



June 4, 2012

PHILIPPINE STOCK EXCHANGE

Disclosure Department
3rd Floor Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

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

Gentlemen:

This is to inform the investing public on the Corporation's Guidelines relative to the distribution of Cash Dividends declared last May 15, 2012 for stockholders of record June 15, 2012.

Attached is the Advisory to Stockholders that includes the Guidelines and the pertinent Annex documents.

Thank you.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'Aldric G. Borlaza', with a long horizontal line extending to the right.

Aldric G. Borlaza
Finance Officer

ADVISORY TO STOCKHOLDERS

Guidelines for Cash Dividends Distribution

Notice is hereby given to all stockholders of DMCI Holdings, Inc. (the "Company") as of June 15, 2012 ("Record Date") on the following guidelines for the distribution of cash dividends declared in the meeting of the Board of Directors held on May 15, 2012 in the amount of Php1.20 per common share (the "Dividends") payable on July 5, 2012 ("Payment "Date"):

1. The Dividends to be distributed to the stockholders will be subject to the following final withholding tax rates prescribed under the National Internal Revenue Code ("NIRC"):

Taxpayer	Final Withholding Tax Rate
Individual citizen	Ten percent (10%)
Individual resident alien	Ten percent (10%)
Non-resident alien individual	a. Engaged in trade or business - Twenty percent (20%) b. Not engaged in trade or business - Twenty five percent (25%)
Domestic corporation	Exempt
Resident foreign corporation	Exempt
Non-resident foreign corporation ("NRFC")	a. Thirty percent (30%) b. If current BIR rulings or jurisprudence indicate that the tax sparing requirement under Section 28(B)(5)(b), NIRC, is complied with , i.e., that the country of residence of the NRFC allows a deemed paid tax credit of fifteen percent (15%) on taxes due from the NRFC - Fifteen percent (15%)

2. FOR NON-RESIDENT FOREIGN STOCKHOLDERS (CORPORATE OR INDIVIDUAL) CLAIMING ENTITLEMENT TO A

PREFERENTIAL TAX RATE ON DIVIDEND INCOME UNDER A TAX TREATY. - Any foreign stockholder (the "Claiming Stockholder") claiming entitlement to a preferential tax rate on dividend income under a tax treaty with the Republic of the Philippines shall be required to submit the following documents to the Company **not later than June 29, 2012, 5:00 p.m. (Manila Time)**:

- a. a filed complete application (together with the documentary requirements) for tax treaty relief prepared in accordance with Revenue Memorandum Order No. 72-2010, which has been reviewed and confirmed as valid by the Company or its counsel and duly received by the Bureau of Internal Revenue – International Tax Affairs Division ("BIR-ITAD"); and
- b. a signed and duly notarized / consularized (if issued abroad) indemnity undertaking in the form attached as **Annex A** hereof; and
- c. duly notarized / consularized (if issued abroad) board resolution authorizing the execution of the indemnity undertaking and designating the authorized signatories therefor.

Upon submission of the documents above, the Claiming Stockholder shall be entitled to avail of the preferential tax rate.

If the Claiming Stockholder is unable to submit the documents within the time prescribed, the Company will withhold and remit the taxes at the applicable withholding tax rates.

3. FOR NON-RESIDENT FOREIGN CORPORATIONS CLAIMING THE TAX SPARING RATE OF 15%. - Any foreign stockholder (the "Claiming Stockholder") claiming entitlement to the 15% tax rate on dividend income under Section 28(B)(5)(b) of the NIRC shall be required to submit the following documents to the Company **not later than June 29, 2012, 5:00 p.m. (Manila Time)**:

- a. Certified copy of a BIR ruling addressed to it confirming the application of the tax sparing rate of 15%; or
- b. Signed and duly notarized / consularized (if issued abroad) indemnity undertaking in the form attached as **Annex A-1** hereof, together with a duly notarized / consularized (if issued abroad) board resolution authorizing the execution of the indemnity undertaking and designating the authorized signatories therefor.

Upon submission of the required document, the Claiming Stockholder shall be entitled to avail of the 15% tax sparing rate.

If the Claiming Stockholder is unable to submit the required document within the time prescribed, the Company will withhold and remit the taxes at the regular 30% withholding tax rate.

4. FOR STOCKHOLDERS CLAIMING TAX EXEMPTION. - Any stockholder (the "Claiming Stockholder") claiming exemption from withholding tax in respect of the Dividends in accordance with any provision of the NIRC or special law shall be required to submit the following documents to the Company not later than June 29, 2012, 5:00 p.m. (Manila Time):
- a. Certified copy of a BIR ruling addressed to it confirming the exemption claimed; or
 - b. Signed and duly notarized / consularized (if issued abroad) indemnity undertaking in the form attached as **Annex A-2** hereof, together with a duly notarized / consularized (if issued abroad) board resolution authorizing the execution of the indemnity undertaking and designating the authorized signatories therefor.

Upon submission of the documents, the Claiming Stockholder shall be entitled to receive the Dividends without deduction for withholding tax.

If the Claiming Stockholder is unable to submit the required documents within the time prescribed, the Company will withhold and remit the taxes at the applicable withholding tax rates.

5. For any questions on the foregoing, you may contact any of the following:

Mr. Aldric G. Borlaza
3/F Dacon Building
2281 Don Chino Roces Avenue, Makati City
Tel. No. 888-3000 loc. 1554

Atty. Noel A. Laman or Atty. Ma. Pilar Pilares-Gutierrez
The Valero Tower
122 Valero Street, Salcedo Village, Makati City
Tel No. 817-6791 to 95

Thank you very much.


NOEL A. LAMAN
Corporate Secretary

Annex A
Indemnity - tax treaty

(Date)

DMCI HOLDINGS, INC.
3/F Dacon Building
2281 Don Chino Roces Avenue Extension
1231 Makati City, Philippines

Attention: Mr. Aldric G. Borlaza
Finance Officer

Re: Indemnity Undertaking

Gentlemen:

On _____, 2012, an application (copy enclosed) was submitted to the Philippines Bureau of Internal Revenue ("BIR") for a ruling confirming that the cash dividends due from DMCI Holdings, Inc. (the "Company") to _____ [a citizen of _____ and residing in _____ / a corporation organized and existing under the laws of _____ and with principal place of business at _____] (the "Stockholder") in the amount of _____ (Php____) pursuant to the declaration of the Board of Directors of the Company in its meeting held on May 15, 2012 (the "Dividends"), are subject to a withholding tax rate of _____ percent (__ %) pursuant to the tax treaty between _____ and the Republic of the Philippines (the "**Ruling**").

Current jurisprudence in the Philippines requires that a ruling from the International Tax Affairs Division (ITAD) of the BIR must be secured prior to availing of a preferential tax rate under a tax treaty.¹ On the other hand, BIR Revenue Memorandum Order (RMO) No. 72-2010 (Aug. 25, 2010) literally only requires that a tax treaty relief application (TTRA)² be filed before the transaction

¹ *CBK Power Company Limited vs. Commissioner of Internal Revenue*, CTA EB Case No. 494 (CTA Case Nos. 6699, 6884 and 7166) dated March 29, 2010; *CDL Hotels (Phils.) Corp. vs. Commissioner of Internal Revenue*, CTA EB Case No. 339 (CTA Case No. 6585) dated August 10, 2009; *Deutsche Bank AG Manila Branch v. Commissioner of Internal Revenue*, C.T.A. EB Case No. 456 (May 29, 2009); *Mirant (Philippines) Operations Corporation (formerly: Southern Energy Asia-Pacific Operations [Phils.], Inc.) v. Commissioner of Internal Revenue*, G.R. No. 168531.

² The approval of a TTRA takes the form of a BIR ruling.

(i.e., payment of dividends), together with all the supporting documents justifying the relief sought, as enumerated in the RMO.

The undersigned stockholder (the Stockholder) anticipates that it may take some time for a Ruling to be issued by the BIR.

The Company, as the withholding agent of the Philippine government for the withholding of taxes due on dividends to nonresident alien individuals and foreign corporations, is made primarily responsible for the remittance of the correct amount of withholding taxes due on those dividends to the BIR. Further, penalties are imposed upon the Company under Philippine law for failure to do so.

The undersigned hereby requests the Company to withhold taxes based on the preferential tax treaty rate for remittance to the BIR. To induce the Company to withhold and remit the tax at the preferential tax treaty rate, in the event that the Ruling is denied or that a withholding tax rate higher than the preferential tax rate is determined to apply to the Dividends, the Stockholder agrees and acknowledges that [he/she/it] will be solely liable for, and will promptly pay when due, any taxes, fees, charges or other amounts (including interest and penalties) due to any authorities in the Philippines with respect to the Dividends. For this purpose, the Stockholder undertakes to pay to the Company whatever amounts may be required to pay for any shortfall in the amount of tax withheld and remitted. Furthermore, the Stockholder expressly authorizes the Company to pay over to the Philippine tax authorities any amounts that the Company may hold belonging to the Stockholder to settle any deficiency tax liability of the Stockholder arising from the receipt of the Dividends.

Stockholder further agrees that it will indemnify and hold the Company and its shareholders, directors, officers, employees, agents and assignees harmless from and against any and all claims, losses, expenses, taxes, penalties or fines incurred in relation to the filings or payments of, or failure to file or pay, any amounts to the Philippine tax authorities due to or on account of the Dividends.

The Stockholder accepts the continuity of this indemnity undertaking which shall survive a transfer of shares. The Stockholder undertakes to submit a copy of the BIR Ruling to the Company, once issued, within five (5) days from receipt thereof.

(Name and signature of
Stockholder or authorized
representative)

Agreed and accepted on _____, 2012 by:

DMCI HOLDINGS, INC.

By:

(NOTARIAL ACKNOWLEDGMENT & CONSULARIZATION)

Annex A-1
Indemnity - tax sparing

(Date)

DMCI HOLDINGS, INC.
3/F Dacon Building
2281 Don Chino Roces Avenue Extension
1231 Makati City, Philippines

Attention: Mr. Aldric G. Borlaza
Finance Officer

Re: Indemnity Undertaking

Gentlemen:

This refers to the cash dividends due from DMCI HOLDINGS, INC. (the "Company") to _____, [a corporation organized and existing under the laws of _____ and with principal place of business at _____] (the "Stockholder") in the amount of _____ (Php ____) pursuant to the declaration of the Board of Directors of the Company in its meeting held on May 15, 2012 (the "Dividends").

The Stockholder requests the Company to apply a withholding tax rate of fifteen percent (15 %) on the Dividends pursuant to Section 28(B)(5)(b) of the National Internal Revenue Code (the "**Tax Sparing Provision**"), which reduces from 30% to 15% the withholding tax on dividends received by a nonresident foreign corporation on the condition that the country of residence of the Stockholder will allow the latter a *credit* for taxes deemed to have been paid in the Philippines (but actually waived or spared) equivalent to 15%, representing the difference between the regular income tax rate of 30% and the 15% tax sparing rate.¹

In this connection, it hereby represents and warrants:

(a) That [*the country of residence of Stockholder*], in accordance with its laws now currently in force, fulfills the foregoing 'deemed paid tax credit' condition.

¹ Based on jurisprudence, the above 'deemed paid tax credit' condition is also met if the residence country of the Stockholder fully exempts the Dividends from tax in the residence country. (*Commissioner of Internal Revenue vs. Wander Philippines, Inc.*, 160 SCRA 573)

(b) That it shall comply with Revenue Memorandum Circular No. 80-91 requiring the submission by the Stockholder of documents showing the actual amount credited by the foreign government against the foreign income tax due from the Stockholder in respect of the Dividends. The documents required under RMC 80-91 may only be provided after the payment of the Dividends and the filing of its own income tax return in its country of residence. It is only upon presentation of those documents to the Bureau of Internal Revenue ("BIR") that its entitlement to the tax sparing rate may be determined.

The Stockholder acknowledges that the Company, as withholding agent, is made primarily responsible for the remittance of the correct amount of withholding taxes due on the Dividends. Further, penalties are imposed upon the Company under Philippine law for failure to do so. In view thereof, the Stockholder undertakes:

(a) to indemnify and hold the Company and its shareholders, directors, officers, employees, agents and assignees harmless from and against any and all claims, losses, expenses, taxes, penalties or fines incurred in relation to the filings or payments of, or failure to file or pay, any amounts to the Philippine tax authorities due to or on account of the Dividends;

(b) in the event of an assessment issued by the BIR for the Company's failure to file or pay the correct amount of tax to the Philippine tax authorities on the basis of the Stockholder's representations stated herein, to be solely liable for, and promptly pay when due, any taxes, fees, charges or other amounts (including interest and penalties) due to any authorities in the Philippines with respect to the Dividends. For this purpose, the Stockholder undertakes to pay to the Company whatever amounts may be required to pay for any shortfall in the amount of tax withheld and remitted. Furthermore, the Stockholder expressly authorizes the Company to pay over to the Philippine tax authorities any amounts that the Company may hold belonging to the Stockholder to settle any deficiency tax liability of the Stockholder arising from the receipt of the Dividends; and

(c) to submit to the Company proof of compliance with RMC 80-91, including copies of documents provided to the BIR in connection therewith.

The Stockholder accepts the continuity of this indemnity undertaking which shall survive a transfer of shares.

(Name and signature of
Stockholder or authorized
representative)

Agreed and accepted on _____, 2012 by:

DMCI HOLDINGS, INC.

By:

(NOTARIAL ACKNOWLEDGMENT & CONSULARIZATION)

Annex A-2
Indemnity - tax exemption

(Date)

DMCI HOLDINGS, INC.
3/F Dacon Building
2281 Don Chino Roces Avenue Extension
1231 Makati City, Philippines

Attention: Mr. Aldric G. Borlaza
Finance Officer

Re: Indemnity Undertaking

Gentlemen:

This refers to the cash dividends due from DMCI HOLDINGS, INC. (the "Company") to _____, with principal place of business at _____] (the "**Stockholder**"), in the amount of _____ (Php____) pursuant to the declaration of the Board of Directors of the Company in its meeting held on May 15, 2012 (the "**Dividends**").

The Stockholder hereby represents and warrants to the Company that it falls within any one (1) of the following categories of taxpayers whose income in the Philippines are exempt from tax in accordance with the provisions of the National Internal Revenue Code of 1997, as amended (the "**Tax Code**") or any other special law or charter creating it (*please check and fill in the spaces below, as applicable*):

- An entity whose income from the Philippines is exempt from tax in accordance with Section 32 (B) (7) (a) of the Tax Code because it is:
 - The Government of: _____
 - A financing institution owned, controlled, or enjoying refinancing from the Government of: _____
 - An international or regional financial institution established by the Government of: _____

- A Government-owned or Controlled-Corporation, Agency or

Instrumentality whose income in the Philippines are not subject to tax in accordance with Section 27 (C) of the Tax Code, a special law, or charter creating it.

- An entity which enjoys tax exemption specifically in accordance with a special law, or charter creating it.

Other than its tax-exempt status as mentioned above, the Stockholder further represents and warrants that its exemption from Philippine tax includes income arising from activities conducted for profit, or activities which are not in its ordinary course of business such as income from investments in domestic corporations.

The Stockholder acknowledges that the Company, as withholding agent, is made primarily responsible for the remittance of the correct amount of withholding taxes on the Dividends. Further, penalties are imposed upon the Company under Philippine law for failure to do so. In view thereof, the Stockholder hereby undertakes to:

(a) Submit proof satisfactory to the Company of its exemption from withholding tax on the Dividends, such as, but not limited to, a certification or certified true copy of a charter or special law (authenticated, if issued abroad) from the applicable government agency, and such other official documentation (certified, notarized/authenticated, as applicable) confirming its exemption from Philippine tax;

(b) Indemnify and hold the Company and its shareholders, directors, officers, employees, agents and assignees harmless from and against any and all claims, losses, expenses, taxes, penalties or fines incurred in relation to the filings or payments of, or failure to file or pay, any amounts to the Philippine tax authorities due to or on account of the Dividends; and

(c) In the event of an assessment issued by the BIR for the Company's failure to file or pay the correct amount of tax to the Philippine tax authorities on the basis of the Stockholder's representations stated herein, the Stockholder will be solely liable for, and will promptly pay when due, any taxes, fees, charges or other amounts (including interest and penalties) due to any authorities in the Philippines with respect to the Dividends. The Stockholder expressly authorizes the Company to pay over to the Philippine tax authorities any amounts that the Company may hold belonging to the Stockholder to settle any deficiency tax liability of the Stockholder arising from the receipt of the Dividends. Should the Company decide to settle all or part of the obligation with its own funds, the Stockholder undertakes to promptly reimburse the Company for costs expended in relation to the said assessment/s.

Based on the foregoing, the undersigned hereby requests the Company not to withhold taxes on the dividends to be distributed to the Stockholder. The Stockholder accepts the continuity of this indemnity undertaking which shall survive a transfer of shares.

(Name and signature of
Stockholder or authorized
representative)

Agreed and accepted on _____, 2012 by:

DMCI HOLDINGS, INC.

By:

(NOTARIAL ACKNOWLEDGMENT & CONSULARIZATION)