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2007

SEC Number 9170
File Number _____

**UNIVERSAL ROBINA CORPORATION
AND SUBSIDIARIES**

(Company's Full Name)

110 E. Rodriguez Avenue, Bagumbayan, Quezon City

(Company's Address)

671-2935; 635-0751; 671 054

(Telephone Number)

September 30

(Fiscal Year Ending)
(month & day)

FORM 17-Q

(Form Type)

(Amendment Designation if applicable)

For the Six Months Ended March 31, 2003

(Period Ended Date)

(Secondary License Type and File Number)

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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 March 31, 2003
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 6 to 14).

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

Results of Operations

Six Months Ended March 31, 2003 vs. March 31, 2002

Universal Robina Corporation (URC) posted consolidated net sales and services of ₱11.60 billion for the six months ended March 31, 2003, a 12.8% increase over the same period last year. URC's gross margin improved by 5.5% compared to the same period last year to ₱3.14 billion. Income from operations increased by 2.6% to ₱1.14 billion from ₱1.11 billion. Net income for the period amounted to ₱966.04 million better by 34.4% compared to the same period of the previous year.

The branded consumer foods (BCF) business unit posted sales and services value growth of 15.4% to ₱8.97 billion compared to the same period last year. This was attributed to URC's regional snack food revenue growth of 44.0% 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 recorded a net sale of ₱1.45 billion. The increase in net sales value of the feeds business was compensated by the decrease in sales volume and prices of farm products resulting in flat revenue for the period.

URC's Commodity Foods business unit ended the six-month period with a net sales value of ₱1.18 billion, a growth of 12.1%. The increase was due to higher volumes of sugar sold and increases in selling prices for flour.

Costs of sales and services increased ₱1.16 billion, or 15.8%, to ₱8.46 billion for the six months ended March 31, 2003 from ₱7.30 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, and animal feeds.

Other charges-net was ₱54.04 million for the six months ended March 31, 2003 compared to ₱158.79 million for the six months ended March 31, 2002. The decrease in other charges-net was due to the unrealized gain on foreign currency translation and lower interest charges due to repayment of advances from an associate and short-term loans.

Minority interests in net income (loss) of subsidiaries decreased by ₱59.79 million, or 169.0%, to (₱24.41) million for the six months ended March 31, 2003 from ₱35.38 million for the six months ended March 31, 2002 due to net loss incurred by the 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 expand its regional operations and domestically firm up its leadership in its core categories, consistently build strong brands, and better its cost competitiveness.

Financial Position

March 31, 2003 vs. September 30, 2002

The Company's financial strength continues to remain solid. Debt to equity ratio for the period is at 1:1 versus 0.66:1 as of September 30, 2002. The increase in debt was due to issuance in February 2003 of US\$125 million Notes due 2008 and availment of additional financing facility. Current assets against each peso of current liabilities registered an improvement at ₱2.93 from ₱2.10 as of September 30, 2002.

Total assets were recorded at ₱42.68 billion, up by 26.0% from ₱33.87 billion as of September 30, 2002. Book value per share improved to ₱12.25 from ₱11.62 as at September 30, 2002.

Cash and cash equivalents increased by 114.7% or ₱2.30 billion from ₱2.01 billion to ₱4.31 billion due to additional money market placements.

Temporary investments-net increased by 66.6% to ₱11.48 billion due to additional investments in debt securities.

Marketable equity securities-net increased by 801.6% to ₱306.62 million due to additional investment in stocks.

Due from affiliated companies increased by 21.0% to ₱430.10 million due to advances to affiliates arising from the normal course of business.

Inventories-net increased to ₱5.49 billion primarily due to increase in finished goods and raw materials.

Other current assets amounted to ₱116.37 million a decrease of 37.4% due to decrease in deferred off-milling cost of the sugar business.

Investments in associates decreased to ₱1.25 billion due to dividends received from an associate and settlement of advances by certain associates.

Additions to Property, plant and equipment totalled ₱1.23 billion for the six months ended March 31, 2003. This was due to plant expansion and upgrade projects in Asean, China and in the Philippines. These capital expenditure investments include expansion projects in Branded Consumer Foods amounting to ₱420.90 million of which ₱91.50 million was used for purchase of machineries in Indonesia, ₱69.52 million for the improvement of plant facility in Shanghai, ₱65.77 million for the purchase of machineries for Thailand facility and ₱168.20 million for the improvement of various plant facilities in the Philippines, and also the ₱490.10 million for plant expansion of the Flour business and various projects of Sugar, Farms, Feeds and Packaging businesses.

Accounts payable and accrued expenses increased by 10.1% to ₱3.97 billion primarily due to accrual of advertising and promotion, interest, payroll and other expenses.

Due to affiliated companies decreased by 15.3% to ₱192.22 million due to payment of advances.

Trust receipts payable arose from the availment of trust receipt facility with local banks to cover the importations made by various business units.

The increase in long-term debt was primarily due to issuance in February 2003 of US\$125 million Notes due 2008 and availment of new loan facility.

Deferred credit-net decreased due to amortization for the period.

The Company's cash requirements generally have been funded through cash flow from operations. The net cash provided by operating activities for the six months ended March 31, 2003 was ₱737.72 million. On the other hand, net cash used for investing activities for the period amounted to ₱5.88 billion which was principally for additions to property, plant and equipment and investment in debt securities. Net cash provided by financing activities was ₱7.44 billion which came from the issuance of US\$125 million Notes due 2008, and availment of additional long term debt and trust receipts facility. The Company does not anticipate any liquidity problems that may arise in the near term.

As of March 31, 2003, the Company is not aware of any events and uncertainties that would have a material impact on the Company's net sales, income from operations and future operations.

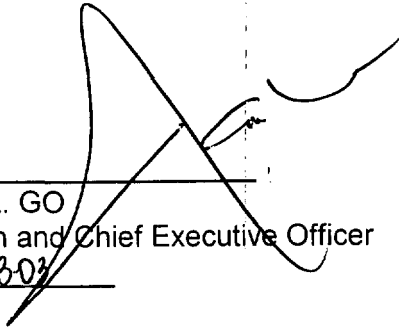
PART II - OTHER INFORMATION

None.

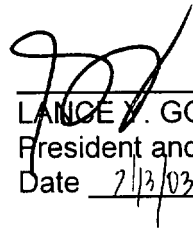
SIGNATURES

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.

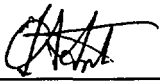
UNIVERSAL ROBINA CORPORATION



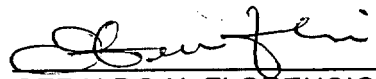
JAMES L. GO
Chairman and Chief Executive Officer
Date 5/13/03



LANCE Y. GOKONGWEI
President and Chief Operating Officer
Date 2/13/03



CONSTANTE T. SANTOS
Sr. Vice President – Corporate Controller
Date 5/13/03



GERALDO N. FLORENCIO
Vice President – Controller
Date 5/13/03

UNIVERSAL ROBINA CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

(In Thousand Pesos)

	Unaudited March 31 2003	Audited September 30 2002
A S S E T S		
Current Assets		
Cash and cash equivalents	4,308,248	2,006,850
Temporary investments-net	11,484,724	6,894,309
Marketable equity securities-net	306,621	34,010
Receivables - net (Note 3)	2,901,078	2,731,366
Due from affiliated companies (Note 4)	430,100	355,375
Inventories-net (Note 5)	5,490,987	4,247,700
Other current assets	116,369	185,991
Total Current Assets	25,038,127	16,455,601
Investments in Associates	1,249,058	1,423,115
Property, Plant and Equipment - net	14,815,819	14,386,221
Other Assets - net	1,577,979	1,604,749
	42,680,983	33,869,686
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Loans payable	3,726,355	3,840,149
Accounts payable and accrued expenses (Note 6)	3,970,521	3,606,732
Due to affiliated companies (Note 7)	192,219	226,811
Trust receipts payable	435,746	-
Deferred income tax - net	10,278	10,278
Current portion of long-term debt	202,474	159,558
Total Current Liabilities	8,537,593	7,843,528
Long-term Debt - net of current portion	12,069,111	4,988,960
Deferred Credit - net	4,029	8,041
Deferred Income Tax - net	163,079	163,079
	20,773,812	13,003,608
Minority Interest in Consolidated Subsidiaries	1,173,474	1,195,269
Stockholders' Equity		
Capital stock (Note 8)	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
Cumulative translation adjustments	881,120	- 784,271
Retained earnings	11,296,552	10,330,513
	20,733,697	19,670,809
	42,680,983	33,869,686

See accompanying Notes to Unaudited Consolidated Financial Statements.

UNIVERSAL ROBINA CORPORATION AND SUBSIDIARIES**Unaudited Consolidated Statements of Income**

(In Thousand Pesos, Except Per Share Amounts)

	Quarters Ended March 31		Six Months Ended March 31	
	2003	2002	2003	2002
NET SALES AND SERVICES (Note 10)	5,543,606	4,740,772	11,603,334	10,282,585
COSTS OF SALES AND SERVICES	4,024,254	3,368,202	8,459,587	7,302,335
GROSS PROFIT	1,519,352	1,372,570	3,143,747	2,980,250
OPERATING EXPENSES	1,033,247	879,830	2,008,352	1,873,454
INCOME FROM OPERATIONS	486,105	492,740	1,135,395	1,106,796
OTHER CHARGES - NET	(9,190)	(61,767)	(54,036)	(158,789)
INCOME BEFORE INCOME TAX AND MINORITY INTEREST	476,915	430,973	1,081,359	948,007
PROVISION FOR INCOME TAX	57,950	85,277	139,729	193,854
INCOME BEFORE MINORITY INTEREST IN NET INCOME (LOSS) OF SUBSIDIARIES	418,965	345,696	941,630	754,153
MINORITY INTEREST IN NET INCOME (LOSS) OF SUBSIDIARIES	(13,695)	31,293	(24,409)	35,382
NET INCOME	432,660	314,403	966,039	718,771
Earnings Per Share (Note 9)	P 0.26	P 0.19	P 0.57	P 0.42

See accompanying Notes to Unaudited Consolidated Financial Statements.

UNIVERSAL ROBINA CORPORATION AND SUBSIDIARIES

Unaudited Consolidated Statements of Changes in Stockholders' Equity
(In Thousand Pesos)

	Six Months Ended March 31			
	2003		2002	
	In Shares	Amounts	In Shares	Amounts
CAPITAL STOCK - P1 par value				
Issued:				
Balance at beginning of year	1,636,608	P1,636,608	1,636,608	P1,636,608
Stock dividends	-	-	-	-
Balance at end of year	1,636,608	1,636,608	1,636,608	1,636,608
ADDITIONAL PAID-IN CAPITAL				
Balance at beginning of year		6,668,951		6,668,951
Additional issuance		-		-
Balance at end of year		6,668,951		6,668,951
PAID-UP CAPITAL				
		8,305,559		8,305,559
DEPOSITS FOR FUTURE STOCK SUBSCRIPTIONS				
		250,466		250,466
REVALUATION INCREMENT IN PROPERTY				
Balance at beginning of year		-		82,039
Adjustments		-		-
Balance at end of year		-		82,039
ACCUMULATED TRANSLATION ADJUSTMENT				
Balance at beginning of year		784,271		688,174
Adjustments		96,849		(197,588)
Balance at end of year		881,120		490,586
RETAINED EARNINGS				
Balance at beginning of year		10,330,513		9,157,379
Net income		966,039		718,771
Balance at end of year		11,296,552		9,876,150
		P20,733,697		P19,004,800

See accompanying Notes to Unaudited Consolidated Financial Statements.

UNIVERSAL ROBINA CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousand Pesos)

	Six Months Ended March 31	
	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax and minority interest	P1,081,359	P948,007
Adjustments for:		
Depreciation	775,819	639,809
Equity in net earnings of associates - net	(23,116)	(32,176)
Minority interest in net income (loss) of subsidiaries	24,409	(35,382)
Net unrealized foreign exchange gain	(9,273)	(5,261)
Loss on sale of fixed assets	2,217	-
Amortization of goodwill and deferred credit	77,224	70,470
Amortization of preoperating expenses	3,872	15,058
Interest income	(374,573)	(392,923)
Interest expense	428,955	443,882
Operating income before changes in working capital	1,986,893	1,651,484
Decrease (increase) in:		
Receivables	(91,447)	112,746
Due from affiliated companies	(66,707)	(1,274,089)
Inventories	(1,238,180)	(565,377)
Other current assets	70,414	197,964
Increase (decrease) in:		
Accounts payable and accrued expenses	363,620	726,495
Due to affiliated companies	(21,992)	(101,959)
Cash generated from operations	1,002,601	747,263
Interest received	304,292	382,878
Income taxes paid	(232,098)	(260,257)
Interest paid	(337,073)	(374,788)
Net cash provided by operating activities	737,722	495,096
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(1,228,779)	(1,897,340)
Proceeds from sale of property, plant and equipment	61,097	-
Decrease (increase) in:		
Temporary investments	(4,575,982)	26,044
Marketable equity securities	(272,611)	-
Investments in associates	137,173	-
Other assets	(43,030)	136,233
Dividends received	60,000	-
Decrease in minority interest in consolidated subsidiaries	(21,834)	(70,632)
Net cash used in investing activities	(5,883,966)	(1,805,695)

(Forward)

	Six Months Ended March 31	
	2003	2002
CASH FLOWS FROM FINANCING ACTIVITIES		
Net availments (payments) of:		
Short-term borrowings	(99,242)	302,082
Trust receipts payable	435,746	(245,396)
Long - term debt	7,108,454	1,344,819
Net cash provided by financing activities	7,444,958	1,401,505
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,298,714	90,907
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	2,684	(4,108)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	2,006,850	547,790
CASH AND CASH EQUIVALENTS AT END OF PERIOD	P4,308,248	P634,589

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 for the six (6) months ended March 31, 2003 and 2002 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			
	2003		2002	
	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	-
URC Philippines, Limited	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%, 50% and 6% equity in Hunt-Universal Robina Corporation (HUR), Joyco-Universal Robina Corporation (JOYCO) and Robinsons Land Corporation (RLC), respectively. The financial information of these associates is summarized as follows:

	JOYCO		HUR		RLC	
	Unaudited March 31					
	2003	2002	2003	2002	2003	2002
Revenue	28,466	20,200	242,370	251,874	1,944,523	1,667,138
Cost and Expenses	43,613	32,701	212,800	217,233	1,344,696	1,278,992
Income (Loss) from Operations	(15,147)	(12,501)	29,570	34,641	599,635	388,146
Net Income (Loss)	(14,856)	(12,619)	22,667	25,469	417,958	267,699

3. Receivables

This account consists of:

	Unaudited March 31, 2003			
	Up to Six Months	Over		Audited September 30, 2002
		Six Months to One Year	Total	
Trade receivables - net	P 1,779,978	P 206,569	P 1,986,547	P 2,035,866
Other receivables	612,411	302,120	914,531	695,500
	P 2,392,389	P 508,689	P 2,901,078	P 2,731,366

4. Due from Affiliated Companies

This account consists of:

	Unaudited March 31 2003	Audited September 30 2002
Cebu Air, Inc.	P125,650	P29,999
Digital Telecommunications Philippines, Inc.	98,120	78,086
Hunt - Universal Robina Corporation	72,961	36,609
JG Summit Holdings, Inc.	35,996	158,406
Joyco - Universal Robina Corporation	28,397	3,908
Robinsons Land Corporation	20,805	17,558
Cebu Pacific Manufacturing Corporation	9,684	9,678
Unicon Insurance Brokers Corporation	6,890	540
Others	31,597	20,591
	P430,100	P355,375

5. Inventories

This account consists of:

	Unaudited March 31 2003	Audited September 30 2002
Finished goods - net	P1,170,245	P743,110
Goods in process	46,277	30,209
Raw materials	1,642,232	1,194,670
Poultry and hog market stock and by-products	365,768	362,732
Poultry and hog breeder stock	143,188	154,914
Containers and packaging materials	498,232	441,133
Spare parts and supplies	645,475	497,516
Materials in transit	979,570	823,416
	P5,490,987	P4,247,700

6. Accounts Payable and Accrued Expenses

This account consists of:

	Unaudited March 31 2003	Audited September 30 2002
Accounts payable -trade	P2,378,312	P2,220,967
Accrued advertising and promotion	456,148	358,830
Accrued interest expense	226,685	134,803
Income tax payable	139,729	108,577
Accrued payroll	125,563	74,769
Advances from stockholders and officers	91,815	391,557
Customers' deposits	54,615	78,864
Utility, contract services, SSS and other accrued expenses	497,654	238,365
	P3,970,521	P3,606,732

7. Due to Affiliated Companies

This account consists of:

	Unaudited March 31 2003	Audited September 30 2002
Hongkong Peggy Foods Co. Ltd.	P 74,113	P -
TERAI Industrial Corp.	38,094	32,516
Litton Mills, Inc.	34,514	34,436
Cebu Industrial & Mgt. Co., Inc.	33,790	31,075
JG Summit Petrochemicals Corp.	8,402	25,259
URC Retirement Plan	-	56,100
Hello Snack Foods Corp.	-	45,276
Others	3,306	2,149
	P 192,219	P 226,811

8. Capital Stock

	Unaudited March 31 2003	Audited September 30 2002
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.

9. Earnings Per Share

Earnings per share amounts were computed as follows:

	Quarter Ended March 31		Six Months Ended March 31	
	2003	2002	2003	2002
a. Net income	P 432,660	P 314,403	P 966,039	P 718,771
b. Weighted average number of outstanding common shares	1,692,267,001	1,692,267,001	1,692,267,001	1,692,267,001
c. Earnings per share	P 0.26	P 0.19	P 0.57	P 0.42

10. Business Segment Information

The industry segments where the Group operates are as follows:

- a.) Branded consumer food products - manufactures and distributes a diverse mix of snack foods, instant coffee products, instant noodles, chocolates, soft and hard candies, biscuits, pasta, tomato-based products and ready-to-drink beverage. It also engages in manufacture of polypropylene films for packaging companies.
- b.) 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.
- c.) Commodity food products - engages in sugar milling and refining, and flour milling.
- d.) 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 March 31					
	2003	2002	2003	2002	2003	2002
Branded Consumer Food Products	8,974,091	7,773,555	18,026,249	17,786,902	5,090,117	3,646,483
Agro-Industrial Products	1,450,906	1,457,782	2,466,071	2,566,412	393,785	308,734
Commodity Food Products	1,178,337	1,051,248	4,422,370	3,431,367	1,412,334	1,774,910
Corporate Businesses	-	-	17,766,293	11,886,852	13,877,576	9,682,755
	11,603,334	10,282,585	42,680,983	35,671,533	20,773,812	15,412,882

11. Reclassification of Certain Accounts

Certain accounts in prior years' consolidated financial statements have been reclassified to conform with the current year's presentation.
