

20 February 2012

PHILIPPINE STOCK EXCHANGE

Disclosure Department
4/F Philippine Stock Exchange, Inc., PSE Centre
Exchange Road, Ortigas Center
Pasig City, Metro Manila

Attention : **MS. JANET ENCARNACION**
Head – Disclosure Department

Subject : Roxas Holdings, Inc.

Madame:

This refers to the news article entitled “Roxas Holdings sees P300-M income turnaround this year” posted in *philSTAR.com* on 19 February 2012. The article reported in part that:

MANILA, Philippines - Listed sugar conglomerate Roxas Holdings Inc. (RHI) said it sees its net income to hit as much as P300 million for its fiscal year ending September 2012, a reversal of the P742-million loss incurred in its last fiscal year as its new management team moves to bring down costs and trim its P6-billion long-term debt to a more manageable level.

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Please be informed that we confirm the foregoing statements contained in the said news articles subject, however, to our clarification that what we stated was that the projected net income for the fiscal year ending September 2012 will be within the range from P200 million to P300 million and that the said projection is still under review.

Very truly yours,



FLORENCIO M. MAMAUAG, JR.

Asst. Corporate Secretary/Compliance
Officer & Corporate Information Officer/
VP Legal and VP Human Resources



ODiSy

3rd Floor, Philippine Stock Exchange Plaza,
Ayala Triangle, Ayala Avenue
Makati City
Trunkline: 819-4100 loc. 7510-7519
Fax. No. 859-3455

Company : ROXAS HOLDINGS, INC.

Attention : **ATTY. FLORENCIO M. MAMAUAG, JR.**
Vice President – Legal / Assistant Corporate Secretary / Compliance Officer

Subject : *philSTAR.com* news article

Date : February 20, 2012

Gentlemen:

We write with respect to the attached news article entitled "Roxas Holdings sees P300-M income turnaround this year" posted in *philSTAR.com* on February 19, 2012. The article reported in part that:

MANILA, Philippines - Listed sugar conglomerate Roxas Holdings Inc. (RHI) said it sees its net income to hit as much as P300 million for its fiscal year ending September 2012, a reversal of the P742-million loss incurred in its last fiscal year as its new management team moves to bring down costs and trim its P6-billion long-term debt to a more manageable level.

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We would like to seek clarification and/or confirmation of the above-quoted news article. In view thereof, please submit a full, fair, accurate and timely disclosure on the foregoing matter **via ODiSy before 11:00 a.m. today, February 20, 2012**, so that we may properly apprise the Trading Participants and the investing public of the same.

Very truly yours,


SHEENA PAULA H. PEDRIETA
Specialist, Disclosure Department

Noted by:


JANET A. ENCARNACION
Head, Disclosure Department

**Business****Roxas Holdings sees P300-M income turnaround this year**

By Zinnia B. Dela Peña (The Philippine Star) Updated February 19, 2012 12:00 AM Comments (0)

MANILA, Philippines - Listed sugar conglomerate Roxas Holdings Inc. (RHI) said it sees its net income to hit as much as P300 million for its fiscal year ending September 2012, a reversal of the P742-million loss incurred in its last fiscal year as its new management team moves to bring down costs and trim its P6-billion long-term debt to a more manageable level.

RHI chairman Pedro Roxas said he is confident in the company's prospects going forward especially with a new management team in place. The company is on the way to financial recovery, posting a net profit of P99 million in the first four months of its fiscal year, or from October 2011 to January this year. This was a turnaround from the P230-million loss recorded the previous level, due to higher margins, lower expenses as well as reduced financing costs.

Roxas said the new management team, led by former Social Security System president Renato C. Valencia, has implemented some measures aimed at turning RHI's operations around. Among these include the restructuring of long-term loans, procurement of new banking facilities, as well as the expansion of major business groups which could allow the group to produce drinking and industrial alcohol.

Valencia said RHI's long-term lenders comprising Banco De Oro, Bank of the Philippine Islands and Rizal Commercial Banking Corp. gave the sugar firm another period of three years on principal payment for its P6 billion worth of debt. This is seen to greatly improve the company's liquidity position.

To reduce administrative expenses, the company has implemented a redundancy program to cut down its labor cost and bring about a lean organization.

"We recognize that the long term growth strategy we have carried out four years ago is still very much the right one and we are optimistic that RHI, with the help of the new management team, can achieve positive results by this year," Roxas said.

Valencia said unit Roxol Bioenergy Corp., which started tests runs in July 2011, is now producing up to 100,000 liters of ethanol a day which promises a new and regular income stream for the group.

Roxas said the company's entry into the bioethanol business would cement its position not only as the largest but also as the first integrated sugar in the country.

He also disclosed that the combined milling production of subsidiaries Central Azucarera de Don Pedro and Central Azucarera dela Carlota has increased to 3.26 million tons of cane, or 33 percent more than the previous year's 2.45 million tons.

With the improved cane tonnage, the combined raw sugar production expanded 22 percent to 6.1 million bags from five million.

In 2007, RHI launched a massive capacity expansion and diversification program to sustain its industry leadership in anticipation of the reduction of sugar tariffs from 38 percent to five percents by 2015.

RHI acquired infrastructure from the United States and Australia that increased its total milling capacity to 31,000 tons cane per day from 20,000 tons cane per day.

