

BRAZILIAN PETROLEUM CORP
Form 6-K
April 12, 2004

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 April, 2004

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
20035-900 - 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

Petrobras adopts FIN 46 in its December 31 2003 Financial Statements in USGAAP

(Rio de Janeiro, April 12, 2004). PETRÓLEO BRASILEIRO S/A - PETROBRAS, [Bovespa: PETR3/PETR4, NYSE: PBR/PBRA, Latibex: XPBR/XPBRA], a Brazilian international energy company, announces that it has adopted FIN 46 Consolidation of Variable Interest Entities, issued by the Financial Accounting Standards Board (FASB), in the preparation of its December 31, 2003 financial statements in US GAAP. Under the new FASB ruling, these financial statements, to be released today, will consolidate all the Company's Special Purpose Entities.

As a result, the provision of R\$1,480 million, announced on January 19 in the Company's financial statements prepared in accordance with Brazilian accounting practices for the fiscal year 2003, does not appear in the financial statements prepared according to US GAAP for the same period.

Petrobras is the principal beneficiary of the results of certain SPEs for which the Company assumed the energy market risk. Under the terms and definitions of FIN 46, the Company has adopted procedures for consolidating its respective assets and liabilities, the result of this being an increase in fixed assets of US\$ 1.142 million and a corresponding increase in long-term liabilities of the same amount.

The adoption of the FIN 46 ruling has also resulted in other accounting adjustments with respect to other SPEs, such adjustments however, not resulting in any significant changes in the Company's financial statements.

For this reason, no additional liability need be recognized for future payments relating to agreements with the SPEs. With the adoption of FIN 46 procedures, from now on the Company will recognize any profits or losses on the thermoelectric power plant operations in its income statement as and when they occur.

<http://www.petrobras.com.br/ri/english>

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This document may contain forecasts 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 such forecasts. 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.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: April 12, 2004

PETRÓLEO BRASILEIRO
S.A--PETROBRAS

By: */s/* José Sergio Gabrielli de
Azevedo

**José Sergio Gabrielli de
Azevedo
Chief Financial Officer
and Investor Relations
Director**

FORWARD-LOOKING STATEMENTS

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