COVER SHEET

9170

SEC Registration Number

UNIVERSAL ROBINA CORPORATION AND SUBSIDIARIES

(Company's Full Name)

110 E. Rodriguez Avenue, Bagumbayan, Quezon City

(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 Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

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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 **December 31, 2007**

2. Commission identification number **9170**

3. BIR Tax Identification No. **000-400-016-000**

4. **Universal Robina Corporation**
   Exact name of issuer as specified in its charter

5. **Quezon City, Philippines**
   Province, country or other jurisdiction of incorporation or organization

6. Industry Classification Code: __________ (SEC Use Only)

7. **110 E. Rodriguez Ave., Bagumbayan, Quezon City** **1110**
   Address of issuer's principal office Postal Code

8. **671-2935; 635-0751; 671-3954**
   Issuer's telephone number, including area code

9. **Not applicable**
   Former name, former address and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common stock, P1.00 Par value	**2,191,749,481 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

<u>Philippine Stock Exchange</u> **<u>Common stock</u>**

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 three months ended December 31, 2007 and December 31, 2006:

	Three months ended December 31	
In millions	**2007**	2006
BCFG		
Domestic	**5,932**	4,938
International	**2,020**	1,862
	7,952	6,800
Packaging	**364**	308
BCFG Total	**8,316**	7,108
AIG	**1,494**	1,354
CFG	**1,049**	737
Total	**10,859**	9,199

Results of Operations

Three Months Ended December 31, 2007 versus December 31, 2006

URC posted consolidated net sales and services of ₱10.859 billion for the three months ended December 31, 2007, 18.0% higher than the revenues reported 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 ₱1.152 billion, or 16.9%, to ₱7.952 billion in the first quarter of fiscal 2008 from ₱6.800 billion recorded in the same quarter of fiscal 2007. This increase was primarily due to a 20.1% increase in net sales from BCFG's domestic operations which was largely driven by the strong performance of its beverage products which posted a 24.4% growth in sales value on the back of a 15.1% increase in volume.

Revenue was also pushed up by new juice and water brands. Snackfoods posted a 21.5% growth on savory snacks, candies, chocolates and biscuits sales supported by an increase in sales volume of 13.5%. BCFG International sales increased by 8.5% to ₱2.020 billion weighed up by higher revenues from Thailand, Malaysia, China and Vietnam. In US dollar amount, sales registered an increase of 25.4% from $37 million posted in the first quarter of fiscal 2007 to $47 million registered in the first quarter of fiscal 2008 due mainly to increase in sales volume.

Net sales of BCFG (excluding packaging division) accounted for 73.2% of total URC consolidated net sales and services in the first quarter of fiscal 2008.

Net sales in URC's packaging division went up to ₱364 million in the first quarter of fiscal 2008 or 18.4%from ₱308 million posted in the same period last year due to an increase in sales volume.

Net sales in URC's AIG amounted to ₱1.494 billion in the first quarter of fiscal 2008, an increase of ₱140 million or 10.4% from ₱1.354 billion recorded in same period last year. This was due to an 8.4% increase in the net sales of animal feeds due mainly to increase in average selling price. URC's Feeds business has successfully transformed itself to a branded feeds business with the successful promotion of its brand champions: Uno Feeds, Stargain and Supremo. The farm business likewise reported an increase in sales of 12.1% due to higher average selling prices.

Net sales in URC's CFG amounted to ₱1.049 billion in the first quarter of fiscal 2008 or up 42.2% from ₱737 million reported in the same period last year. This was primary due to increase in average selling prices.

URC's cost of sales and services consists primarily of raw and packaging materials costs, manufacturing costs and direct labor costs. Cost of sales and services increased by ₱1.323 billion, or 19.1%, to ₱8.237 for the first quarter of fiscal 2008 from ₱6.914 billion recorded for the same quarter last year. Cost of sales and services went up due to increases 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 quarter of fiscal 2008 amounted to ₱2.622 billion, an increase of ₱337 million or 14.7% from ₱2.285 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 ₱149 million or 9.6% to ₱1.706 billion in the first quarter of fiscal 2008 from ₱1.557 billion recorded in the same quarter of fiscal 2007. This increase resulted primarily from the following factors:

- 14.4% or ₱69 million increase in freight and other selling expense to ₱547 million in the first quarter fiscal 2008 from ₱478 million in the same period last year. This was due to increase in trucking and shipping cost associated with higher fuel prices and increased volume.

- 14.9% or ₱46.0 million increase in compensation and benefits to ₱355 million in the first quarter of this year from ₱309 million of the same quarter last year due to annual salary adjustment and accrual of pension expense.

- 30.6% or ₱15 million increase in depreciation expense to ₱64 million in the first quarter of this year from ₱49 million of the same quarter 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 ₱188 million, or 25.8% to ₱916 million in the first quarter of fiscal 2008 from ₱728 million recorded in the first quarter of fiscal 2007.

Gain on sale of investment represents gain on sale of equity investment in Robinsons Land Corporation (RLC) shares recorded in the same quarter 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 ₱102 million or 22.8% to ₱347 million in the first quarter of fiscal 2008 from ₱449 million in the same quarter of fiscal 2007 due to continued appreciation of Philippine peso vis-à-vis US Dollar.

Mark-to-market loss on financial assets at FVPL represents the decrease in market values of investments in bonds partially offset by the increase in market values of equity securities.

Equity in net income of a joint venture amounted to ₱10 million, up by ₱4 million due to the higher net income of Hunt-Universal Robina Corporation this quarter of fiscal year 2008 against the same period last year.

Finance costs consist mainly of interest expense which decreased by ₱86 million or 18.9%, to ₱370 million in this quarter of fiscal year 2008 from ₱456 million recorded in the same period of fiscal 2007 due to continued appreciation of Philippine peso vis-à-vis US Dollar.

Impairment loss represents loss provision on receivables and BOPP fixed assets recorded in the same quarter last year.

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

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

URC's unaudited core earnings, which is operating profit after equity earnings, net finance and other charges for the first quarter of 2008 fiscal year (October 2007 to December 2007) reached ₱886 million from ₱768 million reported in the same period last year. URC's unaudited net income for the period declined by 93.5% to ₱234 million because of the absence of the non-recurring gain, foreign exchange translation loss due to a stronger peso, mark-to-market loss in our bond holdings resulting from the general drop in bond 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

December 31, 2007 vs. September 30, 2007

The Company remains to be strong with a current ratio of 2.2:1 as of December 31, 2007. Financial debt to equity ratio of 0.55:1 for the period is within comfortable level. Book value per share increased to ₱15.81 as at December 31, 2007 from ₱15.75 as at September 30, 2007. Total outstanding common shares for the quarter decreased by 30 million shares, to 2.192 billion shares from 2.222 billion shares of the same quarter of fiscal 2007. This was due to buy-back program approved and implemented by the Group'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 ₱1.529 billion for the first quarter of fiscal 2008 which is 17.2% higher than ₱1.305 billion recorded in the same quarter of last year. Net cash provided by operating activities for the three months ended December 31, 2007 was ₱1.213 billion. While, net cash used by investing activities for the period amounted to ₱415 million which is mainly due to acquisition of property and equipment of ₱851 million, partially offset from the sale of financial assets at FVPL of ₱422 million. Also, net cash used in financing activities amounted to ₱1.168 billion, mainly used to pay long-term debts and acquisition of company's shares.

As of December 31, 2007, 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 - Three months ended December 31, 2007 versus same period in fiscal 2007.

18.0% increase in sales was due to the following:
Net sales and services in URC's BCFG (excluding packaging) increased by ₱1.152 billion, or 16.9%, to ₱7.952 billion in the first quarter of fiscal 2008 from ₱6.800 billion recorded in the same quarter of fiscal 2007. This increase was primarily due to a 20.1% increase in net sales from BCFG's domestic operations which was largely driven by the strong performance of its beverage products which posted a 24.4% growth in sales value on the back of a 15.1% increase in volume. Revenue was also pushed up by new juice and water brands. Snackfoods posted a 21.5% growth on savory snacks, candies, chocolates and biscuits sales supported by an increase in sales volume of 13.5%. BCFG International sales increased by 8.5% to ₱2.020 billion weighed up by higher revenues from Thailand, Malaysia, China and Vietnam. In US dollar amount, sales registered an increase of 25.4% from $37 million posted in the first quarter of fiscal 2007 to $47 million registered in the first quarter of fiscal 2008 due mainly to increase in sales volume.

Net sales in URC's AIG amounted to ₱1.494 billion in the first quarter of fiscal 2008, an increase of ₱140 million or 10.4% from ₱1.354 billion recorded in same period last year. This was due to an 8.4% increase in the net sales of animal feeds due mainly to increase in average selling price. URC's Feeds business has successfully transformed itself to a branded feeds business with the successful promotion of its brand champions: Uno Feeds, Stargain and Supremo. The farm business likewise reported an increase in sales of 12.1% due to higher average selling prices.

Net sales in URC's CFG amounted to ₱1.049 billion in the first quarter of fiscal 2008 or up 42.2% from ₱737 million reported in the same period last year. This was primary due to increase in average selling prices.

19.1% increase in cost of sales
Due to increase in sales volume sold and rising cost of major raw materials this year.

9.2% increase in selling and distribution costs
Due to increase in freight and handling, compensation and benefits and consumer promotions.

10.8% 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 recorded this period.

22.8% decrease in finance revenue
Due to disposal of financial assets at FVPL and continuing appreciation of the Philippine peso vis-à-vis US dollar.

138.3% decrease in mark-to-market gain on financial assets at FVPL
Due to decrease in market values of investments in bonds partially offset by the increase in market values of traded equity securities.

60.5% increase in equity in net income of a joint venture
Due to higher equity share in net income of HUR.

18.9% decrease in finance costs
Due to payments of amortization of 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.

348.5% 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.

141.3% decrease in other revenue (expenses)-net
Due to increase in other miscellaneous expenses net of gain on sale of fixed assets and rental income.

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 in the same quarter last year.

156.9% decrease in minority interest
Due to net loss of URC International.

Balance sheets – December 31, 2007 versus September 30, 2007

9.1 % decrease in cash and cash equivalents
Due to decrease in cash in bank and short-term money market placements.

8.8% decrease in financial assets at fair value through profit and loss
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.

26.3% increase in inventories
Due to increase in finished goods, raw materials, materials-in-transit and spareparts inventories to meet sales demand and fixed assets' maintenance.

6.3% increase in other current assets
Due to deferred expenses on premilling costs of sugar business to be charged off during milling operation.

10.6% increase in biological assets
Due to increase in population of livestocks net of decreased market prices of hogs.

20.9% decrease in net pension assets
Due to accrued pension expense.

10.8% increase in investment in a joint venture
Due to higher equity share in net income for the period.

382.1% increase in trust receipts and acceptance payable
Due to increase in importations of raw materials.

55.7 % increase in income tax payable
Due to additional tax for the quarter net of payment.

8.8% decrease in long term debt (including current portion)
Due to long term debt amortization and appreciation of the Philippine peso vis-à-vis US dollar.

11.9% increase in deferred income tax
Due to deferred tax expense provision on unrealized foreign exchange gains of the parent company.

16.2% decrease in cumulative translation adjustments
Due to continued 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 December 2007	YTD December 2006	Index
Revenue	₱10,859	₱9,199	118
EBIT	916	728	126
EBITDA	1,529	1,305	117
Net Income	234	3,609	6
Total assets	58,871	58,806	100

URC International	YTD December 2007	YTD December 2006	Index
Revenue	₱2,020	₱ 1,862	108
EBIT	(36)	(37)	97
EBITDA	132	123	108
Net Income (loss)	(78)	53	(148)
Total assets	8,520	9,153	93

Nissin - URC	YTD December 2007	YTD December 2006	Index
Revenue	₱286	₱254	113
EBIT	24	26	92
EBITDA	32	34	94
Net Income	19	20	96
Total assets	782	711	110

URC Philippines, Limited	YTD December 2007	YTD December 2006	Index
Revenue	₱–	₱–	–
EBIT	–	–	–
EBITDA	–	–	–
Net Income (loss)	(403)	482	(184)
Total assets	16,327	19,064	86

Universal Robina (Cayman), Ltd.	YTD December 2007	YTD December 2006	Index
Revenue	₱–	₱–	–
EBIT	–	–	–
EBITDA	–	–	–
Net Income (loss)	(331)	30	(1,103)
Total assets	233	279	84

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 2/14/08

CONSTANTE T. SANTOS
Senior Vice President – Corporate Controller
Date 2/14/08

GERALDO N. FLORENCIO
First Vice President – Controller
Date 2/14/08

UNIVERSAL ROBINA CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(In Thousand Pesos)

	Unaudited December 31 2007	Audited September 30 2007
ASSETS		
Current Assets		
Cash and cash equivalents (Note 3)	**₱4,596,059**	₱5,055,486
Financial assets at fair value through profit and loss (Note 4)	**15,073,326**	16,536,713
Receivables - net (Note 5)	**5,439,147**	5,239,852
Inventories (Note 6)	**7,451,817**	5,899,214
Other current assets	**645,409**	607,358
Total Current Assets	**33,205,758**	33,338,623
Noncurrent Assets		
Property, plant and equipment - net	**22,503,618**	22,266,666
Biological assets	**1,161,590**	1,050,569
Goodwill - net	**844,548**	844,548
Investments in a joint venture (Note 7)	**99,564**	89,873
Investment properties (Note 8)	**81,702**	82,602
Net pension assets	**73,197**	92,534
Other noncurrent assets	**901,036**	908,684
Total Noncurrent Assets	**25,665,255**	25,335,476
	₱58,871,013	₱58,674,099
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term debt	**₱4,222,462**	₱4,308,381
Accounts payable and other accrued liabilities (Note 9)	**4,486,036**	4,276,258
Trust receipts and acceptances payable	**1,857,255**	385,279
Income tax payable	**185,629**	119,192
Current portion of long-term debt (Note 10)	**4,576,527**	5,072,751
Total Current Liabilities	**15,327,909**	14,161,861
Noncurrent Liabilities		
Long-term debt - net of current portion (Note 10)	**8,322,516**	9,064,974
Deferred income tax liabilities - net	**505,366**	451,560
Total Noncurrent Liabilities	**8,827,882**	9,516,534
Total Liabilities	**24,155,791**	23,678,395

(Forward)

	Unaudited December 31	Audited September 30
Equity		
Equity attributable to equity holders of the parent		
Paid-up capital (Note 11)	**13,429,514**	13,429,514
Retained earnings (Note 11)	**20,544,634**	20,300,464
Treasury shares (Note 11)	**(425,865)**	–
Deposits for future stock subscriptions (Note 11)	**26,044**	26,044
Cumulative translation adjustments	**456,081**	544,387
	34,030,408	34,300,409
Equity attributable to minority interests	**684,814**	695,295
Total Equity	**34,715,222**	34,995,704
	₱58,871,013	₱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)

	Three Months Ended December 31	
	2007	2006
SALE OF GOODS AND SERVICES	**₱10,859,150**	₱9,199,029
COST OF SALES	**8,236,687**	6,913,509
GROSS PROFIT	**2,622,463**	2,285,520
SELLING AND DISTRIBUTION COSTS	**(1,319,558)**	(1,208,472)
GENERAL AND ADMINISTRATIVE EXPENSES	**(386,190)**	(348,503)
GAIN ON SALE OF INVESTMENT	**–**	2,858,765
FINANCE REVENUE	**346,538**	449,092
MARKET VALUATION GAIN (LOSS) ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	**(188,747)**	493,450
EQUITY IN NET INCOME OF A JOINT VENTURE	**9,691**	6,039
FINANCE COSTS	**(370,303)**	(456,442)
IMPAIRMENT LOSS	**-**	(435,000)
FOREIGN EXCHANGE LOSS - NET	**(275,550)**	(61,441)
OTHER REVENUE (EXPENSES) - NET	**(16,814)**	40,672
INCOME BEFORE INCOME TAX	**421,530**	3,623,680
PROVISION FOR INCOME TAX	**187,841**	14,398
NET INCOME	**₱233,689**	₱3,609,282
ATTRIBUTABLE TO		
Equity holders of the parent	**₱244,170**	₱3,590,872
Minority interest	**(10,481)**	18,410
	₱233,689	₱3,609,282
BASIC/DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT (Note 12)	**₱.11**	**₱1.62**

See accompanying Notes to Unaudited Consolidated Financial Statements.

UNIVERSAL ROBINA CORPORATION AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousand Pesos)

	Three Months Ended December 31	
	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax and minority interest	**₱421,530**	₱3,623,680
Adjustments for:		
Depreciation, amortization and provision for impairment loss	**611,986**	1,012,328
Finance cost	**370,303**	456,443
Finance revenue	**(346,538)**	(449,092)
Net unrealized foreign exchange loss	**197,902**	61,441
Market valuation (gain) loss on financial instruments at fair value through profit and loss	**188,747**	(493,450)
Gain arising from changes in fair value less estimated point-of-sale cost of swine stocks	**(87,781)**	–
Equity in net income of a joint venture	**(9,691)**	(6,039)
Gain on sale of financial assets at FVPL	**(3,136)**	–
Gain on sale of property and equipment	**(7,731)**	(2,983)
Gain on sale of investment	**–**	(2,858,765)
Operating income before changes in working capital	**1,335,591**	1,343,563
Decrease (increase) in:		
Receivables	**(615,265)**	(343,621)
Inventories	**(1,552,603)**	(935,783)
Other current assets	**(38,052)**	(30,153)
Increase (decrease) in:		
Accounts payable and accrued expenses	**382,301**	(250,789)
Trust receipts and acceptances payable	**1,471,976**	(558,414)
Cash generated (used in) operations	**983,948**	(775,197)
Interest received	**327,664**	362,388
Income taxes paid	**(67,598)**	(39,195)
Interest paid	**(120,552)**	(312,417)
Net cash provided by (used in) operating activities	**1,123,462**	(764,421)

(Forward)

	Three Months Ended December 31	
	2007	2006
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(850,938)**	(734,447)
Proceeds from sale of property, plant and equipment	**9,731**	10,477
Net disposal of financial assets at		
fair value through profit or loss	**422,459**	447,460
Proceeds from sale of investment in an associate	**–**	4,750,661
Decrease (increase) in:		
Investment in a joint venture	**–**	6,039
Net pension assets	**19,337**	
Biological assets	**(23,240)**	(40,627)
Other assets	**7,648**	(4,777)
Net cash provided (used in) by investing activities	**(415,003)**	4,434,786
Net payments of:		
Short-term borrowings	**(85,919)**	(868,480)
Long - term debt	**(656,102)**	(3,147,068)
Acquisition of company's shares	**(425,865)**	
Net cash used in financing activities	**(1,167,886)**	(4,015,548)
NET DECREASE IN CASH		
AND CASH EQUIVALENTS	**(459,427)**	(345,183)
CASH AND CASH EQUIVALENTS AT		
BEGINNING OF YEAR	**5,055,486**	5,979,875
CASH AND CASH EQUIVALENTS AT END OF YEAR	**₱4,596,059**	₱5,634,692

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)

	Three Months Ended December 31	
	2007	2006
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 year	**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 10)		
Appropriated		
Balance at beginning of year	**3,000,000**	3,000,000
Balance at end of period	**3,000,000**	3,000,000
Unappropriated		
Balance at beginning of year	**17,300,464**	13,254,341
Net income	**244,170**	3,590,872
Balance at end of period	**17,544,634**	16,845,213
Balance at end of period	**20,544,634**	19,845,213
TREASURY SHARES (Note 11)		
Balance at beginning of year	**–**	–
Acquisition	**(425,865)**	–
Balance at end of period	**(425,865)**	–
DEPOSITS FOR FUTURE STOCK SUBSCRIPTIONS		
Balance at beginning of year	**26,044**	26,044
Application of deposit	**–**	–
Balance at end of period	**26,044**	26,044
CUMULATIVE TRANSLATION ADJUSTMENTS		
Balance at beginning of year	**544,387**	765,869
Adjustments	**(88,306)**	(3,650)
Balance at end of period	**456,081**	762,219

(Forward)

	Three Months Ended December 31	
	2007	2006
ATTRIBUTABLE TO MINORITY INTEREST EQUITY		
Balance at beginning of year	**695,295**	751,245
Adjustments	**(10,481)**	172,993
Balance at end of period	**684,814**	924,238
	₱34,715,222	₱34,987,228

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 Group's financial statements beginning the fiscal year ended 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)
- Philippine Interpretation IFRIC 12, *Service Concession Arrangements,* (effective for annual periods beginning on or after January 1, 2008)
- Philippine Interpretation IFRIC 13, *Customer Loyalty Programmes* (effective for annual periods beginning on or after July 1, 2008)
- Philippine Interpretation IFRIC 14, *PAS 19, The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* (effective for annual periods beginning on or after January 1, 2008)

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 2007	2006
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 Asean Brands Co., Ltd.	- do -	**77.00**	77.00
Hong Kong China Foods Co., Ltd.	- do -	**77.00**	77.00
URC International Co. Ltd. (URCICL)	- do -	**77.00**	77.00
Universal Robina (Cayman), Ltd. (URCL)	Cayman Islands	**100.00**	100.00
Shanghai Peggy Foods Co., Ltd.	China	**100.00**	100.00
Tianjin Pacific Foods Manufacturing Co., Ltd.	- do -	**100.00**	100.00
URC China Commercial Co. Ltd.	- do -	**100.00**	100.00
Xiamen Tongan Pacific Food Co., Ltd.	- do -	**100.00**	100.00
Panyu Peggy Foods Co., Ltd.	- do -	**90.00**	90.00
URC Hong Kong	Hong Kong	**100.00**	100.00
PT URC Indonesia	Indonesia	**100.00**	100.00
Ricellent Sdn. Bhd.	Malaysia	**54.03**	54.03
URC Snack Foods (Malaysia) Sdn. Bhd. (formerly Pacific World Sdn. Bhd.)	- do -	**91.52**	91.52
URC Foods (Singapore) Pte. Ltd. (formerly Pan Pacific Snacks Pte. Ltd.)	Singapore	**100.00**	100.00
Acesfood Network Pte. Ltd.	- do -	**96.08**	–
URC (Thailand) Co., Ltd. (formerly Thai Peggy Foods Co. Ltd.)	Thailand	**100.00**	100.00
URC Vietnam Co., Ltd.	Vietnam	**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 December 31, 2007	Audited September 30, 2007
Cash on hand	**115,222**	₱137,847
Cash in banks	**336,684**	525,903
Short-term investments	**4,144,153**	4,391,736
	₱4,596,059	₱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 5.4% and 4.1% to 5.8%, in December 31, 2007 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 December 31, 2007	Audited September 30, 2007
Private bonds	**₱9,051,844**	₱9,981,812
Government securities	**3,703,966**	4,352,249
Equity securities	**2,317,516**	2,202,652
	₱15,073,326	₱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 (₱189) million and ₱493 million in the first quarter of fiscal year 2008 and 2007, respectively.

5. Receivables

This account consists of:

	Unaudited December 31, 2007	Audited September 30, 2007
Trade receivables	**₱3,392,225**	₱3,446,812
Due from related parties	**883,074**	592,102
Interest receivable	**429,342**	410,468
Advances to officers, employees and suppliers	**459,139**	441,907
Others	**484,068**	557,264
	5,647,848	5,448,553
Less allowance for impairment loss	**208,701**	208,701
	₱5,439,147	₱5,239,852

6. Inventories

This account consists of:

	Unaudited December 31, 2007	Audited September 30, 2007
At cost:		
Raw materials	**₱1,880,067**	₱1,855,797
Finished goods	**1,777,849**	1,354,054
	3,657,916	3,209,851
At NRV:		
Goods in-process	**143,639**	127,881
Containers and packaging materials	**995,744**	959,536
Spare parts and supplies	**1,126,933**	904,731
	2,266,316	1,992,148
Materials in-transit	**1,527,585**	697,214
	₱7,451,817	₱5,899,214

7. Investment in a Joint Venture

This account consists of:

	Unaudited December 31, 2007	Audited September 30, 2007
Acquisition Cost		
Balance at beginning of year	**₱1,250**	₱1,197,594
Disposal	**–**	(1,196,344)
Balance at end of year	**1,250**	1,250
Accumulated Equity in Net Earnings		
Balance at beginning of year	**88,623**	760,887
Equity in net earnings during the year	**9,691**	23,288
Disposal	**–**	(695,552)
Balance at end of year	**98314**	88,623
Net Carrying Value	**₱99,564**	₱89,873

The Parent Company has an 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 December 31, 2007	Audited September 30, 2007
Cost		
Balance at beginning of year	**₱107,947**	₱107,947
Accumulated Depreciation		
Balance at beginning of year	**25,345**	21,747
Depreciation	**900**	3,598
Balance at end of year	**26,245**	25,345
Net Book Value	**₱81,702**	₱82,602

9. Accounts Payable and Other Accrued Liabilities

This account consists of:

	Unaudited December 31, 2007	Audited September 30, 2007
Trade payables	**₱2,993,455**	₱2,649,138
Accrued expenses	**951,143**	1,151,334
Due to related parties	**137,903**	115,764
Customers' deposits	**60,025**	58,132
Others	**343,510**	301,890
	₱4,486,036	₱4,276,258

10. Long-term Debt

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

	Maturities	Interest Rates	Unaudited December 31, 2007	Audited September 30, 2007
Parent Company:				
Foreign currencies				
HypoVereinsbank term loan facilities	Various dates through 2009	EURIBOR/ USD LIBOR + 0.75%	**₱127,470**	₱214,084
Philippine peso				
Metrobank loan	Various dates through 2007	3 months MART 1 + 1.00% to 2.00%	**–**	–
			127,470	214,084
Subsidiaries:				
Foreign currencies:				
URCPL US$125 million guaranteed notes	2008	9.00%	**4,506,387**	4,912,482
URC US$200 million guaranteed notes	2012	8.25%	**8,212,823**	8,958,805
			12,719,219	13,871,287
Philippine Peso				
Philippine Sugar Corporation restructured loan	2013	7.50%	**52,354**	52,354
			12,771,573	13,923,641
			12,899,043	14,137,725
Less current portion			**4,576,527**	5,072,751
			₱8,322,516	₱9,064,974

The decrease in the outstanding balances of the guaranteed notes due 2008 and 2012 was mainly due to effect of exchange rate of Philippine Peso vis-à-vis US Dollar to US$1: ₱41.28 on December 31, 2007 from US$1: ₱45.04 on September 30, 2007.

11. **Equity**

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

	December 31, 2007	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 year	**–**	–
Balance at end of year	**2,221,851,481**	2,221,851,481
Less treasury shares	**30,102,000**	–
Outstanding Shares	**2,191,749,481**	2,221,851,481

On November 13, 2007, the Group's BOD approved the creation and implementation of a share buy-back program alloting 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 December 31, 2007 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 year attributable to common shareholders by the weighted average number of common shares outstanding during the year (adjusted for any stock dividends).

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

	Three Months Ended December 31	
	2007	2006
Net income attributable to equity holders of the parent	**₱244,170**	₱3,590,872
Weighted average number of common shares	**2,195,941,739**	2,221,851,481
Basic/dilutive EPS	**₱0.11**	₱1.62

There were no potential dilutive shares in the first quarter of fiscal 2008 and 2007. As of December 31, 2007, the Company's outstanding common stock is 2,191,749,481 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	
	December 31					
	2007	2006	**2007**	2006	**2007**	2006
BCFG	**₱7,952,023**	₱6,799,946	**₱25,912,857**	₱24,532,480	**₱6,864,961**	₱6,691,823
AIG	**1,494,293**	1,354,022	**4,232,284**	3,156,184	**1,222,647**	656,738
CFG	**1,048,501**	737,474	**7,941,582**	5,869,207	**2,322,853**	899,688
Packaging	**364,333**	307,587	**1,118,049**	1,148,602	**180,689**	236,034
Corporate Businesses			**19,666,241**	24,099,601	**13,565,371**	15,334,564
	₱10,859,150	₱9,199,029	**₱ 58,871,013**	₱58,806,074	**₱ 24,155,791**	₱ 23,818,847

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 December 31, 2007 that requires disclosures for the period.