

**PITC PHARMA, INC.**  
(A Subsidiary of the Philippine International Trading Corporation)  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended December 31, 2010**  
(With corresponding figures for 2009)  
(In Philippine Peso)

	Notes	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash Inflows</b>			
Cash receipts from sales/receivables		132,834,701	121,163,368
Deposits, retention fees and bid bonds		8,553,001	1,643,082
Cash receipts from sale of bid documents and other income		653,575	285,334
Interest income on money market placement and bank deposits		477,124	762,677
Return of excess cash advances from officers and employees		206,139	296,263
Return of Petty cash fund		592	-
Cash receipt from Department of Health for P100 Project/PCSO		-	6,108,354
Advocacy fund from suppliers		-	200,000
Accreditation fees and penalties paid by suppliers		-	197,512
Collections from PITC sales/SSS		-	66,000
		142,725,132	130,722,590
<b>Cash Outflows</b>			
Payment to suppliers for goods for trade		89,623,078	101,138,812
Payment of manpower services including directors' fees		26,507,909	30,244,982
Payment of operating expenses		12,209,826	13,155,926
Remittance of VAT and other withholding taxes		9,177,234	9,042,895
Return of bonds		5,431,522	-
Advances to officers and employees		3,074,320	3,037,746
Payment to affiliates/subsidiaries		-	6,316,326
		146,023,889	162,936,687
<b>Net Cash Used in Operating Activities</b>		<b>(3,298,757)</b>	<b>(32,214,097)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment	8	(104,955)	(29,600)
<b>Net Cash Used in Investing Activities</b>		<b>(104,955)</b>	<b>(29,600)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(3,403,712)</b>	<b>(32,243,697)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	3	<b>27,225,453</b>	<b>59,469,150</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	3	<b>23,821,741</b>	<b>27,225,453</b>

The notes on pages 7 to 16 form part of these financial statements.