



**UNIVERSAL ROBINA  
CORPORATION**

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14 August 2008

**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 CORE EARNINGS BEFORE TAX INCREASED TO ₱2.71 BILLION**

Gentlemen:

Universal Robina Corporation's (URC's) unaudited consolidated net sales and services for the three quarters of fiscal 2008 (October 2007 to June 2008) amounted to ₱32.39 billion, growing 17.9% from the ₱27.48 billion recorded in the same period last year.

Net sales and services in URC's BCFG domestic and international (excluding packaging) increased by ₱3.84 billion, or 19.0%, to ₱24.09 billion in the three quarters of fiscal 2008. BCFG's domestic operations posted an 18.5% increase in net sales from the same period last year, largely driven by the strong performance of its snackfoods business which posted a 20.8% growth in sales value. The beverage business was up 11.8%, with strong coffee sales underpinning its growth. The domestic business continued to benefit from the consumer spending recovery and price increases implemented in some categories. URC implemented price increases during the period, mostly in snacks, biscuits, candies and beverages, to temper the impact of higher raw material prices. BCFG International's sales increased by 20.4%, to ₱6.60 billion, buoyed by revenue growth in all the countries except Indonesia. International sales in US dollar terms amounted to US\$ 155.89 million, registering a hefty increase of 37.6% versus the same period last year. International sales have already surged past last year's full-year sales figure.

Net sales in URC's packaging division went up to ₱1.13 billion for the nine months of fiscal 2008 or 54.8% from the ₱730 million posted in the same period last year due to an increase in sales volume.

Net sales in URC's Agro-Industrial Group (AIG) amounted to ₱3.91 billion for the nine months of fiscal 2008, flat versus the ₱3.91 billion recorded in the same period last year. The

feeds business was down slightly by 4.9% at ₱1.80 billion, due to weaker volumes as hog and poultry raisers nationwide contended with rising feed costs. This was offset by the farms business which grew 4.2% to ₱2.11 billion on the back of the high prices of hogs.

Net sales in URC's Commodities Food Group (CFG) amounted to ₱3.26 billion for the nine months of fiscal 2008 or up 26.2% from ₱2.58 billion reported in the same period last year. Flour has been implementing numerous price increases since the start of the year to offset higher wheat costs experienced worldwide earlier this year. Sugar gross sales are also up by 24.1% in the period as our PASSI acquisition has already begun milling sugar earlier this fiscal year. The company has also increased production volume in our two Negros mills, after earlier delays caused by rainy weather at the start of the milling season.

URC's operating profit improved to ₱2.71 billion, a significant increase of 12.0% compared to the same period last year. This was due to resilient revenue growth and price increases for some key products, which offset the increase in the cost of certain raw and packaging materials, higher freight expenses arising from the increase in the cost of fuel and increasing product volumes, and higher depreciation. Operating EBITDA likewise improved by 10.4% to ₱4.73 billion.


URC's unaudited core earnings, which is operating profit after equity earnings, net of finance costs and other revenues-net for the nine months of fiscal 2008 reached ₱2.71 billion from ₱2.50 billion reported in the same period last year. URC's unaudited net income for the period declined by 77.5% to ₱1.05 billion because of the absence of the non-recurring gain from sale of RLC shares last year and due to mark to market losses in our bond holdings resulting from the general drop in bond prices worldwide.

As of the period, we have a net debt of about ₱5.05 billion as we have already paid our matured US\$125 million URC 2008 Notes in February and acquired the snackfood manufacturing assets of General Milling Corporation in June. In addition, URC has bought back a total of 60.65 million shares for the buy back program as of August 12, 2008.

Attached is the Company's Form 17-Q 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