

## TABLE OF CONTENTS

	<u>Page No.</u>
<b>FORM 17-Q</b>	1
<b>PART I – FINANCIAL INFORMATION</b>	
Management's Discussion and Analysis of Financial Condition and Results of Operations	2
<b>PART II – OTHER INFORMATION</b>	
Signatures	5
<b>CONSOLIDATED FINANCIAL STATEMENTS</b>	
Consolidated Balance Sheets	6
Unaudited Consolidated Statements of Income	7
Unaudited Consolidated Statements of Changes in Stockholders' Equity	8
Unaudited Consolidated Statements of Cash Flows	9
Notes to Unaudited Consolidated Financial Statements	11

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, 2004
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

Title of Each Class

Number of Shares of  
Common Stock Outstanding and  
Amount of Debt Outstanding

Common stock, P1.00  
Par value

1,686,479,550 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 15).

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

#### *Results of Operations*

*Six Months Ended March 31, 2004 vs. March 31, 2003*

Universal Robina Corporation (URC) posted a consolidated net sales and services of ₱13.4 billion for the six months ended March 31, 2004, an increase of 15.6% over the same period of last year despite the depressed economic condition prevailing in the region and highly competitive environment. Revenue growth was lead by the strong performance of its core business, Branded Consumer Foods (BCF) business, particularly its expanding international operations in Southeast Asia, and the notable increase in sales of its Agro-industrial and commodity foods businesses. URC's gross margin improved by 10.4% compared to the same period of last year to ₱3.6 billion. Moreover, income from operations went up by 4.5% to ₱1.4 billion notwithstanding higher operating expenses. Operating expenses increased by 14.4% compared to the same period of last year to ₱2.2 billion as a result of expanding regional operations and sustained marketing activities. Net income for the first semester of fiscal year 2004 was up by ₱75.2 million, 7.8% better compared to the same period of last year.

The Branded Consumer Foods (BCF) business unit, including the packaging division, posted sales and services value growth of 10.3% to ₱9.9 billion compared to the same period of last year. This was attributed to URC International revenue growth of 31.4% and the continued strength of the Company's products in core categories such as snacks, candy, chocolate, noodle and biscuit segments complemented by strong exports. URC International revenue accounts for 21% of the total revenues of URC, up from 19% in 2003 fiscal year.

The Company's Agro-industrial business unit recorded net sales of ₱1.9 billion, up by 29.4% from the same period of last year. The increase in net sales resulted from higher prices and volume sold by the feeds and farms businesses.

URC's Commodity Foods business unit garnered net sales and services of ₱1.6 billion, higher by 39.2% compared to the same period of previous year of ₱1.2 billion.

Costs of sales and services increased by 17.6% to ₱9.8 billion for the six months ended March 31, 2004 from ₱8.4 billion for the same period of last year. The increase was primarily due to higher sales volume and costs of major raw materials particularly for flour and feeds products and in the manufacture of BOPP films by the packaging division.

Other charges-net was ₱180.7 million for the six months ended March 31, 2004 compared to ₱218.7 million for the same period of last year. The gain on appreciation in value of temporary investments of ₱244.0 million reduces the other charges-net in 2004.

Provision for income tax was higher this year due to higher taxable income.

Minority interest in net loss of subsidiaries went up by ₱16.9 million, or 69.3%, to (₱41.3) million for the six months ended March 31, 2004 from (₱24.4) million for the six months ended March 31, 2003 due to higher net loss incurred by subsidiaries.

The Company's revenues and operating income are expected to improve further for the second half of the fiscal year as it continues to improve and expand its regional operations and domestically firm up its leadership in its core categories, consistently build strong brands, continuously improve product quality and better its cost competitiveness by streamlining plant operations and increasing efficiencies.

### ***Financial Position***

*March 31, 2004 vs. September 30, 2003*

The Company's financial strength continues to remain solid. Debt to equity ratio of 0.93:1 for the period is within comfortable level. URC is highly liquid having a current ratio of 3.20:1 as of March 31, 2004.

Total assets reached ₱43.6 billion, up by 2.5% from ₱42.6 billion as of September 30, 2003. Book value per share improved to ₱12.98 from ₱12.30 as at September 30, 2003.

Cash and cash equivalents increased by ₱1.2 billion or 127.1% from ₱951.1 million to ₱2.2 billion due to higher money market placements.

Receivables-net went up by 14.8% to ₱3.3 billion due to increase in trade receivables and accrued interest receivables on temporary investments. Trade receivables went up due to increase in sales.

Inventories-net increased by ₱470.9 million or 10.2% from ₱4.6 billion to ₱5.1 billion primarily due to increase in raw material inventories relative to higher production capacity of regional branded food operations and higher cost of imported raw materials due to peso depreciation, and increase in production of sugar business.

Other current assets amounted to ₱125.5 million, a decrease of 43.2% due to full amortization of deferred off-milling cost of the sugar business.

Accounts payable and accrued expenses increased by 11.5% to ₱3.4 billion due to higher trade payables for purchases of materials and services, higher amount of accrued interest payable on loans, accrual of expenses and advances from stockholders.

Trust receipts and acceptances payable decreased by ₱154.8 million to ₱134.3 million due to partial settlement of the account with the local banks.

Due to affiliated companies decreased by 24.1% to ₱368.1 million due to payment of advances from parent company.

Deferred income tax-net (non-current) decreased to ₱59.6 million due to recognition of deferred income tax on unrealized foreign exchange losses.

The Company's cash requirements generally have been funded through cash flow from operations and investing activities. The net cash provided by operating activities for the six months ended March 31, 2004 was ₱1.1 billion. Also, net cash provided by investing activities for the period amounted to ₱588.7 million arising primarily from proceeds from sale and maturity of temporary investments. On the other hand, net cash used in financing activities was ₱443.0 million, mainly for the repayment of short-term borrowings and trust receipt liabilities.

The Company does not anticipate any liquidity problems that may arise in the near future as it enjoys a healthy financial position. As of March 31, 2004, the Company is not aware of any events and uncertainties that would have a material impact on the Company's net sales and services, income from operations and future operations.

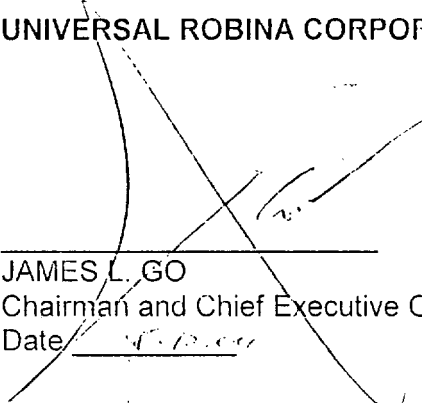
**PART II - OTHER INFORMATION**

All current disclosures were already reported under SEC Form 17-C.

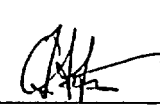
**SIGNATURES**

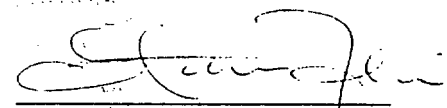
Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**UNIVERSAL ROBINA CORPORATION**

  
\_\_\_\_\_  
JAMES L. GO  
Chairman and Chief Executive Officer  
Date 4.12.04

  
\_\_\_\_\_  
LANCE Y. GOKONGWEI  
President and Chief Operating Officer  
Date 4.12.04

  
\_\_\_\_\_  
CONSTANTE T. SANTOS  
Sr. Vice President – Corporate Controller  
Date 4.12.04

  
\_\_\_\_\_  
GERALDO N. FLORENCIO  
Vice President – Controller  
Date 4.12.04



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

(In Thousand Pesos)

	Unaudited March 31 2004	Audited September 30 2003
<b>A S S E T S</b>		
<b>Current Assets</b>		
Cash and cash equivalents	P 2,160,321	P 951,097
Temporary investments-net	14,020,185	15,062,272
Marketable equity securities - net	738,538	730,112
Receivables - net (Note 3)	3,291,711	2,868,386
Due from affiliated companies (Note 4)	209,167	218,431
Inventories - net (Note 5)	5,068,249	4,597,374
Other current assets	125,514	221,065
Total Current Assets	25,613,685	24,648,737
<b>Non-Current Assets</b>		
<b>Investments and Advances</b>	1,197,678	1,260,371
<b>Property, Plant and Equipment - net</b>	15,511,491	15,225,691
<b>Other Assets - net</b>	1,315,197	1,421,718
	P 43,638,051	P 42,556,517
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Loans payable :	P 3,822,199	P 4,110,432
Accounts payable and accrued expenses (Note 6)	3,435,761	3,082,002
Trust receipts and acceptances payable	134,271	289,074
Due to affiliated companies (Note 7)	368,063	485,221
Deferred income tax - net	1,258	1,258
Current portion of long-term debt (Note 8)	254,996	344,612
Total Current Liabilities	8,016,548	8,312,599
<b>Non-Current Liabilities</b>		
Deferred income tax - net	59,555	78,247
Long-term Debt - net of current portion (Note 8)	12,455,595	12,182,440
	20,531,698	20,573,286
<b>Minority Interest in Consolidated Subsidiaries</b>	1,139,195	1,160,455
<b>Stockholders' Equity</b>		
Capital stock (Note 9)	1,686,480	1,686,480
Additional paid-in capital	6,843,501	6,843,501
Deposits for future stock subscriptions	26,044	26,044
Accumulated translation adjustment	1,131,205	1,028,044
Retained earnings (Note 10)	12,279,928	11,238,707
	21,967,158	20,822,776
	P 43,638,051	P 42,556,517

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	
	2004	2003	2004	2003
NET SALES AND SERVICES (Note 12)	P 7,025,848	P 5,543,606	P 13,414,034	P 11,603,334
COST OF SALES AND SERVICES	5,171,809	4,024,254	9,835,230	8,353,061
GROSS PROFIT	1,854,039	1,519,352	3,578,804	3,240,273
OPERATING EXPENSES	1,137,190	1,033,247	2,219,805	1,940,231
INCOME FROM OPERATIONS	716,849	486,105	1,358,999	1,300,042
OTHER CHARGES - NET	(107,526)	(9,190)	(180,744)	(218,683)
INCOME BEFORE INCOME TAX AND MINORITY INTEREST	609,323	476,915	1,178,255	1,081,359
PROVISION FOR INCOME TAX				
CURRENT	136,903	57,950	197,046	139,729
DEFERRED	2,118	-	(18,692)	-
	139,021	57,950	178,354	139,729
INCOME BEFORE MINORITY INTERESTS				
IN NET INCOME (LOSS) OF SUBSIDIARIES	470,301	418,965	999,901	941,630
MINORITY INTEREST IN NET LOSS OF SUBSIDIARIES	(18,918)	(13,695)	(41,320)	(24,409)
NET INCOME	P 489,219	P 432,660	P 1,041,221	P 966,039
Earnings Per Share (Note 11)	P 0.29	P 0.26	P 0.62	P 0.57

*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

	2004		2003	
	In Shares	Amounts	In Shares	Amounts
<b>CAPITAL STOCK - P1 par value (Note 9)</b>				
Preferred stock				
Authorized - 2,000,000 shares				
Issued - none				
Common stock				
Authorized	1,998,000	P1,998,000	1,998,000	P1,998,000
Subscribed	1,686,480	P1,686,480	1,636,608	P1,636,608
<b>ADDITIONAL PAID-IN CAPITAL</b>		<b>6,843,501</b>		<b>6,668,951</b>
<b>PAID-UP CAPITAL</b>	<b>1,686,480</b>	<b>8,529,981</b>	<b>1,636,608</b>	<b>8,305,559</b>
<b>DEPOSITS FOR FUTURE STOCK SUBSCRIPTIONS</b>		<b>26,044</b>		<b>250,466</b>
<b>ACCUMULATED TRANSLATION ADJUSTMENTS</b>				
Balance at beginning of year		1,028,044		784,271
Adjustments		103,161		96,849
Balance at end of period	-	1,131,205	-	881,120
<b>RETAINED EARNINGS (Note 10)</b>				
Appropriated				
Balance at beginning of year		3,000,000		-
Balance at end of period		3,000,000		-
Unappropriated				
Balance at beginning of year		8,238,707		10,330,513
Net income		1,041,221		966,039
Balance at end of period		9,279,928		11,296,552
		<b>12,279,928</b>		<b>11,296,552</b>
		<b>P21,967,158</b>		<b>P20,733,697</b>

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	
	2004	2003
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax and minority interest	P 1,178,255	P 1,081,359
Adjustments for:		
Depreciation	823,225	775,819
Net unrealized foreign exchange gain	(34,664)	(9,273)
Investment income	(660,337)	(374,573)
Interest expense	730,906	428,955
Amortization of goodwill and deferred credit	84,715	81,096
Equity in net earnings of associates - net of goodwill amortization	(36,522)	(23,116)
Gain on appreciation in value of temporary investments	(244,045)	-
Loss (gain) on sale of fixed assets	(1,719)	2,217
Minority interest in net loss of subsidiaries	41,320	24,409
Operating income before changes in working capital	1,881,134	1,986,893
Decrease (increase) in:		
Receivables	(358,597)	(91,447)
Due from affiliated companies	9,264	(66,707)
Inventories	(470,875)	(1,238,180)
Other current assets	95,551	70,414
Increase (decrease) in:		
Accounts payable and accrued expenses	236,922	363,620
Due to affiliated companies	(117,158)	(21,992)
Cash generated from operations	1,276,241	1,002,601
Interest received	570,413	304,292
Income taxes paid	(81,586)	(232,098)
Interest paid	(704,333)	(337,073)
Net cash provided by operating activities	1,060,735	737,722
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(1,046,213)	(1,228,779)
Proceeds from sale of property, plant and equipment	39,270	61,097
Acquisition of temporary investments	(766,643)	(4,575,982)
Proceeds from sale and maturity of temporary investments	2,262,552	-
Decrease (increase) in:		
Marketable equity securities	-	(272,611)
Investments and advances	79,215	137,173
Other assets	21,806	(43,030)
Dividends received	20,000	60,000
Decrease in minority interest in consolidated subsidiaries	(21,260)	(21,834)
Net cash provided by (used in) investing activities	588,727	(5,883,966)

(Forward)

	Six Months Ended March 31	
	2004	2003
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net availments (payments) of:		
Short-term borrowings	(288,233)	(99,242)
Trust receipts and acceptances payable	(154,803)	435,746
Long - term debt	-	7,108,454
Net cash provided by (used in) financing activities	(443,036)	7,444,958
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,206,426	2,298,714
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	2,798	2,684
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	951,097	2,006,850
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>P 2,160,321</b>	<b>P 4,308,248</b>

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). These interim financial statements followed the same accounting policies and methods of computation by which the most recent annual audited financial statements have been prepared. 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. There were no changes in estimates of amounts reported in prior interim periods of the current fiscal year or changes in estimates of amounts reported in prior financial years that would have a material effect in the current interim period. 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, 2004 and 2003 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:

Investee Companies	Percentage of Ownership			
	2004		2003	
	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	-	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 Confectionery Corp.	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 investments in associates include the 50%, 50% and 5% equity in Hunt-Universal Robina Corporation (HUR), Joyco-Universal Robina Corporation (JOYCO) and Robinsons Land Corporation (RLC), respectively. In December 2003, the Parent Company acquired the shares of stock owned by Joyco Espana, S.A. Sociedad Unipersonal in JOYCO. Consequently, JOYCO became a wholly-owned subsidiary of the Parent Company. Also, in February 23, 2004, the Securities and Exchange Commission approved the change of corporate name of JOYCO to URC Confectionery Corp.

The financial information of these associates is summarized as follows:

	HUR		RLC		JOYCO	
	Unaudited March 31					
	2004	2003	2004	2003	2004	2003
Revenue	P229,264	P242,370	P2,119,309	P1,944,523	-	P28,466
Cost and Expenses	202,749	212,800	1,301,116	1,344,696	-	43,613
Income (Loss) from Operations	26,515	29,570	818,193	599,827	-	(15,147)
Net Income (Loss)	P28,748	P22,667	P577,591	P417,958	-	(P14,856)

### 3. Receivables

This account consists of:

	Unaudited March 31, 2004			Audited September 30 2003
	Up to Six Months	Over Six Months to One Year	Total	
Trade receivables - net	P 1,947,892	P 172,886	P 2,120,778	P 1,958,738
Other receivables	948,438	222,495	1,170,933	909,648
	<b>P 2,896,330</b>	<b>P 395,381</b>	<b>P 3,291,711</b>	<b>P 2,868,386</b>

### 4. Due from Affiliated Companies

This account consists of:

	Unaudited March 31 2004	Audited September 30 2003
Digital Telecommunications Philippines, Inc.	P88,919	P88,543
Robinsons Land Corporation	41,840	35,688
Cebu Air, Inc.	29,180	26,043
Hunt - Universal Robina Corporation	19,161	25,939
Others	30,067	42,218
	<b>P209,167</b>	<b>P218,431</b>

### 5. Inventories

This account consists of:

	Unaudited March 31 2004	Audited September 30 2003
Finished goods - net	P1,112,487	P894,347
Goods in process	74,501	62,641
Poultry and hog market stock and by-products	390,752	348,227
Poultry and hog breeder stock	129,008	174,333
Raw materials	1,304,970	1,121,458
Containers and packaging materials	488,991	462,772
Spare parts and supplies	693,239	560,024
Materials in transit	874,301	973,572
	<b>P5,068,249</b>	<b>P4,597,374</b>

## 6. Accounts Payable and Accrued Expenses

This account consists of:

	Unaudited March 31 2004	Audited September 30 2003
Accounts payable -trade	P1,751,794	P1,501,296
Accrued advertising and promotion	657,614	566,807
Accrued interest expense	277,746	251,173
Advances from stockholders and officers	190,632	155,043
Income tax payable	171,785	56,326
Customers' deposits	85,931	104,542
Accrued payroll	72,050	61,253
Utility, contract services, SSS and other accrued expenses	228,209	385,562
	<b>P3,435,761</b>	<b>P3,082,002</b>

## 7. Due to Affiliated Companies

This account consists of:

	Unaudited March 31 2004	Audited September 30 2003
Hongkong Peggy Foods Co. Ltd.	P188,746	P 90,526
Litton Mills, Inc.	82,716	59,391
Westpoint Industrial Corp.	55,149	54,680
JG Summit Petrochemical Corp.	20,703	33,767
JG Summit	-	187,285
Others	20,749	59,572
	<b>P 368,063</b>	<b>P 485,221</b>

## 8. Long-term Debt

This account consists of:

	Unaudited March 31 2004	Audited September 30 2003
Foreign Currencies:		
Balance of US\$125 million, 9% Guaranteed Notes Due 2008, interest payable on February 6 and August 6 of each year	P 7,027,000	P 6,859,625
Balance of US\$100 million, 8 3/8% Guaranteed Notes Due 2006, interest payable on June 19 and December 19 of each year	3,638,693	3,552,023
Balance of loans from a foreign bank, payable in 10 to 16 equal semi-annual amortization	678,631	727,508
Balance of loan from a foreign bank, payable in 14 equal semi-annual amortization	298,420	315,588
Philippine Pesos:		
Balance of restructured loans from Philippine Sugar Corporation payable in 25 equal annual amortizations	67,847	72,308
Balance of a five-year promissory note payable in 6 semi-annual amortization with remaining balance at maturity	1,000,000	1,000,000
	<b>12,710,591</b>	<b>12,527,052</b>
Less current portion	<b>254,996</b>	<b>344,612</b>
	<b>P 12,455,595</b>	<b>P 12,182,440</b>

---

**9. Capital Stock**

	Unaudited March 31 2004	Audited September 30 2003
Preferred stock - P1 par value		
Authorized - 2,000,000 shares		
Issued - none		
Common stock - P1 par value		
Authorized - 1,998,000,000 shares		
Issued - 1,686,479,550 shares	P 1,686,480	P 1,686,480

---

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

---

**10. Retained Earnings**

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

---

**11. Earnings Per Share**

Earnings per share amounts were computed as follows:

	Quarters Ended March 31		Six Months Ended March 31	
	2004	2003	2004	2003
Net income	P 489,219	P 432,660	P 1,041,221	P 966,039
Divide by the weighted average number of shares	1,692,267,001	1,692,267,001	1,692,267,001	1,692,267,001
	P 0.29	P 0.26	P 0.62	P 0.57

---

## 12. 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. Its revenues are in their peak during the opening of classes in June and christmas season.
- 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. Its peak season is during summer.
- c.) Commodity food products - engages in sugar milling and refining, and flour milling. The peak season for sugar is during its crop season, which normally starts in September and ends in May of the following year.
- d.) Corporate businesses - engages in bonds and securities investment and fund sourcing activities.

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

	Revenue		Total Assets		Total Liabilities	
	2004	2003	2004	2003	2004	2003
Branded Consumer Food Products	<b>P9,896,523</b>	P8,974,091	<b>P18,562,443</b>	P18,026,249	<b>P4,975,204</b>	P5,090,117
Agro-Industrial Products	<b>1,876,776</b>	1,450,906	<b>2,373,789</b>	2,466,071	<b>274,369</b>	393,785
Commodity Food Products	<b>1,640,735</b>	1,178,337	<b>4,050,776</b>	4,422,370	<b>1,158,085</b>	1,412,334
Corporate Businesses	-	-	<b>18,651,043</b>	17,766,293	<b>14,124,040</b>	13,877,576
	<b>P13,414,034</b>	P11,603,334	<b>P43,638,051</b>	P42,680,983	<b>P20,531,698</b>	P20,773,812

## 13. Contingencies

The Group has various contingent liabilities arising in the ordinary conduct of business which are either pending decision by the courts or are being contested, the outcome of which are not presently determinable. In the opinion of management and its legal counsel, the eventual liability under these claims, if any, will not have a material or adverse effect on the Group's financial position and results of operations. There were no significant changes in the contingent liabilities as of to date.

## 14. Subsequent Events

There were no material events that occurred subsequent to March 31, 2004 that were not reflected in the financial statements for the period.