



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

Unaudited

	As at	
	3/31/2009	12/31/2008
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	7,501	12,827
Financial assets at fair value through profit or loss	163	161
Available-for-sale investments	9	331
Receivables	18,529	16,875
Inventories	24,696	30,792
Other current assets	9,642	11,977
Total Current Assets	<u>60,540</u>	<u>72,963</u>
<b>Non-Current Assets</b>		
Property, plant and equipment	36,331	36,428
Investment properties	243	246
Available-for-sale investments	483	351
Deferred tax assets - net	532	885
Other noncurrent assets	915	925
Total Noncurrent Assets	<u>38,504</u>	<u>38,835</u>
	<u>99,044</u>	<u>111,798</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Short-term loans	41,136	53,979
Liabilities for crude oil and petroleum product importation	8,702	8,907
Accounts payable and accrued expenses	4,229	4,562
Current portion of long-term debt	1,263	1,263
Income tax payable	29	22
	<u>55,359</u>	<u>68,733</u>
<b>Non-Current Liabilities</b>		
Long-term debt - net of current portion	8,672	8,988
Deferred income tax liabilities	12	8
Other noncurrent liabilities	1,213	1,166
Total Noncurrent Liabilities	<u>9,897</u>	<u>10,162</u>
<b>Stockholders' Equity Attributable to Equity Holders of the Parent</b>		
Capital stock	9,375	9,375
Retained earnings	24,643	23,776
Other reserves	(462)	(473)
Stockholders' Equity Attributable to Equity Holders of the Parent	<u>33,556</u>	<u>32,678</u>
<b>Minority Interest</b>		
	<u>232</u>	<u>225</u>
Total Stockholders' Equity	<u>33,788</u>	<u>32,903</u>
	<u>99,044</u>	<u>111,798</u>



**PETRON CORPORATION AND SUBSIDIARIES**  
**STATEMENT OF INCOME**  
**For the Three Month Periods Ended March 31, 2009 and 2008**  
**(Amounts in Millions of Pesos, Except Per Share Amounts)**

**Unaudited**

	<u>January to March</u>	
	<u>2009</u>	<u>2008</u>
SALES	34,649	59,598
COST OF GOODS SOLD	<u>(30,990)</u>	<u>(56,748)</u>
GROSS PROFIT	3,659	2,850
SELLING AND ADMINISTRATIVE EXPENSES	(1,249)	(1,132)
INTEREST INCOME	48	76
INTEREST EXPENSE	(1,186)	(636)
OTHERS	<u>(25)</u>	<u>(463)</u>
INCOME BEFORE INCOME TAX	1,247	695
PROVISION FOR INCOME TAX	<u>(373)</u>	<u>(37)</u>
NET INCOME	<u>874</u>	<u>658</u>
Attributable to:		
Equity holders of the parent	867	655
Minority interest	<u>7</u>	<u>3</u>
	<u>874</u>	<u>658</u>
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT - BASIC AND DILUTED	<u>0.09</u>	<u>0.07</u>



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

Unaudited

	<b>March 2009</b>	<b>March 2008</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	1,246	695
Adjustments for:		
Depreciation and amortization	855	652
Interest expense	1,182	635
Interest income	(48)	(76)
Net unrealized foreign exchange loss (gain)	6	302
Others	11	16
<b>Operating income before working capital changes</b>	<b>3,252</b>	<b>2,224</b>
Changes in operating assets and liabilities		
Decrease (increase) in assets:		
Receivables	605	(3,143)
Inventories	8,430	(6,634)
Other current assets	2,298	2,306
Increase (decrease) in liabilities:		
Liabilities for crude oil and petroleum product importation	(180)	6,638
Accounts payable and accrued expenses	(87)	691
Provisions for doubtful accounts, inventory obsolescence and others	(2,320)	48
Interest paid	(1,414)	(713)
Income taxes paid	(10)	(562)
Interest received	63	78
<b>Net cash provided by (used in) operating activities</b>	<b>10,637</b>	<b>933</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to:		
Property, plant and equipment	(754)	(1,448)
Investment properties	-	(6)
Decrease (increase) in:		
Other receivables	(2,273)	(389)
Other noncurrent assets	11	(222)
Reductions from (additions to):		
Financial assets at fair value through profit or loss	-	-
Available-for-sale investments	189	(16)
Investments	-	-
<b>Net cash provided by (used in) investing activities</b>	<b>(2,827)</b>	<b>(2,081)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Availment of loans	31,844	21,694
Payments of:		
Loans	(45,016)	(18,322)
Cash dividends	(2)	(2)
Others	34	23
<b>Net cash provided by (used in) financing activities</b>	<b>(13,140)</b>	<b>3,393</b>
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>		
	<b>4</b>	<b>8</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(5,326)</b>	<b>2,253</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>12,827</b>	<b>9,732</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>7,501</b>	<b>11,985</b>