

COVER SHEET

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SEC Registration Number

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(Company's Full Name)

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(Business Address: No. Street City/Town/Province)

Geraldo N. Florencio
(Contact Person)

671-2935; 635-0751; 671-3954
(Company Telephone Number)

09 **30**
Month Day
(Fiscal Year)

17 - Q
(Form Type)

Month Day
(Annual Meeting)

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings
Domestic Foreign

To be accomplished by SEC Personnel concerned

File Number

_____ LCU

Document ID

_____ Cashier

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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, 2008**
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	2,181,304,881 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 12 to 27).

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

Business Overview

Universal Robina Corporation (URC) is one of the largest branded food product companies in the Philippines and has a growing presence in other Asian markets. It was founded in 1954 when Mr. John Gokongwei, Jr. established Universal Corn Products, Inc., a cornstarch manufacturing plant in Pasig. The Company is involved in a wide range of food-related businesses, including the manufacture and distribution of branded consumer foods, production of hogs and day-old chicks, manufacture and distribution of branded and unbranded animal and fish feeds, glucose and veterinary compounds, flour milling, and sugar milling and refining. The Company is a market leader in snack foods, candies, chocolates, ready-to-drink-tea, day-old chicks and fish feeds.

The Company operates its food business through operating divisions and wholly owned or majority owned subsidiaries that are organized into three business segments; branded consumer foods, agro-industrial products and commodity food products.

The branded consumer foods group (BCFG) consists of three main divisions: snack foods, beverage and grocery products. The grocery products division includes joint venture companies, Hunts-URC and Nissin URC. The group distributes a diverse mix of salty snacks, chocolates, candies, biscuits, bakery products, beverages, noodles and tomato-based products in the Philippines and in other countries in Asia. URC has leading market shares in salty snacks, chocolates, candies and ready-to-drink tea in the Philippines, and in some other southeast Asian markets.

The agro-industrial group (AIG) operates three divisions engaged in hog and poultry farming, the production and distribution of animal health products and the manufacture and distribution of branded and unbranded animal feeds, glucose and soya bean products. URC is one of the biggest players in hogs and poultry-raising in the Philippines.

The commodity food group (CFG) engages in sugar-milling and refining, flour-milling and the manufacture and marketing of pasta. The group supplies all the flour and sugar needs of the BCFG.

The following table summarizes the net sales and services of URC for the six months ended March 31, 2008 and 2007, respectively:

Six months ended March 31		
<i>In millions</i>	2008	2007
BCFG		
Domestic	₱11,517	₱9,684
International	4,140	3,772
	15,657	13,456
Packaging	719	540
BCFG Total	16,376	13,996
AIG	2,802	2,667
CFG	1,976	1,646
TOTAL	₱21,154	₱18,309

Results of Operations

Six Months Ended March 31, 2008 versus March 31, 2007

URC registered consolidated net sales and services of ₱21.154 billion for the six months ended March 31, 2008, 15.5% higher than the revenues recorded in the same period of last year. Net sales and services performance by business segment follows:

Net sales and services in URC's BCFG (excluding packaging) increased by ₱2.201 billion, or 16.4%, to ₱15.657 billion in the first half of fiscal 2008 from ₱13.456 billion recorded in the same period of fiscal 2007. BCFG's domestic operations posted an 18.9% increase in net sales which was largely driven by the strong performance of its snackfoods and beverage products. Snackfoods posted a

19.5% growth on savory snacks, candies, chocolates and biscuits sales, while beverage posted a 21.2% growth in sales value. Revenue was also pushed up by new juice and water brands. BCFG International sales increased by 9.7% to ₱4.140 billion supported by higher revenues from Thailand, Malaysia, China and Vietnam. In US dollar amount, sales registered an increase of 28.5% from US\$77 million recorded in the first semester of fiscal 2007 to US\$99 million registered in the same period of fiscal 2008 due mainly to increase in sales volume.

Net sales of BCFG (excluding packaging division) accounted for 74.0% of total URC consolidated net sales and services in the first half of fiscal 2008.

Net sales in URC's packaging division improved to ₱719 million in the first half of fiscal 2008 or up 33.3% from ₱540 million posted in the same period last year due to an increase in sales volume.

Net sales in URC's AIG totalled to ₱2.802 billion in the first six months of fiscal 2008, an increase of ₱135 million or 5.1% from ₱2.667 billion registered in the same period last year. This was due to higher selling prices which compensate for the decline in sales volume. Farms business posted an 8.8% sales growth and feeds business net sales was at par with the same period last year.

Net sales in URC's CFG amounted to ₱1.976 billion in the first half of fiscal 2008 or up 20.1% from ₱1.646 billion reported in the same period last year. This was due to increase in flour net sales by ₱379 million or 28.6% from ₱1.323 billion to ₱1.702 billion in the first half of fiscal 2007 and 2008, respectively, on the back of an increase in average selling prices. On the other hand, sugar net sales decrease by 15.2% or ₱49 million to ₱274 million this year from ₱323 million of the same period last year as a result of lower tolling revenues. On gross sales basis, sales including internal transfer of sugar was higher by ₱142 million or 13.8% from ₱1.028 billion for the first half of fiscal year 2007 to ₱1.170 billion for the same period this year.

URC's cost of sales consists primarily of raw and packaging materials costs, manufacturing costs and direct labor costs. Cost of sales went up by ₱2.406 billion, or 17.7%, to ₱15.989 billion for the first six months of fiscal 2008 from ₱13.583 billion registered for the same period last year. This was due to increase in sales volume and costs of major raw materials like whey powder, palm olein, skimmed milk, wheat, corn grain, refined sugar, soya as well as bunker fuel and diesel, although costs of some imported raw and packaging materials decreased as a result of continued appreciation of the Philippine peso vis-à-vis US dollar.

URC's gross profit for the first half of fiscal 2008 amounted to ₱5.165 billion, an increase of ₱440 million or 9.3% from ₱4.725 billion posted for the same period last year.

URC's selling and distribution costs, and general and administrative expenses consist primarily of compensation benefits, advertising and promotion costs, freight and other selling expenses, depreciation, repairs and maintenance expenses and other administrative expenses. Selling and distribution costs, and general and administrative expenses increased by ₱245 million or 7.9% to ₱3.359 billion in the first half of fiscal 2008 from ₱3.114 billion recorded in the same period of fiscal 2007. This increase resulted primarily from the following factors:

- 15.5% or ₱147 million increase in freight and other selling expense to ₱1.092 billion in the first half of fiscal 2008 from ₱945 million in the same period last year. This was due substantially to increase in freight and delivery of ₱144 or 22.4% up to ₱789 million from

₱644 million in the first half of fiscal 2008 and 2007, respectively. This is associated with the increase in trucking and shipping cost, higher fuel prices and increased in sales volume.

- 13.1% or ₱79 million increase in compensation and benefits to ₱686 million in the first half of this year from ₱607 million of the same period last year due substantially to annual salary adjustments and accrual of pension expense.
- 28.9% or ₱28 million increase in depreciation expense to ₱129 million in the first half of this year from ₱101 million of the same period last year due to additional depreciation from new acquisitions.

As a result of the above factors, income after selling and distribution costs, and general and administrative expenses increased by ₱194 million, or 12.1% to ₱1.806 billion in the first six months of fiscal 2008 from ₱1.612 billion reported in the same period of fiscal 2007.

Gain on sale of investment represents gain on sale of equity investment in Robinsons Land Corporation (RLC) shares recorded last year.

URC's finance revenue consists of interest income from investment in financial assets at fair value through profit or loss (FVPL) and dividend income on investment in equity securities. Finance revenue decreased by ₱198 million or 23.9% to ₱632 million in the first half of fiscal 2008 from ₱830 million in the same period of fiscal 2007 due to lower level of investment in financial assets at FVPL and continued appreciation of Philippine peso vis-à-vis US Dollar.

Market valuation loss on financial assets at FVPL of ₱773 million in the first half of fiscal 2008 represents the decrease in market values of investments in bonds and equity securities.

Equity in net income of a joint venture amounted to ₱21 million, up by ₱7 million due to higher net income of Hunt-Universal Robina Corporation in the first half of fiscal 2008 against the same period last year.

Finance costs consist primarily of interest expense which decreased by ₱212 million or 23.6%, to ₱687 million in the first half of fiscal 2008 from ₱899 million recorded in the same period of fiscal 2007 due to payment of matured URC Notes due 2008, amortization of other long-term debts and continued appreciation of Philippine peso vis-à-vis US Dollar.

Impairment loss represents loss provision on receivables and BOPP fixed assets recorded last year.

Foreign exchange loss-net in the first half of fiscal 2008 was due to continued appreciation of the Philippine peso vis-à-vis US dollar.

Other revenue -net consists of rental income, gain (loss) on sale of fixed assets and investments reduced by other miscellaneous expenses.

URC's unaudited core earnings, which is operating income after equity earnings, net finance cost and other revenue for the first half of fiscal year 2008 reached ₱1.799 billion from ₱1.605 billion reported in the same period last year. URC's unaudited net income for the period declined by 87.9% to ₱497 million from ₱4.120 billion in the same period last year because of the absence of the non-recurring gain on sale of investment, higher foreign exchange translation loss due to a stronger peso, mark-to-

market loss in our bond and security holdings resulting from the general drop in bond and security prices worldwide, and higher taxes.

The Company is not aware of any material off-balance sheet transactions, arrangements and obligations (including contingent obligations), and other relationship of the Company with unconsolidated entities or other persons created during the reporting period that would have a significant impact on the Company's operations and/or financial condition.

Financial Position

March 31, 2008 vs. September 30, 2007

The Company remains to be strong with a current ratio of 2.3:1 as of March 31, 2008. Financial debt to equity ratio of 0.47:1 for the period is within comfortable level. Book value per share increased to ₱15.96 as at March 31, 2008 from ₱15.44 as at September 30, 2007. Total outstanding common shares for the first half decreased by 41 million shares, to 2.181 billion shares from 2.222 billion shares of the same period of fiscal 2007. This was due to buy-back program approved and implemented by the URC's board of directors on November 13, 2007.

The Company's fund requirements have been sourced through cash flow from operations. URC's EBITDA (income from operations before depreciation and amortization) amounted to ₱3.021 billion for the first half of fiscal 2008 which is 8.6% higher than ₱2.783 billion it had in the same period of last year. Net cash provided by operating activities for the six months ended March 31, 2008 was ₱319 million. While, net cash used in investing activities for the period amounted to ₱38 million which is mainly due to acquisition of property and equipment of ₱2.135 billion, addition of biological assets and increase in deferred input tax offset by the proceeds from sale of financial assets at FVPL and sales of property, plant and equipment. Also, net cash used in financing activities amounted to ₱3.713 billion, mainly used to pay matured URC 2008 Notes, amortization of other long-term debts and acquisition of Company's shares.

As of March 31, 2008, the Company is not aware of any events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

Material Changes in Fiscal 2008 Financial Statements (Increase/Decrease of 5% or more versus FY 2007)

Income Statements - Six months ended March 31, 2008 versus same period in fiscal 2007.

15.5% increase in sales was due to the following:

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Malaysia, China and Vietnam. In US dollar amount, sales registered an increase of 28.5% from US\$77 million recorded in the first semester of fiscal 2007 to US\$99 million registered in the same period of fiscal 2008 due mainly to increase in sales volume.

Net sales in URC's AIG totalled to ₱2.802 billion in the first six months of fiscal 2008, an increase of ₱135 million or up 5.1% from ₱2.667 billion registered in the same period last year. This was due to higher selling prices which compensate for the decline in sales volume. Farms business posted an 8.8% sales growth and feeds business net sales was at par with the same period last year.

Net sales in URC's CFG amounted to ₱1.976 billion in the first half of fiscal year 2008 or up 20.1% from ₱1.646 billion reported in the same period last year. This was due to increase in flour net sales by ₱379 million or 28.6% from ₱1.323 billion to ₱1.702 billion in the first half of fiscal 2007 and 2008, respectively, due to increase in average selling prices. On the other hand, sugar net sales decrease by 15.2% or ₱49 million to ₱274 million this year from ₱323 million of the same period last year as a result of lower tolling revenues. On gross sales basis, sales including internal transfer of sugar was higher by ₱142 million or 13.8% from ₱1.028 billion for the first half of fiscal year 2007 to ₱1.170 billion for the same period this year.

17.7% increase in cost of sales

Due to increase in sales volume sold and rising cost of major raw materials this period.

7.4% increase in selling and distribution costs

Due to increase in freight and other selling expenses, compensation and benefits and depreciation.

9.4% increase in general and administrative expenses

Due to increase in compensation and benefits and depreciation.

Decrease in gain on sale of investment

No similar disposal was reported this period.

23.9% decrease in finance revenue

Due to lower level of financial assets at FVPL and continuing appreciation of the Philippine peso vis-à-vis US dollar.

295.7% decrease in mark-to-market gain on financial assets at FVPL

Due to decrease in market values of investments in bonds and traded equity securities.

53.8% increase in equity in net income of a joint venture

Due to higher equity share in net income of HUR.

23.6% decrease in finance costs

Due to payment of matured long-term debt and continuing appreciation of the Philippine peso vis-à-vis US dollar.

Decrease in impairment loss

No similar provision was recognized this period.

173.0% increase in foreign exchange loss-net

Due to continuing appreciation of the Philippine peso vis-à-vis US dollar affecting investments in foreign currency denominated bonds and marketable securities.

42.7% decrease in other revenue -net

Due to loss on sale of fixed assets, higher amortization of bond discount and lower gain on sale of investments.

26.1% increase in provision for income tax

Increase was due to this year's provision for deferred tax liability on foreign exchanges gains of the parent company vis-à-vis the recognition of deferred tax assets on impairment loss on certain assets last year.

84.2% decrease in minority interest

Due to net loss of URC International.

Balance sheets - March 31, 2008 versus September 30, 2007

67.9 % decrease in cash and cash equivalents

Due to decrease in short-term money market placements.

19.4% decrease in financial assets at FVPL

Due to decline in market values of investment in foreign currency denominated bonds and marketable securities, effect of the continuing appreciation of Philippine peso vis-à-vis US dollar and disposal of financial assets at FVPL.

7.6% increase in receivables-net

Due to increase in sales.

74.3% increase in inventories

Due to increase in materials-in-transit, finished goods, raw materials and spareparts inventories to meet sales demand and fixed assets' maintenance.

19.9% increase in other current assets

Due to deferred expenses on premilling costs of sugar business to be charged off during milling operation, current input tax and prepaid advertising.

3.1% increase in property, plant and equipment-net

Due substantially to acquisition of PASSI properties.

14.7% increase in biological assets

Due to increase in population of livestocks and market prices of hogs.

22.8% increase in investment in a joint venture

Due to higher equity share in net income for the period.

41.8% decrease in net pension assets

Due to accrued pension expense.

5.3% increase in other noncurrent assets

Due to additional deferred input tax.

33.2% increase in short-term debt

Due to additional short-term bank loans obtained.

35.0% increase in accounts payable and other accrued liabilities

Due to increase in trade payables and accrued expenses.

509.0% increase in trust receipts and acceptance payable

Due to increase in importations of raw materials.

54.8% increase in income tax payable

Due to lower CWT applied for the period.

39.6% decrease in long term debt (including current portion)

Due to payment of matured URC 2008 notes, amortization of other long-term debts and appreciation of the Philippine peso vis-à-vis US dollar.

6.4% increase in deferred income tax

Due to deferred tax provision on unrealized foreign exchange gains of the parent company.

The Company's key performance indicators are employed across all businesses. Comparisons are then made against internal target and previous period's performance. The Company and its significant subsidiaries' top five (5) key performance indicators are as follows: (in Million Pesos)

Universal Robina Corporation (Consolidated)	YTD March 2008	YTD March 2007	Index
Revenue	₱21,154	₱18,309	116
EBIT	1,806	1,612	154
EBITDA	3,021	2,738	109
Net Income	497	4,120	12
Total assets	57,800	58,280	99

URC International	YTD March 2008	YTD March 2007	Index
Revenue	₱4,140	₱3,772	115
EBIT	(99)	(53)	187
EBITDA	237	269	88
Net Income (loss)	(95)	9	(1,156)
Total assets	9,147	9,011	102

Nissin - URC	<u>YTD March 2008</u>	<u>YTD March 2007</u>	<u>Index</u>
Revenue	₱546	₱491	111
EBIT	46	43	107
EBITDA	63	60	105
Net Income	42	35	120
Total assets	792	719	110

URC Philippines, Limited	<u>YTD March 2008</u>	<u>YTD March 2007</u>	<u>Index</u>
Revenue	₱-	₱-	-
EBIT	-	-	-
EBITDA	-	-	-
Net Income (loss)	(651)	333	(295)
Total assets	12,515	18,999	66

Universal Robina (Cayman), Ltd.	<u>YTD March 2008</u>	<u>YTD March 2007</u>	<u>Index</u>
Revenue	₱-	₱-	-
EBIT	-	-	-
EBITDA	-	-	-
Net Income (loss)	(29)	177	(117)
Total assets	85	276	31

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.

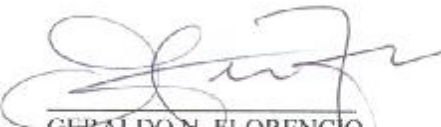
UNIVERSAL ROBINA CORPORATION



LANCE Y. GOKONGWEI
President and Chief Operating Officer
Date 5/14/08



CONSTANTE T. SANTOS
Senior Vice President – Corporate Controller
Date 5/14/08



GERALDO N. FLORENCIO
First Vice President – Controller
Date 5/14/08

UNIVERSAL ROBINA CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(In Thousand Pesos)

	Unaudited March 31 2008	Audited September 30 2007
ASSETS		
Current Assets		
Cash and cash equivalents (Note 3)	₱1,623,012	₱5,055,486
Financial assets at fair value through profit or loss (Note 4)	13,324,256	16,536,713
Receivables - net (Note 5)	5,636,862	5,239,852
Inventories (Note 6)	10,284,065	5,899,214
Other current assets	728,438	607,358
Total Current Assets	31,596,633	33,338,623
Noncurrent Assets		
Property, plant and equipment - net	22,951,107	22,266,666
Biological assets	1,205,518	1,050,569
Goodwill - net	844,548	844,548
Investment in a joint venture (Note 7)	110,390	89,873
Investment properties (Note 8)	80,803	82,602
Net pension assets	53,860	92,534
Other noncurrent assets	957,036	908,684
Total Noncurrent Assets	26,203,262	25,335,476
	₱57,799,895	₱58,674,099
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term debt	₱5,366,365	₱4,027,804
Accounts payable and other accrued liabilities (Note 9)	5,774,688	4,276,258
Trust receipts and acceptances payable	2,346,462	385,279
Income tax payable	184,457	119,192
Current portion of long-term debt (Note 10)	218,142	5,072,751
Total Current Liabilities	13,890,114	13,881,284
Noncurrent Liabilities		
Long-term debt - net of current portion (Note 10)	8,496,405	9,345,551
Deferred income tax liabilities - net	480,465	451,560
Total Noncurrent Liabilities	8,976,870	9,797,111
Total Liabilities	22,866,984	23,678,395

(Forward)

	Unaudited	Audited
	March 31	September 30
	2008	2007
Equity		
Equity attributable to equity holders of the parent (Note 11)		
Paid-up capital	₱13,429,514	₱13,429,514
Retained earnings	20,794,638	20,300,464
Treasury shares	(556,404)	-
Deposits for future stock subscriptions	26,044	26,044
Cumulative translation adjustments	540,686	544,387
	34,234,478	34,300,409
Equity attributable to minority interests	698,433	695,295
Total Equity	34,932,911	34,995,704
	₱57,799,895	₱58,674,099

See accompanying Notes to Unaudited Consolidated Financial Statements.

UNIVERSAL ROBINA CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME
(In Thousand Pesos, Except Per Share Amount)

	Quarters Ended March 31		Six Months Ended March 31	
	2008	2007	2008	2007
SALE OF GOODS AND SERVICES	₱10,294,905	₱9,109,551	₱21,154,055	₱18,308,580
COST OF SALES	7,752,725	6,669,886	15,989,412	13,583,395
GROSS PROFIT	2,542,180	2,439,665	5,164,643	4,725,185
SELLING AND DISTRIBUTION COSTS	(1,249,450)	(1,183,291)	(2,569,009)	(2,391,764)
GENERAL AND ADMINISTRATIVE EXPENSES	(403,388)	(373,251)	(789,578)	(721,753)
GAIN ON SALE OF INVESTMENT	–	–	–	2,858,765
FINANCE REVENUE	285,092	380,986	631,628	830,078
MARKET VALUATION GAIN (LOSS) ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	(584,157)	(98,569)	(772,904)	394,881
EQUITY IN NET INCOME OF A JOINT VENTURE	10,827	7,305	20,517	13,344
FINANCE COSTS	(316,941)	(443,049)	(687,244)	(899,491)
IMPAIRMENT LOSS	–	–	–	(435,000)
FOREIGN EXCHANGE GAIN (LOSS) - NET	4,625	(37,806)	(270,925)	(99,247)
OTHER REVENUE - NET	45,021	8,585	28,205	49,257
INCOME BEFORE INCOME TAX	333,809	700,575	755,333	4,324,255
PROVISION FOR INCOME TAX	70,181	190,266	258,021	204,664
NET INCOME	₱263,628	₱510,309	₱497,312	₱4,119,591
ATTRIBUTABLE TO				
Equity holders of the parent	₱250,009	₱508,881	₱494,174	₱4,099,753
Minority interest	13,619	1,428	3,138	19,838
	₱263,628	₱510,309	₱497,312	₱4,119,591
BASIC/DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT (Note 12)	₱0.11	₱0.23	₱0.23	₱1.85

See accompanying Notes to Unaudited Consolidated Financial Statements.

UNIVERSAL ROBINA CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousand Pesos, except Number of Shares)

	Six Months Ended March 31	
	2008	2007
CAPITAL STOCK - ₱1 par value		
Preferred stock		
Authorized - 2,000,000 shares	-	-
Issued – none	-	-
Common stock		
Authorized - 2,998,000,000 shares in 2007 and 2006		
Issued - 2,221,851,481 shares in 2007 and 2006	₱2,221,852	₱2,221,852
Additional issuance	-	-
Balance at end of period	2,221,852	2,221,852
ADDITIONAL PAID-IN CAPITAL		
Balance at beginning of period	11,207,662	11,207,662
Additional issuance	-	-
Balance at end of period	11,207,662	11,207,662
PAID-UP CAPITAL		
	13,429,514	13,429,514
RETAINED EARNINGS (Note 11)		
Appropriated		
Balance at beginning and end of period	3,000,000	3,000,000
Unappropriated		
Balance at beginning of period	17,300,464	13,254,345
Net income	494,174	4,099,753
Balance at end of period	17,794,638	17,354,098
Balance at end of period	20,794,638	20,354,098
TREASURY SHARES (Note 11)		
Balance at beginning of period	-	-
Acquisition - 40,547,600 shares	(556,404)	-
Balance at end of period	(556,404)	-
DEPOSITS FOR FUTURE STOCK SUBSCRIPTIONS		
Balance at beginning of period	26,044	26,044
Application of deposit	-	-
Balance at end of period	26,044	26,044
CUMULATIVE TRANSLATION ADJUSTMENTS		
Balance at beginning of period	544,387	765,869
Adjustments	(3,701)	44,549
Balance at end of period	540,686	810,418

(Forward)

	Six Months Ended March 31	
	2008	2007
ATTRIBUTABLE TO MINORITY INTEREST EQUITY		
Balance at beginning of period	₱695,295	₱751,245
Adjustments	3,138	19,838
Balance at end of period	698,433	771,083
	₱34,932,911	₱35,391,155

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	
	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax and minority interest	₱755,333	₱4,324,255
Adjustments for:		
Depreciation, amortization and provision for		
Impairment loss	1,214,923	1,606,274
Finance cost	687,244	899,491
Finance revenue	(631,628)	(830,078)
Unrealized foreign exchange loss – net	116,966	66,237
Market valuation (gain) loss on financial instruments at fair value through profit and loss (FVPL)	772,904	(394,881)
Gain arising from changes in fair value less estimated Point-of-sale cost of swine stocks	(82,585)	–
Equity in net income of a joint venture	(20,517)	(13,344)
Gain on sale of financial assets at FVPL	(3,706)	(63,338)
Loss (gain) on sale of property and equipment	9,832	(10,441)
Gain on sale of investment	–	(2,858,765)
Pension expense	38,674	–
Operating income before changes in working capital	2,857,440	2,725,410
Increase in:		
Receivables	(1,912,695)	(295,704)
Inventories	(4,384,851)	(1,871,170)
Other current assets	(121,081)	(1,428)
Increase (decrease) in:		
Accounts payable and accrued expenses	1,982,401	(226,718)
Trust receipts and acceptances payable	1,961,182	(503,140)
Cash generated from (used in) operations	382,396	(172,750)
Interest received	858,305	847,933
Income taxes paid	(163,851)	(205,601)
Interest paid	(758,260)	(947,769)
Net cash provided by (used in) operating activities	318,590	(478,187)

(Forward)

	Six Months Ended March 31	
	2008	2007
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(₱2,134,892)	(₱2,255,850)
Proceeds from sale of property, plant and equipment	81,684	34,589
Disposal (acquisition) of financial assets at FVPL - net	2,135,597	1,525,095
Proceeds from sale of investment in an associate	–	4,750,661
Increase in:		
Investment in a joint venture	–	–
Biological assets	(72,364)	(46,481)
Other assets	(48,353)	(29,576)
Net cash provided by (used in) investing activities	(38,328)	3,978,438
CASH FLOWS FROM FINANCING ACTIVITIES		
Short-term borrowings (payment)	1,777,644	(610,440)
Payment of long - term debt	(4,933,976)	(3,561,455)
Acquisition of Company's shares	(556,404)	–
Net cash used in financing activities	(3,712,736)	(4,171,895)
NET DECREASE IN CASH		
AND CASH EQUIVALENTS	(3,432,474)	(671,644)
CASH AND CASH EQUIVALENTS AT		
BEGINNING OF THE PERIOD	5,055,486	5,979,875
CASH AND CASH EQUIVALENTS AT END OF THE		
PERIOD	₱1,623,012	₱5,308,231

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 Amount)

1. Basis of Preparation

The unaudited consolidated financial statements of Universal Robina Corporation and Subsidiaries (the Group) have been prepared in compliance with Philippine Financial Reporting Standards (PFRS).

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 compliance with PFRS 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.

The following are the revised accounting standards which the Group adopted on the financial statements beginning the fiscal year ending September 30, 2008:

- PFRS 7, *Financial Instruments: Disclosures*, and the complementary amendment to PAS 1, *Presentation of Financial Statements: Capital Disclosures* (effective for annual periods beginning on or after January 1, 2007)
- Philippine Interpretation IFRIC 10, *Interim Financial Reporting and Impairment* (effective for annual periods beginning on or after November 1, 2006)
- Philippine Interpretation IFRIC 11, *PFRS 2 - Group and Treasury Share Transactions* (effective for annual periods beginning on or after March 1, 2007)

2. Principles of Consolidation

The consolidated financial statements include the financial statements of the Parent Company and the following wholly and majority owned subsidiaries:

Subsidiaries	Country of Incorporation	Effective Percentage of Ownership	
		2008	2007
CFC Clubhouse, Incorporated	Philippines	100.00	100.00
CFC Clubhouse Property, Inc.	- do -	100.00	100.00
URC Confectionary Corporation	- do -	100.00	100.00
CFC Corporation	- do -	100.00	100.00
Universal Robina Sugar Milling Corporation (URSUMCO)	- do -	100.00	100.00
South Luzon Greenland, Inc.	- do -	100.00	-
Southern Negros Development Corporation (SONEDCO)	- do -	94.00	94.00
Nissin – URC	- do -	65.00	65.00
URC Philippines, Limited (URCPL)	British Virgin Islands	100.00	100.00
URC International Co. Ltd. and subsidiaries (URCICL)	- do -	77.00	77.00
URC Asean Brands Co., Ltd and subsidiaries	- do -	77.00	77.00
Hong Kong China Foods Co., Ltd. and subsidiaries	- do -	77.00	77.00
Acesfood Network Pte. Ltd. and subsidiaries	Singapore	96.08	-
Universal Robina (Cayman), Ltd. (URCL)	Cayman Islands	100.00	100.00
URC China Commercial Co. Ltd.	- do -	100.00	100.00

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intercompany transactions and balances, including intercompany profits and unrealized profits and losses, are eliminated in the consolidation.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Acquisitions of subsidiaries are accounted for using the purchase method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date, irrespective of the extent of any minority interest.

Any excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognized in the consolidated statement of income on the date of acquisition.

Minority interests represent the portion of income or loss and net assets not held by the Group and are presented separately in the consolidated statement of income and within equity in the consolidated balance sheet, separately from the parent shareholders' equity. Acquisitions of minority interests are accounted for using the parent entity extension method, whereby, the

difference between the consideration and the book value of the share of the net assets acquired is recognized as goodwill.

3. Cash and Cash Equivalents

This account consists of:

	Unaudited March 31, 2008	Audited September 30, 2007
Cash on hand	₱194,724	₱137,847
Cash in banks	608,109	525,903
Short-term investments	820,179	4,391,736
	₱1,623,012	₱5,055,486

Cash in banks earns interest at the respective bank deposit rates. Money market placements are made for varying periods depending on the immediate cash requirements of the Group, and earn interest ranging from 3.2% to 5.6% and 4.1% to 5.8% per annum, for the period ended March 31, 2008 and September 30, 2007, respectively.

4. Financial Assets at Fair Value Through Profit or Loss

These investments that are held for trading consist of:

	Unaudited March 31, 2008	Audited September 30, 2007
Private bonds	₱8,855,623	₱9,981,812
Government securities	2,516,815	4,352,249
Equity securities	1,951,818	2,202,652
	₱13,324,256	₱16,536,713

The above investments consist of quoted debt and equity securities issued by certain domestic and foreign entities.

Net market valuation gain (loss) of financial assets at FVPL amounted to (₱773) million and ₱395 million in the first half of fiscal year 2008 and 2007, respectively.

5. Receivables

This account consists of:

	Unaudited March 31, 2008	Audited September 30, 2007
Trade receivables	₱4,149,333	₱3,446,812
Due from related parties	616,198	592,102
Interest receivable	183,792	410,468
Advances to officers, employees and suppliers	431,597	441,907
Others	464,643	557,264
	5,845,563	5,448,553
Less allowance for impairment loss	208,701	208,701
	₱5,636,862	₱5,239,852

Aging of receivables follows:	Unaudited March 31, 2008			Audited September 30,2007
	Up to Six Months	Over Six Months to One Year	Total	Total
Trade receivables - net of allowance	₱3,728,753	₱211,879	₱3,940,632	₱3,238,111
Other receivables	978,544	717,686	1,696,230	2,001,741
	₱4,707,297	₱929,565	₱5,636,862	₱5,239,852

6. Inventories

This account consists of:

	Unaudited March 31, 2008	Audited September 30, 2007
At cost:		
Raw materials	₱2,732,190	₱1,855,798
Finished goods	2,431,625	1,354,054
	5,163,815	3,209,852
At NRV:		
Goods in-process	152,067	127,881
Containers and packaging materials	1,075,082	959,536
Spare parts and supplies	1,202,463	904,731
	2,429,612	1,992,148
Materials in-transit	2,690,638	697,214
	₱10,284,065	₱5,899,214

7. Investment in a Joint Venture

This account consists of:

	Unaudited March 31, 2008	Audited September 30, 2007
Acquisition Cost		
Balance at beginning of period	₱1,250	₱1,197,594
Disposal	–	(1,196,344)
Balance at end of period	1,250	1,250
Accumulated Equity in Net Earnings		
Balance at beginning of period	88,623	760,887
Equity in net earnings during the period	20,517	23,288
Disposal	–	(695,552)
Balance at end of period	109,140	88,623
Net Carrying Value	₱110,390	₱89,873

The Parent Company has 50% equity interest in Hunt-Universal Robina Corporation (HURC), a domestic joint venture. HURC manufactures and distributes food products under the “Hunt’s” brand name, which is under exclusive license to HURC in the Philippines.

8. Investment Properties

Movements in the Investment Properties account follow:

	Unaudited March 31, 2008	Audited September 30, 2007
Cost		
Balance at beginning of period	₱107,947	₱107,947
Accumulated Depreciation		
Balance at beginning of period	25,345	21,747
Depreciation	1,799	3,598
Balance at end of period	27,144	25,345
Net Book Value	₱80,803	₱82,602

9. Accounts Payable and Other Accrued Liabilities

This account consists of:

	Unaudited March 31, 2008	Audited September 30, 2007
Trade payables	₱3,682,048	₱2,649,138
Accrued expenses	1,443,550	1,151,334
Due to related parties	147,771	115,764
Customers' deposits	93,603	58,132
Others	407,716	301,890
	₱5,774,688	₱4,276,258

10. Long-term Debt

Long-term debt (net of debt issuance costs) consists of:

	Maturities	Interest Rates	Unaudited March 31, 2008	Audited September 30, 2007
Parent Company:				
Foreign currencies				
HypoVereinsbank term loan facilities	Various dates through 2009	EURIBOR/ USD LIBOR + 0.75%	₱133,343	₱214,084
			133,343	214,084
Subsidiaries:				
Foreign currencies:				
URCPL US\$125 million guaranteed notes	2008	9.00%	–	4,912,482
URC US\$200 million guaranteed notes	2012	8.25%	8,310,903	8,958,805
Bangkok bank 5-year term loan facilities	2008	5.37%	115,341	172,397
	2012	5.87%	108,565	108,180
			8,534,809	14,151,864
Philippine Peso Philippine Sugar Corporation restructured loan	2013	7.50%	46,395	52,354
			8,581,204	14,204,218
			8,714,547	14,418,302
Less current portion			218,142	5,072,751
			₱8,496,405	₱9,345,551

11. Equity

The details of the Parent Company's common shares follow:

	March 31, 2008	September 30, 2007
Authorized shares	2,998,000,000	2,998,000,000
Par value per share	₱1.00	₱1.00
Issued:		
Balance at beginning of year	2,221,851,481	2,221,851,481
Issuance of common shares of stock during the period	—	—
Balance at end of period	2,221,851,481	2,221,851,481
Less treasury shares	40,546,600	—
Outstanding Shares	2,181,304,881	2,221,851,481

On November 13, 2007, the Group's BOD approved the creation and implementation of a share buy-back program allotting up to ₱2.5 billion to reacquire a portion of the Company's issued and outstanding common shares, representing approximately 7.63% of current market capitalization.

Cumulative Redeemable Preferred Shares

The Group's authorized preferred shares of stock are 12% cumulative, nonparticipating, and nonvoting. In case of dissolution and liquidation of the Parent Company, the holders of the preferred shares shall be entitled to be paid an amount equal to the par value of the shares or ratably insofar as the assets of the Parent Company may warrant, plus accrued and unpaid dividends thereon, if any, before the holders of the common shares of stock can be paid their liquidating dividends. The authorized preferred stock is 2,000,000 shares at par value of ₱1.0 per share. There have been no issuances of preferred stock as of March 31, 2008 and September 30, 2007.

Deposits for Future Stock Subscriptions

On August 3, 2001, the Parent Company's BOD approved the issuance of 55,659,008 shares to JGSHI, Robinson's Supermarket Corporation and a certain stockholder in exchange for two (2) parcels of land and certain marketable securities which were valued at ₱250.5 million. This was reflected as Deposits for Future Stock Subscriptions in the consolidated balance sheets pending approval of the Philippine SEC. On June 19, 2003, 49,871,556 shares were issued for the two (2) parcels of land while the remaining 5,787,452 shares are still to be issued.

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 and is restricted to the extent of the cost of treasury shares.

12. Earnings Per Share

Basic earnings per share (EPS) is calculated by dividing the net income for the first half of the year attributable to common shareholders by the weighted average number of common shares outstanding during the period (adjusted for any stock dividends).

The following reflects the income and share data used in the basic/dilutive EPS computations:

	Six Months Ended March 31	
	2008	2007
Net income attributable to equity holders of the parent	₱494,174	₱4,099,753
Weighted average number of common shares	2,188,157	2,221,851
Basic/dilutive EPS	₱0.23	₱1.85

There were no potential dilutive shares in the first half of fiscal 2008 and 2007. As of March 31, 2008, the Company's outstanding common stock is 2,181,304,881 shares.

13. 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 beverages. 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 branded and unbranded 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, flour milling and pasta manufacturing. The peak season for sugar is during its crop season, which normally starts in September and ends in May of the following year.
- d. Packaging - engages in manufacture of bi-axially polypropylene films for packaging companies.
- e. 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	
	March 31					
	2008	2007	2008	2007	2008	2007
BCFG	₱15,587,090	₱13,456,732	₱26,750,330	₱24,316,578	₱6,829,978	₱6,260,728
AIG	2,801,784	2,666,529	4,800,883	3,599,928	1,193,849	694,743
CFG	2,045,773	1,645,784	10,290,388	6,201,310	3,578,940	737,145
Packaging	719,408	539,535	1,142,564	1,820,005	827,324	261,153
Corporate Businesses			14,815,730	22,342,604	10,436,893	14,935,501
	₱21,154,055	₱18,308,580	₱57,799,895	₱58,280,425	₱22,866,984	₱22,889,270

14. Commitments and Contingencies

The Group has various contingent liabilities arising in the ordinary conduct of business which are either pending decision by the courts, under arbitration or being contested, the outcome of which are not presently determinable. In the opinion of management and its legal counsel, the eventual liability under these lawsuits or claims, if any, will not have a material or adverse effect on the Group's financial position and results of operations. The information usually required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, is not disclosed on the grounds that it can be expected to prejudice the outcome of these lawsuits, claims, arbitration and assessments.

15. Subsequent Events

There were no material events that occurred subsequent to March 31, 2008 that requires disclosures for the period.

16. Reclassification of Accounts

Certain account in the September 30, 2007 consolidated balance sheet was reclassified to conform with the March 31, 2008 unaudited consolidated financial statement presentation.