



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

	As at	
	3/31/2008	12/31/2007
ASSETS		
Current Assets		
Cash and cash equivalents	11,985	9,732
Financial assets at fair value through profit or loss	212	229
Available-for-sale investments	308	164
Receivables	21,426	17,869
Inventories	36,905	30,271
Other current assets	8,304	10,672
Total Current Assets	79,140	68,937
Non-Current Assets		
Property, plant and equipment	34,927	34,128
Investment properties	205	202
Available-for-sale investments	340	468
Other noncurrent assets	975	739
Total Noncurrent Assets	36,447	35,537
	115,587	104,474
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Short-term loans	37,361	33,784
Liabilities for crude oil and petroleum product importation	19,631	12,873
Accounts payable and accrued expenses	5,140	4,544
Current portion of long-term debt	1,927	1,604
Income tax payable	29	523
Total Current Liabilities	64,088	53,328
Non-Current Liabilities		
Long-term debt - net of current portion	10,873	11,176
Deferred income tax liabilities	1,235	1,268
Other noncurrent liabilities	944	914
Total Noncurrent Liabilities	13,052	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	8,175	7,520
Other reserves	(411)	(412)
Stockholders' Equity Attributable to Equity Holders of the Parent	38,311	37,655
Minority Interest		
	136	133
Total Stockholders' Equity	38,447	37,788
	115,587	104,474



PETRON CORPORATION AND SUBSIDIARIES
STATEMENT OF INCOME
For the Three Month Periods Ended March 31, 2008 and 2007
(Amounts in Millions of Pesos, Except Per Share Amounts)

	January to March	
	2008	2007
SALES	59,598	43,346
COST OF GOODS SOLD	<u>(56,748)</u>	<u>(40,461)</u>
GROSS PROFIT	2,850	2,885
SELLING AND ADMINISTRATIVE EXPENSES	(1,132)	(1,084)
INTEREST INCOME	76	78
INTEREST EXPENSE	(636)	(634)
OTHERS	<u>(463)</u>	<u>137</u>
INCOME BEFORE INCOME TAX	695	1,382
PROVISION FOR INCOME TAX	<u>(37)</u>	<u>(429)</u>
NET INCOME	<u>658</u>	<u>953</u>
Attributable to:		
Equity holders of the parent	655	952
Minority interest	<u>3</u>	<u>1</u>
	<u>658</u>	<u>953</u>
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT - BASIC & DILUTED	<u>0.07</u>	<u>0.10</u>



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

	January to March	
	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	695	1,382
Adjustments for:		
Depreciation and amortization	652	641
Interest expense	635	625
Interest income	(76)	(78)
Net unrealized foreign exchange loss (gain)	302	(70)
Others	16	(78)
Operating income before working capital changes	2,224	2,422
Changes in operating assets and liabilities		
Decrease (increase) in assets:		
Receivables	(3,143)	224
Inventories	(6,634)	(1,666)
Other current assets	2,306	1,748
Increase (decrease) in liabilities:		
Liabilities for crude oil and petroleum product importation	6,638	4,777
Accounts payable and accrued expenses	691	150
Provisions for doubtful accounts, inventory obsolescence and others	48	93
Interest paid	(713)	(798)
Income taxes paid	(562)	(460)
Interest received	78	81
Net cash provided by (used in) operating activities	933	6,571
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to:		
Property, plant and equipment	(1,448)	(2,534)
Investment properties	(6)	-
Decrease (increase) in:		
Other receivables	(389)	104
Other noncurrent assets	(222)	(35)
Reductions from (additions to):		
Financial assets at fair value through profit or loss	-	-
Available-for-sale investments	(16)	1
Investments	-	-
Net cash provided by (used in) investing activities	(2,081)	(2,464)
CASH FLOWS FROM FINANCING ACTIVITIES		
Availment of loans	21,694	17,494
Payments of:		
Loans	(18,322)	(26,987)
Cash dividends	(2)	(3)
Others	23	241
Net cash provided by (used in) financing activities	3,393	(9,255)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
	8	(1)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,253	(5,149)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	9,732	11,735
CASH AND CASH EQUIVALENTS AT END OF PERIOD	11,985	6,586