



PRESS RELEASE
16 DECEMBER 2015

Factory concerns, plant repairs pulled RHI's Core Net Income to P169M

Roxas Holdings, Inc. (PSEi: **ROX**; **RHI**) saw a steep decline in its Core Income to P169 million from P645 million the previous year.

Chairman and PCEO Pedro E. Roxas said factory concerns and plant repairs arrested RHI's Core Income.

"Our core income took a hit as our factories reeled from difficulties that prompted our sugarcane planters to go to other mills. This worsened the shortage of cane supply. We also had to spend roughly P700 million for new equipment and repairs to address the problems at the plant," Mr Roxas explained.

The Philippines recorded 5% drop in overall cane supply in the past fiscal year, with the rate in Batangas at 10% compared to Negros Occidental with 5%.

Mr Roxas noted that RHI experienced double whammy as it tried to plug the concerns in its plants while trying to combat the combined impact of declining sugar prices and escalating production costs prevalent in the global sugar market.

He said the Group's ethanol businesses cushioned the impact of sugar with Roxol Bioenergy Corporation (RBC) and San Carlos Bioenergy Corporation, Inc. (SCBI), posting net income after tax of P215 million and P122 million, respectively. Last May, RHI acquired SCBI which recently completed its expansion project that increased the plant's capacity to 38 million liters per year from 32 million liters.

To abate the impact of unpredictable sugar prices and the concomitant challenge of declining cane supply, alongside the factory problems and the ongoing repairs, RHI will tighten measures to prop up its sugar business and will maintain its focus on ethanol.

He added that with the new leadership at RHI, following the appointment of sugar industry veteran Hubert D. Tubio at the helm as PCEO and of Celso T. Dimarucut, as CFO, the sugar group is confident of gaining lost ground this fiscal year.

Mr. Tubio was formerly the Chairman of the Board of Bioeq Energy Holdings, Inc., a vertically integrated bioenergy company; and a member of the Board of Directors of Negros College, Inc.

He also served as President and Chief Operating Officer of Victorias Milling Co., Inc. from 2009 to 2014. During his term, he had set record production volumes in both raw and refinery operations since the milling's founding in 1919 and recorded the highest yield and sugar recovery in the Philippines while capturing 25.7% of the cane supply in Negros Occidental in 2012 to 2013. Mr. Tubio also steered VMC to record gains in 2013 despite the softening of sugar prices.

Meanwhile, Mr. Dimarucut is a seasoned CFO who worked overseas and in the Philippines, for e-PLDT, Philippine Long Distance Telephone Co., Inc. and Mediaquest Holdings, Inc.

RHI reported that its net income after tax amounted to P19 million in 2015 from P615 million in 2014 after reflecting certain non-recurring redundancy expenses and tax adjustments.

ROXAS HOLDINGS, INC. (RHI)(PSEi: ROX), a bio-sugar and bio-energy company, is the largest integrated sugar business in the Philippines. 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, and majority of San Carlos Bioenergy, Inc. It also holds 45%-stake in affiliate Hawaiian-Philippine Company. For inquiries, contact Roulee Jane F. Calayag at (02) 810 8901.