



May 7, 2019

**PHILIPPINE STOCK EXCHANGE, INC.**

Disclosure Department  
6<sup>th</sup> Floor, PSE Tower  
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BGC, Taguig City

Attention: **Ms. Janet A. Encarnacion**  
Head, Disclosure Department

**PHILIPPINE DEALING & EXCHANGE CORP.**

37<sup>th</sup> Floor, Tower 1, The Enterprise Center  
6766 Ayala Avenue cor. Paseo de Roxas  
Makati City

Attention: **Atty. Joseph B. Evangelista**  
Head - Issuer Compliance and Disclosure Department

Gentlemen:

Please find attached the media release of the Company entitled  
“**Petron Corporation posts P124.6 Billion Consolidated Revenues for Q1 2019**”.

Very truly yours,

A handwritten signature in black ink that reads "JACruz".

**JOEL ANGELO C. CRUZ**  
VP - General Counsel &  
Corporate Secretary



**May 7, 2019  
MEDIA RELEASE  
FOR PUBLICATION & BROADCAST**

## **Petron Corporation posts P124.6 Billion Consolidated Revenues for Q1 2019**

Petron Corporation reported consolidated revenues of P124.6 billion in the first quarter of 2019, down 4 percent from the same period last year. This was due mainly to a 5 percent decline in volume for the Philippine operations following the implementation of the TRAIN Law. By now, a total of around P4.50/liter in excise tax plus VAT are carried by fuel prices. On a quarterly basis, this increase translated to around P8 billion in excise taxes and P1 billion in VAT.

This implementation likewise created a price advantage for importers since refiners maintain higher inventory in crude form, which is immediately taxed upon production. Importers however maintain inventories as finished products which give them the advantage for at least 30 days. Compounding this challenge is the declining refining margins in the region, which penalized Philippine operations by P3.3 billion in the first quarter.

The impact of the second phase of TRAIN and the rising crude prices cut down consolidated income from operations by 45 percent to P4.9 billion. Consolidated net income ended P1.3 billion from P5.8 billion last year. Malaysian operations accounted for P1.2 billion of the consolidated net income.

“Despite lower margins, efforts to manage risks and strengthen our presence in key areas were implemented to mitigate its impact. We remain focused on completing major expansion projects that will further cement our leadership in the industry. We fully understand that long-term growth will always be threatened by inherent risks, and these investments will ensure our continued growth and profitability in the future,” said Petron President and CEO Ramon S. Ang.

As the fastest-growing oil company, Petron continued to expand its network of stations – the largest in the country – as it opened 40 new stations in Q1. The same can be said of its Malaysian operations, which now has over 650 stations, bringing Petron’s combined count to over 3,000.

The Company said it will soon commission its new Lube Oil Blending Plant (LOBP). With a capacity twice of its current Pandacan Plant, the new LOBP will markedly improve its Lubes business while improving operating efficiencies and margins.

With the continued growth of its polypropylene business, the homegrown oil giant is also nearing completion of its polypropylene plant expansion, which will give it better margins.

Petron earlier announced that its 180,000 barrel per day refinery in Limay, Bataan was forced to go into an emergency shutdown following the April 22 earthquake. The Company assured the public that this will not affect local supply given that it has ample inventory to supply domestic market requirements.

(ends)

**About Petron Corporation**

**Petron Corporation is the largest oil refining and marketing company in the Philippines and is a leading player in the Malaysian market. It has a combined refining capacity of 268,000 barrels-per-day and produces a full range of world-class fuels and petrochemicals. It operates about 40 terminals in the region and has over 3,000 service stations where it retails world-class gasoline and diesel. Petron is dedicated and passionate about its vision to be the leading provider of total customer solutions in the energy sector and its derivative businesses. Please visit us at [www.petron.com](http://www.petron.com) for more information.**