

PETROBRAS - PETROLEO BRASILEIRO SA  
Form 6-K  
May 31, 2011

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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 May, 2011**

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

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### Statements of Changes in Shareholders' Equity

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## DFs Individual / Balance Sheet - Assets

(R\$ Thousand)

| Account Code  | Description Account                             | Current Quarter<br>03/31/2011 | Previous Fiscal<br>Year 12/31/2010 |
|---------------|---|-------------------------------|------------------------------------|
| 1             | Total Assets                                    | 473,268,340                   | 466,655,103                        |
| 1.01          | Current Assets                                  | 108,446,584                   | 95,258,419                         |
| 1.01.01       | Cash and Cash Equivalents                       | 33,419,677                    | 19,994,554                         |
| 1.01.01.01    | Cash and Banks                                  | 485,674                       | 436,655                            |
| 1.01.01.02    | Short Term Investments                          | 32,934,003                    | 19,557,899                         |
| 1.01.02       | Short Term Investments                          | 27,297,132                    | 33,731,167                         |
| 1.01.02.01    | Short Term Investments valued at fair value     | 19,971,699                    | 25,972,839                         |
| 1.01.02.01.01 | Securities for trading                          | 19,655,355                    | 25,588,227                         |
| 1.01.02.01.02 | Securities available for sale                   | 316,344                       | 384,612                            |
| 1.01.02.02    | Short Term Investments valued at amortized cost | 7,325,433                     | 7,758,328                          |
| 1.01.02.02.01 | Securities held until maturity                  | 7,325,433                     | 7,758,328                          |
| 1.01.03       | Accounts Receivable                             | 17,534,120                    | 16,178,441                         |
| 1.01.03.01    | Customers                                       | 15,029,982                    | 13,613,599                         |
| 1.01.03.01.01 | Third parties                                   | 3,500,011                     | 3,198,756                          |
| 1.01.03.01.02 | Subsidiary and Affiliated Companies             | 11,947,118                    | 10,880,873                         |
| 1.01.03.01.03 | Allowance for Doubtful Accounts                 | -417,147                      | -466,030                           |
| 1.01.03.02    | Other Accounts Receivable                       | 2,504,138                     | 2,564,842                          |
| 1.01.04       | Inventories                                     | 18,222,810                    | 15,199,170                         |
| 1.01.06       | Taxes recoverable                               | 7,245,583                     | 5,911,012                          |
| 1.01.06.01    | Current tax recoverable                         | 7,245,583                     | 5,911,012                          |

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|               |   |             |             |
|---------------|---|-------------|-------------|
| 1.01.07       | Prepaid Expenses                                | 1,445,935   | 1,202,046   |
| 1.01.08       | Other Current Assets                            | 3,281,327   | 3,042,029   |
| 1.01.08.03    | Other   | 3,281,327   | 3,042,029   |
| 1.01.08.03.01 | Advances to Suppliers                           | 992,881     | 1,048,263   |
| 1.01.08.03.02 | Dividends Receivable                            | 1,544,792   | 1,522,964   |
| 1.01.08.03.03 | Other   | 743,654     | 470,802     |
| 1.02          | Non-current Assets                              | 364,821,756 | 371,396,684 |
| 1.02.01       | Long-Term Assets                                | 34,939,559  | 52,382,652  |
| 1.02.01.01    | Short Term Investments valued at fair value     | 4,669,636   | 4,740,296   |
| 1.02.01.01.02 | Securities available for sale                   | 4,669,636   | 4,740,296   |
| 1.02.01.02    | Short Term Investments valued at amortized cost | 9,111       | 9,039       |
| 1.02.01.02.01 | Securities held until maturity                  | 9,111       | 9,039       |
| 1.02.01.03    | Accounts Receivable                             | 157,172     | 168,131     |
| 1.02.01.03.02 | Other Accounts Receivable                       | 157,172     | 168,131     |
| 1.02.01.04    | Inventories                                     | 58,131      | 59,448      |
| 1.02.01.06    | Deferred taxes                                  | 11,388,052  | 11,789,805  |
| 1.02.01.06.01 | Deferred income tax and social contribution     | 3,131,745   | 2,951,373   |
| 1.02.01.06.02 | Deferred Value-Added Tax (ICMS)                 | 1,814,843   | 2,005,157   |
| 1.02.01.06.03 | Deferred PASEP/COFINS                           | 6,441,464   | 6,833,275   |
| 1.02.01.07    | Prepaid Expenses                                | 1,298,656   | 1,089,407   |
| 1.02.01.08    | Credit with related parties                     | 12,266,708  | 29,591,744  |
| 1.02.01.08.02 | Credit with Subsidiaries                        | 12,122,878  | 29,441,428  |
| 1.02.01.08.04 | Credit with other related parties               | 143,830     | 150,316     |
| 1.02.01.09    | Other non-current assets                        | 5,092,093   | 4,934,782   |
| 1.02.01.09.03 | Petroleum and Alcohol Accounts – STN            | 823,810     | 821,635     |
| 1.02.01.09.05 | Judicial Deposits                               | 2,513,452   | 2,426,044   |

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**DFs Individual / Balance Sheet - Assets**

(R\$  
Thousand)

| Account Code  | Description Account                 | Current Quarter<br>03/31/2011 | Previous Fiscal<br>Year12/31/2010 |
|---------------|-------------------------------------|-------------------------------|-----------------------------------|
| 1.02.01.09.06 | Advances to Suppliers               | 1,089,758                     | 964,258                           |
| 1.02.01.09.07 | Other long-term                     | 665,073                       | 722,845                           |
| 1.02.02       | Investments                         | 51,156,409                    | 50,955,158                        |
| 1.02.02.01    | Corporate Interests                 | 51,156,409                    | 50,955,158                        |
| 1.02.02.01.01 | Investments in affiliated companies | 4,296,619                     | 4,245,251                         |
| 1.02.02.01.02 | Investments in subsidiaries         | 45,787,100                    | 45,717,199                        |
| 1.02.02.01.03 | Investments in jointly controlled   | 925,402                       | 845,091                           |
| 1.02.02.01.04 | Others Corporate Interests          | 147,288                       | 147,617                           |
| 1.02.03       | Property, Plant and Equipment       | 200,497,486                   | 189,775,280                       |
| 1.02.03.01    | Assets in Operating                 | 76,946,042                    | 73,882,630                        |
| 1.02.03.02    | Assets Under Leasing                | 17,469,520                    | 17,505,809                        |
| 1.02.03.03    | Assets Under Construction           | 106,081,924                   | 98,386,841                        |
| 1.02.04       | Intangible                          | 78,021,358                    | 78,042,387                        |
| 1.02.04.01    | Intangible                          | 78,021,358                    | 78,042,387                        |
| 1.02.04.01.02 | Guarantees for concession           | 76,551,032                    | 76,552,294                        |
| 1.02.04.01.03 | Software                            | 1,470,326                     | 1,490,093                         |
| 1.02.05       | Deferred                            | 206,944                       | 241,207                           |

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**DFs Individual / Balance Sheet - Liabilities****(R\$  
Thousand)**

| <b>Account Code</b> | <b>Description Account</b>                 | <b>Current Quarter</b> | <b>Previous Fiscal</b> |
|---------------------|--|------------------------|------------------------|
|                     |  | <b>03/31/2011</b>      | <b>Year12/31/2010</b>  |
| 2                   | Liabilities and Stockholders' Equity       | 473,268,340            | 466,655,103            |
| 2.01                | Current Liabilities                        | 59,625,236             | 62,441,718             |
| 2.01.01             | Social obligations and Labor               | 2,171,152              | 2,173,972              |
| 2.01.01.01          | Social Obligations                         | 389,115                | 387,534                |
| 2.01.01.02          | Labor obligations                          | 1,782,037              | 1,786,438              |
| 2.01.02             | Suppliers                                  | 9,305,640              | 9,567,159              |
| 2.01.02.01          | National suppliers                         | 7,170,695              | 7,417,514              |
| 2.01.02.02          | Foreign Suppliers                          | 2,134,945              | 2,149,645              |
| 2.01.03             | Tax  | 8,869,097              | 7,836,659              |
| 2.01.03.01          | Federal Tax                                | 6,834,039              | 6,099,426              |
| 2.01.03.01.01       | Income Tax and Social Contribution Payable | 741,664                | 640,145                |
| 2.01.03.01.02       | Others Federal Taxes                       | 6,092,375              | 5,459,281              |
| 2.01.03.02          | State Taxes                                | 1,953,002              | 1,622,345              |
| 2.01.03.03          | Municipal Taxes                            | 82,056                 | 114,888                |
| 2.01.04             | Loans and Financing                        | 5,350,126              | 4,655,340              |
| 2.01.04.01          | Loans and Financing                        | 1,730,529              | 1,364,725              |
| 2.01.04.01.01       | Local currency                             | 531,822                | 416,092                |
| 2.01.04.01.02       | Foreign Currency                           | 1,198,707              | 948,633                |
| 2.01.04.02          | Debentures                                 | 177,369                | 141,237                |
| 2.01.04.03          | Financing by leasing                       | 3,442,228              | 3,149,378              |
| 2.01.05             | Other Liabilities                          | 32,651,605             | 36,999,327             |
| 2.01.05.01          | Related Party Liabilities                  | 25,337,847             | 30,112,871             |
| 2.01.05.01.01       | Debt with affiliated companies             | 100,523                | 86,280                 |
| 2.01.05.01.02       | Debt with subsidiaries                     | 10,542,364             | 14,093,122             |
| 2.01.05.01.04       | Debt with other related parties            | 14,694,960             | 15,933,469             |
| 2.01.05.02          | Other                                      | 7,313,758              | 6,886,456              |
| 2.01.05.02.01       | Dividends and interest on capital payable  | 4,215,717              | 3,595,302              |
| 2.01.05.02.04       | Interests of employees and managers        | 940,882                | 1,428,300              |
| 2.01.05.02.05       | Other                                      | 2,157,159              | 1,862,854              |
| 2.01.06             | Provisions                                 | 1,277,616              | 1,209,261              |
| 2.01.06.02          | Other Provisions                           | 1,277,616              | 1,209,261              |
| 2.01.06.02.04       | Pension and Health Plan                    | 1,277,616              | 1,209,261              |
| 2.02                | Non-current liabilities                    | 98,440,207             | 96,896,869             |
| 2.02.01             | Loans and Financing                        | 50,609,216             | 51,405,781             |
| 2.02.01.01          | Loans and Financing                        | 34,054,439             | 34,715,341             |
| 2.02.01.01.01       | Local currency                             | 22,561,563             | 22,742,005             |
| 2.02.01.01.02       | Foreign Currency                           | 11,492,876             | 11,973,336             |
| 2.02.01.02          | Debentures                                 | 1,717,390              | 1,714,881              |
| 2.02.01.03          | Financing by leasing                       | 14,837,387             | 14,975,559             |
| 2.02.02             | Other Liabilities                          | 2,558,279              | 3,024,166              |
| 2.02.02.01          | Related Party Liabilities                  | 536,118                | 404,097                |
| 2.02.02.01.01       | Debt with affiliated companies             | 54,832                 | 53,772                 |
| 2.02.02.01.02       | Debt with subsidiaries                     | 481,286                | 350,325                |
| 2.02.02.02          | Other                                      | 2,022,161              | 2,620,069              |
| 2.02.02.02.03       | Other accounts payable and expenses        | 2,022,161              | 2,620,069              |
| 2.02.03             | Deferred Taxes                             | 24,285,346             | 21,808,161             |

**DFs Individual / Balance Sheet - Liabilities****(R\$  
Thousand)**

| <b>Account<br/>Code</b> |  | <b>Description Account</b>                     | <b>Current Quarter</b> | <b>Previous Fiscal</b> |
|-------------------------|--|--|------------------------|------------------------|
|                         |  |  | <b>03/31/2011</b>      | <b>Year12/31/2010</b>  |
| 2.02.03.01              |  | Deferred income tax and social contribution    | 24,285,346             | 21,808,161             |
| 2.02.03.01.01           |  | Deferred income tax and social contribution    | 24,252,749             | 21,808,161             |
| 2.02.03.01.02           |  | Other Deferred Taxes                           | 32,597                 | 0                      |
| 2.02.04                 |  | Accruals                                       | 20,987,366             | 20,658,761             |
| 2.02.04.01              |  | Social Security Tax Provisions Labor and Civil | 416,928                | 424,524                |
| 2.02.04.01.01           |  | Tax Provisions                                 | 67,066                 | 67,675                 |
| 2.02.04.01.02           |  | Labor and Social Security Provisions           | 65,557                 | 87,615                 |
| 2.02.04.01.04           |  | Civil Supplies                                 | 284,305                | 269,234                |
| 2.02.04.02              |  | Other Provisions                               | 20,570,438             | 20,234,237             |
| 2.02.04.02.04           |  | Pension and Health Plan                        | 14,530,580             | 14,162,221             |
| 2.02.04.02.05           |  | Provision for dismantling of areas             | 6,039,858              | 6,072,016              |
| 2.03                    |  | Shareholders equity                            | 315,202,897            | 307,316,516            |
| 2.03.01                 |  | Realized capital                               | 205,357,103            | 205,357,103            |
| 2.03.02                 |  | Capital Reserves                               | 11,918                 | -6,257                 |
| 2.03.02.07              |  | Additional Capital Contribution                | 11,918                 | -6,257                 |
| 2.03.04                 |  | Profit Reserves                                | 101,875,065            | 101,875,065            |
| 2.03.04.01              |  | Legal reserve                                  | 12,653,480             | 12,653,480             |
| 2.03.04.02              |  | Statutory reserve                              | 1,421,619              | 1,421,619              |
| 2.03.04.05              |  | Profit retention reserve                       | 86,453,285             | 86,453,285             |
| 2.03.04.07              |  | Tax incentive reserve                          | 1,346,681              | 1,346,681              |
| 2.03.05                 |  | Retained Earnings/ (Accumulated Losses)        | 8,235,977              | 0                      |
| 2.03.06                 |  | Equity Valuation Adjustments                   | 177,879                | 287,084                |
| 2.03.07                 |  | Accumulated translation adjustments            | -455,045               | -196,479               |

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**DFs Individual / Statement of Income for The Quarter****(R\$  
Thousand)**

| <b>Account<br/>Code</b> |  | <b>Description Account</b>                                | <b>Accumulated<br/>Current Year</b> | <b>Accumulated<br/>Previous Year</b> |
|-------------------------|--|---|-------------------------------------|--------------------------------------|
|                         |  |   | <b>01/01/2011 to</b>                | <b>01/01/2010 to</b>                 |
| 3.01                    |  | Revenues  | 40,096,584                          | 36,951,907                           |
| 3.02                    |  | Cost of Products and Services Sold                        | -24,702,863                         | -21,342,361                          |
| 3.03                    |  | Gross profit  | 15,393,721                          | 15,609,546                           |
| 3.04                    |  | Operating Expenses  | -3,638,963                          | -5,529,071                           |
| 3.04.01                 |  | Selling expenses  | -2,251,468                          | -1,749,911                           |
| 3.04.02                 |  | Administrative and general expenses                       | -1,323,890                          | -1,225,155                           |
| 3.04.05                 |  | Other Operating Expenses                                  | -3,140,081                          | -3,546,552                           |
| 3.04.05.01              |  | Taxes   | -126,418                            | -80,603                              |
| 3.04.05.02              |  | Cost of Research and Technological Development            | -482,690                            | -379,778                             |
| 3.04.05.03              |  | Exploratory Costs for The Extraction of Crude Oil and Gas | -858,913                            | -875,821                             |
| 3.04.05.05              |  | Other Operating Expenses, Net                             | -1,672,060                          | -2,210,350                           |
| 3.04.06                 |  | Equity Pick-up  | 3,076,476                           | 992,547                              |
| 3.05                    |  | Income before financial results, interests and taxes      | 11,754,758                          | 10,080,475                           |
| 3.06                    |  | Financial results   | 1,789,098                           | 115,881                              |
| 3.06.01                 |  | Financial Income  | 1,875,004                           | 1,141,469                            |
| 3.06.01.01              |  | Financial Income  | 1,692,452                           | 912,279                              |

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|            |                                       |            |            |
|------------|---------------------------------------|------------|------------|
| 3.06.01.02 | Net Monetary and Exchanges Variation  | 182,552    | 229,190    |
| 3.06.02    | Financial Expenses                    | -85,906    | -1,025,588 |
| 3.06.02.01 | Financial Expenses                    | -85,906    | -1,025,588 |
| 3.07       | Income before taxes                   | 13,543,856 | 10,196,356 |
| 3.08       | Income tax and social contribution    | -2,698,980 | -2,504,871 |
| 3.08.01    | Current                               | -378,821   | -2,746,451 |
| 3.08.02    | Deferred                              | -2,320,159 | 241,580    |
| 3.09       | Net Income from Continuing Operations | 10,844,876 | 7,691,485  |
| 3.11       | Income / Loss for the period          | 10,844,876 | 7,691,485  |
| 3.99       | Income per share - (Reais / Share)    |            |            |
| 3.99.01    | Basic income per share                |            |            |
| 3.99.01.01 | ON                                    | 0.84000    | 0.88000    |
| 3.99.01.02 | PN                                    | 0.84000    | 0.88000    |
| 3.99.02    | Diluted income per share              |            |            |
| 3.99.02.01 | ON                                    | 0.84000    | 0.88000    |
| 3.99.02.02 | PN                                    | 0.84000    | 0.88000    |

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**DFs Individual / Comprehensive Statement of Income**

(R\$  
Thousand)

| Account Code | Description Account   | Accumulated Current Year 01/01/2011 to 03/31/2011 | Accumulated Previous Year 01/01/2010 to 03/31/2010 |
|--------------|---|---|--|
| 4.01         | Net income for the year   | 10,844,876  | 7,691,485  |
| 4.02         | Other Comprehensive Income  | -367,771  | 123,365  |
| 4.02.01      | Accumulated translation adjustments   | -258,566  | 66,041   |
| 4.02.03      | Unrealized gains / (losses) on securities available for sale - Recognized             | -161,440  | 86,226   |
| 4.02.04      | Unrealized gains / (losses) on securities available for sale - Transferred to results | 7,338   | 1,661  |
| 4.02.05      | Unrecognized gains / (losses) on cash flow hedge - Recognized                         | -6,408  | 6,626  |
| 4.02.06      | Unrecognized gains / (losses) on cash flow hedge - Transferred to results             | -3,585  | -5,760   |
| 4.02.07      | Deferred income tax and social contribution   | 54,890  | -31,429  |
| 4.03         | Comprehensive income for the period   | 10,477,105  | 7,814,850  |

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**DFs Individual / Statement of Cash Flow - Indirect Method**

(R\$  
Thousand)

| Account Code | Description Account                   | Accumulated Current Year 01/01/2011 to 03/31/2011 | Accumulated Previous Year 01/01/2010 to 03/31/2010 |
|--------------|---------------------------------------|---|--|
| 6.01         | Net Cash - Operating Activities       | 3,396,606   | 3,030,236  |
| 6.01.01      | Cash provided by operating activities | 12,455,897  | 7,986,406  |

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|            |  |            |             |
|------------|--|------------|-------------|
| 6.01.01.01 | Net income for the year  | 10,844,876 | 7,691,485   |
| 6.01.01.03 | Equity in earnings (losses) of significant investments         | -3,076,476 | -992,547    |
| 6.01.01.05 | Depreciation, exhaustion and amortization                      | 2,627,181  | 2,288,635   |
| 6.01.01.06 | Loss on recovery of assets                                     | 143,427    | 2,766       |
| 6.01.01.07 | Write-off of dry wells   | 527,697    | 576,880     |
| 6.01.01.08 | Residual value of permanent assets written off                 | 6,164      | 13,283      |
| 6.01.01.09 | Exchange and monetary variation and charges on financing       | -937,132   | -1,352,515  |
| 6.01.01.10 | Deferred income and social contribution taxes, net             | 2,320,160  | -241,581    |
| 6.01.02    | Changes in assets and liabilities                              | -7,983,846 | -5,696,217  |
| 6.01.02.01 | Accounts receivable  | -283,438   | -679,928    |
| 6.01.02.02 | Inventories  | -3,060,455 | -572,514    |
| 6.01.02.03 | Accounts payable to suppliers                                  | -259,104   | -1,085,599  |
| 6.01.02.04 | Taxes, fees and contributions                                  | 177,594    | -831,550    |
| 6.01.02.05 | Healthcare and pension plans                                   | 436,714    | 552,364     |
| 6.01.02.06 | Short term operations with subsidiaries / affiliated companies | -4,995,157 | -3,078,990  |
| 6.01.03    | Other  | -1,075,445 | 740,047     |
| 6.01.03.01 | Other assets   | -843,404   | 14,713      |
| 6.01.03.02 | Other liabilities  | -232,041   | 725,334     |
| 6.02       | Net Cash - Investment Activities                               | -4,233,183 | -10,467,579 |
| 6.02.01    | Investments in exploration and production of oil and gas       | -5,488,283 | -5,228,314  |
| 6.02.02    | Investments in refining and transport                          | -3,563,763 | -3,684,289  |
| 6.02.03    | Investments in gas and energy                                  | -975,767   | -477,607    |
| 6.02.04    | Investment in international segment                            | -2,801     | -4,840      |
| 6.02.06    | Investment in biofuels   | -278,154   | -154,947    |
| 6.02.07    | Other Investments  | -360,250   | 226,064     |
| 6.02.08    | Marketable securities available for sale                       | 6,434,035  | -1,143,646  |
| 6.02.09    | Dividends received   | 1,800      | 0           |
| 6.03       | Net Cash - Financing activities                                | 14,261,700 | 8,161,368   |
| 6.03.04    | Raising of Financing and Intercompany Loans                    | 27,512     | 7,319,690   |
| 6.03.05    | Amortization of principal                                      | -106,716   | -867,448    |
| 6.03.06    | Amortization of interest                                       | -472,727   | -733,377    |
| 6.03.07    | Intercompany Loans, Net  | 17,890,289 | 347,420     |
| 6.03.08    | Non standard Credit Rights Investment Fund                     | -1,238,510 | 2,119,146   |
| 6.03.09    | Dividends paid to shareholders                                 | -1,838,148 | -24,063     |
| 6.05       | Increase (decrease) in cash and cash equivalents               | 13,425,123 | 724,025     |
| 6.05.01    | Opening balance of cash and cash equivalents                   | 19,994,554 | 16,798,113  |
| 6.05.02    | Closing balance of cash and cash equivalents                   | 33,419,677 | 17,522,138  |

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**DFs Individual / Statement of Changes in Shareholders' Equity / DMPL - 01/01/2011 to 03/31/2011**

(R\$  
Thousand)

| Account Code | Description Account                    | Capital Reserves, Granted Options and |                 | Revenue Reserves | Retained earnings/ (accumulated losses) | Other Comprehensive Income | Shareholders' Equity Consolidated |
|--------------|--|---------------------------------------|-----------------|------------------|---|----------------------------|-----------------------------------|
|              |  | Paid in Capital                       | Treasury Shares |                  |   |                            |                                   |
| 5.01         | Opening balance                        | 205,357,103                           | -6,257          | 101,875,065      | 0                                       | 90,605                     | 307,316,516                       |
| 5.03         | Opening balance adjusted               | 205,357,103                           | -6,257          | 101,875,065      | 0                                       | 90,605                     | 307,316,516                       |
| 5.04         | Capital Transactions with shareholders | 0                                     | 18,175          | 0                | -2,608,899                              | 0                          | -2,590,724                        |
| 5.04.07      | Interest on shareholders' equity       | 0                                     | 0               | 0                | -2,608,899                              | 0                          | -2,608,899                        |



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|            |   |             |        |             |            |          |             |
|------------|---|-------------|--------|-------------|------------|----------|-------------|
| 5.04.08    | Change in interest in subsidiaries            | 0           | 18,175 | 0           | 0          | 0        | 18,175      |
|            | Total of Comprehensive                        |             |        |             |            |          |             |
| 5.05       | Income  | 0           | 0      | 0           | 10,844,876 | -367,771 | 10,477,105  |
| 5.05.01    | Net income for the period                     | 0           | 0      | 0           | 10,844,876 | 0        | 10,844,876  |
|            | Other Comprehensive                           |             |        |             |            |          |             |
| 5.05.02    | Income  | 0           | 0      | 0           | 0          | -367,771 | -367,771    |
| 5.05.02.01 | Adjustments of financial instruments          | 0           | 0      | 0           | 0          | -161,619 | -161,619    |
| 5.05.02.02 | Taxes of adjustments of financial instruments | 0           | 0      | 0           | 0          | 52,414   | 52,414      |
| 5.05.02.04 | Translation adjustments for the period        | 0           | 0      | 0           | 0          | -258,566 | -258,566    |
| 5.07       | Final balance                                 | 205,357,103 | 11,918 | 101,875,065 | 8,235,977  | -277,166 | 315,202,897 |

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**DFs Individual / Statement of Changes in Equity / Statements of Changes in Shareholders' Equity - 01/01/2010 to 03/31/2010**

(R\$  
Thousand)

| Account Code | Description Account   | Capital Reserves, Granted Options and |           | Revenue    | Retained             | Other   | Shareholders' |
|--------------|---|---------------------------------------|-----------|------------|----------------------|---------|---------------|
|              |   | Paid in                               | Treasury  |            | earnings/            |         |               |
|              |   | Capital                               | Shares    | Reserves   | (accumulated losses) | Income  | Equity        |
| 5.01         | Opening balance   | 78,966,691                            | 1,937,392 | 85,430,762 | -1,247,335           | -68,821 | 165,020,689   |
| 5.03         | Opening balance adjusted                                    | 78,966,691                            | 1,937,392 | 85,430,762 | -1,247,335           | -66,821 | 165,020,689   |
| 5.04         | Capital Transactions with shareholders                      | 0                                     | 0         | 0          | -1,754,815           | 0       | -1,754,815    |
| 5.04.07      | Interest on shareholders' equity                            | 0                                     | 0         | 0          | -1,754,815           | 0       | -1,754,815    |
|              | Total of Comprehensive                                      |                                       |           |            |                      |         |               |
| 5.05         | Income  | 0                                     | 0         | 0          | 7,691,485            | 123,365 | 7,814,850     |
| 5.05.01      | Net income for the period                                   | 0                                     | 0         | 0          | 7,691,485            | 0       | 7,691,485     |
|              | Other Comprehensive   |                                       |           |            |                      |         |               |
| 5.05.02      | Income  | 0                                     | 0         | 0          | 0                    | 123,365 | 123,365       |
| 5.05.02.01   | Adjustments of financial instruments                        | 0                                     | 0         | 0          | 0                    | 92,852  | 92,852        |
| 5.05.02.02   | Taxes of adjustments of financial instruments               | 0                                     | 0         | 0          | 0                    | -31,429 | -31,429       |
| 5.05.02.04   | Translation adjustments for the period                      | 0                                     | 0         | 0          | 0                    | 66,041  | 66,041        |
| 5.05.02.06   | Adjustments of financial instruments transferred to results | 0                                     | 0         | 0          | 0                    | -4,099  | -4,099        |
| 5.07         | Final balance   | 78,966,691                            | 1,937,392 | 85,430,762 | 4,689,335            | 56,544  | 171,080,724   |

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**DFs Individual / Statement of Added Value****(R\$  
Thousand)**

| <b>Account<br/>Code</b> | <b>Description Account</b>  | <b>Accumulated<br/>Current Year<br/>01/01/2011 to</b> | <b>Accumulated<br/>Previous Year<br/>01/01/2010 to</b> |
|-------------------------|---|---|--|
|                         |   | <b>03/31/2011</b>                                     | <b>03/31/2010</b>                                      |
| 7.01                    | Revenues  | 65,063,399  | 60,608,481   |
| 7.01.01                 | Sales of Goods, Products and Services                               | 52,612,328  | 48,246,679   |
| 7.01.02                 | Other Revenues  | 838,356   | 703,616  |
| 7.01.03                 | Revenues refs. to the construction of own assets                    | 11,563,832  | 11,662,976   |
| 7.01.04                 | Allowance/Reversal for doubtful accounts                            | 48,883  | -4,790   |
| 7.02                    | Inputs acquired from third parties                                  | -27,896,195   | -29,100,824  |
| 7.02.01                 | Cost of Goods, Products and Services sold                           | -14,324,978   | -12,781,246  |
| 7.02.02                 | Materials, Power, Third-party Services and Other Operating Expenses | -10,215,544   | -12,135,212  |
| 7.02.03                 | Loss/Recovery of Assets Values                                      | -143,427  | -2,766   |
| 7.02.04                 | Other   | -3,212,246  | -4,181,600   |
| 7.03                    | Gross Added Value   | 37,167,204  | 31,507,657   |
| 7.04                    | Retentions  | -2,627,181  | -2,288,635   |
| 7.04.01                 | Depreciation, Amortization and Depletion                            | -2,627,181  | -2,288,635   |
| 7.05                    | Net Added Value Produced  | 34,540,023  | 29,219,022   |
| 7.06                    | Transferred Added Value   | 4,930,050   | 1,886,605  |
| 7.06.01                 | Equity Accounting   | 3,076,476   | 992,547  |
| 7.06.02                 | Financial Income  | 1,666,165   | 601,465  |
| 7.06.03                 | Other   | 187,409   | 292,593  |
| 7.07                    | Total Added Value To Be Distributed                                 | 39,470,073  | 31,105,627   |
| 7.08                    | Distribution of added value   | 39,470,073  | 31,105,627   |
| 7.08.01                 | Personnel   | 3,702,919   | 3,273,050  |
| 7.08.01.01              | Payroll and related charges   | 2,566,887   | 2,270,321  |
| 7.08.01.02              | Benefits  | 949,088   | 835,133  |
| 7.08.01.03              | FGTS  | 186,944   | 167,596  |
| 7.08.02                 | Taxes, Duties and Social Contributions                              | 18,943,172  | 15,319,965   |
| 7.08.02.01              | Federal   | 14,008,337  | 11,966,705   |
| 7.08.02.02              | State   | 4,897,085   | 3,316,610  |
| 7.08.02.03              | Municipal   | 37,750  | 36,650   |
| 7.08.03                 | Remuneration of Third Party Capital                                 | 5,979,106   | 4,821,127  |
| 7.08.03.01              | Interest  | 1,348,973   | 1,431,283  |
| 7.08.03.02              | Rental  | 4,630,133   | 3,389,844  |
| 7.08.04                 | Remuneration of Shareholders' Equity                                | 10,844,876  | 7,691,485  |
| 7.08.04.01              | Interest on Shareholders' Equity                                    | 2,608,899   | 1,754,815  |
| 7.08.04.03              | Retained Earnings / Loss For The Period                             | 8,235,977   | 5,936,670  |

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**DFs Consolidated / Balance Sheet - Assets****(R\$  
Thousand)**

| <b>Account<br/>Code</b> | <b>Description Account</b> | <b>Current Quarter</b> | <b>Previous Fiscal</b> |
|-------------------------|----------------------------|------------------------|------------------------|
|                         |                            | <b>03/31/2011</b>      | <b>Year 12/31/2010</b> |
| 1                       | Total Assets               | 544,945,300            | 519,970,003            |
| 1.01                    | Current Assets             | 120,036,373            | 106,685,162            |
| 1.01.01                 | Cash and Cash Equivalents  | 43,344,819             | 30,323,259             |
| 1.01.01.01              | Cash and Banks             | 3,418,725              | 3,434,380              |
| 1.01.01.02              | Short Term Investments     | 39,926,094             | 26,888,879             |

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|               |  |             |             |
|---------------|--|-------------|-------------|
| 1.01.02       | Short Term Investments                         | 20,015,772  | 26,017,297  |
| 1.01.02.01    | Financial investments valued at fair value     | 19,974,569  | 25,972,839  |
| 1.01.02.01.01 | Securities for trading                         | 19,655,355  | 25,650,959  |
| 1.01.02.01.02 | Securities available for sale                  | 319,214     | 321,880     |
| 1.01.02.02    | Financial investments valued at amortized cost | 41,203      | 44,458      |
| 1.01.02.02.01 | Securities held until maturity                 | 41,203      | 44,458      |
| 1.01.03       | Accounts Receivable                            | 17,777,672  | 17,333,975  |
| 1.01.03.01    | Customers                                      | 13,424,150  | 12,916,412  |
| 1.01.03.01.01 | Third parties                                  | 14,962,656  | 14,385,169  |
| 1.01.03.01.02 | Subsidiary and Affiliated Companies            | 202,364     | 280,896     |
| 1.01.03.01.03 | Allowance for Doubtful Accounts                | -1,740,870  | -1,749,653  |
| 1.01.03.02    | Other Accounts Receivable                      | 4,353,522   | 4,417,563   |
| 1.01.04       | Inventories                                    | 23,868,892  | 19,815,677  |
| 1.01.06       | Taxes recoverable                              | 10,178,227  | 8,934,797   |
| 1.01.06.01    | Current tax recoverable                        | 10,178,227  | 8,934,797   |
| 1.01.07       | Prepaid Expenses                               | 1,282,752   | 1,006,419   |
| 1.01.08       | Other Current Assets                           | 3,568,239   | 3,253,738   |
| 1.01.08.03    | Other  | 3,568,239   | 3,253,738   |
| 1.01.08.03.01 | Advances to Suppliers                          | 1,250,882   | 1,310,353   |
| 1.01.08.03.02 | Dividends Receivable                           | 240,848     | 250,600     |
| 1.01.08.03.03 | Other  | 2,076,509   | 1,692,785   |
| 1.02          | Non-current Assets                             | 424,908,927 | 413,284,841 |
| 1.02.01       | Long-Term Assets                               | 38,680,603  | 38,469,954  |
| 1.02.01.01    | Financial investments valued at fair value     | 4,907,417   | 4,981,553   |
| 1.02.01.01.02 | Securities available for sale                  | 4,907,417   | 4,981,553   |
| 1.02.01.02    | Financial investments valued at amortized cost | 219,955     | 225,953     |
| 1.02.01.02.01 | Securities held until maturity                 | 219,955     | 225,953     |
| 1.02.01.03    | Accounts Receivable                            | 4,684,615   | 4,679,135   |
| 1.02.01.03.02 | Other Accounts Receivable                      | 4,684,615   | 4,679,135   |
| 1.02.01.04    | Inventories                                    | 91,355      | 91,161      |
| 1.02.01.06    | Deferred taxes                                 | 17,068,494  | 17,210,856  |
| 1.02.01.06.01 | Deferred income tax and social contribution    | 6,904,446   | 6,471,069   |
| 1.02.01.06.02 | Deferred Value-Added Tax (ICMS)                | 2,103,793   | 2,420,941   |
| 1.02.01.06.03 | Deferred PIS/COFINS                            | 7,763,065   | 8,062,564   |
| 1.02.01.06.04 | Other Taxes                                    | 297,190     | 256,282     |
| 1.02.01.07    | Prepaid Expenses                               | 1,433,825   | 1,225,919   |
| 1.02.01.08    | Credit with related parties                    | 284,211     | 276,764     |
| 1.02.01.08.01 | Credit with affiliated companies               | 140,381     | 126,448     |
| 1.02.01.08.04 | Credit with others related parties             | 143,830     | 150,316     |
| 1.02.01.09    | Other non-current assets                       | 9,990,731   | 9,778,613   |
| 1.02.01.09.03 | Petroleum and Alcohol Accounts – STN           | 823,810     | 821,635     |

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**DFs Consolidated / Balance Sheet - Assets**

(R\$  
Thousand)

| Account       |                                       | Current Quarter | Previous Fiscal |
|---------------|---------------------------------------|-----------------|-----------------|
| Code          | Description Account                   | 03/31/2011      | Year 12/31/2010 |
| 1.02.01.09.04 | Investments in Privatizable Companies | 2,233           | 2,233           |
| 1.02.01.09.05 | Judicial Deposits                     | 2,897,086       | 2,806,975       |
| 1.02.01.09.06 | Advances to Suppliers                 | 4,807,093       | 4,975,584       |
| 1.02.01.09.07 | Other long-term                       | 1,460,509       | 1,172,186       |
| 1.02.02       | Investments                           | 9,222,102       | 8,879,163       |
| 1.02.02.01    | Corporate Interests                   | 9,222,102       | 8,879,163       |
| 1.02.02.01.01 | Investments in affiliated companies   | 8,991,846       | 8,649,290       |

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|               |                               |             |             |
|---------------|-------------------------------|-------------|-------------|
| 1.02.02.01.04 | Other Corporate Interests     | 230,256     | 229,873     |
| 1.02.03       | Property, Plant and Equipment | 294,164,753 | 282,837,532 |
| 1.02.03.01    | Assets in Operating           | 145,900,525 | 143,092,093 |
| 1.02.03.02    | Assets Under Leasing          | 778,170     | 788,780     |
| 1.02.03.03    | Assets Under Construction     | 147,486,058 | 138,956,659 |
| 1.02.04       | Intangible                    | 82,841,469  | 83,098,192  |
| 1.02.04.01    | Intangible                    | 81,823,141  | 82,075,570  |
| 1.02.04.01.02 | Guarantees for concession     | 80,150,684  | 80,377,031  |
| 1.02.04.01.03 | Software                      | 1,672,457   | 1,698,539   |
| 1.02.04.02    | Deferred                      | 1,018,328   | 1,022,622   |

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**DFs Consolidated / Balance Sheet - Liabilities**

(R\$  
Thousand)

| Account<br>Code |  | Description Account                        | Current Quarter | Previous Fiscal |
|-----------------|--|--|-----------------|-----------------|
|                 |  |  | 03/31/2011      | Year 12/31/2010 |
| 2               |  | Liabilities and Stockholders' Equity       | 544,945,300     | 519,970,003     |
| 2.01            |  | Current Liabilities                        | 60,590,324      | 56,834,675      |
| 2.01.01         |  | Social obligations and Labor               | 2,568,596       | 2,605,810       |
| 2.01.01.01      |  | Social Obligations                         | 425,085         | 423,146         |
| 2.01.01.02      |  | Tax obligations                            | 2,143,511       | 2,182,664       |
| 2.01.02         |  | Suppliers                                  | 18,600,657      | 17,043,678      |
| 2.01.02.01      |  | National suppliers                         | 10,243,353      | 10,333,714      |
| 2.01.02.02      |  | Foreign Suppliers                          | 8,357,304       | 6,709,964       |
| 2.01.03         |  | Tax  | 10,792,274      | 10,250,098      |
| 2.01.03.01      |  | Federal Tax                                | 8,368,670       | 8,147,315       |
| 2.01.03.01.01   |  | Income Tax and Social Contribution Payable | 1,405,180       | 1,641,637       |
| 2.01.03.01.02   |  | Others Federal Taxes                       | 6,963,490       | 6,505,678       |
| 2.01.03.02      |  | State Taxes                                | 2,333,067       | 1,968,051       |
| 2.01.03.03      |  | Municipal Taxes                            | 90,537          | 134,732         |
| 2.01.04         |  | Loans and Financing                        | 16,595,449      | 15,668,290      |
| 2.01.04.01      |  | Loans and Financing                        | 16,110,552      | 15,172,908      |
| 2.01.04.01.01   |  | Local currency                             | 2,972,688       | 2,924,685       |
| 2.01.04.01.02   |  | Foreign Currency                           | 13,137,864      | 12,248,223      |
| 2.01.04.02      |  | Debentures                                 | 325,709         | 319,227         |
| 2.01.04.03      |  | Financing by leasing                       | 159,188         | 176,155         |
| 2.01.05         |  | Other Liabilities                          | 10,684,945      | 9,963,702       |
| 2.01.05.01      |  | Related Party Liabilities                  | 173,431         | 148,798         |
| 2.01.05.01.01   |  | Debt with affiliated companies             | 173,431         | 148,798         |
| 2.01.05.02      |  | Other                                      | 10,511,514      | 9,814,904       |
| 2.01.05.02.01   |  | Dividends and interest on capital payable  | 4,215,717       | 3,595,303       |
| 2.01.05.02.04   |  | Interests of employees and managers        | 1,114,741       | 1,691,376       |
| 2.01.05.02.05   |  | Other                                      | 5,181,056       | 4,528,225       |
| 2.01.06         |  | Provisions                                 | 1,348,403       | 1,303,097       |
| 2.01.06.02      |  | Other Provisions                           | 1,348,403       | 1,303,097       |
| 2.01.06.02.04   |  | Pension and Health                         | 1,348,403       | 1,303,097       |
| 2.02            |  | Non-current liabilities                    | 166,162,836     | 152,912,028     |
| 2.02.01         |  | Loans and Financing                        | 112,404,458     | 102,247,022     |
| 2.02.01.01      |  | Loans and Financing                        | 109,681,266     | 99,603,246      |
| 2.02.01.01.01   |  | Local currency                             | 49,541,584      | 49,662,409      |
| 2.02.01.01.02   |  | Foreign Currency                           | 60,139,682      | 49,940,837      |
| 2.02.01.02      |  | Debentures                                 | 2,522,192       | 2,447,952       |
| 2.02.01.03      |  | Financing by leasing                       | 201,000         | 195,824         |
| 2.02.02         |  | Other Liabilities                          | 1,291,991       | 1,349,043       |

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|               |   |            |            |
|---------------|---|------------|------------|
| 2.02.02.01    | Related Party Liabilities                   | 175,880    | 179,202    |
| 2.02.02.01.01 | Debt with affiliated companies              | 175,880    | 179,202    |
| 2.02.02.02    | Other                                       | 1,116,111  | 1,169,841  |
| 2.02.02.02.03 | Other accounts payable and expenses         | 1,116,111  | 1,169,841  |
| 2.02.03       | Deferred Taxes                              | 28,960,516 | 26,160,591 |
| 2.02.03.01    | Deferred income tax and social contribution | 28,960,516 | 26,160,591 |
| 2.02.03.01.01 | Deferred income tax and social contribution | 28,888,756 | 26,117,696 |
| 2.02.03.01.02 | Other Deferred Taxes                        | 71,760     | 42,895     |

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**DFs Consolidated / Balance Sheet - Liabilities**

(R\$  
Thousand)

| Account<br>Code |  | Description Account                            | Current Quarter | Previous Fiscal |
|-----------------|--|--|-----------------|-----------------|
|                 |  |  | 03/31/2011      | Year 12/31/2010 |
| 2.02.04         |  | Accruals                                       | 23,505,871      | 23,155,372      |
| 2.02.04.01      |  | Social Security Tax Provisions Labor and Civil | 1,355,670       | 1,372,030       |
| 2.02.04.01.01   |  | Tax Provisions                                 | 629,009         | 616,857         |
| 2.02.04.01.02   |  | Labor and Social Security Provisions           | 186,299         | 196,283         |
| 2.02.04.01.04   |  | Civil Supplies                                 | 348,326         | 357,604         |
| 2.02.04.01.05   |  | Other Provisions for Contingencies             | 192,036         | 201,286         |
| 2.02.04.02      |  | Other Provisions                               | 22,150,201      | 21,783,342      |
| 2.02.04.02.04   |  | Pension and Health                             | 15,707,655      | 15,277,952      |
| 2.02.04.02.05   |  | Provision for dismantling of areas             | 6,442,546       | 6,505,390       |
| 2.03            |  | Shareholders equity                            | 318,192,140     | 310,223,300     |
| 2.03.01         |  | Realized capital                               | 205,357,103     | 205,357,103     |
| 2.03.02         |  | Capital Reserves                               | 1,847           | -6,257          |
| 2.03.02.07      |  | Additional capital                             | 1,847           | -6,257          |
| 2.03.04         |  | Profit Reserves                                | 101,323,731     | 101,323,731     |
| 2.03.04.01      |  | Legal reserve                                  | 12,653,480      | 12,653,480      |
| 2.03.04.02      |  | Statutory reserve                              | 1,421,619       | 1,421,619       |
| 2.03.04.05      |  | Profit retention reserve                       | 85,901,951      | 85,901,951      |
| 2.03.04.07      |  | Tax incentive reserve                          | 1,346,681       | 1,346,681       |
| 2.03.05         |  | Retained Earnings/ (Accumulated Losses)        | 8,376,065       | 0               |
| 2.03.06         |  | Equity Valuation Adjustments                   | 177,879         | 287,084         |
| 2.03.07         |  | Accumulated translation adjustments            | -455,045        | -196,479        |
| 2.03.09         |  | Minority interest                              | 3,410,560       | 3,458,118       |

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**DFs Consolidated / Income Statement**

(R\$  
Thousand)

| Account<br>Code |  | Description Account                | Accumulated<br>Current Year | Accumulated<br>Previous Year |
|-----------------|--|------------------------------------|-----------------------------|------------------------------|
|                 |  |                                    | 01/01/2011 to<br>03/31/2011 | 01/01/2010 to<br>03/31/2010  |
| 3.01            |  | Revenues                           | 54,800,499                  | 50,412,070                   |
| 3.02            |  | Cost of Products and Services Sold | -34,596,085                 | -31,101,669                  |

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|            |   |            |            |
|------------|---|------------|------------|
| 3.03       | Gross profit  | 20,204,414 | 19,310,401 |
| 3.04       | Operating Expenses  | -7,391,736 | -7,872,632 |
| 3.04.01    | Selling expenses  | -2,116,097 | -2,072,394 |
| 3.04.02    | Administrative and general expenses                       | -2,010,362 | -1,829,000 |
| 3.04.05    | Other Operating Expenses                                  | -3,542,088 | -3,791,957 |
| 3.04.05.01 | Taxes   | -250,588   | -153,427   |
| 3.04.05.02 | Cost of Research and Technological Development            | -492,434   | -391,360   |
| 3.04.05.03 | Exploratory Costs for The Extraction of Crude Oil and Gas | -942,489   | -1,002,668 |
| 3.04.05.05 | Other Operating Expenses, Net                             | -1,856,577 | -2,244,502 |
| 3.04.06    | Equity Pick-up  | 276,811    | -179,281   |
| 3.05       | Income before financial results, interests and taxes      | 12,812,678 | 11,437,769 |
| 3.06       | Financial results   | 2,022,212  | -700,992   |
| 3.06.01    | Financial Income  | 2,740,046  | 759,818    |
| 3.06.01.01 | Financial Income  | 1,792,510  | 759,818    |
| 3.06.01.02 | Net Monetary and Exchanges Variation                      | 947,536    | 0          |
| 3.06.02    | Expenses  | -717,834   | -1,460,810 |
| 3.06.02.01 | Expenses  | -717,834   | -884,306   |
| 3.06.02.02 | Net Monetary and Exchanges Variation                      | 0          | -576,504   |
| 3.07       | Income before taxes                                       | 14,834,890 | 10,736,777 |
| 3.08       | Income tax and social contribution                        | -3,640,716 | -2,939,930 |
| 3.08.01    | Current   | -1,267,240 | -3,386,217 |
| 3.08.02    | Deferred  | -2,373,476 | 446,287    |
| 3.09       | Net Income from Continuing Operations                     | 11,194,174 | 7,796,847  |
| 3.11       | Consolidated Income / Loss for the period                 | 11,194,174 | 7,796,847  |
| 3.11.01    | Attributable to shareholders of the Parent Company        | 10,984,964 | 7,726,274  |
| 3.11.02    | Attributable to Non-controlling shareholders              | 209,210    | 70,573     |
| 3.99       | Income per share - (Reais / Share)                        |            |            |
| 3.99.01    | Basic income per share                                    |            |            |
| 3.99.01.01 | ON  | 0,84000    | 0,88000    |
| 3.99.01.02 | PN  | 0,84000    | 0,88000    |
| 3.99.02    | Diluted income per share                                  |            |            |
| 3.99.02.01 | ON  | 0,84000    | 0,88000    |
| 3.99.02.02 | PN  | 0,84000    | 0,88000    |

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**DFs Consolidated / Statement of Comprehensive Income**

(R\$  
Thousand)

| Account Code | Description Account   | Accumulated<br>Current Year<br>01/01/2011 to<br>03/31/2011 | Accumulated<br>Previous Year<br>01/01/2010 to<br>03/31/2010 |
|--------------|---|--|---|
| 4.01         | Net income for the year   | 11,194,174   | 7,796,847   |
| 4.02         | Other Comprehensive Income  | -410,820   | 102,547   |
| 4.02.01      | Accumulated translation adjustments   | -301,615   | 45,223  |
| 4.02.03      | Unrealized gains / (losses) on securities available for sale - Recognized             | -161,440   | 86,226  |
| 4.02.04      | Unrealized gains / (losses) on securities available for sale - Transferred to results | 7,338  | 1,661   |
| 4.02.05      | Unrecognized gains / (losses) on cash flow hedge - Recognized                         | -6,408   | 6,626   |
| 4.02.06      | Unrecognized gains / (losses) on cash flow hedge - Transferred to results             | -3,585   | -5,760  |
| 4.02.07      | Deferred income tax and social contribution   | 54,890   | -31,429   |
| 4.03         | Comprehensive income for the period   | 10,783,354   | 7,899,394   |
| 4.03.01      | Attributed to Partners of the Parent Company  | 10,617,193   | 7,849,639   |

|         |  |         |        |
|---------|--|---------|--------|
| 4.03.02 | Attributed to Non-Controlling Partners | 166,161 | 49,755 |
|---------|--|---------|--------|

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**DFs Consolidated / Statement of Cash Flow - Indirect Method****(R\$  
Thousand)**

| <b>Account Code</b> | <b>Description Account</b>                                     | <b>Accumulated Current Year 01/01/2011 to 03/31/2011</b> | <b>Accumulated Previous Year 01/01/2010 to 03/31/2010</b> |
|---------------------|--|--|---|
| 6.01                | Net Cash - Operating Activities                                | 12,923,606   | 9,676,257   |
| 6.01.01             | Cash provided by operating activities                          | 16,912,303   | 13,123,099  |
| 6.01.01.01          | Net income for the year  | 10,984,964   | 7,726,274   |
| 6.01.01.02          | Minority Interest - Retained earnings                          | 209,210  | 70,573  |
| 6.01.01.03          | Equity in earnings (losses) of significant investments         | -276,811   | 179,281   |
| 6.01.01.05          | Depreciation, exhaustion and amortization                      | 3,557,781  | 3,264,506   |
| 6.01.01.06          | Loss on recovery of assets                                     | 163,308  | 310,446   |
| 6.01.01.07          | Write-off of dry wells   | 537,629  | 632,186   |
| 6.01.01.08          | Residual value of permanent assets written off                 | 133,865  | 269,920   |
| 6.01.01.09          | Exchange and monetary variation and charges on financing       | -771,119   | 1,116,200   |
| 6.01.01.10          | Deferred income and social contribution taxes, net             | 2,373,476  | -446,287  |
| 6.01.02             | Changes in assets and liabilities                              | -2,649,608   | -3,938,164  |
| 6.01.02.01          | Accounts receivable  | -877,012   | -2,450,239  |
| 6.01.02.02          | Inventories  | -4,266,316   | -562,565  |
| 6.01.02.03          | Suppliers  | 2,156,626  | -899,882  |
| 6.01.02.04          | Taxes, fees and contributions                                  | -237,372   | -1,077,070  |
| 6.01.02.05          | Healthcare and pension plans                                   | 480,486  | 600,124   |
| 6.01.02.06          | Short term operations with subsidiaries / affiliated companies | 93,980   | 451,468   |
| 6.01.03             | Other  | -1,339,089   | 491,322   |
| 6.01.03.01          | Other assets   | -1,209,481   | 208,823   |
| 6.01.03.02          | Other liabilities  | -129,608   | 282,499   |
| 6.02                | Net Cash - Investment Activities                               | -9,395,005   | -16,013,202   |
| 6.02.01             | Investments in exploration and production of oil and gas       | -6,702,344   | -7,286,253  |
| 6.02.02             | Investments in refining and transport                          | -5,652,700   | -5,036,483  |
| 6.02.03             | Investments in gas and energy                                  | -1,281,532   | -2,189,418  |
| 6.02.04             | Investment in international segment                            | -826,511   | -1,394,757  |
| 6.02.05             | Investments in distribution                                    | -242,126   | -89,903   |
| 6.02.06             | Investment in biofuels   | -235,253   | -133,465  |
| 6.02.07             | Other Investments  | -389,146   | 66,931  |
| 6.02.08             | Marketable securities available for sale                       | 5,934,345  | 9,153   |
| 6.02.09             | Dividends received   | 262  | 40,993  |
| 6.03                | Net Cash - Financing activities                                | 9,704,333  | 4,188,214   |
| 6.03.03             | Funding  | 15,355,628   | 10,123,814  |
| 6.03.04             | Amortization of principal                                      | -2,172,161   | -4,276,483  |
| 6.03.05             | Amortization of interest                                       | -1,640,986   | -1,635,054  |
| 6.03.08             | Dividends paid to shareholders                                 | -1,838,148   | -24,063   |
| 6.04                | Exchange variation on cash and cash equivalents                | -211,374   | 65,829  |
| 6.05                | Increase (decrease) in cash and cash equivalents               | 13,021,560   | -2,082,902  |
| 6.05.01             | Opening balance of cash and cash equivalents                   | 30,323,259   | 29,034,228  |
| 6.05.02             | Closing balance of cash and cash equivalents                   | 43,344,819   | 26,951,326  |

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**DFs Consolidated / Statement of Changes in Shareholders' Equity / Statements of Changes in Shareholders' Equity -01/01/2011 to 03/31/2011**(R\$  
Thousand)

| Account Code | Description Account                           | Paid in Capital | Capital Reserves, Granted Options and Treasury Shares | Revenue Reserves | Retained earnings/ losses (accumulated) | Other Comprehensive Income | Shareholders' Equity | Non-controlling interest | Shareholders' Equity Consolidated |
|--------------|---|-----------------|---|------------------|---|----------------------------|----------------------|--------------------------|-----------------------------------|
| 5.01         | Opening balance                               | 205,357,103     | -6,257  | 101,323,731      | 0                                       | 90,605                     | 306,765,182          | 3,458,118                | 310,223,338                       |
| 5.03         | Opening balance adjusted                      | 205,357,103     | -6,257  | 101,323,731      | 0                                       | 90,605                     | 306,765,182          | 3,458,118                | 310,223,338                       |
| 5.04         | Capital Transactions with shareholders        | 0               | 8,104   | 0                | -2,608,899                              | 0                          | -2,600,795           | -213,719                 | -2,814,613                        |
| 5.04.06      | Dividends                                     | 0               | 0   | 0                | 0                                       | 0                          | 0                    | -108,518                 | -108,518                          |
| 5.04.07      | Interest on shareholders' equity              | 0               | 0   | 0                | -2,608,899                              | 0                          | -2,608,899           | 0                        | -2,608,899                        |
| 5.04.08      | Change in interest in subsidiaries            | 0               | 8,104   | 0                | 0                                       | 0                          | 8,104                | -105,201                 | -97,097                           |
| 5.05         | Total of Comprehensive Income                 | 0               | 0   | 0                | 10,984,964                              | -367,771                   | 10,617,193           | 166,161                  | 10,783,587                        |
| 5.05.01      | Income for the period                         | 0               | 0   | 0                | 10,984,964                              | 0                          | 10,984,964           | 209,210                  | 11,194,174                        |
| 5.05.02      | Other statements of income                    | 0               | 0   | 0                | 0                                       | -367,771                   | -367,771             | -43,049                  | -410,820                          |
| 5.05.02.01   | Adjustments of financial instruments          | 0               | 0   | 0                | 0                                       | -161,619                   | -161,619             | 0                        | -161,619                          |
| 5.05.02.02   | Taxes of adjustments of financial instruments | 0               | 0   | 0                | 0                                       | 52,414                     | 52,414               | 0                        | 52,414                            |
| 5.05.02.04   | Translation adjustments for the period        | 0               | 0   | 0                | 0                                       | -258,566                   | -258,566             | -43,049                  | -301,621                          |
| 5.07         | Final balance                                 | 205,357,103     | 1,847   | 101,323,731      | 8,376,065                               | -277,166                   | 314,781,580          | 3,410,560                | 318,192,150                       |

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**DFs Consolidated / Statement of Changes in Shareholders' Equity / Statements of Changes in Shareholders' Equity -01/01/2010 to 03/31/2010**(R\$  
Thousand)

| Paid in Capital | Capital Reserves, Granted Options and Treasury Shares | Revenue Reserves | Retained earnings/ losses (accumulated) | Other Comprehensive Income | Shareholders' Equity | Non-controlling interest | Shareholders' Equity Consolidated |
|-----------------|---|------------------|---|----------------------------|----------------------|--------------------------|-----------------------------------|
|-----------------|---|------------------|---|----------------------------|----------------------|--------------------------|-----------------------------------|

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| Account Code | Description Account   |            |           |            |            |         |             |           |   |
|--------------|---|------------|-----------|------------|------------|---------|-------------|-----------|---|
| 5.01         | Opening balance   | 78,966,691 | 1,937,392 | 84,726,550 | -1,247,335 | -66,821 | 164,316,477 | 2,576,659 | 1 |
| 5.03         | Opening balance adjusted                                    | 78,966,691 | 1,937,392 | 84,726,550 | -1,247,335 | -66,821 | 164,316,477 | 2,576,659 | 1 |
| 5.04         | Capital Transactions with shareholders                      | 0          | 0         | 0          | -1,754,815 | 0       | -1,754,815  | 306,298   |   |
| 5.04.06      | Dividends   | 0          | 0         | 0          | 0          | 0       | 0           | 246,441   |   |
| 5.04.07      | Interest on shareholders' equity                            | 0          | 0         | 0          | -1,754,815 | 0       | -1,754,815  | 0         |   |
| 5.04.08      | Change in interest in subsidiaries                          | 0          | 0         | 0          | 0          | 0       | 0           | 59,857    |   |
| 5.05         | Total of Comprehensive Income                               | 0          | 0         | 0          | 7,726,275  | 123,365 | 7,849,640   | 49,755    |   |
| 5.05.01      | Net income for the period                                   | 0          | 0         | 0          | 7,726,275  | 0       | 7,726,275   | 70,573    |   |
| 5.05.02      | Other Comprehensive Income                                  | 0          | 0         | 0          | 0          | 123,365 | 123,365     | -20,818   |   |
| 5.05.02.01   | Adjustments of financial instruments                        | 0          | 0         | 0          | 0          | 92,852  | 92,852      | 0         |   |
| 5.05.02.02   | Taxes of adjustments of financial instruments               | 0          | 0         | 0          | 0          | -31,429 | -31,429     | 0         |   |
| 5.05.02.04   | Translation adjustments for the period                      | 0          | 0         | 0          | 0          | 66,041  | 66,041      | -20,818   |   |
| 5.05.02.06   | Adjustments of financial instruments transferred to results | 0          | 0         | 0          | 0          | -4,099  | -4,099      | 0         |   |
| 5.07         | Final balance   | 78,966,691 | 1,937,392 | 84,726,550 | 4,724,125  | 56,544  | 170,411,302 | 2,932,712 | 1 |

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**DFs Consolidated / Statement of added value**

(R\$  
Thousand)

| Description Account | Accumulated Current Year 01/01/2011 to 03/31/2011 | Accumulated Previous Year 01/01/2010 to 03/31/2010 |
|---------------------|---|--|
|---------------------|---|--|

| <b>Account Code</b> |   |             |             |
|---------------------|---|-------------|-------------|
| 7.01                | Revenues  | 85,512,736  | 80,621,011  |
| 7.01.01             | Sales of Goods, Products and Services                               | 69,182,498  | 63,319,435  |
| 7.01.02             | Other Revenues  | 1,079,041   | 1,163,660   |
| 7.01.03             | Revenues refs. to the construction of own assets                    | 15,246,339  | 16,136,246  |
| 7.01.04             | Allowance/Reversal for doubtful accounts                            | 4,858       | 1,670       |
| 7.02                | Inputs acquired from third parties                                  | -38,595,441 | -41,182,259 |
| 7.02.01             | Cost of Goods, Products and Services sold                           | -8,414,703  | -9,114,205  |
| 7.02.02             | Materials, Power, Third-party Services and Other Operating Expenses | -11,457,497 | -9,737,812  |
| 7.02.03             | Loss/Recovery of Assets Values                                      | -163,308    | -310,446    |
| 7.02.04             | Other   | -18,559,933 | -22,019,796 |
| 7.03                | Gross Added Value   | 46,917,295  | 39,438,752  |
| 7.04                | Retentions  | -3,557,781  | -3,264,506  |
| 7.04.01             | Depreciation, Amortization and Depletion                            | -3,557,781  | -3,264,506  |
| 7.05                | Net Added Value Produced  | 43,359,514  | 36,174,246  |
| 7.06                | Transferred Added Value   | 2,300,416   | 915,703     |
| 7.06.01             | Equity Accounting   | 276,811     | -179,281    |
| 7.06.02             | Financial Income  | 1,792,510   | 759,818     |
| 7.06.03             | Other   | 231,095     | 335,166     |
| 7.07                | Total Added Value To Be Distributed                                 | 45,659,930  | 37,089,949  |
| 7.08                | Distribution of added value   | 45,659,930  | 37,089,949  |
| 7.08.01             | Personnel   | 4,754,293   | 4,034,571   |
| 7.08.01.01          | Payroll and related charges   | 3,434,214   | 2,909,383   |
| 7.08.01.02          | Benefits  | 1,104,276   | 933,110     |
| 7.08.01.03          | FGTS  | 215,803     | 192,078     |
| 7.08.02             | Taxes, Duties and Social Contributions                              | 25,586,442  | 20,515,169  |
| 7.08.02.01          | Federal   | 17,110,673  | 14,357,621  |
| 7.08.02.02          | State   | 8,407,477   | 6,097,738   |
| 7.08.02.03          | Municipal   | 68,292      | 59,810      |
| 7.08.03             | Remuneration of Third Party Capital                                 | 4,125,021   | 4,743,362   |
| 7.08.03.01          | Interest  | 1,430,619   | 2,575,848   |
| 7.08.03.02          | Rental  | 2,694,402   | 2,167,514   |
| 7.08.04             | Remuneration of Shareholders' Equity                                | 11,194,174  | 7,796,847   |
| 7.08.04.01          | Interest on Shareholders' Equity                                    | 2,608,899   | 1,754,815   |
| 7.08.04.03          | Retained Earnings / Loss For The Period                             | 8,376,065   | 5,971,459   |
| 7.08.04.04          | Minority Interest - Retained earnings                               | 209,210     | 70,573      |

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## Notes to the interim financial statements (Consolidated and Parent Company)

(In millions of reais, except otherwise indicated)

### 1 The Company and its operations

Petróleo Brasileiro S.A. - Petrobras directly or through its subsidiaries (referred to jointly as “Petrobras” or the “Company”), is dedicated to prospecting, drilling, refining, processing, trading and transporting petroleum originating from wells, schist or other rocks, and oil products, natural gas and other liquid hydrocarbons, in addition to activities connected with energy and it may carry out research, development, production, transport, distribution and trading of all forms of energy, as well as any other correlated or similar activities. The Company’s head office is located in Rio de Janeiro – RJ.

### 2 Basis of presentation of interim financial information

The individual and consolidated quarterly financial information is being presented in accordance with IAS 34 – Interim Statements, issued by the International Accounting Standards Board (IASB) and also in accordance with accounting politics adopted in Brazil for interim statements (CPC 21). This quarterly information is presented without repeating of certain notes previously disclosed, but with an indication of the relevant information occurring in the interim period and, therefore, it should be read together with the Company's annual financial statements for the year ended December 31, 2010.

The individual financial information does not present differences in relation to the consolidated information, except for the maintenance of deferred charges, as established in CPC 43 – Initial Adoption of Technical Pronouncements. The reconciliations of the parent company's shareholders' equity and result with the consolidated statements are presented in note 3.1.

The Company's Board of Directors authorized the publication of these quarterly information in a meeting held on May 13, 2011.

## 2.1 Business segment reporting

As from the first quarter of 2011, the accounting information on the Biofuel operating segment (business department) is presented individually and includes the activities for production of biodiesel and its co-products, through its own refineries and in partnerships, extraction and trading of unrefined and refined vegetal oil, of vegetal cake and bran, and ethanol. In ethanol activities it operates through shareholding interests in the production and trading of ethanol, sugar and surplus electric power generated from sugar cane bagasse.

Previously, this accounting information was included in the corporate agencies group and, therefore, was reclassified for comparison purposes.

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## Notes to the interim financial statements (Consolidated and Parent Company)

*(In millions of reais, except otherwise indicated)*

### 2.2 Accounting estimates

In the preparation of the financial statements it is necessary to use estimates for certain assets, liabilities and other transactions. These estimates include: petroleum and gas reserves, liabilities of pension and health plans, depreciation, depletion and amortization, abandonment costs, provisions for legal processes, market value of financial instruments, income tax and social contribution. Although Management uses assumptions and judgments that are reviewed periodically, the actual results may differ from these estimates.

### 3 Consolidation basis

The consolidated interim financial statements include the quarterly information of Petrobras and its subsidiaries, jointly controlled subsidiaries and specific purpose entities.

The Company did not present material changes in interests in consolidated companies in the period ended March 31, 2011.

### 3.1 Reconciliation of the net equity and net income of the consolidated statement with that of the parent company

|                                      | Shareholders' equity<br>03.31.2011 | 12.31.2010     | Net income<br>Jan-Mar 2011 | Jan-Mar 2010 |
|--------------------------------------|------------------------------------|----------------|----------------------------|--------------|
| <b>Consolidated - IFRS</b>           | <b>318,192</b>                     | <b>310,223</b> | <b>11,194</b>              | <b>7,797</b> |
| Equity of non controlling interest   | (3,411)                            | (3,458)        | (209)                      | (71)         |
| Deferred expenses, net of income tax | 422                                | 551            | (140)                      | (35)         |

**Parent Company adjusted to international  
accounting standards  
(CPC)**

|                |                |               |              |
|----------------|----------------|---------------|--------------|
| <b>315,203</b> | <b>307,316</b> | <b>10,845</b> | <b>7,691</b> |
|----------------|----------------|---------------|--------------|

#### 4 Accounting policies

The accounting practices and calculation methods used in the preparation of the individual and consolidated quarterly information are the same as those adopted in the preparation of the Company's annual financial statements for the year ended December 31, 2010.

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## Notes to the interim financial statements (Consolidated and Parent Company)

*(In millions of reais, except otherwise indicated)*

#### 5 Cash and cash equivalents

|   | <b>Consolidated<br/>03.31.2011</b> | <b>12.31.2010</b> | <b>Parent company<br/>03.31.2011</b> | <b>12.31.2010</b> |
|---|------------------------------------|-------------------|--------------------------------------|-------------------|
| Cash and banks                              | <b>3,419</b>                       | <b>3,434</b>      | <b>486</b>                           | <b>437</b>        |
| Financial investments<br>- <i>In Brazil</i> |                                    |                   |                                      |                   |
| Investment funds - Interbank Deposit        | 25,543                             | 12,797            | 23,354                               | 10,119            |
| Other investment funds                      | 2,947                              | 749               | 1,444                                | 325               |
|   | 28,490                             | 13,546            | 24,798                               | 10,444            |
| - <i>Abroad</i>                             | 11,436                             | 13,343            | 8,136                                | 9,114             |
| Total financial investments                 | <b>39,926</b>                      | <b>26,889</b>     | <b>32,934</b>                        | <b>19,558</b>     |
| <b>Total cash and cash equivalents</b>      | <b>43,345</b>                      | <b>30,323</b>     | <b>33,420</b>                        | <b>19,995</b>     |

#### 6 Marketable securities

|                     | <b>Consolidated<br/>03.31.2011</b> | <b>12.31.2010</b> | <b>Parent company<br/>03.31.2011</b> | <b>12.31.2010</b> |
|---------------------|------------------------------------|-------------------|--------------------------------------|-------------------|
| For trading         | 19,655                             | 25,651            | 19,655                               | 25,588            |
| Available for sale  | 5,227                              | 5,303             | 4,986                                | 5,125             |
| Held until maturity | 261                                | 271               | 7,335                                | 7,767             |
|                     | <b>25,143</b>                      | <b>31,225</b>     | <b>31,976</b>                        | <b>38,480</b>     |
| <b>Current</b>      | 20,016                             | 26,017            | 27,297                               | 33,731            |
| <b>Non-current</b>  | 5,127                              | 5,208             | 4,679                                | 4,749             |

The securities for trading refer mainly to investments in public bonds with maturity terms of more than 90 days and are presented in current assets considering their expectation of realization in the short term.

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# Notes to the interim financial statements (Consolidated and Parent Company)

(In millions of reais, except otherwise indicated)

## 7 Accounts receivable

### 7.1 Accounts receivable, net

|                             | <b>Consolidated</b> |                   | <b>Parent Company</b> |                   |
|-----------------------------|---------------------|-------------------|-----------------------|-------------------|
|                             | <b>03.31.2011</b>   | <b>12.31.2010</b> | <b>03.31.2011</b>     | <b>12.31.2010</b> |
| Trade accounts receivable   |                     |                   |                       |                   |
| Third parties               | 18,224              | 17,555            | 3,500                 | 3,199             |
| Related parties (9.1)       | 2,892               | 2,722             | 24,214 (*)            | 40,473 (*)        |
| Other                       | 4,320               | 4,729             | 2,661                 | 2,732             |
|                             | <b>25,436</b>       | <b>25,006</b>     | <b>30,375</b>         | <b>46,404</b>     |
| Losses on doubtful accounts | (2,689)             | (2,716)           | (417)                 | (466)             |
|                             | <b>22,747</b>       | <b>22,290</b>     | <b>29,958</b>         | <b>45,938</b>     |
| <b>Current</b>              | 17,778              | 17,334            | 17,534                | 16,178            |
| <b>Non-current</b>          | 4,969               | 4,956             | 12,424                | 29,760            |

(\*)It does not include the balances of dividends receivable of R\$ 1,545 at March 31, 2011 (R\$ 1,523 at December 31, 2010) and reimbursements receivable of R\$ 458 at March 31, 2011 (R\$ 447 at December 31, 2010). It includes a balance of receivables from the electricity sector of R\$ 2,214 at March 31, 2011 (R\$ 2,315 at December 31, 2010).

### 7.2 Changes in losses on doubtful receivables

|                        | <b>Consolidated</b> |                   | <b>Parent Company</b> |                   |
|------------------------|---------------------|-------------------|-----------------------|-------------------|
|                        | <b>03.31.2011</b>   | <b>12.31.2010</b> | <b>03.31.2011</b>     | <b>12.31.2010</b> |
| <b>Opening balance</b> | <b>2,716</b>        | <b>2,542</b>      | <b>466</b>            | <b>306</b>        |
| Additions (*)          | 180                 | 380               | 103                   | 169               |
| Write-offs (*)         | (207)               | (206)             | (152)                 | (9)               |
| <b>Closing balance</b> | <b>2,689</b>        | <b>2,716</b>      | <b>417</b>            | <b>466</b>        |
| <b>Current</b>         | 1,741               | 1,750             | 417                   | 466               |
| <b>Non-current</b>     | 948                 | 966               |                       |                   |

(\*) It includes exchange variation on losses on doubtful receivables recorded in companies abroad.

### 7.3 Accounts receivable - overdue

|                     | <b>Consolidated</b> |                   |
|---------------------|---------------------|-------------------|
|                     | <b>03.31.2011</b>   | <b>12.31.2010</b> |
| Up to 3 months      | 970                 | 905               |
| From 3 to 6 months  | 222                 | 229               |
| From 6 to 12 months | 205                 | 352               |

More than 12 months

3,061

3,128

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## Notes to the interim financial statements (Consolidated and Parent Company)

(In millions of reais, except otherwise indicated)

### 8 Inventories

|  | <b>Consolidated</b> |                   | <b>Parent company</b> |                   |
|--|---------------------|-------------------|-----------------------|-------------------|
|  | <b>03.31.2011</b>   | <b>12.31.2010</b> | <b>03.31.2011</b>     | <b>12.31.2010</b> |
| Products:                              |                     |                   |                       |                   |
| Oil products (*)                       | 7,375               | 6,274             | 6,172                 | 4,957             |
| Alcohol (*)                            | 559                 | 522               | 216                   | 123               |
|  | 7,934               | 6,796             | 6,388                 | 5,080             |
| Raw materials, mainly crude oil (*)    | 12,393              | 9,547             | 9,063                 | 7,300             |
| Maintenance materials and supplies (*) | 3,261               | 3,292             | 2,790                 | 2,864             |
| Other                                  | 372                 | 272               | 40                    | 14                |
|  | <b>23,960</b>       | <b>19,907</b>     | <b>18,281</b>         | <b>15,258</b>     |
| <b>Current</b>                         | 23,869              | 19,816            | 18,223                | 15,199            |
| <b>Non-current</b>                     | 91                  | 91                | 58                    | 59                |

(\*) It includes imports in transit.

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## Notes to the interim financial statements (Consolidated and Parent Company)

(In millions of reais, except otherwise indicated)

### 9 Related party transactions

#### 9.1 Result, assets and liabilities

|  | <b>Parent Company</b> |                   |                    |                    |                    |
|--|-----------------------|-------------------|--------------------|--------------------|--------------------|
|  | <b>Jan-Mar</b>        | <b>03.31.2011</b> |                    |                    |                    |
|  | <b>2011</b>           |                   | <b>Assets</b>      | <b>Liabilities</b> |                    |
|  | <b>Result</b>         | <b>Current</b>    | <b>Non-current</b> | <b>Current</b>     | <b>Non-current</b> |

|   |        |        |        |          |          |
|---|--------|--------|--------|----------|----------|
| <b><u>Subsidiaries</u></b> <sup>(*)</sup>                                   |        |        |        |          |          |
| BR Distribuidora  | 14,560 | 2,371  | 136    | (200)    | (24)     |
| PIFCo   | 4,986  | 4,096  | 3      | (4,107)  | (288)    |
| Gaspetro  | 1,200  | 1,400  | 1,904  | (1,082)  |          |
| Downstream  | 1,128  | 193    | 176    | (139)    |          |
| Transpetro  | 144    | 462    |        | (573)    |          |
| PBEN  | 132    | 99     |        | (15)     |          |
| PNBV  | 73     | 18     | 30     | (2,163)  |          |
| PIB-BV  | 55     | 266    | 884    | (1,876)  | (169)    |
| Thermoelectric power plants   | 41     | 158    | 237    | (191)    | (589)    |
| Petrobras Biocombustível  | 4      | 76     | 381    | (71)     |          |
| CLEP  | (75)   | 538    |        | (2,246)  | (2,148)  |
| Brasoil   | (57)   |        | 7,985  | (154)    |          |
| Other subsidiaries  | 167    | 540    | 657    | (74)     | (155)    |
|   | 22,358 | 10,217 | 12,393 | (12,891) | (3,373)  |
| <b><u>Specific purpose entities (SPE)</u></b>                               |        |        |        |          |          |
| Gasene Participações  | (158)  | 25     |        | (141)    | (6,139)  |
| CDMPI   | (33)   |        |        | (248)    | (2,476)  |
| PDET Off Shore  | (22)   |        | 65     | (301)    | (1,318)  |
| NTN   | (11)   | 480    | 72     | (266)    | (1,033)  |
| NTS   | (7)    | 468    | 35     | (277)    | (979)    |
| Other SPEs  | 6      |        |        |          |          |
|   | (225)  | 973    | 172    | (1,233)  | (11,945) |
| <b><u>Affiliated companies</u></b>  |        |        |        |          |          |
|   | 3,045  | 231    | 17     | (100)    | (55)     |
|   | 25,178 | 11,421 | 12,582 | (14,224) | (15,373) |
| <b><u>Result</u></b>  |        |        |        |          |          |
| Operating income, mainly from sales   | 25,543 |        |        |          |          |
| Exchange and monetary variations, net                                       | (89)   |        |        |          |          |
| Net financial income (expenses)   | (276)  |        |        |          |          |
| <b><u>Assets</u></b>  |        |        |        |          |          |
| Accounts receivable, mainly for sales                                       |        | 9,876  |        |          |          |
| Dividends receivable  |        | 1,545  |        |          |          |
| Loans   |        |        | 9,706  |          | (55)     |
| Advance for capital increase  |        |        | 1,523  |          |          |
| Amounts related to construction of gas pipeline                             |        |        | 804    |          |          |
| Reimbursement receivable  |        |        | 458    |          |          |
| <b><u>Liabilities</u></b>   |        |        |        |          |          |
| Accounts payable to suppliers, mainly for purchases of oil and oil products |        |        |        | (7,659)  |          |
| Financial leases  |        |        |        | (3,389)  | (14,837) |
| Affreightment of platforms  |        |        |        | (2,021)  |          |
| Advance from clients  |        |        |        | (419)    |          |
| Other operations  |        |        | 91     | (736)    | (481)    |
|   | 25,178 | 11,421 | 12,582 | (14,224) | (15,373) |
| Jan-Mar 2010  | 24,100 |        |        |          |          |
| At 12.31.2010   |        | 10,239 | 29,888 | (17,520) | (15,328) |

## Notes to the interim financial statements (Consolidated and Parent Company)

(In millions of reais, except otherwise indicated)

**Rates for active loans**

| <b>Index</b>         | <b>03.31.2011</b> | <b>12.31.2010</b> |
|----------------------|-------------------|-------------------|
| LIBOR + 1 to 3% p.a. | 5,924             | 24,174            |
| 2% p.a.              | 2,880             | 3,011             |
| 1.70% p.a.           | 176               | 183               |
| IGPM + 6% p.a.       | 145               | 146               |
| 101% of CDI          | 112               | 115               |
| Other rates          | 469               | 456               |
|                      | <b>9,706</b>      | <b>28,085</b>     |

**9.2 Non Standard Credit Rights Investment Fund – FIDC-NP**

The Parent Company has invested resources in the non standard credit right investment fund (FIDC-NP) which are mainly earmarked for the acquisition of performing and/or non-performing credit rights of operations performed by subsidiaries of the Petrobras System. The balances of operations of the Parent Company with the nonstandard credit right investment fund (FIDC-NP) are as follows:

|  | <b>03.31.2011</b>   | <b>12.31.2010</b>   |
|--|---------------------|---------------------|
| Financial investments                          | 1,236               | 206                 |
| Marketable securities                          | 7,325               | 7,758               |
| Financial charges to allocate                  | 376                 | 426                 |
| Assignments of performing rights               | (593)               | (622)               |
| <b>Total classified in current assets</b>      | <b>8,344</b>        | <b>7,768</b>        |
| Assignments of non-performing rights           | (14,695)            | (15,933)            |
| <b>Total classified in current liabilities</b> | <b>(14,695)</b>     | <b>(15,933)</b>     |
|  | <b>Jan-Mar 2011</b> | <b>Jan-Mar 2010</b> |
| Financial Revenue FIDC-NP                      | 65                  | 94                  |
| Financial Expenses FIDC-NP                     | (314)               | (368)               |
| <b>Financial Result</b>                        | <b>(249)</b>        | <b>(274)</b>        |

(\* ) Other accounts and expenses payable

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## Notes to the interim financial statements (Consolidated and Parent Company)

(In millions of reais, except otherwise indicated)

**9.3 Guarantees granted**

The financial operations carried out by these subsidiaries and guaranteed by Petrobras present the following balances to be settled:

| <b>Maturity date of the loan</b> | <b>03.31.2011</b> |              |               | <b>Ref. Abreu e Lima</b> | <b>TAG</b> | <b>12.31.2010</b> |              |
|----------------------------------|-------------------|--------------|---------------|--------------------------|------------|-------------------|--------------|
|                                  | <b>PNBV</b>       | <b>PifCo</b> | <b>PIB-BV</b> |                          |            | <b>Total</b>      | <b>Total</b> |
| 2011                             | 4,284             | 3,641        |               |                          |            | 7,925             | 8,108        |
| 2012                             | 424               | 977          |               |                          |            | 1,401             | 1,532        |



|              |               |               |            |              |              |               |               |
|--------------|---------------|---------------|------------|--------------|--------------|---------------|---------------|
| 2013         | 104           | 609           |            |              |              | 713           | 730           |
| 2014         | 466           | 1,115         |            |              |              | 1,581         | 1,784         |
| 2015         | 3,618         | 645           |            |              |              | 4,263         | 4,140         |
| 2016         | 864           | 6,707         |            |              |              | 7,571         | 2,103         |
| 2017 onwards | 11,133        | 20,948        | 468        | 8,486        | 6,798        | 47,833        | 37,635        |
|              | <b>20,893</b> | <b>34,642</b> | <b>468</b> | <b>8,486</b> | <b>6,798</b> | <b>71,287</b> | <b>56,032</b> |

#### 9.4 Investment fund of subsidiaries abroad

At March 31, 2011, the subsidiaries PifCo and Brasoil had amounts invested abroad in an investment fund that held, amongst others, debt securities of companies of the Petrobras System and specific purpose entities related to the Company's projects, mainly the CLEP, Malhas and Marlim Leste (P-53) and Gasene projects, equivalent to R\$ 12,647 (R\$ 14,048 at December 31, 2010). These amounts refer to the consolidated companies and were offset against the balance of financing in current and non-current liabilities.

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## Notes to the interim financial statements (Consolidated and Parent Company)

(In millions of reais, except otherwise indicated)

#### 9.5 Transactions with affiliated companies, government entities and pension funds

Significant transactions with affiliated companies, government entities and a pension fund resulted in the following balances:

|   | Consolidated<br>03.31.2011 |               | 12.31.2010    |               |
|---|----------------------------|---------------|---------------|---------------|
|   | Assets                     | Liabilities   | Assets        | Liabilities   |
| <b>Affiliated Companies</b>   | <b>341</b>                 | <b>175</b>    | <b>305</b>    | <b>144</b>    |
| Braskem   | 96                         | 89            | 84            | 60            |
| Quattor   | 49                         | 36            | 78            | 43            |
| Ueg Araucária   |                            | 3             |               | 4             |
| Other Affiliated Companies  | 196                        | 47            | 143           | 37            |
| <b>Government Entities and Pension Funds</b>                                  | <b>35,801</b>              | <b>57,679</b> | <b>42,824</b> | <b>56,007</b> |
| Government Bonds  | 27,180                     |               | 31,098        |               |
| Electricity Sector  | 3,015                      |               | 3,145         |               |
| Deposits Subject to Legal Proceedings (CEF and BB)                            | 2,896                      |               | 2,466         |               |
| Banco do Brasil S.A.  | 1,171                      | 10,352        | 5,067         | 9,415         |
| Petroleum and Alcohol Account - Federal                                       |                            |               |               |               |
| Government Credits  | 824                        |               | 822           |               |
| BNDES   | 3                          | 35,964        | 3             | 36,320        |
| Caixa Econômica Federal   |                            | 5,716         | 2             | 5,662         |
| National Agency for Petroleum, National Gas and Biofuels                      |                            | 3,199         |               | 2,568         |
| Federal Government - Proposed Dividends and Interest on Shareholders' Capital |                            | 1,255         |               | 1,118         |
| Petros (Pension Fund)   |                            | 169           |               | 501           |
| Other   | 712                        | 1,024         | 221           | 423           |
|   | <b>36,142</b>              | <b>57,854</b> | <b>43,129</b> | <b>56,151</b> |

|                    |        |        |        |        |
|--------------------|--------|--------|--------|--------|
| <b>Current</b>     | 27,085 | 9,524  | 34,481 | 8,393  |
| <b>Non-current</b> | 9,057  | 48,330 | 8,648  | 47,758 |

### Receivables from the electricity sector

The company has receivables from the electricity sector related to the supplying of fuel to thermoelectric power stations, direct and indirect subsidiaries of Eletrobrás, located in the northern region of Brazil. Part of the costs for supplying fuel to these thermoelectric power stations is borne by funds from the Fuel Consumption Account (CCC), managed by Eletrobrás.

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## Notes to the interim financial statements (Consolidated and Parent Company)

*(In millions of reais, except otherwise indicated)*

The Company also supplies fuel to Independent Power Producers (PIE), companies created for the purpose of producing power exclusively for Amazônia Distribuidora S.A. (ADESA), a direct subsidiary of Eletrobras, whose payments for supplying fuel depend directly on the forwarding of funds from ADESA to these Independent Power Producers.

The balance of these receivables at March 31, 2011 was R\$ 3,015 (R\$ 3,145 at December 31, 2010), presented in non-current assets and classified as receivables from related parties, of which R\$ 2,607 was overdue (R\$ 2,372 at December 31, 2010).

The Company has made systematic collections from the debtors and Eletrobrás, itself, and partial payments have been made.

### 9.6 Remuneration of the Company's key personnel (in thousands of Reais)

The total remuneration of short term benefits for the management of Petrobras during the first quarter of 2011 was R\$ 2,893 (R\$ 2,754 in the first quarter of 2010) which include fees in the amount of R\$ 1,521 (R\$ 1,305 in the first quarter of 2010) referring to seven officers and nine board members.

In consolidated, the fees for the officers and the board of directors totaled R\$ 12,686 in the first quarter of 2011 (R\$ 9,256 in the first quarter of 2010).

### 10 Deposits in court

|              | <b>Consolidated</b> |                   | <b>Parent company</b> |                   |
|--------------|---------------------|-------------------|-----------------------|-------------------|
|              | <b>03.31.2011</b>   | <b>12.31.2010</b> | <b>03.31.2011</b>     | <b>12.31.2010</b> |
| Labor        | 990                 | 940               | 937                   | 888               |
| Tax (*)      | 1,212               | 1,193             | 932                   | 912               |
| Civil (*)    | 603                 | 596               | 565                   | 558               |
| Other        | 92                  | 78                | 79                    | 68                |
| <b>Total</b> | <b>2,897</b>        | <b>2,807</b>      | <b>2,513</b>          | <b>2,426</b>      |

(\*) Net of deposits related to judicial proceedings for which a provision is recorded, when applicable.

### 11 Acquisitions and sales of assets

#### 11.1 Acquisition of interests in affiliated companies

**Total Agroindústria Canavieira S.A.**

In 2010, Petrobras Biocombustível paid the amount of R\$ 132 into the capital of Total Agroindústria Canavieira S.A. At March 31, 2011, in accordance with the commitment established in the minutes of the Special General Shareholders' Meeting of December 22, 2009, Petrobras Biocombustível concluded the steps for paying in capital, reaching the total amount of R\$ 152, and it now holds 43.58% of the company's capital.

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## Notes to the interim financial statements (Consolidated and Parent Company)

*(In millions of reais, except otherwise indicated)*

**Guarani S.A.**

On May 14, 2010, Petrobras Biocombustível paid R\$ 683 into the capital of Cruz Alta Participações S.A (a subsidiary of Açúcar Guarani), fulfilling the first of the three steps established for entry into the capital of Açúcar Guarani. The other steps that were established, the delisting of shares of Guarani, with a subsequent exchange of the shares of Cruz Alta for shares of Guarani, were concluded on October 29, 2010 and the additional paying in of capital in order to reach a 45.7% interest in the capital of Guarani will take place over five years, reaching, together with the capital already paid in, the total amount of R\$ 1,611, as negotiated in the investment agreement. The agreement also establishes the possibility of additional contributions on the part of the partners up to the limit of a 49% interest by Petrobras Biocombustível. The first supplementary contribution occurred on March 31, 2011 in the amount of R\$ 195 and the interest increased from 26.49% to 31.44%.

### **11.2 Acquisition of noncontrolling interest**

**Innova S.A.**

As of March 31, 2011, Petrobras now holds 100% of the capital of Innova, a petrochemical company located in the industrial park of Triunfo in the State of Rio Grande do Sul previously indirectly controlled by Petrobras Argentina (Pesa). The amount of the transaction is US\$ 332 million (equivalent to R\$551), with the payment of US\$ 228 million paid on April and US\$ 104 million in one lump sum due on October 30, 2013, restated by 12 month LIBOR as from the date of signing the share purchase agreement (SPA). This transaction resulted in a decrease of R\$ 90 in shareholders' equity attributable to the shareholders of Petrobras, as a result of the decrease in the minority interest in this venture.

**Purchase option and merger of Companhia Mexilhão do Brasil (CMB)**

On January 12, 2011, Petrobras acquired the total shares representing the capital of SPE Companhia Mexilhão do Brasil (CMB), exercising its contractually established purchase option, considering that the reasons that justified the establishment of CMB had already ceased to exist and the Petrobras System was interested in reducing its corporate structure in order to optimize its operating costs. This transaction resulted in an increase of R\$ 112 in shareholders' equity attributable to the Company's shareholders as an additional capital contribution.

On April 4, 2011, the Special General Shareholders' Meeting of Petrobras approved the merger of CMB by Petrobras, as this represented the most efficient way of extinguishment of the Company and absorption of its assets, in accordance with the Justification to the Shareholders published on March 17, 2011.

## Notes to the interim financial statements (Consolidated and Parent Company)

*(In millions of reais, except otherwise indicated)*

### 11.3 Sale of assets and other information

#### BRF Biorefino de Lubrificantes S.A

On March 21, 2011, Petrobras Distribuidora S.A. established BRF Biorefino de Lubrificantes S.A, the shareholding interest of which is 49%. BRF operates with the building and operation of the used or contaminated lubricant oil refining plant in the State of Rio de Janeiro, in the operation and trading of used or contaminated lubricant oil collection services and in the purchase and sale of refined basic oil.

#### Logum Logística S.A

On March 1, 2011 the corporate name of PMCC Soluções Logística de Etanol S.A. was changed to Logum Logística S.A., in accordance with the shareholders' agreement signed on this date. The closely held joint-stock company with authorized capital is composed of registered common shares with no par value, distributed as follows: Petrobras - 20%; Copersucar S.A. - 20%; Cosan S.A. Indústria e Comércio - 20%; Odebrecht Transport Participações S.A. - 20%; Camargo Correa Óleo e Gás S.A. - 10% and Uniduto Logística S.A. - 10%.

Logum Logística S.A. will be responsible for the construction and implementation of a comprehensive multimodal logistics system for ethanol transport and storage, and the development and operation of the system (logistics, loading, unloading, handling and stocking, operation of ports and waterway terminals), which will involve polyducts, waterways, highways and coastal shipping.

#### Merger of Comperj Petroquímicos Básicos S.A and Comperj PET S.A. into Petrobras.

On January 31, 2011, the General Shareholders' Meeting of Petrobras approved the merger of Comperj Petroquímicos Básicos S.A and Comperj PET S.A. into its equity, without a capital increase. With the merger of these companies, the corporate structure of Comperj will be simplified, minimizing costs and favoring reallocation of investments.

#### Copergás

On January 21, 2011, the court decision was published dismissing the writ of prevention of the State of Pernambuco, against Gaspetro and Mitsuiigás, for annulment of clauses of the bylaws and shareholders' agreement of Copergás – Companhia Pernambucana de Gás. Accordingly, Gaspetro's power to share the resolutions of Copergas was re-established and, therefore, the accounting information was consolidated proportionally to the 41.5% interest as from 2011.

The court decision, still in the process of becoming final and unappealable, re-establishes the effectiveness of the corporate instruments and there are no expectations that the State of Pernambuco will file an appeal to re-establish the injunction or suspend the effect of the court decision.

## Notes to the interim financial statements (Consolidated and Parent Company)

*(In millions of reais, except otherwise indicated)*

**Sale of the San Lorenzo Refinery and part of the distribution network in Argentina**

On May 4, 2010, the Company approved the terms and conditions of the agreement for the sale to Oil Combustibles S.A. of refining and distribution assets in Argentina. The deal comprises a refinery located in San Lorenzo in the province of Santa Fé, a fluvial unit and a fuel trading network connected to this refinery, consisting of approximately 360 sales points and associated wholesaler clients.

The transaction was carried out on May 2, 2011 for a total amount of US\$ 102 million, which includes the previously mentioned assets, as well as the stocks of oil and oil products. The transaction is subject to the approval of the Comissão Nacional de Defesa de La Competência (CNDC).

At March 31, 2011 the assets held for sale are recognized in current assets.

**Operations in Ecuador**

In 2006, the Ecuadorian government began a series of tax and regulatory reforms with respect to hydrocarbon activities, which significantly affected the agreements for participation in exploration blocks. As from November 24, 2010, all the exploration agreements in force until then had to migrate to service agreements.

Petrobras Argentina S.A. (PESA), through Sociedade Ecuador TLC S.A., holds a 30% interest in the exploration agreements for block 18 and the unified Palo Azul field, located in the Oriente basin of Ecuador.

PESA decided not to accept the final proposal to migrate its agreements to the new contractual model, thus it is the responsibility of the Ecuadorian Government to indemnify the investments made in those exploration blocks.

After the deadline for negotiation of the winding up of the contract had expired, the Ecuadorian government reported that it would use criteria different from those previously agreed upon. The Company disagrees with this procedure and, although it is not renouncing its rights, it recognized a loss in an amount equivalent to R\$ 86, due to the uncertainties involving the process.

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## Notes to the interim financial statements (Consolidated and Parent Company)

*(In millions of reais, except otherwise indicated)*

### 12 Investments

#### 12.1 Information on subsidiaries, jointly controlled subsidiaries and affiliated companies ( Parent Company)

|  | 03.31.2011 | 12.31.2010 |
|--|------------|------------|
| <b>Subsidiaries and Affiliates:</b>    |            |            |
| Petrobras Distribuidora S.A. - BR      | 9,509      | 9,116      |
| Petrobras Netherlands B.V. - PNBV      | 9,433      | 8,599      |
| Petrobras Gás S.A. - Gaspetro          | 8,026      | 7,555      |
| Petrobras Química S.A. - Petroquisa    | 4,039      | 3,997      |
| Petrobras Transporte S.A. - Transpetro | 2,755      | 2,568      |

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|  |                   |                   |
|--|-------------------|-------------------|
| Termorio S.A.  | 2,443             | 2,371             |
| Refinaria Abreu e Lima S.A.  | 2,146             | 2,015             |
| Downstream Participações Ltda.   | 1,625             | 1,623             |
| Companhia Locadora de Equipamentos Petrolíferos S.A. - CLEP            | 1,540             | 1,473             |
| Petrobras Biocombustível S.A.  | 1,156             | 1,194             |
| Termomacaé Ltda  | 862               | 734               |
| Petrobras Comercializadora de Energia Ltda. - PBEN                     | 383               | 370               |
| FAFEN Energia S.A.   | 365               | 343               |
| Comperj Poliolefinas S.A.  | 309               | 309               |
| Innova S.A.  | 303               |                   |
| Termo Ceará Ltda.  | 290               | 278               |
| Baixada Santista Energia Ltda.   | 246               | 249               |
| Sociedade Fluminense de Energia Ltda. - SFE                            | 228               | 187               |
| Usina Termelétrica de Juiz de Fora S.A.                                | 143               | 132               |
| Cia Mexilhão do Brasil   | 131               |                   |
| Comperj MEG S.A  | 77                | 77                |
| Comperj Estirênicos S.A.   | 76                | 76                |
| <b>Other subsidiaries</b>  | 322               | 2,988             |
| <b>Jointly controlled subsidiaries</b>                                 | 926               | 880               |
| <b>Affiliated companies</b>  |                   |                   |
| BRK Investimentos Petroquímicos S.A.                                   | 2,154             | 2,108             |
| Other affiliated companies   | 481               | 473               |
|  | <b>49,968</b>     | <b>49,715</b>     |
|  | <b>03.31.2011</b> | <b>12.31.2010</b> |
| Subsidiaries, jointly controlled subsidiaries and affiliated companies | <b>49,968</b>     | <b>49,715</b>     |
| Goodwill   | 2,290             | 2,242             |
| Unrealized income of the Parent Company                                | (1,249)           | (1,150)           |
| Other investments  | 147               | 148               |
| <b>Total investments</b>   | <b>51,156</b>     | <b>50,955</b>     |

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## Notes to the interim financial statements (Consolidated and Parent Company)

(In millions of reais, except otherwise indicated)

### 12.2 Investments (Consolidated)

|                                      | 03.31.2011   | 12.31.2010   |
|--------------------------------------|--------------|--------------|
| <b>Affiliated companies</b>          |              |              |
| BRK Investimentos Petroquímicos S.A. | 3,397        | 3,271        |
| Other petrochemical investments      | 3,105        | 2,995        |
| Guarani S.A.                         | 891          | 680          |
| Petroritupano - Orielo               | 404          | 413          |
| Petrowayu - La Concepción            | 319          | 327          |
| Petrokariña - Mata                   | 207          | 212          |
| UEG Araucária Ltda.                  | 126          | 128          |
| Refinor                              | 62           | 57           |
| Copergás - Cia Pernambucana de Gás   |              | 83           |
| Other affiliated companies           | 481          | 483          |
|                                      | <b>8,992</b> | <b>8,649</b> |
| <b>Other investments</b>             | 230          | 230          |
|                                      | <b>9,222</b> | <b>8,879</b> |

### 12.3 Investments in listed companies

| Company                     | Lot of a thousand |            | Type | Quotation on stock exchange<br>(R\$ per share) |            | Market value          |                       |
|-----------------------------|-------------------|------------|------|--|------------|-----------------------|-----------------------|
|                             | 03.31.2011        | 12.31.2010 |      | 03.31.2011                                     | 12.31.2010 | 03.31.2011            | 12.31.2010            |
| <b>Subsidiaries</b>         |                   |            |      |  |            |                       |                       |
| Petrobras Argentina         | 678,396           | 678,396    | ON   | 3.78   | 4.46       | 2,564<br><b>2,564</b> | 3,026<br><b>3,026</b> |
| <b>Affiliated companies</b> |                   |            |      |  |            |                       |                       |
| Braskem                     | 212,427           | 212,427    | ON   | 17.30  | 17.80      | 3,675                 | 3,781                 |
| Braskem                     | 75,793            | 75,793     | PNA  | 21.64  | 20.37      | 1,640                 | 1,544                 |
| Quattor                     |                   |            |      |  |            |                       |                       |
| Petroquímica (*)            |                   | 46,049     | PN   |  | 6.99       |                       | 322                   |
|                             |                   |            |      |  |            | <b>5,315</b>          | <b>5,647</b>          |

(\*)On February 3, 2011, the company was delisted due to the merger of its shares by Braskem.

The market value of these shares does not necessarily reflect the realizable value of a representative lot of shares.

## Notes to the interim financial statements (Consolidated and Parent Company)

(In millions of reais, except otherwise indicated)

### 13 Property, plant and equipment

## 13.1 By type of asset

|  | Consolidated                     |                            |                               |   | Parent Company |                 |
|--|----------------------------------|----------------------------|-------------------------------|---|----------------|-----------------|
|  | Land, buildings and improvements | Equipment and other assets | Assets under construction (*) | Expenditures on exploration and development of oil and gas (producing fields) | Total          | Total           |
| <b>Balance at December 31, 2009</b>                  | <b>7,987</b>                     | <b>70,810</b>              | <b>122,838</b>                | <b>25,444</b>   | <b>227,079</b> | <b>149,447</b>  |
| Additions  | 282                              | 3,355                      | 57,515                        | 3,157   | 64,309         | 49,506          |
| Capitalized interest Business combination            |                                  |                            | 5,409                         | 99  | 5,508          | 4,223           |
| Write-offs   | 61                               | 70                         | 18                            |   | 149            |                 |
| Transfers  | (143)                            | (109)                      | (1,524)                       | (606)   | (2,382)        | (1,493)         |
| Depreciation, amortization and depletion             | 2,000                            | 33,935                     | (44,992)                      | 13,137  | 4,080          | (1,863)         |
| Impairment - formation                               | (843)                            | (7,650)                    |                               | (5,730)   | (14,223)       | (10,149)        |
| Impairment - reversal                                |                                  | (181)                      |                               | (265)   | (446)          | (434)           |
| Accumulated translation adjustment                   |                                  | 131                        |                               | 408   | 539            | 538             |
| adjustment   | 26                               | (1,435)                    | (308)                         | (58)  | (1,775)        |                 |
| <b>Balance at December 31, 2010</b>                  | <b>9,370</b>                     | <b>98,926</b>              | <b>138,956</b>                | <b>35,586</b>   | <b>282,838</b> | <b>189,775</b>  |
| Cost   | 13,308                           | 163,566                    | 138,956                       | 77,555  | 393,385        | 271,824         |
| Accumulated depreciation, amortization and depletion | (3,938)                          | (64,640)                   |                               | (41,969)  | (110,547)      | <u>(82,049)</u> |
| <b>Balance at December 31, 2010</b>                  | <b>9,370</b>                     | <b>98,926</b>              | <b>138,956</b>                | <b>35,586</b>   | <b>282,838</b> | <b>189,775</b>  |
| Additions  | 37                               | 569                        | 12,264                        | 647   | 13,517         | 9,590           |
| Capitalized interest Business combination            |                                  |                            | 1,764                         |   | 1,764          | 1,463           |
| Write-offs   | 48                               | 33                         |                               |   | 81             |                 |
| Transfers  | (5)                              | (61)                       | (552)                         | (27)  | (645)          | (533)           |
| Depreciation, amortization and depletion             | 624                              | 3,189                      | (4,610)                       | 1,943   | 1,146          | 2,681           |
| Impairment - reversal                                | (159)                            | (1,870)                    |                               | (1,350)   | (3,379)        | (2,479)         |
| Accumulated translation adjustment                   |                                  |                            |                               | 1   | 1              |                 |
| adjustment   | (28)                             | (632)                      | (336)                         | (162)   | (1,158)        |                 |
| <b>Balance at March 31, 2011</b>                     | <b>9,887</b>                     | <b>100,154</b>             | <b>147,486</b>                | <b>36,638</b>   | <b>294,165</b> | <b>200,497</b>  |
| Cost   | 13,874                           | 165,765                    | 147,486                       | 79,558  | 406,683        | 284,444         |
| Accumulated depreciation, amortization and depletion | (3,987)                          | (65,611)                   |                               | (42,920)  | (112,518)      | (83,947)        |
| <b>Balance at March 31, 2011</b>                     | <b>9,887</b>                     | <b>100,154</b>             | <b>147,486</b>                | <b>36,638</b>   | <b>294,165</b> | <b>200,497</b>  |



|  |                               |             |                            |
|--|-------------------------------|-------------|----------------------------|
| <b>Weighted average useful life in years</b> | 25 (25 a 40)<br>(except land) | 20 (3 a 31) | Units of production method |
|--|-------------------------------|-------------|----------------------------|

(\*) It includes assets for exploration, development and production of oil and gas.

At March 31, 2011, the property, plant and equipment of Consolidated and the Parent company includes assets originating from lease agreements that transfer benefits, risks and control in the amount of R\$ 778 and R\$ 17,740, respectively (R\$ 789 and R\$ 17,506 at December 31, 2010).

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## Notes to the interim financial statements (Consolidated and Parent Company)

*(In millions of reais, except otherwise indicated)*

### 13.2 Depreciation

|   | <b>Consolidated<br/>Jan-Mar 2011</b> | <b>Jan-Mar 2010</b> | <b>Parent company<br/>Jan-Mar 2011</b> | <b>Jan-Mar 2010</b> |
|---|--------------------------------------|---------------------|--|---------------------|
| Portion absorbed in funding:                            |                                      |                     |  |                     |
| Of assets   | 1,917                                | 1,590               | 1,178                                  | 1,037               |
| Of exploration and production expenditures              | 1,228                                | 1,057               | 995                                    | 816                 |
| Capitalized / provisioned cost for abandonment of wells | 122                                  | 141                 | 108                                    | 100                 |
|   | <b>3,267</b>                         | <b>2,788</b>        | <b>2,281</b>                           | <b>1,953</b>        |
| Portion recorded directly in the result                 | 112                                  | 284                 | 198                                    | 173                 |
|   | <b>3,379</b>                         | <b>3,072</b>        | <b>2,479</b>                           | <b>2,126</b>        |

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## Notes to the interim financial statements (Consolidated and Parent Company)

*(In millions of reais, except otherwise indicated)*

### 14 Intangible assets

#### 14.1 By type of asset

**Consolidated**

**Parent  
Company**

|  | Software                  |            |                       | Goodwill<br>from<br>expectations<br>of<br>future<br>profitability | Total         | Total         |
|--|---------------------------|------------|-----------------------|---|---------------|---------------|
|  | Rights and<br>concessions | Acquired   | Developed<br>in-house |   |               |               |
| <b>Balance at December 31,<br/>2009</b>        | <b>5,607</b>              | <b>375</b> | <b>1,364</b>          | <b>925</b>  | <b>8,271</b>  | <b>3,216</b>  |
| Addition                                       | 312                       | 90         | 328                   | 3   | 733           | 455           |
| Oil exploration rights –<br>Onerous assignment | 74,808                    |            |                       |   | 74,808        | 74,808        |
| Acquisition through business<br>combination    | 1                         |            |                       | 20  | 21            |               |
| Capitalized interest                           |                           |            | 25                    |   | 25            | 25            |
| Write-off                                      | (318)                     | (4)        | (2)                   | (2)   | (326)         | (42)          |
| Transfers                                      | 376                       | (11)       | 33                    | 83  | 481           | 14            |
| Amortization                                   | (160)                     | (121)      | (375)                 |   | (656)         | (434)         |
| Impairment - formation                         | (54)                      |            |                       |   | (54)          |               |
| Accumulated translation<br>adjustment          | (195)                     | (3)        |                       | (7)   | (205)         |               |
| <b>Balance at December 31,<br/>2010</b>        | <b>80,377</b>             | <b>326</b> | <b>1,373</b>          | <b>1,022</b>  | <b>83,098</b> | <b>78,042</b> |
| Addition                                       | 82                        | 27         | 62                    |   | 171           | 82            |
| Capitalized interest                           |                           |            | 9                     |   | 9             | 9             |
| Write-off                                      |                           | (1)        |                       |   | (1)           | (1)           |
| Transfers                                      | (175)                     | 23         | (24)                  |   | (176)         | 2             |
| Amortization                                   | (57)                      | (29)       | (92)                  |   | (178)         | (113)         |
| Accumulated translation<br>adjustment          | (76)                      | (2)        |                       | (4)   | (82)          |               |
| <b>Balance at March 31, 2011</b>               | <b>80,151</b>             | <b>344</b> | <b>1,328</b>          | <b>1,018</b>  | <b>82,841</b> | <b>78,021</b> |
| <b>Estimated useful life -<br/>years</b>       | <b>25</b>                 | <b>5</b>   | <b>5</b>              | <b>Indefinite</b>   |               |               |

At March 31, 2011, the Company's intangible assets include an onerous assignment agreement in the amount of R\$ 74,808, entered into in 2010 between the Federal Government (assignor) and the National Petroleum Agency -ANP (regulator and inspector), referring to the right to carry out prospection and drilling activities for oil, natural gas and other liquid hydrocarbons located in blocks in the pre-salt area, limited to the production of five billion oil equivalent barrels in up to 40 years.

The agreement for concession of the rights establishes that at the time of the declaration of the commerciality of the reserves there will be a review of volumes and prices, based on independent technical reports. If the review determines that the acquired rights reach an amount greater than that initially paid, the Company may pay the difference to the Federal Government, recognizing this difference as an intangible asset, or it may reduce the overall volume acquired in the terms of the agreement. If the review determines that the acquired rights result in an amount lower than that initially paid, the Federal Government will reimburse the difference in legal tender or bonds, subject to the budgetary laws.

## Notes to the interim financial statements (Consolidated and Parent Company)

(In millions of reais, except otherwise indicated)

### 14.2 Devolution of exploration areas to ANP

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During the 1<sup>st</sup> quarter of 2011, the rights to the following exploration blocks were returned to the National Agency of Petroleum, Natural Gas and Biofuels (ANP):

### Blocks – Exclusive concession of Petrobras:

Rio do Peixe basin: RIOP-T-41.

Santos basin: S-M-613, S-M-1356, S-M-1480.

Pelotas sea basin: P-M-1267, P-M-1349.

### Blocks in partnership returned by their respective operators:

Santos basin: S-M-1227, S-M-792, S-M-791, S-M-1162, S-M-320.

## 14.3 Devolution to ANP of petroleum and natural gas fields operated by Petrobras

During the 1<sup>st</sup> quarter of 2011, there were no returns to the National Agency of Petroleum, Natural Gas and Biofuels (ANP) on the part of Petrobras of rights to fields in the production stage.

## 15 Exploration activities and valuation of petrol and gas reserves

### a) Exploration costs

|  | <b>Consolidated</b> |                     | <b>Parent Company</b> |                     |
|--|---------------------|---------------------|-----------------------|---------------------|
|  | <b>Jan-Mar 2011</b> | <b>Jan-Mar 2010</b> | <b>Jan-Mar 2011</b>   | <b>Jan-Mar 2010</b> |
| Expenses with geology and geophysics         | 337                 | 314                 | 331                   | 299                 |
| Wells without economic viability (dry wells) | 411                 | 593                 | 401                   | 537                 |
| Other exploration expenses                   | 194                 | 96                  | 127                   | 40                  |
| <b>Total expenses</b>                        | <b>942</b>          | <b>1,003</b>        | <b>859</b>            | <b>876</b>          |

### b) Cash used

|                        | <b>Consolidated</b> |                     | <b>Parent Company</b> |                     |
|------------------------|---------------------|---------------------|-----------------------|---------------------|
|                        | <b>Jan-Mar 2011</b> | <b>Jan-Mar 2010</b> | <b>Jan-Mar 2011</b>   | <b>Jan-Mar 2010</b> |
| Operating activities   | 387                 | 394                 | 331                   | 299                 |
| Investment activities  | 1,767               | 2,757               | 1,669                 | 1,442               |
| <b>Total cash used</b> | <b>2,154</b>        | <b>3,151</b>        | <b>2,000</b>          | <b>1,741</b>        |

### c) Capitalized balances

|                               | <b>Consolidated</b> |                   | <b>Parent Company</b> |                   |
|-------------------------------|---------------------|-------------------|-----------------------|-------------------|
|                               | <b>03.31.2011</b>   | <b>12.31.2010</b> | <b>03.31.2011</b>     | <b>12.31.2010</b> |
| Intangible assets             | 78,235              | 78,400            | 76,078                | 76,221            |
| Property, plant and equipment | 14,591              | 15,729            | 8,612                 | 9,309             |
| <b>Total assets</b>           | <b>92,826</b>       | <b>94,129</b>     | <b>84,690</b>         | <b>85,530</b>     |

## Notes to the interim financial statements (Consolidated and Parent Company)

(In millions of reais, except otherwise indicated)

### 16 Financing

|   | Consolidated  |               |                |                | Parent Company |              |               |               |
|---|---------------|---------------|----------------|----------------|----------------|--------------|---------------|---------------|
|   | Current       |               | Non-current    |                | Current        |              | Non-current   |               |
|   | 03.31.2011    | 12.31.2010    | 03.31.2011     | 12.31.2010     | 03.31.2011     | 12.31.2010   | 03.31.2011    | 12.31.2010    |
| <b>Abroad</b>   |               |               |                |                |                |              |               |               |
| Financial institutions  | 11,872        | 10,798        | 29,218         | 29,460         | 426            | 201          | 11,493        | 11,973        |
| Bearer bonds - Notes, Global  |               |               |                |                |                |              |               |               |
| Notes and Bonds   | 1,068         | 1,242         | 30,100         | 19,617         | 773            | 747          |               |               |
| Trust Certificates - Senior/Junior                                      | 114           | 116           | 283            | 318            |                |              |               |               |
| Other   | 13            | 26            | 168            | 167            |                |              |               |               |
| Subtotal  | <b>13,067</b> | <b>12,182</b> | <b>59,769</b>  | <b>49,562</b>  | <b>1,199</b>   | <b>948</b>   | <b>11,493</b> | <b>11,973</b> |
| <b>In Brazil</b>  |               |               |                |                |                |              |               |               |
| Export Credit Notes   | 388           | 110           | 10,474         | 10,489         | 388            | 110          | 10,474        | 10,495        |
| National Bank for Economic and Social Development (BNDES)               | 1,718         | 2,103         | 32,404         | 32,753         | 26             | 182          | 8,068         | 8,254         |
| Debentures  | 326           | 319           | 2,522          | 2,448          | 177            | 141          | 1,717         | 1,715         |
| FINAME  | 71            | 72            | 554            | 532            | 70             | 71           | 414           | 387           |
| Bank Credit Certificate   | 48            | 53            | 3,606          | 3,606          | 48             | 54           | 3,606         | 3,606         |
| Other   | 818           | 653           | 2,874          | 2,661          |                |              |               |               |
| Subtotal  | <b>3,369</b>  | <b>3,310</b>  | <b>52,434</b>  | <b>52,489</b>  | <b>709</b>     | <b>558</b>   | <b>24,279</b> | <b>24,457</b> |
|   | <b>16,436</b> | <b>15,492</b> | <b>112,203</b> | <b>102,051</b> | <b>1,908</b>   | <b>1,506</b> | <b>35,772</b> | <b>36,430</b> |
| Interest on financing   | 1,573         | 1,558         |                |                | 847            | 592          |               |               |
| Current portion of the financing in non-current liabilities (Principal) | 4,655         | 5,109         |                |                | 1,061          | 914          |               |               |
| Short-term financing  | 10,208        | 8,825         |                |                |                |              |               |               |
|   | <b>16,436</b> | <b>15,492</b> |                |                | <b>1,908</b>   | <b>1,506</b> |               |               |

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## Notes to the interim financial statements (Consolidated and Parent Company)

(In millions of reais, except otherwise indicated)

**16.1 Maturities of the principal and interest of the financing in non-current liabilities**

|              | <b>03.31.2011</b>   |  | <b>Parent Company</b> |
|--------------|---------------------|--|-----------------------|
|              | <b>Consolidated</b> |  |                       |
| 2012         | 5,935               |  | 1,702                 |
| 2013         | 4,890               |  | 407                   |
| 2014         | 6,224               |  | 1,713                 |
| 2015         | 9,421               |  | 2,361                 |
| 2016 onwards | 85,733              |  | 29,589                |
| <b>Total</b> | <b>112,203</b>      |  | <b>35,772</b>         |

**16.2 Interest rates for the financing in non-current liabilities**

|                  | <b>Consolidated</b> |                   | <b>Parent company</b> |                   |
|------------------|---------------------|-------------------|-----------------------|-------------------|
|                  | <b>03.31.2011</b>   | <b>12.31.2010</b> | <b>03.31.2011</b>     | <b>12.31.2010</b> |
| <b>Abroad</b>    |                     |                   |                       |                   |
| Up to 6%         | 45,269              | 36,321            | 11,447                | 11,912            |
| From 6 to 8%     | 12,814              | 11,173            | 46                    | 61                |
| From 8 to 10%    | 1,013               | 1,365             |                       |                   |
| From 10 to 12%   | 60                  | 61                |                       |                   |
| More than 12%    | 613                 | 642               |                       |                   |
|                  | <b>59,769</b>       | <b>49,562</b>     | <b>11,493</b>         | <b>11,973</b>     |
| <b>In Brazil</b> |                     |                   |                       |                   |
| Up to 6%         | 7,668               | 4,480             | 414                   | 387               |
| From 6 to 8%     | 25,396              | 30,097            | 8,068                 | 8,254             |
| From 8 to 10%    | 2,318               | 990               | 201                   | 234               |
| From 10 to 12%   | 2,761               | 16,922            | 1,516                 | 15,582            |
| More than 12%    | 14,291              | 14,080            |                       |                   |
|                  | <b>52,434</b>       | <b>52,489</b>     | <b>24,279</b>         | <b>24,457</b>     |
|                  | <b>112,203</b>      | <b>102,051</b>    | <b>35,772</b>         | <b>36,430</b>     |

**16.3 Balances per currencies in non-current liabilities**

|           | <b>Consolidated</b> |                   | <b>Parent Company</b> |                   |
|-----------|---------------------|-------------------|-----------------------|-------------------|
|           | <b>03.31.2011</b>   | <b>12.31.2010</b> | <b>03.31.2011</b>     | <b>12.31.2010</b> |
| US dollar | 57,172              | 46,870            | 11,377                | 11,852            |
| Yen       | 2,616               | 2,734             | 116                   | 122               |
| Euro      | 224                 | 214               |                       |                   |
| Real (*)  | 52,064              | 51,911            | 24,279                | 24,456            |
| Other     | 127                 | 322               |                       |                   |
|           | <b>112,203</b>      | <b>102,051</b>    | <b>35,772</b>         | <b>36,430</b>     |

At March 31, 2011, it includes R\$ 22,966 in financing in local currency parameterized to the variation of the US dollar; and also in financing abroad in reais parameterized to the variation of the general market price index (IGPM).

The hedges operations contracted for coverage of notes issued abroad in foreign currencies and the fair value of the long-term loans are disclosed in notes 30 and 31, respectively.

## Notes to the interim financial statements (Consolidated and Parent Company)

(In millions of reais, except otherwise indicated)

### 16.4 Weighted average rate for capitalization of interest

The weighted average rate of the financial charges on the debt, used for capitalization of interest on the balance of works in progress, was 5.27% p.a. in the 1<sup>st</sup> quarter of 2011(4.89% p.a. in the 1<sup>st</sup> quarter of 2010).

### 16.5 Raising of capital

The main long-term raising of capital carried out in the 1<sup>st</sup> quarter of 2011 is presented as follows:

#### a) Abroad

| Company | Date   | Amount<br>(US\$<br>million) | Maturity                  | Description  |
|---------|--------|-----------------------------|---------------------------|--|
| PifCo   | jan/11 | 6,000                       | 2016, 2021<br>and<br>2041 | Global notes in the amounts of US\$ 2,500, US\$ 2,500 and US\$ 1,000 with a coupon of 3.875%, 5.375% and 6.75% respectively  |
| PNBV    | mar/11 | 650                         | 2015 and<br>2021          | Loan from Bank of Tokyo-Mitsubishi - Libor plus 1.25% p.a. and Loan from Banco Santander S.A., HSBC Bank PLC, HSBC Bank USA, N.A. and Sace S.P.A.- Libor plus 1.10% p.a. |
| CHARTER | jan/11 | 750                         | 2018                      | Loan from Standard Chartered – Libor + 1.5% p.a.   |
|         |        | <b>7,400</b>                |                           |  |

### 16.6 Other information

The loans and the financing are intended mainly for the development of oil and gas production projects, the building of ships and pipelines, and the expansion of industrial units.

#### 16.6.1 Financing with official credit agencies

##### a) Abroad

| Company   | Agency                       | Amount in US\$ million |       | Balance | Description      |
|-----------|------------------------------|------------------------|-------|---------|------------------|
|           |                              | Contracted             | Used  |         |                  |
| Petrobras | China<br>Development<br>Bank | 10,000                 | 7,000 | 3,000   | Libor + 2.8%a.a. |

(In millions of reais, except otherwise indicated)

**b) In Brazil**

| <b>Company</b>            | <b>Agency</b>           | <b>Contracted</b> | <b>Used</b> | <b>Balance</b> | <b>Description</b>   |
|---------------------------|-------------------------|-------------------|-------------|----------------|--|
| Petrobras                 | Banco do Brasil         | 500               | 381         | 119            | Commercial Credit Certificate (FINAME) - 4.5% p.a.   |
| Petrobras                 | Caixa Econômica Federal | 300               |             | 300            | Bank Credit Certificate – Revolving Credit – 110% p.a. of average CDI  |
| Transpetro <sup>(*)</sup> | BNDES                   | 9,005             | 569         | 8,436          | Program for Modernization and Expansion of the Fleet (PROMEF) - TJLP + 2.5% p.a for domestic 3% p.a. for imported. |

(\*) Agreements were entered into for purchase and sale of 41 ships and 20 convoy vessels with 6 Brazilian shipyards in the amount of R\$ 10,006, where 90% is financed by BNDES.

**16.6.2 Guarantees**

Petrobras is not required to provide guarantees to financial institutions abroad. Financing obtained from BNDES is secured by the assets being financed (carbon steel pipes for the Bolivia-Brazil gas pipeline and vessels).

On account of a guarantee agreement issued by the Federal Government in favor of Multilateral Loan Agencies, motivated by financings funded by TBG, counter guarantee agreements were entered into, having as signatories the Federal Government, TBG, Petrobras, Petroquisa and Banco do Brasil S.A., where TBG undertakes to entail its revenues to the order of the Brazilian treasury until the settlement of the obligations guaranteed by the Federal Government.

In guarantee of the debentures, Refap has a short-term investment account (deposits tied to loans), indexed to the variation of the Interbank Deposit Certificate (CDI). The balance of the account must be three times the value of the sum of the last payment due of the amortization of the principal and related charges.

Petrobras develops structured projects through Specific Purpose Entities (SPE) for the purpose of providing funds for the continuous development of its transport and oil and gas production infrastructure projects, in addition to improvements in refineries, where the guarantees given to the Brazilian and international financial agents are the assets, themselves, of the projects, as well as lien of credit rights and shares of the SPEs.

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**Notes to the interim financial statements (Consolidated and Parent Company)**

(In millions of reais, except otherwise indicated)

**17 Leasing**

**17.1 Receipts / minimum payments of financial leasing with transfer of benefits, risks and control**

|   | <b>03.31.2011</b><br><b>Consolidated</b><br>Minimum<br>receipts | Minimum<br>payments | <b>Parent Company</b><br>Minimum<br>payments |
|---|---|---------------------|--|
| 2011  | 214   | 167                 | 2,448  |
| 2012 - 2015   | 1,247   | 165                 | 13,733                                       |
| 2016 onwards  | 4,121   | 107                 | 8,673  |
| <b>Estimated payments/receipts from commitments</b>   |   |                     |  |
|   | <b>5,582</b>  | <b>439</b>          | <b>24,854</b>                                |
| Less amount of annual interest                        | (2,694)   | (79)                | (6,575)                                      |
| <b>Present value of the minimum payments/receipts</b> | <b>2,888</b>  | <b>360</b>          | <b>18,279</b>                                |
| Current   | 81  | 159                 | 3,442  |
| Non-current   | 2,807   | 201                 | 14,837                                       |
| <b>At March 31, 2011</b>                              | <b>2,888</b>  | <b>360</b>          | <b>18,279</b>                                |
| Current   | 131   | 176                 | 3,149  |
| Non-current   | 2,827   | 196                 | 14,976                                       |
| <b>At December 31, 2011</b>                           | <b>2,958</b>  | <b>372</b>          | <b>18,125</b>                                |

**17.2 Minimum payments of operating leases without transfer of benefits, risks and control**

|                             | <b>03.31.2011</b><br><b>Consolidated</b> | <b>Parent Company</b> |
|-----------------------------|--|-----------------------|
| 2011                        | 13,885                                   | 15,723                |
| 2012 - 2015                 | 65,066                                   | 63,849                |
| 2016 onwards                | 876                                      | 55,507                |
| <b>At March 31, 2011</b>    | <b>79,827</b>                            | <b>135,079</b>        |
| <b>At December 31, 2011</b> | <b>80,108</b>                            | <b>137,679</b>        |

In the 1<sup>st</sup> quarter of 2011 the Company paid the amount of R\$ 2,839 (R\$ 4,289 in the Parent company), recognized as an expense in the period.

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## Notes to the interim financial statements (Consolidated and Parent Company)

(In millions of reais, except otherwise indicated)

**18 Provisions for dismantling of areas (non-current)**

|                                     | <b>Consolidated</b> | <b>Parent Company</b> |
|-------------------------------------|---------------------|-----------------------|
| <b>Balance at December 31, 2009</b> | <b>4,791</b>        | <b>4,419</b>          |
| Addition                            | 2,288               | 2,087                 |
| Reversal                            | (493)               | (493)                 |
| Use                                 | (485)               | (158)                 |
| Transfers                           | 194                 |                       |



|                                     |              |              |
|-------------------------------------|--------------|--------------|
| Updating of interest                | 229          | 217          |
| Accumulated translation adjustment  | (19)         |              |
| <b>Balance at December 31, 2010</b> | <b>6,505</b> | <b>6,072</b> |
| Addition                            | 11           |              |
| Reversal                            | (93)         | (85)         |
| Use                                 | (22)         |              |
| Transfers                           | 54           | 53           |
| Business combinations               | (12)         |              |
| <b>Balance at March 31, 2011</b>    | <b>6,443</b> | <b>6,040</b> |

## 19 Taxes, contributions and profit-sharing

### 19.1 Recoverable taxes

| Current assets        | Consolidated  |              | Parent company |              |
|-----------------------|---------------|--------------|----------------|--------------|
|                       | 03.31.2011    | 12.31.2010   | 03.31.2011     | 12.31.2010   |
| In Brazil:            |               |              |                |              |
| ICMS                  | 3,250         | 2,650        | 2,076          | 1,662        |
| PASEP/COFINS          | 4,284         | 3,458        | 3,873          | 3,021        |
| CIDE                  | 89            | 75           | 89             | 66           |
| Income tax            | 1,357         | 1,479        | 850            | 748          |
| Social contribution   | 226           | 359          | 132            | 189          |
| Other taxes           | 415           | 390          | 226            | 225          |
|                       | 9,621         | 8,411        | 7,246          | 5,911        |
| Abroad:               |               |              |                |              |
| Added value tax - VAT | 81            | 95           |                |              |
| Other taxes           | 476           | 429          |                |              |
|                       | 557           | 524          |                |              |
|                       | <b>10,178</b> | <b>8,935</b> | <b>7,246</b>   | <b>5,911</b> |

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## Notes to the interim financial statements (Consolidated and Parent Company)

(In millions of reais, except otherwise indicated)

### 19.2 Taxes, contributions and profit-sharing payable

| Current liabilities                                   | Consolidated  |               | Parent company |              |
|---|---------------|---------------|----------------|--------------|
|   | 03.31.2011    | 12.31.2010    | 03.31.2011     | 12.31.2010   |
| ICMS  | 2,333         | 1,968         | 1,953          | 1,622        |
| PASEP/COFINS  | 999           | 1,125         | 793            | 848          |
| CIDE  | 813           | 751           | 747            | 684          |
| Special interest /Royalties                           | 4,318         | 3,618         | 4,274          | 3,583        |
| Income tax and social contribution withheld at source | 519           | 685           | 507            | 640          |
| Current income tax and social contribution            | 898           | 1,001         | 235            |              |
| Other taxes   | 912           | 1,102         | 360            | 460          |
|   | <b>10,792</b> | <b>10,250</b> | <b>8,869</b>   | <b>7,837</b> |

**19.3 Deferred income tax and social contribution - non-current**

|   | <b>Consolidated</b><br><b>03.31.2011</b> | <b>12.31.2010</b> | <b>Parent company</b><br><b>03.31.2011</b> | <b>12.31.2010</b> |
|---|--|-------------------|--|-------------------|
| <b>Non-current</b>                          |  |                   |  |                   |
| <b>Assets</b>                               |  |                   |  |                   |
| Deferred income tax and social contribution | 6,904                                    | 6,471             | 3,132                                      | 2,951             |
| Deferred ICMS                               | 2,104                                    | 2,421             | 1,815                                      | 2,005             |
| Deferred PASEP and COFINS                   | 7,763                                    | 8,063             | 6,441                                      | 6,834             |
| Other                                       | 297                                      | 256               |  |                   |
|   | <b>17,068</b>                            | <b>17,211</b>     | <b>11,388</b>                              | <b>11,790</b>     |
| <b>Liabilities</b>                          |  |                   |  |                   |
| Deferred income tax and social contribution | 28,889                                   | 26,118            | 24,253                                     | 21,808            |
| Other                                       | 72                                       | 43                | 32   |                   |
|   | <b>28,961</b>                            | <b>26,161</b>     | <b>24,285</b>                              | <b>21,808</b>     |

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## Notes to the interim financial statements (Consolidated and Parent Company)

(In millions of reais, except otherwise indicated)

**19.4 Deferred income tax and social contribution**

Tax on income in Brazil comprises income tax and social contribution on net income, where the applicable official rates are 25% and 9%, respectively.

The changes in deferred income tax and social contribution is presented as follows:

|   | <b>Changes in net deferred taxes</b>             |   |                             |  |                       |                    |   |            |                 | <b>Parent<br/>Company</b> |
|---|--|---|-----------------------------|--|-----------------------|--------------------|---|------------|-----------------|---------------------------|
|   | <b>Consolidated</b>                              |   |                             |  |                       |                    |   |            |                 |                           |
|   | <b>Property,<br/>plant<br/>and<br/>equipment</b> | <b>Accounts<br/>receivable/payable,<br/>loans and financing</b> | <b>Financial<br/>leases</b> | <b>Provision<br/>for<br/>legal<br/>proceedings</b> | <b>Tax<br/>losses</b> | <b>Inventories</b> | <b>Interest on<br/>shareholders'<br/>equity</b> |            | <b>Others</b>   |                           |
| <b>At December 31, 2009</b>             | <b>(14,492)</b>                                  | <b>(450)</b>  | <b>(1,369)</b>              | <b>203</b>   | <b>542</b>            | <b>995</b>         | <b>358</b>                                      | <b>483</b> | <b>(13,730)</b> | <b>(13,545)</b>           |
| Recognition in the results for the year | (5,177)  | (1,480)   | 246                         | 155  | 228                   | (154)              | 396   | (8)        | (5,794)         | (5,148)                   |
| Recognition in shareholders' equity     |  |   |                             |  |                       |                    |   | (168)      | (168)           | (163)                     |
| Accumulated translation adjustment      | 52   | 1   |                             | 51   | (55)                  |                    |   | (14)       | 35              |                           |
| Other                                   | 34   | 72  | (17)                        | 88   | (5)                   |                    |   | (162)      | 10              | (1)                       |
|   | <b>(19,583)</b>                                  | <b>(1,857)</b>  | <b>(1,140)</b>              | <b>497</b>   | <b>710</b>            | <b>841</b>         | <b>754</b>                                      | <b>131</b> | <b>(19,647)</b> | <b>(18,857)</b>           |

At December  
31, 2010

|   |                 |                |                |            |            |              |            |           |                 |                 |
|---|-----------------|----------------|----------------|------------|------------|--------------|------------|-----------|-----------------|-----------------|
| Recognition in the results for the year | (1,290)         | (1,314)        | (47)           | (2)        | 85         | 160          | 133        | (98)      | (2,373)         | (2,320)         |
| Recognition in shareholders' equity     |                 |                |                |            |            |              |            | 55        | 55              | 52              |
| Accumulated translation adjustment      | 4               | 1              |                | (56)       | 61         |              |            | 8         | 18              |                 |
| Other                                   | 13              | 43             | (54)           | (11)       | (29)       |              |            | 1         | (37)            | 4               |
| <b>At March 31, 2011</b>                | <b>(20,856)</b> | <b>(3,127)</b> | <b>(1,241)</b> | <b>428</b> | <b>827</b> | <b>1,001</b> | <b>887</b> | <b>97</b> | <b>(21,984)</b> | <b>(21,121)</b> |

|                             |                 |                 |
|-----------------------------|-----------------|-----------------|
| Deferred tax assets         | 6,471           | 2,951           |
| Deferred tax liabilities    | (26,118)        | (21,808)        |
| <b>At December 31, 2010</b> | <b>(19,647)</b> | <b>(18,857)</b> |
| Deferred tax assets         | 6,905           | 3,132           |
| Deferred tax liabilities    | (28,889)        | (24,253)        |
| <b>At March 31, 2011</b>    | <b>(21,984)</b> | <b>(21,121)</b> |

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## Notes to the interim financial statements (Consolidated and Parent Company)

(In millions of reais, except otherwise indicated)

Management considers that the deferred tax assets will be realized in proportion to the realization of the provisions and the final resolution of the future events, both of which are based on projections that have been made.

As of March 31, 2011, the Company had unrecorded tax credits in the amount of R\$ 1,112 (R\$ 1,804 at December 31, 2010) resulting from accumulated tax losses, originating mainly from oil and gas exploration and production activities in the United States in the amount of R\$ 769 (US\$ 472 million), whose statute of limitations is 20 years as from the date of their creation.

### 19.5 Reconciliation of income tax and social contribution on income

The reconciliation of the taxes calculated according to nominal, statutory rates and the amount of taxes recorded are presented as follows:

|  | <b>Consolidated<br/>Jan-Mar 2011</b> | <b>Jan-Mar 2010</b> | <b>Parent Company<br/>Jan-Mar 2011</b> | <b>Jan-Mar 2010</b> |
|--|--------------------------------------|---------------------|--|---------------------|
| Income for the period before taxes and after employee profit sharing | 14,835                               | 10,737              | 13,544                                 | 10,196              |
|  | (5,044)                              | (3,651)             | (4,605)                                | (3,467)             |

Income tax and social contribution  
at statutory rates (34%)

Adjustments for calculation of the  
effective rate:

|  |                |                |                |                |
|--|----------------|----------------|----------------|----------------|
| • Credit resulting from inclusion of interest on shareholders' | 887            | 597            | 887            | 597            |
| • Results of companies abroad with different rates             | 642            | 222            |                |                |
| • Tax incentives   | 20             | 21             | 15             | 13             |
| • Tax losses   | (104)          | (51)           |                |                |
| • Permanent additions, net                                     | (96)           | (152)          | 951            | 293            |
| • Other  | 4              | 74             | 53             | 59             |
| Income tax and social contribution expenses                    | <b>(3,641)</b> | <b>(2,940)</b> | <b>(2,699)</b> | <b>(2,505)</b> |
| Deferred income tax/social contribution                        | (2,374)        | 446            | (2,320)        | 241            |
| Current income tax/social contribution                         | (1,267)        | (3,386)        | (379)          | (2,746)        |
|  | <b>(3,641)</b> | <b>(2,940)</b> | <b>(2,699)</b> | <b>(2,505)</b> |
| Effective rate for income tax and social contribution          | 24.5%          | 27.4%          | 19.9%          | 24.6%          |

(\*) It includes equity accounting.

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## Notes to the interim financial statements (Consolidated and Parent Company)

(In millions of reais, except otherwise indicated)

### 20 Employee benefits

The Company sponsors defined benefit and variable contribution pension plans in Brazil and abroad, and has a health care plan, with defined benefits, that covers the present and retired employees of the companies in Brazil and their dependents.

The changes in the benefits granted to employees is presented as follows:

|                                     | Consolidated | Healthcare plan | Total         | Parent Company |
|-------------------------------------|--------------|-----------------|---------------|----------------|
|                                     | Pension plan |                 |               | Total          |
| <b>Balance at December 31, 2009</b> | <b>4,598</b> | <b>10,774</b>   | <b>15,372</b> | <b>14,270</b>  |
| (+) Costs incurred in the year      | 980          | 1,533           | 2,513         | 2,298          |
| (-) Payment of contributions        | (525)        | (523)           | (1,048)       | (958)          |

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|   |              |               |               |               |
|---|--------------|---------------|---------------|---------------|
| (-) Payment of the financial commitment agreement | (254)        |               | (254)         | (239)         |
| Others  | (4)          | 2             | (2)           |               |
| <b>Balance at December 31, 2010</b>               | <b>4,795</b> | <b>11,786</b> | <b>16,581</b> | <b>15,371</b> |
| <b>Current</b>                                    | 680          | 623           | 1,303         | 1,209         |
| <b>Non-current</b>                                | 4,115        | 11,163        | 15,278        | 14,162        |
|   | <b>4,795</b> | <b>11,786</b> | <b>16,581</b> | <b>15,371</b> |
| (+) Costs incurred in the period                  | 260          | 462           | 722           | 659           |
| (-) Payment of contributions                      | (106)        | (136)         | (242)         | (223)         |
| Others  | (6)          |               | (6)           | 1             |
| <b>Balance at March 31, 2011</b>                  | <b>4,943</b> | <b>12,112</b> | <b>17,055</b> | <b>15,808</b> |
| <b>Current</b>                                    | 725          | 623           | 1,348         | 1,278         |
| <b>Non-current</b>                                | 4,218        | 11,489        | 15,707        | 14,530        |
|   | <b>4,943</b> | <b>12,112</b> | <b>17,055</b> | <b>15,808</b> |

The net expenditure with the pension and healthcare plans includes the following components:

|   | Jan-Mar 2011    |              |            |            | Parent Company |
|---|-----------------|--------------|------------|------------|----------------|
|   | Consolidated    |              |            |            |                |
|   | Pension plan    | Variable     | Healthcare | Total      | Total          |
|   | Defined benefit | contribution | plan       |            |                |
| Current service cost                                    | 97              | 77           | 61         | 235        | 212            |
| Cost of interest:                                       |                 |              |            |            |                |
| · With financial commitment agreement                   | 189             |              |            | 189        | 175            |
| · Actuarial   | 1,359           | 21           | 388        | 1,768      | 1,655          |
| Estimated income from the plan's assets                 | (1,383)         | (9)          |            | (1,392)    | (1,308)        |
| Unrecognized amortization of actuarial (gains) / losses | 1               | 1            | 12         | 14         | 10             |
| Contributions by members                                | (100)           |              |            | (100)      | (93)           |
| Unrecognized past service cost                          | 6               | 2            | 1          | 9          | 8              |
| Others  | (1)             |              |            | (1)        |                |
| <b>Net cost in Jan-Mar 2011</b>                         | <b>168</b>      | <b>92</b>    | <b>462</b> | <b>722</b> | <b>659</b>     |
| Related to present employees:                           |                 |              |            |            |                |
| activities  | 59              | 33           | 89         | 181        | 177            |
| Directly to income                                      | 18              | 57           | 75         | 150        | 122            |
| Related to retired employees                            | 91              | 2            | 298        | 391        | 360            |
| <b>Net cost in Jan-Mar 2011</b>                         | <b>168</b>      | <b>92</b>    | <b>462</b> | <b>722</b> | <b>659</b>     |
| <b>Net cost in Jan-Mar 2010</b>                         | <b>229</b>      | <b>40</b>    | <b>382</b> | <b>651</b> | <b>574</b>     |

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## Notes to the interim financial statements (Consolidated and Parent Company)

(In millions of reais, except otherwise indicated)

At March 31, 2011, the balances of the Financial Commitment Agreements, signed in 2008 by the Company and Petros, totaled R\$ 4,973 (R\$ 4,693 in the Parent Company), on which R\$ 118 (R\$ 111 in the Parent Company) in interest falls due in 2011. On the same date, the Company has long-term National Treasury Notes in the amount of R\$ 4,826 (R\$ 4,588 in the Parent Company), which will be held in the Company's portfolio in guarantee of the financial commitment agreements.

In the first quarter of 2011, the Company's contribution to the defined contribution portion of the Petros 2 plan was R\$ 119 (R\$ 112 in the Parent Company).

## **21 Equity**

### **21.1 Paid in capital**

At March 31, 2011, subscribed and fully paid-in capital amounting to R\$ 205,357 is represented by 7,442,454,142 common shares and 5,602,042,788 preferred shares, all of which are registered, book entry shares with no par value.

### **Capital increase with reserves in 2011**

The Special General Shareholders' Meeting held jointly with the General Shareholders' Meeting on April 28, 2011 approved the capital increase for the Company from R\$ 205,357 to R\$ 205,380, through capitalization of part of the tax incentive profit reserve established in 2010 in the amount of R\$ 23, in compliance with article 35, paragraph 1, of Ordinance 2091/07 of the Government Minister for National Integration. This capitalization was made without issuing new shares, pursuant to article 169, paragraph 1, of Law 6404/76.

### **Amendment of the Bylaws**

The Special General Shareholders' meeting, held on January 31, 2011, approved the amendment of the Company's bylaws as follows:

- a) to amend article 4, main clause, in order to establish that the Company's capital is now reported as being R\$ 205,357, divided into 13,044,496,930 registered, book-entry shares, with no par value, of which 7,442,454,142 are common shares and 5,602,042,788 preferred shares;
- b) to exclude paragraphs 1, 2 and 3 of article 4<sup>th</sup>, in order to remove the limit of authorized capital for common and preferred shares issued by the Company, which, in the terms of Law 6404/76, would permit under certain circumstances an increase in the Company's capital regardless of statutory amendments, through a decision of the Board of Directors;
- c) to insert a new first paragraph in article 4<sup>th</sup>, in order to establish that capital increases through the issuing of shares shall be submitted previously to the decision of the General Shareholders' Meeting;
- d) to renumber as paragraph 2, the current paragraph 4 of article 4<sup>th</sup> ;
- e) to renumber as paragraph 3, the current paragraph 5 of article 4<sup>th</sup> ;

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## **Notes to the interim financial statements (Consolidated and Parent Company)**

*(In millions of reais, except otherwise indicated)*

f) to exclude clause IX of the article, which establishes the jurisdiction for the Board of Directors to decide on capital increases within the authorized limit, since the Company will no longer have authorized capital;

g) to amend clause III of article 40, which defines increases in the capital as jurisdiction of the General Shareholders' Meeting, deleting the exceptions to the hypotheses of authorized capital, which will no longer exist;

h) to exclude article 62, which defines the transitory provisions approved in the Special General Shareholders' Meeting of June 22, 2010.

## 21.2 Dividends

### *a) Dividends – fiscal year 2010*

The Annual General Shareholders' Meeting of April 28, 2011 approved dividends referring to 2010, in the amount of R\$ 11,728, corresponding to 35.50% of the basic profit for dividend purposes and R\$ 1.03 per common and preferred, without distinction, which comprise the capital.

The dividends include interest on shareholders' equity in the total amount of R\$ 10,163, distributed as follows:

| Payment   | Date of approval by Board of Directors | Date shareholder position | Date of payment  | Amount of payment | Gross amount per share (ON and PN) (R\$) |
|---|--|---------------------------|------------------|-------------------|--|
| 1st payment of interest on shareholders' equity | 05.14.2010                             | 05.21.2010                | 05.31.2010       | 1,755             | 0.20                                     |
| 2nd payment of interest on shareholders' equity | 07.16.2010                             | 07.30.2010                | 08.31.2010       | 1,755             | 0.20                                     |
| 3rd payment of interest on shareholders' equity | 10.22.2010                             | 11.01.2010                | 11.30.2010       | 1,826             | 0.14                                     |
| 4th payment of interest on shareholders' equity | 12.10.2010                             | 12.21.2010                | 12.30.2010       | 2,609             | 0.20                                     |
| 5th payment of interest on shareholders' equity | 02.25.2011                             | 03.21.2011                | 31.03.2011       | 2,218             | 0.17                                     |
| Dividends                                       | 02.25.2011                             | 04.28.2011                | Up to 06.27.2011 | 1,565             | 0.12                                     |
|   |  |                           |                  | <b>11,728</b>     | <b>1.03</b>                              |

The portions of the interest on shareholders' equity distributed in advance in 2010 were discounted from the proposed dividends for this year and restated by the SELIC rate from the date of their payment up to December 31, 2010. The dividend is being monetarily restated from December 31, 2010 until payment date, in accordance with the variation of the SELIC rate.

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## Notes to the interim financial statements (Consolidated and Parent Company)

*(In millions of reais, except otherwise indicated)*

### *b) Interest on shareholders' equity – fiscal year 2011*

On April 29, 2011, the Board of Directors approved distribution in advance of remuneration to the shareholders in the form of interest on shareholders' equity in the amount of R\$ 2,609, corresponding to a gross amount of R\$ 0.20 per common or preferred share, to be paid not later than July 30, 2011, based on the shareholding position at May 11, 2011.

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This interest on shareholders' equity should be discounted from the remuneration that is distributed on the closing of fiscal year 2011. The amount will be monetarily restated, according to the variation of the SELIC rate from the date of effective payment until the end of 2011.

The interest on shareholders' capital is subject to the levy of income tax at the rate of 15%, except for shareholders that are declared immune or exempt.

### 21.3 Income per Share

|  | <b>Consolidated<br/>Jan-Mar 2011</b> | <b>Jan-Mar 2010</b> | <b>Parent company<br/>Jan-Mar 2011</b> | <b>Jan-Mar 2010</b> |
|--|--------------------------------------|---------------------|--|---------------------|
| Net income attributable to shareholders of Petrobras                                   | 10,985                               | 7,726               | 10,845                                 | 7,691               |
| Weighted average of the number of common and preferred shares outstanding (No. Shares) | 13,044,496,930                       | 8,774,076,740       | 13,044,496,930                         | 8,774,076,740       |
| Basic and diluted net income per common and preferred share ( R\$ per share)           | 0.84                                 | 0.88                | 0.84                                   | 0.88                |

### 22 Sales revenue

|                            | <b>Consolidated<br/>Jan-Mar 2011</b> | <b>Jan-Mar 2010</b> | <b>Parent company<br/>Jan-Mar 2011</b> | <b>Jan-Mar 2010</b> |
|----------------------------|--------------------------------------|---------------------|--|---------------------|
| <b>Gross sales revenue</b> | 69,163                               | 63,324              | 52,612                                 | 48,247              |
| Sales charges              | (14,363)                             | (12,912)            | (12,515)                               | (11,295)            |
| <b>Sales revenue</b>       | <b>54,800</b>                        | <b>50,412</b>       | <b>40,097</b>                          | <b>36,952</b>       |

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## Notes to the interim financial statements (Consolidated and Parent Company)

*(In millions of reais, except otherwise indicated)*

### 23 Expenses by nature

|   | <b>Consolidado<br/>Jan-Mar 2011</b> | <b>Jan-Mar 2010</b> | <b>Parent Company<br/>Jan-Mar 2011</b> | <b>Jan-Mar 2010</b> |
|---|-------------------------------------|---------------------|--|---------------------|
| Depreciation, depletion and amortization                | (3,559)                             | (3,265)             | (2,627)                                | (2,289)             |
| Expenses with personnel                                 | (4,236)                             | (3,479)             | (3,144)                                | (2,720)             |
| Raw material / products purchased                       | (19,872)                            | (18,852)            | (14,325)                               | (12,781)            |
| Government interest                                     | (6,257)                             | (5,099)             | (6,108)                                | (4,974)             |
| Contracted services, freight, rents and general charges | (4,798)                             | (4,308)             | (2,074)                                | (1,553)             |
|   | <b>(38,722)</b>                     | <b>(35,003)</b>     | <b>(28,278)</b>                        | <b>(24,317)</b>     |
| Cost of goods sold                                      | (34,596)                            | (31,102)            | (24,703)                               | (21,342)            |
| Selling expenses  | (2,116)                             | (2,072)             | (2,251)                                | (1,750)             |
| Administrative and general expenses                     | (2,010)                             | (1,829)             | (1,324)                                | (1,225)             |



(38,722)                      (35,003)                      (28,278)                      (24,317)

**24 Other operating expenses, net**

|   | <b>Consolidated<br/>Jan-Mar<br/>2011</b> | <b>Jan-Mar<br/>2010</b> | <b>Parent Company<br/>Jan-Mar<br/>2011</b> | <b>Jan-Mar<br/>2010</b> |
|---|--|-------------------------|--|-------------------------|
| Unprogrammed stoppages and pre-operating expenditures       | (474)                                    | (122)                   | (240)                                      | (121)                   |
| Healthcare and pension plans                                | (391)                                    | (408)                   | (360)                                      | (384)                   |
| Institutional relations and cultural projects               | (270)                                    | (232)                   | (262)                                      | (223)                   |
| Corporate expenses on security, environment and health care | (196)                                    | (106)                   | (196)                                      | (106)                   |
| Adjustment to market value of inventories                   | (70)                                     | (117)                   | (38)                                       | (3)                     |
| Losses and contingencies with judicial proceedings          | (48)                                     | (1,030)                 | (26)                                       | (1,004)                 |
| Operating expenses with thermoelectric power stations       | (14)                                     | (158)                   | (126)                                      | (232)                   |
| Loss in the recovery value of assets - Impairment           | 1  | (194)                   |  |                         |
| Government subsidies and assistance                         | 61                                       | 194                     | 61   | 194                     |
| Other   | (456)                                    | (72)                    | (485)                                      | (331)                   |
|   | <b>(1,857)</b>                           | <b>(2,245)</b>          | <b>(1,672)</b>                             | <b>(2,210)</b>          |

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## Notes to the interim financial statements (Consolidated and Parent Company)

*(In millions of reais, except otherwise indicated)*

**25 Net financial result**

|  | <b>Consolidated<br/>Jan-Mar 2011</b> | <b>Jan-Mar 2010</b> | <b>Parent Company<br/>Jan-Mar<br/>2011</b> | <b>Jan-Mar<br/>2010</b> |
|--|--------------------------------------|---------------------|--|-------------------------|
| Exchange income (expenses) on cash and cash equivalents  | (114)                                | 84                  | (146)                                      | 41                      |
| Exchange income (expenses) on financing                  | 404                                  | (133)               | 281  | 57                      |
| Exchange income (expenses) on leasing with third parties |                                      | (40)                |  |                         |
| Monetary variation on BNDES financing (*)                | 497                                  | (523)               | 189  | (199)                   |
| <b>Exchange effects on net indebtedness</b>              | <b>787</b>                           | <b>(612)</b>        | <b>324</b>                                 | <b>(101)</b>            |
| <b>Monetary variation on financing</b>                   | <b>(38)</b>                          | <b>(93)</b>         | <b>(36)</b>                                | <b>(72)</b>             |
| Expenses with financing                                  | (1,937)                              | (1,543)             | (1,081)                                    | (1,092)                 |
| Earnings on financial investments                        | 885                                  | 355                 | 665  | 169                     |

|   |              |                |              |                |
|---|--------------|----------------|--------------|----------------|
| Income from government bonds for trading    | 405          |                | 405          |                |
| Net result from FIDC-NP                     |              |                | (249)        | (274)          |
| <b>Net financial expenses</b>               | <b>(647)</b> | <b>(1,188)</b> | <b>(260)</b> | <b>(1,197)</b> |
| <b>Financial result on net indebtedness</b> | <b>102</b>   | <b>(1,893)</b> | <b>28</b>    | <b>(1,370)</b> |
| Capitalized financial charges               | 1,773        | 1,102          | 1,471        | 877            |
| Hedge on sales and financial operations     | (236)        | (84)           | 73           | (5)            |
| Income from securities available for sale   | 181          | 153            | 176          | 150            |
| Income from securities held until maturity  | 74           | 13             | 149          | 43             |
| Other financial expenses and income, net    | (71)         | (120)          | (2)          | 19             |
| Other exchange and monetary variations, net | 199          | 128            | (106)        | 402            |
| <b>Net financial result</b>                 | <b>2,022</b> | <b>(701)</b>   | <b>1,789</b> | <b>116</b>     |
| <b>Financial result <sup>(**)</sup></b>     |              |                |              |                |
| Income                                      | 1,793        | 760            | 1,692        | 912            |
| Expenses                                    | (718)        | (884)          | (86)         | (1,026)        |
| Exchange and monetary variations, net       | 947          | (577)          | 183          | 230            |
|   | <b>2,022</b> | <b>(701)</b>   | <b>1,789</b> | <b>116</b>     |

(\*) Monetary variation on financing in local currency parameterized to the variation of the US dollar.

(\*\*) Pursuant to item 3.06 of the income statement.

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## Notes to the interim financial statements (Consolidated and Parent Company)

(In millions of reais, except otherwise indicated)

### 26 Supplementary information on the statement of cash flows

|  | Consolidated |              | Parent Company |              |
|--|--------------|--------------|----------------|--------------|
|  | Jan-Mar 2011 | Jan-Mar 2010 | Jan-Mar 2011   | Jan-Mar 2010 |
| <b>Additional information on cash flows:</b>                     |              |              |                |              |
| <b>Amounts paid and received during the year</b>                 |              |              |                |              |
| Interest paid, net of capitalized amount                         | 1,673        | 1,633        | 738            | 1,025        |
| Interest received on loans                                       |              |              | 616            | 248          |
| Income tax and social contribution                               | 573          | 1,364        | 2              | 960          |
| Third party income tax withheld at source                        | 933          | 739          | 887            | 667          |
|  | 3,179        | 3,736        | 2,243          | 2,900        |
| <b>Investment and financing transactions not involving cash</b>  |              |              |                |              |
| Acquisition of property, plant and equipment on credit           | 77           | 49           |                |              |
| Acquisition of corporate investments                             |              |              | 526            |              |
| Contracts with transfer of benefits, risks and control of assets |              |              | 174            | 13           |
| Formation of provision for dismantling of areas                  | 5            | 64           |                |              |

## Notes to the interim financial statements (Consolidated and Parent Company)

(In millions of reais, except otherwise indicated)

### 27 Segment reporting

| Assets                        | E&P            | Supply         | Gas & Energy  | Biofuel (*)  | Distribution  | International | Corporate     | Elimination     | Total          |
|-------------------------------|----------------|----------------|---------------|--------------|---------------|---------------|---------------|-----------------|----------------|
| <b>Current</b>                | <b>8,619</b>   | <b>35,498</b>  | <b>3,707</b>  | <b>276</b>   | <b>6,551</b>  | <b>5,906</b>  | <b>71,551</b> | <b>(12,072)</b> | <b>120,036</b> |
| <b>Non-current</b>            | <b>225,566</b> | <b>95,402</b>  | <b>46,304</b> | <b>2,022</b> | <b>5,897</b>  | <b>23,670</b> | <b>26,055</b> | <b>(7)</b>      | <b>424,909</b> |
| Long-term receivables         | 6,018          | 6,277          | 3,045         | 137          | 1,015         | 4,042         | 18,154        | (7)             | 38,681         |
| Investment                    |                | 6,502          | 202           | 1,038        | 20            | 1,312         | 148           |                 | 9,222          |
| Property, plant and equipment | 142,870        | 82,328         | 41,980        | 809          | 4,174         | 15,202        | 6,802         |                 | 294,165        |
| Intangible assets             | 76,678         | 295            | 1,077         | 38           | 688           | 3,114         | 951           |                 | 82,841         |
| <b>03.31.2011</b>             | <b>234,185</b> | <b>130,900</b> | <b>50,011</b> | <b>2,298</b> | <b>12,448</b> | <b>29,576</b> | <b>97,606</b> | <b>(12,079)</b> | <b>544,945</b> |
| <b>Current</b>                | <b>6,133</b>   | <b>28,853</b>  | <b>4,523</b>  | <b>283</b>   | <b>6,580</b>  | <b>5,750</b>  | <b>64,558</b> | <b>(9,995)</b>  | <b>106,685</b> |
| <b>Non-current</b>            | <b>221,468</b> | <b>88,772</b>  | <b>45,652</b> | <b>1,775</b> | <b>5,700</b>  | <b>24,119</b> | <b>25,835</b> | <b>(36)</b>     | <b>413,285</b> |
| Long-term receivables         | 6,268          | 6,024          | 2,829         | 147          | 951           | 4,054         | 18,233        | (36)            | 38,470         |
| Investment                    |                | 6,276          | 295           | 802          | 16            | 1,340         | 150           |                 | 8,879          |
| Property, plant and equipment | 138,519        | 76,186         | 41,262        | 788          | 4,050         | 15,559        | 6,474         |                 | 282,838        |
| Intangible assets             | 76,681         | 286            | 1,266         | 38           | 683           | 3,166         | 978           |                 | 83,098         |
| <b>12.31.2010</b>             | <b>227,601</b> | <b>117,625</b> | <b>50,175</b> | <b>2,058</b> | <b>12,280</b> | <b>29,869</b> | <b>90,393</b> | <b>(10,031)</b> | <b>519,970</b> |

(\*) As from 2011, business dealings with biofuels are presented in their own segment. Previously this information was allocated in the corporate agencies group. To facilitate comparison, we reclassified the information from the previous period.

## Notes to the interim financial statements (Consolidated and Parent Company)

(In millions of reais, except otherwise indicated)

## Jan-Mar 2011

|  | E&P            | Supply         | Gas<br>&<br>Energy | Biofuel(*)  | Distribution  | International | Corporate      | Elimination     | Total          |
|--|----------------|----------------|--------------------|-------------|---------------|---------------|----------------|-----------------|----------------|
| <b>Sales revenue</b>   | <b>28,043</b>  | <b>44,322</b>  | <b>3,825</b>       | <b>202</b>  | <b>16,698</b> | <b>7,273</b>  |                | <b>(45,563)</b> | <b>54,800</b>  |
| Intersegments  | 28,005         | 14,699         | 563                | 160         | 319           | 1,817         |                | (45,563)        |                |
| Third parties  | 38             | 29,623         | 3,262              | 42          | 16,379        | 5,456         |                |                 | 54,800         |
| Cost of goods sold   | (12,210)       | (43,216)       | (2,460)            | (218)       | (15,230)      | (5,472)       |                | 44,210          | (34,596)       |
| <b>Gross profit</b>  | <b>15,833</b>  | <b>1,106</b>   | <b>1,365</b>       | <b>(16)</b> | <b>1,468</b>  | <b>1,801</b>  |                | <b>(1,353)</b>  | <b>20,204</b>  |
| <b>Income (expenses)</b>   | <b>(1,691)</b> | <b>(1,600)</b> | <b>(620)</b>       | <b>(46)</b> | <b>(909)</b>  | <b>(898)</b>  | <b>(1,984)</b> | <b>80</b>       | <b>(7,668)</b> |
| Selling,<br>administrative and<br>general expenses                           | (189)          | (1,243)        | (497)              | (37)        | (912)         | (412)         | (891)          | 55              | (4,126)        |
| Exploration costs<br>for the extraction of<br>oil                            | (858)          |                |                    |             |               | (84)          |                |                 | (942)          |
| Research and<br>development  | (283)          | (88)           | (15)               |             | (2)           |               | (104)          |                 | (492)          |
| Tax  | (21)           | (25)           | (28)               | (1)         | (12)          | (60)          | (104)          |                 | (251)          |
| Other  | (340)          | (244)          | (80)               | (8)         | 17            | (342)         | (885)          | 25              | (1,857)        |
| <b>Income before<br/>financial results,<br/>profit-sharing and<br/>taxes</b> | <b>14,142</b>  | <b>(494)</b>   | <b>745</b>         | <b>(62)</b> | <b>559</b>    | <b>903</b>    | <b>(1,984)</b> | <b>(1,273)</b>  | <b>12,536</b>  |
| Net financial result   |                |                |                    |             |               |               | 2,022          |                 | 2,022          |
| Equity in earnings<br>of investments   |                | 225            | 15                 | 28          |               | 8             | 1              |                 | 277            |
| <b>Income before<br/>profit sharing and<br/>taxes</b>                        | <b>14,142</b>  | <b>(269)</b>   | <b>760</b>         | <b>(34)</b> | <b>559</b>    | <b>911</b>    | <b>39</b>      | <b>(1,273)</b>  | <b>14,835</b>  |
| Income tax/social<br>contribution  | (4,808)        | 168            | (253)              | 21          | (190)         | (67)          | 1,056          | 432             | (3,641)        |
| <b>Net income</b>  | <b>9,334</b>   | <b>(101)</b>   | <b>507</b>         | <b>(13)</b> | <b>369</b>    | <b>844</b>    | <b>1,095</b>   | <b>(841)</b>    | <b>11,194</b>  |
| Result attributable<br>to minority<br>interests                              | (7)            | 6              | 8                  |             |               | (1)           | (215)          |                 | (209)          |
| <b>Net income<br/>attributable to<br/>shareholders of<br/>Petrobras</b>      | <b>9,327</b>   | <b>(95)</b>    | <b>515</b>         | <b>(13)</b> | <b>369</b>    | <b>843</b>    | <b>880</b>     | <b>(841)</b>    | <b>10,985</b>  |

(\*) As from 2011, business dealings with biofuels are presented in their own segment. Previously this information was allocated in the corporate agencies group. To facilitate comparison, we reclassified the information from the previous period.

## Notes to the interim financial statements (Consolidated and Parent Company)

(In millions of reais, except otherwise indicated)

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|  | E&P            | Supply         | Gas<br>&<br>Energy | Biofuel(*)  | Distribution  | International | Corporate      | Elimination     | Total          |
|--|----------------|----------------|--------------------|-------------|---------------|---------------|----------------|-----------------|----------------|
| <b>Sales revenue</b>   | <b>23,389</b>  | <b>41,274</b>  | <b>3,083</b>       | <b>106</b>  | <b>15,300</b> | <b>5,840</b>  |                | <b>(38,580)</b> | <b>50,412</b>  |
| Intersegments  | 23,276         | 13,493         | 326                | 104         | 328           | 1,053         |                | (38,580)        |                |
| Third parties  | 113            | 27,781         | 2,757              | 2           | 14,972        | 4,787         |                |                 | 50,412         |
| Cost of goods sold   | (10,403)       | (37,992)       | (1,782)            | (108)       | (13,962)      | (4,503)       |                | 37,648          | (31,102)       |
| <b>Gross profit</b>  | <b>12,986</b>  | <b>3,282</b>   | <b>1,301</b>       | <b>(2)</b>  | <b>1,338</b>  | <b>1,337</b>  |                | <b>(932)</b>    | <b>19,310</b>  |
| <b>Income (expenses)</b>   | <b>(1,926)</b> | <b>(1,412)</b> | <b>(743)</b>       | <b>(32)</b> | <b>(772)</b>  | <b>(640)</b>  | <b>(2,232)</b> | <b>64</b>       | <b>(7,693)</b> |
| Selling,<br>administrative and<br>general expenses                           | (162)          | (1,251)        | (473)              | (15)        | (797)         | (401)         | (864)          | 62              | (3,901)        |
| Exploration costs<br>for the extraction of<br>oil                            | (876)          |                |                    |             |               | (127)         |                |                 | (1,003)        |
| Research and<br>development  | (203)          | (63)           | (17)               |             | (2)           | (1)           | (105)          |                 | (391)          |
| Tax  | (13)           | (25)           | (11)               |             | (8)           | (42)          | (54)           |                 | (153)          |
| Other  | (672)          | (73)           | (242)              | (17)        | 35            | (69)          | (1,209)        | 2               | (2,245)        |
| <b>Income before<br/>financial results,<br/>profit-sharing and<br/>taxes</b> | <b>11,060</b>  | <b>1,870</b>   | <b>558</b>         | <b>(34)</b> | <b>566</b>    | <b>697</b>    | <b>(2,232)</b> | <b>(868)</b>    | <b>11,617</b>  |
| Net financial result   |                |                |                    |             |               |               | (701)          |                 | (701)          |
| Equity in earnings<br>of investments   |                | (103)          | (38)               |             | (12)          | (5)           | (21)           |                 | (179)          |
| <b>Income before<br/>profit sharing and<br/>taxes</b>                        | <b>11,060</b>  | <b>1,767</b>   | <b>520</b>         | <b>(34)</b> | <b>554</b>    | <b>692</b>    | <b>(2,954)</b> | <b>(868)</b>    | <b>10,737</b>  |
| Income tax/social<br>contribution  | (3,761)        | (636)          | (189)              | 12          | (192)         | (184)         | 1,714          | 296             | (2,940)        |
| <b>Net income</b>  | <b>7,299</b>   | <b>1,131</b>   | <b>331</b>         | <b>(22)</b> | <b>362</b>    | <b>508</b>    | <b>(1,240)</b> | <b>(572)</b>    | <b>7,797</b>   |
| Result attributable<br>to minority interests                                 | 13             | (15)           | (8)                |             |               | (61)          |                |                 | (71)           |
| <b>Net income<br/>attributable to<br/>shareholders of<br/>Petrobras</b>      | <b>7,312</b>   | <b>1,116</b>   | <b>323</b>         |             |               |               |                |                 |                |