

PETROBRAS ENERGIA PARTICIPACIONES SA

Form 20-F/A

July 09, 2004

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The following item was subject of a Form 12b-25 and is included herein: Item 18

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 20-F/A

(Amendment No. 1)

**ANNUAL REPORT PURSUANT TO SECTION 13
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended: December 31, 2003

Commission file number 333-11130

PETROBRAS ENERGÍA PARTICIPACIONES S.A.

(Exact name of Registrant as specified in its charter)

N/A

(Translation of Registrant's name into English)

REPUBLIC OF ARGENTINA

(Jurisdiction of incorporation of organization)

**Maipú 1, 22nd Floor
(C1084ABA) Buenos Aires
Argentina**

(Address of principal executive offices)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each Class

Name of Each Exchange On Which Registered

American Depositary Shares, each representing 10 Class B shares

New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

The number of outstanding shares of each of the issuer's classes of capital or common stock as of December 31, 2003 was:

Class B Ordinary Shares, par value Ps.1.00 per share.....2,132,043,387

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days:

Yes No

Indicate by check mark which financial statement item the Registrant has elected to follow:

Item 17 Item 18

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EXPLANATORY NOTE

This Amendment No. 1 to our annual report on Form 20-F for the fiscal year ended December 31, 2003 filed on June 30, 2004, or Amendment No. 1, is being filed solely for the purpose of amending Item 18. We did not file as part of the original filing of our Form 20-F the portion of Item 18 containing the financial statements of Compañía de Inversiones de Energía S.A., which we refer to as CIESA, a company of which we held 50% of the share capital as of December 31, 2003 and over which we exercised joint control, for the fiscal years ended December 31, 2003, 2002 and 2001. CIESA's financial statements were not included in a timely manner with the financial statements filed as part of our original filing because the information necessary could not be compiled in the form and manner required within the prescribed time period without unreasonable effort and expense. The other portions of Item 18, mainly our audited consolidated financial statements for the fiscal years ended December 2003, 2002 and 2001 and the required audit reports thereon, were filed as part of our original filing and are being refilled as part of this Amendment No. 1, without change.

This Amendment No. 1 consists of a cover page, this explanatory note, Item 18 (as amended), the signature page and the required certifications of our chief executive officer and the chief financial officer.

Other than for the purpose of including the financial statements of CIESA referred to above, this Amendment No. 1 does not, and does not purport to, amend, update or restate the information in any other item of the annual report on Form 20-F filed on June 30, 2004 or reflect any events that have occurred after the annual report on Form 20-F was filed on June 30, 2004.

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Item 18. FINANCIAL STATEMENTS

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SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

PETROBRAS ENERGÍA PARTICIPACIONES
S.A.

By: /s/ Alberto Guimarães
Name: Alberto Guimarães
Title: Chief Executive Officer

By: /s/ Luis Miguel Sas
Name: Luis Miguel Sas
Title: Chief Financial Officer

Date: July 8, 2004

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of
Petrobras Energía Participaciones S.A.:

1. We have audited the accompanying consolidated balance sheets of Petrobras Energía Participaciones S.A. (an Argentine Corporation) and its subsidiaries as of December 31, 2003 and 2002, and the related consolidated statements of income, changes in shareholders' equity and cash flows for each of the three years in the period ended December 31, 2003. Those financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on those financial statements based on our audits.
2. The financial statements of the affiliates Compañía Inversora en Transmisión Eléctrica Citelec S.A., Compañía de Inversiones de Energía S.A. and Transportadora de Gas del Sur S.A. as of and for the years ended December 31, 2003 and 2001 and the financial statements of the affiliate Distrilec Inversora S.A. as of and for the year ended December 31, 2003, have been audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those affiliates, is based on the reports of the other auditors. Those financial statements, for the affiliates which have been proportionally consolidated, reflect assets constituting 27% as of December 31, 2003, and net sales constituting 16% for 2003 and 12 % for 2001 of the Company's respective consolidated totals, and the Company's investment and equity in the net income of the other affiliates is stated at Argentine pesos 325,000,000 as of December 31, 2003 and Argentine pesos 139,000,000 for 2003 and 29,000,000 for 2001. Certain reports of other auditors include a paragraph referring to going concern uncertainties as explained in paragraph 7.
3. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of other auditors provide a reasonable basis for our opinion.
4. As described in note 3, in accordance with the regulations of the National Securities Commission, the Company has not recognized the effects of the variations in the purchasing power of the Argentine Peso from March 1, 2003 to September 30, 2003, and has not discounted the nominal values of its deferred tax assets and liabilities as required by accounting principles generally accepted in Argentina. The effects of such matters in the financial position as of December 31, 2003 and results of operations for the year then ended have not been quantified by the Company.
5. In our opinion, based on our audits and on the reports of other auditors referred to in paragraph 2, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Petrobras Energía Participaciones S.A. and its subsidiaries as of December 31, 2003 and 2002 and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2003, in conformity with the Business Association Law and the pertinent regulations of the National Securities Commission, and except for the effect of the matters discussed in paragraph 4, with generally accepted accounting principles in Argentina, which differ in certain respects from U.S. generally accepted accounting principles to the extent discussed in notes 22 through 24.

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6. As discussed in note 3, effective January 1, 2003 the Company adopted new accounting pronouncements related to certain valuation and disclosure matters. As required by accounting principles generally accepted in Argentina, the Company has restated prior period financial statements presented for comparative purposes to reflect the changes in accounting principles.
7. The financial statements and the reports of the other auditors of the affiliates Compañía Inversora en Transmisión Eléctrica Citelec S.A., Compañía de Inversiones de Energía S.A. and Transportadora de Gas del Sur S.A. as of and for the years ended December 31, 2003 and 2001, stated that they have been prepared assuming that such affiliates will continue as going concerns. Those statements, for the affiliates which have been proportionally consolidated, reflect assets constituting 17% as of December 31, 2003 and net sales constituting 8% for 2003 and 12 % for 2001 of the Company's respective consolidated totals, and the Company's investment and equity in the net income of the other affiliates is stated at Argentine pesos 325,000,000 as of December 31, 2003 and Argentine pesos 139,000,000 for 2003 and 29,000,000 for 2001. As discussed in note 9, such affiliates have been negatively impacted by the Argentine Government's adoption of various economic measures including the de-dollarization of revenue rates, the renegotiation of License and Concession contracts and the devaluation of the Argentine peso. In addition, such affiliates have suspended the payment of their financial debt. These circumstances raise substantial doubt about the affiliates' ability to continue as going concerns. The affiliates' managements' plans in regard of these matters are also described in note 9. The accompanying consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Buenos Aires, Argentina

June 11, 2004

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.

(Member firm of Ernst & Young Global)

/s/ Daniel G. Minenna

DANIEL G. MINENNA

Partner

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
(English translation of the report originally issued in Spanish)**

To the Chairman and Directors of
Distrilec Inversora S.A.

1. We have audited:

- a) The accompanying balance sheet of Distrilec Inversora S.A. as of December 31, 2003, and the related statements of income, changes in shareholders' equity and cash flows for the year then ended.
- b) The accompanying consolidated balance sheet of Distrilec Inversora S.A. and its subsidiary Empresa Distribuidora Sur Sociedad Anónima (EDESUR S.A.) as of December 31, 2003 and the related consolidated statements of income and cash flows for the year then ended, included in Chart I as supplementary accounting information.

These financial statements are the responsibility of the Company's Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audit conducted with the scope described in paragraph 2.

2. We conducted our audit in accordance with standards of the Public Company Accounting Oversight Board (United States of America). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements, taken as a whole, are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Company's Management, as well as evaluating the overall financial statement presentation.

3. In our opinion:

- a) The financial statements mentioned in paragraph 1.a) present fairly, in all material respects, the financial position of Distrilec Inversora S.A. as of December 31, 2003, the results of its operations, the evolution of its shareholders' equity and its cash flows for the year then ended, in accordance with accounting principles generally accepted in Argentina approved by the Professional Council of Economic Sciences of the City of Buenos Aires.

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2.

- b) The financial statements mentioned in paragraph 1.b) present fairly, in all material respects, the consolidated financial position of Distrilec Inversora S.A. and its subsidiary Empresa Distribuidora Sur Sociedad Anónima (EDESUR S.A.) as of December 31, 2003, the consolidated results of their operations and their consolidated cash flows for the year then ended, in accordance with accounting principles generally accepted in Argentina approved by the Professional Council of Economic Sciences of the City of Buenos Aires.
4. The financial statements as of and for the year ended December 31, 2002, presented for comparative purposes, were audited by other independent auditors who issued their audit report with an unqualified opinion on February 7, 2003. The information as of and for the year ended December 31, 2002 has been modified by the Company's Management in order to comply with the changes in the accounting principles generally accepted in Argentina mentioned in note 2.II to the stand alone financial statements and has been restated in constant currency up to February 2003.
5. Accounting principles generally accepted in Argentina vary in certain significant respects from accounting principles generally accepted in the United States of America. Application of accounting principles generally accepted in the United States of America would have affected the determination of the shareholders' equity as of December 31, 2003 and the results of operations for the year then ended to the extent summarized in note 11 to the consolidated financial statements. Certain additional information required by the Securities and Exchange Commission (SEC), prepared in conformity with accounting principles generally accepted in the United States of America, was included in note 12 to the consolidated financial statements.

Buenos Aires, February 9, 2004.

DELOITTE & Co. S.R.L.

/s/ Carlos A. Lloveras

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of
Compañía Inversora en Transmisión Eléctrica Citelec S.A.:

We have audited the accompanying consolidated balance sheets of Compañía Inversora en Transmisión Eléctrica Citelec S.A. and its subsidiaries as of December 31, 2003 and 2002, and the related consolidated statements of operations, of changes in shareholders' equity and of cash flows for each of the three years in the period ended December 31, 2003. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 3.a. to the consolidated financial statements, in order to comply with regulations of the legal control authorities, the Company discontinued inflation accounting as from March 1, 2003 as well as recognized deferred income tax assets and liabilities on a non-discounted basis. The application of these regulations represent a departure from accounting principles generally accepted in Argentina, which require inflation accounting be discontinued as from October 1, 2003 and the recognition of deferred income tax assets and liabilities on a discounted basis. The Company has not quantified the impact of such a departure.

In our opinion, except for the effects of not recognizing inflation accounting until September 30, 2003 and not discounting deferred tax assets and liabilities as discussed in the preceding paragraph, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Compañía Inversora en Transmisión Eléctrica Citelec S.A. and its subsidiaries at December 31, 2003 and 2002, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2003 in conformity with accounting principles generally accepted in Argentina.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2, during 2002 the Company was negatively impacted by the devaluation of the Argentine Peso and the Argentine Government adoption of various economic measures, including the conversion of dollar-denominated tariffs to Argentine pesos at an exchange rate of Ps.1 = US\$ 1. As a result of these circumstances, the Company did not comply with certain restrictive covenants contained in its debt agreements and suspended the payment of its financial debts. These circumstances raise substantial doubt about the Company's ability to continue as a going concern. Management plans in regard to these matters are also described in Note 2. The accompanying consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

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As discussed in Note 3.d. to the consolidated financial statements, effective January 1, 2003 the Company adopted new accounting pronouncements related to valuation and disclosure criteria. As required by accounting principles generally accepted in Argentina, the Company has restated its prior period financial statements presented for comparative purposes to reflect the adopted changes in accounting principles, except for certain valuation and disclosure criteria that in accordance with the transition provisions have been applied prospectively.

Accounting principles generally accepted in Argentina vary in certain significant respects from accounting principles generally accepted in the United States of America and as allowed by Item 17 to Form 20-F. Information relating to the nature and effect of such differences is presented in Note 15 to the consolidated financial statements.

PRICE WATERHOUSE & Co.

by /s/ Miguel A. Urus (Partner)

Miguel A. Urus

Buenos Aires, Argentina.

June 11, 2004

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
Transportadora de Gas del Sur S.A.

We have audited the accompanying consolidated balance sheets of Transportadora de Gas del Sur S.A. and its subsidiary at December 31, 2003 and 2002, and the related consolidated statements of income, of changes in shareholders' equity and of cash flows for each of the three years in the period ended December 31, 2003. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As indicated in Notes 2.c and 2.h, the Company has discontinued the restatement of financial statements into constant currency as from March 1, 2003 and has recorded deferred income tax assets and liabilities on a non-discounted basis as required by resolutions issued by the *Comisión Nacional de Valores* (*CNV*). Since generally accepted accounting principles in Argentina require companies to prepare price-level restated financial statements through September 30, 2003 and to recognize deferred taxes on a discounted basis, the application of the CNV resolutions represent a departure from generally accepted accounting principles in Argentina.

In our opinion, with the exceptions of the matters described in the preceding paragraph, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Transportadora de Gas del Sur S.A. and its subsidiary at December 31, 2003 and 2002, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2003 in conformity with accounting principles generally accepted in Argentina.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As indicated in Notes 5 and 6, the Company has been negatively impacted by the deterioration of the Argentine economy, the Argentine government's adoption of various economic measures including the violation of the contractually-agreed License terms and the devaluation of the Argentine peso. In view of these circumstances, the Company has not been able to maintain the financial ratios required by its outstanding debt agreements and in May, 2003 had announced the suspension of payment on its financial debt. These circumstances raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Notes 5 and 6. The accompanying consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

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Accounting principles generally accepted in Argentina vary in certain significant respects from the accounting principles generally accepted in the United States of America and as allowed by Item 18 to Form 20-F. Information relating to the nature and effect of such differences is presented in Note 11 to the consolidated financial statements.

/s/ Héctor A. López
PRICE WATERHOUSE & CO.
Héctor A. López (Partner)
Buenos Aires, Argentina
June 11, 2004

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PETROBRAS ENERGÍA PARTICIPACIONES S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2003, 2002 AND 2001
(Stated in millions of Argentine pesos See Note 2.c)

	<u>2003</u>	<u>2002</u>	<u>2001</u>
Net sales	5,494	5,106	5,170
Costs of sales (Note 27.c)	(3,386)	(3,284)	(3,347)
	<u>2,108</u>	<u>1,822</u>	<u>1,823</u>
Gross profit	2,108	1,822	1,823
Administrative and selling expense (Note 27.e)	(559)	(609)	(665)
Exploration expenses (Note 27.e)	(196)	(58)	(41)
Other exploitation (expenses) income, net (Note 17.c)	(121)	(28)	23
	<u>1,232</u>	<u>1,127</u>	<u>1,140</u>
Exploitation income	1,232	1,127	1,140
Equity in earnings of affiliates (Note 9.b)	163	(638)	119
Financial income (expense) and holding gains (losses)			
Generated by assets:			
Interest	65	88	91
Exchange difference	(155)	1,986	82
Gain from remeasurement and translation		3,742	
Loss due to exposure to inflation	(27)	(2,967)	
Holding gains (losses) and income from sale of shares	98	(15)	(1)
Other financial income, net	10	22	2
	<u>(9)</u>	<u>2,856</u>	<u>174</u>
Generated by liabilities:			
Interest	(623)	(882)	(612)
Exchange difference	554	(10,402)	(89)
Loss from remeasurement and traslation		(2,242)	
Gain due to exposure to inflation	67	9,472	
Derivatives	(294)	(524)	8
Other financial expense, net	(112)	(105)	(54)
	<u>(408)</u>	<u>(4,683)</u>	<u>(747)</u>
Other expenses, net (Note 17.d)	(421)	(187)	(88)
	<u>557</u>	<u>(1,525)</u>	<u>598</u>
Income (loss) before income tax and minority interest in subsidiaries	557	(1,525)	598
Income tax provision	(18)	(82)	(385)
Minority interest in subsidiaries	(158)	28	(112)

Net income (loss)	381	(1,579)	101
	<u> </u>	<u> </u>	<u> </u>
Earnings (losses) per share Stated in Argentine pesos	0.179	(0.744)	0.048
	<u> </u>	<u> </u>	<u> </u>

The accompanying notes are an integral part of these consolidated financial statements.

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PETROBRAS ENERGÍA PARTICIPACIONES S.A. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2003 AND 2002
(Stated in millions of Argentine pesos See Note 2.c)

	<u>2003</u>	<u>2002</u>
CURRENT ASSETS		
Cash	153	93
Investments (Note 9.a)	802	664
Trade receivables	886	784
Other receivables (Note 17.a)	861	734
Inventories (Note 8)	319	356
Other assets	3	178
	<u>3,024</u>	<u>2,809</u>
NONCURRENT ASSETS		
Trade receivables	36	21
Other receivables (Note 17.a)	131	220
Inventories (Note 8)	61	39
Investments (Note 9.a)	1,284	1,103
Property, plant and equipment (Note 27.a)	11,559	10,433
Other assets	43	24
	<u>13,114</u>	<u>11,840</u>
Total noncurrent assets	<u>13,114</u>	<u>11,840</u>
Total assets	<u>16,138</u>	<u>14,649</u>
CURRENT LIABILITIES		
Accounts payable	860	651
Short-term debt (Note 12)	3,204	1,543
Payroll and social security taxes	93	76
Taxes payable	172	133
Reserves (Note 14.f)	44	28
Other liabilities (Note 17.b)	379	344
	<u>4,752</u>	<u>2,775</u>
Total current liabilities	<u>4,752</u>	<u>2,775</u>
NONCURRENT LIABILITIES		
Accounts payable	7	9

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Long-term debt (Note 12)	5,098	6,130
Payroll and social security taxes	6	25
Taxes payable	11	120
Other liabilities (Note 17.b)	262	496
Reserves (Note 14.f)	277	86
	<u> </u>	<u> </u>
Total noncurrent liabilities	5,661	6,866
	<u> </u>	<u> </u>
Total liabilities	10,413	9,641
	<u> </u>	<u> </u>
TRANSITORY DIFFERENCES		
Measurement of derivative financial instruments determined as effective hedge	(18)	
Foreign currency translation	(56)	
	<u> </u>	<u> </u>
Total transitory differences	(74)	
	<u> </u>	<u> </u>
MINORITY INTEREST IN SUBSIDIARIES		
	966	556
	<u> </u>	<u> </u>
SHAREHOLDERS EQUITY (Per respective statements)		
	4,833	4,452
	<u> </u>	<u> </u>
	16,138	14,649
	<u> </u>	<u> </u>

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents**PETROBRAS ENERGÍA PARTICIPACIONES S.A. AND SUBSIDIARIES****STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY****FOR THE YEARS ENDED DECEMBER 31, 2003, 2002 AND 2001**

(Stated in millions of Argentine pesos See Note 2.c)

	2003						2002	2001	
	Capital stock			Retained earnings					
	Capital stock	Adjustment to capital stock	Additional paid-in capital	Legal reserve	Unappropriated retained earnings	Treasury stock (a)	Total	Total	
Balances at beginning of the year	2,132	2,554	664	37	(541)	(33)	4,813	6,014	5,952
Change in balances at beginning of the year due to changes in accounting method (Note 3)					(361)		(361)	17	132
Adjusted balances at beginning of the year	2,132	2,554	664	37	(902)	(33)	4,452	6,031	6,084
Special Shareholders' Meeting decision of April 4, 2003 and April 9, 2001:									
Distribution of unappropriated retained earnings									
- Cash dividends									(134)
- Negative retained earnings absorption			(504)	(37)	541				
Acquisition of own stock held by subsidiary									(20)
Net income (loss)					381		381	(1,579)	101
Balances at end of the year	2,132	2,554	160		20	(33)	4,833	4,452	6,031

(a) See Note 4.m).

The accompanying notes are an integral part of these consolidated financial statements.

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FOR THE YEARS ENDED DECEMBER 31, 2003, 2002 AND 2001
(Stated in millions of Argentine pesos - See Note 2.c)**

	2003	2002	2001
Cash provided by (used in) operations:			
Net income (loss)	381	(1,579)	101
Reconciliation to net cash provided by (used in) operating activities:			
Minority interest in subsidiaries	158	(28)	112
Equity in earnings of affiliates	(163)	638	(119)
Financial (Income) expense, net	(585)	140	
Dividends collected (Note 9.c)	26	20	55
Depreciation and depletion of property, plant and equipment	1,016	1,051	877
Impairment of Ecuadorian assets	309	63	
Loss (income) from sale of oil and gas areas and participation in joint ventures	27	(41)	65
Income from assets exchange			(251)
Impairment of allocated purchased price related to CIESA			202
Impairment of assets	64	96	
Impairment of unproved oil and gas properties	180	17	
Debt restructuring		17	
Income tax provision	18	82	385
Income tax paid	(48)	(27)	(196)
Accrued interest	598	878	520
Interest paid	(488)	(814)	(526)
Other	(7)	87	111
Changes in assets and liabilities:			
Trade receivables	(115)	208	(13)
Other receivables	411	44	59
Inventories	(12)	(70)	(1)
Other assets	73		
Accounts payable	(66)	(16)	150
Payroll and social security taxes	17	(34)	15
Taxes payable	(9)	75	(167)
Other liabilities	61	362	347
	<hr/>	<hr/>	<hr/>
Payments in advance	1,846	1,169	1,726
	(493)	(459)	
	<hr/>	<hr/>	<hr/>
Net cash provided by operations	1,353	710	1,726
	<hr/>	<hr/>	<hr/>
Cash provided by (used in) investing activities:			
Acquisition of property, plant and equipment and interest in companies and oil and gas areas	(829)	(674)	(2,009)

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Net (increase) decrease in investments other than cash and cash equivalents	(97)	32	(86)
Contributions and advances to unconsolidated affiliates	(12)	(127)	(56)
Sales of investments	20	593	227
Other	3	(6)	
	<u> </u>	<u> </u>	<u> </u>
Net cash used in investing activities	(915)	(182)	(1,924)
	<u> </u>	<u> </u>	<u> </u>
Cash provided by (used in) financing activities:			
Net (decrease) increase in short-term debt	(196)	(193)	1,022
Payments of long-term debt	(646)	(1,762)	(1,290)
Increase in long-term debt	591	130	1,408
Acquisition of own stock			(21)
Cash dividends paid		(2)	