

Performance for the Nine Months ended June 30, 2006

Fiscal Year 2006



UNIVERSAL ROBINA
CORPORATION



Major Developments in Q3 2006

Branded Consumer Foods

- Challenging environment:
 - Softer consumer demand because of EVAT and oil price hikes
 - Difficulty in increasing prices due to soft demand
 - Increasing input costs and operating expenses pressuring margins. Negotiating with suppliers to freeze prices until September.
- C2 breached 1M cases/month sales. 23 RDs in place (4 on premise). Exporting C2 to Finland and Korea.
- Hiring of senior marketing executive for URCI

Agro-Industrial Group

- Increase marketing efforts on branded feed products.
- Hogs and poultry businesses still experiencing higher volumes and prices

Commodity Food Group

- Flour wheat prices rise. Increase in selling prices implemented.
- Sugar expansion still ongoing

Consolidated Income Statement Highlights

(PhP millions)	9M FY05	9M FY06
Revenue	22,566	26,043
Operating Income	1,973	2,204
Other Income (Charges)	(19)	(320)
Taxes	232	320
Minority Interest	(61)	14
Net Income	1,782	1,550
EBITDA	4,878	5,203

- Revenue increased by 15.4% on Branded revenue growth
- Operating income up by 11.6% only because of input and operating cost pressures.
- Other charges were up significantly on mark to market losses from temporary investments as of June. End July estimates show complete recovery in value.
- Net Income is down 13% but is on track without the temporary losses.
- EBITDA rose by 6.7%

Revenue Highlights

(PhP millions)	9M FY05	9M FY06
Branded Consumer Food Group		
<i>Snacks</i>	7,962	8,300
<i>Beverage</i>	1,061	2,471
<i>Grocery</i>	1,580	1,713
<i>Others</i>	771	488
Domestic	11,374	12,972
<i>Thailand</i>	1,885	2,357
<i>Malaysia</i>	901	1,068
<i>Singapore</i>	116	108
<i>Indonesia</i>	1,629	1,209
<i>Hongkong</i>	139	149
<i>China</i>	198	740
<i>Vietnam</i>	45	170
International	4,914	5,800
Packaging	1,017	950
Sub- total BCFG	17,305	19,722

- BCFG domestic sales grew by 14.1%.
 - Snacks grew by 4.3% despite seasonally weak quarter due to market share gains.
 - Beverage increased by 132.9%, continuing momentum
 - Grocery also registered an 8.4% increase on market share gains
- BCFG international grew by 18.0%.
 - Increases mainly in Thailand (+25%), Malaysia (+19%), China (+274%) and Vietnam (+282%)
 - Indonesia still undergoing transition from national distributor to regional distributors

Revenue Highlights

(PhP millions)	9M FY05	9M FY06
Feeds	1,090	1,591
Farms	1,679	1,967
Agro Industrial Group	2,769	3,558
Flour	2,608	2,627
Sugar	1,158	1,516
Commodity Group	3,766	4,143
Elimination (commodity only)	(1,275)	(1,381)
URC total	22,566	26,043

- Agro- Industrial sales grew by 28.5%
 - Feeds sales was up by 46% on higher sales volume
 - Farms sales also increased by 17% due to higher hog and poultry volumes
- Commodity gross sales rose by 10.0%
 - Flour sales increased by 0.7%
 - Sugar sales rose by 30.9%
- Eliminations consist of mostly sugar sales to branded.

Operating Income Highlights

(PhP millions)	9M FY05	9M FY06
Branded Consumer Food Group		
<i>Snacks</i>	1,179	1,150
<i>Beverage</i>	12	410
<i>Grocery</i>	15	(18)
<i>Others</i>	130	47
Domestic	1,336	1,589
<i>Thailand</i>	151	246
<i>Malaysia</i>	36	54
<i>Singapore</i>	2	(4)
<i>Indonesia</i>	(35)	(24)
<i>Hongkong</i>	(3)	6
<i>China</i>	(212)	(276)
<i>Vietnam</i>	(36)	(109)
International	(97)	(107)
Packaging	(154)	(141)
Sub- total BCFG	1,085	1,341

(PhP millions)	9M FY05	9M FY06
Feeds	197	274
Farms	134	204
Agro Industrial Group	331	478
Flour	300	316
Sugar	491	523
Commodity Group	791	839
Corporate	(234)	(454)
URC total	1,973	2,204

- Operating Income up by 11.6%
- BCFG domestic operating income increased by 18.9% because of beverage.
- International losses due to China, Indonesia and Vietnam

Consolidated Balance Sheet Highlights

(PhP millions)	FY05	9M FY06
Cash, Cash Equivalents, Temporary Investments and Marketable Equity Securities	23,581	22,021
Current Assets	34,678	34,209
Short term debt	3,821	5,227
Current Liabilities	7,515	10,832
Long Term Debt	21,897	16,593
Stockholders Equity	24,108	28,981
Current Ratio	4.61:1	3.16:1
Net Debt to Equity Ratio	8.9%	Net cash

- We remain in a net cash position. We paid out P1.2 billion in dividends in June.
- Increase in equity due to successful follow on offering
- Increase in short term debt due to increase in current portion of LT debt – i.e., URC 06 maturing in December 2006

Plans and Prospects

Sell down of RLC shares

- Plan to divest entire 19% stake in Robinsons Land in planned follow-on offering of the latter.

Capital Management Options

- Reduction of financial indebtedness
- Acquisition of branded food businesses internationally
- Consideration of a special cash dividend within the limits of what is allowed by bond covenants

Plans for Branded International

- Continue revenue growth in China through Aces brand. Rationalize costs and expenses
- Resume sales growth in Indonesia with completion of distribution structure change

Plans for Branded Domestic

- Directly cover more than the 120,000 retail outlets target for snacks and 70,000 outlets for beverage, through regional distributor network.
- Launch 28 new SKUs -- C2 new flavors, cereal products, coffee, salty snacks and biscuits