

ROXAS HOLDINGS, INC. (formerly CENTRAL AZUCARERA DON PEDRO)

(Company's Full Name)

6/F Cacho Gonzales Bldg., 101 Aguirre St., Legaspi Village, Makati City

(Company's Address)

(632) 810-8901 to 06

(Company's Telephone Number)

June 30, 2009

(Fiscal Year Ending)

SEC Form 17-Q

(Form Type)

Amended Designation (If Applicable)

Period Ended Date

(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17- Q

QUARTERLY REPORT PURSUANT TO SECTION 11 OF THE SECURITIES REGULATION CODE
AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended : 30 September 2008
2. Commission Identification Number **15A** 3. BIR Tax Identification No. **000-290-538**
4. Exact name of registrant as specified in its charter **ROXAS HOLDINGS, INC. (FORMERLY
CENTRAL AZUCARERA DON PEDRO)**
5. **Philippines**
Province, country or other jurisdiction of incorporation or organization
6. Industry Classification Code:
7. **6/F Cacho Gonzales Bldg., 101 Aguirre St.,
Legaspi Village, Makati City** **1200**
Address of principal office Postal Code
8. **(632) 810-8901 to 06**
Registrant's telephone number, including area code
9. **Not Applicable**
Former name, former address and former fiscal year, if changed since last report
10. Securities registered pursuant to Sections 4 and 8 of the SRC

Title of Each Class	Number of Shares and Amount of Debt Outstanding
Authorized Capital Stock:	
No. of common shares issued and outstanding	909,552,236
No. of preferred shares issued and outstanding	-
Amount of debt outstanding as of 31 September 2008	Please See Annex "A".

11. Are any or all of these securities listed on the Philippine Stock Exchange.

Yes [**X**]

No []

12. Indicate by check mark whether the registrant:

- (a) has filed all reports required to be filed by Section 11 of the Securities Revised Code (SRC) and SRC Rule 11(a)-1 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding 12 months (or for such shorter period the registrant was required to file such reports)

Yes []

No []

- (b) has been subject to such filing requirements for the past 90 days

Yes []

No []

FINANCIAL INFORMATION

Item 1. Financial Statements.

Please See Annex "A".

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Please See Annex "B".

OTHER INFORMATION

1. New projects or investments in another project, line of business or corporation;

None for the period.

2. Composition of Board of Directors;

PEDRO E. ROXAS

Chairman

FRANCISCO F. DEL ROSARIO, JR.

**President
Chief Operating Officer**

ANTONIO J. ROXAS

Director

RENATO C. VALENCIA

Director

SANTIAGO R. ELIZALDE

Director

CARLOS G. DOMINGUEZ

Director

RAMON R. DEL ROSARIO, JR.

Director

3. Performance of the corporation or result or progress of operations;

Required information are contained in Annexes "A" and "B".

4. Suspension of operations;

None for the period.

5. Declaration of dividends;

Required information are contained in Annexes "A" and "B".

6. Contracts of merger, consolidation or joint venture; contract of management, licensing, marketing, distributorship, technical assistance or similar agreements;

None for the period.

7. Financing through loans;

None for the period

8. Offering of rights, granting of Stock Options and corresponding plans therefore;

None for the period.

9. Acquisition of other capital assets or patents, formula or real estates;

None for the period.

10. Any other information, event or happening that may affect the market price of the company's shares;

None for the period.

11. Transferring of assets, except in the normal course of business;

None for the period.

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Registrant

**ROXAS HOLDINGS, INC. (formerly
CENTRAL AZUCARERA DON PEDRO)**

Signature and Title:



FLORENCIO M. MAMAUAG, JR.
Assistant Corporate Secretary
VP – Legal and Compliance Officer

Date

19 November 2008

ROXAS HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2008 AND JUNE 30, 2008
(All amounts in '000 Philippine pesos)

	Note	September 30, 2008	June 30, 2008
<u>ASSETS</u>			
CURRENT ASSETS			
Cash and cash equivalents	4	670,884	350,273
Receivables, net	5	542,985	581,271
Inventories, net	6	1,302,328	1,348,287
Prepayments and other current assets	7	634,183	168,575
Total current assets		3,150,380	2,448,406
NON-CURRENT ASSETS			
Property, plant and equipment, net	9	6,977,849	6,645,258
Deferred income tax assets		77,503	47,047
Investment in shares of stock of an associate	8	559,605	546,388
Net pension asset	15	-	120,025
Other assets, net		174,786	60,060
Total non-current assets		7,789,743	7,418,778
Total assets		10,940,124	9,867,184
<u>LIABILITIES AND EQUITY</u>			
CURRENT LIABILITIES			
Short-term borrowings	10	2,485,572	702,552
Current portion of long-term borrowings	9, 13	6,667	13,333
Accounts payable and accrued expenses	11	476,786	630,628
Income tax payable	22	109,396	107,770
Dividends payable	23	16,741	81,205
Customers' deposits & Others	12	278,739	215,313
Total current liabilities		3,373,901	1,750,801
NON-CURRENT LIABILITIES			
Long-term borrowings, net of current portion	9, 13	1,830,215	1,829,728
Pension benefit obligation	15	57,310	63,772
Deferred income tax liabilities	22	588,320	721,988
Total non-current liabilities		2,475,845	2,615,488
Total liabilities		5,849,746	4,366,289
Stock holders equity	23	5,090,377	5,500,895
Total liabilities and equity		10,940,124	9,867,184

Certified True and Correct:



MS. ASUNCION S. AGUILAR
SVP – Finance and Treasurer

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE MONTHS ENDED SEPTEMBER 30 2008 AND 2007
(All amounts in Philippine Pesos)

	Note	2008	2007
REVENUES	17	890,941,217	964,080,639
COST OF SALES	18	796,316,733	806,018,291
GROSS PROFIT		94,624,484	158,062,348
OTHER OPERATING INCOME		11,653,250	15,659,258
		106,277,734	173,721,606
OPERATING EXPENSES			
General and administrative	19	133,876,934	119,923,536
Selling		2,930,489	1,207,382
Other		5,186,333	2,122,963
		141,993,756	123,253,881
OPERATING PROFIT		(35,716,022)	50,467,725
EQUITY IN NET EARNINGS OF AN ASSOCIATE, net	8	13,216,808	13,976,280
FINANCE INCOME (COSTS), net			
Interest expense	10, 13	(32,133,102)	(14,775,488)
Interest income	4	521,386	1,027,298
		(31,611,716)	(13,748,190)
PROFIT BEFORE INCOME TAX		(54,110,930)	50,695,815
INCOME TAX EXPENSE (BENEFIT)	22		
Current		1,480,598	18,184,808
Deferred		(13,855,593)	(5,288,294)
		(12,374,995)	12,896,514
PROFIT FOR THE PERIOD		(41,735,935)	37,799,301
Attributable to:			
Equity holders of the Parent Company		(38,866,592)	34,403,852
Minority interest		(2,869,343)	3,395,449
		(41,735,935)	37,799,301
EARNINGS PER SHARE	24		
Basic		(0.04)	0.03
Diluted		(0.04)	0.03

Certified True and Correct:



MS. ASUNCION S. AGUILAR
SVP – Finance and Treasurer

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
SEPTEMBER 30, 2008 AND 2007
(All amounts in Philippine Pesos)

	2008	2007
SHARE CAPITAL	1,018,356,362	1,168,976,598
SHARE PREMIUM	705,577,843	554,958,645
REVALUATION INCREMENT ON LAND	207,492,182	958,591,523
SHARE IN REVALUATION INCREMENT IN PROPERTY	601,666,228	325,072,980
SHARE IN REVALUATION INCREMENT	553,584,837	-
RETAINED EARNINGS		
Restricted	1,155,663,902	210,958,012
Unrestricted	1,463,798,139	1,696,392,094
TREASURY STOCK	(771,750,182)	(63,766,796)
MINORITY INTEREST	155,988,049	488,077,648
	<u>5,090,377,360</u>	<u>5,339,260,704</u>

CERTIFIED TRUE AND CORRECT:



ASUNCION S. AGUILAR
SVP-Finance/Treasurer

ROXAS HOLDINGS, INC. AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDING SEPTEMBER 30, 2008 AND 2007

	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income before tax	(54,110,930)	50,695,815
Adjustments to reconcile net income (loss) to net cash used provided by (used in) operating activities:		
Depreciation	75,347,657	88,250,725
Equity in net income of subsidiaries	(13,216,808)	(13,976,280)
Interest income	(722,378)	(1,027,298)
Interest expense	32,130,605	14,775,488
Operating income before working capital changes	39,428,146	138,718,450
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Receivables	36,925,940	236,855,069
Inventories	45,116,983	670,573,697
Prepayments	(435,132,741)	(413,211,617)
Increase (decrease) in:		(103,010,303)
Accounts payable and accrued expenses	(173,983,419))
Deferred Credits	63,425,983	88,895,387
Increase (decrease) in pension benefit obligation	(4,777,231)	(7,897,860)
Cash generated from (used in) operations	(428,996,339)	610,922,823
Income taxes paid	(4,724,759)	(2,082,134)
Net cash provided by (used in) operating activities	(433,721,098)	608,840,689
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(888,567,313)	(239,488,787)
Decrease (increase) in other assets	(150,000)	170,118
Interest received	708,458	1,027,298
Net cash used in investing activities	(888,008,855)	(238,291,371)
CASH FLOWS FROM FINANCING ACTIVITIES:		

Proceeds of short term loans	2,159,000,000	-
Payment of short term loans	(377,000,000)	(56,500,000)
Payment of long term loans	(6,666,667)	(20,459,770)
Cash dividends paid	(71,006,800)	(107,109,991)
Reacquisition of stocks	(29,152,555)	-
Interest paid	(32,543,150)	(14,355,829)
	<hr/>	<hr/>
Net cash provided by (used in) financing activities	1,642,630,828	(198,425,590)
	<hr/>	<hr/>
NET INCREASE (DECREASE) IN CASH	320,900,875	172,123,728
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS - BEGINNING	349,983,570	542,882,698
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS - ENDING	670,884,445	715,006,426
	<hr/>	<hr/>

Certified True and Correct:



MS. ASUNCION S. AGUILAR
SVP – Finance and Treasurer

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2008 AND JUNE 30, 2008

AND FOR THE THREE MONTHS ENDING SEPTEMBER 30, 2008 AND 2007
(In the Notes, all amounts are shown in thousand Philippine Pesos unless otherwise stated)

Note 1 - Business information

1.1 General information

Roxas Holdings, Inc. (RHI or the “Parent Company”) was organized in the Philippines and registered with the Securities and Exchange Commission (SEC) on October 30, 1930 for the purpose of operating mill and refinery facilities to manufacture sugar and allied products. On November 1, 1980, the Parent Company’s corporate life was extended for another 50 years until 2030.

In July 1996, the Parent Company offered its shares to the public through an initial public offering. On August 8, 1996, the Parent Company’s shares of stock were listed in the Philippine Stock Exchange.

Following the Reorganization Program approved by the SEC on December 11, 2001, RHI has been transformed into a diversified holding and investment corporation while its subsidiary, CADP Group Corporation (CADPGC), emerged as a holding and investment company with specific focus on sugar milling and refining business. The sugar milling and refinery business of the Parent Company in Nasugbu, Batangas was spun-off to Central Azucarera Don Pedro, Inc. (CADPI) on December 1, 2002. Subsequently, the Parent Company exchanged its shareholdings in CADPI, CADP Consultancy Services, Inc. (CCSI) and CADP Farms Services, Inc. (CFSI) for 1.3 billion of CADPGC’s common shares with a par value of P1 per share. CADPI, CCSI and CFSI became 100% subsidiaries of CADPGC while RHI’s ownership interest in CADPGC increased from 73.17% to 95.78%. The 95.78% equity ownership of the Parent Company has been reduced to 89.28% following the declaration of property dividends to its shareholders as disclosed in Note 17.

The Parent Company is 51.13% owned by Roxas & Company, Inc. (RCI), a company incorporated and domiciled in the Philippines.

The Parent Company is considered a public company under Rule 3.1 of the Implementing Rules and Regulations of the Securities Regulation Code, which, among others, defines public corporation as any corporation with assets of at least P50 million and having 200 or more shareholders, each of which holds at least 100 shares of its equity securities. As of June 30, 2008 and 2007, the Parent Company has 2,393 shareholders each holding at least 100 shares of the Parent Company’s common shares.

The Parent Company’s corporate office is located at the 6th Floor, Cacho-Gonzales Building, 101 Aguirre Street, Legaspi Village, Makati City, while the manufacturing plants of the operating subsidiaries (Note 2.2) are in Barrio Lumbangan, Nasugbu, Batangas and Barrio Consuelo, La Carlota City, Negros Occidental.

Note 2 - Summary of significant accounting policies

The policies set out below have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of preparation

These consolidated financial statements of Roxas Holdings, Inc. and its subsidiaries (collectively referred to as “the Group”) have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). The term PFRS in general includes all applicable PFRS, Philippine Accounting Standards (PAS), and Interpretations of the Standing Interpretations Committee/ International Financial Reporting Interpretations Committee (IFRIC) and Philippine Interpretations Committee which have been approved by the Financial Reporting Standards Council (FRSC) and adopted by SEC.

These consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of land.

The preparation of financial statements in accordance with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

Standards, interpretations and amendments to published standards effective beginning January 1, 2006 and onwards

The Group adopted beginning July 1, 2006 the following applicable accounting standards and interpretations approved by the FRSC which are effective for annual periods beginning on or after January 1, 2006:

- **PAS 19, Employee Benefits (Amendment)** - Actuarial Gains and Losses, Group Plans and Disclosures. This amendment introduces the option of an alternative recognition approach for actuarial gains and losses. It also adds new disclosure requirements. As the Group does not intend to change the accounting policy adopted for recognition of actuarial gains and losses, adoption of this amendment affects only the format and extent of disclosures presented in the accounts.
- **Interpretation IFRIC 4, Determining whether an Arrangement contains a Lease.** IFRIC 4 requires the determination of whether an arrangement is or contains a lease based on the substance of the arrangement. It requires an assessment of whether: (a) fulfillment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. As the Group has no such arrangements at June 30, 2008 and 2007, the adoption of this interpretation did not result in substantial changes to the Group’s accounting policies. However, additional disclosures required are included in the financial statements, where applicable.

Certain new standards, amendments and interpretations to existing standards effective for annual periods beginning on or after January 1, 2006 or later periods that are mandatory for the Group’s accounting periods beginning on or after July 1, 2006 which are not relevant to the Group, except for PFRS 7 and PFRS 8 which the Group has not early adopted, are as follows:

For the fiscal year beginning July 1, 2006:

- PAS 21 Amendment - Net Investment in Foreign Operation (effective from January 1, 2006);
- PAS 39, Financial Instruments: Recognition and Measurement (Amendment) - The Fair Value Option (effective from January 1, 2006);
- PAS 39 (Amendment), Cash Flow Hedge Accounting of Forecast Intragroup Transactions (effective from January 1, 2006);
- PAS 39 and PFRS 4 (Amendment), Financial Guarantee Contracts (effective from January 1, 2006);
- PFRS 1 (Amendment), First-time Adoption of Philippine Financial Reporting Standards (effective from January 1, 2006);
- PFRS 6, Exploration for and Evaluation of Mineral Resources (effective from January 1, 2006);
- Interpretation IFRIC 5, Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds (effective from January 1, 2006);
- Interpretation IFRIC 6, Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment (effective from December 1, 2005);
- Interpretation IFRIC 7, Applying the Restatement Approach under PAS 29 Financial Reporting in Hyper-inflationary Economies (effective from March 1, 2006);
- Interpretation IFRIC 8, Scope of PFRS 2 (effective from May 1, 2006); and
- Interpretation IFRIC 9, Reassessment of Embedded Derivatives (effective from June 1, 2006)

For the fiscal year beginning July 1, 2007 and onwards:

- Interpretation IFRIC 10, Interim Financial Reporting and Impairment (effective from November 1, 2006);
 - Interpretation IFRIC 11, Group and Treasury Share Transaction (effective March 1, 2007);
 - Interpretation IFRIC 12, Service Concession Arrangements (effective from January 1, 2008);
 - Interpretation IFRIC 13, Customer Loyalty Programmes (effective from July 1, 2008); and
 - Interpretation IFRIC 14, PAS 19 - The Limit on Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective from January 1, 2008).
- **PFRS 7, Financial Instruments: Disclosures, and a complementary Amendment to PAS 1, Presentation of Financial Statements - Capital Disclosures** (effective from January 1, 2007). PFRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. It replaces PAS 30, Disclosures in the Financial Statements of Banks and Similar Financial Institutions, and disclosure requirements in PAS 32, Financial Instruments: Disclosures and Presentation. It is applicable to all entities that report under PFRS. The amendment to PAS 1 introduces disclosures about the level of an entity's capital and how it manages capital. The Group assessed the impact of PFRS 7 and the amendment to PAS 1 and concluded that this will mainly result in additional disclosures related to credit risk, market risk and the capital disclosures required by the amendment of PAS 1. The Group will apply PFRS 7 and the amendment to PAS 1 beginning July 1, 2007.

- **PFRS 8, Operating Segments** (effective from January 1, 2009). PFRS 8 requires an entity to adopt the “management approach” to reporting on the financial performance of its operating segments. Generally, the information to be reported would be what management uses internally for evaluating segment performance and deciding how to allocate resources to operating segments. Such information may be different from what is used to prepare the statement of income and balance sheet. The standard therefore requires explanations of the basis on which the segment information is prepared and reconciliations to the amounts recognized in the statement of income and balance sheet. It replaces PAS 14, Segment Reporting. The Group assessed the impact of PFRS 8 and concluded that this will only result in additional disclosures where applicable. The Group will apply PFRS 8 beginning July 1, 2009.

2.2 Consolidation

(a) Subsidiaries

These consolidated financial statements include the financial statements of the Parent Company and the following subsidiaries (collectively referred to as the “Group”):

	Country of incorporation	Percentage of ownership
CADPGC and subsidiaries	Philippines	89.34% ^(a)
CADP Insurance Agency, Inc.	Philippines	100.00%

^(a)After declaration of property dividend as disclosed in Note 17.

The following are the subsidiaries of CADPGC:

	Country of incorporation	Percentage of CADPGC’s ownership
CADPI	Philippines	100.00
Central Azucarera de La Carlota, Inc. (CACI)	Philippines	100.00
CCSI	Philippines	100.00
CFSI	Philippines	100.00
Jade Orient Management Services, Inc.	Philippines	99.99
Najalin Agri Ventures, Inc. (NAVI)	Philippines	71.69

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group’s share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated statement of income.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognized in the consolidated statement of income, and its share of post-acquisition movements in reserves is recognized in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.3 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and return that are different from those of segments operating in other economic environments.

The Group management has designed a business segmentation of the Group's operation as set out below:

(a) Business segments

The Group has organized its reporting structure based on the grouping of similar products and services, resulting in three main business segments as follows:

- Raw sugar and molasses (Raw sugar milling operation)

This segment is involved in the extraction of juices from the canes to form sweet granular sugar which is light brown to yellowish in color. As at June 30, 2008, the Group operates two boiling houses - one in La Carlota City, Negros Occidental and the other in Nasugbu, Batangas, with a daily cane capacity of 12,000 metric tons and 10,000 metric tons, respectively. Canes are sourced from both district and non-district planters and are milled by the Group under a production sharing agreement (Note).

Molasses, a by-product, is a thick dark brown liquid obtained from the raw sugar manufacturing process which is also shared between the planters and the Group on the same sharing arrangement applied to raw sugar.

- Refined sugar (Refinery operation)

Aside from the raw sugar milling plant, the Group also operates a refinery plant in Nasugbu, Batangas. The refinery operation involves the processing of raw sugar (mill share and purchased) into refined sugar, a lustrous white-colored sugar.

- Tolling operation

To ensure maximum utilization of the refinery, the Group also offers tolling service to traders and planters. This service involves the refining process of raw sugar owned by traders and planters to convert raw sugar into refined sugar. In consideration, the traders and planters pay tolling fees to the Group.

(c) Segment revenues and expenses

The Group's main revenue stream comes from the sale of raw sugar, molasses and refined sugar. Its customers consist largely of sugar traders, wholesalers and beverage companies, which are situated in various parts of the Philippines, with concentration in the Visayas and Metro Manila.

(d) Segment assets and liabilities

Segment assets include all operating assets used by a segment and consist principally of operating cash, receivables, inventories, prepayments and property, plant and equipment, net of related allowance and accumulated depreciation. Segment liabilities include all operating liabilities and consist principally of trade payables, accruals and customers' deposits.

(e) Inter-segment transfers

Segment revenues, expenses and results include transfers between business segments. Such transfers are accounted for at competitive market prices charged to unrelated customers or by suppliers for similar goods or services.

2.4 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

2.5 Receivables

Trade receivables arising from regular sales with average credit term of 30 to 90 days are recorded at invoice value less any provision for impairment. Other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less any provision for impairment.

Provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized in the consolidated statement of income within general and administrative expense. When a

receivable is uncollectible, it is written-off against the allowance account for receivables. Subsequent recoveries of amounts previously written-off are credited against general and administrative expenses in the consolidated statement of income.

2.6 Financial assets

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its financial assets at initial recognition except for financial assets classified as financial assets at fair value through profit and loss.

(a) Classification

(i) Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Financial assets designated as at fair value through profit and loss at inception are those that are managed and their performance is evaluated on a fair value basis, in accordance with a documented investment strategy. Information about these financial assets is provided internally on a fair value basis to the key management personnel. Assets in this category are classified as current assets if they are either held for trading or are expected to be realized within 12 months of the balance sheet date. The Group did not hold any financial assets in this category in 2008 and 2007.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are included in current assets, except for maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are classified as 'receivables' in the consolidated balance sheets (Note).

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that management has the positive intention and ability to hold to maturity. . If the Group were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available for sale. The Group did not hold any investments in this category in 2008 and 2007.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. They are included in other non-current assets in the consolidated balance sheets unless management intends to dispose of the investment within 12 months from the balance sheet date. The Group did not hold any investments in this category in 2008 and 2007.

(b) Initial recognition and derecognition

Regular purchases and sales of investments are recognized on trade-date, the date on which the Group commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the consolidated statement of income. Financial assets are derecognized when the rights to receive cash flows from investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

(c) Subsequent measurement

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivable and held-to-maturity investments are carried at amortized cost using the effective interest method. Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category, including interest and dividend income, are included in the consolidated statement of income in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognized in the consolidated statement of income as part of other income when the Group's right to receive payment is established.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analyzed between translation differences resulting from changes in amortized cost of the security and other changes in the carrying amount of the security. The translation differences are recognized in profit or loss, and other changes in carrying amount are recognized in equity. Changes in the fair value of monetary securities classified as available-for-sale and non-monetary securities classified as available-for-sale are recognized in equity.

Interest on available-for-sale securities calculated using the effective interest method is recognized in the consolidated statement of income as part of other income. Dividends on available-for-sale equity instruments are recognized in the consolidated statement of income as part of other income when the Group's right to receive payments is established.

(d) Determination of fair value

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

(e) Impairment

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

(i) In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss) is removed from equity and recognized in the consolidated statement of income. Impairment losses recognized in the

consolidated statement of income on equity instruments are not reversed through the consolidated statement of income.

(ii) For those carried at amortized cost, individually significant financial assets are tested for impairment if there are indicators of impairment. Impairment loss is recognized in the consolidated statement of income and the carrying amount of the asset is reduced through the use of allowance. Impairment testing of receivables is described in Note 2.5.

2.7 Inventories

Raw and refined sugar inventory is valued at the lower of cost and net realizable value (NRV), cost being determined using the weighted average method. NRV is the estimated selling price in the ordinary course of business less variable selling expense. Materials and supplies inventory is valued at the lower of cost and net realizable value, cost being determined using the moving average method. A provision for inventory losses is provided for slow moving, obsolete, defective and damaged inventories based on physical inspection and management evaluation.

2.8 Property, plant and equipment

Property, plant and equipment are carried at historical cost less accumulated depreciation and amortization, and any impairment, except for land which is stated at appraised value. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated statement of income during the financial period in which they are incurred.

Construction in progress which represents properties under construction is stated at cost and depreciated only from such time as the relevant assets are completed and put into operational use. Upon completion, these properties are reclassified to the relevant property, plant and equipment account.

The net appraisal increment resulting from the revaluation is shown as revaluation increment on property, plant and equipment in the consolidated balance sheet. The Parent Company's share in net appraisal increase resulting from the revaluation of subsidiaries' and an associate's land is shown as share in revaluation increment on land in the consolidated balance sheet. Valuations are performed frequently enough to ensure that the fair value of land does not differ significantly from its carrying amount. Increases in the carrying amount arising on revaluation of land and depreciable assets are credited to revaluation increment in equity. Decreases that offset previous increases of the same asset are charged against revaluation increment directly in equity; all other decreases are charged to the consolidated statement of income.

The Group used the carrying amount of CADPI's depreciable assets, which is the revalued amount less accumulated depreciation as of July 1, 2004 as its deemed cost upon the Group's adoption of PFRS 1 and PAS 16.

Land is not depreciated. Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

	In years
Buildings and improvements	10 to 25
Machinery and equipment	
Boilers and mill machinery	18 to 20
Locomotives and other equipment	20
Safety equipment	5
Service vehicles	5 to 6
Railroad equipment	10 to 20
Office furniture, fixtures and equipment	5 to 10

Major renovations are depreciated over the remaining useful life of the related asset or to the date of the next major renovation, whichever is sooner.

The asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note).

Gains and losses on disposals are determined by comparing proceeds with carrying amount of the asset and are reflected as other operating income in the consolidated statements of income.

The assets' residual value, useful life and depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

2.9 Impairment of non-financial assets

Assets that have an indefinite useful life, for example land, are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.10 Accounts payable, accrued expenses and other liabilities

Accounts payable, accrued expenses and other liabilities are recognized in the period in which the related money, goods or services are received or when a legally enforceable claim against the Group is established or when the corresponding assets or expenses are recognized. These are measured at amortized cost, normally equal to its nominal amount.

2.11 Borrowings and borrowing costs

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the consolidated statement of income over the period of the borrowings using the effective interest method

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing costs are generally expensed in the period in which they are incurred and are shown as part of “Finance costs” account in the consolidated statement of income. Borrowing costs are capitalized if they are directly attributable to the acquisition, construction or production of a qualifying asset which necessarily takes a substantial period of time to prepare for its intended use. Capitalized borrowing costs are amortized over the useful life of the related qualifying asset.

2.12 Deferred income taxes

Deferred income tax (DIT) is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the DIT is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. DIT is determined using tax rates (and laws) that have been enacted or substantially enacted at the balance sheet date and are expected to apply when the related DIT asset is realized or the DIT liability is settled.

DIT assets are recognized for all deductible temporary differences, carry-forward of unused tax losses (net operating loss carryover or NOLCO), to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. The Group reassesses at each balance sheet date the need to recognize a previously unrecognized DIT asset.

DIT liability is provided on taxable temporary differences arising on investments in subsidiaries, joint ventures and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. It is also provided on the revaluation increment on land.

DIT expense or credit is recognized for the changes during the period in the DIT assets and liabilities. Income tax expense includes income tax as currently payable and those deferred because of temporary differences in the financial and tax reporting bases of assets and liabilities.

2.13 Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognized when: the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

2.14 Employee benefits

The Parent Company and its subsidiaries have individual and separate defined benefit plans in accordance with local conditions and practices in the Philippines. A defined benefit plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service or

compensation. The plans are generally funded through payments to trustee-administered funds as determined by periodic actuarial calculations.

(a) Pension plan asset

The assets of the Parent Company and CADPGC recognized in the consolidated balance sheet in respect of defined benefit pension plans is the lower of (a) the excess of the fair value of plan assets over the present value of the defined benefit obligation at the balance sheet date together with adjustments for unrecognized actuarial gains or losses and past service costs and (b) the total of any cumulative unrecognized net actuarial losses and past service cost and the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions in excess of the greater of 10% of the value of plan assets or 10% of the defined benefit obligation are charged or credited to income over the employees' expected average remaining working lives.

Past service costs are recognized immediately in income, unless changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortized on a straight-line basis over the vesting period.

Plan assets represent assets that: (a) are held by an entity (a fund) that is legally separate from the Parent Company and CADPGC; (b) are available to be used only to pay or fund employees benefits; and (c) are not available to the Parent Company and CADPGC's own creditors, and cannot be returned to the Parent Company and CADPGC unless: (i) the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the Parent Company/CADPGC; or (ii) the assets are returned to the Parent Company and CADPGC to reimburse it for employee benefits already paid.

(b) Pension cost and obligations

From July 1, 2005 onwards

The liability recognized in the consolidated balance sheet in respect of defined benefit pension plan is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for actuarial gains/losses and past service costs. The defined benefit obligation is calculated periodically by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of debt securities that are denominated in Philippines Peso (currency in which the benefits will be paid) and that have terms to maturity approximating the terms of the related pension liability.

In its initial adoption of PAS 19, CADPI, CACI and NAVI, CADPGC's subsidiaries, computed their transitional liability for defined benefit plan as of July 1, 2005, details of which follow:

	CADPI	CACI	NAVI	Total
Present value of the obligation as of date of the adoption	215,928	115,970	1,747	333,645
Fair value at the date of adoption of plan assets	(150,297)	(3,006)	-	(153,303)
Transitional liability	65,631	112,964	1,747	180,342

The difference of this transitional liability over the liability (CADPI - nil; CACI - P17.2 million; NAVI - nil) that would have been recognized at the same date under the Group's previous accounting policy is recorded as an expense on a straight-line basis over a period of 5 years from July 1, 2005, as allowed under PAS 19. The portion of the transitional liability still to be recognized at June 30, 2007 amounts to P97.9 million (Note 18).

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions in excess of the greater of 10% of the value of plan assets or 10% of the defined benefit obligation are charged or credited to income over the employees' expected average remaining working lives.

Past service costs are recognized immediately in income, unless changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortized on a straight-line basis over the vesting period.

From July 1, 2004 to June 30, 2005

Under the previous GAAP, pension costs and obligations are based on actuarial computations using the entry age normal method. Under this method, current service cost is a level annual amount or a fixed percentage of salary which, when invested at the rate of interest assumed in the actuarial valuation, is sufficient to provide the required retirement benefit at the employee's retirement. Past service cost is the present value of the excess of projected retirement benefits over the amount expected to be provided by future contributions based on the current service cost. Pension costs consist mainly of the current service cost and amortization of past service cost over the average remaining years of service of eligible employees.

(b) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits when it is demonstrably committed to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than twelve months after balance sheet date are discounted to present value.

2.15 Share capital

Ordinary or common shares and preferred shares which do not have redemption features are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

Where any member of the Group purchases the Parent Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs, is deducted from equity attributable to the Parent Company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Parent Company's equity holders.

2.16 Foreign currency translation and transactions

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the "functional currency". The consolidated financial statements are presented in Philippine Peso, which is the Group's functional and presentation currency.

Functional currency is the currency of the primary economic environment in which the entity operates or which it primary generates and expends cash, while presentation currency is the currency in which the financial statements are presented.

(b) Transactions and balances

Foreign currency transactions are translated into Philippine Peso using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of income.

For income tax purposes, foreign exchange gains and losses are treated as taxable income or deductible expense in the period such are realized.

2.17 Revenue and expense recognition

Revenue comprises the fair value of the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns and discounts.

The Group recognizes revenue when the amount of revenue can be reliably measured, it is possible that future economic benefits will flow into the entity and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measured until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) Sale of raw and refined sugar

Sale of raw sugar is recognized upon endorsement and transfer of quedans while sale of refined sugar is recognized upon shipment or delivery.

(b) Sale of molasses

Sale of molasses is recognized upon transfer of molasses warehouse receipts.

(c) Revenue from tolling fees

Revenue from tolling fees are recognized when the equivalent refined sugar is produced from raw sugar owned by tollees.

(d) Interest income

Interest income on cash and other short term investments which is presented net of final taxes paid or withheld, is recognized on a time proportion basis using the effective interest method.

(e) Other operating income

Other operating income is recognized when earned.

Costs and expenses are recognized when incurred.

2.18 Leases

Lease of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the consolidated statement of income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the consolidated statement of income on a straight-line basis over the period of the lease.

When the Group enters into an arrangement, comprising a transaction or a series of related transactions, that does not take the legal form of a lease but conveys a right to use an asset or is dependent on the use of a specific asset or assets, the Group assesses whether the arrangement is, or contains, a lease. The Group does not have such arrangements.

2.19 Dividend distribution

Dividend distribution to the Group's shareholder is recognized as a liability in the consolidated financial statement in the period in which the dividends are approved by the Parent Company's BOD.

2.20 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Parent Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Parent Company and held as treasury shares (Note 17). Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

2.21 Related party relationships and transactions

Related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting enterprise, or between, and/or among the reporting enterprise and its key management personnel, directors, or its stockholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

2.22 Subsequent events (or Events after the balance sheet date)

Post year-end events that provide additional information about the Group's position at the balance sheet date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

2.23 Reclassifications

Certain amounts in the 2008 and 2007 consolidated financial statements and supporting note disclosures have been reclassified to conform to the current period presentation. Such reclassification did not materially affect the consolidated balance sheet, consolidated statements of cash flows nor did it impact previously reported consolidated profits or consolidated retained earnings.

Note 3 - Financial risk management

3.1 Financial risk factors

The main risks arising from the Group's financial instruments are liquidity risk, price risk, credit risk and interest rate risk. The Group also monitors the market price risk arising from all financial instruments. Risk management is carried out by the President and Senior Vice President for Finance and Treasurer under the direction of the BOD of the Parent Company.

(a) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the business, the Group aims to maintain flexibility in funding by keeping track of daily cash flows and maintaining committed credit lines available.

(b) Price risk

The Group's exposure to price risk arises from the fluctuations in the cost and availability of raw and refined sugar, as well as the cost of producing, transporting and distributing the Group's products to its customers. To manage this risk, the Group entered into sales contracts on the sale of refined sugar, molasses and tolling services at certain agreed prices to be delivered to the Group's customers within a specified period of time. It has policies in place to ensure that sales contracts of these products and services are duly approved and are made to customers with an appropriate credit history.

(c) Credit risk

Concentration of credit risk with respect to trade receivables is limited due to the large number of customers comprising the Group's customer base and their dispersion across different geographic areas. It has policies in place to ensure that sales of products are made to customers with an appropriate credit history.

(d) Interest rate risk

The Group's cash flow interest rate risk arises from short-term and long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

The Group does not enter into derivative contracts to hedge the risks.

3.2 Fair value estimation

The nominal value less impairment provision of trade receivables and payables are assumed to approximate their fair values.

Note 4 - Critical accounting estimates, assumptions and judgments

Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and judgments that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

The Group believes the following represent a summary of these significant estimates, assumptions, and judgments and related impact and associated risks in the consolidated financial statements:

4.1 Provision for impairment of receivables

Provision for impairment of receivables is maintained at a level considered adequate to provide an allowance for potentially uncollectible receivables. The level of provision is based on past collection experience and other factors that may affect collectibility. An evaluation of the receivables, designed to identify potential charges to the provision, is performed on a continuous basis throughout the year. Management evaluates specific accounts of debtors that are unable to meet their financial obligations. In these cases, management uses judgment based on the best available facts and circumstances, including but not limited to, the length of relationship with the debtors and the debtors' payment history. The amount and timing of recorded expenses for any period would therefore differ based on the judgments or estimates made. A change in provision for impairment of receivables would impact the Group's recorded expenses and current assets.

4.2 Provision for inventory obsolescence

Provision for inventory obsolescence is maintained at a level considered adequate to provide for potential loss on inventory items. The level of provision is based on past experience and other factors affecting the obsolescence of inventory items. An evaluation of inventories, designed to identify potential charges to the provision, is performed on a continuous basis throughout the year. Management uses judgment based on the best available facts and circumstances, including but not limited to evaluation of individual inventory items' future utilization. The amount and timing of recorded expenses for any period would therefore differ based on the judgments or estimates made. A change in provision for inventory obsolescence would impact the Group's recorded expenses and current assets.

4.3 Provision for unrecoverable creditable withholding taxes

Provision for unrecoverable creditable withholding taxes is maintained at a level considered adequate to provide for potentially unrecoverable claims. The Group, on a continuing basis, makes a review of the status of the claims, designed to identify those to be provided with any impairment losses. In these cases, management uses judgment based on the best available facts and circumstances. The amount and timing of recorded expenses for any period would therefore differ based on the judgments or estimates made.

4.4 Impairment of non-financial assets

The PFRS requires that an impairment review of assets be performed when certain impairment indicators are present. Determining the value in use of assets requires the estimation of cash flows expected to be generated from the continued use and ultimate disposition of such assets. An impairment of assets would increase the Group's expense and decrease non-current assets.

4.5 Estimated useful lives

The useful life of each of the Group's items of property, plant and equipment is estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of practices of similar businesses, internal technical evaluation and experience with similar assets. The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the asset. It is possible, however, that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by the changes in the factors mentioned above. A change in the estimated useful life of any item of property, plant and equipment would impact the recorded operating expense and non-current assets.

4.6 Principal assumptions for management's estimation of pension benefit obligation

The determination of the obligation and cost for pension and other retirement benefits is dependent on the selection of certain assumptions determined by management and used by actuaries in calculating such amounts. Those assumptions are described in Note 18 and include, among others, discount rate, expected rate of return on plan assets and rate of salary increase. In accordance with PFRS, actual results that differ from the Group's assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expense and recorded obligation in such future periods. While it is believed that the Group's assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions may materially affect the Group's pension benefit obligation.

4.7 Taxation including deferred income tax

The PFRS requires recognition of DIT assets to the extent that it is probable that future taxable income will be available against which temporary differences can be utilized. Determining the realizability of DIT assets requires the basis of estimation of profit expected to be generated from the operations.

Note 5 - Cash and cash equivalents

Cash and cash equivalents consist of:

	September ,2008	June 30, 2008
Cash on hand and in banks	473,766	303,363
Short-term placements	197,118	46,910
	670,884	350,273

Short-term placements earn interest ranging from 1.5 to 5.1 % , 2.3% to 5.0% and 3.3 % to 4.8 % per annum and have an average maturity of 30 days, 60 days and 32 days in 2008 ,2007, and 2006 respectively. Interest income earned on this placement amounted to P10.4 million , P 10.6 million and P17.2 million in 2008,2007, and 2006 respectively.

Note 6 - Trade and other receivables

Trade and other receivables consist of:

	Sept ember 30,2008	June 30, 2008
Trade	338,526	428,537
Advances to planters and cane haulers	156,289	65,399
Advances to employees	35,622	73,027
Dividends receivable		
Advances for raw sugar purchases	-	23,799
Advances to related parties	-	198
Others	36,088	13,851
		604,811
Less - Allowance for impairment of receivables	23,540	23,540
	542,985	581,271

Advances to employees pertain to advances for the Group's expenses which are subsequently liquidated. It also includes non-interest bearing salary and educational loans which are collected through salary deduction.

Details and movement of allowance for impairment of receivables at June follow:

	2007	Additions (deductions/ recovery)	Write-offs	2008
Trade	3,588	2,914	-	6,502
Advances to planters and cane haulers	10,749	-	(4,705)	6,044
Advances to employees	3,455	-	(2,179)	1,276
Others	5,050	4,668	-	9,718
	22,842	7,582	(6,884)	23,540

Note 7 - Inventories

Inventories consist of:

	September 30,2008	June 30, 2008
At NRV		
Raw sugar	733,380	729,095
Materials and supplies	523,660	352,394
At cost		
Refined sugar		191,976
Molasses	9,623	18,955
Materials in transit	52,466	55,867
Others	19,626	
Allowance for impairment	(36,427)	-
	1,302,328	1,348,287

Allowance for inventory losses for raw sugar amounted to P10.8 million and P27.2 million as of June 30, 2008 and June 30, 2007, respectively

Allowance for inventory obsolescence for materials and supplies amounted to P25.7 million and P 25.6 million as of June 30, 2008 and June 30, 2007 respectively.

Cost of inventories recognized as expense and included in "Cost of Sales" amounted P3,111.8 million ,P 2,666.7 million and P 1,956.8 million in 2008, 2007, and 2006 respectively

Note 8 - Prepayments and other current assets

Prepayments and other current assets consist of:

	September 30,2008	June 30, 2008
Creditable withholding tax	36,381	23,035
Prepaid taxes	232	59,393
Consumable biological assets	387,298	20,791
Deposit to suppliers	84,160	53,012
Others	126,112	12,344
	634,183	168,575

Other prepayments consist of advance payment made to a sugar milling company for tolling of CACI's raw sugar, input value added tax and prepaid insurance.

Note 9 - Investment in shares of stock of an associate

Details of investment in Hawaiian Philippine Company (HPCo) as at September 30, 2008 and June 30, 2008 follow:

	September 30,2008	June 30, 2008
Acquisition cost	127,933	127,933
Accumulated equity in net earnings		
Beginning of year	210,963	210,029
Equity in net loss for the year	13,217	69,739
	224,180	279,768
Less : Dividend income	-	68,805
End of year	224,180	210,963
Share in revaluation increment	207,492	207,492
	559,605	546,388

(a) Merger of HPCo and Marina Trading Corp. (MTC)

On December 15, 2003, the Group through CADPGC, acquired 250 thousand shares representing 45.78% equity interest in MTC for a total consideration of P127.9 million. The underlying net assets of MTC on acquisition date amounted to P288.1 million, resulting in a negative goodwill of P4.0 million.

On November 25, 2005, the respective BOD of MTC and HPCo resolved to proceed with the statutory merger of MTC and HPCo with HPCo as the surviving entity. Pursuant to the plan of merger executed between MTC and HPCo approved by the SEC on March 24, 2006, all the assets and liabilities of MTC were deemed transferred to HPCo as of that date.

(b) Negative goodwill

As of December 31, 2004, MTC had unamortized negative goodwill amounting to P280.3 million arising from its acquisition of HPCo. Such negative goodwill was credited to the opening balance of retained earnings of MTC as at January 1, 2005 upon adoption of PFRS 3 applied on a prospective basis following the optional exemption under PFRS 1. CADPGC's proportionate share in the negative goodwill amounting to P128.3 million was recognized as a debit to investment account and a credit to the opening balance of retained earnings of CADPGC on July 1, 2005 and is not available for dividend declaration (Note).

As of June 30, 2005, CADPGC had unamortized goodwill amounting to P3.7 million arising from its acquisition of MTC. Such negative goodwill was recognized as a debit to investment account and a credit to the opening balance of retained earnings of CADPGC at July 1, 2005 and is not available for dividend declaration (Note).

(c) Dividend declaration

On August 12, 2005 and November 25, 2005, the BOD of MTC declared cash dividends of P0.90 and P0.35 per share amounting to P76.5 million and P29.7 million, respectively. CADPGC's share on these dividends amounting to P48.0 million was recognized as a reduction in the carrying amount of investment.

On July 3, 2006 and November 24, 2006, the BOD of HPCo declared cash dividends of P1.00 and P0.80 per share amounting to P63.4 million and P50.7 million, respectively. CADPGC's share on these dividends amounting to P51.4 million was recognized as a reduction in the carrying amount of investment.

On February 2008, the BOD of HPCo declared cash dividends of P.81 per share amounting to P51.3 million payable on April 7, 2008.

The summarized financial information of HPCo as of June 30, 2008, 2007, and June 30, 2006 and for the years then ended are as follows:

	2008	2007	2006
Current assets	4,436,982	413,960	462,965
Non-current assets	731,052	935,453	1,322,686
Current liabilities	386,539	505,233	269,252
Non-current liabilities	14,986	64,286	316,348
Net assets	766,509	779,894	1,200,051
Revenues	1,304,346	931,734	795,955
Profit for the year	154,669	123,616	114,806

Note 10- Property, plant and equipment, net

Property, plant and equipment consist of:

	September 30,2008	June 30, 2008
Land (Market value)	1,999,976	2,517,660
Land improvement	224,541	
Buildings and improvements	828,973	1,053,034
Machinery and equipment	4,981,496	5,053,663
Railroad equipment	238,913	121,158
Office furnitures and equipment	563,873	563,855
Construction in progress	2,862,700	1,983,930
	11,700,472	8,775,640
Accumulated depreciation	(4,722,623)	(4,648,042)
Net Book Value	6,977,849	4,127,598

a. Construction in progress

Construction in progress as of June 30 2008 and 2007 pertains mainly to the foregoing milling plant impairment project ,milling plant improvement project ,refinery plant installation of sieving facilities, as well as construction and improvement of waste and pollution facilities of the Group

. Milling plant improvement project (the Expansion Project)

On August 19, 2007, CADPGC entered into a purchase agreement, for and behalf of its wholly-owned subsidiaries, CADP, Inc. and CACI, with a foreign corporation to buy certain sugar mill equipment for a total purchase price of US\$19.5 million. The purchase pertains to different pieces of disassembled equipment that originates from “Bryant Sugar House”, a sugar mill located in Bryant, Florida, U.S.A., of which the sellers had purchased from United States Sugar Corporation (the USSC”) from a purchase and removal agreement executed on April 30, 2007.

To finance the Expansion Project, the group obtained long-term borrowings from various banks. More details are provided in Note 10 and 13

Note 11- Accounts payable and accrued expenses

Accounts payable and accrued expenses consist of:

	September 30,2008	June 30, 2008
Trade suppliers	261,775	215,703
Payable to government agencies for taxes and contributions	48,608	22,428
Purchases and others	2,754	132,273
Interest	4,675	18,479
Payroll and other benefits	7,085	43,374
Due to planters	6,743	66,239
Others	145,600	131,862
	477,240	630,628

Other payables include liabilities to third parties for sugar liens and other related fees

Note 12- Short-term borrowings

At various dates during the year, the Parent Company, CACI and CADP, Inc. obtained unsecured short-term loans in the aggregate amount of ₱2,159 million from various local banks to meet their working capital requirements. The loans, which are payable in lump sum on various dates in 2008, are subject to annual interest rates ranging from 4.7 % to 8.1% and have terms and ranging from 30 to 90 days.

Note 13- Customers' deposits

This account represents non-interest bearing cash deposits from buyers of the Group's sugar and molasses. These deposits will be applied against future deliveries of sugar and molasses which are expected to be completed in the next twelve months.

Note 14- Long-term borrowings

Long-term borrowings at September consist of:

	September 30,2008	June 30,2008
Syndicated loan allowance		
Banco de Oro (BDO)	904,500	904,500
Bank of the Philippine Island (BPI)	797,000	797,000
Rizal Commercial Banking Corporation (RCBC)	148,500	148,500
Planters Development Bank	13,333	13,333
Land Bank of the Philippines		
	1,863,333	1,863,333
Unamortized debt commitment fee	(46,451)	(20,272)
	1,816,882	1,843,061
Less : Current portion		
PDB	13,333	13,333
LBP		
	13,333	13,333
Long-term portion	1,830,215	1,829,728

a. Syndicated Loan Facility Agreement

On February 8, 2008, the Parent Company renewed its Syndicated Loan Facility Agreement with BPI with an aggregate amount of ₱6,236 million. The principal amount of debt accommodation is shared by RHI and CADP, Inc./CACI amounting to ₱1,517 million and ₱4,619 million, respectively. On February 14, 2008, CADP, Inc. entered into loan agreement with BPI to avail loans in two tranches with an aggregate principal amount of ₱500 million. Tranche "A" of the loan amounting to ₱300 million will be payable on the 5th anniversary date of the borrowing. On the other hand, CADP, Inc. will pay Tranche "B" loan on an installment basis, ₱2 million on the 5th and 6th anniversary date of the borrowing and the balance on the 7th anniversary date of the borrowing.

On May 5, 2008, CADP, Inc. acquired additional loan from BPI and RCBC amounting to ₱167.2 million and ₱83.6 million, respectively. Promissory notes issued by the banks are under the term set forth in the Syndicated Loan Agreement. On the same date, the CADP, Inc. availed ₱365.9 million loans from BDO to finance its working capital requirements and the expansion project.

On May 5, 2008, CACI Inc, has also acquired additional loan from BPI, BDO and RCBC amounting to ₱ 590 million. Promissory notes issued by the banks are under the term set forth also in the Syndicated Loan Agreement. Loans availed are with 10-year terms and will all mature in May 5, 2018.

Loan with LBP

The loan with LBP was initially made jointly by CADP, Inc. and RHI on October 28, 2002. Pursuant to the terms of the agreement, the loan was assumed by CADP, Inc. on June 26, 2003. the loan is payable in 10 years, inclusive of two years and three quarters grace period on principal repayments, in 29 equal quarterly installments commencing at the end of the 12th quarter from the initial draw down until October 30, 2012. The loan was used partly to finance capital expenditures for both sugar mill and refinery, construction of support facilities, installation of air pollution abatement facilities, establishment of computerized key business system and for permanent working capital. Interest rate is based on 91-day treasury bill rate plus 2% spread.

The loan from LBP amounting to ₱250,000 million is secured by a mortgage on sugar mills and machinery and equipment span-off to CACI with an aggregate carrying value of ₱1.3 billion as of June 30, 2007 (Note 10). In March 2008, CADPGC prepaid the remaining balance of its loan to LBP amounting to ₱250 million.

This loan is subject to certain affirmative and negative covenants which include among others, provisions relating to ownership, disposal of properties and assets and incurrence of additional loans. Failure to comply with a covenant constitutes an event of default, which allows the creditors to declare the entire unpaid principal amount, including interest accrued and unpaid thereon, due and demandable upon receipt of a written notice from the lenders. As at June 30, 2007, CADPGC is in compliance with the loan covenants .

In March 2008, CADP, Inc. prepaid the remaining balance of its loan to LBP amounting to ₱248.3 million.

Loan with PDB

The loan with PDB is payable in 18 equal quarterly amortizations, with the first amortization to be paid on the 9th month from the date of release of the loan proceeds until December 16, 2008. The loan was used to finance capital expenditures for both sugar mill and refinery. Interest rate is fixed at 9.88% per annum. In March and June 2008, CADP, Inc. paid the said loan amounting to ₱26.7 million.

The above loans are secured by mortgage trust indenture covering properties in Nasugbu, Batangas consisting mainly of the Parent Company's land and CADP, Inc.'s real properties with an aggregate carrying value of ₱4.2 billion and ₱3.5 billion as of June 30, 2008 and 2007, respectively (Note 10).

The loan agreements stipulate certain covenants, which include among others, the maintenance of a reasonable amount of deposit with the bank and that all collateral must be registered and free from liens and liabilities. As at June 30, 2008, CADP, Inc. is in compliance with the loan covenants.

The maturity of long-term borrowing of CADPGC and CADP, Inc. as of September 30 is as follows:

	2008	2007
Between one and two years	₱141,586	₱263,678
Between two and five years	473,367	329,770
Over five years	1,219,925	–
	₱1,829,728	₱593,448

Note 15 - Related party transactions

In the normal course of business, the Group has transactions with CADPI Retirement Fund, Inc. (CADPIRFI) as follows:

(a) On July 1, 2004, CADPGC, entered into an agreement with RCI as lessor, for the lease of its corporate office. As a result of the sale of the corporate office by RCI to CADPIRFI on December 29, 2005, the lease agreement with RCI was terminated and replaced by a 1-year lease agreement with CADPIRFI, which is renewable annually at the option of CADPGC, CADPI and CACI under such terms and conditions mutually acceptable to both parties. Related rental expense charged to operations in 2008, 2007 and 2006 amounted to P4.22 million.

(b) In December 2005, the Parent Company also entered into a lease agreement with CADPIRFI, expiring on December 30, 2006 for the lease of its office space. The contract, which is renewable annually, requires a monthly rental of P56,183. Related rental expense charged to operations in 2008 amounted to P0.6 million (2007 - P0.6 million).

Key management compensation for the years ended June 30 follows:

	2008	2007	2006
Salaries and other benefits	33,252	31,126	39,180
Retirement benefits	(3,057)	6,023	6,886
	30,195	37,149	46,066

There are no other long-term benefits, termination benefits and share-based payment.

Note 16 - Equity

a. Share capital and treasury shares

Details of share capital and treasury shares at June 30, 2008 and 2007 follow:

	2008		2007		2006	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Authorized common shares "Capital A" at ₱1 par value each	1,500,000	₱1,500,000	1,500,000	₱1,500,000	1,500,000	₱1,500,000
Issued common shares "Class A"	1,168,978	₱1,168,978	1,168,978	₱1,168,978	1,168,978	₱1,168,978
Treasury shares	(251,330)	(739,707)	(55,007)	(63,767)	(50,274)	(51,552)
Issued and outstanding	917,648	₱429,271	1,113,971	₱1,105,211	1,118,704	₱1,117,426

b. Redemption of preferred shares by CADPGC

The Parent Company used to own portion of CADPGC's preferred shares. On July 5, 2004, CADPGC redeemed all its preferred shares. The net impact of such redemption to P amounting to ₱143.8 million was debited to its retained earnings.

c. Share Buy Back Program

On July 29, 2005, the Parent Company's BOD authorized and approved the reacquisition of 22.7 million shares its share for a total amount of ₱29.8 million. For the year June 30, 2006, the Parent Company reacquired another 17.8 million of its shares for a total amount of ₱21.7 million. For 2007, the Parent Company reacquired another 4.8 million of its shares for a total amount of ₱12.2 million. The Parent Company holds 251.3 million and 55 million of its shares in treasury as of June 30, 2008 and 2007 respectively.

On September 19, 2007, the Parent Company's BOD authorized the additional reacquisition of 30 million shares at prevailing share market prices.

d. Retained earnings

Dividend declaration

Dividends declared by the Parent Company from retained earnings during the years ended

June 30, 2008, 2007 and 2006 follow:

Dividends	Date Approved	Per Share	Stockholders of Record Date	Date Paid/Issued
Cash	September 19, 2007	₱0.05	October 15, 2007	November 8, 2007
	June 20, 2007	₱0.12	July 13, 2007	July 31, 2007
	October 25, 2006	₱0.12	October 12, 2006	November 10, 2006
	June 29, 2006	₱0.06	July 14, 2006	July 26, 2006

Restricted Retained earnings

The following amounts of retained earnings as of June 30 are not available for dividend declaration:

	2008	2007 (Restated, Note 25)	2006
Treasury shares	739,707	63,767	51,552
Pension asset - net of deferred tax liability	63,778	53,143	56,067
	₱803,085	₱116,910	₱61,219

The Company restated the 2007 financial statements to reflect restriction of retained earnings on the treasury shares of the Company. The restriction resulted to a decrease in unrestricted retained earnings and an increase in restricted retained earnings as of July 1, 2007 amounting to ₱63.8 million.

e. Share Prices

The principal market for the Parent Company's shares of stock is the Philippine Stock Exchange. The high and low trading prices of the Company's shares for each quarter within the three fiscal years are as follow:

Quarter	High	Low
July 2007 through June 2008		
First	₱3.10	₱2.06
Second	2.95	2.48
Third	3.60	2.60
Fourth	3.60	2.20
July 2006 through June 2007		
First	3.65	3.60
Second	4.05	1.32
Third	2.48	2.42
Fourth	2.75	2.70

(Forward)

Quarter	High	Low
July 2005 through June 2006		
First	₱1.10	₱1.10
Second	1.32	1.28
Third	2.55	2.46
Fourth	2.70	2.60

Note 17 - Earnings per Share

Earnings per share (EPS) are computed as follows:

	2008	2007	2006
Net income for the year attributable to the equity holders of the Parent Company	₱410,015	₱344,203	₱339,932
Weighted average number of common shares outstanding	1,063,645	1,117,263	1,118,702
Basic/diluted earnings per share	₱0.39	₱0.31	₱0.30

There are no potential dilutive common shares as at June 30, 2008, 2007 and 2006.

Note 18 - Retirement benefit plan

RHI and CADPGC maintain individual and separate funded non-contributory defined benefit plans (the Plans) covering all eligible employees. Under the Plans, the normal retirement age is 65. A participant may opt to retire at age 60 or after rendering 20 years of continues service. Retirement benefit for both normal retirement is equivalent to two months average basic salary for each year of service rendered.

Plan assets cannot be returned to RHI and CADPGC unless on circumstances discussed in Note 2. The prepaid pension assets as of June 30, 2008 and 2007 of ₱120.02 million and ₱104.8 million, respectively, will be used to reduce future contributions to the retirement fund. Consequently, a portion of the Group's 2008 and 2007 retained earnings related to prepaid pension asset is not available for dividend declaration (Note 23).

The expected return on plan assets were determined based on a reputable fund trustee's yield rate for risk portfolio similar to that of the fund with consideration to the funds past performance.

The actual return on plan assets was ₱17.5 million, ₱13.9 million and ₱82.8 million in 2008, 2007 and 2006, respectively.

Pension plan assets, which are managed by a trustee, include investments in equity securities of the Parent Company and CADPGC with a fair value amounting to ₱92.4 million and ₱1.9 million and ₱101.8 million and ₱2.3 million as of June 30, 2008 and 2007, respectively.

RHI and CADPGC have no expected contributions for the fiscal year ending June 30, 2009.

Pension Liability

CACI maintains a funded non-contributory defined benefit plan covering all eligible employees. Under the plan, the normal retirement age is 65 irrespective of years of service. A participant may opt to retirement at age 50 regardless of number of years in service or upon completion of 20 years of continuous service to CACI even if below 50 years of age. Normal and early retirement benefits are equivalent to one month latest salary for every year of service.

CADP, Inc. maintains funded non-contributory defined benefit plan covering all regular employees. Under the plan, the normal retirement age is 65 irrespective of years of service. A participant may opt to retire at age 60 regardless of number of years in service or upon completion of 20 years of continuous service to CADP, Inc. even if below 60 years of age. Normal retirement benefits consist of an amount equivalent to two times the employee's latest monthly salary multiplied by the number of years of service.

The expected return on plan assets were determined based on a reputable fund trustee's yield rate for risk portfolio similar to that of the fund with consideration to the funds past performance.

CADP, Inc. and CACI have an expected contribution of ₱95.28 million for the year ending June 30, 2009.

Experience adjustments on plan liabilities for the year June 30, 2008 and 2007 amounted to ₱2.7 million and ₱39.11 million (gains), respectively.

The following tables summarize the components of the net pension benefits cost and income from retirement plan assets and obligation recognized in the consolidated statements of income and the funded status and amounts recognized in the consolidated balance sheets.

The amounts recognized under other assets and pension benefit obligations in the consolidated balance sheets at June 30 are determined as follows:

	2008			2007		
	Net Pension Asset	Net Pension Liability	Total	Net Pension Asset	Net Pension Liability	Total
Present value of obligation	₱364,890	₱116,789	₱481,679	₱473,623	₱114,778	₱588,401
Fair value of plan assets	(244,021)	(233,370)	(477,391)	(216,688)	(250,828)	(467,516)
Deficit (surplus)	120,869	(116,581)	4,288	256,935	(136,050)	120,885
Unrecognized actuarial gains (losses)	8,158	(3,444)	4,714	(104,206)	21,611	(82,595)
Unrecognized transitional asset (liability)	(65,254)	–	(65,254)	(97,881)	–	(97,881)
Amount not recognized as asset, because of limit	–	–	–	–	9,624	9,624
Pension plan liability (plan asset)	₱63,773	(₱120,025)	(₱56,252)	₱54,848	(₱104,815)	(₱49,967)

The movement in the defined benefit obligation over the year is as follows:

	2008	2007
Beginning of year	₱588,401	₱506,269
Interest cost	47,072	55,688
Current service cost	31,127	25,089
Benefits paid	(81,903)	(69,035)
Curtailement loss	6,430	–
Actuarial loss (gain)	(109,450)	(70,390)
End of year	₱481,677	₱588,401

The movement in the fair value of plan assets during the year is as follows:

	2008	2007
Beginning of year	₱467,516	₱432,188
Expected return on plan assets	36,962	38,897
Contributions	82,854	74,373
Benefits paid	(81,903)	(69,037)
Actuarial gain (loss)	(28,038)	(8,905)
End of year	₱477,391	₱467,516

The consolidated pension costs recognized under general and administrative expenses (Note 19) for the years ended June 30 follow:

	2008	2007	2006
Current service cost	₱31,127	₱25,089	22,264
Interest cost	47,072	55,690	52,720
Return on plan assets	(36,962)	(38,897)	(29,963)
Actuarial loss (gain) recognized	5,898	(501)	4,107
Amortization of transitional liability	32,627	32,627	32,627
Curtailement loss	6,430	–	–
Asset ceiling adjustment	(9,624)	9,624	–
	₱76,568	₱83,632	₱81,755

The principal actuarial assumptions used were as follows:

	2008	2007	2006
Discount rate	10.29%	11%	12%
Expected return on plan assets	9%	9%	9%
Future salary increases	8%	5%	5%

Assumptions regarding future mortality and disability are based on advice from published statistics and experience in the Philippines.

Plan assets at June 30 consist of:

Pension asset

	2008		2007	
	Percentage	Amount	Percentage	Amount
Stocks and government securities	72%	₱168,026	46%	₱115,237
Cash and receivables	28%	65,344	54%	135,591
	100%	₱233,370	100%	₱250,828

Pension liability

	2008		2007	
	Percentage	Amount	Percentage	Amount
Stocks and government securities	75%	₱183,016	70%	₱150,781
Cash and receivables	25%	61,005	30%	65,907
	100%	₱244,021	100%	₱216,688

CACI's Rightsizing Program

CACI implemented a rightsizing program which involved two phases. The first is an early retirement package and the second is the phasing out or abolition of departments, sections and positions which have been identified as redundant or no longer necessary to CACI's core business.

On July 20, 2007, CACI announced its early retirement program to employees, whereby the retirement benefit is equivalent to 1.2 times of monthly salary for every year of service. Total payment made in 2008 amounted P43.2 million

Note 19 - Commitments and contingencies

- (a) CACI and CADPI (the "Mills") have milling contracts with the planters (including NAVI), which provide for a 65% and 35% sharing between the planters and the Mills, respectively, of sugar, molasses and other sugar cane by-products except bagasse produced every crop year.

- b. As of June 30, the Group has in its custody the following sugar owned by quedan holders:

	2008		2007	
	Total volume (In thousands) (Lkg)	Estimated market value (in millions)	Total volume (In thousands) (Lkg)	Estimated market value (in millions)
Raw sugar	1,411	₹1,266	930	₹920
Refined sugar	1,037	1,409	621	864
	2,448	₹2,675	1,551	₹1,784

The above volume of sugar is not reflected in the consolidated balance sheets since these are not assets of the Group. The Group is accountable to quedan holders for the value of trusted sugar or their sales proceeds.

- c. CADP, Inc. entered into sales contracts with principal customers for the sale of raw and refined sugar and molasses. As of June 30, 2008, CADP, Inc. has outstanding sales contracts for refined sugar with a total value of ₹1,236.3 million, ₹841.06 million and ₹548.1 million equivalent to 817,091 LKg, 540,256 LKg and 339,622 LKg in 2008, 2007 and 2006, respectively. No losses are expected to arise from these contractual obligations.

CADP, Inc. received cash deposits from customers for the above transaction as of June 30, 2008 and 2007 see Note 12, which will be applied against future deliveries of sugar and molasses.

- d. CADP, Inc. entered into agreements as follows:

i Lease of offsite warehouse for a period of one year renewable at the option of the lessee through notification in writing not later than 90 days prior to the expiration of the agreement. Related rent expense charged to operations amounted to ₹3.5 million, ₹3.7 million and ₹3.3 million in 2008, 2007 and 2006, respectively.

ii. Contract for hauling services for the transport of sugarcane from the plantation to the mill. Related hauling expense charged to operation in 2008, 2007 and 2006 amounted to ₹172.3 million, ₹129.2 million and ₹116.2 million, respectively.

- e. There are pending legal cases in the ordinary course of the business as at June 30, 2008, 2007 and 2006, but in the opinion of management and legal counsel, the ultimate outcome of these cases will not have a material impact on the financial position and results of operations of the Group. Consequently, no provision related to these legal cases was made in the 2008, 2007 and 2006 consolidated financial statements.
- f. As of June 30, 2008 and 2007, the Group has unused lines of credit from local banks amounting to ₹165.0 million ₹1,745.0 million, respectively.

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

Management's Discussion and Analysis or Plan of Operation

For the Quarter Ending September 30, 2008 and 2007 and June 30, 2008

CADP Group Corporation (CADPGC, the Group) was reorganized by its parent company, Roxas Holdings, Inc. (RHI), into an investment and management company pursuant to its consolidation plan. The plan aimed to integrate all of the sugar businesses owned by RHI (formerly Central Azucarera Don Pedro) in Negros and in Batangas under the Company.

The structure put in place an organization with specific strategic focus to invest in and manage sugar operations and set the stage for the Group's expansion and growth. The Group now has the mandate and responsibility of overseeing the sugar business and of exploring avenues for investment and diversification within sugar.

In line with this direction, the Group, together with management executives of Jardine Davies, Inc. (JDI), and certain foreign investors acquired 84,203,048 common shares of Hawaiian-Philippine Company (HPCo.) from JDI at the price of P561,024,148 through Marina Trading Corporation (MTC). The shares represented 98.95% of the outstanding capital stock of HPCo. HPCo was considered an unconsolidated affiliate and had contributed significant earnings to the company. The Group had a 45.62% interest in MTC.

To complete the Group's reorganization program, the company approved Phase 2 of the sugar consolidation plan through the spin-off of its Negros sugar operations to a wholly owned subsidiary, CACI in July 2004.

On November 25, 2004, the respective Board of Directors of MTC and Hawaiian Philippine Company resolved to proceed with the statutory merger of MTC and Hawaiian Philippine Company as the surviving entity. Thus, equity share is now at 45.09%.

The Group's consolidated subsidiaries are Central Azucarera Don Pedro, Inc. (CADPI) which is based in Nasugbu, Batangas and Central Azucarera de La Carlota, Inc. (CACI) whose operations are located in La Carlota City, Negros Occidental.

CADPI owns and operates a 10,000-tons-cane-per-day sugar mill that manufactures raw sugar granular and light brown to yellowish in color, and molasses, a by-product.

CACI operates a 12,000-tons-cane-per-day sugar mill producing raw sugar and molasses.

Both companies source sugar cane from various planters and mill them under a 35-65% production sharing agreement. The companies get 35% of the raw sugar produced and the planters retain 65% thereof as owners of the cane. Both companies subsidize the cost of transporting the sugarcane from the field to the factory.

CADPI also operates an 18,000 50-Kg. (Lkg) bag per day refinery in its Nasugbu plant. This involves the processing of raw sugar (mill share and purchased) into refined sugar, a

lustrous white-colored sugar. CADPI's refinery operations represent a significant portion of the revenues of the Group. To ensure maximum utilization of the refinery, CADPI also offers tolling or sugar refining services to various traders and planters.

The Group presently manages its sugar operating subsidiaries. It has instituted strategic and operating management systems and processes that aim to enhance its capability to monitor and control the operational effectiveness and efficiencies of the two consolidated subsidiaries.

In 2007-08, the company implemented projects to improve profitability and cash flows by:

- Increasing production capacity:
 - Mills
 - CACI - from 12,000 Tons/day to 17,000 Tons/day
 - CADPI - from 11,000 Tons/day to 18,000 Tons/day
 - Refinery
 - CADPI - from 18,000 Lkg/day to 22,500 Lkg/day
- Optimizing production-marketing mix, with greater emphasis given on direct sales to industrial customers
- Optimizing manufacturing efficiencies through better management of production of steam and usage of fuel and electricity and reducing manufacturing downtime
- Being prudent and cautious in capital investments
- Reducing manufacturing and operating costs.

The Group also remains committed to its corporate social responsibility to maintain the environmental integrity in areas where it operates and to contribute to the welfare of communities surrounding its facilities.

It is a signatory to the United Nations Global Compact, which enlists the participation of private corporations in the protection of human rights of children and labor and advocates environmental commitment and the fight against corruption.

INTERIM RESULTS - 1ST QUARTER 2008-2009 VS. CY 2007-2008

Financial Condition

Roxas Holdings, Inc. and its subsidiaries (the "Group") continued to have a healthy balance sheet. Total assets stood at P10.94 billion in September 30, 2008, compared to P9.87 billion at the close of the crop year before. Current assets increased from P2.448 billion in prior year to P3.150 billion this period. Current liabilities also moved up to P3.374 billion from P1.751 billion in June 2008. Due to on-going strategic projects of the Group, current ratio

and leverage position fell at 1.64:1 and 0.86:1, respectively from last crop year's 1.40:1 and 0.79:1.

The Group has unused working capital lines as of September 30, 2008 and June 30, 2008 from local banks amounting to P1.058 billion and P3.165 billion, respectively. Book value per share increased to P5.55 versus P5.17 in June 2008.

There are no:

- Known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company's material liquidity problem;
- Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations;
- Significant elements of income or loss that arose from continuing operations; and
- Seasonal aspects that had a material effect on the financial condition or results of operations.

Change in Financial Condition

The rise in the Group's total assets is attributable to the increased capital expenditures relative to the strategic projects. On-going expansion of milling and refining facilities bring the property, plant and equipment account to P6.978 billion from P6.645 billion in June 2008. Likewise, consolidated liabilities surged to P5.850 billion from P4.366 billion June 30. The Group obtained from various local banks a loan facility to complete the capital it needs to fund its capacity expansion. Total loans at the close of this quarter amounted to P4.3 billion from P2.5 billion at the end of previous crop year.

Current assets increased to P3.15 billion from P2.45 billion the year before on the back of higher cash and cash equivalents and prepayments. In particular, cash and cash equivalents went up to P671 million from P350 million and prepayments surged to P634 million from P169 million.

The Group took up in its books P23 million allowance for doubtful accounts and P26 million allowance for materials and supplies inventory obsolescence in June 2008, while allowance for raw sugar inventory losses amounted to P10.8 million this year.

Stockholders' equity slightly decreased from P5.50 billion to P5.09 billion, primarily due to incurred loss this period. Cash dividends declared and paid during the period was P110.8 million.

Results of Operations

Consolidated net sales decreased 8% to P891 million from the P964 million in September 2007. This was due to lower sales quantity and selling prices of raw and refined sugar in the current period.

Gross margin dipped 11% this quarter from 16% same period in prior year, thus, cost of sales for September 2008 reached 89% of sales compared to last period of 84%. This is due to higher trading cost brought about by increased raw purchases this period.

Operating expenses went up to P142 million from P123 million in 2007 in view of increased retirement contribution, new computer software, outside services, communication and travel expenses this period.

The increased manufacturing costs and operating expenses resulted to operating loss in the current year of the Group amounting to P36 million compared to income generated from operations in prior year of P50 million.

Earnings before interests, taxes, depreciation and amortization (EBITDA) went down from P412 million to P280 million.

Equity in net earnings amounted to P13 million this year, a slight increase from P14 million in 2007.

Consolidated net loss this year amounted to P42 million from the previous period P38 million. This translated to earnings per share of P(0.04) from P0.03 in prior period.

Top Five Performance Indicators

As maybe concluded in the foregoing description of the business of the Group, the Company's financial performance is determined to a large extent by the following key results:

- **Raw sugar production** - a principal determinant of consolidated revenues and computed as the gross amount of raw sugar output of CADPI and CACI as consolidated subsidiaries and HPCo, as an affiliate, and pertains to production capacity, ability to source sugar canes and the efficiencies and productivity of manufacturing facilities.
- **Refined sugar production** - the most important determinant of revenues and computed as the gross volume of refined sugar produced by the CADPI refinery both as direct sales to industrial customers and traders or as tolling manufacturing service, limited by production capacity and by the ability of the Group to market its services to both types of customers.

- **Raw sugar milling recovery** - is a measure of raw sugar production yield compared to unit of input and is computed as the fraction of raw sugar produced (in LKG bags) from each ton of sugar cane milled (LKG/TC).
- **Earnings before interest, taxes, depreciation and allowances (EBITDA)** - the measure for cash income from operation and computed as the difference between revenues and cost of sales and operating and other expenses, but excluding finance charges from loans, income taxes and adding back allowances for depreciation and other cash amortizations.
- **Return on Equity**- denotes the capability of the Group to generate returns on the shareholders' funds computed as a percentage of net income to total equity.

The table below, presenting the top five performance indicators of the Group in three fiscal years, shows general improvement in the financial and operating results:

Performance Indicator	2008	2007	2006
Raw sugar production	9.168 M bags	8.433 M bags	8.133 M bags
Refined sugar production	3.659 M bags	3.883 M bags	4.683 M bags
Milling recovery	1.83 LKg/TC	1.99 LKg/TC	1.95 LKg/TC
EBITDA	P946 million	P998 million	P974 million
Return on EQUITY	10%	9%	9%

Key Variable and Other Qualitative and Quantitative Factors

1) The company is not aware of any known trends, events or uncertainties that will result in or that are reasonably likely to result in any material cash flow or liquidity problem.

2) The company is not aware of any events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

3) The company is not aware of any material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.

4) Description of material commitments for capital expenditures.

The Group had an allocation of P1.4 billion for expansion project and P462 million for capital expenditures in 2007-08, broken down into P274 million for the CADPI integrated mill and refinery manufacturing operations and P188 million for CACI. The major CAPEX for this operating period are as follow:

CADPI

Manufacturing Division

- (a) The Refinery Department received budget allocation of P19 million for the acquisition and installation of 1 unit IER Column including Filter Nozzles and Initial Resin fill;
- (b) The Boiling House Department received budget allocation of P5.7 million for the acquisition of 1 new unit Auto Pan Auto Grain System, construction of intermediate secondary mixed juice tank, acquisition of mechanical tube cleaners (Phase 1) and provision of water flow meter for 10 units IG Centrifugal;
- (c) The Sugar and Molasses Section received budget allocation of P124 million for the construction of new refined sugar warehouse, asphaltting and relocation of cane trucks holding area Phase 1 and Phase 2 of conveying system;

Engineering Division

- (d) The Mills Department received budget allocation of P9 million for the purchase of 1 unit reduction gear, 4 units Pressure feeder and upgrade and conversion of the MCC conveying chain for 8" pitch roller to 9" pitch rollerless type;
- (e) The Boilers Department received budget allocation of P30 million for the construction of bagasse shed, installation of Winch for lifting materials, widening of excess belt conveyor, installation of Desuperheater for Skoda, conversion of boiler 3 submerged ash conveyor;
- (f) The Electrical Department received budget allocation of P16 million for the acquisition of replacement vacuum circuit breaker, modification for centrifugal machines compo conversion of 2 units FCB D412, 215 KW DC drives to 230KW Variable Frequency Inverter Drive tandem operation, conversion from 2 speed motor starter to VFD for WSC 5 and 6;
- (g) The Engineering Department received budget allocation of P9 million for the acquisition of additional 1 unit Lathe machine, widening of raw belt conveyor 1, acquisition of Lump Breaker 2 units, SKF monitoring machine.

Field Services Division

- (h) The Field Services Division received budget allocation of P42 million for the construction of bunk houses in 4 sites, including water and toilet facilities, farm tractors and implements - 7 units 120 HP, 3 units 90 HP, 7 units moldboard plow, 7 units trailing harrow, 7 units mechanical planter, 5 units cultivator, asphaltting of road from hi way to RORO, relocation of Marketing-Batangas, legal dept and Cashier to the ground floor. Replacement of unserviceable Farm Services Isuzu KB pick up, acquisition 1 unit Japan surplus Isuzu/Fuso Truck Tractor as a replacement of 2 units existing truck tractors RPM 001 and RPM 002 that are economical to operate and maintain;

VPRM

- (i) The VPRM received budget allocation of P1.5 million for the purchase of service car;

Environmental Management & Safety Department

- (j) The Environmental Management Section received budget allocation of P4.3 million for the installation of CHB wall perimeter fence at the west end of WTP to isolate facultative lagoons, modification of existing fire hydrant system and installation,
- (k) The Quality Control Department received budget allocation of P1.5 million for the purchase of 1 unit Spectrophotometer, sediment tester set with circulating pump, vacuum filtration assembly, analytical balance, moisture analyzer for bagasse analysis.

Information Technology Group

- (l) The ITG received budget allocation of P6 million for the acquisition of blade server, upgrading of 15 units desktops, 5 units of laptops, software for PASTA Projects;

Human Resource Division

- (m) The HRD received budget allocation of P3 million for the repair and renovation of SAMAKABA building to house the HR office , Training rooms and Library;
- (n) The Inventory and Materials Warehouse received budget allocation of P2.8 million for the construction of storage area for materials;

CACI

The Negros Operations received the following budget allocation:

- (o) Construction of new sugar warehouse - P52 million;
- (p) Construction of truck tipper 2 - P6.7 million;
- (q) Purchase of 2 units perforated rollers - P 5 million;
- (r) Purchase of 50 ton pressure reducing valve with desuperheater - P5.5 million;
- (s) Upgrading of turbodrives and GE turbines - P5 million;
- (t) Stainless steel lining DCRS Equipment - P24.7 million;
- (u) 1 unit Rotary Mud Vacuum filter - P10 million;
- (v) Acquisition of ERP System - P1.5 million;
- (w) Network connection for new truck scale and TRC - P3.4 million;
- (x) Installation of magnetic separator at mill 1 - P3 million;
- (y) 2 units pusher rolls - P3 million;
- (z) Modification of top caps - P3.7 million;
- (aa) Replacement of farrel main cane carrier chain - P3.4 million;
- (bb) 1 unit induced draft fan for jta boiler - P4.5 million;
- (cc) Retrofitting controls of 2 units FCB D412 Centrifugals - P4.8 million;
- (dd) 1 unit 125 HP IR air compressor - P4.5 million;
- (ee) Automation of molasses and C seed proportion for CVP - P3 million;
- (ff) The balance of CAPEX budget was allocated for various minor projects of the subsidiaries amounting to P45 million

5) The company is not aware of any known trend, events or uncertainties that will have material impact on sales.

6) The company is not aware of causes for any material changes from period to period in the financial statements.

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

Aging of Accounts Receivable - Trade

As of September 30, 2008

Customers	Amount	Current	1-month	2-3 months	Over 4 months	Past due Accounts
A J E SUGAR TRADING	76,803	-	-	-	76,803	
Alaska Milk	62,782,740	40,300,000	21,700,930	3,255	778,555	
All Asian Countertrade	6,639,924	-	6,108,130	336,793	195,000	
ALLIED SUGAR CONSOLIDATED CO	957,179	-	-	-	957,179	
AMEROP PHILIPPINES, INC.	40,801	-	-	-	40,801	
B-BROS MARKETING AND SALES	14,777	-	-	-	14,777	
Big E Food	4,900,000	4,287,500	612,500	-	-	
Bristol -Myers Squibb	32,270,300	16,527,000	15,740,000	-	3,300	
Central Azucarera Don Pedro, Inc	-	-	-	-	-	
Century Canning Corporation	842,500	-	-	842,500	-	
CHARLIE ONG WORLD COMODITIE	-	-	-	-	-	
Coca cola Bottlers	73,305,062	-	73,136,000	-	169,062	
Confites Inc.	-	-	-	-	-	
DAC GEN MERCHANDISING, INC.	-	-	-	-	-	
Del Monte Phils. Inc.	72,487	-	-	-	72,487	
Delfi Foods	16,965	-	-	-	16,965	
DELMAX TRADING CORPORATION	33,825	-	-	-	33,825	
DYNAMIC TRIPLE C MARKETING	25,140	-	-	-	25,140	
E D & F MAN PHILIPPINES, INC.	1,852,449	-	6,674	79,437	1,766,338	
EDISON LEE MARKETING	442,923	-	-	-	442,923	
Edward Keller Phils	4,651,960	3,100,000	775,000	35,884	741,076	
ES MARKETING	52,969	-	-	-	52,969	
Foodsphere Inc.	4,447,683	2,337,500	2,110,000	-	183	
Gardenia Bakeries	14,014,486	7,000,000	6,312,086	702,400	-	
Genosi	-	-	-	-	-	
GOLD EMPIRE TRADING	82,518	-	-	-	82,518	
HEINZ UFC PHILS., INC.	44,285	-	-	-	44,285	
HERMANO OIL MANUFACTURING	463,421	-	-	-	463,421	
ICE SKATING MARKETING	4,467,862	4,420,400	-	-	47,462	
Isaac Three Food	1,170,458	-	745,680	390,000	34,778	
Kraft Foods Phils. Inc.	8,275,808	4,135,000	4,135,000	-	5,808	
LCMDMPCI	647,135	-	-	-	647,135	
Liwayway Marketing Corp.	996	-	-	-	996	
Lucky fourteen	-	-	-	-	-	
M. MOLINA GEN. MERCHANDISE	1,937	-	-	-	1,937	
Mead Johnson Phils.	-	-	-	-	-	
MICRO AGRO MARINE RESOURCES	486,201	-	-	-	486,201	
Mix Plant Inc.	1,855,000	-	1,855,000	-	-	
MONDE DENMARK-NISSIN BISCUIT	7,500	-	-	-	7,500	
NEGROS COFA	55,694	-	-	-	55,694	

Customers	Amount	Current	1-month	2-3 months	Over 4 months	Past due Accounts
Nestle Phils. Inc.	40,387,791	29,580,000	3,825,000	6,792,473	190,319	
New RBW Marketing Inc.	-	-	-	-	-	
NEW SEASON PRODUCTS	11,300	-	-	-	11,300	
Oleo Fats	-	-	-	-	-	
ORO ALLADO COMMODITIES	13,002	-	-	-	13,002	
Pascual Laboratories	659,750	-	659,750	-	-	
Peotraco Industries	-	-	-	-	-	
R-5 TRADING AND MARKETING	7,870	-	-	-	7,870	
Ram foods	2,805,000	1,870,000	935,000	-	-	
RDS COMMODITIES	41,518	-	-	-	41,518	
RFM Corp.	1,210,000	-	-	-	1,210,000	
Sarimanok Feed Co.	546,000	-	546,000	-	-	
Second Consolidated	952	-	-	-	952	
SOUTHEAST ASIA FOODS, INC.	6,656,000	1,536,000	3,072,000	2,048,000	-	
T & E SUGAR AND MOLASSES TRADI	1,297,350	-	-	-	1,297,350	
The Purefoods Hormel	-	-	-	-	-	
TRI-MAXI TRADING	41,346	-	-	-	41,346	
UFC PHILIPPINES, INC.	10,718,240	10,718,240	-	-	-	
Unilab-Phil. Health Food	772,835	772,835	-	-	-	
Unilever RFM Foods	5,426,549	3,100,000	2,325,000	-	1,549	
Unilever Foods	775,000	-	-	-	775,000	
Unilever Phils	18,754,101	14,861,500	3,100,001	17,600	775,000	
United Laboratories Inc.	8,463,960	6,933,960	1,530,000	-	-	
United Laboratories Inc. AAI	310,870	310,870	-	-	-	
UNITRADE INDUSTRIAL MANUFACT	9,420,376	9,420,376	-	-	-	
Zenith Foods	-	-	-	-	-	
Various customers	4,844,233	11,413	-	-	4,832,820	
TOTAL	338,163,826	161,222,594	149,229,751	11,248,342	16,463,139	-
Less: Allowance for impairment	6,337,050				6,337,050	
NET TRADE RECEIVABLES	331,826,776	161,222,594	149,229,751	11,248,342	10,126,089	-

ROXAS HOLDINGS, INC. AND SUBSIDIARIES
Combined Aging of Accounts Receivable
As of September 30, 2008

1. Aging of Accounts Receivable

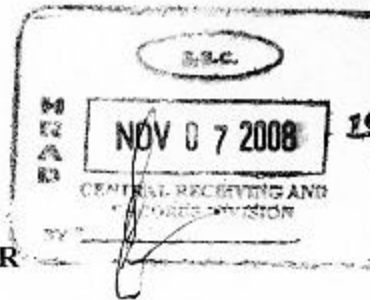
Description	Amount	Current	1-month	2-3 months	Over 4 months	Past due Accounts
Non-Trade						
Planters and Planters Association	159,197,688	19,071,024	17,383,962	30,693,756	86,232,988	5,815,959
Officers and Employees	31,174,759	8,897,101	12,814,794	1,008,085	8,454,779	-
Contractors	15,424,207	9,611,163	1,528,640	4,284,404	-	-
C A C I	-	-	-	-	-	-
N A V I	-	-	-	-	-	-
Pegasus	818,201	-	-	-	-	818,201
Truckers	4,622,625	-	-	-	4,622,625	-
Others	16,761,414	7,139,808	993,198	293,555	2,312,722	6,022,130
Total	227,998,893.56	44,719,096	32,720,594	36,279,799	101,623,115	12,656,290
Less: Allowance for impairment	16,843,320	-	-	-	5,992,692	10,850,628
Net non-trade receivable	211,155,573.46	44,719,095.76	32,720,593.81	36,279,799.43	95,630,422.50	1,805,661.96
Add: Net trade receivable	331,828,946	161,222,594	149,229,751	11,248,342	10,128,259	-
Net Receivable	542,984,520	205,941,690	181,950,345	47,528,141	105,758,682	1,805,662

2. Accounts Receivable Description

Type of Receivable	Nature and Description	Collection Period
1) Trade receivable	Receivable arising from sale of sugar and other related products:	15 days after issuance of sales invoice
2) Planters and Planters Association	Cash advance granted to planters to take the form of fertilizers and harvesting assistance.	Offset against actual production: One milling season
3) Employees	Loans granted to officers and employees in form of educational or financial assistance.	Salary deduction-one year
4) Contractors	Downpayment on future contracts.	Offset against billing.
5) Pegasus	Management project re: cost of hauling of trucks which were managed by some employees of the company.	Five years
6) Truckers	Assistance given to haulers during off-season for the repair expenses of their trucks.	One milling season
7) Others		
Government entities	SSS benefits advanced by the company.	30 days
Various accounts		

3. Normal Operating Cycle: One Crop Year

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-L
NOTIFICATION OF INABILITY TO FILE ALL OR
ANY PORTION OF SEC FORM 17-A OR 17-Q



Check One:

Form 17-A [] Form 17-Q [x]

Period-Ended/Date of required filing: 30 September 2008

Date of this report: 07 November 2008

Nothing in this Form shall be construed to imply that the Commission has verified any information contained herein.

If this notification relates to a portion or portions of the filing checked above, identify the item(s) to which the notification relates: N/A

1. SEC Identification Number: 15-A 2. BIR Tax Identification No.: 000-290-538
3. ROXAS HOLDINGS, INC.
Exact name of issuer as specified in its charter
4. Philippines
Province, country or other jurisdiction of incorporation
5. Industry Classification: _____ (SEC Use Only)
6. 6/F CG Bldg., 101 Aguirre St. Legaspi Village, Makati City
Address of principal office
7. PLDT: (632) 810-8901
Issuer's telephone number, including area code

1229
Postal Code

ROXAS HOLDINGS, INC.

(Company's Full Name)

**6/F Cacho Gonzales Bldg.
101 Aguirre St., Legaspi Village, Makati City**

(Company's Address)

(632) 810-8901

(Company's Telephone Number)

June 30, 2009

(Fiscal Year Ending)

SEC Form 17-L

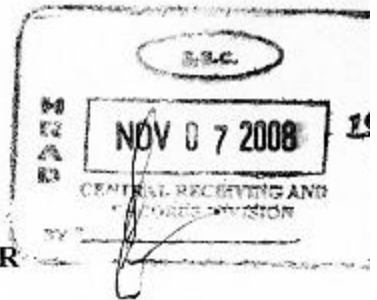
(Form Type)

Amendment Designation (If Applicable)

Period Ended Date

(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-L
NOTIFICATION OF INABILITY TO FILE ALL OR
ANY PORTION OF SEC FORM 17-A OR 17-Q



Check One:

Form 17-A [] Form 17-Q [x]

Period-Ended/Date of required filing: 30 September 2008

Date of this report: 07 November 2008

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Issuer's telephone number, including area code

1229
Postal Code

8.....
Former name, former address, and former fiscal year, if changed since last report.

9. Are any of the issuer's securities listed on a Stock Exchange?

Yes No

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

Securities registered with the Philippine Stock Exchange:

Securities registered:	No. of shares
Common shares	1,168,976,598

Part I - Representations

If the subject report could not be filed without unreasonable effort or expense and the issuer seeks relief pursuant to SRC Rule 17-1, the following should be completed. (Check box if appropriate)

(a) The reasons described in reasonable detail in Part II of this Form could not be estimated without unreasonable effort or expense.

(b) The subject annual report on SEC Form 17-A, or portion thereof, will be filed on or before the fifteenth calendar day following the prescribed due date ; or the subject quarterly report on SEC Form 17-Q, or portion thereof, will be filed on or before the fifth (5th) day following the prescribed due date.

(c) The accountant's statement or other exhibit required by paragraph 3 of SRC Rule 17-1 has been attached if applicable.

Part II - Narrative

State below in reasonable detail the reasons why SEC Form 17-A or SEC Form 17-Q, or portion thereof, could not be filed within the prescribed period. (Attach additional sheets if needed.)

The company requests an additional time of five (5) working days from 14 November 2008 which is the prescribed due date of submission of its Quarterly Report (17-Q) or until 19 November 2008. The company fears that it may not be able to submit the report on the appointed date due to volume of work, various deadlines and other office work which also require immediate attention.

Part III - Other Information

(a) Name, address and telephone number, including area code, and position/title of person to contact in regard to this notification:

Atty. Florencio M. Mamauag, Jr.
Assistant Corporate Secretary
VP – Legal and Compliance Officer
6F Cacho-Gonzales Bldg.
101 Aguirre Street, Legaspi Village
Makati City, Metro Manila
810-8901 / 750-2167

(b) Have all other periodic reports required under Section 17 of the Code and under Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months, or for such shorter period that the issuer was required to file such report(s), been filed? If the answer is no, identify the report(s).

Yes No Reports:

(c) Is it anticipated that any significant change in results of operations from the corresponding period for the last fiscal year will be reflected by the earnings statements to be included in the subject report or portion thereof?

Yes No

If so, attach an explanation of the anticipated change, both narratively and quantitatively, and, if appropriate, state the reasons why a reasonable estimate of the results cannot be made.

SIGNATURE

Pursuant to the requirements of the SRC Rule 17-1, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ROXAS HOLDINGS, INC.

By:



FLORENCIO M. MAMAUAG, JR.
Assistant Corporate Secretary
VP-Legal and Compliance Officer

06 November 2008