

PETROBRAS - PETROLEO BRASILEIRO SA
Form 6-K
February 06, 2013

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

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

For the month of February, 2013

Commission File Number 1-15106

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

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

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

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

Form 20-F Form 40-F

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

Yes No

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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).

Petróleo Brasileiro S.A. - Petrobras

Financial Statements

December 31, 2012 and 2011

(Free translation of the original report in Portuguese)

Petróleo Brasileiro S.A. - Petrobras

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Independent auditor's report

To the Board of Directors and Shareholders

Petróleo Brasileiro S.A. - Petrobras

We have audited the accompanying financial statements of Petróleo Brasileiro S.A. Petrobras ("Company" or "Petrobras"), which comprise the balance sheet as at December 31, 2012 and the statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

We have also audited the accompanying consolidated financial statements of Petróleo Brasileiro S.A. - Petrobras and its subsidiaries ("Consolidated"), which comprise the consolidated balance sheet as at December 31, 2012 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of the parent company financial statements in accordance with accounting practices adopted in Brazil, and for the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and accounting practices adopted in Brazil, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Brazilian and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion on the parent company
financial statements**

In our opinion, the parent company financial statements referred to above present fairly, in all material respects, the financial position of Petróleo Brasileiro S.A. - Petrobras as at December 31, 2012, and its financial performance and its cash flows for the year then ended, in accordance with accounting practices adopted in Brazil.

**Opinion on the consolidated
financial statements**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Petróleo Brasileiro S.A. - Petrobras and its subsidiaries as at December 31, 2012, and their financial performance and their cash flows for the year then ended, in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and accounting practices adopted in Brazil.

Emphasis of matter

As discussed in note 2 to these financial statements, the parent company financial statements have been prepared in accordance with accounting practices adopted in Brazil. In the case of Petróleo Brasileiro S.A. - Petrobras, these practices differ from IFRS applicable to separate financial statements only in relation to the measurement of investments in subsidiaries, associates and jointly-controlled entities based on equity accounting, while IFRS requires measurement based on cost or fair value, and the maintenance of the balances of deferred charges existing as at December 31, 2008, which are being amortized. Our opinion is not qualified in respect of this matter.

Other matters

Audit of prior-year information

The financial statements of the Company for the year ended December 31, 2012, presented for comparison purposes, were audited by another firm of auditors whose report, dated February 9, 2012, expressed an unmodified opinion on those statements.

**Statements of added value, business
segment reporting and social balance**

We have also audited the parent company and consolidated statements of value added for the year ended December 31, 2012, the presentation of which is required by Brazilian Corporation Law for public companies, the consolidated statements of business segment reporting and the consolidated accounting information contained in the social balance, which are the responsibility of the Company's management, considered as supplementary information by IFRS, which does not require the presentation of the statements of value added and social balance. These statements were submitted to the same audit procedures described above and, in our opinion, are fairly presented, in all material respects, in relation to the financial statements taken as a whole.

Rio de Janeiro, February 4, 2013

PricewaterhouseCoopers

Auditores Independentes

CRC 2SP000160/O-5 "F" RJ

/s/

Marcos Donizete Panassol

Contador CRC 1SP155975/O-8 "S" RJ

Petróleo Brasileiro S.A. - Petrobras

Statement of financial position

December 31, 2012 and 2011*(In millions of reais)*

Assets	Note	Consolidated		Parent Company		Liabilities	Note	Consolidated		Parent Company	
		2012	2011	2012	2012			2012	2011	2012	2011
Current assets						Current liabilities					
Cash and cash equivalents	5	27,628	35,747	17,393	18,858	Trade payables	14	24,775	22,252	26,918	22,601
Marketable securities	6	21,316	16,808	23,379	23,625	Current debt	15	15,283	18,884	15,519	12,252
Trade and other receivables, net	7.1	22,681	22,053	17,374	21,068	Current portion of finance lease obligations	16.1	37	82	1,741	1,922
Inventories	8	29,736	28,447	24,908	22,434	Taxes payable	19.1	12,522	10,969	10,518	9,258
Recoverable taxes	19.1	11,387	12,846	8,836	9,372	Dividends payable	22.5	6,154	3,878	6,154	3,878
Advances to suppliers		1,895	1,389	1,682	1,040	Employee short-term benefits (compensation, profit sharing, charges)		4,420	4,742	3,801	4,015
Others		3,459	3,874	2,631	1,647	Pension and medical benefits	20	1,610	1,427	1,518	1,341
						Others		4,819	5,978	1,831	1,669
		118,102	121,164	96,203	98,044			69,620	68,212	68,000	56,936
Non-current assets						Non-current liabilities					
Long-term receivables						Non-current debt	15	180,818	136,405	70,271	43,055
Trade and other receivables, net	7.1	9,075	6,103	8,646	12,843	Finance lease obligations	16.1	176	183	6,021	7,422
	6	359	5,747	288	5,219						

Marketable
securities