

# Universal Robina Corporation Operating Results and Financial Condition First Quarter FY 2007

February 15, 2007



# Unaudited Consolidated Income Statement

In Million PhP	1QFY07	1QFY06	% Chg
<b>Total Net Sales</b>	<b>9,199</b>	<b>9,153</b>	<b>0.5</b>
<b>Branded Consumer Foods Group</b>	<b>7,108</b>	<b>6,967</b>	<b>2.0</b>
<b>Agro Industrial Group</b>	<b>1,354</b>	<b>1,124</b>	<b>20.5</b>
<b>Commodity Foods Group</b>	<b>737</b>	<b>1,063</b>	<b>-30.7</b>
<b>Total EBIT</b>	<b>729</b>	<b>706</b>	<b>3.3</b>
<b>Mark to Market Gain on FIFV</b>	<b>493</b>	<b>141</b>	<b>249.6</b>
<b>Foreign Exchange Loss</b>	<b>-61</b>	<b>-74</b>	<b>17.6</b>
<b>Investment Income</b>	<b>449</b>	<b>601</b>	<b>-25.3</b>
<b>Finance Costs</b>	<b>-456</b>	<b>-602</b>	<b>-24.2</b>
<b>Equity in Net Earnings</b>	<b>6</b>	<b>87</b>	<b>-93.1</b>
<b>Impairment Loss</b>	<b>-435</b>	<b>-</b>	<b>-</b>
<b>Gain on Sale of RLC Shares</b>	<b>2,859</b>	<b>-</b>	<b>-</b>
<b>Income before tax and minorities</b>	<b>3,624</b>	<b>898</b>	<b>303.6</b>
<b>Net Income After Tax</b>	<b>3,609</b>	<b>739</b>	<b>388.4</b>
<b>Recurring Net Income After Tax</b>	<b>1,033</b>	<b>739</b>	<b>39.8</b>

# Branded Consumer Foods (Domestic)

## Revenues

(PhP millions)	Q1 FY06	Q1 FY07
<b>Branded Consumer Food</b>		
<i>Snacks</i>	2,932	2,887
<i>Beverage</i>	728	1,196
<i>Grocery</i>	677	650
<i>Others</i>	202	204
<b>Domestic</b>	<b>4,538</b>	<b>4,938</b>

1. BCFG domestic sales grew by 8.8%.
2. Snacks declined 1.5% on raw material supply problem.
3. Beverage increased by 64.4% on strong coffee and C2 sales.
4. Grocery revenues down 4%

## EBIT

(PhP millions)	Q1 FY06	Q1 FY07
<b>Branded Consumer Food</b>		
<i>Snacks</i>	341	337
<i>Beverage</i>	82	104
<i>Grocery</i>	1	26
<i>Others</i>	19	8
<b>Domestic</b>	<b>443</b>	<b>475</b>

1. BCFG EBIT increased by 7.2%. EBIT margins flat
2. Snacks margins are slightly up
3. Beverage profits up 26% but margins down due to higher depreciation
4. Grocery margins increased, effect of cost reduction measures.

# Branded Consumer Foods (Domestic)

## Market Shares

Products	Salty Snacks		Chocolates		Candies		Biscuits	
Market position	# 1		# 1		# 1		# 3	
Market share	URC	44%	URC	24%	URC	43%	URC	18%
	#2	19%	#2	13%	#2	11%	#1	36%
	#3	10%	#3	9%	#3	10%	#2	27%
	Others	27%	Others	54%	Others	36%	Others	19%

Source: AC Nielsen survey MAT by value based on Sept/Oct 06 and Oct/Nov1 06 readings.



Salty Snacks



Chocolates



Biscuits



Candies

# Branded Consumer Foods (International)

## Revenues

(PhP millions)	Q1 FY06	Q1 FY07
<i>Thailand</i>	824	969
<i>Malaysia</i>	329	293
<i>Singapore</i>	39	34
<i>Indonesia</i>	443	332
<i>Hong Kong</i>	50	54
<i>China</i>	365	107
<i>Vietnam</i>	56	73
<b>TOTAL</b>	<b>2,106</b>	<b>1,862</b>

## EBIT

(PhP millions)	Q1 FY06	Q1 FY07
<i>Thailand</i>	121	90
<i>Malaysia</i>	8	8
<i>Singapore</i>	(2)	3
<i>Indonesia</i>	(2)	(8)
<i>Hong Kong</i>	3	3
<i>China</i>	(50)	(80)
<i>Vietnam</i>	(26)	(53)
<b>TOTAL</b>	<b>52</b>	<b>(37)</b>

1. BCFG international sales declined by 11.6%. In dollar terms, however, revenues declined only 3%
2. Increases mainly in Thailand (+17.6%) and Vietnam (+30.6%)
3. Revenue decrease of 70.8% in China is due to the scaling back of operations
4. Indonesia and Malaysia revenue decrease of 25% due to raw materials supply problem

1. BCFG International EBIT remained in the red due to China, Vietnam and Indonesia.

# Agro Industrial and Commodity Food

## Revenues

(PhP millions)	Q1 FY06	Q1 FY07
<b>Feeds</b>	500	630
<b>Farms</b>	624	724
<b>Agro Industrial Group</b>	1,124	1,354
<b>Flour</b>	930	941
<b>Sugar</b>	428	426
<b>Commodity Group</b>	1,358	1,354
<b>Net Commodity Group</b>	1,062	737

- Agro- Industrial sales grew by 20.5%
- Feeds sales up by 26.1% on higher sales volume
- Farms sales increased 10% due to higher hog and poultry volumes
- Commodity net sales were down 30% due to more internal sales

## EBIT

(PhP millions)	Q1 FY06	Q1 FY07
<b>Feeds</b>	60	88
<b>Farms</b>	31	78
<b>Agro Industrial Group</b>	91	166
<b>Flour</b>	136	96
<b>Sugar</b>	161	165
<b>Commodity Group</b>	297	261

- Operating Income margins of the agro-industrial group is up. Commodity food margins decreased

# Consolidated Balance Sheet Highlights

(PhP millions)	FY06	Q1 FY07
Cash, Cash Equivalents, Temporary Investments and Marketable Equity Securities	23,870	23,570
Gross Debt	23,722	19,210
Stockholders Equity	30,476	34,063

1. We remain in a net cash position
2. We will continue to execute on our capital management initiatives:
  - Redeeming bonds without refinancing
  - Reducing debt selectively when opportunity arises
  - Pursuing acquisition
  - Maintaining high dividend pay-out