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PHILIPPINE STOCK EXCHANGE

Disclosure Department
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Ayala Triangle, Ayala Avenue
Makati City

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

Subject : **Roxas Holdings, Inc. Press Release**

Madame:

Please see attached Press Release.

Very truly yours,

FLORENCIO M. MAMAUAG, JR.
VP-Legal & HR, Asst. Corp. Sec.,
Compliance Officer & CIO



Roxas Holdings' H1 Net Income up 36%

Sugar Group Roxas Holdings, Inc. (**RHI; PSEi: ROX**) today reported a net income of P205 million for the first semester ending March 31, 2013, 36% higher than the P151 million for the same period last year in spite of a drop in consolidated revenues.

RHI's consolidated revenues for the first half slid 19% to P2.9 billion from P3.5 billion last year, which included a one-time export of carry-over raw sugar from the preceding crop year, amounting to P1.1 billion. However, Group Executive Chairman Pedro E. Roxas said RHI achieved a higher net income for the first half due to better gross profit margin, lower operating expenses, and reduced interest expenses.

"Our gross profit margin for the first six months was higher due to increased volumes of sugar produced despite low prices. The Group's operating expenses also improved with the cost reduction measures that were put in place beginning last year. The decline in interest expenses also boosted the Group's net income," Mr. Roxas said.

RHI President and CEO Renato C. Valencia said the cost reduction measures implemented across the Group are gradually paying off and boosting overall operations, particularly in the case of Central Azucarera de la Carlota, Inc. (CACI) in Negros Occidental.

"The cost reduction measures had spurred positive results in the Group's milling operations and relations with planters. In the case of CACI, the fast turnaround of trucks within the district and the services it offers have attracted more planters, even those outside the district, to mill with CACI," Mr. Valencia explained.

CACI milled 1.92 million tons cane for crop year (CY) 2012-2013, up 8.5% from 1.77 million tons cane milled last year. CACI's production yield also rose to 2.14 LKg/TC from 1.99 LKg/TC previously. Raw sugar production climbed 17% to 4.12 million LKg from 3.52 million LKg last year.

Mr. Valencia said production at RHI's other subsidiary, Central Azucarera Don Pedro, Inc. (CADPI) in Batangas, experienced a slowdown during the period due to some operational issues that need to be addressed immediately.

The Group's net income for the second quarter ending March 31 rose 141% to P171 million from P70 million on the back of higher revenues, which climbed 33% to P2.2 billion from P1.7 billion in the previous year.

For inquiries, contact Roulee Jane F. Calayag at rjcalayag.rhi@cadp.com.ph or at (63 2) 8108901.



“Revenues usually pick up in the second and third quarters of the crop year because the first quarter is the time when cane deliveries and sugar recovery are just starting to build up,” Mr. Valencia said.

Milling operations started in September at CACI and in November at CADPI.

The Company is also making headway in its product diversification efforts to further boost the competitiveness of the RHI Group. Aside from this, optimizing the capacity utilization of the plants will be pushed for the next year.

ROXAS HOLDINGS, INC. (RHI; PSE: ROX) is the Philippines' largest raw sugar producer and second largest refinery. It manages 100% of Central Azucarera Don Pedro, Inc. in Nasugbu, Batangas, and Central Azucarera de la Carlota, Inc. and Roxol Bioenergy Corporation in La Carlota, Negros Occidental. It also holds 45%-stake in affiliate Hawaiian-Philippine Company. For inquiries, contact Roulee Jane F. Calayag at rjcalayag.rhi@cadp.com.ph or at (63 2) 8108901.