



UR Universal Robina

FY16 9M Unaudited Results
August 12, 2016

Lance Gokongwei
President and CEO

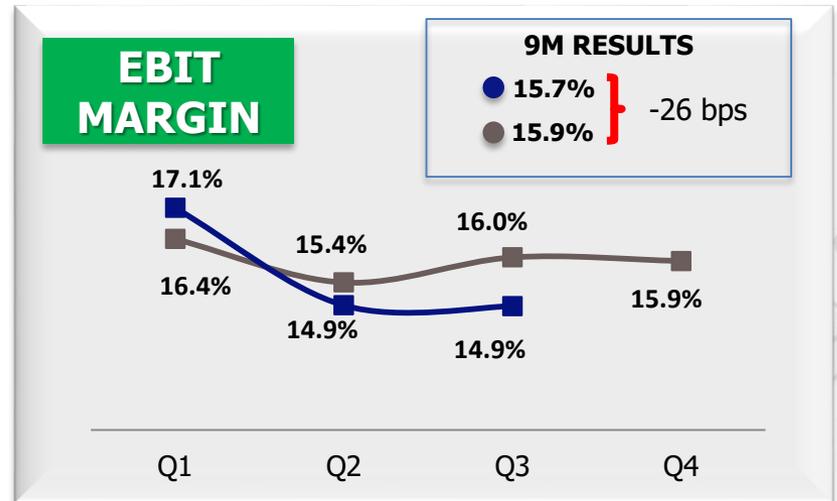
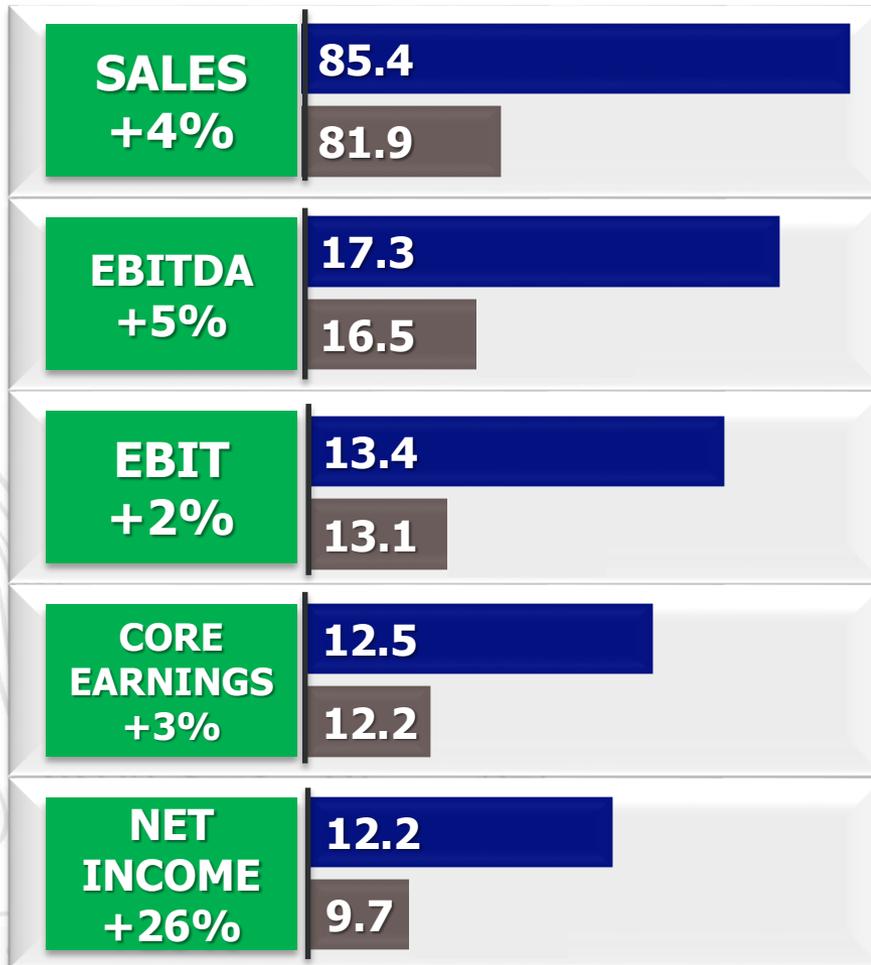
Mike Liwanag
Vice President

AGENDA

- 9M FY16 Financial Performance
- Outlook and Guidance
- Appendix



In Billion Pesos

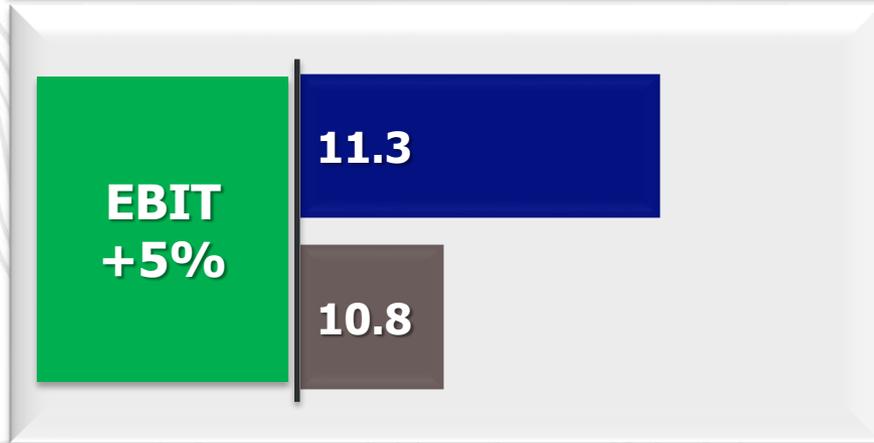
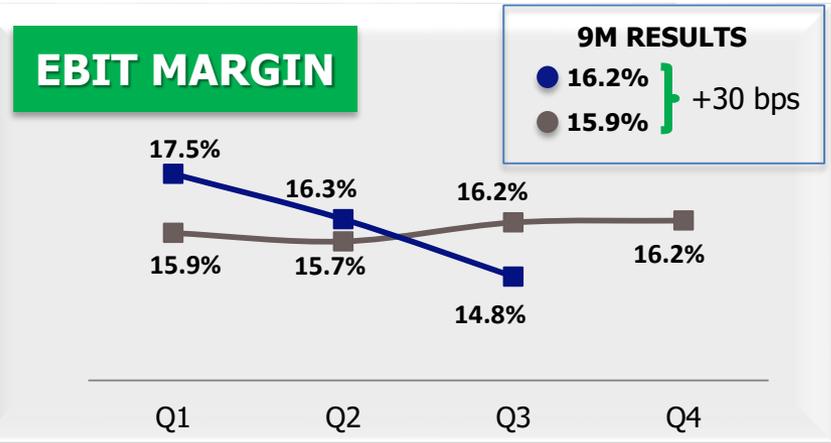
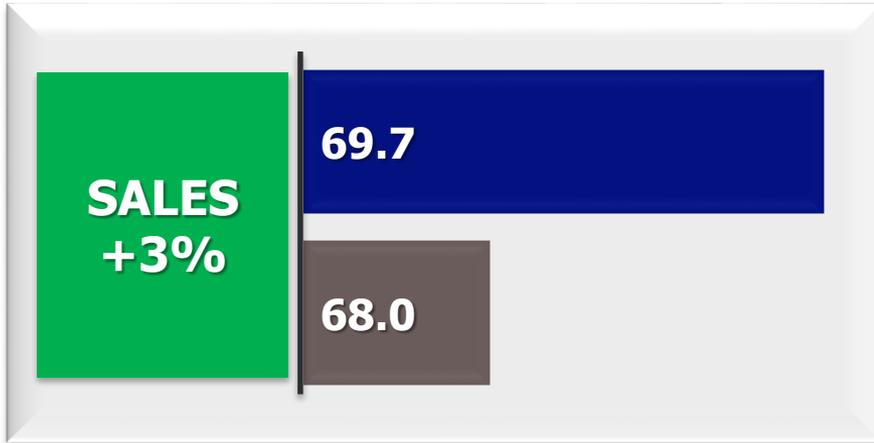


- Topline grew despite Vietnam dragging BCF International results
- QoQ margins remained stable from positive Q3 performances of BCF PH, Thailand and Renewables
- Faster net income growth due to one time realized gains and forex

■ 9M FY16 ■ 9M FY15

Sales and Operating Income dragged by weaker than expected international results

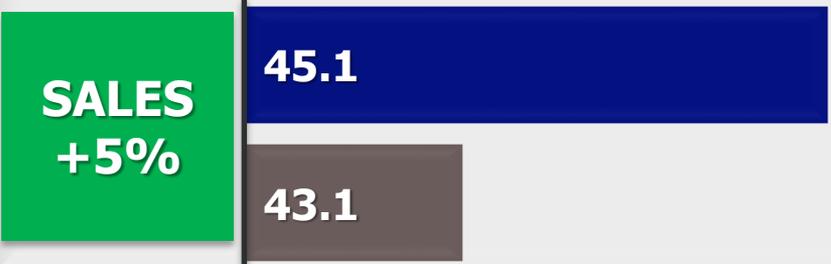
In Billion Pesos



- Sales and EBIT growth attributable to New Zealand, Indonesia, and Philippines favorable results but issue in Vietnam dragged results down
- Overall business still reaping the benefits of lower average input prices versus last year. Spot prices of some key inputs already on the rise

*Excluding Packaging

In Billion Pesos



- Defended market shares in Coffee
- Focus on better distribution and availability in Visayas and Mindanao has started to pay-off
- RTD Beverage is the fastest growing category with C2 and Refresh Water
- Modern Retail channels growth driven by convenience stores and wholesalers

Q3 Performance

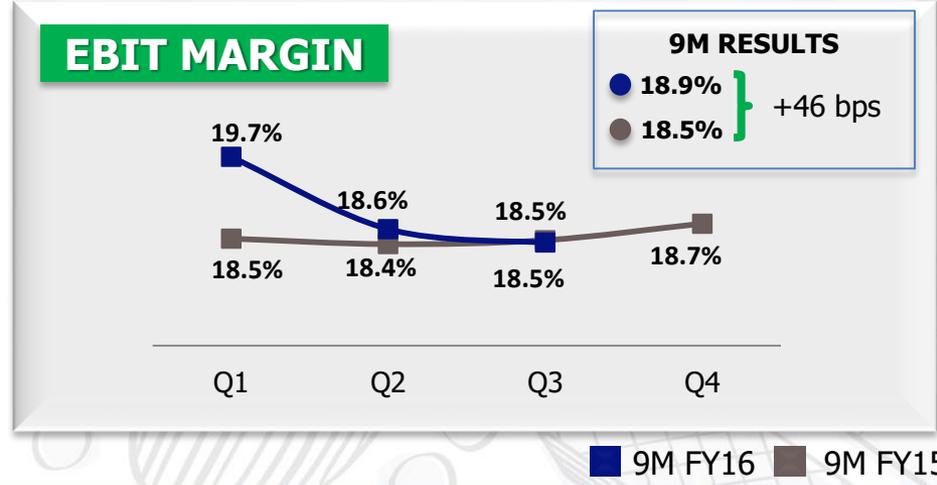
+9%

Top Categories	Growth vs SPLY
RTD Beverage	+24%
Bakery	+15%

Top Sales Channels	Growth vs SPLY
Convenience Stores	+26%
Modern Wholesalers	+19%

Top Areas	Growth vs SPLY
Mindanao	+20%
Visayas	+15%

■ Q3 FY15 ■ Q3 FY16



*Excluding Packaging

In Billion Pesos



- Indonesia continues to scale up with strong sales of Piattos and Cloud 9
- Thailand's results affected by recovery in consumer confidence
- NZ domestic sales trending higher but Australia remains weak

SALES VALUE GROWTH PER COUNTRY

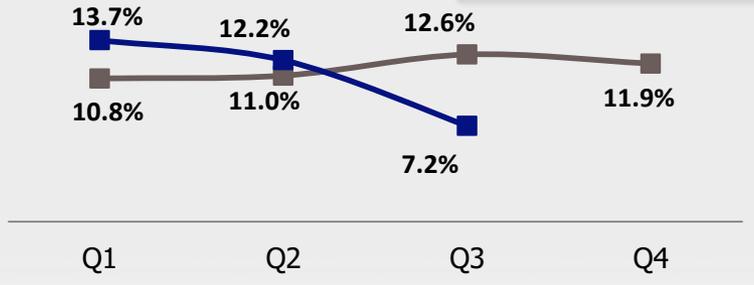
TOTAL SALES: 526M USD, -5% vs SPLY, +2% (using constant forex rate)

	IN LCY
Vietnam	-9%
Thailand	+2%
Indonesia	+25%
Malaysia	+8%
New Zealand*	-6%

*New Zealand (Griffin's) full 9M sales

EBIT MARGIN

9M RESULTS
 ● 11.3% } -23 bps
 ● 11.5%



■ 9M FY16 ■ 9M FY15

VIETNAM

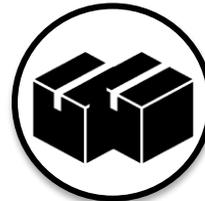
Key facts on what happened



SUSPICION OF LEAD BEYOND STANDARD LEVELS

Test conducted by NIFC last Feb 22 indicated over the standard lead content limit for the February batch of *Rong Do Ly Huong Dau* and *Tra Xanh C2 Huong Chanh*

· VN standard 0.05mg per litre



URC TO RECALL ONE BATCH OF RONG DO and ONE BATCH OF C2

Ministry of Health (MOH) also tested these samples and ruled last May 20 that the two specific batches had lead beyond permissible levels. They also announced a product recall on May 21 for the following:

- *Rong Do Ly Huong Dau* 240ml, manufactured in Hanoi on 10 Nov 2015
- *Tra Xanh C2 Huong Chanh* 360ml, manufactured in Hanoi on 4 Feb

NIFC: DETECTED LEAD

February

INDEPENDENT TESTS: UNDETECTED LEAD

March

April

MOH RULING

May

OUR COMPLIANCE

COMMISSIONED INDEPENDENT TESTS TO COUNTERCHECK NEGATIVE RESULTS

Same batches were tested by Quatest 1 (Feb 22), Quatest 3 (Feb 29), and Setsco in Singapore (Apr 28). All demonstrated no detectable levels of lead.



DEDICATION TO CONSUMER SAFETY

URC complied right away despite other independent tests showing opposite results. The Company has completed the product recall since the end of May.



IMPACT TO THE BUSINESS

VIETNAM SIGNIFICANTLY DIPPED IN Q3

Sales and EBIT in Q3 affected not only Vietnam's year-to-date values, but also total URC results

ENSURING PRODUCT SAFETY

Commissioned BVQI, a global leader in testing, inspection and certification, to verify all our product testing to ensure they meet the internationally-recognized ISO 22000 standard for food safety management, as well as the ISO 9001 standard for quality management

UNDETECTABLE LEVELS OF LEAD

Tests conducted by *Eurofins*, a world-leading food testing authority, show that all URC drink products made in Vietnam have no detectable levels of lead

MOH AUDIT AND CLEARANCE: NO NEGATIVE FINDINGS ON URC VIETNAM FACILITIES AND PRODUCTS

URC Binh Duong and URC Quang Ngai passed the MOH audit. All 68 samples retrieved from these factories showed undetected lead content



PLANS TO BOUNCE BACK

RECOVER C2 and RONG DO BRAND

Ensure MOH clearance announcement reaches to wide area and audience

REBUILD AND REGAIN LOST SHARES

Invest in marketing communications to promote positive brand awareness on C2 and RongDo

REINFORCE THE BUSINESS

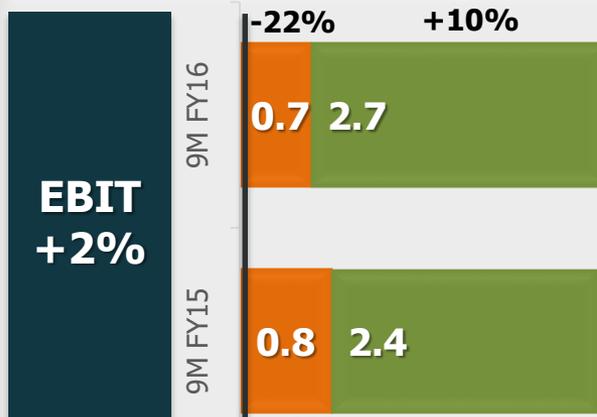
Strengthen mechanism against next attack by establishing better government relations



NON BCF

Solid topline growth driven by Renewables while EBIT was flattish due to revaluation loss on Farms

In Billion Pesos



AGRO-INDUSTRIAL GROUP (AIG)

- Sales and EBIT of Farms declined driven by lower selling prices of hogs
- Feeds grew through higher volumes sold due to effective marketing activities implemented for the period

COMMODITY FOODS GROUP (CFG)

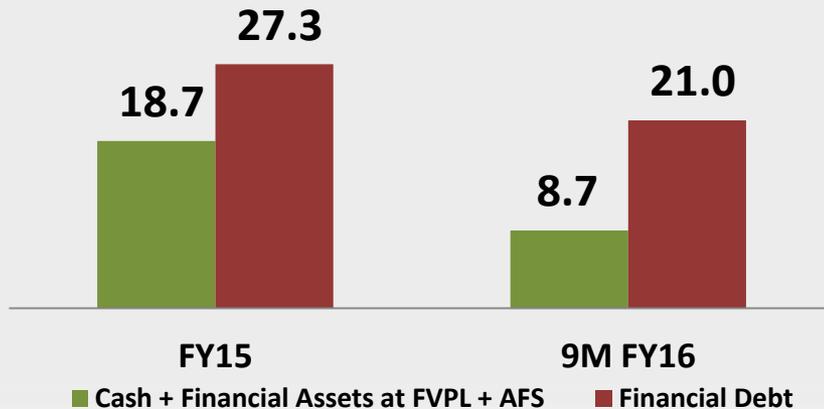
- Renewables still drove total SURE sales and EBIT growth
- Flattish sales performance of Flour as a result of lower average selling prices

BALANCE SHEET

Strong balance sheet

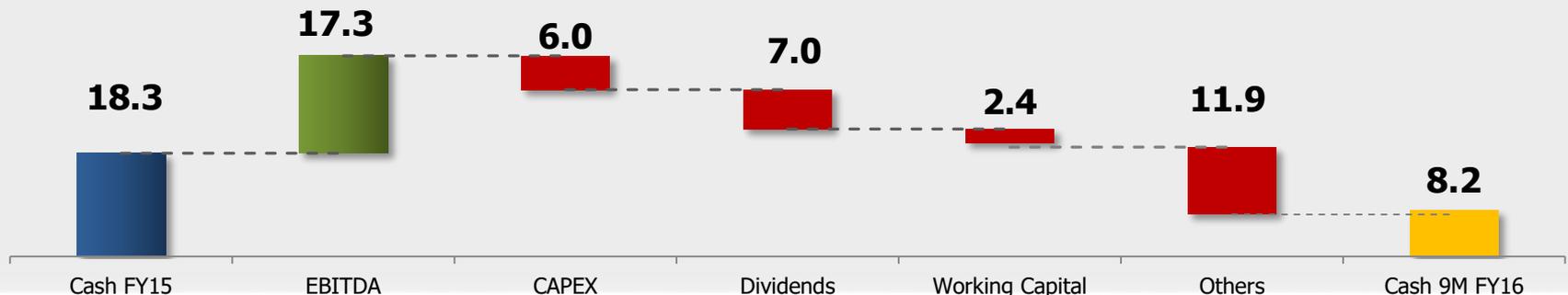
In Billion Pesos

Cash and Financial Debt



- Net debt of Php 12.3B due to long term debt from Griffin's acquisition
- CAPEX disbursements of Php 6B spent mostly on Branded Foods and Sugar
- Gearing ratio of 0.31

Cash Position



OUTLOOK & GUIDANCE

OUTLOOK

- ❑ Expect tougher competitive environment across markets
- ❑ Headwinds ahead with soft commodity prices on the rise
- ❑ Regulatory and compliance risk: sugar and snacks excise tax, and labor contractualization issue
- ❑ Vietnam recovery will be slow as we rebuild the brand

Given by the unexpected significant decline in Vietnam, we are revising our guidance with topline growing by low to mid-single digit and operating income slightly lower than FY2015

PLANS

- ❑ Strengthen stakeholder engagement
- ❑ Maintain robust innovation pipeline with exciting new products, affordable premium, and value for money range
- ❑ Progressively launch Griffin's in ASEAN
- ❑ Rationalize route to market and distribution strategy in PHL and AUS
- ❑ Finish construction of new facilities - San Fernando Cebu factory
- ❑ Non-BCF business will continue to contribute robust profitability
- ❑ Shift financial year to CY in 2017
- ❑ Bounce back and recover Vietnam business with a long view

APPENDIX

INCOME STATEMENT

(Php Millions)	9M FY16	9M FY15	YoY
NET SALES	85,373	81,943	4%
Cost of Sales	57,097	55,715	2%
GROSS PROFIT	28,275	26,228	8%
Operating Expenses	(14,892)	(13,169)	13%
OPERATING INCOME	13,384	13,059	2%
Equity in Net Income	(199)	(217)	
Finance cost - net	(661)	(750)	
Other Revenues	20	103	
CORE EARNINGS	12,544	12,195	3%
Market valuation gain/ (loss)	853	(47)	
Foreign exchange gain/ (loss) - net	1,142	(254)	
Impairment Loss	-	-	
INCOME BEFORE INCOME TAX	14,539	11,893	22%
Provision for Income Tax	2,339	2,240	
NET INCOME	12,199	9,654	26%
Net income attributable to holders of the parent	12,032	9,559	
EBITDA	17,318	16,510	5%

Net finance cost decreased vs SPLY due to lower level of financial debt resulting from prepayment of a long-term debt.

Market valuation gain on financial instruments at fair value was up driven by fair value changes of the derivative instrument (currency forward).

Foreign exchange gain as IDR and NZD appreciated vs USD.

BALANCE SHEET

(Php Millions)	9M FY16	FY15
Cash & cash equivalents (including Financial assets at FVPL)	8,633	18,700
Other current assets	33,233	28,881
Property, plant, and equipment	42,167	38,832
Other noncurrent assets	24,465	24,334
TOTAL ASSETS	108,497	110,747
Current liabilities	23,217	20,712
Noncurrent liabilities	16,933	24,676
TOTAL LIABILITIES	40,150	45,387
Retained earnings	53,788	48,628
Other equity	14,559	16,732
TOTAL EQUITY	68,347	65,360

DIVISIONAL FINANCIALS

(Php Millions)	SALES			EBIT			EBIT MARGIN		
	9M FY16	9M FY15	YoY	9M FY16	9M FY15	YoY	9M FY16	9M FY15	BPS YoY
Branded Consumer Foods	70,575	68,827	3%	11,369	10,823	5%	16.1%	15.7%	38
Total Philippines	45,922	43,989	4%	8,594	7,971	8%	18.7%	18.1%	59
Philippines	45,081	43,138	5%	8,536	7,969	7%	18.9%	18.5%	46
Packaging	841	850	-1%	59	2	3422%	7.0%	0.2%	678
International	24,653	24,838	-1%	2,775	2,852	-3%	11.3%	11.5%	(23)
Non-Branded Consumer Foods	14,798	13,116	13%	3,340	3,277	2%	22.6%	25.0%	(242)
CFG (net)	7,967	6,456	23%	2,687	2,439	10%	33.7%	37.8%	(404)
Flour	3,030	3,102	-2%	913	919	-1%	30.1%	29.6%	50
SURE	4,937	3,353	47%	1,775	1,520	17%	35.9%	45.3%	(937)
AIG (net)	6,832	6,660	3%	652	838	-22%	9.6%	12.6%	(304)
Feeds	3,659	2,966	23%	590	272	117%	16.1%	9.2%	695
Farms	3,173	3,694	-14%	62	566	-89%	2.0%	15.3%	(1,336)
Corporate Expense				(1,325)	(1,041)	-27%			
Total URC	85,373	81,943	4%	13,384	13,059	2%	15.7%	15.9%	(26)

VALUE MARKET SHARES

Philippines

CATEGORY	MARKET SHARE	#1	#2	#3
Snacks	36.0%	URC	22.6%	5.9%
Candies	30.2%	URC	11.6%	10.8%
Chocolates	23.4%	URC	9.6%	9.2%
Biscuits	16.7%	32.4%	26.4%	URC
Canned Beans	82.3%	URC	7.6%	4.5%
Cup Noodles	48.9%	URC	43.1%	1.0%
RTD Tea	82.4%	URC	4.8%	3.6%
Coffee	29.9%	43.3%	URC	23.0%
Instant Coffee	27.2%	69.7%	URC	2.0%
Coffee Mixes	30.2%	37.2%	URC	28.3%

Thailand

CATEGORY	MARKET SHARE	#1	#2	#3
Biscuits	23.6%	URC	9.3%	8.0%
Wafers	26.4%	URC	12.4%	10.1%

Vietnam

CATEGORY	MARKET SHARE	#1	#2	#3
RTD Tea	35.1%	37.4%	URC	19.0%
Energy Drink	5.4%	39.1%	24.3%	24.1%

New Zealand

CATEGORY	MARKET SHARE	#1	#2	#3
Sweet Biscuits	46.0%	Griffin's	20.6%	12.1%
Crackers	19.9%	31.4%	Griffin's	11.1%

AC Nielsen, Value, MAT: Snacks-Apr 2016, Candies-Mar 2016 Chocolates-May 2016, Biscuits-May 2016, Canned Beans- April 2014, Cup Noodles-Jun 2016 RTD Tea- Dec 2015, Coffee- May 2016

URC Thailand: Biscuits, Wafers- Jun 2016, URC Vietnam: RTD Tea, Energy Drink-Mar 2016

New Zealand: Sweet Biscuits and Crackers- IRI MarketEdge Grocery, Value MAT ending 06/26/2016