COVER SHEET

A S O 9 5 0 0 2 2 8 3
SEC Registration Number

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

(Company's Full Name)

3 R D F L R . D A C O N B L D G . 2 2 8 1
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
Contact Person

888-3000
Company Telephone Number

(Last Wednesday of July)

1 2	3 1	**SEC Form 17-A**	0 7	2 5
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

LCU

Document ID

Cashier

S T A M P S

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A, AS AMENDED

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended **December 31, 2011.**

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

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

5. Philippines
Province, Country or other jurisdiction of incorporation or organization

6. (SEC Use Only)
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	3,780	3,780.00
TOTAL	2,655,497,780	Php2,655,497,780.00

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. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 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 that 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 [ ]

13. **Php 40,038,837,138.00**
The aggregate market value of the voting stock held by non-affiliates of the registrant

APPLICABLE ONLY TO ISSUERS INVOLVED IN INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

14. Not applicable
Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

DOCUMENTS INCORPORATED BY REFERENCE

15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the document is incorporated:

(b) Audited Financial Statements as of December 31, 2010.

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business
(Part I, par. (a) of Annex C)

DMCI Holdings, Inc. (the "*Company*") was incorporated on March 8, 1995 as a holding company to consolidate all construction business, construction component companies and related interests of the Consunji Family. It was listed on the Philippine Stock Exchange on December 18, 1995.

In only a few years after incorporation, the Company has expanded its business organization to include four major subsidiaries, namely: D.M. Consunji, Inc. (DMCI), DMCI Project Developers, Inc. (PDI), Atlantic Gulf and Pacific Company of Manila, Inc. (AG&P) and Semirara Mining Corporation [(SMC) (formerly Semirara Coal Corporation)].

DMCI, a wholly owned subsidiary, is engaged in general construction services– the Group's core business. It is also engaged in various construction component businesses such as the production and trading of concrete products and electrical and foundation works. Incorporated and founded in 1954, DMCI is currently one of the leaders in the Philippine construction industry, noted for quality projects delivered on time and its pioneering application of advanced engineering methodology. In addition, DMCI, together with its affiliate PDI, is actively engaged in real estate sales and development, launching its housing component - ***DMCI Homes***, in early 2002.

PDI, another wholly owned subsidiary incorporated in 1995, is engaged in construction business-generating investments primarily through its equity participation in various project and infrastructure development activities. These ventures generate not only investment income but also construction business for DMCI. Currently, PDI, hand in hand with affiliate DMCI, is actively engaged in real estate sales and development.

SCC, a 56%-owned publicly listed company established in 1980 is engaged in the exploration, mining, development and sales of coal resources on Semirara Island in Caluya, Antique. It is currently the Philippines' largest coal-producing company with a guaranteed long-term market by virtue of its supply contract with state-run National Power Corporation (NPC).

DMCI Power Corporation (DMCI PC), a wholly-owned subsidiary of the Company, is engaged in the business of power generation which designs, constructs, invest in, and operate power plants. On January 15, 2007, the National Power Corporation (NPC) awarded to DPC the Masbate Power Generation, one of the small utilities group (SPUG) of NPC. DPC shall take over of the power supply obligation in Masbate with a 15-year Power Supply Agreement with Masbate Electric Cooperative (MASELCO). Masbate Power Generation has a total contract of 13,000 KW of Guaranteed Dependable Capacity (GDC).

DMCI Mining Corporation (DMCI MC) is another wholly owned subsidiary engaged in ore and mineral mining and exploration. It was incorporated on May 29, 2007. It has entered into joint venture with Rusina Mining Ltd., a listed company in Australia, in which the Corporation agreed to be the independent contractor to directly undertake the mining operations in the municipalities of Sta. Cruz and Candelaria in Zambales. The mining operation is an open pit extraction of nickel, chromite, and iron laterite for direct shipping.

DMCI-MPIC Water Company, Inc. (DMWCI), is a consortium with Metro Pacific Investments Corporation (45% DMCI; 55% MPIC) which owns 94% equity at Maynilad Water Services, Inc. (MWSI). MWSI bid was issued by the Metropolitan Waterworks and Sewerage System and it was awarded to DMWCI last December 5, 2006.

(1)(c) Any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets not in the ordinary course of business. – ***None***

(2) Business of Issuer

(a) Description of Registrant

(v) **Competition**. – *Among the publicly listed companies, DMCI Holdings, Inc. is the only holding company which has construction for its primary investment, Its construction business is primarily conducted by wholly owned D.M. Consunji, Inc. (DMCI), which has, for its competitors, numerous construction contracting companies, both local and foreign, currently operating in the country. It has been an acknowledged trend that the state of construction industry depends mainly on prevailing economic conditions. Thus, the currently weak economic growth explains the continued slump in the construction industry. Given this trend, DMCI has been focusing on selected markets where construction demand has remained relatively strong, particularly, in housing and civil works. This is where the company believes it can compete effectively given its strong construction capabilities, equipment and manpower complement, and track record.*

(vi) **Sources and availability of raw materials and the names of principal suppliers**; If the registrant is or is expected to be dependent upon one or a limited number of suppliers for essential raw materials, energy or other items, describe. Describe any major existing supply contracts. – ***Not applicable to DMCI Holdings, Inc. For DMCI, it has its own pool of equipment and construction materials supply. For Semirara, it has an existing long term supply contract with National Power Corporation (NPC) for its power plant in Calaca, and with Toledo Power Plant.***

(vii) Disclose how dependent the business is upon a single customer or a few customers, the loss of any or more of which would have a material adverse effect on the registrant and its subsidiaries taken as a whole. Identify any customers that account for, or based upon existing orders will account for, twenty percent (20%) or more of the registrant's sales; Describe any major existing sales contracts – ***Not applicable to DMCI Holdings, Inc. For SCC, it has an existing long term supply contract with National Power Corporation (NPC) which accounts for approximately 98% of its revenues.***

(viii) Transactions with and/or dependence on related parties – ***Aside from inter-company transactions within the group of companies, and SCC's long term supply contract with NPC, the Company has no known transactions with and/or dependence on related parties.***

(ix) Summarize the principal terms and expiration dates of all patents, trademarks, copyrights, licenses, franchises, concessions, and royalty agreements held; Indicate the extent to which the registrant's operations depend, or are expected to depend, on the foregoing and what steps are undertaken to secure these rights – ***Not applicable to DMCI Holdings, Inc. For DMCI, it is and remains a triple-A ("AAA") licensed contractor, given by the Philippine Construction Accreditation Board (PCAB), in consideration of certain minimum requirements such as: (1) financial capacity; (2) equipment capacity; (3) experience of firm; and (4) experience of technical personnel. For SMC, royalty agreements are: (1) Royalty Agreement with the Department of Energy (DOE) – 3% royalty based on FOB Sales; (2) Royalty Agreement with land claimants – P0.50/MT for untitled land and P1.00/MT for titled land.***

(x) Need for any government approval of principal products or services. If government approval is necessary and the registrant has not yet received that approval, discuss the status of the approval within the government approval process – ***None at the moment***.

(xi) Effect of existing or probable governmental regulations on the business – ***Not applicable to DMCI Holdings, Inc. For DMCI, it is required under Philippine laws to secure construction permits and environmental clearances from appropriate government agencies prior to actually undertaking each project. For SMC, it is required under Philippine laws to secure mining and exploration permits, as well as environmental clearances from appropriate government agencies for its continuing operations.***

(xii) Costs and effects of compliance with environmental laws – ***Costs vary depending on the size and nature of a construction project. Failure to comply with the terms of the ECC (environmental compliance certificate) can lead to imposition of fines and temporary cessation of operations.***

Item 2. Properties
(Part I, par. (b) of Annex C)

(B) Give the location and describe the condition of the principal properties (such as real estate, plant and equipment, mines, patents, etc.) that the registrant and its subsidiaries own. If the registrant does not have complete ownership of the property, for example, others also own the property or there is a mortgage or lien on the property, describe the limitations on ownership. Indicate also what properties it leases, the amount of lease payments, expiration dates and the terms of renewal options. Indicate what properties the registrant intends to acquire in the next twelve (12) months, the cost of such acquisitions, the mode of acquisition (i.e. by purchase, lease or otherwise) and the sources of financing it expects to use. - ***All properties are owned by the Company and its subsidiaries unless otherwise indicated as follows****:*

SEMIRARA MININIG CORPORATION
Property. - The mine site in Semirara Island, Caluya, Antique, is a leased property from the government. The infrastructures and road network, office administration buildings, and power plants, are some of the improvements made by the Company on the leased area, as well as the following:

Classification	Property	No. of Untis
Building Offices	Administration Building	1
	Site Office	1
	Auxiliary Building	1
	Laboratory Building	1
	Washing Plant Office	1
	Power Plant Shed	1
	Product Field Office	1
	Service Base/Pit Shop Building	1
	Briquetting Building	1
	Ice Plant	1
	Genset Shed at Power Plant	1
	Magazine Building	3
	Pottery Building	1
	Water Refilling Station	1
	Classrooms for Divine Word College	6
	STCI Lecture & Admin Building	6
	STCI Workshops Building	4
	STCI Tool Rooms Building	4
	STCI Faculty Office	2
	Classrooms for Semirara Training Center	2
	Classrooms for Semirara Elementary	4
	Classrooms for Villaresis	4
	Classrooms for Sabang	4
	Humic Acid Plant Building	1
	Kiln Building Lime Plant	1
	Oxy/Acetylene Building	1
	MS4 Building	1
	Dynamite Magazine Building	1
	Mirrless Black Stone	1
	Staff House at Tabunan	4
	Marine Laboratory at Tabunan	1
	Messhall/ Kitchen at Tabunan	1
	Hatchery at Tabunan	1
	Messhall at waffle crete	1
	Covered tennis court	1
	Mine pit shop	1
	Workshop	1
	Shipping office	1
	Semirara High School	12
	Bunlao Elem School	6
	Combine Technical Office	1
	Resident Manager’s Office	1
	Mobile maintenance repair shop	1
	Motorpool extension	1
	Warehouse extension	1
	HRD Office & library	1
	Core shed	1
Housing	Bachelor’s Quarters	6
	Ladies Quarters	2
	Quadruplex	24
	Group Staff house	5
	Individual Staff house	3

	Laborer's Clusters Food House Molave Heights (Laborer's Unit) Pinatubo Kalamansig Lebak	36 3 710 51 78 145
Others	Commissary Building Wet Market Hospital Guardhouse Site Hangar Site Chapel with Convent School Building Smart Cell site Multi-purpose Gym Slaughter House Coast Guard Building MS2 Office Chapel Bell Tower Boys Quarter (for altar boys) Waffle Crete Building Wet Market Dry Market ATM Machine Building MS1 near Hospital Multi-purpose Center at Bunlao	1 1 1 2 3 1 1 1 4 1 1 1 1 1 1 2 3 1 1 1

D.M. CONSUNJI INC.

CLASSIFICATION	PROPERTY	LOCATION
CONSTRUCTION EQUIPT & TOOLS	EARTHMOVING EQUIPMENT	VARIOUS
	COMPACTION EQUIPMENT	VARIOUS
	LIFTING EQUIPMENT	VARIOUS
	EXCAVATION EQUIPMENT	VARIOUS
	PILE DRIVING EQUIPMENT	VARIOUS
	CONCRETING EQUIPMENT	VARIOUS
	HAULING EQUIPMENT	VARIOUS
	AIR EQUIPMENT	VARIOUS
	PUMPING EQUIPMENT	VARIOUS
	POWER GENERATING EQUIPMENT	VARIOUS
	SHOP EQUIPMENT	VARIOUS
	SPECIAL SUPPORT EQUIPMENT	VARIOUS
	TOOLS & OTHER INSTRUMENTS	VARIOUS
	METAL FORMWORKS	VARIOUS
TRANSPO. EQUIPT.	SERVICE CAR	VARIOUS

	SERVICE PICK-UP	VARIOUS
	OTHER VEHICLES	VARIOUS
OFFICE FURN., FIXTURES & EQUIPT.	OFFICE FURNITURE & FIXTURES	VARIOUS
	OFFICE EQUIPMENT	VARIOUS
	COMPUTER EQUIPMENT	VARIOUS
	COMMUNICATION EQUIPMENT	VARIOUS
	KITCHEN EQUIPMENT	VARIOUS
OTHERS	LAND	VARIOUS
	BUILDING	VARIOUS
	BUILDING IMPROVEMENTS	VARIOUS
	PLANTS	VARIOUS

DMCI POWER CORP.

Classification	Property	Location
Plant	2 x 6.2 MW Bunker Fired Thermal Power Plant	Mobo, Masbate
	2 x 2 MW & 2 x 1 MW Diesel Gen. Sets	Mobo, Masbate
	1 x 2.0 MW & 1 x 1MW Diesel Gen. Sets	Cataingan, Masbate
	1 x 2.0 MW & 1 x 1 MW Diesel Gen. Sets	Arroroy, Masbate

DMCI PROJECT DEVELOPERS, INC.

Classification	Property Description	Location
EQUIPMENT	Office equipment Communication equipment Furnitures and fixtures Transportation equipment Machinery & other construction equipment Software Mock-up assets	Various
LAND	Residential	Bambang,Taguig Bambang 1, Taguig Bambang 2, Taguig Carmona , Cavite Bacoor, Cavite Hagonoy, Taguig Pamplona, Las Piñas Mandaluyong

		Taft Avenue,Manila Muntinlupa Pasay City Parañaque Quezon City Ususan Wawa

Item 3. Legal Proceedings

Except for the following, none of the directors, executive officers and nominees for election is subject to any pending material legal proceedings.

Consolidated Criminal Complaints of
Rodolfo V. Cruz, et al. v. Isidro A. Consunji,
Edwina C. Laperal, Cesar A. Buenaventura, et al.
IS Nos. 03-57411-I, 03-57412-I, 03-57413-I,
03-57414-I, 03-57415-I, 03-57446-I and 03-57447-I
Department of Justice, National Prosecution Service

Item 4. Submission of Matters to a Vote of Security Holders

There were no matters submitted to vote of the security holders during the fourth quarter of the fiscal year covered by this report.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

(A) Market Price of and Dividends on Registrant's Common Equity and Related Stockholder Matters

(1) Market Information

(a) Identify the principal market or markets where the registrant's common equity is traded. If there is no public trading market, so state - ***Both common and preferred shares of DMCI Holdings, Inc. are traded on the Philippine Stock Exchange*.**

(i) If the principal market for the registrant's common equity is a Stock Exchange in the Philippines or a foreign Exchange, state the name of that Exchange and give the high and low sales prices for each quarter within the last two fiscal years and any subsequent interim period for which financial statements are required by SRC Rule 68. – ***See table below***

Common Share Prices		High	Low
2010	First Quarter	15.00	14.50
	Second Quarter	18.00	17.50
	Third Quarter	28.10	27.00
	Fourth Quarter	36.85	35.40
2011	First Quarter	37.65	37.20
	Second Quarter	42.60	42.40
	Third Quarter	35.40	34.50
	Fourth Quarter	41.90	41.30
2012	First Quarter	54.50	53.10

Preferred Share Prices		High	Low
2010	First Quarter	0	0
	Second Quarter	0	0
	Third Quarter	0	0
	Fourth Quarter	0	0
2011	First Quarter	0	0
	Second Quarter	0	0
	Third Quarter	0	0
	Fourth Quarter	0	0
2012	First Quarter	0	0

(b) If the information called for by paragraph (A) of this Part is being presented in a registration statement filed pursuant to Section 12 or in an annual report filed pursuant to Section 17 or in an information statement filed pursuant to Section 17.1(b) or in a proxy statement filed pursuant to Section 20 of the Code, respectively, the document shall also include price information as of the latest practicable trading date, and, in the case of securities to be issued in connection with an acquisition, business combination or other reorganization, as of the trading date immediately prior to the public announcement of such transaction. – **Price information as of the latest practicable trading date: As of April 25, 2012: HIGH 63.60, LOW 58.90, CLOSE 63.00, VOLUME 5,675,350.**

(c) If the information called for by paragraph (A) of this Part is being presented in a registration statement relating to a class of common equity for which at the time of filing there is no established public trading look at the schools in a busy to change in foreign aid out that some station the admin tool is acting as an informal place and the sound and the Papin is the fourth Reinoso officers home the same site of the animal and because the schools and they are not the end of the idea that an option of placing Arby Siu stir up to a new state and market in the Philippines, indicate the amounts of common equity – ***Not applicable***

(2) Holders

(a) Set forth the approximate number of holders of each class of common equity of the registrant as of the latest practicable date but in no event more than ninety (90) days prior to filing the registration statement. Include the names of the top twenty (20) shareholders of each class and the number of shares held and the percentage of total shares outstanding held by each. - ***Number of Shareholders:*** **As of December 31, 2011 the Company had a total of 753 shareholders of which 737 were holders of common shares 16 were holders of preferred shares.**

Top 20 Common Shareholders: The list of the Top 20 common shareholders as of ***December 31, 2011*** *as contained in Exhibit (2) is herein incorporated by reference.*

(3) Dividends

(a) Discuss any cash dividends declared on each class of its common equity by the registrant for the two most recent fiscal years and any subsequent interim period for which financial statements are required to be presented by SRC Rule 68. – ***See below***:

1. On April 7, 1999, the Company paid the semi-annual dividend of 2.5 % for last semester of the second year to the holders of the preferred shares.
2. On October 7, 1999, the Company paid the semi-annual dividend of 3.6 % for the first semester of the third year to the holders of the preferred shares.
3. On April 7, 2000, the Company paid the semi-annual dividend of 3.6% for last semester of the third year to the holders of the preferred shares.
4. On October 7, 2000, the Company paid the semi-annual dividend of 3.6% for the first semester of the fourth year to the holders of the preferred shares.
5. On July 20, 2006, the Company paid cash dividends at the amount of PhP 0.10 per outstanding common share to the shareholders of record of June 30, 2006.
6. On May 28, 2007, the Company paid cash dividends at the amount of Php 0.10 per outstanding common share to the shareholders of record of April 30, 2007
7. On May 30, 2008, the Company paid cash dividends at the amount of Pho 0.10 per outstanding common share to the shareholders of record of May 12, 2008.
8. On June 30, 2009, the Company paid cash dividends at the amount of Php 0.20 per outstanding common share to the shareholders of record of June 5, 2009.
9. On July 15, 2010, the Company paid cash dividends at the amount of Php 0.50 per outstanding common share to the shareholders of record of June 22, 2010.
10. On July 7, 2011, the Company paid cash dividends at the amount of Php 1.00 per outstanding common share to the shareholders of record of June 15, 2011.

(b) Describe any restrictions that limit the ability to pay dividends on common equity or that are likely to do so in the future. – ***There are no contractual or other restrictions on the Company's ability to pay dividends. However, the ability of the Company to pay dividends will depend upon the amount of distributions, if any, received from the Company's operating subsidiaries and joint venture investments and the availability of unrestricted retained earnings. The Company's operating subsidiaries however are restricted on the declaration and payment of dividends, as limited by negative covenants entered into by the operating subsidiaries with outside parties.***

(4) Recent Sales of Unregistered Securities - ***NONE***

Item 6. Management's Discussion and Analysis of Plan of Operation.

FULL YEAR 2010 –2011

I. RESULTS OF OPERATIONS

DMCI Holdings, Inc. (the "Company") reported an improvement of 22% in its net income (after minority) from P7.9 billion in 2010 to P9.6 billion in 2011. Despite a slide in general construction and the non-inclusion of operating results from the steel fabrication business, significant growth in the coal, nickel and power segments along with the sustained improvement in the real estate and water businesses caused the growth in consolidated bottom line.

Below is a table on the net income contributions of the Company's businesses for 2011 and 2010:

NET INCOME

(in Php Millions)	Audited		Variance	
	2011	2010	Amount	%
COAL SALES	2,379	1,462	917	63%
NICKEL ORE SALES	917	564	353	63%
CONSTRUCTION	1,117	1,242	(125)	-10%
REAL ESTATE	1,795	1,286	509	40%
ELECTRICITY	1,177	847	330	39%
WATER	2,195	1,887	308	16%
PARENT & OTHERS	15	(98)	113	-115%
STEEL		677	(677)	-100%
TOTAL	**9,595**	**7,867**	**1,728**	**22%**

For the year, mining was the main driver of the P1.7 billion increase in the Company's income due to higher coal prices and the improved operations in the nickel business. The real estate and power generation segments also posted significant growth due to healthier housing sales and increased generation capacity coming from the rehabilitated Calaca unit 2. Investments in the water business, accounting for 23% of total net income, registered modest improvements, testament of the sustained and consistent operations evident in the utilities sector.

This year also marks the non-inclusion of Atlantic Gulf & Pacific Company of Manila, Inc., the Company's previously owned steel fabrication business which was sold in December 2010 and contributed almost 9% of last year's net income.

WATER

The Company's investment in the water sector is recognized mainly through its equity investment in the consortium company with Metro Pacific Investments Corp. (MPIC) which owns Maynilad Water Services, Inc. (Maynilad). Maynilad handles the water distribution and sewer services for the western portion of Metro Manila and some areas of Cavite. For 2011, water investment contributions reached P2.2 billion, up by a respective 16% from the previous year.

Maynilad operations reported better efficiencies for 2011 vs. 2010. Billed volume increased by 8.3% or 30.91 million cubic meters (MCM) despite a 3.5%, or 27.8 MCM, reduction in supply causing non-revenue water (NRW) improvement to 47.83% from 53.48%. Average effective tariff also increased by 5.7% coming from inflationary and rebasing adjustments but was lower than the approved 7.6% should be increase in tariff for 2011. As a result Maynilad's water service revenues grew by 12.6% from P9.9 billion to P11.2 billion. Billed services further grew by 11% to a record 1,005,350 accounts, breaching the 1 million mark. This, however, didn't contribute proportionally to the increase in revenues as the growth in accounts was mainly from the domestic or residential customers whose rates are subsidized. Meanwhile, cash Opex showed a 10.4% jump due mainly to the following: (a) higher personnel costs from a redundancy program and manpower build up, (b) utilities, and (c) real estate and business taxes. As a result, Maynilad bottom figure reached P5.9 billion in 2011, growing by 22% from the P4.8 billion in 2010.

The Company's net share in the equitized earning from its water investment in Maynilad for the year reported only P2.2 billion due to the adjustments at the consortium company level. The consortium's ownership in Maynilad was also reduced from 94% in 2010 to 92% in 2011 as Maynilad employees exercised their 2% ESOP late in 2010 which were carved out of the consortium's shareholdings.

CONSTRUCTION

The construction business experienced a marginal decrease from its unprecedented growth last year due to the following: (a) completion of big infrastructure projects with no new infra projects awarded, and (b) last year's income includes recognition of change orders from the Shangrila Boracay project where the costs were conservatively booked in the previous years.

Construction revenues from the Skyway Extension project were reduced in 2011 compared to 2010 as the project reached full completion early in the year. The continuing activity from the 168 Residences, the delayed but now fully resumed Raffles Hotel works provided much of the revenues for the period, and the activity from the recently awarded Entertainment City Complex of Surestre Properties in JV with Bloomberry Resorts and Hotels contributed significantly to 2011 construction revenues. This however was not too good for the construction bottom line as building contracts have relatively less margins than the specialized and complicated big infrastructure projects such as the Skyway Extension project. With the activity for the year coming mainly from the building contracts, construction gross margin and net income slightly declined.

Although delayed, we believe the infrastructure development programs of the current Philippine government thru the Public-Private Partnership (PPP) projects will inevitably materialize. As such, the Company, thru DMCI, is very much interested in the construction and engineering of these initiatives. The Company believes it is well positioned to be both a driver and a beneficiary of the country's infrastructure progress.

In addition, DMCI was recently awarded the construction of the 135 MW Coal Fired Plant of South Luzon Thermal Energy Corp., a JV between Trans Asia Oil and the Ayala Group and the civil works for the expansion of the Group's Calaca power units. Hopefully, these additional power-infrastructure contracts along with others being eyed by DMCI will generate the much needed lift in construction revenues with better margins.

REAL ESTATE

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

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 already in accordance with International Accounting Standards. There was a plan to adopt this in the country in 2008 but was subsequently suspended by the SEC after majority of the real estate companies lobbied against it due to the retroactive adjustments that will be incurred upon adoption. Despite this, the full accrual method has been and is still used by the Company as we believe the adoption is inevitable if the country wants to be at par with global real estate accounting practices.

The housing segment recognized an impressive 40% increase in net contributions from P1.3 billion last year to P1.8 billion this year. Realized housing sales for the year grew by 25% to P8.2 billion with the completion of existing projects: East Raya, Magnolia Place, Mahogany Place 3, Ohana Residences and Rosewood Pointe, the previous sales of which all contributed to improvement in recognized revenues. Also margins improved as prices inched up due to improvements in quality (eg. better and bigger amenities and facilities) as well as costs were at lower than expected levels. During the year, actual project costs from some completed projects accounted for less than estimated costs booked in the previous years causing cost reversals recognized in 2011.

A better representative of current demand would be sales and reservations for the period which experienced an increase of 17% from P14.7 billion in 2010 to P17.2 billion in 2011. Increasing demand for DMCI housing units coming mainly from the new projects: La Verti Residences in Taft, Pasay City; the Redwoods in Fairview, Novaliches; Siena Park in Bicutan Paranaque and Stellar Place in Quezon City pushed marketing sales to new heights. Moreover, increased take up from added phases in existing projects East Raya and Magnolia Place also added to the growth in sales and reservations.

Operating expenses in the real estate segment were higher by 28% due to:

- Increase in selling and marketing activities such as advertising, sales incentives, marketing tools, ads, project launches, etc.
- Increase in employee salaries & wages
- Increase in utilities and real estate taxes

Note that most of the Company's housing units have a selling price below P3.2 million per unit and as such has been registered with the Board of Investments (BOI) as part of their affordable housing investments that provide vat and income tax incentives.

MINING & POWER

Coal Mining & Power (Calaca-Coal)

The Company's coal mining business which owns the major power asset, Calaca are both lodged under the 56%-owned and publicly listed Semirara Mining Corp (SMC). SMC reported an improvement in operations with a net income of around P4.1 billion for coal mining and P1.9 billion for power generation in 2011 compared to P2.6 billion and P1.3 billion respectively in 2010. This was mainly due to higher coal prices and the improved power generating capacity from the completed phase 1 rehabilitation of Calaca unit 2.

Below is SMC's management discussion and analysis of results of operations and financial condition for the year 2011 as lifted from its consolidated financial report with the PSE and SEC:

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (YEARS 2009-2011)

I. PRODUCTION AND OPERATIONS

COAL

The acquisition and operation of the 2 x 300 MW power plants in Calaca Batangas gave market security to the coal business segment and the Company, as a group, to hold position in the power sector. The imbalance in the power demand and supply of energy in our country drove the Company to expand its power plant capacities in the next three years. The thrust of the mine operations in 2011 was anchored on this business decision.

There were more drilling programs implemented, particularly focusing on the eastern part of the island, which indicated positive results. These extensive drilling activities are being done to ensure that the expansion of power plant capacities will be accordingly supported by sufficient mineable coal reserves. The data gathered from the exploration and confirmatory drilling are going to be submitted to a local competent person for verification for certification by a competent person according to Philippine Mineral Resource Code (PMRC) standards and will ultimately be subjected to certification process in accordance with Joint Ore Reserve Code (JORC) standards.

With almost the same equipment complement, operations achieved a new record high of total material movement of 85.06million bank cubic meters (bcm), registering an 8% growth from 2010 material movement of 78.68 million bcm. At a higher strip ratio this year of 10:13:1 from 9:73:1 in 2010, run-of-mine (ROM) coal posted a more modest growth of 4% at 7.84million metric tons (MTs) from 7.54million MTs last year. Despite a higher percentage of washable coal this year, net total product coal recorded a 2% increase at 7.12 million MTs from 6.95 million MTs in 2010.

The fourth (4th) loading facility was made operational towards the end of the year. The strategic location of the new loading facility cuts coal transfer time. This improved logistic support necessary for the expanded activities in the island and make coal loading rate faster.

Despite the increased production, marketing efforts were restrained by the impact of the economic woes in Europe and US to the Asia Pacific Region. Exports declined due to high coal inventory in China from Europe which were diverted to Asian market and lower coal demand in Thailand due to flooding. Thus, local orders were given priority and export sales slowed down towards the end of the year. As a result, ending inventory stood at 1.0 million MTs more than double the beginning inventory of only 0.49million MTs.

POWER

UNIT 1

In 2011 Unit 1 was limited to 157 MW average load due to thinned boiler tubes and only one Circulating Water Pump (CWP) in service starting 14 April 2011. Also, the unit was under rehabilitation starting 29 August 2011, hence gross generation reduced by 20% from 2010 level of 915 GWh at 727 GWh this year. Capacity factor, availability, and forced outage rates during th year stood at 28%, 54%, and 4%, respectively. The unit was running for a total of 4,704 hours during the year, and it consumed 477,272 MTs Semcoal.

Unit 1 has been operating for 25 years and issues related to safety, reliability, efficiency, upgrade, obsolescence and environmental consequently arose. The rehabilitation of Unit 1 was undertaken to address these issues that caused the inefficient operations of the plant. It was officially shutdown for rehabilitation last August 29, 2011.

UNIT 2

In 2011 Unit 2 was running at 254MW average load due to extended commissioning and high pressure heater leak. Gross generation for 2011 was 1,132 GWh with 43% capacity factor, 60% availability, and 36% forced outage rates. After the rehabilitation works, generation this year is 57% higher than in 2010 as operating hours improved from 4,230 hours in 2010 to 5,234 hours this year.

The unit experienced 2,976 hours forced outage which is 19% higher than 2010 level due to the increase in load which exposed the plant's weak points leading to de-rating and shutdowns. Fine tuning of boiler was done progressively to correct overheating. Meanwhile, the remaining overheated boiler tubes will be replaced by end 2012, to coincide with the scheduled preventive maintenance shutdown of the plant.

The Distributed Control System (DCS) and the dry bottom ash system will also be installed during the aforementioned scheduled preventive maintenance shutdown. Moreover, all other improvements, correction of deficiencies and modifications will be undertaken during this time. The full rehabilitation program of the plant is expected to be completed and by start of 2013.

II. MARKET

COAL

Demand for Semirara coal, both from the local and export markets, remained strong in 2011. However, with its new objective of resource maximization for its investments in the power , the Company strategically cut export sales during the year, such that sales of 6.52million MTs was 9% lower than 2010 sales volume of 7.15million MTs.

The cut in sales volume came from export deliveries which dropped by 41% at 2.43million MTs from 4.10million MTs in 2010. Conversely, local sales increased by 34% at 4.,09million MTs from 3.05million MTs in 2010.

With increasing local demand, marketing efforts shifted back to prioritizing the domestic market to fully benefit from its competitive advantages over imported coal. Thus, from a 43% : 57% market share in favor of export sales in 2010, the scale has tipped to 63%: 37% in 2011.

Bulk of the local sales were delivered to the power plants, totaling to 3.27million MTs, increasing by 92% from power plant sales of 1.70million MTs in 2010. SCPC's total deliveries increased by 47% at 1.41million MTs this year from 0.96million MTs in 2010 as first phase of Unit 2 rehabilitation was completed this year, thus increasing the plant's effective capacity and utilization rate. Meanwhile, deliveries to other power plants tripled from 0.74million MTs in 2010 to 1.86million MTs this year. The huge increase mainly came from the increase in off-take of a customer with power plants in the Visayas with a long-term supply agreement with the Company. Sales to the power sector accounted for 50% of total sales in 2011.

Sales to local cement plants remained flat at 0.66million MTs in 2011 from 0.66 MTs in 2010. This year, the Company has more direct sales to end-users , unlike in the previous years, wherein most of its sales to cement plants were made via local trader Cement plant's market share inched up slightly at 10% this year from 9% in 2010.

Meanwhile, sales to other industrial plants recorded a significant 77% drop from 0.68 million MTs in 2010 to 0.16million MTs this year. This was caused by lower purchases by a local broker who delivers to small industrial plants. As a result, this industry's market share dropped to 2% from 10% in 2010.

High global coal prices translated to a remarkable 31% increase in composite average price from PHP2,343 in 2010 to PHP3,078 this year. The Company already adopted a coal pricing mechanism which is indexed to global coal prices.

POWER

SCPC's recorded sales for bilateral contracts for 2011 increased by 14% to 1,553 GWh from its recorded sales in 2010 of 1,368 GWh. This is attributed to the renewal of contract with one of its previous customers, the Batangas I Electric Cooperative, Inc. (BATELEC I); a new power supply contract with Trans-Asia Oil and Energy Development Corporation, which took effect in April and March 2011, respectively; and an arrangement with the National Power Corporation (NPC) for a non-firm power supply to MERALCO on top of the existing firm power supply to MERALCO under the existing Contract for the Supply of Electric Energy inherited by SCPC from NPC.

MERALCO remained to be the biggest customer of SCPC accounting for 33% share of the total energy sales for SCPC's bilateral contracts.

SCPC's sales from the spot market, however, dropped by 1%, from 476 GWh in 2010 to 472 GWh in 2011. The decrease in sales to spot market was mainly due to the approval of non-firm nominations of Meralco.

Overall, a total energy of 2,025GWh was sold in 2011, 77% directly to the customers through bilateral contracts, and 23% to the spot market. The total energy sales increased by 10% from 1,845 GWh recorded in 2010.

Of the total energy sold, 85% was sourced from the generation of the power plants, while 15% was purchased from the spot market. SCPC secured replacement power from the spot market to meet its supply obligation to MERALCO.

In December 2011, SCPC inked a new power supply contract with Meralco effective December 26, 2011 for a term of seven (7) years with an option to extend for another three (3) years upon mutual agreement. The initial contracted capacity is 210 MW and will be increased to 420MW upon commercial operation of the other unit after rehabilitation or 210MW for each unit.

III. FINANCE

A. Sales and Profitability

High coal prices and increase in energy sales resulted to a 13% growth in consolidated Revenues in 2011 at PHP25.81 billion from PHP22.90 billion in the previous year. Net of eliminating entries, coal and energy Revenues stood at PHP16.20 billion and PHP9.61 billion, respectively.

Consolidated Cost of Sales increased by 5% at PHP9.15 billion from PHP6.99 billion in 2010.
After eliminating entries, the coal and power segments accounted for Cost of Sales of PHP10.26 billion and PHP6.40 billion, respectively. Cost of Coal Sold/MT increased by 21% from PHP1,770 in 2010 to PHP2,148 this year due to significant increases in rate of fuel consumption per cycle time and fuel, materials and spare parts prices, along with the increase in stripping ratio. On the other hand, the power segment's Cost of Sales/KWhr registered a slight 1% growth from PHP3.13 in 2010 to PHP3.16 in the current period.

The increase in per unit Cost of Sales was sufficiently covered by the increase in selling prices for both the coal and power segments. Thus, Gross Profit Margin increased from 31% in 2010 to 35% in the current period. As a result, consolidated Gross Profit registered a healthier growth of 31% from PHP6.99 billion in 2010 to PHP9.15 billion this year.

Meanwhile, consolidated Operating Expenses increased by 6% from PHP2.72 billion in 2010 to PHP2.88 billion this year. The coal segment's Operating Expenses of PHP1.86 billion is mainly composed of Government Share of PHP1.48 billion. On the other hand, the power segment incurred PHP999.00 million *in Operating Expenses, which comprised mainly of the O&M fee of the plant. In addition, the Company invested in two new companies during the year. One is the Southwest Luzon Power Generating Corp. (SLPGC) which will undertake the expansion of the power capacities with the construction of 2 x 150 MW plants adjacent to the existing power plants of SCPC. Pre-operating expenses of PHP20.23 million were incurred during the year. Another Company was incorporated, the Sem-Cal Industrial Park Developers, Inc. (SIPDI) which aims to develop the Calaca property into an economic zone. In 2011, it incurred Pre-operating Expenses of PHP50 thousand.*

Consolidated Financing Cost dropped by 28% from PHP668.44 million in 2010 to PHP483.29 million this year. The decrease was due to the decline in the balance of the SCPC loan, which partly financed the acquisition of the asset, from PHP9.6 billion in 2010 to PHP8.6 as at the end of 2011. Augmented by the drop in interest rates, Financing Cost of the power sector decreased by 19% from PHP490.63 in 2010 to PHP396.78 million this year. Meanwhile, although total loans of the coal segment increased in 2011, due to the decrease in interest rates, its Financing Costs in 2011 of PHP86.51 million decreased by 56% from 2010 level of PHP177.81 million, mainly from dollar denominated loans.

On the contrary, consolidated Finance Income rose by 134% from PHP57.67 million to PHP134.88 million. Short-term placement rates improved in 2011 compared to 2010. Moreover, all business units had healthier cash positions during the year. The coal segment's Finance Income increased by 165% at PHP79.45 million from PHP30.02 in 2010; while the power segment generated PHP55.43 million this year, posting a 100% increase from last year's level of PHP27.65 million. Meanwhile, SLPGC recognized Finance Income of PHP10.54 from its partially paid-up capital placed in short-term time deposit accounts.

Meanwhile, foreign exchange fluctuations resulted to consolidated Forex Losses of PHP38.32 million, the coal and power segments incurred Forex Losses of PHP26.01 million and PHP12.31 million, respectively. In 2010, the fluctuations moved in favor of the Company, thus enabling it to recognize consolidated Forex Gains of PHP 199.49 million.

Consolidated Other Income of PHP99.91 was generated by the coal segment mainly from sale of retired mining equipment and proceeds from insurance claims of PHP53.55 million and 35.12 million respectively. This posted a 53% growth from 2010 level of PHP65.43 million.

Consolidated Net Income Before Tax showed an impressive growth of 53% at PHP6.01 billion from PHP3.95 billion last year. Minimal losses from the two pre-operating companies were sufficiently covered by the healthy income generation of the coal and power segments, which stood at PHP4.14 billion and PHP1.87 billion, respectively, net of eliminating entries. Meanwhile, both business segments have Income Tax Holidays as Board of Investments registered companies (as expanding coal producer and as power generator). As a result, consolidated Tax Provision amounted to negative provision of PHP22.17 million consisting of final income taxes amounting to PHP22.76, net of deferred income taxes of PHP44.93 million.

The resulting consolidated Net Income After Tax closed at PHP6.03 billion, the coal and power segments respectively contributed PHP4.17 billion and PHP1.87 billion. Net earnings this year posted a remarkable 51% growth from consolidated Net Income After Tax in 2010 of PHP3.95 billion. Earnings per Share increased by 40% from PHP12.10 last year to PHP16.93 this year, after the number of outstanding shares increased mid-2010 due to a stock rights offering exercise.

B. Financial Condition, Solvency and Liquidity

Strong revenues resulted to healthy cash generation for the Company. This allowed the Company to increase its investments, particularly property, plant and equipment (PPE) which totalled to a consolidated amount of PHP35.63 billion.

The Company was also able to afford to pay dividends, which is double of last year's figure amounting to PHP3.56 billion. Although still under rehabilitation, the power segment contributed PHP1.2 billion in dividends.

Total consolidated debt repayment was also sizeable at PHP2.80 billion.

Despite the considerable cash out, consolidated Cash End stood at PHP5.01 billion, posting a 31% growth over beginning balance of PHP3.81 billion.

Consolidated Net Receivables increased slightly by 1% from beginning balance of PHP3.18 billion, closing at PHP3.22 billion. After hitting its target for the year, the coal segment slowed down its coal deliveries toward the end of the year, thus decreasing its receivable level from PHP1.47 billion as at the start of the year to PHP1.07 billion as at year-end. Meanwhile, the power segment's Receivables slightly increased to PHP2.15 billion from PHP1.71 billion from the start of the year, while SLPGC recorded net Receivables of PHP384 thousand.

On the other hand, consolidated Net Inventories increased by 93% from beginning balance of PHP2.35 billion to PHP4.59 billion as at yearend. This is mainly due to increased coal inventory. Coal production was at record high in 2011, but sales volume was controlled in congruence to the Company's strategy of maximizing reserves for its own power plants. The coal and power segments' inventories closed at PHP3 billion and PHP1.6 billion, respectively.

Meanwhile, consolidated Other Current Assets increased by 44%, closing at PHP1.31 billion, from a beginning balance of PHP912.76 million. This is mainly comprised of Creditable withholding taxes and Advances to suppliers and other prepayments amounting to PHP418.92 million and PHP891.51 respectively.

The resulting consolidated Total Current Assets increased by 38% from beginning balance of PHP10.26 billion, closing at PHP14.12 billion. The coal and power segments contributed PHP8.77 billion and PHP5.4 billion, respectively; power segment is inclusive of the pre-operating power Company, SLPGC, which accounts for PHP758.44 million current assets. SIPDI contributed PHP2.5 million.

Consolidated Non-Current Assets recorded a more modest 6% growth at PHP21.50 billion as at year end from beginning balance of PHP20.23 billion.

Net of depreciation, consolidated PPE closed at PHP20.74 billion, increasing by 6% from beginning balance of PHP19.58 billion. More mining equipment were purchased during the year, thus increasing the coal segment's PPE from PHP3.70 billion beginning balance to PHP3.72 billion ending balance; while rehabilitation works at the Calaca power plants increased the value of its PPE from PHP15.88 billion beginning balance to PHP17.07 billion as at yearend.

Investment and Advances increased by 6% from PHP310.23 million beginning balance to PHP490.79 million as at yearend. This accounts for the power segment only.

Meanwhile, consolidated Other Non-Current Assets dropped by 19% from beginning balance of PHP317.59 million to PHP257.38 million. The coal and power segments accounted for PHP158.45 million and PHP98.93 million, respectively. The decrease is due to the recovery of the related assets.

The resulting consolidated Total Assets posted a 17% growth, closing at PHP35.63 billion from PHP30.50 billion in 2010. The coal and power segments respectively accounted for PHP12.61 billion and PHP23 billion inclusive of the assets relating to the pre-operating power companies - SLPGC amounting to PHP765 million. SIPDI contributed PHP2.50 million.

Consolidated Total Liabilities also increased by 15% from beginning balance of PHP18.16 billion, closing at PHP20.82 billion. The coal segment accounted for Total Liabilities of PHP9.38 billion, comprised of

PHP6.7 billion and PHP2.68 billion Current and Non-Current portions, respectively. Meanwhile, the power segment's Current and Non-current portions closed at PHP4.60 billion and PHP6.84 billion, respectively, resulting to Total Liabilities of PHP20.82 billion.

Consolidated Current Liabilities increased by 63% from beginning balance of PHP6.93 billion to PHP11.31 billion as at year-end. This is primarily due to the substantial Accounts and Other Payables recognized by the coal and power segments amounting to PHP4.61 billion and PHP2.69 billion, respectively. These liabilities principally arose from purchase of materials, spare parts fuel and services. Consolidated Short-Term Loans likewise increased by 125% from PHP449.85 million as at the start of the year to PHP1.01 billion as both business segments' working capital requirements for the period increased. Finally, Current Portion of Long Term Loans also posted a significant increase of 164% from beginning balance of PHP1.13 billion, closing at PHP2.99 billion. The coal segment has maturing medium term loans, in relation to the financing of its CAPEX, within the next twelve months. On the other hand, the power segment is already amortizing its term loan which partially financed the acquisition of the power plants.

Conversely, consolidated Non-Current Liabilities decreased by 15% from beginning balance of PHP11.22 billion to PHP9.52 billion as at yearend. This is primarily due to the reclassification of the maturing portion of both segments' long-term debts to short-term.

The 20% increase in consolidated Total Stockholders' Equity, from beginning balance of PHP 12.30 billion to close at PHP14.81 billion, came from the growth in Retained Earnings. Despite paying out record high cash dividends during the year, both business segments' robust income generation during the period resulted to a stronger equity level.

Consolidated Current Ratio dropped by 16% from 1.48:1 in 2010 to 1.24:1 as at yearend. This is primarily caused by the increase in Current Liabilities. On the other hand, Debt-to-Equity ratio improved by 4% from 1.47:1 in 2010 to 1.41:1 as at yearend due to reclassification of maturing long-term loans to short-term.

C. Performance Indicators

***1. Earnings per Share** – Despite a bigger capital base in 2011, the Company's EPS increased by 40%, a testament to its strong absolute earnings during the year. This performance indicator is crucial in determining the Company's ability to declare cash dividends.*

***2. Debt-to-Equity Ratio** – Aside from portraying its robust financial health, improving Debt-to-Equity Ratio boosts the Company capability to expand its business for capital growth. With a healthy DE ratio, the Company's financing options are likewise broadened, enabling it to enjoy low interests.*

***3. Business Expansion** – Its investment in the power sector opened several doors of opportunity for the Company. A deeper knowledge in the industry guided the Company's plans of expanding its power plant capacities. The shift in the Company's strategy from expansion in the coal segment to development in the power sector provides a multiplier effect in the value of its finite coal reserves.*

***4. Expanded Market** – The increased acceptance by the local customers for Semirara coal allowed the Company to refocus its marketing efforts back to the domestic market, thus maximizing its intrinsic competitive advantages over imported coal. Meanwhile, the power segment's supply contract with MERALCO secures its operating efficiency as base-load power generator.*

***5. Improved coal quality** – Ensuring that its coal quality improvement measures are strictly complied with is essential in maintaining the Company's marketing success. The Company now takes a step further by creating a market for its lowest quality coal which no existing customer could take. Its expansion in the power sector aims to employ the latest technology that could burn its waste coal.*

IV. OTHER INFORMATION

1. There were no known trends, events or uncertainties that have material impact on liquidity.

2. The Company provides interim corporate suretyship in favor of the lenders of SCPC for its PHP9.6 billion 7-year loan availed on 26 May 2010. The security may however be suspended within the term of the loan when the conditions set forth in the loan contract are met. SCPC started to amortize the loan in 2011; as at end of the year outstanding balance decreased to PHP8.75 billion.

3. There are no material off-balance sheet transactions, arrangements, obligations, and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.

4. The Company has issued purchase orders to suppliers for mining equipment amounting to P180 million for delivery Q1 2012. Additional mining equipment worth USD7.65 million will be purchased in 2012 with various delivery dates falling on the second half 2012. Moreover a 1 x 15 MW CFB Power Plant will be constructed in Semirara Island for its mine operation, a replacement of the old unit with estimated cost of P1.2 billion. The equipment purchases will be financed with medium-term loans that match the life of the assets while the power plant will be financed via long term loan, all to be sourced from local banks.

5. For 2012, we expect an increase in the demand for Semirara Coal in the domestic market with the commissioning of new power plants and small boilers that can utilize 100% Semirara coal. This trend is expected to continue in the next two years as a result of the competitiveness of Semirara Coal over imported coal.

6. There are no significant elements of income of loss from continuing operations.

7. There were no subsequent events that came to our knowledge, which are material enough to warrant an adjustment in the consolidated financial statements.

8. The Group's operation is not cyclical or seasonal in nature. Mining activities is continuous throughout the year as coal production output from period to period can be adjusted through efficient mine planning on both short-term and long-term, mitigating negative impact of the rainy season to mine operations. The power generation business is also operational throughout the year as maintenance shutdown is just part of normal operation of the plant and programmed ahead of time.

<u>Nickel</u>

DMCI Mining, Corp., the Company's nickel and metals (non-coal) mining company, continued to mine and sell high concentration nickel ore (1.8%-2% nickel content) from the Benguet mine in Zambales. DMCI Mining has also started operating at the old Acoje mine via a contract with Zambales Diversified Mining Corp., an affiliate of European Nickel (a London and Australia listed mining company that merged and acquired Rusina Mining). First shipment from this mine has been subsequently made in the 2nd half of 2011. The reinstated operations in Acoje was envisioned to supplement and maybe replace production from Benguet since the current contract with Benguet is expected to be finished by 2012.

DMCI Mining reported continuous growth in 2011 as net contributions after eliminations reached P917 million compared to P564 million in 2010. Nickel ore shipments for the year, came mainly from the Benguet mine (minimal from Acoje), which achieved a record 1.7 million wet metric tons (WMT) this year compared to 1.2 million WMT last year. Despite a drop in average selling price, revenues still grew by 25% due to the growth in sales volume. Moreover, improved mining operations resulted to better gross margins, testament to the DMCI engineering pedigree.

With the current direction of Benguet to operate on its own and the Acoje mining operations with European Nickel looking to follow suit, the Company is now exploring acquiring its own nickel and other metal resource assets. As the Philippine Government is also looking to revamp and improve revenue generation and policy implementation in the mining industry, the Company sees a few opportunities to possibly acquire mining assets for the group. If these initiatives are successful the Company hopes that the nickel mining business will grow significantly to be a major contributor to consolidated operations.

2009 – 2010

DMCI Holdings, Inc. (the "Company") reported a jump of 67% in its consolidated net income (after minority interest) from P4.7 billion in 2009 to P7.9 billion in 2010. The full year operations of the new power business boosted the already significant growth in all the other segments, namely construction, real estate, mining and water.

Below is a table on the bottom line contributions of the Company's businesses for 2010 and 2009:

(amount in Php millions)	**2010**		**2009 (restated)**		**Variance**	
Construction	1,241	16%	497	11%	744	150%
Mining	2,026	26%	1,164	25%	862	74%
Real Estate	1,286	16%	1,020	22%	266	26%
Water	1,887	24%	1,675	36%	212	13%
Power	847	11%	68	1%	779	1,146%
Parent & Others	580	7%	280	6%	300	107%
Total	**7,867**	100%	**4,704**	100%	**3,163**	67%

The full year operations of Calaca power plant (vs. 1 month in 2009), the realization of works from the big ticket construction projects, the growth in recognized real estate sales, and the improvement in the coal and nickel mining caused the steep growth in consolidated net income. Note that the Parent Company includes an after tax income from AG&P as a discontinued (sold) business worth P677 million and P297 million in 2010 and 2009 respectively.

WATER

The Company's investment in the water sector is recognized mainly through the partnership with Metro Pacific Investments Corp. (MPIC) with operations under Maynilad Water Services, Inc. (Maynilad). Maynilad handles the water distribution and sewer services for the western side of Metro Manila. Additional contributions came from an equity investment in Subic Water & Sewerage Co., Inc. (Subicwater), the water utility located in Subic, north of Metro Manila, serving the Subic Bay Freeport Zone and the municipality of Olongapo.

Marginal improvement in net income from P1.7 billion to P1.9 billion was greatly affected by severe water supply shortage in the months of January till July. Billed volumes at Maynilad for the period grew only by 6.8%, despite a 7.4% dip in water supply recovered water from leaking pipes substantially supported the billed volumes. Year to date non-revenue water (NRW) improved from 59.7% last year to 53.5% this year. Billed services also grew 10.9% to 903,682 accounts. Improvement in water service obligations coupled by the average 6.9% tariff increase helped boost revenues for Maynilad. Non-cash Opex showed a 24% reduction coming mainly from the reduced amortization of concession assets due to the extension of Maynilad's concession period. Cash Opex, on the other hand, reported an 18% 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. Resulting core net income growing by 39% from P3.5 billion to P4.8 billion.

Maynilad's operating results was not significantly affected by consortium items. This year's consortium adjustments was negative P337 million as compared to last year of positive P1 billion. Below is a table on the Maynilad results and the consortium adjustments:

(in Php millions)	**2010**		**2009**	
	Consortium	**DMCI share**	**Consortium**	**DMCI share**
Maynilad Core Net Income	**4,835**		**3,467**	
Non-core Items	**(55)**		**(642)**	
Maynilad Net Income	**4,780**		**2,825**	
Minority	**387**		**166**	
Attributable Operating Net Income	**4,393**	**1,959**	**2,659**	**1,185**
Consortium Items				
Fair Value & Goodwill Adjustments	**(526)**	**(235)**	**(1,140)**	**(508)**
Prior Period Adjustments		**-**		**-**
Forex Losses	**92**	**41**		**-**
Depreciation Adjustment	**(29)**	**(13)**	**(31)**	**(14)**
Deferred Tax Adjustments		**-**	**1,838**	**820**
Net Interest Expense		**-**		**-**
Loss on redemption of Preferred Shares		**-**		**-**
Concession Fee Adjustments	**(42)**	**(19)**	**418**	**186**
Actuarial Gains (Losses)	**(94)**	**(42)**	**170**	**76**
Minority Adjustments		**-**	**(74)**	**(33)**
ESOP Adjustments	**70**	**31**		**-**
Others	**191**	**85**	**(113)**	**(50)**
Subtotal	**(337)**	**(150)**	**1,068**	**476**
Net Income	**4,056**	**1,809**	**3,727**	**1,662**

The continuous improvement in Maynilad operations paved way for cash dividends to be paid out to shareholders in the amount of P600 million in 2010. This shows that the efforts of the Company and its partner MPIC in developing Maynilad are now bearing fruit. Aside from expanding and improving water services to its customers, Maynilad is now able to generate cash flow for its shareholders.

CONSTRUCTION

The Company's construction segment is now only under wholly-owned and our flagship construction company, D.M. Consunji, Inc. (DMCI). Our steel fabrication unit Atlantic Gulf & Pacific Company of Manila, Inc. (AG&P) was sold in December of 2010.

DMCI registered more than double growth in net contributions from the P497 million last year to P1.2 billion this year as construction works from the major infrastructure and building contracts reached full activity.

Work realized from the Skyway Elevated Expressway, 168 Residences and Raffles Condominiums & Hotel projects caused much of the 33% increase in contract revenues from P8 billion to P10.7 billion. Contributions from the other independent construction units such as external electrical works, equipment sales and rentals, external ready-mix concrete sales, and manpower supply were also provided additional construction revenues.

General and administrative expenses for DMCI were relatively higher, due to increased construction activity. Never the less, the Company is still consistent with its cost savings guidance despite expectations that overhead is expected shoot up due to volume of work and higher inflation.

With the current Private Public Partnership (PPP) program of the country, the Company, thru DMCI, is well positioned to be a driver and a beneficiary of such infrastructure progress.

Sale of Steel Fabrication and Assembly Business – AG&P

Early in 2008, the Company was aggressively been looking in selling AG&P. But due to financial crisis in USA and global credit decline, prospective sale did not materialize. The Company was only able to divest its stake in AG&P in December 23, 2010. The sale provided an one time gain of P677 million in 2010 compared to only P297 million in 2009. The recognition of AG&P's operations for most of the year along with the gain on the sale of investment accounted for the growth in investment income of the Parent Company.

The Company believes that the sale of AG&P is in line with its consolidation of resources and limit its interests in the cyclical nature of a contracting business. With this however, the Company is still committed to continue to provide and maintain its heritage business of EPC services but this time only thru DMCI.

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 and 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 paid. This method is in accordance with International Accounting Standards but is not the same with most real estate developers in the Philippines. There was a move to adopt the said recognition method in the country 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 being used by the Company in preparation for the inevitable adoption towards International Accounting Standards.

The housing segment net contributions grew by 26% from P1 billion last year to P1.28 billion this year despite only an 11% increase in realized revenues. Realized housing revenues for 2010 reached P7.7 billion as sales from the newly completed projects reached full recognition status.

A better representative of current operations would be the sales and reservations for the year, which expanded to P14.7 billion in 2010, up by 69% from the P8.7 billion in 2009. The Company believes that this is due to a combination of currently a growing demand for near-city dwelling units and the value the DMCI housing unit brings. The unfortunate global credit crunch in 2008 and 2009 also helped depress the 2009 results.

Operating expenses in the real estate segment were higher by 15% 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 are being sold between P1.5-3.0 million per unit and as such have been registered with the Board of Investments (BOI) as part of their affordable housing investments that allow for an income tax holiday.

MINING & POWER

Coal Mining & Power (Calaca)

The Company's coal mining business and its major power-generating asset (Calaca) are both lodged under 56%-owned and publicly listed Semirara Mining Corp (SMC). SMC reported extensive growth in operating results from a net income of P1.9 billion in 2009 to P3.9 billion in 2010. This was mainly due to the full year recognition of power plant operations and growth in coal sales mainly due to coal exports.

Below is SMC's management discussion and analysis of results of operations and financial condition for the year as lifted from its annual financial report with the PSE and SEC:

Full Years 2009-2010

I. PRODUCTION AND OPERATIONS

Coal:

Over the years, global consumption for thermal coal has steadily increased. To meet rising demand, the Company further expanded capacity in 2010 by commissioning additional mining equipment worth USD32.25 million. With additional three units 16-cubic meter excavators, 25 units 100-tonner dump trucks, and corresponding support equipment, operations registered a new record high of total material movement of 78,681,611 bank cubic meters (bcm). This is 31% higher than 2009 material movement of 60,286,812 bcm. Strip ratio likewise improved by 17% at 9.73:1 from 10.91:1 in 2009. As a result, run-of-mine (ROM) coal produced posted a higher increase of 47% at 7,536,094 metric tons (MTs) from 5,144,143 MTs in 2009. Net total product coal correspondingly grew by 45% at 6,950,333 MTs from 4,798,398 MTs in 2009. Notably, good weather conditions during the year possitively impacted mining operations.

The Company supports the expansion in production capacity with exploratory and confirmatory drilling activities. Initial results of the drilling program showed that coal seams extend throughout the eastern part of the 5,500-hectare island.

Moreover, in order to provide logistic support to match increased level of operations, a USD16 million investment was made to purchase additional barges and tugboats for domestic deliveries and to support mid-stream loading for vessels with capacity greater than 30,000MT.

Strong demand from both local and export markets is manifested by a 36% drop in inventory, despite increased production, from a beginning balance of 763,575 MTs to 490,7135 MTs as at the end of the year.

Power:

Meanwhile, the two power generating units of SEM-Calaca Power Corporation (SCPC), which is 100% owned by the Company, attained their expected capabilities based on their pre-rehabilitation conditions. In terms of availability, Unit 1 was running for 238 days, representing an availability of 65%, while Unit 2 was running for 174 days, representing an availability of 48%. The lower availability for Unit 2 was due to the scheduled rehabilitation during the second semester of 2010, from August 8 up to year end.

In terms of capacity utilization, the two generating units churned out their expected output when it was bid out by Power Sector Asset & Liability Management (PSALM). Unit 1 was utilizing an average of 53% of its rated capacity, while Unit 2 was utilizing an average of 57% of its rated capacity. Both units have a rated capacity of 300 MW each.

Coal consumption for the generating units totaled 1,059,538 MTs for the year, inclusive of imported coal, at an average coal price of PHP2,817 per MT.

Total energy generated reached 937 million Kwh for Unit 1 and 720 million Kwh for Unit 2, or an aggregate generation of 1,657 million Kwh for the year 2010.

II. MARKET

Coal:

Increasing number of coal-fired plants and supply disruption in key coal exporting countries fueled global demand for thermal coal in 2010. The latest round of capacity expansion enabled the Company to meet more orders, thus recording another marketing milestone with an impressive 60% growth in sales from 4,464,029 MTs in 2009 to 7,146,286 MTs in 2010.

Local sales comprised 43% of total volume at 3,047,405 MTs, while 57% were export sales totaling to 4,098,781 MTs. In 2009, market shares of local and the export sales were 49% and 51%, respectively.

Of the total volume sold to local markets, more than half were delivered to power plants. Deliveries to SCPC aggregated to 957,908 MTs, and other power plants sales totaled to 746,911 MTs, thus registering total sales to local power plants at 1,704,819 MTs. Two newly commissioned plants in the Visayas area started to buy Semirara coal this year. Despite recording a 31% increase over 2009 power plants' sales of 1,301,776 MTs, current market share of the local power industry dropped to 24% from 29% last year.

Sales to local cement plants posted a modest growth of 8% from 615,164 MTs in 2009 to 661,392 MTs in 2010. A major player in the cement industry started to use Semirara coal this year. Due to a more significant increase in total sales, its market share likewise dropped from 14% in 2009 to 9% in 2010.

Conversely, other industrial plants increased its market share from 6% in 2009 to 10% in 2010 with a more significant increase of 139% in sales volume. A total of 681,242 MTs were delivered in 2010 to different industrial users, usually through local traders who have the logistic support to supply to inland customers. This market only accounted for 285,392 MTs in 2009.

Export sales continued to be the Company's main growth driver with a remarkable 81% increase from 2009 sales volume of 2,261,695 MTs. Around 75% of export deliveries in 2010 went to China. The rest were delivered to India, Thailand, Hong Kong, and South Korea.

Composite average FOB price per MT dropped by 10% at PHP2,343 this year from PHP2,600 in 2009. When the Company acquired the power business in December 2009, the pricing mechanism was amended to reflect current market prices, instead of the import parity pricing scheme as provided for in the Coal Supply Agreement with National Power Corporation.

Power:

SCPC sold a total of 1,370 million Kwh to its customers by virtue of its Transition Supply Contracts (TSCs), which form part of the Asset Purchase Agreement (APA) when SCPC acquired the Calaca Coal-fired Power Plants from PSALM in December 2009. The major customers under the TSCs include Meralco, which comprised 51% of total TSC volume sold, the Cavite Export Processing Zone (CEPZ) for 29%, Batangas Electric Cooperative 1 (Batelec 1) for 18%, and other small customers for the remaining 2%.

In excess of SCPC's TSC commitments, additional power sales were generated by selling to the Wholesale Electricity Spot Market (WESM) during off-peak hours. Total spot sales reached a volume of 480 million Kwh for the year.

In some instances, SCPC purchased power from the WESM to be able to meet its commitment under the TSCs. Power purchased from the spot market totaled to 340 million Kwh for the year. It is worthy to note that replacement power contracts with other power generators were put in place before the scheduled rehabilitation of Unit 2, which resulted in putting a cap on SCPC's exposure from the WESM by generating savings of over PHP200 million for the year.

Of total sales volume for the year, SCPC's sales mix ratio was at 77% for TSCs and 23% for spot sales. This sales mix ratio is deemed to be within the ideal mix to limit SCPC's exposure to the volatility of the spot market, and to minimize exposure to the contracted capacities in case of unavailability.

III. FINANCE

A. Sales and Profitability

The Company's investment in SCPC boosted profitability in 2010. Consolidated Revenue of PHP22.90 billion is almost double 2009's Revenues of PHP11.94 billion. Net of eliminating entries, PHP14.24 billion and PHP8.66 billion represented coal and energy revenues, respectively. The 24% increase in coal revenues versus PHP8.92 billion generated in 2009 is mainly driven by the significant increase in sales volume. Before elimination, total coal revenue amounted to P16.75 billion. On the other hand, the surge in energy sales from PHP443.49 million in 2009 is due to the full year contribution of SCPC in the current period under review against barely a month operation in 2009

Net of eliminating entries, the coal and power segments recorded Cost of Sales amounting to PHP10.14 billion and PHP5.77 billion, respectively. Although consolidated Cost of Sales increased by 70% from PHP9.34 billion in 2009 to PHP15.90 billion this year due to higher number of units sold for both coal and power, the results reflected a lower cost for each unit sold. For the coal segment, Cost of Coal Sold/MT dropped to PHP1,698 from PHP1,919 in 2009, manifesting the positive impact of economies of scale. Non-Cash Cost slightly rose from 12% in 2009 to 14% this year reflecting increased accounting for depreciation of new mining equipment. On the other hand, cost of energy sales registered at PHP3.12 per Kwh sold.

The resulting consolidated Gross profit recorded an increase of 169% from PHP2.60 billion in 2009 to PHP6.99 billion this year. Gross profit margin likewise registered an improvement at 31% in the current year as against 22% last year.

Operating Expenses of the coal segment amounting to PHP1.81 billion in 2010 is mainly composed of Government Share at PHP1.31 billion. SCPC incurred PHP982.09 million, thus resulting to a consolidated Operating Expenses of PHP2.79 billion. The 272% increase from 2009 consolidated Operating Expenses of PHP749.58 million is due to expanded operations for the coal segment and full year accounting for the power business, inclusive of P383.29 million provision for billing disputes with PSALM.

A substantial portion of consolidated Finance Costs of PHP685.91 million this year was incurred by SCPC mainly in relation to its PHP9.6 billion loan which refinanced the PSALM debt. SCPC booked total financing charges of PHP490.63 million, while the coal segment incurred a total of PHP195.27 million for new loans availed to finance purchase of equipment and other capital expenditures. Finance Cost in 2009 is significantly lower at PHP112.19 million.

Meanwhile, Finance Income rose by 9% from 2009 level of PHP52.75 million to PHP57.67 million this year. It is however important to note that ending cash balance is healthier this year. Two factors will explain the minimal growth in finance income vis-à-vis higher increase in cash: interest rates are lower this year and the Company only accumulated cash towards the end of the year after it has paid dividends.

Meanwhile, fluctuations in foreign exchange rates benefited the coal segment as shown by recording Forex Gains of PHP235.80 million this year, of which P67.31 milion represented net unrealized Forex *gain due to restatement of foreign currency denominated loans outstanding as of end of the year. Conversely, the power business incurred Forex Losses of PHP36.31 million due to peso depreciation at the time of full settlement of PSALM loan in USD. As a result, the Company reported a consolidated Net Forex Gains of PHP199.49 million. This figure is 318% higher than 2009 Forex Gains of PHP47.70 million.*

In July 2010, the Company divested its investments in DMCI Power Corp. and DMCI Mining Corp. As presented at consolidated level, it booked Equity in Net Income of Associates amounting to PHP76.83 million, prior to divestment. At beginning of the year, the accumulated share in equity losses amounted to PHP39.35 million, thus recognized Income from Divestments during the year is PHP41.38 million using equity method. At the parent level, recognized gain on sale of investment is P77.09 million using the cost method.

In addition, the coal segment recorded Other Income amounting to PHP24.05 million from gain on sale of retired equipment, recoveries from insurance claims and other miscellaneous income. In 2009, Other Income was remarkably higher at 107.94 million also consisting of similar nature.

Consolidated Net Income Before Tax showed a sizeable jump of 105% from PHP1.91 billion in 2009 (as restated) to PHP3.92 billion this year. The coal and power segments posted net Income Before Tax of PHP2.48 billion and PHP1.41 billion, respectively, before eliminating entries. As both business segments enjoy Income Tax Holidays, consolidated Tax Provision was (PHP 35.16) million, due to reversal of deferred income tax provision on the power segment net of current tax provision representing final taxes on interest income for both segments. The resulting consolidated Net Income After Tax is PHP3.95 billion, the coal and power segments each contributing PHP2.52 billion and PHP1.44 billion, respectively. This year's Net Income is 114% higher than PHP1.85 million in 2009. Increased number of shares outstanding slightly tempered growth in consolidated Earnings per Share to 82% from PHP6.65 in 2009 to PHP12.10 this year.

B. Financial Condition, Solvency and Liquidity

The Company recorded consolidated Ending Cash balance of PHP3.81 billion, almost 7x the beginning Cash balance of PHP481.92 million. The remarkable increase in the coal segment's sales this year was sufficient to fund its own working capital requirements, pay cash dividends of PHP1.78 billion and service debts totaling to PHP5.89 billion. Net Ending Cash contribution of the coal segment was at PHP2.81 billion. Meanwhile, SCPC posted ending cash balance of PHP1.00 billion this year despite spending for rehabilitation of Unit 2.

Consolidated Net Receivables reflected an increase of 154% from PHP1.25 billion in 2009, closing at PHP3.18 billion as at the end of 2010. The substantial Receivables of the coal segment were due to increased sales towards the end of the year when it took advantage of rising coal prices. SCPC's Receivables are mostly composed of Energy Sales.

On the other hand, consolidated Net Inventories dropped by 20% from PHP2.98 billion in 2009 to PHP2.38 billion this year. Orders for semcoal exceeded production, such that ending coal inventory dropped by 43% in terms of value at PHP833.47 million from beginning level of PHP1.47 billion. This offset the 70% increase in value of spare parts and supplies, which correspond to increased equipment complement, from PHP527.64 million in 2009 to PHP894.80 million as at the end of the year. SCPC booked an ending inventory of PHP658.81 million in 2010, recording a 34% drop from beginning balance of PHP998.50 million, which consisted mostly of spare parts and supplies.

Meanwhile, consolidated Other Current Assets increased by 50% from PHP608.94 million 2009 (as restated) closing balance to PHP912.76 million as at the end of 2010. Bulk of this is comprised of security deposits from operating leases and, advances to suppliers. SCPC accounted for PHP138.02 million of Other Current Assets, representing prepaid rent.

As a result of the movements of the foregoing accounts, consolidated Total Current Assets registered a growth of 93% at PHP10.29 billion as at the end of the period from PHP5.33 billion (as restated) in 2009. Before consolidation, the coal and power segments' Total Current Assets level registered at PHP6.94 billion and PHP4.00 billion, respectively.

Consolidated Non-Current Assets registered a more modest growth of 7% at PHP20.21 billion as at the end of the period from 2009 ending balance of PHP18.93 billion (as restated).

Consolidated Net Property, Plant and Equipment (PPE) registered a 7% growth from PHP18.36 billion in 2009 to PHP19.58 billion as at the end of the review period. This is mainly due to accounting of additional mining equipment that arrived during the year. The coal and power segments recorded PHP3.70 billion and PHP15.88 billion ending balances, respectively.

Investment and Advances increased by 27% from PHP244.43 million in 2009 to PHP310.23 million as at end 2010, consisting solely of the sinking fund of SCPC.

Consolidated Other Non-Current Assets reflected a 5% decline to PHP317.59 million from PHP334.95 million (as restated) as at end 2009 due mainly to reclassification to current portion of some accounts. The coal and power segments each contributed PHP139.92 million and PHP138.02 million, at each respective level.

The resulting consolidated Total Assets grew by 26% from PHP24.26 billion in 2009 to PHP30.49 billion this year. Of this amount, PHP10.74 billion is attributed to the coal segment, while PHP19.75 billion reflected SCPC's Total Assets. Before consolidation, each segment reported Total Assets of P18.79 billion and P20.33 billion, respectively.

Consolidated Total Liabilities likewise increased by 26% at PHP18.15 billion from PHP14.38 billion in 2009. Current and Non-current portions of the coal segment stood at PHP4.43 billion and PHP2.86 billion, respectively, adding up to Total Liabilities of PHP7.29 billion. On the other hand, SCPC's Current and Non-current portions closed at PHP2.50 billion and PHP8.36 billion, respectively, resulting to Total Liabilities of PHP10.87 billion.

Consolidated Current Liabilities of PHP6.93 billion recorded a 17% growth from PHP5.91 billion in 2009. The 64% increase in consolidated Accounts and Other Payables which closed at PHP5.35 billion this year from PHP3.25 billion as at end 2009 is mainly due to significant provision for government share close to P1.0 billion, consignment payables and accrued payable for materials, supplies and contracted services. This increase is offset by decrease in Current-portion of Long Term loans which closed at PHP1.13 billion from PHP1.81 billion in 2009. The account reflected the current portion of SCPC's PHP9.6 billion loan availed to take out PSALM liabilities. Last year's loan balance was already serviced during the year.

Consolidated Non-Current Liabilities posted a 33% increase from 2009 closing balance of PHP8.47 billion to PHP11.22 billion. This is mainly due to the coal segment's loan availments in 2010 to finance its capacity expansion. This is specifically reflected in the 33% increase in consolidated Long-Term Debt from PHP8.36 billion in 2009 to PHP11.16 billion as at the end of 2010. The acquisition of the power plant assets was refinanced by a 7-year project loan of PHP9.6 billion syndicated by three local banks in May 2010. This was already reflected in the books as at the end of 2009 as debt to PSALM.

On 19 July 2010, the Company listed additional 59,375,000 shares to finance its investment in SCPC. This generated PHP4.39 billion for the Company. In addition, in the second quarter of the year, the Company reissued its 19,302,200 Treasury Shares, generating a total of PHP 765 million. These activities, further augmented the cash generated by the company and beefed up Total Stockholders' Equity by 25% from PHP9.88 billion in 2009 to PHP12.34 billion as at the end of 2010. The company recognized additional paid in capital of P5.10 billion resulting from the issuance of new shares via a stock rights offering and reissuance of the treasury shares.

Consolidated Current Ratio significantly improved at 1.48:1 compared to 0.90:1 in 2009 (based on restated amounts). However, Debt-to-Equity ratio dipped slightly from 1.45:1 to 1.47:1 as at the end of 2010. This is due to the availment of additional debts during the year.

D. Performance Indicators

1. Earnings per Share *– To finance its investment in SCPC, the Company went into a 1:5 stock rights offering in 2010, increasing issued shares to 356,250,000 from 296,875,000 in 2009. Moreover, all the issued shares are outstanding this year with the sale of 19,302,200 shares previously held in treasury. Despite this development, EPS managed to reflect a healthy growth of 82%. This does not only signify that the coal business is performing well, but the power business as well. The investment in SCPC undoubtedly created more value for the Company.*

2. Debt-to-Equity Ratio*–The Company's robust financial health is indicated by consistently recording low DE ratio in the past few years. As a result, when the opportunity to own its single biggest customer arose, its balance sheet was ripe and ready to take on the challenge. While the Company's current DE ratio of 1.47:1 shows its leveraged condition, it is positive that it can afford to be in this position given the remarkable performance of both coal and power segments.*

3. Business Expansion*– Motivated by good prospects in the power industry, the Company aggressively expands its operations for both business segments. The coal business launched into another expansion activity in 2010, thus enabling it to benefit from strong demand during the year. Meanwhile, Unit 2 of SCPC underwent rehabilitation works to ramp up productivity and improve efficiency. These activities are geared to create more value for the Company.*

4. Expanded Market *– The improved performance of the Company is mainly attributed to its ability to serve growing global demand for coal. Over the years, more customers are steadily buying its coal. On the other hand, the rehabilitation of SCPC's Unit 2 promises to further increase yield since being a cheap producer of power, SCPC is confident that it can successfully dispatch its additional production either through supply contracts or through the open market.*

5. Improved coal quality *– Enhancing coal quality is a going concern for the Company. This challenge is highlighted by the inherent low quality of its product. This is an important aspect of operations as this dictates its marketing success.*

IV. OTHER INFORMATION

1. *There were no known trends, events or uncertainties that have material impact on liquidity.*
2. *The Company provides interim corporate suretyship in favor of the lenders of SCPC for its PHP9.6 billion 7-year loan availed on 26 May 2010. The security may however be suspended within the term of the loan when the conditions set forth in the loan contract are met.*
3. *There are no material off-balance sheet transactions, arrangements, obligations, and other relationships of the company with unconsolidated entities or other persons created during the reporting period.*
4. *The Company has issued purchase orders to suppliers for mining equipment amounting to PHP40M. Delivery period starts on June 2011. These purchases will be financed with medium-term loans that match the life of the assets.*
5. *The recent calamity in Japan may have a positive impact on the demand and price of Semirara coal. Since Japan is an exporting country, any shortfall in their production may have positive impact to China. If China will increase production, demand of Semirara coal may escalate as most of our exports go to China.*
6. *There are no significant elements of income of loss from continuing operations.*
7. *There were no subsequent events that came to our knowledge, which are material enough to warrant an adjustment in the consolidated financial statements.*

8. *The Group's operation is not cyclical or seasonal in nature. Mining activities is continuous throughout the year as coal production output from period to period can be adjusted through efficient mine planning on both short-term and long-term, mitigating negative impact of the rainy season to mine operations. The power generation business is also operational throughout the year as maintenance shutdown is just part of normal operation of the plant and programmed ahead of time.*

MINING : Nickel

The Company's venture into nickel mining was revived in 2010 when a contract mining agreement with Benguet Mining was finalized early in the year. DMCI Mining, Corp., the Company's wholly owned mining company, set out to mine and sell high concentration nickel ore (1.8%-2% nickel content), called saprolite from Benguet's nickel mine in Santa Cruz, Zambales. This has proved a good venture as operations led to a P564 million net income compared to a negative contribution of P50 million last year. DMCI Mining was able to produce 1.2 million tons of nickel ore and generate P1.96 billion in sales for 2010 from the operations at Benguet's nickel mine, a major development from suspended operations at the Acoje mine in 2009.

Evident of the Company's engineering competence in opportunistic times, DMCI Mining has swiftly shifted its nickel mining business into a very profitable venture.

II. FINANCIAL CONDITION

December 31, 2010 (Audited) – December 31, 2011 (Audited)

The Company's financial condition for the period improved as total assets and net assets increased by 18% and 25% respectively.

Cash increased by a significant 51% to P15 billion due mainly from operations of the different business and the syndicated loan raised by the real estate business. Major generator of cash is from operations while the major use of cash is for PPE.

Total receivables (current and non-current) went up due mainly to new sales in all sectors and the reinstatement of owner/supplier receivables covered with owner/supplier advances at the construction business.

Consolidated inventories grew by 28% increase as ending inventories grew in the real estate, power and coal mining businesses. Real estate inventories grew due to the growth in completed and in progress units including new land acquired for development. Inventories for power equipment and ending coal inventories prompted the increase in Semirara's consolidated inventory.

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

Property plant & equipment inched up coming mainly from the rehabilitation of Calaca unit 2.

Accounts & other payables increased mostly as a result of using operating credits, deferred revenues and accruals.

Long term debt increased due to the P5 billion corporate notes issued at the real estate segment.

Current ratio improved from 1.78 to 2.04 due mainly from cash generation of the different businesses.

Debt to equity ratio remained at the same levels despite additional debt issued at the real estate business as operations generated the much needed net asset growth.

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

REVENUES

(in Php Millions)	Audited		Variance	
	2011	2010	Amount	%
COAL SALES	16,231	14,071	2,160	48%
NICKEL ORE SALES	2,452	1,959	493	79%
CONSTRUCTION	10,277	10,729	-452	-10%
REAL ESTATE	8,251	7,705	546	25%
ELECTRICITY	10,421	8,948	1,473	6%
PARENT & OTHERS	171	72	99	12%
TOTAL	**47,803**	**43,484**	**4,319**	**20%**

REVENUES

(in Php Millions)	Audited		Variance	
	2010	2009	Amount	%
COAL SALES	14,071	11,500	2,571	48%
NICKEL ORE SALES	1,959	102	1,857	79%
CONSTRUCTION	10,729	8,000	2,729	-10%
REAL ESTATE	7,705	6,963	742	25%
ELECTRICITY	8,948	443	8,505	6%
PARENT & OTHERS	72	260	-188	12%
TOTAL	**43,484**	**27,268**	**16,216**	**20%**

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 mining and real estate sectors (*see Part I. Results of Operations – different segments for a detailed discussion per business)*.

SEGMENT NET INCOME

NET INCOME

(in Php Millions)	Audited		Variance	
	2011	2010	Amount	%
COAL SALES	2,379	1,462	917	63%
NICKEL ORE SALES	917	564	353	63%
CONSTRUCTION	1,117	1,242	(125)	-10%
REAL ESTATE	1,795	1,286	509	40%
ELECTRICITY	1,177	847	330	39%
WATER	2,195	1,887	308	16%
PARENT & OTHERS	15	(98)	113	-115%
STEEL		677	(677)	-100%
TOTAL	**9,595**	**7,867**	**1,728**	**22%**

NET INCOME

(in Php Millions)	Audited		Variance	
	2010	2009	Amount	%
COAL SALES	1,462	1,214	248	20%
NICKEL ORE SALES	564	(49)	613	-1251%
CONSTRUCTION	1,242	497	745	150%
REAL ESTATE	1,286	1,020	266	26%
ELECTRICITY	847	68	779	1146%
WATER	1,887	1,675	212	13%
PARENT & OTHERS	(98)	(18)	(80)	444%
STEEL	677	297	380	128%
TOTAL	**7,867**	**4,704**	**3,163**	**67%**

The net income (after minority) or bottom line results from operations of the Company 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. Except for construction, the current period posted strong growth in earnings from the coal and nickel mining businesses, while other segments provided modest improvement (*see Part I. Results of Operations – different segments for a detailed discussion per business)*.

EARNINGS PER SHARE

The Company's consolidated earnings per share (EPS) for the year was P3.61/share accounting for a 22% increase from the P2.96/share EPS last year. Same as segment net income, all the businesses except construction all contributed to the improvement in earnings (*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 equity (*see Part II. Financial Condition for a detailed discussion*).

Item 7. Financial Statements

The Financial Statements incorporated herein by reference to the attached audited financial statements.

Item 8. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

There has been no change or disagreements with certifying accountants.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

(1) Identify Directors, Including Independent Directors, and Executive Officer.

Name	Position	Age
DAVID M. CONSUNJI	Chairman of the Board of Directors	90
CESAR A. BUENAVENTURA	Vice-Chairman of the Board	82
ISIDRO A. CONSUNJI	President	63
CRISTINA C. GOTIANUN	Asst. Treasurer	57
HERBERT M. CONSUNJI	Director/Vice President & CFO	59
JORGE A. CONSUNJI	Director	60
VICTOR A. CONSUNJI	Director	61
MA. EDWINA C. LAPERAL	Director	50
HONORIO O. REYES-LAO	Director (Independent)	66
ANTONIO JOSE U. PERIQUET	Director (Independent)	50
NOEL A. LAMAN	Corporate Secretary	72
VICTOR S. LIMLINGAN	Managing Director	67

David M. Consunji is the Founder and Chairman of the Board of Directors of D.M. Consunji, Inc. Mr. Consunji is also Chairman of Dacon Corporation, and Semirara Mining Corporation. Mr. Consunji served as the Secretary of the Department of Public Works, Transportation and Communications from August 1971 to 1975. Awards and recognition received by Mr. Consunji include (i) named Meralco Awardee in Engineering and Applied Sciences, 1994; (ii) recipient of the Civil Engineer Diamond Jubilee Award presented by the University of the Philippines Alumni Engineers in 1985; (iii) One of the Ten Outstanding Civil Engineers in 1982 by the Philippine Institute of Civil Engineers; (iv) recipient of Doctor of Laws, honoris causa, University of the Philippines in 1993; (v) named Outstanding Citizen of the City of Manila for Engineering in 1979; and (vi) named Management Association of the Philippines Awardee in 1996, Outstanding Alumni Engineer of the University of Phils. Alumni Engineers in 2010, and Icon of the Philippine Construction Industry 2010 by the Phil. Constructors Association. Mr. David Consunji has served the Corporation as Chairman of the Board for seventeen (17) years.

Cesar A. Buenaventura, is Managing Partner of Buenaventura Echauz and Partners Financial Services. He is currently a Director of the following: DMCI Holdings, Inc., Semirara Mining Corporation, iPeople Inc., D.M. Consunji, Inc., Petroenergy Resources Corp., AG&P Company of Manila, Inc., Maibarara Geothermal, Inc. (Chairman), Montecito Properties, Inc. (Vice Chairman), Pilipinas Shell Petroleum Corp., Philippine American Life Insurance Company and Manila International Airport Authority. He was chosen Management Man of the Year in 1985 by MAP and in January 1991, he was personally granted the award of Honorary Officer of the Order of the British Empire by her Majesty Queen Elizabeth II. Mr. Buenaventura has served the Company as Vice Chairman for seventeen (17) years.

Isidro A. Consunji is a regular Director of the following: DMCI Project Developers, Inc., Semirara Mining Corporation, Dacon Corporation, DMCI-MPIC Water Company, Inc. Crown Equities, Inc. and Beta Electric Corporation. His other positions include: Chairman of the Board of Directors of DMCI Homes, Beta Electric Corporation; President of Dacon Corporation, and DMCI Project Developers, Inc., Mr. Isidro Consunji has served the Corporation as a regular director for seventeen (17) years.

Herbert M. Consunji is a Partner in H.F. Consunji & Associates. He is also the Chairman of Subic Water and Sewerage Company, Inc., a regular Director of DMCI Project Developers, Inc., Semirara Mining Corporation, DMCI-MPIC Water Company, Inc., Maynilad Water Services, Inc., DMCI Mining Corp., DMCI Power Corporation and the Chief Operating Officer of Maynilad Water Services, Inc. Mr. Herbert Consunji has served the Corporation as a regular director for seventeen (17) years.

Jorge A. Consunji is the President and Chief Operating Officer of D.M. Consunji, Inc. His other positions include: Director of Semirara Miing Corporation, Beta Electric Corp., Atlantic, Gulf & Pacific Company of Manila, Inc., Chairman of Wire Rope Corporation, and Treasurer of Dacon Corporation. Mr. Jorge Consunji has served the Corporation as a regular director for seventeen (17) years.

Victor A. Consunji is a Director of the following: DMCI Holdings, Inc., Dacon Corporation (Vice-President), Semirara Mining Corporation (President), One Network Bank (Chairman), M&S Company, Inc., Sodaco Agricultural Corporation, Sirawai Plywood & Lumber Corp. (Chairman), DMC Urban Property Developers, Inc., DM Consunji, Inc., and Ecoland Properties Development Corporation. Mr. Victor Consunji has served as a regular director of the Corporation for seventeen (17) years.

Ma. Edwina C. Laperal is the Treasurer of DMCI Holdings, Inc., Dacon Corporation, DMCI Project Developers, Inc., and DMCI Urban Property Developers, Inc.; Regular Director of DMCI Holdings, Inc., DMCI Project Developers, Inc., Semirara Mining Corporation and D.M. Consunji, Inc. Ms. Laperal has served the Corporation as Treasurer for seventeen (17) years.

Honorio O. Reyes-Lao is the Director of Philippine Business Bank from 2010 up to present. He was the President and Director of Gold Venture Lease and Management Services, Inc, 2008-2009; Senior

Business Consultant of the Antel Group of Companies, 2007-2009; Senior Management Consultant of East West Banking Corporation, 2005-2006. Prior to 2005, Mr. Reyes-Lao was the Senior Vice-President of China Banking Corporation in charge of the lending operation under the Account Management Group. He was a Director of the First Sovereign Asset Management Corporation, 2004-'06; Director and Treasurer of CBC Insurance Brokers, Inc, 1998- 2003 : Director of CBC Forex Corporation, 1997-2002; and CBC Properties and Computer Center, Inc, 1993-2006. His civic affiliations are the Makati Chamber of Commerce and Industries - past President; Rotary Club of Makati West – Treasurer; and a Fellow in the Institute of Corporate Directors, a professional organization which espouses good corporate governance in both private and public organizations. Mr. Reyes-Lao has served the Company as Independent Director for three (3) years (since 2009).

Antonio Jose U. Periquet is currently the Chairman of Pacific Main Holdings and a director of the Development Bank of the Philippines, DBP Insurance Brokers, Inc., DBP Leasing Corporation, the Metro Rail Transit Corporation, Lyceum of the Philippines University, and The Straits Wine Company, Inc. He is also an independent director of Ayala Corporation, BPI Capital Corporation, Bank of the Philippine Islands, and Philippine Seven Corporation. He was previously chairman of Deutsche Regis Partners, Inc. and executive director of various financial institutions in London and Hong Kong. Mr. Periquet holds an MBA from the University of Virginia, a MSc in Development Economics from Oxford University and a Bachelor of Arts degree in Economics from the Ateneo de Manila University. He is a member of the Dean's Global Advisory Council, Darden School of Business, University of Virginia. Mr. Periquet has served the company as an Independent Director for two (2) years since 2010.

Victor S. Limlingan is Managing Director of DMCI Holdings, Incorporated as well as a director of D. M. Consunji, Incorporated and Dmci Project Developers Inc. (DMCI Homes). He is presently an independent director of Sika Philippines, a subsidiary of Sika International of Switzerland and Monarch Insurance, a joint venture company owned by Malaysian and Sri Lankan groups. An educator, he holds a Doctorate in Business Administration from the Harvard Business School. He was a Full Professor at the Asian Institute of Management as well as a member of the Presidential Task Force on Education. Presently, he is the Chairman of the Guagua National Colleges. He and his wife Marita own and manage Regina Capital Development Corporation, a member of the Philippine Stock Exchange as well as Cristina Travel Corporation. Dr. Limlingan has served the Company as Independent Director for three years (from 2006-2009). On February 1, 2009, he was appointed as the Managing Director of the Corporation.

Cristina C. Gotianun is a Director of Dacon Corporation, D.M. Consunji, Inc, Asia Industries, Inc., DMCI Power Corporation, DMC Construction Equipment Resources, Inc., DMC Urban Property Developers, Inc., M&S Company, Inc., Prime Ortigas Development Corporation and South Davao Development Co., Inc.. Her other positions include: Vice-President for Administration of Semirara Mining Corp., Treasurer of DMCI Power Corp., Vice President for Finance Administrative/Chief Finance Officer of D.M. Consunji, Inc., and Corporate Secretary of Dacon Corporation and DMC Urban Property Developers, Inc.. Ms. Gotianun has served the Corporation as Asst. Treasurer for seventeen (17) years.

Noel A. Laman is a founder and Senior Partner of Castillo Laman Tan Pantaleon & San Jose. His other positions include: Treasurer of the DCL Group of Companies (Manpower Resources of Asia/Sealanes Marine Services/Center for Multicultural Studies/CRAFT Technologies, Inc.); Director and Corporate Secretary of GlaxoSmithkline Philippines Inc, Boehringer Ingelheim (Phils.), Inc., and Merck, Inc. He is an active member of the Intellectual Property Association of the Philippines, the Philippine Bar Association, and have been a speaker in local and foreign legal seminars and a resource person of various foreign chambers of commerce in the Philippines. Mr. Laman's practice of law includes corporate law, intellectual property and mergers and acquisition. He is the firm's representative to the State Capital Group, a US based group of international law firms. Atty. Laman has served the Corporation as Corporate Secretary for seventeen (17) years.

Currently, there are no director or executive officer share options relating to the capital of the Company.

(2) Identify Significant Employees –

(a) The following are the significant employees of the Registrant who are not executive officers but who are expected by Registrant to make a significant contribution to the business:

Significant Employees	Position held in Registrant	Age
Ma. Luisa C. Austria	Administrative / Accounting Officer	60
Aldric G. Borlaza	Finance Officer	34

Ms. Ma. Luisa C. Austria will continue to hold the position of Administrative and Accounting Officer of the Registrant, and Mr. Aldric G. Borlaza will continue to serve as the Finance Officer of the Registrant for the year 2012-2013.

(b) Brief descriptions of the business experience of the above significant employees of the Registrant:

Ma. Luisa C. Austria is a former Accounting Supervisor of D. M. Consunji, Inc. (1989 to 1996). She is now the Administrative/Accounting Officer of the Registrant and has been holding said position for sixteen (16) years.

Aldric G. Borlaza worked for three (3) months in SGV, Assurance or External Audit group, involving basic audit of accounting controls, documents and paper trail as well as basic preparation of Audited Financial Statements (January 2002 to March 2002). He is the Finance Officer of the Company for ten (10) years (2002-current).

Term of office. The term of office of Ms. Austria is approximately sixteen (16) years. Mr. Borlaza has been serving the company for ten (10) years since April of 2002.

(3) Family Relationships - Describe any family relationships up to the fourth civil degree either by consanguinity or affinity among directors, executive officers, or persons nominated or chosen by the registrant to become directors or executive officers. – **See below:**

Name	Relationship
David M. Consunji	Father of Isidro A. Consunji, Jorge A. Consunji, Victor A. Consunji, Cristina C. Gotianun and Ma. Edwina C. Laperal
Isidro A. Consunji, Jorge A. Consunji, Victor A. Consunji, Cristina Gotianun, and Ma. Edwina C. Laperal	Children of David M. Consunji
Herbert M. Consunji	Nephew of David M. Consunji and cousin of Isidro A. Consunji, Jorge A. Consunji, Victor A. Consunji, Cristina C. Gotinanun, and Ma. Edwina C. Laperal

(4) Involvement in Certain Legal Proceedings - *None of the directors, executive officers and nominees for election is subject to any pending material legal proceedings*

(a) Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time - **NONE**

(b) Any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses - **NONE**

(c) Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities - **NONE**

(d) Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated – **NONE**

Item 10. Executive Compensation

ANNUAL COMPENSATION

Name	**Principal Position**	**Salary**	**Bonus**	**Other annual compensation**
David M. Consunji	Chairman of the Board of Directors			
Cesar A. Buenaventura	Vice – Chairman of the Board of Directors			
Isidro A. Consunji	President/Chief Executive Officer			
Cristina C. Gotianun	Asst. Treasurer			
Ma. Edwina C. Laperal	Treasurer			
Herbert M. Consunji	Vice President & Chief Financial Officer			
	YEARS			
	2009	P 34,817,379.00		P 5,342,802.21
	2010	P 23,540,309.00		P 4,317,355.00
	2011	P 93,701,111.00		P 8,772,185.00
	2012*	P 93,701,111.00		P 8,772,185.00
	TOTAL:	P 245,759,910.00	P --	P 27,204,527.21
	YEARS			

All other directors and executive officers as a group unnamed	2009 2010 2011 2012*	P 1,294,766.59 P 2,724,413.00 P 60,278,449.08 P 60,278,449.08		P 1,294,766.59 P 3,719,329.58 P 2,738,299.00 P 2,738,299.00
	TOTAL:	P 124,576,077.75	P --	P 10,490,694.17

Approximate figures

Item 11. Security Ownership of Certain Beneficial Owners and Management

Beneficial Ownership of Directors of the Corporation as of **December 31, 2011.**

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Common	David M. Consunji	1,000.00	0.00004%
Common	Cesar A. Buenaventura	1,000.00	0.00004%
Common	Isidro A. Consunji	13,000.00	0.00048%
Common	Victor A. Consunji	1,000.00	0.00004%
Common	Jorge A. Consunji	1,000.00	0.00004%
Common	Herbert M. Consunji	18,600.00	0.00070%
Common	Ma. Edwina C. Laperal	107,000.00	0.00402%
Common	Honorio O. Reyes-Lao	35,000.00	0.00132%
Common	Antonio Jose U. Periquet	25,000.00	0.00094%

AGGREGATE OWNERSHIP OF ALL DIRECTORS AS A GROUP	**202,600.00**	**0.00762%**

Owners owning 5% or more of the voting stocks of the Corporation as of **December 31, 2011.**

Title of Class	Name and Address of Beneficial Owner	Amount/Nature of Beneficial Ownership	Percent of Class
Common	Dacon Corporation (Fil) c/o Isidro A. Consunji 2281 Pasong Tamo Ext. Makati City	1,367,761,488.00	51.507%
Common	DFC Holdings, Inc. (Fil) c/o Cristina C. Gotianun 2281 Pasong Tamo Ext. Makati City	461,185,838.00	17.367%
Common	PCD Nominee Corp. (For) G/F Makati Stock Exchange Bldg., 6767 Ayala Ave., Makati City	389,006,283.00	14.649%
Common	PCD Nominee Corp. (Fil) G/F Makati Stock Exchange Bldg., 6767 Ayala Ave., Makati City	362,900,154.00	13.666%

Below is the list of the individual beneficial owners under PCD account who holds more than 5% of the voting securities of Registrant.- ***NONE***

Item 12. Certain Relationships and Related Transactions

The details of the relationship and related party transactions are contained in notes as contained in the Financial Statements and is incorporated herein by reference to said Financial Statements.

PART IV – CORPORATE GOVERNANCE

Item 13. Corporate Governance

1. The Company has adopted the Manual on Corporate Governance and complied therewith the leading practices and principles on good corporate governance.

2. The Company has adopted and complied with the guidelines and leading practices and principles of the Manual on Corporate Governance;

3. The Independent Directors of the Company have submitted their Certificate of Qualifications as required by Securities and Exchange Commission in the promotion of meaningful compliance with Section 38 of the Securities Regulation Code (SRC);

4. The Corporation has revised its Manual on Corporate Governance in compliance with the SEC's Revised Code of Corporate Governance. It was submitted on March 31, 2011.

5. The Corporation has set up all committees set forth under the Manual of Corporate Governance to strictly adhere with the rules governing the Manual.

PART V - EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17-C

(a) Exhibits - See accompanying index to exhibits

(b) Reports on SEC Form 17-C - The list of the reports from the preceding period December 31, 2010 is herein incorporated by reference.

(9) Material Contracts – ***NONE***

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati on_______________________________.

By:

APR

Isidro A. Consunji
President and CEO

Herbert M. Consunji
Vice President & Chief Finance Officer

Aldric G. Borlaza
Finance Officer

Ma. Luisa C. Austria
Accounting Officer

Atty. Noel A. Laman
Corporate Secretary

APR 2

SUBSCRIBED AND SWORN to before me this _____ day of _________ 2012 affiants exhibiting to me his/their Residence Certificates, as follows:

NAMES	RES. CERT. NO.	DATE OF ISSUE	PLACE OF ISSUE
Isidro A. Consunji	07014700	01-20-12	Makati
Herbert M. Consunji	06978579	01-09-12	Makati
Aldric G. Borlaza	07039424	02-09-12	Makati
Ma. Luisa C. Austria	06982383	01-04-12	Manila
Atty. Noel A. Laman	07020751	01-27-12	Makati

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Book No. XII
Series of 2012

Notary Public

CESAR G. VIOLA
Notary Public
Until Dec. 31, 2012
PTR No.0334995 01-02-12 M
IBP No. 839487 12-06-10 Mla
Roll No. 15654
MCLE Compliance No. III
0019431 12-2-10

INDEX TO EXHIBITS
FORM 17-A

	Number	Particulars
1		List of the Top 20 shareholders of the Company
2		List of reports filed under SEC Form 17-C

DMCI Holdings, Inc.
Summary of Submittals of SEC Form 17-C
For the Year 2011

Nature of Report	Date
Preferred Shares redemption for the year 2010	January 3, 2011
Certificate of Compliance of Manual on Corporate Governance	January 13, 2011
DMC share transaction of Chairman	January 13, 2011
Certification on Board Attendance for the year 2010	January 14, 2011
DMC share transaction of Chairman	January 19, 2011
DMC share transaction of Chairman	January 24, 2011
DMC share transaction – DFC Corp.	January 24, 2011
DMC share transaction – DFC Corp.	January 25, 2011
DMC share transaction – President	January 25, 2011
DMC share transaction – DFC Corp.	January 28, 2011
Maynilad adjustment in tariff rates	January 31, 2011
Preferred share redemption for the month of January	February 1, 2011
Preferred share redemption for the month of January	February 1, 2011
DMC share transaction – DFC Corp.	February 11, 2011
DMC share transaction – Chairman of the Board	February 11, 2011
DMC share transaction – DFC Corp.	February 16, 2011
Disclosure on Unaudited Financial Statements	February 21, 2011
DMC share transaction – DFC Corp.	February 22, 2011
Projects awarded to DMCI	February 22, 2011
Preferred share redemption for the month of February	March 2, 2011
DMC share transaction – Asst. Treasurer	March 10, 2011
DMC share transaction – Asst. Treasurer	March 15, 2011
DMC share transaction – Asst. Treasurer	March 22, 2011
DMC share transaction – Asst. Treasurer	March 24, 2011
Preferred share redemption for the month of March	April 5, 2011
DMC share transaction – Vice President & CFO	April 6, 2011
EPC contract with TransAsia	April 6, 2011
DMC share transaction – President	April 27, 2011
Preferred share redemption for the month of April	May 2, 2011
Announcement of Annual Stockholders' Meeting and Declaration of Cash Dividends	May 31, 2011
Preferred share redemption for the month of May	June1, 2011
Resignation of Vice President for Finance	June 2, 2011
DMC share transaction – DFC Corp.	June 13, 2011
Cash Dividends Guidelines	June 15, 2011
DMC share transaction – DFC Corp.	June 21, 2011
Preferred share redemption for the month June	July 1, 2011

Results of Annual Stockholders' Meeting	July 27, 2011
Preferred share redemption for the month July	August 1, 2011
Analyst/Media Briefing Schedule	August 9, 2011
DMC share transaction – Asst. Treasurer	August 16, 2011
DMC share transaction – DFC Corp.	August 16, 2011
DMC share transaction – Director	August 16, 2011
DMC share transaction – President	August 19, 2011
DMC share transaction – Director	August 19, 2011
DMC share transaction – DFC Corp.	August 25, 2011
DMC share transaction – Vice President & CFO	August 25, 2011
Corporate Governance Committee 2011	August 26, 2011
Preferred share redemption for the month August	September 1, 2011
DMC share transaction – DFC Corp.	September 13, 2011
DMC share transaction – Dacon Corp.	September 28, 2011
DMC share transaction – DFC Corp.	September 28, 2011
DMC share transaction – DFC Corp.	September 30, 2011
Preferred share redemption for the month September	October 5, 2011
DMC share transaction – Dacon Corp.	October 10, 2011
DMC share transaction – Dacon Corp.	October 12, 2011
DMC share transaction – Independent Director	October 12, 2011
DMC share transaction – Dacon Corp.	October 13, 2011
DMC share transaction – Dacon Corp.	October 14, 2011
DMC share transaction – Dacon Corp.	October 17, 2011
DMC share transaction – Dacon Corp.	October 19, 2011
Preferred share redemption for the month October	November 2, 2011
DMC share transaction – Vice President & CFO.	November 3, 2011
DMC share transaction – DFC Corp.	November 28, 2011
DMC share transaction – DFC Corp.	November 29, 2011
Preferred share redemption for the month November	December 1, 2011
DMC share transaction – Asst. Treasurer	December 22, 2011
PSA Signing between SCPC and Meralco	December 23, 2011

LIST OF TOP 20 STOCKHOLDERS
AS OF DECEMBER 31, 2011

	NAME	No. Of Shares	PERCENTAGE
1.	DACON CORPORATION	1,367,761,488	51.07%
2.	DFC HOLDINGS, INC.	461,185,838	17.367%
3.	PCD NOMINEE CORPORATION (FOREIGN)	389,006,283	14.649%
4.	PCD NOMINEE CORPORATION (FILIPINO)	362,900,154	13.666%
5.	DMCI RETIREMENT PLAN	19,980,000	0.752%
6.	FERNWOOD INVESTMENT, INC.	14,234,444	0.536%
7.	BERIT HOLDINGS CORPORATION	12,220,000	0.460%
8.	GUADALUPE HOLDINGS CORPORATION	4,058,000	0.153%
9.	AUGUSTA HOLDINGS, INC.	3,800,000	0.143%
10.	DOUBLE SPRING INVESTMENTS CORPORATION	3,547,749	0.134%
11.	DMCI RETIREMENT FUND	2,600,000	0.098%
12.	PACITA N. LEE	1,100,00	0.041%
13.	MA. EDWINA/MIGUEL DAVID C. LAPERAL	550,000	0.021%
14.	EDGARDO MARCOS DE VERA	520,000	0.020%
15.	YNTALCO REALTY DEVT. CORPORATION	500,000	0.019%
16.	BENIGNO DELA VEGA	410,000	0.015%
17.	AO ZHENG	368,000	0.014%
18.	XIUFEN LI	366,000	0.014%
19.	MAKATI SUPERMARKET CORP.	345,500	0.013%
20.	ENRIQUE G. FILAMORE	314,000	0.012%

DMCI HOLDINGS

INCORPORATED

3rd floor
DACON Building
2281 Don Chino Roces Ave.
(formerly Pasong Tamo Ext.)
Makati City 1231, Philippines

(632) 888 • DMCI
(632) 888 • 3000
Facsimile
(632) 816 • 7362
E-Mail
dmcihi@dmcinet.com

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The management of DMCI HOLDINGS, INC. is responsible for the preparation and fair presentation of the consolidated financial statements for the years ended December 31, 2011 and 2010 including the additional components attached therein, in accordance with Philippine Financial Reporting Standards. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the consolidated financial statements and submits the same to the stockholders.

SyCip Gorres Velayo & Co., the independent auditors appointed by the stockholders for the period December 31, 2011 and 2010, respectively, have examined the consolidated financial statements of the company in accordance with Philippine Standards on Auditing, and in their reports to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such examination.

DAVID M. CONSUNJI
Chairman of the Board

ISIDRO A. CONSUNJI
President & Chief Executive Officer

HERBERT M. CONSUNJI
Vice President & Chief Finance Officer

Subsidiaries
D.M. Consunji, Inc.
DMCI Project Developers, Inc.
Atlantic, Gulf & Pacific Company of Manila, Inc.
Semirara Mining Corporation

SUBSCRIBED AND SWORN TO BEFORE ME THIS 25th day of April 2012 in Makati City, affiant exhibiting to me their Community Tax Certificates which are as follows:

DAVID M. CONSUNJI	**06985160**	**January 10, 2012**	**Makati City**
ISIDRO A. CONSUNJI	**07014700**	**January 20, 2012**	**Makati City**
HERBERT M. CONSUNJI	**06978579**	**January 09, 2012**	**Makati City**

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ATTY. LOPE M. VELASCO
NOTARY PUBLIC
Until December 31, 2013
Appt. No. M-136, Makati City
IBP # 864149-Pasig City-12/21/11
PTR # 0334743-MAKATI-01/02/12
TIN # 212-965-989
S.C. Roll No. 28757
G/F JAKA Center 2111 Chino Roces Ave.
Makati City