

PETROBRAS - PETROLEO BRASILEIRO SA
Form 6-K
August 07, 2015

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 August, 2015

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

FIRST HALF OF 2015 RESULTS

Reviewed by independent auditors, stated in millions of U.S. dollars, prepared in accordance with International Financial Reporting Standards - IFRS issued by the International Accounting Standards Board - IASB.

Rio de Janeiro – August 6, 2015

Net income was US\$ 2,033 million in the 1H-2015, 55% lower than in the 1H-2014.

Operating income was US\$ 7,745 million in the 1H-2015, 8% higher than in the 1H-2014.

Adjusted EBITDA was US\$ 13,951 million in the 1H-2015, 4% higher than in the 1H-2014.

Jan-Jun

2,033	4,505	(55)	Consolidated net income (loss) attributable to the shareholders of Petrobras	171	1,862	(91)	2,225
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7,745	7,172	8	Operating income	3,087	4,658	(34)	3,969
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13,951	13,355	4	Adjusted EBITDA	6,435	7,516	(14)	7,287
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Net income was US\$ 2,033 million in the 1H-2015, 55% lower than in the 1H-2014 due to higher net finance expenses and to the recognition of tax expenses with respect to the tax on financial operations (*Imposto sobre Operações Financeiras - IOF*), partially offset by a higher operating income (8%), resulting from higher margins in sales of oil products in the domestic market and increased crude oil export volumes driven by a 9% increase in domestic crude oil production, despite the decrease in domestic demand for oil products.

Key events in the 1H-2015:

- Higher domestic crude oil and NGL production (9%, 183 thousand barrels/day);
- Higher crude oil export volumes (107%, 178 thousand barrels/day);
- Lower domestic demand for oil products (7%, 168 thousand barrels/day);
- Lower import and production taxes costs;
- Reversal of an allowance for impairment of receivables from companies in the northern Brazil isolated electricity system in March 2015 (US\$ 452 million);
- Higher net finance expense, amounting to US\$ 3,932 million, mainly due to foreign exchange variation losses and to higher interest expense, attributable to an increase in the Company's debt and a decrease in the level of capitalized borrowing costs; and
- Brazilian income taxes on income of companies incorporated abroad (US\$ 357 million).

Key events in the 2Q-2015:

- Lower domestic crude oil and NGL production (2%, 38 thousand barrels/day);
- Higher crude oil export volumes (44%, 124 thousand barrels/day);
- Domestic oil product production increased (7%, 134 thousand barrels/day) and feedstock processed was higher (6%, 109 thousand barrels/day), maintaining an 86% share of domestic oil used for feedstock processing;
- The Company received US\$ 84 million related to insurance proceeds with respect to an incident in Chinook field (U.S.) in 2011;
- The Company received US\$ 51 million related to amounts recovered by the Brazilian Public Prosecutor's Office in the context of the "Lava Jato" (Car Wash) Investigation;
- The Company recognized tax expenses of US\$ 1,280 million (including interest paid and after taxes) with respect to the tax on financial operations (*Imposto sobre Operações Financeiras - IOF*); and
- Impairment losses of US\$ 418 million were recognized with respect to Gas & Power, Refining, Transportation and Marketing and Exploration and Production assets, attributable to

projects removed from the 2015-19 Business and Management Plan investment portfolio.

FINANCIAL AND OPERATING HIGHLIGHTS

Main Items and Consolidated Economic Indicators

Jan-Jun

			Results and investments				
51,988	71,404	(27)	Sales revenues	26,021	25,967	–	36,910

16,147	16,546	(2)	Gross profit	8,320	7,827	6	8,440
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7,745	7,172	8	Net income (loss) before finance income (expense), share of earnings in equity-accounted investments, profit sharing and income taxes	3,087	4,658	(34)	3,969
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(3,932)	(495)	(694)	Net finance income (expense)	(1,969)	(1,963)	–	(422)
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2,033	4,505	(55)	Consolidated net income (loss) attributable to the shareholders of Petrobras	171	1,862	(91)	2,225
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0.16	0.35	(54)	Basic and diluted earnings (losses) per share ¹	0.02	0.14	(86)	0.18
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13,951	13,355	4	Adjusted EBITDA –	6,435	7,516	(14)	7,287
			U.S.\$ million ²				

31	23	8	Gross margin (%) ³	32	30	2	23
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15	10	5	Operating margin (%)	³ 12	18	(6)	11
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4 6 (2) **Net margin (%)** ³ 1 7 (6) 6

12,201	18,090	(33)	Capital expenditures and investments	5,968	6,233	(4)	9,382
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Jan-Jun

			Net income (loss) before finance income (expense), share of earnings in equity-accounted investments, profit sharing and income taxes				
5,860	(5,793)	201	. Refining, Transportation and Marketing	2,595	3,265	(21)	(2,653)

4,504	14,255	(68)	. Exploration & Production	2,798	1,706	64	7,384
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599 627 (4) . **Gas & Power** (135) 734 (118) 359

398 652 (39) . **Distribution** 100 298 (66) 332

373	485	(23)	. International	233	140	66	293
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(35) (60) 42 . **Biofuel** (21) (14) (50) (32)

(3,415) (2,639) (29) . **Corporate** (1,944) (1,471) (32) (1,209)

Jan-Jun

			Financial and economic indicators				
75.34	98.72	(24)	Domestic basic oil products price (U.S.\$/bbl)	72.91	77.80	(6)	101.08

57.95	108.93	(47)	Brent crude (U.S.\$/bbl)	61.92	53.97	15	109.63
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