

PETROBRAS - PETROLEO BRASILEIRO SA  
Form 6-K  
May 24, 2010

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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, 2010**

**Commission File Number 1-15106**

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

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

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

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

Form 20-F  Form 40-F

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

Yes  No

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**Rio de Janeiro May 14, 2010** Petrobras announces today its consolidated results expressed in millions of Brazilian Reals, for the first time in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). **These are the Company's first financial statements presented in accordance with IFRS.** Information for the first and fourth quarters of 2009 (1Q-2009 and 4Q-2009) has been adjusted retroactive to 01.01.2009.

### Consolidated net income totaled R\$ 7,726 million in 1Q-2010

#### Main Results

		R\$ million		
		1st Quarter		
4Q-2009	1Q10 X 4Q09 (%)	2010	2009	2010 X 2009 (%)
7,438	4	7,726	6,291	23
14,317	5	15,076	13,506	12
347,085	(4)	332,381	285,151	17
2,561	(1)	2,547	2,482	3

#### 1Q-2010 Highlights

Net income increased by 23% over 1Q-2009, mainly due to Brent crude prices, which averaged US\$ 76/bbl (+73% over 1Q-2009), and the recovery of sales volume.

Total oil and gas production moved up by 3% year-on-year. Petrobras began the extended well test (EWT) in the Tiro and Sídon fields in the Santos Basin.

Investments totaled R\$ 17,753 million in the quarter, most of which funded by the Company's strong cash flow, which totaled R\$ 15.5 billion as measured by EBITDA.

Discovery of oil in the post- and pre-salt layers of the Barracuda field in the Campos Basin, and light crude in the Piranema field in the Sergipe Basin. These discoveries are the fruit of Petrobras' strategy of intensifying exploration in areas adjacent to the productive fields in order to take full advantage of existing installations and, consequently, reduce production costs and ensure the rapid start-up of any new volumes discovered.

Sales totaled 3,507 mil (thousand) barrels/day, 3% up on the previous quarter and 7% more than in 1Q09.

Approval of CAPEX of between US\$ 200-220 billion for the 2010-2014 Business Plan.

**Announcement of the Investment and Shareholders Agreement with Odebrecht and Braskem, consolidating holdings in the petrochemical sector.**

[www.petrobras.com.br/ri/english](http://www.petrobras.com.br/ri/english)

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This document may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (Exchange Act) that merely reflect the expectations of the Company's management. Such terms as anticipate, believe, expect, forecast, intend, plan, project, seek, should, along with similar or analogous expressions, are used to identify forward-looking statements. These predictions evidently involve risks and uncertainties, whether foreseen or not by the Company. Therefore, the future results of operations may differ from current expectations, and readers must not base their expectations exclusively on the information presented herein.

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Dear shareholders and investors,

It is with considerable pride that we present Petrobras' first quarterly results in accordance with international financial reporting standards (IFRS). The year over year increase of 23% in net income and 12% in cash flow measured by EBITDA is the result of growing production and higher international prices, and reinforces the soundness our business model.

We continue to increase our output of oil in Brazil, the foundation of our operating and financial results. In the first quarter, production increased by 3% year-on-year. In April we established a monthly production record, 2,032,620 barrels per day, exceeding by 29 mil (thousand) barrels our previous best in September of 2009. The record was largely due to the connection of new wells in Marlim Leste, and to the FPSO Cidade de Vitória, in Golfinho, as well as the beginning of the extended well test (EWT) in the Tiro and Sidon fields. The installation of the EWT less than two years after its discovery of Tiro and Sidon, and the transfer of the FPSO Capixaba de Golfinho to the Parque da Baleias, reflect the range of our opportunities and the flexibility of our portfolio.

On the pre-salt front, we are continuing to concentrate our efforts on the BMS-9 and BMS-11 blocks. We have drilled and tested new wells in Tupi as part of our evaluation of the area. These wells will serve as the basis for the pilot project, which is expected to begin production by year end. These wells have reconfirmed the positive volumes and productivity experienced to date. We have also authorized the construction of eight FPSO-type hulls whose resulting platforms will be installed in the pre-salt area of the Santos Basin, thereby maintaining the development timetable on schedule.

Supported by our strong cash flow, we invested R\$ 17.8 billion in the quarter, with a focus on increasing production capacity and integrating all our energy related activities.

We are passing through a period of crucial importance to our shareholders. In the coming months we will approach the market to increase our capital, to provide Petrobras with the financial resources needed to develop our pre-salt discoveries while expanding as an integrated company. We are fully committed to a fair and transparent operation, respecting all the rights of minority and preferred shareholders and employing best corporate governance practices. We are definitely moving forward to increase our capital, whether or not Congress approves the bill that authorizes the Transfer of Rights with Compensation and the Capitalization. The bill is currently before the Senate and we are hopeful it will be approved in time to complete the capitalization by July.

Our priority is to grow in an integrated manner and with profitability. In order to do so, we rely on a sound resource base that generates substantial cash flow. We also have access to various sources of funding, either through the banks or the capital market, allowing us to grow and invest, maintaining an appropriate capital structure and giving the Company sufficient financial muscle to sustain its expansion. All these steps are underpinned by the absolute certainty that we have one of the best portfolios of projects and opportunities in the world, and that we will invest all our funds with efficiency and discipline, thereby ensuring returns for our shareholders, investors and society as a whole.

## Main items and Consolidated Economic Indicators

		R\$ million			
		1st Quarter			
4Q-2009	1Q10 X 4Q09 (%)		2010	2009	2010 X 2009 (%)
60,866	4	<b>Gross Operating Revenues</b>	63,324	53,636	18
47,696	6	<b>Net Operating Revenues</b>	50,412	42,630	18
18,124	7	<b>Gross Profit</b>	19,310	16,815	15
9,658	20	<b>Operating Profit <sup>1</sup></b>	11,617	10,347	12
111	(732)	<b>Financial Result</b>	(701)	(341)	106
7,438	4	<b>Net Income</b>	7,726	6,291	23
0.85	4	<b>Net Income per Share</b>	0.88	0.72	22
<b>Resultado líquido por segmento de negócio</b>					
5,992	22	<b>Exploration &amp; Production</b>	7,312	2,501	192
1,209	(8)	<b>Supply</b>	1,116	4,639	(76)
163	98	<b>Gas and Energy</b>	323	(142)	(327)
303	19	<b>Distribution</b>	362	227	59
(141)	(417)	<b>International</b>	447	(338)	(232)
251	(603)	<b>Corporate</b>	(1,262)	(1,129)	12
20,077	(12)	<b>Consolidated Investments</b>	17,753	14,380	23
38	-	<b>Gross Margin (%)</b>	38	39	(1)
20	3	<b>Operating Margin (%)</b>	23	24	(1)
16	(1)	<b>Net Margin (%)</b>	15	15	-
14,317	5	<b>EBITDA R\$ million<sup>2</sup></b>	15,076	13,506	12
75	1	<b>Brent (US\$/bbl)</b>	76	44	73
1.74	3	<b>US Dollar Average Price - Sale (R\$)</b>	1.80	2.32	(22)
1.74	2	<b>US Dollar Last Price - Sale (R\$)</b>	1.78	2.32	(23)

## Price Indicators (\*)

		<b>Average Oil Products Realization</b>			
154.82	2	<b>Prices (R\$/bbl)</b>	157.65	163.59	(4)
		<b>Average sale price - Brazil</b>			
70.24	4	<b>Oil (US\$/bbl)</b>	72.92	32.23	126
15.51	(7)	<b>Natural Gas(US\$/bbl)</b>	14.39	31.50	(54)
		<b>Average sale price - International</b>			
64.39	(4)	<b>Oil (US\$/bbl)</b>	62.02	39.21	58
14.36	3	<b>Natural Gas(US\$/bbl)</b>	14.81	12.75	16

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<sup>1</sup> Operating income before financial result, equity balance and taxes.

<sup>2</sup> Operating income before financial result, equity balance + depreciation/amortization.

(\*)Unaudited.

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## 1Q-2010 x 1Q-2009 Results

### Net Income<sup>3</sup>

Consolidated net income totaled R\$ 7,726 million, 23% up on 1Q-2009, reflecting the gains from the sale of oil and oil products, influenced by the recovery of domestic sales volume and the impact of higher commodity prices on export prices. These effects more than offset the reduction in domestic diesel and gasoline prices and the upturn in unit costs, particularly expenses with government take and imports, which were also affected by international prices. Operating expenses climbed by 19%, due to the constitution of provisions for contingencies for legal processes related to the levying of ICMS-RJ (state VAT) on the P-36 platform (R\$ 449 million), the action for damages due to the cancellation of the IPI (federal VAT) credit-premium assignment (R\$ 399 million) and the action for damages arising from the *Plano Cruzado* involving three contracts for the construction of ships (R\$ 79 million). Other contributory factors included estimated impairment losses on assets in Argentina (San Lorenzo Refinery) and the Breitener thermal plant, as well as expenses from the leasing of LNG regasification vessels, which began operating in 3Q-2009

The financial result was negative (R\$ 360 million), reflecting the impact of the exchange variation on foreign assets and the increase in the dollar-denominated debt (R\$ 319 million).

The higher result from relevant interests (R\$ 176 million) was due to provisions for losses on investments in the Pasadena Refinery (R\$ 341 million) in 2009.

Minority interest generated a positive impact of R\$ 360 million, due to the impact of the exchange variation on SPE debt and the exercise of stock options on certain structured projects, as well as the revision of future inflow from financial leasing operations, both at the end of 2009.

Provision for interest on own capital in the 1Q-2010 provided a R\$ 597 million fiscal benefit.

### EBITDA

EBITDA totaled R\$ 15,076 million, 12% up on 1Q-2009, fueled by the increase in the average export price, international sales and higher domestic sales volume. These effects were partially offset by the upturn in unit costs, due to the increased government take, and lower domestic sales prices, caused by the reduction in the price of diesel (15%) and gasoline (5%) in June 2009, in addition to higher operating expenses.

### Investments

First-quarter investments totaled R\$ 17,753 million, most of which went to increasing future oil and gas production capacity, to the refineries, in order to expand capacity and improve fuel quality, and to the Brazilian gas pipeline network, thereby improving distribution and market service.

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<sup>3</sup> For further details, see Appendix 2.

## 1Q-2010 x 4Q-2009 Results

### Net Income

Consolidated net income moved up by 4% over 4Q-2009, reflecting higher oil exports and the upturn in the total average sale price, offset by the higher government take. Operating expenses fell by 9%, due to the write-offs of dry and economically unviable wells (R\$ 620 million), provisions for impairment losses on E&P assets (R\$ 350 million), expenses with institutional relations and cultural projects and unscheduled stoppages (R\$ 261 million), which more than offset the constitution of provisions for contingencies for legal processes related to the levying of ICMS-RJ (state VAT) on the P-36 platform (R\$ 449 million), the action for damages due to the cancellation of the IPI (federal VAT) credit-premium assignment (R\$ 399 million) and the action for damages arising from the *Plano Cruzado* involving three contracts for the construction of ships (R\$ 79 million).

The financial result was negative (R\$ 812 million), reflecting the impact of the exchange variation on foreign assets and the increase in the dollar-denominated debt (R\$ 790 million).

### EBITDA

EBITDA increased by 5% over 4Q-2009, reflecting the impact of higher commodity prices on export prices and the sale price of oil products pegged to international prices, as well as higher export volume and the reduction in operating expenses.

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<sup>4</sup> For further details, see Appendix 3.



**RESULTS BY BUSINESS AREA**

Petrobras operates in an integrated manner, with the greater part of oil and gas production in the exploration and production area being transferred to other Company areas.

When reporting results per business area, transactions with third parties and transfers between business areas are valued in accordance with the internal transfer prices established between the various areas and assessment methodologies based on market parameters.

**EXPLORATION AND PRODUCTION (E&P)**

4Q-2009	1Q10 X 4Q09 (%)	Net Income	1st Quarter		2010 X 2009 (%)
			2010	2009	
5,992	22		7,312	2,501	192

**(1Q-2010 x 4Q-2009):** The increase in net income was due to:

Higher domestic oil sale/transfer prices (4% in US\$/bbl);

Estimated impairment losses in 4Q-2009 (R\$ 550 million);

Lower exploration costs (R\$187 million), chiefly due to the write-off of dry and economically unviable wells.

These effects were partially offset by the 5% reduction in volume of oil transferred, despite the increase in exports (26%) and provisions for contingencies related to the levying of the ICMS/RJ tax on the P-36 platform (R\$ 449 million).

The spread between the average domestic oil sale/transfer price and the average Brent price narrowed from US\$ 4.32/bbl in 4Q-2009 to US\$ 3.32/bbl in 1Q-2010.

**(1Q-2010 x 1Q-2009):** The increase in net income reflected higher domestic oil prices (126% in US\$/bbl), in turn due to the international market appreciation of "heavy versus light crudes, and the 2% upturn in daily oil and LNG production.

These effects were partially offset by the higher government take and provisions for contingencies related to the levying of the ICMS/RJ tax on the P-36 platform (R\$ 449 million).

The spread between the average domestic oil sale/transfer price and the average Brent price fell from US\$ 12.17/bbl in 1Q-2009 to US\$ 3.32/bbl in 1Q-2010.

4Q-2009	1Q10 X 4Q09 (%)	Domestic Production (th. barrels/day) (*)	1st Quarter		
			2010	2009	2010 X 2009 (%)
1,993	-	Oil and NGL	1,985	1,952	2
320	(1)	Natural Gas <sup>5</sup>	317	309	3
<b>2,313</b>	-	<b>Total</b>	<b>2,302</b>	<b>2,261</b>	<b>2</b>

**(1Q-2010 x 4Q-2009):** This variation reflects stable production levels between the two periods.

**(1Q-2010 x 1Q-2009):** Increased output from the P-51 (Marlim Sul), P-53 (Marlim Leste), FPSO-Cidade de Vitória (Golfinho), FPSO-Espírito Santo (Parque das Conchas) and P-54 (Roncador) platforms more than offset the natural decline in the mature fields.

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(\*)Unaudited.

<sup>5</sup> Excludes liquefied gas and includes re-injected gas.

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4Q-2009	1Q10 X 4Q09 (%)	<i>Lifting Cost - country</i> (*)	1st Quarter		
			2010	2009	2010 X 2009 (%)
<b>US\$/barrel:</b>					
9.51	(1)	without government participation	9.40	7.82	20
24.74	(4)	with government participation	23.73	14.69	62
<b>R\$/barrel:</b>					
16.51	3	without government participation	16.95	17.91	(5)
43.04	2	with government participation	43.82	34.24	28

**Lifting Cost Excluding Government Take US\$/barrel**

**(1Q-2010 x 4Q-2009):** Excluding the exchange variation, this indicator remained stable.

**(1Q-2010 x 1Q-2009):** Excluding the exchange variation, the 2% increase in the lifting cost was caused by higher personnel expenses due to the 2009/2010 collective bargaining agreement, non-recurring interventions in the Marlim field and maintenance in the Campos Basin.

**Lifting Cost Including Government Take US\$/barrel**

**(1Q-2010 x 4Q-2009):** Excluding the exchange variation, the lifting cost fell by 3% chiefly due to the decline in the tax rate in the Albacora Leste, Barracuda and Albacora fields, as well as the stable average reference price for local oil, used to determine the government take, which is based on the international price.

**(1Q-2010 x 1Q-2009):** Excluding the exchange variation, the lifting cost increased by 51%, due to the upturn in the reference price for local oil and the increase in the tax rate in the Marlim Sul and Marlim Leste fields.

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(\*)Unaudited.

**REFINING, TRANSPORTATION & MARKETING**

4Q-2009	1Q10 X 4Q09 (%)	Net Income	1st Quarter		
			2010	2009	2010X 2009 (%)
1,209	(8)		1,116	4,639	(76)

**(1Q-2010 x 4Q-2009):** The reduction in net income was due to higher oil acquisition/transfer and oil product import costs (Brent went up by 2% in US\$/bbl) and the depreciation of the Real against the U.S. dollar (3%).

These effects were partially offset by higher average domestic oil product sale prices (2%), reflecting the behavior of those oil products whose prices are pegged to international prices, and reduced losses from investments in the petrochemical sector (R\$ 278 million).

**(1Q-2010 x 1Q-2009):** The reduction in net income reflected higher oil acquisition/transfer and oil product import costs (Brent, up by 73% in US\$/bbl).

These effects were partially offset by the increase in domestic oil product sales volume, chiefly gasoline (24%) and diesel (8%), higher average export prices and the upturn in the domestic price of those oil products whose prices are pegged to international prices, despite the reduction in the price of diesel (15%) and gasoline (5%) in June 2009.

4Q-2009	1Q10 X 4Q09 (%)	Imports and exports (th. barrels/day) (*)	1st Quarter		
			2010	2009	2010 X 2009 (%)
373	(7)	Crude oil imports	347	426	(19)
139	97	Oil products imports	274	140	96
512	21	<b>Import of crude oil and oil products</b>	621	566	10
462	20	Crude oil exports <sup>7</sup>	555	451	23
215	(11)	Oil products exports	192	215	(11)
677	10	<b>Export of crude oil and oil products <sup>6</sup></b>	747	666	12
<b>165</b>	<b>(24)</b>	<b>Net exports (imports) crude oil and oil products</b>	<b>126</b>	<b>100</b>	<b>26</b>
4	50	Other imports	6	4	50
4	(50)	Other exports <sup>6</sup>	2	1	100

**(1Q-2010 x 4Q-2009):** The upturn in oil exports was caused by increased supply due to scheduled stoppages in distillation units in 1Q-2010, especially in Replan.

Oil product imports reflected higher demand for S-50 diesel, due to the agreement to increase the product's availability in metropolitan areas, and for gasoline, thanks to the ethanol shortage in 1Q-2010.

**(1Q-2010 x 1Q-2009):** The increase in exports was caused by higher output and increased supply due to scheduled stoppages in distillation units in 1Q-2010, especially in Replan.

The upturn in imports reflected growing demand for oil products as a result of the economic recovery, led by diesel, thanks to the bringing forward of the grain harvest and the works associated with the Growth Acceleration Program (PAC), and gasoline, whose consumption moved up substantially due to the ethanol shortage in 1Q-2010.

(\*)Unaudited.

<sup>6</sup> Export volumes of oil and oil products include ongoing exports.

<sup>7</sup> Includes oil exports by the Refining, Transportation & Marketing and E&P business areas.

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4Q-2009	1Q10 X 4Q09 (%)	Output Oil products (th. barrels/day) (*)	1st Quarter		
			2010	2009	2010 X 2009 (%)
1,867	(5)	<b>Output Oil products</b>	1,765	1,771	-
1,942	-	<b>Primary Processed Installed Capacity<sup>8</sup></b>	1,942	1,942	-
94	(4)	<b>Use of Installed Capacity (%)</b>	90	91	(1)
78	3	<b>Domestic crude as % of total feedstock processed</b>	80	80	-

4Q-2009	1Q10 X 4Q09 (%)	Processed Feedstock Domestic (Th. barrels/day) (*)	1st Quarter		
			2010	2009	2010 X 2009 (%)
1,833	(5)		1,738	1,759	(1)

**(1Q-2010 x 4Q-2009):** The downturn was caused by the higher number of scheduled stoppages in distillation units, especially in Replan.

**(1Q-2010 x 1Q-2009):** The reduction was caused by the increased number of scheduled stoppages in distillation units.

4Q-2009	1Q10 X 4Q09 (%)	Refining Cost Domestic (*)	1st Quarter		2010 X 2009 (%)
			2010	2009	
3.76	(3)	Refining Cost (US\$/barrel)	3.64	2.58	41
6.54	-	Refining Cost (R\$/barrel)	6.52	5.88	11

**(1Q-2010 x 4Q-2009):** Excluding the exchange variation, refinery costs in dollars remained flat over the previous quarter.

**(1Q-2010 x 1Q-2009):** Excluding the exchange variation, these costs climbed by 13%, due to higher expenses with personnel and third-party maintenance services.

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(\*)Unaudited.

<sup>8</sup> According to the ownership recognized by the ANP.

**GAS & POWER**

4Q-2009	1Q10 X 4Q09 (%)	Net Income	1st Quarter		
			2010	2009	2010 X 2009 (%)
163	98		323	(142)	327

**(1Q-2010 x 4Q-2009):** The upturn in net income was due to the R\$ 175 million increase in costs in 4Q-2009, related to the addendum to the agreement for the supply of natural gas from Bolivia, as well as higher gas sales volume.

Another contributing factor was the signing of new Energy Auction contracts in the regulated contracting environment, and higher energy sales volume in the free contracting environment, in addition to costs from scheduled stoppages in 4Q-2009.

These factors were partially offset by the increase in selling expenses with LNG regasification vessels and provisions for impairment losses.

**(1Q-2010 x 1Q-2009):** The year-on-year improvement was due to the following factors:

Increased fixed revenue from energy auctions (regulated contracting environment);

Higher energy sales (free contracting environment);

Increased hydroelectric reservoir levels, reducing the average energy acquisition cost and increasing sales margins;

The reduction in natural gas import/transfer costs, in line with the behavior of international prices.

These effects were partially offset by the increase in selling expenses with LNG regasification vessels and provisions for impairment losses (R\$ 80 million).

4Q-2009	1Q10 X 4Q09 (%)	Gas Imports (Th. barrels/day) (*)	1st Quarter		
			2010	2009	2010 X 2009 (%)
134	14		152	126	21

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(\*)Unaudited.

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**DISTRIBUTION**

4Q-2009	1Q10 X 4Q09 (%)	Net Income	1st Quarter		
			2010	2009	2010 X 2009 (%)
303	19		362	227	59

**(1Q-2010 x 4Q-2009):** The increase in net income was due to lower expenses from: i) the 2009/2010 collective bargaining agreement (R\$ 32 million); ii) institutional relations and sales promotions (R\$ 50 million); and iii) losses from uncollectable trade notes (R\$ 21 million).

These factors were partially offset by the 6% reduction in sales volume.

The segment recorded a 39.5% share of the fuel distribution market in 1Q-2010, versus 38.6% in the previous quarter.

**(1Q-2010 x 1Q-2009):** The year-on-year upturn in net income was due to the 14% increase in sales margins and the 9% growth in sales volume, despite the consequent increase in SG&A expenses (R\$ 95 million).

The Company's share of the fuel distribution market climbed from 38.8% in 1Q-2009 to 39.5% in 1Q-2010.

## INTERNATIONAL MARKET

		1st Quarter		
		2010		2010X
4Q-2009	1Q10 X 4Q09 (%)	2010	2009	2009 (%)
(141)	(417)	447	(338)	(232)

**(1Q-2010 x 4Q-2009):** The upturn in net income caused by higher sales prices in 1Q-2010, which pushed up gross profit (R\$ 85 million), as well as the reduction in write-offs of dry and economically unviable wells (R\$ 321 million), and lower exploration costs (R\$ 105 million).

**(1Q-2010 x 1Q-2009):** The main events impacting the 1Q10 result were:

Increased gross profit (R\$ 537 million), due to the recovery of commodity prices and higher E&P activities as a result of the operational start-up of the Akpo field in Nigeria in March 2009; and

The constitution of provisions for losses on investments in the USA (R\$ 341 million) in 1Q-2009.

		1st Quarter			
		2010		2010X	
4Q-2009	1Q10 X 4Q09 (%)	2010	2009	2009 (%)	
		<b>Intenational Production (th. barrels/day) (*)</b>			
		<b>Consolidated - International Production</b>			
143	(1)	Oil and NGL	142	114	25
96	(1)	Natural Gas <sup>9</sup>	95	95	-
<b>239</b>	(1)	<b>Total</b>	<b>237</b>	<b>209</b>	13
		<b>Non Consolidated - Internacional Production <sup>10</sup></b>			
<b>9</b>	(11)	<b>Production <sup>10</sup></b>	<b>8</b>	<b>12</b>	(33)
<b>248</b>	(1)	<b>Total International Production</b>	<b>245</b>	<b>221</b>	11

**(1Q-2010 x 4Q-2009):** Consolidated international oil, gas and LNG production remained stable over the previous quarter.

**(1Q-2010 x 1Q-2009):** Consolidated international oil and LNG production moved up due to the start-up of the Akpo field, in Nigeria, in March/09, offset by the reduction in Argentina due to the decline in output from the mature fields in the Neuquina Basin.

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(\*)Unaudited.

<sup>9</sup> Excludes liquefied gas and includes re-injected gas.

<sup>10</sup> Non-consolidated companies in Venezuela.

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		1st Quarter			
4Q-2009	1Q10 X 4Q09 (%)	Lifting Cost - International (US\$/barrel) (*)	2010	2009	2010X 2009 (%)
6.49	(15)		5.50	4.41 <sup>11</sup>	25

**(1Q-2010 x 4Q-2009):** Lower expenses in the Akpo field, in Nigeria, due to the improved operating performance in 1Q-2010, together with lower expenses from third-party services in Argentina and more efficient cost controls in the Tibu field in Colombia.

**(1Q-2010 x 1Q-2009):** Higher expenses in Nigeria, due to the March 2009 start-up of production in the Akpo field, whose operating costs are higher than in the other fields abroad, together with higher costs from third-party services in Argentina, caused by contractual price adjustments and pay rises.

		1st Quarter			
4Q-2009	1Q10 X 4Q09 (%)	Processed feedstock International (th. barrels/day) (*)	2010	2009	2010X 2009 (%)
205	3		212	198	7

**(1Q-2010 x 4Q-2009):** In 1Q-2010, the feedstock processed by refineries abroad climbed by 3%, due to increased refining in Argentina as a result of improved market conditions in 2010.

**(1Q-2010 x 1Q-2009):** Processed feedstock increased by 7%, due to the improved operating performance of the U.S. refinery, thanks to scheduled and unscheduled stoppages in 2009.

		1st Quarter			
4Q-2009	1Q10 X 4Q09 (%)	Oil Products International (*)	2010	2009	2010X 2009 (%)
		(th. barrels/day)			
220	2	Output Oil products	225	220	2
281	-	Primary Processed Installed Capacity(1)	281	281	-
68	5	Use of Installed Capacity (%)	73	69	4

		1st Quarter			
4Q-2009	1Q10 X 4Q09 (%)	Refining Cost International (US\$/barrel) (*)	2010	2009	2010X 2009 (%)

3.07                      8                                      3.32                      4.69 <sup>12</sup>                      (29)

**(1Q-2010 x 4Q-2009):** Increased costs from third-party services in the U.S. as a result of higher expenses from projects and the scheduled stoppage, partially offset by the higher volume of total processed feedstock in the period.

**(1Q-2010 x 1Q-2009):** Reduced expenses from the scheduled stoppage and repairs, combined with the increased volume of processed feedstock at the Pasadena refinery (USA).

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(\*)Unaudited.

<sup>11</sup> Revisions to the lifting cost of the Nigeria unit.

<sup>12</sup> Revisions to the CTOR in the Japanese refinery.

**Sales Volume** thousand barrels/day<sup>(\*)</sup>

4Q-2009	1Q10 X 4Q09 (%)		1st Quarter		
			2010	2009	2010X 2009 (%)
782	(6)	Diesel	733	652	12
366	12	Gasoline	410	328	25
100	4	Fuel Oil	104	103	1
161	(7)	Nafta	149	152	(2)
212	(4)	GLP	203	195	4
82	2	QAV	84	73	15
166	1	Other	168	111	51
<b>1,869</b>	(1)	<b>Total Oil</b>	<b>1,851</b>	<b>1,614</b>	15
		ProductsAlcohol, Nitrogens, Biodiesel and other			
106	(24)		81	84	(4)
247	4	Natural Gas	257	223	15
<b>2,222</b>	(1)	<b>Total domestic market</b>	<b>2,189</b>	<b>1,921</b>	14
682	10	Exports	749	667	12
490	16	International Sales	569	693	(18)
		<b>Total international</b>			
<b>1,172</b>	12	<b>market</b>	<b>1,318</b>	<b>1,360</b>	(3)
<b>3,394</b>	3	<b>Total</b>	<b>3,507</b>	<b>3,281</b>	7

First-quarter domestic sales increased by 14% over 1Q-2009, reflecting sales of the following products:

Diesel oil (increase of 12%) due to the recovery of the economy, higher grain production and increased investments in infrastructure.

Gasoline (increase of 25%) due to the higher utilization of flex-fuel vehicles, as a result of the ethanol shortage at the beginning of 2010, the reduction in the ratio of anhydrous ethanol in the gasoline mix in February 2010, and higher family consumption.

Increased production combined with higher supply due to scheduled stoppages in the refineries in 1Q-2010 pushed oil exports up by 12%.

International sales declined by 18%, chiefly as a result of the 2009 sale of inventories formed in 2008.

**Corporate Overhead (US\$ million) (\*)****1st Quarter**

1Q10 X		2010X		
4Q-2009	4Q09	2010	2009	2009
	(%)			(%)
799	(19)	651	478	36

**(1Q-2010 x 4Q-2009):** Excluding the exchange variation, corporate overhead decreased by 15% over the previous quarter, due to lower expenses with sponsorship, marketing, personnel and data-processing.

**(1Q-2010 x 1Q-2009):** Excluding the exchange variation, corporate overhead climbed by 10%, due to higher personnel and rent expenses.

**(\*)Unaudited.**

**Consolidated Investments**

In compliance with the goals outlined in its strategic plan, Petrobras continues to prioritize investments in the expansion of its oil and natural gas production capacity by investing its own funds and by structuring ventures with strategic partners.

R\$ million					
1st Quarter					
	2010	%	2009	%	Δ %
<b>Own Investments</b>	<b>16,707</b>	<b>94</b>	<b>12,889</b>	<b>90</b>	<b>30</b>
Exploration & Production	7,778	44	7,122	50	9
Supply	5,262	30	2,838	20	85
Gas and Energy	1,629	9	1,447	10	13
International (1)	1,467	8	1,012	7	45
Distribution	116	1	104	1	12
Corporate	455	2	366	2	24
<b>Special Purpose Companies (SPCs) (2)</b>	<b>1,046</b>	<b>6</b>	<b>1,132</b>	<b>8</b>	<b>(8)</b>
<b>Projects under Negotiation</b>	<b>-</b>	<b>-</b>	<b>359</b>	<b>2</b>	<b>-</b>
<b>Total Investments</b>	<b>17,753</b>	<b>100</b>	<b>14,380</b>	<b>100</b>	<b>23</b>
<b>(1) International</b>	<b>1,467</b>	<b>100</b>	<b>1,012</b>	<b>100</b>	<b>45</b>
Exploration & Production	1,398	96	877	87	59
Supply	32	2	71	7	(55)
Gas and Energy	19	1	54	5	(65)
Distribution	12	1	3	-	300
Other	6	-	7	1	(14)
	<b>1,046</b>	<b>100</b>	<b>1,132</b>	<b>100</b>	<b>(8)</b>



**(2) Projects  
Developed by  
SPCs**

Exploration & Production	150	14	211	19	(29)
Supply	157	15	156	14	1
Gas and Energy	739	71	765	67	(3)

In line with its strategic objectives, Petrobras acts in consortiums with other companies as a concessionaire of oil and gas exploration, development and production rights. Currently the Company is a member of 101 consortiums, of which it operates 69.

**Consolidated Debt<sup>13</sup>**

	R\$ million		
	03.31.2010	12.31.2009	%
<b>Short-term Debt</b> <sup>14</sup>	20,695	15,556	33
<b>Long-term Debt</b> <sup>14</sup>	87,502	85,341	3
<b>Total</b>	108,197	100,897	7
<b>Cash and cash equivalents</b>	26,951	29,034	(7)
<b>Net Debt</b> <sup>15</sup>	81,246	71,863	13
<b>Net Debt/(Net Debt + Shareholder's Equity)</b> <sup>14</sup>	32%	30%	2
<b>Total Net Liabilities</b> <sup>16</sup>	339,047	321,273	6
<b>Capital Structure</b>			
<b>(third parties net / total liabilities net)</b>	50%	49%	1

	US\$ million		
	03.31.2010	12.31.2009	%
<b>Short-term Debt</b>	11,620	8,934	30
<b>Long-term Debt</b>	49,131	49,013	-
<b>Total</b>	60,751	57,947	5
<b>Net Debt</b>	45,618	41,272	11

The net debt of the Petrobras System increased by 13% over December 31, 2009, due to funding operations to finance the intensive investment program.

The level of indebtedness, measured by the net debt/EBITDA ratio, increased from 1.21 on December 31, 2009, to 1.35 on March 31, 2009. The portion of the capital structure represented by third parties was 50%.

<sup>13</sup> For further details, see Appendix 6.

<sup>14</sup> Includes contractual commitments related to the transfer of benefits, risks and control of goods (R\$ 704 million on March 31, 2010 and R\$ 739 million on December 31, 2009).

<sup>15</sup> Total Debt (-) Cash and Cash Equivalents

<sup>16</sup> Total Liabilities net from cash/financial investments

**Income Statement Consolidated**

R\$ million			
		1st Quarter	
4Q-2009		2010	2009
60,866	<b>Gross Operating Revenues</b>	63,324	53,636
(13,170)	Sales Deductions	(12,912)	(11,006)
47,696	<b>Net Operating Revenues</b>	50,412	42,630
(29,572)	Cost of Goods Sold	(31,102)	(25,815)
18,124	<b>Gross profit</b>	19,310	16,815
	<b>Operating Expenses</b>		
(1,786)	Sales	(2,072)	(1,865)
(1,858)	General and Administratives	(1,829)	(1,749)
(1,623)	Exploratory Cost	(1,003)	(934)
(544)	Losses on recovery of assets	(194)	-
(243)	Research & Development	(391)	(336)
(223)	Taxes	(153)	(151)
(342)	Pension and Health Plan	(408)	(371)
(1,847)	Other	(1,643)	(1,062)
(8,466)		(7,693)	(6,468)
	<b>Operating Income before Financial Result and Participation in</b>		
9,658	<b>Equity Income</b>	11,617	10,347
	<b>Net Financial Expenses</b>		
911	Income	760	786
(1,256)	Expenses	(884)	(652)
538	Net Monetary Variation	(571)	(117)
(82)	Net Exchange Variation	(6)	(358)
111		(701)	(341)
(8,355)		(8,394)	(6,809)
(422)	Participation in Equity Income	(179)	(355)
9,347	<b>Operating Profit</b>	10,737	9,651
(2,177)	Income Tax & Social Contribution	(2,940)	(2,929)
<b>7,170</b>	<b>Net Income</b>	<b>7,797</b>	<b>6,722</b>
268	Income attributable to minority interests	(71)	(431)
	<b>Net Income attributable to shareholders of</b>		
<b>7,438</b>	<b>Petrobras</b>	<b>7,726</b>	<b>6,291</b>



**Balance Sheet Consolidated**

Assets	R\$ million	
	03.31.2010	12.31.2009
<b>Current Assets</b>	<b>74,459</b>	<b>74,374</b>
Cash and Cash Equivalents	26,951	29,034
Accounts Receivable	16,200	14,062
Inventories	20,031	19,448
Marketable Securities	256	124
Taxes Recoverable	6,546	7,023
Other	4,475	4,683
<b>Non Current Assets</b>	<b>291,539</b>	<b>275,933</b>
<b>Long-term Assets</b>	<b>37,083</b>	<b>34,923</b>
Petroleum & Alcohol Account	817	817
Marketable Securities	4,726	4,639
Deferred Taxes and Social Contribution	18,221	16,231
Prepaid Expenses	1,448	1,432
Accounts Receivable	3,156	3,288
Deposits - Legal Matters	2,123	1,989
Other	6,592	6,527
<b>Investments</b>	<b>5,677</b>	<b>5,660</b>
<b>Fixed Assets</b>	<b>240,385</b>	<b>227,079</b>
<b>Intangible</b>	<b>8,394</b>	<b>8,271</b>
<b>Total Assets</b>	<b>365,998</b>	<b>350,307</b>

Liabilities	R\$ million	
	03.31.2010	12.31.2009
<b>Current Liabilities</b>	<b>60,148</b>	<b>54,829</b>
Short-term Debt	20,335	15,166
Suppliers	16,191	17,082
Taxes and Social Contribution	9,842	10,590
Project Finance	274	212
Pension and Health Plan	1,253	1,208
Dividends	3,984	2,333
Salaries, Benefits and Charges	2,230	2,304
Other	6,039	5,934
<b>Non Current Liabilities</b>	<b>132,618</b>	<b>128,364</b>

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Long-term Debt	87,158	84,992
Pension Plan	4,049	3,956
Health Plan	10,478	10,208
Deferred Taxes and Social Contribution	21,289	20,458
Provision for well abandonment	4,701	4,791
Deferred Income	112	231
Other	4,831	3,728
<b>Shareholders Equity</b>	<b>170,299</b>	<b>164,204</b>
Capital Stock	78,967	78,967
Reserves/Net Income	91,332	85,237
<b>Minority Interest</b>	<b>2,933</b>	<b>2,910</b>
<b>Total Liabilities</b>	<b>365,998</b>	<b>350,307</b>

## Statement of Cash Flow Consolidated

R\$ million			
		1st Quarter	
4Q-2009		2010	2009
<b>7,438</b>	<b>Net Income</b>	<b>7,726</b>	<b>6,291</b>
6,262	(+) Adjustments	1,950	6,112
4,115	Depreciation & Amortization	3,265	3,159
110	Charges on Financing and Connected Companies	1,116	164
(268)	Minority interest	71	431
421	Result of Equity Income	179	355
1,601	Income Tax and deferred contributions	(446)	540
(895)	Inventory Variation	(563)	1,820
(26)	Accounts Receivable Variation	(2,062)	142
1,552	Supplier Variation	(837)	(1,000)
205	Pension and Health Plan Variation	600	265
(2,331)	Tax Variation	(1,077)	336
1,244	Write-off of dry wells	632	562
593	Impairment	310	244
(59)	Other Adjustments	762	(906)
<b>13,700</b>	<b>(=) Cash Generated by Operating Activities</b>	<b>9,676</b>	<b>12,403</b>
<b>(19,658)</b>	<b>(-) Cash used in Investment Activities</b>	<b>(16,013)</b>	<b>(14,427)</b>
(8,100)	Investment in E&P	(7,286)	(7,035)
(6,267)	Investment in Refining and Transportation	(4,934)	(4,190)
(3,377)	Investment in Gas and Energy	(2,294)	(1,816)
(222)	Investments in Distribution	(90)	(102)
(1,158)	Investment in International Segment	(1,395)	(951)
(534)	Other investments	(14)	(333)
<b>(5,958)</b>	<b>(=) Free cash flow</b>	<b>(6,337)</b>	<b>(2,024)</b>
<b>4,475</b>	<b>(-) Cash used in Financing Activities</b>	<b>4,188</b>	<b>5,599</b>
10,080	Financing	4,212	5,610
(5,605)	Dividends	(24)	(11)
207	(+) FX effect in cash and cash equivalents	66	102
<b>(1,276)</b>	<b>(=) Cash generated in the period</b>	<b>(2,083)</b>	<b>3,677</b>

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30,310	Cash at the Beginning of Period	29,034	16,099
29,034	Cash at the End of Period	26,951	19,776



**Statement of Added Value Consolidated**

	R\$ million	
	1st Quarter	
	2010	2009
<b>Revenue</b>		
Sale of products and services <sup>17</sup>	64,485	54,439
Assets construction	16,136	11,559
	80,621	65,998
<b>Materials acquisitions from third parties</b>		
Raw Materials Used	(9,738)	(8,491)
Products for Resale	(9,114)	(5,076)
Energy, Services & Other	(16,698)	(15,033)
Tax	(5,322)	(3,876)
Impairment	(310)	(244)
	(41,182)	(32,720)
<b>Gross Added Value</b>	39,439	33,278
<b>Retentions</b>		
Depreciation & Amortization	(3,265)	(3,159)
<b>Net Added Value produced by company</b>	36,174	30,119
<b>Added Value Received</b>		
Equity Income Result	(179)	(355)
Financial Revenue - including monetary and exchange variation	760	786
Rent and Royalties and other	335	661
	916	1,092
<b>Added Value to Distribute</b>	<b>37,090</b>	<b>31,211</b>
<b>Distribution of Added Value</b>		
<b>Personnel and administratives</b>		
<b>Salaries/Sharing Profit</b>		
Salaries	2,910	2,396
<b>Benefits</b>		
Advantages	175	177
Health, Retirement and Pension Plan	758	595
<b>FGTS</b>	192	175
	4,035	3,343

**Tax**

Federal Government	13,016	10,359
States	6,098	5,772
Municipal	60	46
Foreign states	1,341	1,275
	20,515	17,452

**Financial Institutions and Suppliers**

Interest, FX Rate and Monetary Variation	2,576	1,204
Rent and freight expenses	2,167	2,490
	4,743	3,694

**Shareholders**

Interest on Own Capital	1,755	-
Minority Interest	71	431
Retained Earnings	5,971	6,291
	7,797	6,722

<b>Distributed Added Value</b>	<b>37,090</b>	<b>31,211</b>
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<sup>17</sup> Net of provisions for Doubtful Accounts.

Consolidated Statement by Business Area<sup>18 19</sup> - Jan- Mar 2010

	R\$ MILLION							
	GAS							
	E&P	SUPPLY	ENERGY	DISTRIB.	INTERN.	CORPOR.	ELIMIN.	TOTAL
<b>Net Operating Revenues</b>	<b>23,389</b>	<b>41,274</b>	<b>3,083</b>	<b>15,300</b>	<b>5,840</b>	-	<b>(38,474)</b>	<b>50,412</b>
Intersegments	23,276	13,491	326	328	1,053	-	(38,474)	-
Third Parties	113	27,783	2,757	14,972	4,787	-	-	50,412
Cost of Goods Sold	(10,403)	(37,992)	(1,782)	(13,962)	(4,503)	-	37,540	(31,102)
<b>Gross Profit</b>	<b>12,986</b>	<b>3,282</b>	<b>1,301</b>	<b>1,338</b>	<b>1,337</b>	-	<b>(934)</b>	<b>19,310</b>
<b>Operating Expenses</b>	<b>(1,926)</b>	<b>(1,412)</b>	<b>(743)</b>	<b>(772)</b>	<b>(640)</b>	<b>(2,266)</b>	<b>66</b>	<b>(7,693)</b>
Sales, General & Administrative	(162)	(1,251)	(473)	(797)	(401)	(864)	47	(3,901)
Taxes	(13)	(25)	(11)	(8)	(42)	(54)	-	(153)
Exploratory Costs	(876)	-	-	-	(127)	-	-	(1,003)
Loss on recovery assets	-	-	(80)	-	(114)	-	-	(194)
Research & Development	(203)	(63)	(17)	(2)	(1)	(105)	-	(391)
Health and Pension Plans	-	-	-	-	-	(408)	-	(408)
Other	(672)	(73)	(162)	35	45	(835)	19	(1,643)
<b>Operating Profit (Loss)</b>	<b>11,060</b>	<b>1,870</b>	<b>558</b>	<b>566</b>	<b>697</b>	<b>(2,266)</b>	<b>(868)</b>	<b>11,617</b>
Net of Interest Income (Expenses)	-	-	-	-	-	(701)	-	(701)
Equity Income	-	(103)	(38)	(12)	(5)	(21)	-	(179)
<b>Income (Loss) Before Taxes and Minority Interests</b>	<b>11,060</b>	<b>1,767</b>	<b>520</b>	<b>554</b>	<b>692</b>	<b>(2,988)</b>	<b>(868)</b>	<b>10,737</b>
Income Tax & Social Contribution	(3,761)	(636)	(189)	(192)	(184)	1,726	296	(2,940)
	13	(15)	(8)	-	(61)	-	-	(71)

Minority Interests								
<b>Net Income (Loss)</b>	<b>7,312</b>	<b>1,116</b>	<b>323</b>	<b>362</b>	<b>447</b>	<b>(1,262)</b>	<b>(572)</b>	<b>7,726</b>

**Consolidated Statement by Business Area** <sup>18 19</sup> - Jan- Mar 2010

	R\$ MILLION							
	GAS							
	E&P	SUPPLY	ENERGY	DISTRIB.	INTERN.	CORPOR.	ELIMIN.	TOTAL
<b>Net Operating Revenues</b>	<b>13,903</b>	<b>34,199</b>	<b>3,259</b>	<b>13,858</b>	<b>4,640</b>	-	<b>(27,229)</b>	<b>42,630</b>
Intersegments	13,556	12,289	545	465	374	-	(27,229)	-
Third Parties	347	21,910	2,714	13,393	4,266	-	-	42,630
Cost of Goods Sold	(8,793)	(25,483)	(2,884)	(12,784)	(3,840)	-	27,969	(25,815)
<b>Gross Profit</b>	<b>5,110</b>	<b>8,716</b>	<b>375</b>	<b>1,074</b>	<b>800</b>	-	<b>740</b>	<b>16,815</b>
<b>Operating Expenses</b>	<b>(1,352)</b>	<b>(1,516)</b>	<b>(495)</b>	<b>(687)</b>	<b>(752)</b>	<b>(1,732)</b>	<b>66</b>	<b>(6,468)</b>
Sales, General & Administrative	(182)	(1,268)	(246)	(702)	(477)	(805)	66	(3,614)
Taxes	(20)	(27)	(22)	(6)	(30)	(46)	-	(151)
Exploratory Costs	(781)	-	-	-	(153)	-	-	(934)
Research & Development	(149)	(80)	(8)	(4)	(1)	(94)	-	(336)
Health and Pension Plan	-	-	-	-	-	(371)	-	(371)
Other	(220)	(141)	(219)	25	(91)	(416)	-	(1,062)
<b>Operating Profit (Loss)</b>	<b>3,758</b>	<b>7,200</b>	<b>(120)</b>	<b>387</b>	<b>48</b>	<b>(1,732)</b>	<b>806</b>	<b>10,347</b>
Net of Interest Income (Expenses)	-	-	-	-	-	(341)	-	(341)
Equity Income	-	(38)	58	(28)	(335)	(12)	-	(355)
<b>Income (Loss) Before Taxes and Minority Interests</b>	<b>3,758</b>	<b>7,162</b>	<b>(62)</b>	<b>359</b>	<b>(287)</b>	<b>(2,085)</b>	<b>806</b>	<b>9,651</b>
Income Tax & Social Contribution	(1,277)	(2,449)	41	(132)	(28)	1,189	(273)	(2,929)

Minority Interest	20	(74)	(121)	-	(23)	(233)	-	(431)
<b>Net Income (Loss)</b>	<b>2,501</b>	<b>4,639</b>	<b>(142)</b>	<b>227</b>	<b>(338)</b>	<b>(1,129)</b>	<b>533</b>	<b>6,291</b>
1617								

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<sup>18</sup> Biofuel results are included in the corporate group.

<sup>19</sup> The segmented information for 2010 and 2009 was prepared considering the changes to the business areas, due to the transfer of management of the Fertilizer business from Refining, Transportation & Marketing to Gas & Power.

EBITDA<sup>20</sup> Consolidated Statement by Business Area - Jan - Mar 2010<sup>21, 22</sup>

	R\$ MILLION							
	GAS							
	E&P	SUPPLY	ENERGY	DISTRIB.	INTERN.	CORPOR.	ELIMIN.	TOTAL
<b>Operating Profit</b>	11,060	1,870	558	566	697	(2,266)	(868)	11,617
<b>Depreciation / Amortization</b>	2,005	354	239	89	448	130	-	3,265
<b>Impairment</b>	-	-	80	-	114	-	-	194
<b>EBITDA</b>	<b>13,065</b>	<b>2,224</b>	<b>877</b>	<b>655</b>	<b>1,259</b>	<b>(2,136)</b>	<b>(868)</b>	<b>15,076</b>

Statement of Other Operating Income (Expenses) - Jan-Mar 2010<sup>21, 22</sup>

	R\$ MILLION							
	GAS							
	E&P	SUPPLY	ENERGY	DISTRIB.	INTERN.	CORPOR.	ELIMIN.	TOTAL
<b>Losses and Contingencies related to Lawsuit</b>	(460)	(10)	(8)	(8)	(6)	(538)	-	(1,030)
<b>Institutional relations and cultural projects</b>	(16)	(10)	(5)	(9)	-	(192)	-	(232)
<b>Operational expenses with thermoelectric</b>	-	-	(158)	-	-	-	-	(158)
<b>Non programmed stoppages in installations and production equipment</b>	(92)	(6)	(24)	-	-	-	-	(122)
<b>Inventory adjustment</b>	-	(17)	-	-	(100)	-	-	(117)
<b>HSE Expenses</b>	(21)	(12)	(1)	-	-	(50)	-	(84)
<b>Incentive, Donations and Governmental Subvention</b>	29	157	5	-	-	-	-	191

<b>Others</b>	(112)	(175)	29	52	151	(55)	19	(91)
	<b>(672)</b>	<b>(73)</b>	<b>(162)</b>	<b>35</b>	<b>45</b>	<b>(835)</b>	<b>19</b>	<b>(1,643)</b>

**Statement of Other Operating Income (Expenses) - Jan-Mar 2009 <sup>21, 22</sup>**

**R\$ MILLION**