

PETROBRAS - PETROLEO BRASILEIRO SA  
Form 6-K  
August 13, 2013

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## SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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### FORM 6-K

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

**For the month of August, 2013**

**Commission File Number 1-15106**

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### PETRÓLEO BRASILEIRO S.A. - PETROBRAS

(Exact name of registrant as specified in its charter)

### Brazilian Petroleum Corporation - PETROBRAS

(Translation of Registrant's name into English)

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

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

Form 20-F  Form 40-F

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

Yes  No

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**Rio de Janeiro – August 09, 2013**– Petrobras today announces its consolidated results stated in millions of U.S. dollars, 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 US\$6,850 million in the 1H-2013 and US\$2,996 million in the 2Q-2013. Adjusted EBITDA reached US\$16,873 million in the 1H-2013.**

## **Highlights**

**For the first half  
of**

| <b>2Q-2013</b> | <b>1Q-2013</b> | <b>2Q13 X</b><br><b>1Q13</b><br><b>(%)</b> | <b>2Q-2012</b> | <b>2013</b> | <b>2012</b> | <b>2013 x</b><br><b>2012</b><br><b>(%)</b> |
|----------------|----------------|--|----------------|-------------|-------------|--|
|----------------|----------------|--|----------------|-------------|-------------|--|

|       |       |      |       |   |       |       |    |
|-------|-------|------|-------|---|-------|-------|----|
| 2,996 | 3,854 | (22) | (685) | <b>Consolidated net<br/>income/(loss)<br/>attributable to the<br/>shareholders of<br/>Petrobras</b> | 6,850 | 4,527 | 51 |
|-------|-------|------|-------|---|-------|-------|----|

|       |       |   |       |  |       |       |     |
|-------|-------|---|-------|--|-------|-------|-----|
| 2,555 | 2,552 | – | 2,579 | <b>Total domestic and international crude oil and natural gas production (Mbb/d)</b> | 2,553 | 2,628 | (3) |
|-------|-------|---|-------|--|-------|-------|-----|

|       |       |   |       |                        |        |        |    |
|-------|-------|---|-------|------------------------|--------|--------|----|
| 8,740 | 8,133 | 7 | 5,397 | <b>Adjusted EBITDA</b> | 16,873 | 14,743 | 14 |
|-------|-------|---|-------|------------------------|--------|--------|----|



The Company reported 2Q-2013 earnings of US\$2,996 million and the following highlights:

- Higher crude oil and NGL production in Brazil (1%, 21 thousand barrels/day), due to the production start-up of new systems in the 1H-2013: FPSOs Cid. São Paulo, Cid. Itajaí, Cid. São Vicente and Cid. Paraty.
  - Feedstock processed increased by 1% (19 thousand barrels/day) due to record levels of crude oil processing in May and June, as well as maximization of diesel and gasoline production, reducing the need for oil product imports.
  - Higher LNG imports driven by lower domestic natural gas production, attributable to scheduled stoppages in Manati, Mexilhão, Uruguá and Lula fields.
  - Disposal of 50% of our assets in Africa, aligned with the Company's Divestment Program, with a US\$ 921 million gain and a US\$ 1,548 million increase in cash and cash equivalents.
  - Extension of the hedge accounting practice to future exports as from the middle of May, recognizing US\$ 3,856 million in our shareholders' equity related to the effects of foreign exchange variations on approximately 70% of our net debt exposed to foreign currency effects, which will be reclassified to profit and loss as the future exports affect our income statement. Other net debt exposed to foreign currency generated foreign exchange losses of US\$ 1,536 million, recognized in profit or loss.
  - Proceeds amounting to US\$ 15.1 billion from net long-term financing for our 2013-2017 Business and Management Plan, including US\$ 11 billion from Global Notes issued with maturities of 3, 5, 10 and 30 years.
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Comments from the CEO  
Mrs. Maria das Graças Silva Foster

Dear Shareholders and Investors,

We recorded net income before financial results, share of profit of equity-accounted investments and income taxes of US\$ 5.4 billion in the 2Q-2013, 9% up on the previous three months, fueled by the increase in diesel and gasoline prices throughout the first quarter, increased production of these oil products in our refineries, gains from overseas divestments, the optimization of operating costs and the continuing recovery of operational efficiency in Campos Basin's production. Net income attributable to shareholders of Petrobras totaled US\$ 3.0 billion, 22% less than the 1Q-2013, due to the negative financial result, impacted by the depreciation of the Real against the U.S. dollar.

Average crude oil production was in line with our projections, edging up by 1% over 1Q-2013, reflecting the operational start-up of four platforms (FPSOs Cidade de São Paulo, Cidade de São Vicente, Cidade de Itajaí and Cidade de Paraty), the connection of 15 new wells and increasing output from the pre-salt in the 1H-2013, which reached a new record of 326 kbpd on June 22.

The ramp-up of these new systems and the operational start-up of other platforms in the coming months will ensure production growth in the 2H-2013, especially in the final quarter, with the operational start-up of the P-55, P-58, P-63, and P-61 platforms and the tender assisted drilling rig (TAD), a support rig that will operate in conjunction with P-61 and P-63. We highlight that the average physical progress of these platforms is 97% and that P-55, P-63 and P-58 will be in their final locations already by the end of September.

In the Exploration segment, we added nine discoveries in the first six months, five of which in the pre-salt. Our exploratory success rate was 70% overall and 100% in the pre-salt layer, already reflecting the exploration policy implemented since last year, which prioritizes low-risk areas and allocates more resources to production development activities. Expenses with prospecting and drilling (dry wells) totaled US\$ 583 million in the 2Q-2013, 66% less than the US\$ 1,740 million recorded in the 2Q-2012. None of the 13 dry wells booked in the second quarter were in the pre-salt. In the 11th bid round, Petrobras won, either alone or in partnership with other seven companies, 34 of the 289 blocks auctioned – those which, in our opinion, have the highest exploratory potential.

In the Refining business, we continue to operate at excellent efficiency levels, which are reflected in an average oil product output of 2,138 mbpd (+1%), led by gasoline (+48 mbpd) and diesel (+16 mbpd), and a capacity utilization factor of 99%. On June 29 and 30, our refineries reached a record of 2,200 kbpd processed volume.

The Gas and Energy segment also sustained the exceptional performance posted in previous quarters, meeting average daily natural gas demand of 89 million m3/day and thermal power generation of 8.2 GW/average.

Once again I would like to highlight the progress of the important structuring programs of our 2013-2017 Business and Management Plan. The initiatives under the Petrobras' Divestment Program (PRODESIN) allowed us to conclude five divestment projects in the second quarter, the largest of which was the sale of 50% of Petrobras Oil & Gas B.V.'s assets in Africa for US\$ 1.5 billion. These divestments in the 2Q-2013 not only generated cash for our oil production projects in Brazil – our priorities - but also led to a avoided Capex of US\$ 5.2 billion between 2013 and 2017. Another noteworthy progress is the improvement in the management efficiency of our international operating assets. As a consequence of our increased focus on developing the pre-salt discoveries in Brazil, in the last 12 months we reduced our international operations from 23 to 17 countries and closed 15 companies, and a further 38 are scheduled for closure by December 2015.

Thanks to the Program to Increase the Operational Efficiency of the Campos Basin (PROEF), we recorded production gains of 62 mbpd in the 2Q-2013. The efficiency of the Campos Basin Operational Unit (UO-BC), which stood at 67% at the beginning of the Program (April 2012), averaged 74% in the 2Q-2013. The Rio Unit (UO-RIO), whose operational efficiency was 91% in April 2012 and which was included in PROEF in November, averaged 93% in the second quarter.

The initiatives of the Operating Cost Optimization Program (PROCOP) led to savings of US\$ 1 billion in the first six months of 2013, exceeding the period target of US\$ 0.7 billion and reaching 78% of the annual target of US\$ 1.7 billion. The Program broadened its goals as of July, when it included the subsidiaries BR Distribuidora, Petrobras Biocombustível and Liquigás, raising its target in US\$ 68 million in 2013 and to US\$ 15 billion for 2013-2016.

As a result of all these initiatives, our cash generation increased by 5% over 1Q-2013. I would also like to highlight the second quarter's successful funding operations, especially the US\$ 11 billion bond issue in May. As a result, our cash and cash equivalents closed the period at US\$ 33 billion. We also extended the hedge accounting procedure to future exports, allowing foreign exchange losses of US\$ 4 billion, equivalent to around 70% of our net debt exposed to foreign exchange variation, to be booked under Shareholders' Equity and transferred to the profit and loss as the exports occur.

Once again, I would like to reiterate the Executive Board's confidence in our technical team and affirm that our short-term growth prospects are achievable. Our day-to-day efforts are aimed at building a more efficient and profitable Company. We have already overcome countless expected challenges in 2013 and are convinced that we will achieve the goals and objectives set out in the 2013-2017 Business and Management Plan.

Maria das Graças Silva Foster

Chief Executive Officer

**FINANCIAL HIGHLIGHTS**

**Main Items and Consolidated Economic Indicators**

**For the first half  
of**

| <b>2Q-2013</b> | <b>1Q-2013</b> | <b>2Q13 X<br/>1Q13<br/>(%)</b> | <b>2Q-2012</b> | <b>2013</b> | <b>2012</b> | <b>2013 x<br/>2012<br/>(%)</b> |
|----------------|----------------|--------------------------------|----------------|-------------|-------------|--------------------------------|
|----------------|----------------|--------------------------------|----------------|-------------|-------------|--------------------------------|

|        |        |     |        |                       |        |        |   |
|--------|--------|-----|--------|-----------------------|--------|--------|---|
| 35,569 | 36,345 | (2) | 34,659 | <b>Sales revenues</b> | 71,914 | 72,069 | – |
|--------|--------|-----|--------|-----------------------|--------|--------|---|

|       |       |     |       |                     |        |        |     |
|-------|-------|-----|-------|---------------------|--------|--------|-----|
| 9,038 | 9,448 | (4) | 8,157 | <b>Gross profit</b> | 18,486 | 19,608 | (6) |
|-------|-------|-----|-------|---------------------|--------|--------|-----|

|       |       |   |       |   |        |       |    |
|-------|-------|---|-------|---|--------|-------|----|
| 5,366 | 4,935 | 9 | 2,689 | <b>Net income before<br/>finance income<br/>(expense), share of<br/>profit of<br/>equity-accounted<br/>investments and<br/>income taxes</b> | 10,301 | 9,348 | 10 |
|-------|-------|---|-------|---|--------|-------|----|



|         |     |       |         |   |         |         |    |
|---------|-----|-------|---------|---|---------|---------|----|
| (1,715) | 696 | (346) | (3,263) | <b>Net finance income<br/>(expense)</b> | (1,019) | (3,000) | 66 |
|---------|-----|-------|---------|---|---------|---------|----|

|       |       |      |       |   |       |       |    |
|-------|-------|------|-------|---|-------|-------|----|
| 2,996 | 3,854 | (22) | (685) | <b>Consolidated net<br/>income/(loss)<br/>attributable to the<br/>shareholders of<br/>Petrobras</b> | 6,850 | 4,527 | 51 |
|-------|-------|------|-------|---|-------|-------|----|

|      |      |      |        |  |      |      |    |
|------|------|------|--------|--|------|------|----|
| 0.23 | 0.30 | (22) | (0.05) | <b>Basic and diluted earnings per share <sup>1</sup></b> | 0.53 | 0.35 | 51 |
|------|------|------|--------|--|------|------|----|



|    |    |     |    |                                      |    |    |     |
|----|----|-----|----|--------------------------------------|----|----|-----|
| 25 | 26 | (1) | 24 | <b>Gross margin (%)</b> <sup>2</sup> | 26 | 27 | (1) |
|----|----|-----|----|--------------------------------------|----|----|-----|

|    |    |   |   |                             |                 |    |   |
|----|----|---|---|-----------------------------|-----------------|----|---|
| 15 | 14 | 1 | 8 | <b>Operating margin (%)</b> | <sup>2</sup> 14 | 13 | 1 |
|----|----|---|---|-----------------------------|-----------------|----|---|

|   |    |     |     |                                    |    |   |   |
|---|----|-----|-----|------------------------------------|----|---|---|
| 8 | 11 | (3) | (2) | <b>Net margin (%)</b> <sup>2</sup> | 10 | 6 | 4 |
|---|----|-----|-----|------------------------------------|----|---|---|

|       |       |   |       |                                    |        |        |    |
|-------|-------|---|-------|------------------------------------|--------|--------|----|
| 8,740 | 8,133 | 7 | 5,397 | <b>Adjusted EBITDA –</b>           | 16,873 | 14,743 | 14 |
|       |       |   |       | <b>U.S.\$ million <sup>3</sup></b> |        |        |    |





**Net income before  
finance income  
(expense), share of  
profit of  
equity-accounted  
investments and  
income taxes by  
Business Segment**

|       |       |      |       |   |        |        |      |
|-------|-------|------|-------|---|--------|--------|------|
| 6,553 | 7,560 | (13) | 8,239 | <b>. Exploration &amp;<br/>Production</b> | 14,113 | 18,899 | (25) |
|-------|-------|------|-------|---|--------|--------|------|

|         |         |    |         |   |         |         |    |
|---------|---------|----|---------|---|---------|---------|----|
| (1,822) | (3,276) | 44 | (5,079) | <b>. Refining,<br/>Transportation and<br/>Marketing</b> | (5,098) | (9,095) | 44 |
|---------|---------|----|---------|---|---------|---------|----|

392      593      (34)      19      **. Gas & Power**      985      578      70

(37) (35) (6) (46) . **Biofuel** (72) (75) 4

|     |     |      |     |                       |     |     |    |
|-----|-----|------|-----|-----------------------|-----|-----|----|
| 336 | 543 | (38) | 362 | <b>. Distribution</b> | 879 | 675 | 30 |
|-----|-----|------|-----|-----------------------|-----|-----|----|

|       |     |    |     |                        |       |       |    |
|-------|-----|----|-----|------------------------|-------|-------|----|
| 1,064 | 594 | 79 | 476 | <b>. International</b> | 1,658 | 1,294 | 28 |
|-------|-----|----|-----|------------------------|-------|-------|----|



(1,289) (1,391) 7 (1,165) . **Corporate** (2,680) (2,548) (5)



|        |       |    |        |   |        |        |   |
|--------|-------|----|--------|---|--------|--------|---|
| 11,758 | 9,907 | 19 | 10,520 | <b>Capital expenditures<br/>and investments (in<br/>millions of U.S.<br/>dollars)</b> | 21,665 | 20,714 | 5 |
|--------|-------|----|--------|---|--------|--------|---|



**Financial and  
economic indicators**

102.44 112.55 (9) 108.19 **Brent crude (U.S.\$/bbl)** 107.50 113.34 (5)

|      |      |   |      |   |      |      |   |
|------|------|---|------|---|------|------|---|
| 2.07 | 2.00 | 3 | 1.96 | <b>Average commercial<br/>selling rate for U.S.<br/>dollar (R\$/U.S.\$)</b> | 2.03 | 1.87 | 9 |
|------|------|---|------|---|------|------|---|

|      |      |    |      |  |      |      |    |
|------|------|----|------|--|------|------|----|
| 2.22 | 2.01 | 10 | 2.02 | <b>Period-end commercial<br/>selling rate for U.S.<br/>dollar (R\$/U.S.\$)</b> | 2.22 | 2.02 | 10 |
|------|------|----|------|--|------|------|----|



|      |      |   |      |  |      |      |     |
|------|------|---|------|--|------|------|-----|
| 7.52 | 7.13 | – | 8.87 | <b>Selic interest rate -<br/>average (%)</b> | 7.33 | 9.59 | (2) |
|------|------|---|------|--|------|------|-----|



**Average price  
indicators**

|        |        |     |       |   |        |       |   |
|--------|--------|-----|-------|---|--------|-------|---|
| 100.28 | 102.05 | (2) | 92.10 | <b>Domestic basic oil<br/>products price<br/>(U.S.\$/bbl)</b> | 101.15 | 95.84 | 6 |
|--------|--------|-----|-------|---|--------|-------|---|

**Sales price - Brazil**

94.17 102.91 (8) 104.29 . **Crude oil (U.S.\$/bbl)** 498.52 108.01 (9)

|       |       |   |       |                                       |       |       |     |
|-------|-------|---|-------|---------------------------------------|-------|-------|-----|
| 50.47 | 47.42 | 6 | 47.77 | <b>. Natural gas<br/>(U.S.\$/bbl)</b> | 49.56 | 49.88 | (1) |
|-------|-------|---|-------|---------------------------------------|-------|-------|-----|

**Sales price -  
International**



|       |       |     |       |                                 |       |       |     |
|-------|-------|-----|-------|---------------------------------|-------|-------|-----|
| 89.84 | 94.26 | (5) | 93.48 | <b>. Crude oil (U.S.\$/bbl)</b> | 92.08 | 96.98 | (5) |
|-------|-------|-----|-------|---------------------------------|-------|-------|-----|

|       |       |     |       |                      |       |       |    |
|-------|-------|-----|-------|----------------------|-------|-------|----|
| 21.31 | 23.02 | (7) | 20.34 | <b>. Natural gas</b> | 22.18 | 20.25 | 10 |
|       |       |     |       | <b>(U.S.\$/bbl)</b>  |       |       |    |

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<sup>1</sup> Net income per share calculated based on the weighted average number of shares.

<sup>2</sup> Gross margin equals sales revenues less cost of sales divided by sales revenues; Operating margin equals net income before financial results, share of profit of equity-accounted investments and income taxes divided by sales revenues; Net margin equals net income divided by sales revenues.

<sup>3</sup> Adjusted EBITDA equals net income plus net finance income (expense); income taxes; depreciation, depletion and amortization; share of profit of equity-accounted investments; and impairment. Adjusted EBITDA is not an IFRS measure and it is possible that it may not be comparable with indicators with the same name reported by other companies. Adjusted EBITDA should not be considered as a substitute for operational profit or as a better measure of liquidity than operational cash flow, both of which are calculated in accordance with IFRS. We provide our Adjusted EBITDA to give additional information about our capacity to pay debt, carry out investments and cover working capital needs. See Consolidated Adjusted EBITDA Statement by Segment on page 23 for a reconciliation of our Adjusted EBITDA.

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

## FINANCIAL HIGHLIGHTS

### RESULTS OF OPERATIONS

#### 1H-2013 compared with 1H-2012:

Virtually all revenues and expenses of our Brazilian operations are denominated and payable in Brazilian Reais. When the U.S. dollar strengthens relative to the Brazilian Real, as it did in the 1H-2013 (a 9% impact), revenues and expenses decrease when translated into U.S. dollars. Notwithstanding, the appreciation of the U.S. dollar against the Brazilian Real affects the line items discussed below in different ways.

#### Gross Profit

Gross profit was 6% lower (US\$ 1,122 million) compared with the 1H-2012, mainly due to:

Ø Sales revenues of US\$ 71,914 million, which remained relatively flat when compared to the 1H-2012, due to the appreciation of the U.S. dollar.

Excluding foreign currency translation effects, local currency sales revenues were 9% higher, driven by:

- Higher oil product prices in the domestic market due to adjustments in gasoline and diesel prices, to higher electricity prices and to the impact of the appreciation of the U.S. dollar (9% impact) on oil product prices that are adjusted to reflect international prices;
- A 9% increase in domestic demand, mainly of gasoline (6%), diesel (7%), fuel oil (45%) and natural gas (26%), offset by lower crude oil export volumes due to lower production and higher feedstock processed.

Ø Cost of sales of US\$ 53,428 million, 2% higher compared to the 1H-2012, due to:

- A 6% increase in domestic sales volumes of oil products, met by higher domestic output, which reduced the need for oil product imports;
- Higher volumes of natural gas imports to meet the thermoelectric demand and an increase in crude oil import volumes driven by the higher feedstock processed in our refineries, associated with the impact of the appreciation of the U.S. dollar (9% impact) on related costs;
- Increased crude oil production costs, due to the higher number of well interventions and to the production start-up of new systems, which are still not producing in full capacity;

- Partially offset by the foreign currency translation effects, as the local currency cost of sales was 11% higher.

### **Net income before finance expense, share of profit of equity-accounted investments and income taxes**

Net income before finance expense, share of profit of equity-accounted investments and income taxes reached US\$ 10,301 million, a 10% increase compared to the 1H-2012, due to lower write-offs of dry and subcommercial wells (US\$ 1,097 million) and gains on disposal of assets in Africa <sup>5</sup>, partially offset by foreign currency translation effects. Excluding foreign currency translation effects, it increased by 23%, reflecting also a higher local currency gross profit.

### **Net finance income (expense)**

Net finance expense of US\$ 1,019 million, a reduction of US\$ 1,981 million compared to the 1H-2012, driven by the decrease in the foreign exchange exposure due to the extension of the hedge accounting practice to future exports, reducing by US\$ 3,856 million the impact of foreign currency effects in our financial results.

### **Net income attributable to the shareholders of Petrobras**

Net income attributable to the shareholders of Petrobras reached US\$ 6,850 million in the 1H-2013, a 51% increase compared to the 1H-2012 (US\$ 4,527 million), mainly reflecting the higher net income before finance expense, share of profit of equity-accounted investments and income taxes, lower net finance expense driven by the decreased foreign currency variation effects and higher share of profit of equity-accounted investments.

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<sup>5</sup> The disposal of 50% of our assets in Africa generated a gain of US\$ 921 million, from which US\$ 751 million was recognized in Other Operating Income (Expenses) and US\$ 170 million in Share of Profit of Equity-Accounted Investments.

## **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 priced at internal transfer prices defined between the areas using methods based on market parameters.

Information about our operating segments and other related information are set out below.

### **EXPLORATION & PRODUCTION**

**For the first half of**

| <b>2013</b> | <b>2012</b> | <b>2013 x<br/>2012<br/>(%)</b> |
|-------------|-------------|--------------------------------|
|-------------|-------------|--------------------------------|





**Net Income Attributable to the Shareholders of Petrobras** 9,295 12,477 (26)



Net income was lower due to decreased crude oil and NGL production, higher depreciation/depletion costs of equipment, higher employee compensation costs, higher well interventions and maintenance costs, as well as increased freight costs for oil platforms that are still in the beginning of their ramp-up. These effects were partially offset by lower write-offs of dry or subcommercial wells.

The spread between the average domestic oil price (sale/transfer) and the average Brent price increased from US\$5.33/bbl in the 1H-2012 to US\$8.98/bbl in the 1H-2013.

**For the first half of**

| <b>Exploration &amp; Production - Brazil (Mbb/d) (*)</b> | <b>2013</b> | <b>2012</b> | <b>2013 x<br/>2012<br/>(%)</b> |
|--|-------------|-------------|--------------------------------|
|--|-------------|-------------|--------------------------------|



|                    |       |       |     |
|--------------------|-------|-------|-----|
| Crude oil and NGLs | 1,921 | 2,018 | (5) |
|--------------------|-------|-------|-----|

Natural gas <sup>6</sup>

394

363

9

**Total**

**2,315 2,381 (3)**





Crude oil and NGL production decreased due to higher number of stoppages, to interruption of Frade field production in March 2012, to the departure of platforms SS-11 and P-34 from Baúna and Jubarte fields, respectively, as well as the natural decline in production from fields, partially offset by the production start-up of Cidade de Anchieta (Baleia Azul), Cidade de São Paulo (Sapinhoá), Cidade de São Vicente (Extended Well Test – EWT of Sapinhoá Norte), Cidade de Paraty (Lula Nordeste Pilot) and Cidade de Itajaí (Baúna).

Natural gas production increased due to the improved efficiency of the Mexilhão, Merluza and Lula fields and to the improved potential of FPSO Cidade de Vitoria.

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(\*)Not reviewed by independent auditor.

6 Does not include LNG. Includes gas reinjection.

**FINANCIAL HIGHLIGHTS**

**For the first half of**

**Lifting Cost - Brazil <sup>7</sup> (\*)**

**2013**

**2012**

**2013 x  
2012  
(%)**



**U.S.\$/barrel:**

|                            |       |       |    |
|----------------------------|-------|-------|----|
| Excluding production taxes | 14.89 | 13.09 | 14 |
|----------------------------|-------|-------|----|

|                            |       |       |     |
|----------------------------|-------|-------|-----|
| Including production taxes | 32.80 | 33.87 | (3) |
|----------------------------|-------|-------|-----|





### **Lifting Cost - Excluding production taxes**

Lifting cost excluding production taxes increased by 14% in the 1H-2013 compared to the 1H-2012. Excluding the impact of the appreciation of the U.S. dollar against the Brazilian Real it increased by 19% due to the higher number of well interventions in the Campos Basin, mainly driven by the PROEF (Operational Efficiency Increase Program), to the production start-up in FPSOs Cidade de Anchieta (Baleia Azul), Cidade de São Paulo (Sapinhoá), Cidade de São Vicente (Extended Well Test – EWT of Sapinhoá Norte), Cidade de Paraty (Lula Nordeste Pilot) and Cidade de Itajaí (Baúna), as well as higher employee compensation costs arising from the 2012 Collective Bargaining Agreements and from actuarial revisions of pension and medical benefits.

### **Lifting Cost - Including production taxes**

Lifting cost including production taxes decreased by 3% in the 1H-2013 compared to the 1H-2012. Excluding the impact of the appreciation of the U.S. dollar against the Brazilian Real it remained relatively flat in the period. Production taxes excluding foreign exchange variation effects were 13% lower driven by the decrease in the average reference price for domestic oil in U.S. dollars (adjusted to reflect international prices) and to the new levels of special participation charges in Marlim, Jubarte, Marlim Leste, Roncador and Barracuda fields, due to lower production.

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(\*)Not reviewed by independent auditor.

<sup>7</sup> In the 1Q-2013, lifting cost was revised to exclude scheduled stoppages expenses. Though lifting cost is non-GAAP measure, the portion of the calculation of this non-GAAP measure related to scheduled stoppage expenses 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 in accordance to the International Financial Reporting Standards – IFRS.

**FINANCIAL HIGHLIGHTS**

**REFINING, TRANSPORTATION AND MARKETING**

**For the first half of**

| <b>2013</b> | <b>2012</b> | <b>2013 x<br/>2012<br/>(%)</b> |
|-------------|-------------|--------------------------------|
|-------------|-------------|--------------------------------|



**Net Income Attributable to the Shareholders of Petrobras** (3,348) (6,184) (46)



The decreased net loss is attributable to diesel and gasoline price adjustments in the domestic market since June 2012 and to the higher feedstock processed at the refineries reducing the share of oil product imports in our sales mix.

**For the first half of**



| <b>Imports and Exports of Crude Oil and Oil Products<br/>(Mbb/d) (*)</b> | <b>2013</b> | <b>2012</b> | <b>2013 x<br/>2012<br/>(%)</b> |
|--|-------------|-------------|--------------------------------|
|--|-------------|-------------|--------------------------------|



|                   |     |     |    |
|-------------------|-----|-----|----|
| Crude oil imports | 465 | 349 | 33 |
|-------------------|-----|-----|----|

|                     |     |     |      |
|---------------------|-----|-----|------|
| Oil product imports | 318 | 395 | (19) |
|---------------------|-----|-----|------|

**Imports of crude oil and oil products**

783

744

5

|                                |     |     |      |
|--------------------------------|-----|-----|------|
| Crude oil exports <sup>8</sup> | 189 | 424 | (55) |
|--------------------------------|-----|-----|------|

|                     |     |     |     |
|---------------------|-----|-----|-----|
| Oil product exports | 194 | 210 | (8) |
|---------------------|-----|-----|-----|

**Exports of crude oil and oil products**

383

634

(40)



|  |              |              |     |
|--|--------------|--------------|-----|
| <b>Exports (imports) net of crude oil and oil products</b> | <b>(400)</b> | <b>(110)</b> | 264 |
|--|--------------|--------------|-----|

Other exports

2

6

(67)



Higher crude oil imports attributable to the lower production, and higher feedstock processed. Lower oil product imports driven by increased output from refineries.

Lower crude oil export volumes attributable to a decrease in crude oil production and an increase in feedstock processed, as well as decreased oil products exports driven by domestic demand growth.

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(\*)Not reviewed by independent auditor.

<sup>8</sup> Include crude oil exports volumes of Refining, Transportation and Marketing and Exploration & Production segments.

**FINANCIAL HIGHLIGHTS**

**For the first half of**

| <b>Refining Operations (Mbb/d) (*)</b> | <b>2013</b> | <b>2012</b> | <b>2013 x<br/>2012<br/>(%)</b> |
|--|-------------|-------------|--------------------------------|
|--|-------------|-------------|--------------------------------|



|                        |       |       |   |
|------------------------|-------|-------|---|
| Output of oil products | 2,133 | 1,975 | 8 |
|------------------------|-------|-------|---|



|                                 |       |       |   |
|---------------------------------|-------|-------|---|
| Installed capacity <sup>9</sup> | 2,079 | 2,013 | 3 |
|---------------------------------|-------|-------|---|

Utilization of nominal capacity (%) <sup>10</sup>

99

94

5

Feedstock processed - Brazil <sup>11</sup>

2,092 1,905 10

|  |    |    |     |
|--|----|----|-----|
| Domestic crude oil as % of total feedstock processed | 81 | 82 | (1) |
|--|----|----|-----|



Daily feedstock processed increased by 10% due to the sustainable improvement of operating efficiency of the refineries, with increased production of diesel, jet fuel and gasoline, maintaining high reliability levels, respecting the project limits of equipments and the safety, environment and product quality requirements.

**For the first half of**

**Refining Cost - Brazil <sup>12</sup> (\*)**

**2013**

**2012**

**2013 x  
2012  
(%)**





|                               |      |      |      |
|-------------------------------|------|------|------|
| Refining cost (U.S.\$/barrel) | 3.11 | 3.44 | (10) |
|-------------------------------|------|------|------|



Refining cost decreased by 10% in the 1H-2013 compared to the 1H-2012. Excluding the impact of the appreciation of the U.S. dollar against the Brazilian Real, it decreased by 2%, due to higher feedstock processed and reduced routine maintenance, partially offset by higher employee compensation costs arising from the 2012 Collective Bargaining Agreements and by the actuarial revision of pension and medical benefits.

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(\*) Not reviewed by independent auditor.

<sup>9</sup> 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.

<sup>10</sup> Utilization of nominal capacity of crude oil processing is the relation between the installed capacity and the feedstock processed of domestic crude oil.

<sup>11</sup> Feedstock processed – Brazil includes crude oil and NGL processing.

<sup>12</sup> In the 1Q-2013, 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 in accordance with the International Financial Reporting Standards – IFRS.

**FINANCIAL HIGHLIGHTS**

**GAS & POWER**

**For the first half of**

| <b>2013</b> | <b>2012</b> | <b>2013 x<br/>2012<br/>(%)</b> |
|-------------|-------------|--------------------------------|
|-------------|-------------|--------------------------------|



**Net Income Attributable to the Shareholders of Petrobras** 721 445 62





Net income increased due to higher thermoelectricity generation and higher average electricity prices, mainly driven by lower water reservoir levels at hydroelectric power plants in Brazil, increasing difference settlement prices.

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

**For the first half of**

**Physical and Financial Indicators (\*)**

**2013**

**2012**

**2013 x  
2012  
(%)**



|   |       |       |     |
|---|-------|-------|-----|
| Sales of electricity (contracts) - average MW | 2,103 | 2,204 | (5) |
|---|-------|-------|-----|

|  |       |       |     |
|--|-------|-------|-----|
| Generation of electricity - average MW | 4,805 | 1,749 | 175 |
|--|-------|-------|-----|

|                        |     |    |     |
|------------------------|-----|----|-----|
| Imports of LNG (Mbb/d) | 111 | 46 | 141 |
|------------------------|-----|----|-----|

|                        |     |     |    |
|------------------------|-----|-----|----|
| Imports of Gas (Mbb/d) | 197 | 167 | 18 |
|------------------------|-----|-----|----|

Diferences settlement prices - U.S.\$/MWH <sup>13</sup>

142

55

158





Electricity sales volumes decreased by 5% due to a market retraction driven by regulatory uncertainties.

Increased electricity generation (175%) and difference settlement prices (158%) due to lower rainfall levels in the period.

Imports of LNG increased by 141% and natural gas imports from Bolivia increased by 18% to meet the higher domestic thermoelectric demand.

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(\*)Not reviewed by independent auditor.

<sup>13</sup> Differences settlement price is the price of electricity in the spot market and is computed based on weekly weighed prices per output level (light, medium and heavy), number of hour and submarket capacity.

**FINANCIAL HIGHLIGHTS**

**BIOFUEL**

**For the first half of**

| <b>2013</b> | <b>2012</b> | <b>2013 x<br/>2012<br/>(%)</b> |
|-------------|-------------|--------------------------------|
|-------------|-------------|--------------------------------|



**Net Income Attributable to the Shareholders of Petrobras** (60) (81) (26)



Losses on biofuel operations decreased in the period mainly due to the improved results from investments in the ethanol and biodiesel sectors, driven by higher sugar volume and by increased volumes and prices of biodiesel, vegetable oils and brans. The decrease on biofuel losses was also attributable to lower amounts spent on research and development of production of second generation ethanol.

## **DISTRIBUTION**

**For the first half of**



| <b>2013</b> | <b>2012</b> | <b>2013 x<br/>2012<br/>(%)</b> |
|-------------|-------------|--------------------------------|
|-------------|-------------|--------------------------------|



**Net Income Attributable to the Shareholders of Petrobras** 582 446 30



Net income was higher due to a 20% increase in the average trade margins, including an 8% increase in sales volumes. These effects were partially offset by higher freight and employee compensation expenses.

**For the first half of**

| <b>Market Share (*)</b> | <b>2013</b> | <b>2012</b> | <b>2013 x<br/>2012<br/>(%)</b> |
|-------------------------|-------------|-------------|--------------------------------|
|-------------------------|-------------|-------------|--------------------------------|



38.2% 38.1% -





The market share increase is mainly attributable to the additional thermoelectric dispatch.

---

(\*)Not reviewed by independent auditor. Our market share in the Distribution Segment in Brazil is based on estimates made by Petrobras Distribuidora.

**FINANCIAL HIGHLIGHTS**

**INTERNATIONAL**

**For the first half of**

| <b>2013</b> | <b>2012</b> | <b>2013 x<br/>2012<br/>(%)</b> |
|-------------|-------------|--------------------------------|
|-------------|-------------|--------------------------------|



**Net Income Attributable to the Shareholders of Petrobras** 1,315 580 127



Net income was higher due to the net gains from the disposal of 50% of our assets in Africa (US\$ 921 million), partially offset by lower sales volumes in Nigeria and decreased average sales prices of commodities.

**For the first half of**



| <b>Exploration &amp; Production - International (Mbb/d) <sup>14</sup> (*)</b> | <b>2013</b> | <b>2012</b> | <b>2013 x<br/>2012<br/>(%)</b> |
|---|-------------|-------------|--------------------------------|
|---|-------------|-------------|--------------------------------|



**Consolidated international production**

Crude oil and NGLs

141

142

(1)

Natural gas

91

98

(7)

|       |     |     |     |
|-------|-----|-----|-----|
| Total | 232 | 240 | (3) |
|-------|-----|-----|-----|

Non-consolidated international production

6

7

(14)

|                                       |            |            |            |
|---------------------------------------|------------|------------|------------|
| <b>Total international production</b> | <b>238</b> | <b>247</b> | <b>(4)</b> |
|---------------------------------------|------------|------------|------------|





Crude oil and NGL production decreased due to: i) lower production in Nigeria driven by the natural decline of the Agbami and Akpo fields; ii) natural decline of production of mature fields in Argentina; and iii) natural decline of the Espinal field and end of the contract of the Upia field in Colombia. These effects were partially offset by the higher production in the U.S. fields (first oil production of Cascade and Chinook in 2012).

Decreased natural gas production in Argentina due to the draining of a well in Santa Cruz and to the weather conditions in the Neuquina Basin.

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(\*)Not reviewed by independent auditor.

<sup>14</sup> 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**

**For the first half of**

| <b>Lifting Cost - International (U.S.\$/barrel) <sup>15</sup> (*)</b> | <b>2013</b> | <b>2012</b> | <b>2013 x<br/>2012<br/>(%)</b> |
|---|-------------|-------------|--------------------------------|
|---|-------------|-------------|--------------------------------|







Lifting cost was higher, mainly in Argentina due to well maintenance services, higher electricity charges and environmental repair services in production storage tanks, together with lower production in the period.

**For the first half of**



| <b>Refining Operations - International (Mbb/d) (*)</b> | <b>2013</b> | <b>2012</b> | <b>2013 x<br/>2012<br/>(%)</b> |
|--|-------------|-------------|--------------------------------|
|--|-------------|-------------|--------------------------------|



|                     |     |     |     |
|---------------------|-----|-----|-----|
| Feedstock processed | 177 | 189 | (6) |
|---------------------|-----|-----|-----|

|                        |     |     |     |
|------------------------|-----|-----|-----|
| Output of oil products | 192 | 204 | (6) |
|------------------------|-----|-----|-----|

|                    |     |     |   |
|--------------------|-----|-----|---|
| Installed capacity | 231 | 231 | – |
|--------------------|-----|-----|---|

|                                     |    |    |     |
|-------------------------------------|----|----|-----|
| Utilization of nominal capacity (%) | 72 | 73 | (1) |
|-------------------------------------|----|----|-----|



Lower feedstock processed, output of oil products and utilization of nominal capacity due to the light oil processing bottleneck and to the economic decision to process less intermediate feedstock in the United States. There was also a reduction of oil products demand in Japan and our Japanese refinery stopped due to the maintenance at a distillation unit bottom pump in June.

**For the first half of**



| <b>Refining Cost - International (U.S.\$/barrel) <sup>15</sup> (*)</b> | <b>2013</b> | <b>2012</b> | <b>2013 x<br/>2012<br/>(%)</b> |
|--|-------------|-------------|--------------------------------|
|--|-------------|-------------|--------------------------------|







International refining cost was higher due to higher insurance and maintenance costs, as well as increased consumption of catalyzers in the United States and to the lower feedstock processed.

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(\*)Not reviewed by independent auditor.

<sup>15</sup> In the 1Q-2013, lifting and refining costs were revised to exclude scheduled stoppages expenses. Though lifting and refining costs are non-GAAP measures, they were 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 its realizations, 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 in accordance with the International Financial Reporting Standards – IFRS.

**FINANCIAL HIGHLIGHTS**

**Sales Volumes – (Mbbbl/d)\***

**For the first half of**

| <b>2013</b> | <b>2012</b> | <b>2013 x<br/>2012<br/>(%)</b> |
|-------------|-------------|--------------------------------|
|-------------|-------------|--------------------------------|





Diesel

950

889

7

Gasoline

582

551

6

Fuel oil

110

76

45

Naphtha

175

168

4

LPG

223

221

1

Jet fuel

104

107

(3)

Others

199

192

4

|                    |       |       |   |
|--------------------|-------|-------|---|
| Total oil products | 2,343 | 2,204 | 6 |
|--------------------|-------|-------|---|



|  |    |    |   |
|--|----|----|---|
| Ethanol, nitrogen fertilizers, renewables and other products | 82 | 78 | 5 |
|--|----|----|---|

Natural gas

426

339

26

|                       |       |       |   |
|-----------------------|-------|-------|---|
| Total domestic market | 2,851 | 2,621 | 9 |
|-----------------------|-------|-------|---|

Exports

385

640

(40)

|                     |     |     |   |
|---------------------|-----|-----|---|
| International sales | 495 | 494 | – |
|---------------------|-----|-----|---|

|                            |     |       |      |
|----------------------------|-----|-------|------|
| Total international market | 880 | 1,134 | (22) |
|----------------------------|-----|-------|------|

|              |              |              |            |
|--------------|--------------|--------------|------------|
| <b>Total</b> | <b>3,731</b> | <b>3,755</b> | <b>(1)</b> |
|--------------|--------------|--------------|------------|





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

- Diesel (a 7% increase) – due to the increase in the retail sector, along with higher thermoelectric consumption and higher grain harvest.
- Gasoline (a 6% increase) – due to the increase in the flex-fuel automotive fleet, driven by the higher competitive advantage relative to ethanol in most Brazilian federal states and to the decreased market share of our competitors. These effects were partially offset by lower demand of gasoline A due to the increase of the hydrated ethanol content of Type C gasoline (from 20% to 25%).
- Fuel oil (a 45% increase) – due to the increased consumption at thermoelectric plants for electricity generation.
- Natural gas (a 26% increase) – due to higher thermoelectric demand, driven by lower water reservoir levels at hydroelectric power plants.

Our sales volumes in the international market decreased in the 1H-2013 compared with 1H-2012, due to the 40% decrease in export volumes, mainly of crude oil, driven by lower crude oil production and higher feedstock processed at domestic refineries, and of oil products, due to higher domestic sales.

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(\*)Not reviewed by independent auditor.

**FINANCIAL HIGHLIGHTS**

**LIQUIDITY AND CAPITAL RESOURCES**

**Consolidated Statement of Cash Flows Data – Summary<sup>16</sup>**

**For the first half of**

**2Q-2013**

**1Q-2013**

**2Q-2012**

**2013**

**2012**

|               |               |               |  |               |               |
|---------------|---------------|---------------|--|---------------|---------------|
| <b>22,972</b> | <b>23,732</b> | <b>31,773</b> | <b>Adjusted cash and cash<br/>equivalents at the<br/>beginning of period <sup>17</sup></b> | <b>23,732</b> | <b>28,005</b> |
|---------------|---------------|---------------|--|---------------|---------------|

|         |          |         |  |          |         |
|---------|----------|---------|--|----------|---------|
| (9,448) | (10,212) | (9,873) | Government securities at the beginning of period | (10,212) | (8,948) |
|---------|----------|---------|--|----------|---------|

|               |               |               |                                   |                      |               |
|---------------|---------------|---------------|-----------------------------------|----------------------|---------------|
| <b>13,524</b> | <b>13,520</b> | <b>21,900</b> | <b>Cash and cash equivalents</b>  | <b>13,520</b>        | <b>19,057</b> |
|               |               |               | <b>at the beginning of period</b> | <b><sup>16</sup></b> |               |

|       |       |       |   |        |        |
|-------|-------|-------|---|--------|--------|
| 7,826 | 7,455 | 5,609 | Net cash provided by operating activities | 15,281 | 14,144 |
|-------|-------|-------|---|--------|--------|

|          |         |          |                                       |          |          |
|----------|---------|----------|---------------------------------------|----------|----------|
| (10,795) | (8,177) | (10,276) | Net cash used in investing activities | (18,972) | (20,072) |
|----------|---------|----------|---------------------------------------|----------|----------|



|          |         |         |                                      |          |          |
|----------|---------|---------|--------------------------------------|----------|----------|
| (11,195) | (9,223) | (9,943) | Investments in operating<br>segments | (20,418) | (19,320) |
|----------|---------|---------|--------------------------------------|----------|----------|

1,542      –      –      Sale of assets (disinvestments) 1,542      –

|         |       |       |                                      |      |       |
|---------|-------|-------|--------------------------------------|------|-------|
| (1,142) | 1,046 | (333) | Investments in marketable securities | (96) | (752) |
|---------|-------|-------|--------------------------------------|------|-------|

|                |              |                |                          |                |                |
|----------------|--------------|----------------|--------------------------|----------------|----------------|
| <b>(2,969)</b> | <b>(722)</b> | <b>(4,667)</b> | <b>(=) Net cash flow</b> | <b>(3,691)</b> | <b>(5,928)</b> |
|----------------|--------------|----------------|--------------------------|----------------|----------------|

|        |     |       |                |        |       |
|--------|-----|-------|----------------|--------|-------|
| 15,112 | 567 | (765) | Net financings | 15,679 | 4,089 |
|--------|-----|-------|----------------|--------|-------|

|        |       |       |                                   |        |        |
|--------|-------|-------|-----------------------------------|--------|--------|
| 26,000 | 3,672 | 3,885 | Proceeds from long-term financing | 29,672 | 12,095 |
|--------|-------|-------|-----------------------------------|--------|--------|

|          |         |         |            |          |         |
|----------|---------|---------|------------|----------|---------|
| (10,888) | (3,105) | (4,650) | Repayments | (13,993) | (8,006) |
|----------|---------|---------|------------|----------|---------|

(1,386) – (2,042) Dividends paid to shareholders (1,386) (3,265)



(46) (52) 32 Non-controlling interest (98) 43

|         |     |         |  |       |       |
|---------|-----|---------|--|-------|-------|
| (1,104) | 211 | (1,438) | Effect of exchange rate changes on cash and cash equivalents | (893) | (976) |
|---------|-----|---------|--|-------|-------|

|               |               |               |   |               |               |
|---------------|---------------|---------------|---|---------------|---------------|
| <b>23,131</b> | <b>13,524</b> | <b>13,020</b> | <b>Cash and cash equivalents</b>          | <b>23,131</b> | <b>13,020</b> |
|               |               |               | <b>at the end of period <sup>16</sup></b> |               |               |

|       |       |       |   |       |       |
|-------|-------|-------|---|-------|-------|
| 9,709 | 9,448 | 9,711 | Government securities at the<br>end of period | 9,709 | 9,711 |
|-------|-------|-------|---|-------|-------|

|               |               |               |  |               |               |
|---------------|---------------|---------------|--|---------------|---------------|
| <b>32,840</b> | <b>22,972</b> | <b>22,731</b> | <b>Adjusted cash and cash<br/>equivalents at the end of<br/>period <sup>17</sup></b> | <b>32,840</b> | <b>22,731</b> |
|---------------|---------------|---------------|--|---------------|---------------|



On June 30, 2013, we had cash and cash equivalents of US\$ 23,131 million compared with US\$ 13,520 million on December 31, 2012. Our adjusted cash and cash equivalents<sup>17</sup>, including government securities with maturity of more than 90 days, reached US\$ 32,840 million on June 30, 2013, 38% higher compared with US\$ 23,732 million on December 31, 2012.

Net cash provided by operating activities increased by 8% in the 1H-2013 (US\$ 15,281 million) compared with the 1H-2012 (US\$ 14,144 million), mainly driven by the positive effect of adjustments in diesel and gasoline prices in the domestic market in 2012 and 2013, partially offset by the negative effect of higher import volumes and lower production and export volumes on our gross margins in the period. The 19% increase in local currency net cash provided by operating activities was partially offset by the appreciation of the U.S. dollar.

The cash used in investments in operating segments increased by 6% in the 1H-2013 (US\$ 20,418 million) compared with the 1H-2012 (US\$ 19,320 million), mainly due to higher investments in Exploration & Production and Refining, Transportation and Marketing activities. This effect was more than offset by the receipt of US\$ 1,548 million by the Company in 2013 from the disposal of 50% of our assets and formation of a joint venture for exploration and production of oil and gas in Africa. Local currency cash used in investments in operating segments increased by 15% and was offset by the appreciation of the U.S. dollar.

Cash provided by long-term financing, net of repayments increased from US\$ 4,089 million in the 1H-2012 to US\$ 15,679 million in the 1H-2013, mainly due to the issuance of bonds (US\$ 11 billion) in the U.S. Market in May 2013, along with additional banking financing.

Cash provided by long-term financing, net of repayments (US\$ 15,679 million) along with cash provided by operating activities (US\$ 15,281 million) and the US\$ 1,542 million received from disposal of assets in 2013 provided more than our needs for capital expenditures, repayment of debts and payment of dividends, hence our cash and cash equivalents increased by US\$ 9,611 million and our adjusted cash and cash equivalents increased by US\$ 9,108 million in the 1H-2013.

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<sup>16</sup> For more details, see the Consolidated Statement of Cash Flows Data on page 20.

<sup>17</sup> 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**

**For the first half of**



| <b>2013</b> | <b>%</b> | <b>2012</b> | <b>%</b> | <b>Δ%</b> |
|-------------|----------|-------------|----------|-----------|
|-------------|----------|-------------|----------|-----------|



|                          |        |    |        |    |   |
|--------------------------|--------|----|--------|----|---|
| Exploration & Production | 11,809 | 55 | 10,934 | 53 | 8 |
|--------------------------|--------|----|--------|----|---|

|  |       |    |       |    |   |
|--|-------|----|-------|----|---|
| Refining, Transportation and Marketing | 7,106 | 33 | 7,115 | 34 | – |
|--|-------|----|-------|----|---|

|             |       |   |     |   |    |
|-------------|-------|---|-----|---|----|
| Gas & Power | 1,189 | 5 | 899 | 4 | 32 |
|-------------|-------|---|-----|---|----|

|               |       |   |       |   |    |
|---------------|-------|---|-------|---|----|
| International | 1,120 | 5 | 1,009 | 5 | 11 |
|---------------|-------|---|-------|---|----|

|                          |       |    |     |    |    |
|--------------------------|-------|----|-----|----|----|
| Exploration & Production | 1,049 | 94 | 931 | 93 | 13 |
|--------------------------|-------|----|-----|----|----|

|  |    |   |    |   |     |
|--|----|---|----|---|-----|
| Refining, Transportation and Marketing | 48 | 4 | 52 | 5 | (8) |
|--|----|---|----|---|-----|



Gas & Power

2

-

2

-

-

Distribution

18

2

22

2

(18)

|       |   |   |   |   |    |
|-------|---|---|---|---|----|
| Other | 3 | - | 2 | - | 50 |
|-------|---|---|---|---|----|

Distribution

214

1

293

2

(27)

Biofuel

14

–

18

–

(22)

Corporate

213

1

446

2

(52)

|   |                   |                   |          |
|---|-------------------|-------------------|----------|
| <b>Total capital expenditures and investments</b> | <b>21,665 100</b> | <b>20,714 100</b> | <b>5</b> |
|---|-------------------|-------------------|----------|





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 period ended June 30, 2013, we invested an amount of US\$ 21,665 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**

**06.30.2013 12.31.2012 Δ%**



|                            |       |       |    |
|----------------------------|-------|-------|----|
| Current debt <sup>18</sup> | 8,214 | 7,497 | 10 |
|----------------------------|-------|-------|----|

|                                |         |        |    |
|--------------------------------|---------|--------|----|
| Non-current debt <sup>19</sup> | 104,189 | 88,570 | 18 |
|--------------------------------|---------|--------|----|

|       |         |        |    |
|-------|---------|--------|----|
| Total | 112,403 | 96,067 | 17 |
|-------|---------|--------|----|

|                           |        |        |    |
|---------------------------|--------|--------|----|
| Cash and cash equivalents | 23,131 | 13,520 | 71 |
|---------------------------|--------|--------|----|



|   |       |        |     |
|---|-------|--------|-----|
| Government securities (maturity of more than 90 days) | 9,709 | 10,212 | (5) |
|---|-------|--------|-----|

|                                    |        |        |    |
|------------------------------------|--------|--------|----|
| Adjusted cash and cash equivalents | 32,840 | 23,732 | 38 |
|------------------------------------|--------|--------|----|

Net debt <sup>20</sup>

79,563

72,335

10

|  |     |     |   |
|--|-----|-----|---|
| Net debt/(net debt+shareholders' equity) | 34% | 31% | 3 |
|--|-----|-----|---|

|                                     |         |         |     |
|-------------------------------------|---------|---------|-----|
| Total net liabilities <sup>21</sup> | 305,228 | 310,922 | (2) |
|-------------------------------------|---------|---------|-----|

Capital structure

|   |     |     |   |
|---|-----|-----|---|
| (Net third parties capital / total net liabilities) | 50% | 48% | 2 |
|---|-----|-----|---|

|                                |      |      |      |
|--------------------------------|------|------|------|
| Net debt/Adjusted EBITDA ratio | 2.36 | 2.62 | (10) |
|--------------------------------|------|------|------|





On June 30, 2013 the net debt in U.S. dollars was 10% higher than on December 31, 2012, due to the long-term financing raised, partially offset by the impact of 8.4% from the appreciation of the U.S. dollar against the Real.

---

<sup>18</sup> Includes finance lease obligations (Current debt: US\$18 million on June 30, 2013 and US\$18 million on December 31, 2012).

<sup>19</sup> Includes finance lease obligations (Non-current debt: US\$87 million on June 30, 2013 and US\$86 million on December 31, 2012).

<sup>20</sup> 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.

<sup>21</sup> Total liabilities net of adjusted cash and cash equivalents.

**FINANCIAL HIGHLIGHTS**

**FINANCIAL STATEMENTS**

**Income Statement - Consolidated**

**For the first half of**

**2Q-2013 1Q-2013 2Q-2012**

**2013**

**2012**

|        |        |        |                       |        |        |
|--------|--------|--------|-----------------------|--------|--------|
| 35,569 | 36,345 | 34,659 | <b>Sales revenues</b> | 71,914 | 72,069 |
|--------|--------|--------|-----------------------|--------|--------|

|          |          |          |               |          |          |
|----------|----------|----------|---------------|----------|----------|
| (26,531) | (26,897) | (26,502) | Cost of sales | (53,428) | (52,461) |
|----------|----------|----------|---------------|----------|----------|

|       |       |       |                     |        |        |
|-------|-------|-------|---------------------|--------|--------|
| 9,038 | 9,448 | 8,157 | <b>Gross profit</b> | 18,486 | 19,608 |
|-------|-------|-------|---------------------|--------|--------|

|         |         |         |                  |         |         |
|---------|---------|---------|------------------|---------|---------|
| (1,233) | (1,150) | (1,197) | Selling expenses | (2,383) | (2,528) |
|---------|---------|---------|------------------|---------|---------|



|         |         |         |                                     |         |         |
|---------|---------|---------|-------------------------------------|---------|---------|
| (1,251) | (1,238) | (1,272) | General and administrative expenses | (2,489) | (2,516) |
|---------|---------|---------|-------------------------------------|---------|---------|

|       |       |         |                   |         |         |
|-------|-------|---------|-------------------|---------|---------|
| (583) | (642) | (1,740) | Exploration costs | (1,225) | (2,312) |
|-------|-------|---------|-------------------|---------|---------|

|       |       |       |                                   |       |       |
|-------|-------|-------|-----------------------------------|-------|-------|
| (287) | (337) | (219) | Research and development expenses | (624) | (512) |
|-------|-------|-------|-----------------------------------|-------|-------|

|       |       |      |             |       |       |
|-------|-------|------|-------------|-------|-------|
| (120) | (112) | (86) | Other taxes | (232) | (170) |
|-------|-------|------|-------------|-------|-------|

|       |         |       |  |         |         |
|-------|---------|-------|--|---------|---------|
| (198) | (1,034) | (954) | Other operating income and expenses, net | (1,232) | (2,222) |
|-------|---------|-------|--|---------|---------|

(3,672) (4,513) (5,468) (8,185) (10,260)

|              |              |              |  |               |              |
|--------------|--------------|--------------|--|---------------|--------------|
| <b>5,366</b> | <b>4,935</b> | <b>2,689</b> | <b>Net income before financial results, share of profit of equity-accounted investments and income taxes</b> | <b>10,301</b> | <b>9,348</b> |
|--------------|--------------|--------------|--|---------------|--------------|

|     |     |     |                |     |       |
|-----|-----|-----|----------------|-----|-------|
| 439 | 487 | 835 | Finance income | 926 | 1,511 |
|-----|-----|-----|----------------|-----|-------|



|       |       |       |                 |         |       |
|-------|-------|-------|-----------------|---------|-------|
| (618) | (601) | (444) | Finance expense | (1,219) | (933) |
|-------|-------|-------|-----------------|---------|-------|

|         |     |         |  |       |         |
|---------|-----|---------|--|-------|---------|
| (1,536) | 810 | (3,654) | Foreign exchange and inflation<br>indexation charges | (726) | (3,578) |
|---------|-----|---------|--|-------|---------|

|         |     |         |                              |         |         |
|---------|-----|---------|------------------------------|---------|---------|
| (1,715) | 696 | (3,263) | Net finance income (expense) | (1,019) | (3,000) |
|---------|-----|---------|------------------------------|---------|---------|

|     |    |       |  |     |       |
|-----|----|-------|--|-----|-------|
| 188 | 78 | (217) | Share of profit of<br>equity-accounted investments | 266 | (140) |
|-----|----|-------|--|-----|-------|

|              |              |              |                                       |              |              |
|--------------|--------------|--------------|---------------------------------------|--------------|--------------|
| <b>3,839</b> | <b>5,709</b> | <b>(791)</b> | <b>Net income before income taxes</b> | <b>9,548</b> | <b>6,208</b> |
|--------------|--------------|--------------|---------------------------------------|--------------|--------------|

|         |         |       |              |         |         |
|---------|---------|-------|--------------|---------|---------|
| (1,095) | (1,784) | (162) | Income taxes | (2,879) | (1,828) |
|---------|---------|-------|--------------|---------|---------|

|              |              |              |                          |              |              |
|--------------|--------------|--------------|--------------------------|--------------|--------------|
| <b>2,744</b> | <b>3,925</b> | <b>(953)</b> | <b>Net income (loss)</b> | <b>6,669</b> | <b>4,380</b> |
|--------------|--------------|--------------|--------------------------|--------------|--------------|

Net income (loss) attributable to:



|       |       |       |                           |       |       |
|-------|-------|-------|---------------------------|-------|-------|
| 2,996 | 3,854 | (685) | Shareholders of Petrobras | 6,850 | 4,527 |
|-------|-------|-------|---------------------------|-------|-------|

|       |    |       |                           |       |       |
|-------|----|-------|---------------------------|-------|-------|
| (252) | 71 | (268) | Non-controlling interests | (181) | (147) |
|-------|----|-------|---------------------------|-------|-------|

**2,744**

**3,925**

**(953)**

**6,669**

**4,380**





**FINANCIAL HIGHLIGHTS**

**Statement of Financial Position – Consolidated<sup>2</sup>**

**ASSETS**







|                       |               |               |
|-----------------------|---------------|---------------|
| <b>Current assets</b> | <b>65,313</b> | <b>57,794</b> |
|-----------------------|---------------|---------------|

|                           |        |        |
|---------------------------|--------|--------|
| Cash and cash equivalents | 23,131 | 13,520 |
|---------------------------|--------|--------|

|                       |       |        |
|-----------------------|-------|--------|
| Marketable securities | 9,831 | 10,431 |
|-----------------------|-------|--------|

|                                  |       |        |
|----------------------------------|-------|--------|
| Trade and other receivables, net | 9,988 | 11,099 |
|----------------------------------|-------|--------|

Inventories

14,035

14,552

|                   |       |       |
|-------------------|-------|-------|
| Recoverable taxes | 6,085 | 5,572 |
|-------------------|-------|-------|

Non-current assets held for sale

206

142

|                      |       |       |
|----------------------|-------|-------|
| Other current assets | 2,037 | 2,478 |
|----------------------|-------|-------|





**Non-current assets**

**272,755**

**276,860**

**Long-term receivables**

**26,340**

**26,114**

|                                  |       |       |
|----------------------------------|-------|-------|
| Trade and other receivables, net | 4,100 | 4,441 |
|----------------------------------|-------|-------|

Marketable securities

152

176

|                   |       |       |
|-------------------|-------|-------|
| Judicial deposits | 2,665 | 2,696 |
|-------------------|-------|-------|

|                |       |       |
|----------------|-------|-------|
| Deferred taxes | 9,239 | 8,535 |
|----------------|-------|-------|

|                  |       |       |
|------------------|-------|-------|
| Other tax assets | 5,077 | 5,223 |
|------------------|-------|-------|



|                       |       |       |
|-----------------------|-------|-------|
| Advances to suppliers | 3,355 | 3,156 |
|-----------------------|-------|-------|

|                          |       |       |
|--------------------------|-------|-------|
| Other non-current assets | 1,752 | 1,887 |
|--------------------------|-------|-------|

**Investments**

**6,594**

**6,106**

**Property, plant and equipment**

**203,716**

**204,901**

|                          |               |               |
|--------------------------|---------------|---------------|
| <b>Intangible assets</b> | <b>36,105</b> | <b>39,739</b> |
|--------------------------|---------------|---------------|

**Total assets**

**338,068**

**334,654**



**LIABILITIES**







|                            |               |               |
|----------------------------|---------------|---------------|
| <b>Current liabilities</b> | <b>30,765</b> | <b>34,070</b> |
|----------------------------|---------------|---------------|

|                |        |        |
|----------------|--------|--------|
| Trade payables | 11,404 | 12,124 |
|----------------|--------|--------|

|              |       |       |
|--------------|-------|-------|
| Current debt | 8,214 | 7,497 |
|--------------|-------|-------|

|               |       |       |
|---------------|-------|-------|
| Taxes payable | 4,675 | 6,128 |
|---------------|-------|-------|

|                   |       |       |
|-------------------|-------|-------|
| Dividends payable | 1,308 | 3,011 |
|-------------------|-------|-------|

|   |       |       |
|---|-------|-------|
| Employee compensation (payroll, profit-sharing and related charges) | 2,195 | 2,163 |
|---|-------|-------|



Pension and medical benefits

716

788

|                           |       |       |
|---------------------------|-------|-------|
| Other current liabilities | 2,253 | 2,359 |
|---------------------------|-------|-------|

**Non-current liabilities**

**153,835**

**138,861**

|                  |         |        |
|------------------|---------|--------|
| Non-current debt | 104,189 | 88,570 |
|------------------|---------|--------|

|                |        |        |
|----------------|--------|--------|
| Deferred taxes | 19,550 | 19,213 |
|----------------|--------|--------|

|                              |        |        |
|------------------------------|--------|--------|
| Pension and medical benefits | 18,988 | 19,600 |
|------------------------------|--------|--------|

|                                     |       |       |
|-------------------------------------|-------|-------|
| Provision for decommissioning costs | 8,581 | 9,441 |
|-------------------------------------|-------|-------|

|                                  |       |       |
|----------------------------------|-------|-------|
| Provisions for legal proceedings | 1,489 | 1,265 |
|----------------------------------|-------|-------|



|                               |       |     |
|-------------------------------|-------|-----|
| Other non-current liabilities | 1,038 | 772 |
|-------------------------------|-------|-----|

**Shareholders' equity**

**153,468**

**161,723**

|               |         |         |
|---------------|---------|---------|
| Share capital | 107,371 | 107,362 |
|---------------|---------|---------|

|                            |        |        |
|----------------------------|--------|--------|
| Profit reserves and others | 45,303 | 53,209 |
|----------------------------|--------|--------|

Non-controlling interests

794

1,152

|   |                |                |
|---|----------------|----------------|
| <b>Total liabilities and shareholders' equity</b> | <b>338,068</b> | <b>334,654</b> |
|---|----------------|----------------|



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<sup>22</sup> Some amounts of 2012 were adjusted by the adoption of the IAS 19 amendment, that eliminated the “corridor approach” for the recognition of the actuarial gains or losses (see Note 2.2 of the Consolidated Financial Statements Report of June 30, 2013).



**FINANCIAL HIGHLIGHTS**

**Statement of Cash Flows Data – Consolidated**

**For the first half of**

**2Q-2013**

**1Q-2013**

**2Q-2012**

**2013**

**2012**

|              |              |              |  |              |              |
|--------------|--------------|--------------|--|--------------|--------------|
| <b>2,996</b> | <b>3,854</b> | <b>(685)</b> | <b>Net income/(loss)<br/>attributable to the<br/>shareholders of Petrobras</b> | <b>6,850</b> | <b>4,527</b> |
|--------------|--------------|--------------|--|--------------|--------------|

|       |       |       |                      |       |       |
|-------|-------|-------|----------------------|-------|-------|
| 4,830 | 3,601 | 6,294 | (+) Adjustments for: | 8,431 | 9,617 |
|-------|-------|-------|----------------------|-------|-------|

|       |       |       |   |       |       |
|-------|-------|-------|---|-------|-------|
| 3,374 | 3,198 | 2,708 | Depreciation, depletion and<br>amortization | 6,572 | 5,394 |
|-------|-------|-------|---|-------|-------|

|       |       |       |  |       |       |
|-------|-------|-------|--|-------|-------|
| 1,651 | (528) | 3,640 | Foreign exchange and inflation<br>indexation and finance charges | 1,123 | 3,356 |
|-------|-------|-------|--|-------|-------|

(252) 71 (268) Non-controlling interests (181) (147)



|       |      |     |  |       |     |
|-------|------|-----|--|-------|-----|
| (188) | (78) | 217 | Share of profit of<br>equity-accounted investments | (266) | 140 |
|-------|------|-----|--|-------|-----|

|       |      |    |   |       |      |
|-------|------|----|---|-------|------|
| (662) | (15) | 39 | Gains/(losses) on disposal of<br>non-current assets | (677) | (16) |
|-------|------|----|---|-------|------|

|       |       |       |                            |       |       |
|-------|-------|-------|----------------------------|-------|-------|
| 1,478 | 1,063 | (274) | Deferred income taxes, net | 2,541 | 1,045 |
|-------|-------|-------|----------------------------|-------|-------|

|     |     |       |   |     |       |
|-----|-----|-------|---|-----|-------|
| 301 | 304 | 1,394 | Exploration expenditures<br>written-off | 605 | 1,702 |
|-----|-----|-------|---|-----|-------|

|     |    |     |            |     |     |
|-----|----|-----|------------|-----|-----|
| 157 | 74 | 392 | Impairment | 231 | 473 |
|-----|----|-----|------------|-----|-----|

|     |     |     |   |       |       |
|-----|-----|-----|---|-------|-------|
| 663 | 703 | 511 | Pension and medical benefits<br>(actuarial expense) | 1,366 | 1,082 |
|-----|-----|-----|---|-------|-------|

|     |         |       |             |       |         |
|-----|---------|-------|-------------|-------|---------|
| 332 | (1,165) | (557) | Inventories | (833) | (1,265) |
|-----|---------|-------|-------------|-------|---------|

|     |     |       |                                     |     |       |
|-----|-----|-------|-------------------------------------|-----|-------|
| 195 | 187 | (347) | Trade and other receivables,<br>net | 382 | (440) |
|-----|-----|-------|-------------------------------------|-----|-------|



|       |     |     |                |      |     |
|-------|-----|-----|----------------|------|-----|
| (229) | 201 | 606 | Trade payables | (28) | 335 |
|-------|-----|-----|----------------|------|-----|

(236) (149) (236) Pension and medical benefits (385) (393)

|         |       |       |               |         |       |
|---------|-------|-------|---------------|---------|-------|
| (1,951) | (216) | (930) | Taxes payable | (2,167) | (581) |
|---------|-------|-------|---------------|---------|-------|

|     |      |       |                              |     |         |
|-----|------|-------|------------------------------|-----|---------|
| 197 | (49) | (601) | Other assets and liabilities | 148 | (1,068) |
|-----|------|-------|------------------------------|-----|---------|

|              |              |              |  |               |               |
|--------------|--------------|--------------|--|---------------|---------------|
| <b>7,826</b> | <b>7,455</b> | <b>5,609</b> | <b>(=) Net cash provided by<br/>(used in) operating<br/>activities</b> | <b>15,281</b> | <b>14,144</b> |
|--------------|--------------|--------------|--|---------------|---------------|

|                 |                |                 |  |                 |                 |
|-----------------|----------------|-----------------|--|-----------------|-----------------|
| <b>(10,795)</b> | <b>(8,177)</b> | <b>(10,276)</b> | <b>(-) Net cash provided by<br/>(used in) investing<br/>activities</b> | <b>(18,972)</b> | <b>(20,072)</b> |
|-----------------|----------------|-----------------|--|-----------------|-----------------|

|          |         |         |                                      |          |          |
|----------|---------|---------|--------------------------------------|----------|----------|
| (11,195) | (9,223) | (9,943) | Investments in operating<br>segments | (20,418) | (19,320) |
|----------|---------|---------|--------------------------------------|----------|----------|

1,542      –                      –                      Sale of assets (disinvestments) 1,542                      –



|         |       |       |                                      |      |       |
|---------|-------|-------|--------------------------------------|------|-------|
| (1,142) | 1,046 | (333) | Investments in marketable securities | (96) | (752) |
|---------|-------|-------|--------------------------------------|------|-------|

|                |              |                |                          |                |                |
|----------------|--------------|----------------|--------------------------|----------------|----------------|
| <b>(2,969)</b> | <b>(722)</b> | <b>(4,667)</b> | <b>(=) Net cash flow</b> | <b>(3,691)</b> | <b>(5,928)</b> |
|----------------|--------------|----------------|--------------------------|----------------|----------------|

|               |            |                |  |               |            |
|---------------|------------|----------------|--|---------------|------------|
| <b>13,680</b> | <b>515</b> | <b>(2,775)</b> | <b>(-) Net cash provided by<br/>(used in) financing<br/>activities</b> | <b>14,195</b> | <b>867</b> |
|---------------|------------|----------------|--|---------------|------------|

|        |       |       |                                   |        |        |
|--------|-------|-------|-----------------------------------|--------|--------|
| 26,000 | 3,672 | 3,885 | Proceeds from long-term financing | 29,672 | 12,095 |
|--------|-------|-------|-----------------------------------|--------|--------|

|          |         |         |                        |          |         |
|----------|---------|---------|------------------------|----------|---------|
| (10,020) | (1,539) | (3,669) | Repayment of principal | (11,559) | (5,700) |
|----------|---------|---------|------------------------|----------|---------|

|       |         |       |                       |         |         |
|-------|---------|-------|-----------------------|---------|---------|
| (868) | (1,566) | (981) | Repayment of interest | (2,434) | (2,306) |
|-------|---------|-------|-----------------------|---------|---------|

(1,386) – (2,042) Dividends paid to shareholders (1,386) (3,265)

(46) (52) 32 Non-controlling interest (98) 43



|         |     |         |  |       |       |
|---------|-----|---------|--|-------|-------|
| (1,104) | 211 | (1,438) | Effect of exchange rate changes on cash and cash equivalents | (893) | (976) |
|---------|-----|---------|--|-------|-------|

|              |          |                |   |                |
|--------------|----------|----------------|---|----------------|
| <b>9,607</b> | <b>4</b> | <b>(8,880)</b> | <b>(=) Net increase (decrease) 9,611<br/>in cash and cash<br/>equivalents in the period</b> | <b>(6,037)</b> |
|--------------|----------|----------------|---|----------------|

|        |        |        |  |        |        |
|--------|--------|--------|--|--------|--------|
| 13,524 | 13,520 | 21,900 | Cash and cash equivalents at the beginning of period | 13,520 | 19,057 |
|--------|--------|--------|--|--------|--------|

|        |        |        |   |        |        |
|--------|--------|--------|---|--------|--------|
| 23,131 | 13,524 | 13,020 | Cash and cash equivalents at<br>the end of period | 23,131 | 13,020 |
|--------|--------|--------|---|--------|--------|





**FINANCIAL HIGHLIGHTS****SEGMENT INFORMATION****Consolidated Income Statement by Segment – 1H-2013**

|   | E&P            | RTM            | GAS &<br>POWER | BIOFUEL     | DISTRIB.       | INTER.       | CORP.          | ELIMIN.         | TOTAL          |
|---|----------------|----------------|----------------|-------------|----------------|--------------|----------------|-----------------|----------------|
| <b>Sales revenues</b>   | <b>33,454</b>  | <b>56,358</b>  | <b>7,912</b>   | <b>225</b>  | <b>21,335</b>  | <b>8,587</b> | –              | <b>(55,957)</b> | <b>71,914</b>  |
| Intersegments   | 33,184         | 19,858         | 637            | 193         | 581            | 1,504        | –              | (55,957)        | –              |
| Third parties   | 270            | 36,500         | 7,275          | 32          | 20,754         | 7,083        | –              | –               | 71,914         |
| Cost of sales   | (17,307)       | (59,610)       | (6,418)        | (250)       | (19,249)       | (6,976)      | –              | 56,382          | (53,428)       |
| <b>Gross profit (loss)</b>  | <b>16,147</b>  | <b>(3,252)</b> | <b>1,494</b>   | <b>(25)</b> | <b>2,086</b>   | <b>1,611</b> | –              | <b>425</b>      | <b>18,486</b>  |
| <b>Expenses</b>   | <b>(2,034)</b> | <b>(1,846)</b> | <b>(509)</b>   | <b>(47)</b> | <b>(1,207)</b> | <b>47</b>    | <b>(2,680)</b> | <b>91</b>       | <b>(8,185)</b> |
| Selling, general and administrative expenses  | (209)          | (1,422)        | (486)          | (27)        | (1,203)        | (430)        | (1,182)        | 87              | (4,872)        |
| Exploration costs   | (1,174)        | –              | –              | –           | –              | (51)         | –              | –               | (1,225)        |
| Research and development expenses   | (319)          | (109)          | (35)           | (12)        | (1)            | (2)          | (146)          | –               | (624)          |
| Other taxes   | (24)           | (38)           | (39)           | (1)         | (12)           | (78)         | (40)           | –               | (232)          |
| Other operating income and expenses, net  | (308)          | (277)          | 51             | (7)         | 9              | 608          | (1,312)        | 4               | (1,232)        |
| <b>Net income (loss) before financial results, share of profit of equity-accounted investments and income taxes</b> | <b>14,113</b>  | <b>(5,098)</b> | <b>985</b>     | <b>(72)</b> | <b>879</b>     | <b>1,658</b> | <b>(2,680)</b> | <b>516</b>      | <b>10,301</b>  |
| Net finance income (expense)  | –              | –              | –              | –           | –              | –            | (1,019)        | –               | (1,019)        |
| Share of profit of equity-accounted investments   | (1)            | 16             | 98             | (13)        | 1              | 167          | (2)            | –               | 266            |
| <b>Net income (loss) before income taxes</b>  | <b>14,112</b>  | <b>(5,082)</b> | <b>1,083</b>   | <b>(85)</b> | <b>880</b>     | <b>1,825</b> | <b>(3,701)</b> | <b>516</b>      | <b>9,548</b>   |
| Income taxes  | (4,798)        | 1,734          | (334)          | 25          | (298)          | (471)        | 1,438          | (175)           | (2,879)        |

|                                    |              |                |            |             |            |              |                |            |              |
|------------------------------------|--------------|----------------|------------|-------------|------------|--------------|----------------|------------|--------------|
| <b>Net income (loss)</b>           | <b>9,314</b> | <b>(3,348)</b> | <b>749</b> | <b>(60)</b> | <b>582</b> | <b>1,354</b> | <b>(2,263)</b> | <b>341</b> | <b>6,669</b> |
| Net income (loss) attributable to: |              |                |            |             |            |              |                |            |              |
| Shareholders of Petrobras          | 9,295        | (3,348)        | 721        | (60)        | 582        | 1,315        | (1,996)        | 341        | 6,850        |
| Non-controlling interests          | 19           | –              | 28         | –           | –          | 39           | (267)          | –          | (181)        |
|                                    | <b>9,314</b> | <b>(3,348)</b> | <b>749</b> | <b>(60)</b> | <b>582</b> | <b>1,354</b> | <b>(2,263)</b> | <b>341</b> | <b>6,669</b> |

**Consolidated Income Statement by Segment – 1H-2012**

|                       | E&P           | RTM           | GAS &<br>POWER | BIOFUEL    | DISTRIB.      | INTER. CORP. | ELIMIN.  | TOTAL                 |
|-----------------------|---------------|---------------|----------------|------------|---------------|--------------|----------|-----------------------|
| <b>Sales revenues</b> | <b>38,839</b> | <b>59,265</b> | <b>5,315</b>   | <b>212</b> | <b>19,818</b> | <b>9,072</b> | <b>–</b> | <b>(60,452)72,069</b> |



|               |        |        |     |     |     |       |   |          |   |
|---------------|--------|--------|-----|-----|-----|-------|---|----------|---|
| Intersegments | 38,659 | 18,702 | 688 | 154 | 387 | 1,862 | - | (60,452) | - |
|---------------|--------|--------|-----|-----|-----|-------|---|----------|---|

|               |     |        |       |    |        |       |   |   |        |
|---------------|-----|--------|-------|----|--------|-------|---|---|--------|
| Third parties | 180 | 40,563 | 4,627 | 58 | 19,431 | 7,210 | - | - | 72,069 |
|---------------|-----|--------|-------|----|--------|-------|---|---|--------|

|               |          |          |         |       |          |         |   |        |          |
|---------------|----------|----------|---------|-------|----------|---------|---|--------|----------|
| Cost of sales | (16,843) | (66,101) | (4,179) | (225) | (18,064) | (7,059) | – | 60,010 | (52,461) |
|---------------|----------|----------|---------|-------|----------|---------|---|--------|----------|

**Gross profit (loss) 21,996 (6,836) 1,136 (13) 1,754 2,013 - (442) 19,608**

|                 |                |                |              |             |                |              |                |           |                 |
|-----------------|----------------|----------------|--------------|-------------|----------------|--------------|----------------|-----------|-----------------|
| <b>Expenses</b> | <b>(3,097)</b> | <b>(2,259)</b> | <b>(558)</b> | <b>(62)</b> | <b>(1,079)</b> | <b>(719)</b> | <b>(2,548)</b> | <b>62</b> | <b>(10,260)</b> |
|-----------------|----------------|----------------|--------------|-------------|----------------|--------------|----------------|-----------|-----------------|

|  |       |         |       |      |         |       |         |    |         |
|--|-------|---------|-------|------|---------|-------|---------|----|---------|
| Selling, general and administrative expenses | (259) | (1,616) | (456) | (34) | (1,087) | (448) | (1,206) | 62 | (5,044) |
|--|-------|---------|-------|------|---------|-------|---------|----|---------|

|                   |         |   |   |   |   |       |   |   |         |
|-------------------|---------|---|---|---|---|-------|---|---|---------|
| Exploration costs | (2,190) | - | - | - | - | (122) | - | - | (2,312) |
|-------------------|---------|---|---|---|---|-------|---|---|---------|

|                                   |       |      |      |      |     |   |       |   |       |
|-----------------------------------|-------|------|------|------|-----|---|-------|---|-------|
| Research and development expenses | (231) | (97) | (14) | (20) | (1) | – | (149) | – | (512) |
|-----------------------------------|-------|------|------|------|-----|---|-------|---|-------|



|             |      |      |      |     |     |      |      |   |       |
|-------------|------|------|------|-----|-----|------|------|---|-------|
| Other taxes | (24) | (30) | (18) | (1) | (9) | (46) | (42) | – | (170) |
|-------------|------|------|------|-----|-----|------|------|---|-------|

|  |       |       |      |     |    |       |         |   |         |
|--|-------|-------|------|-----|----|-------|---------|---|---------|
| Other operating<br>income and<br>expenses, net | (393) | (516) | (70) | (7) | 18 | (103) | (1,151) | – | (2,222) |
|--|-------|-------|------|-----|----|-------|---------|---|---------|

|   |               |                |            |             |            |              |                |              |              |
|---|---------------|----------------|------------|-------------|------------|--------------|----------------|--------------|--------------|
| <b>Net income (loss) before financial results, share of profit of equity-accounted investments and income taxes</b> | <b>18,899</b> | <b>(9,095)</b> | <b>578</b> | <b>(75)</b> | <b>675</b> | <b>1,294</b> | <b>(2,548)</b> | <b>(380)</b> | <b>9,348</b> |
|---|---------------|----------------|------------|-------------|------------|--------------|----------------|--------------|--------------|

|                    |   |   |   |   |   |   |         |   |         |
|--------------------|---|---|---|---|---|---|---------|---|---------|
| Net finance income | – | – | – | – | – | – | (3,000) | – | (3,000) |
| (expense)          |   |   |   |   |   |   |         |   |         |

|   |     |       |    |      |   |     |     |   |       |
|---|-----|-------|----|------|---|-----|-----|---|-------|
| Share of profit of equity-accounted investments | (1) | (181) | 85 | (32) | 1 | (6) | (6) | – | (140) |
|---|-----|-------|----|------|---|-----|-----|---|-------|

|  |               |                |            |              |            |              |                |              |              |
|--|---------------|----------------|------------|--------------|------------|--------------|----------------|--------------|--------------|
| <b>Net income (loss) before income taxes</b> | <b>18,898</b> | <b>(9,276)</b> | <b>663</b> | <b>(107)</b> | <b>676</b> | <b>1,288</b> | <b>(5,554)</b> | <b>(380)</b> | <b>6,208</b> |
|--|---------------|----------------|------------|--------------|------------|--------------|----------------|--------------|--------------|

|              |         |       |       |    |       |       |       |     |         |
|--------------|---------|-------|-------|----|-------|-------|-------|-----|---------|
| Income taxes | (6,425) | 3,092 | (196) | 26 | (230) | (671) | 2,446 | 130 | (1,828) |
|--------------|---------|-------|-------|----|-------|-------|-------|-----|---------|

**Net income (loss) 12,473 (6,184) 467 (81) 446 617 (3,108)(250) 4,380**



Net income (loss)  
attributable to:

|                           |        |         |     |      |     |     |         |       |       |
|---------------------------|--------|---------|-----|------|-----|-----|---------|-------|-------|
| Shareholders of Petrobras | 12,477 | (6,184) | 445 | (81) | 446 | 580 | (2,906) | (250) | 4,527 |
|---------------------------|--------|---------|-----|------|-----|-----|---------|-------|-------|

|                           |     |   |    |   |   |    |       |   |       |
|---------------------------|-----|---|----|---|---|----|-------|---|-------|
| Non-controlling interests | (4) | - | 22 | - | - | 37 | (202) | - | (147) |
|---------------------------|-----|---|----|---|---|----|-------|---|-------|

**12,473 (6,184) 467 (81) 446 617 (3,108)(250) 4,380**





**FINANCIAL HIGHLIGHTS****Other Operating Income (Expenses) by Segment – 1H-2013**

|  | E&P          | RTM          | GAS &<br>POWER | BIOFUEL    | DISTRIB. | INTER.     | CORP.          | ELIMIN.  | TOTAL          |
|--|--------------|--------------|----------------|------------|----------|------------|----------------|----------|----------------|
| Pension and medical benefits                                     | –            | –            | –              | –          | –        | –          | (476)          | –        | (476)          |
| (Losses)/gains on legal, administrative and arbitral proceedings | (22)         | (28)         | (2)            | –          | (21)     | (7)        | (347)          | –        | (427)          |
| Institutional relations and cultural projects                    | (32)         | (21)         | (3)            | –          | (19)     | (7)        | (254)          | –        | (336)          |
| Unscheduled stoppages and pre-operating expenses                 | (211)        | (14)         | (61)           | –          | –        | –          | (8)            | –        | (294)          |
| Inventory write-down to net realizable value (market value)      | (3)          | (92)         | (4)            | (8)        | –        | (123)      | –              | –        | (230)          |
| Expenditures on health, safety and environment                   | (15)         | (50)         | (3)            | –          | –        | (11)       | (54)           | –        | (133)          |
| Impairment   | –            | –            | –              | –          | –        | –          | –              | –        | –              |
| Government Grants  | 9            | 20           | 14             | –          | –        | 39         | 1              | –        | 83             |
| (Losses)/gains on disposal of non current assets                 | (5)          | (16)         | (1)            | –          | 19       | 681        | (1)            | –        | 677            |
| Others   | (29)         | (76)         | 111            | 1          | 30       | 36         | (173)          | 4        | (96)           |
|  | <b>(308)</b> | <b>(277)</b> | <b>51</b>      | <b>(7)</b> | <b>9</b> | <b>608</b> | <b>(1,312)</b> | <b>4</b> | <b>(1,232)</b> |

**Other Operating Income (Expenses) by Segment – 1H-2012**

|                              | E&P | RTM | GAS &<br>POWER | BIOFUEL | DISTRIB. | INTER. | CORP. | ELIMIN. | TOTAL |
|------------------------------|-----|-----|----------------|---------|----------|--------|-------|---------|-------|
| Pension and medical benefits | –   | –   | –              | –       | –        | –      | (545) | –       | (545) |

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|  |      |       |      |   |      |      |       |   |       |
|--|------|-------|------|---|------|------|-------|---|-------|
| (Losses)/gains on legal,<br>administrative and arbitral<br>proceedings | (52) | (151) | (28) | - | (19) | (80) | (124) | - | (454) |
|--|------|-------|------|---|------|------|-------|---|-------|



Institutional relations and cultural projects (20) (21) (3) - (22) (9) (297) - (372)

|  |       |      |      |   |   |      |     |   |       |
|--|-------|------|------|---|---|------|-----|---|-------|
| Unscheduled stoppages and pre-operating expenses | (321) | (53) | (44) | - | - | (17) | (7) | - | (442) |
|--|-------|------|------|---|---|------|-----|---|-------|

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|  |     |       |   |     |   |       |   |   |       |
|--|-----|-------|---|-----|---|-------|---|---|-------|
| Inventory write-down to net<br>realizable value (market value) | (8) | (165) | - | (9) | - | (290) | - | - | (472) |
|--|-----|-------|---|-----|---|-------|---|---|-------|

|  |      |      |     |   |   |      |      |   |       |
|--|------|------|-----|---|---|------|------|---|-------|
| Expenditures on health, safety and environment | (12) | (51) | (2) | - | - | (12) | (62) | - | (139) |
|--|------|------|-----|---|---|------|------|---|-------|

|            |   |   |     |   |   |   |   |   |     |
|------------|---|---|-----|---|---|---|---|---|-----|
| Impairment | - | - | (1) | - | - | - | - | - | (1) |
|------------|---|---|-----|---|---|---|---|---|-----|

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|                   |   |    |   |   |   |     |     |   |     |
|-------------------|---|----|---|---|---|-----|-----|---|-----|
| Government Grants | 8 | 16 | 3 | - | - | 278 | (1) | - | 304 |
|-------------------|---|----|---|---|---|-----|-----|---|-----|

|   |     |      |     |   |    |    |     |   |    |
|---|-----|------|-----|---|----|----|-----|---|----|
| (Losses)/gains on disposal of<br>non current assets | (6) | (33) | (1) | - | 13 | 45 | (2) | - | 16 |
|---|-----|------|-----|---|----|----|-----|---|----|

|        |    |      |   |   |    |      |       |   |       |
|--------|----|------|---|---|----|------|-------|---|-------|
| Others | 18 | (58) | 6 | 2 | 46 | (18) | (113) | - | (117) |
|--------|----|------|---|---|----|------|-------|---|-------|



**(393) (516) (70) (7) 18 (103) (1,151) - (2,222)**



**Consolidated Assets by Segment – 06.30.2013**

|                               | E&P            | RTM           | GAS &<br>POWER | BIOFUEL      | DISTRIB.     | INTER.        | CORP.          | ELIMIN.        | TOTAL          |
|-------------------------------|----------------|---------------|----------------|--------------|--------------|---------------|----------------|----------------|----------------|
| <b>Total assets</b>           | <b>150,432</b> | <b>89,755</b> | <b>27,853</b>  | <b>1,169</b> | <b>7,795</b> | <b>17,491</b> | <b>149,689</b> | <b>(6,116)</b> | <b>338,068</b> |
| <b>Current assets</b>         | <b>6,601</b>   | <b>18,411</b> | <b>13,827</b>  | <b>105</b>   | <b>3,137</b> | <b>3,285</b>  | <b>35,719</b>  | <b>(5,772)</b> | <b>65,313</b>  |
| <b>Non-current assets</b>     | <b>143,831</b> | <b>71,344</b> | <b>24,026</b>  | <b>1,064</b> | <b>4,658</b> | <b>14,206</b> | <b>13,970</b>  | <b>(344)</b>   | <b>272,755</b> |
| Long-term receivables         | 5,553          | 4,635         | 1,960          | 15           | 1,684        | 2,353         | 10,484         | (344)          | 26,340         |
| Investments                   | 87             | 2,465         | 771            | 822          | 5            | 2,408         | 36             | –              | 6,594          |
| Property, plant and equipment | 103,854        | 64,100        | 20,925         | 227          | 2,645        | 8,871         | 3,094          | –              | 203,716        |
| Operating assets              | 63,954         | 30,812        | 17,527         | 209          | 1,984        | 4,727         | 2,298          | –              | 121,511        |
| Assets under construction     | 39,900         | 33,288        | 3,398          | 18           | 661          | 4,144         | 796            | –              | 82,205         |
| Intangible assets             | 34,337         | 144           | 370            | –            | 324          | 574           | 356            | –              | 36,105         |

**Consolidated Assets by Segment – 12.31.2012**

|                     | E&P            | RTM           | GAS &<br>POWER | BIOFUEL      | DISTRIB.     | INTER.        | CORP.         | ELIMIN.        | TOTAL          |
|---------------------|----------------|---------------|----------------|--------------|--------------|---------------|---------------|----------------|----------------|
| <b>Total assets</b> | <b>151,798</b> | <b>91,458</b> | <b>28,454</b>  | <b>1,248</b> | <b>8,130</b> | <b>18,735</b> | <b>42,134</b> | <b>(7,303)</b> | <b>334,654</b> |

**Current assets 6,565 20,3623,610 117 3,176 3,517 27,382(6,935)57,794**

|                           |                |               |               |              |              |               |               |              |                |
|---------------------------|----------------|---------------|---------------|--------------|--------------|---------------|---------------|--------------|----------------|
| <b>Non-current assets</b> | <b>145,233</b> | <b>71,096</b> | <b>24,844</b> | <b>1,131</b> | <b>4,954</b> | <b>15,218</b> | <b>14,752</b> | <b>(368)</b> | <b>276,860</b> |
|---------------------------|----------------|---------------|---------------|--------------|--------------|---------------|---------------|--------------|----------------|

|                          |       |       |       |    |       |       |        |       |        |
|--------------------------|-------|-------|-------|----|-------|-------|--------|-------|--------|
| Long-term<br>receivables | 5,120 | 4,582 | 1,715 | 16 | 1,852 | 2,233 | 10,964 | (368) | 26,114 |
|--------------------------|-------|-------|-------|----|-------|-------|--------|-------|--------|

|             |    |       |       |     |    |     |     |   |       |
|-------------|----|-------|-------|-----|----|-----|-----|---|-------|
| Investments | 80 | 2,897 | 1,160 | 860 | 15 | 937 | 157 | – | 6,106 |
|-------------|----|-------|-------|-----|----|-----|-----|---|-------|

|                               |         |        |        |     |       |        |       |   |         |
|-------------------------------|---------|--------|--------|-----|-------|--------|-------|---|---------|
| Property, plant and equipment | 102,779 | 63,463 | 21,585 | 255 | 2,733 | 10,882 | 3,204 | – | 204,901 |
|-------------------------------|---------|--------|--------|-----|-------|--------|-------|---|---------|



|                  |        |        |        |     |       |       |       |   |         |
|------------------|--------|--------|--------|-----|-------|-------|-------|---|---------|
| Operating assets | 64,455 | 29,327 | 18,106 | 237 | 2,061 | 6,814 | 2,237 | – | 123,237 |
|------------------|--------|--------|--------|-----|-------|-------|-------|---|---------|

|                           |        |        |       |    |     |       |     |   |        |
|---------------------------|--------|--------|-------|----|-----|-------|-----|---|--------|
| Assets under construction | 38,324 | 34,136 | 3,479 | 18 | 672 | 4,068 | 967 | — | 81,664 |
|---------------------------|--------|--------|-------|----|-----|-------|-----|---|--------|

|                   |        |     |     |   |     |       |     |   |        |
|-------------------|--------|-----|-----|---|-----|-------|-----|---|--------|
| Intangible assets | 37,254 | 154 | 384 | – | 354 | 1,166 | 427 | – | 39,739 |
|-------------------|--------|-----|-----|---|-----|-------|-----|---|--------|





## FINANCIAL HIGHLIGHTS

## Consolidated Adjusted EBITDA Statement by Segment – 1H-2013

|   | E&P           | RTM            | GAS &<br>POWER | BIOFUEL     | DISTRIB.   | INTER. CORP. | ELIMIN.        | TOTAL      |               |
|---|---------------|----------------|----------------|-------------|------------|--------------|----------------|------------|---------------|
| Net income (loss)                               | 9,314         | (3,348)        | 749            | (60)        | 582        | 1,354        | (2,263)        | 341        | 6,669         |
| Net finance income (expense)                    | –             | –              | –              | –           | –          | –            | 1,019          | –          | 1,019         |
| Income taxes                                    | 4,798         | (1,734)        | 334            | (25)        | 298        | 471          | (1,438)        | 175        | 2,879         |
| Depreciation, depletion and amortization        | 3,909         | 1,278          | 497            | 11          | 110        | 594          | 173            | –          | 6,572         |
| <b>EBITDA</b>                                   | <b>18,021</b> | <b>(3,804)</b> | <b>1,580</b>   | <b>(74)</b> | <b>990</b> | <b>2,419</b> | <b>(2,509)</b> | <b>516</b> | <b>17,139</b> |
| Share of profit of equity-accounted investments | 1             | (16)           | (98)           | 13          | (1)        | (167)        | 2              | –          | (266)         |
| Impairment                                      | –             | –              | –              | –           | –          | –            | –              | –          | –             |
| <b>Adjusted EBITDA</b>                          | <b>18,022</b> | <b>(3,820)</b> | <b>1,482</b>   | <b>(61)</b> | <b>989</b> | <b>2,252</b> | <b>(2,507)</b> | <b>516</b> | <b>16,873</b> |

## Consolidated Adjusted EBITDA Statement by Segment – 1H-2012

|   | E&P           | RTM            | GAS &<br>POWER | BIOFUEL     | DISTRIB.   | INTER. CORP. | ELIMIN.        | TOTAL        |               |
|---|---------------|----------------|----------------|-------------|------------|--------------|----------------|--------------|---------------|
| Net income (loss)                               | 12,473        | (6,184)        | 467            | (81)        | 446        | 617          | (3,108)        | (250)        | 4,380         |
| Net finance income (expense)                    | –             | –              | –              | –           | –          | –            | 3,000          | –            | 3,000         |
| Income taxes                                    | 6,425         | (3,092)        | 196            | (26)        | 230        | 671          | (2,446)        | (130)        | 1,828         |
| Depreciation, depletion and amortization        | 3,244         | 889            | 462            | 9           | 102        | 512          | 176            | –            | 5,394         |
| <b>EBITDA</b>                                   | <b>22,142</b> | <b>(8,387)</b> | <b>1,125</b>   | <b>(98)</b> | <b>778</b> | <b>1,800</b> | <b>(2,378)</b> | <b>(380)</b> | <b>14,602</b> |
| Share of profit of equity-accounted investments | 1             | 181            | (85)           | 32          | (1)        | 6            | 6              | –            | 140           |
| Impairment                                      | –             | –              | 1              | –           | –          | –            | –              | –            | 1             |
| <b>Adjusted EBITDA</b>                          | <b>22,143</b> | <b>(8,206)</b> | <b>1,041</b>   | <b>(66)</b> | <b>777</b> | <b>1,806</b> | <b>(2,372)</b> | <b>(380)</b> | <b>14,743</b> |

## Reconciliation between Adjusted EBITDA and Net Income

**For the first half  
of**

| <b>2Q-2013</b> | <b>1Q-2013</b> | <b>2Q13 X<br/>1Q13<br/>(%)</b> | <b>2Q-2012</b> | <b>2013</b> | <b>2012</b> | <b>2013 x<br/>2012<br/>(%)</b> |
|----------------|----------------|--------------------------------|----------------|-------------|-------------|--------------------------------|
|----------------|----------------|--------------------------------|----------------|-------------|-------------|--------------------------------|



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|       |       |      |       |                   |       |       |    |
|-------|-------|------|-------|-------------------|-------|-------|----|
| 2,744 | 3,925 | (30) | (953) | Net income (loss) | 6,669 | 4,380 | 52 |
|-------|-------|------|-------|-------------------|-------|-------|----|

|       |       |       |       |                                 |       |       |    |
|-------|-------|-------|-------|---------------------------------|-------|-------|----|
| 1,715 | (696) | (346) | 3,263 | Net finance income<br>(expense) | 1,019 | 3,000 | 66 |
|-------|-------|-------|-------|---------------------------------|-------|-------|----|

|       |       |      |     |              |       |       |    |
|-------|-------|------|-----|--------------|-------|-------|----|
| 1,095 | 1,784 | (39) | 162 | Income taxes | 2,879 | 1,828 | 57 |
|-------|-------|------|-----|--------------|-------|-------|----|

|       |       |   |       |   |       |       |    |
|-------|-------|---|-------|---|-------|-------|----|
| 3,374 | 3,198 | 6 | 2,708 | Depreciation, depletion<br>and amortization | 6,572 | 5,394 | 22 |
|-------|-------|---|-------|---|-------|-------|----|

|              |              |   |              |               |               |               |    |
|--------------|--------------|---|--------------|---------------|---------------|---------------|----|
| <b>8,928</b> | <b>8,211</b> | 9 | <b>5,180</b> | <b>EBITDA</b> | <b>17,139</b> | <b>14,602</b> | 17 |
|--------------|--------------|---|--------------|---------------|---------------|---------------|----|

|       |      |     |     |   |       |     |     |
|-------|------|-----|-----|---|-------|-----|-----|
| (188) | (78) | 141 | 217 | Share of profit of<br>equity-accounted<br>investments | (266) | 140 | 290 |
|-------|------|-----|-----|---|-------|-----|-----|

- - - - Impairment - 1 -

|              |              |   |              |                        |               |               |    |
|--------------|--------------|---|--------------|------------------------|---------------|---------------|----|
| <b>8,740</b> | <b>8,133</b> | 7 | <b>5,397</b> | <b>Adjusted EBITDA</b> | <b>16,873</b> | <b>14,743</b> | 14 |
|--------------|--------------|---|--------------|------------------------|---------------|---------------|----|



|           |           |   |    |   |           |           |   |
|-----------|-----------|---|----|---|-----------|-----------|---|
| <b>25</b> | <b>22</b> | 3 | 16 | <b>Adjusted EBITDA<br/>margin (%) <sup>23</sup></b> | <b>23</b> | <b>20</b> | 3 |
|-----------|-----------|---|----|---|-----------|-----------|---|



Adjusted EBITDA is not an IFRS measure and it is possible that it may not be comparable with financial indicators of the same name reported by other companies. Adjusted EBITDA should not be considered as a substitute for operational profit or as a better measure of liquidity than operational cash flow, both of which are calculated in accordance with IFRS.

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<sup>23</sup> Adjusted EBITDA margin equals Adjusted EBITDA divided by sales revenues.

**FINANCIAL HIGHLIGHTS**

**Consolidated Income Statement for International Segment**

|                                       | E&P | RTM | GAS &<br>POWER | DISTRIB. | CORP. | ELIMIN. | TOTAL |
|---------------------------------------|-----|-----|----------------|----------|-------|---------|-------|
| <b>Income Statement - 1H<br/>2013</b> |     |     |                |          |       |         |       |



|                       |              |              |            |              |          |                |              |
|-----------------------|--------------|--------------|------------|--------------|----------|----------------|--------------|
| <b>Sales revenues</b> | <b>2,574</b> | <b>4,211</b> | <b>293</b> | <b>2,616</b> | <b>-</b> | <b>(1,107)</b> | <b>8,587</b> |
|-----------------------|--------------|--------------|------------|--------------|----------|----------------|--------------|

|               |       |       |    |   |   |         |       |
|---------------|-------|-------|----|---|---|---------|-------|
| Intersegments | 1,532 | 1,056 | 19 | 4 | - | (1,107) | 1,504 |
|---------------|-------|-------|----|---|---|---------|-------|

|               |       |       |     |       |   |   |       |
|---------------|-------|-------|-----|-------|---|---|-------|
| Third parties | 1,042 | 3,155 | 274 | 2,612 | - | - | 7,083 |
|---------------|-------|-------|-----|-------|---|---|-------|



|  |              |           |           |           |              |          |              |
|--|--------------|-----------|-----------|-----------|--------------|----------|--------------|
| <b>Net income before<br/>financial results, share<br/>of profit of<br/>equity-accounted<br/>investments and income<br/>taxes</b> | <b>1,721</b> | <b>12</b> | <b>17</b> | <b>49</b> | <b>(142)</b> | <b>1</b> | <b>1,658</b> |
|--|--------------|-----------|-----------|-----------|--------------|----------|--------------|

|  |              |           |           |           |              |          |              |
|--|--------------|-----------|-----------|-----------|--------------|----------|--------------|
| <b>Net income (loss) attributable to the shareholders of Petrobras</b> | <b>1,430</b> | <b>23</b> | <b>15</b> | <b>44</b> | <b>(198)</b> | <b>1</b> | <b>1,315</b> |
|--|--------------|-----------|-----------|-----------|--------------|----------|--------------|





|                                       | E&P | RTM | GAS &<br>POWER | DISTRIB. | CORP. | ELIMIN. | TOTAL |
|---------------------------------------|-----|-----|----------------|----------|-------|---------|-------|
| <b>Income Statement - 1H<br/>2012</b> |     |     |                |          |       |         |       |



|                       |              |              |            |              |          |                |              |
|-----------------------|--------------|--------------|------------|--------------|----------|----------------|--------------|
| <b>Sales revenues</b> | <b>2,702</b> | <b>4,629</b> | <b>292</b> | <b>2,575</b> | <b>-</b> | <b>(1,126)</b> | <b>9,072</b> |
|-----------------------|--------------|--------------|------------|--------------|----------|----------------|--------------|

|               |       |       |    |   |   |         |       |
|---------------|-------|-------|----|---|---|---------|-------|
| Intersegments | 1,913 | 1,053 | 18 | 4 | - | (1,126) | 1,862 |
|---------------|-------|-------|----|---|---|---------|-------|



|               |     |       |     |       |   |   |       |
|---------------|-----|-------|-----|-------|---|---|-------|
| Third parties | 789 | 3,576 | 274 | 2,571 | - | - | 7,210 |
|---------------|-----|-------|-----|-------|---|---|-------|

|  |              |              |           |           |              |          |              |
|--|--------------|--------------|-----------|-----------|--------------|----------|--------------|
| <b>Net income before<br/>financial results, share<br/>of profit of<br/>equity-accounted<br/>investments and income<br/>taxes</b> | <b>1,537</b> | <b>(184)</b> | <b>32</b> | <b>39</b> | <b>(132)</b> | <b>2</b> | <b>1,294</b> |
|--|--------------|--------------|-----------|-----------|--------------|----------|--------------|

|  |            |              |           |           |              |          |            |
|--|------------|--------------|-----------|-----------|--------------|----------|------------|
| <b>Net income (loss) attributable to the shareholders of Petrobras</b> | <b>896</b> | <b>(182)</b> | <b>14</b> | <b>38</b> | <b>(186)</b> | <b>-</b> | <b>580</b> |
|--|------------|--------------|-----------|-----------|--------------|----------|------------|



**Consolidated Assets for International Segment**

|                                      | E&P           | RTM          | GAS &<br>POWER | DISTRIB.     | CORP.        | ELIMIN.        | TOTAL         |
|--------------------------------------|---------------|--------------|----------------|--------------|--------------|----------------|---------------|
| <b>Total assets on June 30, 2013</b> | <b>13,911</b> | <b>2,590</b> | <b>677</b>     | <b>1,082</b> | <b>1,054</b> | <b>(1,823)</b> | <b>17,491</b> |

|  |               |              |            |              |              |                |               |
|--|---------------|--------------|------------|--------------|--------------|----------------|---------------|
| <b>Total assets on<br/>December 31, 2012</b> | <b>15,080</b> | <b>2,404</b> | <b>759</b> | <b>1,085</b> | <b>1,580</b> | <b>(2,173)</b> | <b>18,735</b> |
|--|---------------|--------------|------------|--------------|--------------|----------------|---------------|







## SIGNATURE

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: August 12, 2013

PETRÓLEO BRASILEIRO S.A--PETROBRAS

By:

/s/ Almir Guilherme Barbassa

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**Almir Guilherme Barbassa**  
**Chief Financial Officer and Investor Relations**  
**Officer**

## FORWARD-LOOKING STATEMENTS

This press release may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (Exchange Act) that are not based on historical facts and are not assurances of future results. These forward-looking statements are based on management's current view and estimates of future economic circumstances, industry conditions, company performance and financial results. The words "anticipates", "believes", "estimates", "expects", "plans" and similar expressions, as they relate to the company, are intended to identify forward-looking statements. Statements regarding the declaration or payment of dividends, the implementation of principal operating and financing strategies and capital expenditure plans, the direction of future operations and the factors or trends affecting financial condition, liquidity or results of operations are examples of forward-looking statements. Such statements reflect the current views of management and are subject to a number of risks and uncertainties. There is no guarantee that the expected events, trends or results will actually occur. The statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, and operating factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations.

All forward-looking statements are expressly qualified in their entirety by this cautionary statement, and you should not place reliance on any forward-looking statement contained in this press release. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or future events or for any other reason.

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