

Petroleo Brasileiro SA (PBR)

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Overview

- Since 1953, PBR has acted as one of the world's leading oil companies. Together with its subsidiaries, PBR engages in the founding, drilling, and production of oil from reservoir wells, shale, and other rocks in Brazil. It supplies oil, liquefied natural gas, and natural gas to refineries in Brazil, and sells surplus production in Brazil and foreign markets.

Mission Statement

- Operate in a safe and profitable manner in Brazil and abroad, with social and environmental responsibility, providing products and services that meet clients' needs and that contribute to the development of Brazil and the countries in which it operates.

Vision for 2010

- We will be of the five largest integrated energy companies in the world and the preferred choice among our stakeholders

Competitors

- Exxon Mobil Co (XOM)
- Gazprom O A O (OGZPY)
- Beyond Petroleum (BP)
- Chevron Corp (CVX)
- Concophillips (COP)
- Royal Dutch Shell Plc (RDSA)
- Statoilhydro Asa (STO)

Competitive Strengths

- Dominant market position in Brazil
- Strong reserve base
- Worldwide reserve to production ratio- 14.5 years
- Cost efficiencies created by large scale operations

Key Statistics

- Sector: Basic Materials
- Industry: Oil & Gas Drilling & Exploration
- P/E Industry: 18.26
- P/E PBR: 19.15
- P/E XOM: 11.72
- EPS Industry: .08
- EPS PBR: 5.63
- EPS XOM: 7.282

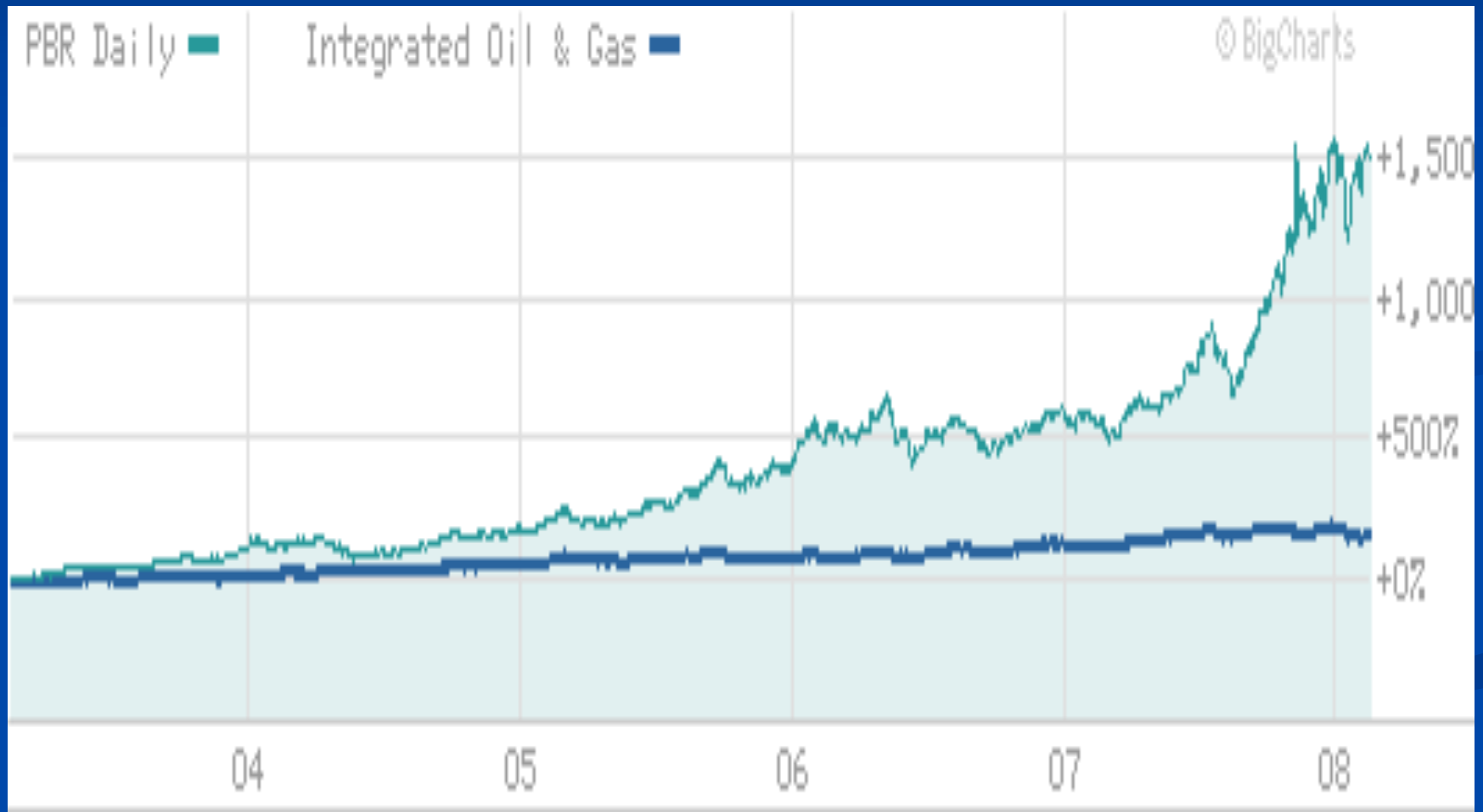
Key Stats Continued

- Industry Market Cap: 438.75M
- PBR Market Cap: 251.05B
- XOM Market Cap: 459.46B
- Shares Outstanding: 1.27B
- Allocates 1% of gross sales to finance new technologies
- PBR Dividend Yield: .64
- Industry Dividend Yield: 1.97
- PBR Total D/E: .34
- Industry Total D/E: .13

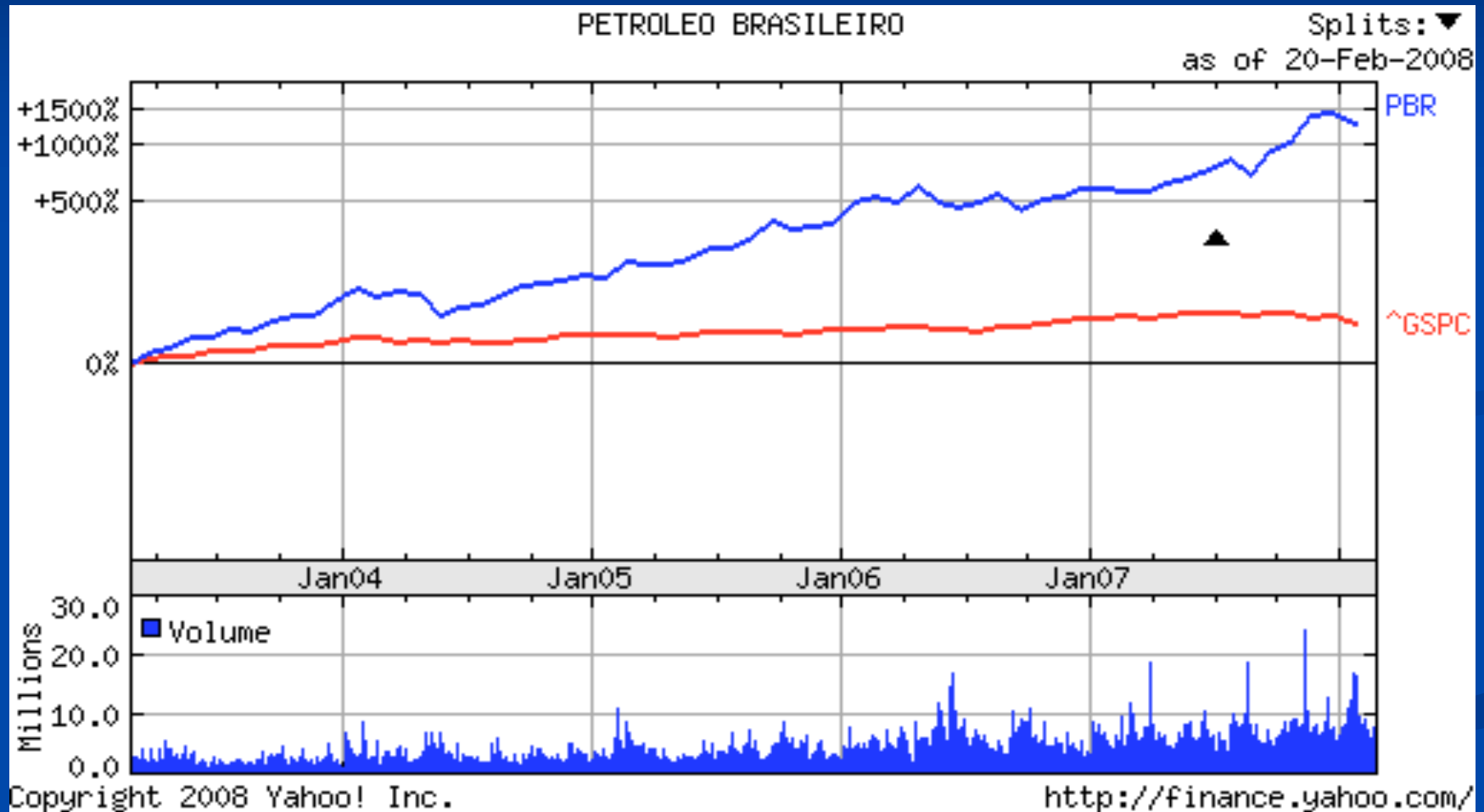
More Key Stats

- PBR Gross Margin (5yr avg.): 46.65%
- Industry Gross Margin (5yr avg.): 20.72%
- PBR 5yr avg. Re: 34.03%
- Industry 5yr avg. Re: 24.16%
- PBR 5yr avg. Ra: 13.04%
- Industry 5yr avg. Ra: 11.88%
- PBR Beta: 1.4
- Industry Beta: .84

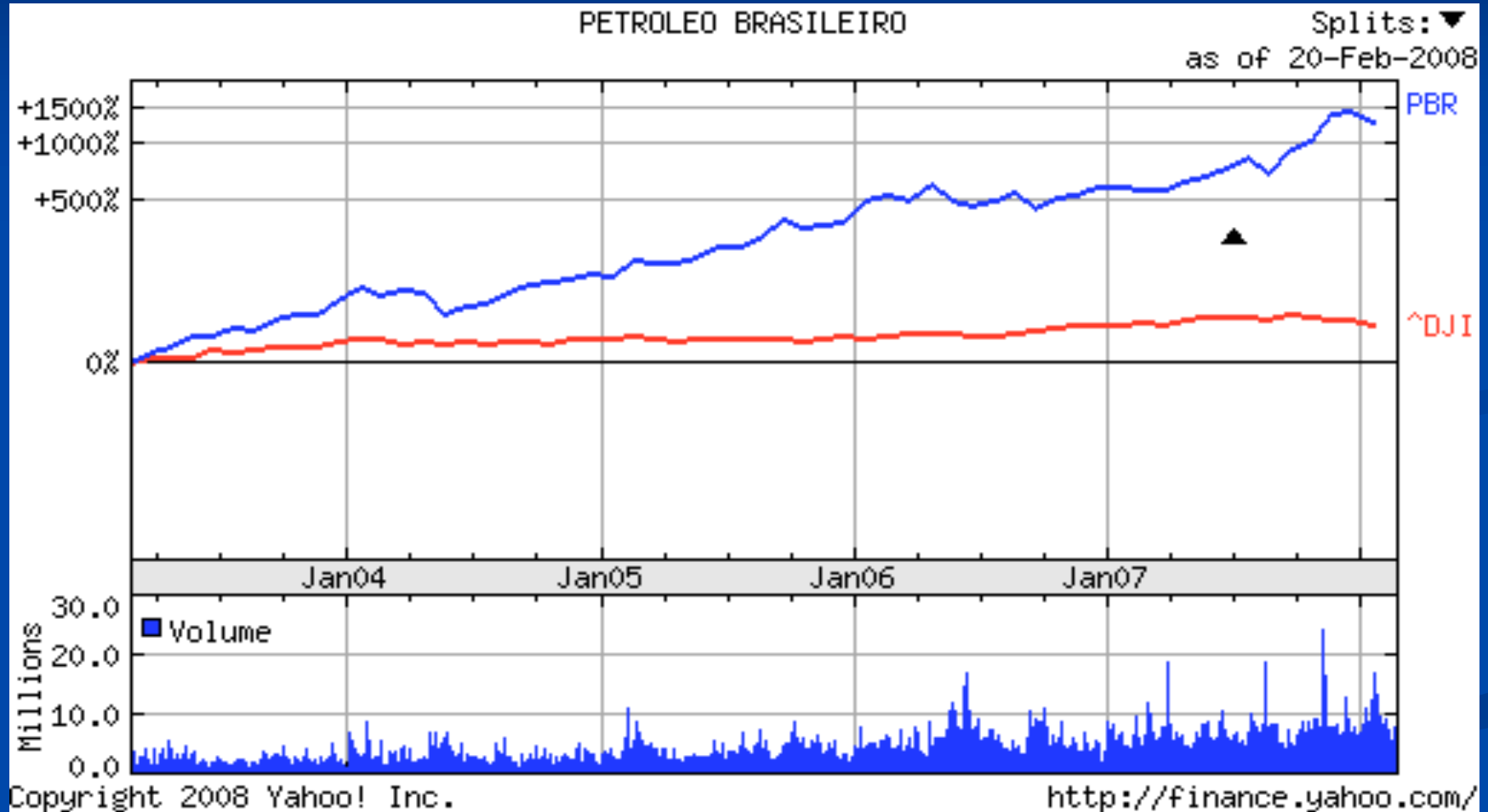
5 Year PBR vs. Industry (Growth Percentage)



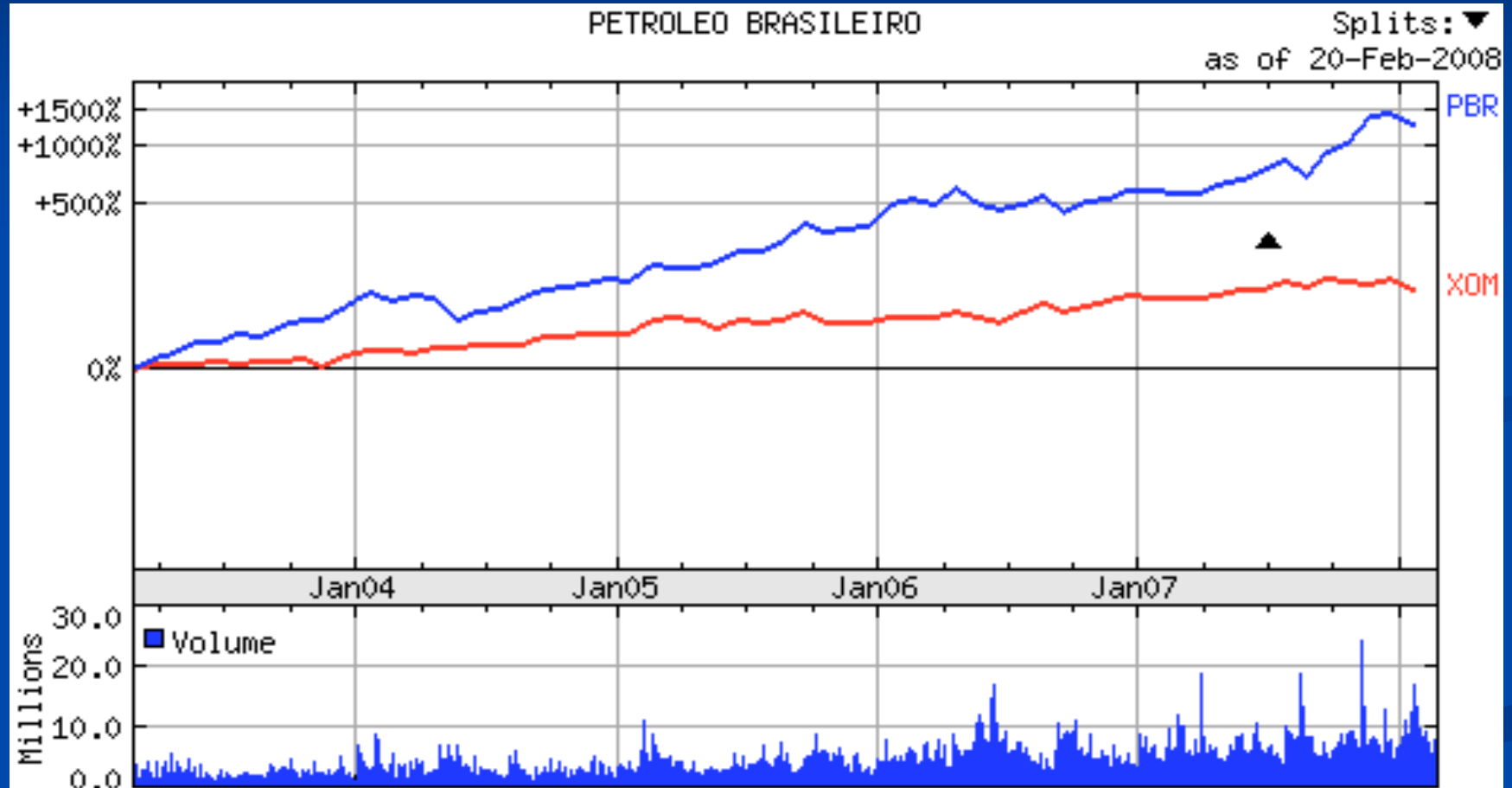
PBR vs. S&P 500



PBR vs. Dow



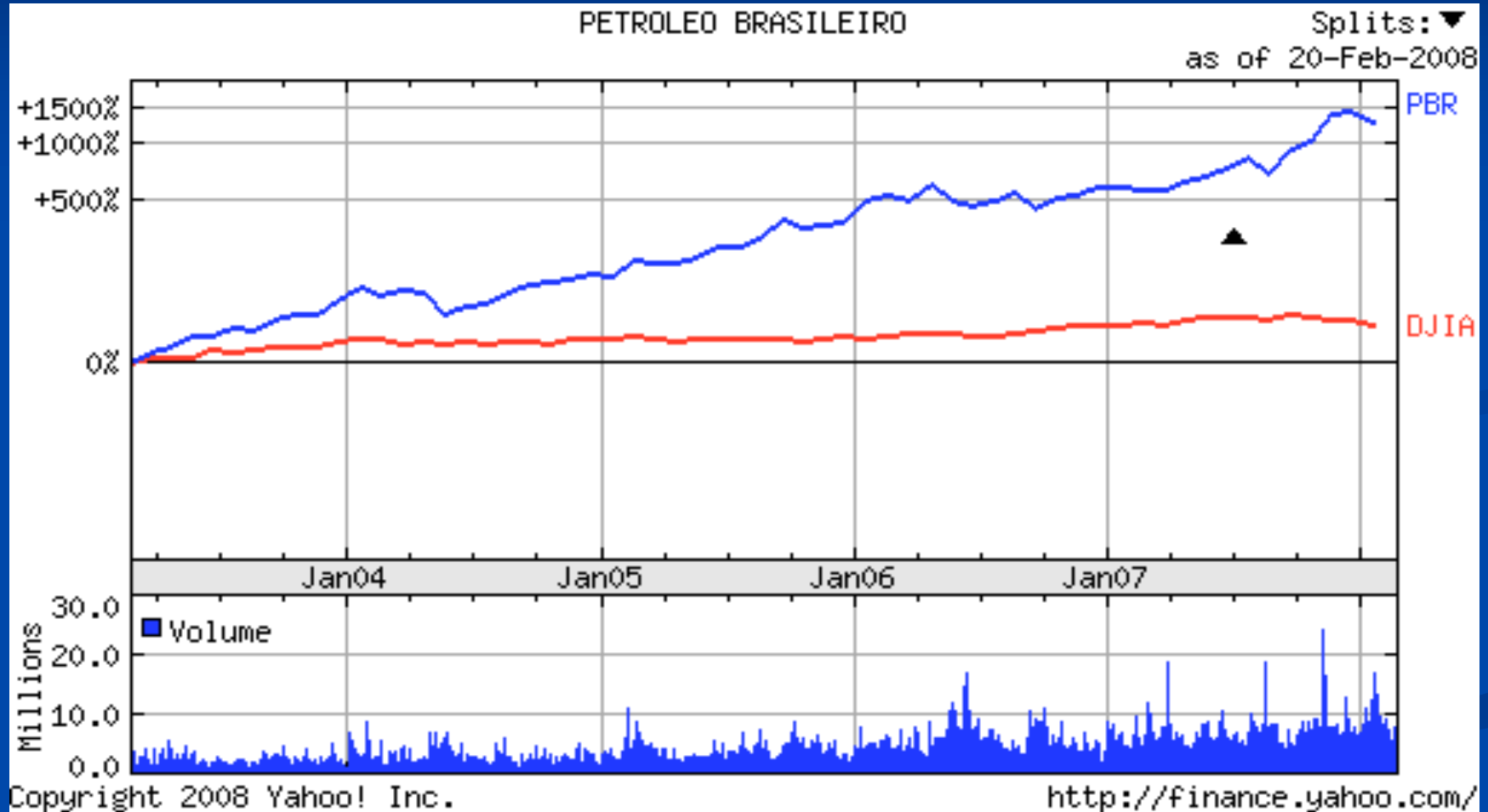
PBR vs. XOM



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PBR vs. DJIA



Sector Outlook

- Currently, the energy sector looks promising and PBR is a sector leader. With the price of oil reaching \$100/barrel and new discoveries of oil in Brazil, PBR shows a strong position within the sector. As economic growth abroad and the demand for oil continue to rise, PBR will be a major beneficiary, both domestically and internationally.

Oil Discovery

- In late 2007, Petrobras announced the discovery of the Tupi oil field off the coast of Brazil. The field is projected to house 5 to 8 billion barrels of oil, and Petrobras owns 65% of the discovery. The discovery has the potential to help Brazil surpass Mexico and Venezuela as Latin America's largest oil producer. More recently, Petrobras has found a potential dig sight in the Santos Basin, which has been estimated as containing 8 billion barrels of oil. Both sights are filled with light crude oil.

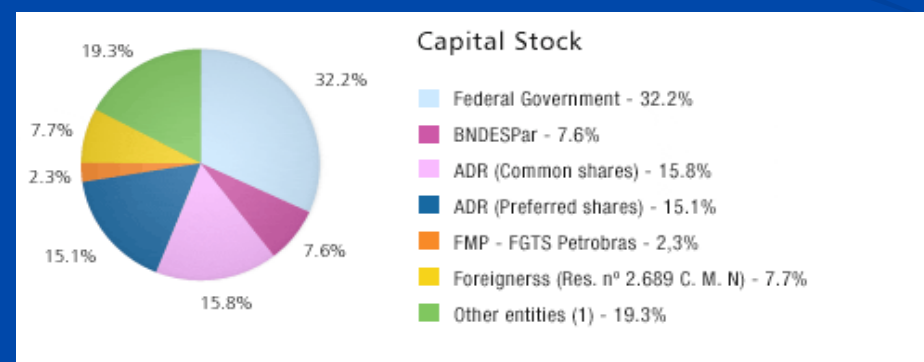
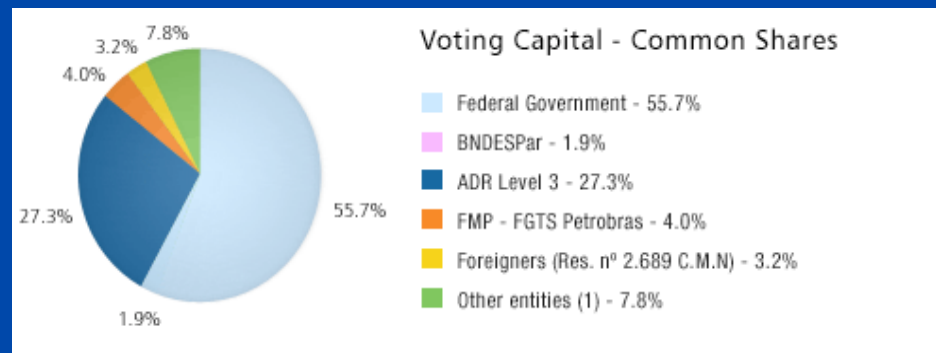
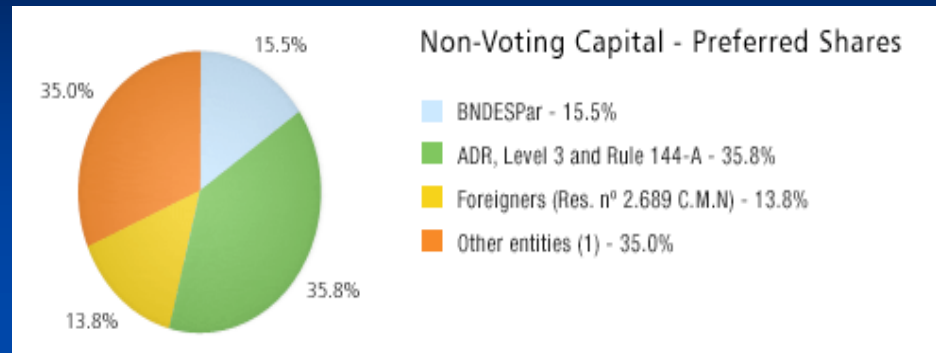
Risk Analysis

- Decline in the price of crude oil
- Finding extra reserves
- Uncertainty in reserve estimations
- Environmental and Health Regulations
- Money going towards pending litigations
- Currency fluctuations
- Weak Technology
- Nationalization of Bolivia and Venezuela

Subsidiaries

- Petrobras Distribuidora S/A - BR
- Petrobras Energía Participaciones S.A.
- Petrobras Química S/A - PETROQUISA
- Petrobras Gás S/A - GASPETRO
- Petrobras Transporte S/A - TRANSPETRO
- Downstream Participações
- Petrobras International Finance Company - PIFCo

Capital Ownership



Stock Price (5 Year Span)

Today's Price: \$118.20

