

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17 – Q**

**QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE
SECURITIES REGULATION CODE AND SRC RULE 17 (2)(b)
THEREUNDER**

1. For the quarterly period ended June 30, 2009
2. Commission identification no. 12397 3. BIR Tax Identification No. 000-107-026
4. Bacnotan Consolidated Industries, Inc.
Exact name of registrant as specified in its charter
5. Manila, Philippines
Province, country or other jurisdiction of incorporation or organization
6. Industry Classification Code : _____
7. 12/f, Phinma Plaza, 39 Plaza Drive, Rockwell Center, Makati City 1210
Address of registrant's principal office
8. (632) 870-01-00
Registrant's telephone number, including area code
9. Former name, former address, and former fiscal year, if changed since last report : N/A
10. Common Shares - 257,737,307 shares issued and outstanding
11. Are any or all of the securities listed on the Philippine Stock Exchange ?

Yes () No ()

If yes, state the name of such stock exchange and the classes of securities listed therein :

Philippine Stock Exchange, Inc.

Common Shares

12. Indicate by check mark whether the registrant :
 - (a) Has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11 (a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period the registrant was required to file such reports)

Yes [] No []
 - (b) Has been subject to such filing requirements for the past 90 days.

Yes [] No []

PART I - FINANCIAL INFORMATION

Item I – Consolidated Financial Statements :

- Exhibit I - Consolidated Income Statements
Six (6) Months ended June 30, 2009 and 2008
- Exhibit I-A - Consolidated Statements of Comprehensive Income
Six (6) Months ended June 30, 2009 and 2008
- Exhibit I-B - Computation of Earnings (Loss) per share
Six (6) Months ended June 30, 2009 and 2008
- Exhibit II - Consolidated Balance Sheets
June 30, 2009 and December 31, 2008
- Exhibit III - Statement of Changes in Equity
June 30, 2009 and December 31, 2008
- Exhibit IV - Consolidated Statement of Cash Flows
Six (6) Months ended June 30, 2009 and 2008
- Exhibit V - Schedule of Accounts Receivable Trade
As of June 30, 2009
- Exhibit VI - Schedule of Accounts Receivable - Non Trade
As of June 30, 2009

Item 2 – Management’s Discussion and Analysis of Financial Condition And Results of Operations

A. Quarter ended June 30, 2009 vs. 2008

Bacnotan Consolidated Industries, Inc.’s (BCII) consolidated net income for the second quarter of 2009 amounted to P42 million compared to P148 million for the same period last year. The P 106 million decrease in the net income for the quarter was mainly due to the unrealized foreign exchange loss for the quarter brought about the weakening of the dollar from P48.33 on March 31, 2009 to P48.13 as of June 30, 2009. For the same period last year, BCII booked a foreign exchange gain of P 93.7 million due to the strengthening of the dollar from P 41.76 on March 31, 2008 to P 44.90 on June 30, 2008.

BCII’s consolidated revenues for the 2nd quarter amounted to P985 million, an increase of 17% over the same period last year, due to the first-time consolidation of revenues of One Animate Limited, University of Pangasinan and University of Iloilo in 2009. However, operating expenses likewise increased mainly due to the one-time amortization of intangibles related to the acquisition of One Animate.

B Six (6) months ended June 30, 2009 vs. 2008

BCII’s unaudited consolidated revenues amounted to P1.9 billion for the first half of CY 2009. This is higher by 23% compared to revenues of P1.5 billion for the same period last year. This increase was due to the first-time consolidation of revenues of One Animate Limited, University of Pangasinan and University of Iloilo in 2009.

Consolidated cost and expenses of BCII for the period amounted to P1.8 billion, 28% higher compared to the previous year’s P1.4 billion. The increase is also due to the first-time consolidation of cost and expenses of the new acquisitions mentioned earlier and the amortization of intangibles from the said acquisition.

Equity in net earnings of associates also increased from P31 million in June 2008 to P62 million this year due to higher income contributions from AB Capital and Investment Corp. (ABCIC) and Trans-Asia Oil and Energy Development Corp.

BCII’s consolidated first semester income is P224 million, a 21% increase over net income for the same period last year amounting to P185 million. Of the P224 million income for the 1st semester, P207 million was income attributable to the equity holders of the parent.

The results of operations of BCII subsidiaries for the six months ended June 30, 2009 compared to 2008 are as follows :

Union Galvasteel Corporation (UGC)

MARKETING

The construction activity for the 2nd quarter was in high gear driven by sustained demand in the housing sector and the start of government projects in the countryside. As a result UGC sold 1.45 million sheets up by 25% compared with the performance during the 1st quarter ended March 31, 2009 and only 3% short of budget and the performance for the same quarter in 2008.

Total sales volume of UGC amounted 2.610 million sheets for the six (6) months ended June 30, 2009; this is slightly lower than the budget of 2.743 million sheets.

PRODUCTION

The company's production lines had limited utilization for the six (6) month period ended June 30, 2009 as it was carrying adequate inventories at the beginning of 2009.

The Continuous Galvanizing Line (CGL) produced only 13,491 metric tons or 45% utilization while the Color Coating Line (CCL) operated only at 76% equivalent to 15,033 metric tons, both significantly lower than budget and the line's utilization in 2008.

FINANCIALS

Net Income realized for the quarter ended June 30, 2009 was P45.085 million which is more than twice the P20.64 million earned in the first quarter. This performance is on account of the better sales volume and the relentless cost reduction program pursued by the company as a response to the global economic slowdown.

For the first semester of 2009, net income amounted to P65.7 million or better by 25% than the budget of P52.6 million though slightly lower than the P70.8 million earned in the first semester of 2008.

Bacnotan Industrial Park Corporation (BIPC)

On March 10, 2009, BCII, along with Atlas Holdings Corporation, Trans-Asia Oil and Energy Development Corporation and Trans-Asia Power Generation Corporation, signed a Share Purchase Agreement for the sale of shares in BIPC to Phoenix Petroleum Philippines, Inc. for a total of P658.7 million.

The gain of BCII and its subsidiary and affiliates from the sale of BIPC shares amounting to P 72 million is shown in the income statement under Income from Discontinued Operations.

Atlas Holdings Corporation (AHC)

For the six (6) months ended June 30, 2009, Atlas Holdings Corporation, a 90% subsidiary of BCII, registered a net income of P9 million mainly from financial income. This is higher than net income last year of P2.7 million due to unrealized mark-to-market gains.

On March 30, 2009, the Board of Directors declared a cash dividend of P56.45 per share totaling P124 million to all shareholders of record as of declaration date payable on April 30, 2009 and May 30, 2009.

Araullo University (AU)

For the period January to June 2009, Araullo University registered revenues amounting to P90 million while direct costs amounted to P55 million. General and administrative expenses for the same period amounted to P23 million. For the six months ended June 30, 2009, Araullo University registered a net income of P7 million.

Total assets for the period June 30, 2009 amounted to P417 million while liabilities amounted to P161 million.

On January 26, 2009, AU declared a cash dividend of P.60 per share to all shareholders of record as of January 31, 2009 payable on February 18, 2009. On July 15, 2009, AU declared another cash dividend of P1.39 per share to all shareholders of record as of July 15, 2009 payable August 14, 2009.

Caqayan de Oro College, Inc. (COC)

For the period January to June of CY 2009, COC registered revenues amounting to P64 million. Direct cost and operating expenses as of June 30, 2009 was P42 million and P22 million respectively. COC realized a net loss of P5 million for the period January to June 2009.

University of Pangasinan (Upang)

On February 2, 2009, BCII acquired a 70% stake in University of Pangasinan in Dagupan City. Upang is the leading educational institution in Pangasinan offering elementary, secondary and tertiary education. Upang offers courses in Nursing, Engineering and Accountancy, among others.

Upang also owns 50.30% of Pangasinan Medical Center, also located in Dagupan City.

For the period February to June 2009, Upang registered revenues amounting to P124 million and net income of P16 million. UPANG total assets as of end June 2009 is P517 million.

University of Iloilo (UI)

On February 25, 2009, BCII acquired a 70% interest in University of Iloilo (UI), located in Iloilo City. The area is part of Region VI, the fourth most populated region in the country, with the third largest student population. UI offers elementary, secondary and tertiary education, and currently serves approximately 7,200 students. UI offers courses in nursing, criminology, hotel and restaurant management and accountancy. For the period of March to June 2009, UI registered revenues amounting to P44 million and a net income of P2 million.

One Animate Limited (OAL)

One Animate Limited is a limited liability company incorporated in Hongkong in October 2008. OAL owns a ninety five (95%) interest in Toon City Animation, Inc. The latter is an award winning animation Studio providing 2D flash and 3D CGI animation services and counts among its clients international names like Walt Disney and Universal Studios.

For the period January to June 2009, OAL registered revenues of P162 million and net income of P29 million. OAL total assets as of end-June 2009 amounted to P520 million.

Asian Plaza, Inc. (API)

For the 1st semester of CY 2009, API posted net income of P4.5 million on revenues of P22 million.

Key Performance Indicators (KPI)

The top five (5) KPI's used to measure the financial performance of BCII and its subsidiaries as of June 30, 2009 compared to the same period last year are shown in the following table :

Financial KPI	Definition	2009	2008
<u>Profitability</u>			

Return on Equity (ROE)	<u>Net income (loss)</u> Ave. total equity attributable to BCII equity holders	3.55%	2.87%
Gross Profit Margin	<u>Gross profit</u> Net sales	23.85%	19.80%
<u>Efficiency</u>			
Cash Flow Margin	<u>Cash flow from operating Activities</u> Net sales	11.04%	9.46%
<u>Liquidity</u>			
Current Ratio	<u>Current assets</u> Current liabilities	2.97 : 1.00	3.30 : 1.00
Debt-to Equity Ratio	<u>Total liabilities</u> Total stockholders equity	0.3 : 1.00	0.3 : 1.00

Profitability

Return on equity for the period January to June 2009 was 3.55% compared to 2.87% for the same period last year. The increase was due to higher net income for the 1st semester of CY 2009 compared to the same period last year.

Gross profit margin also increased from 19.80% in June 2008 to 23.85% in June 2009 due to the high gross profit margin of University of Iloilo and Araullo University.

Efficiency

Net cash inflow from operations was P210 million for the period January to June 2009 compared to P147 million for the same period last year. The increase was due to the significant decrease in inventories of UGC from P 920 million as of December 2008 to P 487 million by June 30, 2009.

Liquidity

Current ratio was 2.97 :1.00 as of June 30, 2009 compared to 3.30:1.00 last year, due to the use of funds for the acquisition of University of Pangasinan and University of Iloilo. Debt-equity ratio of BCII and its subsidiaries as of June 30, 2009 and December 31, 2008 remained at 0.3:1.00.

Notes to Financial Statements

Accounting Policies and Principles

The accompanying consolidated financial statements of Bacnotan Consolidated Industries have been prepared in compliance with accounting principles generally accepted in the Philippines as set forth in Philippine Financial Reporting Standards (PFRS). The consolidated financial statements have been prepared on a historical cost basis, except for

financial assets at fair value through profit and loss, available for sale investments and derivative investments that have been measured at fair value.

The consolidated financial statements are prepared in Philippine pesos, the company's functional and presentation currency.

Seasonality Aspects of the Business

Like any other company in the construction industry, the operations of UGC is affected by seasonality of cyclicity. During the summer months starting December to May, demand for roofing materials are greater than during the rainy months of June to November. The demand for the first semester of the calendar year is normally higher than that of the second semester.

Interim Disclosures on Financial Statements

The following financial disclosures do not materially affect or are not applicable to the Company's interim operations :

1. Unusual items that affect the assets, liabilities, equity, net income or cash flows because of their nature, size or incidents.
2. Changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years that have a material effect in the current period.
3. Issuances, repurchases of debt and equity securities.
4. Segment revenue and segment results for business segments and geographical segments.
5. Changes in contingent liabilities or contingent assets since the last annual balance sheet.
6. Existence of material contingencies and other events of transactions that are material to an understanding of the current interim period.
7. Known trends, demands, commitments, events and uncertainties that will result in or likely to decrease its liquidity in any material way. BCII does not anticipate having within the next twelve (12) months any cash flow or liquidity problems nor does it anticipate any default or breach of any of its existing notes, loans, leases, other indebtedness or financing arrangements requiring it to make payments, except the breach in current ratio requirements of the loan covenants.
8. Events that will trigger direct or contingent material financial obligations to the company, including any default or acceleration of its existing obligations.
9. Material off-balance sheet transactions, arrangements, obligations (direct or contingent) and other relationships of the company with unconsolidated entities or other person created during the year.
10. Material commitments for capital expenditures.

11. Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable impact on net sales/revenues/ income from continuing operations.
12. Significant elements of income or loss that did not arise from the company's continuing operations.

Material Changes in Balance Sheet Accounts

Cash and cash equivalents

The decrease in cash and cash equivalents are shown in the cash flow statement.

Short-term investments

Short-term investments decreased during the period, as placements were called in to fund investments in UPang and UI.

Investments held for Trading

Investments held for trading were sold mainly to fund investments in UPang and UI.

Accounts receivable trade and others - net

The increase in the account represents the receivables of Upang and UI amounting to P 415 million which were consolidated for the first time during the first semester of CY 2009.

Inventories

The decrease in inventories comes as a result of UGC's efforts to reduce inventory to a target level of approximately two and a half months of sales. Inventory decreased from P 920 million as of December 2008 to P 487 million as of June 30, 2009.

Available-for-sale investments

The increase in the account represents the P 66 million investment in cumulative convertible preferred shares of Coral Way City Hotel Corporation. The latter owns the Microtel Hotel being constructed at the Mall of Asia Complex in the Manila Bay Area.

Property, Plant and Equipment - net

The increase in the account represents the fair value of the property, plant and equipment of UPang and UI.

Intangibles

The P 697 million increase in the account represents provisional goodwill and intangibles arising from the acquisition of UPang and UI.

Installment contract receivable

This account represents the P 315 million long-term contract receivable of BCII and AHC from Phoenix Petroleum Philippines, Inc. on the sale of shares of BIPC. The contract receivable is payable over a period of five years beginning October 2009.

LIABILITIES

Notes payable

The decrease in notes payable represents payments made by UGC on its short-term borrowings.

Trade and other payables

The decrease in the account represents payment of trade payables of UGC.

Unearned revenues

The increase in the account mainly represents unearned revenues of UPang and UI amounting to P 156 million as of end-June 2009. Upang and UI were acquired and consolidated by BCI only in 2009.

Trust receipts payable

The decrease in the account represents payment of UGC of its outstanding trust receipt payable.

Long-term debt

The increase in the account is mainly attributable to long-term debt of UPang amounting to P 75 million.

Non-current Liabilities

The increase in the account represents deferred tax liabilities arising from the acquisition of UPang and UI in 2009.

Material Changes in Income Statement Accounts

Revenues

The increase in revenues represents the first-time consolidation of revenues of UPang UI and One Animate.

Cost of sales

The increase in the cost of sales is attributable to the first-time consolidation of UPang, UI and One Animate.

Operating expenses

The increase in the account represents the operating expenses of Upang, UI and One Animate which were consolidated for the first time during the first semester of CY 2009, as well as the amortization of intangibles arising from the acquisition of the said companies.

Equity in net earnings of associates

The increase in the account is largely due to the net income posted by AB Capital of P28 million compared to a net loss of P71 million for the same period last year. There was likewise an increase in the net income of Trans-Asia Oil and Energy Development Corporation from P153 million last year to P214 million this year.

Net gain (loss) on derivatives

Actual losses on derivatives which matured during the first semester amounted to P 7 million; however, BCI had booked a P 26.2 million unrealized loss on said derivatives in 2008, hence a gain of P 19 million during the first semester of CY 2009.

Provision for income tax

The decrease in provision for income tax was brought about by the deferred income tax benefit arising from the amortization of intangibles of One Animate Limited, UPang and UI.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BACNOTAN CONSOLIDATED INDUSTRIES, INC.


REGINA B. ALVAREZ
Senior Vice President - Finance


RIZALINA P. ANDRADA
Asst. Vice President - Finance

August 14, 2009

BACNOTAN CONSOLIDATED INDUSTRIES, INC.
CONSOLIDATED INCOME STATEMENTS
(In Thousand Pesos)

	QUARTER ENDED		SIX (6) MONTHS ENDED	
	AS OF JUNE 30,		AS OF JUNE 30,	
	2009	2008	2009	2008
CONTINUING OPERATIONS :				
REVENUES	984,665	842,499	1,902,528	1,552,381
COST OF SALES	756,730	667,148	1,448,896	1,245,028
GROSS PROFIT	227,935	175,351	453,632	307,353
OPERATING EXPENSES	182,953	85,173	343,833	160,794
INCOME FROM OPERATIONS	44,982	90,178	109,799	146,559
FINANCIAL CHARGES	(17,645)	(21,632)	(37,607)	(40,262)
EQUITY IN NET EARNINGS OF INVESTEEES	18,399	24,392	62,440	31,476
NET GAIN (LOSS) ON DERIVATIVES	3,112	(7,429)	19,035	(28,250)
FOREIGN EXCHANGE GAIN (LOSS)	(25)	93,773	13,394	107,593
OTHER INCOME (EXPENSES) - Net	5,176	(6,205)	5,877	(4,160)
INCOME (LOSS) BEFORE INCOME TAX	53,999	173,077	172,938	212,956
PROVISION FOR INCOME TAX	12,504	28,435	21,071	43,041
NET INCOME FROM CONTINUING OPERATIONS	41,495	144,642	151,867	169,915
DISCONTINUED OPERATIONS :				
INCOME FOR THE PERIOD	19	3,127	71,858	14,940
NET INCOME FOR THE PERIOD	41,514	147,769	223,725	184,855
Attributable To :				
Equity holders of the parent	39,981	135,491	207,384	161,138
Minority	1,533	12,278	16,341	23,717
Net income	41,514	147,769	223,725	184,855
Basic Earnings Per Common Share - attributable to Equity				
Holders of the Parent	0.16	0.53	0.80	0.63

BACNOTAN CONSOLIDATED INDUSTRIES, INC.
Consolidated Statements of Comprehensive Income
 As of June 30, 2009 and 2008
in thousands

	UNAUDITED	
	Six (6) Months Ended	
	June 30	
	2009	2008
Net Income for the period	223,725	184,855
Other comprehensive income		
Share in unrealized gain (loss) on change in fair value of available-for-sale investments of associates	(5,345)	(7,888)
Unrealized gain (loss) on change in fair value of available-for-sale investments	(80)	(651)
Other comprehensive income for the period	(5,425)	(8,539)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	218,300	176,316
Total comprehensive income attributable to :		
Equity holders of the parent	201,959	152,599
Minority interest	16,341	23,717
	218,300	176,316

Exhibit I - B

BACNOTAN CONSOLIDATED INDUSTRIES, INC.

Unaudited Computation of Earnings (loss) Per Share

As of June 30, 2009 and 2008

amounts in thousands except earnings per share

	UNAUDITED Quarter Ended June 30		UNAUDITED Six (6) Months Ended June 30	
	2009	2008	2009	2008
Net income attributable to equity holders of the parent	39,981	135,491	207,384	161,138
# of common shares outstanding	257,737	257,737	257,737	257,737
Basic earnings per share attributable to equity holders of the parent	0.16	0.53	0.80	0.63

BACNOTAN CONSOLIDATED INDUSTRIES, INC.

Exhibit II

CONSOLIDATED BALANCE SHEETS

(In Thousand Pesos)

A S S E T S	UNAUDITED JUNE 30, 2009	As restated AUDITED DEC. 31, 2008
CURRENT ASSETS		
Cash and cash equivalents	779,824	1,809,871
Short-term investments	27,857	86,817
Investments held for trading	487,896	787,295
Trade and other receivables	904,802	408,809
Inventories	486,954	920,305
Other current assets - net	87,630	103,126
Total Current Assets	2,774,963	4,116,223
INVESTMENTS IN ASSOCIATES - at equity	1,276,364	1,251,378
AVAILABLE -FOR -SALE INVESTMENTS - net	398,769	331,519
PROPERTY, PLANT & EQUIPMENT - net	1,965,150	1,164,790
INVESTMENT PROPERTIES - net	545,487	544,037
INTANGIBLES	1,117,134	420,078
INSTALLMENT CONTRACT RECEIVABLE	314,887	-
OTHER ASSETS	55,171	49,481
ASSETS OF DISCONTINUING OPERATIONS	-	596,553
TOTAL ASSETS	8,447,925	8,474,059
LIABILITIES & EQUITY		
CURRENT LIABILITIES		
Notes payable	99,039	123,818
Trade and other current liabilities	375,062	422,935
Trust receipts payable	106,910	537,252
Unearned revenues	266,024	73,513
Current portion of long-term debt	88,356	88,356
Total Current Liabilities	935,391	1,245,874
NONCURRENT LIABILITIES		
Long-term debt - net of current portion	431,428	400,499
Deferred tax liabilities	301,065	101,613
Deferred rent revenue	50,726	50,726
Other noncurrent liabilities	42,561	12,957
Total Noncurrent Liabilities	825,780	565,795
LIABILITIES OF DISCONTINUING OPERATIONS	-	47,366
EQUITY		
Equity attributable to equity holders of the parent :		
Capital Stock	2,577,249	2,577,249
Additional paid-in capital	255,785	255,785
Share in equity component of convertible notes	13,443	13,443
Share in unrealized gains on financial assets of	(291)	5,054
Unrealized gain (loss) on change in fair value of		
of available-for-sale investments	(680)	(600)
Retained Earnings	3,042,602	2,938,312
	5,888,108	5,789,243
Minority interest	798,646	825,781
Total Equity	6,686,754	6,615,024
TOTAL LIABILITIES & EQUITY	8,447,925	8,474,059

Exhibit III

BACNOTAN CONSOLIDATED INDUSTRIES, INC.

Statement of Changes in Equity

(in thousands)

	UNAUDITED		AUDITED
	JAN. - JUNE		December
	2009	2008	2008
CAPITAL STOCK - common	2,577,249	2,577,249	2,577,249
ADDITIONAL PAID-IN CAPITAL	255,785	255,785	255,785
SHARE IN EQUITY COMPONENT OF CONVERTIBLE NOTES	13,443	16,699	13,443
SHARE IN UNREALIZED GAIN ON CHANGE IN FAIR VALUE OF AVAILABLE-FOR-SALE INVESTMENTS OF ASSOCIATES	(291)	16,896	5,054
UNREALIZED GAIN (LOSS) ON CHANGE IN FAIR VALUE OF AN AVAILABLE-FOR-SALE INVESTMENTS	(680)	500	(600)
RETAINED EARNINGS			
Appropriated for future investments	1,000,000	1,000,000	1,000,000
Unappropriated :			
Balance beginning of year	1,938,312	1,899,459	1,899,459
Net Income	207,384	161,138	273,160
Cash dividends on common shares	(103,095)	-	-
Stock dividends on common shares	-	(234,307)	(234,307)
	2,042,602	1,826,290	1,938,312
MINORITY INTEREST	798,646	803,741	825,781
TOTAL EQUITY	6,686,754	6,497,161	6,615,024

BACNOTAN CONSOLIDATED INDUSTRIES INC. AND SUBSIDIARIES

Unaudited Consolidated Statements of Cash Flows

For the Six (6) months ended June 30, 2009 and 2008
in thousands

	June 30 2009	June 30 2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	172,938	230,747
Adjustments for:		
Equity in net earnings of investees	(62,440)	(31,476)
Other non-cash adjustments	128,053	36,823
Dividend income	(2,709)	(1,873)
Income tax paid	(36,886)	(35,162)
Changes in working capital	11,140	(52,264)
<i>Cash provided by operating activities</i>	<i>210,096</i>	<i>146,795</i>
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease (increase) in other noncurrent assets	(72,248)	(38,818)
Business combination - cash paid net of cash from business acquired	(920,167)	-
Dividend received	2,709	35,686
Settlement of derivative liability	(10,646)	31,158
Decrease (increase) in		
Short term investments	58,942	(120,132)
Financial assets at fair value through profit and loss	315,769	16,662
Investments	(290)	(63,349)
Investment properties	-	8,756
Property and equipment	(27,409)	(68,098)
Available for sale investments	(67,330)	(20,000)
Net cash generated from (used in) investing activities	(720,670)	(218,135)
Downpayment from sale of investments	77,250	-
<i>Net cash used in investing activities</i>	<i>(643,420)</i>	<i>(218,135)</i>
CASH FLOW FROM FINANCING ACTIVITIES		
Increase (decrease) in :		
Short-term borrowings	(455,121)	10,845
Long-term borrowing	(43,841)	(47,578)
Payment of cash dividends	(102,004)	-
<i>Net cash used in financing activities</i>	<i>(600,966)</i>	<i>(36,733)</i>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,034,290)	(108,073)
EFFECT OF EXCHANGE RATE CHANGES ON CASH & CASH EQUIVALENTS	4,243	47,230
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,809,871	1,660,878
<i>CASH AND CASH EQUIVALENTS AT END OF YEAR</i>	<i>779,824</i>	<i>1,600,035</i>

BACNOTAN CONSOLIDATED INDUSTRIES, INC.

Consolidated Aging of A/R-Trade

As of June 30, 2009

in thousands

	<u>Total</u>
Current	627,155
1 - 30 days	24,599
	-
31 - 60 days	10,536
	-
61 - 90 days	4,141
	-
Over 90 days	<u>22,811</u>
TOTAL	689,242
Less : Allow. For Doubtful Accounts	<u>35,727</u>
Net Trade Receivable	<u><u>653,515</u></u>

BACNOTAN CONSOLIDATED INDUSTRIES, INC.
Consolidated Aging of A/R- Non Trade
 As of June 30, 2009
 (in thousands)

	<u>TOTAL</u>
Current	188,490
0 - 30 days	-
	-
31 - 60 days	352
	-
61 - 90 days	363
	-
Over 90 days	<u>15,801</u>
TOTAL	205,006
Less : Allow. For Doubtful Accounts	<u>3,742</u>
Net Non-Trade Receivable	<u><u>201,264</u></u>