COVER SHEET

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SEC Registration Number

D M C I   H O L D I N G S , I N C .

(Company's Full Name)

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P A S O N G   T A M O   E X T . M A K A T I   C I T Y

(Business Address: No., Street City / Town / Province)

HERBERT M. CONSUNJI	888-3000
Contact Person	Company Telephone Number

(Last Wednesday of July)

1 2	3 1	**SEC Form 17-Q** **Second Quarter Interim Report 2010**	0 7	3 0
Month	Day	FORM TYPE	Month	Day
Fiscal Year			Annual Meeting	

N.A.

Secondary License Type, If Applicable

C F D	
Dept Requiring this Doc	Amended Articles Number / Section

Total Amount of Borrowings

Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarter ended **June 30, 2010**

2. SEC Identification No. AS095-002283 3. BIR Tax Identification No. 004-703-376

DMCI Holdings, Inc.
4. Exact name of issuer as specified in its charter

5. Philippines 6. [ ] (SEC Use Only)

Province, Country or other jurisdiction of incorporation or organization Industry Classification Code:

7. 3rd Floor, Dacon Building, 2281 Pasong Tamo Ext., Makati city 1231
Address of principal office Postal Code

8. Tel. (632) 888-3000 Fax (632) 816-7362
Issuer'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 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	No. of Shares Outstanding	Amount
Common Shares	2,655,494,000	Php2,655,494,000.00
Preferred Shares	4,380	4,380.00
TOTAL	2,655,498,380	Php2,655,498,380.00

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

Yes [X] No [ ]

If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange Class "A" Shares
Preferred Shares

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [X] No [ ]

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

Yes [X] No [ ]

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

The Financial Statements for the quarter and period ended **June 30, 2010** are contained herein.

MANAGEMENT DISCUSSION AND ANALYSIS OF RESULTS OF CONSOLIDATED OPERATIONS AND CONSOLIDATED FINANCIAL CONDITION FOR THE QUARTER AND PERIOD ENDED JUNE 30, 2010.

I. RESULTS OF OPERATIONS

<u>1H 2009 – 1H 2010</u>

DMCI Holdings, Inc. (the "Company") reported a jump of 94% in its consolidated first half net income (after minority interest) from P2.156 billion in 2009 to P4.181 billion in 2010. The inclusion of the new power generation business boosted the already significant growth in the construction, real estate and mining businesses. These along with the maintained results from water investments all contributed to the impressive bottom line.

Below is a table on the 1st half net income contributions of the Company's businesses for 2010 and 2009:

(amount in Php millions)	**1H 2010**		**1H 2009**		**Variance**	
Construction	945	23%	325	15%	620	191%
Mining	830	20%	407	19%	423	104%
Real Estate	764	18%	299	14%	465	156%
Water	906	22%	1,121	52%	(215)	(19%)
Power	735	18%	(6)	0%	741	12,350%
Parent & Others	-	0%	10	0%	(10)	(100%)
Total	**4,180**	100%	**2,156**	100%	**2,024**	94%

The significant first half for the Calaca power plant, the realization of works for the big ticket construction projects, the recognition of real estate sales, and the growing coal deliveries to both exports and domestic customers caused the steep growth in consolidated net income. The water business registered a slight 19% decrease as a result of non-recurring extraordinary items.

WATER

The Company's investment in the water sector is recognized through a consortium with Metro Pacific Investments Corp. (MPIC) and operated through the water utility for the west portion of Metro Manila: Maynilad Water Services, Inc. (Maynilad). Despite a spike in operations, first half net contributions from the water business slightly reduced to P906 million in 2010 compared to P1.1 billion in 2009 as extraordinary items at the Maynilad level and consortium adjustments bloated 2009 amounts.

Below is a table which details the breakdown of the consolidated 1st half operating results of the water investments of the Company:

(in Php millions)	**1H 2010**		**1H 2009**	
	Consortium	**DMCI share**	**Consortium**	**DMCI share**
Maynilad (Operating) Level				
Core Net Income	2,451	1,029	1,276	536
Forex & Extraordinary Items	(23)	(10)	1,040	437
Maynilad Net Income	2,428	1,019	2,316	972
Minority	(142)		(136)	
Attributable Net Income after Minority	2,286	**1,019**	2,180	**972**
Consortium Adjustments:				
Fair Value/ Goodwill Amortization	(268)	**(120)**	(477)	**(213)**
Prior Period Adjustments		**-**	635	**283**
ESOP Provision	31	**14**	-	**-**
Forex Gain (Losses)	(47)	**(21)**	18	**8**
Unrecognized Actuarial Gains		**-**	(117)	**(52)**
Concession Fee Adjustments	44	**20**	(76)	**(34)**
Bid & Other Costs		**-**	(6)	**(3)**
Tax Adjustments		**-**	311	**139**
Other Adjustments	(15)	**(7)**	46	**21**
Subtotal	(255)	**(114)**	334	**149**
Net Income (Loss)	**2,031**	**906**	**2,514**	**1,121**

Water operating efficiencies continued to improve as Maynilad reported a 92% increase in first half core net income from P1.3 billion in 2009 to P2.4 billion in 2010, of which DMCI's beneficial share is P536 million and P1 billion respectively. Billed volume for the period was up 9.5%, despite a 4.8% dip in water supply. Year to date non-revenue water (NRW) slid from 60.9% last year to 55% this year. Billed services also grew 8.9% to 846,682 accounts. As a result, Maynilad water service revenues were up by P1 billion, a 23.9% increase from last year. Non-cash opex showed a 24% reduction coming mainly from the reduced amortization of concession assets which despite capital expenditures shrank due to the extension of Maynilad's concession period. Cash opex, on the other hand, reported a 15% growth due to the following: (a) higher electricity rates and consumption, (b) increase in cost of outsourced activities, (c) growth in real estate tax along with repairs & maintenance costs from increase in assets acquired in line with higher asset levels from capex programs.

Although dampened by the extraordinary income items from last year, the certain and inevitable growth from the Maynilad operations is providing the Company confidence that its water investment will soon become not just a significant income contributor but also a cash generating segment.

CONSTRUCTION

The construction business almost tripled its net contributions for the period from P325 million last year to P945 million this year. Construction and engineering works for local buildings and domestic infrastructure projects added to the foreign steel fabrication contracts resulting in the huge increase.

General Construction

The general construction unit, operated under wholly-owned and flagship construction company, D.M. Consunji, Inc. (DMCI), registered 1st semester net contributions of P616 million, improving 2.64 times from the P233 million last year as construction and engineering works from the elevated toll road project, Skyway, reached full activity.

Works from the major contracts: Skyway, 168 Residences and Raffles Hotel (worth P15 billion) caused the huge 128% increase in DMCI construction revenues from P5.8 billion to P2.5 billion this year. Building construction revenues this period was slightly up from P971 million in 2009 to P1.2 billion in 2010, but now accounted for only 20% of general construction revenues from 38% the previous year. Below is a table on the significant DMCI building contracts for the first half of 2010 and 2009:

(in Php millions)

Building Projects	**Contract Amount**	**Booked Revenues**		**Variance (%)**
		1H2010	**1H2009**	
Raffles/Fairmont	4,585	589	451	38%
168 Residences	3,096	458	124	269%
Moldex Grand Towers	686	106	155	-32%

Infrastructure development, now a driving force for the country's economic growth was evident as DMCI infrastructure revenues (including waterworks) for the 1st semester totaled P3.4 billion up by 140% from the P1.4 billion last year. A breakdown of the major infrastructure projects for the 1st half of 2010 and 2009 is illustrated below:

(in Php millions)

Infra Projects	**Contract Amount**	**Booked Revenues**		**Variance (%)**
		1H2010	**1H2009**	
Skyway	7,186	2,233	553	304%
LRT1	1,078	100	247	-60%
Maynilad	3,133	1,063	340	212%

Contributions from the other independent construction units such as external electrical works, equipment management (sales and rentals), ready-mix concrete sales (external), and manpower supply were also helpful in providing contributions to the general construction business.

General and administrative expenses for DMCI were higher due mainly to the increased construction activity. Regardless, the Company is still consistent with its cost savings guidance despite expectations that overhead is expected shoot up due to the requirements from the newly awarded contracts.

With the current infrastructure development drive of the country, the Company, thru DMCI, is well positioned to be a driver and a beneficiary of such infrastructure progress.

<u>Steel Fabrication and Assembly</u>

The Company's steel fabrication business is reported thru its 98% owned steel fabrication company, Atlantic Gulf and Pacific Company of Manila, Inc. (AG&P). AG&P is the oldest construction company in the country with countless projects spanning over 100 years.

AG&P reported a humunguous growth of 3.5 times in the first half net contributions from P92 million in 2009 to P330 million in 2010. New projects, namely the BP Whiting – Coker project, accounted for P906 million of period revenues and significantly provided the much needed push in AG&P gross revenues. Overseas manpower services, although slightly lower, continued to contribute significant revenues to AG&P.

Early in 2008, the Company was looking to sell AG&P but due credit crunch suffered in the same year the sale did not materialize. As a result, the Company has decided to financially support AG&P early in 2009 with the hopes to renew and improve its business to become a fully contributing subsidiary and improve its value. As of now, the Company is still selling AG&P and hopefully will conclude the sale by the end of 2010.

Nonetheless, the Company is confident that aside from its current orderbook of mostly oil and gas related offshore contracts, AG&P's competence in steel fabrication can be a strategic auxiliary competence alongside its general contracting capacity, in benefiting from the current infrastructure progress.

REAL ESTATE

The Company's real estate business is led by the Company's wholly owned real estate development subsidiary, DMCI Project Developers, Inc. (PDI). Under the brand name DMCI Homes, PDI develops and sells middle income residential housing units that define best in quality-value for money units.

As a background, the Company recognizes real estate revenues using the full accrual method, where sales are booked when the unit is fully complete and the down payment of 20% is already collected. This method is in accordance with International Accounting Standards but is not the same with most real estate developers in the Philippines. Supposedly there was a move to adopt this in the country sometime in 2008 but was subsequently suspended by the SEC after majority of the real estate companies lobbied against it. Despite this, the full accrual method has been and is still used by the Company.

The housing segment recognized a 24% increase in net contributions for the period from P299 million last year to P764 million this year despite only a 29% increase in realized revenues. Realize housing sales for the period reached P2.4 billion from P1.87 billion last year. Below is a table on the sales and gross margins per project of the housing business:

	1H 2010		1H 2009		VARIANCE	
	SALES	**GP%**	**SALES**	**GP%**	**Amount**	**%**
Alta Vista De Boracay	55,220,176	32%	48,231,398	32%	6,988,779	14%
Cypress Towers	207,068,091	40%	58,195,000	40%	148,873,091	256%
Dansalan Gardens Condo	156,817,801	28%	194,349,210	26%	(37,531,408)	-19%
East Ortigas Mansion 1 & 2	20,572,843	46%	22,077,432	44%	(1,504,590)	-7%
Mahogany Place 1 & 2	75,880,960	61%	45,435,794	53%	30,445,166	67%
Mahogany Place 3	41,145,357	52%	-		41,145,357	
Ohana Place Residences	129,418,630	54%	-		129,418,630	
Rainbow Ridge Condo 1 & 2	10,244,220	58%	4,126,793	43%	6,117,427	148%
Raya Gardens Condo	140,786,769	44%	374,599,906	38%	(233,813,136)	-62%
Riverfront Residences 1	155,004,352	47%	394,054,993	27%	(239,050,642)	-61%
Riverfront Residences 2	119,318,003	26%	-		119,318,003	
Rosewood Pointe Homes	391,450,024	37%	150,063,690	50%	241,386,334	161%
Royal Palm Residences	423,137,449	53%	-		423,137,449	
The Manors Celebrity Place	11,291,058	21%	52,283,431	55%	(40,992,373)	-78%
Tivoli Gardens Residences	408,243,932	44%	304,720,433	37%	103,523,499	34%
Morning Sun Homes	1,090,600	-134%	(9,651)	-6881%	1,100,251	-11401%
Spring Lane Homes	2,293,200	-123%	9,379,913	57%	(7,086,713)	-76%
Hampstead Gardens	1,165,800	58%	-		1,165,800	
Bonifacio Heights	6,725,000	4%	81,144,982	41%	(74,419,982)	-92%
Lakeview Manors	4,593,747	54%	4,938,723	53%	(344,977)	-7%
Mayfield Park Residences	20,061,911	56%	65,688,874	46%	(45,626,963)	-69%
Villa Allegre Homes	2,305,175	35%	8,031,791	39%	(5,726,616)	-71%
Vista de Lago	16,407,503	52%	12,483,447	44%	3,924,056	31%
Others	-		37,837,636	-73%	(37,837,636)	-100%
	2,400,242,603	**43%**	**1,867,633,796**	**35%**	**532,608,807**	**29%**

**negative and irregular amounts in sales and gross margins are result of cost/sales adjustments to reflect correct balances*

Significant realized sales from Cypress Towers, Ohana Place, Rosewood Pointe, Royal Palm and Tivoli Gardens all contributed to improved 1st half revenues but it is the higher price that helped boost gross margins improving income.

A better representative of current operations would be sales and reservations for the period which experienced a growth of 92% from P3.6 billion in 2009 to P6.9 billion in 2010. The steep growth can be attributed to the effect of the global credit crunch which greatly affected the Company's housing operations in the 2nd half of 2008 until the 1st half of 2009. Aside from this, current sales and reservation have been at its highest averaging more than P1 billion a month indicating a recovery and even a growing demand in DMCI housing units. Existing projects like Mahogany Place 3, Tivoli Gardens, among others, plus new projects like Cedar Creek (Rosewood 3) and The Redwoods, all provided significant growth in sales and reservations for the first semester of 2010.

Moreover, housing interest income for the period spiked to P437 million, up by 176% from the P158 million recognized last year. This indicates the continuing growth in internally financed buyers despite the better bank financing terms-interest wise.

Operating expenses in the real estate segment were higher by 23% due to:

- Increase in selling and marketing activities such as commissions, sales incentives, marketing tools, ads, etc.
- Increase in local taxes, an offshoot of 2008 increased revenues
- Real estate taxes on unsold and not yet turned over inventory
- Increase in utilities

Note that majority of the Company's housing units have a selling price between P1.5-3 million per unit and as such have been registered with the Board of Investments (BOI) as part of their affordable housing investments that provide income tax holiday. With this the Company's housing segment enjoys income tax holidays for most of its units sold.

MINING & POWER

Coal Mining & Power (Calaca)

The Company's coal mining business and its major power generating asset (Calaca) are both lodged under 55%-owned and publicly listed Semirara Mining Corp (SMC). SMC reported an improvement in first half operating results from a net income of P721 million in 2009 to P2.486 billion in 2010 providing an 245% growth in net contribution of P 424 million to P1.4 billion in 2009 and 2010 respectively. This was mainly due to the inclusion of the new Calaca Power Plant operations aside from the growth in coal deliveries, specifically coal exports.

Below is SMC's management discussion and analysis of results of operations and financial condition for the period ending and as of June 30, 2010 as lifted from its first quarter financial report with the PSE and SEC:

SEMIRARA MINING CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

2010 FIRST HALF OPERATION

The company has expanded its normal mining capacity to 70 million bank cubic meters (bcm) annually with the commissioning of new mining equipment which took place in early this year. With this capacity, it posted total material movement of 40,632,772 bcm breaching its half year current capacity as we took advantage of the good weather condition.

Meanwhile, with a strip ratio of 10.2:1, run-of-mine (ROM) coal produced was 3,706,110 metric tons (MTs), comprised of 2,981,460 MTs of clean coal and 724,650 MTs of washable coal. These yielded to a net product coal of 3,382,088 MTs.

With the intensive mining operation catching up the steadily rising demand for Semirara coal, fueled by aggressive marketing efforts, the company posted a record high coal sales of 3,917,144 MTs for the period. The huge beginning inventory of 763,575 MTs augmented the current period's coal production to be able to reach coal sales at this level and reducing the inventory level to 193,122 MTs and the end of first half.

To sustain the current level of activity, the company intensifies its coal exploratory and confirmatory drillings around the adjacent areas of the current mine and the old mine. Moreover, drilling data further indicate favorable results. Also, support facilities are being put in place in order to level-up with the intensified mining operations.

At the outset, the integration of mining and power generation as a defensive strategy boosted the company business. With this, the Group posted P13.01 billion consolidated revenue for the period. Of this, the mining business shared P7.06 billion while power segment contributed P5.96 billion of sales after elimination of intercompany transactions.

The group's consolidated cost of sales amounted to P8.56 billion, P4.61 relates to cost of coal and P3.95 billion pertains to power generation cost. Thus, posting a gross margin of P4.46 billion of which P2.45 billion came from coal mining and P2.01 billion came from power generation.

Meanwhile, the operating expenses hit the level of P1.67 billion due to interim provision for government share of P1.02 billion, which is still subject to final adjustment after full accounting of the full year cost vis-à-vis coal sales. This is expected to taper off at year end due to expected rise in cost of fuel and cost of issuances of inventories which are still carried in the asset account. These inventories are intended for mine rehabilitation projects and programmed equipment maintenance. Cost is expected to rise in inverse proportion with coal sales. Taxes and licenses of P366.72 million and general administrative expense of P283.45 million were mostly incurred by the power business segment in connection with the finalization of the documentation process re – Calaca Power Plant acquisition.

With the fluctuation of foreign exchange rates the group sustained a net forex gain amounting to P28.70. The financing charges on short-term and long-term loans amounted to P337.60 million while the other income and charges net at P0.6 million. Equity share in net income of associates amounted to P64.22 million. The share in earnings from DMCI Mining Corp. was mitigated by the share in losses of DMCI Power Corp. The latter has just started its commercial operations.

With these, the consolidated net income before tax amounted to P2.55 billion. The Group provided an income tax liability for the power business at P572 thousand only due to and zero for the coal mining *because of the Group's registration with the Board of Investments for ITH incentive, Thus, consolidated Net Income After Tax amounted to P2.55 billion for the first half of the year, P1.26 billion came from the core business coal mining, and P1.29 billion from the power business segment.*

2010 FIRST HALF FINANCIAL CONDITION

As of the first half, the group stood with P25.98 billion total assets showing a 9% growth from the beginning of the year. The increase principally came from impressive coal and power sales, as reflected in the increase in cash generation and accounts receivable. Of the total assets, current assets pose at P7.23 billion which comprises of cash, P1.20 billion, Receivables, P2.67 billion, inventories, P2.51 billion and other assets, P853 million, while the non-current assets sat at P18.75 which accounts for property, plant and equipment of P17.95 billion, and investments of P613.63 million and other non-current assets of P188.68 million. The increase of 148% and 119% in cash and cash equivalents and receivables were mainly driven by increase in volume both from coal and power sales. Similarly, the 19% decrease in inventories was mainly contributed by the decrease in coal inventory as more coal were sold than produced during the current period. While, the 151% increase in investments mainly came from the cash placement in sinking fund by the power segment amounting to P305 Mn.

Meanwhile, total liabilities amounted to P16.45 billion, of this, current liabilities is P5.35 billion consisting of short-term loans, trade payable and due to government agencies. The decrease in current portion of long-term debt was due to the reclassification to long term debt portion of the current portion of PSALM debt after this was refinanced by the group via project financing. While the increase in notes payable were related to bridge loans incurred by the group relative to the full payment of the PSALM debt. The huge increase in Trade and Other Payables is principally due to the interim provision of royalty to the government of P1.02 Bn, the rest of the increase came from purchases of goods and services from consignment parts and for various development projects. The balance of P11.09 billion represents the non-current obligations principally from the project financing loan of P9.6 billion for the power business from local banks with a grace period of one (1) year and deferred payment arrangement for conventional mining equipment from foreign supplier amounting to P1.5 Bn (US$32 Mn).

The group's total shareholder's equity totaled P9.53 billion with a paid-up capital amounting to P5.66 billion. Total paid-up capital decreased by 8% compared to the beginning of the year. This was due to decrease in deposit for future subscription by P2.38 billion, from P5.40 billion at the start of the year to P3.02 at the end of 1H.. After determination of the final SRO share price of P74/share for 59,375,000 shares last 10 June 2010, the company returned the excess deposit beyond the rights entitlement. The final estimated gross proceeds is P4.39 billion from the stock rights offering. The decrease was offset by the Gain on Sale of Treasury Shares which was re-issued last April 2010 amounting to P765 million. The entire 19,302,200 shares held in treasury were all sold. Also, the retained earnings shoot-up to P3.87 after recording the group's net income of P2.55 billion net of P6/share cash dividend as declared last 27 April, 2010 or P1.77 billion which was paid last 23 June 2010.

2010 COMPARATIVE REPORT

I. COAL PRODUCTION / POWER GENERATION

Aligned with the company's expansion program, it has commissioned a number of new mining equipment in early part of the year. This increased the company's excavating and material movement capacity 70 Mn bcm from 60 Mn bcm. As a result, it posted a total of 40.6 million bcm material movement in first half of the year, a 32% increase over last year's 30.7 million bcm. Materials movement in Q1 and Q2 were 19.45 million bcm and 21.18 million bcm respectively or higher by 20% and 46% than last year,

Meanwhile, the company almost doubled its ROM coal production in the first half than same period a year ago as it took advantage of the good weather condition and adequately matched the increasing demand of coal during the current period. The Q1 and Q2 ROM coal extraction were 1.85 Mn MT and

1'86 Mn MT, respectively or higher by 121% and 74%. First half coal production is 85% higher than same period last year.

While the company is continuously aggressive on its coal extraction and coal shipment it was able to manage a safe level of ending inventory of 193.12 thousand MT in the first half.

On the other hand, the power business was able to generate 1,082 GWh during the 1st half of which 617 GWh was generated during the 2nd quarter or 33% higher from the 1st quarter performance. The improvement was realized after some minor repairs activities were done from the date the company took over the operation of the power plant. Plant availability registered at an average of 64% in 1Q to 84% in 2Q or 30% improvement. Thus, power generation in 1Q was lower due to lower availability caused by the interruption in the power plants operation resulting from minor rehabilitation activities. The average capacity in the 1st half was at 163 MW and 171 MW for Unit 1 and Unit 2, respectively or at combined capacity of 334 MW.

II. MARKETING

With the company's aggressive marketing effort coupled with the rising demand for coal, it has accepted the entrant of new customers from the region. Evidently, the company posted a record high 3.92 Mn MT of coal sold for the first half, higher by 81% from last year's shipments on the same period. Of the total coal shipment, 2.01 Mn MT were sold in Q1 and 1.91 Mn MT were sold in Q2.

The export sales during the 1st half remained the biggest part of the pie at 58% posting an impressive increase of 136% from last year's coal shipments of 955 thousand MT to 2.26 Mn MT. Export sales contribution to coal revenue is at 53% in the current period against 30% of 1st half last year

Local sales amounted to 1.66 Mn MT consisting of sales to power plants, cements and other industries of 987 thousand MT, 442 thousand MT and 233 thousand MT, respectively. Relatively, sales to these industries improved from last year by 33%, 41% and 48%, respectively, with aggregate increase in local sales by 34% from last years 1.24 Mn MT. Local power plants, other than the group's own power plant increase their offtake with the commissioning of a new plant. The increase in the offtake of the cement industry was due to the entry of a major player in the cement industry, while the old customers likewise increase their coal requirement similarly with the rest in the other industry group.

After, the company tookover the power plant business, it has modified its pricing scheme for its own power plant from import parity pricing to market base pricing to be comparative with those other power plant customers. As a result, the composite average price has declined by 24% from P2,914/MT level last year. However, with the bubbling coal demand which provided the company a pricing advantage, the Q1 average effective FOB price level of P2,142/MT went up to P2,300/MT in Q2 averaging at P2,219/MT in the first half.

Meanwhile, the group's power sales in 1st half went as high as 998 GWh from 469 GWh in Q1 or 13% higher from Q1 sales. These figures exclude sales from spot purchase being that said sale is cost neutral. These sales represent power sold from power generated by the group's power plant. Out of the total sales, 664 GWh was for TSCs and 332 GWh was sold to the spot market. Total revenue contributed by the power business was at 46% to the group's gross revenue inclusive of spot purchase. The average price per KWh registered at P4.75 at the end of 1st half.

III. FINANCE

A. Sales and Profitability

Strong demand for coal motivated by the aggressive marketing efforts spurs SMC coal shipments to shoot-up to 3.92 Mn MT posting P8.67 billion in coal revenue. On the other hand, the power sales poured-in P5.96 billion sales. After elimination, the Group's consolidated revenue totaled P13.015 billion showing a growth of 106% over H1 2009.

Inversely, the cost of coal sold shows a 2% decrease from P6.36 to P6.26 Bn as of end of the period Benefiting from economies of scale. The decline in cost is attributable to the better stripping ratio of 10.25:1 compared to last year of 15.00:1 and with the intensified mining activities which allowed the maximization of the mining equipment capacities. In addition, the Power business incurred P3.95 Bn power generation cost. The consolidated cost of sales amounted to P8.56 Bn, resulting to a gross profit of P4.46 Bn or almost tripled the P1.517 billion gross profit margin in H1 2009. This demonstrates a 10% increase in gross profit in every peso sales, from 24% last year same period to 34% as of end of the current period.

The Group's operating expenses hit to P1.67 Bn of which P1.19 Bn was incurred by coal mining, higher by 123% than H1 2009 and the P479 Mn was incurred by the power business.

As a consequence of the movement of foreign exchange rates, the group has sustained a P28.71 million foreign exchange gain. Also, the Company has incurred Finance Cost amounting to P337.60 million and incurred other expenses amounting to P633 thousand.

Meanwhile, the Group realized an additional income from its share in earnings of associates amounting to P64.21 million to further augment Net Income Before Tax to P2.55 billion.

With the approval of the Power Plant's BOI registration, the Group is now enjoying income tax incentive., The provision for income tax amounted to P572 thousand by the power business, thus the company posted a record high Net Income After Tax of P2.55 billion which 3x of the full year NIAT last year. Consolidated earnings per share is at P8.90.based on weighted average outstanding shares as of June 30, 2010 of 286,530,727 shares after the re-issuance of treasury shares last April 8, 2010.

B. Financial Condition, Solvency and Liquidity

Total assets stood at P25.98 billion of which current assets amounted to P7.23 billion while the rest are non-current. In conjunction, liabilities totaled P11.09 billion, of this amount P5.35 billion are current obligation and rest are non-current resulting to current ratio of 1.35:1 and 7% Net working capital ratio. These evidently demonstrate the company's strong financial condition.

Meanwhile, the operations provided a net the Net Cash of P3.83 billion for the first semester showing an increase of 32%. This was mainly due to the high inflow from earnings, increase in liability and decrease in inventory offset by increases in receivables and other current assets. Moreover, current year's Cash utilization for its investing activities amounted to P1.61 billion, majority were spent for the acquisition of new equipment for this year's expansion.

On the other hand, Net Cash Used in Financing Activities amounted only to P1.5 billion. Although borrowing exceeds the loan servicing by P1.36 billion, and ample cash was generated from the sale of treasury shares, most of the cash were used to pay cash dividend amounting to P1.78 Bn and return of the excess deposit for future stock subscription beyond the minimum rights entitlement amounting to P2.39 Bn.

In summary, the Group has generated a Net Cash of P715 million or 148% from the beginning balance of P482 million resulting to P1.2 billion cash balance at the end of 1st half. With this cash level, the cash ratio has increased by 12% from the start of the year of 8% indicating the strengthening of the Group's cash position.

IV. PERFORMANCE INDICATORS:

1. ***Earnings per Share*** *– The earnings per share shoot up to P8.90 a piece with the combined net income from the coal and power segments. This is more than three folds of the EPS posted in the 1st half last year. This indicated a very promising growth to the group as the power business is providing more value to the core business, coal mining.*

2. ***Debt-to-Equity Ratio*** *– The Group's consolidated Debt-to-Equity Ratio stood at 1.75x with the availment of project finance loan to finance the acquisition of the Power Plant. , the management is however positive that this deterioration in the ratio is just temporary. Despite the fact that the Power Plant is still to undergo major rehabilitation works, it is already contributing positively to the Company's H1 results.*

3. ***Business Expansion*** *– The Company continuously aims for growth and development. In order to achieve this, operations must take each opportunity to expand. The aggressive capacity expansion program launched by the Company is a well calculated risk that offers promising improvement of total stakeholders' value especially with the acquisition of a coal fired power plant which is a forward integration of the core business of coal mining.*

4. ***Expanded Market*** *– The growing sales of Semirara coal over the past few years is a clear testament to the success of the Company's marketing efforts. The expansion of its markets, especially to the export markets, drive the Company's sustainable growth.*

5. ***Improved coal quality*** *– One of the biggest challenges that the Company is confronted with is to successfully market coal that is naturally of lower quality. However, with its persistent efforts to maximize the quality of its product, overcoming inherent limitations, Semirara coal ultimately became acceptable to a wide range of coal users. Moreover, it continues to find innovative ways to further improve and maximize coal quality.*

Nickel

The Company's venture into nickel mining was revived in 2010 when a mining contract with Benguet Mining was finalized early this year. DMCI Mining, Corp., the Company's nickel and non-coal based mining company, set out to mine and market relatively high concentration nickel ore (1.8%-2% nickel content) at the Benguet nickel mine in Santa Cruz, Zambales. This has proved a good venture as first half operations led to a P162 million net income with contributions amounting P128 million this year to the Company compared to P22 million loss for a negative contribution of P17 million last year. DMCI Mining was able to mine and sell 594 thousand wet metric tons (WMT) of Nickel for period, up by 4.6 times from the 106 thousand WMT sold last year.

Evident of the Company's competence in mining and having the only reliable port at the area, DMCI Mining has quickly taken the opportunity to mine and sell nickel and once again prove resilient and opportunistic to the nickel commodities market cycles.

II. FINANCIAL CONDITION

Audited2009 – 1H2010

(In Php Millions)			**audited**		**Variance**	
	1H 2010	**%**	**2009**	**%**	**Amount**	**%**
Cash and cash equivalents	6,312	10%	3,262	6%	3,050	93%
Receivables - net	8,080	13%	5,404	9%	2,676	50%
Inventories - net	10,548	17%	10,660	18%	(113)	-1%
Noncurrent receivables - net	1,724	3%	2,196	4%	(472)	-21%
Investments in associates	7,613	12%	6,786	12%	827	12%
Investment properties - net	3,560	6%	2,578	4%	981	38%
Property, Plant and Equipment - net	22,248	35%	21,970	38%	278	1%
Bank Loans	360	1%	1,207	2%	(847)	-70%
Accounts and other payables	10,700	17%	8,141	14%	2,558	31%
Current portion of long-term debt	1,097	2%	3,840	7%	(2,743)	-71%
Customers' deposits	3,451	5%	4,096	7%	(645)	-16%
Long-Term Debt - net of current portion	16,918	27%	14,284	25%	2,634	18%
Total Noncurrent Liabilities	17,801	28%	15,614	27%	2,187	14%

The Company's financial condition for the period improved as net assets slightly increased by 11%.

Cash growth is derived mainly from the operations of the different business with the increase significantly from the full operations of the power generation business.

Total receivables (current and non-current) went up by 29% due mainly to revenue activities in all businesses mainly construction and real estate, with the significant growth coming from the inclusion of the power sector.

Consolidated inventories reported a marginal 1% decrease as coal deliveries were more than coal production for the period and significantly affected inventory increases of the other businesses.

Investments were up as a result of the Company's share in net operations of the water business and other unconsolidated equity investments.

Investment properties significantly increased by 38% due to new property acquisitions at the real estate business that are yet to be classified as inventory. Once development plans have been finalized, these properties will be reclassified into real estate inventory.

Property plant & equipment remained at the same levels.

Accounts & other payables increased as a result of working capital requirements, trade operations, deferred revenues and accruals more evident in the current boom seen in the construction sector. Most of these trade payables are payables to suppliers.

Customer's deposits were reduced by 16% as these accounts were realized for the period.

Long term debt increased as no credit facilities were incurred at the coal mining level to finance equipment purchases to increase coal production capacity.

Liquidity was slightly better as current ratio went up from 1.26 to 1.56. Debt to equity ratio improved to 1.21 from 1.46 as operating results for the period improved ownership values.

III. KEY PERFORMANCE INDICATORS

The Company and its Subsidiaries (the "Group") has the following as its key performance indicators:

a) Segment Revenues
b) Segment Net Income (after Minority)
c) Earnings Per Share
d) Current Ratio
e) Debt to Equity Ratio

SEGMENT REVENUES

(In Php Millions)	**2010**		**2009**		**Variance**	
	1H	**%**	**1H**	**%**	**Amount**	**%**
REVENUE						
General Construction	5,789	24%	2,624	22%	3,165	121%
Steel Fabrication	1,538	7%	1,014	8%	524	52%
CONSTRUCTION	**7,327**	**31%**	**3,638**	**30%**	**3,689**	**101%**
Coal Mining	7,058	30%	6,356	53%	702	11%
Nickel Ore Mining	823	3%	72	1%	751	1042%
MINING	**7,881**	**33%**	**6,428**	**53%**	**1,453**	**23%**
REAL ESTATE	**2,400**	**10%**	**1,868**	**16%**	**533**	**29%**
ELECTRICITY	**5,957**	**25%**	**-**	**0%**	**5,957**	
PARENT & OTHERS	**72**	**0%**	**84**	**1%**	**(12)**	**-14%**
	23,637	**100%**	**12,017**	**100%**	**11,619**	**97%**

The initial indicator of the Company's gross business results are seen in the movements in the different business segment revenues. As illustrated above the significant main drivers for revenue growth are the power and construction sectors (*see Part I. Results of Operations – different segments for a detailed discussion per business)*.

SEGMENT NET INCOME

(In Php Millions)	2010		2009		Variance	
	1H	%	1H	%	Amount	%
NET INCOME (After Minority)						
DMCI-General Construction	616	15%	234	11%	382	164%
AG&P-Steel Fabrication	330	8%	92	4%	237	257%
CONSTRUCTION	**945**	**23%**	**326**	**15%**	**620**	**190%**
Coal Mining	702	17%	424	20%	278	65%
Nickel Ore Mining	129	3%	(17)	-1%	146	-843%
MINING	**830**	**20%**	**407**	**19%**	**423**	**104%**
REAL ESTATE	**764**	**18%**	**299**	**14%**	**465**	**155%**
ELECTRICITY	**735**	**18%**	**-**	**0%**	**735**	
WATER	**906**	**22%**	**1,121**	**52%**	**(215)**	**-19%**
PARENT & OTHERS	**0**	**0%**	**4**	**0%**	**(4)**	**-100%**
	4,181	**100%**	**2,157**	**100%**	**2,024**	**94%**

The net contributions (net income after minority) or bottom line results from operations of the Company's businesses can be seen with the increment in net income for the period compared to the same period of the previous year/s for the different business segments. The current period indicates a strong growth driven by all the businesses of the Company along with the recognition of the full operations of the Calaca power plant.

EARNINGS PER SHARE

EARNINGS PER SHARE	**Net Income (millions PhP)**	**EPS (Php/share)**	**Net Income (millions PhP)**	**EPS (Php/share)**
General Construction	616	**0.232**	234	**0.088**
Steel Fabrication	330	**0.124**	92	**0.035**
CONSTRUCTION	945	**0.356**	326	**0.123**
Coal Mining	702	**0.264**	424	**0.160**
Nickel Ore Mining	129	**0.048**	(17)	**(0.007)**
MINING	830	**0.313**	407	**0.153**
REAL ESTATE	764	**0.288**	299	**0.113**
ELECTRICITY	735	**0.277**	-	**-**
WATER	906	**0.341**	1,121	**0.422**
PARENT & OTHERS	0	**0.000**	4	**0.001**
TOTAL	4,181	**1.574**	2,157	**0.812**

The Company's consolidated earnings per share for the period was P1.57/share accounting for a 94% increase over P0.81/share of the same period last year. Only the water business didn't provide the growth in earnings as an effect of extraordinary items booked in the previous year (*see Part I. Results of Operations – different segments for a detailed discussion per business)*.

CURRENT RATIO

Liquidity is an essential character of any organization, and the Company, including the Group as a whole, should indicate acceptable levels of liquidity. The initial test of liquidity is the current ratio, which will display a company's ability to satisfy current obligations with current resources. Current ratio is arrived by dividing the current assets over the current liabilities. The Company uses this test and compares it with industry balances to determine its ability to satisfy current obligations with respect to its competitors (*see Part II. Financial Condition for a detailed discussion*).

DEBT TO EQUITY RATIO

As a stockholder/investor, financial position and stability would be an important aspect. The Company tests its financial position through the debt to equity ratio. This test indicates the Company's ownership of creditors vs. owners/investors. In addition, debt to equity ratio maintenance is a requirement set by creditors as a standard for extending credit. Debt to equity ratio is computed by dividing the total liabilities over total stockholders equity (*see Part II. Financial Condition for a detailed discussion*).

PART II--OTHER INFORMATION

1. This interim financial report is in compliance with generally accepted accounting principles;
2. The same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements;
3. The company's operation is a continuous process. It is not dependent on any cycle or season;
4. A cash dividend was declared at the amount of Php 0.50 per common share paid on July 15, 2010 to the holders of record of June 22, 2010.
5. There were no subsequent events that have not been reflected in the financial statements for the period that the company have knowledge of;
6. There are no contingent accounts in the balance sheet of the corporation;
7. Except for interest payments on loans, which the Company can fully service, the only commitment that would have a material impact on liquidity are construction guarantees. These are usually required from contractors in case of any damage / destruction to a completed project.
8. Any known trends or any known demands, commitments, events or uncertainties that will result in or that will have a material impact on the registrant's liquidity. **- NONE**
9. The Company recognizes that the continuing slump in the property sector would keep both real estate sales and construction revenues moderate. Nonetheless, the Group's venture into middle-income housing development is expected to significantly contribute to revenues and income.

SIGNATURES

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

Issuer DMCI Holdings, Inc.

Signature and Title **Herbert M. Consunji**
Vice President & Chief Finance Officer

Signature and Title **Aldric G. Borlaza**
Finance Officer

Ma. Luisa C. Austria
Accounting Officer

Date August 13, 2010