



## **PRESS RELEASE**

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### **DMCI HOLDINGS POSTS P10.3B IN 2014**

Diversified engineering conglomerate DMCI Holdings, Inc. posted P10.3 billion in consolidated core income in 2014, a dip of 3% from the P10.6 billion posted last year. The drop in core income was attributable to the weakened operating results of its power and construction subsidiaries.

From P3.5 billion in 2013, net income contributions from power dropped 42% to P2 billion. Technical problems and commissioning delays forced the extended outage of Power Unit 2 of SEM-Calaca Power Corporation, which exposed the company to high Wholesale Electricity Spot Market (WESM) prices for its replacement power during the first half of the year.

Meanwhile, earnings from its construction subsidiary D.M. Consunji, Inc. 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.

Net income contributions from construction dropped 62% to P479 million compared to P1.3 billion the previous year.

The mining, real estate and water businesses posted strong results in 2014, which helped offset the income declines in the other segments.

The mining businesses rebounded from last year's drop and showed significant growth in net income contributions due to the combined effect of higher sales volume and better average prices.

In particular, Semirara Mining and Power Corporation posted a 125% increase from P1 billion in 2013 to P2.3 billion the following year. Net income contributions from DMCI Mining Corporation surged 114% to P362 million, compared to P169 million in 2013.

Real estate subsidiary DMCI Homes continued to deliver remarkable growth, with a 22% increase in net income, mostly coming from gain realized on sale of lots. From P2.7 billion, net income contributions from real estate grew to P3.2 billion.

Continued improvement in the operational performance of affiliate Maynilad Water Services, Inc. pushed net earnings share from the water business to rise 6% to P2 billion compared to P1.9 billion the previous year.

“The resilience of our engineering diversification strategy was apparent in 2014. Despite the weaker-than-expected results of two business segments, we were able to stabilize the overall profitability of our investment portfolio,” said DMCI Holdings Chairman and President Isidro A. Consunji.

DMCI Holdings also reported a P173 million net loss in 2014, which represents its share in the net loss in initial operations of Private Infra Dev Corporation (PIDC), the project proponent and operator of the Tarlac-Pangasinan-La Union Toll Expressway (TPLEX).

Reported consolidated net income decreased by 43% year-on-year mainly due to the one-time gain on sale recognized in 2013. The one-time gain of P519 million in 2014 represents net gain on business combinations accounting for ENK Plc and Toledo Mining Corporation.