



20 July 2009

PHILIPPINE STOCK EXCHANGE

Disclosure Department
4/F PSE Center
Exchange Road
Ortigas Center, Pasig City

Attention: **JANET A. ENCARNACION**
Head, Disclosure Department

Gentlemen:

We reply to your request for clarification to the news article entitled “Consunjis seeking bank loans to pay for Calaca power plant” published in the July 20, 2009 issue of the Business World. The article reported in part, that:

“Consunji-led DMCI Holdings, Inc. is in talks with banks to finance the 40% downpayment for the 600-megawatt (MW) Calaca coal-fired power plant, which is due in nine months. “We have 270 days to pay the downpayment after the notice of award. We expect the notice of award on July 23 so we have nine months to handle the transmission,” Isidro A. Consunji, DMCI Holdings president, told reporters. After paying 40% of the bid price, or about \$144.68 million, the company will pay the balance via a seven-year deferred payment scheme....Mr. Consunji said his firm would avail itself of the “financing scheme of PSALM (Power Sector Assets and Liabilities Management Corp.) and hopefully refinance it as soon as possible.” “More than 50% [of the payment for the balance will come from internally generated funds] and the rest will be financed through loans,” he said..... The company also intends to run the plant below maximum capacity to facilitate its rehabilitation, which would make it difficult to find a prospective partner. “We want to [have a partner]. But the problem is, if we entertain a new partner today then we might be having internal arguments on how to go forward as our price is based on a certain strategy,” Mr. Consunji said. DMCI plans to spend \$120 million over the next two to three years for the plant’s rehabilitation.....

We would like to clarify/confirm the following statements:

1. The Company as winning bidder will pay 40% of its bid price representing the upfront payment in accordance to the bidding rules as set by PSALM, the date and terms of such upfront payment is not yet final.
2. We have not received any notice of award as of this date. Under the bidding rules, the Notice of Award shall be given within fifteen (15) days from the bidding date of July 8, 2009.

3. The Company has not yet finalized its plans to avail of the 7-year financing from PSALM for the 60% balance.
4. The financing structure for either the 40% upfront payment or the 60% balance or whether from internally generated funds or from borrowings have yet to be finalized by the Company.
5. As of the moment, the Company has not finalized any plans of considering a partner for the Calaca power plant project.
6. The amounts to be spent for the Calaca power plant rehabilitation are only tentative estimates and are not yet final pending full turn-over of the plant and actual experience running it.

We hope this clarifies the matter.

Thank you.



Aldric G. Borlaza
Finance Officer