



**UNIVERSAL ROBINA  
CORPORATION**

110 E. RODRIGUEZ, JR. AVENUE, BAGUMBAYAN, QUEZON CITY, PHILIPPINES 1600, P.O. Box 3542 MM 2800 · P.O. BOX 99-AC CUBAO, QUEZON CITY  
TEL. 635-0751 TO 85 ; 671-2935 TO 42

13 January 2009

**Securities and Exchange Commission**

Attention: Corporation and Finance Department  
SEC Building, EDSA  
Mandaluyong City

**Philippine Stock Exchange**

Attention: Atty. Pete M. Malabanan  
Head, Disclosure Department  
4F PSE Center, Exchange Road  
Ortigas Center, Pasig City

Subject: **URC POSTS CORE EARNINGS OF PHP 3.499 BILLION FOR FISCAL  
YEAR 2008**

Gentlemen:

Universal Robina Corporation's core earnings before tax, which is operating profit after equity earnings, net of finance costs and other expenses-net for fiscal 2008 reached Php 3.499 billion from Php 3.243 billion reported in the same period last year, or an increase of 7.9%.

URC's audited consolidated net income for the 2008 fiscal year (October 2007 to September 2008) reached Php 341 million, 94% lower than the Php 5.501 billion reported in the same period last year. This decline was caused by the absence of the non-recurring gain of Php 2.859 billion from URC's sale of Robinsons Land Corporation (RLC) shares in 2007, and due to mark-to-market losses in our bond holdings resulting from the drop in bond prices worldwide.

URC's consolidated net sales and services for the 2008 fiscal year amounted to Php 45.455 billion, a 20.5% growth from Php 37.720 billion last fiscal year.

The largest contributor to the group's sales revenue, URC's branded consumer foods segment, including the packaging division, increased sales of goods and services by Php 6.394 billion, or 22.5%, to Php 34.764 billion in fiscal 2008 from the Php 28.370 billion recorded in fiscal 2007. This increase was due mainly to the 19.1 % increase in net sales of URC's domestic operations, coming from the impressive growth in snack foods sales. Snackfoods posted 22.7% growth on savory snacks, candies, chocolates, biscuits and bakery sales increases. URC also purchased General Milling Co.'s heritage Granny Goose snacks business, which began contributing sales in the 4<sup>th</sup> quarter of the fiscal year. Beverages grew 8.4% vs. last year, primarily driven by its coffee products. Our Grocery division also grew 22.7%, as our noodles products made inroads against its competitors.

Net sales in URC's International operations in US dollar terms rose significantly by 42.7% from US\$150 million in fiscal 2007 to US\$215 million in fiscal 2008, with all countries posting sales growth. In Philippine Peso terms, net sales of URC International operation were up 28.9%. URC Thailand posted its 5th consecutive annual double-digit growth, reaching US\$97 million in sales. This was also a significant year for URC Vietnam which saw sales surge from US\$6 million in fiscal 2007 to US\$31 million this year on the back of the unprecedented growth of the C2 brand. To date, C2 holds a leading market position in Vietnam (which has URC's first C2 plant outside of the Philippines), and is now exported to Malaysia, and Indonesia.

Net sales of URC's agro-industrial group amounted to Php 5.571 billion for fiscal 2008, or 1.4% lower than last year. URC's animal feeds business grew slightly by 5.0% to Php 2.76 billion on the back of higher feed prices, but sales volume suffered as hog and poultry raisers nationwide contended with higher costs., The farms business declined 7.0% to Php 2.803 billion from Php 3.011 billion last year, as local meat prices declined due to an influx of cheap imported meat.

On a gross sales basis, URC's commodity foods group (CFG) sales reached Php 8.862 billion, or 40.6% higher than last year. Flour gross sales value was up 42.5% to Php 5.134 billion, on the back of numerous price increases to offset higher wheat prices worldwide. Sugar gross sales value increased 38.2% to Php 3.728 billion, as we acquired the largest sugar mill in Panay island at the start of the year. Internal transfers to BCFG rose 43.8%, due to strong candies, biscuit, and noodles sales this year. Net sales in URC's CFG increased 38.3% to Php 5.122 billion for fiscal 2008, versus Php 3.702 billion last year.

URC's operating profit improved to Php 3.688 billion, a significant increase of 16.0% vs. the same period last year. This was due to significantly better profitability for our CFG, as well as the implementation of price increases for some key products, which offset the increase in the cost of certain raw and packaging materials.

Looking forward, URC will be tightening its belt, as the current global market crisis makes access to credit more expensive. URC will rationalize its capital expenditures for fiscal 2009, and will reduce working capital in order to be a leaner and more efficient organization. Despite these challenges, we expect sales and operating income to grow in the high teens, as raw materials prices stabilize in the coming months and as our international operations achieve profitability.

Attached is the company's Form 17A which contains the audited financial statements and management's discussion and analysis of the same.

The above disclosure is being submitted in compliance with the disclosure rules of the Securities and Exchange Commission and the Philippine Stock Exchange.

Very Truly Yours,

  
B.J. Sebastian  
Senior Vice President  
Corporate Information Officer