



**ANNUAL SHAREHOLDERS' MEETING**  
**April 18, 2013**

# AGENDA

## FY12 Major Developments

## Financial Performance

## FY13 Plans and Outlook



# 2012 in review

**Headwinds in  
global economy**



**Positive economic  
environment for  
ASEAN region**

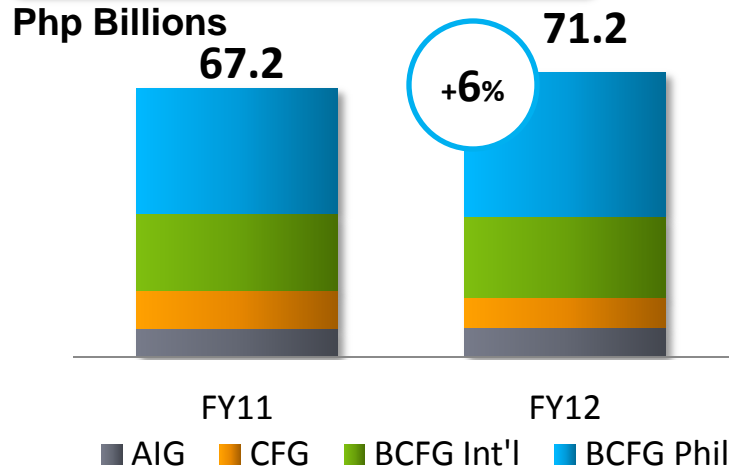


**Strong growth for  
Philippines**

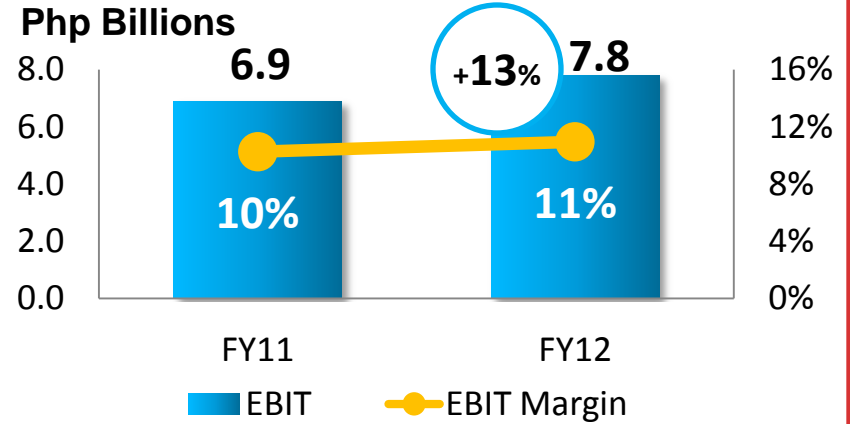


# FY2012 Results

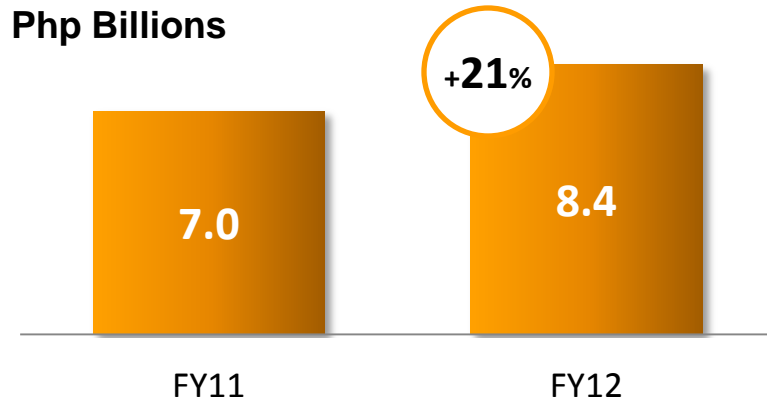
## NET SALES



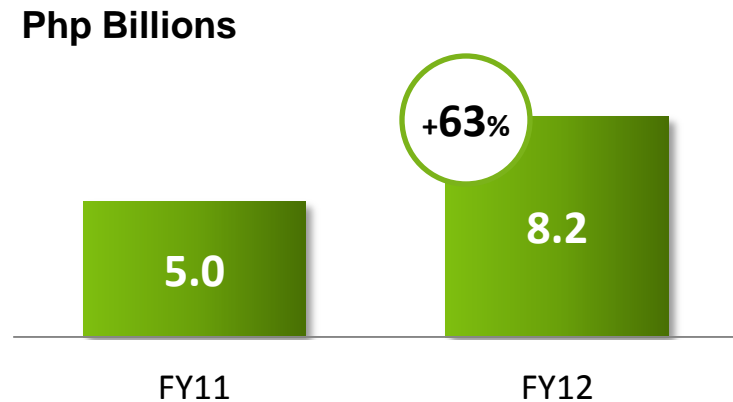
## EBIT and EBIT MARGIN



## CORE EARNINGS



## NET INCOME



# Stock Performance

**URC:PM**  
 Universal Robina Corp  
 + Watchlist  
**114.30 PHP**  
 +0.50 (0.44%)  
 Close 4/17/13



	2008	2009	2010	2011	2012	2013*
URC	5.30	16.25	34.95	48.00	83.85	114.30
Growth		207%	115%	37%	75%	36%
PSEI	1,872.85	3,052.68	4,201.14	4,371.96	5,812.73	6,850.26
Growth		63%	38%	4%	33%	18%

(taken from Bloomberg, calendar year-end prices)

\*as of April 17, 2013

# FY12 Business Highlights

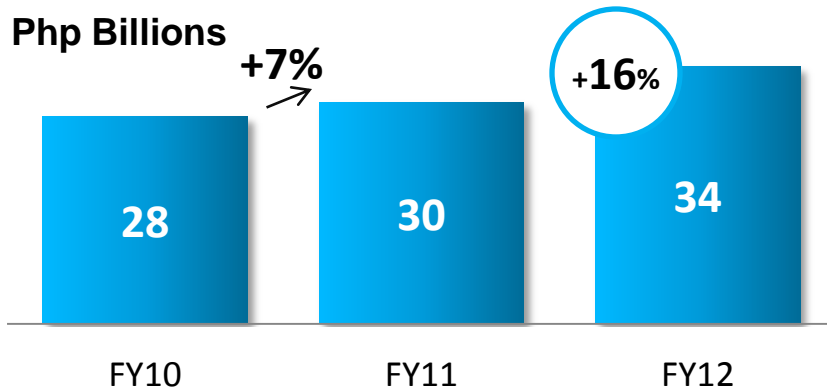
- 1 Robust sales growth for BCF Philippines**
- 2 Sales growth continues for BCF International**
- 3 EBIT margin recovery driven by BCF**
- 4 CFG and AIG remain profitable**
- 5 Healthy balance sheet and improved returns**
- 6 Other business developments**

# 1. Robust Sales Growth for BCF Philippines

## Strong performance in FY12

### Net Sales

Php Billions



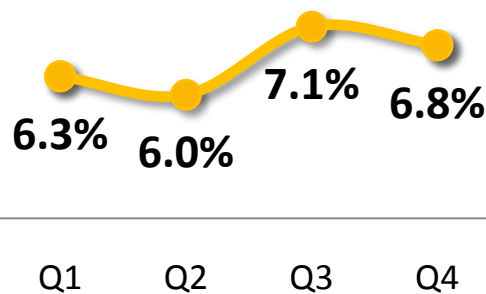
## Innovation driving growth

- Key new products in Coffee Mixes and Salty Snacks drove growth



## Favorable macroeconomic environment

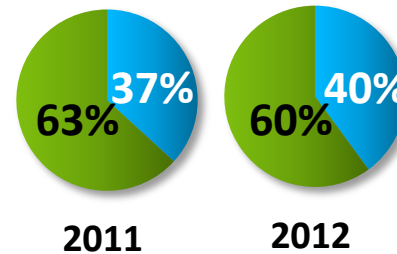
### GDP Growth



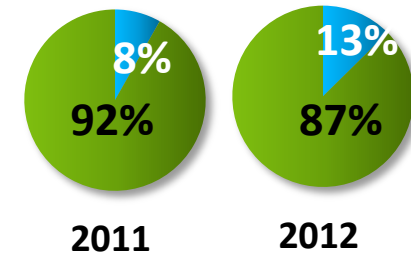
- Increasing OFW remittances
- Flourishing BPO sector
- Cut in policy rates
- Decline in inflation
- Uptrend in public spending

- Led to increased market share

### Snacks



### Coffee



URC

Others

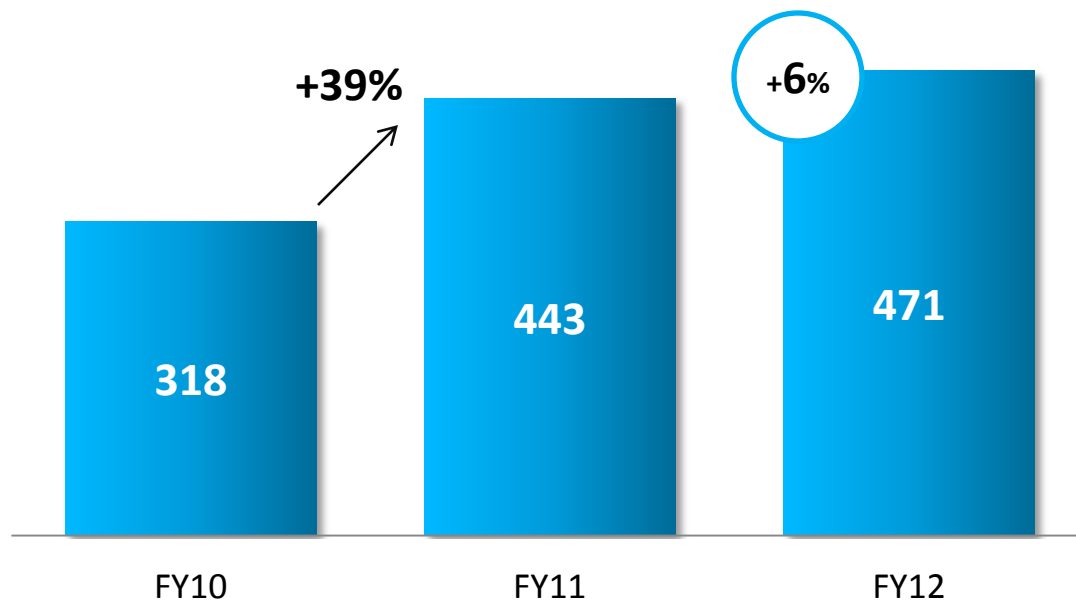
\* Source: National Statistical Coordination Board

## 2. Sales growth continues for BCF International

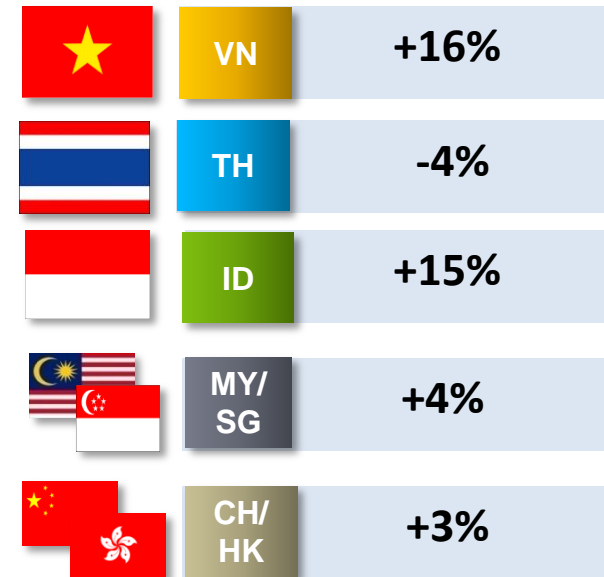
**TOTAL URCI: Top-line growth continues albeit at a slower pace than expected**

- Growth trend continued in FY12 except for Thailand
- International business came off a good year in FY11 and a much higher base
- Vietnam remains the key driver for growth

**Net Sales**  
USD MM



Growth vs. LY





# 2. Sales growth continues for BCF International



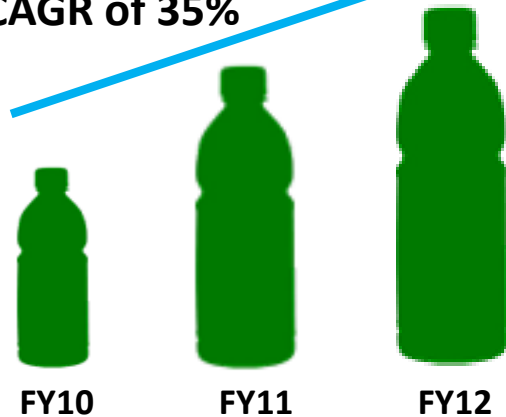
## VIETNAM: Continued growth and potential

### Further growth in RTD beverages

- Increased capacity by 40%
- C2 continued its robust growth; now the #1 RTD Tea brand\*
- Rong Do energy drinks showed traction behind PP cup and new PET bottle formats
- Beverage contributed 84% of sales

#### Cases

CAGR of 35%



\* based on Sept. 2012 AC Nielsen data for Ho Chi Minh, Hanoi and 4 secondary cities

### Building the snackfoods leg

- Launched new products to diversify portfolio
- Increasing presence in salty snacks and biscuits



### Improving distribution

- Expanded beyond the 6 key cities towards nationwide coverage
- Ongoing efforts to improve distribution focus



# 2. Sales growth continues for BCF International



## THAILAND: Aftereffects of flooding resulted in softer sales

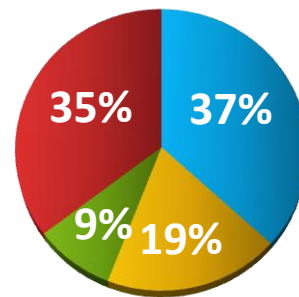
### Prolonged flooding in Q1

- Affected factories and agriculture
- Thais started to save on impulse or discretionary products
- Consumption for total Biscuits and Wafers declined

### Road to recovery

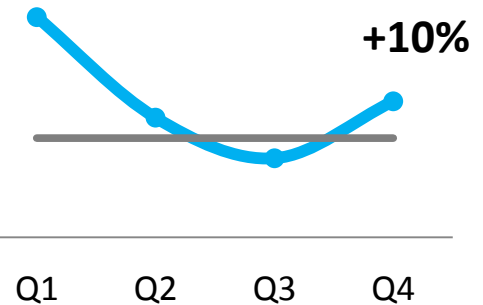
- Temporarily increased A&P spending
- Brought back the original grammage/size of the products
- Building on other categories

### Revenue Contribution



■ Biscuits    ■ Wafers  
■ Exports    ■ Others

### Ave. Q2 and Q3 vs. Q4



— Quarterly Sales  
— Ave. Q2 and Q3

## 2. Sales growth continues for BCF International



### INDONESIA

- Steadily building scale
- Growth opportunity in salty snacks and beverages
- Enhanced distribution through improved channel strategy and focus



### MALAYSIA / SINGAPORE

- Continued to grow coming from a good year, albeit at mid-single digit rate
- New products did not perform as expected
- Imputed a price increase for chocolates due to high input prices
- Encountered distribution challenges in West Malaysia



### CHINA / HONG KONG

- Scaled down local operations; focused on limited geographies (eastern and southern China)
- Excess capacity used to manufacture coffee and creamer for BCF Philippines
- Losses were trimmed down



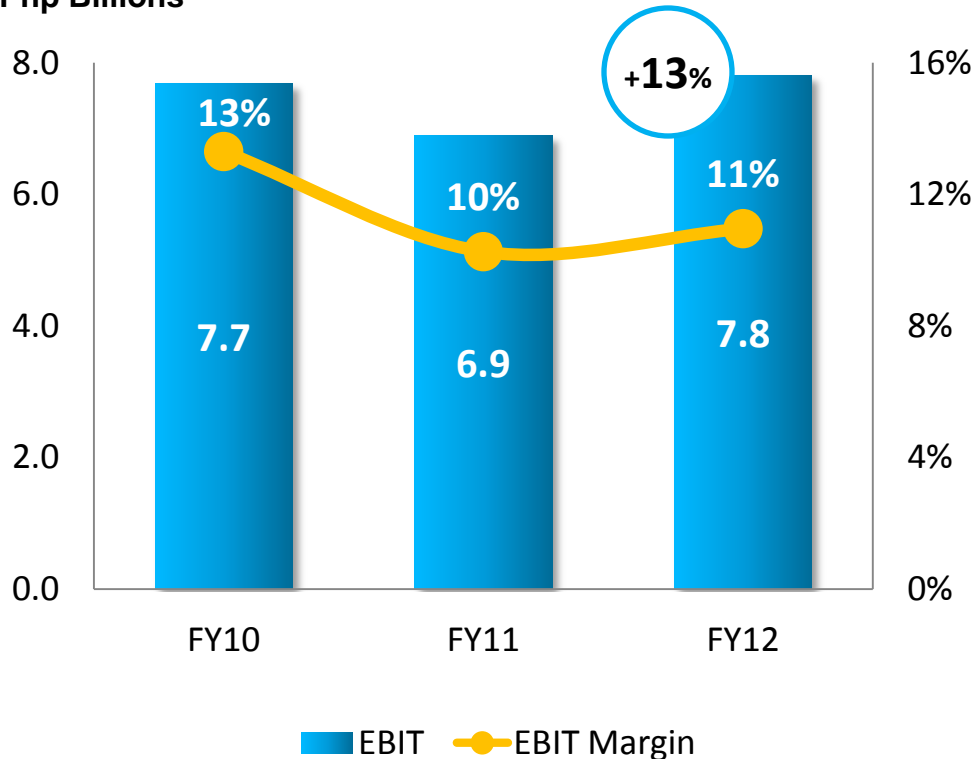
# 3. EBIT margin recovery driven by BCF

**Healthier margins and faster profit growth compared to sales**

- FY12 margins up by 70 bps, coming from a challenging 2011 due to more relaxed input prices and full-year effect of FY11 price increases
- FY12 input prices declined by a weighted average of 5% vs. FY11

## EBIT and EBIT Margin

Php Billions



## BCFG Top Materials

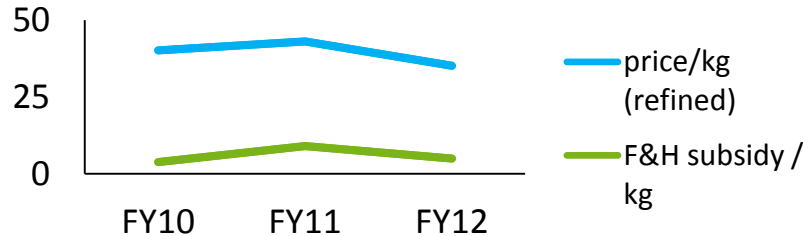
	FY12 vs. FY11 Index
Sugar	89
Robusta Coffee Bean	97
Cocoa Powder	123
Palm Oil	92
Soft Wheat Flour	98
Pet Resin	115

# 4. CFG and AIG remain profitable

## Sugar retained EBIT despite lower sales

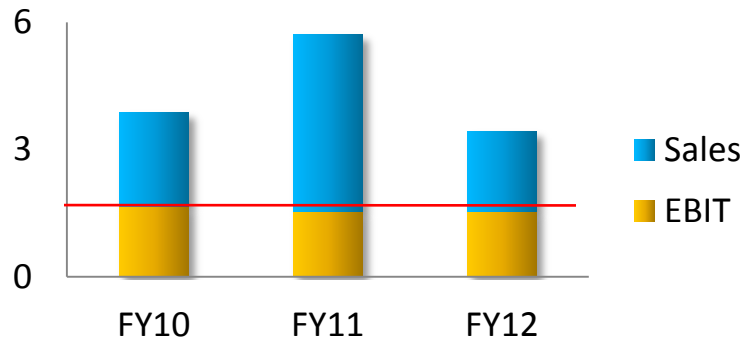
- Revenues down 40% due to lower selling prices and volumes
- Lower freight and hauling subsidies resulted in better margins
- EBIT level consistent over last 3 years

### Sugar Selling Price & Subsidy Php



### Sales and EBIT

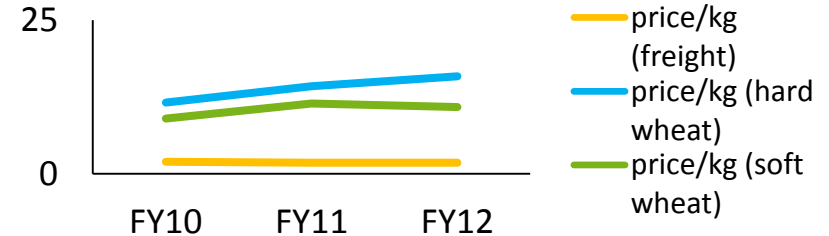
Php Billions



## Favorable volumes & input prices for Flour

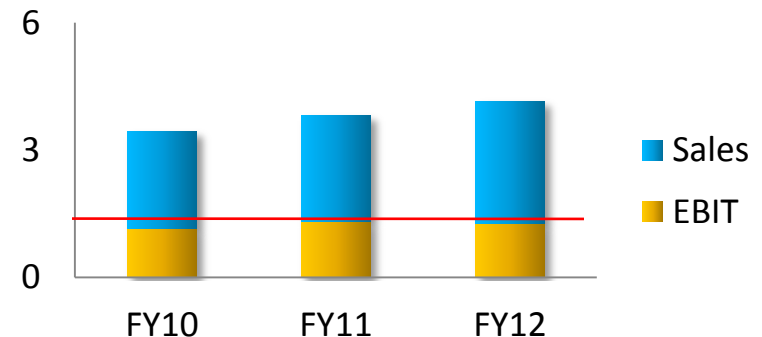
- Top-line grew on the back of better volumes
- EBIT maintained as wheat prices stayed at a manageable level for most of the year
- EBIT level consistent over last 3 years

### Wheat Purchase Price & Freight Cost Php



### Sales and EBIT

Php Billions



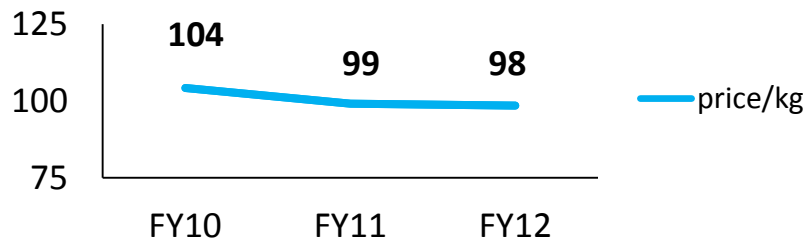
# 4. CFG and AIG remain profitable

## EBIT recovery for Farms

- Sales for Farms grew due to better volumes
- Farms EBIT recovered on the back of higher selling prices in the second half

### Hog Selling Price

Php

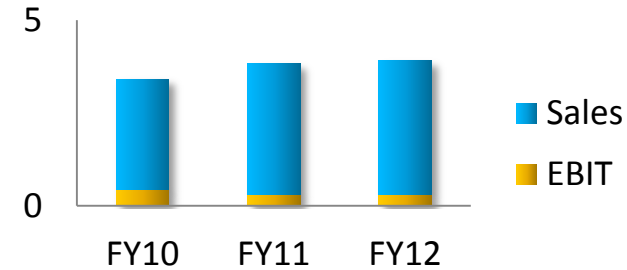


## Better sales for Feeds

- Feeds topline grew on the back of better prices while EBIT was slightly down due to higher input prices

### Sales and EBIT

Php Billions



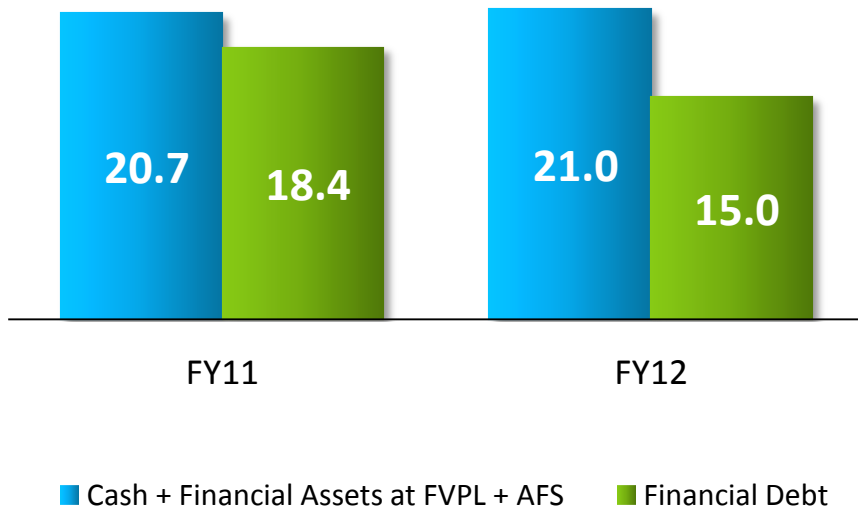
# 5. Healthy balance sheet and improved returns

## Company remains in net cash position

- Net cash position of P 5.9B
- Gearing at a low level of 0.3 vs. 0.4 FY11
- Sustained ability to fund CAPEX, dividends, and additional working capital internally

## Cash and Financial Debt

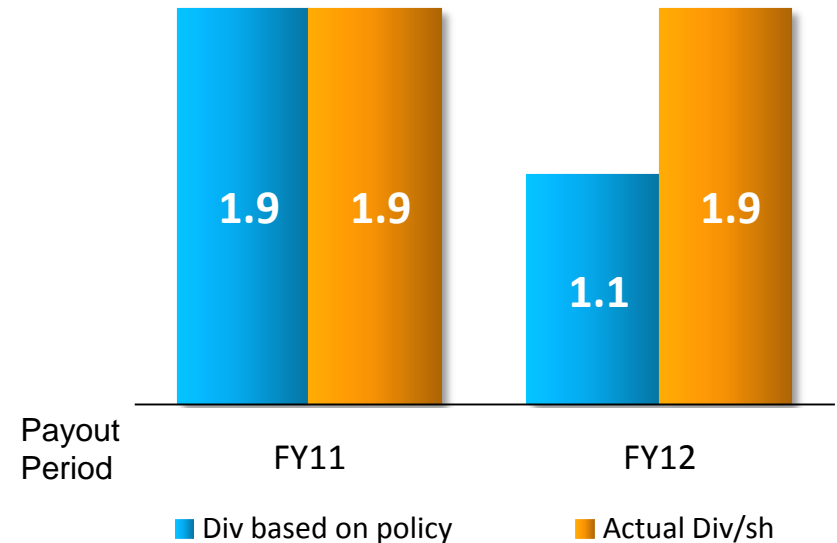
Php Billions



## Consistent returns to shareholders

- Conscious effort to rationalize all expansion to maximize returns
- Dividend policy is 50% of previous year's reported net income

## Dividends per share



Dividend yield  
(end-Sept)

**4.6%**

**2.7%**



# 6. Other business developments

## Entry to Ethanol

Started USD 35M investment on a bio-ethanol facility to value-add on molasses, a sugar milling by-product



## Entry to Myanmar

Investment license approved subject to JV formation w/ local partner; trading plans continue



## Re-issuance of treasury shares

Sold 120M treasury shares (@ Php 62/share) to increase stock liquidity



## Full ownership of URCI

Completed value accretive transaction to purchase the minority (23%) stake of URCI for Php 7.2B



## Purchase of Tolong Sugar Mill

Finalized acquisition of sugar mill for USD 17M located in a new milling area to further expand profitable sugar milling business



## Possible entry to Biomass Power Cogeneration

Plans to invest USD 62M to value-add on sugar business, by utilizing bagasse, a renewable residue from milling operations





# AGENDA

FY12 Major Developments

**Financial Performance**









FY13 Plans and Outlook



# URC: Sustained sales momentum and profitability

## FINANCIAL HIGHLIGHTS

*(Php Millions)*

	FY12	vs. SPLY	Q1 FY13	vs. SPLY
Net Sales	71,202	 6%	20,098	 12%
EBIT	7,801	 13%	2,340	 20%
Core Earnings	8,431	 21%	2,607	 27%
Net Income	8,158	 63%	2,295	 3%
EBIT Margin	11.0%	+70 bps	11.6%	+75 bps

### FY2012

- Full year EBIT in line with guidance
- Sales driven by strong performance of BCFG Philippines
- Absolute EBIT increased due to higher income from BCFG and AIG

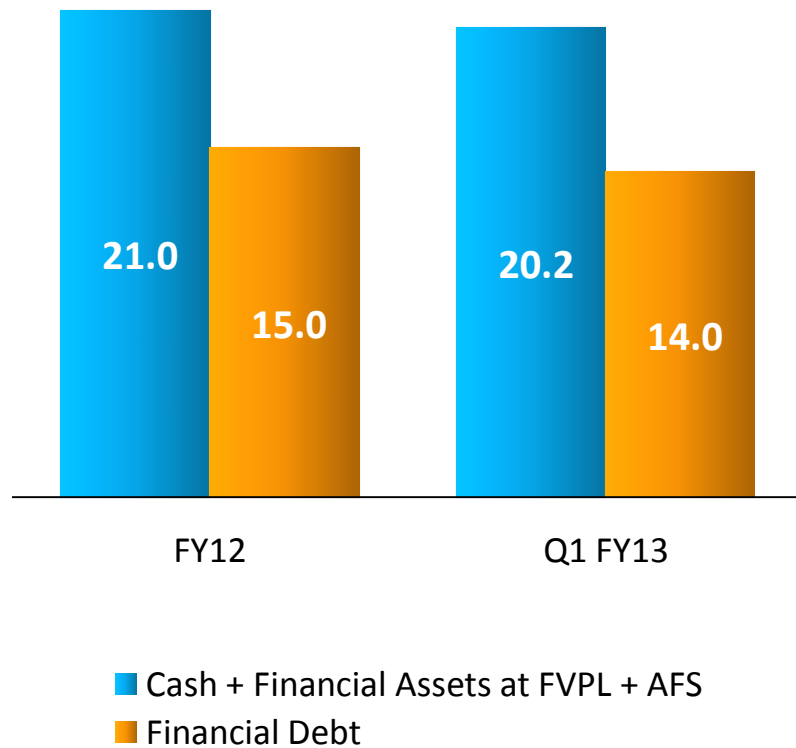
### Q1 FY2013

- Growth for all divisions driven by BCF PH and Sugar
- Higher margins as input prices decline

# Strong cash position

## CASH AND FINANCIAL DEBT

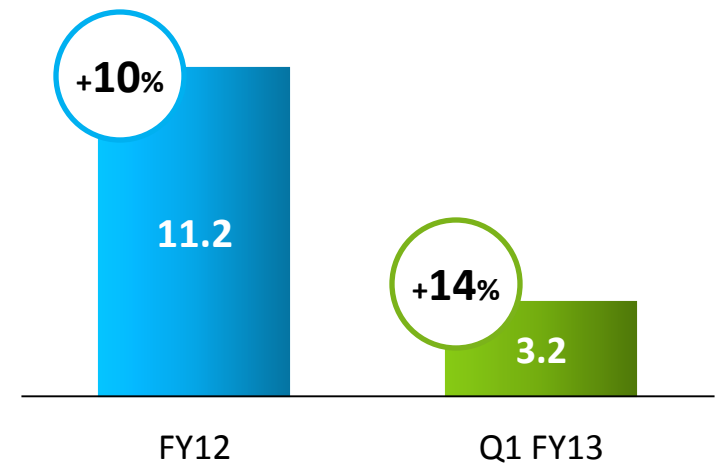
Php Billions



- Net cash position of Php 6.2B in Q1
- Gearing of 0.3
- EBITDA remains healthy

## EBITDA

Php Billions



# AGENDA

FY12 Major Developments  
Financial Performance  
FY13 Plans and Outlook

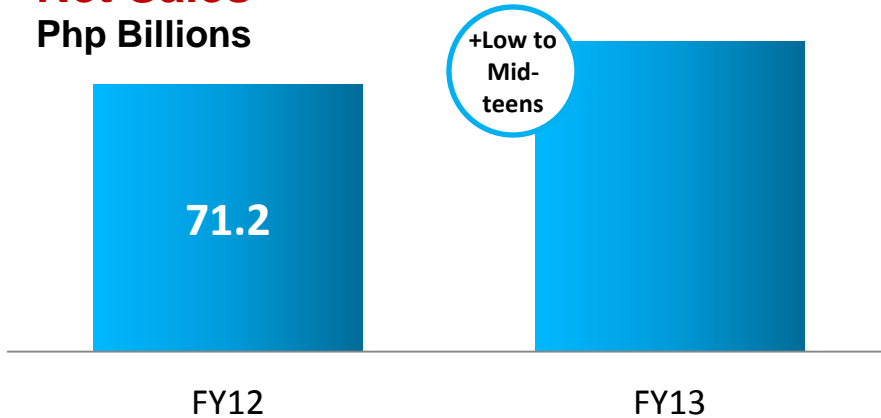


# Plans and Outlook

## GUIDANCE

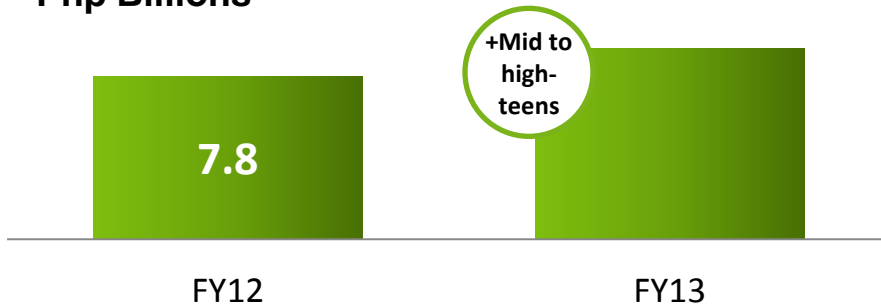
### Net Sales

Php Billions



### EBIT

Php Billions



- Sustain strong momentum of BCF Philippines and accelerate growth of BCF International
- CAPEX budget of USD 120M for new projects and additional capacities
- Input prices forecasted to be relaxed vs. FY12
- Maintain profitability of Commodity Foods and Agro-Industrial Groups
- Retire short and long term debt by selling down investment portfolio



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CORPORATION

**THANK YOU!**

