



## **PRESS RELEASE**

*Embargoed until 12 February 2019*

### **RHI 's Q1 Net Loss From Continuing Operations Higher at PhP109M**

**MANILA, PHILIPPINES** – Listed Roxas Holdings, Inc. (PSEi: ROX) (RHI) today reported that based on its unaudited financial and operating results, its consolidated net loss from continuing operations for the first quarter increased to PhP109 million from a net loss of PhP90 million for the same period last year.

Chairman Pedro E. Roxas said that due to the cyclical nature of the business, the Group's first quarter performance is historically slow as off-season repair and maintenance activities for the alcohol plants and the sugar refinery are done then, with only the sugar mill in Negros starting operations in September.

"We expect operations to start picking up in the next two quarters," Mr. Roxas said. "We inaugurated last November 2018 the two anaerobic digesters (ADs) at San Carlos Bioenergy, Inc. (SCBI). We anticipate to see the full benefits from these facilities in the succeeding quarters."

President and CEO Hubert D. Tubio said the Group's sugar business was also affected by the decline of sugar prices in reaction to the heightened calls of food firms for the government to allow the importation of sugar, and the lower yield primarily due to changing weather conditions.

"We had assumed that the price of raw sugar will hold during the first quarter, considering that it was the start of the milling season. However, sugar prices dropped significantly in December in reaction to the increasing clamor of food firms for the government to allow them to import sugar," Mr. Tubio said. He also noted that the lower yield resulted from significant weather changes, which affected the quality of sugarcanes.

Executive Vice President and Chief Finance Officer Celso T. Dimarucut said the net loss from discontinued operations totaled PhP88 million. "The amount represents the results of operations of Central Azucarera Don Pedro, Inc. (CADPI) which was classified as held for sale following the Group's decision to sell the subsidiary's assets to focus on its businesses in Negros," Mr. Dimarucut said.



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This press release may contain some statements which constitute “forward-looking statements” that are subject to a number of risks and uncertainties that could affect RHI’s business and results of operations. Although RHI believes that expectations reflected in any forward-looking statements are reasonable, it cannot guarantee future performance, action or events.

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### **ABOUT RHI**

Roxas Holdings, Inc.(RHI) is the largest integrated sugar and ethanol producer in the Philippines, and a first mover in agribusiness in the country. It manages sugar miller and refiner Central Azucarera Don Pedro, Inc. (CADPI) in Nasugbu, Batangas; and the following plants in Negros Occidental: sugar miller Central Azucarera de la Carlota, Inc. (CACI), ethanol producer Roxol Bioenergy Corporation (RBC), and RHI Agri0business Development Corporation (RHI ADC) – all in La Carlota City; ethanol producer San Carlos Bioenergy, Inc. (SCBI) in Sa Carlos City; and affiliate sugar miller Hawaiian-Philippine Company in Silay Ciry. RHI is listed on the Philippine Stock Exchange (PSEi: ROX). Further information can be obtained by visiting its website at [www.roxasholdings.com.ph](http://www.roxasholdings.com.ph).

**ROXAS HOLDINGS, INC. AND SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

**DECEMBER 31, 2018**

*(With Comparative Audited Balances as at September 30, 2018)*

**(Amounts in Thousands)**

	<b>December 31, 2018 (Unaudited)</b>	September 30, 2017 (As restated)
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	<b>₱550,462</b>	₱295,149
Trade and other receivables	<b>3,075,430</b>	3,040,355
Inventories	<b>2,011,775</b>	2,646,188
Other current assets	<b>1,436,186</b>	1,204,288
	<b>7,073,853</b>	7,185,980
<b>Assets Held for Sale</b>	<b>6,525,072</b>	6,525,072
	<b>13,598,925</b>	13,711,052
<b>Noncurrent Assets</b>		
Investment in an associate	<b>658,690</b>	642,690
Property, plant and equipment:		
At cost	<b>7,508,943</b>	7,595,865
At revalued amount	<b>1,376,627</b>	1,376,627
Investment properties	<b>347,412</b>	347,591
Goodwill	<b>1,079,615</b>	1,079,615
Retirement assets – net	<b>43,867</b>	44,938
Deferred tax assets – net	<b>550,362</b>	440,817
Other noncurrent assets	<b>291,978</b>	291,423
	<b>11,857,494</b>	11,819,566
	<b>₱25,456,419</b>	₱25,530,618
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Short-term borrowings	<b>₱7,043,511</b>	₱6,210,857
Current portion of long-term borrowings	<b>4,501,676</b>	4,813,113
Trade and other payables	<b>1,882,603</b>	2,279,766
Income tax payable	<b>–</b>	2,350
	<b>13,427,790</b>	13,306,086
Liability directly associated with the assets held for sale	<b>1,024,465</b>	1,024,465
	<b>14,452,255</b>	14,330,551
<b>Noncurrent Liabilities</b>		
Retirement liabilities -net	<b>264,609</b>	249,953
Deferred tax liabilities – net	<b>172,631</b>	185,824
Other noncurrent liabilities	<b>1,300</b>	1,300
	<b>438,540</b>	437,077
<b>Total Liabilities</b>	<b>14,890,795</b>	14,767,628

(Forward)

	<b>December 31, 2018 (Unaudited)</b>	September 30, 2017 (As restated)
<b>Equity Attributable to the Equity Holders of the Parent Company</b>		
Capital stock	<b>₱1,565,579</b>	₱1,565,579
Additional paid-in capital	<b>2,840,370</b>	2,840,370
Treasury stock	<b>(52,290)</b>	(52,290)
Revaluation increment on land under assets held for sale	<b>2,390,419</b>	2,390,419
Other equity items and reserves	<b>1,177,585</b>	1,177,585
Retained earnings	<b>2,584,650</b>	2,781,474
	<b>10,506,313</b>	10,703,137
Non-controlling Interests	<b>59,311</b>	59,853
	<b>10,565,624</b>	10,762,990
	<b>₱25,456,419</b>	₱25,530,618

**ROXAS HOLDINGS, INC. AND SUBSIDIARIES**

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**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
**FOR THE THREE MONTH PERIODS ENDED**  
**DECEMBER 31, 2018 AND 2017**  
(Amounts in Thousands, except Basic and Diluted Earnings per Share Data)

	December 31, 2018 (Unaudited)	December 31, 2017 (Unaudited)
<b>REVENUE</b>		
Sale of goods	₱1,539,399	₱993,340
Sale of services	728,047	2,707
	<b>2,267,446</b>	996,047
<b>COST OF SALES</b>	<b>(2,251,706)</b>	(937,825)
<b>GROSS INCOME</b>	<b>15,740</b>	58,222
<b>OPERATING EXPENSES</b>	<b>(186,453)</b>	(165,117)
<b>INTEREST EXPENSE</b>	<b>(55,708)</b>	(51,131)
<b>SHARE IN NET EARNINGS OF AN ASSOCIATE</b>	<b>16,000</b>	–
<b>OTHER INCOME – Net</b>	<b>(2,894)</b>	7,652
<b>LOSS BEFORE INCOME TAX</b>	<b>(213,315)</b>	(150,374)
<b>INCOME TAX BENEFIT</b>		
Current	1,690	287
Deferred	102,528	59,725
	<b>104,228</b>	60,012
<b>NET LOSS FROM CONTINUING OPERATIONS</b>	<b>(109,087)</b>	(90,362)
<b>NET LOSS FROM DISCONTINUED OPERATIONS</b>	<b>(88,279)</b>	(19,694)
<b>NET LOSS</b>	<b>(₱197,366)</b>	(30,350)
Net income attributable to:		
Equity holders of the Parent Company	(₱196,824)	(₱110,671)
Non-controlling interests	(542)	615
	<b>(₱197,366)</b>	(₱110,056)
<b>EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY</b>		
Basic	<b>(₱0.13)</b>	(₱0.07)
Diluted	<b>(₱0.13)</b>	(₱0.07)

**ROXAS HOLDINGS, INC. AND SUBSIDIARIES**


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**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THREE MONTH PERIODS ENDED**  
**DECEMBER 31, 2018 AND 2017**  
 (Amounts in Thousands)

	December 31, 2018 (Unaudited)	December 31, 2017 (Unaudited)
<b>CAPITAL STOCK</b>	<b>₱1,565,579</b>	₱1,564,599
<b>ADDITIONAL PAID-IN CAPITAL</b>	<b>2,840,370</b>	2,826,554
<b>TREASURY STOCK</b>	<b>(52,290)</b>	(52,290)
<b>REVALUATION INCREMENT ON LAND UNDER ASSETS HELD FOR SALE</b>	<b>2,390,419</b>	–
<b>OTHER EQUITY RESERVES</b>	<b>1,177,585</b>	3,419,147
<b>RETAINED EARNINGS</b>		
Balance at the beginning of the period:		
As previously reported	<b>2,781,402</b>	2,733,738
Prior period adjustments	<b>72</b>	–
As restated	<b>2,781,474</b>	2,733,738
Net loss	<b>(196,824)</b>	(110,671)
	<b>2,584,650</b>	2,623,067
<b>NON-CONTROLLING INTERESTS</b>		
Beginning balance	<b>59,853</b>	52,360
Income (loss) attributable to non-controlling interests	<b>(542)</b>	615
	<b>59,311</b>	52,975
<b>TOTAL EQUITY</b>	<b>₱10,565,624</b>	₱10,434,052

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**ROXAS HOLDINGS, INC. AND SUBSIDIARIES**

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**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

**FOR THE THREE-MONTH PERIODS ENDED**

**DECEMBER 31, 2018 AND 2017**

**(Amounts in Thousands)**

	December 31, 2018 (Unaudited)	December 31, 2017 (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before income tax from continuing operations	(₱213,315)	(₱150,374)
Loss before income tax from discontinued operations	(113,256)	(28,135)
Adjustments for:		
Depreciation and amortization	219,179	247,934
Interest expense	144,781	121,958
Retirement expense	15,727	16,675
Share in net earnings of associate	(16,000)	–
Operating income before changes in working capital	37,116	208,058
Decrease (increase) in:		
Trade and other receivables	(35,074)	429,189
Inventories	634,413	(117,748)
Other current assets	(231,902)	(27,703)
Increase in trade and other payables	(392,826)	(194)
Net cash flows generated from operating activities	11,727	491,602
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to:		
Property, plant and equipment	(132,078)	(99,758)
Decrease in other noncurrent assets	(555)	2,538
Net cash flows used in investing activities	(132,633)	(97,220)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net availments (payments) of short-term borrowings	832,654	(214,887)
Payments of:		
Long-term borrowings	(311,437)	(310,201)
Interest	(144,998)	(159,945)
Net cash flows provided by (used in) financing activities	376,219	(685,033)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>255,313</b>	<b>(290,651)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>295,149</b>	<b>571,377</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>₱550,462</b>	<b>₱280,726</b>