NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Dear Stockholders:

Please be notified that the annual meeting of stockholders of DMCI Holdings, Inc. (the "Corporation") will be held on July 31, 2013, Wednesday, at 9:00 a.m., at the New Function Room, Manila Golf and Country Club, Forbes Park, Makati City, with the following agenda:

1. Call to Order
2. Report on Attendance and Quorum
3. Approval of Minutes of Previous Stockholders' Meeting
4. Management Report for the year ended December 31, 2012
5. Ratification of all Acts of the Board of Directors and Officers during the preceding year
6. Appointment of Independent Auditor
7. Election of Directors including two Independent Directors
8. Other Matters
9. Adjournment

Stockholders of record as of June 17, 2013 will be entitled to notice of, and to vote at said annual meeting or any adjournment or postponement thereof.

Deadline for submission of proxies is on July 20, 2013. Validation of proxies shall be held on July 26, 2013, at 2:00 p.m. at the principal office of the Corporation.

On the day of the meeting you, or your duly designated proxy, are hereby required to bring this Notice, and any form of identification (i.e. driver's license, company I.D., TIN card, etc.) to facilitate registration. Registration starts at exactly 8:15 a.m. and closes at 8:45 a.m.

Makati City, Metro Manila,

June 3, 2013.

For the Board of Directors:

Noel Laman

ATTY. NOEL A. LAMAN
Corporate Secretary

P R O X Y

DMCI HOLDINGS, INC.

PROXY SOLICITED ON BEHALF OF THE MANAGEMENT OF DMCI HOLDINGS, INC. FOR THE ANNUAL STOCKHOLDERS' MEETING TO BE HELD ON JULY 31, 2013, 9:30 A.M. AT THE NEW FUNCTION ROOM, MANILA GOLF & COUNTRY CLUB, FORBES PARK, MAKATI CITY.

Instruction

(a) The proxy must be duly accomplished by the stockholder of record as of Record Date. A proxy executed by a corporation shall be in the form of a board resolution duly certified by the Corporate Secretary or in a proxy form executed by a duly authorized corporate officer accompanied by a Corporate Secretary's Certificate quoting the board resolution authorizing the said corporate officer to execute the said proxy.

(b) Duly accomplished proxies may be mailed or submitted personally to the Corporate Secretary of the Corporation not later than July 20, 2013 at the following address:

The Corporate Secretary
DMCI Holdings, Inc.
3rd Floor, DACON Building
2281 Pasong Tamo Extension
1231 Makati City
Philippines

(c) In case of shares of stock owned jointly by two or more persons, the consent of all co-owners must be necessary for the execution of the proxy. For persons owning shares in an "and/or" capacity, any one of them may execute the proxy.

(d) Validation of proxies will be held by the Stock Transfer Agent on July 26, 2013 at 2:00 p.m. at the principal office of the Corporation at the 3rd Floor, DACON Building, 2281, Don Chino Roces Avenue, Makati City, Philippines.

(e) Unless otherwise indicated by the stockholder, a stockholder shall be deemed to have designated the Chairman of the Board of Directors, or in his absence, the President of the Corporation, as his proxy for the annual stockholders meeting to be held on July 31, 2013.

(f) If the number of shares of stock is left in blank, the proxy shall be deemed to have been issued for all of the stockholder's shares of stock in the Corporation as of Record Date.

(g) The manner in which this proxy shall be accomplished, as well as the validation hereof shall be governed by the provisions of SRC Rule 20 (11)(b)

(h) The stockholder executing the proxy shall indicate the manner by which he wishes the proxy to vote on any of the matters in (1), (2), (3) and (4) below by checking the appropriate box. Where the boxes (or any of them) are unchecked, the stockholder executing the proxy is deemed to have authorized the proxy to vote for the matter.

The Undersigned hereby appoints:

a) The Chairman of the Board of Directors of DMCI Holdings, Inc. or in his absence, the President of DMCI Holdings, Inc.

b) ____

as his/her/its Proxy to attend the above annual meeting of the stockholders of **DMCI Holdings, Inc**., and any adjournment or postponement thereof, and thereat to vote all shares of stock held by the Undersigned as specified below and on any matter that may properly come before said meeting.

Management recommends a vote for:

1. ***Approval of the minutes of the previous annual meeting of stockholders held on July 27, 2011.***

[ ] For [ ] Against [ ] Abstain

2. ***Ratification of all the acts and resolutions of the Board of Directors, officers and management of the Corporation from the last fiscal year to date.***

[ ] For [ ] Against [ ] Abstain

3. ***Approval of the Selection of SyCip Gorres Velayo & Co. as Independent Auditors.***

[ ] For [ ] Against [ ] Abstain

4. ***Election of Directors***[1]

( ) for all nominees listed below (except as marked to the contrary below).
( ) withhold authority to vote for all nominees listed below.
( ) strike the box opposite the name of each nominee to indicate that authority to vote for such nominee is withheld.

Security holder may strike a line through the nominee's name in the list below to withhold authority to vote for any individual nominee.

<u>Nominees</u>

For Regular Directors:

[ ] DAVID M. CONSUNJI
[ ] CESAR A. BUENAVENTURA
[ ] ISIDRO A. CONSUNJI
[ ] JORGE A. CONSUNJI
[ ] VICTOR A. CONSUNJI
[ ] HERBERT M. CONSUNJI
[ ] MA. EDWINA C. LAPERAL

For Independent Directors:

[ ] HONORIO O. REYES-LAO
[ ] ANTONIO JOSE U. PERIQUET

5. ***In their discretion, the Proxies are authorized to vote upon such other matters as may properly come before the meeting.***

This proxy when properly executed will be voted in the manner directed above by the undersigned stockholder. If no direction is made, this proxy will be voted for items 1, 2, 3, and 4.

Dated _______________

____
(Signature over printed name, including title when signing for a corporation or partnership or as an agent, attorney or fiduciary)

Please mark, sign, date, and return promptly in accompanying envelope.

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[1] Cumulative method of voting under Section 24 of the Corporation Code of the Philippines is allowed.

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	888-3000
Contact Person	Company Telephone Number

(Last Wednesday of July)

1 2	3 1	**SEC Form 20-IS** **Preliminary Information Statement**	0 7	3 1
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

Remarks: Please use BLACK ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

**INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE**

1. Check the appropriate box:

   [√] Preliminary Information Statement

   [ ] Definitive Information Statement

2. Name of Corporation as specified in its charter: **DMCI Holdings, Inc.**

3. Province, country or other jurisdiction of incorporation or organization: **Philippines**

4. SEC Identification Number: **ASO95-002283**

5. BIR Tax Identification Code: **004-703-376**

6. Address of principal office Postal Code: **3rd Floor, Dacon Building**
   2281 Don Chino Roces Avenue
   1231 Makati City
   Metro Manila

7. Corporation's telephone number, including area code: **(632) 888-3000**

8. Date, time and place of the meeting of security holders:
   July 31, 2013, Wednesday
   9:00 A.M.
   New Function Room,
   Manila Golf and Country Club,
   Forbes Park, Makati City

9. Approximate date on which the Information Statement is first to be sent or given to security holders: **July 1, 2013**

10. In case of Proxy Solicitations:

    Name of Person Filing the Statement/Solicitor: **The Management of the Corporation**

    Address and Telephone No.: **3rd Floor, Dacon Building**
    2281 Don Chino Roces Avenue
    1231 Makati City
    Metro Manila
    (632) 888-3000

11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

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

12. Are any or all of Corporation's Securities Listed with the Philippine Stock Exchange?

Yes (√) No ( )

PART I
INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, Time and Place of Meeting

The enclosed proxy is solicited for and on behalf of the Management of **DMCI HOLDINGS, INC.** (hereinafter called the "Corporation") for use in connection with the annual meeting of the stockholders to be held on July 31, 2013 (Wednesday), at 9:00 A.M. at the New Function Room, Manila Golf and Country Club, Forbes Park, Makati City.

The definitive information statement and form of proxy will be sent to the stockholders of record as of June 17, 2013 (the "Record Date") on or before July 1, 2013.

The matters to be considered and acted upon at such meeting are referred to in the Notice and are more fully discussed in this statement.

The complete mailing address of the Corporation is:

3rd Floor, Dacon Building
2281 Don Chino Roces Avenue
1231 Makati City
Metro Manila, Philippines

Item 2. Dissenter's Right of Appraisal

The proposed corporate actions to be voted upon by the stockholders at the July 31, 2013 annual meeting are not among the items provided in Section 81 of the Corporation Code of the Philippines, with respect to which a dissenting stockholder may exercise his appraisal right. Thus, the dissenter's right of appraisal as provided under Section 81 of the Corporation Code of the Philippines is not applicable in any of the matters to be voted upon by the stockholders.

Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

No director, officer, nominee for director, or associate of any of the foregoing, has any substantial interest, direct or indirect, by security holdings or otherwise, on any matter to be acted upon, other than election to office. No director has informed the Corporation in writing of any intention to oppose any action to be taken during the meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders thereof

(a) As of the Record Date, which is the date to determine the stockholders entitled to notice and to vote at the annual stockholders meeting on July 31, 2013, the Corporation has the following outstanding shares:

Common shares (voting) - 2,655,494,000 shares

(b) The Record Date is June 17, 2013. Only holders of Common Shares as of the Record Date shall be entitled to vote in the election of directors in the manner provided hereunder. On the approval of the minutes of the previous meeting, ratification of all acts of the Board of Directors and officers during the previous year, and appointment of the independent auditor, each share of outstanding common stock is entitled to one vote.

(c) In the election of directors, every stockholder entitled to vote shall have the right to vote in person or by proxy the number of common shares of stock standing in his name at record date. A stockholder entitled to vote may vote such number of shares for as many persons as there are directors to be elected, or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit. Provided, that the total number of votes cast by a stockholder shall not exceed the number of shares owned by him as shown in the books of the Corporation multiplied by the whole number of directors to be elected.

Pursuant to the provisions of Article III, Section 2 of the Amended By-Laws of the Corporation, all nominations for the election of directors shall be submitted in writing to the Board of Directors, with the consent of the nominees, at least ten (10) days before the scheduled annual stockholders' meeting.

(d) **Security Ownership of Certain Record and Beneficial Owners**

The following table sets forth as of **April 30, 2013**, the record and/or beneficial owners of more than 5% of the outstanding Common Shares of the Corporation which are entitled to vote and the amount of such record and/or beneficial ownership.

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name and Address of Beneficial Owner and Relationship with Record Owner	Citizenship	Number of Shares Held	Percent of Class
Common	DACON Corporation c/o DMCI Holdings, Inc. 2281 Pasong Tamo Extension Makati City Dacon Corp. is a stockholder	See attached Schedule 2. Beneficial owners are stockholders of Dacon Corp.[1]	Filipino	1,215,393,901	45.769032 %

[1] Mr. Victor A. Consunji or Mr. Jorge A. Consunji shall have the right to vote the shares of DACON Corporation.

	of the Corporation				
Common	Philippine Central Depository, Inc. (PCD) Ground Floor, Makati Stock Exchange Building 6767, Ayala Avenue Makati City PCD is the registered owner of the shares in the books of the Corporation's transfer agent	See attached Schedule 3. The beneficial owners of such shares are Philippine Depository and Trust Corporation ("PDTC") participants, who hold the shares on their behalf or on behalf of their clients	Filipino	480,299,920	18.087027%
Common	DFC Holdings, Inc. Dacon Bldg. 2281 Don Chino Roces Avenue, Makati City DFC Holdings, Inc. is a stockholder of the Corporation	See attached schedule Beneficial owners are stockholders of DFC Holdings, Inc.	Filipino	461,375,838	17.374388 %
Common	Philippine Central Depository, Inc. (PCD) Ground Floor, Makati Stock Exchange Building 6767, Ayala Avenue Makati City PCD is the registered owner of the shares in the books of the	(See attached Schedule 3.) The beneficial owners of such shares are Philippine Depository and Trust Corporation ("PDTC") participants, who hold the shares on their behalf or on behalf of their clients	Foreigner	428,951,606	16.153364 %

	Corporation's transfer agent				

Below is the list of the individual beneficial owners under PCD, Inc. account holding more than 5% of the outstanding Common Shares of the Corporation.

Title of Class	Name and Address of Beneficial Owner and Relationship with Record Owner	Citizenship	Number of Shares Held	Percent of Class
Common	The Hongkong and Shanghai Banking Corp. Ltd 12th Floor, The Enterprise Center, Tower 1, Ayala Avenue, Makati City[2]	Foreign	200,249,843	7.54096%
Common	BDO Securities Corp. 2th Floor Tower One & Exchange Plaza, Ayala Avenue, Makati City[3]	Filipino	172,157,498	6.48306%

(e) Security Ownership of Management

The table sets forth as of **April 30, 2013**, the record or beneficial stock ownership of each Director of the Corporation and all Officers and Directors as a group.

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership		Citizenship	Percent of Class
Common	David M. Consunji	1,000	Direct	Filipino	0.0000%
Common	Cesar A. Buenaventura	180,000	Direct	Filipino	0.0068%
Common	Isidro A. Consunji	13,000	Direct	Filipino	0.0004%
Common	Ma. Edwina C. Laperal	107,000	Direct	Filipino	0.0040%
Common	Victor A. Consunji	1,000	Direct	Filipino	0.0000%
Common	Jorge A. Consunji	1,000	Direct	Filipino	0.0000%
Common	Herbert M. Consunji	4,600	Direct	Filipino	0.0001%
Common	Antonio Jose U. Periquet	25,000	Direct	Filipino	0.0009%
Common	Honorio O. Reyes-Lao	35,000	Direct	Filipino	0.0013%
Common	Cristina C. Gotianun	1,100	Direct	Filipino	0.0000%
Common	Noel A. Laman	20,000	Direct	Filipino	0.0008%

2 The following shall have the right to vote the shares on behalf of the clients of HSBC:

a. Karina M. Figueroa, AVP Corporate Actions

3 Any one of the following shall have the right to vote the shares on behalf of the clients of BDO:

a. *Janet D. Amora*
b. *Peter T. Chua*

Common	Victor S. Limlingan	1,000	Direct	Filipino	0.0000%
Aggregate Ownership		**431,100**			**0.0162%**

All the above named directors and officers of the Corporation are the record and beneficial owners of the shares of stock set forth opposite their respective names.

(f) Voting Trust Holders of 5% or more

The Corporation is not aware of any person holding more than 5% of the shares of Corporation under a voting trust or similar agreement.

(g) Changes in Control

From January 1, 2013 to date, there has been no change in control of the Corporation. Neither is the Corporation aware of any arrangement which may result in a change in control of it.

Item 5. Directors and Executive Officers

(a) Incumbent Directors and Executive Officers.

The following are the incumbent directors and executive officers of the Corporation:

Name	**Position**	**Age**	**Citizenship**
David M. Consunji	Chairman of the Board	91	Filipino
Cesar A. Buenaventura	Vice-Chairman of the Board	83	Filipino
Isidro A. Consunji	President/Chief Executive Officer	65	Filipino
Herbert M. Consunji	Vice President & Chief Finance Officer/Director/Compliance Officer	60	Filipino
Ma. Edwina C. Laperal	Treasurer	51	Filipino
Cristina C. Gotianun	Assistant Treasurer	58	Filipino
Jorge A. Consunji	Director	61	Filipino
Victor A. Consunji	Director	62	Filipino
Antonio Jose U. Periquet	Director (Independent)	52	Filipino
Honorio O. Reyes-Lao	Director (Independent)	68	Filipino
Victor S. Limlingan	Managing Director	68	Filipino
Noel A. Laman	Corporate Secretary	73	Filipino

The following are the Corporate Governance Committees pursuant to the Corporation's Manual on Corporate Governance and Article VI of the Amended By-laws.

<u>Nomination and Election Committee:</u>

Antonio Jose U. Periquet (Independent Director) Chairman

David M. Consunji	Member
Isidro A. Consunji	Member
Ma. Edwina C. Laperal	Member

Compensation and Remuneration Committee:

Honorio O. Reyes-Lao	Chairman
Jorge A. Consunji	Member
Cesar A. Buenaventura	Member

Audit Committee:

Honorio O. Reyes-Lao	Chairman
Antonio Jose U. Periquet (Independent Director)	Member
Isidro A. Consunji	Member
Herbert M. Consunji	Member

On February 14, 2007, the SEC approved the Company's Amended By-Laws which incorporated the provisions of SRC Rule 38. Attached as Schedule 4 hereof are copies of the Certifications on the Qualifications and Lack of Disqualifications of the nominees for independent directors.

(b) Term of office.

The term of office of the Directors and executive officers is one (1) year from their election as such until their successors are duly elected and qualified.

(c) Business experience of the Directors and Officers during the past five (5) years.

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, Sem-Calaca Power Corp., Southwest Luzon Power Generation Corp., and Semirara Claystone Inc. 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 eighteen (18) years since March 1995.

Cesar A. Buenaventura, is Chairman of Buenaventura Echauz and Partners, Inc. 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., 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 eighteen (18) years since March 1995.

Isidro A. Consunji is a regular Director of the following: DMCI Project Developers, Inc., Semirara Mining Corporation, Dacon Corporation, DMCI-MPIC Water Company, Inc., Sem-Calaca Power Corp., Southwest Luzon Power Corp., Sem-Cal Industrial Park Developers Inc., Semirara Claystone Inc., Sem-Cal Res Corp., DMCI Power Corp., DMCI Mining Corp., 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 Sem-Calaca Power Corp. Mr. Isidro Consunji has served the Corporation as a regular director for eighteen (18) years since March 1995.

Herbert M. Consunji is a Director, Vice-President, Chief Finance Officer and Compliance Officer of the Corporation. He is also the Chairman of Subic Water and Sewerage Company, Inc. and Philippine Hydro, Inc., Vice-President and Treasurer of DMCI Mining Corporation, Treasurer of Sem-Calaca Res Corporation and Chief Operating Officer of Maynilad Water Services, Inc. He is a regular Director of Semirara Mining Corp., DMCI Mining Corp., DMCI Power Corp., Sem-Calaca Power Corp., Sem-Calaca Res Corp., Southwest Luzon Power Corp., Sem-Cal Industrial Park Developers, Inc., Philippine Hydro Inc. and Subic Water & Sewerage Co. Mr. Herbert Consunji has served the Corporation as a regular director for eighteen (18) years since March 1995.

Jorge A. Consunji is the President and Chief Operating Officer of D.M. Consunji, Inc. His other positions include: Director of Semirara Mining Corporation, Beta Electric Corp., Chairman of Wire Rope Corporation of the Philippines, and Treasurer of Dacon Corporation. Mr. Jorge Consunji has served the Corporation as a regular director for eighteen (18) years since March 1995.

Victor A. Consunji is a Director of the following: DMCI Holdings, Inc., Dacon Corporation (Vice-President), Semirara Mining Corporation (President), Wire Rope Corporation of the Philippines, 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 eighteen (18) years since March 1995.

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 eighteen (18) years since March 1995.

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 four (4) years (since July 2009).

Antonio Jose U. Periquet is currently the Chairman of Pacific Main Holdings; Director of the Lyceum of the Philippines University, The Straits Wine Company, Inc., Ayala Corporation, BPI Capital Corporation, Bank of the Philippine Islands, BPI Family Bank, Campden Hill Group, Regis Financial Advisers, Inc., ABS-CBN Corporation 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 three (3) years since July 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. 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 July 2006-January 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 eighteen (18) years since March 1995.

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 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 eighteen (18) years since March 1995.

(d) Independent Directors.

Mr. Antonio Jose U. Periquet and Mr. Honorio Reyes Lao are currently the Corporation's independent directors. Mr. Honorio Reyes Lao was first elected to such position during the annual meeting held in July, 2009, while Mr. Periquet was first elected to such position on August 24, 2010.

Under its Manual of Corporate Governance, the Corporation is required to have at least two (2) Independent Directors or such number of Independent Directors as shall constitute at least twenty (20%) percent of the members of the Board of Director of the Corporation. Attached hereto as Schedule 1 is the Final List of Candidates for Independent Directors. The candidates for independent directors were nominated as such by Mr. Cesar F. Simbulan, who has no family and/ or business relationships or affiliations with the two (2) nominees. The two (2) nominees for Independent Directors were selected by the Board Nomination and Election Committee in accordance with the guidelines in the Manual of Corporate Governance, the Code of Corporate Governance (SEC Memorandum Circular No. 2, Series of 2002), and the Guidelines on the nomination and election of Independent Directors (SRC Rule 38).

(e) Other directorships held in reporting companies naming each company.

David M. Consunji	Chairman of the Board, Semirara Mining Corporation
Cesar A. Buenaventura	Director, Semirara Mining Corporation
Isidro A. Consunji	Vice-Chairman of the Board, Semirara Mining Corporation Director, Maynilad Water Services, Inc.
Victor A. Consunji	Director, Semirara Mining Corporation Director, DMCI Power Corporation
Jorge A. Consunji	Director, Semirara Mining Corporation Director, Maynilad Water Services, Inc.
Ma. Edwina C. Laperal	Director, Semirara Mining Corp.
Herbert M. Consunji	Director, Semirara Mining Corporation
Antonio Jose U. Periquet	Director in (i) Ayala Corporation, (ii) Bank of the Philippine Islands, (iii) ABS-CBN Corporation, (iv) BPI Family Bank, and (v) Philippine Seven Corporation
Honorio Reyes-Lao	Director, Philippine Business Bank

(f) Family Relationship

The family relationship up to the fourth civil degree either by consanguinity or affinity among directors, executive officers or persons nominated or chosen by the Corporation to become directors or executive officers is stated below:

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

(g) Since the last annual stockholders' meeting of the Corporation, no Director has resigned or declined to stand for reelection to the Board of Directors of the Corporation because of any disagreement with the Corporation on any matter relating to the Corporation's operations, policies or practices.

(h) Involvement in Legal Proceedings

Except for the following, none of the directors, executive officers and nominees for election is subject to any pending material legal proceedings as of the date of filing of this report. For the past five years, none of the directors, executive officer, or control person of the registrant has been subject to (a) any bankruptcy petition; (b) conviction by final judgment; (c) subject to any order, judgment or decree; or (d) violation of securities or commodities law.

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

This involves a complaint for violation of Article 315 (2) (a) of the Revised Penal Code, as qualified by PD No. 1689. Private complainants claim to have been induced to buy shares of stock of Universal Leisure Club ("UL Club"), on the representation that as members, they will enjoy the facilities of a project known as "a network of 5 world clubs" to be developed by Universal Leisure Corporation ("ULC"), the project proponent and the seller of the UL Club shares. ULC, however, failed to develop the project. Mr. Isidro A. Consunji, Mrs. Edwina C. Laperal and Mr. Cesar A. Buenaventura were named as respondents in their capacity as directors of UL Club, ULC and Universal Rightfield Property Holdings, Inc. ("URPHI"), the latter being the parent of ULC.

In its 1st Indorsement dated December 9, 2003, the City Prosecutor for Mandaluyong City, acting on a motion for inhibition filed by complainants, through counsel, recommended that further proceedings be conducted by the Department of Justice. In an order dated February 3, 2004, the Department of Justice designated State Prosecutor Geronimo Sy to conduct the preliminary investigation of this case. The last pleading filed is a notice of change of address dated June 27, 2008 filed by complainants' counsel. This case remains pending to date.

(i) Significant employees

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

Significant Employees	Position held in Corporation	Citizenship	Age
Ma. Luisa C. Austria	Administrative / Accounting Officer	Filipino	62
Aldric G. Borlaza	Senior Finance Officer	Filipino	35

Although the Corporation has and will likely continue to rely significantly on the aforementioned individuals, it is not dependent on the services of any particular employee. It does not have any special arrangements to ensure that any employee will remain with the Corporation and will not compete upon termination.

(j) Business experience of the significant employees of the Corporation for the last five years:

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 Corporation and has held said position for seventeen (17) 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 has been the Finance Officer of the Corporation for eleven (11) years.

(k) Certain Relationships and Related Transactions

In the regular course of business, the Group's significant transactions with related parties, which are accounted for at market prices normally charged to unaffiliated customers for similar goods and services, consisted primarily of interest and noninterest-bearing cash and operating advances made by the Group to and from various associates and other related parties.

Related parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making the financing and operating activities. Parties are also considered to be related if they are subject to common control of common significant influence.

(a) Comprehensive surety, corporate and letters of guarantee issued by the Company and DMCI for various credit facilities granted to and for full performance of certain obligations by certain related parties.
(b) Certain assets of the Group, associates and other related parties were placed under accommodation mortgages to secure the indebtedness of the Group, its associates and other related parties.
(c) Interest and non interest-bearing cash and operating advances made by the Group to and from various associates and other related parties.

(d) Engineering and construction works of the water business is contracted to the construction segment of the Company. These projects are bid out to various contractors and are awarded on arms length transactions. The interrelated contracts amounted to Php 2,021,076,656.36 and Php 1,798,175,613.94 as of March 31, 2013 and March 31, 2012 respectively, where Php 90,965,107.50 and Php 200,886,180.45 were booked for the period ended March 31, 2013 and March 31, 2012 respectively.

Item 6. Compensation of Directors and Executive Officers

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			
Herbert M. Consunji	Vice President & Chief Financial Officer			
Ma. Edwina C. Laperal	Treasurer			
	YEARS			
	2010	P 23,540,309.00		P 4,317,355.00
	2011	P 93,701,111.00		P 8,772,185.00
	2012	P 68,466,633.46		P 9,735,941.20
	2013*	P 68,466,633.46		P 9,735,941.20
	TOTAL:	P 254,174,686.92	P --	P 32,561,422.40
	YEARS			
All other directors and executive officers as a group unnamed	2010 2011 2012 2013*	P 2,724,413.00 P 60,278,449.08 P 29,749,137.42 P 29,749,137.42		P 3,719,329.58 P 2,738,299.00 P 3,816,176.48 P 3,816,176.48
	TOTAL:	P 122,501,136.92	P --	P 14,089,981.54

**Approximate figures*

There is no contract covering their employment with the Corporation and they hold office by virtue of their election to office. The Company has no agreements with its named executive officers regarding any bonus, profit sharing, pension or retirement plan.

There are no outstanding warrants, options, or right to repurchase any securities held by the directors or executive officers of the Company.

Item 7. Independent Public Accountant

(a) The auditing firm, Sycip Gorres Velayo & Co. will be recommended to the stockholders for appointment as the Corporation's principal accountant for the ensuing fiscal year. Conformably with SRC Rule 68(3)(b)(iv), the Corporation's independent public accountant shall be rotated, or the handling partner shall be changed, every 5 years. The handling partner for the current year ending December 31, 2013 shall be Mr. Michael C. Sabado.

(b) SyCip Gorres Velayo & Co. was the same principal accountant of the Corporation for the fiscal year most recently completed, December 31, 2012.

(c) Representatives of SGV & Co. are expected to be present at the stockholders' meeting. They will have the opportunity to make a statement if they desire to do so and they are expected to be available to respond to appropriate questions.

(d) The members of the Corporation's Audit Committee are:

Honorio O. Reyes-Lao (Independent Director)	Chairman
Antonio Jose U. Periquet (Independent Director)	Member
Isidro A. Consunji	Member
Herbert M. Consunji	Member

(e) The audit firm Sycip Gorres Velayo & Co. has no shareholdings in the Corporation nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities in the Corporation. Sycip Gorres Velayo & Co. will not receive any direct or indirect interest in the Corporation or in any securities thereof (including options, warrants or rights thereto) pursuant to or in connection with the Offer. The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines.

(f) There are no disagreements on any matter of accounting principle or practices, FS disclosures, etc., between Sycip Gorres Velayo & Co. and the Corporation.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 8. Authorization or Issuance of Securities Other than for Exchange

There are no issues regarding the issuance of securities other than for exchange.

D. OTHER MATTERS

Item 9. Action with respect to Reports

Summary of Items to be Submitted for Stockholders' Approval

(1) Approval of the Minutes of the Annual Stockholders' Meeting held on July 25, 2012

The minutes of the annual stockholders' meeting held on July 25, 2012 will be submitted for approval of the stockholders at the annual meeting to be held on July 31, 2013. Below is a summary of the items and/or resolutions approved at the annual stockholders' meeting held on July 25, 2012:

(a) The Chairman of the Board of Directors of the Corporation called the meeting to order. The Secretary of the meeting certified that a quorum existed for the transaction of business.

(b) The stockholders approved the minutes of the annual stockholders' meeting held on July 27, 2011.

(c) The President of the Corporation presented the management report. He presented the highlights of the performance of the Corporation, the details of which were incorporated into the Corporation's annual report as distributed to the stockholders. The management report included a discussion on (1) the Corporation's consolidated revenue and net income, (2) the Corporation's construction, coal mining, and real estate business segments, and (3) the Corporation's new businesses. Upon motion duly made and seconded, the management report was approved.

(d) Upon motion duly made and seconded, the stockholders ratified the acts of the officers and the Board of Directors of the Corporation for the year 2011 until the date of the annual stockholders' meeting.

(e) Upon motion duly made and seconded, the accounting firm Sycip Gorres Velayo and Co. was appointed as external auditors of the Corporation for the then current fiscal year.

(f) The following were elected as directors of the Corporation for the then current year, to serve as such for a period of one 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) Ma. Edwina C. Laperal
(7) Herbert M. Consunji
(8) Honorio O. Reyes-Lao (independent director)
(9) Antonio Jose U. Periquet (independent director)

(g) Upon motion duly made and seconded, the annual stockholders' meeting was adjourned.

(2) Ratification of the Acts of the Board of Directors and Officers

Resolutions, contracts, and acts of the board of directors and management for ratification refer to those passed or undertaken by them during the year and for the day to day operations of the Company, which includes the following: (a) appointment of proxies and nominee directors to represent the Corporation in various stockholders' meetings of corporations where the Company has shareholdings; (b) sale of motor vehicle; and (c) opening and maintenance of investment and bank accounts. The Board of the Company likewise passed various resolutions to authorize the sale of a portion of its shares in DMCI-MPIC Water Company, Inc. and the investment in shares of stock of other corporations.

Item 10. Summary of Voting Matters/Voting Procedures

(a) Summary of Matters to be presented to Stockholders

(1) Approval/ratification of the minutes of the annual meeting of stockholders held on July 25, 2012. Approval of said minutes shall constitute confirmation of all the matters stated in the minutes.

(2) Resolutions, contracts, and acts of the board of directors and management for ratification refer to those passed or undertaken by them during the year and for the day to day operations of the Company as contained or reflected in the attached annual report and financial statements.

(3) Selection of SyCip Gorres Velayo & Co. as independent auditors.

(4) Election of Directors

Election of a Board of nine (9) directors, each of whom will hold office until the next annual meeting of stockholders and until his or her successor is elected and qualified. The nominees for directors are:

Regular Directors:

DAVID M. CONSUNJI
CESAR A. BUENAVENTURA
ISIDRO A. CONSUNJI
JORGE A. CONSUNJI
VICTOR A. CONSUNJI
HERBERT M. CONSUNJI
MA. EDWINA C. LAPERAL

Independent Directors:

HONORIO O. REYES-LAO

ANTONIO JOSE U. PERIQUET

All of the above nominees are currently directors of the Corporation.

Two (2) Independent Directors[4] of the Corporation within the purview of SRC Rule 38 are Messrs. Honorio O. Reyes-Lao and Antonio Jose U. Periquet.

(b) Voting Procedures

(1) Approval/ratification of the minutes of the annual stockholders' meeting held on July 25, 2012.

(A) Vote required: A majority of the outstanding common stock present in person or by proxy, provided constituting a quorum.

(B) Method by which votes shall be counted: Each outstanding common stock shall be entitled to one (1) vote. The votes shall be counted by a show of hands or, upon motion duly made and seconded, by secret ballot.

(2) Ratification of the acts of the Board of Directors and Officers

(A) Vote required: A majority of the outstanding common stock present in person or by proxy, provided constituting a quorum.

(B) Method by which votes shall be counted: Each outstanding common stock shall be entitled to one (1) vote. The votes shall be counted by a show of hands or, upon motion duly made and seconded, by secret ballot.

(3) Appointment of Independent External Auditors

(A) Vote required: A majority of the outstanding common stock present in person or by proxy, provided constituting a quorum.

(B) Method by which votes shall be counted: Each outstanding common stock shall be entitled to one (1) vote. The votes shall be counted by a show of hands or, upon motion duly made and seconded, by secret ballot.

(4) Election of Directors

(A) Vote required. The nine (9) candidates receiving the highest number of votes shall be declared elected.

(B) Method by which votes will be counted. Cumulative voting applies. Under this method of voting, a stockholder entitled to vote shall have the right to vote

[4] An "Independent Director" shall mean a person other than an officer or employee of the Corporation or its subsidiaries, or any other individual having a relationship with the Corporation, which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

in person or by proxy the number of shares of stock standing in his own name on the stock books of the Corporation as of the Record Date, and said stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit. The votes shall be counted by a show of hands or, upon motion duly made and seconded, by secret ballot.

The nine nominees obtaining the highest number of votes will be proclaimed as Directors of the Corporation for the ensuing year.

Security Transfer Services, Inc. was appointed as Board of Canvassers. The Board of Canvassers shall have the power to count and tabulate all votes, assents and consents; determine and announce the result; and to do such acts as may be proper to conduct the election or vote with fairness to all stockholders.

PART II
PROXY FORM
DMCI HOLDINGS, INC.

Item 1. Identification

This proxy is being solicited for and on behalf of the Management of the Corporation. The Chairman of the Board of Directors or, in his absence, the President of the Corporation will vote the proxies at the annual stockholders' meeting to be held on July 31, 2013.

Item 2. Instruction

(a) The proxy must be duly accomplished by the stockholder of record as of Record Date. A proxy executed by a corporation shall be in the form of a board resolution duly certified by the Corporate Secretary or in a proxy form executed by a duly authorized corporate officer accompanied by a Corporate Secretary's Certificate quoting the board resolution authorizing the said corporate officer to execute the said proxy.

(b) Duly accomplished proxies may be mailed or submitted personally to the Corporate Secretary of the Corporation not later than July 20, 2013 at the following address:

The Corporate Secretary
DMCI Holdings, Inc.
3rd Floor, DACON Building
2281 Pasong Tamo Extension
1231 Makati City
Philippines

(c) In case of shares of stock owned jointly by two or more persons, the consent of all co-owners must be necessary for the execution of the proxy. For persons owning shares in an "and/or" capacity, any one of them may execute the proxy.

(d) Validation of proxies will be held by the Stock Transfer Agent on July 26, 2013 at 2:00 p.m. at the principal office of the Corporation at the 3rd Floor, DACON Building, 2281, Don Chino Roces Avenue, Makati City, Philippines.

(e) Unless otherwise indicated by the stockholder, a stockholder shall be deemed to have designated the Chairman of the Board of Directors, or in his absence, the President of the Corporation, as his proxy for the annual stockholders meeting to be held on July 31, 2013.

(f) If the number of shares of stock is left in blank, the proxy shall be deemed to have been issued for all of the stockholder's shares of stock in the Corporation as of Record Date.

(g) The manner in which this proxy shall be accomplished, as well as the validation hereof shall be governed by the provisions of SRC Rule 20 (11)(b)

(h) The stockholder executing the proxy shall indicate the manner by which he wishes the proxy to vote on any of the matters in (1), (2) and (3) below by checking the appropriate box. Where the boxes (or any of them) are unchecked, the stockholder executing the proxy is deemed to have authorized the proxy to vote for the matter.

The Undersigned hereby appoints:

(a) The Chairman of the Board of Directors of DMCI Holdings, Inc., or in his absence, the President of DMCI Holdings, Inc.,

(b) ___________________________________

as his/her/its Proxy to attend the above annual meeting of the stockholders of DMCI Holdings, Inc., and any adjournment or postponement thereof, and thereat to vote all shares of stock held by the undersigned as specified below and on any matter that may properly come before said meeting.

(1) Approval/ratification of the minutes of the annual stockholders' meeting held on July 25, 2012.

☐ FOR ☐ AGAINST ☐ ABSTAIN

(2) Ratification of the acts of the Board of Directors and Officers as contained in the attached annual report and the audited financial statements of the Corporation for the year ended December 31, 2012.

☐ FOR ☐ AGAINST ☐ ABSTAIN

(3) Appointment of SGV & Co. as Independent External Auditors

☐ FOR ☐ AGAINST ☐ ABSTAIN

(4) Election of Directors.

☐ FOR all nominees listed below, except those whose names are stricken out

☐ WITHHOLD authority to vote for all nominees listed below.

(**Instruction**: To strike out a name or withhold authority to vote for any individual nominee, draw a line through the nominee's name in the list below).

Regular Directors:

DAVID M. CONSUNJI
CESAR A. BUENAVENTURA
ISIDRO A. CONSUNJI
JORGE A. CONSUNJI
VICTOR A. CONSUNJI
HERBERT M. CONSUNJI
MA. EDWINA C. LAPERAL

Independent Directors:

ANTONIO JOSE U. PERIQUET
HONORIO REYES-LAO

Item 3. Revocability of Proxy

Any stockholder who executes the proxy enclosed with this statement may revoke it at any time before it is exercised. The proxy may be revoked by the stockholder executing the same at any time by submitting to the Corporate Secretary a written notice of revocation not later than the start of the meeting, or by attending the meeting in person and signifying his intention to personally vote his shares. Shares represented by an unrevoked proxy will be voted as authorized by the stockholder.

Item 4. Persons Making the Solicitation

The solicitation is made by the Management of the Corporation. No director of the Corporation has informed the Corporation in writing that he intends to oppose an action intended to be taken up by the Management of the Corporation at the annual meeting. Solicitation of proxies shall be made through the use of mail or personal delivery. The Corporation will shoulder the cost of solicitation.

Item 5. Interest of Certain Persons in Matters to be Acted Upon

No director, officer, nominee for director, or associate of any of the foregoing, has any substantial interest, direct or indirect, by security holdings or otherwise, on any matter to be acted upon at the annual stockholders' meeting to be held on July 31, 2013 other than election to office.

___________________________________	____
Date	(Signature above printed name, including title when signing for a corporation or partnership or as an agent, attorney or fiduciary).
	No. of shares held:______________________

PART III
SIGNATURE

Management does not intend to bring any matter before the meeting other than those set forth in the Notice of the annual meeting of stockholders and does not know of any matters to be brought before the meeting by others. If any other matter does come before the meeting, it is the intention of the persons named in the accompanying proxy to vote the proxy in accordance with their judgment.

ACCOMPANYING THIS INFORMATION STATEMENT ARE COPIES OF THE (1) NOTICE OF THE ANNUAL STOCKHOLDERS' MEETING CONTAINING THE AGENDA THEREOF; (2) PROXY INSTRUMENT; AND (C) THE CORPORATION'S MANAGEMENT REPORT PURSUANT TO SRC RULE 20 (4).

UPON THE WRITTEN REQUEST OF A STOCKHOLDER, THE CORPORATION WILL PROVIDE, WITHOUT CHARGE, A COPY OF THE CORPORATION'S ANNUAL REPORT IN SEC FORM 17-A AND THE CORPORATION'S LATEST QUARTERLY REPORT IN SEC FORM 17-Q DULY FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THE STOCKHOLDER MAY BE CHARGED A REASONABLE COST FOR PHOTOCOPYING THE EXHIBITS.

ALL REQUESTS MAY BE SENT TO THE FOLLOWING:

DMCI Holdings, Inc.
3rd Floor, DACON Building,
2281 Pasong Tamo Extension,
1231Makati City.

Attention: The Corporate Secretary

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati on June 3, 2013.

DMCI Holdings, Inc.

Noel Laman

By: NOEL A. LAMAN
Corporate Secretary

SCHEDULE 1

FINAL LIST OF CANDIDATES FOR INDEPENDENT DIRECTORS

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 four (4) years (since July 2009).

Antonio Jose U. Periquet is currently the Chairman of Pacific Main Holdings; Director of the Lyceum of the Philippines University, The Straits Wine Company, Inc., Ayala Corporation, BPI Capital Corporation, Bank of the Philippine Islands, BPI Family Bank, Campden Hill Group, Regis Financial Advisers, Inc., ABS-CBN Corporation 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 three (3) years since July 2010.

The following is a disclosure of the beneficial owners of the shares held by the PCD Nominee Corporation and DACON Corporation in DMCI Holdings, Inc. as of **April 30, 2013.**

(1)	PCD Nominee Corporation[5]	909,251,526 shares	34.24%
(2)	DACON Corporation	1,215,393,901 shares	45.77%
(3)	DFC Holdings, Inc.	461,375,838 shares	17.37%

PCD Nominee Corporation

Attached hereto as Schedule 2(a) is a Certification from the PCD Nominee Corporation as to the beneficial owners of the shares held by it in DMCI Holdings, Inc. The PCD Nominee Corporation is a wholly-owned subsidiary of the Philippine Depository and Trust Corporation (PDTC). The beneficial owners of shares held of record by the PCD Nominee Corporation are PDTC participants who hold the shares on their own behalf or that of their clients. PDTC is a private company organized by major institutions actively participating in the Philippine capital markets to implement an automated book-entry system of handling securities transactions in the Philippines.

DACON Corporation

The following are the beneficial owners of the shares held by DACON Corporation in DMCI Holdings, Inc.:

STOCKHOLDER	NO. OF SHARES SUBSCRIBED	% OWNERSHIP
David M. Consunji	100	0.00%
Fredesvinda A. Consunji	100	0.00%
Isidro A. Consunji	100	0.00%
Jorge A. Consunji	100	0.00%
Josefa C. Reyes	100	0.00%
Luz Consuelo A. Consunji	100	0.00%
Ma. Edwina C. Laperal	100	0.00%
Cristina C. Gotianun	100	0.00%
Victor A. Consunji	100	0.00%
DOUBLE SPRING INVESTMENTS CORP.	20,190,900	1.76%
VALEMOUNT CORPORATION	141,726,000	12.28%
CHRISMON INVESTMENTS, INC.	141,726,000	12.28%
EASTHEIGHTS HOLDINGS CORPORATION	141,726,000	12.28%
GULFSHORE INCORPORATED	141,726,000	12.28%
INGLEBROOK HOLDINGS CORPORATION	141,726,000	12.28%
JAGJIT HOLDINGS, INC.		12.28%

[5]PCD Nominee Corporation, a wholly-owned subsidiary of Philippine Depository and Trust Corporation ("PDTC"), is the registered owner of the shares in the books of the Corporation's transfer agent in the Philippines. The beneficial owners of such shares are PDTC participants, who hold the shares on their behalf or on behalf of their clients. PDTC is a private company organized by major institutions actively participating in the Philippine capital markets to implement an automated book-entry system of handling securities transactions in the Philippines

DMCI HOLDINGS INCORPORATED

Management Report
Pursuant To SRC Rule 20 (4)

I. **INCORPORATED HEREIN ARE THE AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012 AND THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER MARCH 31, 2013 OF DMCI HOLDINGS, INC. ("The Corporation").**

II. **CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

There has been no change or disagreements with certifying accountants.

III. **MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION**

CONSOLIDATED FINANCIAL STATEMENTS FOR T HE PERIOD DECEMBER 31, 2012

FULL YEAR 2012 vs. 2011

I. RESULTS OF OPERATIONS

DMCI Holdings, Inc. (the "Company") reported a net income after non-controlling interests of P9.8 billion for the year 2012, which is 2.0% higher than the P9.6 billion recorded during the previous year. Consolidated revenues reached P51.8 billion, which is 8.4% higher year-on-year, primarily driven by the growth in construction, real estate and power generation revenues. With the significant drop in the global price of nickel ore, the increase in cost of construction materials and labor, and the lower average coal price, net income showed a modest increase compared to revenue.

Below is a table on the net income contributions of the Company's businesses for 2012 and 2011:

NET INCOME AFTER
NON-CONTROLLING INTERESTS

(in Php Millions)	Audited		Variance	
	2012	2011	Amount	%
COAL SALES	P1,739	P2,379	(P640)	-27%
NICKEL ORE SALES	341	917	(576)	-63%
CONSTRUCTION	1,220	1,117	103	9%
REAL ESTATE	2,182	1,795	387	22%
ELECTRICITY	1,902	1,177	725	62%
WATER	2,264	2,195	69	3%
PARENT & OTHERS	144	15	129	860%
TOTAL	**9,792**	**9,595**	**197**	**2%**

Due to the significant fall in commodity prices of nickel and coal, the mining segments posted declines in net income contributions. This was countered by robust performances of the real estate and power generation segments driven by a buoyant housing market and increased generation capacity coming from the newly rehabilitated power units. The construction segment also bounced back from 2011 with a 9% increase in 2012, resulting from higher recognized revenues from project completion and a healthy portfolio of projects. The equity in net earnings coming from the water business registered modest growth due to a 5.8% increase in water billed volume and an average year-on-year effective tariff increase of 9.2%.

WATER

The Company's investment in the water sector is recognized through its 44.59% equity investment in DMCI-MPIC Water Company, Inc. (DMWC), the consortium company, with Metro Pacific Investments Corp. (MPIC), which owns 91.90% of 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 2012, water investment contributions reached P2.3 billion, up by 3.1% from the previous year.

Maynilad operations reported better efficiencies for 2012 vs. 2011. For the year 2012, Maynilad grew its billed volume by 5.8% to 428.4 million cubic meters (MCM) versus the 404.7 MCM billed in the prior year. With billed volume continuing to grow despite an effective 2.3% reduction in supply, average NRW for the year improved to 43.5% from 47.8% in the prior year. Continued expansion into the southern areas of Muntinlupa, Las Piñas and Cavite brought connections up to a total of 1,073,508 billed services, a 6.8% growth from the end of the same period last year, but lower than the 11.3% growth registered in 2011 due to right-of-way and permitting issues in Cavite. Renewed efforts by the company to clean up non-performing accounts also contributed.

Combined revenues from water and sewer services for the year grew 15.6% to P15.4 billion from P13.3 billion last year. The increase in revenues was due to the combined effect of the 5.8% increase in billed volume coupled with a 9.2% increase in average effective tariff. The effective rate increase for the year was dampened, not only by the deferred implementation of the higher rate until August, but also by the higher proportion of billed volume growth coming from domestic consumption whose rates are subsidized.

Meanwhile, total cash opex increased by 16.5% to P4.6 billion versus P4 billion last year. The four largest cost elements accounting for almost 73% of total cash expenditures continue to be personnel cost, light and power, outside services, and repairs and maintenance. Total non-cash operating expenses increased by P271 million or 14.6% to P2.1 billion from P1.9 billion last year. Due to the company's continuing capital expenditure program, amortization of intangible assets increased 27.3% to P1.8 billion from P1.4 billion in the prior year.

As a result, net income, grew at a rate of 8.9% to P6.4 billion from P5.9 billion in the prior year. The Company's net share in the equitized earning from its water investment in Maynilad for the year reported only P2.3 billion due to the adjustments at the consortium company level.

As part of its strategic business expansion, Maynilad and Philippine Hydro Inc. (PhilHydro) signed the Share Purchase Agreement (SPA) on August 3, 2012 for the acquisition of 100% shares of PhilHydro by Maynilad. PhilHydro owns and operates three plants that supply treated bulk water to the Legazpi City

Water District in Albay, Norzagaray Water District and Santa Maria Water District in Bulacan, and municipal waterworks of Bambang, Nueva Vizcaya. The company also owns and operates the treated water supply and distribution system of Rizal, Nueva Ecija.

On December 28, 2012, DMWC subscribed for 134,023 common shares of stock of Maynilad at a total subscription price of P134.0 million, subject to the terms and conditions of the subscription agreement. On January 31, 2013, the SEC approved Maynilad's increase in authorized capital stock.

On December 28, 2012, MCNK JV Corporation (MCNK) subscribed for 169,617,682 common shares of stock (the "Subscription Shares") of the consortium company at a total subscription price of P169.6 million, subject to the terms and conditions of the subscription agreement. On January 29, 2013, the SEC approved DMWC's increased in authorized capital stock.

MCNK is 90.0% owned by Marubeni Corporation, a company incorporated in Japan and 10% owned by MAPL Holdings B.V., a company incorporated in Netherlands.

At the end of 2012, Maynilad determined that it is no longer appropriate to continue using the straight-line basis for amortizing concession assets given the large initial investments and that the economic benefit of these assets are more closely aligned with billed volume. Maynilad's BOD approved the change in amortization method to units-of-production resulting in deferred tax asset write-off amounting to P592.0 million in 2012.

CONSTRUCTION

The Group's construction business posted better results as segment net income after non-controlling interests reached P1.2 billion this year compared to P1.1 billion last year, an increase of 9% year-on-year. Revenues significantly grew by 44% year-on-year to P14.8 billion this year compared to P10.3 billion last year. This was mainly due to billable works done for the building projects. Notable accomplishments are Solaire Resorts and Casino and The Raffles Suites and Residences which provided most of the boost in revenues. This however yielded relatively less margins, as building contracts generally have lower margins due to stiffer competition and higher materials and subcontracting costs compared with the specialized and complicated infrastructure projects. With the activity for the year coming mainly from the building contracts, construction gross and net profits showed only modest increases.

With the completion of the big building projects in 2012, DMCI's orderbook (balance of work) as of end-2012 amounted to P15.7 billion coming from a P22.2 billion end-2011 balance. The bulk of the balance of work is coming from the power plant construction contracts in Batangas, which comprise P5.5 billion from Semirara's 2x150MW Calaca expansion and P3.2 billion from South Luzon Thermal Energy Corp's 1x135MW. The orderbook however, does not include the MRT-7 railway project, which was already awarded to DMCI but still pending financial closing. Power plant-civil works projects in Calaca and Balayan, Batangas are expected to contribute in the continuing growth of not just construction revenues

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.

REAL ESTATE

The Group's real estate business is focused on residential development. It is led by the Company's wholly owned subsidiary DMCI Project Developer's Inc. The segment posted a 22% growth in net income on the back of a 12% increase in recognized revenues year-on-year, reaching P9.2 billion this year compared to P8.3 billion last year. It is worth to note that the company recognizes real estate revenues using the full accrual method, where sales are booked when the unit is fully complete and the downpayment of 15% has already been paid. Recently completed units in the Accolade Place, Maricielo Villas, Royal Palm-Rawai, Sienna Park, and Tivoli Gardens-Iris projects significantly accounted for the growth in realized revenues. Revenue growth outpaced the increase in expenses, resulting in net margin improvements brought about by continued cost containment effects. With corporate costs remaining under control, the ratio of general and administrative expenses, inclusive of brokers' commissions, to revenues was lowered at 19% compared to 20% last year.

Amidst the presence of aggressive competition within its market, sales and reservations take up for the year was sustained at P17.1 billion, equivalent to an average monthly take up of P1.4 billion, same in 2011. This is a testament to the strong niche the company has developed within its class as it continued to post brisk sales despite being purely concentrated on a specific market.

With the current increase of VAT-free housing price threshold to around P3.2 million, the Company has leveraged on the tax advantage to become more price competitive in the market. Notably, most of the Company's housing units have a selling price of around P3 million per unit.

In October 2012, the Company recently signed a facility agreement with a group of primary institutional lenders for DMCI PDI's issuance of Php 10.0 billion in 7-year Fixed Rate Corporate Notes (Notes). The proceeds from the Notes issue shall be used to finance project development and construction costs, acquire real estate properties, and fund other general corporate purposes.

COAL MINING & POWER

Coal Mining & Power (Calaca-Coal)

The Company's coal mining business which owns a major power asset in Calaca are both lodged under the 56.32%-owned and publicly listed Semirara Mining Corp (SMC). SMC reported a decline in net income of P3.1 billion compared to P4.1 billion last year. Mainly due to lower average coal prices despite a 10% increase in coal sales volume. This was countered by a surge in the net income coming from power generation of P3.3 billion compared to P1.9 billion in the previous year due to higher energy generation capacity from the newly rehabilitated Calaca power plants.

Below is an excerpt from SMC's management discussion and analysis of results of operations and financial condition for the year 2012 as lifted from its consolidated financial report with the PSE and SEC:

A. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS *(YEARS 2011-2012)*

Full years 2011-2012

I. PRODUCTION AND OPERATIONS

COAL

Total materials moved in 2012 decreased by 9% at 77,072,255 from 85,060,883 bank cubic meters (bcm) last year due to longer hauling cycle and lower operating days. During the year, mining operations were concentrated at the lowest level of the pit, thus resulting to longer hauling cycle. Meanwhile, total rainfall this year of 2,771 mm is 2% lower than last year.

The advance stripping activities in the previous periods benefit the current period's mining operations as activities in 2012 were more focused on coal production rather than overburden stripping. As a result, strip ratio dropped by 15% at 8.66:1 from 10.13:1 last year. This explains the 5% increase in run-of-mine (ROM) coal production at 8,235,875 metric tons (MTs) from 7,840,467 MTs last year, despite the decrease in material movement. Coal recovery improved with the sale of unwashed coal to subsidiary Sem-Calaca Power Generation Corporation (power segment) for the use of its Unit 2. Hence, net total product coal increased by 8% at 7,656,849 MTs from 7,118,460 MTs last year.

Ending inventory increased by 39% at 1,382,607 MTs from beginning inventory of 991,887 MTs also as a result of higher coal recovery.

The table below shows the quarterly comparative production data for 2012 and 2011.

COMPARATIVE PRODUCTION DATA
(in '000, except Strip Ratio)

	Q1 '12	Q2 '12	Q3 '12	Q4'12	YTD '12	Q1 '11	Q2'11	Q3'11	Q4'11	YTD '11	%Inc (Dec)
Total Materials (bcm)	22,303	19,273	15,666	19,830	77,072	26,850	22,294	16,120	19,797	85,061	*-9%*
ROM Coal (MT)	1,805	2,220	1,739	2,472	8,236	1,822	2,296	1,837	1,887	7,840	*5%*
Strip Ratio	11.64:1	7.97:1	8.30:1	7.38:1	8.66:1	14.03:1	9.00:1	8.06:1	9.78:1	10.13:1	*-15%*
Net TPC (MT)	1,651	2,089	1,579	2,337	7,657	1,642	2,149	1,646	1,682	7,118	*8%*
COAL WASHING											
Washable Coal (MTs)	344	334	358	278	1,314	408	313	434	470	1,625	*-19%*
Washed Coal (MTs)	206	200	215	167	788	245	188	261	282	975	*-19%*
%recovery	60%	60%	60%	60%	60%	60%	60%	60%		60%	
Beg. Inventory (MTs)	992	950	963	1,276	992	491	469	74	237	491	*102%*
End Inventory (MTs)	950	963	1,276	1,383	1,383	469	74	237	992	992	*39%*

POWER

UNIT 1

When Calaca Power Plant assets were acquired in December 2009, Unit 1 can only generate 160 MW or 53% of its rated capacity using pure Semirara Coal. The rehabilitation of the unit was centered on improving the loading capacity to at least 220 MW or 73% of its rated capacity.

The rehabilitation of the plant started in August 2011 and completed in July 2012. It took more than a year of planning to cover all major repair works. The rehab project suffered delays in the commissioning stage to ensure the safe and reliable operation of the plant. The original equipment manufacturers (OEMs), Foster Wheeler for the boiler and Toshiba for the Turbine/Generator, supervised the repair to commissioning of the Unit. Although delayed, the unit can now load 235 MW or 77% of its rated capacity, an improvement of 24% or 75 MW on pure Semirara Coal.

Generation capacity is low at 20% in the five months of running against 27% last year but the average load is significantly higher at 197 MW against 155 MW. In general, the unit is now better in terms of generation capacity and efficiency.

Unit availability was only 2,697 hours or 31% compared to 54% last year since Unit 1 was down for about 7 months during the current period due to the rehabilitation works. Total energy generated was 531 Gwh or 27% down compared to last year.

UNIT 2

Unit 2 is on its second year of operation after its rehabilitation in the last quarter of 2010.

The unit performed better this year in all aspects of operation compared to last year. Gross generation has increased by 71% or 1,932 Gwh. Unit availability improved from 60% to 88% and force outage was limited to only 12% from 36% last year. Running hours in 2012 is remarkably higher at 7,761 hours than 2011 48% increase.

Loading capacity is limited to 260 MW due to some leaks on two of its high pressure heaters 7 & 8. The average load capacity during the current period is at 249 MW or 20% more than last year.

The table below shows the quarterly comparative plant performance for 2012 and 2011.

COMPARATIVE PLANT PERFORMANCE DATA

YTD'12 vs YTD'11

	Q1 '12	Q2 '12	Q3 '12	Q4 '12	YTD '12	Q1 '11	Q2'11	Q3'11	Q4'11	YTD '11	% Inc (Dec)
Gross Generation, *Gwh*											
Unit 1	-	-	128	403	531	243	245	239	-	727	*-27%*
Unit 2	473	478	508	473	1,932	189	395	181	367	1,132	*71%*
Total Plant	473	478	636	876	2,463	432	641	420	367	1,860	*32%*
					-					-	
% Availability											
Unit 1	0%	0%	36%	87%	31%	70%	74%	70%	0%	54%	*-43%*
Unit 2	88%	88%	92%	86%	88%	49%	83%	37%	71%	60%	*48%*
Total Plant	44%	44%	64%	86%	60%	59%	78%	54%	35%	57%	*5%*
Capacity Factor											
Unit 1	0%	0%	19%	61%	20%	0%	0%	36%	0%	28%	*-27%*
Unit 2	72%	72%	77%	72%	73%	29%	60%	27%	56%	43%	*70%*
Total Plant	18%	18%	24%	33%	47%	17%	24%	16%	14%	35%	*32%*

II. MARKET

COAL

Total coal sold in 2012 increased by 10% at 7.18 million MTs compared to 6.52 million MTs in 2011. Q1 2012 sales of 1.67 million MTs was 2% higher than 1.64 million MTs sold in Q1 2011, however, Q2 2012 sales volume of 2.06 million MTs was 18% lower as against 2.52 million MTs in Q2 2011, while Q3 sales continued to drop by 15% at 1.25 million MTs this year from 1.46 million MTs in 2011. Q4 sales recovered with an increase of 145% at 2.21 million MTs from 902 thousand MTs last year.

The table below shows the quarterly comparative coal sales volume data for 2012 and 2011.

COMPARATIVE SALES VOLUME DATA
(in '000 MTs)

CUSTOMER	Q1 '12	Q2 '12	Q3 '12	Q4 '12	YTD '12	%	Q1 '11	Q2 '11	Q3 '11	Q4 '11	YTD '11	%	%Inc (Dec)
Power Plants													
Calaca	205	285	545	456	1,492	21%	412	320	420	256	1,408	22%	*6%*
Other PPs	325	382	203	126	1,037	14%	384	325	569	270	1,547	24%	*-33%*
TOTAL PPs	**531**	**667**	**748**	**582**	**2,528**	**63%**	**795**	**645**	**989**	**525**	**2,955**	**72%**	***-14%***
Other Industries													
Cement	272	338	224	220	1,053	15%	187	145	146	182	660	10%	*59%*
Others	98	105	128	98	430	6%	197	60	107	111	475	7%	*-9%*
Total Others	**370**	**443**	**352**	**318**	**1,482**	***21%***	**384**	**205**	**254**	**292**	**1,135**	***17%***	***31%***
TOTAL LOCAL	**901**	**1,110**	**1,100**	**900**	**4,011**	56%	**1,180**	**850**	**1,242**	**818**	**4,090**	63%	***-2%***
EXPORT	771	946	146	1,310	3,173	44%	462	1,665	218	85	2,430	37%	*31%*
GRAND TOTAL	**1,672**	**2,056**	**1,245**	**2,211**	**7,184**	**100%**	**1,641**	**2,516**	**1,460**	**902**	**6,519**	**100%**	***10%***

Sale to power plants decreased by 14% this year at 2.53 million MTs from 2.96 million MTs last year. Although Q1 and Q2 off-take of the power segment were lower this year as compared to last year as rehabilitation of Unit 1 was completed only in Q3, coal off-take increased in the second half. As a result, the power segment's total coal purchases increased by 6% at 1.49 million MTs this year from 1.41 million MTs last year. Meanwhile deliveries to other power plants dropped in the second half, resulting to a 33% drop YoY at 1.04 million MTs this year from 1.55 million MTs in 2011.

On the other hand, with three new customers this year, sales to cement plants increased by 59% at 1.05 million MTs from 660 thousand MTs last year.

The 9% drop in sales to other local customers was mainly caused by weaker purchases by some small traders in Q1 and Q4 this year. Deliveries to other industrial plants totaled to 430 thousand MTs from 475 thousand MTs in 2011.

The increase in sales to cement plants helped offset the decrease in deliveries to power plants and other industrial customers, thus softening the drop in total local sales at 2% to 4.01 million MTs this year from 4.09 million MTs in 2011.

On the other hand, export sales rebounded in Q4, bringing total exports to 3.17 million MTs this year or a 31% growth from last year's 2.43 million MTs.

All supply contracts with the Corporation are already priced at market. As a result, the drop in global coal prices brought down composite average FOB price per MT this year to PHP2,453, a 20% decrease from last year's PHP3,078.

POWER

The power segment's 2012 recorded sales for bilateral contracts increased to 2,007 GWH from 1,553GWh in 2011 or 29% improvement. This mainly came from the contract with MERALCO which was effective since 26 December 2011.

MERALCO is still the single biggest customer of the power segment in 2012, accounting for 80% share of the total energy sales to bilateral contracts. BATELEC I and Trans-Asia accounted for 12% and 6% market share, respectively, the balance is for other small contracts.

Meanwhile, spot market sales dropped by 26% from 472 GWh in 2011 to 348 GWh in 2012. The decrease in spot sales was due to the increase in contracted power which effectively reduced the excess capacity for sale in the spot market.

Total energy sold in 2012 posted at 2,355 GWh 85% directly to the customers through bilateral contracts, and 15% to the spot market. Total energy sales increased by 16% from 2,025 GWh recorded in 2011.

Of the total energy sold, 99% was sourced from the generation of the power plants, while 1% was purchased from the spot market.

Spot market prices in 2012 were more volatile compared to 2011. This is due to the abrupt forced outages and scheduled maintenance of major power plants which decreased the supply in the months of May to July 2012. Also, It was observed that the demand increased by an average of 4% in 2012. These two factors caused the increase of spot prices in the market.

In the last quarter of 2012, spot prices escalated due to the planned outages of Ilijan Block A (600 MW) and Sta. Rita Mod 30 (256 MW) amidst the increased demand as business activities stepped up until Christmas Eve. This situation in the market provided Unit 1 an opportunity to generate more Revenues as power generated during the plant's testing were sold to the spot market.

The table below shows the quarterly comparative sales volume data and composite average price for 2012 and 2011.

COMPARATIVE SALES VOLUME DATA

(in GWh)

CUSTOMER	Q1'12	Q2'12	Q3'12	Q4'12	YTD'12	Q1'11	Q2'11	Q3'11	Q4'11	YTD'11	%Inc (Dec)
Bilateral Contracts	489	427	518	573	2,007	362	457	398	336	1,553	29%
Spot Sales	0.59	1	68	278	347	94	215	75	88	472	-26%
GRAND TOTAL	**489**	**428**	**586**	**851**	**2,354**	**456**	**671**	**474**	**425**	**2,025**	**16%**
Composit Ave Price	**4.14**	**4.41**	**3.79**	**4.19**	**4.12**	**4.58**	**4.79**	**4.51**	**5.12**	**4.75**	**-13%**

III. FINANCE

A. Sales and Profitability

Consolidated Revenues, net of eliminating entries, dropped by 6% YoY at PHP24.15 billion from PHP24.81 billion last year. Although coal sales volume increased, lower composite average price/MT pulled down coal Revenues before elimination to PHP17.63 billion this year from PHP20.06 billion last year. Net of eliminations, Coal Revenues dropped by 11% YoY at PHP14.45 billion from PHP16.20 billion last year. On the other hand, higher energy generation offset the decrease in average price per kwhr caused by the decrease in international coal price index. As a result, energy sales slightly improved by 1% at PHP9.70 billion from PHP9.61 billion last year.

Consolidated Cost of Sales decreased by 12% at PHP14.64 billion from PHP16.66 billion last year. Before elimination, Cost of Coal Sold dropped by 12% at PHP12.33 billion from PHP14.01 billion last year due to lower cost/MT sold. Net of elimination, Cost of Coal Sold likewise dropped by 12% YoY at PHP9.82 billion from PHP11.10 billion. Cost of Coal Sold per MT dropped by 24% compared to last year due mainly to higher units of production and tightening control on some mine overhead costs. This partially offsets the decline in Revenues due to lower average coal prices.

In the same note, power Cost of Energy Sales before elimination reduced by 14% at PHP5.55 billion from PHP6.40 billion last year. Minimal spot purchases for replacement power and lower coal fuel average cost this year accounted for the decrease in cost.

The resulting consolidated Gross Profit increased by 4% at PHP9.51 billion, with the coal power segments each contributing PHP4.63 and PHP4.88 billion, respectively. Last year's consolidated Gross Profit stood at PHP9.15 billion last year, PHP5.10 billion from coal and PHP3.05 billion from power. Consolidated Gross profit margin improved to 39% from 35% last year.

Consolidated Operating Expenses increased by 19% at PHP3.39 billion from PHP2.86 billion last year. Net of eliminating entries, the coal segment's Operating Expenses increased by 9% at PHP2.0 billion from last year's PHP1.84 billion as lower Cost of Sales increased Government Share by 5% at PHP1.56 billion from PHP1.48 billion last year. The power segment's Operating Expenses after elimination also went up by 35% at PHP1.38 billion from PHP1.02 billion last year due to write-down of net book value of replaced major components and parts relative to the rehabilitation of Unit 1 amounting to PHP341 million. The pre-operating Southwest Luzon Power Generation Corp. (SLPGC), a wholly-owned subsidiary of the Corporation incorporated to expand its power capacity with the construction of 2 x 150 MW power plants, incurred PHP21.55 million pre-operating expenses, representing taxes, licenses and fees incurred during the year. Another subsidiary, Sem-Cal Industrial Park Developers, Inc. (SIPDI) and Semirara Claystone Inc. also incurred Pre-operating Expenses of PHP37 thousand and PHP65 thousand during the period, respectively.

Consolidated Forex Gains posted a remarkable PHP391 million as against losses of PHP38.32 million last year. The PHP continued to strengthen against the USD during the year. Since most of its loans are USD-denominated, bulk of this year's Forex Gains is attributed to the coal segment which recognized PHP387.83 million versus last year's Loss of PHP26.01 million. Meanwhile, with minimal Forex exposure, the power segment's Forex Gains registered at PHP3.17 million as against Losses of PHP12.31 million last year.

Lower cash and lower placement interest rates resulted to the decrease in consolidated Finance Income by 39% at PHP82.15 million from PHP134.88 million last year. The coal segment's investible funds reduced after its additional equity infusion of PHP2.5 billion to SLPGC, thus its Finance Income decreased by 83% at PHP13.12 million from PHP79.45 million last year. On the other hand, the power segment's Finance Income increased by 24% at PHP68.95 million from PHP55.43 million due to higher short-term placement income from SLPGC in the first half of 2012 with its higher cash level, coming from the proceeds of the initial drawdown from the project loan facility and equity infusion by the parent, parked in short-term placements.

Consolidated Finance Costs slightly increased by 4% at PHP501.28 million from PHP483.29 million last year. The coal segment's interest-bearing loans increased by 6% at PHP4.91 billion from PHP4.62 billion last year. Although interest rates are lower this year, Finance Costs increased by 17% at PHP122.61 million from PHP104.93 million last year as it only started paying off short-term debts toward the end of the year. Meanwhile, the power segment's total ending interest-bearing loans balance dropped to PHP7.35 billion from PHP8.84 billion last year. Of this amount, P550 million reflects the new availment by SLPGC. With the availment of short-term working capital loans during the year, the power segment's Finance Costs slightly increased at PHP378.67 million from PHP378.36 million last year.

Consolidated Other Income increased by 219% at PHP318.45 million from PHP99.91 million generated by the coal segment last year from gain on sale of retired assets. After eliminating the PHP 1.5 billion Dividend Income from the power segment, the coal segment's Other Income this year, increased by 78% at PHP187.63 million from PHP99.91 million last year, included gain on sale of retired assets, sale of electricity and insurance claims. Meanwhile, the power segment's Other Income of PHP131.26 million this year is mainly composed of sale of fly ash.

The resulting consolidated Income Before Tax stood at PHP6.40 billion, with the coal and power segments contributing PHP3.10 billion and PHP3.30 billion, respectively; meanwhile SLPGC registered a loss of 3.56 million. This year's consolidated Income Before Tax posted a 6% growth over last year's PHP6.01 billion.

Both operating business units enjoy Income Tax Holidays (ITH) as Board of Investments (BOI)-registered companies. Moreover, on 20 September 2012, the coal segment received the approval of its BOI registration for Bobog Mine, another mine site to be developed next to the current active Panian mine. The ITH benefit will start upon commercial operation of the new mine. SLPGC's application for BOI registration was also approved during the year. With these tax holidays, consolidated Provision for Income Tax remained minimal at PHP39.45 million this year. In 2011, consolidated Benefit from Income Tax posted at PHP22.17 million. The coal and power segments' tax provision this year stood at PHP1.3 million and PHP28.0 million, respectively.

The resulting consolidated Net Income After Tax posted a 5% growth at PHP6.36 billion from PHP6.031 billion last year. Coal and power segments respectively generated PHP3.10 billion and PHP3.28 billion this year, while SLPGC recorded a net loss of PHP8.0 million. Earnings per Share (EPS) correspondingly increased by 5% at PHP17.85 from PHP16.93 last year.

POWER

Another growth area of the power segment is under DMCI Power Corporation, a wholly-owned subsidiary. The Company and its subsidiaries are focused on getting power supply contracts with the National Power Corporation-Small Power Utilities Group. It has power generating units in the provinces of Masbate (24.4 MW diesel power plant) and Palawan (5 x 1.25MW diesel power plant). Masbate started power generation in late 2010 while Palawan just started in December 2012. With a surge in off take demand within a few years of operations brought about by increase in number of connections and development in these areas, the Company is now expanding its current generation capacity. An addition of 21MW diesel generator sets in Palawan by 2013. Moving forward, this segment is looking to replicate this success in other islands and provinces across the country. These developments, anchored on DMCI's engineering expertise, prove to be a testament to its pursuit of growth opportunities. In 2012, generated power sales amounted at P947 million, 17% higher compared to P809 million in 2011.

Nickel

DMCI Mining, Corp., the Company's nickel and metals (non-coal) mining company, continued to mine and sell nickel ore (1.5% and up nickel content) from existing stockpile in Benguet and Acoje mines in Zambales.

Against a weak global nickel ore price caused DMCI Mining's margins to decline. This resulted to net income of P341 million, which was 63% lower than previous year's net income of P917 million. Nickel ore shipments for the year decreased by 7% to 1.6 million wet metric tons (WMT) from last year's 1.7 million WMT. The year-on-year ore shipments from Benguet mines were reported at 836 thousand WMT in 2012 compared to 1,519 thousand WMT in 2011. While the Acoje mine year-on-year shipments stands at 745 thousand WMT in 2012 compared to 181 thousand WMT in 2011. Shipments from the Benguet and Acoje mine are from stockpiles previously mined. Nickel grade shipments were more on the low grade ore causing much of the drop in nickel prices which affected revenues, dropping 22% from last year's P2.45 billion to this year's P1.92 billion. With the end of mining contract for Benguet in 2012 and the Acoje-ENK Mine having some transitory and permitting issues, DMCI Mining is looking at other opportunities for mine acquisition to enhance the segment's operations.

Acquisitions

Following the Group's earlier pronouncement to expand its nickel mining operations, in November 2012 the Parent Company has acquired 60% of the outstanding shares of ENK PLC for P2.1 billion. ENK has major beneficial ownership in the Acoje mine previously being operated by DMCI Mining. However, although the Parent Company acquired 60% of ENK Plc shares, this does not translate to control but to an economic interest. Consequently, as the Parent Company is able to exercise significant influence, it should be accounted as an investment in an associate.

On October 22, 2012, the Company signed a memorandum of understanding (MOU) to purchase from Toledo Mining Corporation PLC (TMC) a 31% stake in Nickeline Resources Holdings, Inc. (NRHI). Under the terms of the MOU, the Company will pay nearly US$6.5 million in cash for the interest in NRHI.

Also, in October 2012, DMCI Mining acquired a 17% stake of Daintree Resources Limited in TMC for GBP 3.4 million. On February 15, 2013, DMCI Mining increased its stake to 37.7% with the acquisition of an additional 20.7% for GBP 5.2 million. As a result, DMCI Mining launched a mandatory cash offer to acquire the entire issued and to be issued share capital of Toledo not already owned by DMCI Group. The offer will comprise 50 pence in cash for each Toledo share, valuing the whole of Toledo's existing issued share capital at approximately GBP 24.9 million.

As the Philippine Government is also looking to revamp and improve revenue generation and policy implementation in the mining industry, the Company sees opportunities to possibly acquire more mining assets for the Group.

FULL YEAR 2011 vs. 2010

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 AFTER
NON-CONTROLLING INTERESTS

(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.

Braced

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.

<u>WATER</u>

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.

Nickel

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.

II. FINANCIAL CONDITION

December 31, 2012 – December 31, 2011

The Company's financial condition for the period improved as consolidated total assets and total net assets amounted to P95.25 billion and P47.99 billion as of December 31, 2012, posting an increase of 13.5% and 18.6%, respectively.

Consolidated cash decreased from P15.1 billion in December 31, 2011 vs. P9.7 billion in December 31, 2012 due mainly to investment acquisitions and capital expenditures. Moreover, the Parent Company and its subsidiary Semirara paid higher cash dividends in 2012.

Total receivables (current and non-current) went up by 51% due mainly to normal trade in the businesses mostly coming from the milestone billings from the construction segment and recognized receivable from newly completed project from real estate segment.

Consolidated inventories continued to grow by 23% coming mainly from the continuing work in progress at the real estate segment.

Other current assets increased by 20% mainly due to payment for advances to suppliers, brokers, contractors and mine rights owners.

Investments were up 32% as a result of the Company's share in net operations of the water business and new equity investments of the group particularly ENK Plc.

Property plant & equipment grew 10% as a result of the rehabilitation costs incurred in the Calaca power units.

Accounts & other payables increased by 3% mostly as a result of normal trade operations and accruals especially progress billings from subcontractors.

Customers' deposits increased by 45% with the payments received from real estate customers the revenue of which has yet to be realized.

Short-term debt decreased by 58% due to lower acceptances and trust receipts payable which are used by the Group to facilitate payment for importations of materials, fixed assets and other assets.

Long-term debt grew by 15% due to receivable discounting and receipt of the first tranche of the corporate note issuance at the real estate segment. Offset by regular debt payments being made mostly at the real estate, coal and power sectors.

Deferred tax liabilities decreased by 19% due to realization of reconciling items particularly excess of book over tax income pertaining to construction contracts and real estate sales.

Other noncurrent liabilities decreased by 12% due to payment of subscription payable to DMWC.

Retained earnings grew by 26% primarily due to the increase in net income.

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 non-controlling interests)
(c) Earnings Per Share
(d) Current Ratio
(e) Debt to Equity Ratio
(f)

SEGMENT REVENUES

(in Php Millions)	Audited		Variance	
	2012	2011	Amount	%
COAL SALES	P14,450	P16,231	(P1,781)	-11%
NICKEL ORE SALES	1,923	2,452	(529)	-22%
CONSTRUCTION	14,773	10,277	4,496	44%
REAL ESTATE	9,219	8,251	968	12%
ELECTRICITY	11,080	10,421	659	6%
PARENT & OTHERS	294	171	123	72%
TOTAL	**51,739**	**47,803**	**3,936**	**8%**

(in Php Millions)	Audited		Variance	
	2011	2010	Amount	%
COAL SALES	16,231	14,071	2,160	12%
NICKEL ORE SALES	2,452	1,959	493	25%
CONSTRUCTION	10,277	10,729	-452	-4%
REAL ESTATE	8,251	7,705	546	7%
ELECTRICITY	10,421	8,948	1,473	16%
PARENT & OTHERS	171	72	99	137%
TOTAL	**47,803**	**43,484**	**4,319**	**10%**

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 power, real estate and construction businesses (*see Part I. Results of Operations – different segments for a detailed discussion per business)*.

SEGMENT NET INCOME

NET INCOME AFTER
NON-CONTROLLING INTERESTS

(in Php Millions)	Audited		Variance	
	2012	2011	Amount	%
COAL SALES	P1,739	P2,379	(P640)	-27%
NICKEL ORE SALES	341	917	(576)	-63%
CONSTRUCTION	1,220	1,117	103	9%
REAL ESTATE	2,182	1,795	387	22%
ELECTRICITY	1,902	1,177	725	62%
WATER	2,264	2,195	69	3%
PARENT & OTHERS	144	15	129	860%
TOTAL	**9,792**	**9,595**	**197**	**2%**

NET INCOME AFTER
NON-CONTROLLIN INTERESTS

(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%**

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 the mining segments, the current period posted strong growth in earnings from the power, real estate and construction businesses, while the water segment 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 P3.69/share accounting for a 2% increase from the P3.61/share EPS last year. Same as segment net income, all the businesses except the mining segments 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*).

OTHER RELEVANT FINANCIAL SOUNDNESS RATIOS

	Dec. 31 2012	Dec. 31 2011
Current Ratio	183%	204%
Debt to Equity Ratio	52%	53%
Interest Coverage Ratio	1,303%	1,234%
Return on Assets Ratio	13%	15%
Return on Equity Ratio	26%	30%
Asset to Equity Ratio	198%	208%
Gross Margin Ratio	33%	34%
Net Profit Margin Ratio	24%	26%

BALANCE SHEET	CAUSES
	December 31, 2012 – December 31, 2011
ASSETS	
Cash and cash equivalents	Cash and cash equivalents decreased from P15.1 billion to P9.7 billion despite consolidated business operations providing net cash inflows of P5.3 billion due mainly to capital expenditures for property, plant and equipment and acquisition of mining companies. Moreover, the Parent Company and its listed subsidiary, Semirara Mining Corporation, paid higher cash dividends during 2012.
Receivables – current & non-current	Receivables (current and non-current) went up by 51% due mainly from normal trade mostly coming from the milestone billings from the construction segment and recognized receivable from newly completed project from real estate segment.
Inventories	Consolidated inventories grew by 23% as ending inventories grew in the real estate and coal mining businesses. Real estate inventories notably grew due to the growth in completed and in progress units. Ending coal inventories, materials and supplies prompted the increase in Semirara's inventory.
Other current assets	Other current assets increased by 20% mainly due to payment for advances to suppliers, brokers, contractors and mine rights owners.
Investments in associates, jointly-controlled entity and others	Investments went up 32% as a result of the Company's share in net operations of the water business and other additional equity investments of the group.
Property, plant and equipment - net	Property plant & equipment inched up 10% coming mainly from the rehabilitation of Calaca power units and acquisition of new mining equipment to re-fleet retired units.
LIABILITIES AND EQUITY	
Accounts and other payables	Accounts & other payables increased mostly as a result of normal trade operations and accruals especially progress billings from subcontractors.
Customers' advances and deposits	Customers' deposits increased by 45% with the payments received from real estate customers the revenue of which has yet to be realized.

Short-term debt	Short-term debt decreased by 58% due to lower acceptances and trust receipts payable which are used by the Group to facilitate payment for importations of materials, fixed assets and other assets.
LIABILITIES AND EQUITY	
Long-term debt	Long term debt grew by 15% due to receivable discounting and receipt of the first tranche of the corporate note issuance at the real estate segment and new loan availments from the power business to finance expansion. Offset by regular debt payments being made mostly at the real estate, coal and power sectors.
Deferred tax liabilities	Deferred tax liabilities decreased by 19% due to realization of reconciling items particularly excess of book over tax income pertaining to construction contracts and real estate sales.
Other noncurrent liabilities	Other noncurrent liabilities decreased by 12% due to payment of subscription payable to DMWC.
Retained earnings	Retained earnings movement was mainly caused by operating results and dividend declaration during the year.

INCOME STATEMENT	**CAUSES**	
	2012-2011	**2011-2010**
REVENUE	Despite lower average global prices for coal and nickel ore which resulted to drop in mining revenue during 2012, total revenue increased 8.4% primarily driven by revenue growth in construction, real estate and power segments.	Except for the Construction business which account for 21% of 2011 revenues, all the other segments reported an increase in revenues due to growth in the operations of their respective areas.
COSTS OF SALES AND SERVICES	Mixed pointers for cost of sales and services, as construction and real estate costs grew while mining and power cost of sales dropped. Overall, consolidated amount increased by 10% mainly due to higher cost of construction materials and labor.	Except for Construction business which account for 27% of 2011 cost of sales, all the other businesses reported an increase in cost of sales due to growth in the operations of their respective areas.

GROSS PROFIT	Gross profit went up by 5% due mainly to the increase in revenue but tempered as well by the increase in cost of sales. Cost improvement continues to yield better gross margins for the power and real estate business.	Gross profit went up by 27% despite a 21% jump in revenues due mainly to better gross margins coming from higher prices in the real estate sector and improved costs in the power business
OPERATING EXPENSES	Operating expenses increased as lower cost of sales increased government royalties at the coal business and the growth in activity and operations of the power business.	Increase is primarily from the jump in government royalties at the coal business, the heightened marketing and selling activities in the real estate sector, the growth in activity and operations of the power business
EQUITY IN NET EARNINGS OF ASSOCIATES, JOINTY CONTROLLED EQUITIES AND OTHERS	Increase in equity in net earnings came from the share in net income of the unconsolidated water investment which improved from last year	Increase in equity in net earnings came from the share in net income of the unconsolidated water investment which improved from last year
FINANCE INCOME/ (COSTS)	Net interest expense was higher due mainly to new loan availments from the power business to finance expansion, lower interest income from real estate receivables and lower cash balance resulting to a decrease in interest earned from short-term placements.	Net interest expense was slightly lower due mainly to the reduced debt from the acquisition of the Calaca Power Plant and increased in interest income from short-term placements as a result of higher placement value.

PART II--OTHER INFORMATION

1. The company's operation is a continuous process. It is not dependent on any cycle or season;
2. Economic and infrastructure developments in the country may affect construction business; Interest rate movements may affect the performance of the real estate industry; Mining activities are generally hinge on the commodities market. Businesses not affected by known cycle, trends or uncertainties are power and water.
3. A cash dividend was declared at the amount of Php 1.20 per common share paid on July 5, 2012 to the holders of record of June 15, 2012. On April 11, 2013, the BOD of the Parent Company has declared cash dividends amounting Php 1.20 regular dividends and Php1.00 special cash dividends in favor of the stockholders of record as of April 26, 2013. This is due to be paid on May 10, 2013 with the total amount of
   P5,842.09 million.
4. There were no undisclosed material subsequent events that have not been disclosed for the period that the company have knowledge of;
5. There are no material contingencies during the year; any event that may trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation has been disclosed in the notes to financial statements.
6. There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period
7. Except for interest payments on loans, which the Company can fully service, the only commitment that would have a material impact on liquidity are construction guarantees. These are usually required from contractors in case of any damage / destruction to a completed project.
8. Any known trends or any known demands, commitments, events or uncertainties that will result in or that will have a material impact on the registrant's liquidity. - None
9. The Group does not have any offering of rights, granting of stock options and corresponding plans therefore
10. No transferring of assets except in the normal course of business was done during the relevant interim period

FIRST QUARTER REPORT FOR THE PERIOD MARCH 31, 2013

March 31, 2013 vs March 31, 2012

I. RESULTS OF OPERATIONS

Real estate and power segments continue to report very strong growths but significant drops in coal, nickel and general construction brought down core net income for the period from P2.7 billion in 2012 to P1.9 billion in 2013. Despite the growth in water operations this quarter, the Company received a lower net earnings share for the current period compared to last year as a result of the sale of 16% effective interest in Maynilad. The one-time gain from the partial sale of the water business buoyed up consolidated net income after non-controlling interests for the period to P10.2 billion this year compared to last year's P2.7 billion.

Below is a table of the segmented 1st quarter net income contributions of the Company's businesses for 2013 and 2012:

NET INCOME (after Non-controlling interests)

(in Php Millions)	For the period & quarter			
	2013	2012	Variance	%
COAL MINING	(85)	650	(735)	-113%
NICKEL MINING	2	269	(267)	-99%
CONSTRUCTION	84	282	(198)	-70%
REAL ESTATE	636	405	231	57%
ELECTRICITY	686	400	286	72%
WATER	539	611	(72)	-12%
PARENT & OTHERS	(5)	57	(62)	-109%
CORE NET INCOME	1,857	2,674	(817)	-31%
ONE-TIME GAIN ON SALE (Parent)	8,354	-	8,354	-
TOTAL	**10,211**	**2,674**	**7,537**	**282%**

WATER

The Company's investment in the water sector is recognized mainly through the equity investment in the partnership with Metro Pacific Investments Corp. (MPIC) with the actual operations under Maynilad Water Services, Inc. (Maynilad). Maynilad handles the water distribution and sewer services for the western side of Metro Manila. On February 13, 2013, MCNK JV Corporation, a subsidiary of Marubeni Corporation, acquired 20% effective ownership in Maynilad which reduced the Company's effective interest in Maynilad from 40.98% to 25.24%. The entry of MCNK is expected to help provide Maynilad with access to additional sources of funding.

The Company's first quarter equity in net earnings reported a 12% decline from P611 million last year to P539 million this year due to a lower effective interest as mentioned.

Water operating efficiencies continued to improve as Maynilad reported an increase in first quarter net income from P1.64 billion in 2012 to P1.76 billion in 2013. Billed volume was up 1.6%, despite an effective 5.6% dip in water supply. Average non-revenue water (NRW) for the year-to-date consequently improved to 41.30% this year from 45.43% last year. Continued expansion into the southern areas of Muntinlupa, Las Piñas and Cavite brought connections up to a total of 1,080,886 billed services, a 6.9% growth from the end of the same period last year. As a result, Maynilad's water service revenue for the quarter was up by 10% from P3.0 billion in 2012 to P3.3 billion in 2013.

Total non-cash operating expenses decreased by P144 million or 26.0% to P411 million from P555 million last year as a result of the shift to the unit-of-production method of amortization. Meanwhile, total cash opex increased by 12.7% to P1.15 billion versus P1.02 billion last year.

As part of its strategic business expansion, Maynilad participated and won the bid to acquire 10% of Subic Water and Sewerage Company Inc. (Subic Water) from the city of Olongapo for P211 Million. After the expiry of the right of first refusal of Subic Water's existing shareholders to acquire the shares, Maynilad signed the deed of sale for the acquisition on March 15, 2013. Subic water operates the water supply and sewerage system in the Subic Bay Freeport and the water system in Olongapo City, under a franchise term until 2027.

CONSTRUCTION

Despite growth in revenues, the Company's construction business posted a lower net income for the first quarter of the year with P84 million compared to last year's P282 million. This is a result of the lower margins realized from the recently completed and ongoing building projects and variation orders awaiting approval as of reporting date. Most notable of its accomplishments is the completion of Phase 1 of the Solaire Project.

With the completion of the big building projects in 2012, DMCI's orderbook (balance of work) as of March 31, 2013 dipped to P14.9 billion coming from a P15.7 billion end-2012 balance. and compared to March 31, 2012 balance of P20 billion. The power plant construction contracts in Batangas comprise the bulk of the balance of work from Semirara's 2x150MW Calaca expansion of P5.2 billion to the 1x135MW Coal-Fired Power Plant of the South Luzon Thermal Energy Corporation of 2.9 billion. The orderbook however, does not include the MRT-7 railway project, which had been awarded to DMCI but is still awaiting financial closing.

Although delayed, the Company is confident that the infrastructure development programs of the current Philippine government through the Public-Private Partnership (PPP) projects will inevitably materialize. It believes it is well positioned to be both a driver and a beneficiary of the country's infrastructure progress.

REAL ESTATE

The Group's real estate business is focused on residential development. It is led by the Company's wholly owned subsidiary DMCI Project Developer's Inc. The segment posted a 57% growth in net income during the period on the back of a strong 26% increase in recognized revenues year-on-year, reaching P2.2 billion this quarter compared to P1.7 billion last year. It is worth to note that the company recognizes real estate revenues using the full accrual method, where sales are booked when the unit is fully complete and the downpayment of 15% has already been paid. Revenue growth outpaced the rise in cost of sales and expenses, resulting in gross and net margin improvements brought about by continued cost containment efforts and actualization of project cost.

A better representative of current demand would be sales and reservations for the period which experienced a 15% surge from P4.6 billion in 2012 to P5.3 billion in 2013. Sustained demand for condominium units coming mainly from new projects: Levina Place and Verawood in Taguig and Torre de Manila in Manila pushed sales take-up higher. Moreover, increased take up from existing projects added to the growth in sales and reservations.

With the current increase of VAT-free housing price threshold to around P3.2 million, the Company has leveraged on the tax advantage to become more price competitive in the market. Notably, most of the Company's housing units have a selling price of around P3 million per unit.

MINING & POWER

Coal Mining & Power (Calaca)

The Company's coal mining business which owns the major power generating asset, Calaca are both lodged under the 56%-owned and publicly listed Semirara Mining Corp (SMC).

Below is SMC's management discussion and analysis of results of operations and financial condition for the period ending and as of March 31, 2013 as lifted from its first quarter financial report with the PSE and SEC:

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

I. PRODUCTION – COMPARATIVE REPORT Q1 2013 vs. Q1 2012

Coal

Mining operations was disrupted last February 14 after the Panian west wall incident, where a section of the wall gave way affecting some mining equipment and mine personnel. Management voluntarilly stopped all mining activities in the site immediately, hence, the Department of Energy (DOE) find it not necessary to issue order to stop operations.
On 5 March 2013, DOE issued clearance to the Company to do preparatory activies for the new area, the North Panian, after it has reviewed and evaluated the work program for the site. The clearance was however limited to preparatory activities, which excluded coal extraction, pending final evaluation of all safety measures to be undertaken to prevent similar case to happen again in the future.

Subsequently, on 19 April 2013, the Company received full clearance from DOE to resume normal coal mining operations.
The 19-day total stop operations resulted to a decline in the materials and coal movement, such that total materials moved decreased by 28% year-on-year at 16.00 million bank cubic meters (bcm) from 22.30 million bcm in Q1 2012. Run-of-mine (ROM) coal dropped by 55% at 820 thousand metric tons (MTs) from 1.81 million MTs in 2012; while total product coal (after survey adjustment) dropped by 47% at 880 thousand MTs from 1.65 million MTs in 2012. The Company's power assets, Sem-Calaca Power Corporation (SCPC), used unwashed coal, which was blended with regular coal, for fuel during the period, such that washable coal remarkably dropped by 76% at 83 thousand MTs from 344 MTs in Q1 2012. Coal recovery remained the same at 60%.

Meanwhile, after receiving clearance from DOE to resume mine preparatory activities, stripping activities resumed at the North Panian area. This resulted to a spike in stripping ratio to 18.79:1, posting a 61% increase over Q1 2012 srip ratio of 11.64:1 as there was no coal extracted for the meantime.

Despite the drop in production, total volume sold was maintained at almost the same level, even posting a 6% growth at 1.78 million MTs from 1.67 million MTs last year, as beginning coal inventory was high at 1.38 million MTs. The current period closed with ending inventory of 460 thousand MTs, around half of last year's 950 thousand MTs.

The table below shows the comparative production data for Q1 2013 and Q1 2012.

COMPARATIVE PRODUCTION DATA *(in '000, except Strip Ratio)*				
	Q1 '13	**Q1 '12**	**Inc (Dec)**	**% Inc (Dec)**
Total Materials (bcm)	16,001	22,303	(6,302)	*-28%*
ROM Coal (MT)	820	1,805	(985)	*-55%*
Strip Ratio	18.79:1	11.64:1	7	*61%*
Net TPC (MT)	880	1,651	(771)	*-47%*
COAL WASHING				
Washable Coal (MTs)	83	344	(261)	*-76%*
Washed Coal (MTs)	50	206	(157)	*-76%*
% recovery	60%	60%	0	*1%*
Beg. Inventory (MTs)	1,383	992	391	*39%*
End Inventory (MTs)	460	950	(490)	*-52%*

Power

Plant performance in Q1 2013 hit the target as both units were operational with total gross generation of 816,262 MWH. Total plant's average load reached 485 MW, a 98% increase over the same quarter last year. This is attributed to Unit 2's improved average load of 257MW from 245MW, similarly, average load of Unit registered at 228MW for Q1 2013 post rehab.

Unit Two

Gross generation of Unit 2 for Q1 2013 was 350,695 MWH. This is lower than the comparative quarter last year due to less operating hours brought by the planned/maintenance outage between December to January 2013. However, while gross generation is lower, its average load factor is higher at 257 MW, a 5% improvement from previous year. Moreover, there was no forced outage recorded after the scheduled shutdown, and the unit's March production was remarkable as capacity factor hit above 90% and plant availability was at its peak.

Unit load was restricted to 280MW because of the leaking high pressure heaters 7 and 8. The replacement for heaters 6, 7 and 8 were delivered in September 2012. Heaters 7 and 8 were scheduled for replacement in the December 2012 planned outage but this was postponed since replacement units were found to be defective. The new units are expected to arrive in time for the scheduled maintenance shutdown in December this year.

Unit One

Gross generation of Unit 1 in Q1 2013 was recorded at 465,567 MWH. After its rehabilitation, the unit went online beginning August 2012. Average load was at 228MW using 100% Semirara coal. Capacity factor stayed in the range of 65% to 75% with only 117 forced outage hours.

Unit capability was increased to 235MW from 230MW starting December 2012 with the aid of Nalco 9F-01 soot remove. The Nalco 9F-01 soot remove chemical spray is used to manage the fouling rate at the backpass of the boiler and consequently increase the unit capability.

The table below shows the comparative production data for Q1 2013 and Q1 2012.

COMPARATIVE PLANT PERFORMANCE DATA
As of Q1'13 vs As of Q1'12

	Q1'13	Q1 '12	%Inc (Dec)
Gross Generation, *Gwh*			
Unit 1	466	-	
Unit 2	351	473	*-26%*
Total Plant	816	473	*73%*
% Availability			
Unit 1	95%	0%	
Unit 2	63%	88%	*-29%*
Total Plant	79%	44%	*79%*
Capacity Factor			
Unit 1	72%	0%	
Unit 2	54%	72%	*-25%*
Total Plant	63%	36%	*75%*

II. MARKETING – COMPARATIVE REPORT Q1 2013 vs. Q1 2012

Coal

Despite the incident that caused temporary stoppage of mining operations, total coal sales volume posted a 6% growth at 1.78 million MTs versus Q1 2012 sales volume of 1.67 million MTs.

The table below shows the comparative sales volume data for Q1 2013 and Q1 2012.

COMPARATIVE SALES VOLUME DATA (in '000 MTs)						
CUSTOMER	**Q1 '13**	**%**	**Q1 '12**	**%**	**Inc (Dec)**	**% Inc (Dec)**
Power Plants						
Calaca	608	34%	205	12%	**403**	***196%***
Other PPs	256	14%	325	19%	**(69)**	***-21%***
TOTAL PPs	**864**	**66%**	**531**	**59%**	**334**	***63%***
Other Industries						
Cement	361	20%	272	16%	**90**	***33%***
Others	92	5%	98	6%	**(6)**	***-6%***
Total Others	**454**	***26%***	**370**	***22%***	**84**	***23%***
TOTAL LOCAL	**1,318**	74%	**901**	54%	**417**	***46%***
EXPORT	461	26%	771	46%	**(310)**	***-40%***
GRAND TOTAL	**1,778**	**100%**	**1,672**	**100%**	**107**	***6%***

Offtake of SCPC almost trippled this year at 608 thousand MTs from last year's 205 thousand MTs. Although power Unit 2 was down for maintenance shutdown most of January, Unit 1 was up and running fresh from a successful rehab. The increase in offtake by SCPC is mainly due to the increase in coal consumption by the 2 power units as both were operating in Q1 2013, compared to same quarter last year where only Unit 2 was running as Unit 1 was still down for rehabilitation.
Conversely, sales to other power plants dropped by 21% at 256 thousand MTs from 325 thousand MTs last year. Since global coal prices dropped, some customers took advantage of importing coal this quarter due to lower coal price available from offshore market.

On the other hand, sales to cement plants increased by 33% at 361 thousand MTs from 272 thousand MTs, which is reflective of the increasing demand of cement given the noted boom in the construction industry during the period.

Sales to other industries recorded a 6% drop at 92 thousand MTs from 98 thousand MTs due to decrease in offtake of two customers.

Total sales to domestic customers increased by 46% at 1.32 million MTs from 901 thousand MTs last year. On the contrary, export sales dropped by 40% at 461 thousand MTs from 771 thousand MTs last year. Local customers were given the priority in coal deliveris after the temporary suspension of coal production resulting from the incident in order to serve the company's commitment relative to its long term coal *supply contract with these customers while exports, apart from spot arrangements only, it command lower price compared to domestic sales..*

The softening of the global prices of coal adversely impacted on this year's composite average FOB price per MT which posted a 24% decline at PHP2,182 from PHP2,879 in Q1 last year.

POWER

SCPC's recorded sales for Q1 2013 increased to 770 GWh, 57% higher than the recorded sales of 489 GWh for the same period in 2012. This is attributed to the higher energy generation of the power plant resulting from the completion of its rehabilitation.

Of the total energy sold, 98% or 751 GWh were sold to bilateral contracts and the remaining 2% to the spot market.

SCPC's sales to bilateral contracts went up by 54% from 489 GWh sales in 2012. The improvement was due to the increase of contract quantities for MERALCO from the initial 210 MW to 420 MW starting 31 January 2013 and the additional 30 MW non-firm contract capacity for TRANS-ASIA, on top of its existing 15 MW firm contracted capacity. The non-firm additional contract capacity arrangement with Trans-Asia which is effective starting 16 February 2013, enables SCPC to sell its excess capacity at any given time.

MERALCO maintained to be the biggest customer of SCPC comprising 85% share of the total energy sales for SCPC's bilateral contracts, followed by BATELEC I and Trans-Asia at 7% and 5% shares, respectively.

Spot Market Sales is higher at 19 GWh against 0.59 GWh in Q1 2012.

Of the total energy sold, 99% was sourced from own generation and 1% was purchased from the spot market. SCPC procured power from the spot market during hour intervals where power units aredown, or was running at a derated capacity in order to be able to supply committed capacity to some of its customers. Contracts with some of its customer still cover the supply of replacement power under a "pass-thru" cost arrangement.

SCPC bilateral contracts yielded lower prices at an average price of 3.90 P/KWh compared to the 4.14 P/KWh of same period of 2012. This is due to lower prices of pass-thru coal fuel indexed to the declining Newcastle prices in 2013.

The table below shows the comparative sales volume data for Q1 2013 and Q1 2012.

COMPARATIVE SALES VOLUME DATA *(in GWh)*			
CUSTOMER	**Q1 '13**	**Q1 '12**	**%Inc (Dec)**
Bilateral Contracts	751	489	54%
Spot Sales	19	1	3095%
GRAND TOTAL	770	489	57%
Composit Ave Price	**3.89**	**4.14**	**-6%**

III. FINANCE

Sales and Profitability

Consolidated Revenues, net of eliminating entries, dropped by 11% at PHP5.68 billion in Q1 2013 as against PHP6.36 billion last year. Coal Revenues, before elimination, decreased by 20% at PHP3.88 billion this quarter from PHP4.34 billion last year. The decline is mainly attributed to lower coal prices this year. On the other hand, the 70% increase in energy sales volume compensated for the 13% decrease in average price per KWh, resulting to a 48% increase in energy Revenues at PHP3.00 billion from PHP2.03 billion last year.

Consolidated Cost of Sales remained at almost the same level of PHP4.06 billion from PHP4.07 billion last year. Coal Cost of Sales before elimination increased by 8% at PHP3.72 billion from PHP3.45 billion last year. Strip ratio was at a historical high this period since no coal extraction was done in the second half of the quarter as a consequence of the accident at the pit. Net of elimination, Cost of Coal Sold likewise dropped by 12% YoY at PHP2.46billion from PHP2.78 billion. Cost of Coal Sold per MT increased by 1% at PHP2,095 from PHP2,066 last year due to lower units of coal produced to absorb the mine's fixed cost. This was mitigated by decrease in production cost due to lower fuel cost and maintenance brought about by the temporary suspension of mine operations.

Meanwhile, power Cost of Sales before elimination also increased by 26% at PHP1.51 billion from PHP1.19 billion last year; and 35%% after elimination at PHP1.59 billion from PHP1.18 billion last year. Increase in volume sold accounted for the increase in total cost. However, Cost of Sales per KWh decreased by 24%% at PHP1.96 from PHP2.57 last year due to minimal spot purchases for replacement power and lower coal fuel average cost this year.

The resulting consolidated Gross Profit decreased by 32% at PHP1.63 billion, with the coal power segments each contributing PHP221.00 million and PHP1.41 billion, respectively. Last year's consolidated Gross Profit stood at PHP2.41 billion, PHP1.56 billion from coal and PHP849.71 million from power. Consolidated Gross profit margin decreased by 24% at 29% from 38% last year.

Consolidated Operating Expenses dropped by 15% at PHP675.92 million from PHP797.94 million last year. Net of eliminating entries, the coal segment's Operating Expenses dropped by 33% at PHP397.6 million from last year's PHP594.44 million as lower coal Revenues decreased Government Share by 38% at PHP302.11 million from PHP488.19 million last year. Meanwhile, the power segment's Operating Expenses after elimination increased by 34% at PHP272.43 million from PHP203.49 million last year due to full year payment of real property tax to avail of discount. The pre-operating Southwest Luzon Power Generation Corp. (SLPGC), a wholly-owned subsidiary of the Company incorporated to expand its power capacity with the construction of 2 x 150 MW power plants, incurred PHP5.76 million pre-operating expenses, representing salaries and other administrative expenses incurred during the period. Another subsidiary, Sem-Cal Industrial Park Developers, Inc. (SCIP) and Semirara Claystone Inc. (SCI) also incurred Pre-operating Expenses of PHP51 thousand and PHP71 thousand for the quarter, respectively.

Consolidated Forex Gains dropped by 8% at PHP68.32 million as against PHP74.66 million last year. The PHP continued to strengthen against the USD during the year. Since most of its loans are USD-denominated, bulk of this year's Forex Gains is attributed to the coal segment which recognized PHP69.91 *million versus last year's gains of PHP74.26 million. Meanwhile, with minimal Forex exposure, the power segment incurred Forex Losses of PHP1.58 million as against Gains of PHP40 thousand last year.*

Lower cash and lower placement interest rates resulted to the decrease in consolidated Finance Income by 80% at PHP7.31 million from PHP36.60 million last year. The coal segment's investible funds reduced after using most of its cash to pay off debts toward the end of 2012, thus its Finance Income decreased by 87% at PHP478 thousand from PHP3.79 million last year. On the other hand, the power segment's Finance Income increased by 18% at PHP6.38 million from PHP5.81 million last year with higher cash level from increased sales.

Consolidated Finance Costs decreased by 34% at PHP72.29 million from PHP109.96 million last year. The coal segment's interest-bearing loans closed at almost the same level at PHP5.57 billion from PHP5.56 billion last year. Coal Finance Costs increased by 28% at PHP24.95 million from PHP19.53 million last year due to higher short term working capital availment during the quarter. Meanwhile, the power segment's total ending interest-bearing loans balance dropped to PHP6.53 billion from PHP7.98 billion last year. As a result, its Finance Cost dropped by 48% at PHP47.03 million from PHP90.43 million last year. SLPGC incurred Finance Cost of 303 thousand representing interest expenses for its drawn amount of PHP550 million from its project finance facility.

Consolidated Other Income dropped by 56% at PHP54.83 million from PHP125 million last year. Bulk of last year's Other Income came from gain on sale of retired assets of the coal segment. Notably, the power segment's Other Income increased by 278% at PHP54.02 million from PHP14.28 million last year. Power Unit 2 used more unwashed coal this year, thus producing more fly ash which is sold to a cement company.

The resulting consolidated Net Income Before Tax (NIBT) stood at PHP1.01billion, posting a 42% decrease over last year's PHP1.74 billion. Bulk of the current quarter's NIBT came from SCPC at PHP1.15 billion. The coal segment incurred net loss amounting to PHP130.44 million, while the pre-operating SLPGC, SCI, and Semirara Energy Utilities, Inc. (SEU), a company incorporated to serve the franchise area in Semirara island as a qualified third party (QTP), incurred losses of PHP6.07 million, PHP51 thousand, and PHP71 , respectively.

Both operating business units enjoy Income Tax Holidays (ITH) as Board of Investments-registered companies. With these tax holidays, consolidated Provision for Income Tax remained minimal at PHP1.38 million in the current quarter, posting a 76% drop from last year's PHP5.77 million as a result of lower taxable income.

The resulting consolidated Net Income After Tax (NIAT) posted a 42% decline at PHP1.01billion from PHP1.73 million last year. The power segment generated NIAT of PHP1.15 billion, while the coal segment incurred net losses of PHP130.44 million. SLPGC, SCI and SEU respectively incurred losses amounting to PHP6.07 million, PHP51 thousand and PHP71 thousand, respectively. Earnings per Share (EPS) decreased by 42% at PHP2.83 from PHP4.86 last year.

POWER - SPUG

An added growth area of the power segment is under DMCI Power Corporation, a wholly-owned subsidiary of the Parent Company. The Company and its subsidiaries are focused on getting power supply contracts with the National Power Corporation-Small Power Utilities Group.

It has power generating units in the provinces of Masbate (24.4 MW diesel power plant) and Palawan (5 x 1.25MW diesel power plant). Masbate started power generation in late 2010 while Palawan just started in December 2012. With a surge in off take demand within a few years of operations brought about by increase in number of connections and development in these areas, the Company is now expanding its current generation capacity. An addition of 21MW diesel generator sets in Palawan by 2013.

Masbate operations reported revenues of P229 million this year compared to P224 million same period last year. Its net income increased by 65% to P38 million this year from P23 million last year.

Nickel

DMCI Mining, Corp., the Company's nickel and metals (non-coal) mining company, continued to mine and sell nickel ore from existing stockpile.

DMCI Mining reported net income this quarter of only P2 million, compared to same period last year of P269 million due to lower volume, ore grade and price compared to last year. Nickel ore shipments for the quarter decreased to 189 thousand wet metric tons (WMT) from last year's 655 thousand WMT. Average sales price this year is at USD23 per WMT compared to last year's USD35 per WMT. Average nickel content of shipment this year is 1.67% compared to 1.77% last year.

Amidst continued weak global nickel ore price, DMCI Mining's margins have significantly declined, prompting the company to temporarily scale back the operations in the coming months. Also, with the end of mining contract for Benguet in 2012 and the Acoje-ENK Mine having some transitory and permitting issues, DMCI Mining is looking at other opportunities for mine acquisition to enhance the segment's future operations.

Acquisitions

On February 15, 2013, DMCI Mining increased its stake to 37.7% in Toledo Mining Corporation PLC (TMC) with the acquisition of an additional 20.7% for GBP 5.2 million. As a result, DMCI Mining launched a mandatory cash offer to acquire the entire issued and to be issued share capital of Toledo not already owned by DMCI Group. The offer will comprise 50 pence in cash for each Toledo share, valuing the whole of Toledo's existing issued share capital at approximately GBP 24.9 million. As of March 31, 2013, DMCI Mining has a 37.9% interest in TMC.

II. FINANCIAL CONDITION

March 31, 2013 (Unaudited) vs December 31, 2012 (Audited)

The Company's financial condition for the period improved as consolidated total assets and net assets amounted to P108.0 billion and P58.7 billion as of March 31, 2013, posting an increase of 13% and 22%, respectively.

Consolidated cash increased from P9.7 billion in December 31, 2012 to P15.4 billion in March 31, 2013 due mainly to first tranche proceeds received from the sale of Maynilad interest.

Total receivables (current and non-current) went up by 68% due mainly to normal trade in the consolidated businesses mostly from the milestone billings from the construction segment and recognized receivable from newly completed project from real estate segment. Also, receivable from MCNK amounting to P6.1 billion is still included. This was subsequently collected in April 5, 2013.

Consolidated inventories grew slightly by 4% coming mainly from the continuing work in progress at the real estate segment.

Other current assets decreased by 52% mainly due to recoupment/application of advances to suppliers, brokers, contractors and mine rights owners.

Investments decreased by 22% as a result of the Company's partial disposal of interest in the water consortium company.

Property plant & equipment marginally increased by 1% coming from normal equipment acquisitions in the consolidated businesses.

Accounts & other payables increased by 25% mostly as a result of normal trade operations and accruals especially progress billings from subcontractors.

Customers' deposits decreased by 17% due to the realization of revenues from completed real estate projects.

Short-term debt decreased by 73% due to lower acceptances and trust receipts payable which are used by the Group to facilitate payment for importations of materials, fixed assets and other assets.

Long term debt marginally changed due to regular debt payments being made mostly at the real estate, coal and power sectors.

Retained earnings grew by 31% primarily due to the increase in consolidated net income.

III. KEY PERFORMANCE INDICATORS

The Company and its Subsidiaries (the "Group") has the following as its key performance indicators:

(g) Segment Revenues
(h) Segment Net Income (after Minority)
(i) Earnings Per Share
(j) Current Ratio
(k) Debt to Equity Ratio

SEGMENT REVENUES

REVENUES

(in Php Millions)	For the period			
	2013	2012	Variance	%
COAL MINING	2,679	4,336	(1,657)	-38%
NICKEL MINING	174	974	(800)	-82%
CONSTRUCTION	4,413	3,675	738	20%
REAL ESTATE	2,172	1,720	452	26%
ELECTRICITY	3,238	2,255	983	44%
PARENT & OTHERS	191	50	141	282%
TOTAL	**12,867**	**13,010**	**(143)**	**-1%**

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

SEGMENT NET INCOME

NET INCOME (after Non-controlling interests)

(in Php Millions)	For the period & quarter			
	2013	2012	Variance	%
COAL MINING	(85)	650	(735)	-113%
NICKEL MINING	2	269	(267)	-99%
CONSTRUCTION	84	282	(198)	-70%
REAL ESTATE	636	405	231	57%
ELECTRICITY	686	400	286	72%
WATER	539	611	(72)	-12%
PARENT & OTHERS	8,349	57	8,292	14,547%
TOTAL	**10,211**	**2,674**	**7,537**	**282%**

The net income (after non-controlling interest) 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. For the period, power and real estate posted strong growth in earnings while coal and nickel mining and construction businesses reported steeped declines (*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 period was P3.85/share accounting for a 281% increase from the P1.01/share EPS last year affected by the one-time gain on sale. (*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*).

OTHER RELEVANT FINANCIAL SOUNDNESS RATIOS

	Mar. 31 2013	Dec. 31 2012
Current Ratio	232%	183%
Debt to Equity Ratio	42%	52%
Interest Coverage Ratio	4,525%	1,303%
Return on Assets Ratio	10%	13%
Return on Equity Ratio	18%	26%
Asset to Equity Ratio	184%	198%
Gross Margin Ratio	26%	33%
Net Profit Margin Ratio	83%	24%

EXTERNAL AUDIT FEES

1. Audit and Audit Related Fees
   Below are the External Audit Fees of the Company and its subsidiaries for two fiscal years:

	2012	2011
	Fee	**Fee**
Semirara Mining Corporation	**2,032,800.00**	2,032,800.00
Sem-Calaca Power Corporation	**1,601,600.00**	1,601,600.00
Sem-Cal Industrial Park Developers, Inc.	**36,960.00**	30,000.00
South Luzon Power Corporation	**49,280.00**	25,000.00
DMCI Holdings, Inc.	**2,833,600.00**	2,833,600.00
D. M. Consunji, Inc.	**1,250,000.00**	1,358,280.00
DMCI Project Developers Inc.	**2,439,360.00**	2,196,000.00
DMCI Homes Inc.	**420,112.00**	378,200.00
Hampstead Gardens Corporation	**325,248.00**	292,800.00
PDI Hotels, Inc.	**149,072.00**	134,200.00
Riviera Land Corporation (Not audited by SGV in 2012)	**-**	292,800.00
DMCI Masbate Power Corporation	**338,800.00**	308,000.00
DMCI Mining Corporation	**308,000.00**	246,400.00
DMCI Power Corporation	**338,800.00**	203,280.00
DMCI Homes Property Management Corporation	**73,920.00**	73,920.00
Beta Electric Corporation	**400,037.95**	375,661.44
Wirerope Corporation of the Philippines	**431,200.00**	344,960.00
Grand Total	**13,028,789.95**	**12,727,501.44**

2. Other assurance and related services by the external auditor that are reasonable related to the performance of the audit review of the Company's financial statements – NONE

3. Tax Fees – **NONE**

4. All other fees – **NONE**

5. The Audit Committee has checked all financial reports against its compliance with both the internal financial management handbook and pertinent accounting standards, including regulatory requirements. They have pre-approved all audit plans, scope and frequency one (1) month before the conduct of external audit. The financial statement was then presented to and approved by the Audit Committee and Board of Directors. Payments and fees related to the services by the external auditor were discussed and approved by Audit Committee, Internal Auditor and Accounting group.

IV. BUSINESS AND GENERAL INFORMATION

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), and Semirara Mining Corporation [(SMC) (formerly Semirara Coal Corporation)]. In 2006, the Company has entered into a 50-50 consortium with Metro Pacific Investments Corporation who won the bid to acquire 84% stake in Maynilad Water Services, Inc. (MWSI). In 2007, the company has established a wholly-owned power generation subsidiary to engage in the construction, operation and maintenance of power plants. Late in 2009, the Company, thru SMC, acquired a 2 by 300 megawatt nominal capacity coal fired power plant located in the province of Calaca, Batangas.

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. In 2000, PDI launched its housing division, DMCI Homes, that consolidates all housing construction and developments of the company.

SMC, 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). SMC is currently exporting coal to China, India, and Hong Kong.

Sem-Calaca Power Corporation (SCPC) is a wholly-owned subsidiary of Semirara Mining Corp. incorporated on November 19, 2009, primarily to acquire, expand and maintain power generating plants, develop fuel for generation of electricity, and sell electricity to any person or entity through electricity markets, among others.

DMCI Power Corporation (DMCI PC), is wholly-owned subsidiary of HI and is engaged in the business of a generation company 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-MPIC Water Company, Inc. (DMWCI), is a consortium with Metro Pacific Investments Corporation and Marubeni Philippines Corp. which owns 93% equity at Maynilad Water Services, Inc. (MWSI). The Company's economic interest in MWSI decreased to 25% from 41%, after Marubeni acquired 20% of economic interest in Maynilad last February 2013.

DMCI Mining Corporation (DMCI MC) is 100%-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 of old Acoje mine located 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.

Private Infra Dev Corporation (PIDC) is a consortium of local contractors along with San Miguel Corp. thru Rapid Thoroughfares Inc., and your Company with equity share of 32%. PIDC is undertaking the design, construction, financing and operation of the Tarlac-Pangasinan-La Union Toll Expressway (TPLEX), an 88-km and 2-lane expressway that passes through Tarlac, Pangasinan and La Union. The TPLEX Project is a Build-Transfer-Operate scheme with a 30-year concession.

Competition. – Among the publicly listed companies, DMCI Holdings, Inc. is the only holding company which has engineering and construction for its primary and general competence. Its construction business is 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. Currently, there is significant growth in the construction industry due to infrastructure build up by the Philippine government and fortunately the big ticket projects were mostly awarded to DMCI. Given this trend, DMCI has been focusing on selected business sectors where engineering expertise has remained relatively strong, particularly, in the mining, water and residential development industries. These sectors provide the company with a strong competitive advantage coming from engineering skills, construction capabilities, equipment and manpower management. The Company has multiple competitors for its residential development business but has an effective monopoly over viable coal production in the country. Along with its partner in Maynilad, water operations for Metro Manila are shared with the Ayala-owned Manila Water Company. With the most recent and significant investment of the Company into the power business, it now faces a different environment in terms of competition and market conditions (eg. other power players and the open electricity market).

Dependence on a few customers. – Not applicable

Transactions with and/or dependence on related parties. - Aside from inter-company transactions within the group of companies, the Company, through DMCI, has contracts with Maynilad for major and big-ticket engineering and construction works, and PIDC for certain portions of the TPLEX project.

Need for governmental approval of products and services. – Not applicable

Effect of existing or probable governmental regulations to the business. – Aside from the normal tax regulations prevalent in all businesses of the Company and the government royalties recognized in the coal mining business, the Company now foresees the regulations in the power sector as having a great effect on operations.

Estimate of amount spent for research and development activities. – Not applicable

Costs and effects of compliance with environmental laws. - Costs vary depending on the size and nature of a project or venture (construction projects, power plant operations). Failure to comply with the terms of the ECC (environmental compliance certificate) can lead to imposition of fines and temporary cessation of operations.

Total number of employees and number of full time employees.

Total No. of Employees	11
Fulltime Employees	11

V. DIRECTORS AND EXECUTIVE OFFICERS

Identify Directors, Including Independent Directors, and Executive Officers

Name	Position	Age
DAVID M. CONSUNJI	Chairman of the Board of Directors	91
CESAR A. BUENAVENTURA	Vice-Chairman of the Board	83
ISIDRO A. CONSUNJI	President	64
CRISTINA C. GOTIANUN	Asst. Treasurer	58
HERBERT M. CONSUNJI	Director/Vice President & CFO	60
JORGE A. CONSUNJI	Director	61
VICTOR A. CONSUNJI	Director	62
MA. EDWINA C. LAPERAL	Director	51
HONORIO O. REYES-LAO	Director (Independent)	68
ANTONIO JOSE U. PERIQUET	Director (Independent)	52
NOEL A. LAMAN	Corporate Secretary	73
VICTOR S. LIMLINGAN	Managing Director	68

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, Sem-Calaca Power Corp., Southwest Luzon Power Generation Corp., and Semirara Claystone Inc. 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 eighteen (18) years since March 1995.

Cesar A. Buenaventura, is Chairman of Buenaventura Echauz and Partners, Inc. 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., 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 eighteen (18) years since March 1995.

Isidro A. Consunji is a regular Director of the following: DMCI Project Developers, Inc., Semirara Mining Corporation, Dacon Corporation, DMCI-MPIC Water Company, Inc., Sem-Calaca Power Corp., Southwest Luzon Power Corp., Sem-Cal Industrial Park Developers Inc., Semirara Claystone Inc., Sem-Cal Res Corp., DMCI Power Corp., DMCI Mining Corp., 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 Sem-Calaca Power Corp. Mr. Isidro Consunji has served the Corporation as a regular director for eighteen (18) years since March 1995.

Herbert M. Consunji is a Director, Vice-President, Chief Finance Officer and Compliance Officer of the Corporation. He is also the Chairman of Subic Water and Sewerage Company, Inc. and Philippine Hydro, Inc., Vice-President and Treasurer of DMCI Mining Corporation, Treasurer of Sem-Calaca Res Corporation and Chief Operating Officer of Maynilad Water Services, Inc. He is a regular Director of Semirara Mining Corp., DMCI Mining Corp., DMCI Power Corp., Sem-Calaca Power Corp., Sem-Calaca Res Corp., Southwest Luzon Power Corp., Sem-Cal Industrial Park Developers, Inc., Philippine Hydro Inc. and Subic Water & Sewerage Co. Mr. Herbert Consunji has served the Corporation as a regular director for eighteen (18) years since March 1995.

Jorge A. Consunji is the President and Chief Operating Officer of D.M. Consunji, Inc. His other positions include: Director of Semirara Mining Corporation, Beta Electric Corp., Chairman of Wire Rope Corporation of the Philippines, and Treasurer of Dacon Corporation. Mr. Jorge Consunji has served the Corporation as a regular director for eighteen (18) years since March 1995.

Victor A. Consunji is a Director of the following: DMCI Holdings, Inc., Dacon Corporation (Vice-President), Semirara Mining Corporation (President), Wire Rope Corporation of the Philippines, 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 eighteen (18) years since March 1995.

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 eighteen (18) years since March 1995.

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 four (4) years (since July 2009).

Antonio Jose U. Periquet is currently the Chairman of Pacific Main Holdings; Director of the Lyceum of the Philippines University, The Straits Wine Company, Inc., Ayala Corporation, BPI Capital Corporation, Bank of the Philippine Islands, BPI Family Bank, Campden Hill Group, Regis Financial Advisers, Inc., ABS-CBN Corporation 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 three (3) years since July 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. 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 July 2006-January 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 eighteen (18) years since March 1995.

Noel A. Laman is a founder and Senior Partner of Castillo Laman Tan Pantaleon & San Jose Law Firm. 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 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. Atty. 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 eighteen (18) years since March 1995.

VI. MARKET PRICE OF AND DIVIDENDS ON REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

1. Market Information

Both common and preferred shares of DMCI Holdings, Inc. are traded on the Philippine Stock Exchange.

The high and low sales prices of the Company's equity at the Philippine Stock Exchange for each quarter of the last two fiscal years and the first quarter of 2013 are set forth below.

Common Share Prices		High	Low
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
	Second Quarter	57.00	56.85
	Third Quarter	58.15	57.95
	Fourth Quarter	54.80	53.85
2013	First Quarter	55.80	53.80

Preferred Share Prices		High	Low
2011	First Quarter	0	0
	Second Quarter	0	0
	Third Quarter	0	0
	Fourth Quarter	0	0
2012	First Quarter	0	0
	Second Quarter	0	0
	Third Quarter	0	0
	Fourth Quarter	0	0
2013	First Quarter	0	0

Price information as of the latest practicable trading date: As of May 31, 2013:

	High	Low	Close	Volume
Common Shares	56.45	53.95	56.45	2,717,660
Preferred Shares	0	0	0	0

If the information called for by the aforementioned paragraph 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 market in the Philippines, indicate the amounts of common equity – **Not applicable**

2. Holders

As of **April 30, 2013** the Company had a total of 725 shareholders of which 709 were holders of a total of 2,655,494,000 common shares and 16 were holders of a total of 3,780 preferred shares. The following table sets forth the list of the Top 20 common shareholders of the Corporation as of April 30, 2013, indicating the number of shares held by each and the percentage to the total outstanding shares

RANK	STOCKHOLDER NAME	COMMON	TOTAL SHARES	% OF O/S
1	DACON CORPORATION	1,215,393,901	1,215,393,901	45.769032 %
2	PCD NOMINEE CORPORATION (FILIPINO)	480,299,920	480,299,920	18.080702 %
3	DFC HOLDINGS, INC.	461,375,838	461,375,838	17.374388 %
4	PCD CORPORATION (FOREIGN)	428,951,606	428,951,606	16.153364 %
5	DMCI RETIREMENT PLAN	19,980,000	19,980,000	0.752402 %
6	FERNWOOD INVESTMENT, INC.	14,263,376	14,263,376	0.537127 %
7	BERIT HOLDINGS INCORPORATION	12,220,000	12,220,000	0.460178 %
8	AUGUSTA HOLDINGS, INC.	3,800,334	3,800,334	0.143112 %

9	DOUBLE SPRING INVESTMENTS CORPORATION	3,547,749	3,547,749	0.133600 %
10	DMCI RETIREMENT FUND	2,600,000	2,600,000	0.097910 %
11	MA. EDWINA/ MIGUEL DAVID C. LAPERAL	550,000	550,000	0.020712 %
12	YNTALCO REALTY DEVT. CORPORATION	500,000	500,000	0.018829 %
13	BENIGNO DELA VEGA	410,000	410,000	0.015440 %
14	AO ZHENG	368,000	368,000	0.013858 %
15	XIUFEN LI	366,000	366,000	0.013783 %
16	MAKATI SUPERMARKET CORP.	345,500	345,500	0.013011 %
17	ENRIQUE G. FILAMOR	314,000	314,000	0.011825 %
18	REGINA CAPITAL DEVELOPMENT CORP.	290,000	290,000	0.010921 %
19	WINDERMERE HOLDINGS, INC.	242,175	242,175	0.009120 %
20	ANTONIO L. GO	220,000	220,000	0.008285 %
	TOTAL	**2,646,038,399**	**2,646,038,399**	**99.643923 %**

3. Dividends

Set forth below are cash dividends declared on each class of its common equity by the Company 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:

(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 holders of record of June 30, 2006

(6) On May 28, 2007, the Company paid cash dividends at the amount of Pho 0.10 per outstanding common share to the holders of record of April 30, 2007.

(7) On May 30, 2008, the Company paid cash dividends at the amount of Php 0.10 per outstanding common share to the holders of record of May 12, 2008.

(8) On May 21, 2009, the Company declared cash dividends at the amount of Php 0.20 per outstanding share to the holders of record of June 5, 2009, to be paid on June 30, 2009.

(9) On June 4, 2010 the Company declared cash dividends at the amount of Php 0.50 per outstanding share to the holders of record of June 22, 2010, paid on July 15, 2010.

(10) On May 31, 2011 the Company declared cash dividends at the amount of Php 1.00 per outstanding share to the holders of record of June 15, 2011 paid on July 7, 2011.

(11) On May 15, 2012 the Company declared cash dividends at the amount of Php 1.20 per outstanding share to the holders of record of June 15, 2012, to be paid on July 5, 2012.

(12) On April 11, 2013, the Company declared cash dividends of Php 1.20 per common share and special cash dividends of Php 1.00 per common share to the shareholders of record of April 26, 2013.

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 or Exempt Securities Including Recent Issuance of Securities Constituting an Exempt Transaction - **NONE**

VII. DISCUSSION ON COMPLIANCE WITH LEADING PRACTICE ON 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 is planning to develop a more comprehensive evaluation procedure that will determine and measure the compliance with the Manual and the Code.

5. 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.

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

7. The Corporation has developed a corporate website (www.dmciholdings.com) wherein corporate information and updates, disclosures, and financial information are being uploaded for investors' and shareholders' information.

8. The Corporation has engaged SGV & Co. to assist the Company in developing and handling the Enterprise Risk Management process.

9. There are no major deviations from the adopted Manual on Corporate Governance

VIII. UPON THE WRITTEN REQUEST OF A STOCKHOLDER, THE CORPORATION WILL PROVIDE, WITHOUT CHARGE, A COPY OF THE CORPORATION'S ANNUAL REPORT IN SEC FORM 17-A DULY FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THE STOCKHOLDER MAY BE CHARGED A REASONABLE COST FOR PHOTOCOPYING THE EXHIBITS.

	141,726,000	
LA LUMIERE HOLDINGS, INC.	141,726,000	12.28%
RICE CREEK HOLDINGS, INC.	141,726,000	12.28%
Total :	**1,154,000,000**	**100.00%**

Mr. Victor A. Consunji and/or Mr. Jorge A. Consunji and/or Ms. Cristina C. Gotianun shall have the right to vote the shares of DACON Corporation.

DFC Holdings, Inc.

The following are the beneficial owners of the shares held by DFC Holdings, Inc. in DMCI Holdings, Inc.:

SHAREHOLDER	**NO. OF SHARES SUBSCRIBED**	**% OWNERSHIP**
Isidro A. Consunji	914,689	0.27%
Victor A. Consunji	2,141,578	0.63%
Jorge A. Consunji	2,668,715	0.78%
Ma. Edwina C. Laperal	1,021,076	0.30%
Cristina C. Gotianun	2,719,530	0.80%
Inglebrook Holdings	41,170,311	12.23%
Eastheights Holdings	41,603,924	12.20%
Crismon Investment, Inc.	39,905,470	11.70%
Valemont Corporation	40,483,422	11.87%
Gulfshore Incorporated	39,956,285	11.72%
Jagjit Holdings, Inc.	42,625,000	12.50%
La Lumiere Holdings, Inc.	42,625,000	12.50%
Rice Creek Holdings, Inc.	42,625,000	12.50%
TOTAL	**341,000,000**	**100.00%**

Ms. Ma Edwina C. Laperal and/or Ms. Cristina C. Gotianun shall have the right to vote the shares of DFC Holdings, Inc.

PDTC
Philippine Depository & Trust Corp.

Philippine Depository & Trust Corp.

To

DEP00000001
PDTC DEPOSITORY
Metropolitan Manila
235
PHILIPPINES

OUTSTANDING BALANCES FOR A SPECIFIC COMPANY

Company Code - DMC000000000 & Company Name - DMCI HOLDINGS

Business Date 04/30/2013

BP ID ACCOUNT NO.	BP NAME ADDRESS	ACCOUNT TYPE TELEPHONE NUMBER	ID TYPE ID NUMBER	INVESTOR TYPE COUNTRY	HOLDINGS TAXCODE
10100000000 5	A & A SECURITIES, INC. Rm. 1906 Ayala Ave. Condominium 6776 Ayala Ave. Makati City Metropolitan Manila 1200	Omnibus Without Client 810-54-01	Tax Identification Number 2	Domestic PHILIPPINES	4,078,167.00 PH10
10200000000 5	ABACUS SECURITIES CORPORATION Unit 2904-A East Tower, PSE Centre Exchange Road Ortigas Center Pasig City Metropolitan Manila 1600	Omnibus Without Client 634-2105	Tax Identification Number 3	Domestic PHILIPPINES	808,178.00 PH10
10200000000 6	ABACUS SECURITIES CORPORATION Unit 2904-A East Tower, PSE Centre Exchange Road Ortigas Center Pasig City Metropolitan Manila 1600	Settlement 634-2105	Tax Identification Number 3	Domestic PHILIPPINES	1,000.00 NWT
10200000000 7	ABACUS SECURITIES CORPORATION Unit 2904-A East Tower, PSE Centre Exchange Road Ortigas Center Pasig City Metropolitan Manila 1600	Own 634-2105	Tax Identification Number 3	Domestic PHILIPPINES	60,302.00 NWT
10300000000 1	ACCORD CAPITAL EQUITIES CORPORATION Unit 1101 Orient Square Building Emerald Avenue Ortigas Center, Pasig City Metropolitan Manila 1600	Omnibus Without Client 687-5071 to 74	Tax Identification Number 4	Foreign PHILIPPINES	1,800.00 FMX1

BP ID ACCOUNT NO.	BP NAME ADDRESS	ACCOUNT TYPE TELEPHONE NUMBER	ID TYPE ID NUMBER	INVESTOR TYPE COUNTRY	HOLDINGS TAXCODE
10300000000 5	ACCORD CAPITAL EQUITIES CORPORATION Unit 1101 Orient Square Building Emerald Avenue Ortigas Center, Pasig City Metropolitan Manila 1600	Omnibus Without Client 687-5071 to 74	Tax Identification Number 4	Domestic PHILIPPINES	1,197,382.00 PH10
10300000000 6	ACCORD CAPITAL EQUITIES CORPORATION Unit 1101 Orient Square Building Emerald Avenue Ortigas Center, Pasig City Metropolitan Manila 1600	Settlement 687-5071 to 74	Tax Identification Number 4	Domestic PHILIPPINES	4,400.00 NWT
10300000000 7	ACCORD CAPITAL EQUITIES CORPORATION Unit 1101 Orient Square Building Emerald Avenue Ortigas Center, Pasig City Metropolitan Manila 1600	Own 687-5071 to 74	Tax Identification Number 4	Domestic PHILIPPINES	50.00 NWT
10400000000 5	A. T. DE CASTRO SECURITIES CORP. Suite 701, 7/F Ayala Tower I, Exchange Plaza, Ayala Triangle, Ayala Ave., Makati City Metropolitan Manila 1226	Omnibus Without Client 848-7160 to 65	Tax Identification Number 5	Domestic PHILIPPINES	131,057.00 PH10
10500000000 5	ALL ASIA SECURITIES MANAGEMENT CORP. All Asia Capital Center 105 Paseo de Roxas St. Makat City Metropolitan Manila 1200	Omnibus Without Client 818-3211	Tax Identification Number 6	Domestic PHILIPPINES	700.00 PH10
10600000000 5	ALPHA SECURITIES CORP. UNIT 3003, ONE CORPORATE CENTRE, 30TH FLOOR, JULIA VARGAS STREET, COR MERALC AVENUE STREET, ORTIGAS CENTER, PASIG CI Metropolitan Manila 1200	Omnibus Without Client 6546806	Tax Identification Number 7	Domestic PHILIPPINES	110,600.00 PH10
10600000000 7	ALPHA SECURITIES CORP. UNIT 3003, ONE CORPORATE CENTRE, 30TH FLOOR, JULIA VARGAS STREET, COR MERALC AVENUE STREET, ORTIGAS CENTER, PASIG CI Metropolitan Manila 1200	Own 6546806	Tax Identification Number 7	Domestic PHILIPPINES	10,000.00 NWT

BP ID ACCOUNT NO.	BP NAME ADDRESS	ACCOUNT TYPE TELEPHONE NUMBER	ID TYPE ID NUMBER	INVESTOR TYPE COUNTRY	HOLDINGS TAXCODE
10900000000 14	BA SECURITIES, INC. Rm 401-403 CLMC Bldg, 256-259 EDSA Greenhills Mandaluyong City Metropolitan Manila 1550	Settlement 727-5374	Tax Identification Number 10	Domestic PHILIPPINES	86,100.00 PH10
10900000000 18	BA SECURITIES, INC. Rm 401-403 CLMC Bldg, 256-259 EDSA Greenhills Mandaluyong City Metropolitan Manila 1550	Settlement 727-5374	Tax Identification Number 10	Foreign PHILIPPINES	9,000.00 RA10
11000000000 1	ANGPING & ASSOCIATES SECURITIES, INC. Suites 2002/2004, The Peak, 107 Alfaro St., Salcedo Village, Makati City Metropolitan Manila 1227	Omnibus Without Client 8482915	Tax Identification Number 11	Foreign PHILIPPINES	1,000.00 FMX1
11000000000 5	ANGPING & ASSOCIATES SECURITIES, INC. Suites 2002/2004, The Peak, 107 Alfaro St., Salcedo Village, Makati City Metropolitan Manila 1227	Omnibus Without Client 8482915	Tax Identification Number 11	Domestic PHILIPPINES	235,470.00 PH10
11100000000 5	ANSALDO, GODINEZ & CO., INC. 340 Nueva St., Binondo Manila Metropolitan Manila 1006	Omnibus Without Client 242-5127	Tax Identification Number 12	Domestic PHILIPPINES	1,055,410.00 PH10
11200000000 1	AB CAPITAL SECURITIES, INC. 8/F Phinma Plaza 39 Plaza Drive, Rockwell Center Makati City Metropolitan Manila 1200	Omnibus Without Client 814-5601	Tax Identification Number 13	Foreign PHILIPPINES	100.00 FMX1
11200000000 5	AB CAPITAL SECURITIES, INC. 8/F Phinma Plaza 39 Plaza Drive, Rockwell Center Makati City Metropolitan Manila 1200	Omnibus Without Client 814-5601	Tax Identification Number 13	Domestic PHILIPPINES	1,029,940.00 PH10

BP ID ACCOUNT NO.	BP NAME ADDRESS	ACCOUNT TYPE TELEPHONE NUMBER	ID TYPE ID NUMBER	INVESTOR TYPE COUNTRY	HOLDINGS TAXCODE
11200000000 6	AB CAPITAL SECURITIES, INC. 8/F Phinma Plaza 39 Plaza Drive, Rockwell Center Makati City Metropolitan Manila 1200	Settlement 814-5601	Tax Identification Number 13	Domestic PHILIPPINES	462,690.00 NWT
11200000000 18	AB CAPITAL SECURITIES, INC. 8/F Phinma Plaza 39 Plaza Drive, Rockwell Center Makati City Metropolitan Manila 1200	Settlement 814-5601	Tax Identification Number 13	Foreign PHILIPPINES	5,000.00 RA10
1120000FTXN 1	AB CAPITAL SECURITIES, INC. 8/F Phinma Plaza 39 Plaza Drive, Rockwell Center Makati City Metropolitan Manila	Client 898-7555	Certificate Of Incorporation 13 x	Foreign PHILIPPINES	40,000.00 FTXN
11300000000 5	SARANGANI SECURITIES, INC. UNIT 2 D1 VERNIDA I CONDOMINIUM 120 AMORSOLO ST., LEGASPI VILLAGE, MAKATI CITY Metropolitan Manila 1229	Omnibus Without Client 817-5806	Tax Identification Number 14	Domestic PHILIPPINES	26,000.00 PH10
11500000000 2	SB EQUITIES,INC. 18/F, Security Bank Centre 6776 Ayala Avenue, Makati City Metropolitan Manila 1226	Settlement 8911037	Tax Identification Number 15	Foreign PHILIPPINES	500.00 FMX1
11500000000 5	SB EQUITIES,INC. 18/F, Security Bank Centre 6776 Ayala Avenue, Makati City Metropolitan Manila 1226	Omnibus Without Client 8911037	Tax Identification Number 15	Domestic PHILIPPINES	1,105,730.00 PH10
11500000000 6	SB EQUITIES,INC. 18/F, Security Bank Centre 6776 Ayala Avenue, Makati City Metropolitan Manila 1226	Settlement 8911037	Tax Identification Number 15	Domestic PHILIPPINES	505,070.00 NWT

BP ID ACCOUNT NO.	BP NAME ADDRESS	ACCOUNT TYPE TELEPHONE NUMBER	ID TYPE ID NUMBER	INVESTOR TYPE COUNTRY	HOLDINGS TAXCODE
11800000000 1	ASIASEC EQUITIES, INC. 8/F Chatham House 116 Valero cor. V.A. Rufino Sts Salcedo Village, Makati City 1227 Metropolitan Manila 1227	Omnibus Without Client 8937981	Tax Identification Number 18	Foreign PHILIPPINES	1,850.00 FMX1
11800000000 5	ASIASEC EQUITIES, INC. 8/F Chatham House 116 Valero cor. V.A. Rufino Sts Salcedo Village, Makati City 1227 Metropolitan Manila 1227	Omnibus Without Client 8937981	Tax Identification Number 18	Domestic PHILIPPINES	6,402,430.00 PH10
11900000000 5	ASTRA SECURITIES CORPORATION Units 1204-1205 Ayala Tower One Ayala Ave. cor. Paseo de Roxas Makati City Metropolitan Manila 1200	Omnibus Without Client 848-6421/27	Tax Identification Number 19	Domestic PHILIPPINES	200,000.00 PH10
12000000000 5	ATC SECURITIES, INC. Unit 6f, 6th Floor 8101 Pearl Plaza, Pearl Drive Ortiga Center, Pasig City Metropolitan Manila 12	Omnibus Without Client 687-1768	Tax Identification Number 20	Domestic PHILIPPINES	30,000.00 PH10
12200000000 5	BELSON SECURITIES, INC. 4th Floor Belson House 271 Edsa, Mandaluyong City Metropolitan Manila 1554	Omnibus Without Client 724-7586loc21	Tax Identification Number 22	Domestic PHILIPPINES	398,700.00 PH10
12200000000 6	BELSON SECURITIES, INC. 4th Floor Belson House 271 Edsa, Mandaluyong City Metropolitan Manila 1554	Settlement 724-7586loc21	Tax Identification Number 22	Domestic PHILIPPINES	45,000.00 NWT
12400000000 5	B. H. CHUA SECURITIES CORPORATION 872 G. Araneta Avenue, Quezon City Metropolitan Manila 1135	Omnibus Without Client 412-3444	Tax Identification Number 24	Domestic PHILIPPINES	273,300.00 PH10
12500000000 5	JAKA SECURITIES CORP. Unit 814, Ayala Tower I Ayala Ave., Makati City Metropolitan Manila 1226	Omnibus Without Client 8487123	Tax Identification Number 25	Domestic PHILIPPINES	52,600.00 PH10

BP ID ACCOUNT NO.	BP NAME ADDRESS	ACCOUNT TYPE TELEPHONE NUMBER	ID TYPE ID NUMBER	INVESTOR TYPE COUNTRY	HOLDINGS TAXCODE
12600000000 1	BPI SECURITIES CORPORATION 8/F BPI Head Office Bldg., Ayala Ave.,cor.Paseo de Roxas Makati City Metropolitan Manila 1226	Omnibus Without Client 8196535	Tax Identification Number 26	Foreign PHILIPPINES	44,040.00 FMX1
12600000000 5	BPI SECURITIES CORPORATION 8/F BPI Head Office Bldg., Ayala Ave.,cor.Paseo de Roxas Makati City Metropolitan Manila 1226	Omnibus Without Client 8196535	Tax Identification Number 26	Domestic PHILIPPINES	10,664,760.00 PH10
12800000000 5	CAMPOS, LANUZA & COMPANY, INC. Unit 2003B East Tower, PSE Center Exchange Road, Ortigas Center Pasig City Metropolitan Manila 1605	Omnibus Without Client 634-6881/87	Tax Identification Number 27	Domestic PHILIPPINES	111,960.00 PH10
12800000000 6	CAMPOS, LANUZA & COMPANY, INC. Unit 2003B East Tower, PSE Center Exchange Road, Ortigas Center Pasig City Metropolitan Manila 1605	Settlement 634-6881/87	Tax Identification Number 27	Domestic PHILIPPINES	7,080.00 NWT
12800000000 7	CAMPOS, LANUZA & COMPANY, INC. Unit 2003B East Tower, PSE Center Exchange Road, Ortigas Center Pasig City Metropolitan Manila 1605	Own 634-6881/87	Tax Identification Number 27	Domestic PHILIPPINES	3,450.00 NWT
12900000000 5	SINCERE SECURITIES CORPORATION 1203-A East Tower, PSE Centre, Exchange Road, Ortigas Center, Pasig City Metropolitan Manila 0	Omnibus Without Client 638-3549	Tax Identification Number 28	Domestic PHILIPPINES	5,000.00 PH10
13000000000 5	CENTURY SECURITIES CORPORATION 1105 Galleria Corporate Center Ortigas Ave., Quezon City Metropolitan Manila 1600	Omnibus Without Client 633-7044/47	Tax Identification Number 29	Domestic PHILIPPINES	8,000.00 PH10

BP ID ACCOUNT NO.	BP NAME ADDRESS	ACCOUNT TYPE TELEPHONE NUMBER	ID TYPE ID NUMBER	INVESTOR TYPE COUNTRY	HOLDINGS TAXCODE
13100000000 5	PCIB SECURITIES, INC. 8/F PCIB Tower 2, Dela Costa St., Makati City Metropolitan Manila 1002	Omnibus Without Client 8912028	Tax Identification Number 30	Domestic PHILIPPINES	2,125,976.00 PH10
13100000000 6	PCIB SECURITIES, INC. 8/F PCIB Tower 2, Dela Costa St., Makati City Metropolitan Manila 1002	Settlement 8912028	Tax Identification Number 30	Domestic PHILIPPINES	8,245,090.00 NWT
13300000000 5	CITISECURITIES, INC. Rm. 2701-B Tektite Tower Center Exchange Rd, Pasi; City Metropolitan Manila 1600	Omnibus Without Client 635-5735	Tax Identification Number 31	Domestic PHILIPPINES	231,800.00 PH10
13300000000 6	CITISECURITIES, INC. Rm. 2701-B Tektite Tower Center Exchange Rd, Pasi; City Metropolitan Manila 1600	Settlement 635-5735	Tax Identification Number 31	Domestic PHILIPPINES	70,000.00 NWT
13300000000 18	CITISECURITIES, INC. Rm. 2701-B Tektite Tower Center Exchange Rd, Pasi; City Metropolitan Manila 1600	Settlement 635-5735	Tax Identification Number 31	Foreign PHILIPPINES	7,000.00 RA10
13500000000 5	VSEC.COM, INC. UNITS 1009-1011 TOWER ONE & EXCHANGE PLAZA, AYALA TRIANGLE, AYALA AVE., MAKATI CITY Metropolitan Manila 1200	Omnibus Without Client 856-5801	Tax Identification Number 33	Domestic PHILIPPINES	4,500.00 PH10
13500000000 6	VSEC.COM, INC. UNITS 1009-1011 TOWER ONE & EXCHANGE PLAZA, AYALA TRIANGLE, AYALA AVE., MAKATI CITY Metropolitan Manila 1200	Settlement 856-5801	Tax Identification Number 33	Domestic PHILIPPINES	17,830.00 NWT

BP ID ACCOUNT NO.	BP NAME ADDRESS	ACCOUNT TYPE TELEPHONE NUMBER	ID TYPE ID NUMBER	INVESTOR TYPE COUNTRY	HOLDINGS TAXCODE
13600000000 5	TRITON SECURITIES CORP. 26/F LKG Tower, 6801 Ayala Avenue Makati City Metropolitan Manila 0	Omnibus Without Client 5238311	Tax Identification Number 34	Domestic PHILIPPINES	149,050.00 PH10
14000000000 1	IGC SECURITIES INC. Suite 1006, Tower I & Exchange Plaza Ayala Triangle Ayala Avenue Makati City Metropolitan Manila 1200	Omnibus Without Client 816-39-86	Tax Identification Number 38	Foreign PHILIPPINES	16,000.00 FMX1
14000000000 5	IGC SECURITIES INC. Suite 1006, Tower I & Exchange Plaza Ayala Triangle Ayala Avenue Makati City Metropolitan Manila 1200	Omnibus Without Client 816-39-86	Tax Identification Number 38	Domestic PHILIPPINES	2,237,880.00 PH10
14100000000 5	CUALOPING SECURITIES CORPORATION Suite 1801 Tytana Centre Condominium Plaza Lorenz Ruiz, Binondo, Manila Metropolitan Manila 1006	Omnibus Without Client 241-0262	Tax Identification Number 39	Domestic PHILIPPINES	26,000.00 PH10
14100000000 7	CUALOPING SECURITIES CORPORATION Suite 1801 Tytana Centre Condominium Plaza Lorenz Ruiz, Binondo, Manila Metropolitan Manila 1006	Own 241-0262	Tax Identification Number 39	Domestic PHILIPPINES	20,000.00 NWT
14200000000 14	DBP-DAIWA CAPITAL MARKETS PHILPPINES, INC. 18/F Citibank Tower 8741 Paseo de Roxas Makati Cit Metropolitan Manila 1200	Settlement 813-73-44	Tax Identification Number 40	Domestic PHILIPPINES	5,500.00 PH10
14200000003 1	PIONEER LIFE INC. 18/F Citibank Tower 8741 Paseo de Roxas Makati Cit Metropolitan Manila 1200	Client	Tax Identification Number 246	Domestic PHILIPPINES	7,000.00 NWT
14300000000 5	DAVID GO SECURITIES CORP. Rm. 309 Federation Center Bldg. Muelle de Binondo, Binondo, Manila Metropolitan Manila 1006	Omnibus Without Client 242-2379	Tax Identification Number 41	Domestic PHILIPPINES	602,250.00 PH10

BP ID ACCOUNT NO.	BP NAME ADDRESS	ACCOUNT TYPE TELEPHONE NUMBER	ID TYPE ID NUMBER	INVESTOR TYPE COUNTRY	HOLDINGS TAXCODE
14500000000 5	DIVERSIFIED SECURITIES, INC. 5/F PDCP Bank Centre, Herrera cor. Alfaro Sts., Salcedo Village, Makati City Metropolitan Manila 1600	Omnibus Without Client 634-6630/31	Tax Identification Number 43	Domestic PHILIPPINES	188,440.00 PH10
14500000000 6	DIVERSIFIED SECURITIES, INC. 5/F PDCP Bank Centre, Herrera cor. Alfaro Sts., Salcedo Village, Makati City Metropolitan Manila 1600	Settlement 634-6630/31	Tax Identification Number 43	Domestic PHILIPPINES	50,000.00 NWT
14500000000 14	DIVERSIFIED SECURITIES, INC. 5/F PDCP Bank Centre, Herrera cor. Alfaro Sts., Salcedo Village, Makati City Metropolitan Manila 1600	Settlement 634-6630/31	Tax Identification Number 43	Domestic PHILIPPINES	742.00 PH10
14700000000 5	E. CHUA CHIACO SECURITIES, INC. 113 Renta St., Binondo, Manila Metropolitan Manila 1006	Omnibus Without Client 242-5145	Tax Identification Number 45	Domestic PHILIPPINES	244,200.00 PH10
14700000000 18	E. CHUA CHIACO SECURITIES, INC. 113 Renta St., Binondo, Manila Metropolitan Manila 1006	Settlement 242-5145	Tax Identification Number 45	Foreign PHILIPPINES	10,000.00 RA10
14800000000 5	EQUITABLE SECURIITES (PHILS.) INC. 3/F Cacho-Gonzalez Bldg, Aguirre cor. Trasierra St, Legaspi Village Makati City Metropolitan Manila 1229	Omnibus Without Client 810-4801/04	Tax Identification Number 46	Domestic PHILIPPINES	1,200.00 PH10
14900000000 5	EAST WEST CAPITAL CORPORATION 2/F U-Bix Building 1331 Angono St., Makati City Metropolitan Manila 1208	Omnibus Without Client 891-98901	Tax Identification Number 47	Domestic PHILIPPINES	203,200.00 PH10
15000000000 5	EASTERN SECURITIES DEVELOPMENT CORPORATION 1701 Tytana Ctr. Bldg, Binondo, Manila Metropolitan Manila 1006	Omnibus Without Client 242-4006/11	Tax Identification Number 48	Domestic PHILIPPINES	144,330.00 PH10

BP ID ACCOUNT NO.	BP NAME ADDRESS	ACCOUNT TYPE TELEPHONE NUMBER	ID TYPE ID NUMBER	INVESTOR TYPE COUNTRY	HOLDINGS TAXCODE
15300000000 5	EQUITIWORLD SECURITIES, INC. 807-809 Philippine Stock Exchange Ayala Tower 1, Ayala Avenue Makati City Metropolitan Manila 1226	Omnibus Without Client 848-5401/09	Tax Identification Number 51	Domestic PHILIPPINES	104,870.00 PH10
15400000000 5	EVERGREEN STOCK BROKERAGE & SEC., INC. Suite 606 - 607, 6th Floor, Tower One Phil. Stock Exchange Plaza, Ayala Triangle, Ayala Ave. Makati City Metropolitan Manila 1200	Omnibus Without Client 891-9451	Tax Identification Number 52	Domestic PHILIPPINES	164,770.00 PH10
15400000000 6	EVERGREEN STOCK BROKERAGE & SEC., INC. Suite 606 - 607, 6th Floor, Tower One Phil. Stock Exchange Plaza, Ayala Triangle, Ayala Ave. Makati City Metropolitan Manila 1200	Settlement 891-9451	Tax Identification Number 52	Domestic PHILIPPINES	12,000.00 NWT
15700000000 5	FIRST ORIENT SECURITIES, INC. Unit 1201 Ayala Triangle Tower One Ayala Avenue, Makati City Metropolitan Manila 1226	Omnibus Without Client 891-9240/45	Tax Identification Number 55	Domestic PHILIPPINES	18,400.00 PH10
15900000000 5	FIRST INTEGRATED CAPITAL SECURITIES, INC Units 1211-1212 Tower I & Exchange Plaza, Ayala Ave. Cor. Paseo de Roxas, Makati City Metropolitan Manila 1200	Omnibus Without Client 759-4320 to 23	Tax Identification Number 57	Domestic PHILIPPINES	622,150.00 PH10
15900000000 6	FIRST INTEGRATED CAPITAL SECURITIES, INC Units 1211-1212 Tower I & Exchange Plaza, Ayala Ave. Cor. Paseo de Roxas, Makati City Metropolitan Manila 1200	Settlement 759-4320 to 23	Tax Identification Number 57	Domestic PHILIPPINES	49,000.00 NWT
16100000000 5	FRANCISCO ORTIGAS SECURITIES, INC. 10/F Ortigas Bldg. Ortigas Ave, Pasig City Metropolitan Manila 1600	Omnibus Without Client 631-26-74	Tax Identification Number 59	Domestic PHILIPPINES	59,420.00 PH10

BP ID ACCOUNT NO.	BP NAME ADDRESS	ACCOUNT TYPE TELEPHONE NUMBER	ID TYPE ID NUMBER	INVESTOR TYPE COUNTRY	HOLDINGS TAXCODE
16200000000 5	F. YAP SECURITIES, INC. Unit 2301 PSE Center (East Tower) Exchange Rd., Ortigas Center Pasig City Metropolitan Manila 1603	Omnibus Without Client 635-4126	Tax Identification Number 60	Domestic PHILIPPINES	20,670.00 PH10
16700000000 5	AURORA SECURITIES, INC. UNIT 2405A WEST TOWER PHILIPPINE STOCK EXCHANGE CENTRE ORTIGAS, PASIG CITY Metropolitan Manila 1605	Omnibus Without Client 633-5892	Tax Identification Number 64	Domestic PHILIPPINES	5,200.00 PH10
16800000000 5	GLOBALINKS SECURITIES & STOCKS, INC. # 706 Ayala Tower One Ayala Avenue Cor. Paseo de Roxas St. Makati City Metropolitan Manila 1226	Omnibus Without Client 759-4136	Tax Identification Number 65	Domestic PHILIPPINES	3,968,868.00 PH10
16800000000 6	GLOBALINKS SECURITIES & STOCKS, INC. # 706 Ayala Tower One Ayala Avenue Cor. Paseo de Roxas St. Makati City Metropolitan Manila 1226	Settlement 759-4136	Tax Identification Number 65	Domestic PHILIPPINES	10,000.00 NWT
16800000000 18	GLOBALINKS SECURITIES & STOCKS, INC. # 706 Ayala Tower One Ayala Avenue Cor. Paseo de Roxas St. Makati City Metropolitan Manila 1226	Settlement 759-4136	Tax Identification Number 65	Foreign PHILIPPINES	27,150.00 RA10
17000000000 5	GOLDSTAR SECURITIES, INC. 2201-B East Tower, PSE Centre Exchange Rd, Ortiga Center Pasig City Metropolitan Manila 1600	Omnibus Without Client 633-7485/86	Tax Identification Number 67	Domestic PHILIPPINES	179,500.00 PH10
17000000000 14	GOLDSTAR SECURITIES, INC. 2201-B East Tower, PSE Centre Exchange Rd, Ortiga Center Pasig City Metropolitan Manila 1600	Settlement 633-7485/86	Tax Identification Number 67	Domestic PHILIPPINES	2,500.00 PH10

BP ID ACCOUNT NO.	BP NAME ADDRESS	ACCOUNT TYPE TELEPHONE NUMBER	ID TYPE ID NUMBER	INVESTOR TYPE COUNTRY	HOLDINGS TAXCODE
17200000000 5	GUILD SECURITIES, INC. Unit 1215 Tower One & Exchange Plaza Ayala Ave., Makati City Metropolitan Manila 1226	Omnibus Without Client 8919232	Tax Identification Number 69	Domestic PHILIPPINES	4,800.00 PH10
17200000000 6	GUILD SECURITIES, INC. Unit 1215 Tower One & Exchange Plaza Ayala Ave., Makati City Metropolitan Manila 1226	Settlement 8919232	Tax Identification Number 69	Domestic PHILIPPINES	100.00 NWT
17400000000 5	HDI SECURITIES, INC. UNIT 2305-B 23/F ORIENT SQUARE BLDG., F. ORTIGAS, JR. ROAD, ORTIGAS CENTRE, PASIG CITY, 1605 Metropolitan Manila 1605	Omnibus Without Client 891-9598	Tax Identification Number 71	Domestic PHILIPPINES	135,500.00 PH10
17500000000 5	H. E. BENNETT SECURITIES, INC. Rm. 1704 World Trade Exchange Bldg., 215 Juan Lur St., Binondo, Manila Metropolitan Manila 1006	Omnibus Without Client 242-5733	Tax Identification Number 72	Domestic PHILIPPINES	55,500.00 PH10
17800000000 5	HK SECURITIES, INC. Suite 102 Columbia Tower, Ortigas Ave., Mandaluyong City Metropolitan Manila 1600	Omnibus Without Client 6336991 to 96	Tax Identification Number 75	Domestic PHILIPPINES	1,000.00 PH10
17900000000 5	I. ACKERMAN & CO., INC. Suite 705, Tower I Bldg. PSE Plaza, Ayala Triangle Ayala Ave., Makati City Metropolitan Manila 1226	Omnibus Without Client 891-9071	Tax Identification Number 76	Domestic PHILIPPINES	199,190.00 PH10
17900000000 6	I. ACKERMAN & CO., INC. Suite 705, Tower I Bldg. PSE Plaza, Ayala Triangle Ayala Ave., Makati City Metropolitan Manila 1226	Settlement 891-9071	Tax Identification Number 76	Domestic PHILIPPINES	10,000.00 NWT

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18000000000 5	I. B. GIMENEZ SECURITIES, INC. NO. 42 3/F NEW ROSARIO ORTIGAS ARCADE, ROSARIO ORTIGAS EXTENSION, PASIG CITY Metropolitan Manila 1600	Omnibus Without Client 634-2344/48	Tax Identification Number 77	Domestic PHILIPPINES	518,060.00 PH10
18100000000 5	INVESTORS SECURITIES, INC, Unit 604-605 Tower One & Exchange Plaza Ayala Triangle, Ayala Ave. cor Paseo de Roxas Makati City Metropolitan Manila 1200	Omnibus Without Client 8431210	Tax Identification Number 78	Domestic PHILIPPINES	571,600.00 PH10
18200000000 5	IMPERIAL,DE GUZMAN,ABALOS & CO.,INC. Ground Floor, EDSA Central Square Shaw Boulevard Mandaluyong City Metropolitan Manila 1552	Omnibus Without Client 6332686	Tax Identification Number 79	Domestic PHILIPPINES	94,160.00 PH10
18200000000 6	IMPERIAL,DE GUZMAN,ABALOS & CO.,INC. Ground Floor, EDSA Central Square Shaw Boulevard Mandaluyong City Metropolitan Manila 1552	Settlement 6332686	Tax Identification Number 79	Domestic PHILIPPINES	2,500.00 NWT
18200000000 7	IMPERIAL,DE GUZMAN,ABALOS & CO.,INC. Ground Floor, EDSA Central Square Shaw Boulevard Mandaluyong City Metropolitan Manila 1552	Own 6332686	Tax Identification Number 79	Domestic PHILIPPINES	10.00 NWT
18300000000 5	INTRA-INVEST SECURITIES, INC. 11/F ACT Tower, 135 Sen. Gil Puyat Ave., Salcedo Vill., Makati City Metropolitan Manila 1200	Omnibus Without Client 8106934	Tax Identification Number 80	Domestic PHILIPPINES	12,040.00 PH10
19000000000 5	VALUE QUEST SECURITIES CORPORATION Unit 1006B West Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas, Pasig City Metropolitan Manila 00	Omnibus Without Client 892-1816	Tax Identification Number 87	Domestic PHILIPPINES	514,200.00 PH10

BP ID ACCOUNT NO.	BP NAME ADDRESS	ACCOUNT TYPE TELEPHONE NUMBER	ID TYPE ID NUMBER	INVESTOR TYPE COUNTRY	HOLDINGS TAXCODE
19200000000 6	STRATEGIC EQUITIES CORP. Unit 610-611 PSE Plaza, Tower I, Ayala Triangle, Ayala Ave., Makati City Metropolitan Manila 1226	Settlement 759-4055	Tax Identification Number 89	Domestic PHILIPPINES	1,043,000.00 NWT
19200000000 14	STRATEGIC EQUITIES CORP. Unit 610-611 PSE Plaza, Tower I, Ayala Triangle, Ayala Ave., Makati City Metropolitan Manila 1226	Settlement 759-4055	Tax Identification Number 89	Domestic PHILIPPINES	342,240.00 PH10
19300000000 5	LARRGO SECURITIES CO., INC. Rm. 202 2/F Rufino Building, Ayala Avenue, Makati City Metropolitan Manila 1226	Omnibus Without Client 8101353	Tax Identification Number 90	Domestic PHILIPPINES	570,220.00 PH10
19300000000 6	LARRGO SECURITIES CO., INC. Rm. 202 2/F Rufino Building, Ayala Avenue, Makati City Metropolitan Manila 1226	Settlement 8101353	Tax Identification Number 90	Domestic PHILIPPINES	224,000.00 NWT
19500000000 5	LITONJUA SECURITIES, INC. No. 444 T.M. Kalaw Ermita, Manila Metropolitan Manila 1004	Omnibus Without Client 521-1951/57	Tax Identification Number 92	Domestic PHILIPPINES	1,000.00 PH10
19700000000 5	LOPEZ, LOCSIN, LEDESMA & CO., INC. 405 URBAN BUILDING, SEN. GIL. PUYAT AVEN MAKATI CITY Metropolitan Manila 1226	Omnibus Without Client 8127482	Tax Identification Number 94	Domestic PHILIPPINES	22,250.00 PH10
19800000000 5	LUCKY SECURITIES, INC. Unit 1402-B PSE Center Exchange Road, Ortigas Center Pasig City Metropolitan Manila 1600	Omnibus Without Client 6346747/60	Tax Identification Number 95	Domestic PHILIPPINES	217,000.00 NWT
19900000000 5	LUYS SECURITIES COMPANY, INC. 28/F LKG Tower 6801 Ayala Ave. Makati City Metropolitan Manila 1200	Omnibus Without Client 5231040	Tax Identification Number 96	Domestic PHILIPPINES	43,000.00 PH10

BP ID ACCOUNT NO.	BP NAME ADDRESS	ACCOUNT TYPE TELEPHONE NUMBER	ID TYPE ID NUMBER	INVESTOR TYPE COUNTRY	HOLDINGS TAXCODE
20000000000 5	MANDARIN SECURITIES CORPORATION 28/F LKG Tower 6801 Ayala Ave. Makati City Metropolitan Manila 1200	Omnibus Without Client 523-8311/16	Tax Identification Number 97	Domestic PHILIPPINES	10,000.00 PH10
20200000000 5	MARINO OLONDRIZ Y CIA #20 Arguilla St. San Lorenzo Village, Makati City Metropolitan Manila 0	Omnibus Without Client 2415280	Tax Identification Number 99	Domestic PHILIPPINES	1,800.00 PH10
20300000000 1	COL Financial Group, Inc. 2401-B EAST TOWER, PSE CENTRE EXCHANGE ROAD, ORTIGAS CENTER PASIG CITY Metropolitan Manila 1605	Omnibus Without Client 635-5735	Tax Identification Number 100	Foreign PHILIPPINES	41,000.00 FMX1
20300000000 5	COL Financial Group, Inc. 2401-B EAST TOWER, PSE CENTRE EXCHANGE ROAD, ORTIGAS CENTER PASIG CITY Metropolitan Manila 1605	Omnibus Without Client 635-5735	Tax Identification Number 100	Domestic PHILIPPINES	4,135,044.00 PH10
20400000000 14	DA MARKET SECURITIES, INC. Unit 2402-B West Tower, PSE Center Exchange Roac Ortigas Center Pasig City Metropolitan Manila 1600	Settlement 637-42-42	Tax Identification Number 101	Domestic PHILIPPINES	15,100.00 PH10
20500000000 5	MERCANTILE SECURITIES CORP. 3RD FLOOR GOODWILL BUILDING 393 SE. GIL PUYAT AVENUE MAKATI CITY Metropolitan Manila 1226	Omnibus Without Client 898-2984	Tax Identification Number 102	Domestic PHILIPPINES	46,100.00 PH10
20600000000 5	MERIDIAN SECURITIES, INC. Suite 2702B&C Tektite Tower I Ortigas Centre, Pasig City Metropolitan Manila 1600	Omnibus Without Client 634-6931/36	Tax Identification Number 103	Domestic PHILIPPINES	14,800.00 PH10
20800000000 1	MDR SECURITIES, INC. Unit 1806, 8/F Medical Plaza Ortigas Bldg., Pasig Cit Metropolitan Manila 1226	Omnibus Without Client 891-9225	Tax Identification Number 105	Foreign PHILIPPINES	110,000.00 FMX1

BP ID ACCOUNT NO.	BP NAME ADDRESS	ACCOUNT TYPE TELEPHONE NUMBER	ID TYPE ID NUMBER	INVESTOR TYPE COUNTRY	HOLDINGS TAXCODE
20800000000 5	MDR SECURITIES, INC. Unit 1806, 8/F Medical Plaza Ortigas Bldg., Pasig Cit Metropolitan Manila 1226	Omnibus Without Client 891-9225	Tax Identification Number 105	Domestic PHILIPPINES	206,000.00 PH10
20900000000 4	DEUTSCHE REGIS PARTNERS, INC. 23/F Tower I, Ayala Triangle, Makati City Metropolitan Manila 1226	Settlement 894-6620	Tax Identification Number 106	Foreign PHILIPPINES	267.00 RA02
20900000000 14	DEUTSCHE REGIS PARTNERS, INC. 23/F Tower I, Ayala Triangle, Makati City Metropolitan Manila 1226	Settlement 894-6620	Tax Identification Number 106	Domestic PHILIPPINES	20,000.00 PH10
21000000000 5	MOUNT PEAK SECURITIES, INC. #748 C.K. Bldg., Juan Luna St., Binondo, Manila Metropolitan Manila 1006	Omnibus Without Client 241-8043	Tax Identification Number 107	Domestic PHILIPPINES	10,400.00 PH10
21100000000 5	NEW WORLD SECURITIES CO., INC. Rm. 202 Fil-Am Resources Bldg. 231 Juan Luna St. Binondo, Manila Metropolitan Manila 1006	Omnibus Without Client 2421767	Tax Identification Number 108	Domestic PHILIPPINES	45,100.00 PH10
21300000000 5	NIEVES SECURITIES, INC. UNIT 106, G/F TYTANA PLAZA V. TYTANA COF INSULAR STS. PLAZA LORENZO RUIZ, BINONI MANILA CITY Metropolitan Manila 1006	Omnibus Without Client 4777888	Tax Identification Number 110	Domestic PHILIPPINES	55,700.00 PH10
21500000000 5	OPTIMUM SECURITIES CORPORATION No. 11 E. O. Bldg., United St. cor. 2nd St. Bo. Kapitolyo, Pasig City Metropolitan Manila 1650	Omnibus Without Client 631-7831/36	Tax Identification Number 112	Domestic PHILIPPINES	383,500.00 PH10
21700000000 5	RCBC SECURITIES, INC. Unit 1008 Tower I & Exchange Plaza Ayala Avenue, Makati City Metropolitan Manila 1200	Omnibus Without Client 8485183	Tax Identification Number 113	Domestic PHILIPPINES	608,198.00 PH10

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21700000000 6	RCBC SECURITIES, INC. Unit 1008 Tower I & Exchange Plaza Ayala Avenue, Makati City Metropolitan Manila 1200	Settlement 8485183	Tax Identification Number 113	Domestic PHILIPPINES	1,136,480.00 NWT
21800000000 5	PAN ASIA SECURITIES CORP. 910 Tower One & Exchange Plaza Ayala Avenue, Makati City Metropolitan Manila 1200	Omnibus Without Client 8919173	Tax Identification Number 114	Domestic PHILIPPINES	36,550.00 PH10
21800000000 18	PAN ASIA SECURITIES CORP. 910 Tower One & Exchange Plaza Ayala Avenue, Makati City Metropolitan Manila 1200	Settlement 8919173	Tax Identification Number 114	Foreign PHILIPPINES	3,000.00 RA10
21900000000 5	PAPA SECURITIES CORPORATION 6/F, S & L Building Dela Rosa cor. Esteban Sts. Legaspi Village, Makati City Metropolitan Manila 1200	Omnibus Without Client 817-8433	Tax Identification Number 115	Domestic PHILIPPINES	610,830.00 PH10
21900000000 6	PAPA SECURITIES CORPORATION 6/F, S & L Building Dela Rosa cor. Esteban Sts. Legaspi Village, Makati City Metropolitan Manila 1200	Settlement 817-8433	Tax Identification Number 115	Domestic PHILIPPINES	11,340.00 NWT
22000000000 2	MAYBANK ATR KIM ENG SECURITIES, INC. 17/F Tower One & Exchange Plaza, Ayala Triangle, Ayala Avenue Makati City Metropolitan Manila 1226	Settlement 849-8855	Tax Identification Number 116	Foreign PHILIPPINES	13,500.00 FMX1
22000000000 4	MAYBANK ATR KIM ENG SECURITIES, INC. 17/F Tower One & Exchange Plaza, Ayala Triangle, Ayala Avenue Makati City Metropolitan Manila 1226	Settlement 849-8855	Tax Identification Number 116	Foreign PHILIPPINES	205.00 RA02

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22000000000 6	MAYBANK ATR KIM ENG SECURITIES, INC. 17/F Tower One & Exchange Plaza, Ayala Triangle, Ayala Avenue Makati City Metropolitan Manila 1226	Settlement 849-8855	Tax Identification Number 116	Domestic PHILIPPINES	1,942,220.00 NWT
22000000000 14	MAYBANK ATR KIM ENG SECURITIES, INC. 17/F Tower One & Exchange Plaza, Ayala Triangle, Ayala Avenue Makati City Metropolitan Manila 1226	Settlement 849-8855	Tax Identification Number 116	Domestic PHILIPPINES	282,170.00 PH10
22000000000 18	MAYBANK ATR KIM ENG SECURITIES, INC. 17/F Tower One & Exchange Plaza, Ayala Triangle, Ayala Avenue Makati City Metropolitan Manila 1226	Settlement 849-8855	Tax Identification Number 116	Foreign PHILIPPINES	37,481.00 RA10
22000000011 1	ATR KIMENG CAPITAL PARTNERS, INC. AS INVESTMENT MANAGER FOR IMA. 10-IM-08 17/F TOWER ONE & EXCHANGE PLAZA, AYAL/ AVENUE, MAKATI CITY Metropolitan Manila 1226	Client 848-1381	Tax Identification Number 000-166-719	Domestic PHILIPPINES	1,502,457.00 NWT
2200000FTXN 1	ATR KIMENG SEC. INC. 17/F Tower One & Exchange Plaza, Ayala Triangle, Ayala Avenue Makati City Metropolitan Manila	Client 849-8855	Tax Identification Number 116 XXX	Foreign PHILIPPINES	107,290.00 FTXN
22400000000 5	PNB SECURITIES, INC. 3/F PNB Financial Center Roxas Blvd., Pasay City Metropolitan Manila 1300	Omnibus Without Client 526-3466	Tax Identification Number 120	Domestic PHILIPPINES	267,026.00 PH10
22500000000 5	PREMIUM SECURITIES, INC. Unit 1415, Tower 1 & Exchange Plaza Ayala Avenue cor. Paseo de Roxas Makati City Metropolitan Manila 1259	Omnibus Without Client 848-5915/17	Tax Identification Number 121	Domestic PHILIPPINES	32,700.00 PH10

BP ID ACCOUNT NO.	BP NAME ADDRESS	ACCOUNT TYPE TELEPHONE NUMBER	ID TYPE ID NUMBER	INVESTOR TYPE COUNTRY	HOLDINGS TAXCODE
22800000000 5	PRYCE SECURITIES, INC. 15/F PRYCE CENTER BUILDING, 1179 CHINO RO AVENUE BAGTIKAN, MAKATI CITY Metropolitan Manila 1226	Omnibus Without Client 816-2426/27	Tax Identification Number 124	Domestic PHILIPPINES	157.00 PH10
22900000000 5	SALISBURY BKT SECURITIES CORPORATION Unit 207 Cityland Condominium 10 - Tower 2 6817 H.V. De La Costa St. cor. Ayala Ave. Makati City Metropolitan Manila 1200	Omnibus Without Client 892-88-34	Tax Identification Number 125	Domestic PHILIPPINES	61,900.00 PH10
22900000000 18	SALISBURY BKT SECURITIES CORPORATION Unit 207 Cityland Condominium 10 - Tower 2 6817 H.V. De La Costa St. cor. Ayala Ave. Makati City Metropolitan Manila 1200	Settlement 892-88-34	Tax Identification Number 125	Foreign PHILIPPINES	6,500.00 RA10
23000000000 5	QUALITY INVESTMENTS & SECURITIES CORPORATION Suite 1602 Tytana Plaza Oriente St, Binondo Manila Metropolitan Manila 1006	Omnibus Without Client 241-0547	Tax Identification Number 126	Domestic PHILIPPINES	117,200.00 PH10
23000000000 20	QUALITY INVESTMENTS & SECURITIES CORPORATION Suite 1602 Tytana Plaza Oriente St, Binondo Manila Metropolitan Manila 1006	Settlement 241-0547	Tax Identification Number 126	Foreign PHILIPPINES	1,000.00 FTXN
23100000000 5	R & L INVESTMENTS, INC. 675 Lee St., Mandaluyong City Metropolitan Manila 1501	Omnibus Without Client 7247210/705207	Tax Identification Number 127	Domestic PHILIPPINES	15,000.00 PH10
23200000000 6	ALAKOR SECURITIES CORPORATION 9/F Quad Alpha Centrum, 125 Pioneer St. Mandaluyong City Metropolitan Manila 1550	Settlement 631-8041/42	Tax Identification Number 128	Domestic PHILIPPINES	50,000.00 NWT

BP ID ACCOUNT NO.	BP NAME ADDRESS	ACCOUNT TYPE TELEPHONE NUMBER	ID TYPE ID NUMBER	INVESTOR TYPE COUNTRY	HOLDINGS TAXCODE
23300000000 5	R. COYIUTO SECURITIES, INC. 5/F Corinthian Plaza, Paseo de Roxas, Legaspi Village Makati City Metropolitan Manila 0	Omnibus Without Client 811-3064	Tax Identification Number 129	Domestic PHILIPPINES	202,200.00 PH10
23500000000 1	REGINA CAPITAL DEVELOPMENT CORPORATI Unit 806 Tower 1 & Exchange Plaza Ayala Triangle, Ayala Avenue Makati City Metropolitan Manila 1226	Omnibus Without Client 848-5482/84	Tax Identification Number 131	Foreign PHILIPPINES	2,000.00 FMX1
23500000000 5	REGINA CAPITAL DEVELOPMENT CORPORATI Unit 806 Tower 1 & Exchange Plaza Ayala Triangle, Ayala Avenue Makati City Metropolitan Manila 1226	Omnibus Without Client 848-5482/84	Tax Identification Number 131	Domestic PHILIPPINES	383,960.00 PH10
23500000000 6	REGINA CAPITAL DEVELOPMENT CORPORATI Unit 806 Tower 1 & Exchange Plaza Ayala Triangle, Ayala Avenue Makati City Metropolitan Manila 1226	Settlement 848-5482/84	Tax Identification Number 131	Domestic PHILIPPINES	500,000.00 NWT
23600000000 1	R. NUBLA SECURITIES, INC. Room 604, Fil-Am Resources Bldg., 231 Juan Luna S Binondo, Manila Metropolitan Manila 1006	Omnibus Without Client 242-1596	Tax Identification Number 132	Foreign PHILIPPINES	6,000.00 RA10
23600000000 5	R. NUBLA SECURITIES, INC. Room 604, Fil-Am Resources Bldg., 231 Juan Luna S Binondo, Manila Metropolitan Manila 1006	Omnibus Without Client 242-1596	Tax Identification Number 132	Domestic PHILIPPINES	7,383,610.00 PH10
23600000000 7	R. NUBLA SECURITIES, INC. Room 604, Fil-Am Resources Bldg., 231 Juan Luna S Binondo, Manila Metropolitan Manila 1006	Own 242-1596	Tax Identification Number 132	Domestic PHILIPPINES	2,000.00 NWT

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23700000000 5	AAA SOUTHEAST EQUITIES, INCORPORATED Ground Floor, Fortune Life Building #162 Legaspi St. Legaspi Village Makati City Metropolitan Manila 1229	Omnibus Without Client 816-2918	Tax Identification Number 133	Domestic PHILIPPINES	55,000.00 PH10
23800000000 5	R. S. LIM & CO., INC. 1509 Galvani Street San Isidro, Makati City Metropolitan Manila 1234	Omnibus Without Client 8919670	Tax Identification Number 134	Domestic PHILIPPINES	36,900.00 PH10
23900000000 5	RTG & COMPANY, INC. Unit 602 Tower 1 & Exchange Plaza Ayala Triangle, Makati City Metropolitan Manila 1200	Omnibus Without Client 8919482	Tax Identification Number 135	Domestic PHILIPPINES	4,656,080.00 PH10
23900000000 6	RTG & COMPANY, INC. Unit 602 Tower 1 & Exchange Plaza Ayala Triangle, Makati City Metropolitan Manila 1200	Settlement 8919482	Tax Identification Number 135	Domestic PHILIPPINES	3,000.00 NWT
23900000000 7	RTG & COMPANY, INC. Unit 602 Tower 1 & Exchange Plaza Ayala Triangle, Makati City Metropolitan Manila 1200	Own 8919482	Tax Identification Number 135	Domestic PHILIPPINES	460.00 NWT
24000000000 5	S.J. ROXAS & CO., INC. Unit 612 Tower One,& Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City Metropolitan Manila 0	Omnibus Without Client 848-5065	Tax Identification Number 136	Domestic PHILIPPINES	55,200.00 PH10
24000000000 6	S.J. ROXAS & CO., INC. Unit 612 Tower One,& Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City Metropolitan Manila 0	Settlement 848-5065	Tax Identification Number 136	Domestic PHILIPPINES	1,000.00 NWT

BP ID ACCOUNT NO.	BP NAME ADDRESS	ACCOUNT TYPE TELEPHONE NUMBER	ID TYPE ID NUMBER	INVESTOR TYPE COUNTRY	HOLDINGS TAXCODE
24000000002 1	S.J. ROXAS & CO.,INC. Unit 612 Tower One, Ayala Triangle, Ayala Avenue, Makati City Metropolitan Manila 0	Client 8485065 TO 69	Tax Identification Number 546	Domestic PHILIPPINES	20,000.00 NWT
24200000000 5	SECURITIES SPECIALISTS, INC. Unit 903 National Life Insurance Building, | 6762 Ayala Avenue, Makati City Metropolitan Manila 1000	Omnibus Without Client 523-5595	Tax Identification Number 138	Domestic PHILIPPINES	700.00 PH10
24300000000 5	FIDELITY SECURITIES, INC. 2103-B PSE Centre, Exchange Road, Ortigas, Pasig City Metropolitan Manila 1600	Omnibus Without Client 6345038	Tax Identification Number 139	Domestic PHILIPPINES	10,000.00 PH10
24600000000 5	SUMMIT SECURITIES, INC. Unit 2102 B/C PSE Center Tektite Tower East Exchange Road, Ortigas Center Pasig City Metropolitan Manila 1600	Omnibus Without Client 6311032 to 37	Tax Identification Number 141	Domestic PHILIPPINES	476,700.00 PH10
24600000000 6	SUMMIT SECURITIES, INC. Unit 2102 B/C PSE Center Tektite Tower East Exchange Road, Ortigas Center Pasig City Metropolitan Manila 1600	Settlement 6311032 to 37	Tax Identification Number 141	Domestic PHILIPPINES	200.00 NWT
24700000000 5	STANDARD SECURITIES CORPORATION #34 Jefferson St., GHW, San Juan Metro Manila Metropolitan Manila 00	Omnibus Without Client 8486149	Tax Identification Number 142	Domestic PHILIPPINES	120,200.00 PH10
24700000007 1	PIONEER LIFE INC. ACCOUNT #2 108 PASEO DE ROXAS, MAKATI CITY Metropolitan Manila 1277	Client 812-7777	Certificate Of Incorporation 21664	Domestic PHILIPPINES	20,000.00 NWT
25100000000 5	TANSENGCO & CO., INC. U-2308 World Trade Exchange Condominium 215 Ju Luna St., Binondo, Manila Metropolitan Manila 1006	Omnibus Without Client 241-7155	Tax Identification Number 146	Domestic PHILIPPINES	13,000.00 PH10

BP ID ACCOUNT NO.	BP NAME ADDRESS	ACCOUNT TYPE TELEPHONE NUMBER	ID TYPE ID NUMBER	INVESTOR TYPE COUNTRY	HOLDINGS TAXCODE
25200000000 5	THE FIRST RESOURCES MANAGEMENT & SECURITIES CORP. Rms. 801-802, PSE Tower 1 Ayala Ave., cor. Paseo d Roxas,Ayala Triangle, Makati City Metropolitan Manila 1200	Omnibus Without Client 8486311 to 18	Tax Identification Number 147	Domestic PHILIPPINES	252,960.00 PH10
25200000000 6	THE FIRST RESOURCES MANAGEMENT & SECURITIES CORP. Rms. 801-802, PSE Tower 1 Ayala Ave., cor. Paseo d Roxas,Ayala Triangle, Makati City Metropolitan Manila 1200	Settlement 8486311 to 18	Tax Identification Number 147	Domestic PHILIPPINES	623,340.00 NWT
25200000000 24	THE FIRST RESOURCES MANAGEMENT & SECURITIES CORP. Rms. 801-802, PSE Tower 1 Ayala Ave., cor. Paseo d Roxas,Ayala Triangle, Makati City Metropolitan Manila 1200	Settlement 8486311 to 18	Tax Identification Number 147	Foreign PHILIPPINES	30,000.00 FTXN
25300000000 5	TOWER SECURITIES, INC. 1802-C Tektite Tower I Exchange Road, Ortigas Cent Pasig City Metropolitan Manila 1600	Omnibus Without Client 6354448	Tax Identification Number 148	Domestic PHILIPPINES	1,767,170.00 PH10
25500000000 5	APEX PHILIPPINES EQUITIES CORPORATION Unit 902, Antel Corporate Center, No. 139 Valero St., Salcedo Vill., Makati City Metropolitan Manila 1227	Omnibus Without Client 527-1555	Tax Identification Number 150	Domestic PHILIPPINES	650.00 PH10
25700000000 5	TRI-STATE SECURITIES, INC. Unit 1007, 10/F Ayala Triangle Tower I, Ayala Avenue, Makati City Metropolitan Manila 1226	Omnibus Without Client 8485042	Tax Identification Number 152	Domestic PHILIPPINES	31,000.00 PH10
25700000000 6	TRI-STATE SECURITIES, INC. Unit 1007, 10/F Ayala Triangle Tower I, Ayala Avenue, Makati City Metropolitan Manila 1226	Settlement 8485042	Tax Identification Number 152	Domestic PHILIPPINES	1,200.00 NWT

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25900000000 5	UCPB SECURITIES, INC. Suite 1612, 16/F Ayala Tower I Exchange Plaza, Ayal Ave. cor. Paseo de Roxas Makati City Metropolitan Manila 1226	Omnibus Without Client 8485678	Tax Identification Number 154	Domestic PHILIPPINES	574,330.00 PH10
25900000000 6	UCPB SECURITIES, INC. Suite 1612, 16/F Ayala Tower I Exchange Plaza, Ayal Ave. cor. Paseo de Roxas Makati City Metropolitan Manila 1226	Settlement 8485678	Tax Identification Number 154	Domestic PHILIPPINES	99,400.00 NWT
26100000000 8	E.SECURITIES, INC. 11/F Exportbank Plaza Chino Roces cor. Sen. Gil J. Puyat Ave., Makati City Metropolitan Manila 1251	Settlement 887-9000 L786	Tax Identification Number 156	Domestic PHILIPPINES	300.00 NWT
26100000004 1	E.SECURITIES, INC. ITF VARIOUS CLIENTS 11/F Exportbank Plaza Chino Roces cor Sen. Gil J. Puyat Ave, Makati City Metropolitan Manila 1251	Client	Tax Identification Number 560	Domestic PHILIPPINES	30,000.00 PH10
26300000000 2	VENTURE SECURITIES, INC. Unit 811 Tower One & Exchange Plaza Ayala Triangl Ayala Ave. cor. Paseo de Roxas Makati City Metropolitan Manila 1226	Settlement 8486505	Tax Identification Number 158	Foreign PHILIPPINES	61,500.00 FMX1
26300000000 6	VENTURE SECURITIES, INC. Unit 811 Tower One & Exchange Plaza Ayala Triangl Ayala Ave. cor. Paseo de Roxas Makati City Metropolitan Manila 1226	Settlement 8486505	Tax Identification Number 158	Domestic PHILIPPINES	275,900.00 NWT
26300000004 1	PHILIPPINES FIRST INSURANCE CO., INC. Unit 811 Tower One & Exchange Plaza Ayala Triangl Ayala Ave. cor. Paseo de Roxas Makati City Metropolitan Manila 1226	Client 892-8888	Tax Identification Number 533	Domestic PHILIPPINES	4,000.00 NWT

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26600000000 5	VICSAL SECURITIES & STOCK BROKERAGE, IN 658 C. Palanca St., Quiapo,Manila Metropolitan Manila 1001	Omnibus Without Client 7349771	Tax Identification Number 161	Domestic PHILIPPINES	378,900.00 PH10
26600000000 6	VICSAL SECURITIES & STOCK BROKERAGE, IN 658 C. Palanca St., Quiapo,Manila Metropolitan Manila 1001	Settlement 7349771	Tax Identification Number 161	Domestic PHILIPPINES	1,374,500.00 NWT
26700000000 5	FIRST METRO SECURITIES BROKERAGE CORP Unit 1515, 15/F Ayala Tower One Ayala Triangle, Ayala Ave. cor Paseo de Roxas Makati City Metropolitan Manila 1226	Omnibus Without Client 759-4133/34	Tax Identification Number 162	Domestic PHILIPPINES	1,900,710.00 PH10
26700000000 6	FIRST METRO SECURITIES BROKERAGE CORP Unit 1515, 15/F Ayala Tower One Ayala Triangle, Ayala Ave. cor Paseo de Roxas Makati City Metropolitan Manila 1226	Settlement 759-4133/34	Tax Identification Number 162	Domestic PHILIPPINES	67,210.00 NWT
26700000000 7	FIRST METRO SECURITIES BROKERAGE CORP Unit 1515, 15/F Ayala Tower One Ayala Triangle, Ayala Ave. cor Paseo de Roxas Makati City Metropolitan Manila 1226	Own 759-4133/34	Tax Identification Number 162	Domestic PHILIPPINES	200,000.00 NWT
26700000000 18	FIRST METRO SECURITIES BROKERAGE CORP Unit 1515, 15/F Ayala Tower One Ayala Triangle, Ayala Ave. cor Paseo de Roxas Makati City Metropolitan Manila 1226	Settlement 759-4133/34	Tax Identification Number 162	Foreign PHILIPPINES	23,520.00 RA10
26900000000 5	WEALTH SECURITIES, INC. 2103 PSE Centre, Exchange Road Ortigas Centre, Pas City Metropolitan Manila 1600	Omnibus Without Client 634-5038	Tax Identification Number 164	Domestic PHILIPPINES	485,060.00 PH10
26900000000 7	WEALTH SECURITIES, INC. 2103 PSE Centre, Exchange Road Ortigas Centre, Pas City Metropolitan Manila 1600	Own 634-5038	Tax Identification Number 164	Domestic PHILIPPINES	57.00 NWT

BP ID ACCOUNT NO.	BP NAME ADDRESS	ACCOUNT TYPE TELEPHONE NUMBER	ID TYPE ID NUMBER	INVESTOR TYPE COUNTRY	HOLDINGS TAXCODE
26900000002 1	WEALTH SECURITIES, INC. 2103 PSE Centre, Exchange Road Ortigas Centre, Pas City Metropolitan Manila 1600	Client 689-8080	Tax Identification Number 320	Domestic PHILIPPINES	1,266,500.00 NWT
26900000003 1	WEALTH SECURITIES, INC. 2103 PSE Centre, Exchange Road Ortigas Centre, Pas City Metropolitan Manila 1600	Client 689-8080	Tax Identification Number 321	Domestic PHILIPPINES	37,000.00 NWT
27000000000 5	WESTLINK GLOBAL EQUITIES, INC. 6/F Philippine Stock Exchange Plaza Ayala Avenue, Makati City Metropolitan Manila 1200	Omnibus Without Client 848-6231	Tax Identification Number 165	Domestic PHILIPPINES	8,000.00 PH10
27000000000 6	WESTLINK GLOBAL EQUITIES, INC. 6/F Philippine Stock Exchange Plaza Ayala Avenue, Makati City Metropolitan Manila 1200	Settlement 848-6231	Tax Identification Number 165	Domestic PHILIPPINES	1,600.00 NWT
27200000000 5	BERNAD SECURITIES, INC. 3/F 1033 M.H. del Pilar St. Ermita, Manila Metropolitan Manila 1000	Omnibus Without Client 5245186	Tax Identification Number 167	Domestic PHILIPPINES	7,000.00 PH10
27200000000 6	BERNAD SECURITIES, INC. 3/F 1033 M.H. del Pilar St. Ermita, Manila Metropolitan Manila 1000	Settlement 5245186	Tax Identification Number 167	Domestic PHILIPPINES	195,000.00 NWT
27200000000 8	BERNAD SECURITIES, INC. 3/F 1033 M.H. del Pilar St. Ermita, Manila Metropolitan Manila 1000	Settlement 5245186	Tax Identification Number 167	Domestic PHILIPPINES	80,000.00 NWT
27500000000 5	YAO & ZIALCITA, INC. Yao & Zialcita, Inc., 5G Vernida I Condominium, 12C Amorsolo St., Legaspi Village, Makati City Metropolitan Manila	Omnibus Without Client 5274019 to 21	Tax Identification Number 170	Domestic PHILIPPINES	348,000.00 PH10

BP ID ACCOUNT NO.	BP NAME ADDRESS	ACCOUNT TYPE TELEPHONE NUMBER	ID TYPE ID NUMBER	INVESTOR TYPE COUNTRY	HOLDINGS TAXCODE
27800000000 5	YU & COMPANY, INC. Unit E 1606-B Tektite Tower 1 Exhange Road, Ortiga Center Pasig City Metropolitan Manila 1600	Omnibus Without Client 634-6248	Tax Identification Number 173	Domestic PHILIPPINES	511,000.00 PH10
27900000000 1	BDO SECURITIES CORPORATION 27/F Tower I & Exchange Plaza Ayala Ave., Makati City Metropolitan Manila 1226	Omnibus Without Client 759-41-44	Tax Identification Number 174	Foreign PHILIPPINES	36,000.00 FMX1
27900000000 5	BDO SECURITIES CORPORATION 27/F Tower I & Exchange Plaza Ayala Ave., Makati City Metropolitan Manila 1226	Omnibus Without Client 759-41-44	Tax Identification Number 174	Domestic PHILIPPINES	172,157,498.00 PH10
27900000000 6	BDO SECURITIES CORPORATION 27/F Tower I & Exchange Plaza Ayala Ave., Makati City Metropolitan Manila 1226	Settlement 759-41-44	Tax Identification Number 174	Domestic PHILIPPINES	30,014,028.00 NWT
27900000000 7	BDO SECURITIES CORPORATION 27/F Tower I & Exchange Plaza Ayala Ave., Makati City Metropolitan Manila 1226	Own 759-41-44	Tax Identification Number 174	Domestic PHILIPPINES	50,000.00 NWT
28200000000 5	PCCI SECURITIES BROKERS CORP. 3/F PCCI Corporate Centre 118 Alfaro St, Salcedo Village Makati City Metropolitan Manila 1227	Omnibus Without Client 893-3920	Tax Identification Number 177	Domestic PHILIPPINES	5,000.00 PH10
28200000000 6	PCCI SECURITIES BROKERS CORP. 3/F PCCI Corporate Centre 118 Alfaro St, Salcedo Village Makati City Metropolitan Manila 1227	Settlement 893-3920	Tax Identification Number 177	Domestic PHILIPPINES	824,313.00 NWT

BP ID ACCOUNT NO.	BP NAME ADDRESS	ACCOUNT TYPE TELEPHONE NUMBER	ID TYPE ID NUMBER	INVESTOR TYPE COUNTRY	HOLDINGS TAXCODE
28200000000 14	PCCI SECURITIES BROKERS CORP. 3/F PCCI Corporate Centre 118 Alfaro St, Salcedo Village Makati City Metropolitan Manila 1227	Settlement 893-3920	Tax Identification Number 177	Domestic PHILIPPINES	1,164,840.00 PH10
28300000000 5	EAGLE EQUITIES, INC. 179 Kaimito St. Valle Verde II, Pasig City Metropolitan Manila 1600	Omnibus Without Client 6363637 to 39	Tax Identification Number 178	Domestic PHILIPPINES	64,700.00 PH10
28600000000 5	SOLAR SECURITIES, INC. Unit 3002-A East Tower, Phil. Stock Exchange Centre Exchange Road, Ortigas Complex, Pasig City Metropolitan Manila 1605	Omnibus Without Client 6366301	Tax Identification Number 180	Domestic PHILIPPINES	311,750.00 PH10
28800000000 6	G.D. TAN & COMPANY, INC. Unit 2203-A East Tower, PSE Center Exchange Road, Ortigas Center, Pasig City Metropolitan Manila 1600	Settlement 6339989	Tax Identification Number 181	Domestic PHILIPPINES	650.00 NWT
28800000000 18	G.D. TAN & COMPANY, INC. Unit 2203-A East Tower, PSE Center Exchange Road, Ortigas Center, Pasig City Metropolitan Manila 1600	Settlement 6339989	Tax Identification Number 181	Foreign PHILIPPINES	250.00 RA10
32300000000 4	CLSA PHILIPPINES, INC. Trafalgar Plaza, Unit 17-D, 105 H.V. dela Costa St., Salcedo Vill., Makati City Metropolitan Manila 1227	Settlement 848-3699	Tax Identification Number 183	Foreign PHILIPPINES	70.00 RA02
32800000000 5	DW CAPITAL INC. UNIT 1610-1611 TOWER ONE & EXCHANGE PLAZA, AYALA TRIANGLE, AYALA AVENUE, MAKATI CITY 1226 Metropolitan Manila 0	Omnibus Without Client 8369633	Tax Identification Number 184	Domestic PHILIPPINES	11,000.00 PH10

BP ID ACCOUNT NO.	BP NAME ADDRESS	ACCOUNT TYPE TELEPHONE NUMBER	ID TYPE ID NUMBER	INVESTOR TYPE COUNTRY	HOLDINGS TAXCODE
33300000000 14	UBS SECURITIES PHILIPPINES, INC. 19/F Ayala Tower One, Ayala Ave., Makati City Metropolitan Manila 1200	Settlement 754-8813	Tax Identification Number 185	Domestic PHILIPPINES	40,000.00 PH10
33800000000 8	PHILIPPINE EQUITY PARTNERS, INC. Unit 19C Citibank Tower Citibank Plaza 8741 Paseo d Roxas Makati City Metropolitan Manila 1226	Settlement 8145788	Tax Identification Number 186	Domestic PHILIPPINES	610.00 NWT
33800000002 1	PHILIPPINE EQUITY PARTNERS, INC. Unit 19C Citibank Tower Citibank Plaza 8741 Paseo d Roxas Makati City Metropolitan Manila 1226	Client	Tax Identification Number 426	Domestic PHILIPPINES	60,000.00 PH10
34500000000 6	UNICAPITAL SECURITIES INC. 4F Majalco Bldg Benavidez cor Trasierra Sts Legaspi Vill., Makati City Metropolitan Manila 1200	Settlement 750-2030	Tax Identification Number 187	Domestic PHILIPPINES	57,700.00 NWT
34500000000 14	UNICAPITAL SECURITIES INC. 4F Majalco Bldg Benavidez cor Trasierra Sts Legaspi Vill., Makati City Metropolitan Manila 1200	Settlement 750-2030	Tax Identification Number 187	Domestic PHILIPPINES	311,070.00 PH10
34500000003 1	UNICAPITAL SECURITIES INC. 4F Majalco Bldg Benavidez cor Trasierra Sts Legaspi Vill., Makati City Metropolitan Manila 1200	Client 8122514	Tax Identification Number 418	Domestic PHILIPPINES	36,500.00 NWT
36800000000 5	SunSecurities, Inc. 2703 27th Floor One Corporate Center, J. Vargas Cor. Meralco Ave., Ortigas Center, Pasig City Metropolitan Manila 1605	Omnibus Without Client 477-6001	Tax Identification Number 007-258-688	Domestic PHILIPPINES	3,400.00 PH10

BP ID ACCOUNT NO.	BP NAME ADDRESS	ACCOUNT TYPE TELEPHONE NUMBER	ID TYPE ID NUMBER	INVESTOR TYPE COUNTRY	HOLDINGS TAXCODE
38800000000 5	ARMSTRONG SECURITIES, INC. Unit 2205-A, 22/F PSE Centre Exchange Road, Ortiga Centre, Pasig City Metropolitan Manila 1600	Omnibus Without Client 6346337 to 39	Tax Identification Number 191	Domestic PHILIPPINES	8,200.00 PH10
38800000000 18	ARMSTRONG SECURITIES, INC. Unit 2205-A, 22/F PSE Centre Exchange Road, Ortiga Centre, Pasig City Metropolitan Manila 1600	Settlement 6346337 to 39	Tax Identification Number 191	Foreign PHILIPPINES	10,000.00 RA10
38900000000 5	KING'S POWER SECURITIES, INC. RM 1602 FEDERAL TOWER DASMARINAS ST., BINONDO, MANILA Metropolitan Manila 0	Omnibus Without Client	Tax Identification Number 192	Domestic PHILIPPINES	7,000.00 PH10
BCDO2000000 1	BANCO DE ORO - TRUST BANKING GROUP 17/F, South Tower, BDO Corporate Centre cor H.V. Dela Costa and Makati Avenue Makati City City Metropolitan Manila 1200	Own 634 4660	Tax Identification Number 962	Domestic PHILIPPINES	2,941,260.00 NWT
BCDO2000005 1	GENERALI PILIPINAS LIFE ASSURANCE COMPANY - GF 17/F, South Tower, BDO Corporate Centre cor H.V. Dela Costa and Makati Avenue Makati City City Metropolitan Manila 1200	Client 634 4660	Tax Identification Number 1242	Domestic PHILIPPINES	1,511,600.00 NWT
BCDO2000007 1	BANCO DE ORO - TRUST BANKING GROUP 17/F, South Tower, BDO Corporate Centre cor H.V. Dela Costa and Makati Avenue Makati City City Metropolitan Manila 1200	Client 634 4660	Tax Identification Number 1224	Domestic PHILIPPINES	1,105,870.00 NWT
BCDO2000009 1	BANCO DE ORO - TRUST BANKING GROUP 17/F, South Tower, BDO Corporate Centre cor H.V. Dela Costa and Makati Avenue Makati City City Metropolitan Manila 1200	Client 634 4660	Tax Identification Number 1222	Domestic PHILIPPINES	865,100.00 NWT

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BCDO2000010 1	BANCO DE ORO - TRUST BANKING GROUP 17/F, South Tower, BDO Corporate Centre cor H.V. Dela Costa and Makati Avenue Makati City City Metropolitan Manila 1200	Client 634 4660	Tax Identification Number 1221	Domestic PHILIPPINES	2,108,240.00 NWT
BCDO2000014 1	BANCO DE ORO - TRUST BANKING GROUP 17/F, South Tower, BDO Corporate Centre cor H.V. Dela Costa and Makati Avenue Makati City City Metropolitan Manila 1200	Client 634 4660	Tax Identification Number 1226	Domestic PHILIPPINES	4,300.00 NWT
BCDO2000015 1	BANCO DE ORO - TRUST BANKING GROUP 17/F, South Tower, BDO Corporate Centre cor H.V. Dela Costa and Makati Avenue Makati City City Metropolitan Manila 1200	Client 634 4660	Tax Identification Number 1227	Domestic PHILIPPINES	5,800.00 NWT
BCDO2000017 1	CLIMBS LIFE AND GENERAL INSURANCE COOPERATIVE 17/F, South Tower, BDO Corporate Centre cor H.V. Dela Costa and Makati Avenue Makati City City Metropolitan Manila 1200	Client 634 4660	Tax Identification Number 1314	Domestic PHILIPPINES	4,200.00 NWT
BCDO2000023 1	BANCO DE ORO - TRUST BANKING GROUP 17/F, South Tower, BDO Corporate Centre cor H.V. Dela Costa and Makati Avenue Makati City City Metropolitan Manila 1200	Client 634 4660	Tax Identification Number 1233	Domestic PHILIPPINES	31,530.00 NWT
BCDO2000026 1	BANCO DE ORO - TRUST BANKING GROUP 17/F, South Tower, BDO Corporate Centre cor H.V. Dela Costa and Makati Avenue Makati City City Metropolitan Manila 1200	Client 634 4660	Tax Identification Number 1236	Domestic PHILIPPINES	83,600.00 NWT
BCDO2000027 1	BANCO DE ORO - TRUST BANKING GROUP 17/F, South Tower, BDO Corporate Centre cor H.V. Dela Costa and Makati Avenue Makati City City Metropolitan Manila 1200	Client 634 4660	Tax Identification Number 1316	Domestic PHILIPPINES	7,700.00 NWT

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BCDO2000028 1	BANCO DE ORO - TRUST BANKING GROUP 17/F, South Tower, BDO Corporate Centre cor H.V. Dela Costa and Makati Avenue Makati City City Metropolitan Manila 1200	Client 634 4660	Tax Identification Number 1237	Domestic PHILIPPINES	3,000.00 NWT
BCDO2000033 1	BANCO DE ORO - TRUST BANKING GROUP 17/F, South Tower, BDO Corporate Centre cor H.V. Dela Costa and Makati Avenue Makati City City Metropolitan Manila 1200	Client 634 4660	Tax Identification Number 1246	Domestic PHILIPPINES	2,891,280.00 NWT
BCDO2000037 1	BDO TRUST BANKING GROUP 16/F SOUTH TOWER, BDO CORPORATE CENTEI 7899 MAKATI AVE., MAKATI CITY Metropolitan Manila	Client 8407000	Commercial Registration Number 1246...	Domestic PHILIPPINES	4,200.00 NWT
BCDO2000051 1	BDO TRUST BANKING GROUP 16F SOUTH TOWER, BDO CORPORATE CENTER 7899 MAKATI AVE., MAKATI CITY Metropolitan Manila	Client 8407000	Tax Identification Number 1246****	Domestic PHILIPPINES	32,000.00 NWT
BCDO2000052 1	BDO TRUST BANKING GROUP 16F SOUTH TOWER, BDO CORPORATE CENTER 7899 MAKATI AVE., MAKATI CITY Metropolitan Manila	Client 8407000	Tax Identification Number 1246*****	Domestic PHILIPPINES	3,300.00 NWT
BCDO2000053 1	BDO TRUST BANKING GROUP 16F SOUTH TOWER, BDO CORPORATE CENTER 7899 MAKATI AVE., MAKATI CITY Metropolitan Manila	Client 8407000	Tax Identification Number 1246******	Domestic PHILIPPINES	29,890.00 NWT
BCDO2000063 1	FEDERAL PHOENIX ASSURANCE CO., INC. 16F SOUTH TOWER, BDO CORPORATE CENTER 7899 MAKATI AVE., MAKATI CITY Metropolitan Manila 0726	Client 8407000	Tax Identification Number 962!	Domestic PHILIPPINES	73,300.00 NWT
BCDO2000064 1	BDO TRUST BANKING GROUP 16F SOUTH TOWER, BDO CORPORATE CENTER 7899 MAKATI AVE., MAKATI CITY Metropolitan Manila 0726	Client 8407000	Certificate Of Incorporation 962'	Domestic PHILIPPINES	28,200.00 NWT

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BCDO2000065 1	BDO TRUST BANKING GROUP 16F SOUTH TOWER, BDO CORPORATE CENTER 7899 MAKATI AVE., MAKATI CITY Metropolitan Manila 0726	Client 8407000	Certificate Of Incorporation IMA#201-78059-0 NO ID	Domestic PHILIPPINES	22,100.00 NWT
BCDO2000066 1	BDO TRUST BANKING GROUP 16F SOUTH TOWER, BDO CORPORATE CENTER 7899 MAKATI AVE., MAKATI CITY Metropolitan Manila 0726	Client 840-7000	Certificate Of Incorporation IMA#201-78064-0 - NO ID	Domestic PHILIPPINES	20,000.00 NWT
BCDO2000067 1	IMA# 201-78065-7 16F SOUTH TOWER, BDO CORPORATE CENTER 7899 MAKATI AVE., MAKATI CITY Metropolitan Manila 0726	Client 840-7000	Tax Identification Number 002-856-707-000	Domestic PHILIPPINES	100,000.00 NWT
BCDO2000068 1	IMA# 208-78180-7 16F SOUTH TOWER, BDO CORPORATE CENTER 7899 MAKATI AVE., MAKATI CITY Metropolitan Manila 0726	Client 840-7000	Tax Identification Number 002-856-707-000*	Domestic PHILIPPINES	1,200.00 NWT
BCDO2000069 2	IMA# 201-78068 16F SOUTH TOWER, BDO CORPORATE CENTER 7899 MAKATI AVE., MAKATI CITY Metropolitan Manila 0726	Client 840-7000	Tax Identification Number 002-856-707-000...***...	Domestic PHILIPPINES	1,800.00 NWT
BCDO2000071 1	IMA#201-78074 16/F SOUTH TOWER, BDO CORPORATE CENTRE 7899 MAKATI AVENUE, MAKATI CITY Metropolitan Manila 0726	Client 840-7000	Tax Identification Number 002-856-707-000?	Domestic PHILIPPINES	103,300.00 NWT
BCDO2000072 1	IMA# 201-78037 16/FLR SOUTH TOWER, BDO CORPORATE CENTRE, 7899 MAKATI AVENUE, MAKATI CITY Metropolitan Manila 0726	Client 840-7000	Tax Identification Number 002-856-707*-000	Domestic PHILIPPINES	25,960.00 NWT

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BCDO2000078 1	IMA#201-78076 16F SOUTH TOWER, BDO CORPORATE CENTER 7899 MAKATI AVE., MAKATI CITY Metropolitan Manila	Client 840-7000	Tax Identification Number 002-856-707-000TINNUMBER	Domestic PHILIPPINES	8,100.00 NWT
BCDO2000085 1	IMA# 208-50271 16/F SOUTH TOWER, BDO CORPORATE CENTEI 7899 MAKATI AVE., MAKATI CITY Metropolitan Manila 0726	Client 840-7000	Tax Identification Number 002-856-707-000tg	Domestic PHILIPPINES	7,200.00 NWT
BCDO2000086 1	IMA# 201-78082 16F SOUTH TOWER, BDO CORPORATE CENTER 7899 MAKATI AVE., MAKATI CITY Metropolitan Manila 0726	Client 840-7000	Tax Identification Number 002-856-707-000.fo	Domestic PHILIPPINES	122,300.00 NWT
BCDO2000089 1	IMA# 201-78086-3 16F SOUTH TOWER, BDO CORPORATE CENTER 7899 MAKATI AVE., MAKATI CITY Metropolitan Manila STMT-E	Client 840-7000	Tax Identification Number 002-856-707-000.FR	Domestic PHILIPPINES	18,500.00 NWT
CHBC1000000 1	CHINA BANKING CORPORATION - TRUST GRO 8/F CBC Building, 8745 Paseo de Roxas cor. Villar Streets Makati City Metropolitan Manila 1200	Own 817-7981	Tax Identification Number 967	Domestic PHILIPPINES	2,529.00 NWT
CHBC1000002 2	CHINA BANKING CORPORATION TRUST GROU 8/F CBC BUILDING, 8745 PASEO DE ROXAS COI VILLAR STS. MAKATI CITY Metropolitan Manila 1200	Client 817-7981	Certificate Of Incorporation 1216.	Domestic PHILIPPINES	582.00 NWT
CHBC1000003 2	CHINA BANKING CORPORATION TRUST GROU 8/F CBC BUILDING, 8745 PASEO DE ROXAS COI VILLAR STS. MAKATI CITY Metropolitan Manila 1200..	Client 817-7981	Certificate Of Incorporation 1216..	Domestic PHILIPPINES	1,649.00 NWT

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CHBC1000004 2	CHINA BANKING CORPORATION TRUST GROU 8/F CBC BUILDING, 8745 PASEO DE ROXAS COI VILLAR STS. MAKATI CITY Metropolitan Manila 1216....	Client 817-7981	Certificate Of Incorporation 1216...	Domestic PHILIPPINES	35,659.00 NWT
CHBC1000005 2	CHINA BANKING CORPORATION TRUST GROU 8/F CBC BUILDING, 8745 PASEO DE ROXAS COI VILLAR STS. MAKATI CITY Metropolitan Manila 1200.......	Client 817-7981	Certificate Of Incorporation 1216......	Domestic PHILIPPINES	349.00 NWT
CHBC1000010 2	CHINA BANKING CORPORATION 8/F CBC BLDG., 8745 PASEO DE ROXAS COR. VILLAR STS., MAKATI CITY Metropolitan Manila	Client 8855854	Passport BALANCED FUND NO ID	Domestic PHILIPPINES	170,000.00 PH10
CITI1000000 1	CITIBANK N.A. 11/F Citibank Tower Villar corner Valero Sts. Makati City, MM Metropolitan Manila 1200	Own 8947841	Tax Identification Number 946	Foreign PHILIPPINES	32,877,380.00 FMX1
CITI1000001 1	CITIBANK N.A. 11/F Citibank Tower Villar corner Valero Sts. Makati City, MM Metropolitan Manila 1200	Client 8947841	Tax Identification Number 1098	Domestic PHILIPPINES	18,777,840.00 NWT
CITI1000003 1	CITIBANK N.A. 11/F Citibank Tower Villar corner Valero Sts. Makati City, MM Metropolitan Manila 1200	Client 8947841	Tax Identification Number 1102	Domestic PHILIPPINES	422,180.00 NWT
CITI1000004 1	CITIBANK N.A. 11/F Citibank Tower Villar corner Valero Sts. Makati City, MM Metropolitan Manila 1200	Client 8947841	Tax Identification Number 1101	Foreign PHILIPPINES	6,803,944.00 RA02

BP ID ACCOUNT NO.	BP NAME ADDRESS	ACCOUNT TYPE TELEPHONE NUMBER	ID TYPE ID NUMBER	INVESTOR TYPE COUNTRY	HOLDINGS TAXCODE
CITI1000006 1	CITIBANK FAO PHILIPPINE AXA WEALTH BALANCED 11/F Citibank Tower Villar corner Valero Sts. Makati City, MM Metropolitan Manila 1200	Client 8947841	Tax Identification Number 1295	Domestic PHILIPPINES	1,012,740.00 NWT
CITI1000007 1	CITIBANK FAO PHILIPPINE AXA WEALTH EQUITY 11/F Citibank Tower Villar corner Valero Sts. Makati City, MM Metropolitan Manila 1200	Client 8947841	Tax Identification Number 1103	Domestic PHILIPPINES	1,674,470.00 NWT
CITI1000008 1	CITIBANK FAO PHILIPPINE AXA LOCKED AND LOADED-EQUITIES 11/F Citibank Tower Villar corner Valero Sts. Makati City, MM Metropolitan Manila 1200	Client 8947841	Tax Identification Number 1105	Domestic PHILIPPINES	58,850.00 NWT
CITI1000010 1	CITIBANK N.A. 11/F Citibank Tower Villar corner Valero Sts. Makati City, MM Metropolitan Manila 1200	Client 8947841	Tax Identification Number 1100	Domestic PHILIPPINES	11,379,609.00 NWT
CITI1000011 1	CITIBANK FAO PHILIPPINE AXA OPPORTUNIT` 2/F CITI TOWER, PASEO DE ROXAS, MAKATI CITY Metropolitan Manila 1226	Client 894-7714	Tax Identification Number 1100*	Domestic PHILIPPINES	146,400.00 NWT
CITI1000014 1	CITIBANK FAO PHILIPPINE AXA LIFE INSURANCE CORP. 2ND CITIBANK TOWER 8741 PASEO DE ROXAS MAKATI CITY Metropolitan Manila	Client 894-7200	Certificate Of Incorporation CITI1000014	Domestic PHILIPPINES	215,030.00 NWT

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CITI1000015 1	CITIBANK FAO PHILIPPINE AXA CHINESE TYCOON 2ND FLOOR CITIBANK TOWER SECURITIES AN FUNDS SERVICES MAKATI CITY Metropolitan Manila 1226	Client 894-7200	Certificate Of Incorporation ID2	Domestic PHILIPPINES	392,300.00 NWT
DEUB1000000 1	DEUTSCHE BANK MANILA-CLIENTS A/C 26/F Ayala Tower One Ayala Triangle, Makati City Metropolitan Manila 1226	Own 8946970	Tax Identification Number 948	Foreign PHILIPPINES	103,279,909.00 FMX1
DEUB2000000 1	DEUTSCHE BANK MANILA-CLIENTS A/C 26/F ayala Tower One, Ayala Triangle, Makati City Metropolitan Manila 1226	Own 894-6970	Tax Identification Number 949	Domestic PHILIPPINES	775,146.00 NWT
DEUB2000003 1	DEUTSCHE BANK MANILA-CLIENTS A/C 26/F ayala Tower One, Ayala Triangle, Makati City Metropolitan Manila 1226	Client 894-6970	Tax Identification Number 1088	Domestic PHILIPPINES	647,228.00 NWT
DEUB2000005 1	DEUTSCHE BANK MANILA-CLIENTS A/C 26/F ayala Tower One, Ayala Triangle, Makati City Metropolitan Manila 1226	Client 894-6970	Tax Identification Number 1087	Domestic PHILIPPINES	2,649,303.00 NWT
DEUB2000006 1	DEUTSCHE BANK MANILA-CLIENTS A/C 26/F ayala Tower One, Ayala Triangle, Makati City Metropolitan Manila 1226	Client 894-6970	Tax Identification Number 1290	Domestic PHILIPPINES	8,475.00 PH10
DEUB2000007 1	DEUTSCHE BANK AG MANILA BRANCH A/C CLIENTS DEUB20 23F AYALA TOWER ONE AYALA AVE. MAKAT CITY Metropolitan Manila	Client 8946989	Certificate Of Incorporation 000-449-586-000	Domestic PHILIPPINES	374,600.00 PH10
GSIS1000000 1	GOVERNMENT SERVICE INSURANCE SYSTEM GSIS Hqs., Financial Center Roxas Blvd., Pasay City Metropolitan Manila 0	Own 891-6346	Tax Identification Number 974	Domestic PHILIPPINES	44,047,320.00 NWT

BP ID ACCOUNT NO.	BP NAME ADDRESS	ACCOUNT TYPE TELEPHONE NUMBER	ID TYPE ID NUMBER	INVESTOR TYPE COUNTRY	HOLDINGS TAXCODE
HSBC1000000 1	THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -CLIENTS' ACCT. HSBC Securities Services 12th Floor, The Enterprise Center, Tower I 6766 Ayala Avenue corner Paseo de Roxas Makati City Metropolitan Manila 1200	Own 8145200	Tax Identification Number 951	Foreign PHILIPPINES	200,249,843.00 FMX1
HSBC1000010 1	THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -CLIENTS' ACCT. HSBC Securities Services 12th Floor, The Enterprise Center, Tower I 6766 Ayala Avenue corner Paseo de Roxas Makati City Metropolitan Manila 1200	Client 8145200	Tax Identification Number 1066	Foreign PHILIPPINES	8,440,830.00 CH17
HSBC1000013 1	THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -CLIENTS' ACCT. HSBC Securities Services 12th Floor, The Enterprise Center, Tower I 6766 Ayala Avenue corner Paseo de Roxas Makati City Metropolitan Manila 1200	Client 8145200	Tax Identification Number 1069	Foreign PHILIPPINES	2,289,380.00 FR17
HSBC1000016 1	THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -CLIENTS' ACCT. HSBC Securities Services 12th Floor, The Enterprise Center, Tower I 6766 Ayala Avenue corner Paseo de Roxas Makati City Metropolitan Manila 1200	Client 8145200	Tax Identification Number 1085	Foreign PHILIPPINES	2,398,090.00 HK18
HSBC1000025 1	THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -CLIENTS' ACCT. HSBC Securities Services 12th Floor, The Enterprise Center, Tower I 6766 Ayala Avenue corner Paseo de Roxas Makati City Metropolitan Manila 1200	Client 8145200	Tax Identification Number 1288	Foreign PHILIPPINES	14,618,000.00 NO15

BP ID ACCOUNT NO.	BP NAME ADDRESS	ACCOUNT TYPE TELEPHONE NUMBER	ID TYPE ID NUMBER	INVESTOR TYPE COUNTRY	HOLDINGS TAXCODE
HSBC1000028 1	THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -CLIENTS' ACCT. HSBC Securities Services 12th Floor, The Enterprise Center, Tower I 6766 Ayala Avenue corner Paseo de Roxas Makati City Metropolitan Manila 1200	Client 8145200	Tax Identification Number 1077	Foreign PHILIPPINES	7,454,410.00 SI15
HSBC1000031 1	THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -CLIENTS' ACCT. HSBC Securities Services 12th Floor, The Enterprise Center, Tower I 6766 Ayala Avenue corner Paseo de Roxas Makati City Metropolitan Manila 1200	Client 8145200	Tax Identification Number 1079	Foreign PHILIPPINES	557,850.00 SZ17
HSBC1000032 1	THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -CLIENTS' ACCT. HSBC Securities Services 12th Floor, The Enterprise Center, Tower I 6766 Ayala Avenue corner Paseo de Roxas Makati City Metropolitan Manila 1200	Client 8145200	Tax Identification Number 1287	Foreign PHILIPPINES	8,240,120.00 UA00
HSBC1000034 1	THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -CLIENTS' ACCT. HSBC Securities Services 12th Floor, The Enterprise Center, Tower I 6766 Ayala Avenue corner Paseo de Roxas Makati City Metropolitan Manila 1200	Client 8145200	Tax Identification Number 1081	Foreign PHILIPPINES	295,870.00 US15
HSBC1000035 1	THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -CLIENTS' ACCT. HSBC Securities Services 12th Floor, The Enterprise Center, Tower I 6766 Ayala Avenue corner Paseo de Roxas Makati City Metropolitan Manila 1200	Client 8145200	Tax Identification Number 1082	Foreign PHILIPPINES	17,910,110.00 US21

BP ID ACCOUNT NO.	BP NAME ADDRESS	ACCOUNT TYPE TELEPHONE NUMBER	ID TYPE ID NUMBER	INVESTOR TYPE COUNTRY	HOLDINGS TAXCODE
HSBC2000000 1	THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -CLIENTS' ACCT. HSBC Securities Services 12th Floor, The Enterprise Center, Tower I 6766 Ayala Avenue corner Paseo de Roxas Makati City Metropolitan Manila 1200	Own 814-5200	Tax Identification Number 952	Domestic PHILIPPINES	31,872,781.00 NWT
HSBC2000005 1	INSULAR LIFE ASSURANCE CO., LTD - VUL-EF HSBC Securities Services 7th Floor, HSBC Centre, 3058 Fifth Avenue West, Bonifacio Global City, Taguig City Metropolitan Manila	Client 581-8203	Tax Identification Number 1054 -	Domestic PHILIPPINES	1,321,380.00 NWT
HSBC2000007 1	THE INSULAR LIFE ASSURANCE COMPANY, L IL COPORATE CENTRE, INSULAR LIFE DRIVE, FILINVEST CORPORATE CITY, ALABANG MUNTINLUPA CITY Metropolitan Manila 1226	Client 582-1875	Certificate Of Incorporation 1054..	Domestic PHILIPPINES	1,191,900.00 NWT
HSBC2000008 1	THE INSULAR LIFE ASSURANCE COMPANY, L IL CORPORATE CENTRE, INSULAR LIFE DRIVE FILINVEST CORPORATE CITY, ALABANG MUNTINLUPA CITY Metropolitan Manila STMT-D	Client 7711915	Certificate Of Incorporation 1054...	Domestic PHILIPPINES	1,030,750.00 NWT
HSBC2000009 1	THE MANUFACTURERS LIFE INSURANCE CO. (PHILS.), INC. 16/F LKG TOWER, 6801 AYALA AVENUE, MAK CITY Metropolitan Manila STMT-D	Client 884-5409	Certificate Of Incorporation NO ID*	Domestic PHILIPPINES	699,900.00 NWT
HSBC2000010 1	MANULIFE CHINABANK LIFE ASSURANCE CO 24/F LKG TOWER, 6801 AYALA AVENUE, MAK CITY Metropolitan Manila STMT-D	Client 884-5409	Certificate Of Incorporation NO ID	Domestic PHILIPPINES	630,650.00 NWT

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HSBC2000011 1	SUN LIFE GREPA FINANCIAL, INC. 5/FLR SUNLIFE CENTRE 5TH AVENUE COR RIZ DRIVE, BONIFACIO GLOBAL CITY, TAGUIG CI Metropolitan Manila 1634	Client 555-8888	Tax Identification Number 000-460-716-000	Domestic PHILIPPINES	4,521,950.00 NWT
HSBC3000000 1	THE HONGKONG & SHANGHAI BANKING COR LTD. -OWN ACCOUNT HSBC Securities Services 12th Floor, The Enterprise Center, Tower I 6766 Ayala Avenue corner Paseo de Roxas Makati City Metropolitan Manila 1200	Own 636-7370	Tax Identification Number 953	Foreign PHILIPPINES	1,200.00 RA02
LBPT1000000 1	LAND BANK OF THE PHILIPPINES-TRUST BANKING GROUP LBP PLAZA 1598 M.H. DEL PILAR COR DR. J. QUINTOS STS., MALATE MANILA Metropolitan Manila 1004	Own 405-7550	Tax Identification Number 000-470-394-000	Domestic PHILIPPINES	3,850.00 NWT
LBPT1000009 1	LBP-TBG AS AGENT FOR 28568 TA 01 LAND BANK OF THE PHILIPPINES COR. DR. J. QUINTOS STS., MALATE, MANILA Metropolitan Manila	Client 405-7554	Tax Identification Number 004-628-891-000*	Domestic PHILIPPINES	3,550.00 NWT
LBPT1000013 1	LBP-TBG AS AGENT FOR 22594 TA 01 LANDBANK PLAZA M.H. DEL PILAR COR DR. J. QUINTOS STS. MALATE MANILA Metropolitan Manila 1004	Client 405-7554	Tax Identification Number 000-839-862-000	Domestic PHILIPPINES	3,100.00 NWT
OOVV1000000 1	UCPB GENERAL INSURANCE CO., INC. 25th Floor, LKG Tower Ayala Avenue, Makati City Metropolitan Manila 1226	Own 884-1225	Tax Identification Number 1007	Domestic PHILIPPINES	20,000.00 NWT
PABC1000000 1	AB CAPITAL & INVESTMENT CORP. - TRUST & INVESTMENT DIV. G/F, Asianbank Centre Bldg., Sen. Gil Puyat Extensio cor. Tordesillas St., Salcedo Village Makati City Metropolitan Manila 0	Own 8930373	Tax Identification Number 899	Domestic PHILIPPINES	649,690.00 NWT

BP ID ACCOUNT NO.	BP NAME ADDRESS	ACCOUNT TYPE TELEPHONE NUMBER	ID TYPE ID NUMBER	INVESTOR TYPE COUNTRY	HOLDINGS TAXCODE
PAUB1000000 1	ASIA UNITED BANK - TRUST & INVESTMENT GROUP 347 G/F Morning Star Bldg. Sen. Gil Puyat, Makati City Metropolitan Manila 1200	Own 899-3485	Tax Identification Number 901	Domestic PHILIPPINES	98,000.00 NWT
PAUBEIF0000 2	PAUB1000000 33/F JOY-NOLSTALG CENTER, ADB AVE. ORTIGAS, PASIG CITY Metropolitan Manila	Client 470-9704	Certificate Of Incorporation PAUBEIF0000	Domestic PHILIPPINES	65,000.00 NWT
PCPL1000002 1	UNITED COCONUT PLANTERS LIFE ASSURANC CORPORATION 6774 Cocolife Building, Ayala Avenue, Makati City Metropolitan Manila 1200	Client 812-9070	Tax Identification Number 1128	Domestic PHILIPPINES	15,000.00 NWT
PNBC2000000 1	PNB-TBG T-10820 3/F PNB Financial Center Roxas Blvd., Pasay City Metropolitan Manila 1300	Own 5263059	Tax Identification Number 986	Domestic PHILIPPINES	1,381,130.00 NWT
PPSB1000000 1	EASTWEST BANKING CORPORATION - TRUST DIVISION 20/F PBCOM TOWER, AYALA AVE., MAKATI CITY Metropolitan Manila 1229	Own 885-0695 L8582	Tax Identification Number 919	Domestic PHILIPPINES	29,420.00 NWT
PSMC1300000 1	SAN MIGUEL BREWERY INC. RETIREMENT PL 40 San Miguel Avenue, Ortigas Center, Mandaluyong City Metropolitan Manila 1550	Own 632-3000	Tax Identification Number 927	Domestic PHILIPPINES	450,000.00 NWT
PSMC2000000 1	SAN MIGUEL CORPORATION RETIREMENT PLAN-STP San Miguel Corporation Retirement Plan 40 San Miguel Avenue, Ortigas Center Mandaluyong City Metropolitan Manila 1550	Own 632-3000	Tax Identification Number 929	Domestic PHILIPPINES	1,617,030.00 NWT

BP ID ACCOUNT NO.	BP NAME ADDRESS	ACCOUNT TYPE TELEPHONE NUMBER	ID TYPE ID NUMBER	INVESTOR TYPE COUNTRY	HOLDINGS TAXCODE
RCBC1000000 1	RCBC TRUST & INVESTMENT DIVISION 333 Sen. Gil J. Puyat Ave. Makati City Metropolitan Manila 1200	Own 894-9017/18	Tax Identification Number 987	Domestic PHILIPPINES	3,919,670.00 NWT
RCBC1000008 1	RCBC TRUST & INVESTMENT DIVISION 333 Sen. Gil J. Puyat Ave. Makati City Metropolitan Manila 1200	Client 894-9017	Certificate Of Incorporation 987	Domestic PHILIPPINES	700.00 NWT
RCBC1000011 1	RCBC TRUST & INVESTMENT DIVISION 333 Sen. Gil J. Puyat Ave. Makati City Metropolitan Manila 1200	Client 894-9017	Certificate Of Incorporation 987****	Domestic PHILIPPINES	23,290.00 NWT
RCBC1000029 1	RCBC TRUST & INVESTMENT DIVISION 333 Sen. Gil J. Puyat Ave. Makati City Metropolitan Manila 1200	Client 894-9017	Certificate Of Incorporation 987................	Domestic PHILIPPINES	11,100.00 NWT
RCBC1000035 1	RCBC TRUST & INVESTMENT DIVISION 333 Sen. Gil J. Puyat Ave. Makati City Metropolitan Manila 1200	Client 894-9017	Certificate Of Incorporation 987......................	Domestic PHILIPPINES	44,000.00 NWT
RCBC1000036 1	RCBC TRUST & INVESTMENT DIVISION 333 Sen. Gil J. Puyat Ave. Makati City Metropolitan Manila 1200	Client 894-9017	Certificate Of Incorporation 987.......................	Domestic PHILIPPINES	2,000.00 NWT
RCBC1000039 1	RCBC TRUST & INVESTMENT DIVISION 333 Sen. Gil J. Puyat Ave. Makati City Metropolitan Manila 1200	Client 894-9017	Certificate Of Incorporation 987...........................	Domestic PHILIPPINES	4,100.00 NWT
RCBC1000043 1	RCBC TRUST & INVESTMENT DIVISION 333 Sen. Gil J. Puyat Ave. Makati City Metropolitan Manila 1200	Client 894-9017	Certificate Of Incorporation 987----	Domestic PHILIPPINES	11,000.00 NWT
RCBC1000048 1	RCBC TRUST & INVESTMENT DIVISION 333 Sen. Gil J. Puyat Ave. Makati City Metropolitan Manila 1200	Client 894-9017	Certificate Of Incorporation 987_.	Domestic PHILIPPINES	17,000.00 NWT

BP ID ACCOUNT NO.	BP NAME ADDRESS	ACCOUNT TYPE TELEPHONE NUMBER	ID TYPE ID NUMBER	INVESTOR TYPE COUNTRY	HOLDINGS TAXCODE
RCBC1000049 1	RCBC TRUST & INVESTMENT DIVISION 333 Sen. Gil J. Puyat Ave. Makati City Metropolitan Manila 1200	Client 894-9017	Certificate Of Incorporation 987`	Domestic PHILIPPINES	200,000.00 NWT
RCBC1000050 1	RCBC TRUST & INVESTMENT DIVISION 333 Sen. Gil J. Puyat Ave. Makati City Metropolitan Manila 1200	Client 894-9017	Certificate Of Incorporation 987``	Domestic PHILIPPINES	300,000.00 NWT
RCBC1000051 1	RCBC TRUST & INVESTMENTS DIVISION 9TH FLOOR TOWER I, 6819 AYALA AVE., MAKA CITY Metropolitan Manila 1200	Client 894-9017	Tax Identification Number 1138***	Domestic PHILIPPINES	24,400.00 NWT
RCBC3000000 1	RCBC TRUST & INVESTMENT DIVISION - VARIOUS TAXABLE ACCTS 333 SEN. GIL J. PUYAT AVE., MAKATI CITY Metropolitan Manila	Own 8783326	Tax Identification Number 987.	Domestic PHILIPPINES	277,850.00 PH10
SCBK1000000 1	STANDARD CHARTERED BANK 6756 Ayala Avenue Makati City Metropolitan Manila 1200	Own 878-2879	Tax Identification Number 957	Foreign PHILIPPINES	21,103,637.00 FMX1
SCBK1000050 1	PRU LIFE INSURANCE CORP. OF UK - LINKED FUND 5TH FLOOR 6788 AYALA AVENUE MAKATI CIT Metropolitan Manila 1200	Client 878-2124	Commercial Registration Number AS096-0511	Domestic PHILIPPINES	3,865,890.00 NWT
SCTD1000000 1	MBTC - TRUST BANKING GROUP 5/F Metrobank Plaza Sen. Gil J. Puyat Ave. Makati City Metropolitan Manila 1200	Own 894-8888	Tax Identification Number 990	Domestic PHILIPPINES	5,273,480.00 NWT
SCTD1000008 1	MBTC TBG AS IM FOR WESTMONT RET PLAN 17TH FLR. GT TOWER INTL AYALA AVE., MAKATI CITY Metropolitan Manila	Client 857-5299	Certificate Of Incorporation 990```	Domestic PHILIPPINES	6,000.00 NWT

BP ID ACCOUNT NO.	BP NAME ADDRESS	ACCOUNT TYPE TELEPHONE NUMBER	ID TYPE ID NUMBER	INVESTOR TYPE COUNTRY	HOLDINGS TAXCODE
SCTD1000009 1	MBTC TBG AS IM FOR MEDICHEM RET PLAN 17TH FLR. GT TOWER INTL AYALA AVE., MAKATI CITY Metropolitan Manila	Client 857-5299	Certificate Of Incorporation 990``	Domestic PHILIPPINES	3,000.00 NWT
SCTD1000010 1	MBTC TBG AS IM FOR PEDIATRICA RET PLAN 17TH FLR. GT TOWER INTL AYALA AVE., MAKATI CITY Metropolitan Manila	Client 857-5299	Certificate Of Incorporation 990`	Domestic PHILIPPINES	2,500.00 NWT
SCTD1000013 1	MBTC TBG AS IM FOR CARITAS HEALTH SHIEI INC. 17TH FLR. GT TOWER INTL AYALA AVE., MAKATI CITY Metropolitan Manila	Client 857-5299	Certificate Of Incorporation 990***	Domestic PHILIPPINES	39,000.00 NWT
SCTD1000014 1	MBTC TBG AS IM FOR BOARD OF TRUSTEES O PERAA RET FUND 17TH FLR. GT TOWER INTL AYALA AVE., MAKATI CITY Metropolitan Manila	Client 857-5299	Certificate Of Incorporation 990**	Domestic PHILIPPINES	87,000.00 NWT
SCTD1000016 1	MBTC TBG AS IM FOR GOVT SERVICE INSURANCE SYSTEM 17TH FLR. GT TOWER INTL AYALA AVE., MAKATI CITY Metropolitan Manila	Client 857-5299	Certificate Of Incorporation 990*	Domestic PHILIPPINES	1,885,670.00 NWT
SCTD1000017 1	MBTC TBG AS INV MGR FOR MERCURY GROU 17TH FLR. GT TOWER INTL AYALA AVE., MAKATI CITY Metropolitan Manila 1200	Client 857-5299	Tax Identification Number 990*	Domestic PHILIPPINES	20,000.00 NWT
SCTD1000019 1	MBTC-TBG AS INV MGR FLG MANAGEMENT & DEVT. CORP. 17TH FLR GT TOWER INTL, AYALA AVE., MAKATI CITY Metropolitan Manila STMT-D	Client 8575299	Certificate Of Incorporation FLG MGNT NO ID	Domestic PHILIPPINES	40,000.00 NWT

BP ID ACCOUNT NO.	BP NAME ADDRESS	ACCOUNT TYPE TELEPHONE NUMBER	ID TYPE ID NUMBER	INVESTOR TYPE COUNTRY	HOLDINGS TAXCODE
SCTD1000020 1	MBTC - TBG AS INV MGR FOR GOLD PROJECT CORP. 17TH FLR GT TOWER INTL AYALA AVE., MAKATI CITY Metropolitan Manila 1200	Client 8575299	Tax Identification Number 000 477 863 000::	Domestic PHILIPPINES	51,000.00 NWT
SCTD1000021 1	MBTC TBG AS IM FOR 3011-00001-11 17TH FLR GT TOWER INTL AYALA AVE., MAKATI CITY Metropolitan Manila 1200	Client 8575299	Certificate Of Incorporation 000 477 863 000```	Domestic PHILIPPINES	66,000.00 NWT
SCTD1000022 1	MBTC-TBG AS INV MGR FOR PHILIPPINE STOC EXCHANGE 17TH FLR GT TOWER INTL AYALA AVE., MAKATI CITY Metropolitan Manila 1200	Client 8575299	Tax Identification Number 000477863000.	Domestic PHILIPPINES	45,050.00 NWT
SCTD1000029 1	MBTC TBG AS IM FOR NARRA PRINCETON HOLDINGS LIMITED 17TH FLR GT TOWER INTERNATIONAL AYALA AVENUE, MAKATI CITY Metropolitan Manila	Client 857-5299	Certificate Of Incorporation SCTD1000029	Foreign PHILIPPINES	5,200.00 VI24
SCTD1000031 1	MBTC TBG AS INVT. MNGR. FOR 3011-00305-08 17TH FLR GT TOWER INTERNATIONAL AYALA AVENUE, MAKATI CITY Metropolitan Manila	Client 857-5299	Tax Identification Number 000-477-863-000}	Domestic PHILIPPINES	24,000.00 NWT
SSSI1000000 1	SOCIAL SECURITY SYSTEM SSS Bldg., East Ave., Diliman, Quezon City Metropolitan Manila 0	Own 926-1644	Tax Identification Number 994	Domestic PHILIPPINES	28,133,780.00 NWT
UCPB1000000 1	UNITED COCONUT PLANTERS BANK-TRUST BANKING 5/F, UCPB Bldg., Makati Ave. Makati City Metropolitan Manila 0	Own 8119500	Tax Identification Number 995	Domestic PHILIPPINES	2,375,490.00 NWT

BP ID ACCOUNT NO.	BP NAME ADDRESS	ACCOUNT TYPE TELEPHONE NUMBER	ID TYPE ID NUMBER	INVESTOR TYPE COUNTRY	HOLDINGS TAXCODE
UFIO1000000 1	UNITED FUND, INC. Cocolife Building, Ayala Avenue, Makati City Metropolitan Manila 1226	Own 8106944	Tax Identification Number 941	Domestic PHILIPPINES	66,330.00 NWT
			Total Holdings	:	909,251,526.00
Grand Total				:	909,251,526.00

If no written notice of any error or correction is received by PDTC within five (5) calendar days from receipt hereof, you shall be deemed to have accepted the accuracy and completeness of the details indicated in this report.

This document is computer generated and requires no signature.

DMCI HOLDINGS
INCORPORATED

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

(632) 888 • 3000
Facsimile
(632) 816 • 7362
E-Mail
investor_inquiries@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, 2012 and 2011, in accordance with the prescribed financial reporting framework indicated therein. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of 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 or members.

SyCip Gorres Velayo & Co., the independent auditors, appointed by the stockholders has examined the consolidated financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such examination.

Signed under oath by:

DAVID M. CONSUNJI
Chairman of the Board

ISIDRO A. CONSUNJI
President & Chief Executive Officer

HERBERT M. CONSUNJI
Vice President & Chief Finance Officer

Signed this 12th day of April, 2013

Subsidiaries:
D.M. Consunji, Inc.
DMCI Project Developers, Inc.
DMCI Power Corporation
DMCI Mining Corporation
Semirara Mining Corporation
DMCI-MPIC Water Co., Inc.
Wire Rope Corporation of the Phils.

SUBSCRIBED AND SWORN to before me this 17 day of APR 2013 2013 in Makati City, affiant exhibiting to me their Community Tax Certificates which are as follows:

DAVID M. CONSUNJI	22021383	January 15, 2013	Makati City
ISIDRO A. CONSUNJI	10659096	January 16, 2013	Makati City
HERBERT M. CONSUNJI	22026890	January 14, 2013	Makati City

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Book No. 334
Series of 2013

ATTY. LOPE M. VELASCO
NOTARY PUBLIC
Until December 31, 2013
Appt. No. M-136 Makati City
IBP #905610-Pasig City-11/09/12
PTR #3671504-MAKATI-01/02/13
TIN # 212-965-989
S.C. Roll No. 28757
#250 Sen. Gil Puyat Ave., San Lorenzo Village, Makati City

DMCI Holdings, Inc. and Subsidiaries

Consolidated Financial Statements
December 31, 2012 and 2011

and

Independent Auditors' Report

SyCip Gorres Velayo & Co.

SGV & Co
Ernst & Young

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Phone: (632) 891 0307
Fax: (632) 819 0872
www.sgv.com.ph

BOA/PRC Reg. No. 0001,
December 28, 2012, valid until December 31, 2015
SEC Accreditation No. 0012-FR-3 (Group A),
November 15, 2012, valid until November 16, 2015

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
DMCI Holdings, Inc.

We have audited the accompanying consolidated financial statements of DMCI Holdings, Inc. and its subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2012 and 2011, and the consolidated statements of income, statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2012, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of DMCI Holdings, Inc. and its subsidiaries as at December 31, 2012 and 2011, and their financial performance and their cash flows for each of the three years in the period ended December 31, 2012 in accordance with Philippine Financial Reporting Standards.

SYCIP GORRES VELAYO & CO.

Michael C. Sabado
Partner
CPA Certificate No. 89336
SEC Accreditation No. 0664-AR-1 (Group A),
March 11, 2011, valid until March 10, 2014
Tax Identification No. 160-302-865
BIR Accreditation No. 08-001998-73-2012,
April 11, 2012, valid until April 10, 2015
PTR No. 3670019, January 2, 2013, Makati City

April 11, 2013

DMCI HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in Thousands)

	December 31	
	2012	2011
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 4 and 34)	**₱9,739,025**	₱15,065,748
Financial assets at fair value through profit or loss (Notes 5 and 34)	**71,260**	71,400
Available-for-sale financial assets (Notes 6 and 34)	**88,553**	59,910
Receivables (Notes 7, 21 and 34)	**11,175,527**	8,407,880
Costs and estimated earnings in excess of billings on uncompleted contracts (Note 8)	**122,737**	452,084
Inventories (Note 9)	**21,515,161**	17,484,675
Other current assets (Note 10)	**5,493,252**	4,567,316
Total Current Assets	**48,205,515**	46,109,013
Noncurrent Assets		
Noncurrent receivables (Notes 7 and 34)	**5,242,743**	2,438,697
Available-for-sale financial assets (Notes 6 and 34)	**–**	164,507
Investments in associates, jointly controlled entity and others (Note 11)	**14,357,000**	10,849,383
Investment properties (Note 12)	**276,447**	142,159
Property, plant and equipment (Note 13)	**25,724,232**	23,417,603
Deferred tax assets - net (Note 29)	**10,741**	16,140
Pension assets (Note 23)	**6,211**	4,355
Other noncurrent assets (Note 14)	**1,431,998**	1,041,832
Total Noncurrent Assets	**47,049,372**	38,074,676
	₱95,254,887	₱84,183,689
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term debt (Notes 15 and 34)	**₱632,971**	₱1,490,648
Current portion of liabilities for purchased land (Notes 16 and 34)	**929,379**	471,886
Accounts and other payables (Notes 17 and 34)	**12,338,919**	11,951,574
Billings in excess of costs and estimated earnings on uncompleted contracts (Note 8)	**355,247**	750,744
Customers' advances and deposits (Note 18)	**5,258,050**	3,638,509
Current portion of long-term debt (Notes 19 and 34)	**6,642,262**	3,813,948
Income tax payable	**89,442**	138,199
Payable to related parties (Notes 21 and 34)	**61,215**	301,372
Total Current Liabilities	**26,307,485**	22,556,880

(Forward)

	December 31	
	2012	2011
Noncurrent Liabilities		
Long-term debt - net of current portion (Notes 19 and 34)	**₱18,190,853**	₱17,775,617
Liabilities for purchased land - net of current portion (Notes 16 and 34)	**215,945**	460,047
Deferred tax liabilities - net (Note 29)	**818,441**	1,008,459
Pension liabilities (Note 23)	**203,550**	180,305
Other noncurrent liabilities (Notes 20 and 34)	**1,527,655**	1,732,378
Total Noncurrent Liabilities	**20,956,444**	21,156,806
Total Liabilities	**47,263,929**	43,713,686
Equity (Note 22)		
Equity attributable to equity holders of the DMCI Holdings, Inc.:		
Paid-in capital	**7,420,815**	7,420,815
Retained earnings	**33,238,094**	26,633,072
Premium on acquisition of non-controlling interests	**(161,033)**	(161,033)
Other comprehensive gain (loss) (Note 35)	**28,910**	(1,090)
	40,526,786	33,891,764
Non-controlling interests	**7,464,172**	6,578,239
Total Equity	**47,990,958**	40,470,003
	₱95,254,887	₱84,183,689

See accompanying Notes to Consolidated Financial Statements.

DMCI HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(Amounts in Thousands, except for Earnings Per Share figures)

	Years Ended December 31		
	2012	2011	2010
REVENUE			
Mining	**₱16,373,200**	₱18,682,228	₱16,029,885
Construction contracts	**14,773,250**	10,277,235	10,729,337
Electricity sales	**11,079,789**	10,420,559	8,948,308
Real estate sales	**9,219,331**	8,251,128	7,704,893
Merchandise sales and others	**294,309**	171,435	71,386
	51,739,879	47,802,585	43,483,809
COSTS OF SALES AND SERVICES (Note 24)			
Construction contracts	**13,029,950**	8,629,612	8,798,377
Mining	**10,669,671**	11,566,728	11,025,348
Electricity sales	**6,276,353**	7,019,858	5,974,593
Real estate sales	**4,434,929**	4,080,030	4,758,532
Merchandise sales and others	**169,732**	132,752	47,033
	34,580,635	31,428,980	30,603,883
GROSS PROFIT	**17,159,244**	16,373,605	12,879,926
OPERATING EXPENSES (Note 25)	**5,890,694**	5,205,907	4,755,130
	11,268,550	11,167,698	8,124,796
OTHER INCOME (EXPENSES)			
Equity in net earnings of associates (Note 11)	**2,317,232**	2,185,199	1,893,197
Finance income (Note 26)	**849,864**	1,098,176	1,058,041
Finance costs (Note 27)	**(1,198,528)**	(1,261,885)	(1,577,130)
Other income - net (Note 28)	**786,382**	432,873	487,947
INCOME BEFORE INCOME TAX	**14,023,500**	13,622,061	9,986,851
PROVISION FOR INCOME TAX (Note 29)	**1,475,774**	1,345,155	1,029,135
INCOME BEFORE CONTINUING OPERATIONS	**12,547,726**	12,276,906	8,957,716
INCOME AFTER TAX FROM DISCONTINUED OPERATIONS (Note 39)	**–**	–	677,345
NET INCOME (Note 33)	**₱12,547,726**	₱12,276,906	₱9,635,061
NET INCOME ATTRIBUTABLE TO			
Equity holders of DMCI Holdings, Inc.			
Income from continuing operations	**₱9,791,615**	₱9,595,451	₱7,201,534
Income from discontinued operations	**–**	–	665,749
Income for the year	**9,791,615**	9,595,451	7,867,283
Non-controlling interests			
Income from continuing operations	**2,756,111**	2,681,455	1,756,182
Income from discontinued operations	**–**	–	11,596
Income for the year	**2,756,111**	2,681,455	1,767,778
	₱12,547,726	₱12,276,906	₱9,635,061
EARNINGS PER SHARE (Note 30)			
Basic/Diluted, income for the year	**₱3.69**	₱3.61	₱2.96
Basic/Diluted, income from continuing operations	**3.69**	3.61	2.71
Basic/Diluted, income from discontinued operations	**–**	–	0.25

See accompanying Notes to Consolidated Financial Statements.

DMCI HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Thousands)

	Years Ended December 31		
	2012	2011	2010
NET INCOME	**₱12,547,726**	₱12,276,906	₱9,635,061
OTHER COMPREHEHESIVE INCOME (LOSS)			
Changes in fair values on AFS financial assets (Notes 6 and 35)	**30,000**	1,691	3,868
Exchange differences on translating foreign operations	**–**	–	(25)
Recognized revaluation increment (Note 35)	**–**	–	(80,005)
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEAR, NET OF TAX	**30,000**	1,691	(76,162)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**₱12,577,726**	₱12,278,597	₱9,558,899
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO			
Equity holders of DMCI Holdings, Inc.	**₱9,821,615**	₱9,597,142	₱7,792,409
Non-controlling interests	**2,756,111**	2,681,455	1,766,490
	₱12,577,726	₱12,278,597	₱9,558,899

See accompanying Notes to Consolidated Financial Statements.

DMCI HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in Thousands)

	Attributable to Equity Holders of the Parent Company									
	Capital Stock (Note 22)	**Additional Paid-in Capital** (Note 22)	**Total Paid-in Capital** (Note 22)	**Unppropriated Retained Earnings** (Note 22)	**Appropriated Retained Earnings** (Note 22)	**Premium on Acquisition of Non-controlling Interest**	**Other Comprehensive Income (Loss)** (Note 35)	**Total**	**Attributable to Non-controlling Interests** (Note 22)	**Total Equity**
As of January 1, 2012	**₱2,655,497**	**₱4,765,318**	**₱7,420,815**	**₱23,231,413**	**₱3,401,659**	**(₱161,033)**	**(₱1,090)**	**₱33,891,764**	**₱6,578,239**	**₱40,470,003**
Net income for the year	**–**	**–**	**–**	**9,791,615**	**–**	**–**	**–**	**9,791,615**	**2,756,111**	**12,547,726**
Other comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**	**30,000**	**30,000**	**–**	**30,000**
Total comprehensive income	**–**	**–**	**–**	**9,791,615**	**–**	**–**	**30,000**	**9,821,615**	**2,756,111**	**12,577,726**
Appropriation	**–**	**–**	**–**	**(1,600,000)**	**1,600,000**	**–**	**–**	**–**	**–**	**–**
Dividends declared	**–**	**–**	**–**	**(3,186,593)**	**–**	**–**	**–**	**(3,186,593)**	**(1,870,178)**	**(5,056,771)**
Balances at December 31, 2012	**₱2,655,497**	**₱4,765,318**	**₱7,420,815**	**₱28,236,435**	**₱5,001,659**	**(₱161,033)**	**₱28,910**	**₱40,526,786**	**₱7,464,172**	**₱47,990,958**
As of January 1, 2011	₱2,655,498	₱4,765,917	₱7,421,415	₱19,291,456	₱401,659	(₱161,033)	(₱2,781)	₱26,950,716	₱5,472,486	₱32,423,202
Net income for the year	–	–	–	9,595,451	–	–	–	9,595,451	2,681,455	12,276,906
Other comprehensive income	–	–	–	–	–	–	1,691	1,691	–	1,691
Total comprehensive income	–	–	–	9,595,451	–	–	1,691	9,597,142	2,681,455	12,278,597
Appropriation	–	–	–	(3,000,000)	3,000,000	–	–	–	–	–
Dividends declared	–	–	–	(2,655,494)	–	–	–	(2,655,494)	(1,575,702)	(4,231,196)
Redemption of preferred shares	(1)	(599)	(600)	–	–	–	–	(600)	–	(600)
Balances at December 31, 2011	₱2,655,497	₱4,765,318	₱7,420,815	₱23,231,413	₱3,401,659	(₱161,033)	(₱1,090)	₱33,891,764	₱6,578,239	₱40,470,003
As of January 1, 2010	₱2,655,498	₱4,765,917	₱7,421,415	₱12,755,533	₱401,659	(₱161,033)	₱72,093	₱20,489,667	₱2,940,601	₱23,430,268
Net income for the year	–	–	–	7,867,283	–	–	–	7,867,283	1,767,778	9,635,061
Other comprehensive income	–	–	–	–	–	–	(74,874)	(74,874)	(1,288)	(76,162)
Total comprehensive income	–	–	–	7,867,283	–	–	(74,874)	7,792,409	1,766,490	9,558,899
Dividends declared	–	–	–	(1,327,747)	–	–	–	(1,327,747)	(779,955)	(2,107,702)
Discontinued operations (Note 39)	–	–	–	–	–	–	–	–	(44,758)	(44,758)
Appropriation	–	–	–	–	401,659	–	–	–	–	–
Release of appropriations	–	–	–	–	(401,659)	–	–	–	–	–
Acquisition of NCI	–	–	–	12,015	–	–	–	12,015	(12,015)	–
Effect of dilution of interest	–	–	–	(15,628)	–	–	–	(15,628)	15,628	–
Net movement in non-controlling interests	–	–	–	–	–	–	–	–	1,586,495	1,586,495
Balances at December 31, 2010	₱2,655,498	₱4,765,917	₱7,421,415	₱19,291,456	₱401,659	(₱161,033)	(₱2,781)	₱26,950,716	₱5,472,486	₱32,423,202

See accompanying Notes to Consolidated Financial Statements.

DMCI HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousands)

	Years Ended December 31		
	2012	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before tax from continuing operations	**₱14,023,500**	₱13,622,061	₱9,986,851
Income before tax from discontinued operations	**–**	–	711,558
Income before tax	**14,023,500**	13,622,061	10,698,409
Adjustments for:			
Depreciation, depletion and amortization (Notes 12, 13, 14, 24 and 25)	**3,329,842**	3,093,843	3,227,322
Finance costs (Note 27)	**1,198,528**	1,261,885	1,577,130
Loss on PPE writedown (Note 28)	**341,146**	–	–
Provisions for: (Note 25)			
Doubtful accounts	**78,296**	15,178	58,905
Probable losses on current assets	**–**	–	88,778
Impairment of PPE	**–**	–	6,670
Impairment of noncurrent assets	**47,150**	–	–
Unrealized market loss (gain) on financial assets at FVPL (Note 5)	**140**	(1,400)	–
Gain on reversal of impairment on PPE (Note 28)	**–**	(6,670)	–
Loss (gain) on sale of:			
Available-for-sale financial assets (Note 6)	**986**	–	–
Investment in a subsidiary (Note 39)	**–**	–	(36,659)
Property, plant and equipment (Note 28)	**(127,497)**	(57,565)	(28,958)
Dividend income (Notes 11 and 28)	**(25,379)**	(4,547)	(5,785)
Net unrealized foreign exchange loss (gain)	**(182,518)**	18,974	(69,722)
Finance income (Note 26)	**(849,864)**	(1,098,176)	(1,058,041)
Equity in net earnings of associates and jointly controlled entity (Note 11)	**(2,317,551)**	(2,185,199)	(1,893,197)
Operating income before changes in working capital	**15,516,779**	14,658,384	12,564,852
Decrease (increase) in:			
Costs and estimated earnings in excess of billings on uncompleted contracts	**329,347**	(2,888)	82,264
Receivables	**(5,652,933)**	1,116,709	(5,061,392)
Inventories	**(3,492,778)**	(5,856,905)	1,182,676
Other current assets	**(931,039)**	(698,297)	(789,901)
Pension asset	**(1,856)**	(4,355)	–

(Forward)

	Years Ended December 31		
	2012	2011	2010
Increase (decrease) in:			
Customers' advances and deposits	**₱1,619,541**	(₱799,490)	₱342,093
Accounts and other payables	**387,374**	1,753,504	4,618,981
Liabilities for purchased land	**168,985**	(498,574)	499,176
Billings in excess of costs and estimated earnings on uncompleted contracts	**(395,497)**	163,864	228,890
Pension liabilities	**23,245**	(36,479)	89,898
Cash generated from operations	**7,571,168**	9,795,473	13,757,537
Interest received	**852,289**	1,080,363	1,049,028
Income taxes paid	**(1,709,150)**	(849,894)	(728,499)
Interest paid	**(1,451,393)**	(1,251,191)	(1,739,053)
Net cash provided by operating activities	**5,262,914**	8,774,751	12,339,013
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Investment in financial asset at FVPL (Note 5)	**–**	(70,000)	–
Property, plant and equipment (Notes 13 and 3)	**(6,176,499)**	(3,539,342)	(4,410,830)
Investments in associates, jointly controlled entity and others (Note 11)	**–**	(1,300)	(244,670)
Available-for-sale financial assets (Note 6)	**–**	(7,105)	(12,090)
Investment properties (Note 12)	**(139,197)**	(32,138)	(1,350,730)
Net increase in non-controlling interest	**–**	–	1,585,207
Proceeds from disposals of:			
Property and equipment	**136,040**	76,077	90,791
Available-for-sale financial assets (Note 6)	**164,878**	150	674
Investment in subsidiary (Note 40)	**–**	–	957,526
Investments in associates, jointly controlled entity and others (Note 11)	**–**	–	68,608
Dividends received	**881,507**	703,198	295,102
Increase in other noncurrent assets	**(460,336)**	(233,279)	(115,335)
Acquisition of a business (Note 11)	**(2,576,811)**	–	(9,967,288)
Net decrease in investment in associates	–	26,138	–
Net cash used in investing activities	**(8,170,418)**	(3,077,601)	(13,103,035)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Long-term debt	**10,742,004**	10,627,665	15,865,769
Short-term debt	**1,813,037**	2,455,720	4,854,515
Payments of:			
Long-term debt	**(7,230,103)**	(8,114,551)	(5,212,831)
Dividends paid to equity holders of DMCI Holdings, Inc.	**(3,186,593)**	(2,627,009)	(1,327,927)
Short-term debt	**(2,669,848)**	(1,720,312)	(5,308,098)
Dividends paid to non-controlling interest (Note 22)	**(1,870,178)**	(1,575,702)	(779,955)

(Forward)

	Years Ended December 31		
	2012	2011	2010
Increase (decrease) in:			
Payable to related parties (Note 21)	**(₱89,249)**	(₱190,387)	(₱430,553)
Other noncurrent liabilities	**174,985**	562,351	(214,937)
Redemption of preferred shares	**–**	(600)	–
Net cash provided by (used in) financing activities	**(2,315,945)**	(582,825)	7,445,983
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**(103,274)**	4,757	2,415
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(5,326,723)**	5,119,082	6,684,376
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**15,065,748**	9,946,666	3,262,290
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	**₱9,739,025**	₱15,065,748	₱9,946,666

See accompanying Notes to Consolidated Financial Statements.

DMCI HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

DMCI Holdings, Inc. (the Parent Company) was incorporated on March 8, 1995 and is domiciled in the Philippines. The Parent Company's registered office address and principal place of business is at 3rd Floor, Dacon Building, 2281 Don Chino Roces Avenue, Makati City. The Parent Company was listed in the Philippine Stock Exchange on December 18, 1995.

The Parent Company is the holding company of the DMCI Group (collectively referred to herein as the Group), which is primarily engaged in general construction, mining, power generation, infrastructure, real estate development, water concessionaire and manufacturing.

2. Summary of Significant Accounting Policies

Basis of Preparation

The consolidated financial statements of the Group have been prepared using the historical cost basis, except for available-for-sale (AFS) financial assets and financial assets at fair value through profit or loss (FVPL) that have been measured at fair value. The Group's functional and presentation currency is the Philippine Peso (₱). All amounts are rounded to the nearest thousand (₱000), unless otherwise indicated.

Statement of Compliance

The consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRS).

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group as of December 31, 2012 and 2011, and for each of the three years in the period ended December 31, 2012. Under PFRS, it is acceptable to use, for consolidation purposes, the financial statements of subsidiaries for fiscal periods differing from that of the Parent Company if the difference is not more than three (3) months.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intercompany balances and transactions, including income, expenses and dividends, are eliminated in full. Profits and losses resulting from intercompany transactions that are recognized in assets are eliminated in full.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies.

Non-controlling interests pertain to the equity in a subsidiary not attributable, directly or indirectly to the Parent Company.

Non-controlling interests (NCI) represent the portion of profit or loss and net assets in subsidiaries not wholly owned by the Group and are presented separately in consolidated statement of income, consolidated statement of comprehensive income and consolidated statement of changes in equity and within equity in the consolidated statement of financial position, separately from equity holders' of the Parent Company.

Any equity instruments issued by a subsidiary that are not owned by the Parent Company are non-controlling interests including preferred shares and options under share-based transactions.

Losses within a subsidiary are attributed to the NCI even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary, the carrying amount of any NCI and the cumulative translation differences, recorded in equity.
- Recognizes the fair value of the consideration received, the fair value of any investment retained and any surplus or deficit in profit or loss.
- Reclassifies the Parent Company's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

The consolidated financial statements include the financial statements of the Parent Company and the following subsidiaries (which are all incorporated in the Philippines):

	2012			2011		
	Direct	**Indirect**	**Effective Interest**	Direct	Indirect	Effective Interest
General Construction:						
D.M. Consunji, Inc. (DMCI) [1]	**100.00%**	**–%**	**100.00%**	100.00%	–%	100.00%
DMCI International, Inc. (DMCII) [2]	**–**	**100.00**	**100.00**	–	100.00	100.00
OHKI-DMCI Corporation (OHKI) [2]	**–**	**100.00**	**100.00**	–	100.00	100.00
DMCI-Laing Construction, Inc. (DMCI-Laing) [2]	**–**	**60.00**	**60.00**	–	60.00	60.00
Beta Electric Corporation (Beta Electric) [2]	**–**	**51.77**	**51.77**	–	51.77	51.77
Raco Haven Automation Philippines, Inc. (Raco) [2]	**–**	**50.14**	**50.14**	–	50.14	50.14
Mining:						
Semirara Mining Corporation (Semirara)	**56.32**	**–**	**56.32**	56.32	–	56.32
DMCI Mining Corporation (DMC)	**100.00**	**–**	**100.00**	100.00	–	100.00
Real Estate Development:						
DMCI Project Developers, Inc. (PDI)	**84.47**	**15.53**	**100.00**	84.47	15.53	100.00
Hampstead Gardens Corporation (Hampstead) [3]	**–**	**100.00**	**100.00**	–	100.00	100.00
Riviera Land Corporation (Riviera) [3]	**–**	**100.00**	**100.00**	–	100.00	100.00
DMCI-PDI Hotels, Inc. (PDI Hotels) [3]	**–**	**100.00**	**100.00**	–	100.00	100.00
DMCI Homes Property Management Corporation (DHPMC) [3]	**–**	**100.00**	**100.00**	–	100.00	100.00
Manufacturing:						
Semirara Cement Corporation (SemCem) *	**100.00**	**–**	**100.00**	100.00	–	100.00
Oriken Dynamix Company, Inc. (Oriken) [2]	**–**	**89.00**	**89.00**	–	89.00	89.00
Wire Rope Corporation of the Philippines (Wire Rope)	**45.68**	**16.02**	**61.70**	45.68	16.02	61.70
Semirara Claystone, Inc. (SCI) [4]***	**–**	**56.32**	**56.32**	–	–	–

(Forward)

	2012			2011		
	Direct	**Indirect**	**Effective Interest**	Direct	Indirect	Effective Interest
Marketing Arm:						
DMCI Homes, Inc. (DMCI Homes) [3]	**–**	**100.00**	**100.00**	–	100.00	100.00
Power:						
DMCI Power Corporation (DPC) (formerly DMCI Energy Resources Unlimited Inc.) *	**100.00**	**–**	**100.00**	100.00	–	100.00
DMCI Masbate Power Corporation (DMCI Masbate) [5]	**–**	**100.00**	**100.00**	–	100.00	100.00
DMCI Calaca Power Corporation	**100.00**	**–**	**100.00**	100.00	–	100.00
Sem-Calaca Power Corporation (SCPC) [4]	**–**	**56.32**	**56.32**	–	56.32	56.32
Southwest Luzon Power Generation Corporation (SLPGC) [4]**	**–**	**56.32**	**56.32**	–	56.32	56.32
SEM-Cal Industrial Park Developers, Inc. (SIPDI) [4]**	**–**	**56.32**	**56.32**	–	56.32	56.32
DMCI Palawan Power Corporation (DMCI Palawan) [5]	**–**	**100.00**	**100.00**	–	–	–

* Organized on January 29, 1998 and October 16, 2006 and has not yet started commercial operations.
** Organized on August 31, 2011 and April 24, 2011 and has not yet started commercial operations.
*** Organized on November 29, 2012 and has not yet started commercial operations.
[1] Also engaged in real estate development
[2] DMCI's subsidiaries
[3] PDI's subsidiaries
[4] Semirara's subsidiaries
[5] DPC's subsidiaries

General Construction
DMCI
Subscription to PDI's increase in authorized capital stock
On October 30, 2009, the PDI BOD and stockholders approved the increase in the PDI's authorized capital stock from ₱3.00 billion, divided into 3,000,000,000 common shares with a par value of ₱1.00 per share, to ₱5.00 billion, divided into 5,000,000,000 common shares with a par value of ₱1.00 per share.

On December 6, 2009, DMCI, the Parent Company and PDI subscribed to the increase in the authorized capital stock of PDI.

Of the said increase in the authorized capital stock of 2 billion common shares at ₱1.00 par value per share, 538,132,578 common shares have been subscribed by the DMCI and the Parent Company, each subscribing 504,862,578 shares and 33,270,000 shares, respectively.

On December 30, 2010, the SEC approved PDI's application for increase in authorized capital stock.

Declaration of Investment in PDI as Property Dividends to the Parent Company
On October 2011, the DMCI declared majority of its investment in PDI as property dividends to the Parent Company with equivalent value of ₱949.59 million representing 30.57% share in PDI.

On December 5, 2011, the SEC approved the DMCI's application to declare its investment in PDI as property dividend to the Parent Company. The property dividend amounted to ₱949.59 million payable in 949,594,750 shares of stocks in PDI with same par value. As a result, PDI became 88.87% owned by the Parent Company.

Power

DPC

On February 3, 2011, the Parent Company and DPC executed a Deed of Assignment, whereby the Parent Company conveyed to DPC its subscription on 5,099,995 shares of DMCI Masbate with ₱1.00 par value each of which ₱1.27 million has been paid.

Sale of Shares in DMCI Concepcion and land in Concepcion, Iloilo

On August 16, 2010, DPC entered into a Sale and Purchase Agreement (the Agreement) with Palm Thermal Consolidated Holdings Corporation and Panay Consolidated Land Holdings Corporation (collectively “the Buyers”) for the sale of its 2.50 million shares or DPC’s entire investment in DMCI Concepcion, and its 300,000 sq/m land located in Concepcion, Iloilo with aggregate book value of ₱58.95 million for a total consideration of ₱80 million. The interest payment amounting ₱1.00 million has been received on the date of payment while the remaining balance has been received on Novemeber 11, 2010.

Net gain from sale of stocks and land amounted to ₱19.05 million after deducting commissions paid to brokers amounting ₱2.00 million (Note 28).

DMCI Masbate

On February 3, 2011, the Parent Company and DMCI Power executed a Deed of Assignment, whereby the Parent Company conveyed all its rights and interest over its subscribed 5,099,995 shares of DMCI Masbate with ₱1.00 par value each, of which ₱1.28 million has been paid. As at December 31, 2011, DMCI Masbate is wholly owned by DMCI Power.

DMCI Palawan

DMCI Palawan Power Corporation, a wholly-owned subsidiary of DPC, was incorporated and domiciled in the Republic of the Philippines. It was registered with the Securities and Exchange Commission (SEC) on September 12, 2012 primarily to acquire, design, develop, construct, invest in and operate power generating plants in the province of Palawan and engage in the business of a generation company in accordance with Republic Act (RA) No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001 (EPIRA) and its implementing rules and regulations, and to design, develop, assemble and operate other power related facilities, appliances and devices.

In 2012, DPC provided equity funding to DMCI Palawan amounting ₱2.50 million.

Mining

SLPGC

On August 31, 2011, SLPGC, a wholly-owned subsidiary of Semirara, was incorporated to operate electric power plants and to engage in business of a Generation Company.

In 2011, Semirara provided equity funding to SLPGC amounting ₱770.20 million.

SIPDI

On April 24, 2011, SIPDI, a wholly-owned subsidiary of Semirara, was incorporated to acquire, develop, construct, invest in, operate and maintain an economic zone in Calaca, Batangas.

In 2011, Semirara provided equity funding to SIPDI amounting ₱2.50 million.

Manufacturing
SCI
On November 29, 2012, SCI, a wholly-owned subsidiary of Semirara, was incorporated to engage in, conduct, and carry on the business of manufacturing, buying, selling, distributing, marketing at wholesale and retail of pottery earthenware, stoneware, bricks, tiles, roofs and other merchandise produce from clay.

In 2012, Semirara provided equity funding to SCI amounting ₱2.50 million.

Disposed Subsidiary
AG&P
On December 22, 2010, the Parent Company (the “Seller”) and AGP Philippines Holdings, Inc. (AGPPHI or “Buyer”) entered into a Stock Purchase Agreement (the “SPA”), wherein the Seller agreed to sell and the Buyer agreed to purchase nine hundred seventy-three million eighty-nine thousand forty-two (973,089,042) shares of stock (the “Shares”) representing 98.19% of AG&P’s total issued and outstanding capital stock (Note 39).

Changes in Accounting Policies and Disclosures
The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those of the previous financial year except for the following amended Philippine Accounting Standards (PAS) and PFRS which were adopted as of January 1, 2012. Unless otherwise stated, the following amended standards and interpretations did not have any impact on the accounting policies, financial position and performance of the group:

- PAS 12, *Income Taxes - Recovery of Underlying Assets* (Amendment)
  This amendment to PAS 12 clarifies the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that the carrying amount of investment property measured using the fair value model in PAS 40, *Investment Property*, will be recovered through sale and, accordingly, requires that any related deferred tax should be measured on a ‘sale’ basis. The presumption is rebutted if the investment property is depreciable and it is held within a business model whose objective is to consume substantially all of the economic benefits in the investment property over time (‘use’ basis), rather than through sale. Furthermore, the amendment introduces the requirement that deferred tax on non-depreciable assets measured using the revaluation model in PAS 16, *Property, Plant and Equipment*, always be measured on a sale basis of the asset.

- PFRS 7, *Financial Instruments:Disclosures - Transfers of Financial Assets (*Amendments*)*
  The amendments require additional disclosures about financial assets that have been transferred but not derecognized to enhance the understanding of the relationship between those assets that have not been derecognized and their associated liabilities. In addition, the amendments require disclosures about continuing involvement in derecognized assets to enable users of financial statements to evaluate the nature of, and risks associated with, the entity’s continuing involvement in those derecognized assets. The amendments affect disclosures only and have no impact on the Group’s financial position or performance.

Future Changes in Accounting Policies

The Group has not adopted the following PFRS and Philippine Interpretations which are not yet effective as of December 31, 2012. The Group will adopt these standards when they become effective. The Group does not expect the adoption of these standards to have a significant impact in the consolidated financial statements, unless otherwise stated.

Effective 2013

- PFRS 7, *Financial instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities* (Amendments) (effective for annual periods beginning on or after January 1, 2013) These amendments require an entity to disclose information about rights of set-off and related arrangements (such as collateral agreements). The new disclosures are required for all recognized financial instruments that are set off in accordance with PAS 32. These disclosures also apply to recognized financial instruments that are subject to an enforceable master netting arrangement or 'similar agreement', irrespective of whether they are set-off in accordance with PAS 32. The amendments require entities to disclose, in a tabular format unless another format is more appropriate, the following minimum quantitative information.

  This is presented separately for financial assets and financial liabilities recognized at the end of the reporting period:
  a) The gross amounts of those recognized financial assets and recognized financial liabilities;
  b) The amounts that are set off in accordance with the criteria in PAS 32 when determining the net amounts presented in the statement of financial position;
  c) The net amounts presented in the statement of financial position;
  d) The amounts subject to an enforceable master netting arrangement or similar agreement that are not otherwise included in (b) above, including:
     i. Amounts related to recognized financial instruments that do not meet some or all of the offsetting criteria in PAS 32; and
     ii. Amounts related to financial collateral (including cash collateral); and
  e) The net amount after deducting the amounts in (d) from the amounts in (c) above.

  The amendments to PFRS 7 are to be applied retrospectively. The amendments affect disclosures only and have no impact on the Group's financial position or performance.

- PFRS 10, *Consolidated Financial Statements* (effective for annual periods beginning on or after January 1, 2013)
  PFRS 10 replaces the portion of PAS 27, *Consolidated and Separate Financial Statements*, that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC 12, *Consolidation - Special Purpose Entities*. PFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by PFRS 10 will require management to exercise significant judgment to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in PAS 27.

  The Parent Company has concluded its assessment covering its investment in subsidiaries, associates and jointly controlled entities as of December 31, 2012 where in the adoption of PFRS 10: a.) all direct subsidiaries of the Parent Company shall remain to be consolidated; and, b.) all direct associates and jointly controlled entities of the Parent Company will not be consolidated based on the provisions of the Standard.

- PFRS 11, *Joint Agreements* (effective for annual periods beginning on or after January 1, 2013)
  PFRS 11 replaces PAS 31, *Interests in Joint Ventures*, and SIC 13, *Jointly Controlled Entities - Non-Monetary Contributions by Venturers*. PFRS 11 removes the option to account for jointly controlled entities using proportionate consolidation. Instead, jointly controlled entities that meet the definition of a joint venture must be accounted for using the equity method.

  The application of this new standard will impact the financial statements of the Group. Upon adoption of PFRS 11, the DMCI's investment in DMFB Joint Venture, a joint venture, will be accounted for under the equity method (Note 32). Currently, proportionate consolidation is applied for this joint venture. The change in the accounting for the joint venture will decrease total assets by ₱70.33 million and ₱96.39 million as of December 31, 2012 and 2011, respectively, and total liabilities by ₱55.01 million and ₱75.97 million as of December 31, 2012 and 2011, respectively. Finance income will also decrease by ₱0.40 million and ₱0.59 million for the years ended December 31, 2012 and 2011, respectively, while income before income tax will decrease by ₱0.40 million and ₱0.59 million for the years ended December 31, 2012 and 2011, respectively.

- PFRS 12, *Disclosure of Interests in Other Entities* (effective for annual periods beginning on or after January 1, 2013)
  PFRS 12 includes all of the disclosures related to consolidated financial statements that were previously in PAS 27, as well as all the disclosures that were previously included in PAS 31 and PAS 28, *Investments in Associates*. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required.

  The adoption of PFRS 12 will affect disclosures only and have no impact on the Group's financial position or performance.

- PFRS 13, *Fair Value Measurement* (effective for annual periods beginning on or after January 1, 2013)
  PFRS 13 establishes a single source of guidance under PFRSs for all fair value measurements. PFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under PFRS when fair value is required or permitted. This standard should be applied prospectively as of the beginning of the annual period in which it is initially applied. Its disclosure requirements need not be applied in comparative information provided for periods before initial application of PFRS 13.

  The Group does not anticipate that the adoption of this standard will have a significant impact on its financial position and performance.

- PAS 1, *Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income* (Amendments) (effective for annual periods beginning on or after July 1, 2012)
  The amendments to PAS 1 change the grouping of items presented in other comprehensive income (OCI). Items that can be reclassified (or "recycled") to profit or loss at a future point in time (for example, upon derecognition or settlement) will be presented separately from items that will never be recycled. The amendments affect presentation only and have no impact on the Group's financial position or performance. The amendments will be applied retrospectively and will result to the modification of the presentation of items of OCI.

- PAS 19, *Employee Benefits* (Revised) (effective for annual periods beginning on or after January 1, 2013)
  Amendments to PAS 19 range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and rewording. The revised standard also requires new disclosures such as, among others, a sensitivity analysis for each significant actuarial assumption, information on asset-liability matching strategies, duration of the defined benefit obligation, and disaggregation of plan assets by nature and risk. Once effective, the Group has to apply the amendments retroactively to the earliest period presented.

  The Group reviewed its existing employee benefits and determined that the amended standard has significant impact on its accounting for retirement benefits. The Group obtained the services of an external actuary to compute the impact to the financial statements upon adoption of the standard. The effects are detailed below:

	As at December 31, 2012	As at January 1, 2012
Increase (decrease) in:		
Consolidated balance sheet		
Net defined benefit asset/liability	**₱550,714**	₱470,335
Other comprehensive income	**(227,636)**	(34,141)
Retained earnings	**33,763**	19,881

	December 31, 2012
Consolidated income statement	
Net benefit cost	**₱38,684**
Actuarial gains during the year	**65,886**

- PAS 27, *Separate Financial Statements* (as revised in 2011) (effective for annual periods beginning on or after January 1, 2013)
  As a consequence of the issuance of the new PFRS 10, *Consolidated Financial Statements*, and PFRS 12, *Disclosure of Interests in Other Entities*, what remains of PAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in the separate financial statements. The adoption of the amended PAS 27 will not have a significant impact on the separate financial statements of the entities in the Group.

- PAS 28, *Investments in Associates and Joint Ventures* (as revised in 2011) (effective for annual periods beginning on or after January 1, 2013)
  As a consequence of the issuance of the new PFRS 11, *Joint Arrangements*, and PFRS 12, *Disclosure of Interests in Other Entities*, PAS 28 has been renamed PAS 28, *Investments in Associates and Joint Ventures*, and describes the application of the equity method to investments in joint ventures in addition to associates.

Improvements to PFRSs
The Improvements to PFRSs contain non-urgent but necessary amendments to PFRSs. The amendments are effective for annual periods beginning on or after January 1, 2013 and are applied retrospectively. Earlier application is permitted. Except as otherwise indicated, the Group does not expect the adoption of these new standards to have significant impact on the Group's financial statements.

- PFRS 1, *First-time Adoption of PFRS - Borrowing Costs*
  The Amendment clarifies that, upon adoption of PFRS, an entity that capitalized borrowing costs in accordance with its previous generally accepted accounting principles, may carry forward, without any adjustment, the amount previously capitalized in its opening statement of financial position at the date of transition. Subsequent to the adoption of PFRS, borrowing costs are recognized in accordance with PAS 23, *Borrowing Costs*. The amendment does not apply to the Group as it is not a first-time adopter of PFRS.

- PAS 1, *Presentation of Financial Statements - Clarification of the requirements for comparative information*
  The Amendments clarify the requirements for comparative information that are disclosed voluntarily and those that are mandatory due to retrospective application of an accounting policy, or retrospective restatement or reclassification of items in the financial statements. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the minimum required comparative period. The additional comparative period does not need to contain a complete set of financial statements. On the other hand, supporting notes for the third balance sheet (mandatory when there is a retrospective application of an accounting policy, or retrospective restatement or reclassification of items in the financial statements) are not required. The amendments affect disclosures only and have no impact on the Group's financial position or performance.

- PAS 16, *Property, Plant and Equipment - Classification of servicing equipment*
  The Amendment clarifies that spare parts, stand-by equipment and servicing equipment should be recognized as property, plant and equipment when they meet the definition of property, plant and equipment and should be recognized as inventory if otherwise. The amendment will not have any significant impact on the Group's financial position or performance.

- PAS 32, *Financial Instruments: Presentation - Tax effect of distribution to holders of equity instruments*
  The Amendment clarifies that income taxes relating to distributions to equity holders and to transaction costs of an equity transaction are accounted for in accordance with PAS 12, *Income Taxes*. The amendment will not have any significant impact on the Group's financial position or performance.

- PAS 34, *Interim Financial Reporting - Interim financial reporting and segment information for total assets and liabilities*
  The Amendment clarifies that the total assets and liabilities for a particular reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change from the amount disclosed in the entity's previous annual financial statements for that reportable segment. The amendment affects disclosures only and has no impact on the Group's financial position or performance.

- Philippine Interpretation IFRIC 20, *Stripping Costs in the Production Phase of a Surface Mine* (effective for annual periods beginning on or after January 1, 2013)
  This interpretation applies to waste removal costs ("stripping costs") that are incurred in surface mining activity during the production phase of the mine ("production stripping costs"). If the benefit from the stripping activity will be realized in the current period, an entity is required to account for the stripping activity costs as part of the cost of inventory. When the benefit is the improved access to ore, the entity should recognize these costs as a non-current asset, only if certain criteria are met ("stripping activity asset"). The stripping activity asset is accounted for as an addition to, or as an enhancement of, an existing asset. After initial recognition, the stripping activity asset is carried at its cost or revalued amount less depreciation or amortization and less impairment losses, in the same way as the existing asset of which it is a part.

  Semirara will move its activities to the North Panian area in 2013, and will assess the potential impact of this new area in stripping operations in relation to the application of this Interpretation.

Effective 2014

- PAS 32, *Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities* (Amendments) (effective for annual periods beginning on or after January 1, 2014)
  The amendments clarify the meaning of "currently has a legally enforceable right to set-off" and also clarify the application of the PAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments affect presentation only and have no impact on the Group's financial position or performance.

Effective 2015

- PFRS 9, *Financial Instruments* (effective for annual periods beginning on or after January 1, 2015)
  PFRS 9, as issued, reflects the first phase on the replacement of PAS 39 and applies to the classification and measurement of financial assets and liabilities as defined in PAS 39, *Financial Instruments: Recognition and Measurement*. Work on impairment of financial instruments and hedge accounting is still ongoing, with a view to replacing PAS 39 in its entirety. PFRS 9 requires all financial assets to be measured at fair value at initial recognition. A debt financial asset may, if the fair value option (FVO) is not invoked, be subsequently measured at amortized cost if it is held within a business model that has the objective to hold the assets to collect the contractual cash flows and its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding. All other debt instruments are subsequently measured at fair value through profit or loss. All equity financial assets are measured at fair value either through other comprehensive income (OCI) or profit or loss. Equity financial assets held for trading must be measured at fair value through profit or loss. For FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. All other PAS 39 classification and measurement requirements for financial liabilities have been carried forward into PFRS 9, including the embedded derivative separation rules and the criteria for using the FVO. The adoption of the

first phase of PFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will potentially have no impact on the classification and measurement of financial liabilities. The Group has decided not to early adopt for its 2012 financial reporting, thus, has not conducted a full quantification of the impact of this standard. The Group will quantify the effect in conjunction with the other phases, when issued, to present a more comprehensive picture.

- Philippine Interpretation IFRIC 15, *Agreements for the Construction of Real Estate*
  This interpretation covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. The interpretation requires that revenue on construction of real estate be recognized only upon completion, except when such contract qualifies as construction contract to be accounted for under PAS 11 or involves rendering of services in which case revenue is recognized based on stage of completion. Contracts involving provision of services with the construction materials and where the risks and reward of ownership are transferred to the buyer on a continuous basis will also be accounted for based on stage of completion. The SEC and the Financial Reporting Standards Council (FRSC) have deferred the effectivity of this interpretation until the final Revenue standard is issued by the International Accounting Standards Board (IASB) and an evaluation of the requirements of the final Revenue standard against the practices of the Philippine real estate industry is completed. The Group will make an assessment when these have been completed.

<u>Cash and Cash Equivalents</u>
Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three (3) months or less and that are subject to an insignificant risk of changes in value.

<u>Financial Instruments</u>
Date of recognition
The Group recognizes a financial asset or a financial liability in the consolidated statement of financial position when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the settlement date.

Initial recognition of financial instruments
All financial assets and financial liabilities are initially recognized at fair value. Except for financial assets at FVPL, the initial measurement of financial assets includes transaction costs. The Group classifies its financial assets in the following categories: financial assets at FVPL, held-to-maturity (HTM) investments, AFS financial assets, and loans and receivables. The Group classifies its financial liabilities as financial liabilities at FVPL and other financial liabilities. The classification depends on the purpose for which the investments were acquired and whether these are quoted in an active market. Management determines the classification of its investments at initial recognition and, where allowed and appropriate, re-evaluates such designation at every reporting date.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument or a component that is a financial liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity net of any related income tax benefits.

The Group's financial instruments are classified as AFS financial assets, financial assets at FVPL, loans and receivables and other financial liabilities.

Determination of fair value
The fair value for financial instruments traded in active markets at the reporting date is based on its quoted market price or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. When current bid and ask prices are not available, the price of the most recent transaction provides evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of the transaction.

For all other financial instruments not listed in an active market, the fair value is determined by using appropriate valuation methodologies. Valuation methodologies include net present value techniques, comparison to similar instruments for which market observable prices exist, option pricing models, and other relevant valuation models.

Day 1 difference
Where the transaction price in a non-active market is different to the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a "Day 1" difference) in the consolidated statement of income under "Finance income" and "Finance costs" unless it qualifies for recognition as some other type of asset or liability. In cases where the valuation technique used is made of data which is not observable, the difference between the transaction price and model value is only recognized in the consolidated statement of income when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the 'Day 1' difference amount.

Financial Assets and Financial Liabilities at FVPL
Financial assets and financial liabilities at FVPL include financial assets and financial liabilities held for trading and financial assets and financial liabilities designated upon initial recognition as at FVPL.

Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets or financial liabilities held for trading are recorded in the consolidated statement of financial position at fair value. Changes in fair value relating to the held for trading positions are recognized in "Other income - net" account in the consolidated statements of income. Interest earned or incurred is recorded in interest income or expense, respectively, while dividend income is recorded when the right to receive payment has been established.

Financial assets may be designated at initial recognition as at FVPL if any of the following criteria are met:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognizing gains or losses on them on a different basis; or
- The assets are part of a group of financial assets which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or

- The financial instrument contains an embedded derivative that would need to be separately recorded.

The Group's financial asset at FVPL pertains to investment in quoted equity securities (Note 5). The Group does not have any financial liability at FVPL.

Loans and Receivables

Loans and receivables are financial assets with fixed or determinable payments and fixed maturities that are not quoted in an active market. These are not entered into with the intention of immediate or short-term resale and are not designated as financial assets at FVPL or AFS financial assets. These are included in current assets if maturity is within 12 months from the reporting date; otherwise, these are classified as noncurrent assets. This accounting policy relates to the consolidated statement of financial position captions "Cash and cash equivalents", "Receivables", "Noncurrent receivables" and Refundable and Security deposits included under "Other noncurrent assets".

After initial measurement, loans and receivables are subsequently measured at amortized cost using the effective interest method, less allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate (EIR) and transaction costs. The amortization is included in "Finance income" in the consolidated statement of income. The losses arising from impairment of such loans and receivables are recognized under "Other expenses" in the consolidated statement of income.

AFS Financial Assets

AFS financial assets are those which are designated as such or do not qualify to be classified or designated as at FVPL, HTM or loans and receivables. After initial measurement, AFS financial assets are measured at fair value with unrealized gains or losses being recognized in the consolidated statement of comprehensive income and are reported as "Net unrealized gain on AFS financial assets" in equity. When the investment is disposed of, the cumulative gain or loss previously recorded in equity is recognized in the consolidated statement of income. Interest earned or paid on the investments is reported as interest income or expense using the EIR. Dividends earned on investments are recognized in the consolidated statement of income when the right to receive payment has been established. The losses arising from impairment of such investments are recognized under "Other expenses" in the consolidated statement of income.

AFS financial assets are classified as current asset if verified to be realized within 12 months from reporting date.

When the fair value of AFS financial assets cannot be measured reliably because of lack of reliable estimates of future cash flows and discount rates necessary to calculate the fair values of unquoted equity instruments, then instruments are carried at cost less any allowance for impairment losses.

The Group's AFS financial assets pertain to quoted and unquoted equity securities (Note 6).

Financial liabilities

Other Financial Liabilities
Issued financial instruments or their components, which are not designated as at FVPL are classified as other financial liabilities where the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares. The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue. After initial measurement, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are integral parts of the EIR. Any effects of restatement of foreign currency-denominated liabilities are recognized in the consolidated statement of income.

Other financial liabilities relate to the consolidated statement of financial position captions, “Accounts and other payables”, “Liabilities for purchased land”, “Payable to related parties”, “Short-term and Long-term debt” and “Other noncurrent liabilities”.

Gains and losses are recognized under the “Other income” and “Other expense” accounts in the consolidated statement of income when the liabilities are derecognized or impaired, as well as through the amortization process.

Deferred Financing Costs
Deferred financing costs represent debt issue costs arising from the fees incurred to obtain project financing. This is included in the initial measurement of the related debt. The deferred financing costs are treated as a discount on the related debt and are amortized using the effective interest method over the term of the related debt.

Customers’ Advances and Deposits
Customers’ advances and deposits represent payment from buyers which have not yet reached the minimum required percentage for recording real estate transactions, when the level of required payment is reached and the revenue recognition criteria is met, sales are recognized and these deposits and downpayments will be applied against the related receivables.

Impairment of Financial Assets
The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred ‘loss event’) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the borrower or a group of borrowers is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Loans and receivables
For loans and receivables carried at amortized cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses for impairment. Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment for impairment.
If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial assets' original EIR (i.e., the EIR computed at initial recognition). The carrying amount of the asset is reduced through the use of an allowance account and the amount of loss is charged to the consolidated statement of income during the period in which it arises. Interest income continues to be recognized based on the original EIR of the asset. Receivables, together with the associated allowance accounts, are written off when there is no realistic prospect of future recovery and all collateral has been realized.

If, in a subsequent year, the amount of the estimated impairment loss decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the consolidated statement of income, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of such credit risk characteristics as industry, customer type, customer location, past-due status and term. Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently. The methodology and assumptions used for estimating future cash flows are reviewed annually by the Group to reduce any differences between loss estimates and actual loss experience.

Financial assets carried at cost
If there is an objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, the amount of the loss is measured as the difference between the carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

AFS financial assets and financial assets at FVPL
For AFS financial assets and financial assets at FVPL , the Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired.

In case of equity investments classified as AFS financial assets and financial assets at FVPL, impairment would include a significant or prolonged decline in the fair value of the investments below its cost. Where there is evidence of impairment, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in the consolidated statement of income - is removed from equity and recognized in the consolidated statement of income under “Other expenses” account. Impairment losses on equity investments are not reversed through the consolidated statement of income. Increases in fair value after impairment are recognized directly in the consolidated statement of comprehensive income.

Offsetting Financial Instruments
Financial assets and financial liabilities are only offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to set off the recognized amounts and the Group intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

Derecognition of Financial Assets and Liabilities
Financial asset
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a ‘pass through’ arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either: (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risk and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group’s continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liability
A financial liability is derecognized when the obligation under the liability is discharged or canceled or has expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statement of income.

Embedded Derivative
The Group assesses the existence of an embedded derivative on the date it first becomes a party to the contract, and performs re-assessment where there is a change to the contract that significantly modifies the cash flows.

Embedded derivatives are bifurcated from their host contracts and carried at fair value with fair value changes being reported through profit or loss, when the entire hybrid contracts (composed of both the host contract and the embedded derivative) are not accounted for as financial instruments designated at FVPL; when their economic risks and characteristics are not clearly and closely related to those of their respective host contracts; and when a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative.

As of December 31, 2012 and 2011, the Group's identified embedded derivatives consists of prepayment options that are not required to be bifurcated from the host instruments as these were assessed to be clearly and closely related to the host contracts.

Inventories

Real estate held for sale and development
Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and net realizable value (NRV).

Cost includes:
- Land cost
- Amounts paid to contractors for construction
- Borrowing costs, planning and design costs, costs of site preparation, professional fees, property transfer taxes, construction overheads and other related costs

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs of sale.

Real estate inventories consist of housing units for sale and development and condominium units for sale.

Housing units for sale and development are carried at the lower of cost or net realizable value (NRV). Cost includes the acquisition costs of the land plus the costs incurred for the construction, development and improvement of the real estate projects. NRV is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

Condominium units for sale are also carried at the lower of cost or NRV. Costs include costs incurred for development, improvement and construction of condominium units.

Valuation allowance is provided for housing units for sale and development, condominium units for sale and development and undeveloped land when the NRV of the properties are less than their carrying amounts.

Coal inventory
The cost of coal inventory is determined using the weighted average production cost method. The cost of extracted coal includes all stripping costs and other mine related costs incurred during the period and allocated on per metric ton basis by dividing the total production cost with the total volume of coal produced. Except for shiploading cost, which is a component of total minesite cost, all other costs are charged to production cost.

Materials-in-transit
Cost is determined using the specific identification basis.

Equipment parts and supplies
The cost of equipment parts, materials and supplies is determined principally by the average cost method (either by moving average or weighted average production cost).

Equipment parts and supplies are transferred from inventories to property, plant and equipment when the use of such supplies is expected to extend the useful life of the asset and increase its economic benefit. Transfers between inventories to property, plant and equipment do not change the carrying amount of the inventories transferred and they do not change the cost of that inventory for measurement or disclosure purposes.

Equipment parts and supplies used for repairs and maintenance of the equipment are recognized in the consolidated statements of income when consumed.

Nickel ore and chromites inventory
The cost of extracted nickel ore and chromites includes all direct materials, labor, fuel, outside services and other mine-related costs incurred during the period and allocated on per metric ton basis by dividing the total production cost with total volume of nickel ore produced. Except for shiploading cost, which is a component of total cost of sales, all other production related costs are charged to production cost.

<u>Investments in Associates, Jointly Controlled Entity and Others</u>
Investments in associates and jointly controlled entity (investee companies) are accounted for under the equity method of accounting.

An associate is an entity in which the Group has significant influence and which is neither a subsidiary nor a joint venture. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a jointly controlled entity is a joint venture that involves the establishment of a separate entity in which each venturer has an interest.

Under the equity method, the investments in the investee companies are carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share in the net assets of the investee companies, less any impairment in value. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortized. The Group's share in the investee's post acquisition profit or loss is recognized in the consolidated statement of income. Profit and losses resulting from transactions between the Group and the investee companies are eliminated to the extent of the interest in the investee companies. Dividends received are treated as a reduction of the carrying value of the investment.

The Group discontinues applying the equity method when their investments in investee companies are reduced to zero. Accordingly, additional losses are not recognized unless the Group has guaranteed certain obligations of the investee companies. When the investee companies subsequently report net income, the Group will resume applying the equity method but only after its share of that net income equals the share of net losses not recognized during the period the equity method was suspended.

The reporting dates of the investee companies and the Group are identical and the investee companies' accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

After application of the equity method, the Group determines whether it is necessary to recognize an additional impairment loss on the Group's investment in its associate. The Group determines at each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount under "Other expenses" in the consolidated statement of income.

Upon loss of significant influence over the associate, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in the consolidated statement of income.

Interest in a Joint Venture

The Group has an interest in a joint venture, whereby the venturers have a contractual arrangement that establishes joint control over the economic activities of the entity. The agreement requires unanimous agreement for financial and operating decisions among the venturers. The Group recognizes its interest in the joint venture using the proportionate consolidation method. The Group combines its proportionate share of each of the assets, liabilities, income and expenses of the joint venture with similar items, line by line, in its consolidated financial statements. The financial statements of the joint venture are prepared for the same reporting period as the Group. Adjustments are made where necessary to bring the accounting policies in line with those of the Group.

Adjustments are made in the Group's consolidated financial statements to eliminate the Group's share of intragroup balances, transactions and unrealized gains and losses on such transactions between the Group and the joint venture. Losses on transactions are recognized immediately if the loss provides evidence of a reduction in the net realizable value of current assets or an impairment loss. The joint venture is proportionately consolidated until the date on which the Group ceases to have joint control over the joint venture.

Investment Properties

Investment properties comprise completed property and property under construction or redevelopment that are held to earn rentals or capital appreciation or both and that are not occupied by the companies in the Group. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties, except land, are stated at cost less accumulated depreciation and amortization and any impairment in value. Land is stated at cost less any impairment in value. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the consolidated statement of income in the period of derecognition.

Depreciation and amortization is calculated on a straight-line basis using the following estimated useful lives (EUL) from the time of acquisition of the investment properties:

	Years
Buildings and building improvements	5-25
Condominium units	25

The assets' residual value useful life and amortization are reviewed periodically to ensure that the period and method of depreciation and amortizations are consistent with the expected pattern of economic benefits from items of investment properties.

A transfer is made to investment property when there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. A transfer is made from investment property when and only when there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. A transfer between investment property, owner-occupied property and inventory does not change the carrying amount of the property transferred nor does it change the cost of that property for measurement or disclosure purposes.

Mining Reserves

Mining reserves are estimates of the amount of coal that can be economically and legally extracted from Semirara's mining properties. Semirara estimates its mining reserves based on information compiled by appropriately qualified persons relating to the geological data on the size, depth and shape of the coal body, and requires complex geological judgments to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements, and production costs along with geological assumptions and judgments made in estimating the size and grade of the coal body. Changes in the reserve estimates may impact upon the carrying value of property, plant and equipment, provision for decommissioning and site rehabilitation, recognition of deferred tax assets, and depreciation charges.

Property, Plant and Equipment

Property, plant and equipment, except land, are stated at cost less accumulated depreciation and amortization, and any impairment in value. Land is stated at cost, less any impairment in value.

The initial cost of property, plant and equipment comprises its purchase price, including import duties, taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Costs also include decommissioning and site rehabilitation cost. Expenditures incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to operations in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional cost of property, plant and equipment.

Construction-in-progress included in property, plant and equipment is stated at cost. This includes the cost of the construction of property, plant and equipment and other direct costs. Construction-in-progress is not depreciated until such time that the relevant assets are completed and put into operational use.

Major repairs are capitalized as part of property, plant and equipment only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the items can be measured reliably. All other repairs and maintenance are charged against current operations as incurred.

Depreciation, depletion and amortization of assets commences once the assets are put into operational use.

Depreciation, depletion and amortization of property, plant and equipment are calculated on a straight-line basis over the following EUL of the respective assets or the remaining contract period, whichever is shorter:

	Years
Land improvements	5-17
Power plant, buildings and building improvements	5-25
Construction equipment, machinery and tools	5-10
Office furniture, fixtures and equipment	3-5
Transportation equipment	4-5
Conventional and continuous mining properties and equipment	2-13
Leasehold improvements	5-7

The EUL and depreciation, depletion and amortization methods are reviewed periodically to ensure that the period and methods of depreciation, depletion and amortization are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated statement of income in the year the item is derecognized.

Intangible Assets

Intangible assets, software costs, acquired separately are capitalized at cost and these are shown as part of the "other noncurrent assets" account in the consolidated statement of financial position. Following initial recognition, intangible assets are measured at cost less accumulated amortization and provisions for impairment losses, if any. The useful lives of intangible assets with finite life are assessed at the individual asset level. Intangible assets with finite life are amortized over their EUL. The periods and method of amortization for intangible assets with finite useful lives are reviewed annually or earlier where an indicator of impairment exists.

Costs incurred to acquire and bring the computer software (not an integral part of its related hardware) to its intended use are capitalized as part of intangible assets. These costs are amortized over their EUL ranging from 3 to 5 years. Costs directly associated with the development of identifiable computer software that generate expected future benefits to the Group are recognized as intangible assets. All other costs of developing and maintaining computer software programs are recognized as expense when incurred.

Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of income when the asset is derecognized.

Impairment of Nonfinancial Assets

This accounting policy applies primarily to the Group's property, plant and equipment, investment properties, investments in associates and jointly controlled entities and intangible assets.

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment testing for an asset is required, the group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less cost to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, depletion and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

Investments in associates and jointly controlled entities
After application of the equity method, the Group determines whether it is necessary to recognize any additional impairment loss with respect to the Group's net investment in the investee companies. The Group determines at each reporting date whether there is any objective evidence that the investment in associates or jointly controlled entities is impaired. If this is the case, the Group calculates the amount of impairment as being the difference between the fair value and the carrying value of the investee company and recognizes the difference in the consolidated statement of income.

<u>Equity</u>
The Group records common stocks at par value and additional paid-in capital in excess of the total contributions received over the aggregate par values of the equity share. Incremental costs incurred directly attributable to the issuance of new shares are deducted from the proceeds.

Retained earnings represent accumulated earnings of the Group less dividends declared.

Redeemed shares represent own equity instruments which are reacquired and are subsequently retired by the Group. No gain or loss is recognized in the profit or loss upon retirement of the own equity instruments. When the assets are retired, the capital stock account is reduced by its par value and the excess of cost over par value is debited to additional paid-in capital recognized when the shares were issued and to retained earnings for the remaining balance.

<u>Business Combinations and Goodwill</u>
PFRS 3 provides that if the initial accounting for a business combination can be determined only provisionally by the end of the period in which the combination is effected because either the fair values to be assigned to the acquiree's identifiable assets, liabilities or contingent liabilities or the cost of the combination can be determined only provisionally, the acquirer shall account for the combination using those provisional values. The acquirer shall recognize any adjustments to those provisional values as a result of completing the initial accounting within twelve months of the acquisition date as follows: (i) the carrying amount of the identifiable asset, liability or contingent liability that is recognized or adjusted as a result of completing the initial accounting shall be calculated as if its fair value at the acquisition date had been recognized from that date;
(ii) goodwill or any gain recognized shall be adjusted by an amount equal to the adjustment to the fair value at the acquisition date of the identifiable asset, liability or contingent liability being recognized or adjusted; and (iii) comparative information presented for the periods before the

initial accounting for the combination is complete shall be presented as if the initial accounting has been completed from the acquisition date.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss. Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration, which is deemed to be an asset or liability, will be recognized in accordance with PAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Discontinued Operation

A discontinued operation is a component of an entity that has been disposed of and represents a separate major line of business. In the consolidated statement of income of the reporting period, and of the comparable period of the previous years, income and expenses from discontinued operations are reported separately from income and expenses from continuing operations, down to the level of profit after taxes. The resulting income or loss (after taxes) is presented separately in the consolidated statement of income.

Revenue and Cost Recognition
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Mining
Revenue from mining is recognized upon acceptance of the goods delivered upon which the significant risks and rewards of ownership of the goods have passed to the buyer and the amount of revenue can be measured reliably. Revenue from local and export coal sales are denominated in Philippine Peso and US Dollar, respectively.

Cost of coal includes expenses, which include directly related to the production and sale of coal such as cost of fuel and lubricants, materials and supplies, depreciation and depletion and other related costs, are recognized when incurred.

Construction contracts
Revenue from construction contracts is recognized using the percentage-of-completion method of accounting and is measured principally on the basis of the estimated completion of a physical proportion of the contract work. Contracts to manage, supervise, or coordinate the construction activity of others and those contracts wherein the materials and services are supplied by contract owners are recognized only to the extent of the contracted fee revenue. Revenue from cost plus contracts is recognized by reference to the recoverable costs incurred during the period plus the fee earned, measured by the proportion that costs incurred to date bear to the estimated total costs of the contract.

Contract costs include all direct materials and labor costs and those indirect costs related to contract performance. Expected losses on contracts are recognized immediately when it is probable that the total contract costs will exceed total contract revenue. The amount of such loss is determined irrespective of whether or not work has commenced on the contract; the stage of completion of contract activity; or the amount of profits expected to arise on other contracts, which are not treated as a single construction contract. Changes in contract performance, contract conditions and estimated profitability, including those arising from contract penalty provisions and final contract settlements that may result in revisions to estimated costs and gross margins are recognized in the year in which the changes are determined. Profit incentives are recognized as revenue when their realization is reasonably assured.

The asset “Costs and estimated earnings in excess of billings on uncompleted contracts” represents total costs incurred and estimated earnings recognized in excess of amounts billed. The liability “Billings in excess of costs and estimated earnings on uncompleted contracts” represents billings in excess of total costs incurred and estimated earnings recognized. Contract retentions are presented as part of “Trade receivables” under the “Receivables” account in the consolidated statement of financial position.

Electricity sales
Revenue from sale of electricity is derived from its primary function of providing and selling electricity to customers of its generated and purchased electricity. Revenue derived from the generation and/or supply of electricity is recognized based on the actual delivery of electricity as agreed upon between parties.

Cost of energy includes expenses directly related to the production and sale of electricity such as cost of coal, fuel, depreciation and other related costs. Cost of coal and fuel are recognized at the time the related coal and fuel inventories are consumed for the production of electricity. Cost of energy also includes electricity purchased from the spot market and the related market fees. It is recognized as expense when the Group receives the electricity and simultaneously sells to its customers.

Real estate sales
Real estate sales are generally accounted for under the full accrual method. Under this method, the gain on sale is recognized when: (a) the collectibility of the sales price is reasonably assured; (b) the earnings process is virtually complete; and (c) the seller does not have a substantial continuing involvement with the subject properties. The collectibility of the sales price is considered reasonably assured when: (a) the buyers have actually confirmed their acceptance of the related loan applications after the same have been delivered to and approved by either the banks or other financing institutions for externally-financed accounts; or (b) the full down payment comprising a substantial portion of the contract price is received and the capacity to pay and credit worthiness of buyers have been reasonably established for sales under the deferred cash payment arrangement.

If the above criteria is not met, the deposit method is applied until all the conditions for recording a sale are met. Pending recognition of sale, cash received from buyers are presented under the "Customers' advances and deposits" account in the liabilities section of the consolidated statement of financial position.

Cost of real estate sales is recognized consistent with the revenue recognition method applied. Cost of subdivision land and condominium units sold before the completion of the development is determined on the basis of the acquisition cost of the land plus its full development costs, which include estimated costs for future development works, as determined by the Company's in-house technical staff.

Merchandise sales
Revenue from merchandise sales is recognized upon delivery of the goods to and acceptance by the buyer and when the risks and rewards are passed on to the buyers.

Dividend income
Revenue is recognized when the Group's right to receive payment is established.

Rental income
Rental income arising from operating leases on investment properties and construction equipment is accounted for on a straight-line basis over the lease terms.

Interest income
Revenue is recognized as interest accrues using the effective interest method.

Operating Expenses
Operating expenses are expenses that arise in the course of the ordinary operations of the Group. These usually take the form of an outflow or depletion of assets such as cash and cash equivalents, supplies, investment properties and property, plant and equipment. Expenses are recognized in the consolidated statement of income.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest that an entity incurs in connection with the borrowing of funds.

The interest capitalized is calculated using the Group's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amounts capitalized is the gross interest incurred on those borrowings less any investment income arising on their temporary investment. Interest is capitalized from the commencement of the development work until the date of practical completion. The capitalization of finance costs is suspended if there are prolonged periods when development activity is interrupted. Interest is also capitalized on the purchased cost of a site property acquired specially for development but only where activities necessary to prepare the asset for development are in progress.

Foreign Currency Translations and Transactions

The functional and presentation currency of the Parent and its Philippine subsidiaries, is the Philippine Peso. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. All differences are taken to the consolidated statement of income.

The Group's share in the associate's translation adjustments, if there are any, are likewise included under the cumulative translation adjustments account in the consolidated statement of financial position.

Commission Expense

The Group recognizes commission expense when services are rendered by the broker. The commission expense is recognized upon receipt of down payment from the buyer comprising a substantial portion of the contract price and the capacity to pay and credit worthiness of buyers have been reasonably established for sales under the deferred cash payment arrangement.

Pension Expense

The Group has a noncontributory defined benefit retirement plan.

The retirement cost of the Group is determined using the projected unit credit (PUC) method. Under this method, the current service cost is the present value of retirement benefits payable in the future with respect to services rendered in the current period. The defined benefit asset or liability comprises the present value of the defined benefit obligation less past service costs not yet recognized, if any, less the fair value of the plan assets out of which the obligations are to be settled directly and less any actuarial gains or losses not recognized. The value of any asset is restricted to the sum of any past service costs not yet recognized, if any, and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

The defined benefit obligation is calculated annually by an independent actuary using the PUC method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using prevailing interest rate on government bonds that have terms to maturity approximating the terms of the related retirement liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are credited to or charged against income when the net cumulative unrecognized actuarial gains and losses at the end of the previous period exceeded 10% of the higher of the present value of the defined benefit obligation and the fair value of plan assets at that date. These gains or losses are recognized over the expected average remaining working lives of the employees participating in the plan.

Past service costs, if any, are recognized immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortized on a straight-line basis over the vesting period.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value is based on market price information and in the case of quoted securities it is the published bid price. The value of any defined benefit asset recognized is restricted to the sum of any past service costs and actuarial gains and losses not yet recognized and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

The retirement benefits of officers and employees are determined and provided for by the Group and are charged against current operations.

<u>Leases</u>

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception date and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Group as a lessee

Finance leases that transfer substantially all the benefits incidental to ownership of the leased item to the Group are capitalized at the commencement of the lease at fair value of the leased property or if lower, the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the leased liability so as to achieve a constant rate of interest in the remaining balance of the liability. Finance charge are recognized in finance costs in the consolidated statements of income.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainly that the earnings will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the EUL of the asset and the lease term.

Operating lease payments are recognized as an expense in the consolidated statement of income on a straight basis over the lease term.

Group as a lessor

Leases where the Group retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rental income.

<u>Income Taxes</u>
Current tax
Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred tax
Deferred tax is provided, using the balance sheet liability method, on all temporary differences, with certain exceptions, at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences with certain exception. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefit of unused tax credits from excess minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT) and net operating loss carryover (NOLCO), to the extent that it is probable that taxable income will be available against which the deductible temporary differences and carryforward benefits of unused tax credits from MCIT and NOLCO can be utilized.

Deferred tax liabilities are not provided on nontaxable temporary differences associated with investments in domestic associates and investments in joint ventures.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow all or part of the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realized or the liability is settled, based on tax rate and tax laws that have been enacted or substantially enacted at the financial reporting date. Movements in the deferred income tax assets and liabilities arising from changes in tax rates are charged against or credited to income for the period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets relate to the same taxable entity and the same taxation authority.

For periods where the income tax holiday (ITH) is in effect, no deferred taxes are recognized in the consolidated financial statements as the ITH status of the subsidiary neither results in a deductible temporary difference or temporary taxable difference. However, for temporary differences that are expected to reverse beyond the ITH, deferred taxes are recognized.

<u>Earnings Per Share</u>
Basic earnings per share (EPS) is computed by dividing the net income for the year attributable to common shareholders (net income for the period less dividends on convertible redeemable preferred shares) by the weighted average number of common shares issued and outstanding during the year and adjusted to give retroactive effect to any stock dividends declared during the period.

Diluted EPS is computed by dividing the net income for the year attributable to common shareholders by the weighted average number of common shares outstanding during the year adjusted for the effects of dilutive convertible redeemable preferred shares. Diluted EPS assumes the conversion of the outstanding preferred shares. When the effect of the conversion of such preferred shares is anti-dilutive, no diluted EPS is presented.

Operating Segment

The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The Group generally accounts for intersegment revenues and expenses at agreed transfer prices. Income and expenses from discontinued operations are reported separate from normal income and expenses down to the level of income after taxes. Financial information on operating segments is presented in Note 33 to the consolidated financial statements.

Provisions

General

A provision is recognized only when the Group has: (a) a present obligation (legal or constructive) as a result of a past event; (b) it is probable (i.e., more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Provision for decommissioning and site rehabilitation costs

The Group is legally required to fulfill certain obligations as required under its Environmental Compliance Certificate (ECC) issued by Department of Environment and Natural Resources (DENR). The Group recognizes the present value of the liability for these obligations and capitalizes the present value of these costs as part of the balance of the related property, plant and equipment accounts which are depreciated, depleted and amortized on a straight-line basis over the EUL of the related property, plant and equipment or the contract period, whichever is shorter. The decommissioning and site rehabilitation costs are determined based on the provisions of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*. The Group recognizes the liability for these obligations as "Provision for decommissioning and site rehabilitation" under "Other noncurrent liabilities" in the consolidated statement of financial position (Note 20).

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized but are disclosed in the consolidated financial statements when an inflow of economic benefits is probable.

Events After the Reporting Period

Post year-end events up to the date of the auditors' report that provide additional information about the Group's position at reporting date (adjusting events) are reflected in the consolidated financial statements. Any post year-end events that are not adjusting events are disclosed in the consolidated financial statements when material.

3. Significant Accounting Judgments and Estimates

The preparation of the consolidated financial statements in conformity with PFRS requires the Group to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the consolidated financial statements, as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ for such estimates.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations which have the most significant effect on the amounts recognized in the consolidated financial statements:

Real estate revenue recognition

Selecting an appropriate revenue recognition method for a real estate sale transaction requires certain judgments based on buyer's commitment on sale which may be ascertained through the significance of the buyer's initial payments and completion of development. The buyers' commitment is evaluated based on collections, credit standing on buyers and location of property. Completion of project development is determined on engineer's judgment and estimates on the physical portion of contract work done and that development is beyond the preliminary stage.

Collectibility of the sales price

In determining whether the sales prices are collectible, the Group considers that initial and continuing investments by the buyer of about 15% would demonstrate the buyer's commitment to pay.

Impairment of AFS financial assets

The Group follows the guidance of PAS 39 in determining when an asset is impaired. This determination requires significant judgment. In making this judgment, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; the financial health of and near-term business outlook of the investee, including factors such as normal volatility in share price for quoted equity securities and industry and sector performance, changes in technology and operational and financing cash flow for unquoted equity securities.

Financial assets not quoted in an active market

The Group classifies financial assets by evaluating, among others, whether the asset is quoted or not in an active market. Included in the evaluation on whether a financial asset is quoted in an active market is the determination on whether quoted prices are readily and regularly available, and whether those prices represent actual and regularly occurring market transactions on an arm's length basis.

Classification of property as investment property or real estate inventories
The Group determines whether a property is classified as investment property or inventory property as follows:

- Investment property comprises land and buildings (principally offices, commercial and retail property) which are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation.
- Inventory comprises property that is held for sale in the ordinary course of business. Principally, this is residential, commercial and industrial property that the Group develops and intends to sell before or on completion of construction.

Distinction between investment properties and owner-occupied properties
The Group determines whether a property qualifies as an investment property. In making its judgment, the Group considers whether the property generates cash flows largely independent of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to property but also to the other assets used in the production or supply process.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions cannot be sold separately, the property is accounted for as an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgment.

Property acquisitions and business combinations
The Group acquires subsidiaries that own real estate. At the time of acquisition, the Group considers whether the acquisition represents the acquisition of a business. The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property. More specifically, consideration is made of the extent to which significant processes are acquired and, in particular, the extent of ancillary services provided by the subsidiary (e.g., maintenance, cleaning, security, bookkeeping, hotel services, etc.). The significance of any process is judged with reference to the guidance in PAS 40 on ancillary services.

When the acquisition of subsidiaries does not represent a business, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognized.

<u>Parent Company</u>
In 2012, the Parent Company acquired existing shares of ENK Plc, a mining company with significant mining assets in the Philippines. ENK is a laterite development and production company focused on developing its Acoje project in the Philippines. The total acquisition cost amounted to ₱2.1 billion. In aggregate, the Parent Company owns 157.26 million shares which represents 60.00% ownership in ENK Plc. The remaining 40% is owned by D&A Income Ltd, an entity from United Kingdom. The investment in ENK is accounted for as an acquisition of a business.

DMCI Mining
On October 23, 2012, DMCI Mining purchased from Daintree Resources Limited 8,480,250 common shares or 17.01% ownership in Toledo Mining Corporation (Toledo). On February 15, 2013, DMCI Mining increased its shareholding to 37.7%. As of April 9, 2013, it further increased its stake to 57.1%. Total acquisition cost amounted to ₱226.90 million. The investment in Toledo is accounted for as an acquisition of a business. The acquisition is in transition as of December 31, 2012 and uncompleted as at reporting date.

On December 31, 2012, DMCI Mining purchased from Toledo 775,000 issued common shares or 31% ownerhip in Nickeline Resources Holdings Inc. (NRHI). Total acquisition cost amounted to ₱268.93 million. The investment in NRHI is accounted for as an acquisition of a business.

Operating lease commitments - Group as Lessee
The Group has entered into various leases for its occupied offices and mining and transportation equipment. The Group has determined that all significant risks and rewards of ownership are retained by the respective lessors on the offices and equipment it leases under operating leases.

Operating lease commitments - Group as Lessor
The Group has entered into property lease agreements on its investment property portfolio. The Group has determined that it retains all the significant risks and rewards of ownership of these properties as the Group considered, among others, the length of the lease term compared with the estimated life of the assets.

In determining whether a lease contract is cancellable or not, the Group considered, among others, the significance of the penalty including the economic consequence to the lessee.

Finance lease commitments - Group as Lessee
The Group has entered into finance leases on some of its construction equipment and service vehicle. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that the lessor transfers substantially all the risks and benefits incidental to ownership of the leased equipment to the Group thus, it recognized these leases as finance leases.

Contingencies
The Group is currently involved in various legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the defense in these matters and is based upon an analysis of potential results. The Group currently does not believe that these proceedings will have a material effect on the Group's financial position. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings.

Management's Use of Estimates
The key assumptions concerning the future and other sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Revenue recognition
The Group's revenue recognition policies require use of estimates and assumptions that may affect the reported amounts of revenue and receivables.

a.) Mining

The Group's sales arrangement with its customers includes reductions of invoice price to take into consideration charges for penalties and bonuses. These price adjustments depend on the estimated quality of the delivered coal. These estimates are based on final coal quality analysis on delivered coal using American Standards for Testing Materials (ASTM).

There is no assurance that the use of estimates may not result in material adjustments in future periods. Revenue from mining amounted to ₱16.37 billion, ₱18.68 billion and ₱16.03 billion in 2012, 2011 and 2010, respectively.

b.) Construction contracts

The Group's revenue from construction contracts are recognized based on the percentage-of-completion, measured principally on the basis of the estimated completion of a physical proportion of the contract work and by reference to the actual cost incurred to date over the estimated total cost of the project.

There is no assurance that the use of estimates may not result in material adjustments in future periods. Revenue from construction contracts amounted to ₱14.77 billion, ₱10.28 billion, ₱10.73 billion in 2012, 2011 and 2010, respectively.

c.) Evaluation of net realizable value of inventories and land and improvements
Inventories and land and improvements are valued at the lower of cost and NRV. This requires the Group to make an estimate of the inventories' and land and improvements' estimated selling price in the ordinary course of business, cost of completion and costs necessary to make a sale to determine the NRV. For real estate inventories and land and improvements, the Group adjusts the cost of its real estate inventories and land and improvements to net realizable value based on its assessment of the recoverability of the real estate inventories and land and improvements. In determining the recoverability of the inventories and land and improvements, management considers whether those inventories and land and improvements are damaged or if their selling prices have declined.

Likewise, management also considers whether the estimated costs of completion or the estimated costs to be incurred to make the sale have increased. In the event that NRV is lower than the cost, the decline is recognized as an expense. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized.

Inventories carried at cost amounted to ₱21,458.93 million and ₱16,517.37 million as of December 31, 2012 and 2011, respectively. Inventories carried at NRV amounted to ₱56.23 million and ₱967.30 million as of December 31, 2012 and 2011, respectively (Note 9).

Allowance for doubtful accounts
The Group maintains an allowance for doubtful accounts at a level considered adequate to provide for potential uncollectible receivables. The level of this allowance is evaluated by the management on the basis of factors that affect the collectibility of the accounts. These factors include, but are not limited to, the debtors' ability to pay all amounts due according to the contractual terms of the receivables being evaluated, the length of relationship with the customer,

the customer’s payment behavior and known market factors. The Group reviews the age and status of receivables, and identifies accounts that are to be provided with allowances on a continuous basis. The Group provides full allowance for receivables that it deems uncollectible.

The amount and timing of recorded expenses for any period would differ if the Group made different judgments or utilized different estimates. An increase in the allowance for doubtful accounts on receivables would increase recorded operating expenses and decrease total assets.

Provision for doubtful accounts of the Group amounted to ₱78.30 million, ₱15.18 million and ₱58.91 million in 2012, 2011 and 2010, respectively (Notes 7 and 25). Receivables of the Group that were impaired and fully provided with allowance amounted to ₱240.48 million and ₱171.73 million as of December 31, 2012 and 2011, respectively (Note 7).

Stock pile inventory quantities
The Group estimates the stock pile inventory of coal by conducting a topographic survey which is performed by in-house surveyors. The survey is conducted on a monthly basis with a reconfirmatory survey at year end. The process of estimation involves a predefined formula which considers an acceptable margin of error of plus or minus 3%. Thus, an increase or decrease in the estimation threshold for any period would differ if the Group utilized different estimates and this would either increase or decrease the profit for the year. The coal inventory as of December 31, 2012 and 2011 amounted to ₱2.35 billion and ₱2.51 billion, respectively (Note 9).

NRV of inventories
The Group reviews its inventory to assess NRV at least on a semi-annual basis. This requires the Group to make an estimate of the inventories’ estimated selling price in the ordinary course of business and costs necessary to make a sale to determine the NRV. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized. An increase in reserves for inventory write-down would increase recorded operating expenses and decrease current assets.

Inventories of the Group at NRV, net of allowance for inventory obsolescence amounting ₱53.29 million and ₱63.09 million as of December 31, 2012 and 2011, respectively, amounted to ₱56.23 million and ₱967.30 million as of December 31, 2012 and 2011, respectively (Note 9).

Estimating decommissioning and site rehabilitation costs
The Group is legally required to fulfill certain obligations under its ECC issued by DENR when it abandons depleted mine pits. These costs are accrued based on in-house estimate, which incorporates estimates of the amount of obligations and interest rates, if appropriate. The Group recognizes the present value of the liability for these obligations and capitalizes the present value of these costs as part of the balance of the related property, plant and equipment accounts, which are being depreciated, depleted and amortized on a straight line basis over the EUL of the related asset or the lease term. Assumptions used to compute the decommissioning and site rehabilitation costs are reviewed and updated annually.

The amount and timing of the recorded obligations for any period would differ if different judgments were made or different estimates were utilized. An increase in decommissioning and site rehabilitation costs would increase the recorded operating expenses and increase noncurrent liabilities.

As of December 31, 2012 and 2011, the provision for decommissioning and site rehabilitation amounted to ₱62.45 million and ₱47.58 million, respectively (Note 20).

Estimating useful lives of investment properties, property, plant and equipment and intangible asset
The Group estimated the useful lives of its property, plant and equipment, investment properties and intangible asset based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment, investment properties and intangible assets are reviewed at least annually and are updated if expectations differ from previous estimates due to physical wear and tear and technical or commercial obsolescence on the use of these assets.

It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment, investment properties and intangible asset would increase depreciation, depletion and amortization expense and decrease noncurrent assets.

The carrying value of property, plant and equipment of the Group amounted to ₱25.72 billion and ₱23.42 billion as of December 31, 2012 and 2011, respectively (Note 13). The carrying value of investment properties of the Group amounted to ₱0.28 billion and ₱0.14 billion as of December 31, 2012 and 2011, respectively (Note 12). The carrying value of software cost of the Group amounted to ₱49.95 million and ₱59.31 million, respectively (Note 14).

Impairment of nonfinancial assets
The Group assesses the impairment of assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Group considers important which could trigger an impairment review include the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends.

An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset’s net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm’s length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Group is required to make estimates and assumptions that can materially affect the consolidated financial statements.

As of December 31, 2012 and 2011, the balances of the Group's nonfinancial assets, net of accumulated depreciation, depletion and amortization and accumulated provisions for impairment losses follow:

	2012	2011
	(Amounts in Thousands)	
Property, plant and equipment (Note 13)	**₱25,724,232**	₱23,417,603
Investments in associates, jointly controlled entities and others (Note 11)	**14,357,000**	10,849,383
Investment properties (Note 12)	**276,447**	142,159
Software cost - net (Note 14)	**49,945**	59,312

Deferred tax assets

The Group reviews the carrying amounts of deferred taxes at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. However, there is no assurance that the Group will generate sufficient taxable income to allow all or part of deferred tax assets to be utilized.

The net deferred tax assets amounted to ₱12.24 million and ₱16.14 million as of December 31, 2012 and 2011, respectively. The unrecognized deferred tax assets of the Group amounted to ₱474.67 million and ₱541.18 million as of December 31, 2012 and 2011, respectively (Note 29).

Pension and other retirement benefits

The determination of the obligation and cost of retirement and other employee benefits is dependent on the selection of certain assumptions used in calculating such amounts. Those assumptions include, among others, discount rates, expected returns on plan assets and salary increase rates. Actual results that differ from the Group's assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expense and recorded obligation in such future periods. While the Group believes that the assumptions are reasonable and appropriate, significant differences between actual experiences and assumptions may materially affect the cost of employee benefits and related obligations.

The Group also estimates other employee benefits obligation and expense, including the cost of paid leaves based on historical leave availments of employees, subject to the Group's policy. These estimates may vary depending on the future changes in salaries and actual experiences during the year.

As of December 31, 2012 and 2011, the balances of the Group's net pension assets and liabilities and unrecognized actuarial gains follow (Note 23):

	2012	2011
	(Amounts in Thousands)	
Net pension assets	**₱6,211**	₱4,335
Net pension liabilities	**203,550**	180,305
Unrecognized actuarial gains	**1,238,348**	942,553

Contingencies
The Group is currently involved in various legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the defense in these matters and is based upon an analysis of potential results. The Group currently does not believe these proceedings will have a material effect on the Group's financial position. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings (Note 36).

Fair value of financial instruments
The Group carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgment. While significant components of fair value measurement were determined using verifiable objective evidence (i.e., foreign exchange rates, interest rates), the amount of changes in fair value would differ if the Group utilized different valuation methodology. Any changes in fair value of these financial assets and liabilities would affect directly the consolidated statements of income and changes in equity.

Financial assets carried at fair value as of December 31, 2012 and 2011 amounted to ₱159.81 million and ₱131.31 million, respectively (Note 34).

4. Cash and Cash Equivalents

This account consists of:

	2012	2011
	(Amounts in Thousands)	
Cash on hand and in banks	**₱2,885,618**	₱6,095,360
Cash equivalents	**6,853,407**	8,970,388
	₱9,739,025	₱15,065,748

Cash in banks earns interest at the respective bank deposit rates. Cash equivalents are short-term placements made for varying periods of up to three (3) months depending on the immediate cash requirements of the Group, and earn annual interest ranging from 0.50% to 4.63% and 1.00% to 4.69% in 2012 and 2011, respectively.

Total finance income earned on cash in banks and cash equivalents amounted to ₱355.42 million, ₱417.38 million and ₱193.15 million in 2012, 2011 and 2010, respectively (Note 26).

5. Financial Asset at FVPL

This account consist of peso-denominated investments in quoted equity securities of San Miguel Pure Foods Company, Inc. acquired in 2011 with yields ranging from 1.93% to 2.00% per annum as of December 31, 2012 and 2011, respectively. The investment is acquired for the purpose of selling it in the near term.

Unrealized market loss and gain relating to this investment amounted to ₱0.14 million and ₱1.40 million and dividends earned amounted to ₱5.60 million and ₱4.20 million in 2012 and 2011, respectively, and are included under "Other income" and "Dividend income" accounts in the statements of comprehensive income (Note 28).

6. **Available-for-Sale Financial Assets**

This account consists of:

	2012	2011
	(Amounts in Thousands)	
Quoted securities		
Acquisition costs	**₱57,914**	₱59,271
Unrealized gain (loss) recognized in equity (Note 35)	**28,910**	(1,090)
	86,824	58,181
Unquoted securities		
Acquisition costs	**27,980**	239,446
Less allowance for probable loss	**26,251**	73,210
	1,729	166,236
Less noncurrent AFS - net	**–**	164,507
	1,729	1,729
	₱88,553	₱59,910

Quoted securities
The quoted equity investments include investments in golf and sports club shares. The Group recognized unrealized gain in other comprehensive income amounting ₱30.00 million and ₱1.69 million in 2012 and 2011, respectively, (Note 35).

Unquoted securities
This account consists of investments in stock accounted for at cost. As of December 31, 2012 and 2011, details of this account follow:

	2012	2011
Montecito Properties, Inc.	**₱220,214**	₱220,214
Less: Disposals	**220,214**	–
Montecito Properties, Inc.	**–**	220,214
Others	**27,980**	19,232
	27,980	239,446
Less allowance for impairement losses	**26,251**	73,210
	₱1,729	₱166,236

The unquoted shares include investment in Montecito Properties, Inc. (Montecito), a 30% owned company carried at cost less provision for impairement losses. The Group does not have significant influence nor participate during Board discussion meeting.

As of December 31, 2011, the Group has changed its intention and planned to hold the investment in Montecito for more than a year, thus, reclassified as noncurrent.

As of December 31, 2012, the Group disposed all investments in Montecito with carrying amount of ₱173.26 million resulting to a loss of ₱0.99 million.

As of December 31, 2012, the remaining unquoted securities include investment in Project Quest Corporation, Universal Rightfield Property Holdings, Inc., Celebrity Sports Plaza, Inc. and Unicorn First Properties Inc. with an aggregate cost of ₱26.25 million. These investments had been fully provided for with allowance for doubtful accounts as management assessed that commitments in these shares of stock are not recoverable.

In 2011, ₱8.75 million of the Group's investment was returned. Allowance for probable loss amounting ₱8.75 million has been reversed resulting to an income of the same amount recognized under "Other income" (Note 28).

7. Receivables

This account consists of:

	2012	2011
	(Amounts in Thousands)	
Trade:		
Real estate	**₱7,831,097**	₱5,071,205
General construction (including retention receivables on uncompleted contracts of ₱852.42 million in 2012 and ₱1,339.54 million in 2011	**3,819,636**	1,979,285
Mining	**1,453,964**	1,077,440
Electricity sales	**2,756,622**	2,229,572
Merchandising and others	**67,157**	57,740
	15,928,476	10,415,242
Receivables from related parties (Note 21)	**187,296**	203,622
Advances to officers and employees	**60,048**	42,886
Other receivables	**482,927**	356,560
	16,658,747	11,018,310
Less allowance for doubtful accounts	**240,477**	171,733
	16,418,270	10,846,577
Less noncurrent receivables - net	**5,242,743**	2,438,697
	₱11,175,527	₱8,407,880

Receivables amounting ₱240.48 million and ₱171.73 million as of December 31, 2012 and 2011, respectively, were impaired and fully provided with allowance (Note 25). Reversals of allowance for doubtful accounts amounting ₱9.55 million and ₱7.89 million pertains to other receivables and receivables from local coal sales which were collected in 2012 and 2011, respectively. Movements in the allowance for impairment losses are as follows (amounts in thousands):

2012

	Trade Receivables					
	Real Estate	**General Construction**	**Mining**	**Electricity Sales**	**Others**	**Total**
At January 1	**₱–**	**₱6,788**	**₱–**	**₱53,524**	**₱111,421**	**₱171,733**
Provision during the year	–	–	–	**76,899**	**1,398**	**78,296**
Reversal	–	–	–	–	**(9,552)**	**(9,552)**
At December 31	**₱–**	**₱6,788**	**₱–**	**₱130,423**	**₱103,267**	**₱240,477**

2011

	Trade Receivables					
	Real Estate	General Construction	Mining	Electricity Sales	Others	Total
At January 1	₱–	₱4,414	₱7,892	₱53,524	₱98,617	₱164,447
Provision during the year	–	2,374	–	–	12,804	15,178
Reversal	–	–	(7,892)	–	–	(7,892)
At December 31	₱–	₱6,788	₱–	₱53,524	₱111,421	₱171,733

In 2007 and 2006, real estate receivables with a nominal amount of ₱1,536.71 million and ₱603.59 million, respectively, were initially recorded at fair value. The unamortized discount amounted to nil and ₱1.44 million as of December 31, 2012 and 2011, respectively.

In 2008 and thereafter, all installment contracts receivable of the Group are interest bearing.

Movement in the unamortized discount on real estate receivables is as follows:

	2012	2011
	(Amounts in Thousands)	
Balance at beginning of year	**₱1,444**	₱8,604
Accretion for the year (Note 26)	**(1,444)**	(7,160)
Balance at end of year	**₱–**	₱1,444

Trade Receivables

Real estate

Real estate receivables principally consist of amounts arising from sale of residential units and subdivision land for sale and development which are collectible within ten (10) years with interest rates ranging from 14.00% to 19.00%. The corresponding titles to the subdivision units sold under this arrangement are transferred to the buyers only upon full payment of the contract price.

Certain subsidiaries are liable to local commercial banks relative to the discounting of real estate receivables. The purchase agreements provide that the Group should substitute defaulted contracts to sell with other contracts to sell of equivalent value. The carrying value of real estate receivables discounted amounted to ₱5.57 billion and ₱1.67 billion as of December 31, 2012 and 2011, respectively (Note 19).

The Group retains the assigned receivables in the "real estate receivables" account and records the proceeds from sales as bank loans (Note 19).

In 2012 and 2011, the PDI entered into an agreement with Banco de Oro (BDO) to convert the receivables under purchased agreements into a without recourse basis. Total carrying value of trade receivables from real estate sales converted into a without recourse basis amounted to ₱1.52 billion and ₱0.94 billion as of December 31, 2012 and 2011, respectively (Note 19).

General construction

General construction receivables principally consist of receivables from third-party construction projects. These are normally collected on a 30 to 60 day term.

Electricity sales

Receivables from electricity sales are claims from power distribution companies for supply and distribution of contracted energy and are generally carried at original invoice amounts less discounts and rebates. These generally have 30-day credit terms.

As of December 31, 2012, electricity sales receivables amounting ₱2,198.49 million are held as collateral for the mortgage payable of SCPC (Note 19).

Mining
Receivable from mining pertains to receivables from the sale of coal and nickel ore both to domestic and international markets. These receivables are noninterest-bearing and generally have 30-45 days credit terms.

Merchandising and others
Receivable from merchandise sales and others pertains to receivables from the sale of wires, services rendered and others to various local companies. These receivables are noninterest-bearing and generally have 30-60 days credit terms.

Advances to Officers and Employees
Receivables from employees pertain to salary and other loans granted to the Group's employees that are collectible through salary deduction. These are non-interest bearing and are due within one year.

Other Receivables
Other receivables include the Group's receivables from JV partners and condominium corporations. These receivables are noninterest-bearing and are generally collectible within one year from the reporting date.

Noncurrent Receivables
Noncurrent receivables relate to real estate receivables arising from the sale of residential units and subdivision land for sale and development which are collectible within ten (10) years.

8. Costs and Estimated Earnings in Excess of Billings on Uncompleted Contracts

The details of the costs, estimated earnings and billings on uncompleted contracts follow:

	2012	2011
	(Amounts in Thousands)	
Total costs incurred	**₱9,600,671**	₱9,525,564
Add estimated earnings recognized	**2,943,066**	2,032,217
	12,543,737	11,557,781
Less total billings (including unliquidated advances from contract owners of ₱3,518.67 million in 2012 and ₱1,679.54 million in 2011)	**12,776,247**	11,856,441
	(₱232,510)	(₱298,660)

The foregoing balances are reflected in the consolidated statements of financial position under the following accounts:

	2012	2011
	(Amounts in Thousands)	
Costs and estimated earnings in excess of billings on uncompleted contracts	**₱122,737**	₱452,084
Billings in excess of costs and estimated earnings on uncompleted contracts	**(355,247)**	(750,744)
	(₱232,510)	(₱298,660)

9. **Inventories**

This account consists of:

	2012	2011
	(Amounts in Thousands)	
At Cost:		
Real estate held for sale and development	**₱15,510,158**	₱12,508,114
Equipment parts, materials in transit and supplies	**3,581,952**	1,368,068
Coal inventory	**2,346,396**	2,510,754
Nickel ore	**20,422**	130,435
	21,458,928	16,517,371
At NRV:		
Equipment parts, materials in transit and supplies - net	**56,233**	967,304
	₱21,515,161	₱17,484,675

Costs of equipment parts, materials and supplies carried at NRV amounted to ₱580.93 million and ₱1,030.39 million as of December 31, 2012 and 2011, respectively.

Borrowing costs capitalized in 2012 and 2011 amounted ₱314.34 million and ₱213.92 million, respectively. The capitalization rate used to determine the amount of borrowing costs eligible for capitalization in 2012 and 2011 is 6.82% and 7.49%.

Land amounting ₱61.62 million as of December 31, 2012 was transferred from undeveloped land to investment properties since the initial stages of development are already underway with a view for rental and capital appreciation.

A summary of the movement in real estate held for sale and development is set out below:

	2012	2011
Opening balance at January 1	**₱12,508,114**	₱10,051,319
Construction/development cost incurred	**5,126,788**	4,932,384
Land acquired during the year	**1,925,632**	1,488,819
Borrowing costs capitalized	**314,337**	235,470
Allowance for inventory writedown	**–**	(5,406)
Transfers to investment property	**(61,618)**	–
Disposals (recognized as cost of sales) (Note 24)	**(4,534,748)**	(4,004,240)
Other adjustment/reclassifications	**231,653**	(190,232)
	₱15,510,158	₱12,508,114

The cost of inventories recognized as expense in the consolidated statements of income amounted to ₱4.63 billion, ₱4.04 billion and ₱4.76 billion for the years ended December 31, 2012, 2011 and 2010, respectively.

As of December 31, 2012 and 2011, equipment parts, materials and supplies amounting ₱817.41 million and ₱1,001.28 million, respectively, are held as collateral for the mortgage payable of SCPC (Note 19).

10. **Other Current Assets**

This account consists of:

	2012	2011
	(Amounts in Thousands)	
Advances to suppliers, brokers, contractors and mine rights owners	**₱3,099,566**	₱2,361,400
Input VAT	**818,385**	563,014
Creditable taxes withheld	**720,142**	1,213,174
Prepaid expenses	**408,863**	213,300
Refundable deposits	**325,859**	226,962
Others	**120,437**	24,413
	5,493,252	4,602,263
Less allowance for probable losses (Notes 25 and 28)	**–**	34,947
	₱5,493,252	₱4,567,316

Advances to Suppliers, Brokers, Contractors and Mine Rights Owners
Advances to suppliers, brokers and contractors are recouped upon every progress billing payment depending on the percentage of accomplishment. Advances to mine rights owners are noninterest-bearing and are due and demandable.

Advances to Rusina Mining NL (Rusina) by DMC
In June 2008, DMC advanced $2.41 million to Rusina in view of acquiring interests in Zambales Chromite Mining Co. Inc. and Zambales Diversified Metals Corporation, companies which are related to its operations.
In 2009, DMC withdrew its investment and recognized the payment as a receivable from Rusina. Also in 2009, in line with the agreement of DMC and Rusina for the latter to set a recovery mechanism for DMC's investment, Montemina Resources Corporation (MRC) was established to hold the advances of DMC.

On January 29, 2010, the Company received $1.00 million as partial payment for the advances.

On September 9 and 13, 2010, DMC issued two letters to MRC informing the latter of its breach of the above agreement due to its failure to pay the third tranche of US$1.41 million.

Accordingly, DMC recognized a provision for probable losses amounting ₱61.81 million in 2010. In addition to the aforementioned US$ advances, DMC also provided full allowance on its Peso advances to Rusina which amounted to ₱26.96 million. Total provision for the probable losses on Rusina amounted to ₱88.78 million (Note 25).

In 2011, DMC wrote-off the advances to Rusina amounting ₱26.96 million, which was fully provided in 2010. Also, DMC recognized a recovery of previously impaired receivable amounting ₱26.87 million, resulting to the reversal of the allowance provided in 2010 of the same amount.

In 2012, the DMC collected the remaining outstanding amount of ₱34.95 million.

Input VAT
Input VAT is fully recoverable and can be applied against output VAT.

Creditable Taxes Withheld
Creditable taxes withheld are attributable to taxes withheld by third parties arising from sales and services that will be applied to future taxes payable.

Prepaid Expenses
Prepaid expenses consist mainly of prepayments for taxes, commissions and insurance. This also includes current portion of prepaid rent. This also includes the current portion of advance payment of documentary stamp tax used for the availment of long term borrowings.

Refundable Deposits
Refundable deposits pertain to bill deposits and guaranty deposits for utilities that will be recovered within one year.

Others
Others mainly include deposits for escrow funds, bill deposits and guaranty deposits which will be recovered within one year.

11. Investments in Associates, Jointly Controlled Entity and Others

The details of the Group's investments in associates, jointly controlled entity and others follow:

	2012	2011
	(Amounts in Thousands)	
Investments - At Equity		
Investments in associates		
Acquisition cost	**₱6,838,852**	₱4,792,658
Accumulated equity in net earnings	**7,524,538**	6,063,115
	14,363,390	10,855,773
Allowance for probable losses	**(6,798)**	(6,798)
	14,356,592	10,848,975
Jointly controlled entity		
Acquisition cost	**125**	125
Accumulated equity in net earnings	**283**	283
	408	408
	₱14,357,000	₱10,849,383

The details of the Group's equity in the net assets of its associates and jointly controlled entity and the corresponding percentages of ownership follow:

	Percentages of Ownership		**Equity in Net Assets**	
	2012	2011	**2012**	2011
Associates:			(Amounts in Thousands)	
DMCI-MPIC Water Co. Inc. (DMWC)	**44.59%**	44.59%	**₱10,828,351**	₱9,951,297
Private Infra Dev Corporation (PIDC)	**33.00**	33.00	**677,445**	699,611
Subic Water and Sewerage Company, Inc. (Subic Water)	**40.00**	40.00	**183,269**	107,349
Bachy Soletanche Philippines Corporation (Bachy)	**49.00**	49.00	**43,061**	43,061

(Forward)

	Percentages of Ownership		Equity in Net Assets	
	2012	2011	**2012**	2011
Toledo Mining Corporation (Toledo)	**17.00**	–	**₱226,899**	₱–
Nickeline Resources Holdings, Inc. (NRHI)	**31.00**	–	**268,933**	–
ENK Plc	**60.00**	60.00	**2,128,634**	47,657
			14,356,592	10,848,975
Jointly Controlled Entity:				
Eco Process & Equipment Philippines, Inc.	**50.00**	50.00	**408**	408
Total			**₱14,357,000**	₱10,849,383

There have been no outstanding capital commitments in 2012 and 2011.

The following table summarizes the significant financial information of the Group's associates and jointly controlled entity:

2012

	Assets	**Liabilities**	**Revenue**	**Net income (loss)**
	(Amounts in Thousands)			
Associates:				
DMCI-MPIC Water Co. Inc.	**₱4,715,491**	**₱47,912**	**₱1,848,019**	**₱1,811,945**
Private Infra Dev Corporation	**11,963,341**	**2,827,758**	**103,364**	**68,798**
Subic Water and Sewerage Company, Inc.	**1,353,034**	**582,573**	**600,232**	**191,556**
Bachy Soletanche Philippines Corporation	**85,455**	**5,199**	**–**	**–**
ENK Plc	**5,811,966**	**94,471**	**–**	**(1,426,568)**
Nickeline Resources Holdings Inc.	**113,125**	**111,029**	**–**	**(90)**
Toledo Mining Corporation	**1,783,944**	**39,794**	**10,274**	**(29,750)**
Jointly Controlled Entity:				
Eco Process & Equipment Philippines, Inc.	**1,548**	**236**	**–**	**–**

<u>2011</u>

	Assets	Liabilities	Revenue	Net income (loss)
	(Amounts in Thousands)			
Associates:				
DMCI-MPIC Water Co. Inc.	₱69,020,680	₱46,127,875	₱13,897,035	₱4,765,268
Private Infra Dev Corporation	6,566,969	2,827,758	–	(29,615)
Subic Water and Sewerage Company, Inc	1,022,627	348,608	409,653	192,726
Bachy Soletanche Philippines Corporation	85,455	5,199	–	–
Jointly Controlled Entity:				
Eco Process & Equipment Philippines, Inc.	1,548	236	–	–

<u>DMWC</u>

DMWC is a joint venture owned by the Parent Company and Metro Pacific Investments Company (MPIC). The Parent Company and MPIC has an equity interest in the form of shares and share entitlements equal to 44.59% and 55.41%, respectively.

DMWC's decrease in authorized capital stock

As approved by DMWC BOD on August 31, 2012, DMWC decreased its authorized capital stock from ₱5,854.8 million divided into 5,854.8 million common shares with par value of ₱1.00 to 4,664.8 million common shares with par value of ₱1.00. The decrease in DMWC's authorized capital stock was approved by the SEC on October 10, 2012. The main purpose of the decrease in authorized capital stock was to settle the outstanding subscriptions payable of existing shareholders which includes the Parent Company (Note 20). The share of the Parent Company, as a result of the decrease in the authorized capital stock, amounted to ₱530.62 million which is accounted for as cancellation of the Parent Company's subscription payable of ₱379.71 million and a return of a portion of its investment amounting ₱150.91 million. The ₱150.91 million was applied against the liability to DMWC (Notes 21 and 27).

Details follow:

	2012	2011
Acquisition cost, beginning of year	**₱3,961,600,000**	₱3,961,600,000
Cancellation of subscription payable	**(379,708,165)**	–
Return of capital (Note 21)	**(150,908,422)**	–
Balance at end of year	**₱3,430,983,413**	₱3,961,600,000

DMWC and Maynilad Subscription Agreement
DMWC subscribed 134,023 common shares of stock of Maynilad at a total subscription price of ₱134.0 million out of which it initially paid ₱33.5 million. On December 28, 2012, the BOD of Maynilad approved a resolution to increase its authorized capital stock sufficient enough to cover the issuance of shares from the subscriptions on the same date. On January 31, 2013, the SEC approved Maynilad's increase in authorized capital stock. DMWC fully paid the remaining subscription price amounting ₱100.5 million on February 13, 2013 (Note 40).

Marubeni Corporation - Nippon Koei Co. Ltd (MCNK JV Corporation) and DMWC Subcription Agreement
On December 28, 2012, MCNK subscribed 169,617,682 common shares of stock of DMWC amounting ₱169.6 million out of which it initially paid ₱42.4 million. On the same date, the BOD of DMWC approved a resolution to increase its authorized capital stock sufficient enough to cover the issuance of the subscription shares. On January 29, 2013, the SEC approved DMWC's increase in authorized capital stock and MCNK fully paid the remaining subscription price amounting ₱127.2 million on February 13, 2013 (Note 40).

MCNK is 90.0% owned by Marubeni Corporation, a company incorporated in Japan and 10% owned by MAPL Holdings B.V., a company incorporated in Netherlands.

DMWC
On October 30, 2012, the DMWC BOD approved the declaration of dividends amounting ₱70.0 million or ₱0.02 per share which was paid on October 31, 2012. On July 23, 2012, the BOD declared cash dividends amounting to ₱1.9 billion or ₱0.32 per share. These were fully paid on July 30, 2012. On October 30, 2012, the BOD declared cash dividends amounting to ₱0.07 billion or ₱0.02 per share which were fully paid on October 31, 2012.

Equity in net earnings in DMWC amounted to ₱2.26 billion, ₱2.14 billion and ₱1.81 billion in 2012, 2011 and 2010, respectively.

Concession Agreement of Maynilad
On February 21, 1997, Maynilad entered into a Concession Agreement with the MWSS, a government-owned and controlled corporation organized and existing pursuant to Republic Act (RA) No. 6234 (the Charter), as clarified and amended, with respect to the MWSS West Service Area. The Concession Agreement sets forth the rights and obligations of Maynilad throughout the concession period. The MWSS Regulatory Office acts as the regulatory body of the Concessionaires [Maynilad and the East Concessionaire - Manila Water Company, Inc. (Manila Water)].

Under the Concession Agreement, MWSS grants Maynilad (as contractor to perform certain functions and as agent for the exercise of certain rights and powers under the Charter), the sole right to manage, operate, repair, decommission and refurbish all fixed and movable assets required (except certain retained assets of MWSS) to provide water and sewerage services in the West Service Area for 25 years commencing on August 1, 1997 (the Commencement Date) to May 6, 2022 (the Expiration Date) or the early termination date as the case may be.

Maynilad is also tasked to manage, operate, repair, decommission and refurbish certain specified MWSS facilities in the West Service Area. Legal title to these assets remains with MWSS. The legal title to all property, plant and equipment contributed to the existing MWSS system by Maynilad during the concession period remains with Maynilad until the Expiration Date (or on early termination date) at which time, all rights, titles and interest in such assets will automatically vest to MWSS.

Under the Concession Agreement, Maynilad is entitled to the following rate adjustments:

a. annual standard rate adjustment to compensate for increases in the Consumer Price Index (CPI) subject to rate adjustment limit;

b. Extraordinary Price Adjustment (EPA) to account for the financial consequences of the occurrence of certain unforeseen events subject to grounds stipulated in the Concession Agreement; and

c. rate rebasing (Rate Rebasing) mechanism to allow rates to be adjusted every five (5) years to enable Maynilad to recover expenditures efficiently and prudently incurred, Philippine business taxes and payments corresponding to debt service on concession fees, and Maynilad loans incurred to finance such expenditures.

Extension of Maynilad's Concession Agreement
On September 10, 2009, the MWSS Board of Trustees (BoT) approved the extension of the expiry of its Concession Agreement with Maynilad by an additional fifteen (15) years or from May 7, 2022 to May 6, 2037. Subsequently, on September 16, 2009, the MWSS Administrator wrote the Department of Finance (DoF) to inform them of the MWSS BoT's decision and seek the DoF's written consent to the extension, as well its extension of the Letter of Undertaking covering the government's obligation under the Concession Agreement. On April 22, 2010, the DoF (by authority from the Office of the President of the Republic of the Philippines) approved the extension of the expiry of its Concession Agreement.

The significant commitments under the extension follow:

a. to mitigate tariff increases;
b. to increase the share in the current operating budget support to MWSS by 100% as part of the concession fees starting 2010; and
c. to increase total investments.

The DoF further clarified that the extension of the government's Undertaking shall be effective only upon an increase in Maynilad's Performance Bond from US$30 Million to US$90 Million for the third rate Rebasing Period. Subsequently, Maynilad submitted a Performance Bond in the amount of US$90 million to MWSS on May 31, 2010.

7.00 Billion Corporate Notes
On March 23, 2011, Maynilad entered into a ₱7.00 billion Omnibus Notes Facility and Security Agreement from various financing institutions for the purpose of capital expenditure financing. The loan was made available in two equal drawdowns, March 30, 2011 and September 30, 2011. The loan shall be payable in semi-annual installments within ten years to commence at the end of the 36th month after the initial issue date and bears an interest rate per annum equal to the higher of (i) the applicable benchmark rate plus 0.75% per annum, or (ii) 6.5% per annum. The benchmark rate shall be determined by reference to the PDST-F rate.

The abovementioned corporate note contains provisions regarding the maintenance of certain financial ratios such as debt-to-equity ratio and debt service coverage ratio, and maintenance of debt service reserve account. As of December 31, 2012 and 2011, Maynilad has complied with these ratios.

PIDC
PIDC is a consortium of different contractors, primarily engaged in the business of construction, development of various infrastructure projects such as roads, highways, toll roads, freeways, skyways, flyovers, viaducts and interchanges. On February 19, 2008, PIDC was awarded the contract for the financing, design, construction, operation and maintenance of the Tarlac-Pangasinan-La Union Expressway (TPLEX).

On June 2, 2011, PIDC entered into Omnibus Loan Security Agreement (the “Omnibus Agreement”) with Banco de Oro Unibank, Inc., Development Bank of the Philippines and Land Bank of the Philippines as Lenders, the Shareholders as the Third Party Mortgagors and Sponsors, BDO Capital and Investment Corporation and Development Bank of the Philippines as Lead Arrangers, BDO Unibank, Inc., Trust and Investments Group as Facility Agent, DSRA & Paying Agend and Collateral Agent.

Breakdown of the syndicated loan is as follows:

	Amount
Banco de Oro Unibank, Inc.	₱7,125,000,000
Development Bank of the Philippines	2,375,000,000
Land Bank of the Philippines	2,000,000,000
	₱11,500,000,000

The Omnibus Agreement was entered into to finance the Project which is to design, construct, operate, and maintain Phase 1 of the Tarlac-Pangasinan-La Union Toll Expressway under the Toll Concession Agreement dated August 28, 2008, between PIDC as Grantee and, the Republic of the Philippines, acting and by through the Department of Public Works and Highways and the Toll Regulatory Board, as Grantor.

Details of the loan follow:

a. Interest: At a floating rate per annum equivalent to the five (5) - year Philippine Dealing System Treasury-Fixing (PDST-F) benchmark yield for treasury securities as published on the PDEx page of Bloomberg (or such successor electronic service provider) at approximately 11:30a.m. (Manila Time) on the banking day prior to each day of Borrowing and with respect to the fifth (5th) year from the date of initial Borrowing and each succeeding interest period thereafter, plus 3% per annum.

b. Repayment: The principal amount shall be payable in twenty-eight (28) quarterly installments commencing on the thirty ninth (39th) month from the initial borrowing date, inclusive of a not more than a three (3) years grace period. Final repayment date is ten (10) years after initial borrowing. The loan may be prepaid voluntarily provided the conditions in the Omnibus Agreement are satisfied.

On September 3, 2009, the BOD approved the Parent Company's additional subscription of 1,449,684 common shares out of PIDC's increase in authorized capital stock of ₱3.50 billion. In 2010, the Parent Company paid in full the subscriptions of shares amounting ₱244.67 million.

Subic Water

On January 22, 1997, PDI subscribed to 3,262,320 shares at the par value of ₱10 per share for an aggregate value of ₱32.62 million in Subic Water, a joint venture company among Subic Bay Metropolitan Authority (SBMA), a government-owned corporation, Olongapo City Water District, and Cascal Services Limited (a company organized under the laws of England). The agreement executed by the parties on November 24, 1996 stipulated, among others, that PDI shall have an equity participation equivalent to 40% in Subic Water amounting ₱74.80 million (based on the initial subscribed and paid-in capital of ₱187.00 million). The balance of PDI's committed subscription to Subic Water of ₱38.18 million (net of additional subscriptions payment of ₱4.00 million in 1998) is expected to be paid on or before the second anniversary of the effectivity date. As of December 31, 2012 and 2011, such committed subscription remains unpaid.

The investment in Subic Water is accounted for as an investment in an associate since there is no joint control among the investors.

Dividends received from the Group's investments in DMWC and Subic Water amounted to ₱856.13 million and ₱19.71 million, respectively, in 2012; ₱624.26 million and ₱74.39 million, respectively, in 2011; and ₱244.59 million and ₱44.73 million, respectively, in 2010 (Note 21).

ENK Plc

In 2012, the Parent Company acquired existing shares of ENK Plc, a mining company with significant mining assets in the Philippines. ENK is a laterite development and production company focused on developing its Acoje project in the Philippines. The total acquisition cost amounted to ₱2.1 billion. In aggregate, the Parent Company owns 157.26 million shares which represents 60% ownership in ENK Plc. The remaining 40% is owned by D&A Income Ltd, an entity from United Kingdom. The investment in ENK is accounted for as an acquisition of a business.

Also in 2012, the Parent Company and D&A executed a Shareholders' Agreement which clearly defines the roles of the shareholders as having economic interests and limits the participation of the shareholders in the governance of ENK. Accordingly, the Parent Company's 60% ownership interest in ENK only allows it to exercise significant influence. There is no joint control between Parent Company and D&A.

ENK Plc's acquisition of Rusina Mining NL

Rusina Mining NL ('Rusina') is a Philippines focused mineral exploration and development company. Its major asset is the Acoje Nickel Laterite Project. It also has a portfolio of exploration properties that are prospective for base metals, precious metals and chromite. ENK Plc acquired Rusina for a purchase consideration of $21,246,000 last June 16, 2010.

In line with the Parent Company's acquisition of 60% economic interest of ENK Plc, the Parent Company has recognized the investments in Rusina Mining as part of its investment in ENK Plc.

Toledo and NRHI
On October 23, 2012, DMCI Mining purchased from Daintree Resources Limited 8,480,250 common shares or 17.01% ownership in Toledo Mining Corporation (Toledo). On February 15, 2013, DMCI Mining increased its shareholding to 37.7%. As of April 9, 2013, it further increased its stake to 57.1%. Total acquisition cost amounted to ₱226.90 million. The investment in Toledo is accounted for as an acquisition of a business and accounted at equity method as of December 31, 2012.

On December 31, 2012, DMCI Mining purchased from Toledo 775,000 issued common shares or 31% ownerhip in NRHI. Total acquisition cost amounted to ₱268.93 million. The investment in NRHI is accounted for as an acquisition of a business and accounted at equity method.

12. Investment Properties

The movements in this account follow (amounts in thousands):

2012

	Land	Buildings and Building Improvements	Condominium Units	Total
Cost				
At January 1	**₱38,857**	**₱96,500**	**₱44,348**	**₱179,705**
Additions	**–**	**139,197**	**–**	**139,197**
At December 31	**38,857**	**235,697**	**44,348**	**318,902**
Accumulated Depreciation and Amortization				
At January 1	**–**	**36,525**	**1,021**	**37,546**
Depreciation and amortization (Note 24)	**–**	**3,416**	**1,492**	**4,909**
At December 31	**–**	**39,941**	**2,513**	**42,455**
Net Book Value	**₱38,857**	**₱195,756**	**₱41,835**	**₱276,447**

<u>2011</u>

	Land	Buildings and Building Improvements	Condominium Units	Total
Cost				
At January 1	₱38,857	₱96,500	₱12,210	₱147,567
Additions	–	–	32,138	32,138
At December 31	38,857	96,500	44,348	179,705
Accumulated Depreciation and Amortization				
At January 1	–	30,748	485	31,233
Depreciation and amortization (Note 24)	–	5,777	536	6,313
At December 31	–	36,525	1,021	37,546
Net Book Value	₱38,857	₱59,975	₱43,327	₱142,159

The fair value of investment properties, which has been determined based on valuations performed by independent professional qualified appraisers in 2012 and 2011, exceeds its carrying cost. The fair value represents the amount at which the assets could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction at the date of valuation. The aggregate fair value as of the date of appraisal amounted to ₱202.83 million and ₱274.29 million as of December 31, 2012 and 2011, respectively.

The value of the investment properties was arrived at using the Market Data Approach. In this approach, the value of the investment properties is based on sales and listings of comparable property registered in the vicinity. The technique of this approach requires the establishment of comparable property by reducing reasonable comparative sales and listings to a common denominator. This is done by adjusting the differences between the subject property and those actual sales and listings regarded as comparable. The properties used as basis of comparison are situated within the immediate vicinity of the subject property.

There have been no outstanding capital commitments in 2012 and 2011.

Rental income from investment properties (included under 'Other income') amounted to ₱274.17 million, ₱53.81 million and ₱66.96 million in 2012, 2011 and 2010, respectively (Note 28). Direct operating expenses (included under 'Operating expenses' in the consolidated statements of income) arising from investment properties amounted to ₱4.10 million, ₱6.31 million and ₱3.90 million in 2012, 2011 and 2010, respectively (Note 25).

There are no investment properties as of December 31, 2012 and 2011 that are pledged as security against liabilities.

13. Property, Plant and Equipment

The movements in this account follow (amounts in thousands):

2012

	Land and Land Improvements	Power Plant, Buildings and Building Improvements	Construction Equipment, Machinery and Tools	Office Furniture, Fixtures and Equipment	Transportation Equipment	Conventional and Continuous Mining Properties and Equipment	Leasehold Improvements	Construction in Progress	Total
Cost									
At January 1	**₱1,507,723**	**₱19,083,577**	**₱4,650,906**	**₱327,295**	**₱307,786**	**₱14,932,108**	**₱137,718**	**₱2,081,458**	**₱43,028,571**
Additions	**50,304**	**73,214**	**878,527**	**46,964**	**71,704**	**1,162,314**	**4,480**	**3,888,992**	**6,176,499**
Transfers from inventory (Note 9)	**–**		**–**	**–**	**–**	**–**	**–**	**223,519**	**223,519**
Transfers and retirements/disposals	**–**	**237,538**	**(228,013)**	**–**	**(29,218)**	**(865,784)**	**–**	**(591,257)**	**(1,476,734)**
Writedown	**–**	**(420,699)**	**–**	**–**	**–**	**–**	**–**	**–**	**(420,699)**
At December 31	**1,558,027**	**18,973,630**	**5,301,420**	**374,259**	**350,272**	**15,228,638**	**142,198**	**5,602,711**	**47,531,156**
Accumulated Depreciation, Depletion and Amortization									
At January 1	**459,255**	**3,107,996**	**3,598,169**	**266,483**	**208,108**	**11,909,813**	**61,144**	**–**	**19,610,968**
Depreciation, depletion and amortization (Notes 24 and 25)	**9,026**	**1,013,782**	**525,853**	**49,206**	**36,831**	**2,092,772**	**16,230**	**–**	**3,743,700**
Transfers and retirements/disposals	**–**	**–**	**(224,678)**	**–**	**(24,009)**	**(1,219,504)**	**–**	**–**	**(1,468,191)**
Writedown	**–**	**(79,553)**	**–**	**–**	**–**	**–**	**–**	**–**	**(79,553)**
At December 31	**468,281**	**4,042,225**	**3,899,344**	**315,689**	**220,930**	**12,783,081**	**77,374**	**–**	**21,806,924**
Net Book Value	**₱1,089,746**	**₱14,931,405**	**₱1,402,076**	**₱58,570**	**₱129,342**	**₱2,445,557**	**₱64,824**	**₱5,602,711**	**₱25,724,232**

2011

	Land and Land Improvements	Power Plant, Buildings and Building Improvements	Construction Equipment, Machinery and Tools	Office Furniture, Fixtures and Equipment	Transportation Equipment	Conventional and Continuous Mining Properties and Equipment	Leasehold Improvements	Construction in Progress	Total
Cost									
At January 1	₱998,968	₱18,294,236	₱4,103,495	₱253,090	₱266,057	₱13,387,180	₱98,811	₱1,268,997	₱38,670,834
Additions	422,771	129,001	622,595	73,572	52,493	1,431,444	38,907	768,559	3,539,342
Transfers from inventory (Note 9)	–	–	–	–	–	–	–	1,607,456	1,607,456
Transfers and retirements/disposals	85,984	660,340	(75,184)	633	(10,764)	113,484	–	(1,563,554)	(789,061)
At December 31	1,507,723	19,083,577	4,650,906	327,295	307,786	14,932,108	137,718	2,081,458	43,028,571
Accumulated Depreciation, Depletion and Amortization									
At January 1	437,763	2,173,659	3,182,528	242,705	185,992	10,608,295	60,498	–	16,891,440
Depreciation, depletion and amortization (Notes 24 and 25)	21,500	941,989	474,702	25,035	31,222	2,001,653	646	–	3,496,747
Transfers and retirements/disposals	(8)	(982)	(59,061)	(1,257)	(9,106)	(700,135)	–	–	(770,549)
Reversal of allowance for impairment (Note 28)	–	(6,670)	–	–	–	–	–	–	(6,670)
At December 31	459,255	3,107,996	3,598,169	266,483	208,108	11,909,813	61,144	–	19,610,968
Net Book Value	₱1,048,468	₱15,975,581	₱1,052,737	₱60,812	₱99,678	₱3,022,295	₱76,574	₱2,081,458	₱23,417,603

SLPGC entered into a contract agreement with DMCI for the Construction of 2x150Megawatt coal-fired power plant. The construction of the coal-fired power plant commenced on the early part of the year. As of December 31, 2012, SLPGC expects to spend ₱17.70 billion to complete the power plant in the early part of 2015.

Depreciation, depletion and amortization expense on property, plant and equipment amounted to ₱3.74 billion, ₱3.50 billion and ₱3.67 billion in 2012, 2011 and 2010, respectively (Notes 24 and 25).

The construction in progress accounts mostly contains purchased mining equipment items that are in transit and various buildings and structures that are under construction as of December 31, 2012 and 2011. Construction in progress also includes capitalized rehabilitation costs for the Unit I of Calaca power plant that was incurred in 2011, the rehabilitation of which is expected to be completed by early 2012. These are not qualifying assets, as such, no borrowing cost was capitalized in 2012 and 2011.

In January 2011, rehabilitation of Unit II of the Calaca power plant was completed. Related rehabilitation costs that are capitalized as part of the “Power plant and building” amounted to ₱620.29 million.

On July 12, 2010, PSALM issued an Option Existence Notice and granted SCPC the “Option” to purchase parcels of land (Optioned Assets) that form part of the leased premises. SCPC availed the “Option” and paid the Option Price amounting US$0.32 million or a peso equivalent of ₱14.72 million exercisable within one year from the issuance of the Option Existence Notice.

On May 5, 2011, PSALM granted SCPC’s request to assign portion of its Option to Semirara, for the latter to purchase the 82,740 square meter lot covered by TCT No. 115804.

On June 1, 2011, Semirara and SCPC exercised their option to purchase the Option Asset and subsequently entered into Deed of Absolute Sales with PSALM for the total consideration of ₱376.61 million. Consequently, the option price amounting ₱14.72 million was expensed out under “Operating expenses”.

In 2012, 2011 and 2010, the Group sold various equipment items at a gain included under the profit and loss caption “Other income - net” amounting ₱127.50 million, ₱57.57 million and ₱28.96 million, respectively (Note 28).

As of December 31, 2012 and 2011, the carrying amount of transportation and construction equipment under finance lease amounted to nil and ₱12.35 million, respectively (Note 37).

As security for timely payment, discharge, observance and performance of the loan provisions, the Company creates, establishes, and constitutes in favor of the Security Trustee, for the benefit of all secured parties, a first ranking real estate and chattel mortgage on present and future real assets and chattels owned by the Company as of December 31, 2012 and 2011 (Note 19).

In 2012, SCPC incurred a loss from property, plant and equipment writedown due to the replacement of generation units amounting to ₱341.15 million (Note 28).

The cost of fully depreciated assets that are still in use as of December 31, 2012 and 2011 amounted to ₱ 5,883 million and ₱ 5,045 billion, respectively.

There are no temporarily idle property, plant and equipment in 2012 and 2011.

14. **Other Noncurrent Assets**

The details of other noncurrent assets follow:

	2012	2011
	(Amounts in Thousands)	
Investment in sinking fund (Note 19)	**₱508,041**	₱490,789
Deposits	**145,330**	–
Deferred input VAT	**293,536**	92,391
Security deposits (Note 35)	**191,390**	132,681
5% input VAT withheld - net	**124,438**	150,127
Prepaid rent (Note 37)	**100,115**	105,354
Software cost - net	**49,945**	61,052
Prepaid tax	**22,807**	–
Others	**1,499**	15,860
	1,437,101	1,048,254
Less current portion of		
Prepaid rent (Note 10)	**5,103**	6,422
	₱1,431,998	₱1,041,832

Investment in sinking fund
In a special meeting of the BOD of SCPC held on March 9, 2010, the BOD of SCPC authorized SCPC to establish, maintain, and operate trust and investment management accounts with Banco de Oro Unibank, Inc., **-** Trust and Investment Group (BDO). The Omnibus Agreement provided that the Security Trustee shall invest and reinvest the monies on deposit in Collateral Accounts (Note 19). All investments made shall be in the name of the Security Trustee and for the benefit of the Collateral Accounts. In May 2010, BDO made an initial investment in the Sinking Fund amounting ₱304.81 million. As of December 31, 2012 and 2011, the investment in sinking fund amounted to ₱508.04 million and ₱490.79 million, respectively.

Interest earned from the sinking fund amounted to ₱17.21 million, ₱7.21 million and ₱5.42 million in 2012, 2011 and 2010, respectively (Note 26).

Deferred Input VAT
This pertains to VAT incurred from acquisition of capital assets.

Security Deposits
Security deposits represent payments to and held by the lessor as security for the faithful and timely performance by the Group of all its obligations and compliance with all provisions of the equipment rental agreement (Note 36). These deposits shall be returned by the lessor to the Group after deducting any unpaid rental, and/or any other amounts due to the lessor for any damage and expense incurred to put the vehicle in good working condition.

Prepaid Rent
The Group entered into a Land Lease Agreement (LLA) with PSALM for the lease of land in which the plant is situated for a period of twenty-five (25) years. The Group paid US$3.19 million or its peso equivalent of ₱150.57 million as payment for the 25 years of rental (Note 36).

Upon exercise of Semirara's and SCPC's option to purchase the option assets, prepaid rent for the portion of the purchased land amounting ₱35.49 million was offset against the total purchase price.

Software Cost
Movements in software cost account follow:

	2012	2011
	(Amounts in Thousands)	
At Cost		
At January 1	**₱114,172**	₱41,457
Additions	**17,016**	72,715
At December 31	**131,188**	114,172
Accumulated Amortization		
At January 1	**53,120**	35,112
Amortization (Notes 24 and 25)	**28,123**	18,008
At December 31	**81,243**	53,120
Net Book Value	**₱49,945**	₱61,052

5% Input VAT withheld - net
In 2011, the CTA rendered a decision granting the Semirara's petition for refund or issuance of tax credit certificate (TCC) in the total amount of ₱178.65 million. The Commissioner of BIR filed a motion for reconsideration which was denied in a Resolution executed by the CTA. The Commissioner of BIR filed for a Petition for Review with the CTA En Banc.

In 2012, CTA En Banc rendered a decision dismissing the petition for review for the lack of merit on ₱163.36 million refund. Decision on petition for review filed by Commissioner of BIR on ₱15.29 million refund TCC remains pending to date.

Management has estimated that the refund will be recovered after ten (10) to fifteen (15) years. Consequently, the claim for tax refund was provided with provision for impairment losses amounting to ₱47.15 million in 2012 and ₱40.37 million in 2009 (Note 25).

Prepaid tax
Prepaid tax pertains to the current portion of the advance payment of documentary stam p tax used for the availments of long term borrowings during the year.

Deposits related to Definitive Agreement with a Third Party
On October 30, 2012, the DMC entered into a definitive agreement with a third party for the assignment of shares and call options in three holding companies. The assigned shares are held by an escrow agent and the ownership is subject to a condition that all pending cases faced by the third party, the holding companies and the development companies are resolved in their favor.

The purchase price due to the third party for the total shares is $13.20 million. In accordance with the agreement, the DMC deposited a portion of the purchase price which was devoted primarily to paying the certain agreed upon expenses, including those relating to ongoing litigation of permitting issues faced by the third party, holding companies and development companies.

The definitive agreement also sets a deadline, should the pending cases remain unresolved, allows the third party to recover the shares and the Company to recover whatever was advanced.

As of December 31, 2012, cost incurred in relation to the definitive agreement amounted to ₱145.33 million.

15. **Short-term Debt**

This account consists of the following:

	2012	2011
	(Amounts in Thousands)	
Acceptances and trust receipts payable	**₱60,575**	₱1,037,365
Bank loans	**572,396**	453,283
	₱632,971	₱1,490,648

Acceptances and trust receipts payable
Acceptances and trust receipts are used by the Group to facilitate payment for importations of materials, fixed assets and other assets. These are noninterest-bearing and with maturity of less than one (1) year.

Bank loans
The Group's bank loans consist of unsecured peso-denominated short-term borrowings from local banks which bear annual interest ranging from 2.00% to 4.00% in 2012 and 2011, and are payable on monthly, quarterly and lump sum bases on various maturity dates within the next twelve (12) months after the reporting date.

The Group's agreements with local banks contain some or all of the following restrictions relating to, among others: purchase of issued and outstanding capital stock; disposal of encumbered properties; change in the ownership or management and nature of its business; dividend declaration and distribution; guarantees; incurrence of additional liabilities; and merger and consolidation.

As of December 31, 2012 and 2011, the Group is in compliance with the loan covenants required by the banks.

16. **Liabilities for Purchased Land**

Liabilities for purchased land represent the balance of the Group's obligations to various real estate property sellers for the acquisition of certain parcels of land. The terms of the deeds of absolute sale covering the land acquisitions provided that such obligations are payable only after the following conditions, among others, have been complied with: (a) presentation by the property sellers of the original transfer certificates of title covering the purchased parcels of land; (b) submission of certificates of non-delinquency on real estate taxes; and (c) physical turnover of the acquired parcels of land to the Group.

In 2010, the Group acquired certain land properties which are payable over a period of three (3) to four (4) years. Such liabilities for purchased land with a nominal amount of ₱530.71 million were recorded at fair value amounting ₱519.67 million. The fair value is derived using discounted cash flow model using the discount rate ranging from 6.94% to 9.62%, which already includes the 2.00% spread provided by the bank. The unamortized discount amounted to nil and ₱23.40 million as of December 31, 2012 and 2011, respectively. Movements in the unamortized discount follow:

	2012	2011
	(Amounts in Thousands)	
Balance at beginning of year	**₱23,397**	₱62,020
Accretion for the year (Note 27)	**(23,397)**	(38,623)
	₱–	₱23,397

The accretion amounting ₱23.40 million and ₱38.62 million is recorded as finance costs in 2012 and 2011, respectively (Note 27).

17. Accounts and Other Payables

This account consists of the following:

	2012	2011
	(Amounts in Thousands)	
Trade and other payables		
Suppliers (Note 20)	**₱9,211,717**	₱9,368,741
Subcontractors	**1,900,585**	320,399
Others	**511,776**	586,180
Output VAT payable	**543,445**	1,475,956
Accrued costs and expenses	**1,631,663**	1,487,296
	13,799,186	13,238,572
Less noncurrent portion of trade and other payables (Note 20)	**1,460,267**	1,286,998
	₱12,338,919	₱11,951,574

<u>Suppliers</u>
Payable to suppliers include liabilities to various foreign and local suppliers for open account purchases of equipment and equipment parts and supplies. These are noninterest bearing and are normally settled on a 30-to 60-day credit terms.

<u>Subcontractors</u>
Subcontractors payable arise when the Group receives progress billing from its subcontractors for the construction cost of a certain project and is recouped against monthly billings. These subcontractors were selected by the contract owners to provide materials, labor and other services necessary for the completion of a project. These are non-interest bearing and are normally settled on 15-to-60 day terms.

<u>Other Payables</u>
Other payables include payable to nickel mine rights owner and marketing agents. These are noninterest-bearing and are normally settled within one (1) year.

Accrued Costs and Expenses
Accrued costs and expenses consist mainly of accrual of salaries, taxes and others. Further analysis is provided below:

	2012	2011
	(Amounts in Thousands)	
Payable to Department of Energy (DOE) (Note 31)	**₱1,007,849**	₱905,009
Withholding and others taxes	**233,905**	124,187
Accruals:		
Accrued salaries	**156,845**	171,513
Accrued interest	**95,024**	120,687
Accrued professional fees	**8,649**	8,962
Retention fee	**35,146**	54,525
Accrued rental	**22,496**	25,790
Dividends	**12,102**	19,422
Others	**59,647**	57,201
	₱1,631,663	₱1,487,296

Others include accruals for contracted services, utilities, supplies, advertising, commission and other administrative expenses.

Semirara's liability to the DOE and local government units represents the share of DOE and local government units in the gross revenue from Semirara's coal production (including accrued interest on the outstanding balance) computed in accordance with the coal operating contract between Semirara, DOE and the local government units dated July 11, 1977, as amended on January 16, 1981. The contract is for a maximum period of 35 years (inclusive of the developmental stage and renewals) up to July 2012. Total payable to DOE and local government units amounted to ₱1,007.85 million and ₱905.01 million as of December 31, 2012 and 2011, respectively (Note 31).

18. Customers' Advances and Deposits

The customers' advances and deposits are due to the following:

	2012	2011
	(Amounts in Thousands)	
Real estate customers	**₱4,389,153**	₱1,921,812
Contract owners	**828,567**	1,604,383
Coal supply contracts	**40,330**	112,314
	₱5,258,050	₱3,638,509

Real Estate Customers
Customers' advances and deposits from real estate customers represent reservation fees and initial collections received from customers before the two parties enter into a sale transaction. These were payments from buyers which has not reached the minimum required percentage. When the level of required percentage is reached by the buyer, sale is recognized and these deposits and downpayments will be recognized as revenue and will be applied against the receivable balance.

Contract Owners
Advances from contract-owners pertain to unliquidated down payments which are being recouped upon every progress billing depending on the percentage of accomplishment.

Coal Supply Contracts
These deposits represent advances from customers of Semirara. These deposits are applied against future coal deliveries which occur within one year from the dates the deposits were made.

19. **Long-term Debt**

Long-term debt pertains to the following obligations:

	2012	2011
	(Amounts in Thousands)	
Bank loans	**₱24,833,115**	₱21,577,213
Finance lease	**–**	12,352
	24,833,115	21,589,565
Less current portion of:		
Bank loans	**6,642,262**	3,806,197
Finance lease	**–**	7,751
	6,642,262	3,813,948
Noncurrent portion	**₱18,190,853**	₱17,775,617

Details of the bank loans follow (amounts in millions):

Loan Type	Date of Availment	Outstanding Balances 2012	2011	Maturity	Interest Rate	Payment Terms	Covenants/Collaterals
Local bank loans							
Loan 1	Various availments in 2011 and 2010	**₱947.54**	₱1,313.18	Various maturities in 2012 and 2013	1.14 - 1.18% p.a. payable semi-annually in arrears, to be repriced every 6 months	Interest payable semi-annually in arrears, with interest rates inclusive of 10% withholding tax. Payment of interest shall commence on the 6th month and every six months thereafter until fully paid at the prevailing rate.	Unsecured loans
Loan 2	Various availments in 2011 and 2010	**2,556.86**	1,028.25	Various maturities in 2012 and 2013	Floating rate to be repriced over the 90 to 180 days	Interest payable in 90 days; not deducted from proceeds of loans and principal repayable in maturity.	Unsecured loans
Loan 3	August 2011	**1,040.28**	925.66	August 2013	Floating rate, to be re-priced on a monthly, quarterly, semi-annual or annual basis.	Interest payable in 90-180 days and principal repayable in maturity.	Proceeds of the loan were restricted for equipment fund and working capital; Financial Covenants: Current Ratio not less than 1:1, Debt-Equity Ratio not exceeding 2:1, Debt-EBITDA Ratio not exceeding 3:1. The Group is in compliance with the above covenants as of December 31, 2012 and 2011.
Loan 4	Various availments in 2011 and 2010	**230.40**	688.42	October 2012	Floating rate, to be repriced every 30 to 180 days	Interest shall be payable on the last day of the current interest period or the 90th day of said period whichever occurs earlier and full payment of principal at maturity.	Unsecured loans
Loan 5	October 2010	**–**	140.29	Various maturities in 2012	Floating rate, to be repriced every 90 days	Interest payable in 90 days; not deducted from proceeds of loans and principal repayable in maturity.	Any monies standing to the credit of the borrower's other account with the bank and any securities, deeds, boxes and parcels and their contents and property of any description held in borrower's name.

(Forward)

Loan Type	Date of Availment	Outstanding Balances 2012	2011	Maturity	Interest Rate	Payment Terms	Covenants/Collaterals
Local bank loans							
Loan 6	January 2011	**₱131.36**	₱140.29	January 2013	Interest rate subject to review and resetting based on the prevailing market rate	Balloon payment of the principal at maturity	Unsecured loans
Mortgage payable	May 20, 2010	**6,856.70**	8,365.57	May 20 2017	PDST-F benchmark yield for 3-month treasury securities + 1.75%	Payable in twenty-five (25) equal consecutive quarterly installments commencing on May 20, 2011	Monies in the Collateral Accounts, supply receivables, proceeds of asset and business continuity insurance obtained by SCPC, project agreements, first-ranking mortgage on present and future real assets and first-ranking chattel mortgage
Mortgage payable	February 4, 2012	**547.49**		February 4, 2022	PDST-F + Spread or BSP Overnight Rate, whichever is higher	The principal amount shall be paid in twenty-seven equal consecutive quarterly installments commencing on the fourteenth quarter from the initial borrowing date. Final repayment date is ten (10) years after initial borrowing.	67% of issued and outstanding shares of SLPGC owned by the Parent Company
Corporate notes	Various dates in 2011 and 2012	**5,864.83**	4,951.69	Various maturities from 2012 to 2016	7.22%-7.89%	1% of principal payable for the first four (4) years and 96% on the 5th year	Financial Covenants: Debt-Equity Ratio not exceeding 2:1, Current ratio not exceeding 1.75:1. The Group is in compliance with the above covenants as of December 31, 2012 and 2011.
Agreement to purchase receivables (with recourse)	Various	**6,657.65**	4,018.71	Various	10%-13% p.a.	Payable in equal monthly installments over a period ranging from 5 to 15 years	Real estate receivables with carrying value of ₱5.57 billion and ₱1.67 billion in 2012 and 2011 , respectively (Note 7).
Working capital loan	Various	**–**	1.60	Various	7.5%-10% p.a.	Payable in equal monthlyinstallments over a period more than one year	None
Various car loans	Various	**–**	3.55	Various	15.56%-27.14% p.a.	Payable in equal monthly installments	Various Cars with carrying value of ₱5.39 million and ₱7.29 million in 2012 and 2011, respectively.
		₱24,833.11	₱21,577.21				

Mortgage payable

SLPGC
On February 4, 2012, SLPGC entered into an ₱11.50 billion Omnibus Agreement with Banco de Oro Unibank (BDO), Bank of the Philippine Island (BPI) and China Banking Corporation (CBC) as Lenders. As security for the timely payment of the loan and prompt observance of all the provision of the Omnibus Agreement, the 67% of issued and outstanding shares of SLPGC owned by Semirara were pledged on this loan. The proceeds of the loan will be used for the engineering, procurement and construction of 2x150 MW coal-fired thermal power plant.

Breakdown of the syndicated loan is as follows:

	Amount
BDO Unibank	₱6,000,000,000
BPI	3,000,000,000
CBC	2,500,000,000
	₱11,500,000,000

Details of the loan follow:

a. Interest: At applicable interest rate (PDST-F + Spread or BSP Overnight Rate, whichever is higher). Such interest shall accrue from and including the first day of each Interest Period up to the last day of such Interest Period. The Facility Agent shall notify all the Lenders of any adjustment in an Interest Payment Date at least three Banking Days prior to the adjusted Interest Payment Date.

b. Repayment: The principal amount shall be paid in twenty-seven equal consecutive quarterly installments commencing on the fourteenth quarter from the initial borrowing date. Final repayment date is ten (10) years after initial borrowing.

The first drawdown was made on May 24, 2012 amounting to ₱550.00 million. Capitalized debt issuance cost related on the first drawdown amounted to ₱2.75 million and is amortized using the effective interest method over the loan's term. As of December 31, 2012, amortization of debt issuance cost recognized as part of "Property, plant and equipment" account in the consolidated statements of financial position amounted to ₱0.24 million (Note 13).

SCPC
On May 20, 2010, SCPC entered into a ₱9.60 billion Omnibus Loan Security Agreement ("Agreement") with Banco de Oro Unibank, Inc. (BDO Unibank), Bank of Philippine Islands (BPI) and Philippine National Bank (PNB) as Lenders, the Parent Company as Guarantor, BDO Capital and Investment Corporation as Lead Arranger and Sole Bookrunner, BPI Capital Corporation and PNB Capital and Investment Corp. as Arrangers, and BDO Unibank, Inc., Trust and Investments Group as Security Trustee, Facility Agent and Paying Agent.

Breakdown is as follows:

BDO Unibank	₱6,000,000
BPI	2,000,000
PNB	1,600,000
	₱9,600,000

The Agreement was entered into to finance the payments made to PSALM pursuant to the APA and LLA, and ongoing plant rehabilitation and capital expenditures.

Details of the loan follow:

a. Interest: At a floating rate per annum equivalent to the three (3) months Philippine Dealing System Treasury-Fixing (PDST-F) benchmark yield for treasury securities as published on the PDEx page of Bloomberg (or such successor electronic service provider at approximately 11:30 a.m. (Manila Time) on the banking day immediately preceding the date of initial borrowing or start of each interest period, as applicable, plus 175 basis points.

b. Repayment: The principal amount shall be payable in twenty-five (25) equal consecutive quarterly installments commencing on the twelfth month from the initial borrowing date. Final repayment date is seven (7) years after initial borrowing.

The loan was drawn in full on May 20, 2010. Capitalized debt issuance cost amounted to ₱110.04 million and is amortized using the effective interest method over the loan's term.

Amortization of debt issuance cost recognized as part of "Finance cost" account in the consolidated statements of income amounted to ₱27.12 million, ₱22.42 million and ₱5.20 million in 2012, 2011 and 2010, respectively (Note 27).

The Omnibus Agreement provided that the Security Trustee shall invest and reinvest the monies on deposit in Collateral accounts. All investments made shall be in the name of the Security Trustee and for the benefit of the Collateral accounts. BDO Unibank, Inc., - Trust and Investment Group made an investment in Sinking Fund amounting ₱508.04 million and ₱490.79 million as of December 31, 2012 and 2011, respectively (Note 14).

As security for the prompt and full payment, mortgage payable by SCPC and SLPGC were collateralized by all monies in the Collateral accounts, supply receivables, proceeds of any asset and business continuity insurance, project agreements and first-ranking mortgage on present (with a carrying value of ₱2,200.00 million) and future real assets. Further, 67% of issued and outstanding shares in SCPC and SLPGC (with a carrying value of ₱14,540.00 million) owned by Semirara were also pledged in this loan.

Mortgage payable by SLPGC provide certain restrictions and requirements with respect to, among others, maintain and preserve its corporate existence, comply with all of its material obligations under the project agreements, maintain at each testing date a Debt-to-Equity ratio not exceeding two times, grant loans or make advances and disposal of major property. These restrictions and requirements were complied with by SLPGC as of December 31, 2012.

Corporate notes
In October 2012, PDI signed corporate notes facility agreement on the issuance of 7-year peso denominated notes in the aggregate amount of ₱10,000.00 million with local banks. Proceeds of the notes facility will be used to fund land acquisition, general operations and project development and construction. The notes will be issued in three (3) tranches and payments shall be made in each tranche are as follows:

Quarter from Issue Date	Based on aggregate % of issue amount of each Series (Equally divided over the applicable quarters)
7th to 10th Quarter	2%
11th to 14th Quarter	4%
15th to 18th Quarter	5%
19th to 27th Quarter	12%
Final Maturity	77%
Total	100%

Tranche 1 of the ₱10,000.00 million Series C was issued on October 31, 2012 in the aggregate amount principal amount of ₱1,000.00 million while Tranche 2 (Series D) and 3 (Series E) is scheduled to be issued in April 2013 and July 2013 in the aggregate principal amount of ₱4,000.00 million and ₱5,000.00 million, respectively. The note is issued in registered form in the minimum denominations of ₱100.00 million and multiples of ₱10.00 million each. Corporate notes shall bear interest three (3) months after date of issue and every three (3) months thereafter.

In January 2011, PDI signed a fixed corporate notes facility agreement relating to the issuance of 5-year peso denominated notes in the aggregate amount of ₱5.00 billion with local banks. Proceeds of the said notes facility will be used to fund land acquisition, general operations and project development and construction. The notes have been issued in two tranches, redeemable in whole at the end of third year following the issue date of the second tranche note. Payments shall be made in each tranche equal to 1% every year from the issue date and the balance payable at maturity.

Tranche 1 (Series A) of ₱5,000.00 million corporate note was issued on January 28, 2011 in the aggregate principal amount of ₱2,000.00 million while Tranche 2 (Series B) was issued on March 17, 2011 in the aggregate principal amount of ₱3,000.00 million. They were issued in registered form in the minimum denominations of ₱100.00 million and multiples of ₱10.00 million each.

Corporate Notes shall bear interest from Tranche 1 and 2 PDST-F Issue Date and ending three (3) months after such Issue Date, and every three (3) months thereafter. The interest rate shall initially be the PDST-F benchmark yield for five-year treasury securities (Base Rate) on banking day immediately preceding an Issue Date plus the Margin (125 basis points) for each of the Tranche, gross of any applicable withholding taxes. Interest is payable quarterly.

Capitalized debt issuance cost amounted to ₱56.08 million and is amortized using the EIR method over the loan's term. Amortization of debt issuance cost recognized as part of "Finance cost" account in the consolidated statements of income amounted to ₱8.19 million (Note 27).

The ₱5.00 billion corporate notes facility agreement requires PDI to ensure that debt-to-equity ratio will not exceed 2.0 times and current ratio is at least 1.75 times. As of December 31, 2011, PDI is fully compliant with these requirements.

Rollforward of the capitalized debt issuance cost follows:

	2012	2011
	(Amounts in Thousands)	
Beginning at January 1	**₱130,318**	₱104,842
Additions	**51,411**	56,079
Amortizations (Note 27)	**(38,748)**	(30,603)
Ending at December 31	**₱142,981**	₱130,318

Agreement to purchase receivables
Certain subsidiaries entered into various purchase agreements with financial institutions whereby the subsidiaries assigned its receivables. The purchase agreements provide that the subsidiaries should substitute defaulted contracts to sell with other contracts to sell of equivalent value. The subsidiaries still retain the assigned receivables in the receivables account and record the proceeds from these sales as loans payable which amounted to ₱6.66 billion and ₱4.02 billion as of December 31, 2012 and 2011, respectively (Note 7).

In 2010, the subsidiaries under the real estate segment entered into a Memorandum of Agreement (MOA) with BDO Unibank, Inc. (the Bank) to purchase from time to time, on a without recourse basis, certain Contract to Sell accounts up to an aggregate amount of ₱3.00 billion. Total amount of receivables sold on a without recourse arrangement amounted to ₱1.52 billion and ₱0.94 billion in 2012 and 2011, respectively.

Working capital loan
The Group availed of various working capital loans including car financing and leasing.

Unused credit lines
The Group has unused credit lines with local banks amounting ₱3.67 billion and ₱5.51 billion as of December 31, 2012 and 2011, respectively.

20. Other Noncurrent Liabilities

The details of this account consist of:

	2012	2011
	(Amounts in Thousands)	
Accounts payable trade - supplier (Note 17)	**₱1,460,267**	₱1,286,998
Subscriptions payable (Note 11)	**4,938**	384,646
Provision for decommissioning and site rehabilitation - net	**62,448**	47,582
Others	**2**	13,152
	₱1,527,655	₱1,732,378

The rollforward analysis of the provision for decommissioning and site rehabilitation account follows:

	2012	2011
	(Amounts in Thousands)	
At January 1	**₱47,582**	₱14,732
Addition	**5,266**	31,092
Accretion of interest (Note 27)	**9,600**	1,758
At December 31	**₱62,448**	₱47,582

On October 10, 2012, the subscription payable to DMWC was cancelled as a result of reduction of DMWC's authorized capital stock (Notes 11 and 37).

On May 13, 2008, the DOE granted Semirara's request for an extension of its Coal Operating Contract (COC) for another 15-year or until July 14, 2027. Due to the term extension, Semirara has changed the discount rates used in the calculation of the net present value of the provision from 4.11% to 5.35% in 2010 to 1.31% to 8.15% in 2011.

Also, on November 12, 2009, the COC was amended further, expanding its contract area to include portions of Caluya and Sibay Islands, covering an additional area of 5,500 hectares and 300 hectares, respectively. Due to these change, Semirara has provided additional provision for decommissioning and site rehabilitation amounting ₱80.00 million, with a discounted value of ₱31.09 million as of December 31, 2011.

In accordance with the provisions of Philippine Interpretation IFRIC 1, the additions and adjustments were included in the consolidated statements of financial position under the caption "Other Noncurrent Liabilities" as of December 31, 2012 and 2011.

21. Related Party Transactions

Related parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making the financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

Transactions entered into by the Group with related parties are at arm's length and have terms similar to the transactions entered into with third parties. In the regular course of business, the Group's significant transactions with related parties include the following:

(a) DMC-Construction Equipment Resources, Inc. (DMC-CERI), an affiliate, under common stockholder, has transactions with Semirara for services rendered relating to the Semirara's coal operations. These services are for the confirmatory drilling for coal reserve evaluation of identified potential areas, exploratory drilling of other minerals within Semirara Island, dewatering well drilling along cut-off wall of Panian mine and fresh water well drilling for industrial and domestic supply under an agreement. Expenses incurred for said services amounted to ₱55.63 million, ₱52.90 million and ₱59.17 million in 2012, 2011, and 2010, respectively. These are included in Cost of sales under "Cost of coal sales - Outside services" (Note 24);

DMC-CERI also provides to Semirara marine vessels for use in the delivery of coal to its various customers. The coal freight billing is on a per metric ton basis plus demurrage charges when delay will be incurred in the loading and unloading of coal cargoes. Expenses (at gross amount) incurred for these services amounted to ₱383.10 million, ₱498.42 million and ₱507.86 million in 2012, 2011 and 2010, respectively, and are included in Cost of sales under "Cost of coal sales - Hauling and shiploading costs" (Note 24). The reported expense of the Group is net of freight payment by NPC (billing is cost and freight).

Land lease rental with DMC-CERI amounting ₱1.02 million and ₱1.70 million were accrued during the periods ended December 31, 2012 and 2011, respectively;

(b) M&S Company, Inc. (M&S), an affiliate under common control, supplies various supplies and materials to Semirara in cash on delivery basis. Semirara's total purchases from M&S amounted to ₱30.34 million, ₱52.83 million and ₱48.07 million in 2012, 2011 and 2010, respectively. M&S also rents out various equipment used in Semirara's operations. Rent expense amounted to ₱110.70 million in 2010. This is included included in Cost of sales under "Cost of coal sales under Outside services" in the consolidated statements of comprehensive income (Note 24);

(c) DMC Urban Property Developers, Inc. (UPDI), an affiliate under common stockholder, had transactions with Semirara representing long-term lease on office space and other transactions rendered to Semirara necessary for the coal operations. Office rental expense amounted to ₱7.50 million, ₱6.49 million and ₱6.97 million in 2012, 2011 and 2010, respectively.

(d) DMCI has various construction contracts with Maynilad for the rehabilitation and refurbishment of its water transmission and supply lines. Total construction revenue earned amounted to ₱ 1,108.47million, ₱1,283.62 million and ₱1,197.48 million in 2012, 2011 and 2010, respectively.

(e) DMCI Homes, Inc. has a management contract with UPDI to provide general and overall sales and marketing services for the latter's various projects. In 2010, total revenue earned from this contract amounted to ₱0.02 million.

(f) On October 10, 2012, the Parent Company has fully settled its due to DMWC amounting ₱234.58 million. The amount from the return of capital amounting ₱150.91 million was applied against a portion of the liability while the remaining balance was paid in cash (Note 11).

(g) Dividends received from the Group's investments in DMWC and Subic Water amounted to ₱856.13 million and nil, respectively, in 2012 and ₱624.26 million and ₱74.39 million, respectively, in 2011.

(h) Outstanding payable of the Group to DMWC amounted to nil and ₱234.58 million in 2012 and 2011, respectively. On October 10, 2012, the Parent Company has fully settled its due to DMWC amounting ₱234.58 million. The amount from the return of capital amounting ₱150.91 million was applied against a portion of the liability while the remaining balance was paid in cash (Notes 11 and 37).

The consolidated statements of financial position as of December 31, 2012 and 2011 include the following amounts relating to transactions with entities under common control follows:

	2012				
	Transaction	**Amount**	**Outstanding Balance**	**Terms**	**Conditions**
		(In Thousands)			
Receivables from related parties (Note 7)					
UPDI	**Office rental; management fees**	**₱6,942**	**₱174,982**	**1-30 days**	**Unsecured**
Sirawai Plywood and Lumber Corporation	**Supply of materials**	**–**	**11,077**	**1-30 days**	**Unsecured**
Others	**Due to related parties and others**	**1,127**	**1,237**	**1-30 days**	**Unsecured**
		₱8,069	**₱187,296**		
Payables from related parties					
DMC - CERI	**Outside services, direct labor, and other expenses; Hauling and shiploading costs**	**₱438,731**	**₱55,893**	**30 days; noninterest-bearing**	**Unsecured**
M&S Company	**Supply of materials**	**30,335**	**3,532**	**30 days; noninterest-bearing**	**Unsecured**
Others	**Due to related parties and others**	**3,668**	**1,790**	**Payable on demand; noninterest-bearing**	**Unsecured**
		₱472,734	**₱61,215**		

	2011				
	Transaction	**Amount**	**Outstanding Balance**	**Terms**	**Conditions**
		(In Thousands)			
Receivables from related parties (Note 7)					
DMC-UPDI	Office rental; management fees	(₱892)	₱172,370	1-30 days	Unsecured
Sirawai Plywood and Lumber Corporation	Supply of materials	–	11,097	1-30 days	Unsecured
VCONSUNJI INC.	Trade	–	11,016	1-30 days	Unsecured
Others	Due to related parties and others	24,936	9,139	1-30 days	Unsecured
		₱24,044	₱203,622		

		2011				
	Transaction	Amount	Outstanding Balance	Terms	Conditions
Payables from related parties					
DMCI-MPIC Water Co.,	Advances	₱233,053	₱234,579	Payable on demand	Unsecured, noninterest-bearing
DMC - CERI	Outside services, direct labor, and other expenses; Hauling and shiploading costs	–	57,269	30 days; non-interest bearing	Unsecured
Others	Trade	1,389	9,524	1-30 days	Unsecured
		₱234,442	₱301,372		

Terms and conditions of transactions with related parties
Outstanding balances as of December 31, 2012 and 2011, which are unsecured and interest free, are all due within one year. As of December 31, 2012 and 2011, the Parent Company has not made any provision for impairment loss relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Compensation of Key Management Personnel
Key management personnel of the Group include all directors and senior management. The aggregate compensation and benefits of key management personnel of the Group follows:

	2012	2011	2010
	(Amounts in Thousands)		
Short-term employee benefits	**₱156,843**	₱144,418	₱282,861
Post employment benefits (Note 23)	**14,714**	17,274	39,819
	₱171,557	₱161,692	₱322,680

There are no agreements between the Group and any of its directors and key officers providing for benefits upon termination of employment, except for such benefits to which they may be entitled under the Group's pension plan.

22. Equity

Capital Stock
The Parent Company's capital stock consists of:

	2012		2011	
	Shares	**Amount**	Shares	Amount
	(Amounts in Thousands)			
Preferred stock - ₱1 par value cumulative and convertible				
Authorized - 180,000				
Issued	**3**	**₱3**	3	₱3
Common stock - ₱1 par value				
Authorized - 5,900,000				
Issued	**2,655,494**	**₱2,655,494**	2,655,494	₱2,655,494

The preferred stock is redeemable, convertible, non-voting, non-participating and cumulative with par value of ₱1.00 per share. The preferred shareholders' right of converting the preferred shares to common shares expired in March 2002.

In 2011, the Parent Company retired 600 preferred shares. The difference between the redemption price amounting ₱0.60 million was charged against the additional paid-in capital account.

On December 18, 1995, the Parent Company launched its Initial Public Offering where a total of 1.13 billion common shares were offered at an offering price of ₱9.12 per share. As of December 31, 2012, the Parent Company has 743 existing certified shareholders of the 2.66 billion outstanding shares.

Retained Earnings

In accordance with SEC Memorandum Circular No. 11 issued in December 2008, the Parent Company's retained earnings available for dividend declaration (after reconciling items) as of December 31, 2012 and 2011 amounted to ₱8.48 billion and ₱6.30 billion, respectively.

Under the tax code, publicly held corporations are allowed to accumulate retained earnings in excess of capital stock and are exempt from improperly accumulated earnings tax.

Dividend declaration

The Parent Company's BOD approved the declaration of cash dividends in favor of all its stockholders as follows:

	2012	2011	2010
Date of declaration	**May 15, 2012**	May 31, 2011	June 4, 2010
Date of payment	**July 5, 2012**	July 7, 2011	July 15, 2010
Ex-dividend date	**June 11, 2012**	June 15, 2011	June 22, 2010
Dividend per share	**₱1.20**	₱1.00	₱0.50
Total dividends	**₱3,186,592,800**	₱2,655,494,000	₱1,327,747,000

On various dates in 2012, 2011 and 2010, Semirara, Beta and Wirerope declared dividends amounting ₱4,282.46 million, ₱3,607.40 million and ₱1,786.22 million, respectively, of which dividends to non-controlling interest amounted to ₱1,870.18 million, ₱1,575.71 million and ₱779.96 million, respectively.

Appropriation of retained earnings

On December 28, 2012, the Parent Company's BOD has appropriated ₱1,600 million from its unrestricted retained earnings as of December 31, 2012. The appropriated amount will be utilized for the stock subscription in DMCI Mining which it can use to fund ongoing acquisition of shares of stocks in Toledo. The acquisition is expected to be completed in 2013. As of April 11, 2013, DMCI Mining accumulated shares in Toledo aggregated 57.1% of outstanding shares (Note 40).

On December 29, 2011 the Board of Directors authorized the Parent Company to appropriate ₱3,000.00 million of its retained earnings for capital expenditures and investments which are expected to be utilized from 2012 to 2014.

The unappropriated retained earnings include accumulated equity in undistributed net earnings of consolidated subsidiaries, associates and jointly controlled entities accounted for under equity method of ₱7.69 billion and ₱6.57 billion as of December 31, 2012 and 2011, respectively. These are not available for dividend declaration until declared by the subsidiaries, associates and the jointly controlled entities.

Capital Management
The primary objective of the Group's capital management strategy is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares. There were no changes made in the Group's capital management objectives, policies or processes. The Group considers total stockholders' equity as capital. Equity, which the Group considers as capital, pertains to the equity attributable to equity holders of the Group less unrealized gain or loss on AFS financial assets.

The Group is not subject to any externally imposed capital requirements.

23. Employee Benefits

Retirement Plans
The Group has both unfunded and funded, noncontributory, defined benefit pension plans covering substantially all of their regular employees. The latest actuarial valuation reports of the retirement plans were made on December 31, 2012.

The following table summarizes the components of net pension expense (included in "Salaries, wages and employee benefits" account) in the consolidated statements of comprehensive income (Note 21):

Pension expense

	2012	2011	2010
	(Amounts in Thousands)		
Current service cost	**₱76,567**	₱71,510	₱94,025
Interest cost on benefit obligation	**21,503**	45,839	39,801
Expected return on plan assets	**(17,500)**	(10,528)	(35,473)
Net actuarial loss (gain) recognized during the year	**(3,352)**	(1,643)	(11,308)
Effect of the asset limit - loss	**(51)**	98	–
Past service cost - non vested benefit	**615**	615	2,031
Amortization of transition obligation recognized during the year	**(704)**	18	18
Total pension expense	**₱77,078**	₱75,863	₱89,094
Actual return on plan assets	**₱66,252**	₱31,400	₱737,586

Pension income

	2012	2011	2010
	(Amounts in Thousands)		
Current service cost	**₱34,640**	₱30,965	₱–
Interest cost on benefit obligation	**27,793**	30,047	–
Expected return on plan assets	**(82,364)**	(65,393)	–
Net actuarial gain recognized during the year	**(35,736)**	(34,742)	–
Past service cost - non vested benefit	**1,185**	1,416	–
Total pension income	**(₱54,482)**	(₱37,707)	₱–
Actual return on plan assets	**₱343,012**	₱178,502	₱–

Movements in the fair value of plan assets of the Group follow:

	2012	2011
	(Amounts in Thousands)	
Balance at beginning of year	**₱1,542,143**	₱1,246,622
Expected return on plan assets	**99,864**	75,921
Actual contributions	**190**	88,781
Benefits paid - from plan assets	**(2,037)**	(3,107)
Transfer of assets	**(131)**	(55)
Actuarial gain - net	**309,531**	133,981
Obligations on discontinued operations - sale of subsidiary	**–**	–
Balance at end of year	**₱1,949,560**	₱1,542,143

Changes in the present value of the defined benefit obligation follow:

	2012	2011
	(Amounts in Thousands)	
Balance at beginning of year	**₱794,522**	₱607,842
Interest cost	**49,297**	45,839
Current service cost	**111,208**	102,475
Benefits paid - from plan assets	**(2,037)**	(3,162)
Benefits paid - direct payments	**(1,929)**	–
Transfer of obligations	**(131)**	–
Actuarial (gain) loss - net	**(17,370)**	41,528
Adjustment pertaining to the disposal of a subsidiary	**–**	–
Balance at end of year	**₱933,560**	₱794,522

Net pension liability to be recognized in the consolidated statements of financial position:

	2012	2011
	(Amounts in Thousands)	
Fair value of plan assets	**₱1,826,412**	₱1,472,560
Present value of unfunded obligation	**881,133**	719,771
Excess of fair value of plan assets over present value of unfunded obligation	**945,279**	752,789
Unrecognized actuarial gain - net	**(1,156,470)**	(942,553)
Unrecognized past service cost - non vested	**6,884**	8,684
Unrecognized net transition obligation	**757**	775
Liabilities to be recognized in the consolidated statements of financial position	**(₱203,550)**	(₱180,305)

Net pension asset to be recognized in the consolidated statements of financial position:

	2012	2011
	(Amounts in Thousands)	
Fair value of plan assets	**₱122,982**	₱69,583
Present value of unfunded obligation	**52,428**	74,751
Excess of fair value of plan assets over present value of unfunded obligation	**70,554**	(5,168)
Unrecognized actuarial gain - net	**(64,343)**	9,523
Asset to be recognized in the consolidated statements of financial position	**₱6,211**	₱4,355

The Group does not expects to contribute into the pension fund for the year ending 2013.

The amounts for the current and the previous four periods follow:

	2012	2011	2010	2009	2008
			(Amounts in Thousands)		
Present value of defined benefit obligation	**₱933,560**	₱794,522	₱607,842	₱399,801	₱328,414
Fair value of plan assets	**1,949,560**	1,542,143	1,246,622	571,315	340,067
Excess of fair value of plan assets over present value of unfunded obligation	**1,016,000**	747,621	638,780	171,514	11,653
Experience adjustments on plan obligation	**34,518**	71,434	(29,410)	6,254	(85,486)
Experience adjustments on plan assets	**121,922**	133,908	704,694	164,737	(209,130)

The assumptions used to determine pension benefits of the Group follow:

	2012	2011	2010
Discount rate	**4.69% to 6.15%**	6.08% to 6.75%	5.82% to 10.82%
Salary increase rate	**3.00% to 10.00%**	3.00% to 10.00%	3.00% to 12.00%
Expected rate of return on plan assets	**6.00% to 6.50%**	6.00% to 6.50%	6.00% to 12.00%

The overall expected rate of return on plan assets is determined based on the market prices prevailing on that date applicable to the period over which the obligation is to be settled.

As of December 31, 2012 and 2011, the Group's plan assets consist primarily of the following:

	2012	2011
Cash and cash equivalents	**–%**	3.00%
Investments in stocks	**1.00**	2.00
Debt instruments	**78.00**	75.00
Other assets	**21.00**	20.00
	100.00%	100.00%

24. Costs of Sales and Services

Details of cost of sales and services follow:

	2012	2011	2010
		(Amounts in Thousands)	
Cost of Sales			
Cost of real estate inventory	**₱4,534,748**	₱4,004,240	₱4,720,585
Materials and supplies	**4,172,074**	1,821,355	2,948,473
Fuel and lubricants	**3,043,332**	4,242,030	2,144,741
Depreciation and amortization (Notes 12, 13 and 14)	**1,448,149**	1,797,211	1,337,876
Outside services (Note 21)	**967,163**	1,410,563	2,913,780
Hauling, shiploading and handling costs (Note 21)	**763,505**	1,198,572	652,237
Production overhead	**600,582**	456,211	596,642
Direct labor	**456,399**	622,215	405,183
Others	**30,959**	151,324	67,740
	₱16,016,911	₱15,703,721	₱15,787,257
Cost of Services			
Materials and supplies	**5,981,336**	6,515,312	6,479,986
Outside services (Note 21)	**6,498,218**	2,751,187	2,007,267
Direct labor	**1,327,040**	1,638,495	1,093,714
Depreciation and amortization (Notes 12, 13 and 14)	**1,554,596**	1,097,976	1,783,664
Fuel and lubricants	**2,110,596**	997,184	415,376
Production overhead	**649,682**	1,171,005	1,095,915
Spot purchases	**130,367**	1,500,978	1,771,760
Hauling, shiploading and handling costs (Note 21)	**214,913**	6,955	13,584
Others	**96,976**	46,167	155,360
	18,563,724	15,725,259	14,816,626
	₱34,580,635	₱31,428,980	₱30,603,883

Depreciation, depletion and amortization included in the consolidated statement of income follow:

	2012	2011	2010
	(Amounts in Thousands)		
Included in:			
Mining	**₱1,448,149**	₱1,797,211	₱1,337,876
Energy sales	**1,345,551**	776,589	793,300
Construction contracts	**209,045**	321,387	990,364
Operating expenses (Note 25)	**327,097**	198,656	105,782
	₱3,329,842	₱3,093,843	₱3,227,322

	2012	2011	2010
	(Amounts in Thousands)		
Depreciation, depletion and amortization of:			
Property, plant and equipment (Note 13)	**₱3,743,700**	₱3,496,747	₱3,667,181
Other noncurrent assets (Note 14)	**28,123**	18,009	18,239
Investment properties (Note 12)	**4,909**	6,313	6,262
	₱3,776,732	₱3,521,069	₱3,691,682

Depreciation, depletion and amortization adjusted in ending inventories amounted to ₱0.45 million, ₱0.43 million and ₱0.46 million in 2012, 2011 and 2010, respectively.

Salaries, wages and employee benefits included in the consolidated statements of comprehensive income follow:

	2012	2011	2010
	(Amounts in Thousands)		
Presented under:			
Costs of construction contracts	**₱1,185,705**	₱1,170,311	₱1,008,525
Operating expenses (Note 25)	**1,006,497**	973,829	755,513
Costs of mining	**450,999**	608,734	398,932
	₱2,643,201	₱2,752,874	₱2,162,970

25. Operating Expenses

This account consists of:

	2012	2011	2010
	(Amounts in Thousands)		
Government share (Note 31)	**₱1,557,950**	₱1,497,356	₱1,325,106
Salaries, wages and employee benefits (Notes 23 and 24)	**1,006,497**	973,829	755,513
Outside services	**792,487**	211,478	301,546
Taxes and licenses	**530,723**	677,460	307,613
Commission	**386,810**	503,946	480,694
Advertising and marketing	**366,357**	337,092	338,133

(Forward)

	2012	2011	2010
	(Amounts in Thousands)		
Depreciation and amortization			
(Notes 12, 13, 14 and 24)	**₱27,097**	₱198,656	₱105,782
Repairs and maintenance	**238,995**	94,728	67,047
Supplies	**108,757**	46,954	52,346
Provision for doubtful accounts (Note 7)	**78,296**	15,178	58,905
Communication, light and water	**80,440**	75,686	62,891
Entertainment, amusement and recreation	**69,697**	62,395	66,021
Insurance	**61,687**	68,172	66,199
Transportation and travel	**54,507**	47,292	72,974
Association dues	**40,081**	50,276	33,356
Rent (Note 37)	**28,619**	104,834	73,452
Probable losses on:			
Other current assets (Note 10)	–	–	88,778
Property, plant and equipment			
(Note 13)	–	–	6,670
Other noncurrent assets (Note 14)	**47,151**	–	–
Organizational cost	–	20,221	–
Provision for over-nomination (Note 36)	–	–	383,294
Miscellaneous	**114,543**	220,354	108,810
	₱5,890,694	₱5,205,907	₱4,755,130

26. **Finance Income**

Finance income is derived from the following sources:

	2012	2011	2010
	(Amounts in Thousands)		
Interest on:			
Real estate installment receivables	**₱475,792**	₱666,258	₱794,576
Short-term placements (Note 4)	**277,342**	328,309	93,473
Bank savings account (Note 4)	**78,076**	89,070	99,680
Invesment from sinking fund			
(Note 14)	**17,210**	7,210	5,421
Accretion on unamortized discount			
on real estate receivables			
(Note 7)	**1,444**	7,160	52,104
Accretion on unamortized discount			
on security deposits (Note 10)	**–**	169	12,787
	₱849,864	₱1,098,176	₱1,058,041

27. **Finance Costs**

The finance costs are incurred from the following:

	2012	2011	2010
	(Amounts in Thousands)		
Long-term borrowings	**₱1,075,984**	₱1,103,810	₱1,438,076
Bank loans and short-term borrowings	**50,799**	87,091	66,987
Accretion on unamortized discount on liabilities on purchased land and provision for decommissioning and site rehabilitation (Notes 16 and 20)	**32,997**	40,381	66,867
Amortization of debt issuance cost (Note 19)	**38,748**	30,603	5,200
	₱1,198,528	₱1,261,885	₱1,577,130

28. **Other Income (Expenses)**

This account consists of:

	2012	2011	2010
	(Amounts in Thousands)		
Foreign exchange gain (loss) - net	**₱332,447**	(₱46,567)	₱177,715
Rental income (Note 12)	**274,170**	53,807	66,962
Forfeitures and cancellation of real estate contracts	**157,579**	160,145	108,672
Sales of Fly Ash	**130,236**	6,871	–
Gain on sale of property, plant and equipment - net (Note 13)	**127,497**	57,565	28,958
Pension income (Note 23)	**54,481**	37,707	–
Dividend income (Note 5)	**5,679**	4,547	5,785
Recoveries from insurance claims	**41,546**	35,180	5,069
Reversal of allowance for doubtful accounts (Note 7)	**9,552**	7,892	5,677
Management fee (Note 21)	**3,131**	55,308	5,605
Gain on reversal of impairment on PPE	**–**	6,670	–
Gain of sale of investment in a subsidiary	**–**	**–**	41,378
Commission income	**–**	–	35
Loss on sale of AFS	**(986)**	–	–
Loss on writedown of property, plant and equipment (Note 13)	**(341,146)**	–	–
Others	**(7,804)**	53,748	42,091
	₱786,382	₱432,873	₱487,947

Loss on writedown of property, plant and equipment
In 2012, SCPC incurred a loss from property plant and equipment writedown due to the replacement of generation units amounting ₱341.15 million.

Others
Others account include unrealized marked-to-market gains, penalty charges for delayed payments of contracts receivable-housing, holding fees, fees for change in ownership, transfer fees, restructuring fees, income derived form selling excess electricity produced by Semirara to neighboring communities and others.

29. Income Tax

The provision for income tax shown in the consolidated statements of comprehensive income consists of:

	2012	2011	2010
	(Amounts in Thousands)		
Final	**₱59,383**	₱78,879	₱38,612
Current	**1,601,010**	763,135	660,474
Deferred	**(184,619)**	503,141	330,049
	₱1,475,774	₱1,345,155	₱1,029,135

The components of net deferred tax assets as of December 31, 2012 and 2011 follow:

	2012	2011
	(Amounts in Thousands)	
Deferred tax assets on:		
Deferred organizational cost	**₱–**	₱6,060
Allowance for:		
Doubtful accounts	**3,969**	3,969
Inventory obsolescence	**1,727**	1,727
Probable losses	**1,678**	159
Pension liabilities	**2,350**	2,799
Unrealized foreign exchange loss	**27**	908
Excess of tax over book income pertaining to construction contracts and real estate sales	**–**	706
NOLCO	**666**	11
MCIT	**83**	–
	10,500	16,339
Deferred tax liabilities on:		
Unamortized discount on payable to landowners	**–**	(15)
Others - net unrealized gain	**241**	(184)
	241	(199)
	₱10,741	₱16,140

The components of net deferred tax liabilities as of December 31, 2012 and 2011 follow:

	2012	2011
	(Amounts in Thousands)	
Deferred tax assets on:		
Pension liabilities	**₱37,083**	₱28,189
Allowance for:		
Doubtful accounts	**21,421**	21,421
Probable losses	**7,648**	7,648
Unamortized discount on receivables	**414**	434
	66,566	57,692
Deferred tax liabilities on:		
Unamortized discount on payable to landowners	**6,239**	(766)
Incremental cost of property, plant and equipment	**–**	(565)
Unamortized prepaid rent	**–**	(225)
Excess of book over tax income pertaining to construction contracts and real estate sales	**(727,933)**	(973,488)
Capitalized interest on real estate for sale and development deducted in advance	**(137,384)**	(76,320)
Unamortized transaction cost on loans payabale	**(25,551)**	(14,367)
Unrealized marked to market gain	**(378)**	(420)
Others - net unrealized gain	**–**	–
	(885,007)	(1,066,151)
	(₱818,441)	(₱1,008,459)

The Group has the following deductible temporary differences, NOLCO and MCIT that are available for offset against future taxable income or tax payable for which deferred tax assets have not been recognized:

	2012	2011
	(Amounts in Thousands)	
Allowance for probable losses on current assets	**₱57,131**	₱57,131
Allowance for doubtful accounts	**121,698**	72,426
Pension liabilities	**92,606**	103,329
Allowance for probable losses on noncurrent assets	**88,622**	129,132
Provision for decommissioning and site rehabilitation	**51,738**	74,736
Unrealized forex loss	**51,468**	26,475
NOLCO	**10,863**	77,910
MCIT	**525**	24
Organizational costs	**20**	20
	₱474,671	₱541,183

The deferred income tax effects of the above deductible temporary differences for which no deferred tax assets are recognized amounted to ₱142.77 million and ₱162.35 million as of December 31, 2012 and December 31, 2011, respectively. Deferred tax assets are recognized only to the extent that taxable income will be available against which the deferred tax assets can be used.

The Group assesses the unrecognized deferred tax assets and will recognize a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.

The reconciliation of the statutory income tax rate to the effective income tax rate follows:

	2012	2011	2010
Statutory income tax rate	**30.00%**	30.00%	30.00%
Adjustments for:			
Tax-exempt income	**(14.25)**	(15.62)	(14.95)
Nondeductible (nontaxable) equity in net losses (earnings) of associates and jointly controlled entities	**(4.96)**	(4.81)	(5.69)
Nondeductible expenses	**0.02**	0.50	1.25
Interest income subjected to final tax at a lower rate - net	**(0.21)**	(0.34)	(0.21)
Nondeductible interest expense	**0.11**	0.12	0.05
Changes in unrecognized deferred tax assets	**(0.14)**	0.03	(0.07)
Non taxable dividend income	**(0.05)**	(0.01)	(0.02)
Gain on sale of investments in shares of stock subjected to final tax	**–**	–	(0.06)
Effective income tax rate	**10.52%**	9.87%	10.30%

Board of Investments (BOI) Incentives

New Developer of Mass Housing Project

In 2012 and 2011, the BOI issued in favor of PDI a Certificate of Registration as a New Developer of Mass Housing Project for several of its real estate projects in accordance with the Omnibus Investment Code of 1987. Pursuant thereto, the projects has been granted an Income Tax Holiday (ITH) for a period of four (4) years.

Expanding Producer of Coal

On September 26, 2008, the BOI issued in favor of Semirara a Certificate of Registration as an Expanding Producer of Coal in accordance with the provisions of the Omnibus Investments Code of 1987. Pursuant thereto, Semirara shall be entitled to for six (6) years. Semirara shall initially be granted a four (4) year ITH. The additional two (2) year ITH shall be granted upon submission of completed or on-going projects in compliance with its Corporate Social Responsibility (CSR), which shall be submitted before the lapse of its initial four (4) year ITH.

New Operator of the 600-MW Calaca Coal-Fired Power Plant

On April 19, 2010, SCPC was registered with the BOI as New Operator of the 600-MW Calaca Coal-Fired Power Plant on a Non-Pioneer Status in accordance with the provisions of the Omnibus Investments Code of 1987. Pursuant thereto, SCPC shall enjoy income tax holiday for four (4) years from April 2011 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration. The ITH incentives shall be limited to the revenue generated from the sales of electricity of the 600 MW Batangas Coal-Fired Thermal Power Plant. On January 7, 2011, the BOI approved SCPC’s request for an earlier application of the ITH to be effective January 1, 2010.

30. **Basic/Diluted Earnings Per Share**

The following table presents information necessary to calculate basic earnings per share on net income attributable to equity holders of the Parent Company (in thousands except basic earnings per share):

Basic/Diluted, Income for the Year

	2012	2011	2010
	(Amounts in Thousands)		
Net income	**₱9,791,615**	₱9,595,451	₱7,867,283
Divided by weighted average number of common shares	**2,655,494**	2,655,494	2,655,494
Basic earnings per share	**₱3.69**	₱3.61	₱2.96

Basic/Diluted, Income from Continuing Operations

	2012	2011	2010
	(Amounts in Thousands)		
Net income	**₱9,791,615**	₱9,595,451	₱7,201,534
Divided by weighted average number of common shares	**2,655,494**	2,655,494	2,655,494
Basic earnings per share	**₱3.69**	₱3.61	₱2.71

Basic/Diluted, Income from Discontinued Operations
EPS on post-tax income from discontinued operations attributable to equity holders of the Parent Company as of December 31, 2010:

Income from discontinued operations	₱677,345
Less income from discontinued operations attributable to minority interests	11,596
	665,749
Weighted average number of common shares for basic EPS	2,655,494
Basic EPS	₱0.25

The assumed conversion of the Group's preferred shares has no dilutive effect. Accordingly, no diluted earnings per share is presented in 2012, 2011 and 2010.

31. **Coal Operating Contract with DOE**

Semirara has a Coal Operating Contract with DOE dated July 11, 1977, as amended on January 16, 1981, for the exploration, development, mining and utilization of coal over Semirara Island, Antique under the terms and conditions provided therein and pursuant to the provisions of Presidential Decree No. 972, otherwise known as the Coal Development Act of 1976. The contract is for a maximum period of 35 years (inclusive of the developmental stage and renewals) up to July 2012. The contract also provides for the manner and basis of sharing the gross proceeds from coal production between the Semirara and DOE.

On May 13, 2008, the DOE granted Semirara’s request for an extension of its COC for another 15-years or until July 14, 2027. On November 12, 2009, the COC was amended further, expanding its contract area to include portions of Caluya and Sibay islands, Antique, covering an additional area of 5,500 hectares and 300 hectares, respectively.

In return for the mining rights granted to Semirara, the Government is entitled to receive annual royalty payments consisting of the balance of the gross income after deducting operating expenses, operator’s fee and special allowance. Semirara’s provision for DOE’s share (including accrued interest computed at 14% per annum on outstanding balance) under this contract and to the different local government units in the province of Antique, under the provisions of the Local Government Code of 1991, amounted to ₱1,557.95 million and ₱1,479.97 million as of December 31, 2012 and 2011, respectively. The liabilities amounting ₱1,007.85 million and ₱905.01 million, as of December 31, 2012 and 2011, respectively, are included under the “Accounts and other payables” account in the consolidated statements of financial position (Note 17).

In 2002, the DOE, through the Energy Resources Development Bureau, approved the exclusion of coal produced and used solely by Semirara to feed its power plant in determining the amount due to DOE.

32. **Investment in DMFB Joint Venture**

DMFB Joint Venture (the Joint Venture) is a joint venture agreement between DMCI and First Balfour Inc. (FBI). The Joint Venture was formed on January 18, 2008 for the purpose of entering into a construction contract with Light Rail Transit Authority (LRTA). The Joint Venture is unincorporated and is not registered with the Philippine SEC. However, the Joint Venture was registered with the Bureau of Internal Revenue on May 27, 2008 as builder of constructions or parts, civil engineering. The Joint Venture’s principal place of business is at 3rd Floor, NIA Bldg. A, EDSA corner NIA Road 1, Barangay Pinyahan, Quezon City.

On May 16, 2008, the Joint Venture was declared as the winning bidder for the construction and completion of the LRT Line 1 North Extension Project (the Project).

The respective financial interest of the Parties in the Joint Venture shall be 51% to DMCI and 49% to FBI. It shall be adjusted from time to time based on the ratio of the Parties’ respective aggregate capital contribution. Irrespective of the financial contribution, management should be of unanimous decision.

The Group's share of the Joint Venture’s assets and liabilities are as follows:

	2012	2011
	(Amounts in Thousands)	
Current assets	**₱70,330**	₱96,390
Current liabilities	**55,010**	75,971
	₱15,320	₱20,419

The Group's share of the Joint Venture's profits are as follows:

	2012	2011
	(Amounts in Thousands)	
Financing income	**₱399**	₱591
Finance cost	**–**	–
Income before income tax	**399**	591
Final tax	**(80)**	(118)
Net income	**₱319**	₱473

Exemption to Corporate Income Tax
Persuant to Section 22 (Paragraph B) of the Tax Code of 1997, the term "corporation" shall include partnerships, no matter how created or organized, joint stock companies, joint accounts, associations or insurance companies; but does not include general professional partnerships and a joint venture or consortium formed for the purpose of undertaking construction project. Such being the case, the Joint Venture formed as a result of joint venture agreement between DMCI and First Balfour, Inc. (the Parties) for the construction of LRT Line 1 North Extension Project, is not subject to the corporate income tax.

33. **Operating Segments**

Business Segment Information
For management purposes, the Group is organized into six (6) major business units that are largely organized and managed separately according to industry.

Construction - engaged in various construction component businesses such as production and trading of concrete products, handling steel fabrication and electrical and foundation works.

Coal mining - engaged in the exploration, mining and development of coal resources on Semirara Island in Caluya, Antique and nickel extraction in Zambales.

Real estate - focused in mid-income residential development carried under the brand name DMCI Homes.

Power - engaged in the business of a generation company which designs, constructs, invest in, and operate power plants.

Water - recognized through a consortium with MPIC (the "Consortium") and operated through Maynilad, the water utility for the west portion of Metro Manila.

Others - includes the Parent Company and other industry (i.e., manufacturing).

No operating segments have been aggregated to form the above reportable operating segments. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on revenue, earnings before interest, income taxes and depreciation and amortization (EBITDA) and operating profit or loss, and is measured consistently in the consolidated financial statements.

The Group has no significant customer which contributes 10.00% or more to the revenues of the Group.

Group financing (including finance costs and finance income) and income taxes are also managed per operating segments. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Business Segments

The following tables present revenue, net income (loss) and depreciation, depletion and amortization information regarding business segments for the years ended December 31, 2012, 2011 and 2010 and property, plant and equipment additions, total assets and total liabilities for the business segments as of December 31, 2012, 2011 and 2010:

Year ended December 31, 2012 (Amounts in Thousands)

	Construction	Coal Mining	Nickel Mining	Real Estate Development	Power	Water	Parent Company and Others	Total
Revenue	₱14,773,250	₱14,450,155	₱1,923,045	₱9,219,331	₱11,079,789	₱–	₱294,309	₱51,739,879
Other income (expense) - net	62,495	565,466	(36,319)	449,335	(171,004)	2,263,798	(30,156)	3,103,614
	14,835,745	15,015,621	1,886,726	9,668,666	10,908,785	2,263,798	264,153	54,843,493
Cost of sales and services	12,820,905	8,502,696	1,335,252	4,434,929	4,314,377	–	169,732	31,577,890
General and administrative expense (before depreciation and amortization)	212,923	1,968,269	13,854	1,791,670	1,507,900	–	68,981	5,563,597
	13,033,828	10,470,965	1,349,106	6,226,599	5,822,277	–	238,713	37,141,487
EBITDA	1,801,917	4,544,656	537,620	3,442,067	5,086,508	2,263,798	25,440	17,702,006
Other income (expenses)								
Finance income (cost) (Notes 26 and 27)	68,076	(109,492)	3,705	(163,293)	(321,509)	–	173,849	(348,664)
Depreciation and amortization (Notes 24 and 25)	(269,356)	(1,345,556)	(127,259)	(168,163)	(1,417,468)	–	(2,040)	(3,329,842)
Pretax income	1,600,637	3,089,608	414,066	3,110,611	3,347,531	2,263,798	197,249	14,023,500
Provision for income tax (Note 29)	380,874	1,286	73,268	929,075	39,589	–	51,682	1,475,774
Net income	₱1,219,763	₱3,088,322	₱340,798	₱2,181,536	₱3,307,942	₱2,263,798	₱145,567	₱12,547,726
Net income attributable to non-controlling interest	₱–	₱1,348,914	₱–	₱–	₱1,406,320	₱–	₱877	₱2,756,111
Net income attributable to equity holders	₱1,219,763	₱1,739,408	₱340,798	₱2,181,536	₱1,901,622	₱2,263,798	₱144,690	₱9,791,615
Segment Assets								
Cash	₱2,215,859	₱410,165	₱186,275	₱2,936,722	₱246,054	₱–	₱3,743,950	₱9,739,025
Receivables	4,735,618	1,271,154	184,131	7,444,717	2,630,486	–	152,164	16,418,270
Inventories	219,345	4,486,951	34,546	15,505,470	1,197,900	–	70,949	21,515,161
Investment in associates and joint venture	112,624	–	495,832	115,141	–	–	13,633,403	14,357,000
Property, plant and equipment	1,567,812	3,318,370	248,472	728,753	19,853,793	–	7,032	25,724,232
Others	1,549,053	1,751,575	649,969	2,238,549	1,224,942	–	87,111	7,501,199
	₱10,400,311	₱11,238,215	₱1,799,225	₱28,969,352	₱25,153,175	₱–	₱17,694,609	₱95,254,887
Segment Liabilities								
Customers' advances and deposits	₱828,567	₱17,645	₱22,685	₱4,389,153	₱–	₱–	₱–	₱5,258,050
Loans payable	25,601	4,913,558	131,360	12,522,481	7,811,362	–	61,724	25,466,086
Others	5,317,650	4,114,332	458,103	3,524,828	3,013,143	–	111,737	16,539,793
	₱6,171,818	₱9,045,535	₱612,148	₱20,436,462	₱10,824,505	₱–	₱173,461	₱47,263,929
Other disclosures								
Acquisition of land for future development								
Property, plant and equipment additions (Note 13)	₱705,364	₱5,154,104	₱111,540	₱233,805	₱83,947	₱–	₱5,232	₱3,539,341

Year ended December 31, 2011 (Amounts in Thousands)

	Construction	Coal Mining	Nickel Mining	Real Estate Development	Power	Water	Parent Company and Others	Total
Revenue	₱10,277,235	₱16,230,531	₱2,451,697	₱8,251,128	₱10,420,559	₱–	₱171,435	₱47,802,585
Other income (expense) – net	42,609	73,894	23,030	264,402	22,488	2,195,061	(3,412)	2,618,072
	10,319,844	16,304,425	2,474,727	8,515,530	10,443,047	2,195,061	168,023	50,420,657
Cost of sales and services	8,282,533	8,563,516	1,206,001	4,080,030	6,243,269	–	132,753	28,508,102
General and administrative expense (before depreciation and amortization)	200,803	1,848,654	89,682	1,734,535	1,018,544	–	115,032	5,007,250
	8,483,336	10,412,170	1,295,683	5,814,565	7,261,813	–	247,785	33,515,352
EBITDA	1,836,508	5,892,255	1,179,044	2,700,965	3,181,234	2,195,061	(79,762)	16,905,305
Other income (expenses)								
Finance income (cost) (Notes 26 and 27)	65,653	10,634	(1,852)	(73,801)	(318,222)	–	153,879	(163,709)
Depreciation and amortization (Notes 24 and 25)	(385,054)	(1,720,687)	(99,232)	(71,369)	(841,118)	–	(2,075)	(3,119,535)
Pretax income	1,517,107	4,182,202	1,077,960	2,555,795	2,021,894	2,195,061	72,042	13,622,061
Provision for income tax (Note 29)	355,816	(16,428)	160,826	761,062	34,438	–	49,441	1,345,155
Net income	₱1,161,291	₱4,198,630	₱917,134	₱1,794,733	₱1,987,456	₱2,195,061	₱22,601	₱12,276,906
Net income attributable to non-controlling interest	₱44,384	₱1,819,305	₱–	₱–	₱810,527	₱–	₱7,239	₱2,681,455
Net income attributable to equity holders	₱1,116,907	₱2,379,325	₱917,134	₱1,794,733	₱1,176,929	₱2,195,061	₱15,362	₱9,595,451
Segment Assets								
Cash	₱3,869,815	₱3,752,017	₱891,150	₱2,874,883	₱1,474,432	₱–	₱2,203,450	₱15,065,747
Receivables	2,405,930	1,059,972	80,921	5,012,655	2,225,904	–	61,195	10,846,577
Inventories	149,424	2,997,851	128,624	12,503,426	1,668,518	–	36,832	17,484,675
Investment in associates and joint venture	50,682	–	–	39,222	–	–	10,759,479	10,849,383
Property, plant and equipment	1,226,695	3,706,971	262,057	657,338	17,562,225	–	4,058	23,419,344
Others	1,826,366	1,041,187	217,650	2,252,971	1,107,437	–	51,858	6,497,469
	₱9,528,912	₱12,557,998	₱1,580,402	₱23,340,495	₱24,038,516	₱–	₱13,116,872	₱84,163,195
Segment Liabilities								
Customers' advances and deposits	₱1,483,233	₱18,481	₱93,833	₱2,042,961	₱–	₱–	₱–	₱3,638,508
Loans payable	56,812	4,719,695	140,288	8,970,373	9,152,807	–	27,471	23,067,446
Finance lease payable	12,351	–	–	–	–	–	–	12,351
Others	5,099,292	4,600,538	354,023	2,254,396	2,647,482	–	712,271	15,668,002
	₱6,651,688	₱9,338,714	₱588,144	₱13,267,730	₱11,800,289	₱–	₱739,742	₱42,386,307
Other disclosures								
Acquisition of land for future development	₱–	₱–	₱–	₱1,438,978	₱376,605	₱–	₱–	₱1,815,583
Property, plant and equipment additions (Note 13)	₱635,117	₱2,065,988	₱188,037	₱300,356	₱347,790	₱–	₱2,053	₱3,539,341

Year ended December 31, 2010 (Amounts in Thousands)

	Construction	Coal Mining	Nickel Mining	Real Estate Development	Power	Water	Parent Company and Others	Total
Revenue	₱10,729,337	₱14,070,569	₱1,959,316	₱7,704,893	₱8,948,308	₱–	₱71,386	₱43,483,809
Other income (expense) - net	14,228	295,558	(20,188)	177,748	(3,661)	1,887,153	30,306	2,381,144
	10,743,565	14,366,127	1,939,128	7,882,641	8,944,647	1,887,153	101,692	45,864,953
Cost of sales and services	7,815,370	8,563,782	1,099,523	4,776,281	5,188,491	–	48,050	27,491,497
General and administrative expense (before depreciation and amortization)	292,912	1,704,476	106,765	1,355,238	1,044,417	–	136,386	4,640,194
	8,108,282	10,268,258	1,206,288	6,131,519	6,232,908	–	184,436	32,131,691
EBITDA	2,635,283	4,097,869	732,840	1,751,122	2,711,739	1,887,153	(82,744)	13,733,262
Other income (expenses)								
Finance income (cost) (Notes 26 and 27)	(11,321)	(164,953)	776	76,981	(463,480)	–	42,908	(519,089)
Depreciation and amortization (Notes 24 and 25)	(1,001,224)	(1,360,752)	(26,878)	(33,037)	(803,929)	–	(1,502)	(3,227,322)
Pretax income	1,622,738	2,572,164	706,738	1,795,066	1,444,330	1,887,153	(41,338)	9,986,851
Provision for income tax (Note 29)	357,122	(4,691)	142,390	509,067	(30,097)	–	55,344	1,029,135
Income before income from discontinued operations	1,265,616	2,576,855	564,348	1,285,999	1,474,427	1,887,153	(96,682)	8,957,716
Post-tax income from discontinued operations	–	–	–	–	–	–	677,345	677,345
Net income	₱1,265,616	₱2,576,855	₱564,348	₱1,285,999	₱1,474,427	₱1,887,153	₱580,663	₱9,635,061
Net income attributable to non-controlling interest	₱24,028	₱1,115,157	₱–	₱–	₱627,811	₱–	₱782	₱1,767,778
Net income attributable to equity holders	₱1,241,588	₱1,461,698	₱564,348	₱1,285,999	₱846,616	₱1,887,153	₱579,881	₱7,867,283
Segment Assets								
Cash	₱775,793	₱2,809,336	₱728,269	₱1,865,692	₱1,223,755	₱–	₱2,543,821	₱9,946,666
Receivables	2,361,454	1,347,863	136,477	6,275,379	1,785,535	–	665	11,907,373
Inventories	125,632	1,738,922	89,864	10,047,008	683,627	–	19,491	12,704,544
Investment in associates and joint venture	116,993	–	–	–	–	8,562,236	708,444	9,387,673
Property, plant and equipment	752,589	3,702,161	163,058	428,445	16,488,501	–	5,970	21,540,724
Others	1,568,934	1,750,486	334,552	1,984,712	774,814	–	100,367	6,513,865
	₱5,701,395	₱11,348,768	₱1,452,220	₱20,601,236	₱20,956,232	₱8,562,236	₱3,378,758	₱72,000,845
Segment Liabilities								
Customers' advances and deposits	₱1,391,098	₱211,423	22,933	₱2,812,545	₱–	₱–	₱–	₱4,437,999
Loans payable	139,138	3,247,406	–	6,253,335	10,000,157	–	12,555	19,652,591
Finance lease payable	124,767	–	–	–	–	–	–	124,767
Others	4,015,657	3,549,673	724,160	4,304,758	1,440,178	–	622,524	14,656,950
	₱5,670,660	₱7,008,502	₱747,093	₱13,370,638	₱11,440,335	₱–	₱635,079	₱38,872,307
Other disclosures								
Acquisition of land for future development (Note 13)	₱–	₱–	₱–	₱1,350,730	₱–	₱–	₱–	₱1,350,730
Property, plant and equipment additions (Note 13)	₱991,847	₱3,324,920	₱163,058	₱134,754	₱93,886	₱–	₱2,744	4,711,209

The Group's management reporting and controlling systems use accounting policies that are the same as those described in Note 2 in the summary of significant accounting policies under PFRS.

The Group measures the performance of its operating segments through a measure of segment profit or loss which is referred to as "EBITDA" in the management and reporting system.

EBITDA is the measure of segment profit (loss) used in segment reporting and comprises gross profit, selling and general administrative expenses, research and non-capitalized development costs, other operating income (expense), net, as well as other financial income (expense), net.

Intersegment revenue is generally recorded at values that approximate third-party selling prices.

Segment assets principally comprise all assets. The industrial business segments' assets exclude income tax assets, assets from defined benefit plans and certain financial assets.

Segment liabilities principally comprise all liabilities. The industrial business segments' liabilities exclude income tax liabilities, liabilities from defined benefit plans and certain financial liabilities.

Geographic Information

Analysis of sales and revenue by geographical location

The financial information about the operations of the coal mining as of December 31, 2012, 2011 and 2010 reviewed by the management follows:

Customer Location	**2012**	2011	2010
	(Amounts in Thousands)		
Revenue			
Local	**₱7,440,134**	₱9,041,168	₱5,315,637
Export	**7,010,021**	7,160,713	8,926,588
	₱14,450,155	₱16,201,881	₱14,242,225

Substantially all revenue from external customers are from open cut mining and sales of thermal coal. Local and export classification above is based on the geographic location of the customer. All non-current assets other than financial instruments are located in the Philippines.

Sales to power company amounted to ₱3.18 billion, ₱7.01 billion and ₱2.37 billion for the years ended December 31, 2012, 2011 and 2010, respectively. All these revenue were from the Coal mining segment.

34. **Financial Instruments**

Fair Value of Financial Instruments

The table below presents a comparison by category of carrying amounts and estimated fair values of all the Group's financial instruments as of December 31, 2012 and 2011 (amounts in thousands):

	2012		2011	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value
Loans and Receivables				
Cash and cash equivalents				
Cash on hand and in banks	**₱2,885,618**	**₱2,885,618**	₱6,095,360	₱6,095,360
Cash equivalents	**6,853,407**	**6,853,407**	8,970,388	8,970,388
Receivables - net				
Trade				
Real estate	**7,831,097**	**10,927,246**	5,071,205	6,679,789
General construction	**3,819,636**	**3,819,636**	1,979,285	1,979,285
Coal mining	**1,453,964**	**1,453,964**	1,077,440	1,077,440
Electricity sales	**2,756,622**	**2,756,622**	2,229,572	2,229,572
Merchandising and others	**67,157**	**67,157**	57,740	57,740
Receivable from related parties	**187,296**	**187,296**	203,622	203,622
Advances to officers and employees	**60,048**	**60,048**	42,886	42,886
Other receivables	**482,927**	**482,927**	356,560	356,560
Security deposits	**191,390**	**191,390**	132,681	132,681
Refundable deposits	**325,859**	**325,859**	226,962	226,962
	26,915,021	**30,011,170**	26,443,701	28,052,285
AFS investments				
Quoted securities	**86,824**	**86,824**	58,181	58,181
Unquoted securities	**1,729**	**1,729**	166,236	166,236
	88,553	**88,553**	224,417	224,417
Financial asset at FVPL	**71,260**	**71,260**	71,400	71,400
	₱27,753,100	**₱30,849,249**	₱26,567,785	₱28,424,862
Other Financial Liabilities				
Accounts and other payables	**₱12,338,919**	**₱12,338,919**	₱11,925,949	₱11,925,949
Liabilities for purchased land	**1,145,324**	**1,097,633**	931,933	881,087
Payable to related parties	**61,215**	**61,215**	301,372	301,372
Short-term and long-term debt - including current portion	**24,833,115**	**24,833,115**	23,080,213	24,683,985
Other noncurrent liabilities	**1,527,655**	**1,527,655**	1,732,378	1,732,378
	₱39,906,228	**₱39,858,537**	₱37,971,845	₱39,524,771

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

Financial assets

The fair values of cash and short-term receivables approximate their carrying amounts as of reporting dates due to the short-term nature of the transactions.

The fair values of real estate receivable are calculated by discounting expected future cash flows at applicable rates for similar instruments using the remaining terms of maturity. The discount rate used in 2012 and 2011 ranged from 13.29% to 16.50% and 15.12% to 16.50%, respectively.

Security deposits (related to Semirara's Operating Leases) - As of December 31, 2010, the fair values of the security deposits approximate their carrying amounts since these are already receivable within the year. As of December 31, 2011, security deposits has been fully collected. AFS quoted equity securities and financial assets at FVPL - Fair values are based on quoted prices published in markets.

Refundable deposits are carried at cost since these are mostly deposits to a utility company as a consequence of its subscription to the electricity services of the said utility company needed for the Group's residential units.

Security deposits other than those pertaining to operating leases and unquoted AFS financial assets - In the absence of a reliable basis of determining fair values due to the unpredictable nature of future cash flows and the lack of suitable methods in arriving at a reliable fair value, these security deposits are carried at cost less impairment allowance, if any.

Financial liabilities
The fair values of accounts and other payables and accrued expenses and payables to related parties approximate their carrying amounts as of reporting dates due to the short-term nature of the transactions.

Estimated fair value of long-term fixed rate loans and liabilities for purchased land are based on the discounted value of future cash flows using the applicable rates for similar types of loans with maturities consistent with those remaining for the liability being valued. For floating rate loans, the carrying value approximates the fair value because of recent and regular repricing (quarterly) based on market conditions.

<u>Fair Value Hierarchy</u>
The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at December 31, 2012 and 2011, the Group's AFS financial assets amounting ₱86.83 million and ₱58.18 million, respectively (Note 6), and financial assets at FVPL amounting ₱71.26 million in 2012 are carried at fair value based on Level 1 (Note 5).

There were no transfers among levels 1, 2 and 3 in 2012 and 2011.

<u>Financial Risk Management Objectives and Policies</u>
The Group's principal financial instruments comprise interest-bearing loans and borrowings. The main purpose of these financial instruments is to raise financing for its operations and capital expenditures. The Group has various other financial assets and liabilities, such as receivables and payables which arise directly from its operations.

The main risks arising from the use of financial instruments are equity price risk, market price risk, foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's BOD reviews and approves policies for managing each of these risks and they are summarized below.

The sensitivity analyses have been prepared on the following bases:

- Equity price risk - movements in equity indices
- Market Price risk - movements in one-year historical coal prices
- Interest rate risk - market interest rate on unsecured bank loans
- Foreign currency risk - yearly movement in the foreign exchange rates

The assumption used in calculating the sensitivity analyses of the relevant income statement item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at December 31, 2012 and 2011.

Equity price risk
Equity price risk is the risk that the fair values of equities decrease as a result of changes in the levels of equity indices and the value of individual stocks. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments.

The effect on equity as a result of a change in fair value of quoted equity instruments held as financial asset at FVPL as of December 31, 2011 due to a reasonably possible change in equity indices, with all other variables held constant, will have an increase on equity by ₱0.50 million if equity indices will increase by 1%. An equal change in the opposite direction would have decreased equity by the same amount.

The effect on equity (as a result of a change in fair value of quoted equity instruments held as AFS investments as of December 31, 2011 due to a reasonably possible change in equity indices, with all other variables held constant, will have an increase on equity by ₱24.01 million if equity indices will increase by 15%. An equal change in the opposite direction would have decreased equity by the same amount.

The effect on equity (as a result of a change in fair value of quoted equity instruments held as AFS investments as of December 31, 2010 due to a reasonably possible change in equity indices, with all other variables held constant, will have an increase on equity by ₱18.02 million if equity indices will increase by 15%. An equal change in the opposite direction would have decreased equity by the same amount.

Market price risk
Market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The price that the Group can charge for its coal is directly and indirectly related to the price of coal in the world coal market. In addition, as the Group is not subject to domestic competition in the Philippines, the pricing of all of its coal sales is linked to the price of imported coal. World thermal coal prices are affected by numerous factors outside the Group's control, including the demand from customers which is influenced by their overall performance and demand for electricity. Prices are also affected by changes in the world supply of coal and may be affected by the price of alternative fuel supplies, availability of shipping vessels as well as shipping costs. As the coal price is reset on a periodic basis under coal supply agreements, this may increase its exposure to short-term coal price volatility.

There can be no assurance that world coal prices will be sustained or that domestic and international competitors will not seek to replace the Group in its relationship with its key customers by offering higher quality, better prices or larger guaranteed supply volumes, any of which would have a materially adverse effect on the Group's profits.

To mitigate this risk, the Group continues to improve the quality of its coal and diversify its market from power industry, cement industry, other local industries and export market. This will allow flexibility in the distribution of coal to its target customers in such manner that minimum target average price of its coal sales across all its customers will still be achieved (i.e., domestic vs local). Also, in order to mitigate any negative impact resulting from price changes, it is the Group's policy to set minimum contracted volume for customers with long term supply contracts for each given period (within the duration of the contract) and pricing is negotiated on a monthly basis to even out the impact of any fluctuation in coal prices, thus, protecting its target margin. The excess volumes are allocated to spot sales which may command different price than those contracted already since the latter shall follow pricing formula per contract. Nevertheless, on certain cases temporary adjustments on coal prices with reference to customers following a certain pricing formula are requested in order to recover at least the cost of coal if the resulting price is abnormally low vis-à-vis cost of production (i.e., abnormal rise in cost of fuel, forex).

Below are the details of the Group's coal sales to the domestic market (excluding those to the power-generating companies) and to the export market:

	2012	2011
Domestic market	**22.67%**	41.14%
Export market	**55.74**	37.27
as a percentage of total coal sales volume		

The following table shows the effect on income before income tax should the change in the prices of coal occur based on the inventory of the Group as of December 31, 2012 and 2011, with all other variables held constant. The change in coal prices is based on 1-year historical price movements.

Based on ending coal inventory	**Effect on income before income tax**	
Change in coal prices	**2012**	2011
	(Amounts in Thousands)	
Increase by 30%	**₱1,053,008**	₱915,762
Decrease by 30%	**(1,053,008)**	(915,762)

Based on coal sales volume	**Effect on income before income tax**	
Change in coal prices	**2012**	2011
	(Amounts in Thousands)	
Increase by 30%	**₱4,335,047**	₱6,019,117
Decrease by 30%	**(4,335,047)**	(6,019,117)

Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group does not have any foreign currency hedging arrangements.

Information on the Group's foreign currency-denominated monetary assets and liabilities and their Philippine peso equivalents as of December 31, 2012 and 2011 follows (amounts in thousands):

	2012				
	U.S. Dollar	**Japanese Yen**	**UK Pounds**	**Euro**	**Php Equivalent**
Assets					
Cash and cash equivalents	**$3,982**	**¥2,739**	**£117**	**€23**	**₱173,790**
Trade receivables					
Coal mining	**28,572**	**–**	**–**	**–**	**1,172,869**
	$32,554	**2,739**	**117**	**23**	**1,346,659**
Liabilities					
Accounts and other payables	**7,745**	**–**	**–**	**–**	**317,934**
Long-term debt (including current portion)	**120,602**	**–**	**–**	**–**	**4,950,730**
	128,347	**–**	**–**	**–**	**5,268,664**
Net foreign currency denominated assets (liabilities)	**($95,793)**	**¥2,739**	**£117**	**€23**	**(₱3,922,005)**

	2011				
	U.S. Dollar	Japanese Yen	UK Pounds	Euro	Php Equivalent
Assets					
Cash and cash equivalents	$46,740	¥2,739	£117	€43	₱2,060,982
Trade receivables					
Coal mining	2,897	–	–	–	127,004
	49,637	2,739	117	43	2,187,986
Liabilities					
Accounts and other payables	3,352	–	–	–	146,952
Long-term debt (including current portion)	119,690	–	–	–	5,247,210
	123,042	–	–	–	5,394,162
Net foreign currency denominated assets (liabilities)	($73,405)	¥2,739	£117	€43	(₱3,206,176)

The exchange rates used to restate the Group's foreign currency-denominated assets and liabilities as of December 31, 2012 and 2011 follow:

	2012	2011
US Dollar - Philippine Peso	**₱41.05 to US$1.00**	₱43.84 to US$1.00
Japanese Yen - Philippine Peso	**₱0.47 to ¥1.00**	₱0.56 to ¥1.00
UK Pounds - Philippine Peso	**₱66.32 to £1.00**	₱67.75 to £1.00
Euro - Philippine Peso	**₱54.53 to €1.00**	₱56.73 to €1.00

The following table demonstrates the sensitivity to a reasonably possible change in foreign exchange rates, with all variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) and equity on December 31, 2012 and 2011 (amounts in thousands).

2012

	Basis Pts	**Effect on Profit**	**Effect on Equity**
In Peso per U.S. Dollar			
Increase	**2**	**(₱191,586,918)**	**(₱134,110,843)**
Decrease	**(2)**	**191,586,918**	**134,110,843**
In Peso per Japanese Yen			
Increase	**2**	**5,478,998**	**3,835,299**
Decrease	**(2)**	**(5,478,998)**	**(3,835,299)**

(Forward)

	Basis Pts	**Effect on Profit**	**Effect on Equity**
In Peso per UK Pounds			
Increase	**2**	**₱233,788**	**₱163,652**
Decrease	**(2)**	**(233,788)**	**(163,652)**
In Peso per Euro			
Increase	**2**	**45,952**	**32,166**
Decrease	**(2)**	**(45,952)**	**(32,166)**

2011

	Basis Pts	Effect on Profit	Effect on Equity
In Peso per U.S. Dollar			
Increase	2	(₱146,810)	(₱102,767)
Decrease	(2)	146,810	102,767
In Peso per Japanese Yen			
Increase	2	5,478	3,835
Decrease	(2)	(5,478)	(3,835)
In Peso per UK Pounds			
Increase	8	₱234	₱164
Decrease	(8)	(234)	(164)
In Peso per Euro			
Increase	8	86	60
Decrease	(8)	(86)	(60)

The movement in sensitivity analysis is derived from current observations on fluctuations in foreign currency exchange rates.

The Group recognized foreign exchange gain (loss) of ₱ 332.45 million (₱46.57) million and ₱177.72 million foreign exchange gain for the years ended December 31, 2012, 2011 and 2010, respectively, arising from the translation of the Group's cash and cash equivalents, trade receivables and long-term debt.

Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group's maximum exposure to credit risk for the components of the statement of financial position at December 31, 2012 and 2011 is the carrying amounts except for real estate receivables. The Group's exposure to credit risk arises from default of the counterparties which include certain financial institutions, real estate buyers, subcontractors, suppliers and various electric companies. Credit risk management involves dealing only with recognized, creditworthy third parties. It is the Group's policy that all counterparties who wish to trade on credit terms are subject to credit verification procedures. The Treasury Department's policy sets a credit limit for each counterparty. In addition, receivable balances are monitored on an ongoing basis. The Group's financial assets are not subject to collateral and other credit enhancement except for real estate receivables and mining receivables from export sales. As of December 31, 2012 and 2011, the Group's exposure to bad debts is not significant.

Real estate contracts
Credit risk is managed primarily through credit reviews and an analysis of receivables on a continuous basis. The Group also undertakes supplemental credit review procedures for certain installment payment structures. The Group's stringent customer requirements and policies in place contributes to lower customer default. Customer payments are facilitated through various collection modes including the use of postdated checks. The credit risk for real estate receivable is also mitigated as the Group has the right to cancel the sales contract and takes possession of the subject house without need for any court action in case of default in payments by the buyer. This risk is further mitigated because the corresponding title to the subdivision units sold under this arrangement is transferred to the buyers only upon full payment of the contract price. Real estate receivables with carrying value of ₱7.83 billion and ₱4.82 billion as of December 31, 2012 and 2011, respectively, are guaranteed by collaterals with fair value of ₱8.71 billion and ₱7.59 billion, respectively. This resulted to a net exposure of ₱0.93 billion and ₱0.85 billion for 2012 and 2011, respectively. Financial effect of collaterals for the said real estate receivables amounted to ₱6.67 billion and ₱3.97 billion in 2012 and 2011, respectively.

Electricity sales
The Group earns substantially all of its revenue from the Wholesale Electricity Spot Market (WESM) and from various electric companies. WESM and the various electric companies are committed to pay for the energy generated by the power plant facilities.

Under the current regulatory regime, the generation rate charged by the Group to WESM is not regulated but is determined in accordance with the WESM Price Determination Methodology (PDM) approved by the Energy Regulatory Commission (ERC) and are complete pass-through charges to WESM. PDM is intended to provide the specific computational formula that will enable the market participants to verify the correctness of the charges being imposed. Likewise, the generation rate charged by the Group to various electric companies is not subject to regulations and are complete pass-through charges to various electric companies.

Mining
The Group evaluates the financial condition of the local customers before deliveries are made to them. On the other hand, export sales are covered by sight letters of credit issued by foreign banks subject to the Group's approval, hence, mitigating the risk on collection.

The Group generally offers 80% of coal delivered payable within thirty (30) days upon receipt of billing and the remaining 20% payable within 15 days after receipt of final billing based on final analysis of coal delivered.

Construction contracts
The credit risk for construction receivables is mitigated by the fact that the Group can resort to carry out its contractor's lien over the project with varying degrees of effectiveness depending on the jurisprudence applicable on location of the project. A contractor's lien is the legal right of the Group to takeover the projects-in-progress and have priority in the settlement of contractor's receivables and claims on the projects-in-progress and have priority in the settlement of contractor's receivables and claims on the projects in progress is usually higher than receivables from and future commitments with the project owners. Trade and retention receivables from project owners are normally high standard because of the creditworthiness of project owners and collection remedy of contractor's lien accorded contractor in certain cases.

With respect to the credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The Group transacts only with institutions or banks that have proven track record in financial soundness.

Given the Group's diverse base of counterparties, it is not exposed to large concentrations of credit risk.

The table below shows the gross maximum exposure to credit risk for the components of the statement of financial position.

	2012	2011
	(Amounts in Thousands)	
Cash and cash equivalents		
Cash in banks	**₱2,844,544**	₱5,995,566
Cash equivalents	**6,853,407**	8,970,388
Available-for-sale financial assets		
Quoted securities	**86,824**	58,181
Unquoted securities	**1,729**	166,236
Receivables		
Trade		
Real estate	**7,831,097**	5,071,205
General construction	**3,819,636**	1,979,285
Mining	**1,453,964**	1,077,440
Electricity sales	**2,756,622**	2,229,572
Merchandising and others	**67,157**	57,740
Receivable from related parties	**187,296**	203,622
Advances to officers and employees	**60,048**	42,886
Other receivables	**482,927**	356,560
Security deposits	**191,390**	132,681
Refundable deposits	**325,859**	226,962
Total credit risk exposure	**₱26,962,500**	₱26,568,324

As of December 31, 2012 and 2011, the credit quality per class of financial assets that were neither past due nor impaired is as follows (amounts in thousands):

2012

	Neither past due nor impaired			**Past due or Individually Impaired**	
	Grade A	**Grade B**	**Grade C**		**Total**
Cash in bank and cash equivalents	**₱9,697,951**	**₱–**	**₱–**	₱–	**₱9,697,951**
Available-for-sale financial assets					
Quoted	**86,824**	**–**	**–**	**–**	**86,824**
Unquoted	**1,729**	**–**	**–**	**–**	**1,729**
Receivables					
Trade					
Real estate	**5,669,127**	**730,168**	**558,945**	**872,857**	**7,831,097**
General construction	**3,297,854**	–	–	**521,782**	**3,819,636**
Mining	**1,224,039**	**229,925**	–	–	**1,453,964**

(Forward)

	Neither past due nor impaired			Past due or Individually	
	Grade A	**Grade B**	**Grade C**	**Impaired**	**Total**
Electricity sales	**₱2,756,622**	**₱–**	**₱–**	**₱–**	**₱2,756,622**
Merchandising	**67,157**	**–**	**–**	**–**	**67,157**
Receivable from related parties	**114,456**	**–**	**–**	**71,402**	**369,936**
Advances to officers and employees	**60,048**	**–**	**–**	**–**	**60,048**
Other receivables	**332,758**	**72,840**	**–**	**77,329**	**482,927**
Security deposits	**191,390**	**–**	**–**	**–**	**191,390**
Refundable deposits	**323,743**	**2,117**	**–**	**–**	**325,860**
Total	**23,499,955**	**1,032,933**	**558,945**	**1,543,370**	**26,819,281**
Allowance for:					
General construction	**–**	**–**	**–**	**30,008**	**30,008**
Mining	**–**	**–**	**–**	**5,815**	**5,815**
Electricity sales	**–**	**–**	**–**	**130,422**	**130,422**
Others	**–**	**–**	**–**	**74,232**	**74,232**
Total allowance	**–**	**–**	**–**	**240,477**	**240,477**
Net amount	**₱23,499,955**	**₱1,032,933**	**₱558,945**	**₱1,302,893**	**₱27,378,852**

2011

	Neither past due nor impaired			Past due or Individually	
	Grade A	Grade B	Grade C	Impaired	Total
Cash in bank and cash equivalents	₱14,965,954	₱–	₱–	₱–	₱14,965,954
Available-for-sale financial assets					
Quoted	58,181	–	–	–	58,181
Unquoted	–	166,236	–	–	166,236
Receivables					
Trade					
Real estate	2,685,576	760,075	616,671	1,008,883	5,071,205
General construction	1,457,503	–	–	521,782	1,979,285
Mining	943,590	114,945	–	18,905	1,077,440
Electricity sales	2,176,048	–	–	53,524	2,229,572
Merchandising	57,740	–	–	–	57,740
Receivable from related parties	203,622	–	–	–	203,622
Advances to officers and employees	10,802	31,659	–	425	42,886
Other receivables	235,530	4,915	–	116,115	356,560
Security deposits	132,681	–	–	–	132,681
Refundable deposits	226,962	–	–	–	226,962
Total	23,154,189	1,077,830	616,671	1,719,634	26,568,324
Allowance for:					
General construction	–	–	–	6,788	6,788
Electricity sales	–	–	–	53,524	53,524
Others	–	–	–	111,421	111,421
Total allowance	–	–	–	171,733	171,733
Net amount	₱23,154,189	₱1,077,830	₱616,671	₱1,547,901	₱26,396,591

Cash and Cash Equivalents

Cash and cash equivalents are short-term placements and working cash fund placed, invested or deposited in foreign and local banks belonging to top ten (10) banks in the Philippines in terms of resources and profitability. These financial assets are classified as Grade A due to the counterparties' low probability of insolvency.

AFS Financial Assets

The Group's AFS financial assets are classified as Grade B because these assets are susceptible to untoward consequences due to the current financial positions of counterparties.

Receivables
Included under Grade A are accounts considered to be of high value and are covered with coal supply, power supply, and construction contracts. The counterparties have a very remote likelihood of default and have consistently exhibited good paying habits. Grade B accounts are active accounts with minimal to regular instances of payment default, due to collection issues. These accounts are typically not impaired as the counterparties generally respond to credit actions and update their payments accordingly. The Group determines financial assets as impaired when probability of recoverability is remote and in consideration of lapse in period which the asset is expected to be recovered.

For real estate receivables, advances to officers and employees and other receivables, Grade A are classified as financial assets with high credit worthiness and probability of default is minimal. While receivables under Grade B and C have favorable and acceptable risk attributes, respectively, with average credit worthiness.

Receivable from related parties are considered Grade A due to the Group's positive collection experience.

Receivables are aged and analyzed on a continuous basis to minimize credit risk associated with these receivables. Receivable balances are monitored on an ongoing basis to ensure timely execution of necessary intervention efforts, such as raising the case to the Group's legal department. Regular monitoring of receivables resulted to manageable exposure to bad debts.

Security and Refundable Deposits
Security and refundable deposits are classified as Grade A since these are to be refunded by the lessor and utility companies at the end of lease term and holding period, respectively, as stipulated in the agreements.

As of December 31, 2012 and 2011, the aging analysis of the Group's financial assets presented per class follows (amounts in thousands):

<u>2012</u>

	Past due but not impaired					**Impaired**	
	<30 days	**30-60 days**	**61-90 days**	**91-120 days**	**>120 days**	**Assets**	**Total**
Receivables							
Trade							
Real estate	**₱6,160,770**	**₱22,510**	**₱26,836**	**₱1,620,981**	**₱–**	**₱–**	**₱7,831,097**
General construction	**3,723,418**	**–**	**25,126**	**–**	**41,084**	**30,008**	**3,819,636**
Mining	**1,411,613**	**–**	**35,736**	**–**	**–**	**5,815**	**1,453,164**
Electricity sales	**2,626,200**	**–**	**–**	**–**	**–**	**130,422**	**2,756,622**
Advances to officers and employees	**60,048**	**–**	**–**	**–**	**–**		**60,648**
Other receivables	**408,695**	**–**	**–**	**–**	**–**	**74,232**	**482,927**
Total	**₱14,390,744**	**₱22,510**	**₱87,698**	**₱1,620,981**	**₱41,084**	**₱240,477**	**₱16,404,094**

2011

	Past due but not impaired					Impaired	
	<30 days	30-60 days	61-90 days	91-120 days	>120 days	Assets	Total
Receivables							
Trade							
Real estate	₱4,195,554	₱79,859	₱34,621	₱754,237	₱6,934	₱–	₱5,071,205
General construction	1,457,503	280,700	87,300	146,994	–	6,788	1,979,285
Mining	1,058,535	10,647	8,258	–	–	–	1,077,440
Electricity sales	2,176,048	–	–	–	–	53,524	2,229,572
Advances to officers and employees	42,461	425	–	–	–	–	42,886
Other receivables	240,445	–	–	4,694		111,421	356,560
Total	₱9,170,546	₱371,631	₱130,179	₱905,925	₱6,934	₱171,733	₱10,756,948

The repossessed lots and residential houses are transferred back to inventory under the account Real estate for sale and held for development and are held for sale in the ordinary course of business. The total of these inventories is ₱204.57 million and ₱593.61 million in 2012 and 2011, respectively. The Group performs certain repair activities on the said repossessed assets in order to put their condition at a marketable state. Costs incurred in bringing the repossessed assets to its marketable state are included in their carrying amounts.

The Group did not accrue any interest income on impaired financial assets.

Liquidity risk
Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group seeks to manage its liquidity profile to be able to service its maturing debts and to finance capital requirements. The Group maintains a level of cash and cash equivalents deemed sufficient to finance operations.

A significant part of the Group's financial assets that are held to meet the cash outflows include cash equivalents and accounts receivables. Although accounts receivables are contractually collectible on a short-term basis, the Group expects continuous cash inflows through continuous production and sale of coal and power generation. In addition, although the Group's short-term deposits are collectible at a short notice, the deposit base is stable over the long term as deposit rollovers and new deposits can offset cash outflows.

Moreover, the Group considers the following as mitigating factors for liquidity risk:
- It has available lines of credit that it can access to answer anticipated shortfall in sales and collection of receivables resulting from timing differences in programmed inflows and outflows.
- It has very diverse funding sources.
- It has internal control processes and contingency plans for managing liquidity risk. Cash flow reports and forecasts are reviewed on a weekly basis in order to quickly address liquidity concerns. Outstanding trade receivables are closely monitored to avoid past due collectibles.
- The Group regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund-raising activities. Fund-raising activities may include bank loans and capital market issues both on-shore and off-shore which is included in the Group's corporate planning for liquidity management.

The following table summarizes the maturity profile of the Group’s financial assets and liabilities as of December 31, 2012 and 2011, based on contractual undiscounted cash flows. The table also analyses the maturity profile of the Group’s financial assets in order to provide a complete view of the Group’s contractual commitments (amounts in thousands).

2012

	On Demand	Within 1 year	1-2 years	2-3 years	3-4 years	Total
Loans and Receivable						
Cash and cash equivalents	**₱9,739,025**	**₱–**	**₱–**	**₱–**	**₱–**	**₱9,739,025**
Receivables						
Trade:						
Real estate	**4,492,306**	**733,280**	**457,235**	**391,443**	**1,756,833**	**7,831,097**
General construction	**2,952,890**	**866,746**	**–**	**–**	**–**	**3,819,636**
Coal mining	**1,453,964**	**–**	**–**	**–**	**–**	**1,453,964**
Electricity sales	**2,756,622**	**–**	**–**	**–**	**–**	**2,756,622**
Merchandising	**67,157**	**–**	**–**	**–**	**–**	**67,157**
Receivable from related parties	**482,927**	**–**	**–**	**–**	**–**	**482,927**
Advances to officers and employees	**60,048**	**–**	**–**	**–**	**–**	**60,048**
Other receivables	**482,927**	**–**	**–**	**–**	**–**	**482,927**
Security deposits	**191,390**	**–**	**–**	**–**	**–**	**191,390**
Refundable deposits	**325,859**	**–**	**–**	**–**	**–**	**325,859**
	21,066,559	**3,921,217**	**457,235**	**391,443**	**1,756,833**	**27,593,287**
AFS financial assets						
Quoted securities	**–**	**86,824**	**–**	**–**	**–**	**86,824**
Unquoted securities	**–**	**1,729**	**–**	**–**	**–**	**1,729**
	–	**88,553**	**–**	**–**	**–**	**88,553**
Financial assets at FVPL	**71,260**		**–**	**–**	**–**	**71,260**
Total undiscounted financial assets	**₱21,137,819**	**₱4,009,770**	**₱457,235**	**₱391,443**	**₱1,756,833**	**₱27,753,100**
Other Financial Liabilities						
Short-term debt	**₱632,971**	**₱–**	**₱–**	**₱–**	**₱–**	**₱632,971**
Accounts payable and other Payables	**13,001,108**	**–**	**–**	**–**	**–**	**13,001,108**
Liabilities for purchased land	**929,378**	**145,935**	**38,246**	**1,695**	**30,070**	**1,145,324**
Long-term Debt						
Term loan facility						
US$32.00 million loan with interest payable in arrears, to be repriced every 90 days	**636,767**	**2,625**	**321,104**	**–**	**–**	**960,496**
US$29.26 million loan with interest payable semi-annually in arrears, to be repriced every 6 months	**2,074**	**2,074**	**234,552**	**–**	**–**	**238,700**
US$15.70 million loan with interest payable in arrears, to be repriced every 30 to 180 days	**2,010,661**	**3,878**	**567,784**	**–**	**–**	**2,582,323**
US$23.45 million loan with interest payable in arrears, to be repriced every 3 months	**628,402**	**419,625**	**–**	**–**	**–**	**1,048,027**
$21.11 million deferred purchase payment at 4% interest p.a. over the rate 180 days	**10,313**	**10,313**	**20,625**	**40,095**	**547,038**	**628,384**
₱9.60 billion at PDST-F benchmark yield for 3-month treasury securities +1.75%	**798,915**	**781,962**	**1,572,611**	**1,551,380**	**2,324,212**	**7,029,080**
Various local bank loans 7.5% to 10%	**–**	**–**	**–**	**–**	**–**	**–**
Various car loans 15.56% to 27.14%	**–**	**–**	**–**	**–**	**–**	**–**
Agreement to purchase - 7.0% to 13.75%	**1,260,099**	**788,636**	**712,778**	**1,299,599**	**2,471,312**	**6,532,424**
Total undiscounted financial liabilities	**19,910,688**	**2,155,048**	**3,467,700**	**2,892,769**	**5,372,632**	**33,798,837**
Liquidity gap	**₱1,227,131**	**₱1,854,722**	**(₱3,010,465)**	**(₱2,501,326)**	**(₱3,615,799)**	**(₱6,045,737)**

2011

	On Demand	Within 1 year	1-2 years	2-3 years	3-4 years	Total
Loans and Receivable						
Cash and cash equivalents	₱13,858,426	₱1,107,528	₱–	₱–	₱–	₱14,965,954
Receivables						
Trade:						
Real estate	1,275,060	687,009	459,866	1,467,655	1,181,615	5,071,205
General construction	1,396,034	583,251	–	–	–	1,979,285
Coal mining	1,050,611	26,829	–	–	–	1,077,440
Electricity sales	887,566	1,342,006	–	–	–	2,229,572
Merchandising	57,740	–	–	–	–	57,740
Receivable from related parties	449,925	2,190	–	–	–	452,115
Advances to officers and employees	38,398	4,488	–	–	–	42,886
Other receivables	617,766	–	–	–	–	617,766
Security deposits	–	–	–	–	–	–
Refundable deposits	356,560	–	–	–	–	356,560
	20,278,349	3,753,301	459,866	1,467,655	1,181,615	27,140,786
AFS financial assets						
Quoted securities	–	58,181	–	–	–	58,181
Unquoted securities	–	166,236	–	–	–	166,236
	–	224,417	–	–	–	224,417
Financial assets at FVPL	71,400	–	–	–	–	71,400
Total undiscounted financial assets	₱20,349,749	₱3,977,718	₱459,866	₱1,467,655	₱1,181,615	₱27,436,603
Other Financial Liabilities						
Short-term debt	₱1,490,648	₱–	₱–	₱–	₱–	₱1,490,648
Accounts payable and other Payables	10,587,003	–	1,338,946	–	–	11,925,949
Liabilities for purchased land	473,821	208,777	151,828	66,507	31,000	931,933
Payable to related parties	52,120	274,877	–	–	–	326,997
Long-term Debt						
Term loan facility						
US$32.00 million loan with interest payable in arrears, to be repriced every 90 days	810	140,778	–	–	–	141,588
US$29.26 million loan with interest payable semi-annually in arrears, to be repriced every 6 months	7,628	649,524	675,016	–	–	1,332,168
US$15.70 million loan with interest payable in arrears, to be repriced every 30 to 180 days	3,461	447,369	246,064	–	–	696,894
US$23.45 million loan with interest payable in arrears, to be repriced every 3 months	5,533	246,646	791,123	–	–	1,043,302
$21.11 million deferred purchase payment at 4% interest p.a. over the rate 180 days	4,985	4,985	932,310	–	–	942,280
₱9.60 billion at PDST-F benchmark yield for 3-month treasury securities +1.75%	25,446	1,477,733	1,568,361	–	–	3,071,540
Various local bank loans 7.5% to 10%	-	804	–	–	–	804
Various car loans 15.56% to 27.14%	–	3,313	–	–	–	3,313
Agreement to purchase - 7.0% to 13.75%	–	1,759	2,722	–	–	4,481
Finance lease 6.00% to 6.57%	–	7,782	4,570	–	–	12,352
Other noncurrent liabilities	– –	–	–	–	–	
Total undiscounted financial liabilities	12,651,455	3,464,347	5,710,940	66,507	31,000	21,924,249
Liquidity gap	₱7,698,295	₱513,371	(₱5,251,074)	₱1,401,148	₱1,150,615	₱5,512,355

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group’s exposure to market risk for changes in interest rates relates primarily to the Group’s long-term debt obligations. The Group’s policy is to manage its interest cost using a mix of fixed and variable rate debt.

The following table demonstrates the sensitivity of the Group's profit before tax and equity to a reasonably possible change in interest rates, with all variables held constant, through the impact on floating rate borrowings.

	Change in basis points	Effect on income before income tax	Effect on equity
		(Amounts in Thousands)	
2012			
Dollar floating rate borrowings	**+100**	**(₱1,960)**	**(₱1,372)**
	-100	**1,960**	**1,372**
Peso floating rate borrowings	**+100**	**(₱70,252)**	**(₱49,177)**
	-100	**70,252**	**49,177**
2011			
Dollar floating rate borrowings	+100	(₱934)	(₱654)
	-100	934	654
Peso floating rate borrowings	+100	(₱85,075)	(₱59,552)
	-100	85,075	59,552

The assumed movement in basis points for interest rate sensitivity analysis is based on the Group's historical changes in market interest rates on unsecured bank loans.

35. Other Comprehensive Income

The Group does not recognize income tax on the components of other comprehensive income as presented in the following table (amounts in thousands):

	Other Comprehensive Income					
	Net Unrealized Gain (Loss) on Available-for-Sale Financial Assets (Note 6)	**Cumulative Translation Adjustment**	**Revaluation increment in nonfinancial assets**	**Total**	**Attributable to Parent Company**	**Attributable to minority interests**
As of January 1, 2012	**(₱1,090)**	**₱–**	**₱–**	**(₱1,090)**	**(₱1,090)**	**₱–**
Other comprehensive income:						
Unrealized gain on AFS financial assets (Note 6)	**30,000**	**–**	**–**	**30,000**	**30,000**	**–**
Balances at December 31, 2012	**₱28,910**	**₱–**	**₱–**	**₱28,910**	**₱28,910**	**₱–**

	Other Comprehensive Income					
	Net Unrealized Gain (Loss) on Available-for-Sale Financial Assets (Note 6)	Cumulative Translation Adjustment	Revaluation increment in nonfinancial assets	Total	Attributable to Parent Company	Attributable to minority interests
As of January 1, 2011	(₱2,781)	₱–	₱–	(₱2,781)	(₱2,781)	₱–
Other comprehensive income:						
Unrealized gain on AFS financial assets (Note 6)	1,691	–	–	1,691	1,691	–
Balances at December 31, 2011	(₱1,090)	₱–	₱–	(₱1,090)	(₱1,090)	₱–

	Other Comprehensive Income					
	Net Unrealized Gain (Loss) on Available-for-Sale Financial Assets (Note 6)	Cumulative Translation Adjustment	Revaluation increment in nonfinancial assets	Total	Attributable to Parent Company	Attributable to minority interests
As of January 1, 2010	(₱6,649)	₱25	₱80,005	₱73,381	₱72,093	₱1,288
Other comprehensive income:						
Transfer to statement of income due to disposal of a subsidiary	–	(25)	(80,005)	(80,030)	(78,742)	(1,288)
Unrealized gain on AFS financial assets (Note 6)	3,868	–	–	3,868	3,868	–
	3,868	(25)	(80,005)	(76,162)	(74,874)	(1,288)
Balances at December 31, 2010	(₱2,781)	₱–	₱–	(₱2,781)	(₱2,781)	₱–

36. Contingencies and Commitments

Contingencies

Provision for probable legal claims

The Group is contingently liable for lawsuits or claims filed by third parties which are either pending decision by the courts or are under negotiation, the outcomes of which are not presently determinable. In the opinion of management and its legal counsel, the eventual liability under these lawsuits or claims, if any, will not have a material effect on the consolidated financial statements. The information usually required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, is not disclosed on the grounds that it can be expected to prejudice the outcome of these lawsuits, claims and assessments.

Provision for billing disputes

On October 20, 2010, SCPC filed a Petition for dispute resolution (“Petition”) before the ERC against NPC and PSALM involving over-nominations made by NPC during the billing period January to June 2010 beyond the 169,000 kW MERALCO allocation of SCPC, as provided under the Schedule W of the APA.

In its Petition, SCPC sought to recover the cost of energy (a) sourced by SCPC from WESM in order to meet NPC’s nominations beyond the 169,000 kW MERALCO contracted demand, or (b) procured by NPC from the WESM representing energy nominated by NPC in excess of the 169,000 kW limit set in Schedule W, cost of which was charged by PSALM against SCPC. In relation to this, NPC withheld the payments of MERALCO and remitted to SCPC the collections net of the cost of the outsourced energy.

SCPC has likewise sought to recover interest on the withheld MERALCO payments collected by PSALM that is unpaid to SCPC as of due date, to be charged at the rate of 11% computed from the date of the SCPC’s extrajudicial demand until full payment by PSALM.

During the preliminary conference scheduled on November 25, 2010, the ERC’s hearing officer directed the parties to explore the possibility of settling the dispute amicably. As the parties failed to arrive at a compromise during the prescribed period, hearings resumed with the conduct of preliminary conference last February 23, 2011, without prejudice to the result of any further discussions between the parties for amicable settlement. A series of hearing was conducted on March 22, 2011 and April 4, 2011, where witnesses were presented to testify on the dispute resolution. Within a period of thirty (30) days from April 4, 2011, the parties were directed to submit, simultaneously, their respective offers of evidence and memorandum. After the submission of said documents, the case will be deemed submitted for ERC’s deliberation and decision.

SCPC made a provision for the total amount withheld by NPC, which amounted to ₱383.29 million (Note 25). Though a provision has already been made, SCPC has not waived its right to collect the said amount in case the outcome of the dispute resolution would be a favorable settlement for SCPC. The provision will be reversed and the reversal of the provision would be recognized in the "Other income" account upon collection of the said receivable.

As of December 31, 2012, decision of ERC regarding the case is still pending resolution. resolution.

Lease Commitments

Operating Lease - As Lessor

The Group entered into lease agreements with third parties covering its investment property portfolio (Note 12). The lease agreements provide for a fixed monthly rental and is renewable under the terms and condition agreed with the lessees.

As of December 31, 2012 and 2011, future minimum lease receivables under the aforementioned operating lease (in thousands) are as follows:

	2012	2011
Within one year	**₱9,320**	₱5,816
After one year but not more than five years	**6,591**	5,971
More than five years	**798**	823
	₱16,709	₱12,610

Operating Lease - As Lessee

The Group leases portion of its office premises and various mining and transportation equipment items that are renewed under the terms and condition agreed with the lessors.

As of December 31, 2012 and 2011, future minimum lease payments under the above mentioned operating lease (in thousands) are as follows:

	2012	2011
Within one year	**₱3,073**	₱3,073
After one year but not more than five years	**6,145**	9,218
	₱9,218	₱12,291

Also as discussed in Note 14, the Group entered into a Land Lease Agreement with PSALM for the lease of land in which the plant is situated, for a period of 25 years, renewable for another 25 years with the mutual agreement of both parties. The Group paid US$3.19 million or its peso equivalent ₱150.57 million as payment for the 25 years of rental.

Part of the agreement, the Group has the option to buy the Optioned Assets. Optioned assets are parcels of land that form part of the leased premises which the lessor offers for the sale to the lease for which the lessor issues an Option Existence Notice (OEN).

In the event that the lessor issues an OEN and SCPC buys the option assets in consideration for the grant of the option, the land purchase price should be equivalent to the highest of the following and / or amounts: (i) assessment of the Provincial Assessors of Batangas Province; (ii) the assessment of the Municipal or City Assessor having jurisdiction over the particular portion of the leased premises; (iii) the zonal valuation of Bureau of Internal Revenue or, (iv) 21.00 per square meter (dollar). Valuation basis for 1 to 3 shall be based on the receipt of PSALM of the option to exercise notice. The exchange rate to be used should be the Philippine Dealing Exchange rate at the date of receipt of PSALM of the OEN.

On July 12, 2010, PSALM issued an OEN and granted SCPC the “Option” to purchase the Optioned Assets that form part of the leased premises. SCPC availed of the “Option” and paid the Option Price amounting US$0.32 million or a peso equivalent of ₱14.72 million exercisable within one year from the issuance of the OEN.

The Group was also required to deliver and submit to the lessor a performace security amounting ₱34.83 million in the form of Stand by Letter of Credits (SBLC). The performance security shall be maintained by the Group in full force and effect continuously without any interruption until the Performance Security expiration date. The Performance Security initially must be effective for the period of one year from the date of issue, to be replaced prior to expiration every year thereafter and shall at all times remain valid.

On May 5, 2011, PSALM granted SCPC’s request to assign portion of its option to the Semirara for the latter to buy the 82,740 square meters lot covered by TCT No. 115804.

On June 1, 2011, Semirara and SCPC exercised its option to purchase the Option Asset and subsequently entered into Deed of Absolute Sales with PSALM for the total consideration of ₱376.61 million.

Finance Lease - As Lessee

During 2011 and 2010, the Group has entered into finance lease agreements for some of its service vehicles and equipment used in its construction activities. The said leased assets are capitalized and depreciated over their estimated useful lives of four (4) years and five (5) years, respectively (Note 13). In 2011, finance lease facilities amounting ₱12.35 million was approved at 6.50% interest. In 2012, the Group pre-terminated the finance lease obligation and exercised the option to acquire the service vehicles and equipment used in construction activities.

As of December 31, 2011, the future minimum lease payments under finance lease and the present value of the net minimum lease payments follows:

Within one year	₱8,366
After one (1) year but not more than five (5) years	4,663
Total minimum lease payments	13,029
Less finance charges	678
Present value of minimum lease payment	₱12,351

Commitment on Electricity Sales Contracts
The APA included a number of Transition Supply Contracts (TSC) to distribution utilities and large load customers located in close proximity to the Purchased Assets. The volume of energy demand for each of the customers is reflected in their respective TSC. The electricity pricing in the said TSC is tied to the NPC's Luzon Time of Use (TOU) rate approved by the ERC which is adjustable by changes in foreign exchange and fuel cost. The said tariff, even if adjustable, is subject to ERC's approval before the same could be implemented. Assignment of Sun Power Corporation's TSC was not accepted by SCPC at the closing date due to anticipated loss once accepted. Assigned TSC were renewed on various dates in 2010, except for High Street Corporation.

Capital Commitments
For the year 2011, the Group has capital commitments on acquisition of mining equipment amounting ₱841.07 million in relation to its income tax holiday registration with the BOI.

37. Note to Consolidated Statements of Cash Flows

On October 10, 2012, the subscription payable to DMWC amounting ₱379.71 million was cancelled as a result of reduction of DMWC's authorized capital stock (Note 20). On the same date, the Parent Company has fully settled its due to DMWC amounting ₱234.58 million. The amount from the return of capital amounting ₱150.91 million was applied against a portion of the liability (Note 21).

As of December 31, 2012 and 2011, total cost incurred in the rehabilitation of the power plant and other facilities under construction amounted to ₱223.52 million and ₱1,607.46 million, respectively. These were initially recognized as part of the inventories and were capitalized in the "Construction in progress" account upon issuance (Note 13).

38. Other Matters

a. Electric Power Industry Reform Act (EPIRA)

In June 2001, the Congress of the Philippines approved and passed into law R.A. No. 9136, otherwise known as the EPIRA, providing the mandate and the framework to introduce competition in the electricity market. EPIRA also provides for the privatization of the assets of NPC, including its generation and transmission assets, as well as its contract with Independent Power Producers (IPPs). EPIRA provides that competition in the retail supply of electricity and open access to the transmission and distribution systems would occur within three years from EPIRA's effective date. Prior to June 2002, concerned government agencies were to establish WESM, ensure the unbundling of transmission and distribution wheeling rates and remove existing cross subsidies provided by industrial and commercial users to residential customers. The WESM was officially launched on June 23, 2006 and began commercial operations for Luzon. The ERC has already implemented a cross subsidy removal scheme. The inter-regional grid cross subsidy was fully phased-out in June 2002. ERC has already approved unbundled rates for Transmission Company (TRANSCO) and majority of the distribution utilities.

Under EPIRA, NPC's generation assets are to be sold through transparent, competitive public bidding, while all transmission assets are to be transferred to TRANSCO, initially a government-owned entity that was eventually being privatized. The privatization of these NPC assets has been delayed and is considerably behind the schedule set by the DOE. EPIRA also created PSALM, which is to accept transfers of all assets and assume all outstanding obligations of NPC, including its obligations to IPPs. One of PSALM's responsibilities is to manage these contracts with IPPs after NPC's privatization. PSALM is also responsible for privatizing at least 70% of the transferred generating assets and IPP contracts within three years from the effective date of EPIRA.

In August 2005, the ERC issued a resolution reiterating the statutory mandate under the EPIRA law for the generation and distribution companies, which are not publicly listed, to make an initial public offering (IPO) of at least 15% of their common shares. Provided, however, that generation companies, distribution utilities or their respective holding companies that are already listed in the Philippine Stock Exchange (PSE) are deemed in compliance. SCPC was already compliant with this requirement given that the Parent Company is a publicly listed company.

WESM

With the objective of providing competitive price of electricity, the EPIRA authorized DOE to constitute an independent entity to be represented equitably by electric power industry participants and to administer and operate WESM. WESM will provide a mechanism for identifying and setting the price of actual variations from the quantities transacted under contracts between sellers and purchasers of electricity.

In addition, the DOE was tasked to formulate the detailed rules for WESM which include the determination of electricity price in the market. The price determination methodology will consider accepted economic principles and should provide a level playing field to all electric power industry participants. The price determination methodology was subject to the approval of the ERC.

In this regard, the DOE created Philippine Electricity Market Corporation (PEMC) to act as the market operator governing the operation of WESM. On June 26, 2006, WESM became operational in the Luzon grid and adopts the model of a "gross pool, net settlement" electricity market.

b. **Clean Air Act**

On November 25, 2000, the Implementing Rules and Regulations (IRR) of the Philippine Clean Air Act (PCAA) took effect. The IRR contains provisions that have an impact on the industry as a whole and on SCPC in particular, that need to be complied with within 44 months (or until July 2004) from the effectivity date, subject to the approval by DENR. The power plant of SCPC uses thermal coal and uses a facility to test and monitor gas emissions to conform with Ambient and Source Emissions Standards and other provisions of the Clean Air Act and its IRR. Based on SCPC's initial assessment of its power plant's existing facilities, SCPC believes that it is in full compliance with the applicable provisions of the IRR of the PCAA as of December 31, 2012.

c. **Contract for the Fly Ash of the Power Plant**

On October 20, 1987, NPC and Pozzolanic Australia Pty, Ltd. ("Pozzolanic") executed the Contract for the Purchase of Fly Ash of the Power Plant (the "Pozzolanic Contract"). Under the Pozzolanic Contract, Pozzolanic was given the right to sell, store, process, remove or otherwise dispose of all fly ash produced at the first unit of the Power Plant. It was also granted the first option to purchase fly ash, under similar terms and conditions, from the second unit of the Power Plant that NPC may construct. It may also exercise the exclusive right of first refusal to purchase fly ash from any new coal-fired power plants which will be put up by NPC.

The Pozzolanic Contract is effective for a period of five consecutive five-year terms from its signing, or a period of 25 years from October 20, 1987 or until 2012, subject to cancellation by NPC upon default or any breach of contract by Pozzolanic. At the end of each five-year term, the parties will agree to assess and evaluate the Pozzolanic Contract, and if necessary, revise, alter, modify the same upon their mutual consent.

The Government has determined the provision of the Pozzolanic Contract which grants Pozzolanic the exclusive right of first refusal to purchase fly ash from the second unit of the Power Plant and from any coal-fired power plant put up by NPC after the execution of the Pozzolanic Contract as invalid. This is the subject of a case filed by Pozzolanic and pending before the regional trial court of Quezon City as of December 31, 2012.

d. **Power Supply Agreement with Manila Electric Company (MERALCO)**

On December 20, 2011, SCPC entered into a new power supply agreement with MERALCO, a distributor of electric power, which took effect on December 26, 2011 and shall have a term of seven (7) years, which may be extended by the parties for another three (3) years.

SCPC will be providing MERALCO with an initial contracted capacity of 210 MW and will be increased to 420 MW upon the commercial operation of the plant's Unit 1.

e. **Transitory Agreeement with Masbate Electric Cooperative Inc. (Maselco) and DMCI Masbate**

Pending the construction of the coal-fired thermal power plant, the implementation of the terms under PSA was held in abeyance between the parties. In lieu of the PSA, on March 3, 2010, Maselco and DMCI Masbate entered into a Transitory Agreement, which shall have a term of five (5) years commencing on July 26, 2010, wherein Maselco shall avail of the generating capacity of DMCI Masbate using the bunker-fired power plant and diesel generation sets and shall pay for such energy output according to the approved Socially Acceptable Generation Rate (SAGR) of ₱5.1167/kWh.

Also, under the agreement, DMCI Masbate shall deliver the coal-fired power plant, barring any political and social situation preventing the construction and development thereof pursuant to the PSA, not later than the 5th year anniversary of the agreement. If it is determined anytime during the term that the construction and commissioning of a coal-fired power plant cannot be completed prior to the lapse of the term, the parties may extend the term of the agreement, amend the existing PSA or terminate the agreement and negotiate for a new PSA.

On July 22, 2010, the Energy Regulatory Commission issued an Order provisionally approving the Transitory Agreement and the Company's availment of ME Subsidy from the UC-ME. The provisional authority triggered the commercial operation of the Company. This remains in effect in 2012.

f. **Reinstated and Amended Subsidy Agreement between National Power Corporation, Masbate Electric Cooperative Inc. and DMCI Masbate Power Corporation**

On October 27, 2010, in line with the Transitory Agreement with Maselco, the Company, NPC and Maselco signed the Reinstated and Amended Subsidy Agreement. This agreement will entitle the Company to avail of the ME Subsidy while the Transitory Agreement is effective. Moreover, this agreement includes an additional provision pertaining to Financing of Power Station and an amendment of a provision pertaining to Payment of Subsidy Fee and True-Up Adjustments. This remains in effect in 2012.

g. **MOA with Benguet Corp Nickel Mines, Inc. (BNMI)**

In March 2010, the DMCI Mining Corporation and BNMI, an affiliate of BC, agreed to establish and maintain a Mine Rehabilitation Fund as a reasonable environmental deposit to ensure the availability of funds for its satisfactory compliance with the commitments and performance of activities stipulated in its EPEP/AEPEP during a specific project phase. This remains in effect in 2012.

h. **MERALCO Power Supply Agreement with Modification**

On March 12, 2012, MERALCO filed an application for the Approval of the Power Supply Agreement (PSA) between MERALCO and SCPC, with a Prayer for Provisional Authority, docketed as ERC Case No. 201-037 RC.

In the said application, MERALCO alleged and presented on the following: a.) the salient provisions of the PSA; b.) payment structure under the PSA; c.) the impact of the approval of the proposed generation rates on MERALCO's customers; and d.) the relevance and urgent need for the implementation of the PSA.

On December 17, 2012, the Commission (ERC) issued a Decision approving with modification of the ERC Case No. 201-037 RC.

Subsequently, on February 13, 2013, ERC amends the previously approved resolution, due to the approved rates included two (2) Variable O&M Fee components and was changed accordingly into one Variable O&M fee.

On February 25, 2013, SCPC filed its Formal Offer for Exhibits- Motion for Partial Reconsideration which is still pending with ERC as of the opinion date. This remains pending with ERC.

39. **Sale of AG&P**

On December 22, 2010 (closing date), the Parent Company sold AG&P to AGPPHI representing 98.19% of the AG&P's total issued and outstanding capital stock. The total consideration of ₱1.75 billion was received and a net gain of ₱36.66 million was recognized as a result of the consummation of the sale.

The operating results of AG&P from January 1, 2010 until closing date are presented below (in thousands):

Revenue from construction contracts	₱3,058,807
Finance, equity in net earnings and other income	90,204
	3,149,011
Cost of construction contracts	2,059,962
General administrative expenses	373,764
Interest and other financing charges	40,386
Benefit from income tax	34,213
	2,508,325
Income from discontinued operations	₱640,686

Income after tax from discontinued operations consists of the following:

Gain from sale of discontinued operations	₱36,659
Net income from discontinued operations	640,686
After tax income from discontinued operations	₱677,345

The following are the net assets of AG&P as of December 22, 2010 (in thousands):

Current assets:	
Cash and cash equivalents	₱792,474
Available-for-sale financial assets	7,255
Costs and estimated earnings in excess of billings on uncompleted contracts	74,294
Receivables	308,803
Inventories	171,432
Other current assets	32,341
Noncurrent assets:	
Investments in associates and jointly controlled entities	139,107
Investment properties	186,742
Property, plant and equipment	2,358,794
Pension asset	19,029

Current liabilities:	
Accounts and other payables	(₱1,478,860)
Income tax payable	(981)
Current portion of long-term debt	(100,408)
Noncurrent liabilities:	
Long-term debt - net of current portion	(350,000)
Deferred tax liabilities	(323,731)
Share in:	
Revaluation increment	(78,717)
Minority interest	(44,750)
Cumulative translation adjustment	517
Net assets	₱1,713,341

40. Events After the Reporting Period

a. *Effective Interest in Maynilad*

In relation to the increase in authorized capital stock of Maynilad as discussed in Note 11, DMWC subscribed an additional 402,066 common shares of stock of Maynilad for a total subscription price of ₱10.3 billion on February 13, 2013. On the same date, Maynilad issued these shares and DMWC has fully paid these shares (Note 11).

Subsequent to the Subscription Agreement executed between Marubeni Corporation - Nippon Koei Ltd (MCNK) and DMWC on December 28, 2012, another subscription agreement dated February 13, 2013 was executed, wherein MCNK subscribed an additional 508,853,045 common shares of DMWC for a total subscription price of ₱10.2 billion. On same date, DMWC issued these shares and MCNK has likewise fully paid these shares.

On February 13, 2013, MPIC purchased 154,992,852 common shares of stock of DMWC from the Parent Company for a total cash consideration of ₱2.4 billion. These were fully paid in cash on the same date. Also on the same date, MCNK purchased 472,455,019 common shares of stock of the DMWC from the Parent Company for a total cash consideration of ₱6.7 billion. The gain on the disposal of DMWC shares is estimated between ₱6 billion and ₱8 billion, exclusive of other costs and charges attributable in the disposal of shares.

The above transactions resulted to the following changes in effective interest in Maynilad:

Effective interest in Maynilad	Pre-deal Ownership	Post-deal Ownership
MPIC	56.80%	52.80%
DMCI	40.98%	25.24%
MCNK	–	20.00%
ESOP/Others	2.22%	1.96%

b. *Dividend income from DMWC*

On February 13, 2013, the BOD of DMWC declared and paid dividends amounting ₱9,554.0 million or ₱2.05 per share. Also, on same date, the BOD declared dividends amounting ₱919.0 million or ₱0.20 per share payable on February 27, 2013.

The Parent Company received dividend income amounting ₱4.67 billion in 2013.

c. *Panian Mine Pit Rockslide Incident*

On February 13, 2013, a section of Panian pit west wall, where the Semirara's coal production is presently concentrated, gave way. The Semirara has temporarily stopped its mining activities in said area immediately after the incident. Despite the temporary halt in its mining operations at the Panian site, the Semirara continues to service its supply contracts to its customers using its coal stockpile. Review of the Semirara's mine safety plan is on-going, with the assistance of a third party consultant to avoid similar case in the future.

On March 4, 2013, after review of the mine work program for the North Panian area and the additional safety and operational measures incorporated in the preparatory activities by the Semirara, the Department of Energy (DOE) granted the Semirara's request to proceed with the preparatory activities for the North area, the next coal mine area after the Western side of the Panian mine, consistent with the original mine plan. Preparatory activities in this area actually started on February 1, 2013 but were suspended after the incident. The DOE will review the safety and operational measures being implemented by the Semirara before actual coal mining activities commence.

The permit to start preparatory activities granted by DOE for the North Panian area is without prejudice to possible sanctions that may be imposed depending on the results of the ongoing investigation on the west wall rockslide incident.

d. *Approval of Semirara Energy Utilities Inc. Articles of Incorporation and By-Laws*

On February 18, 2013, the Securities and Exchange Commission (SEC) has approved the incorporation of Semirara Energy Utilities Inc., a wholly-owned subsidiary of Semirara Mining Corporation.

The new company was incorporated to perform Qualified Third Party (QTP) functions pursuant to Section 59 of Republic Act 9136, otherwise known as the EPIRA and its Implementing Rules & Regulations". DOE-Circular No. 2004-06-006 defines QTP as an alternative electric service provider authorized to serve remote and unviable areas pursuant to Section 59 of the EPIRA law.

e. *Department of Energy (DOE) awards coal exploration contract to Semirara Mining Corporation*

On February 2013, DOE awarded eight coal companies with service contracts and develops 11 prospective coal blocks, which were auctioned off in 2011 under the Philippine Energy Contracting Round 4.

For the coal service contracts, DOE awarded to the Group Areas 9 (Oriental Mindoro) and 25B (Saranggani).

f. *Increase in investment in Toledo Mining Corporation Plc.*

As of April 11, 2013, DMCI Mining Corporation has increased its investment in Toledo from 17% as of December 31, 2012 to 57.1% or 28,443,791 shares.

g. *Declaration of cash dividend by the Parent Company*

On April 11, 2013, the BOD of the Parent Company has declared cash dividends amounting ₱1.20 regular dividends and ₱1.00 special cash dividends in favor of the stockholders of record as of April 26, 2013. This is due to be paid on May 10, 2013 with a total amount of ₱5,842.09 million.

41. Approval of Consolidated Financial Statements

The consolidated financial statements of DMCI Holdings, Inc. and Subsidiaries as of December 31, 2012 and 2011, and for each of the three years in the period ended December 31, 2012 were endorsed for approval by the Audit Committee and authorized for issue by the BOD on April 11, 2013.

DMCI HOLDINGS, INC.

SUPPLEMENTARY SCHEDULE OF RETAINED EARNINGS AVAILABLE FOR DIVIDENDS DECLARATION

FOR THE YEAR ENDED DECEMBER 31, 2012

Unappropriated Retained Earnings, as adjusted to available for dividend distribution at beginning of year		₱6,313,755,658
Add: Net income actually earned/realized during the year		
Net income	6,953,861,371	
Add amortization of discount on payable to landowners	48,653	
Net income actually earned during the year		6,953,910,024
Less:		
Dividends declared during the year		(3,186,592,798)
Appropriation for capital expenditures, investments and future dividend declaration		(1,600,000,000)
Unappropriated Retained Earnings, available for dividend distribution, ending		**₱8,481,072,884**

DMCI HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE OF ALL THE EFFECTIVE STANDARDS AND INTERPRETATIONS

List of Philippine Financial Reporting Standards (PFRSs) [which consist of PFRSs, Philippine Accounting Standards (PASs) and Philippine Interpretations] and Philippine Interpretations Committee (PIC) Q&As effective as of December 31, 2012

		Adopted	Not Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics		✓		
PFRSs Practice Statement Management Commentary		✓		
Philippine Financial Reporting Standards				
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards			✓
	Amendments to PFRS 1 and PAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	✓		
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters			✓
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters			✓
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			✓
	Amendments to PFRS 1: Government Loans			✓
PFRS 2	Share-based Payment	✓		
	Amendments to PFRS 2: Vesting Conditions and Cancellations			✓
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			✓
PFRS 3 (Revised)	Business Combinations	✓		
PFRS 4	Insurance Contracts			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			✓
PFRS 6	Exploration for and Evaluation of Mineral Resources			✓

		Adopted	Not Adopted	Not Applicable
PFRS 7	Financial Instruments: Disclosures	✓		
	Amendments to PFRS 7: Transition	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	✓		
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	✓		
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets	✓		
	Amendments to PFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities	Not early adopted		
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures	Not early adopted		
PFRS 8	Operating Segments	✓		
PFRS 9	Financial Instruments	Not early adopted		
	Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures	Not early adopted		
PFRS 10	Consolidated Financial Statements	Not early adopted		
PFRS 11	Joint Arrangements	Not early adopted		
PFRS 12	Disclosure of Interests in Other Entities	Not early adopted		
PFRS 13	Fair Value Measurement	Not early adopted		
Philippine Accounting Standards				
PAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendment to PAS 1: Capital Disclosures	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation	✓		
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	Not early adopted		
PAS 2	Inventories	✓		
PAS 7	Statement of Cash Flows	✓		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events after the Balance Sheet Date	✓		
PAS 11	Construction Contracts	✓		
PAS 12	Income Taxes	✓		
	Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets	✓		

		Adopted	Not Adopted	Not Applicable
PAS 16	Property, Plant and Equipment	✓		
PAS 17	Leases	✓		
PAS 18	Revenue	✓		
PAS 19	Employee Benefits	✓		
	Amendments to PAS 19: Actuarial Gains and Losses, Group Plans and Disclosures	✓		
PAS 19 (Amended)	Employee Benefits	Not early adopted		
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates	✓		
	Amendment: Net Investment in a Foreign Operation			✓
PAS 23 (Revised)	Borrowing Costs	✓		
PAS 24 (Revised)	Related Party Disclosures	✓		
PAS 26	Accounting and Reporting by Retirement Benefit Plans			✓
PAS 27 (Amended)	Separate Financial Statements	Not early adopted		
PAS 28 (Amended)	Investments in Associates and Joint Ventures	Not early adopted		
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 31	Interests in Joint Ventures	✓		
PAS 32	Financial Instruments: Disclosure and Presentation	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendment to PAS 32: Classification of Rights Issues			✓
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities			✓
PAS 33	Earnings per Share	✓		
PAS 34	Interim Financial Reporting	✓		
PAS 36	Impairment of Assets	✓		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
PAS 38	Intangible Assets	✓		

		Adopted	Not Adopted	Not Applicable
PAS 39	Financial Instruments: Recognition and Measurement	✓		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	✓		
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions	✓		
	Amendments to PAS 39: The Fair Value Option	✓		
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets			✓
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets – Effective Date and Transition			✓
	Amendments to Philippine Interpretation IFRIC–9 and PAS 39: Embedded Derivatives			✓
	Amendment to PAS 39: Eligible Hedged Items			✓
PAS 40	Investment Property	✓		
PAS 41	Agriculture			✓
Philippine Interpretations				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			✓
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			✓
IFRIC 4	Determining Whether an Arrangement Contains a Lease	✓		
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓
IFRIC 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment			✓
IFRIC 7	Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies			✓
IFRIC 8	Scope of PFRS 2	✓		
IFRIC 9	Reassessment of Embedded Derivatives	✓		
	Amendments to Philippine Interpretation IFRIC–9 and PAS 39: Embedded Derivatives	✓		
IFRIC 10	Interim Financial Reporting and Impairment	✓		
IFRIC 11	PFRS 2- Group and Treasury Share Transactions			✓
IFRIC 12	Service Concession Arrangements			✓
IFRIC 13	Customer Loyalty Programmes			✓

		Adopted	Not Adopted	Not Applicable
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	✓		
	Amendments to Philippine Interpretations IFRIC- 14, Prepayments of a Minimum Funding Requirement	✓		
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			✓
IFRIC 17	Distributions of Non-cash Assets to Owners			✓
IFRIC 18	Transfers of Assets from Customers			✓
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			✓
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	Not early adopted		
SIC-7	Introduction of the Euro			✓
SIC-10	Government Assistance - No Specific Relation to Operating Activities			✓
SIC-12	Consolidation - Special Purpose Entities			✓
	Amendment to SIC - 12: Scope of SIC 12			✓
SIC-13	Jointly Controlled Entities - Non-Monetary Contributions by Venturers	✓		
SIC-15	Operating Leases - Incentives	✓		
SIC-21	Income Taxes - Recovery of Revalued Non-Depreciable Assets			✓
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			✓
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	✓		
SIC-29	Service Concession Arrangements: Disclosures.			✓
SIC-31	Revenue - Barter Transactions Involving Advertising Services			✓
SIC-32	Intangible Assets - Web Site Costs			✓

Not applicable standards have been adopted but the Group has no significant covered transactions as of and for the years ended December 31, 2012 and 2011.

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BOA/PRC Reg. No. 0001,
December 28, 2012, valid until December 31, 2015
SEC Accreditation No. 0012-FR-3 (Group A),
November 15, 2012, valid until November 16, 2015

INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
DMCI Holdings, Inc.
3rd Floor, Dacon Building
2281 Don Chino Roces Avenue
Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of DMCI Holdings, Inc. and its subsidiaries (the Group) as at December 31, 2012 and 2011 and for each of the three years in the period ended December 31, 2012, included in this Form 17-A, and have issued our report thereon dated April 11, 2013. Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Securities Regulation Code Rule No. 68, As Amended (2011) and are not part of the consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, fairly state in all material respects, the information required to be set forth therein in relation to the consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Michael C. Sabado
Partner
CPA Certificate No. 89336
SEC Accreditation No. 0664-AR-1 (Group A),
March 11, 2011, valid until March 10, 2014
Tax Identification No. 160-302-865
BIR Accreditation No. 08-001998-73-2012,
April 11, 2012, valid until April 10, 2015
PTR No. 3670019, January 2, 2013, Makati City

April 11, 2013

DMCI HOLDINGS, INC. AND SUBSIDIARIES
INDEX TO CONSOLIDATED COMPANY FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

CONSOLIDATED COMPANY FINANCIAL STATEMENTS

Consolidated Statements of Financial Position as of December 31, 2012 and 2011

Consolidated Statements of Comprehensive Income for the Years Ended December 31, 2012 and 2011

Consolidated Statements of Changes in Equity for the Years Ended December 31, 2012 and 2011

Consolidated Statements of Cash flows for the Years Ended December 31, 2012 and 2011

SUPPLEMENTARY SCHEDULES

Report of Independent Auditors on Supplementary Schedules

I. Supplementary schedules required by Annex 68-E

   A. Financial Assets (Current Marketable Equity and Debt Securities and Other Short-Term Cash Investments)
   B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
   C. Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements
   D. Intangible Assets
   E. Long-term Debt
   F. Indebtedness to Related Parties
   G. Guarantees of Securities of Other Issuers
   H. Capital Stock

II. Schedule of all of the effective standards and interpretations (Part 1, 4J)

III. Reconciliation of Retained Earnings Available for Dividend Declaration (Part 1, 4C; Annex 68-C)

IV. Map of the relationships of the companies within the group (Part 1, 4H)

V. Schedule of Financial Ratios

DMCI HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE A: FINANCIAL ASSETS

DECEMBER 31, 2012

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Value based on market quotation at end of reporting period	Income received and accrued
Manila Electric Company	**38,553**	₱10,046,912	₱10,046,912	
Manila Southwoolds Golf-Academy	**1**	370,000	370,000	
Subic Bay Yatch Club	**2**	4,800,000	4,800,000	
Manila Golf and Country Club	**1**	40,000,000	40,000,000	
Capitol Hills Golf and Country Club	**1**	75,000	75,000	
Canlubang Golf and Country Club	**1**	510,000	510,000	
Mabuhay Vinyl Corp.	**34,889**	56,171	56,172	
Valley Golf Club	**1**	17,000	17,000	
Alabang Country Club Inc.	**1**	1,950,000	1,950,000	
Wack Wack Golf & Country Club	**1**	18,500,000	18,500,000	
Manila Polo Club	**1**	10,500,000	10,500,000	
Wirerope Corporation of the Philippines	**1**	6,432,811	6,432,811	
DMC Conex Freight Services, Inc.	**1**	661,014	661,014	
Northwoods Development Corporation	**1**	650,000	650,000	
Bayantel	**1**	400,000	400,000	
Philippine Columbian Association	**1**	16,896	16,896	
Purefoods Preferred Shares	**70,000**	71,260,000	71,260,000	5,600,000

DMCI HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE B: AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDER (OTHER THAN RELATED PARTIES)

DECEMBER 31, 2012

Name and Designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Not current	Balance at end of period

NOT APPLICABLE

DMCI HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE C: AMOUNTS RECEIVABLES/PAYABLES FROM/TO RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS

DECEMBER 31, 2012

Entity with Receivable Balance	Name of Entity with Payable Balance	Receivable Balance	Payable Balance	Current	Noncurrent	Balance at end of period
Beta Electric Corporation	D. M. Consunji, Inc.	₱182,355,073	(₱182,355,073)	₱182,355,073		₱182,355,073
D. M. Consunji, Inc.	DMCI Power Corporation	5,738,092	(5,738,092)	5,738,092		5,738,092
D. M. Consunji, Inc.	DMCI Masbate Power Corporation	5,174,359	(5,174,359)	5,174,359		5,174,359
D. M. Consunji, Inc.	DMCI Holdings, Inc.	1,123,616	(1,123,616)	1,123,616		1,123,616
D. M. Consunji, Inc.	DMCI Homes, Inc.	329,036	(329,036)	329,036		329,036
D. M. Consunji, Inc.	DMCI Power, Inc.	5,738,092	(5,738,092)	5,738,092		5,738,092
D. M. Consunji, Inc.	DMCI Mining, Corp.	6,706,144	(6,706,144)	6,706,144		6,706,144
D. M. Consunji, Inc.	Semirara Mining Corp.	409,894,862	(409,894,862)	409,894,862		409,894,862
D. M. Consunji, Inc.	Wirerope Corp. Of The Phils.	17,091	(17,091)	17,091		17,091
D. M. Consunji, Inc.	Sem-Calaca Power Corporation	159,567,156	(159,567,156)	159,567,156		159,567,156
D. M. Consunji, Inc.	DMCI Homes Property Management Corp.	25,180	(25,180)	25,180		25,180
D. M. Consunji, Inc.	DMCI Laing Construction, Inc.	6,098,996	(6,098,996)	6,098,996		6,098,996
D. M. Consunji, Inc.	DMC Technical Training Center	131,572	(131,572)	131,572		131,572
D. M. Consunji, Inc.	DMCI Masbate	5,167,359	(5,167,359)	5,167,359		5,167,359

Entity with Receivable Balance	Name of Entity with Payable Balance	Receivable Balance	Payable Balance	Current	Noncurrent	Balance at end of period
	Power Corporation					
DMCI Holdings, Inc.	DMCI Power Corporation	₱21,275,000	(₱21,275,000)	₱–	₱21,275,000	₱21,275,000
DMCI Masbate Power Corporation	DMCI Mining, Corp.	12,000	(12,000)	12,000		12,000
DMCI Mining Corp.	DMCI Holdings, Inc.	18,137,117	(18,137,117)	18,137,117		18,137,117
DMCI Mining Corp.	Semirara Mining Corp.	8,739,796	(8,739,796)	8,739,796		8,739,796
DMCI Power Corporation	DMCI Masbate Power Corporation	46,014,873	(46,014,873)	46,014,873		46,014,873
DMCI Power Corporation	DMCI Palawan Power Corporation	248,854	(248,854)	248,854		248,854
DMCI Power Corporation	Sem-Calaca RES Corporation	9,340	(9,340)	9,340		9,340
DMCI Power Corporation	Sem-Calaca Power Corporation	87,222,950	(87,222,950)	87,222,950		87,222,950
Hampstead Gardens Corporation	D. M. Consunji, Inc.	26,290,874	(26,290,874)	26,290,874		26,290,874
Semirara Mining Corp.	Sem-Calaca Power Corporation	754,490,862	(754,490,862)	754,490,862		754,490,862
Semirara Mining Corp.	SEM - Cal Industrial Park Developers, Inc.	20,220	(20,220)	20,220		20,220
Semirara Mining Corp.	Southwest Luzon Power Generation Corp.	88,584	(88,584)	88,584		88,584
Semirara Mining Corp.	Semirara Claystone, Inc.	20,710	(20,710)	20,710		20,710
Semirara Mining Corp.	DMCI Power Corporation	63,919,590	(63,919,590)	63,919,590		63,919,590
DMCI Homes, Inc.	DMCI Project	427,742,069	(427,742,069)	427,742,069		427,742,069

Entity with Receivable Balance	Name of Entity with Payable Balance	Receivable Balance	Payable Balance	Current	Noncurrent	Balance at end of period
	Developers, Inc.					
DMCI Homes Property Management Corp.	DMCI Project Developers, Inc.	₱42,181,614	(₱42,181,614)	₱42,181,614		₱42,181,614
DMCI PDI Hotels INC.	DMCI Project Developers, Inc.	3,779,556	(3,779,556)	3,779,556		3,779,556
DMC Urban Property Developers, Inc.	DMCI Project Developers, Inc.	161,133,684	(161,133,684)	161,133,684		161,133,684
DMCI Project Developers, Inc.	D. M. Consunji, Inc.	168,613,847	(168,613,847)	168,613,847		168,613,847
DMCI Project Developers, Inc.	Dacon Corporation	318,252	(318,252)	318,252		318,252
DMCI Project Developers, Inc.	Hampstead Garden Corporation	50,661,099	(50,661,099)	50,661,099		50,661,099
DMCI Project Developers, Inc.	Riviera Land Corporation	100,272,755	(100,272,755)	100,272,755		100,272,755
DMCI Project Developers, Inc.	M&S Company Inc.	694,426	(694,426)	694,426		694,426
		₱2,769,954,700	(₱2,769,954,700)	₱2,748,679,700	₱21,275,000	₱2,769,954,700

DMCI HOLDINGS, INC. AND SUBSIDIARIES
SCHEDULE D: INTANGIBLE ASSETS
DECEMBER 31, 2012

Description	Beginning balance	Additions at cost	Charged to costs and expenses	Charged to other accounts	Other changes	Ending balance
Software cost	₱61,052,367	₱17,016,642	(₱28,123,580)	₱–	₱–	₱49,945,429

See Note 14 of the Consolidated Financial Statements.

DMCI HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE E: LONG TERM DEBT

DECEMBER 31, 2012

Title of issue and type of obligation	Amount authorized by indenture	Interest rates	Maturity date	Number of periodic installments	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-term debt" in related balance sheet
CTS Financing	125,227,881	16.5% to 19.5%	Various	1-2 years	₱33,036,565	₱92,191,316
Mortgage payable	₱9,600,000,000	PDST-F benchmark yield for 3-month treasury securities + 1.75%	May 2017	Payable in twenty-five (25) equal consecutive quarterly installments commencing on May 20, 2011	1,492,286,670	5,342,447,546
Mortgage payable	550,000,000	PDST-F benchmark yield for three-month treasury securities + 1.00%	May 2022	Payable in twenty-seven (27) equal consecutive quarterly installments commencing on November 24, 2015	–	547,494,161
Bank loans	631,603,879	1.32%, to be repriced every three months	January 2013	Principal to be paid at maturity date	631,603,879	–
Bank loans	19,704,000	1.32%, to be repriced every three months	January 2015	Principal to be paid at maturity date	–	19,704,000
Bank loans	296,234,087	1.32%, to be repriced every three months	January 2015	Principal to be paid at maturity date	–	296,234,087
Bank loans	230,404,414	1.80%, to be repriced every 90 days	July 2014	Principal to be paid at maturity date	–	230,404,414
Bank loans	4,105,000	1.03%, to be repriced every 90 days	August 2013	Principal to be paid at maturity date	4,105,000	–
Bank loans	13,874,900	1.03%, to be repriced every 90 days	August 2013	Principal to be paid at maturity date	13,874,900	–
Bank loans	331,337,972	1.03%, to be repriced every 90 days	August 2013	Principal to be paid at maturity date	331,337,972	–

Title of issue and type of obligation	Amount authorized by indenture	Interest rates	Maturity date	Number of periodic installments	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-term debt" in related balance sheet
Bank loans	₱65,885,250	1.03%, to be repriced every 90 days	August 2013	Principal to be paid at maturity date	₱65,885,250	₱–
Bank loans	451,550,000	1.03%, to be repriced every 90 days	August 2013	Principal to be paid at maturity date	451,550,000	–
Bank loans	55,850,131	1.03%, to be repriced every 90 days	August 2013	Principal to be paid at maturity date	55,850,131	–
Bank loans	10,262,500	1.03%, to be repriced every 90 days	June 2013	Principal to be paid at maturity date	10,262,500	–
Bank loans	107,410,708	1.03%, to be repriced every 90 days	June 2013	Principal to be paid at maturity date	107,410,709	–
Bank loans	117,895,600	1.16%, to be repriced quarterly	August 2014	Principal to be paid at maturity date	–	117,895,600
Bank loans	108,027,528	1.16%, to be repriced quarterly	August 2014	Principal to be paid at maturity date	–	108,027,528
Bank loans	133,658,800	1.16%, to be repriced quarterly	July 2014	Principal to be paid at maturity date	–	133,658,800
Bank loans	48,192,700	1.16%, to be repriced quarterly	April 2014	Principal to be paid at maturity date	–	48,192,700
Bank loans	90,351,050	1.16%, to be repriced quarterly	March 2014	Principal to be paid at maturity date	–	90,351,050
Bank loans	16,603,740	1.16%, to be repriced quarterly	March 2014	Principal to be paid at maturity date	–	16,603,740
Bank loans	45,298,675	1.16%, to be reprised quarterly	November 2014	Principal to be paid at maturity date	–	45,298,675
Bank loans	224,950,223	1.16%, to be reprised quarterly	June 2013	Principal to be paid at maturity date	224,950,223	–
Bank loans	21,961,750	1.16%, to be reprised quarterly	January 2013	Principal to be paid at maturity date	21,961,750	–

Title of issue and type of obligation	Amount authorized by indenture	Interest rates	Maturity date	Number of periodic installments	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-term debt" in related balance sheet
Bank loans	₱21,961,750	1.16%, to be reprised quarterly	January 2013	Principal to be paid at maturity date	₱21,961,750	₱–
Bank loans	74,623,605	1.16%, to be reprised quarterly	February 2013	Principal to be paid at maturity date	74,623,605	–
Bank loans	176,515,000	1.16%, to be reprised quarterly	March 2013	Principal to be paid at maturity date	176,515,000	–
Bank loans	300,189,414	1.16%, to be repriced quarterly	March 2013	Principal to be paid at maturity date	300,189,414	–
Bank loans	164,574,581	1.16%, to be repriced quarterly	December 2013	Principal to be paid at maturity date	164,574,581	–
Bank loans	489,742,334	1.16%, to be repriced quarterly	June 2013	Principal to be paid at maturity date	489,742,334	–
Bank loans	177,084,035	1.16%, to be repriced quarterly	January 2013	Principal to be paid at maturity date	177,084,035	–
Bank loans	278,536,852	1.16%, to be repriced quarterly	March 2013	Principal to be paid at maturity date	278,536,853	–
Bank loans	88,654,822	1.16%, to be repriced quarterly	June 2013	Principal to be paid at maturity date	88,654,823	–
Bank loans	131,360,000	1.16%, to be repriced quarterly	June 2013	Principal to be paid at maturity date	131,360,000	
Corporate notes	495,000,000	7.22%	5 years	1% every year	5,000,000	490,000,000
Corporate notes	178,200,000	7.22%	5 years	1% every year	1,800,000	176,400,000
Corporate notes	633,600,000	7.22%	5 years	1% every year	6,400,000	627,200,000
Corporate notes	178,200,000	7.22%	5 years	1% every year	1,800,000	176,400,000
Corporate notes	178,200,000	7.22%	5 years	1% every year	1,800,000	176,400,000
Corporate notes	138,600,000	7.22%	5 years	1% every year	1,400,000	137,200,000
Corporate notes	178,200,000	7.22%	5 years	1% every year	1,800,000	176,400,000
Corporate notes	742,500,000	7.89%	5 years	1% every year	7,500,000	735,000,000
Corporate notes	267,300,000	7.89%	5 years	1% every year	2,700,000	264,600,000

Title of issue and type of obligation	Amount authorized by indenture	Interest rates	Maturity date	Number of periodic installments	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-term debt" in related balance sheet
Corporate notes	950,400,000	7.89%	5 years	1% every year	₱9,600,000	₱940,800,000
Corporate notes	267,300,000	7.89%	5 years	1% every year	2,700,000	264,600,000
Corporate notes	267,300,000	7.89%	5 years	1% every year	2,700,000	264,600,000
Corporate notes	207,900,000	7.89%	5 years	1% every year	2,100,000	205,800,000
Corporate notes	267,300,000	7.89%	7 years	1% every year	2,700,000	264,600,000
Corporate notes	210,000,000	6.08%	7 years	7th to 27th Quarter from issue date	–	210,000,000
Corporate notes	450,000,000	6.08%	7 years	7th to 27th Quarter from issue date	–	450,000,000
Corporate notes	70,000,000	6.08%	7 years	7th to 27th Quarter from issue date	–	70,000,000
Corporate notes	80,000,000	6.08%	7 years	7th to 27th Quarter from issue date	–	80,000,000
Corporate notes	40,000,000	6.08%	7 years	7th to 27th Quarter from issue date	–	40,000,000
Corporate notes	100,000,000	6.08%	7 years	7th to 27th Quarter from issue date	–	100,000,000
Corporate notes	20,000,000	6.08%	7 years	7th to 27th Quarter from issue date	–	20,000,000
Corporate notes	20,000,000	6.08%	7 years	7th to 27th Quarter from issue date	–	20,000,000
Corporate notes	10,000,000	6.08%	7 years	7th to 27th Quarter from issue date	–	10,000,000
Discount on Notes Payable	(85,170,597)	6.08%	7 years	7th to 27th Quarter from issue date	(15,194,398)	(69,976,199)
Receivable Discounting	1,384,783,163	5.00% - 8.00%	Various	Monthly	181,723,779	1,203,059,384
Receivable Discounting	100,042,757	5.00% - 8.00%	Various	Monthly	22,440,133	77,602,624

Title of issue and type of obligation	Amount authorized by indenture	Interest rates	Maturity date	Number of periodic installments	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-term debt" in related balance sheet
Receivable Discounting	2,346,561,390	5.00% - 8.00%	Various	Monthly	₱380,455,414	₱1,966,105,976
Receivable Discounting	275,866,069	5.00% - 8.00%	Various	Monthly	275,866,069	–
Receivable Discounting	1,307,595,706	5.00% - 8.00%	Various	Monthly	198,444,928	1,109,150,778
Receivable Discounting	871,613,362	5.00% - 8.00%	Various	Monthly	155,852,600	715,760,763
Receivable Discounting	52,205,721	5.00% - 8.00%	Various	Monthly	7,026,136	45,179,585
Receivable Discounting	176,656,304	5.00% - 8.00%	Various	Monthly	38,289,583	138,366,721
Receivable Discounting	17,099,581	5.00% - 8.00%	Various	Monthly	–	17,099,581
	₱27,469,526,636				₱6,642,262,185	₱18,190,852,829

See Note 19 of the Consolidated Financial Statements

DMCI HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE F: INDEBTEDNESS TO RELATED PARTIES

DECEMBER 31, 2012

Name of related party	Balance at beginning of period	Balance at end of period

NOT APPLICABLE

DMCI HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE G: GUARANTEES OF SECURITIES OF OTHER ISSUERS

DECEMBER 31, 2012

Name of issuing entity of securities guaranteed by the company for which this statements is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount of owned by person for which statement is filed	Nature of guarantee

NOT APPLICABLE

DMCI HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE H: CAPITAL STOCK

DECEMBER 31, 2012

Title of issue	Number of shares authorized	Number of shares issued and outstanding at shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by		
				Related parties	Directors, officers and employees	Others
Preferred stock - P1 par value cumulative and convertible	100,000,000	3,780	–	–	–	3,780
Common stock - ₱1 par value	5,900,000,000	2,655,494,000	–	1,829,073,615	84,751,362	741,669,023
	6,000,000,000	2,655,497,780	–	1,829,073,615	84,751,362	741,672,803

See Note 22 of the Consolidated Financial Statements

DMCI HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

FOR THE YEAR ENDED DECEMBER 31, 2012 AND 2011

Financial Soundness Indicator	2012	2011
i. Liquidity ratios:		
Current ratio	**183.24%**	185.96%
Quick ratio	**101.46%**	115.44%
ii. Leverage ratios:		
Debt-to-equity ratio	**51.75%**	53.35%
Interest coverage ratio	**1303.06%**	1234.09%
iii. Management ratios:		
Inventory turnover ratio	**177.34%**	239.60%
Accounts receivable turnover ratio	**528.41%**	445.03%
Return on assets ratio	**13.17%**	14.58%
Return on equity ratio	**26.15%**	30.34%
iv. Asset-to-equity ratio	**198.49%**	208.02%
v. Profitability ratios:		
Gross margin ratio	**33.16%**	34.25%
Net profit margin ratio	**24.25%**	25.68%

**See attached reporting computation.*

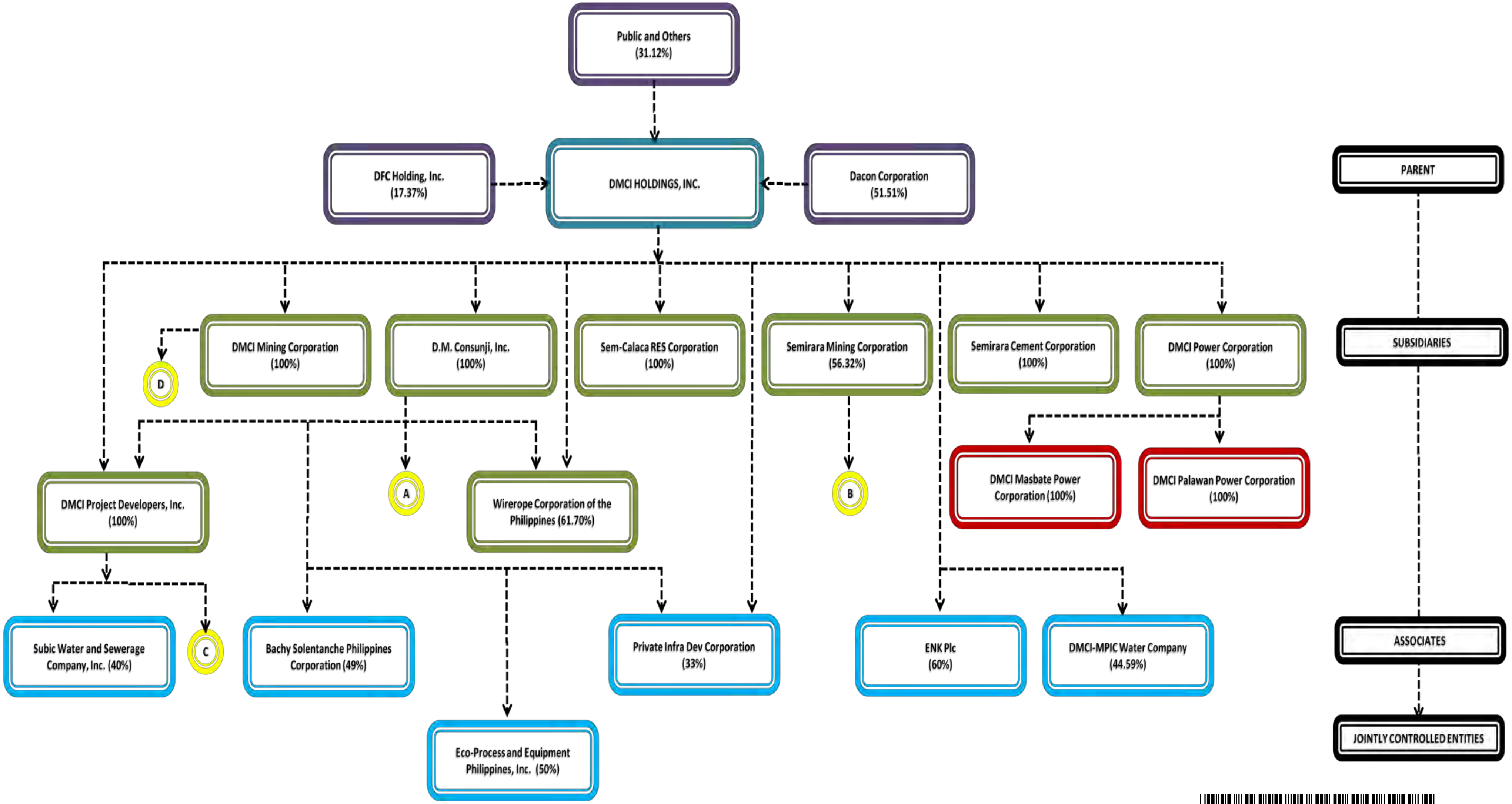
DMCI HOLDINGS, INC. AND SUBSIDIARIES

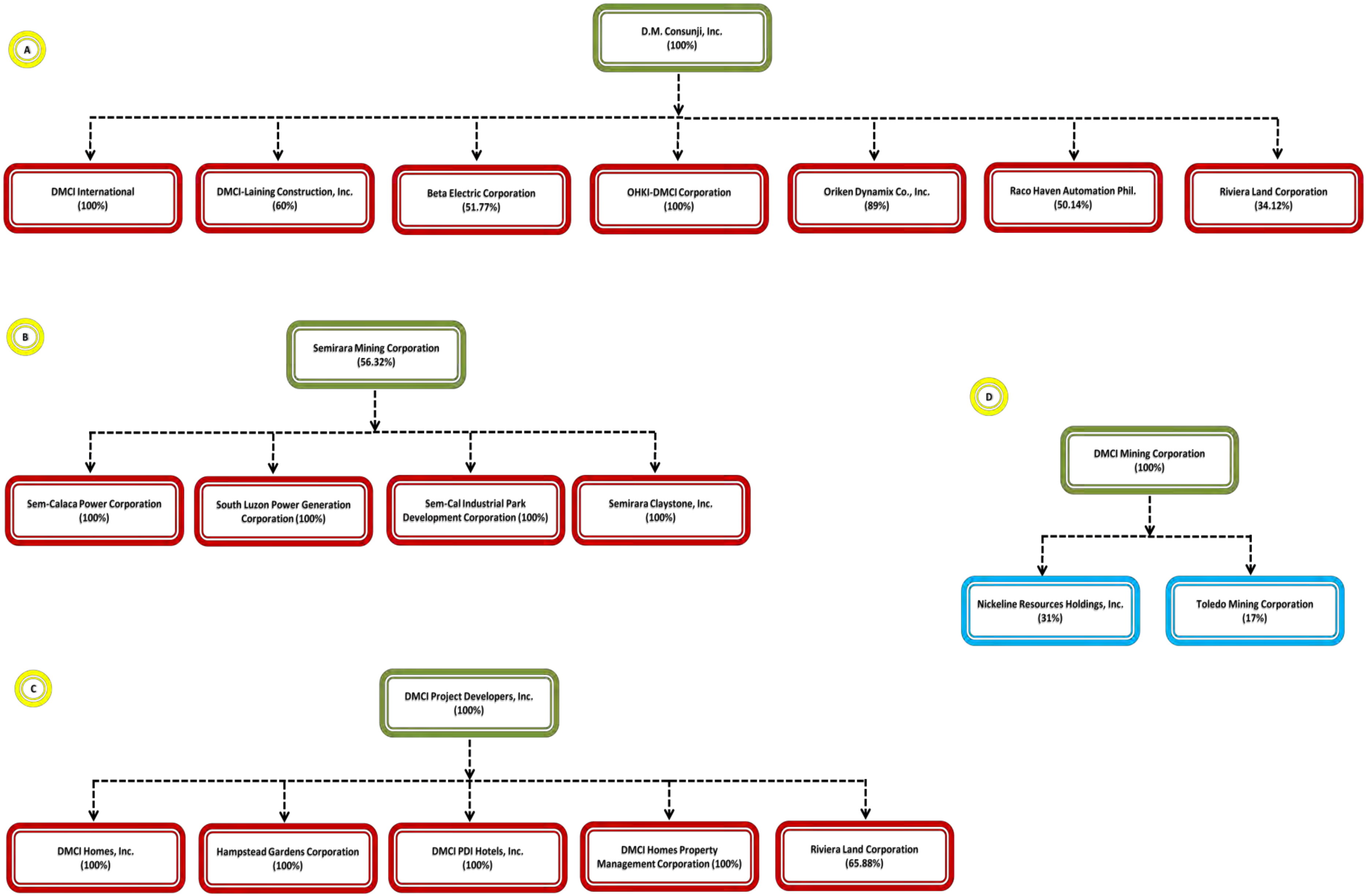
SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

FOR THE YEAR ENDED DECEMBER 31, 2012 AND 2011

	2012	2011
	(Amounts in thousands)	
Current assets	**48,205,515**	46,109,013
Current liabilities	**26,307,485**	24,795,036
Current ratio	**183.24%**	185.96%
Current assets	**48,205,515**	46,109,013
Inventories	**21,515,161**	17,484,675
Quick assets	**26,690,354**	28,624,338
Current liabilities	**26,307,485**	24,795,036
Quick ratio	**101.46%**	115.44%
Interest-bearing loans	**24,833,115**	21,589,565
Equity	**47,990,958**	40,470,003
Debt-to-equity ratio	**51.75%**	53.35%
Earnings before income tax	**14,023,500**	13,622,061
Interest expense	**1,076,200**	1,103,810
Interest coverage ratio	**1303.06%**	1234.09%
Cost of goods sold	**34,580,635**	31,428,980
Average inventory	**19,499,918**	13,117,492
Inventory turnover ratio	**177.34%**	239.60%
Net credit sales	**51,739,879**	47,802,585
Average accounts receivable	**9,791,704**	10,741,458
Accounts receivable turnover ratio	**528.41%**	445.03%
Net income	**12,547,726**	12,276,906
Total assets	**95,254,887**	84,183,689
Return on assets ratio	**13.17%**	14.58%
Net income	**12,547,726**	12,276,906
Total equity	**47,990,958**	40,470,003
Return on equity ratio	**26.15%**	14.58%
Total assets	**95,254,887**	84,183,689
Total equity	**47,990,958**	40,470,003
Asset-to-equity ratio	**198.49%**	208.02%
Gross profit	**17,159,244**	16,373,605
Sales	**51,739,879**	47,802,585
Gross profit margin	**33.16%**	34.25%
Net income	**12,547,726**	12,276,906
Sales	**51,739,879**	47,802,585
Net profit margin	**24.25%**	25.68%

DMCI HOLDINGS, INC. AND SUBSIDIARIES
MAP OF THE RELATIONSHIP OF THE COMPANIES WITHIN THE GROUP
DECEMBER 31. 2012




A
D.M. Consunji, Inc. (100%)
DMCI International (100%)
DMCI-Laining Construction, Inc. (60%)
Beta Electric Corporation (51.77%)
OHKI-DMCI Corporation (100%)
Oriken Dynamix Co., Inc. (89%)
Raco Haven Automation Phil. (50.14%)
Riviera Land Corporation (34.12%)
B
Semirara Mining Corporation (56.32%)
Sem-Calaca Power Corporation (100%)
South Luzon Power Generation Corporation (100%)
Sem-Cal Industrial Park Development Corporation (100%)
Semirara Claystone, Inc. (100%)
C
DMCI Project Developers, Inc. (100%)
DMCI Homes, Inc. (100%)
Hampstead Gardens Corporation (100%)
DMCI PDI Hotels, Inc. (100%)
DMCI Homes Property Management Corporation (100%)
Riviera Land Corporation (65.88%)
D
DMCI Mining Corporation (100%)
Nickeline Resources Holdings, Inc. (31%)
Toledo Mining Corporation (17%)

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	888-3000
Contact Person	Company Telephone Number

(Last Wednesday of July)

1 2	3 1	**SEC Form 17-Q First Quarter Interim Report 2013**	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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DMCI HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
For the period ended March 31, 2013 and December 31, 2012
(Amounts in Thousands of Philippine Pesos,
Except Par Value and Number of Shares)

		AUDITED
	2013	**2012**
ASSETS		
Current Assets		
Cash and cash equivalents	15,386,324	9,739,025
Financial assets at fair value through profit or loss	72,940	71,260
Available-for-sale financial assets - net	98,106	88,553
Receivables - net	22,816,521	11,175,527
Costs and estimated earnings in excess of billings on uncompleted contrac	0	122,737
Inventories - net	22,305,893	21,515,161
Other current assets	2,619,583	5,493,252
Total Current Assets	63,299,367	48,205,515
Noncurrent Assets		
Noncurrent receivables - net	4,795,421	5,242,743
Investments in associates, jointly controlled entities and others - net	11,254,481	14,357,000
Investment properties - net	713,561	276,447
Property, Plant and Equipment - net	25,634,664	25,724,232
Deferred tax assets	1,804	10,741
Pension asset	11,412	6,211
Other noncurrent assets - net	2,266,372	1,431,998
Total Noncurrent Assets	44,677,716	47,049,372
	107,977,083	95,254,887

LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Short-term debt	1,097,922	632,971
Current portion of liabilities for purchased land	0	929,379
Accounts and other payables	15,369,343	12,338,919
Billings in Excess of Costs and estimated earnings on uncompleted contracts	250,879	355,247
Customers' advances and deposits	4,350,624	5,258,050
Current portion of long-term debt	5,492,738	6,642,262
Income tax payable	25,665	89,442
Payable to related parties	691,665	61,215
Total Current Liabilities	27,278,836	26,307,485
Noncurrent Liabilities		
Long-Term Debt - net of current portion	19,222,900	18,190,853
Liabilities for purchased land - net of current portion	201,022	215,945
Deferred tax liabilities - net	853,952	818,441
Pension liabilities	158,256	203,550
Other Noncurrent Liabilities	1,597,746	1,527,655
Total Noncurrent Liabilities	22,033,876	20,956,444
Total Liabilities	49,312,713	47,263,929
Equity		
Equity attributable to equity holders of the DMCI Holdings, Inc.:		
Paid-up capital	7,420,814	7,420,815
Retained earnings	43,449,426	33,238,094
Premium on acquisition of non-controlling interests	(161,033)	(161,033)
Other comprehensive loss	28,910	28,910
	50,738,117	40,526,786
Non-controlling interests	7,926,253	7,464,172
Total Equity	58,664,370	47,990,958
	107,977,083	95,254,887

DMCI HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

For the period ended March 31, 2013 and 2012 and for the quarter ended March 31, 2013 and 2012

(Amounts in Thousands of Philippine Pesos)

	For the period		For the quarter	
	2013	2012	2013	2012
REVENUE				
Coal Sales	2,678,903	4,335,847	2,678,903	4,335,847
Nickel Ore Sales	173,558	974,485	173,558	974,485
Construction contracts	4,413,078	3,674,601	4,413,078	3,674,601
Electricity sales	3,237,614	2,255,029	3,237,614	2,255,029
Real estate sales	2,172,250	1,720,521	2,172,250	1,720,521
Merchandise sales and others	191,343	49,773	191,343	49,773
	12,866,746	**13,010,256**	**12,866,746**	**13,010,256**
COST OF SALES AND SERVICES				
Coal Sales	2,472,911	2,778,067	2,472,911	2,778,067
Nickel Ore Sales	183,896	572,392	183,896	572,392
Construction contracts	3,986,852	3,229,357	3,986,852	3,229,357
Electricity sales	1,849,333	1,355,736	1,849,333	1,355,736
Real estate sales	774,006	818,850	774,006	818,850
Merchandise sales and others	312,623	31,915	312,623	31,915
	9,579,621	**8,786,317**	**9,579,621**	**8,786,317**
GROSS PROFIT	**3,287,125**	**4,223,939**	**3,287,125**	**4,223,939**
OPERATING EXPENSES	(1,240,957)	(1,393,794)	(1,240,957)	(1,393,794)
	2,046,168	2,830,145	2,046,168	2,830,145
OTHER INCOME (LOSSES)				
Equity in net earnings of associates	538,619	610,862	538,619	610,862
Finance income	161,058	205,741	161,058	205,741
Finance costs	(242,449)	(309,052)	(242,449)	(309,052)
Gain on Sale of Shares	8,354,528	0	8,354,528	0
Other income (charges) - net	113,140	479,858	113,140	479,858
INCOME BEFORE INCOME TAX	10,971,064	3,817,554	10,971,064	3,817,554
PROVISION FOR INCOME TAX	323,605	377,933	323,605	377,933
NET INCOME	10,647,459	3,439,621	10,647,459	3,439,621
NET INCOME ATTRIBUTABLE TO				
Equity holders of DMCI Holdings, Inc.	**10,211,332**	**2,673,939**	**10,211,332**	**2,673,939**
Non-controlling interests	436,127	765,682	436,127	765,682
	10,647,459	3,439,621	10,647,459	3,439,621
Basic/Diluted Earnings Per Share	3.85	1.01	3.85	1.01

DMCI HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the period ended March 31, 2013 and 2012 and for the quarter ended March 31, 2013 and 2012

(Amounts in Thousands of Philippine Pesos)

	For the period		For the quarter	
	2013	2012	2013	2012
NET INCOME	10,647,459	3,439,621	10,647,459	3,439,621
OTHER COMPREHENSIVE INCOME				
Change in fair value on AFS financial assets				
Unrealized gain (loss) on AFS financial assets transferred to statement of income	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-
Recognized revaluation increment	-	-	-	-
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEAR, NET OF TAX	**-**	**-**	**-**	**-**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**10,647,459**	**3,439,621**	**10,647,459**	**3,439,621**
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO				
Equity holders of DMCI Holdings, Inc.	10,211,332	2,673,939	10,211,332	2,673,939
Minority interests	436,127	765,682	436,127	765,682
	10,647,459	**3,439,621**	**10,647,459**	**3,439,621**

DMCI HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended March 31, 2013 and 2012

(Amounts in Thousands of Philippine Pesos)

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	10,647,459	3,439,621
Adjustments to reconcile net income (loss) to net cash:		
Equity in net losses (earnings) of affiliates, depreciation, depletio		
amortization and other non-cash items (net)	(872,254)	(1,369,242)
Income (Loss) applicable to Minority Interest	436,127	765,682
Changes in assets and liabilities:		
Decrease / (Increase) in :		
Receivables- net	(11,193,672)	(6,004,523)
Inventories - net	(790,732)	(1,691,218)
Prepaid expenses and other current assets	2,873,669	2,785,861
Increase/ (Decrease) in :		
Accounts payable and accrued expenses	1,824,068	3,444,285
Current portion of long-term debt	(1,149,524)	(1,087,595)
Non current liabilities	1,077,433	963,726
Billings in excess of cost of uncompleted contracts	18,369	465,760
Income tax payable	(63,777)	191,306
Net cash provided by operating activities	2,807,166	1,903,663
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease (increase) in:		
Financial assets at fair value through profit or loss	(1,680)	71,400
Available for sale financial assets	(9,553)	(9,552)
Investments in associates, jointly controlled entities and others	3,102,519	(1,208,161)
Investment properties	(437,114)	(505,012)
Property, plant and equipment - net	89,568	(1,642,590)
Deferred charges and other assets - net	(830,638)	(784,890)
Net cash used by investing activities	1,913,102	(4,078,805)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net availments (payments) of:		
Notes payable	464,951	1,056,311
Additional subscription of common shares		
Capital Stock at P1.00 par value	0	0
Additional paid-in capital	(1)	(1)
Deposit for future subscription	0	0
Acquisition of preferred shares to treasury	0	0
Redemption of preferred shares		
Capital Stock at P1.00 par value	0	0
Additional paid-in capital	0	0
Redemption of preferred shares from treasury	0	0
Payment of Dividends	0	0
Net increase (decrease) in minority interest	462,081	749,505
Net cash provided by financing activities	927,031	1,805,815
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,647,299	(369,327)
CASH AND CASH EQUIVALENTS, BEGINNING	9,739,025	15,065,748
CASH AND CASH EQUIVALENTS, ENDING	15,386,324	14,696,421

DMCI HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 2013 AND 2012

	MARCH 2013	MARCH 2012
CAPITAL STOCK		
Cumulative and convertible		
Preferred stock - P1 par value		
Authorized - 100,000,000 shares		
Issued - 2,400,000 shares	2,400,000	2,400,000
Retirement of preferred shares	(2,396,220)	(2,396,220)
	3,780	3,780
Common stock - P1 par value		
Authorized - 5,900,000,000 shares		
Issued - 2,255,494,000 shares	2,655,494,000	2,655,494,000
Additional subscription - 400,000,000 shares	-	-
	2,655,494,000	2,655,494,000
	2,655,497,780	2,655,497,780
ADDITIONAL PAID-IN CAPITAL		
Balance at the beginning	4,765,316,671	4,765,316,671
Retirement of Preferred Shares	-	-
Additional Paid-in Capital of new subscribed shares	-	-
	4,765,316,671	4,765,316,671
DEPOSITS FOR FUTURE SUBSCRIPTION	-	-
RETAINED EARNINGS (DEFICIT)		
Balance at beginning of the period	33,238,094,000	26,633,071,940
Net income(loss) for the period	10,211,331,973	2,673,938,695
Dividends paid	-	-
Balance at end of the period	43,449,425,973	29,307,010,635
Premium on Acquisition of non-controlling interest	(161,033,000)	
Net Unrealized Gain on AFS	28,910,750	-
TOTAL STOCKHOLDERS' EQUITY	**50,738,118,174**	**36,727,825,086**

DMCI HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

DMCI Holdings, Inc. (the Parent Company) was incorporated on March 8, 1995 and is domiciled in the Philippines. The Parent Company's registered office address and principal place of business is at 3rd Floor, Dacon Building, 2281 Don Chino Roces Avenue, Makati City. The Parent Company was listed in the Philippine Stock Exchange on December 18, 1995.

The Parent Company is the holding company of the DMCI Group (collectively referred to herein as the Group), which is primarily engaged in general construction, mining, power generation, infrastructure, real estate development, water concessionaire and manufacturing.

2. Summary of Significant Accounting Policies

Basis of Preparation
The interim unaudited condensed consolidated financial statements of the Group have been prepared in accordance with Philippine Accounting Standards (PAS) 34, *Interim Financial Reporting*. Accordingly, the unaudited condensed consolidated financial statements do not include all of the information and disclosures required in the annual audited financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at December 31, 2012.

The interim financial statements have been prepared using the historical cost basis, except for available-for-sale (AFS) financial assets and financial assets at fair value through profit or loss (FVPL) that have been measured at fair value. The Group's functional and presentation currency is the Philippine Peso (₱). All amounts are rounded to the nearest thousand (₱000), unless otherwise indicated.

Statement of Compliance
The consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRS).

Basis of Consolidation
The consolidated financial statements comprise the financial statements of the Group as of December 31, 2012 and 2011, and for each of the three years in the period ended December 31, 2012. Under PFRS, it is acceptable to use, for consolidation purposes, the financial statements of subsidiaries for fiscal periods differing from that of the Parent Company if the difference is not more than three (3) months.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intercompany balances and transactions, including income, expenses and dividends, are eliminated in full. Profits and losses resulting from intercompany transactions that are recognized in assets are eliminated in full.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies.

Non-controlling interests pertain to the equity in a subsidiary not attributable, directly or indirectly to the Parent Company.

Non-controlling interests (NCI) represent the portion of profit or loss and net assets in subsidiaries not wholly owned by the Group and are presented separately in consolidated statement of income, consolidated statement of comprehensive income and consolidated statement of changes in equity and within equity in the consolidated statement of financial position, separately from equity holders' of the Parent Company.

Any equity instruments issued by a subsidiary that are not owned by the Parent Company are non-controlling interests including preferred shares and options under share-based transactions.

Losses within a subsidiary are attributed to the NCI even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary, the carrying amount of any NCI and the cumulative translation differences, recorded in equity.

- Recognizes the fair value of the consideration received, the fair value of any investment retained and any surplus or deficit in profit or loss.

- Reclassifies the Parent Company's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

The consolidated financial statements include the financial statements of the Parent Company and the following subsidiaries (which are all incorporated in the Philippines):

	March 2013			2012		
	Direct	**Indirect**	**Effective Interest**	**Direct**	**Indirect**	**Effective Interest**
General Construction:						
D.M. Consunji, Inc. (DMCI) [1]	**100.00%**	**–%**	**100.00%**	**100.00%**	**–%**	**100.00%**
DMCI International, Inc. (DMCII) [2]	–	**100.00**	**100.00**	–	**100.00**	**100.00**
OHKI-DMCI Corporation (OHKI) [2]	–	**100.00**	**100.00**	–	**100.00**	**100.00**
DMCI-Laing Construction, Inc. (DMCI-Laing) [2]	–	**60.00**	**60.00**	–	**60.00**	**60.00**
Beta Electric Corporation (Beta Electric) [2]	–	**51.77**	**51.77**	–	**51.77**	**51.77**
Raco Haven Automation Philippines, Inc. (Raco) [2]	–	**50.14**	**50.14**	–	**50.14**	**50.14**
Mining:						
Semirara Mining Corporation (Semirara)	**56.32**	–	**56.32**	**56.32**	–	**56.32**
DMCI Mining Corporation (DMC)	**100.00**	–	**100.00**	**100.00**	–	**100.00**
Real Estate Development:						
DMCI Project Developers, Inc. (PDI)	**84.47**	**15.53**	**100.00**	**84.47**	**15.53**	**100.00**
Hampstead Gardens Corporation (Hampstead) [3]	–	**100.00**	**100.00**	–	**100.00**	**100.00**
Riviera Land Corporation (Riviera) [3]	–	**100.00**	**100.00**	–	**100.00**	**100.00**
DMCI-PDI Hotels, Inc. (PDI Hotels) [3]	–	**100.00**	**100.00**	–	**100.00**	**100.00**
DMCI Homes Property Management Corporation (DHPMC) [3]	–	**100.00**	**100.00**	–	**100.00**	**100.00**
Manufacturing:						
Semirara Cement Corporation (SemCem) *	**100.00**	–	**100.00**	**100.00**	–	**100.00**
Oriken Dynamix Company, Inc. (Oriken) [2]	–	**89.00**	**89.00**	–	**89.00**	**89.00**
Wire Rope Corporation of the Philippines (Wire Rope)	**45.68**	**16.02**	**61.70**	**45.68**	**16.02**	**61.70**
Semirara Claystone, Inc. (SCI) [4]***	–	**56.32**	**56.32**	–	**56.32**	**56.32**

	March 2013			2012		
	Direct	Indirect	Effective Interest	Direct	Indirect	Effective Interest
Marketing Arm:						
DMCI Homes, Inc. (DMCI Homes) [3]	–	**100.00**	**100.00**	–	**100.00**	**100.00**
Power:						
DMCI Power Corporation (DPC) (formerly DMCI Energy Resources Unlimited Inc.) *	**100.00**	–	**100.00**	**100.00**	–	**100.00**
DMCI Masbate Power Corporation (DMCI Masbate) [5]	–	**100.00**	**100.00**	–	**100.00**	**100.00**
DMCI Calaca Power Corporation	**100.00**	–	**100.00**	**100.00**	–	**100.00**
Sem-Calaca Power Corporation (SCPC) [4]	–	**56.32**	**56.32**	–	**56.32**	**56.32**
Southwest Luzon Power Generation Corporation (SLPGC) [4]**	–	**56.32**	**56.32**	–	**56.32**	**56.32**
SEM-Cal Industrial Park Developers, Inc. (SIPDI) [4]**	–	**56.32**	**56.32**	–	**56.32**	**56.32**
DMCI Palawan Power Corporation (DMCI Palawan) [5]	–	**100.00**	**100.00**	–	**100.00**	**100.00**

* Organized on January 29, 1998 and October 16, 2006 and has not yet started commercial operations.
** Organized on August 31, 2011 and April 24, 2011 and has not yet started commercial operations.
*** Organized on November 29, 2012 and has not yet started commercial operations.
[1] Also engaged in real estate development
[2] DMCI's subsidiaries
[3] PDI's subsidiaries
[4] Semirara's subsidiaries
[5] DPC's subsidiaries

General Construction
DMCI
Subscription to PDI's increase in authorized capital stock
On October 30, 2009, the PDI BOD and stockholders approved the increase in the PDI's authorized capital stock from ₱3.00 billion, divided into 3,000,000,000 common shares with a par value of ₱1.00 per share, to ₱5.00 billion, divided into 5,000,000,000 common shares with a par value of ₱1.00 per share.

On December 6, 2009, DMCI, the Parent Company and PDI subscribed to the increase in the authorized capital stock of PDI.

Of the said increase in the authorized capital stock of 2 billion common shares at ₱1.00 par value per share, 538,132,578 common shares have been subscribed by the DMCI and the Parent Company, each subscribing 504,862,578 shares and 33,270,000 shares, respectively.

On December 30, 2010, the SEC approved PDI's application for increase in authorized capital stock.

Declaration of Investment in PDI as Property Dividends to the Parent Company
On October 2011, the DMCI declared majority of its investment in PDI as property dividends to the Parent Company with equivalent value of ₱949.59 million representing 30.57% share in PDI.

On December 5, 2011, the SEC approved the DMCI's application to declare its investment in PDI as property dividend to the Parent Company. The property dividend amounted to ₱949.59 million payable in 949,594,750 shares of stocks in PDI with same par value. As a result, PDI became 88.87% owned by the Parent Company.

Power

DPC

On February 3, 2011, the Parent Company and DPC executed a Deed of Assignment, whereby the Parent Company conveyed to DPC its subscription on 5,099,995 shares of DMCI Masbate with ₱1.00 par value each of which ₱1.27 million has been paid.

DMCI Masbate

On February 3, 2011, the Parent Company and DMCI Power executed a Deed of Assignment, whereby the Parent Company conveyed all its rights and interest over its subscribed 5,099,995 shares of DMCI Masbate with ₱1.00 par value each, of which ₱1.28 million has been paid. As at December 31, 2011, DMCI Masbate is wholly owned by DMCI Power.

DMCI Palawan

DMCI Palawan Power Corporation, a wholly-owned subsidiary of DPC, was incorporated and domiciled in the Republic of the Philippines. It was registered with the Securities and Exchange Commission (SEC) on September 12, 2012 primarily to acquire, design, develop, construct, invest in and operate power generating plants in the province of Palawan and engage in the business of a generation company in accordance with Republic Act (RA) No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001 (EPIRA) and its implementing rules and regulations, and to design, develop, assemble and operate other power related facilities, appliances and devices.

In 2012, DPC provided equity funding to DMCI Palawan amounting ₱2.50 million.

Mining

SLPGC

On August 31, 2011, SLPGC, a wholly-owned subsidiary of Semirara, was incorporated to operate electric power plants and to engage in business of a Generation Company.

In 2011, Semirara provided equity funding to SLPGC amounting ₱770.20 million.

SIPDI

On April 24, 2011, SIPDI, a wholly-owned subsidiary of Semirara, was incorporated to acquire, develop, construct, invest in, operate and maintain an economic zone in Calaca, Batangas.

In 2011, Semirara provided equity funding to SIPDI amounting ₱2.50 million.

Manufacturing

SCI

On November 29, 2012, SCI, a wholly-owned subsidiary of Semirara, was incorporated to engage in, conduct, and carry on the business of manufacturing, buying, selling, distributing, marketing at wholesale and retail of pottery earthenware, stoneware, bricks, tiles, roofs and other merchandise produce from clay.

In 2012, Semirara provided equity funding to SCI amounting ₱2.50 million.

Disposed Subsidiary

AG&P

On December 22, 2010, the Parent Company (the "Seller") and AGP Philippines Holdings, Inc. (AGPPHI or "Buyer") entered into a Stock Purchase Agreement (the "SPA"), wherein the Seller agreed to sell and the Buyer agreed to purchase nine hundred seventy-three million eighty-nine thousand forty-two (973,089,042) shares of stock (the "Shares") representing 98.19% of AG&P's total issued and outstanding capital stock (Note 39).

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following amended Philippine Financial Reporting Standards (PFRS) which became effective beginning January 1, 2013. The adoption of these standards did not have any significant impact in the consolidated financial statements.

Effective 2013

- PFRS 7, *Financial instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities* (Amendments) (effective for annual periods beginning on or after January 1, 2013) These amendments require an entity to disclose information about rights of set-off and related arrangements (such as collateral agreements). The new disclosures are required for all recognized financial instruments that are set off in accordance with PAS 32. These disclosures also apply to recognized financial instruments that are subject to an enforceable master netting arrangement or 'similar agreement', irrespective of whether they are set-off in accordance with PAS 32. The amendments require entities to disclose, in a tabular format unless another format is more appropriate, the following minimum quantitative information.

  This is presented separately for financial assets and financial liabilities recognized at the end of the reporting period:

  a) The gross amounts of those recognized financial assets and recognized financial liabilities;
  b) The amounts that are set off in accordance with the criteria in PAS 32 when determining the net amounts presented in the statement of financial position;
  c) The net amounts presented in the statement of financial position;
  d) The amounts subject to an enforceable master netting arrangement or similar agreement that are not otherwise included in (b) above, including:
     i. Amounts related to recognized financial instruments that do not meet some or all of the offsetting criteria in PAS 32; and
     ii. Amounts related to financial collateral (including cash collateral); and
  e) The net amount after deducting the amounts in (d) from the amounts in (c) above.

  The amendments to PFRS 7 are to be applied retrospectively. The amendments affect disclosures only and have no impact on the Group's financial position or performance.

- PFRS 10, *Consolidated Financial Statements* (effective for annual periods beginning on or after January 1, 2013)
  PFRS 10 replaces the portion of PAS 27, *Consolidated and Separate Financial Statements*, that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC 12, *Consolidation - Special Purpose Entities*. PFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by PFRS 10 will require management to exercise significant judgment to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in PAS 27.

  The Parent Company has concluded its assessment covering its investment in subsidiaries, associates and jointly controlled entities as of December 31, 2012 where in the adoption of PFRS 10: a.) all direct subsidiaries of the Parent Company shall remain to be consolidated; and, b.) all direct associates and jointly controlled entities of the Parent Company will not be consolidated based on the provisions of the Standard.

- PFRS 11, *Joint Agreements* (effective for annual periods beginning on or after January 1, 2013)
  PFRS 11 replaces PAS 31, *Interests in Joint Ventures*, and SIC 13, *Jointly Controlled Entities - Non-Monetary Contributions by Venturers*. PFRS 11 removes the option to account for

jointly controlled entities using proportionate consolidation. Instead, jointly controlled entities that meet the definition of a joint venture must be accounted for using the equity method.

The application of this new standard will impact the financial statements of the Group. Upon adoption of PFRS 11, the DMCI's investment in DMFB Joint Venture, a joint venture, will be accounted for under the equity method (Note 32). Currently, proportionate consolidation is applied for this joint venture. The change in the accounting for the joint venture will decrease total assets by ₱70.33 million and ₱96.39 million as of December 31, 2012 and 2011, respectively, and total liabilities by ₱55.01 million and ₱75.97 million as of December 31, 2012 and 2011, respectively. Finance income will also decrease by ₱0.40 million and ₱0.59 million for the years ended December 31, 2012 and 2011, respectively, while income before income tax will decrease by ₱0.40 million and ₱0.59 million for the years ended December 31, 2012 and 2011, respectively.

- PFRS 12, *Disclosure of Interests in Other Entities* (effective for annual periods beginning on or after January 1, 2013)
  PFRS 12 includes all of the disclosures related to consolidated financial statements that were previously in PAS 27, as well as all the disclosures that were previously included in PAS 31 and PAS 28, *Investments in Associates*. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required.

  The adoption of PFRS 12 will affect disclosures only and have no impact on the Group's financial position or performance.

- PFRS 13, *Fair Value Measurement* (effective for annual periods beginning on or after January 1, 2013)
  PFRS 13 establishes a single source of guidance under PFRSs for all fair value measurements. PFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under PFRS when fair value is required or permitted. This standard should be applied prospectively as of the beginning of the annual period in which it is initially applied. Its disclosure requirements need not be applied in comparative information provided for periods before initial application of PFRS 13.

  The Group does not anticipate that the adoption of this standard will have a significant impact on its financial position and performance.

- PAS 1, *Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income* (Amendments) (effective for annual periods beginning on or after July 1, 2012)
  The amendments to PAS 1 change the grouping of items presented in other comprehensive income (OCI). Items that can be reclassified (or "recycled") to profit or loss at a future point in time (for example, upon derecognition or settlement) will be presented separately from items that will never be recycled. The amendments affect presentation only and have no impact on the Group's financial position or performance. The amendments will be applied retrospectively and will result to the modification of the presentation of items of OCI.

- PAS 19, *Employee Benefits* (Revised) (effective for annual periods beginning on or after January 1, 2013)
  Amendments to PAS 19 range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and rewording. The revised standard also requires new disclosures such as, among others, a sensitivity analysis for each significant actuarial assumption, information on asset-liability matching strategies, duration of the defined benefit obligation, and disaggregation of plan

assets by nature and risk. The Group reviewed its existing employee benefits and determined that the amended standard has significant impact on its accounting for retirement benefits. The Group obtained the services of an external actuary to compute the impact to the financial statements upon adoption of the standard. The effects are detailed below:

	As at December 31, 2012	As at January 1, 2012
Increase (decrease) in:		
Consolidated balance sheet		
Net defined benefit asset/liability	**₱550,714**	₱470,335
Other comprehensive income	**(227,636)**	(34,141)
Retained earnings	**33,763**	19,881

	December 31, 2012
Consolidated income statement	
Net benefit cost	**₱38,684**
Actuarial gains during the year	**65,886**

- PAS 27, *Separate Financial Statements* (as revised in 2011) (effective for annual periods beginning on or after January 1, 2013)
  As a consequence of the issuance of the new PFRS 10, *Consolidated Financial Statements*, and PFRS 12, *Disclosure of Interests in Other Entities*, what remains of PAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in the separate financial statements. The adoption of the amended PAS 27 will not have a significant impact on the separate financial statements of the entities in the Group.

- PAS 28, *Investments in Associates and Joint Ventures* (as revised in 2011) (effective for annual periods beginning on or after January 1, 2013)
  As a consequence of the issuance of the new PFRS 11, *Joint Arrangements*, and PFRS 12, *Disclosure of Interests in Other Entities*, PAS 28 has been renamed PAS 28, *Investments in Associates and Joint Ventures*, and describes the application of the equity method to investments in joint ventures in addition to associates.

Improvements to PFRSs
The Improvements to PFRSs contain non-urgent but necessary amendments to PFRSs. The amendments are effective for annual periods beginning on or after January 1, 2013 and are applied retrospectively. Earlier application is permitted. Except as otherwise indicated, the Group does not expect the adoption of these new standards to have significant impact on the Group's financial statements.

- PFRS 1, *First-time Adoption of PFRS - Borrowing Costs*
  The Amendment clarifies that, upon adoption of PFRS, an entity that capitalized borrowing costs in accordance with its previous generally accepted accounting principles, may carry forward, without any adjustment, the amount previously capitalized in its opening statement of financial position at the date of transition. Subsequent to the adoption of PFRS, borrowing costs are recognized in accordance with PAS 23, *Borrowing Costs*. The amendment does not apply to the Group as it is not a first-time adopter of PFRS.

- PAS 1, *Presentation of Financial Statements - Clarification of the requirements for comparative information*
  The Amendments clarify the requirements for comparative information that are disclosed voluntarily and those that are mandatory due to retrospective application of an accounting policy, or retrospective restatement or reclassification of items in the financial statements. An entity must include comparative information in the related notes to the financial statements

when it voluntarily provides comparative information beyond the minimum required comparative period. The additional comparative period does not need to contain a complete set of financial statements. On the other hand, supporting notes for the third balance sheet (mandatory when there is a retrospective application of an accounting policy, or retrospective restatement or reclassification of items in the financial statements) are not required. The amendments affect disclosures only and have no impact on the Group's financial position or performance.

- PAS 16, *Property, Plant and Equipment - Classification of servicing equipment*
  The Amendment clarifies that spare parts, stand-by equipment and servicing equipment should be recognized as property, plant and equipment when they meet the definition of property, plant and equipment and should be recognized as inventory if otherwise. The amendment will not have any significant impact on the Group's financial position or performance.

- PAS 32, *Financial Instruments: Presentation - Tax effect of distribution to holders of equity instruments*
  The Amendment clarifies that income taxes relating to distributions to equity holders and to transaction costs of an equity transaction are accounted for in accordance with PAS 12, *Income Taxes*. The amendment will not have any significant impact on the Group's financial position or performance.

- PAS 34, *Interim Financial Reporting - Interim financial reporting and segment information for total assets and liabilities*
  The Amendment clarifies that the total assets and liabilities for a particular reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change from the amount disclosed in the entity's previous annual financial statements for that reportable segment. The amendment affects disclosures only and has no impact on the Group's financial position or performance.

- Philippine Interpretation IFRIC 20, *Stripping Costs in the Production Phase of a Surface Mine* (effective for annual periods beginning on or after January 1, 2013)
  This interpretation applies to waste removal costs ("stripping costs") that are incurred in surface mining activity during the production phase of the mine ("production stripping costs"). If the benefit from the stripping activity will be realized in the current period, an entity is required to account for the stripping activity costs as part of the cost of inventory. When the benefit is the improved access to ore, the entity should recognize these costs as a non-current asset, only if certain criteria are met ("stripping activity asset"). The stripping activity asset is accounted for as an addition to, or as an enhancement of, an existing asset. After initial recognition, the stripping activity asset is carried at its cost or revalued amount less depreciation or amortization and less impairment losses, in the same way as the existing asset of which it is a part.

  Semirara will move its activities to the North Panian area in 2013, and will assess the potential impact of this new area in stripping operations in relation to the application of this Interpretation.

Effective 2014

- PAS 32, *Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities* (Amendments) (effective for annual periods beginning on or after January 1, 2014)
  The amendments clarify the meaning of "currently has a legally enforceable right to set-off" and also clarify the application of the PAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not

simultaneous. The amendments affect presentation only and have no impact on the Group's financial position or performance.

Effective 2015

- PFRS 9, *Financial Instruments* (effective for annual periods beginning on or after January 1, 2015)
  PFRS 9, as issued, reflects the first phase on the replacement of PAS 39 and applies to the classification and measurement of financial assets and liabilities as defined in PAS 39, *Financial Instruments: Recognition and Measurement*. Work on impairment of financial instruments and hedge accounting is still ongoing, with a view to replacing PAS 39 in its entirety. PFRS 9 requires all financial assets to be measured at fair value at initial recognition. A debt financial asset may, if the fair value option (FVO) is not invoked, be subsequently measured at amortized cost if it is held within a business model that has the objective to hold the assets to collect the contractual cash flows and its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding. All other debt instruments are subsequently measured at fair value through profit or loss. All equity financial assets are measured at fair value either through other comprehensive income (OCI) or profit or loss. Equity financial assets held for trading must be measured at fair value through profit or loss. For FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. All other PAS 39 classification and measurement requirements for financial liabilities have been carried forward into PFRS 9, including the embedded derivative separation rules and the criteria for using the FVO. The adoption of the first phase of PFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will potentially have no impact on the classification and measurement of financial liabilities. The Group has decided not to early adopt for its 2012 financial reporting, thus, has not conducted a full quantification of the impact of this standard. The Group will quantify the effect in conjunction with the other phases, when issued, to present a more comprehensive picture.

- Philippine Interpretation IFRIC 15, *Agreements for the Construction of Real Estate*
  This interpretation covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. The interpretation requires that revenue on construction of real estate be recognized only upon completion, except when such contract qualifies as construction contract to be accounted for under PAS 11 or involves rendering of services in which case revenue is recognized based on stage of completion. Contracts involving provision of services with the construction materials and where the risks and reward of ownership are transferred to the buyer on a continuous basis will also be accounted for based on stage of completion. The SEC and the Financial Reporting Standards Council (FRSC) have deferred the effectivity of this interpretation until the final Revenue standard is issued by the International Accounting Standards Board (IASB) and an evaluation of the requirements of the final Revenue standard against the practices of the Philippine real estate industry is completed. The Group will make an assessment when these have been completed.

3. **Preferred and Common Stock**

The changes in the number of shares follow:

	March 31, 2013	December 31, 2012
Preferred stock - ₱1 par value cumulative and convertible to common stock		
Authorized number of shares	**100,000,000**	**100,000,000**
Issued and outstanding		
Balance at beginning of year	**3,780**	**3,780**
Cancellation/retirement of issued preferred shares	**0**	**0**
Balance at end of year	**3,780**	**3,780**

	March 31, 2013	December 31, 2012
Common stock - ₱1 par value		
Authorized number of shares	**5,900,000,000**	**5,900,000,000**
Issued and outstanding	**2,655,494,000**	**2,655,494,000**
Additional subscription	**-**	**-**
Preferred shares held in treasury		
Balance at beginning of year	**0**	**0**
Redemption of preferred shares	**0**	**0**
Cancellation/retirement of issued preferred shares	**0**	**0**
Balance	**0**	**0**

The preferred stock is redeemable, convertible, non-voting, non-participating and cumulative with par value of ₱1.00 per share. The preferred shareholders' right of converting the preferred shares to common shares expired in March 2002. Aside from the issued and outstanding 3,780 preferred shares, all the preferred shares were essentially redeemed, retired, cancelled and paid.

Appropriation
Retained earnings is restricted to the extent of the acquisition cost of the treasury shares amounting to ₱1.10 million and ₱187.21 million as of December 31, 2006 and 2005, respectively. No retained earnings have been currently appropriated for acquisition of treasury shares.

Dividends declared
On April 11, 2013 and May 15, 2012 the Parent Company's BOD approved and declared cash dividend of ₱ 1.20 and ₱1.00 special dividends, and ₱ 1.00 per share or ₱ 5,842 and ₱3,186 million respectively to stockholders of record as of April 26, 2013 and June 15, 2012 respectively. The cash dividend was paid on May 10, 2013, while last year it was paid on July 5, 2012.

4. **Business Segments**

The following tables present the net income of the specific business segments for the period and quarter ended March 31, 2013 and 2012 (amounts in thousand):

Revenues

	For the period		For the Quarter	
	2013	2012	2013	2012
Construction	4,413,078	3,674,601	4,413,078	3,674,601
Coal Mining	2,678,903	4,335,847	2,678,903	4,335,847
Nickel Ore Mining	173,558	974,485	173,558	974,485
Water	-	-	-	-
Real Estate Development	2,172,250	1,720,521	2,172,250	1,720,521
Electricity	3,237,614	2,255,029	3,237,614	2,255,029
Parent Company and Others	191,343	49,773	191,343	49,773
TOTAL	**12,866,746**	**13,010,256**	**12,866,746**	**13,010,256**

Net Income After Minority

	For the period		For the Quarter	
	2013	2012	2013	2012
Construction	83,920	282,394	83,920	282,394
Coal Mining	(85,396)	649,855	(85,396)	649,855
Nickel Ore Mining	1,690	268,523	1,690	268,523
Water	538,619	610,862	538,619	610,862
Real Estate Development	636,383	404,691	636,383	404,691
Electricity	686,277	400,401	686,277	400,401
Parent Company and Others	8,349,839	57,213	8,349,839	57,213
TOTAL	**10,211,332**	**2,673,939**	**10,211,332**	**2,673,939**

5. **Operating Expenses**

The following tables present the consolidated operating expenses for the period ended March 31, 2013 and 2012:

	MARCH 2013	MARCH 2012
Government Share	307,650,306.00	488,188,046.00
Salaries, Wages & Employees benefits	162,664,359.55	234,667,790.25
Advertising and Marketing Expense	105,736,384.73	97,959,133.79
Commission	136,758,660.21	98,675,219.83
Outside Services	32,730,637.86	37,096,510.64
Taxes and Licenses	130,182,941.16	148,322,780.34
Depreciation Expense	73,024,493.43	75,616,187.22
Professional Fees	52,286,823.27	33,133,556.70
Entertainment, amusement and recreation	13,642,759.03	14,302,387.67
Rental Expense	14,686,297.79	6,611,517.32
Transportation and Travel	9,343,036.49	11,712,191.97
Communication, light and water	18,868,344.49	12,121,128.47
Repairs and Maintenance	113,858,367.91	52,383,490.92
Gasoline and Oil Expense	4,010,368.54	3,118,855.96
Supplies	20,524,131.56	18,777,288.11
Insurance	16,287,845.71	16,928,944.67
Other Operating Expense	28,701,515.89	44,179,517.43
TOTAL	**1,240,957,273.62**	**1,393,794,547.29**

6. **Related Party Transactions**

In the regular course of business, the Group's significant transactions with related parties consisted primarily of the following:

(a) Comprehensive surety, corporate and letters of guarantee issued by the Company and DMCI for various credit facilities granted to and for full performance of certain obligations by certain related parties.
(b) Certain assets of the Group, associates and other related parties were placed under accommodation mortgages to secure the indebtedness of the Group, its associates and other related parties.
(c) Interest and non interest-bearing cash and operating advances made by the Group to and from various associates and other related parties.
(d) Engineering and construction works of the water business is contracted to the construction segment of the Company. These projects are bid out to various contractors and are awarded on arms length transactions. The interrelated contracts amounted to Php 2,021,076,656.36 and Php 1,798,175,613.94 as of March 31, 2013 and March 31, 2012 respectively, where Php 90,965,107.50 and Php 200,886,180.45 were booked for the period ended March 31, 2013 and March 31, 2012 respectively.

7. **Maynilad Sale**

Subsequent to the subscription agreement executed between Marubeni Corporation - Nippon Koei Ltd (MCNK) and DMWC on December 28, 2012, another subscription agreement dated February 13, 2013 was executed, wherein MCNK subscribed an additional 508,853,045 common shares of DMWC for a total subscription price of ₱10.2 billion. On same date, DMWC issued these shares and MCNK has likewise fully paid these shares.

On February 13, 2013, MPIC purchased 154,992,852 common shares of stock of DMWC from the Parent Company for a total cash consideration of ₱2.4 billion. These were fully paid in cash on the same date. Also on the same date, MCNK purchased 472,455,019 common shares of stock of the DMWC from the Parent Company for a total cash consideration of ₱6.7 billion. The net gain of the Parent Company on the effective dilution and partial disposal of interest in DMWC is estimated to be ₱8.4 billion, exclusive of other costs and charges attributable in the disposal of shares.

The above transactions resulted to the following changes in effective interest in Maynilad:

Effective interest in Maynilad	Pre-deal Ownership	Post-deal Ownership
MPIC	56.80%	52.80%
DMCI	40.98%	25.24%
MCNK	–	20.00%
ESOP/Others	2.22%	1.96%
	100.00%	100.00%

8. **Financial Instruments and Financial Risk**

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate such fair value:

Financial assets

The fair values of cash and short-term receivables approximate their carrying amounts as of reporting dates due to the short-term nature of the transactions.

The fair values of real estate receivable are calculated by discounting expected future cash flows at applicable rates for similar instruments using the remaining terms of maturity.

AFS quoted equity securities and financial assets at FVPL - Fair values are based on quoted prices published in markets.

Refundable deposits are carried at cost since these are mostly deposits to a utility company as a consequence of its subscription to the electricity services of the said utility company needed for the Group's residential units.

Security deposits other than those pertaining to operating leases and unquoted AFS financial assets - In the absence of a reliable basis of determining fair values due to the unpredictable nature of future cash flows and the lack of suitable methods in arriving at a reliable fair value, these security deposits are carried at cost less impairment allowance, if any.

Financial liabilities
The fair values of accounts and other payables and accrued expenses and payables to related parties approximate their carrying amounts as of reporting dates due to the short-term nature of the transactions.

Estimated fair value of long-term fixed rate loans and liabilities for purchased land are based on the discounted value of future cash flows using the applicable rates for similar types of loans with maturities consistent with those remaining for the liability being valued. For floating rate loans, the carrying value approximates the fair value because of recent and regular repricing (quarterly) based on market conditions.

Financial Risk Management Objectives and Policies
The Group's principal financial instruments comprise interest-bearing loans and borrowings. The main purpose of these financial instruments is to raise financing for its operations and capital expenditures. The Group has various other financial assets and liabilities, such as receivables and payables which arise directly from its operations.

The main risks arising from the use of financial instruments are equity price risk, market price risk, foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's BOD reviews and approves policies for managing each of these risks and they are summarized below.

The sensitivity analyses have been prepared on the following bases:
- Interest rate risk - market interest rate on unsecured bank loans
- Equity price risk - movements in equity indices
- Market Price risk - movements in one-year historical coal prices
- Foreign currency risk - yearly movement in the foreign exchange rates

The assumption used in calculating the sensitivity analyses of the relevant income statement item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at September 30, 2012.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to market risk for changes in interest rates relates primarily to the Group's long-term debt obligations. The Group's policy is to manage its interest cost using a mix of fixed and variable rate debt.

Equity price risk
Equity price risk is the risk that the fair values of equities decrease as a result of changes in the levels of equity indices and the value of individual stocks. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments.

The effect on equity as a result of a change in fair value of quoted equity instruments held as financial asset at FVPL as of March 31, 2013 due to a reasonably possible change in equity indices, with all other variables held constant, will have an increase on equity by ₱0.50 million if equity indices will increase by 1%. An equal change in the opposite direction would have decreased equity by the same amount.

The effect on equity (as a result of a change in fair value of quoted equity instruments held as AFS investments as of March 31, 2013 due to a reasonably possible change in equity indices, with all other variables held constant, will have an increase on equity by ₱24.01 million if equity indices will increase by 15%. An equal change in the opposite direction would have decreased equity by the same amount.

Market price risk
Market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The price that the Group can charge for its coal is directly and indirectly related to the price of coal in the world coal market. In addition, as the Group is not subject to domestic competition in the Philippines, the pricing of all of its coal sales is linked to the price of imported coal. World thermal coal prices are affected by numerous factors outside the Group's control, including the demand from customers which is influenced by their overall performance and demand for electricity. Prices are also affected by changes in the world supply of coal and may be affected by the price of alternative fuel supplies, availability of shipping vessels as well as shipping costs. As the coal price is reset on a periodic basis under coal supply agreements, this may increase its exposure to short-term coal price volatility.

There can be no assurance that world coal prices will be sustained or that domestic and international competitors will not seek to replace the Group in its relationship with its key customers by offering higher quality, better prices or larger guaranteed supply volumes, any of which would have a materially adverse effect on the Group's profits.

To mitigate this risk, the Group continues to improve the quality of its coal and diversify its market from power industry, cement industry, other local industries and export market. This will allow flexibility in the distribution of coal to its target customers in such manner that minimum target average price of its coal sales across all its customers will still be achieved (i.e., domestic vs local). Also, in order to mitigate any negative impact resulting from price changes, it is the Group's policy to set minimum contracted volume for customers with long term supply contracts for each given period (within the duration of the contract) and pricing is negotiated on a monthly basis to even out the impact of any fluctuation in coal prices, thus, protecting its target margin. The excess volumes are allocated to spot sales which may command different price than those contracted already since the latter shall follow pricing formula per contract. Nevertheless, on certain cases temporary adjustments on coal prices with reference to customers following a certain pricing formula are requested in order to recover at least the cost of coal if the resulting price is abnormally low vis-à-vis cost of production (i.e., abnormal rise in cost of fuel, forex).

Below are the details of the Group's coal sales to the domestic market (excluding those to the power-generating companies) and to the export market:

	03/31/2013	12/31/2012
Domestic Market	39.90%	35.07%
Export Market	25.90%	44.17%
as a percentage of total coal sales volume		

The following table shows the effect on income tax should the change in the prices of coal occur based on the inventory of the Group as of March 31, 2013 and December 31, 2012 with all other variables held constant. The change in coal prices is based on 1-year historical price movements.

Based on ending coal inventory	Effect on income before income tax	
Change in coal price	03/31/2013	12/31/2012
Increase by 30%	301,485,808	1,017,759,543
Decrease by 30%	(301,485,808)	(1,017,759,543)

Based on coal sales volume	Effect on income Before income tax	
Change in coal price	03/31/2013	12/31/2012
Increase by 30%	803,670,980	4,335,046,600
Decrease by 30%	(803,670,980)	(4,335,046,600)

Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group does not have any foreign currency hedging arrangements.

Information on the Group's foreign currency-denominated monetary assets and liabilities and their Philippine peso equivalents follows (amounts in thousands):

	March 31, 2013				
	U.S. Dollar	**Japanese Yen**	**UK Pounds**	**Euro**	**Php Equivalent**
Assets					
Cash and cash equivalents	**$16,178**	**¥2,739**	**£117**	**€23**	**₱674,521**
Trade receivables					
Coal mining	**3,379**	–	–	–	**103,377**
	19,557	**2,739**	**117**	**23**	**777,898**
Liabilities					
Accounts and other payables	**6,982**	–	–	–	**299,681**
Long-term debt (including current portion)	**133,161**	–	–	–	**5,432,986**
	140,143	–	–	–	**5,732,667**
Net foreign currency denominated assets (liabilities)	**($120,586)**	**¥2,739**	**£117**	**€23**	**(₱4,954,769)**

The following table demonstrates the sensitivity to a reasonably possible change in foreign exchange rates, with all variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) and equity (amounts in thousands).

March 31, 2013

	Basis Pts	**Effect on Profit**	**Effect on Equity**
In Peso per U.S. Dollar			
Increase	**2**	**(₱241,172)**	**(₱168,820)**
Decrease	**(2)**	**241,172**	**168,820**
In Peso per Japanese Yen			
Increase	**2**	**5,478**	**3,835**
Decrease	**(2)**	**(5,478)**	**(3,835)**
In Peso per UK Pounds			
Increase	**2**	**₱234**	**₱164**
Decrease	**(2)**	**(234)**	**(164)**
In Peso per Euro			
Increase	**2**	**46**	**32**
Decrease	**(2)**	**(46)**	**(32)**

The movement in sensitivity analysis is derived from current observations on fluctuations in foreign currency exchange rates.

Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group's maximum exposure to credit risk for the components of the statement of financial position at March 31, 2013 is the carrying amounts except

for real estate receivables. The Group's exposure to credit risk arises from default of the counterparties which include certain financial institutions, real estate buyers, subcontractors, suppliers and various electric companies. Credit risk management involves dealing only with recognized, creditworthy third parties. It is the Group's policy that all counterparties who wish to trade on credit terms are subject to credit verification procedures. The Treasury Department's policy sets a credit limit for each counterparty. In addition, receivable balances are monitored on an ongoing basis. The Group's financial assets are not subject to collateral and other credit enhancement except for real estate receivables and mining receivables from export sales. As of March 31 2013, the Group's exposure to bad debts is not significant.

Real estate contracts
Credit risk is managed primarily through credit reviews and an analysis of receivables on a continuous basis. The Group also undertakes supplemental credit review procedures for certain installment payment structures. The Group's stringent customer requirements and policies in place contributes to lower customer default. Customer payments are facilitated through various collection modes including the use of postdated checks. The credit risk for real estate receivable is also mitigated as the Group has the right to cancel the sales contract and takes possession of the subject house without need for any court action in case of default in payments by the buyer. This risk is further mitigated because the corresponding title to the subdivision units sold under this arrangement is transferred to the buyers only upon full payment of the contract price.

Electricity sales
The Group earns substantially all of its revenue from the Wholesale Electricity Spot Market (WESM) and from various electric companies. WESM and the various electric companies are committed to pay for the energy generated by the power plant facilities.

Under the current regulatory regime, the generation rate charged by the Group to WESM is not regulated but is determined in accordance with the WESM Price Determination Methodology (PDM) approved by the Energy Regulatory Commission (ERC) and are complete pass-through charges to WESM. PDM is intended to provide the specific computational formula that will enable the market participants to verify the correctness of the charges being imposed. Likewise, the generation rate charged by the Group to various electric companies is not subject to regulations and are complete pass-through charges to various electric companies.

Mining
The Group evaluates the financial condition of the local customers before deliveries are made to them. On the other hand, export sales are covered by sight letters of credit issued by foreign banks subject to the Group's approval, hence, mitigating the risk on collection.

Construction contracts
The credit risk for construction receivables is mitigated by the fact that the Group can resort to carry out its contractor's lien over the project with varying degrees of effectiveness depending on the jurisprudence applicable on location of the project. A contractor's lien is the legal right of the Group to takeover the projects-in-progress and have priority in the settlement of contractor's receivables and claims on the projects-in-progress and have priority in the settlement of contractor's receivables and claims on the projects in progress is usually higher than receivables from and future commitments with the project owners. Trade and retention receivables from project owners are normally high standard because of the creditworthiness of project owners and collection remedy of contractor's lien accorded contractor in certain cases.

With respect to the credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The Group transacts only with institutions or banks that have proven track record in financial soundness.

Liquidity risk
Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group seeks to manage its liquidity profile to be able to service its maturing debts and to finance capital requirements. The Group maintains a level of cash and cash equivalents deemed sufficient to finance operations.

A significant part of the Group's financial assets that are held to meet the cash outflows include cash equivalents and accounts receivables. Although accounts receivables are contractually collectible on a short-term basis, the Group expects continuous cash inflows through continuous production and sale of coal and power generation. In addition, although the Group's short-term deposits are collectible at a short notice, the deposit base is stable over the long term as deposit rollovers and new deposits can offset cash outflows.

Moreover, the Group considers the following as mitigating factors for liquidity risk:

- It has available lines of credit that it can access to answer anticipated shortfall in sales and collection of receivables resulting from timing differences in programmed inflows and outflows.
- It has very diverse funding sources.
- It has internal control processes and contingency plans for managing liquidity risk. Cash flow reports and forecasts are reviewed on a weekly basis in order to quickly address liquidity concerns. Outstanding trade receivables are closely monitored to avoid past due collectibles.
- The Group regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund-raising activities. Fund-raising activities may include bank loans and capital market issues both on-shore and off-shore which is included in the Group's corporate planning for liquidity management.

<u>Fair Value Hierarchy</u>
The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at March 31, 2013, the Group's AFS financial assets amounting to ₱98.11 million and financial assets at FVPL amounting to ₱50.75 million are carried at fair value based on Level 1. There were no transfers among levels 1, 2 and 3 during the interim period. Cumulative net unrealized gain on AFS reported in equity amounted to ₱28.91 million as of March 31, 2013. Mark-to-market gain on FVPL amounting to ₱1.68 million was included in other income.

Capital Management
The primary objective of the Group's capital management strategy is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares. There were no changes made in the Group's capital management objectives, policies or processes. The Group considers total stockholders' equity as capital. Equity, which the Group considers as capital, pertains to the equity attributable to equity holders of the Group less unrealized gain or loss on AFS financial assets. The Group is not subject to any externally imposed capital requirements.

DMCI HOLDINGS, INC.
ACCOUNTS RECEIVABLE DESCRIPTION
March 31, 2013

Type of Receivable	Nature/Description	Collection Period
1) Contracts/Retention Receivable	Construction contract billings, sale of Goods and services pertaining to construction and related businesses of subsidiaries; real estate sales like sale of condominium units; development, improvements and construction of real estate projects; and coal mining sales	Contract Receivable - 20 to 30 days upon submission of progress billing Retention Receivable (10%) - depends on the agreement: 1) usually, 60 days after completion and acceptance of the project 2) if 50% completed, can bill 50% of retained amount as specified in the contract agreement Coal Mine Receivable - 1) Average standard term 80% of sales - 30 days upon presentation of invoice 20% of sales - 35 to 45 days term upon receipt of test results 2) Actual term - 45 to 60 days after billing Real Estate Receivable terms: Upon sale - 1) Reservation Fee - P 20,000.00 2) 10% or 20% downpayment over one year (depends on the payment) 3) Balance paid through in-house or pag-ibig or bank financing
2) Advances	Includes Advances to Suppliers, sub-contractors, and advances to employees/subject for liquidation	
3) Affiliates	Includes Advances to Subsidiaries and Affiliates	
4) Other Receivables	Includes refundable deposits, claims from some government agency like SSS, BIR and other receivables from miscellaneous billings	

Normal Operating Cycle

1.) Construction and Real Estate - positive net working capital
2) Mining - positive net working capital

DMCI HOLDINGS, INC.
AGING OF ACCOUNTS RECEIVABLE
AS OF MARCH 31, 2013

TYPE OF ACCOUNTS RECEIVABLE	**T O T A L**	**Within 6 mos.**	**6mos. To 1 yr.**	**1-2 yrs.**	**2-3 yrs.**	**More than 3 yrs.**	**Past Due**
A. TRADE RECEIVABLE - CONTRACT							
D.M. Consunji, Inc.	3,060,412,272.52	2,314,344,529.18	38,066,227.89	708,001,515.45	-	-	-
DMCI International, Inc.	24,686,393.00						24,686,393.00
OHKI-DMCI Corporation	2,966,841.00	-	-	-	2,966,841.00		
Beta Electric Corporation	122,850,572.46	102,167,049.27	20,683,523.19	-	-	-	-
Raco Haven Automation	11,306,701.00	-	-	-	-	11,306,701.00	
Sub-total	3,222,222,779.98	2,416,511,578.45	58,749,751.08	708,001,515.45	2,966,841.00	11,306,701.00	24,686,393.00
DMCI Holdings, Inc.	5,914,677,584.56	5,914,677,584.56					
DMCI Project Developers, Inc.	4,542,137,136.00	840,030,441.00	79,998,717.00	529,066,400.00	406,762,925.00	1,942,441,378.00	743,837,275.00
Semirara Mining Corporation	4,094,757,355.40	2,257,886,868.08	614,606,735.16	1,222,263,752.16	-	-	-
DMCI Mining Corporation	92,231,681.00	85,446,657.00	6,785,024.00	-			
DMCI Power Corporation	258,751,421.83	193,882,394.83	21,361,246.00	-	-		43,507,781.00
Wire Rope Corporation of the Philippines	75,219,388.00	66,355,756.00	8,863,632.00	-	-	-	-
Sub-total	14,977,774,566.79	3,443,602,116.91	731,615,354.16	1,751,330,152.16	406,762,925.00	1,942,441,378.00	787,345,056.00
RETENTION RECEIVABLE - TRADE							
D.M. Consunji, Inc.	933,807,382.80	933,807,382.80					
Beta Electric Corporation	248,255,343.14	248,255,343.14					
Sub-total	1,182,062,725.94	1,182,062,725.94	-	-	-	-	-
Total Contract/Retention Receivable - Trade	19,382,060,072.71	7,042,176,421.30	790,365,105.24	2,459,331,667.61	409,729,766.00	1,953,748,079.00	812,031,449.00
Less: Allowance for Doubtful Accounts	23,654,283.00						
Net Trade Receivable	**19,358,405,789.71**						

B. NON-TRADE RECEIVABLES	
ADVANCES -	
D.M. Consunji, Inc.	1,209,717,413.76
Beta Electric Corporation	36,696,266.50
Oriken Dynamix Company, Inc.	3,588,758.00
Sub-total	1,250,002,438.26
DMCI Holdings, Inc.	241,743.06
DMCI Mining Corporation	76,832,741.00
DMCI Project Developers, Inc.	525,931,714.00
Semirara Mining Corporation	1,517,546,771.00
DMCI Power Corporation	87,559,870.00
Sub-total	3,458,115,277.32
AFFILIATES -	
DMCI Holdings, Inc.	61,074.53
DMCI Project Developers, Inc.	291,357,855.00
DMCI Mining Corporation	5,142.00

DMCI Power Corporation	50,392,067.00
	341,816,138.53
Sub-total	341,816,138.53
OTHER RECEIVABLES -	
D.M. Consunji, Inc.	1,087,222,106.47
Raco Haven Automation	3,602,481.00
Beta Electric Corporation	4,781,844.86
	1,095,606,432.33
DMCI Project Developers, Inc.	257,889,629.00
Semirara Mining Corporation	118,244,684.00
DMCI Mining Corporation	217,454.00
DMCI Power Corporation	7,430,716.00
Sub-total	1,479,388,915.33
Total Non-trade Receivables	5,279,320,331.18
Less: Allowance for Doubtful Accounts	-
Net Non-trade Receivables	**5,279,320,331.18**
TOTAL RECEIVABLES	**24,637,726,120.89**