



11 February 2015

**Ms. Janet A. Encarnacion**  
Head, Disclosure Department  
Philippine Stock Exchange  
3/F PSE Center  
Ayala Triangle Plaza  
Ayala Ave., Makati City

Dear *Ms. Encarnacion*:

We would like to submit our recently concluded Audited Financial Statement for period ended 31 December 2014 as will be attached to our Definitive Information Statement (SEC Form IS-20) and distributed to our shareholders. We shall be submitting our Annual Report (Sec Form 17-A) once completed.

Thank you and warm regards.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Socorro Ermac Cabreros".

**Atty. Socorro Ermac Cabreros**  
Corporate Secretary

**P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2014, 2013 AND 2012**  
*(Amounts in Philippine Pesos)*

	<u>Notes</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>REVENUES</b>				
Sale of goods	26	P 34,100,287,928	P 43,139,691,819	P 34,080,171,520
Charter fees	2	392,681,626	205,235,733	201,813,941
Rent and storage income	30	100,583,267	79,208,786	113,295,479
Port revenues	2	84,647,031	65,206,403	54,385,910
Fuel service and other revenues	2	56,184,644	62,643,613	135,885,455
		<u>34,734,384,496</u>	<u>43,551,986,354</u>	<u>34,585,552,305</u>
<b>COST AND EXPENSES</b>				
Cost of sales and services	20	31,404,503,935	40,248,166,084	31,961,749,413
Selling and administrative expenses	21	1,916,826,177	1,991,460,138	1,473,661,606
		<u>33,321,330,112</u>	<u>42,239,626,222</u>	<u>33,435,411,019</u>
<b>OTHER INCOME (CHARGES)</b>				
Finance costs	22	( 804,137,896 )	( 669,030,064 )	( 519,720,493 )
Finance income	22	3,394,843	8,481,577	24,629,351
Others	15	6,842,368	14,625,113	16,133,556
		<u>( 793,900,685 )</u>	<u>( 645,923,374 )</u>	<u>( 478,957,586 )</u>
<b>PROFIT BEFORE TAX</b>		<b>619,153,699</b>	<b>666,436,758</b>	<b>671,183,700</b>
<b>TAX EXPENSE</b>	24	<u>2,790,727</u>	<u>1,379,153</u>	<u>19,873,548</u>
<b>NET PROFIT</b>	28	<u>616,362,972</u>	<u>665,057,605</u>	<u>651,310,152</u>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
<b>Items that will not be reclassified subsequently to profit or loss</b>				
Revaluation of tankers	27	180,637,550	6,847,358	331,807,097
Remeasurements of post-employment defined benefit obligation	23	( 31,217,753 )	( 3,147,836 )	( 13,306,797 )
Tax income (expense)	24	( 29,334,251 )	( 1,109,855 )	( 95,550,091 )
<b>Total Other Comprehensive Income (Loss) - net of tax</b>		<u>120,085,546</u>	<u>2,589,667</u>	<u>222,950,209</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<u>P 736,448,518</u>	<u>P 667,647,272</u>	<u>P 874,260,361</u>
<b>Basic and Diluted Earnings per share</b>	28	<u>P 0.40</u>	<u>P 0.45</u>	<u>P 0.48</u>

**P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2014 AND 2013**  
*(Amounts in Philippine Pesos)*

	<u>Notes</u>	<u>2014</u>	<u>2013</u>
<b><u>A S S E T S</u></b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	P 555,508,720	P 357,220,520
Trade and other receivables - net	7	7,832,712,191	7,343,793,926
Inventories	8	2,870,829,069	3,812,532,673
Land held for sale and land development costs	9	485,985,811	503,672,474
Due from related parties	25	10,373,356	2,747,994
Restricted deposits	10	70,406,743	95,419,646
Input value-added tax - net		603,608,784	448,838,093
Prepayments and other current assets	11	<u>1,146,632,540</u>	<u>489,913,177</u>
Total Current Assets		<u>13,576,057,214</u>	<u>13,054,138,503</u>
<b>NON-CURRENT ASSETS</b>			
Land held for future development	14	312,617,496	297,942,281
Property and equipment - net	12	10,688,608,904	8,628,490,469
Investment in an associate	13	2,250,000	2,250,000
Goodwill - net	16	84,516,663	84,516,663
Other non-current assets	15	<u>336,110,518</u>	<u>270,215,050</u>
Total Non-current Assets		<u>11,424,103,581</u>	<u>9,283,414,463</u>
<b>TOTAL ASSETS</b>		<u><b>P 25,000,160,795</b></u>	<u><b>P 22,337,552,966</b></u>
<b><u>LIABILITIES AND EQUITY</u></b>			
<b>CURRENT LIABILITIES</b>			
Interest-bearing loans and borrowings	17	P 8,479,025,750	P 8,207,229,484
Trade and other payables	18	3,282,579,870	1,570,427,327
Due to related parties	26	<u>469,194,850</u>	<u>64,161,243</u>
Total Current Liabilities		<u>12,230,800,470</u>	<u>9,841,818,054</u>
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing loans and borrowings	17	5,363,617,647	5,544,509,333
Deferred tax liabilities - net	24	71,872,184	76,530,691
Other non-current liabilities	19	<u>283,644,395</u>	<u>376,789,584</u>
Total Non-current Liabilities		<u>5,719,134,226</u>	<u>5,997,829,608</u>
Total Liabilities		<u>17,949,934,696</u>	<u>15,839,647,662</u>
<b>EQUITY</b>			
Common stock	27	1,428,777,232	1,428,777,232
Preferred stock		5,000,000	5,000,000
Additional paid-in capital		3,367,916,774	3,367,916,774
Revaluation reserves		372,138,419	272,621,771
Other reserves		( 622,952,239 )	( 622,952,239 )
Retained earnings		<u>2,499,345,913</u>	<u>2,046,541,766</u>
Total Equity		<u>7,050,226,099</u>	<u>6,497,905,304</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u><b>P 25,000,160,795</b></u>	<u><b>P 22,337,552,966</b></u>