

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)

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Month Day
(Fiscal Year)

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(Form Type)

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Month Day
(Annual Meeting)

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(Secondary License Type, If Applicable)

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Dept. Requiring this Doc.

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Amended Articles Number/Section

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Total No. of Stockholders

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Domestic

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Foreign

To be accomplished by SEC Personnel concerned

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended **June 30, 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	2,170,620,681 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 nine months ended June 30, 2008 and 2007, respectively:

Nine months ended June 30		
<i>In millions</i>	2008	2007
BCFG		
Domestic	₱17,489	₱14,765
International	6,603	5,484
	24,092	20,249
Packaging	1,130	730
BCFG Total	25,222	20,979
AIG	3,911	3,919
CFG	3,259	2,583
TOTAL	₱32,392	₱27,481

Results of Operations

Nine Months Ended June 30, 2008 versus June 30, 2007

URC generated a consolidated net sales and services of ₱32.392 billion for the nine months ended June 30, 2008, 17.9% higher than the revenues posted 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 ₱3.843 billion, or 19.0%, to ₱24.092 billion for the nine months of fiscal 2008 from ₱20.249 billion registered in the same period of last year. BCFG's domestic operations posted an 18.5% increase in net sales which was largely driven by the strong performance of its snackfoods which posted a 20.8% growth in savory snacks, candies, chocolates and biscuits sales, and beverage and grocery which posted an 11.8% and 17.4% growth in sales value, respectively. Revenue was also pushed up by new juice and water

brands. BCFG International sales increased by 20.4% to ₱6.603 billion supported by higher revenues from Vietnam, Thailand, Malaysia and China. In US dollar amount, sales registered an increase of 37.6% from US\$113 million recorded for the nine months of fiscal 2007 to US\$156 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 74.4% of total URC consolidated net sales and services for the nine months ended June 30, 2008.

Net sales in URC's packaging division rose to ₱1.130 billion for the nine months of fiscal 2008 or up 54.8% from ₱730 million reported in the same period last year due to an increase in sales volume.

Net sales in URC's AIG aggregated to ₱3.911 billion for the nine months of fiscal 2008, slightly lower from ₱3.919 billion recorded in the same period last year. Farms business posted a 4.2% sales growth due to increase in hog sales which was overshadowed by a decrease in sales of feeds and poultry business by 4.9% and 18.5%, respectively, due to decline in sales volume as compared to the same period last year.

Net sales in URC's CFG amounted to ₱3.259 billion for the nine months ended June 30, 2008 or up 26.2% from ₱2.583 billion reported in the same period last year. Flour net sales went up by 23.8% to ₱2.412 billion from ₱1.948 billion posted for the same period last year on the back of an increase in average selling price. Moreover, sugar net sales increased by 33.6% to ₱848 million from ₱634 million recorded in the same period last year as a result of higher sales volume. On gross basis, sales including internal transfer of sugar was higher by 24.1% from ₱1.748 billion for the nine months of fiscal year 2007 to ₱2.168 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 increased to ₱24.569 billion for the nine months of fiscal 2008, or 20.9% from ₱20.323 billion reported in 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 nine months of fiscal 2008 amounted to ₱7.824 billion, 9.3% up from ₱7.158 billion recorded in 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 rose by ₱373 million or 7.9% to ₱5.108 billion for the nine months of fiscal 2008 from ₱4.735 billion registered in the same period of fiscal 2007. This increase resulted primarily from the following factors:

- 14.8% or ₱192 million increase in freight and other selling expense to ₱1.488 billion for the nine months of fiscal 2008 from ₱1.296 billion in the same period last year. This was due substantially to an increase in freight and delivery charges of ₱185 million or 18.5% to ₱1.184 billion from ₱999 million for the period ended June 30, 2008 and 2007, respectively. This is associated with the increase in trucking and shipping cost, fuel prices and sales volume.

- 11.2% or ₱128 million increase in compensation and benefits to ₱1.269 billion for the nine months of fiscal 2008 from ₱1.141 billion of the same period last year due substantially to annual salary adjustments and accrual of pension expense.
- 29.7% or ₱45 million increase in depreciation expense to ₱199 million for the period ended June 30, 2008 from ₱153 million of the same period last year due to additional depreciation charges from new acquisitions.

As a result of the above factors, income after selling and distribution costs, and general and administrative expenses increased by 12.0% to ₱2.715 billion for the nine months of fiscal 2008 from ₱2.423 billion reported in the same period of fiscal 2007.

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

URC's finance revenue consists of interest income from investment in financial assets at fair value through profit or loss (FVPL) and money placements, and dividend income on investment in equity securities. Finance revenue decreased by 26.0% to ₱914 million for the nine months of fiscal 2008 from ₱1.235 billion in the same period of fiscal 2007 due to lower amount of investment in financial assets at FVPL and appreciation of Philippine peso vis-à-vis US Dollar.

Market valuation loss on financial assets at FVPL of ₱1.282 billion for the nine months ended June 30, 2008 was due to decline in market values of investments in bonds.

Equity in net income of a joint venture amounted to ₱23 million, up 32.8% due to higher net income of Hunt-Universal Robina Corporation for the nine months of fiscal 2008 against the same period last year.

Finance costs consist primarily of interest expense which decreased by 23.4%, to ₱969 million for the nine months of fiscal 2008 from ₱1.265 billion posted in the same period of fiscal 2007 due to payment of URC Notes due 2008 and amortization of other long-term debts, and 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 gain (loss)-net for the nine months of fiscal 2008 was due to 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 - net, for the nine months of fiscal 2008 went up 8.6% to ₱2.712 billion from ₱2.497 billion reported in the same period last year. URC's unaudited net income for the period declined by 77.5% to ₱1.054 billion from ₱4.694 billion posted in the same period last year because of absence of non-recurring gain on sale of investment and due to mark-to-market loss on bond holdings resulting from the general drop in bond prices worldwide.

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

June 30, 2008 vs. September 30, 2007

The Company remains to be strong with a current ratio of 1.9:1 as of June 30, 2008. Financial debt to equity ratio of 0.63:1 for the period is within comfortable level. Book value per share decreased to ₱15.22 as at June 30, 2008 from ₱15.44 as at September 30, 2007 due to payment of cash dividend in 2008. Total outstanding common shares for the nine months decreased by 51 million shares, to 2.171 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 ₱4.725 billion for the nine months of fiscal 2008 which is 10.4% higher than ₱4.279 billion it had in the same period of last year. Net cash provided by operating activities for the nine months ended June 30, 2008 was

₱2.163 billion. While, net cash used in investing activities for the period amounted to ₱1.544 billion which is mainly due to acquisition of property and equipment of ₱3.101 billion partially 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 ₱4.033 billion, mainly used to pay matured URC 2008 Notes, amortization of other long-term debts, dividends and acquisition of Company's shares.

As of June 30, 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 - Nine months ended June 30, 2008 versus same period in fiscal 2007.

17.9% increase in sales was due to the following:

Net sales and services in URC's BCFG (excluding packaging) increased by ₱3.843 billion, or 19.0%, to ₱24.092 billion for the nine months of fiscal 2008 from ₱20.249 billion registered in the same period of last year. BCFG's domestic operations posted an 18.5% increase in net sales which was largely driven by the strong performance of its snackfoods which posted a 20.8% growth in savory snacks, candies, chocolates and biscuits sales, and beverage and grocery which posted an 11.8% and 17.4% growth in sales value, respectively. Revenue was also pushed up by new juice and water brands. BCFG International sales increased by 20.4% to ₱6.603 billion supported by higher revenues from Vietnam, Thailand, Malaysia and China. In US dollar amount, sales registered an increase of 37.6% from US\$113 million recorded for the nine months of fiscal 2007 to US\$156 million registered in the same period of fiscal 2008 due mainly to increase in sales volume.

Net sales in URC's AIG aggregated to ₱3.911 billion for the nine months of fiscal 2008, slightly lower from ₱3.919 billion recorded in the same period last year. Farms business posted a 4.2% sales

growth due to increase in hog sales which was overshadowed by a decrease in sales of feeds and poultry business by 4.9% and 18.5%, respectively, due to decline in sales volume as compared to the same period last year.

Net sales in URC's CFG amounted to ₱3.259 billion for the nine months ended June 30, 2008 or up 26.2% from ₱2.583 billion reported in the same period last year. Flour net sales went up by 23.8% to ₱2.412 billion from ₱1.948 billion posted for the same period last year on the back of an increase in average selling price. Moreover, sugar net sales increased by 33.6% to ₱848 million from ₱634 million recorded in the same period last year as a result of higher sales volume. On gross basis, sales including internal transfer of sugar was higher by 24.1% from ₱1.748 billion for the nine months of fiscal year 2007 to ₱2.168 billion for the same period this year.

20.9% increase in cost of sales

Due to increase in sales volume sold and rising cost of major raw materials as well as bunker fuel and diesel this period.

6.8% increase in selling and distribution costs

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

11.6% 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.

26.0% decrease in finance revenue

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

486.5% decrease in mark-to-market gain on financial assets at FVPL

Due to decline in market values of investments in bonds.

32.8% increase in equity in net income of a joint venture

Due to higher equity share in net income of HUR.

23.4% decrease in finance costs

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

Decrease in impairment loss

No similar provision was recognized this period.

48.1% decrease in foreign exchange loss-net

Due to lower appreciation of the Philippine peso vis-à-vis US dollar against last year.

66.3% decrease in other revenue -net

Due to loss on sale of fixed assets and lower gain on sale of investments.

21.8% decrease in provision for income tax

Due to lower taxable income.

165.8% increase in minority interest

Due to higher equity share in net income of NURC partially offset by the equity share in net loss of URC International.

Balance sheets - June 30, 2008 versus September 30, 2007

67.5 % decrease in cash and cash equivalents

Due to decrease in short-term money market placements.

11.2% decrease in financial assets at FVPL

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

92.8% increase in inventories

Due to increase in raw and packaging materials, finished goods, spare parts and supplies and materials in transit inventories to meet sales demand and fixed assets' maintenance.

33.5% increase in other current assets

Due to additional net input tax and prepaid advertising and other expenses.

6.0% increase in property, plant and equipment-net

Due substantially to acquisition of PASSI properties and GMC machineries, and plant expansion.

25.1% increase in biological assets

Due to increase in population of livestock.

62.7% decrease in net pension assets

Due to accrued pension expense.

60.8% increase in other noncurrent assets

Due to acquisition of trademark and product formulation.

106.1% increase in short-term debt

Due to additional short-term bank loans obtained.

21.8% increase in accounts payable and other accrued liabilities

Due to increase in trade payables and accrued expenses.

916.3% increase in trust receipts and acceptance payable

Due to increase in importations of raw materials.

72.3% increase in income tax payable

Due to lower CWT applied for the period.

36.5% 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.

12.2% increase in cumulative translation adjustments

Due to appreciation of the Philippine peso vis-à-vis US dollar.

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 June 2008	YTD June 2007	Index
Revenue	₱32,392	₱27,481	118
EBIT	2,715	2,423	112
EBITDA	4,725	4,279	110
Net Income	1,054	4,694	22
Total Assets	61,167	57,056	107

URC International			
	YTD June 2008	YTD June 2007	Index
Revenue	₱6,603	₱5,168	128
EBIT	(208)	(162)	128
EBITDA	314	320	98
Net Loss	(275)	(135)	204
Total Assets	9,602	8,836	109

Nissin - URC			
	YTD June 2008	YTD June 2007	Index
Revenue	₱855	₱722	118
EBIT	72	68	106
EBITDA	97	92	105
Net Income	59	54	109
Total Assets	689	761	91

URC Philippines, Limited			
	YTD June 2008	YTD June 2007	Index
Revenue	₱-	₱-	-
EBIT	-	-	-
EBITDA	-	-	-
Net Loss	(919)	(142)	647
Total Assets	14,062	17,518	80

Universal Robina (Cayman), Ltd.			
	YTD June 2008	YTD June 2007	Index
Revenue	₱-	₱-	-
EBIT	-	-	-
EBITDA	-	-	-
Net Income	744	114	653
Total Assets	92	262	35

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 08/14/08



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



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

UNIVERSAL ROBINA CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(In Thousand Pesos)

	Unaudited June 30 2008	Audited September 30 2007
ASSETS		
Current Assets		
Cash and cash equivalents (Note 3)	₱1,641,325	₱5,055,486
Financial assets at fair value through profit or loss (Note 4)	14,685,995	16,536,713
Receivables - net (Note 5)	5,237,389	5,239,852
Inventories (Note 6)	11,372,476	5,899,214
Other current assets	810,668	607,358
Total Current Assets	33,747,853	33,338,623
Noncurrent Assets		
Property, plant and equipment - net	23,596,522	22,266,666
Biological assets	1,314,371	1,050,569
Goodwill - net	844,548	844,548
Investment in a joint venture (Note 7)	88,331	89,873
Investment properties (Note 8)	79,903	82,602
Net pension assets	34,523	92,534
Other noncurrent assets	1,460,712	908,684
Total Noncurrent Assets	27,418,910	25,335,476
	₱61,166,763	₱58,674,099
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term debt	₱8,299,424	₱4,027,804
Accounts payable and other accrued liabilities (Note 9)	5,207,851	4,276,258
Trust receipts and acceptances payable	3,915,774	385,279
Income tax payable	205,384	119,192
Current portion of long-term debt (Note 10)	105,710	5,072,751
Total Current Liabilities	17,734,143	13,881,284
Noncurrent Liabilities		
Long-term debt - net of current portion (Note 10)	9,057,870	9,345,551
Deferred income tax liabilities - net	431,423	451,560
Total Noncurrent Liabilities	9,489,293	9,797,111
Total Liabilities	27,223,436	23,678,395

(Forward)

	Unaudited June 30 2008	Audited September 30 2007
Equity		
Equity attributable to equity holders of the parent (Note 11)		
Paid-up capital	₱13,429,514	₱13,429,514
Retained earnings	19,867,931	20,300,464
Treasury shares	(692,552)	-
Deposits for future stock subscriptions	26,044	26,044
Cumulative translation adjustments	611,059	544,387
	33,241,996	34,300,409
Equity attributable to minority interests	701,331	695,295
Total Equity	33,943,327	34,995,704
	₱61,166,763	₱58,674,099

UNIVERSAL ROBINA CORPORATION AND SUBSIDIARIES**UNAUDITED CONSOLIDATED STATEMENTS OF INCOME**

(In Thousand Pesos, Except Per Share Amount)

	Quarters Ended June 30		Nine Months Ended June 30	
	2008	2007	2008	2007
SALE OF GOODS AND SERVICES	₱11,238,429	₱9,172,428	₱32,392,483	₱27,481,008
COST OF SALES	8,579,410	6,739,197	24,568,822	20,322,591
GROSS PROFIT	2,659,019	2,433,231	7,823,661	7,158,417
SELLING AND DISTRIBUTION COSTS	(1,316,563)	(1,247,390)	(3,885,572)	(3,639,154)
GENERAL AND ADMINISTRATIVE EXPENSES	(433,410)	(374,061)	(1,222,988)	(1,095,814)
GAIN ON SALE OF INVESTMENT	-	-	-	2,858,765
FINANCE REVENUE	282,146	406,461	913,775	1,234,926
MARKET VALUATION GAIN (LOSS) ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	(508,881)	(63,210)	(1,281,785)	331,671
EQUITY IN NET INCOME OF A JOINT VENTURE	2,942	4,325	23,458	17,669
FINANCE COSTS	(281,797)	(365,274)	(969,041)	(1,264,765)
IMPAIRMENT LOSS	-	-	-	(435,000)
FOREIGN EXCHANGE GAIN (LOSS) - NET	152,694	(128,664)	(118,231)	(227,911)
OTHER REVENUE - NET	814	36,749	29,018	86,005
INCOME BEFORE INCOME TAX	556,964	702,167	1,312,295	5,024,809
PROVISION FOR INCOME TAX	271	127,366	258,293	330,417
NET INCOME	₱556,693	₱574,801	₱1,054,002	₱4,694,392
ATTRIBUTABLE TO				
Equity holders of the parent	₱553,795	₱592,368	₱1,047,966	₱4,692,121
Minority interest	2,898	(17,567)	6,036	2,271
	₱556,693	₱574,801	₱1,054,002	₱4,694,392
BASIC/DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT (Note 12)	₱0.25	₱0.27	₱0.48	₱2.11

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)

	Nine Months Ended June 30	
	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 2008 and 2007		
Issued - 2,221,851,481 shares in 2008 and 2007	₱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	13,254,344
Cash dividends	(1,480,499)	(1,510,859)
Net income	1,047,966	4,692,121
Balance at end of period	16,867,931	16,435,606
Balance at end of period	19,867,931	19,435,606
TREASURY SHARES (Note 11)		
Balance at beginning of period	-	-
Acquisition - 51,230,800 shares	(692,552)	-
Balance at end of period	(692,552)	-
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	66,672	(91,063)
Balance at end of period	611,059	674,806

(Forward

	Nine Months Ended June 30	
	2008	2007
ATTRIBUTABLE TO MINORITY INTEREST EQUITY		
Balance at beginning of period	₱695,295	₱751,245
Adjustments	6,036	(39,223)
Balance at end of period	701,331	712,022
	₱33,943,327	₱34,277,991

See accompanying Notes to Unaudited Consolidated Financial Statements.

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

	Nine Months Ended June 30	
	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax and minority interest	₱1,312,295	₱5,024,809
Adjustments for:		
Depreciation, amortization and provision for impairment loss	2,010,364	2,290,519
Finance cost	969,041	1,264,765
Finance revenue	(913,775)	(1,234,926)
Unrealized foreign exchange gain (loss) - net	(48,944)	150,420
Market valuation (gain) loss on financial instruments at fair value through profit and loss (FVPL)	1,281,785	(331,671)
Loss (gain) arising from changes in fair value less estimated point-of-sale cost of swine stocks	30,761	(3,834)
Equity in net income of a joint venture	(23,458)	(17,669)
Gain on sale of financial assets at FVPL	(3,710)	(53,257)
Loss (gain) on sale of property and equipment	5,217	(14,449)
Gain on sale of investment	–	(2,858,765)
Pension expense	58,011	–
Operating income before changes in working capital	4,677,587	4,215,942
Decrease (increase) in:		
Receivables	(1,028,153)	(1,258,754)
Inventories	(5,473,262)	(2,173,756)
Other current assets	(203,311)	2,599
Increase (decrease) in:		
Accounts payable and accrued expenses	623,378	(252,694)
Trust receipts and acceptances payable	3,530,495	(642,384)
Cash generated from (used in) operations	2,126,734	(109,047)
Interest received	1,058,318	1,190,517
Income taxes paid	(192,239)	(237,432)
Interest paid	(829,638)	(1,022,756)
Net cash provided by (used in) operating activities	2,163,175	(178,718)

(Forward)

	Nine Months Ended June 30	
	2008	2007
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(P3,101,365)	(P3,410,183)
Proceeds from sale of property, plant and equipment	86,299	164,641
Proceeds from sale of financial assets at FVPL - net	2,292,556	2,515,869
Proceeds from sale of investment in an associate	–	4,750,661
Dividends received in a joint venture	25,000	–
Decrease (increase) in:		
Biological assets	(294,563)	(116,330)
Other assets	(552,027)	(22,210)
Net cash provided by (used in) investing activities	(1,544,100)	3,882,448
CASH FLOWS FROM FINANCING ACTIVITIES		
Short-term borrowings (payment)	4,250,226	(386,540)
Payment of long - term debt	(6,110,411)	(4,332,971)
Cash dividends	(1,480,499)	(1,510,859)
Acquisition of Company's shares	(692,552)	–
Net cash used in financing activities	(4,033,236)	(6,230,370)
NET DECREASE IN CASH		
AND CASH EQUIVALENTS	(3,414,161)	(2,526,640)
CASH AND CASH EQUIVALENTS AT		
BEGINNING OF THE PERIOD	5,055,486	5,979,875
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	P1,641,325	P3,453,235

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 June 30, 2008	Audited September 30, 2007
Cash on hand	₱482,171	₱137,847
Cash in banks	528,212	525,903
Short-term investments	630,942	4,391,736
	₱1,641,325	₱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 June 30, 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 June 30, 2008	Audited September 30, 2007
Private bonds	₱9,806,417	₱9,981,812
Government securities	2,575,177	4,352,249
Equity securities	2,304,401	2,202,652
	₱14,685,995	₱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 (₱1.282) billion and ₱332 million for the nine months of fiscal year 2008 and 2007, respectively.

5. Receivables

This account consists of:

	Unaudited June 30, 2008	Audited September 30, 2007
Trade receivables	₱3,459,273	₱3,446,812
Due from related parties	634,910	592,102
Interest receivable	265,926	410,468
Advances to officers, employees and suppliers	498,232	441,907
Others	587,749	557,264
	5,446,090	5,448,553
Less allowance for impairment loss	208,701	208,701
	₱5,237,389	₱5,239,852

Aging of receivables follows:	Unaudited June 30, 2008			Audited September 30,2007
	Up to Six Months	Over Six Months to One Year	Total	Total
Trade receivables - net of allowance	₱3,041,494	₱209,078	₱3,250,572	₱3,238,111
Other receivables	1,367,985	618,832	1,986,817	2,001,741
	₱4,409,479	₱827,910	₱5,237,389	₱5,239,852

6. Inventories

This account consists of:

	Unaudited June 30, 2008	Audited September 30, 2007
At cost:		
Raw materials	₱3,624,714	₱1,855,798
Finished goods	2,949,281	1,354,054
	6,573,995	3,209,852
At NRV:		
Goods in-process	160,546	127,881
Containers and packaging materials	1,357,299	959,536
Spare parts and supplies	1,255,423	904,731
	2,773,268	1,992,148
Materials in-transit	2,025,213	697,214
	₱11,372,476	₱5,899,214

7. Investment in a Joint Venture

This account consists of:

	Unaudited June 30, 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	23,458	23,288
Disposal	–	(695,552)
Dividends received	(25,000)	–
Balance at end of period	87,081	88,623
Net Carrying Value	₱88,331	₱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 June 30, 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	2,699	3,598
Balance at end of period	28,044	25,345
Net Book Value	₱79,903	₱82,602

9. Accounts Payable and Other Accrued Liabilities

This account consists of:

	Unaudited June 30, 2008	Audited September 30, 2007
Trade payables	₱3,040,394	₱2,649,138
Accrued expenses	1,489,793	1,151,334
Due to related parties	230,851	115,764
Customers' deposits	110,955	58,132
Others	335,858	301,890
	₱5,207,851	₱4,276,258

10. Long-term Debt

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

	Maturities	Interest Rates	Unaudited June 30, 2008	Audited September 30, 2007
Parent Company:				
Foreign currencies				
HypoVereinsbank term loan facilities	Various dates through 2009	EURIBOR/ USD LIBOR + 0.75%	₱59,587	₱214,084
			59,587	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%	8,938,287	8,958,805
Bangkok bank 5-year term loan facilities	2008	5.37%	59,581	172,397
	2012	5.87%	59,730	108,180
			9,057,598	14,151,864
Philippine Peso				
Philippine Sugar Corporation restructured loan	2013	7.50%	46,395	52,354
			9,103,993	14,204,218
			9,163,580	14,418,302
Less current portion			105,710	5,072,751
			₱9,057,870	₱9,345,551

11. Equity

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

	June 30, 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	51,230,800	—
Outstanding Shares	2,170,620,681	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 June 30, 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:

	Nine Months Ended June 30	
	2008	2007
Net income attributable to equity holders of the parent	₱1,047,966	₱4,692,121
Weighted average number of common shares	2,183,643	2,221,851
Basic/dilutive EPS	₱0.48	₱2.11

There were no potential dilutive shares for the nine months of fiscal 2008 and 2007. As of June 30, 2008, the Company's outstanding common stock is 2,170,620,681 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	
	June 30					
	2008	2007	2008	2007	2008	2007
BCFG	₱24,092,066	₱20,249,181	₱27,289,694	₱25,545,207	₱7,620,113	₱6,631,317
AIG	3,910,788	3,918,794,	5,432,393	3,912,772	1,424,497	577,488
CFG	3,259,707	2,582,806	10,643,072	6,962,148	4,396,288	948,454
Packaging	1,129,922	730,227	1,111,820	1,026,748	959,315	226,762
Corporate Businesses			16,689,784	19,608,907	12,823,223	14,393,770
	₱32,392,483	₱27,481,008	₱61,166,763	₱57,055,782	₱27,223,436	₱22,777,791

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 June 30, 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 June 30, 2008 unaudited consolidated financial statement presentation.