

**MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING**

**OF**

**DMCI HOLDINGS, INC.**

Held on July 26, 2006, at 9:00 A.M.  
at the Fairways Function Room  
Manila Golf & Country Club  
Forbes Park, Makati City, Metro Manila.

**1. CALL TO ORDER**

Mr. David M. Consunji, the Chairman of the Board of Directors, called the meeting to order and presided over the same. Mr. Noel A. Laman, the Corporate Secretary, was Secretary of the Meeting and recorded the minutes of the proceedings.

**2. PROOF OF NOTICE AND CERTIFICATION OF QUORUM**

The Secretary of the meeting certified that the Definitive Information Statement and Notice of today's annual meeting were transmitted by personal delivery or mailed to the stockholders of record at their respective addresses as indicated in the corporate records. The Definitive Information Statement and Notice of annual stockholders' meeting were sent at least fifteen (15) business days prior to the date of the meeting.

Likewise, the Secretary of the meeting certified that a quorum existed for the transaction of business, there being present in person or by proxies, stockholders owning 1,782,256,281 common shares, representing at least 79.02% of the Corporation's total outstanding common capital stock.

**3. APPROVAL OF MINUTES OF PREVIOUS MEETING**

Copies of the minutes of the annual stockholders' meeting held on July 27, 2005 were distributed to the stockholders. There being no comments on the minutes, upon motion made and duly seconded, the minutes of the annual stockholders' meeting held on July 27, 2005 were deemed read, and thereafter, approved, ratified and confirmed by the stockholders.

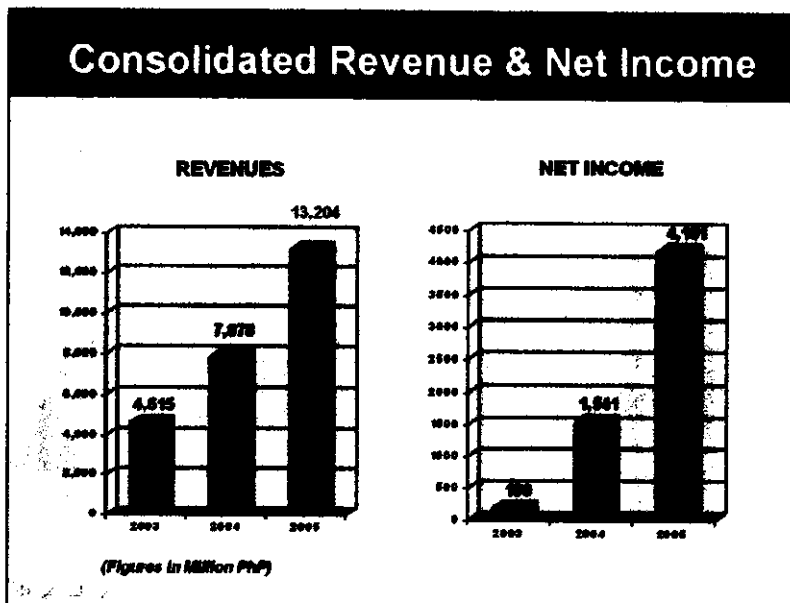
At this instance, the Chairman explained that at today's stockholders' meeting, on the item of election of directors, each registered owner of shares, whether natural or juridical, as of record date (June 26, 2006) shall be entitled to cumulative voting in the manner provided by law. On the items of ratification of the acts of the Board of Directors and officers of the Corporation for the year 2005 and until the date of this meeting, and appointment of independent auditors, each outstanding common share as of record date shall be entitled to one (1) vote.

**4. MANAGEMENT REPORT**

The President, Mr. Isidro A. Consunji, proceeded to present the Corporation's accomplishments for the year 2005, the expectations for the year 2006 and the long-term corporate strategy.

a. **Consolidated Revenue & Net Income**

The Consolidated Revenue & Net Income for the year 2005 was shown as follows:



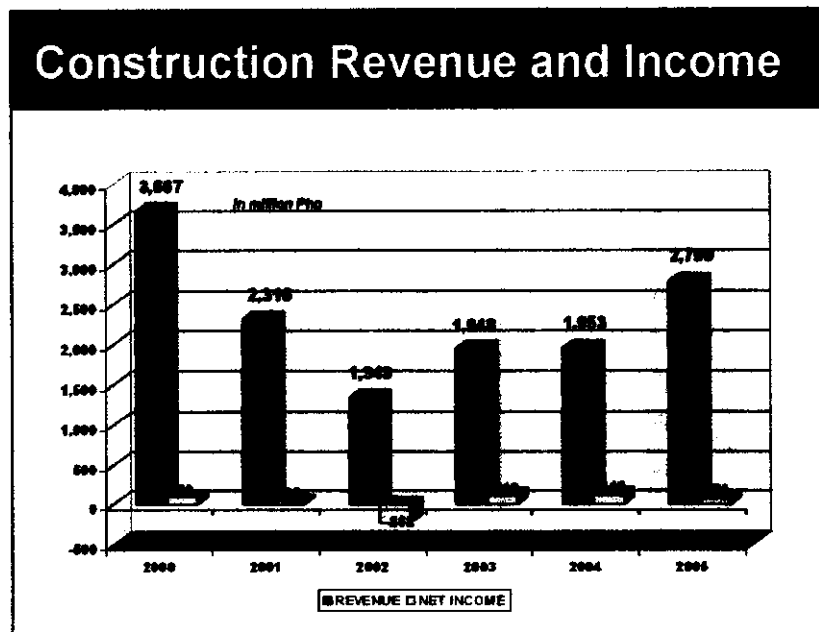
As appearing in the 2005 revenues and net income, DMCI-HI has finally proven its concept of investing in construction-related activities and creating value-added to the company.

Mr. I.A. Consunji cited a case in point, where DMCI-HI initial investment of PhP 563 million in Semirara Mining Corporation ("Semirara") in 1997 resulted in a net cash or one time gain to DMCI-HI of PhP 2 billion after partial divestment early 2005. Another PhP 490 million was raised early this year. The remaining 58% investment, if marked-to-market today would be worth PhP 4.2 billion.

Furthermore, Mr. Consunji pointed out that Semirara, which has the largest open-pit coal mine and the biggest coal reserves in the Philippines, will give DMCI the long-term benefit from its operations. It will yield substantial dividends for many years which currently stands at 20% of net income. Mr. Consunji was very glad and proud to announce that DMCI-HI has received for this year PhP 213 million in cash dividends from Semirara.

Mr. Consunji proceeded to present the Construction Revenue and Income for the year 2005.

b. *Construction Revenue and Income*



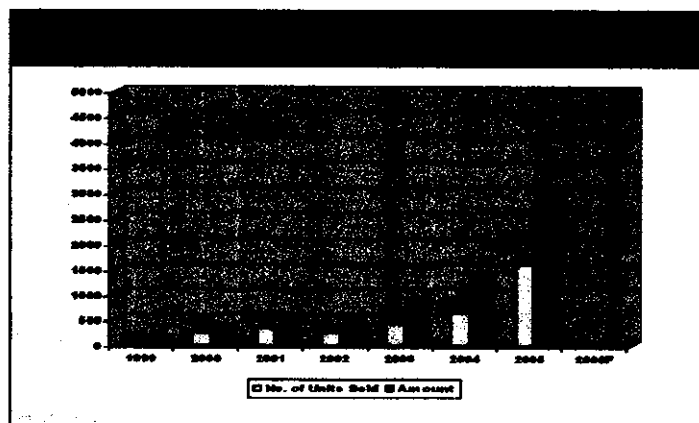
The construction business of D.M. Consunji, Inc. ("DMCI"), the construction arm of DMCI-HI, recorded a 43% growth in revenue from PhP 1.95 billion to PhP 2.79 billion in 2005. This was due to the redirection of efforts in 2004 from the traditional competitive bidding to non-traditional markets, such as design and build type of projects.

To further counter competitive bidding, DMCI is now embarking on new markets such as construction related works in mining operations and projects requiring multi-disciplinary skills. The current need for more office spaces due to Business Process Outsourcing or BPO is also a target. Mr. Consunji disclosed that they are currently talking to a service provider to this effect.

This year, a subcontracting job was awarded by a Japanese consortium namely Obayashi Corporation and Oriental Construction for the construction of a monorail system in Dubai. While it is relatively small in contract amount, they are optimistic that revenue will increase over time.

Mr. Consunji expressed commitment to keep DMCI construction business afloat by continuous restructuring and simplifying business processes. To enhance competitiveness, DMCI is undergoing an ISO accreditation, and for which a Certificate is expected to be released within this year.

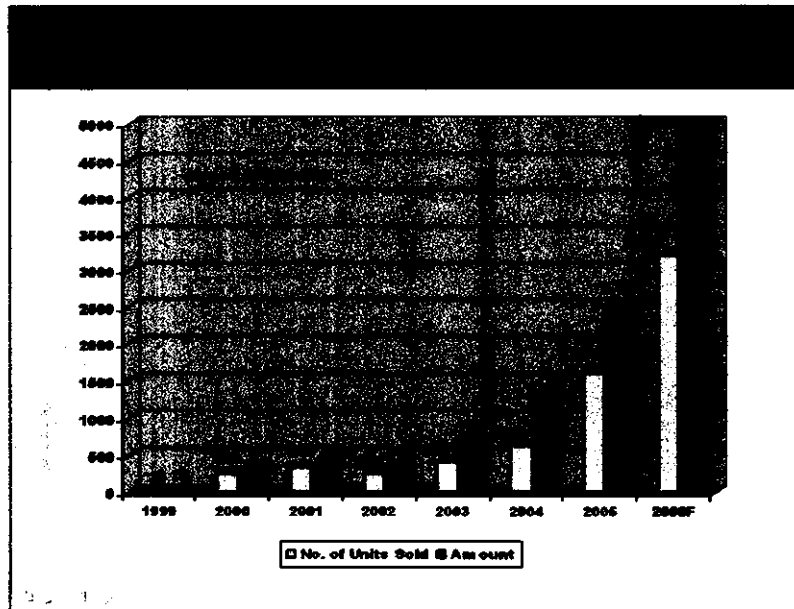
c. *Housing Sales Report 1999-2006*



Similarly, DMCI-HI housing business segment, through its business name, DMCI Homes, has shown significant growth and is becoming a major player in the industry. It is also becoming one of the major cash generators for DMCI.

Last year, sales and reservations totaled PhP 2.5 billion generating PhP 1.5 billion of revenues, and PhP 140 million of net income and a net cash of PhP 220 million.

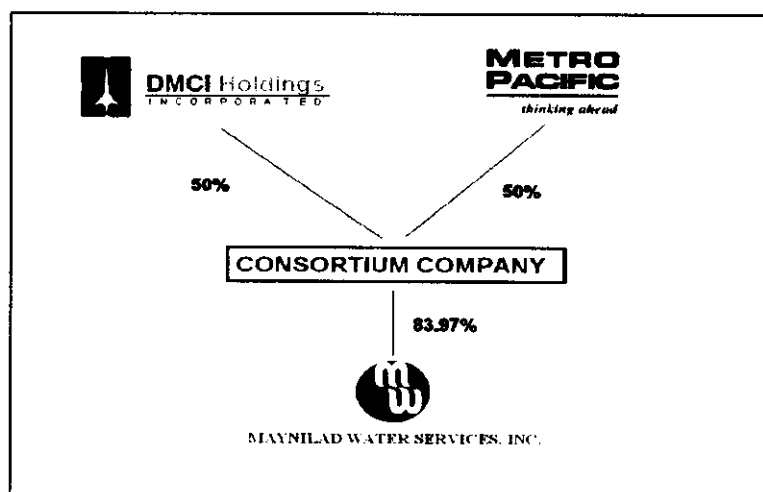
*d. Housing Sales Report 1999-2006*



Having identified a product consisting of only two-bedroom units, worth between PhP 1.2 to 2.5 million, coupled with flexible financing terms, DMCI Homes has been tasked to double its sales to PhP 5 billion this year. As of June, they have sold 1,506 units amounting to PhP 2.2 billion.

Again, Mr. Consunji stated that they will strive to have DMCI-HI's housing business subsidiary, DMCI Project Developers, Inc., a publicly-listed company in the near future, thereby, enhancing the value of the stockholders' shares.

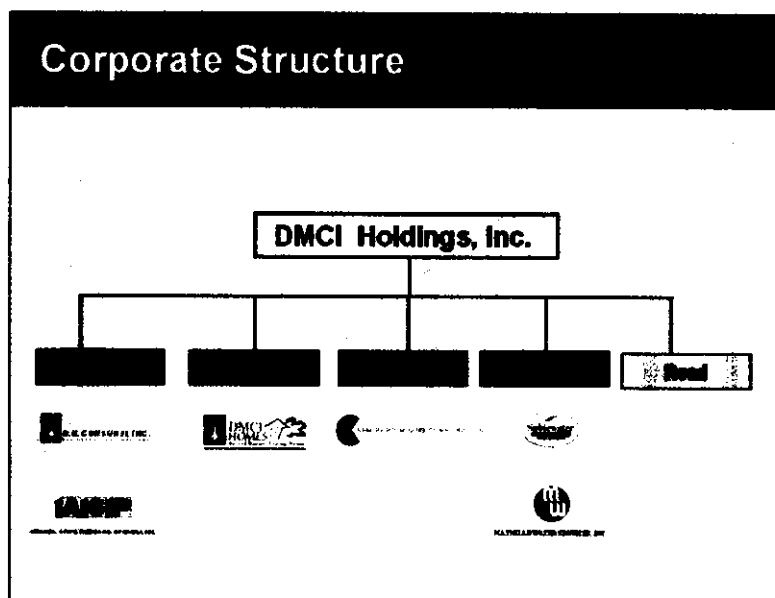
*e. Consortium Company*



Mr. I. A. Consunji announced that the stockholders may have been aware by now, through media pronouncements, that DMCI-HI has tied-up with Metro Pacific Investments Corporation, a subsidiary of First Pacific Group, to bid for MWSS' equity and interest in Maynilad Water Services, Inc. A consortium company will be formed, with 50/50 sharing.

At present, they have set-up technical, financial, and legal teams to undertake the bid in October. He confided, however, that he was not at liberty to discuss the details of the Bid. He was confident, however, that their Bid would be strong and competitive.

*f. Corporate Structure*



Mr. I.A. Consunji also said that they are looking into power generation in order to increase the selling capacity of Semirara. They have started working on a 2x50 MW merchant coal power plant in Concepcion, Iloilo. Another opportunity is the privatization of National Power Corporation off-grid electric generation or Small Power Utilities Group (SPUG).

DMCI-HI's vision of providing basic and quality services and products to its customers has lead or will lead to investment in housing, water distribution, power generation or mining, and road infrastructure.

However, DMCI's core competency in construction remains to be a major source of technical skills and management talents. Aside from the synergy and viability, potential for growth and recurring income were also key elements in their choice of investments.

*g. Cash Dividends*

<b>Cash Dividends</b>	
<b>Record Date</b>	<b>June 30, 2006</b>
<b>Payment Date</b>	<b>July 20, 2006</b>
<b>Amount per share</b>	<b>PhP 0.10</b>
<b>No. of Common Shares</b>	<b>2,255,494,000</b>
<b>Total Amount</b>	<b>PhP 225,549,400.00</b>

As a token of appreciation to DMCI-HI's investors, the Board has declared a marginal PhP 0.10 per share cash dividends or 4.7% of 2005 net income.

Finally, Mr. Consunji expressed his gratitude to all the stockholders for their continued trust and confidence to the Board of Directors and Management of DMCI-HI for the last ten years. Given another opportunity, he said that he will continue pursuing DMCI-HI's corporate Vision.

There being no questions on the management report, upon motion made and duly seconded, said management report was approved.

#### 5. RATIFICATION OF THE ACTS OF OFFICERS AND DIRECTORS

The stockholders proceeded to the next item in the Agenda which was the ratification of the acts of officers and Board of Directors of the Corporation performed or undertaken from July 27, 2005 to date. The following resolution was then introduced, seconded and unanimously approved:

*"RESOLVED, That the stockholders of DMCI Holdings, Inc. (the "Corporation") approve, ratify and confirm, as they do hereby, all the acts, decisions and resolutions of the Board of Directors and officers made or undertaken in the year 2005 and until the date of this meeting as they are reflected in the books and records of the Corporation."*

#### 6. APPOINTMENT OF INDEPENDENT AUDITORS

The stockholder then took up the item of appointment of independent auditors. Upon motion made and duly seconded, the following resolution was approved:

*"RESOLVED, That the stockholders of DMCI Holdings, Inc. approve, ratify and confirm, as they do hereby, the appointment of SyCip, Gorres, Velayo & Co. as the independent auditor of the Corporation for the current fiscal year."*

#### 7. ELECTION OF DIRECTORS

The meeting proceeded to the election of the members of the Board of Directors. Upon directive from the Chairman, the Corporate Secretary apprised the stockholders of the provisions of the By-laws on nomination and election of directors. The Secretary further announced that the Board of Directors received nine (9) nominations to the Board, namely: David M. Consunji, Cesar A. Buenaventura, Isidro A. Consunji, Victor A. Consunji, Jorge A. Consunji, Herbert M. Consunji, Oscar S. Reyes, Victor S. Limlingan, and Evaristo T. Francisco. Messrs. Oscar S. Reyes, Victor S. Limlingan and Evaristo T. Francisco were the nominees for independent directors in compliance with the provisions of Section 38 of the Securities Regulation Code and the SEC Manual on Corporate Governance.


There being no other nominations, the Chair directed the Corporate Secretary to cast the votes of the stockholders present or represented in this meeting for the persons who have been nominated. And with the casting of votes, the Chair declared the following as directors of the Corporation for a period of one (1) year and until their successors shall have been elected and qualified:

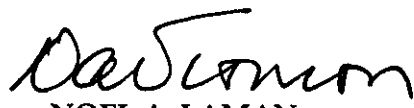
1. David M. Consunji
2. Cesar A. Buenaventura
3. Isidro A. Consunji
4. Victor A. Consunji
5. Jorge A. Consunji
6. Herbert M. Consunji
7. Oscar S. Reyes
8. Victor S. Limlingan
9. Evaristo T. Francisco

8. ADJOURNMENT

There being no further business to transact before the meeting, the same was, upon motion duly made and seconded, adjourned.

ATTEST:

  
DAVID M. CONSUNJI  
Chairman of the Meeting

  
NOEL A. LAMAN  
Secretary of the Meeting