



**UNIVERSAL ROBINA
CORPORATION**

110 E. RODRIGUEZ, JR. AVENUE, BAGUMBAYAN, QUEZON CITY, PHILIPPINES 1600, P.O. Box 3542 MM 2800 · P.O. BOX 99-AC CUBAO, QUEZON CITY
TEL. 635-0751 TO 85 ; 671-2935 TO 42

15 May 2007

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 POSTS NET INCOME OF PHP 4.12 BILLION IN THE FIRST HALF OF FISCAL YEAR 2007**

Gentlemen:

Universal Robina Corporation's unaudited consolidated net income for the first half of fiscal year 2007 (October 2006 to March 2007) reached Php 4.12 billion, 181% higher than the Php 1.47 billion reported in the same period last year. This includes a Php 2.86 billion gain from sale of investment of URC in RLC shares, and Php 435.0 million impairment loss provision for URC-BOPP machines and equipment. On a recurring basis, URC's net income amounted to Php 1.54 billion, or 5.2% higher than the amount reported in the same period last year

URC President and Chief Operating Officer, Lance Gokongwei said, "We are pleased with the continuing strong performance of Universal Robina Corporation. We continue to see gains from the growth of our beverage business in the Philippines and the continuing expansion of our business in Thailand and Vietnam. We will continue to launch new products, aggressively build our brands with sustained advertising spend, and aim to complete some more new acquisitions."

URC's consolidated net sales and services for the six months ended March 31, 2007 amounted to Php 18.31 billion, a 1.5% growth from Php 18.05 billion in the same period last year.

The largest contributor to the group's sales revenue, URC's Branded Consumer Food Group's domestic operations reported a 9.4% sales increase to Php 9.68 billion, due to the 20% increase in sales volume. Beverage, accounting for 24.1% of BCFG domestic sales at Php 2.34 billion, continued its strong growth, posting a 55.1% growth in sales value and 69.7% increase in volume. Faced with a decline in category growth, sales of snackfoods improved to Php 5.84 billion boosted somewhat by domestic consumption recovery and election spending.

BCFG international sales were down by 7.4% to Php 3.77 billion primarily due to lower revenues from China, Indonesia, Singapore and Malaysia operations and the strengthening of the

Philippine peso. In US dollar terms, however, sales were maintained at around \$77 million in the first six months of this fiscal year. Thailand posted revenue growth of close to 30% in dollar terms and Vietnam sales were buoyed by healthy snack and beverage sales. China sales were down as a result of the scaling back of business activities in order to rationalize operating costs.

URC's agro-industrial group amounted to Php 2.67 billion in the first six months of fiscal 2007. Both the feeds and the farms businesses enjoyed 12% increases in revenue from the same period last year due to higher sales volumes. The feeds business continued to expand due to increasing strength of its "Uno" Feeds brand.

Net sales in URC's commodity foods group decreased by Php 396 million or 19.4% to Php 1.65 billion in the first six months of fiscal 2007, versus Php 2.04 billion for the same reporting period last year. This was due to a 44.5% increase in internal transfers of flour and sugar to BCFG. On a gross sales basis, the commodity foods group booked revenues of Php 2.803 billion for the first half of fiscal 2007 against Php 2.84 billion in the same period last year.

URC's operating profit was flat at Php 1.61 billion, as a result of very strong comparables last year, the increase in the cost of certain raw and packaging materials, and higher freight expenses arising from increasing product volumes. This was offset by resilient revenue growth and a stronger peso.

"We will pick up the pace in pursuing acquisitions in the sectors where we compete, similar to our recent purchase of the manufacturing facilities and Hidden Spring trademark of Nestle Waters Philippines Inc.", Gokongwei added.

Attached is the company's Form 17Q 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