



DMCI HOLDINGS
I N C O R P O R A T E D

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DISCLOSURE DEPARTMENT
The Philippine Stock Exchange
3/F Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

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

Gentlemen:

We reply to your request for clarification on the news article “DMCI expects lower 2013 core income” posted in *Business Mirror (Internet Edition)* on July 31, 2013. The article reported in part that:

CONGLOMERATE DMCI Holdings Inc. sees a drop in core income this year as its flagship coal business remains under rehabilitation while earnings from water utility Maynilad Water Services Inc. may be lower as a result of reduced equity. The company expects profit to grow by 10 percent this year, mostly from its power and construction units.

DMCI President Isidro Consunji told reports that the company’s core income will be lower this year as a result of the weak performance of its coal business and the halt of the operation of nickel mining. Its net income, however, will be higher as a result of one-time gain on the sale of a portion of its stake in Maynilad to Japanese company Marubeni Corp.

Consunji said they have taken a P8-billion windfall from the said sale.

“We are looking some more PPP [public-private partnership] projects, one more major high-rise project, and maybe another power project,” Consunji said.

....

We wish to emphasize that these are forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from those

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

expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond DMCI's ability to control or estimate precisely, such as future market condition, changes in regulatory environment and the behavior of other market participants.

Given such parameters, we confirm that the Company expects growth from our power, construction and real estate segments. We also expect the current state of the global commodity markets to adversely affect our coal and nickel mining businesses.

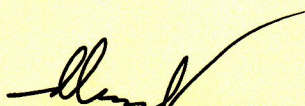
As we have disclosed in the first quarter interim report, we confirm that we have an P8.35 billion one-time gain from the partial sale of the water business under Maynilad last February 2013. After the sale, the Company has reduced its interest to 25% in the water utility.

With this, the Company expects core income to slightly decline.

We also confirm our interest in the PPP projects and other construction and engineering-related projects where we can apply our expertise as contractors.

We hope you find said confirmation in order.

Thank you.



ALDRIC G. BORLAZA
Senior Finance Officer