



## **PRESS RELEASE**

**Issue Date: 19 November 2014**

### **DMCI HOLDINGS NETS P7.5B IN 9M**

DMCI Holdings, Inc. posted P7.5 billion in consolidated core income for the first nine months of 2014, a 6% decline from the P8.0 billion reported during the same period last year. The drop in core income was attributable to the weakened operating results of its power and construction businesses.

Maintenance contractor delays resulted in extended outages in its Calaca power units, exposing the company's power segment to high Wholesale Electricity Spot Market prices for its replacement power during the first half of the year.

Meanwhile, earnings from its construction business were dragged down by cost overruns in its engineering, procurement and construction (EPC) contract for a power plant, and the delayed implementation of major public infrastructure projects due to right-of-way and utility relocation issues.

"The cost overruns were specifically due to the inaccurate steel and concrete material estimates of the foreign power plant designers. However, the lessons we learned from being the first Filipino EPC contractor will be invaluable in our next forays into power plant construction. We will be more circumspect in our risk management moving forward," said DMCI Holdings President Isidro A. Consunji.

Other DMCI subsidiaries performed well in the first nine months of 2014.

Net income contributions from DMCI's mining businesses grew remarkably with its coal segment registering a P1.2 billion increase, from P600 million in 2013 to P1.8 billion this year. The nickel segment reported an P850 million upsurge, after netting P870 million compared to P20 million in 2013. The boost was due to a combined effect of higher sales volume and better average prices.

The real estate segment delivered a 29% growth in net income mostly coming from gain realized on the sale of lots.

The company's reduced effective interest in Maynilad resulted in a 4% decrease in net earnings share despite the reported expansion in its water business.

Consolidated net income decreased by 55% year-on-year due mainly to the one-time gain from the sale of its 16-percent stake in Maynilad to a subsidiary of Marubeni Corporation in 2013.