UNIVERSAL ROBINA
CORPORATION
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14 February 2007

Securities and Exchange Commission
Attention: Corporation and Finance Department
SEC Building, EDSA
Mandaluyong City

Philippine Stock Exchange
Attention: Atty. Pete M. Malabanan
Head, Disclosure Department
4F PSE Center, Exchange Road
Ortigas Center, Pasig City

Subject: **URC POSTS RECORD EARNINGS OF PHP 3.6 BILLION IN THE FIRST FISCAL QUARTER 2007**

Gentlemen:

Universal Robina Corporation's unaudited consolidated net income for the first fiscal quarter of 2007 (October to December 2006) reached a record Php 3.6 billion, 388% higher than the Php 738.8 million reported in the same period last year. This includes a Php 2.9 billion gain from the sale of its shares in Robinsons Land Corporation during the latter's successful follow-on offering completed last October 5, 2006 and a Php 435 million non-recurring impairment provision for URC BOPP film assets.. On a recurring basis, URC's net income after tax amounted to Php 1.03 billion, which is still a 40% increase from the comparable figure in the previous year.

URC President and Chief Operating Officer, Lance Gokongwei said, "we are pleased with the continuing strength and resilience of the business of Universal Robina Corporation. We believe that we have a business model that offers both robust growth and stability of earnings and cashflow. We continue to see gains from the phenomenal growth of our beverage business in the Philippines even as we weather the challenges of expanding our business overseas."

URC's consolidated net sales for the quarter, amounted to Php 9.2 billion, representing an increase from the Php 9.1 billion posted in the same period last year. While the Philippine beverage business grew by 64.3% in value terms and 82% in volume terms, on the back of a 100% value and 76% volume growth of its popular C2 green tea, domestic snackfood revenues declined marginally by 1.5% because of a shortage of potato flakes arising out of poor harvests affected by extreme weather conditions in Europe and in the United States. Despite this unforeseen challenge, and because of the strength of its beverage business, its bakery products and its candy lines, the domestic branded business still grew by 9% from Php 4.5 billion to Php 4.9 billion.

URC's international business weathered some operational challenges and a stronger peso, as revenues in peso terms declined by 12% versus the same quarter last year, but only by 3% in dollar terms. Thailand continued to outperform with a revenue growth of 18%, but China, Indonesia and Malaysia posted declines. China revenues decreased because of a deliberate scaling back of operations in order to rationalize operating costs. Malaysia and Indonesia were affected by continuing changes to their distributor structures, and also by the shortage of potato flakes which adversely affected the performance of their potato chip brands.

URC's Agro Industrial Group, posted a record performance with a 20% increase in revenues from Php 1.1 billion last year, to Php 1.4 billion this year, on the back of a 26% increase in feed sales and a 16% increase in farm sales. Both businesses enjoyed volume and selling price increases. The feeds business continued to expand margins as it demonstrated better pricing power because of the increasing strength of its "Uno" brand.

The Commodity Foods Group, composed of sugar and flour milling, saw a decline in their commercial sales from Php 1.1 billion last year, to Php 737.5 million this year, primarily because of the increase in internal flour and sugar transfers to the branded business. On a gross sales basis, the commodity foods group before internal transfers grew slightly at Php 1.367 billion vs. Php 1.354 billion the previous year.

URC's operating profit amounted to Php 728.5 million for the first fiscal quarter of 2007, compared to Php 706.2 million for the same period last year, as a result of resilient revenue growth and benign cost pressures that saw the offsetting effects of a stronger peso which lowered over-all import costs, and the increase in the cost of certain raw and packaging materials, and higher freight expenses arising from the increase in the cost of fuel and increasing product volumes.

"We continue to execute on our capital management initiatives – redeeming our maturing bonds without refinancing, reducing debt selectively whenever the opportunity arises, pursuing bolt-on acquisitions in the sectors where we compete and maintaining a dividend pay-out policy which is one of the highest among listed companies in the Philippines." Gokongwei added.

Attached is the company's Form 17Q which contains the unaudited financial statements and management's discussion and analysis of the same.

The above disclosure is being submitted in compliance with the disclosure rules of the Securities and Exchange Commission and the Philippine Stock Exchange.

Very Truly Yours,

B.J. Sebastian
Senior Vice President
Corporate Information Officer