COVER SHEET

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SEC Registration Number

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

(Company's Full Name)

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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

(Third Tuesday of May)

1 2	3 1	**SEC Form 17-Q** **Second Quarter Interim Report 2018**	0 5	1 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

STAMPS

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarter ended **June 30, 2018**

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

   DMCI Holdings, Inc.

4. Exact name of issuer as specified in its charter

5. Philippines   6. ☐ (SEC Use Only)

   Province, Country or other jurisdiction of incorporation or organization   Industry Classification Code:

7. 3rd Floor, Dacon Building, 2281 Pasong Tamo Ext., Makati city1231

   Address of principal office   Postal Code

8. Tel. (632) 888-3000   Fax (632) 816-7362

   Issuer's telephone number, including area code

9. Not applicable

   Former name, former address, and former fiscal year, if changed since last report.

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	No. of Shares Outstanding	Amount
Common Shares	Php13,277,470,000.00	Php13,277,470,000.00
Preferred Shares	3,780.00	3,780.00
TOTAL	Php13,277,473,780.00	Php13,277,473,780.00

11. Are any or all of these securities listed on a Stock Exchange.

Yes [X]   No [ ]

If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange	Class "A" Shares
	Preferred Shares

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [X]   No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [X]   No [ ]

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

The Financial Statements as of and for the period ended **June 30, 2018** are contained herein.

MANAGEMENT DISCUSSION AND ANALYSIS OF RESULTS OF CONSOLIDATED OPERATIONS AND CONSOLIDATED FINANCIAL CONDITION AS OF AND FOR THE PERIOD ENDED JUNE 30, 2018

June 30, 2018 (Unaudited) vs June 30, 2017 (Restated)

I. RESULTS OF OPERATIONS

Below is a table on the net income contributions of the Company's businesses for 2018 and 2017:

CONSOLIDATED NET INCOME AFTER NON-CONTROLLING INTERESTS

	For the Year		Variance	
(in Php Millions)	2018	2017	Amount	%
SEMIRARA MINING AND POWER CORPORATION	P4,614	P4,465	149	3%
DMCI HOMES	1,737	1,618	119	7%
MAYNILAD	1,020	877	143	16%
D.M. CONSUNJI, INC.	676	497	179	36%
DMCI POWER (SPUG)	214	228	(14)	-6%
DMCI MINING	221	54	167	309%
PARENT & OTHERS	88	27	61	226%
CORE NET INCOME	8,570	7,766	804	10%
NON-RECURRING ITEMS	646	(118)	764	647%
REPORTED NET INCOME	**P9,216**	**P7,648**	**P1,568**	**21%**

DMCI Holdings, Inc. (the "Company") recorded a 21% increase in first-half consolidated net income from P7.6 billion to P9.2 billion owing to higher contributions from its coal mining, real estate, construction, nickel mining and water businesses. Likewise, consolidated revenues from January to June reached P44.2 billion, a 19% jump from P37.1 billion during the same period last year.

For the second quarter alone, the Company posted P5 billion in profits, up 38% year-on-year from P3.6 billion. Consolidated revenues for the same period surged 31% year-on-year from P18.3 billion to P23.9 billion.

Excluding a P715 million one-time gain on sale of an undeveloped lot by DMCI Homes and P69 million share in refinancing and other one-time costs of Maynilad, the core net income of DMCI Holdings for the first semester grew 10% to P8.6 billion from P7.8 billion during the same period last year. From April to June, core net income grew 16% year-on-year from P3.6 billion to P4.2 billion.

Semirara Mining and Power Corporation (SMPC) showed a 3% uptick in net income contributions during the first half of the year from P4.5 billion to P4.6 billion due to higher coal sales and coal prices.

However, this was offset as the power generation business suffered some setbacks due to unplanned outages during the period.

DMCI Homes contributed P1.7 billion net income, 7% higher than P1.6 billion the previous year. This was due to a 12% growth in revenue and 4% upturn in reservation sales. It also realized a gain of P715 million from the sale of undeveloped land, which brought total contribution to P2.5 billion, 52% growth from last year.

Net income contributions from affiliate Maynilad grew 16% from P877 million to slightly over P1 billion, on the back of a 3.4% rise in billed volume and 2.8% inflationary tariff adjustment.

D.M. Consunji, Inc. booked a 36% year-on-year increase in net income share from P497 million to P676 million following higher accomplishment in building projects and the realization of variation orders from completed projects.

Off-grid energy supplier DMCI Power Corporation contributed P214 million profits, a 6% slide from P228 million last year. The decrease mainly resulted from the lower-than-expected provisional tariff granted to its Aborlan power plant in Palawan.

Attributable net income from DMCI Mining Corporation surged 309% from P54 million to P221 million, fueled by higher shipments from the old stockpile and shipment of mostly high-grade nickel ore.

Other income during the first half more than doubled (226%) from P27 million to P88 million because of higher interest income.

SEMIRARA MINING AND POWER CORPORATION

Below is an excerpt of SMPC's management discussion and analysis of results of operations and financial condition for the period ending and as of June 30, 2018 as lifted from its first half financial report with the SEC and PSE.

PRODUCTION – COMPARATIVE REPORT H1 2018 and 2017

COAL

Production slowed by 3% to 7.2 million metric tons (MT) from 7.4 million MT registered in the same period last year. Production in the second quarter dropped by around one million MT at 3.1 million MT from 4.1 million MT in Q1 2018.

Strip ratio – the amount of overburden materials over the amount of coal extracted – fell to 10.7:1 bank cubic meters (BCM):1 MT, against last year's 8.8 BCM:1 MT.

Materials moved increased by 15% year-on-year to 82.4 million bank cubic meter (BCM) in the current period from 71.5 million BCM against same period last year.

POWER
SEM-CALACA POWER GENERATION CORPORATION (SCPC)

Unit 1
Gross Generation:
Q2 '18 vs Q2 '17 – The Unit ran continuously in the current quarter at an average capacity of 228MW, except for a brief 4-day outage in June caused by boiler tube leak. After the unit's scheduled maintenance last year, it was operating more reliably in Q2 2017.

YTD '18 vs YTD '17 – The Unit ran at an average capacity of 238MW in H1 2018. The unit underwent scheduled maintenance shutdown in Q1 2017; the activity effectively increased its output capacity to up to 250MW using Semirara coal from 150MW previously.

Availability:
Q2 '18 vs Q2 '17 – The unit ran continuously for 2,110 hours in Q2 2018 except for a brief 4-day outage in June caused by boiler tube leak. It operated for 1,480 hours In Q2 2017.

YTD '18 vs YTD '17 – The unit ran continuously from start of the year, except for a 15-day outage in March due to boiler slagging and a 4-day outage in June due to repair of boiler tube leaks. It was on extended shutdown last year to allow additional maintenance works; the activity effectively increased its output capacity to up to 250MW using Semirara coal from 150MW previously.

Capacity Factor:
Q2 '18 vs Q2 '17 – The unit ran at an average capacity of 228MW with a higher availability in Q2 2018. It was running at an average of 244 MW last year after it underwent a prolonged maintenance outage.

YTD '18 vs YTD '17 – The increase was due to continuous operation of the unit at an average load of 238MW, coupled with a high availability of 89% this year. It only started generating power in the third week of April, with an average load of 244MW after a prolonged maintenance outage last year, thereby pulling down availability to only 34%.

Unit 2
Gross Generation:
Q2 '18 vs Q2 '17– The decrease is due to extended shutdown of the unit for a scheduled maintenance which lasted until the first week of April 2018.

YTD '18 vs YTD '17 – The Unit was down the whole of Q1 2018 for scheduled maintenance and came back in operation only in the second week of April this year.

Availability:
Q2 '18 vs Q2 '17 – The decrease is due to extended shutdown of the unit for scheduled maintenance which lasted until the first week of April 2018. It operated for a total of 1,458 hours in Q2 2018 and 1,751 hours in Q2 2017.

YTD '18 vs YTD '17 – The decrease is due to extended shutdown of the unit for scheduled maintenance which lasted until the first week of April 2018. It operated for a total of 1,458 hours in H1 2018 and 3,736 hours in H1 2017.

Capacity Factor:
Q2 ’18 vs Q2 ’17 – The decrease is due to extended shutdown of the unit for scheduled maintenance which lasted until the first week of April 2018. Average load is at 263MW both for Q2 2018 and Q2 2017.

YTD ’18 vs YTD ’17 – The decrease is due to extended shutdown of the unit for scheduled maintenance which lasted until the first week of April 2018. Average load for H1 2018 and H1 2017 is 263MW and 274MW, respectively, while availability stood at 33% and 86%, respectively.

SOUTHWEST LUZON POWER GENERATION CORPORATION (SLPGC)

Unit 3 (Unit 2 of SLPGC)
Gross Generation:
Q2 ’18 vs Q2 ’17 - No plant generation due to HIP rotor repair

YTD ’18 vs YTD ’17 - Lower plant performance (lower operating hours at 1,103 hrs vs 3,382 hours last year and lower average capacity at 109MW vs 131MW last year) contributed to the lower generation for the period.

Availability:
Q2 ’18 vs Q2 ’17 - Not available due to HIP rotor repair

YTD ’18 vs YTD ’17 - Decrease is due to outage since 6 March 2018 for the repair of HIP rotor. The unit is still down as of the end of the current quarter.

Capacity Factor:
Q2 ’18 vs Q2 ’17 - Not available due to HIP rotor repair

YTD ’18 vs YTD ’17 - Decrease is due to outage since 6 March 2018 for the repair of HIP rotor. The unit is still down as of the end of the current quarter.

Unit 4 *(Unit 2 of SLPGC)*
Gross Generation:
Q2 ’17 vs Q2 ’18 - Gross generation is slightly lower due to reduced operating hours recorded with the occurrence of unplanned outage and slightly lower average capacity of the unit.

YTD ’18 vs YTD ’17 - Gross generation is slightly lower due to reduced operating hours recorded with the occurrence of unplanned outage and slightly lower average capacity of the unit.

Availability:
Q2 ’17 vs Q2 ’18 - Decreased due to spillover of maintenance outage in April

YTD ’18 vs YTD ’17 - Decrease due to planned maintenance outage from March 1 to April 6, 2018

Capacity Factor:

Q2 '17 vs Q2 '18 - Decreased due to lower operating hours of 1,749 hours versus last year's 2,152 hours, offset by slightly higher average capacity.

YTD '18 vs YTD '17 - Decreased due to lower operating hours of 2,721 hours versus last year's 2,805 hours, and lower average capacity of 118MW from last year's 133MW.

FINANCE

Sales and Profitability

Revenues (In million PhP)

Before Eliminations

	Q2 2018	Q2 2017	Variance	Remarks	H1 2018	H1 2017	Variance	Remarks
Coal	9,108	5,319	71%	Higher ASP by 25% and sales volume by 27%	18,631	13,454	38%	Increase in ASP by 24% driven by higher NewCastle index; 9% increase in sales volume
SCPC	3,589	2,943	22%	Higher availability increased energy sales by 16%; higher NewCastle price index drove ASP up by 4%	5,691	5,365	6%	The 10% increase in ASP has offset the 3% decline in energy sales
SLPGC	1,456	2,194	-34%	Lower generation resulted to 46% decline in energy sales; drop is partially offset by 23% increase in ASP (due to fixed capacity fee)	2,430	3,342	-27%	Lower generation resulted to 41% decline in energy sales; drop is partially offset by 24% increase in ASP (due to fixed capacity fee)

After Eliminations

	Q2 2018	Q2 2017	Variance	Remarks	H1 2018	H1 2017	Variance	Remarks
Coal	7,484	4,342	72%	Higher ASP by 25% and sales volume by 27%	15,838	11,120	42%	Increase in ASP by 24% driven by higher NewCastle index; 9% increase in sales volume
SCPC	3,589	2,943	22%	Higher availability increased energy sales by 16%; higher NewCastle price index drove ASP up by 4%	5,691	5,365	6%	The 10% increase in ASP has offset the 3% decline in energy sales
SLPGC	1,456	2,194	-34%	Lower generation resulted to 46% decline in energy sales; drop is partially offset by 23% increase in ASP (due to fixed capacity fee)	2,430	3,342	-27%	Lower generation resulted to 41% decline in energy sales; drop is partially offset by 24% increase in ASP (due to fixed capacity fee)

Cost of Sales (In million PhP)

Before Eliminations

	Q2 2018	Q2 2017	Variance	Remarks	H1 2018	H1 2017	Variance	Remarks
Coal	4,337	2,524	72%	Higher strip ratio and increase in parts and fuel costs pushed COS/MT; higher sales volume	7,790	5,730	36%	Higher strip ratio and increase in parts and fuel costs pushed COS/MT; higher sales volume
SCPC	2,562	1,869	37%	Higher NewCastle Index, oil, chemicals and replacement power	3,795	3,038	25%	Higher NewCastle Index, oil, chemicals and replacement power
SLPGC	896	840	7%	Lower generation cost offset by a the significant purchases of replacement power	1,480	1,495	-1%	Lower generation cost offset by a the significant purchases of replacement power

After Eliminations

	Q2 2018	Q2 2017	Variance	Remarks	H1 2018	H1 2017	Variance	Remarks
Coal	3,642	1,828	99%	Higher strip ratio and increase in parts and fuel costs pushed COS/MT; higher sales volume	6,596	4,482	47%	Higher strip ratio and increase in parts and fuel costs pushed COS/MT; higher sales volume
SCPC	1,735	1,502	16%	Higher NewCastle Index, oil, chemicals and replacement power	2,444	2,055	19%	Higher NewCastle Index, oil, chemicals and replacement power
SLPGC	793	927	-14%	Lower generation cost offset by a the significant purchases of replacement power	1,117	1,391	-20%	Lower generation cost offset by a the significant purchases of replacement power
Total	6,170	4,256	45%		10,157	7,929	28%	

Consolidated Gross Profit (In million PhP)

	Q2 2018	Q2 2017	Variance	Remarks	H1 2018	H1 2017	Variance	Remarks
Coal	3,842	2,514	53%	Significant increase in average selling price driven by rise in NewCastle Price index	9,242	6,638	39%	Significant increase in average selling price driven by rise in NewCastle Price index
SCPC	1,854	1,442	29%	Considerable decline in sales volume and the increase in fuel cost	3,246	3,309	-2%	Considerable decline in sales volume and the increase in fuel cost
SLPGC	657	1,260	-48%	Considerable decline in sales volume and the increase in fuel cost	1,313	1,951	-33%	Considerable decline in sales volume and the increase in fuel cost
Total	6,352	5,216	22%	Higher coal segment contribution offset decline in power segment profitability	13,801	11,898	16%	Higher coal segment contribution offset decline in power segment profitability
GP %	51%	55%	-8%		58%	60%	-4%	

Consolidated OPEX (In million PhP)

	Q2 2018	Q2 2017	Variance	Remarks	H1 2018	H1 2017	Variance	Remarks
Coal	1,557	789	97%	Higher profitablity drove government royalty up	3,201	2,168	48%	Higher profitablity drove government royalty up
SCPC	606	355	71%	Accelerated depreciation of Units 1 & 2 amounting to PhP315 million accounted for the increase	1,294	648	100%	Accelerated depreciation of Units 1 & 2 amounting to PhP630 million accounted for the increase
SLPGC	117	239	-51%	Lower amortization of RPT, Consultancy and O&M Fees	326	316	3%	Slightly higher YTD RPT and O&M expenses
Others	22	-	100%	Pre-operating expenses of Southeast Luzon and Claystone Inc	22	0	100%	Pre-operating expenses of Southeast Luzon and Claystone Inc
Total	2,302	1,384	66%		4,844	3,131	55%	

Consolidated Finance Income (In million PhP)

	Q2 2018	Q2 2017	Variance	Remarks	H1 2018	H1 2017	Variance	Remarks
Coal	23	14	65%	Higher cash placements	49	29	68%	Higher cash placements
SCPC	3	3	10%	Higher cash placements	8	4	80%	Higher cash placements
SLPGC	7	9	-21%	Lower cash placements	21	20	8%	Higher cash placements
Total	33	26	28%		78	53	46%	

Consolidated Finance Charges (In million PhP)

	Q2 2018	Q2 2017	Variance	Remarks	H1 2018	H1 2017	Variance	Remarks
Coal	89	73	23%	Higher debt level at higher borrowing rates	188	129	46%	Higher debt level at higher borrowing rates
SCPC	1	13	-95%	Early recognition of borrowing costs	75	22	245%	Higher debt level at higher borrowing rates
SLPGC	104	77	35%	Higher borrowing rate	154	149	4%	Higher borrowing rate
Total	195	163	19%		417	300	39%	

Consolidated Foreign Exchange Gain / (Loss) (In million PhP)

	Q2 2018	Q2 2017	Variance	Remarks	H1 2018	H1 2017	Variance	Remarks
Coal	(199)	(31)	551%	Due to PhP depreciation on USD denominated debt; year-end 2017 FX-PhP49.93:USD1, quarter-end 2018 FX-PhP53.34:USD1	(300)	(144)	109%	Due to PhP depreciation on USD denominated debt; year-end 2017 FX-PhP49.93:USD1, quarter-end 2018 FX-PhP53.34:USD1
SCPC	(16)	(46)	-65%	Accounts for realized loss on foreign currency denominated transactions	(43)	(68)	-37%	Accounts for realized loss on foreign currency denominated transactions
SLPGC	(1)	-	-100%	Realized loss on its foreign currency denominated transactions	(1)	-	-100%	Realized loss on its foreign currency denominated transactions
Total	(217)	(77)	183%		(345)	(212)	63%	

Consolidated Other Income (In million PhP)

	Q2 2018	Q2 2017	Variance	Remarks	H1 2018	H1 2017	Variance	Remarks
Coal	(0)	5	-103%	Booked income from disposal of transportation equipment in 2017	0	6	-99%	Booked income from disposal of transportation equipment in 2017
SCPC	34	32	3%	Higher fly ash sold	43	56	-23%	Lower fly ash sold
SLPGC	3	24	-87%	Lower fly ash sold and loss on financial contract	8	28	-71%	Lower fly ash sold and loss on financial contract
Total	37	61	-40%		51	91	-43%	

Consolidated NIBT (In million PhP)

	Q2 2018	Q2 2017	Variance	Remarks	H1 2018	H1 2017	Variance	Remarks
Coal	2,019	1,639	23%	Stronger current coal prices	5,602	4,233	32%	Stronger current coal prices
SCPC	1,267	1,063	19%	Higher ASP drove profitability for the quarter	1,885	2,633	-28%	Weaker plants' performance and recognition of accelerated depreciation in 2018
SLPGC	451	984	-54%	Weaker plants' performance	861	1,534	-44%	Weaker plants' performance
Others	(22)	-	100%	Pre-operating expenses of Southeast Luzon and Claystone Inc	(22)	-	100%	Pre-operating expenses of Southeast Luzon and Claystone Inc
Total	3,714	3,686	1%		8,326	8,400	-1%	

Consolidated Income Tax Provision (In million PhP)

	Q2 2018	Q2 2017	Variance	Remarks	H1 2018	H1 2017	Variance	Remarks
Coal	4	2	127%	Higher final tax on interest income from placements; coal business has Income Tax Holiday as a BOI-registered enterprise	9	4	122%	Higher final tax on interest income from placements; coal business has Income Tax Holiday as a BOI-registered enterprise
SCPC	133	209	-36%	Lower profitability resulted to drop in income taxes	162	496	-67%	Lower profitability resulted to drop in income taxes
SLPGC	17	34	-49%	Lower final tax on interest income from placements; SLPGC has Income Tax Holiday as a BOI-registered enterprise	20	36	-45%	Lower final tax on interest income from placements; SLPGC has Income Tax Holiday as a BOI-registered enterprise
Total	154	245	-37%		191	536	-64%	

NIAT (In million PhP)

Before Eliminations (Core Income)

	Q2 2018	Q2 2017	Variance	Remarks	H1 2018	H1 2017	Variance	Remarks
Coal	2,944	1,918	54%	Stronger current coal prices	7,192	5,315	35%	Stronger current coal prices
SCPC	308	486	-37%	Weaker plants' performance and recognition of accelerated depreciation in 2018	373	1,154	-68%	Weaker plants' performance and recognition of accelerated depreciation in 2018
SLPGC	330	1,037	-68%	Weaker plants' performance in 2018	478	1,395	-66%	Weaker plants' performance in 2018
Others	(22)	-	-100%	Pre-operating expenses of Southeast Luzon and Claystone Inc	(22)	-	-100%	Pre-operating expenses of Southeast Luzon and Claystone Inc

After Eliminations (Consolidated)

	Q2 2018	Q2 2017	Variance	Remarks	H1 2018	H1 2017	Variance	Remarks
Coal	2,014	1,637	23%	Stronger current coal prices	5,593	4,229	32%	Stronger current coal prices
SCPC	1,134	854	33%	Weaker plants' performance and recognition of accelerated depreciation in 2018	1,723	2,137	-19%	Weaker plants' performance and recognition of accelerated depreciation in 2018
SLPGC	434	950	-54%	Unplanned outage of unit 1	841	1,498	-44%	Unplanned outage of unit 1
Others	(22)	-	-100%	Pre-operating expenses of Southeast Luzon and Claystone Inc	(22)	-	-100%	Pre-operating expenses of Southeast Luzon and Claystone Inc
Total	3,560	3,441	3%		8,135	7,864	3%	

For detailed information – refer to SMPC 17Q filed with SEC and PSE.

DMCI HOMES

Net income contribution of wholly owned subsidiary, DMCI Project Developer's Inc. (PDI) amounted to P2.5 billion for the first half of 2018. Excluding the gain on sale of undeveloped land of P0.7 billion, the Company contributed P1.7 billion net income, a 7% growth from P1.6 billion in 2017.

Realized revenues for the period jumped by 12% from P9.4 billion to P10.5 billion. Following the percentage of completion method, revenues are recognized based on the progress of its project development and once at least 15 percent of the contract price has been collected from the buyer. Below 15 percent collection are recognized under "Customers' advances and deposit" account.

On the other hand, total costs (under cost of sales and operating expenses) grew at a faster pace from P7.2 billion to P8.3 billion in 2018. The 16% increase is attributed mainly to higher cost of construction materials, business taxes and repairs and maintenance.

Sales and reservations during the first half of 2018 expanded by 4% from P22.1 billion in 2017 to P23 billion this year buoyed by strong demand for residential condominium coming from new launches as well as existing projects.

To expand its project offerings, the company plans to launch new projects located in various areas in Metro Manila (such as Pasig, Manila, Paranaque, Las Pinas, Pasay and Quezon City) and in Davao with total estimated sales value of P51 billion, 55% higher than the value of launched projects in 2017.

On the other hand, capex disbursements grew by 40% to P6.6 billion from P4.7 billion last year. Of the amount spent in 2018, 64% went to development cost and the rest to land and asset acquisition.

MAYNILAD

The Company's investment in the water business is recognized mainly through its equity investment in the partnership with Metro Pacific Investments Corporation (MPIC) and Marubeni Corporation of Japan, 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 and parts of Cavite.

During the first half of 2018, billed volume grew by 3.4%, from 252.46 million cubic meters (mcm) to 260.99 mcm. The improvement in the billed volume was brought about by the increase in billed services through its continued expansion mostly in the southern areas of the concession, namely in Cavite, Muntinlupa, Las Piñas and Paranaque. Consequently, total billed services for the first half of 2018 stood at 1,386,504, a 3.7% growth from last year.

Water supply grew at 1.7% for the period but with higher billed volume growth, average non-revenue water at district metered area (DMA) level improved at 31.1% in the first half of 2018 compared to 32.18% in the same period last year.

Maynilad's water and sewer service revenue rose by 7.0% to P10.6 billion from P9.9 billion last year driven by higher billed volume coupled with the 2.8% inflation rate adjustment on Maynilad's basic charge implemented last January 2018. The new rebased rates won by Maynilad in arbitration remain unimplemented.

Cash operating expenses declined by 4.6% primarily due to savings in personnel cost as a result of the special opportunity program (SOP), a redundancy and right-sizing program implemented last year to reduce headcount. Meanwhile, noncash operating expenses rose by 12.6% primarily driven by increases in amortization of intangible assets which grew in line with Maynilad's continuing capital expenditure program.

Interest expense on loans jumped by 46.8% during the period following the refinancing of all its existing loans under the 2013 Term Loan and Corporate Notes, whereby the Company was granted a Term Loan Facility in the aggregate amount of P18.5 billion. Refinancing cost incurred amounted to P281 million.

As a result, Maynilad reported a net income of P3.9 billion in the first half of 2018, a 24% improvement from P3.2 billion last year. On the other hand, core net income for the period grew 15% from P3.7 billion to P4.2 billion. Core net income excludes one-time charges such as refinancing cost in 2018 and cost of the right-sizing program in 2017.

After adjustments at the consortium company level, the Company's equity in net earnings reported a 25% growth from P759 million in 2017 to P951 million in 2018. Excluding one-time charges of Maynilad, equity in net earnings amounted to slightly over P1 billion during the first half of the year, 16% up from P877 million last year.

Rate Rebasing Update

The matter of Maynilad's tariffs for the entire 2013-2017 five-year Business Plan period, together with the two related arbitration awards in its favor, remain unresolved. In summary:

- In 2015, Maynilad received an arbitration award in its favor against the Metropolitan aterworks and Sewerage System ("MWSS"), which centered on treatment of Corporate Income Tax as an expense to be recovered through the tariff. The dispute on implementing this tariff is working its way through the Philippine Court System with MWSS now seeking recourse to the Supreme Court following awards in Maynilad's favor by lower courts.

- On 24th July 2017, Maynilad was notified by an arbitration panel in Singapore that it had ruled in Maynilad's favor on its claim to recover from the Republic of the Philippines ("RoP") revenues forgone because of the failure to increase tariff. On 9th February 2018, the RoP applied to the High Court in Singapore to vacate this and Maynilad expects resolution of this to take until November this year.

While Maynilad strives to meet its service obligations, the ongoing refusal of MWSS and RoP to address either the tariff matter or the revenue claim is hampering financing of required capital expenditures. However, Maynilad is in collaborative dialogue with a newly revitalized MWSS regarding the 2018-2022 five-year Business Plan and hopes to announce progress on this later this year.

D.M. CONSUNJI, INC.

Earnings from construction business expanded by 36% from P497 million to P676 million in the first half of 2018. Higher accomplishment in building projects and the realization of revenue from variation orders from completed projects resulted to a 15% improvement in construction revenues from P5.9 billion to P6.8 billion in 2018. Likewise, EBITDA rose by 15% from P1.1 billion to P1.2 billion this year.

The Company reported a total order book (balance of work) of P28.9 billion at the end of June 2018, from P24.8 billion at the close of 2017. Awarded projects during the first half of the year totaled P7.5 billion which includes Civil Works for Plant Expansion Project of JG Summit Petrochemical Corp., Pasay Trenchless Pipelaying of Maynilad, and various building projects including SM Mall of Asia Block 4 of SM Prime Holdings, Connor of Ortigas & Co., and De La Salle College of St. Benilde Academic, Sports and Dormitory Buildings.

Meanwhile, major ongoing projects in the orderbook include among others, Cavite- Laguna Expressway Project of MPCALA Holdings, Inc., The Skyway Stage 3 (S1 and S2) of Citra Central Expressway Corp. (a unit of San Miguel Corporation), LRT Line 2 East (Masinag) Stations under Department of Transportation Inc., Bued Viaduct and Roadway of Private Infra Development Corporation, Anchor Grandsuites of Anchor Land Holdings, Six Senses Resort (Phase 2) of Federal Land in Pasay City, Maven and The Imperium of Ortigas & Co., site development works for a petrochemical plant of JG Summit and the rehabilitation and retrofitting of La Mesa Treatment Plant II of Maynilad.

DMCI POWER (SPUG)

An added growth area of the power segment is under DMCI Power Corporation (DPC), a wholly-owned subsidiary of DMCI Holdings, Inc. DPC provides off-grid power to missionary areas through long-term power supply agreements with local electric cooperatives.

As of June 30, 2018, the total installed rated capacity is 99.78MW. Out of the total, 34.69MW (12.40MW bunker-fired and 22.29MW diesel) is in Masbate, 45.84MW (9.90MW bunker-fired and 35.94MW diesel) in Palawan, a 4x3.89 (15.56) MW bunker-fired plant in Oriental Mindoro and a 3x1.23 (3.69) MW diesel-fired in Sultan Kudarat.

Sales volume reported in Masbate (53.10 GWh), Palawan (61.57 GWh) and Mindoro (28.24 GWh) totaled 142.91 GWh, 19% up from last year due mainly to higher power demand and improved load dispatch in all areas. On the other hand, average selling prices for the period improved by 10% to P12.41/kWh due to higher fuel prices which pulled up the average selling price. As a result, total off-grid generation revenue went up by 30% to P1.8 billion from P1.4 billion last year. On the other hand, total costs (under cost of sales and operating expenses) grew by 38% to P1.5 billion also driven by higher fuel prices.

Consequently, net income contribution of the off-grid power segment for the first half of 2018 slipped by 6% from P228 million in 2017 to P214 million in 2018 attributable mainly to the lower-than-expected provisional tariff granted to its Aborlan power plant in Palawan. The company has a pending motion for recomputation with the Energy Regulatory Commission which is expected to be resolved soon.

DMCI MINING

The nickel and metals mining business is reported under DMCI Mining Corporation, a wholly-owned subsidiary of DMCI Holdings, Inc.

DMCI Mining Corporation delivered a 309% surge in net income contribution from P54 million to P221 million during the first half of 2018. Higher shipments of better grade nickel from old stockpile contributed to the growth of the nickel mining company for the period.

Revenues for the first half of the year grew 113% to P978 million in 2018 from P458 million in 2017 as sales volume stood at 483 thousand wet metric tons (WMT) compared to last year's 257 thousand WMT. Nickel ore shipments came from the existing stockpiles in response with the order to remove such from the Department of Environment and Natural Resources (DENR).

Average ore grade improved from 1.56% in 2017 to 1.73% in 2018. Meanwhile, composite average price for the first half of 2018 is at P2,025 per WMT compared to P1,783 per WMT in 2017.

The segment's total depletion, depreciation and amortization amounted to P34 million in 2018, a 53% drop from P73 million in 2017 due to reduced activity and using some fully depreciated equipment. Meanwhile, total company cash cost per WMT (under cost of sales and operating expenses) amounted to P957 per WMT in 2018 compared to P1,145 per WMT in 2017 due mainly to higher shipments during the period.

Berong Nickel Corporation and Zambales Diversified Metals Corporation are currently dealing with the Suspension and Closure Order issued by the DENR, respectively. Both have pending appeals to reopen with the Office of the President. DENR is also conducting a review of the mining audits which recommended the suspension or closure of several mining companies.

Explanation of movement in consolidated income statement accounts:

Revenue

Consolidated revenue for the first half of 2018 amounted to P44.2 billion from P37.1 billion last year. The 19% upsurge was mainly driven by higher volume and higher average prices of coal, the higher accomplishments in the construction business, the growth in percentage of completion revenues in the real estate business, the increasing demand in the off-grid power business and higher shipments of better grade nickel ore in the nickel mining business.

Cost of Sales and Services

Higher coal stripping ratio, increase in fuel prices and higher cost of construction materials in the real estate business for the first half of 2018 accounted for the rise in consolidated cost of sales and services. From P19.9b billion in 2017, it increased by 21% to P24.2 billion in 2018.

Operating Expenses

Higher coal profit generated during the period resulted to the 46% jump in government royalties from P2.0 billion to P2.9 billion in 2018. Excluding government royalties, operating expenses actually increased by 36% due mainly to additional depreciation recorded by Sem-Calaca (Units 1 and 2) pertaining to the components of the power plant for replacement and higher personnel cost and business taxes during the period.

Equity in Net Earnings

Equity in net earnings of associates improved by 25% as a result of higher income take up from Maynilad consortium.

Finance Costs

Consolidated finance costs grew by 21% due to higher average loan balance following loan drawdown of coal and on-grid power businesses towards the end of 2017.

Finance Income

Consolidated finance income expanded by 62% due to higher interest income from placements during the period.

Other Income-net

Other income expanded by 434% due mainly to the gain on sale of undeveloped land of DMCI Homes during the period.

Provision for Income Tax
Higher taxable profits mainly from the real estate and nickel mining businesses accounted for the 11% rise in consolidated provision for income tax (both current and deferred) during the first half of 2018.

II. CONSOLIDATED FINANCIAL CONDITION

June 30, 2018 (Unaudited) vs December 31, 2017 (Audited)

The Company's financial condition for the period improved as consolidated total assets and total equity amounted to P173 billion and P98 billion as of June 30, 2018. This is an improvement of 1% and 4%, respectively.

Consolidated cash contracted by 33% from P25.3 billion in December 31, 2017 to P16.9 billion in June 30, 2018. Despite the P10.3 billion cash flows generated from operations, cash balance dropped due mainly to dividend payments, higher capital expenditures and loan repayments.

Total receivables (current and non-current) expanded by 15% from P28.4 billion to P32.8 billion in 2018 driven mainly by higher coal and real estate revenues and the timing of collection of receivables.

Consolidated inventories stood at P36.2 billion, 4% up from P34.7 billion last year due to higher spare parts inventory for maintenance, fuel and supplies of SMPC.

Other current assets rose by 4% to P8.6 billion due mainly to advances to suppliers for equipment and spare parts.

Investments in associates and joint ventures increased to P13.6 billion from P13.5 billion last year due mainly to the equity in net earnings from Maynilad.

Property, plant and equipment stood at P57.0 billion, a 2% growth from P55.7 billion last year. The increase was attributed to capital expenditures in the coal and power businesses which were offset by the depreciation and depletion during the period.

Investment properties slipped by 4% due to depreciation for the year.

Other noncurrent assets expanded by 61% due to additional deferred input vat from the on-grid power and construction businesses.

Accounts and other payables grew by 4% attributed mainly to normal trade transactions in the coal mining and construction businesses.

Customers' advances and deposits dropped by 2% due mainly to revenue realization in the real estate business.

Income tax payable grew by 133% due to higher taxable profits in the real estate business and nickel mining businesses.

Liabilities for purchased land jumped by 7% to P2.4 billion in 2018 due to acquisition of land for real estate development.

From P39.5 billion, total debt (under short-term and long-term debt) contracted by 6% to P37.1 billion upon loan repayment during the period.

Deferred tax liabilities increased by 8% mainly due to excess of book over tax income in real estate sales.

Other noncurrent liabilities fell by 52% due to reversal of some provision for the actual costs incurred on the ongoing rehabilitation of Panian mine in Semirara during the period. The reclassification of noncurrent payables of the construction business which will be due within 12 months also accounted for the decrease in account balance.

Consolidated retained earnings stood at P61.2 billion at the end of June 2018, 5% up from P58.3 billion at the close of 2017 after P9.2 billion of net income and payment of P6.4 billion Parent dividends.

Non-controlling interest grew by 7% as a result of the non-controlling share in net income reduced by dividends to NCI.

III. KEY PERFORMANCE INDICATORS

The Company and its Subsidiaries (the "Group") use the following key performance indicators to evaluate its performance:

a) Segment Revenues
b) Segment Net Income (after Noncontrolling Interests)
c) Earnings Per Share
d) Return on Common Equity
e) Net Debt to Equity Ratio

SEGMENT REVENUES

(in Php Millions)	For the Period		Variance	
	2018	2017	Amount	%
SEMIRARA MINING AND POWER CORPORATION	P23,959	P19,852	P4,107	21%
DMCI HOMES	10,525	9,357	1,168	12%
D.M. CONSUNJI, INC.	6,759	5,876	883	15%
DMCI POWER (SPUG)	1,789	1,374	415	30%
DMCI MINING	978	458	520	113%
PARENT & OTHERS	194	140	54	39%
TOTAL REVENUE	**P44,204**	**P37,057**	**P7,147**	**19%**

The initial indicator of the Company's gross business results is seen in the movements in the different business segment revenues. As illustrated above, revenue grew by 19% mainly driven by higher volume and higher coal prices, the higher accomplishments in the construction business, the growth in percentage of completion revenues in the real estate business, the increasing demand in the off-grid power business and higher shipments of better grade nickel ore in the nickel mining business.

CONSOLIDATED NET INCOME AFTER NON-CONTROLLING INTERESTS

	For the Year		Variance	
(in Php Millions)	2018	2017	Amount	%
SEMIRARA MINING AND POWER CORPORATION	P4,614	P4,465	149	3%
DMCI HOMES	1,737	1,618	119	7%
MAYNILAD	1,020	877	143	16%
D.M. CONSUNJI, INC.	676	497	179	36%
DMCI POWER (SPUG)	214	228	(14)	-6%
DMCI MINING	221	54	167	309%
PARENT & OTHERS	88	27	61	226%
CORE NET INCOME	8,570	7,766	804	10%
NON-RECURRING ITEMS	646	(118)	764	647%
REPORTED NET INCOME	**P9,216**	**P7,648**	**P1,568**	**21%**

The net income (after non-controlling interest) of the Company have multiple drivers for growth from different business segments. For the first half of 2018, the Company reported a 21% growth in consolidated net income due to the strong performance of its coal, real estate, construction, water and nickel mining businesses.

EARNINGS PER SHARE

Earnings per share (EPS) pertains to the company's income allocated to each outstanding share of common stock. It serves as an indicator of the company's profitability.

The Company's consolidated basic and diluted EPS was P0.69/share for the six months ended June 2018, a 21% improvement from P0.58/share EPS year-on-year.

RETURN ON COMMON EQUITY

Return on common equity is defined as the amount of net income a company earns per amount of shareholders equity. It is one of the common metrics used by investor to determine how effectively their capital is being reinvested. It is arrived at by dividing the net income share of the parent company over the average parent equity. The Company's return on common equity stood at 12% and 11% for the first half of 2018 and 2017, respectively.

NET DEBT TO EQUITY RATIO

As a stockholder/investor, financial position and stability would be an important aspect. The Company tests its solvency and leverage exposure through the net debt to equity ratio. This test indicates the Company's ownership of creditors vs. owners/investors. Net debt to equity ratio is computed by dividing the interest-bearing loans net of cash and cash equivalents over total equity.

Total borrowings stood at P37.1 billion from P39.5 billion last year, which resulted to a net debt to equity ratio of 0.21:1 as of June 30, 2018 and 0.15:1 as of December 31, 2017.

FINANCIAL SOUNDNESS RATIOS

	June 30, 2018	December 31, 2017
Current Ratio	260%	260%
Net Debt to Equity Ratio	21%	15%
Asset to Equity Ratio	177%	184%
	June 30, 2018	**June 30, 2017**
Return on Assets	7.9% 7.5%*	7.4% 7.5%*
Return on Common Equity	11.9% 11.0%*	11.1% 11.3%*
Interest Coverage Ratio	18.1 times 16.9 times*	17.1 times 17.2 times*
Gross Profit Margin (%)	45.3%	46.2%
Net Profit Margin (%)	29.1% 27.6%*	29.9% 30.2%*

excluding non-recurring items during the period

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. On March 8, 2018, the BOD of the Parent Company has declared cash dividends amounting P0.28 regular dividends and P0.20 special cash dividends for a total of P6.37 billion in favor of the stockholders of record as of March 23, 2018 and was paid on April 6, 2018.
4. There were no undisclosed material subsequent events and transferring of assets not in the normal course of business that have not been disclosed for the period that the company have knowledge of;
5. There are no material contingencies during the interim period; events that will 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 significant 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. All necessary disclosures were made under SEC Form 17-C.