



UNIVERSAL ROBINA CORPORATION

# FY2012 Nine Months Results

August 15, 2012

# AGENDA

9M FY12 FINANCIAL PERFORMANCE

PLANS AND EXPECTATIONS



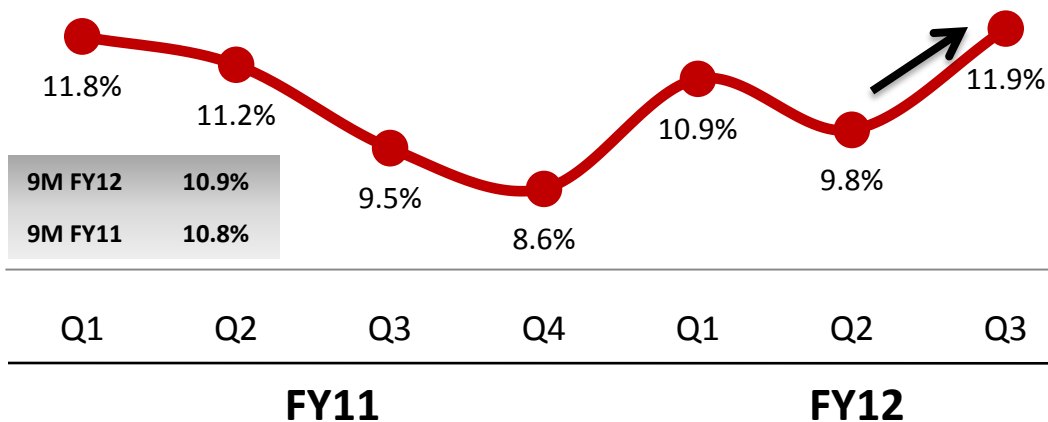
# URC: Sustained sales growth and improved margins

## Financial Highlights

(Php Billions)

	9M FY12	vs. SPLY	Q3 FY12	vs. SPLY
Net Sales	53.0	↑ 5%	17.9	↑ 4%
EBIT	5.8	↑ 6%	2.1	↑ 30%
Core Earnings	6.1	↑ 7%	2.3	↑ 33%
Net Income	6.1	↑ 24%	1.6	↓ 1%

### EBIT Margin



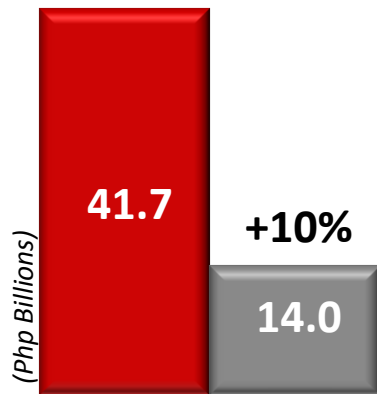
- Maintained sales growth driven by Branded Foods Philippines
- Higher EBIT mainly due to better income from Branded Foods
- YTD margins are already at par vs. SPLY
- Core Earnings up vs. SPLY due to higher net finance revenue
- Net income increase due to marked-to-market gains on investments

# Total BCFG sales still growing double digits

## Total BCFG\*

(% change vs. SPLY)

**+11%**



Net Sales

■ 9M ■ Q3

FY12	EBIT Margin	bps vs. SPLY
9M	9.8%	+27 bps
Q3	9.8%	+111 bps

**+14%**



EBIT

\*including Packaging

- BCFG Revenues continue to be buoyant with significant growth in operating income
- BCFG margins already at par vs. SPLY
- Branded Foods Philippines exceeding expectations, driven by new products
- Solid performance of Vietnam offset by softer sales in Thailand and China

(Php Billions)

### PHILIPPINES

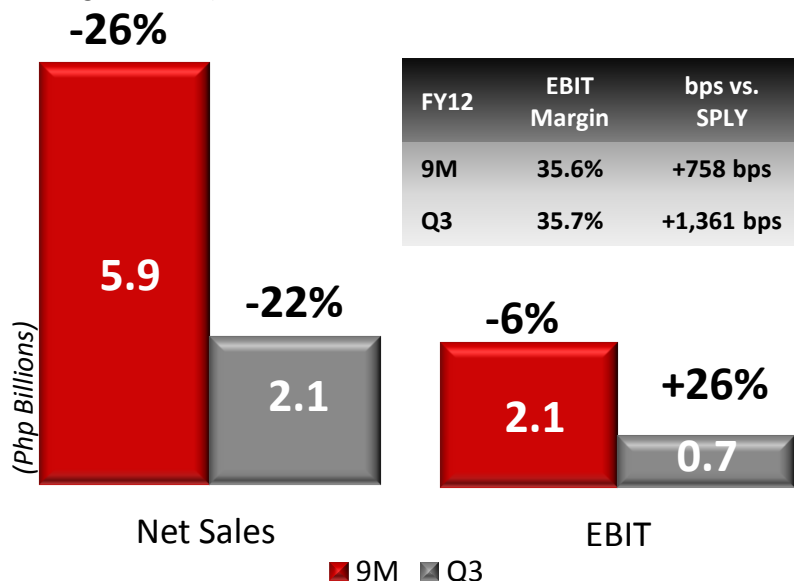
### INTERNATIONAL

	9M FY12	growth/bps vs. SPLY	Q3 FY12	growth/bps vs. SPLY	9M FY12	growth/bps vs. SPLY	Q3 FY12	growth/bps vs. SPLY
Net Sales	25.2	↑ 15%	8.6	↑ 19%	15.1	↑ 5%	4.9	↓ 2%
EBIT	2.8	↑ 13%	1.0	↑ 36%	1.4	↑ 25%	0.4	↑ 10%
EBIT Margin	11.0%	-22 bps	11.5%	+142 bps	9.2%	+148 bps	8.1%	+93 bps

# CFG on the way to profit recovery

## Total CFG

(% change vs. SPLY)



FY12	EBIT Margin	bps vs. SPLY
9M	35.6%	+758 bps
Q3	35.7%	+1,361 bps

- Top line below last year due to the lower selling price of sugar
- Margin recovery evident in Q3
- Flour sales and EBIT flattish for the quarter but still healthy on a YTD basis
- Improving selling prices and lower subsidies helping Sugar EBIT to recover

(Php Billions)

### FLOUR

	9M FY12	growth/bps vs. SPLY	Q3 FY12	growth/bps vs. SPLY
Net Sales	3.2	↑ 11%	1.0	↓ 1%
EBIT	1.0	↑ 11%	0.3	↓ 0%
EBIT Margin	33.1%	+11 bps	36.1%	+19 bps

### SUGAR

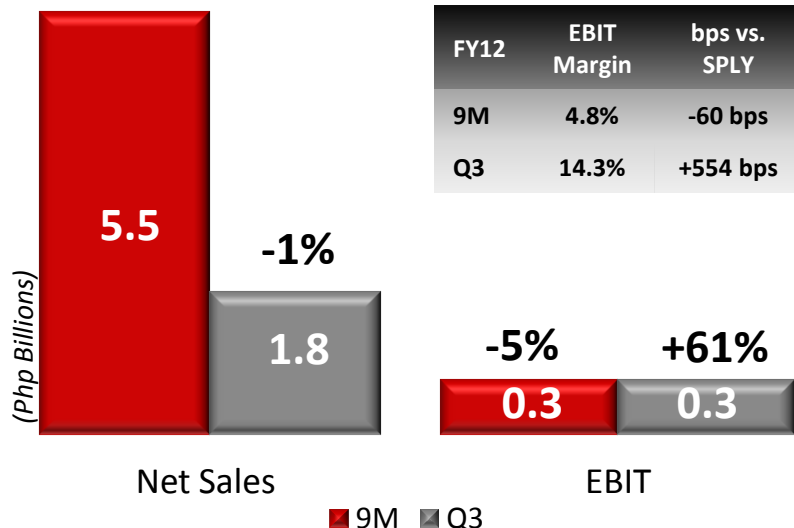
	9M FY12	growth/bps vs. SPLY	Q3 FY12	growth/bps vs. SPLY
Net Sales	2.7	↓ 46%	1.1	↓ 34%
EBIT	1.1	↓ 18%	0.4	↑ 64%
EBIT Margin	38.6%	+1,328 bps	35.3%	+2,109 bps

# Positive income contribution from AIG

## Total AIG

(% change vs. SPLY)

**+7%**



FY12	EBIT Margin	bps vs. SPLY
9M	4.8%	-60 bps
Q3	14.3%	+554 bps

- Total Q3 sales slightly down due to lower Feeds volumes but YTD still up
- Total EBIT now positive
- Feeds continue to be more profitable vs. last year due to better margins
- Farms has started its recovery in Q3 due to better pork prices

(Php Billions)

### FARMS

### FEEDS

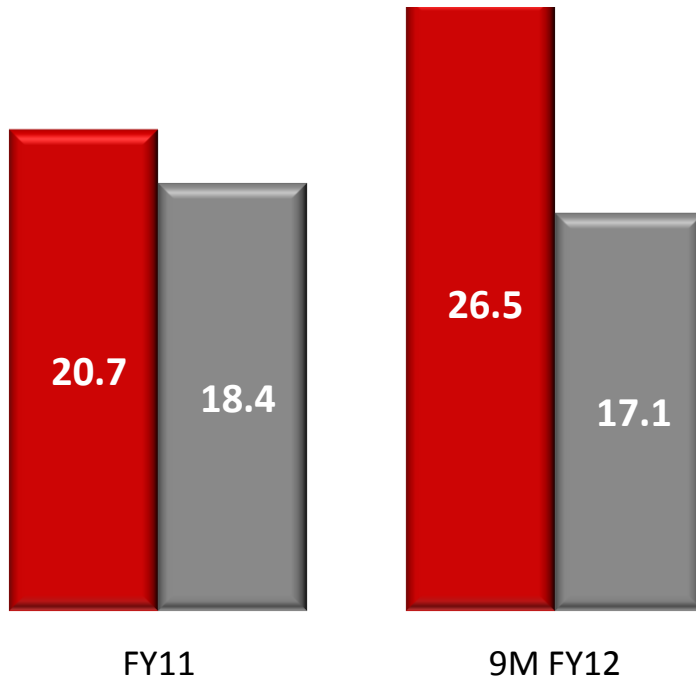
	9M FY12	growth/bps vs. SPLY	Q3 FY12	growth/bps vs. SPLY	9M FY12	growth/bps vs. SPLY	Q3 FY12	growth/bps vs. SPLY
Net Sales	2.7	6%	0.9	0%	2.8	8%	0.9	2%
EBIT*	-0.0	165%	0.2	109%	0.3	31%	0.1	13%
EBIT Margin	-1.2%	-312 bps	18.1%	+944 bps	10.7%	+181 bps	10.3%	+142 bps

\*includes marked-to-market revaluation gain of Php 177M for Q3, Php 73M for 9M

# Strong balance sheet

## Cash and Financial Debt

(Php Billions)

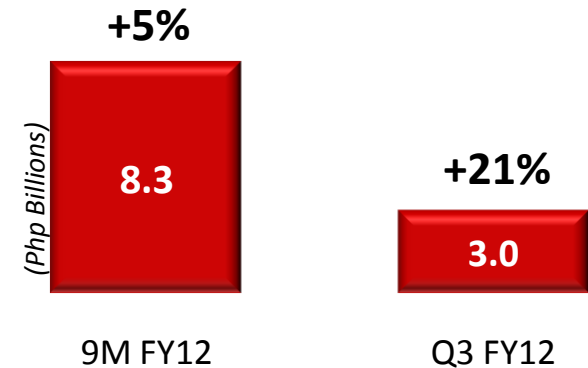


■ Cash + Financial Assets at FVPL + AFS

■ Financial Debt

- Net cash position of Php 9.4B as of 9M FY12 as we sold most of our treasury shares
- Gearing at 0.3 vs. 0.4 in FY11
- EBITDA remains healthy

## EBITDA



# AGENDA

9M FY12 FINANCIAL PERFORMANCE

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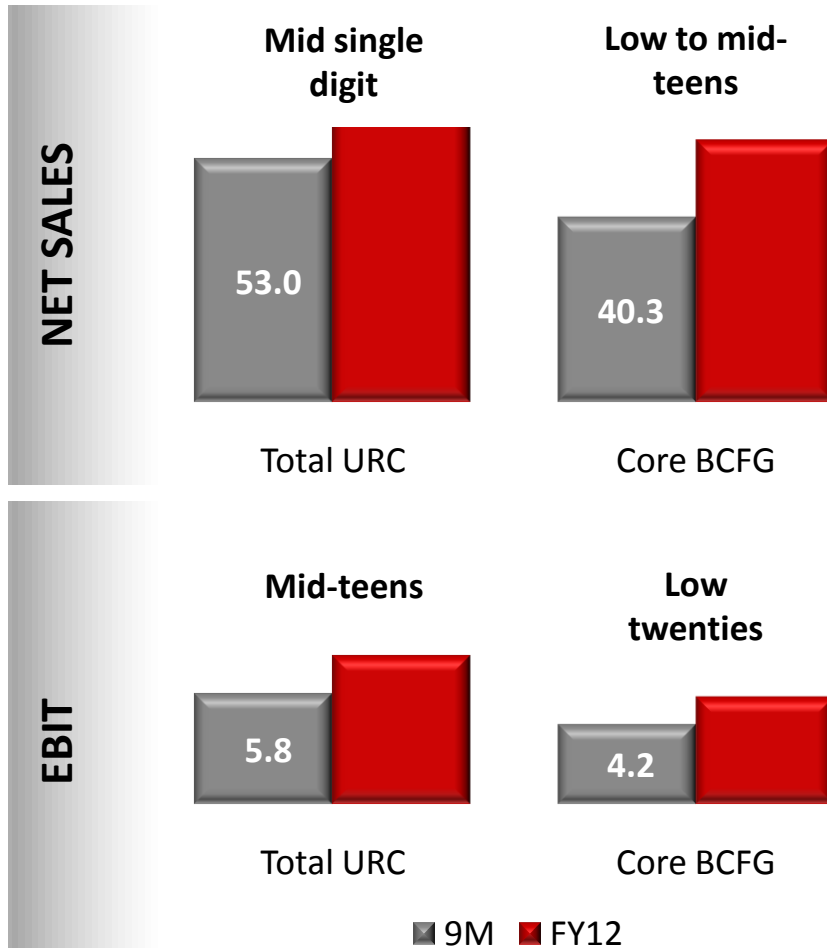




# Outlook and Plans

## Overall Guidance

(Php Billions)



- BCFG Philippines will continue its growth momentum while International will recover with Thailand slowly peaking up in the Q4
- Potential headwinds ahead with rising commodity prices
- Continue to rationalize prices to protect margins
- Continue to launch strategic new products and add capacities
- Other businesses (CFG and AIG) expected to contribute good operating income for FY2012

# Update on Acquisition

## Background & Rationale

- URC owns 77% of the international branded foods (URC International Co. Ltd.) business with 23% owned by a minority shareholder, International Horizons Investment Ltd.
- Acquisition of the URCI shares of International Horizons will allow URC to consolidate 100% of the earnings of URCI
- URCI is the fastest growing portion of the group with growth businesses across the ASEAN region

## Next Steps

- The management of Universal Robina was delegated by the board to negotiate the acquisition of the 23% stake of International Horizons last July 31, 2012
- Management presented to the independent directors an indicative valuation in foreign currency equivalent to P7.2B
- Indicative valuation for 100% of URCI is P31.3B which is 15.5x FY2013 earnings and below URC's 16.7x FY2013 consensus PER
- Transaction is expected to be completed by September 2012



**THANK YOU**



# Income Statement

(Php Millions)	9M FY12	9M FY11	vs. SPLY
<b>NET SALES</b>	<b>53,049</b>	<b>50,578</b>	<b>5%</b>
Cost of sales	39,418	38,096	3%
<b>GROSS PROFIT</b>	<b>13,631</b>	<b>12,481</b>	<b>9%</b>
Operating expenses	(7,851)	(7,027)	12%
<b>OPERATING INCOME</b>	<b>5,780</b>	<b>5,454</b>	<b>6%</b>
Equity in net income	23	17	
Finance revenue (cost)- net	356	199	
Other revenues (expenses)	(33)	60	
<b>CORE EARNINGS</b>	<b>6,126</b>	<b>5,730</b>	<b>7%</b>
Market valuation gain (loss)	1,031	(81)	
Impairment loss	-	(3)	
Foreign exchange gain (loss)	(425)	(216)	
<b>INCOME BEFORE INCOME TAX</b>	<b>6,733</b>	<b>5,431</b>	<b>24%</b>
Provision for income tax	607	491	
<b>NET INCOME</b>	<b>6,126</b>	<b>4,940</b>	<b>24%</b>
Net income attributable to holders of the parent	5,745	4,546	
<b>EBITDA</b>	<b>8,305</b>	<b>7,921</b>	<b>5%</b>

# Balance Sheet

(Php Millions)	9M FY12	FY11
Cash & cash equivalents (including Financial assets at FVPL and AFS)	26,475	20,711
Other current assets	21,559	18,707
Property, plant and equipment	27,073	26,423
Other noncurrent assets	2,315	2,533
<b>TOTAL ASSETS</b>	<b>77,422</b>	<b>68,374</b>
Current liabilities	22,363	23,083
Long term debt	2,989	3,002
Other noncurrent liabilities	351	262
<b>TOTAL LIABILITIES</b>	<b>25,703</b>	<b>26,347</b>
Retained earnings	30,966	29,138
Other equity	20,753	12,889
<b>TOTAL EQUITY</b>	<b>51,719</b>	<b>42,027</b>

# Division Financials

(Php Millions)	SALES			EBIT			EBIT MARGIN		
	9M FY12	9M FY11	vs. SPLY	9M FY12	9M FY11	vs. SPLY	9M FY12	9M FY11	PP vs. SPLY
<b>BCFG</b>	<b>41,697</b>	<b>37,556</b>	<b>11%</b>	<b>4,103</b>	<b>3,594</b>	<b>14%</b>	<b>10%</b>	<b>10%</b>	<b>0%</b>
Philippines	25,221	21,849	15%	2,782	2,459	13%	11%	11%	0%
Packaging	1,404	1,294	9%	(62)	27	-326%	-4%	2%	-6%
Total Philippines	26,625	23,143	15%	2,721	2,486	9%	10%	11%	-1%
International	15,072	14,413	5%	1,382	1,108	25%	9%	8%	1%
<b>CFG (net)</b>	<b>5,888</b>	<b>7,927</b>	<b>-26%</b>	<b>2,097</b>	<b>2,222</b>	<b>-6%</b>	<b>36%</b>	<b>28%</b>	<b>8%</b>
Flour	3,154	2,851	11%	1,043	939	11%	33%	33%	0%
Sugar	2,733	5,076	-46%	1,054	1,283	-18%	39%	25%	14%
<b>AIG (net)</b>	<b>5,464</b>	<b>5,095</b>	<b>7%</b>	<b>261</b>	<b>274</b>	<b>-5%</b>	<b>5%</b>	<b>5%</b>	<b>0%</b>
Feeds	2,750	2,537	8%	294	225	31%	11%	9%	2%
Farms	2,714	2,558	6%	(32)	49	-165%	-1%	2%	-3%
<b>Corporate</b>				<b>(681)</b>	<b>(636)</b>				
<b>TOTAL URC</b>	<b>53,049</b>	<b>50,578</b>	<b>5%</b>	<b>5,780</b>	<b>5,454</b>	<b>6%</b>	<b>11%</b>	<b>11%</b>	<b>0%</b>

# Key Financials (Actual and Projections) for URC International

(US\$m)	2010A	2011A	2012E	2013E
Revenues	315.5	440.2	479.2	551.1
EBIT	30.7	35.8	40.7	46.8
EBITDA	51.5	57.6	63.1	78.4
Net income	25.4	33.0	43.0	48.5
Cash	15.8	17.8	26.3	31.5
Debt	11.0	9.8	10.6	11.1
Net debt	-4.8	-8.0	-15.7	-20.4

# Market Shares

## Philippines

CATEGORY	MARKET SHARE	#1	#2	#3
Snacks	42%	URC	25%	12%
Candies	44%	URC	12%	9%
Chocolates	25%	URC	9%	8%
Biscuits	17%	35%	30%	URC
Cookies	31%	URC	27%	9%
Pretzels	46%	URC	29%	14%
Canned Beans	83%	URC	6%	4%
Cup Noodles	41%	51%	URC	1%
RTD Tea	73%	URC	9%	7%
Coffee	10%	63%	23%	URC
Instant Coffee	19%	79%	URC	2%
Coffee Mixes	5%	53%	37%	URC

AC Nielsen Survey MAT: Snacks- May/June 12, Candies- March/April 12, Chocolates- April/May 12, Canned Beans- May 12, Biscuits- April/May 12, Cup Noodles- June 12, RTD Tea- June 12, Instant Coffee- June 12

## Thailand

CATEGORY	MARKET SHARE	#1	#2	#3
Biscuits	23%	URC	11%	10%
Wafers	26%	URC	18%	14%

Source: AC Nielsen Retail Index May 12

## Vietnam

CATEGORY	MARKET SHARE	#1	#2
RTD Tea	39%	53%	URC

Source: AC Nielsen Retail Index June 12 (6 key cities)

**JACK 'n' JILL**

*Life's Fun!*

