables	400	(479)
(520) Pension and medical benefits	(298)	(273)
289 Taxes payable	(431)	618
(2,744) Other assets and liabilities	(255)	(1,006)
11,677 (=) Net cash provided by (used in) operating activities	14,879	15,086
(21,121) (-) Net cash provided by (used in) investing activities	(16,320)	(17,318)
(23,386) Investments in operating segments	(18,408)	(16,577)
2,265 Investments in marketable securities	2,088	(741)
(9,444) (=) Net cash flow	(1,441)	(2,232)
6,874 (-) Net cash provided by (used in) financing activities	1,028	6,441
13,069 Proceeds from long-term financing	7,329	14,514
(4,635) Repayment of principal	(3,072)	(3,590)
(1,986) Repayment of interest	(3,124)	(2,342)
(1) Dividends paid	(1)	(2,162)
427 Acquisition of non-controlling interest	(104)	21

11	(+) Effect of exchange rate changes on cash and cash equivalents	20	(52)
	(=) Net increase (decrease) in cash and cash equivalents		
	(2,559) in the period	(393)	4,157
	30,187 Cash and cash equivalents at the beginning of period	27,628	35,747
	27,628 Cash and cash equivalents at the end of period	27,235	39,904

FINANCIAL HIGHLIGHTS

SEGMENT INFORMATION

Consolidated Income Statement by Segment

	E&P	REFINING, TRANSPORT AND MARKETING	GAS & POWER	BIOFUEL	DISTRIB. IN
Sales revenues	34,692	56,839	8,149	221	21,346
Intersegments	34,232	19,956	707	212	583
Third parties	460	36,883	7,442	9	20,763
Cost of sales	(17,429)	(61,473)	(6,482)	(241)	(19,104)
Gross profit (loss)	17,263	(4,634)	1,667	(20)	2,242
Expenses	(2,179)	(1,903)	(484)	(47)	(1,159)
Selling, general and administrative expenses	(230)	(1,429)	(431)	(31)	(1,193)
Exploration costs	(1,238)	-	-	-	-
Research and development expenses	(370)	(101)	(38)	(12)	(1)
Other taxes	(23)	(44)	(30)	(1)	(16)
Other operating income and expenses, net	(318)	(329)	15	(3)	51
Net Income before financial results, share of profit of equity-accounted investments and income taxes	15,084	(6,537)	1,183	(67)	1,083
Net finance income (expense)	-	-	-	-	-
Share of profit of equity-accounted investments	(2)	58	123	(4)	1
Net income (loss) before income taxes	15,082	(6,479)	1,306	(71)	1,084
Income taxes	(5,129)	2,223	(402)	23	(368)
Net income	9,953	(4,256)	904	(48)	716

Net income (loss) attributable to:

Shareholders of Petrobras	9,958	(4,256)	878	(48)	716
Non-controlling interests	(5)	-	26	-	-
	9,953	(4,256)	904	(48)	716

	E&P	REFINING, TRANSPORT AND MARKETING	GAS & POWER	BIOFUEL	DISTRIB. IN
Sales revenues	36,237	55,027	4,420	184	18,274
Intersegments	36,199	17,127	584	151	371
Third parties	38	37,900	3,836	33	17,903
Cost of sales	(15,535)	(59,957)	(2,913)	(186)	(16,731)
Gross profit (loss)	20,702	(4,930)	1,507	(2)	1,543
Expenses	(1,856)	(2,171)	(518)	(49)	(991)
Selling, general and administrative expenses	(235)	(1,527)	(411)	(30)	(1,000)
Exploration costs	(920)	-	-	-	-
Research and development expenses	(263)	(93)	(7)	(13)	(2)
Other taxes	(23)	(25)	-	(1)	(13)
Other operating income and expenses, net	(415)	(526)	(100)	(5)	24
Net income before financial results, share of profit of equity-accounted investments and income taxes	18,846	(7,101)	989	(51)	552
Net finance income (expense)	-	-	-	-	-
Share of profit of equity-accounted investments	1	88	82	(11)	-
Net income (loss) before income taxes	18,847	(7,013)	1,071	(62)	552
Income taxes	(6,407)	2,414	(336)	18	(188)
Net income	12,440	(4,599)	735	(44)	364
Net income (loss) attributable to:					
Shareholders of Petrobras	12,444	(4,599)	707	(44)	364
Non-controlling interests	(4)	-	28	-	-
	12,440	(4,599)	735	(44)	364

FINANCIAL HIGHLIGHTS

	E&P	REFINING, TRANSPORT AND MARKETING	GAS & POWER	BIOFUEL	DISTRIB.	INTERN.	CORP.	ELI
(Losses)/gains on legal, administrative and arbitral proceedings	(23)	2	(1)	-	(18)	(6)	(476)	
Pension and medical benefits	-	-	-	-	-	-	(497)	
Unscheduled stoppages and pre-operating expenses	(221)	(11)	(64)	-	-	-	(9)	
Institutional relations and cultural projects	(18)	(24)	(3)	-	(11)	(5)	(240)	
Inventory write-down to net realizable value (market value)	(2)	(75)	(8)	(6)	-	(56)	-	
Expenditures on health, safety and environment	(13)	(55)	(3)	-	-	(11)	(58)	
Impairment	-	-	-	-	-	-	-	
Government Grants	9	18	16	-	-	-	1	
(Expenditures)/reimbursements from operations in E&P partnerships	87	-	-	-	-	(3)	-	
Others	(137)	(184)	78	3	80	64	(188)	
	(318)	(329)	15	(3)	51	(17)	(1,467)	

Other Operating Income (Expenses) by Segment

	E&P	REFINING, TRANSPORT AND MARKETING	GAS & POWER	BIOFUEL	DISTRIB.	INTERN.	CORP.	ELI
--	-----	--------------------------------------------	-------------------	---------	----------	---------	-------	-----

(Losses)/gains on legal, administrative and arbitral proceedings	(56)	(128)	(7)	-	(20)	(17)	(136)
Pension and medical benefits	-	-	-	-	-	-	(508)
Unscheduled stoppages and pre-operating expenses	(274)	(35)	(10)	-	-	(22)	-
Institutional relations and cultural projects	(18)	(17)	(4)	-	(15)	(4)	(298)
Inventory write-down to net realizable value (market value)	(4)	(102)	-	(7)	-	(29)	-
Expenditures on health, safety and environment	(9)	(46)	(1)	-	-	(8)	(55)
Impairment	-	-	(1)	-	-	-	-
Government Grants	8	10	7	-	-	43	-
(Expenditures)/reimbursements from operations in E&P partnerships	7	-	-	-	-	-	-
Others	(69)	(208)	(84)	2	59	62	(249)
	(415)	(526)	(100)	(5)	24	25	(1,246)

	E&P	REFINING, TRANSPORT AND MARKETING	GAS & POWER	BIOFUEL	DISTRIB.	INTERN.	CORP.
Total assets	316,294	193,889	59,412	2,654	17,887	39,212	80,614
Current assets	13,138	42,907	8,071	269	7,685	7,891	50,625
Non-current assets	303,156	150,982	51,341	2,385	10,202	31,321	29,989
Long-term receivables	10,720	9,491	3,632	33	3,690	4,961	22,182
Investments	159	5,838	1,818	1,839	13	1,797	292
Property, plant and equipment	216,188	135,334	45,101	513	5,776	22,251	6,711
Intangible assets	76,089	319	790	-	723	2,312	804