



**PRESS RELEASE**  
**10 May 2017**

## **RHI's 1<sup>st</sup> Half Net Income Increased by 15% to PhP76M** **EBITDA Increased to PhP725M from PhP714M**

**MANILA, PHILIPPINES** — Integrated sugar and ethanol producer Roxas Holdings, Inc. (RHI) (PSEI: ROX) today reported a 15% rise in Consolidated Net Income After Tax (NIAT), to PhP76 million for the six (6) months ended 31 March 2017 from PhP66 million for the same period last year, as a result of improved factory and cost efficiencies.

Despite lower sugar prices resulting in lower revenues during the current half year compared to the corresponding period last year, RHI's sugar unit recorded an increased gross profit rate of 19% from 13% in 2016 due to the increased level of production output and the resulting reduction in production unit cost.

Central Azucarera de la Carlota, Inc. (CACI) is poised to hit a new high of above two million tonnes cane milled this Crop Year, or more than 40% higher than last Crop Year. Total raw sugar produced during the first six months totaled 4.926 million LKg bags (50-Kg bags), up from 4.513 million LKg for the same period last year.

Consolidated Revenues decreased to PhP4.963 billion, from PhP7.413 billion for the same period last year due to a reduction in raw sugar sales by almost PhP1.664 billion as the Group opted to preserve its raw sugar mill share for later refining and sales to achieve higher profitability.

Ethanol production slightly increased to 35.1 million liters, from 33.4 million liters last year.

Group Chairman Pedro E. Roxas said that both sugar and alcohol units had improved significantly in the second quarter, boosting first half results. "The increase in our first half net income reflects the impact of the efficiencies brought about by RHI's continuing investment across all our plants," Mr. Roxas said.

RHI President and CEO Hubert D. Tubio said that the Group's businesses have responded well to the current industry challenges in recent months.

"Our sugar and ethanol units were able to overcome the impact of lower sugar prices and the increase in ethanol inventory during the period. The current peak in sugar production, higher importation level of high fructose

corn syrup (HFCS) and the previous year's sugar importation caused significant volatility in raw sugar prices while the alcohol unit's volume slowed down due to the industry's increased inventory levels," commented Mr. Tubio.

CFO and EVP for Finance Celso T. Dimarucut said that despite the challenges brought about by the lower sugar prices and softer sale of alcohol, the completion of the enhancements to both the sugar and ethanol plants will help RHI to meet its full-year financial and operational targets.

**ROXAS HOLDINGS, INC. AND SUBSIDIARIES**
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**
**MARCH 31, 2017**
*(With Comparative Audited Balances as at September 30, 2016)*

(Amounts in Thousands)

	March 31, 2017 (Unaudited)	September 30, 2016 (Audited)
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	₱306,456	₱704,522
Trade and other receivables	1,218,836	1,331,026
Inventories	4,020,378	1,601,818
Other current assets	1,226,284	846,985
<b>Total Current Assets</b>	<b>6,771,954</b>	<b>4,484,351</b>
<b>Noncurrent Assets</b>		
Investment in an associate	729,796	648,868
Property, plant and equipment:		
At cost	10,757,018	10,310,723
At appraised values	4,379,780	4,379,780
Investment properties	321,502	320,812
Goodwill	1,079,615	1,079,615
Retirement assets	38,286	106,835
Net deferred tax assets	280,962	253,037
Other noncurrent assets	47,795	74,003
<b>Total Noncurrent Assets</b>	<b>17,634,754</b>	<b>17,173,673</b>
	<b>₱24,406,708</b>	<b>₱21,658,024</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Short-term borrowings	₱4,382,062	₱2,914,339
Convertible debt securities	523,750	-
Trade and other payables	1,849,869	1,071,901
Income tax payable	-	1,751
<b>Total Current Liabilities</b>	<b>7,628,913</b>	<b>4,367,945</b>
<b>Noncurrent Liabilities</b>		
Long-term borrowings - net of current portion	5,399,379	6,055,566
Retirement liabilities	403,889	327,952
Net deferred tax liabilities	1,123,332	1,131,642
Other noncurrent liabilities	1,300	1,300
<b>Total Noncurrent Liabilities</b>	<b>6,927,900</b>	<b>7,516,460</b>
<b>Total Liabilities (Carried Forward)</b>	<b>14,556,813</b>	<b>11,884,405</b>

	<b>March 31, 2017 (Unaudited)</b>	September 30, 2016 (Audited)
<b>Total Liabilities (Brought Forward)</b>	<b>₱14,556,813</b>	₱11,884,405
<b>Equity Attributable to the Equity Holders of the Parent Company</b>		
Capital stock	<b>1,439,442</b>	1,439,442
Additional paid-in capital	<b>2,425,550</b>	2,425,550
Treasury stock	<b>(52,290)</b>	(52,290)
Other equity reserves	<b>3,281,436</b>	3,281,436
Retained earnings	<b>2,689,586</b>	2,613,961
	<b>9,783,724</b>	9,708,099
Non-controlling Interests	<b>66,171</b>	65,520
<b>Total Equity</b>	<b>9,849,895</b>	9,773,619
	<b>₱24,406,708</b>	₱21,658,024

**ROXAS HOLDINGS, INC. AND SUBSIDIARIES**

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**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
**FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED**  
**MARCH 31, 2017 AND 2016**  
(Amounts in Thousands, except Basic and Diluted Earnings per Share Data)

	Three-Month Period January to March 31 (Unaudited)		Six-Month Period October 1 to March 31 (Unaudited)	
	2017	2016	2017	2016
<b>REVENUE</b>	<b>₱3,472,921</b>	₱4,707,080	<b>₱4,963,149</b>	₱7,412,931
<b>COST OF GOODS SOLD</b>	<b>(2,977,110)</b>	(4,178,263)	<b>(4,360,187)</b>	(6,771,320)
GROSS INCOME	<b>495,811</b>	528,817	<b>602,962</b>	641,611
<b>OPERATING EXPENSES</b>	<b>(227,163)</b>	(240,638)	<b>(457,207)</b>	(481,176)
<b>INTEREST EXPENSE</b>	<b>(112,027)</b>	(94,556)	<b>(209,930)</b>	(199,079)
<b>SHARE IN NET EARNINGS OF AN ASSOCIATE</b>	<b>41,599</b>	31,406	<b>80,928</b>	70,268
<b>OTHER INCOME - Net</b>	<b>24,945</b>	28,118	<b>36,945</b>	40,301
<b>INCOME BEFORE INCOME TAX</b>	<b>223,165</b>	253,147	<b>53,698</b>	71,925
<b>INCOME TAX EXPENSE (BENEFIT)</b>				
Current	<b>(13,979)</b>	(18,017)	<b>(14,308)</b>	(20,711)
Deferred	<b>(22,964)</b>	(44,197)	<b>36,235</b>	14,879
	<b>(36,943)</b>	(62,214)	<b>21,927</b>	(5,832)
<b>NET INCOME</b>	<b>₱186,222</b>	₱190,933	<b>₱75,625</b>	₱66,093
Net income attributable to:				
Equity holders of the Parent Company	<b>₱183,875</b>	₱189,026	<b>₱74,974</b>	₱68,062
Non-controlling interests	<b>2,347</b>	1,907	<b>651</b>	(1,969)
	<b>₱186,222</b>	₱190,933	<b>₱75,625</b>	₱66,093
<b>EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY</b>				
Basic	<b>₱0.12</b>	₱0.16	<b>₱0.05</b>	₱0.06
Diluted	<b>0.12</b>	0.16	<b>0.05</b>	0.06

**ROXAS HOLDINGS, INC. AND SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE SIX-MONTH PERIODS ENDED  
MARCH 31, 2017 AND 2016  
(Amounts in Thousands)**

	Three-Month Period January to March 31 (Unaudited)		Six-Month Period October 1 to March 31 (Unaudited)	
	2017	2016	2017	2016
<b>NET INCOME</b>	<b>₱186,222</b>	₱190,933	<b>₱75,625</b>	₱66,093
<b>OTHER COMPREHENSIVE INCOME</b>				
Remeasurement gain on retirement liabilities, net of tax	-	3,652	-	3,652
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>₱186,222</b>	₱194,585	<b>₱75,625</b>	₱69,745
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Parent Company	<b>₱183,875</b>	₱192,447	<b>₱74,974</b>	₱71,482
Non-controlling interests	<b>2,347</b>	2,137	<b>651</b>	(1,737)
	<b>₱186,222</b>	₱194,585	<b>₱75,625</b>	₱69,745

**ROXAS HOLDINGS, INC. AND SUBSIDIARIES**
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
 FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED  
 MARCH 31, 2017 AND 2016  
 (Amounts in Thousands)**

	Three-Month Period January to March 31 (Unaudited)		Six-Month Period October 1 to March 31 (Unaudited)	
	2017	2016	2017	2016
<b>CAPITAL STOCK</b>				
Beginning balance	<b>₱1,439,442</b>	₱1,169,289	<b>₱1,439,442</b>	₱1,169,289
Exercise of stock option	–	1,811	–	1,811
Ending balance	<b>1,439,442</b>	1,171,100	<b>1,439,442</b>	1,171,100
<b>ADDITIONAL PAID-IN CAPITAL</b>				
Beginning balance	<b>2,425,550</b>	1,580,105	<b>2,425,550</b>	1,573,993
Employee stock option	–	5,948	–	14,215
Exercise of stock option	–	2,155	–	–
Ending balance	<b>2,425,550</b>	1,588,208	<b>2,425,550</b>	1,588,208
<b>TREASURY STOCK</b>	<b>(52,290)</b>	(52,290)	<b>(52,290)</b>	(52,290)
<b>OTHER EQUITY RESERVES</b>				
Beginning balance	<b>3,281,436</b>	3,145,022	<b>3,281,436</b>	3,145,022
Remeasurement gain on retirement liabilities net of tax	–	3,652	–	3,652
	<b>3,281,436</b>	3,148,674	<b>3,281,436</b>	3,148,674
<b>RETAINED EARNINGS</b>				
Beginning balance	<b>2,503,364</b>	2,394,351	<b>2,613,961</b>	2,515,315
Net income	<b>186,222</b>	189,026	<b>75,625</b>	68,062
	<b>2,689,586</b>	2,583,377	<b>2,689,586</b>	2,583,377
<b>NON-CONTROLLING INTERESTS</b>				
Beginning balance	<b>63,824</b>	159,700	<b>65,520</b>	163,576
Income (loss) attributable to non-controlling interests	<b>2,347</b>	1,907	<b>651</b>	(1,969)
	<b>66,171</b>	161,607	<b>66,171</b>	161,607
<b>TOTAL EQUITY</b>	<b>₱9,849,895</b>	₱8,600,676	<b>₱9,849,895</b>	₱8,600,676

**ROXAS HOLDINGS, INC. AND SUBSIDIARIES**

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**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

**FOR THE SIX-MONTH PERIODS ENDED**

**MARCH 31, 2017 AND 2016**

**(Amounts in Thousands)**

	March 31, 2017 (Unaudited)	March 31, 2016 (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	₱53,698	₱71,925
Adjustments for:		
Depreciation and amortization	564,566	443,277
Interest expense	209,930	199,079
Share in net earnings of associate	(80,928)	(70,268)
Retirement expense	38,819	34,060
Interest income	(3,001)	(79)
Operating income before changes in working capital	783,084	677,994
Decrease (increase) in:		
Trade and other receivables	10,347	(694,359)
Inventories	(2,418,560)	(179,033)
Other current assets	(379,300)	(30,017)
Increase in trade and other payables	773,161	130,713
Net cash used in operations	(1,231,268)	(94,702)
Income taxes paid	(16,058)	(20,439)
Interest received	3,001	79
Net cash flows used in operating activities	(1,244,325)	(115,062)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to:		
Property, plant and equipment	(907,038)	(501,036)
Investment properties	(690)	(200,000)
Redemption of preferred stock of a subsidiary	-	(38,850)
Proceeds from dividends received	102,492	24,517
Decrease in other noncurrent assets	26,209	1,860
Net cash flows used in investing activities	(779,027)	(713,059)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net availments of short-term borrowings	1,991,474	2,460,397
Payments of:		
Long-term borrowings	(162,910)	(1,242,863)
Interest	(203,278)	(199,079)
Net cash flows provided by financing activities	1,625,286	1,018,455
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(174,068)</b>	<b>189,884</b>
<b>CASH AT BEGINNING OF PERIOD</b>	<b>704,522</b>	<b>202,415</b>
<b>CASH AT END OF PERIOD</b>	<b>₱306,456</b>	<b>₱392,299</b>





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), a bio-sugar and bio-energy company, is the largest integrated sugar business in the Philippines. It manages sugar miller/refiner Central Azucarera Don Pedro, Inc. in Nasugbu, Batangas; sugar miller Central Azucarera de la Carlota, Inc.; ethanol producers Roxol Bioenergy Corporation in La Carlota, Negros Occidental and San Carlos Bioenergy, Inc. in San Carlos, Negros Occidental; and RHI Agri-business Development Corporation. It also holds 45% of affiliate Hawaiian-Philippine Company in Silay, Negros Occidental.

RHI is listed on the Philippine Stock Exchange (PSEi: ROX). Further information can be obtained by visiting the web at [www.roxasholdings.com.ph](http://www.roxasholdings.com.ph).