COVER SHEET

5 8 6 4 8

SEC Registration Number

INTERPHIL LABORATORIES, INC.

(Company's Full Name)

Canlubang Industrial Estate,
Bo Pittland, Cabuyao, Laguna 4025

(Business Address: No. Street City/Town/Province)

Caroline O. Villaseran

(Contact Person)

(049) 549-23-45 to 49
(049) 549-30-96 to 98

(Company Telephone Number)

FIRST MONDAY OF MAY

1 2 | 3 1

Month *Day*

(Fiscal Year)

17-Q

(Form Type)

Month *Day*

(Annual Meeting)

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Domestic

Foreign

Total No. of Stockholders

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

SEC Number **58648**
File Number ________________

____

INTERPHIL LABORATORIES, INC.

(Company's Full Name)

CANLUBANG INDUSTRIAL ESTATE, BO. PITTLAND
4025 CABUYAO, LAGUNA
(Company's Address)

(049) 549-23-45 to 49, 549-30-96 to 98
(Telephone Number)

DECEMBER 31
(Fiscal Year Ending)
(month & day)

FORM 17-Q
Form Type

Amendment Designation (if applicable)

September 30, 2008

Period Ended Date

____
(Secondary License Type and File Number

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 **September 30, 2008**

2. SEC Identification Number **58648** 3. BIR Tax Identification No. **000-410-840-000**

4. **Interphil Laboratories, Inc**
Exact name of registrant as specified in its charter

5. **Philippines**
Province, Country or other jurisdiction of incorporation or organization

6. [ ] (SEC Use Only)
Industry Classification Code

7. **Canlubang Industrial Estate, Bo. Pittland Cabuyao, Laguna**
Address of issuer's principal office

4025
Postal Code

8. **(049) 549-23-45 to 49, 549-30-96 to 98**
Issuer's telephone number, including area code

9. ______________________________
Former name, former address, and former fiscal year, if changed since last report.

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock and Amount of Debt Outstanding As of September 30, 2008	Treasury Shares	Outstanding Common Stock
Common Class A	**337,500,000**	**64,803,449**	**272,696,551**
Common Class B	**225,000,000**	**85,631,955**	**139,368,045**
TOTAL	**562,500,000**	**150,435,404**	**412,064,596**

11. Are any or all of these securities listed on a Stock Exchange?

Yes [X] No [ ]

If yes, state the name of such Stock Exchange and the class/es of the securities listed therein:
Philippine Stock Exchange **Common (Class "A" and "B")**

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 Sections 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 that the registrant was required to file such reports);

Yes [X] No [ ]

(b) has been subject to such filing requirements for the past 90 days.

Yes [X] No [ ]

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.
The financial statements and schedule of aging of accounts receivable are filed as part of this Form 17-Q (pages 16 to 23)

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

RESULTS OF OPERATIONS

SUMMARY

The Company ended up with a Net Income of Ps43.4 Million at the end of the third quarter of this year which is a 25% improvement in comparison to last year of the same period of Ps34.7 Million despite the loss suffered in the September of this year. Volume slid down as some clients have scaled down their requirements in addition to the materials delivery problem incurred by the company.

Free cash continues to be positive notwithstanding the repayments of Ps 114 Million for existing bank loans. As part of the cash conservation program, capital expenditure was only for cGMP related investments. The company likewise implemented a voluntary early retirement program to save on personnel costs and in anticipation of a decrease in volume. Cost benefit will start to be felt starting October 2008 and onwards. . A remarkable decrease in Inventories and trade payables turnover are also shown during the period due to better inventory management and the implementation of the Customer Purchase Order (cPO) system to replace the forecasting system for orders received from clients.

INCOME FROM SALES AND SERVICES

Total material sales went down by 2% as a result of the shortfall of the volume from our clients while services increased by 9% as a result of the full implementation of price increases. Company's Year-to-date Income from Sales and Services is higher by 3% from last year's Ps1,625.7 Million to this year's Ps1,674.2 Million as a result.

The year to date average product mix is 33% dry products and 67% liquids. As compared to last year of the same period, there was a slight increase of 1% in the volume of high valued dry products.

COSTS AND EXPENSES

YTD Total Cost of Sales and Services minimally decreased by 1% vs. same period of last year while operating expenses increased by 31% on a year to date basis due to the higher cost of utilities, inflation rate increases in cost of supplies and services and accrual for the early retirement program.

The company incurred losses during the third quarter amounting to Ps5.0 Million vs the income of Ps 26.8 Million of the same period last year or a 119% decline. The shortfall in volume and equivalent revenues were caused by materials delivery problem. To cushion the impact of a lower volume and revenue, continual energy conservation and other cost reduction programs are implemented.

BALANCE SHEETS

Total Assets as of September 30, 2008 amounted to Ps1.568 Billion, a decrease of Ps82.86 Million versus Ps1.651 Billion as of end December 2007 brought about by the decrease in inventories by 33% and deposits by 25%. We have implemented the cPO (Customers Purchase Order) system in lieu of the previous forecasting method to put more discipline in the ordering of materials and thereby reducing inventories by Ps 114.7 Million. Deposits decreased by Ps6.2 Million due to better payment terms from service providers for the continuing repairs.

Total liabilities decreased by Ps126.3 Million from last year's Ps0.991 Billion to this year's Ps0.864 Billion due to loan repayments and lower Trade and other payables. Regular repayments of bank loans and updating of trade payables were made as sufficient cash were generated from operations

PROJECTIONS

Currently, Interphil is grappling with several issues related to materials availability due to vendor plant closures, capacity issues and price hikes for oil-based materials and a high turnover rate for the technical managerial group. Service levels are erratic.

Price increases are planned to keep up with increasing operational and material costs and to mitigate decreasing volume. We have lost a number of products due to the clients' regionalization program and shift to their Asian manufacturing facilities. To keep afloat, we need to continuously manage costs and prices to be competitive. Our closest competitor is gaining mileage due to pricing issues.

The Company will continue to modify its business model to allow it to venture into other businesses and permit other or new investors to bring in new resources for a new business that the Company may go into.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instruments are comprised of cash and cash equivalents and notes payable. The Company has various other financial assets and liabilities such as trade and other receivables, noncurrent portion of receivable from Meralco, available-for-sale investments and trade and other payables which arise directly from its operations.

The Company's activities expose it to a variety of financial risks: currency risk, cash flow interest rate risk, credit risk, capital risk, and liquidity risk. The Company's overall risk management program seeks to minimize potential adverse effects on the Company's financial performance due to unpredictability of financial markets.

Risk management is carried out by the Company's Finance Department under policies approved by the BOD. The Company's Finance Department identifies and evaluates financial risks in coordination with the Company's operating units. The BOD approves formal policies for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and liquidity risk.

Foreign Exchange Risks

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rate.

The Company has transactional currency exposures. Such exposure arises from sales or purchases in foreign currencies. Foreign exchange risks are considered minimal. The Company decides not to hedge these immaterial currency exposures considering the cost of hedging being higher than the currency exposure.

There is no other impact on the Company's equity other than those already affecting the profit and loss.

Interest Rate Risk

The Company's interest rate risk arises from cash and cash equivalents and borrowings. Borrowings at variable rates expose the Company to cash flow interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Company manages its interest rate risk by periodic review of the Company's debt mix on a monthly basis, with the objective of reducing interest cost and maximizing available loan terms.

There is no other impact on the Company's equity other than those already affecting the profit and loss.

Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company.

The Company trades only with recognized, creditworthy third parties. It is the policy of the Company that all customers who wish to trade on credit terms are subjected to credit verification procedures. Receivables from customers are usually settled after approved credit terms. Accounts receivable balances are monitored on an on-going basis with the result that the exposure of the Company to bad debts is not significant. The Company does not offer credit terms to third parties, without the specific approval of management.

The Company follows strict credit policies and procedures in granting of credit to customers and aged schedule of receivables are regularly monitored.

With respect to credit risk from other financial assets of the Company, which mainly composed of cash and cash equivalents and advances to affiliated companies, the exposure of the Company to credit risk arises from the default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

There is no significant concentration of credit risk in the Company.

Capital Risk Management

The primary objective of the Company's capital management is to ensure an adequate return to its shareholder and to maximize shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. Since the Company is not subject to externally imposed capital requirements, it manages and maintains its capital structure by paying-off existing debts, reducing interest-bearing borrowings, adjusting dividend payment to shareholders, returning capital to shareholders, or issuing new shares.

Liquidity Risk

Liquidity risk is the risk of not meeting obligations as they become due because of the inability to liquidate assets or obtain adequate funding.

The objective of the Company is to maintain a balance between continuity of funding and flexibility through the use of credit lines available from local banks. The Company seeks to manage its liquid funds through cash planning on a monthly basis. The Company uses historical figures and experiences and forecasts from its collection and disbursement. Also, the Company only places funds in the money market which are exceeding the Company's requirements. Placements are strictly made based on cash planning assumptions and covers only a short period of time.

FINANCIAL ASSETS AND LIABILITIES

Date of Recognition. The Company recognizes a financial asset or a financial liability in the balance sheet when it becomes a party to the contractual provisions of the instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using trade date accounting.

Initial Recognition of Financial Instruments. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at fair value through profit or loss, includes transaction cost.

Subsequent to initial recognition, the Company classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. Financial liabilities are classified as financial liabilities at fair value through profit or loss or other financial liabilities. The classification depends on the purpose for which the instruments are acquired and whether they are quoted in an active market. Management determines the classification at initial recognition and, where allowed and appropriate, re-evaluates this classification at every reporting date.

Determination of Fair Value. The fair value for financial instruments traded in active markets at balance sheet date is based on their quoted market price or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. When current bid and asking prices are not available, the price of the most recent transaction provides evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of the transaction.

For all other financial instruments not listed in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist, options pricing models, and other relevant valuation models.

The Company considers a market as active if it is one in which transactions is taking place regularly on an arm's length basis. On the other hand, the Company considers a market as inactive if there is a significant decline in the volume and level of trading activity and the available prices vary significantly over time among market participants or the prices are not current.

Day 1 Profit. Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a Day 1 profit) in the statement of income unless it qualifies for recognition as some other type of asset. In cases where use is made of data which is not observable, the difference between the transaction price and model value is only recognized in the statement of income when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the 'Day 1' profit amount.

Financial Assets or Financial Liabilities at Fair Value through Profit or Loss. Financial assets or financial liabilities at fair value through profit or loss include financial assets or financial liabilities held for trading and financial assets or liabilities designated upon initial recognition as at fair value through profit or loss.

Financial assets or financial liabilities are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments or a financial guarantee contract. Gains or losses on investments or liabilities held for trading are recognized in the statement of income.

Financial assets or financial liabilities may be designated at initial recognition as at fair value through profit or loss if any of the following criteria are met:

- the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognizing gains or losses on them on a different basis;
- the assets or liabilities are part of a group of financial assets or financial liabilities which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or
- the financial asset or financial liability contains an embedded derivative, unless the embedded derivative does not significantly modify the cash flows or it is clear, with little or no analysis, that would need to be separately recorded.

As of September 30, 2008 and 2007 and June 30, 2008 and 2007, the Company has no financial assets or liabilities as at fair value through profit or loss.

Loans and Receivables. Loans and receivables are nonderivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, loans and receivables are subsequently carried at amortized cost using the effective interest rate method less any allowance for impairment. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are integral part of the effective interest rate and transaction costs. Gains and losses are recognized in the statement of income when the loans and receivables are derecognized or impaired, as well as through the amortization process. Loans and receivables are included in current assets if maturity is within 12 months from the balance sheet date otherwise, these are classified as noncurrent assets.

Classified as loans and receivables are the Company's cash and cash equivalents, trade and other receivables and receivable from Manila Electric Company (Meralco).

Cash in banks earns interest at the respective bank deposit rates. Cash equivalents are short-term investments, which are made for varying periods of up to three months depending on the immediate cash requirements of the Company, and earn interest at the respective short-term investment rates.

Trade receivables are noninterest-bearing and are generally on 1–30 days' terms.

No additional provision for doubtful accounts was recognized in 2008 and 2007.

Other receivables comprise nontrade receivables from principals and advances to employees.

In 2007, the Company recognized a receivable from Meralco, representing the refund of its previous billings under Phase IV of Meralco's refund scheme.

Under the Meralco refund scheme, the refund may be received through postdated checks or as a fixed monthly credit to bills with cash option. The Company chose to recover the refund through fixed monthly credit to bills for refunds booked in 2005 and through postdated checks for refunds booked in 2007.

Held-to-Maturity Investments. Held-to-maturity investments are nonderivative financial assets which carry fixed or determinable payments and fixed maturities and which the Company has the positive intention and ability to hold until maturity. After initial measurement, held-to-maturity investments are measured at amortized cost. This cost is computed as the amount initially recognized minus principal repayments, plus or minus the cumulative amortization using the effective interest rate method of any difference between the initially recognized amount and the maturity amount, less allowance for impairment. This calculation includes all fees and points paid or received between the parties to the contract that are an integral part of the effective interest rate, transaction costs and all premiums and discounts. Gains and losses are recognized in the statement of income when the investments are derecognized or impaired, as well as through the amortization process. Assets under this category are classified as current assets if maturity is within 12 months from the balance sheet date and noncurrent assets if maturity is more than a year.

As of September 30, 2008 and 2007 and June 30, 2008 and 2007, the Company has no held-to-maturity investments.

Available-for-Sale Financial Assets. Available-for-sale financial assets are those nonderivative financial assets that are designated as available-for-sale or are not classified as fair value through profit or loss, loans and receivables or held-to-maturity investments. After initial recognition, available-for-sale financial assets are measured at fair value with unrealized gains or losses being recognized directly in equity. When the investment is disposed of, the cumulative gain or loss previously recorded in equity is recorded in the statement of income. Interest earned or paid on the investments is reported as interest income or expense using the effective interest rate method. Dividends earned on investments are recognized in the statement of income when the right of payment has been established. Available-for-sale investments are classified as noncurrent assets unless the intention is to dispose such assets within 12 months from the balance sheet date.

The fair value of available-for-sale financial assets consisting of any investments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date.

The Company classified its investment in a certain country club as available-for-sale investment and shown as part of "Other noncurrent assets" account in the balance sheets.

As of September 30, 2008 and 2007 and June 30, 2008 and 2007, the Company has no investments in foreign securities.

Fair Value of Financial Instruments

Set out below is a comparison by category of carrying amounts and fair values of all of the Company's financial instruments as of :

Fair Value of Financial Instruments
(in 000s Pesos)

	September 30, 2008		June 30, 2008	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Assets				
Loans and receivables:				
Cash and cash equivalents	**140,586**	**140,586**	112,200	112,200
Trade and other receivables:	**320,115**	**320,115**	435,569	435,569
Receivable from Meralco - net of current portion	**3,728**	**3,728**	11,749	11,749
	464,429	**464,429**	559,518	559,518
Available-for-sale investment (included as part of "Other noncurrent assets:)	**330,000**	**330,000**	330,000	330,000
	794,429	**794,429**	889,518	889,518
Financial Liabilities				
Other financial liabilities:				
Notes payable	**420,000**	**420,000**	492,500	492,500
Trade and other payables	**359,723**	**359,723**	388,050	388,050
	779,723	**779,723**	880,550	880,550

Impairment of Financial Assets

The Company assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

Assets Carried at Amortized Cost. If there is an objective evidence that an impairment loss on loans and receivables carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset shall be reduced either directly or through the use of an allowance account. The amount of loss shall be charged to current operations. Receivables, together with the associated allowance accounts, are written off when there is no realistic prospect of future recovery.

The Company first assesses whether an objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment. The Company considers factors such as the age of the receivable, payment status and collection experience in determining individually impaired financial assets. For the purpose of a collection evaluation of impairment, financial assets are group on the basis of such credit risk characteristics as the length of the Company's relationship with customers,

customers' current credit status based on third party credit reports and known market forces, average age of accounts, collection experience and historical loss experience.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the statement of income to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

Assets Carried at Cost. If there is an objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Available-for-Sale Financial Assets. If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortization) and its current fair value, less any impairment loss previously recognized in statement of income, is transferred from equity to the statement of income. Reversals in respect of equity instruments classified as available-for-sale are not recognized in the statement of income. Reversals of impairment losses on debt instruments are generally reversed through the statement of income if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognized in the statement of income.

<u>Derecognition of Financial Assets and Liabilities</u>

Financial Assets. A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized where:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial Liabilities. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of income.

Derivative Financial Instruments and Hedging

Derivative instruments are initially recognized at fair value on the date in which a derivative transaction is entered into or bifurcated, and are subsequently re-measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Embedded derivatives are reassessed only if there is a change to the contract that significantly, modifies cash flows. As of September 30, 2008 and September 30 2007, the Company has no outstanding derivative transaction and has no material embedded derivatives.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet if, and only if, there is currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is generally not the case with master netting agreements, and the related assets and liabilities are presented at gross amounts in the balance sheet.

OTHER MATTERS

A) Key Perfomance Indicators

The Company's top five (5) key performance indicators are shown below with their relevant results for September 30, 2008 and September, 2007.

	% Increase (Decrease)	September, 2008 (Unaudited)	September, 2007 (Unaudited)
VOLUME ('000 SPUs)	(0.98)%	65,957	66,607
REVENUES ('000 PhP)	2.98%	1,674,191	1,625,715
GROSS PROFIT ('000 PhP)	32.49%	259,198	195,641
NET INCOME (LOSS) ('000 PhP)	25.09%	43,405	34,698
BASIC EARNINGS PER SHARE (Php)	25.06%	0.1053	0.0842

1) Volume Growth
   Measures the percentage change in volume over a period of time. Volume is regularly monitored on a per product and per client basis.

2) Revenue Growth
   Measures the percentage change in revenue over a period of time. It is regularly monitored on a per product and per client basis.

3) Gross Profit
   Measures the pricing strategy of the Company. Computed as Revenue less Cost of Goods Sold

4) Net Income
   Measures the profitability of the company.

5) Basic Earnings Per Share
   Measures how much a stockholder earns in the Net Income of the Company. Basic Earnings per share is calculated by dividing Net Income by the weighted number of common shares issued and outstanding during a particular period of time.

B) The effects of seasonality and cyclicality on the interim operations of the Company's businesses are not material.

C) There are no unusual items as to nature and amount affecting assets, liabilities, equity, net income, or cash flows.

D) There are no material changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates in amounts reported in prior financial years.

E) There are no issuances, repurchases, and repayments of debt and equity securities.

F) There are no dividends paid (aggregate or per share) separately for ordinary shares and other shares.

G) There are no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.

H) There are no changes in the composition of the Company during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.

I) There are no known events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

J) There are no known trends, events or uncertainties that have had or will have a material effect on the Company's liquidity.

K) The Company's material commitments for capital expenditures consist of lease of fixed assets needed for the normal operations of the business.

L) There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.

M) There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationship of the Company with unconsolidated entities or other persons created during the reporting period, except for those stated in the Managements Discussion and Analysis of Financial Conditions and Results of Operations.

PART II - OTHER INFORMATION

1. **Disclosure not made under SEC Form 17-C.**
   None.

SIGNATURES

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

Issuer	**Interphil Laboratories, Inc.**
Signature and Title	**Francisco R. Billano, President & General Manager**
Date	
Principal Financial Officer	**Ms. Carmen T. Francisco**
Signature and Title	**Chief Financial Officer**
Date	Nov. 13, 2008

INTERPHIL LABORATORIES, INC.
BALANCE SHEETS
AS OF SEPTEMBER 30, 2008 and DECEMBER 31, 2007
(in '000s Pesos)

	SEPTEMBER 2008 UNAUDITED	DECEMBER 2007 AUDITED
ASSETS		
Current Assets		
Cash and cash equivalents	**140,586**	55,070
Trade and other receivables-net	**320,115**	335,819
Inventories - net	**234,432**	349,144
Advances to suppliers and other current assets	**13,413**	16,793
Total Current Assets	**708,546**	756,825
Noncurrent Assets		
Property, plant and equipment at cost-net	**565,371**	614,069
Land at revalued amount	**112,195**	112,195
Creditable withholding taxes	**159,710**	136,282
Receivable from Manila Electric Company - net of current portion	**3,728**	6,830
Deposits	**18,539**	24,749
Total Noncurrent Assets	**859,544**	894,126
	1,568,090	1,650,952
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Notes payable	**420,000**	534,000
Trade and other payables	**359,723**	367,768
Output tax	**26,075**	22,735
Total Current Liabilities	**805,798**	924,503
Noncurrent Liabilities		
Deferred income tax	**12,568**	12,568
Excess of accumulated equity in net loss of a joint venture over cost of related investment and advances	**5,774**	5,554
Retirement and long-term sick leave benefits	**40,340**	48,121
Total Noncurrent Liabilities	**58,682**	66,243
Stockholders' Equity		
Capital Stock	**562,500**	562,500
Additional Paid In Capital	**51,629**	51,629
Revaluation increment in land	**60,617**	60,617
Retained earnings	**317,378**	273,973
Cost of treasury shares	**(288,514)**	(288,514)
Total Stockholders' Equity	**703,610**	660,206
	1,568,090	1,650,952

INTERPHIL LABORATORIES, INC.
STATEMENTS OF INCOME & RETAINED EARNINGS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2008 and 2007
(in '000s Pesos)

	2008 UNAUDITED	2007 UNAUDITED
REVENUES	1,674,191	1,625,715
COST OF SALES AND SERVICES	1,414,993	1,430,074
GROSS PROFIT	259,198	195,641
Personnel	76,355	76,978
Interest expense	28,134	36,474
Rental and outside services	24,429	22,603
Taxes and licenses	2,803	1,505
Depreciation and amortization	5,803	6,855
Utilities	4,974	5,683
Supplies and related costs	8,802	9,978
Entertainment, amusement and representation	1,444	1,226
Repairs and maintenance	4,089	2,546
Insurance	223	147
Other expenses	53,662	(3,052)
INCOME (LOSS) BEFORE INCOME TAX	48,480	34,698
PROVISION FOR INCOME TAX	(5,076)	
NET INCOME (LOSS)	43,405	34,698
Basic Earnings per share(P)*	0.1053	0.0842

*** Net Income over the weighted number or shares outstanding**

INTERPHIL LABORATORIES, INC.
STATEMENTS OF CHANGES IN EQUITY
(in Pesos 000s)

	Capital Stock		Additional	Revaluation	Retained	Treasury	
	Class A	Class B	Paid in Capital	Increment in Land	Earnings	Shares	Total
Balance as of December 31, 2007 AUDITED	**337,500**	**225,000**	**51,629**	**60,617**	**273,973**	**(288,514)**	**660,206**
Net loss					**43,405**		**43,405**
Balance as of September 30, 2008	**337,500**	**225,000**	**51,629**	**60,617**	**317,378**	**(288,514)**	**703,610**
Balance as of December 31, 2006 AUDITED	**337,500**	**225,000**	**51,629**	**60,617**	**220,360**	**(288,514)**	**606,592**
Net loss					**34,698**		**34,698**
Balance as of September 30, 2007	**337,500**	**225,000**	**51,629**	**60,617**	**255,058**	**(288,514)**	**641,291**

INTERPHIL LABORATORIES, INC.
STATEMENTS OF INCOME & RETAINED EARNINGS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2008 and 2007
(in '000s Pesos)

	2008 UNAUDITED	2007 UNAUDITED
REVENUES	514,573	614,114
COST OF SALES AND SERVICES	445,742	515,296
GROSS PROFIT	68,831	98,818
Personnel	25,620	29,403
Interest expense	8,593	11,860
Rental and outside services	7,817	8,669
Taxes and licenses	1,392	2,559
Depreciation and amortization	1,829	2,192
Utilities	1,614	1,706
Supplies and related costs	3,338	3,768
Entertainment, amusement and representation	478	387
Repairs and maintenance	1,600	966
Insurance	145	(62)
Provision for Inventory Losses		8,337
Other expenses	16,323	2,237
INCOME (LOSS) BEFORE INCOME TAX	81	26,796
PROVISION FOR (BENEFIT FROM) INCOME TAX	5,076	
NET INCOME (LOSS)	(4,995)	26,796
RETAINED EARNINGS AS OF JUNE 30	322,373	228,263
RETAINED EARNINGS AT END OF SEPTEMBER 30	317,378	255,058
Basic Earnings per share(P)*	(0.0121)	0.0649

*** Net Income over the weighted number of shares outstanding**

INTERPHIL LABORATORIES, INC.
STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2008 and 2007
(in '000s Pesos)

	2008 UNAUDITED	2007 UNAUDITED
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (Loss)	43,405	34,698
Adjustments for		
Depreciation and amortization	71,461	71,210
Equity in net loss of a joint venture	220	(445)
Provision for retirement and long-term sick leave benefits	(7,781)	(263)
Operating income before working capital changes	107,305	105,201
Changes in assets and liabilities:		
Decrease (Increase) in:		
Trade and other receivables	15,704	(15,155)
Receivable from Manila Electric Company - net of current portion	3,102	1,023
Inventories	114,712	(82,908)
Advances to suppliers and other current assets	3,380	30,159
Increase (decrease) in:		
Trade and other payables	(8,045)	38,846
Output tax	3,340	3,869
Cash generated from operations	239,498	81,034
Income tax paid	(23,428)	(28,821)
Net cash provided by operating activities	216,070	52,213
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions/disposals of property and equipment	(22,763)	(27,661)
Decrease (Increase)		
Deposits	6,210	(1,939)
Cash used in investing activities	(16,554)	(29,600)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds (payments) of:		
Notes payable	(114,000)	68,000
Obligations under finance lease	0	(99,816)
Net cash used in financing activities	(114,000)	(31,815)
NET INCREASE (DECREASE) IN CASH	85,516	(9,202)
CASH AT BEGINNING OF THE PERIOD- Jan 1	55,070	66,018
CASH AT END OF THE PERIOD-September 30	140,586	56,817

INTERPHIL LABORATORIES, INC.
STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2008, and 2007
(in '000s Pesos)

	2008 UNAUDITED	2007 UNAUDITED
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (Loss)	(4,994)	26,796
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	25,124	23,739
Equity in net loss of a joint venture	(354)	(78)
Retirement and long-term sick leave benefits	(3,449)	1,128
Operating income before working capital changes	16,327	51,584
Changes in assets and liabilities:		
Decrease (Increase) in:		
Trade and Other Receivables	115,454	(92,329)
Receivable from Manila Electric Company - net of current portion	8,021	4,513
Inventories	21,912	35,812
Advances to suppliers and other current assets	(4,451)	(1,094)
Increase (decrease) in:		
Trade and Other Payables	(28,327)	15,361
Output tax	(8,407)	5,192
Income tax paid	(5,579)	(9,900)
Net cash provided by (used in) operating activities	114,950	9,139
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions/disposals of property and equipment	(12,687)	(12,589)
Decrease (Increase) in Deposits		
Deposits	(1,376)	(868)
Cash provided by (used in) used in investing activities	(14,063)	(13,457)
CASH FLOWS FROM FINANCING ACTIVITIES		
Availments (Payments) of:		
Notes payable	(72,500)	71,000
Obligations under finance lease	0	(75,877)
Net cash provided by (used in) financing activities	(72,500)	(4,877)
NET INCREASE (DECREASE) IN CASH	28,386	(9,195)
CASH AT BEGINNING OF THE PERIOD	112,200	66,012
CASH AT END OF THE PERIOD	140,586	56,817

NOTES TO FINANCIAL STATEMENTS :

1. General

Interphil Laboratories, Inc. (the "Company") is incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC). The registered office address of the Company is Canlubang Industrial Estate, Bo. Pittland, Cabuyao, Laguna. The Company is engaged in manufacturing, processing, and packaging of drugs, chemicals, pharmaceuticals and veterinary products. The Company also renders services related to product supply requirements of client companies, primarily relating to planning and procurement of materials and other technical and quality control services.

The average number of employees of the Company is 562 at the end of September 30, 2008.

2. Summary of Significant Accounting Policies

General

The accompanying unaudited financial statements for the quarter ended September 30, 2008 have been prepared in conformity with accounting principles generally accepted in the Philippines.

Basis of Preparation

The accompanying unaudited financial statements have been prepared under the historical cost convention, except for land which is carried at revalued amounts.

The principal accounting policies adopted in preparing the interim unaudited financial statements of the Company for the as of September 30, 2008 are the same as compared with the audited financial statements of the Company for the year ended December 31, 2007.

Earnings Per Share (EPS)

	September 2008	September 2007
a) Net income available to common stockholders	**43,405**	**34,698**
Common shares outstanding at beginning of year	412,065	412,065
Weighted average number of common shares acquired during the year		
b) Weighted average number of common shares outstanding	**412,065**	**412,065**
Earnings per share	**0.105**	**0.084**

INTERPHIL LABORATORIES, INC.
SCHEDULE OF AGING OF ACCOUNTS RECEIVABLE
AS OF SEPTEMBER 30, 2008
(in '000s Pesos)

	TOTAL	1 Month	2-3 Mos	4-6 Mos
Trade Receivables				
1) Third party	254,764	124,438	103,470	26,856
2) Affiliates	25,607	3,537	12,036	10,035
	280,371	**127,975**	**115,505**	**36,891**
Non-Trade Receivables				
1) Affiliates	**19,737**	**142**	**1,549**	**18,046**
Allowance for doubtful accounts	**(3,407)**			
Others Receivables	**23,413**			
ACCOUNTS RECEIVABLE - Net	**320,115**			

ACCOUNTS RECEIVABLE DESCRIPTION

Type	Nature/Description	Collection Period
1) Trade	Sale of Services (Toll + Assay) and Materials	30 days after invoice date
2) Non-Trade	Various	30 days after invoice date

NORMAL OPERATING CYCLE