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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES  
REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended June 30, 2002
2. Commission identification number 9170
3. BIR Tax Identification No. 000-400-016-000
4. Universal Robina Corporation  
Exact name of issuer as specified in its charter
5. Quezon City, Philippines  
Province, country or other jurisdiction of incorporation or organization
6. Industry Classification Code: \_\_\_\_\_ (SEC Use Only)
7. 110 E. Rodriguez Ave., Bagumbayan, Quezon City 1110  
Address of issuer's principal office Postal Code
8. 671-2935; 635-0751; 671-3954  
Issuer's telephone number, including area code
9. Not applicable  
Former name, former address and former fiscal year, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

<u>Title of Each Class</u>	<u>Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding</u>
Common stock, P1.00 Par value	1,636,607,993 shares

11. Are any or all of the securities listed on the Philippine Stock Exchange?

Yes [ / ] No [ ]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein

Philippine Stock Exchange

Common stock

12. Indicate by check mark whether the registrant:

- (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [ / ]            No [ ]

- (b) has been subject to such filing requirements for the past ninety (90) days.

Yes [ / ]            No [ ]

## PART I - FINANCIAL INFORMATION

### Item 1. Financial Statements.

The unaudited consolidated financial statements are filed as part of this Form 17-Q (pages 5 to 12).

### Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

#### *Results of Operations*

#### *Nine Months Ended June 30, 2002 vs. June 30, 2001*

Universal Robina Corporation (URC) posted consolidated net sales of ₱15.4 billion for the nine months ended June 30, 2002, a 12.9% increase over the same period last year. The company's gross margin improved by 5.9% compared to the same period last year totaling to ₱4.3 billion. Income from operations was recorded at ₱1.5 billion, representing a 12.1% increase. Net Income for the period amounted to ₱916.6 million.

The branded consumer foods (BCF) business unit posted sales value earnings totaling to ₱11.5 billion, representing growth of 10.2% compared to the same period last year. This was attributed to URC's regional snack food revenue growth of 18.2% and the continued strength of the Company's products in core categories such as snacks, candy, chocolate and biscuit segments complemented by strong exports.

The Company's Agro-industrial business unit posted net sales value of ₱2.3 billion, representing a 10.6% increase from the same period last year. This is attributed to the impressive performance of the feeds business, which compensate for the slight decline in sales volume in the company's farms business.

URC's Commodity Foods business unit ended the nine-month period with a net sales value of ₱1.6 billion, a marked increase of 42.2% compared to the same period last year. This jump in sales is attributed to the volume growth of flour and sugar businesses.

Costs of sales increased ₱1.5 billion, or 15.9%, to ₱11.1 billion for the nine months ended June 30, 2002 from ₱ 9.6 billion for the same period last year. The increase was due to higher sales volume, costs of imported raw materials used in our snacks, candies, chocolates, biscuits and flour products, increase in costs of major raw materials for our animal feeds and increase in sugar production costs.

Other income (charges)—net was (₱ 361.3) million for the nine months ended June 30, 2002 compared to (₱90.7) million for the nine months ended June 30, 2001. Interest charges grew by 15.7% to ₱610.7 million for the nine months ended June 30, 2002 as against ₱528.0 million for the same period last year due to additional loans obtained by the Company. Increase in goodwill amortization and provision for the decline in value of temporary cash investments likewise accounted for the change in the account.

Minority interests in net loss of subsidiaries decreased by ₱9.3 million, or 25.9%, to ₱26.6 million for the nine months ended June 30, 2002 from ₱36.0 million for the nine months ended June 30, 2001 due to improvement in operating results of overseas subsidiaries.

URC's revenues and operating income are expected to improve further for the remaining period of the fiscal year as the company continues to firm up its leadership in its core categories, consistently build strong brands, and better its cost competitiveness.

### ***Financial Position***

#### *June 30, 2002 vs. September 30, 2001*

The Company's financial strength continues to remain solid. Debt to equity ratio for the period stood at 0.76:1 versus 0.79:1 as of September 30, 2001. Current assets against each peso of current liabilities registered at ₱1.89 from ₱1.70 as of September 30, 2001.

Total assets were recorded at ₱34.0 billion, equivalent to an increase of 2.5% from ₱33.2 billion as of September 30, 2001.

Temporary cash investments increased by 268.3% to ₱6.6 billion due to additional investment in debt securities.

The account due from Affiliates decreased by 93.7% to ₱387.5 million due to collections of advances previously granted to affiliates.

Additions to Property, plant and equipment amounted to ₱2.4 billion compared to ₱1.7 billion for the nine months ended June 30, 2001. This was due to plant expansion and upgrade projects in China and in the Philippines. These capital expenditure investments include expansion projects in Branded Consumer Foods amounting to ₱1.4 billion of which ₱919.6 million was invested in new facility in Shanghai and expansion of the Thailand facility; ₱736.0 million for Line 2 project of Packaging division, and various projects for Flour, Feeds and Sugar businesses.

Payable to affiliated companies decreased by 85.2% to ₱145.7 million. The Company substantially paid its account to affiliates during the period.

Long-term debt, including current portion, increased by 37.4% to ₱ 5.0 billion as of June 30, 2002 due to availment of additional long-term loan from local and foreign banks.

Stockholders' equity grew to ₱19.3 billion as of June 30, 2002 from ₱18.5 billion as of September 30, 2001. Book value per share improved to ₱11.8 from ₱11.3 as at September 30, 2001.

The Company's cash requirements generally have been funded through cash flow from operations and short-term and long-term borrowings. The net cash provided by operating activities for the nine months ended June 30, 2002 was ₱6.9 billion compared with ₱416.6 million in the same period last year. The net cash provided by financing activities was ₱1.8 billion compared to ₱2.1 billion for the same period last year. This consisted of additional loans obtained from local and foreign banks. The Company does not anticipate any liquidity problems that may arise in the near future.

As of June 30, 2002, the Company is not aware of any events and uncertainties that would have a material impact on the Company's net sales and income from operations and future operations.

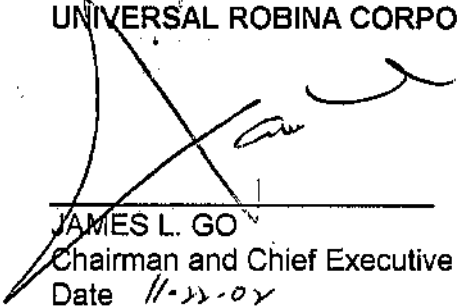
## PART II - OTHER INFORMATION

None.


### SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

UNIVERSAL ROBINA CORPORATION

  
\_\_\_\_\_  
JAMES L. GO  
Chairman and Chief Executive Officer  
Date 11-22-02

  
\_\_\_\_\_  
CONSTANTE T. SANTOS  
Sr. Vice President – Corporate Controller  
Date November 22, 2002

  
\_\_\_\_\_  
GERALDO N. FLORENCIO  
Vice President – Controller  
Date 11/22/02

**UNIVERSAL ROBINA CORPORATION AND SUBSIDIARIES****Consolidated Balance Sheets**

(In Thousand Pesos)

	Unaudited June 30 2002	Audited September 30 2001
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	1,911,520	547,790
Temporary cash investments-net	6,553,166	1,779,502
Marketable equity securities	140,065	172,892
Receivables - net (Note 3)	2,344,752	2,716,680
Due from affiliated companies	387,500	6,138,409
Inventories (Note 4)	4,709,737	4,926,312
Other current assets	138,172	307,140
Total Current Assets	16,184,912	16,588,725
Deferred Income Tax - net	292,123	154,477
Equity Investments and Advances	1,710,353	1,660,151
Property, Plant and Equipment - net	14,253,170	13,150,071
Other Assets - net	1,535,538	1,608,906
	33,976,096	33,162,330
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Loans payable	4,892,965	4,410,974
Accounts payable and accrued expenses (Note 5)	3,194,935	3,882,341
Payable to affiliated companies	145,727	983,191
Trust receipts and acceptances payable	-	250,892
Deferred income tax - net	152,927	152,927
Current portion of long-term debt	154,565	60,949
Total Current Liabilities	8,541,119	9,741,274
Long-term Debt - net of current portion	4,871,704	3,597,000
Deferred Credit - net	10,048	16,066
Minority Interest in Consolidated Subsidiaries	1,256,357	1,324,373
	14,679,228	14,678,713
<b>Stockholders' Equity</b>		
Capital stock (Note 6)	1,636,608	1,636,608
Additional paid-in capital	6,668,951	6,668,951
Deposits for future stock subscriptions	250,466	250,466
Revaluation increment in property - net	82,039	82,039
Accumulated translation adjustment	666,623	688,174
Retained earnings	9,992,181	9,157,379
	19,296,868	18,483,617
	33,976,096	33,162,330

**UNIVERSAL ROBINA CORPORATION AND SUBSIDIARIES**
**Unaudited Consolidated Statements of Income  
and Retained Earnings  
(In Thousand Pesos, Except Per Share Amounts)**

	Quarters Ended June 30		Nine Months Ended June 30	
	2002	2001	2002	2001
NET SALES ( Note 8)	5,075,057	4,401,778	P 15,357,642	13,599,420
COST OF GOODS SOLD	3,770,601	3,127,217	11,072,936	9,554,856
GROSS PROFIT	1,304,456	1,274,561	4,284,706	4,044,564
OPERATING EXPENSES	924,054	944,776	2,797,508	2,717,498
INCOME FROM OPERATIONS	380,402	329,785	1,487,198	1,327,066
OTHER INCOME (CHARGES) - NET	(202,458)	(64,413)	(361,247)	(90,700)
INCOME BEFORE INCOME TAX	177,944	265,372	1,125,951	1,236,366
PROVISION FOR INCOME TAX	42,096	42,478	235,950	323,449
INCOME BEFORE MINORITY INTEREST				
IN NET INCOME (LOSS) OF SUBSIDIARIES	135,848	222,894	890,001	912,917
MINORITY INTEREST IN NET INCOME (LOSS) OF SUBSIDIARIES	(62,014)	24,573	(26,632)	(35,959)
NET INCOME	197,862	198,321	916,633	948,876
RETAINED EARNINGS AT BEGINNING OF PERIOD	9,876,150	9,064,944	9,157,379	8,314,389
CASH DIVIDENDS - P0.05 per share	(81,831)	(74,391)	(81,831)	(74,391)
STOCK DIVIDENDS - 10%		(148,783)		(148,783)
RETAINED EARNINGS AT END OF PERIOD	9,992,181	9,040,091	9,992,181	9,040,091
Earnings Per Share (Note 7)	P 0.12	P 0.12	P 0.56	P 0.58

See accompanying Notes to Unaudited Consolidated Financial Statements.

**UNIVERSAL ROBINA CORPORATION AND SUBSIDIARIES****Unaudited Consolidated Statements of Changes in Stockholders' Equity**

(In Thousand Pesos)

	Nine Months Ended June 30			
	2002		2001	
	In Shares	Amounts	In Shares	Amounts
<b>CAPITAL STOCK - P1 par value</b>				
Issued:				
Balance at beginning of year	1,636,608	P1,636,608	1,636,608	P1,636,608
Additional issuance	-	-	-	-
Stock dividends	-	-	-	-
Balance at end of year	1,636,608	1,636,608	1,636,608	1,636,608
<b>CAPITAL IN EXCESS OF PAR VALUE</b>				
Balance at beginning of year		6,668,951		6,668,951
Additional issuance		-		-
Balance at end of year		6,668,951		6,668,951
<b>PAID-UP CAPITAL</b>		<b>8,305,559</b>		<b>8,305,559</b>
<b>DEPOSITS FOR FUTURE STOCK SUBSCRIPTIONS</b>		<b>250,466</b>		<b>-</b>
<b>REVALUATION INCREMENT IN PROPERTY</b>				
Balance at beginning of year		82,039		86,133
Adjustments		-		-
Balance at end of year		82,039		86,133
<b>ACCUMULATED TRANSLATION ADJUSTMENT</b>				
Balance at beginning of year		688,174		229,612
Adjustments		(21,551)		291,299
Balance at end of year		666,623		520,911
<b>RETAINED EARNINGS</b>				
Balance at beginning of year		9,157,379		8,314,389
Net income		916,633		948,876
Stock dividends - 10%				(148,783)
Cash dividends - P0.05 per share		(81,831)		(74,391)
Balance at end of year		9,992,181		9,040,091
		<b>P19,296,868</b>		<b>P17,952,694</b>

*See accompanying Notes to Unaudited Consolidated Financial Statements.*



**UNIVERSAL ROBINA CORPORATION AND SUBSIDIARIES**

**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS**

(In Thousand Pesos)

	Nine Months Ended June 30	
	2002	2001
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Income before tax	P1,125,951	P1,236,366
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and other provisions	1,320,178	1,040,614
Equity in net earnings of affiliated companies	(50,202)	(59,757)
Minority interest in net income (loss) of subsidiaries	26,632	35,959
Dividends received from an affiliated company	-	27,500
Unrealized foreign exchange loss (gain)	(5,515)	136,096
Gain on bonds reacquisition	-	(33,567)
Gain on sale of fixed assets	(5,188)	-
Amortization of goodwill and deferred credit	104,832	83,776
Amortization of preoperating expenses	24,847	20,168
Provision for decline in value of temporary cash investments	(157,819)	-
Provision for doubtful accounts	(79,679)	-
Interest income	(537,831)	(599,998)
Interest expense	606,648	528,004
Effect of exchange rate changes on cash and cash equivalents	(668)	2,270
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Receivables - trade and others	417,315	(194,967)
Due from affiliated companies	5,745,242	(2,455,239)
Inventories	215,744	(1,015,890)
Other current assets	168,851	(79,280)
Increase (decrease) in:		
Accounts payable and accrued expenses	(329,924)	2,029,623
Payable to affiliated companies	(839,121)	(166,829)
Trust receipts and acceptances payable	(250,892)	-
Net cash generated from operations	7,499,401	534,849
Interest received	570,536	618,078
Income taxes paid	(267,979)	(189,428)
Interest paid	(939,154)	(546,856)
Net cash provided by operating activities	6,862,804	416,643
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Temporary cash investments	(4,585,042)	(402,772)
Marketable equity securities	-	19
Additions to property, plant and equipment	(2,445,112)	(1,675,442)
Proceeds from sale of property, plant and equipment	17,740	-
Decrease (increase) in other assets	(196,873)	155,628
Increase in equity investments and advances	-	(100,000)
Increase (decrease) in minority interest in consolidated subsidiaries	(68,024)	55,479
Net cash used in investing activities	(7,277,311)	(1,967,088)

(Forward)

	Nine Months Ended June 30	
	2002	2001
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net additions (deductions) to:		
Loans	479,014	1,948,502
Long - term debt	1,381,054	186,988
Payment of cash dividends	(81,831)	(74,391)
Net cash provided by financing activities	1,778,237	2,061,099
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>1,363,730</b>	<b>510,654</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>547,790</b>	<b>747,925</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>P1,911,520</b>	<b>P1,258,579</b>
<b>SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES</b>		
Additions (reductions) due to foreign exchange differentials:		
Long-term debt	(18,217)	(28,497)
Cumulative translation adjustment	666,623	520,911

*See accompanying Notes to Unaudited Consolidated Financial Statements.*

## UNIVERSAL ROBINA CORPORATION AND SUBSIDIARIES

### Notes to Unaudited Consolidated Financial Statements

(In Thousand Pesos, Except Per Share Amounts)

#### 1. Basis of Preparation

The unaudited consolidated financial statements of Universal Robina Corporation and Subsidiaries (the Group) have been prepared in accordance with accounting principles generally accepted in the Philippines (Philippine GAAP). The preparation of financial statements in accordance with Philippine GAAP requires the Group to make estimates and assumptions that affect the reported amounts on income, expenses, assets and liabilities and disclosures of contingent assets and liabilities. Actual results could differ from those estimates. Management believes that actual results will not be materially different from those estimates

#### 2. Principles of Consolidation

The unaudited consolidated financial statements as of June 30, 2002 and for the nine (9) months ended June 30, 2002 and 2001 represent the consolidation of the financial statements of Universal Robina Corporation (the Parent Company) and the following subsidiaries directly and indirectly owned by the Parent Company.

Companies	Percentage of Ownership			
	2002		2001	
	Direct	Indirect	Direct	Indirect
CFC Corporation	100.0	-	100.0	-
Universal Robina (Cayman), Ltd.	100.0	-	100.0	-
Universal Robina Sugar Milling Corporation	100.0	-	100.0	-
CFC Clubhouse, Inc. (formerly CFC Keebler, Inc.)	100.0	-	100.0	-
CFC Clubhouse Property, Inc. (formerly CFC Keebler Property, Inc.)	100.0	-	100.0	-
URC International Company Limited	77.0	-	77.0	-
Hongkong China Foods Co. Ltd.	-	77.0	-	77.0
URC Asean Brands Co. Ltd.	-	77.0	-	77.0
Nissin-Universal Robina Corporation	65.0	-	65.0	-
Southern Negros Development Corporation	-	94.0	-	94.0

The equity investments include the 50% and 50% equity in Hunt-Universal Robina Corporation (HUR) and Joyco-Universal Robina Corporation (JOYCO), respectively. The financial information of these subsidiaries is summarized as follows:

	JOYCO		HUR	
	Unaudited June 30			
	2002	2001	2002	2001
Revenue	51,836	60,285	370,274	387,124
Cost and Expenses	79,401	65,427	318,924	336,110
Income (Loss) from Operations	(27,565)	(5,142)	51,350	51,014
Net Income (Loss)	(27,719)	(4,150)	38,485	38,791

#### 3. Receivables

This account consists of:

	Unaudited June 30, 2002			Audited September 30 2001
	Up to Six Months	Over		
		Six Months to One Year	Total	
Trade receivables - net	P 1,552,783	P 367,274	P 1,920,057	P 1,929,651
Other receivables	285,612	139,083	424,695	787,029
	P 1,838,395	P 506,357	P 2,344,752	P 2,716,680

**4. Inventories**

This account consists of:

	Unaudited June 30 2002	Audited September 30 2001
Finished goods - net	P967,382	P718,953
Goods in process	56,517	41,431
Raw materials	1,342,219	1,150,937
Poultry and hog market stock and by-products	230,432	472,297
Poultry and hog breeder stock	205,961	89,693
Containers and packaging materials	500,899	508,942
Spare parts and supplies	436,221	406,129
Materials in transit	970,106	1,537,930
	<b>P4,709,737</b>	<b>P4,926,312</b>

**5. Accounts Payable - Trade**

	Unaudited June 30, 2002			Audited September 30 2001
	Up to Six Months	Over Six Months to One Year	Total	
Trade Payables	P 826,911	P 173,063	P999,974	P868,162

**6. Capital Stock**

	Unaudited June 30 2002	Audited September 30 2001
Preferred stock - P1 par value		
Authorized - 2,000,000 shares		
Issued - none		
Common stock - P1 par value		
Authorized - 1,998,000,000 shares		
Issued - 1,636,607,993 shares	P 1,636,608	P 1,636,608

The preferred stock is 12% cumulative, nonparticipating, nonvoting, and redeemable at par upon dissolution and liquidation of the Company.

A portion of the retained earnings representing the undistributed earnings of the investee companies is not available for dividend declaration until received in the form of dividends.

## 7. Earnings Per Share

Earnings per share amounts were computed as follows:

	Quarters Ended		Nine Months Ended	
	June 30		June 30	
	2002	2001	2002	2001
a. Net income	P 197,862	P 198,321	P 916,633	P 948,876
b. Weighted average number of outstanding common shares	1,636,607,993	1,636,607,993	1,636,607,993	1,636,607,993
c. Earnings per share	P 0.12	P 0.12	P 0.56	P 0.58

## 8. Business Segment Information

The industry segments where the Group operates are as follows:

- Branded consumer food products - manufactures and distributes a diverse mix of snack foods, instant coffee products, instant noodles, chocolates, soft and hard candies, biscuits, ice cream and frozen novelties, pasta, tomato-based products and ready-to-drink beverage. It also engages in manufacture of polypropylene films for packaging companies.
- Agro-industrial products - engages in hog and poultry farming, manufactures and distributes animal feeds, corn products and vegetable oils, and produces and distributes animal health products.
- Commodity food products - engages in sugar milling and refining, and flour milling.
- Corporate businesses - engages in bonds and securities investment.

Financial information about the operations of these business segments is summarized as follows:

	Revenue		Total Assets		Total Liabilities	
	Unaudited June 30					
	2002	2001	2002	2001	2002	2001
Branded Consumer Food Products	11,465,141	10,407,495	17,351,608	16,760,191	4,558,409	3,686,744
Agro-Industrial Products	2,262,576	2,045,306	2,485,800	2,376,611	244,691	668,368
Commodity Food Products	1,629,925	1,146,619	3,396,248	3,330,359	809,084	1,656,168
Corporate Businesses	-	-	10,742,440	10,184,070	9,067,044	8,687,257
	<b>15,357,642</b>	<b>13,599,420</b>	<b>33,976,096</b>	<b>32,651,231</b>	<b>14,679,228</b>	<b>14,698,537</b>