



PETRON CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
For the Nine Month Periods Ended September 30, 2008 and 2007
(Amounts in Millions of Pesos, Except Per Share Amounts)

Unaudited

	<u>January to September</u>	
	<u>2008</u>	<u>2007</u>
SALES	216,427	152,339
COST OF GOODS SOLD	<u>(205,139)</u>	<u>(141,569)</u>
GROSS PROFIT	11,288	10,770
SELLING AND ADMINISTRATIVE EXPENSES	(4,085)	(3,878)
INTEREST INCOME	234	239
INTEREST EXPENSE	(2,654)	(1,892)
OTHERS	<u>(1,086)</u>	<u>798</u>
INCOME BEFORE INCOME TAX	3,697	6,037
PROVISION FOR INCOME TAX	<u>(913)</u>	<u>(1,933)</u>
NET INCOME	<u><u>2,784</u></u>	<u><u>4,104</u></u>
Attributable to:		
Equity holders of the parent	2,779	4,099
Minority interest	<u>5</u>	<u>5</u>
	<u><u>2,784</u></u>	<u><u>4,104</u></u>
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	<u>0.30</u>	<u>0.44</u>



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

	Unaudited	Audited
	As at 9/30/2008	12/31/2007
ASSETS		
Current Assets		
Cash and cash equivalents	9,559	9,732
Financial assets at fair value through profit or loss	182	229
Available-for-sale investments	232	164
Receivables	23,349	17,869
Inventories	49,279	30,271
Other current assets	9,831	10,672
Total Current Assets	92,432	68,937
Non-Current Assets		
Property, plant and equipment	36,115	34,122
Investment properties	198	208
Available-for-sale investments	458	468
Other noncurrent assets	1,044	739
Total Noncurrent Assets	37,815	35,537
	130,247	104,474
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Short-term loans	37,032	33,784
Liabilities for crude oil and petroleum product importation	32,357	12,873
Accounts payable and accrued expenses	6,323	4,544
Current portion of long-term debt	3,050	1,604
Income tax payable	46	523
Total Current Liabilities	78,808	53,328
Non-Current Liabilities		
Long-term debt - net of current portion	9,303	11,176
Deferred income tax liabilities	1,456	1,268
Other noncurrent liabilities	1,010	914
Total Noncurrent Liabilities	11,769	13,358
Stockholders' Equity Attributable to Equity Holders of the Parent		
Capital stock	9,375	9,375
Retained earnings		
Appropriated	21,172	21,172
Unappropriated	9,362	7,520
Other reserves	(409)	(412)
Total Stockholders' Equity Attributable to Equity Holders of the Parent	39,500	37,655
Minority Interest		
	170	133
Total Stockholders' Equity	39,670	37,788
	130,247	104,474



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

Unaudited

	September 2008	September 2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	3,697	6,037
Adjustments for:		
Depreciation and amortization	2,366	1,915
Interest expense	2,654	1,875
Interest income	(234)	(239)
Net unrealized foreign exchange loss (gain)	239	(514)
Others	54	(64)
Operating income before working capital changes	8,776	9,010
Changes in operating assets and liabilities		
Decrease (increase) in assets:		
Receivables	(4,333)	(26)
Inventories	(19,007)	(3,561)
Other current assets	814	(237)
Increase (decrease) in liabilities:		
Liabilities for crude oil and petroleum product importation	19,289	10,843
Accounts payable and accrued expenses	1,951	727
Provisions for doubtful accounts, inventory obsolescence and others	26	88
Interest paid	(2,650)	(1,955)
Income taxes paid	(1,205)	(1,956)
Interest received	245	237
Net cash provided by (used in) operating activities	3,906	13,170
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to:		
Property, plant and equipment	(4,349)	(8,394)
Investment properties	-	1
Decrease (increase) in:		
Other receivables	(1,134)	(1,261)
Other noncurrent assets	(303)	(18)
Reductions from (additions to):		
Available-for-sale investments	(58)	(20)
Investments	-	-
Net cash provided by (used in) investing activities	(5,844)	(9,692)
CASH FLOWS FROM FINANCING ACTIVITIES		
Availment of loans	91,991	44,261
Payments of:		
Loans	(89,477)	(46,925)
Cash dividends	(921)	(923)
Others	101	80
Net cash provided by (used in) financing activities	1,694	(3,507)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
	71	(16)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
	(173)	(45)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		
	9,732	11,735
CASH AND CASH EQUIVALENTS AT END OF PERIOD		
	9,559	11,690