



PETRON CORPORATION & SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in Millions of Pesos)

Unaudited

	Unaudited	Audited
	As at 6/30/2009	As at 12/31/2008
ASSETS		
Current Assets		
Cash and cash equivalents	13,210	12,827
Financial assets at fair value through profit or loss	199	161
Available-for-sale investments	277	331
Receivables	27,402	16,875
Inventories	31,623	30,792
Other current assets	4,523	11,977
Total Current Assets	<u>77,234</u>	<u>72,963</u>
Non-Current Assets		
Property, plant and equipment	35,851	36,428
Investment properties	240	246
Available-for-sale investments	497	351
Deferred tax assets - net	238	885
Other noncurrent assets	714	925
Total Noncurrent Assets	<u>37,540</u>	<u>38,835</u>
	<u>114,774</u>	<u>111,798</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Short-term loans	38,026	53,979
Liabilities for crude oil and petroleum product importation	17,469	8,907
Accounts payable and accrued expenses	3,808	4,562
Current portion of long-term debt	1,247	1,263
Income tax payable	9	22
	<u>60,559</u>	<u>68,733</u>
Non-Current Liabilities		
Long-term debt - net of current portion	18,268	8,988
Deferred income tax liabilities	13	8
Other noncurrent liabilities	1,223	1,166
Total Noncurrent Liabilities	<u>19,504</u>	<u>10,162</u>
Stockholders' Equity Attributable to Equity Holders of the Parent		
Capital stock	9,375	9,375
Retained earnings		
Appropriated	15,492	23,920
Unappropriated	10,077	(144)
Other reserves	(473)	(473)
Stockholders' Equity Attributable to Equity Holders of the Parent	<u>34,471</u>	<u>32,678</u>
Minority Interest		
	240	225
Total Stockholders' Equity	<u>34,711</u>	<u>32,903</u>
	<u>114,774</u>	<u>111,798</u>



PETRON CORPORATION AND SUBSIDIARIES
STATEMENT OF INCOME

Unaudited

For the Six Month Periods Ended June 30, 2009 and 2008
(Amounts in Millions of Pesos, Except Per Share Amounts)

	January to June	
	2009	2008
SALES	76,679	131,323
COST OF GOODS SOLD	<u>(69,406)</u>	<u>(122,650)</u>
GROSS PROFIT	7,273	8,673
SELLING AND ADMINISTRATIVE EXPENSES	(2,766)	(3,005)
INTEREST INCOME	111	153
INTEREST EXPENSE	(2,266)	(1,493)
OTHERS	<u>189</u>	<u>(890)</u>
INCOME BEFORE INCOME TAX	2,541	3,438
PROVISION FOR INCOME TAX	<u>(733)</u>	<u>(1,116)</u>
NET INCOME	<u>1,808</u>	<u>2,322</u>
Attributable to:		
Equity holders of the parent	1,793	2,318
Minority interest	<u>15</u>	<u>4</u>
	<u>1,808</u>	<u>2,322</u>
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT - BASIC & DILUTED	<u>0.19</u>	<u>0.25</u>



PETRON CORPORATION & SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Millions of Pesos)

Unaudited

	<u>January to June</u>	
	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	2,541	3,438
Adjustments for:		
Depreciation and amortization	1,703	1,511
Interest expense	2,266	1,493
Interest income	(111)	(154)
Net unrealized foreign exchange loss (gain)	101	396
Others	(64)	50
Operating income before working capital changes	6,436	6,734
Changes in operating assets and liabilities		
Decrease (increase) in assets:		
Receivables	(2,104)	(2,126)
Inventories	1,060	(10,997)
Other current assets	7,396	3,463
Increase (decrease) in liabilities:		
Liabilities for crude oil and petroleum product importation	8,484	10,555
Accounts payable and accrued expenses	(596)	2,356
Provisions for doubtful accounts, inventory obsolescence and others	(1,887)	146
Interest paid	(2,383)	(1,327)
Income taxes paid	(55)	(888)
Interest received	124	159
Net cash provided by (used in) operating activities	16,475	8,075
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to:		
Property, plant and equipment	(1,119)	(3,489)
Investment properties	(1)	
Decrease (increase) in:		
Other receivables	(8,439)	2,000
Other noncurrent assets	212	(76)
Reductions from (additions to):		
Available-for-sale investments	(93)	(23)
Net cash provided by (used in) investing activities	(9,440)	(1,588)
CASH FLOWS FROM FINANCING ACTIVITIES		
Availment of loans	77,761	40,244
Payments of:		
Loans	(84,459)	(41,789)
Cash dividends	(3)	(885)
Others	56	38
Net cash provided by (used in) financing activities	(6,645)	(2,392)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(7)	53
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	383	4,148
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	12,827	9,732
CASH AND CASH EQUIVALENTS AT END OF PERIOD	13,210	13,880