



MESSAGE FROM THE CHAIRMAN AND PRESIDENT

Isidro A. Consunji



DMCI HOLDINGS
INCORPORATED



2016 was a tough year for our Company.

Flat earnings due to accounting and taxation issues, weak commodity prices and regulatory uncertainty.



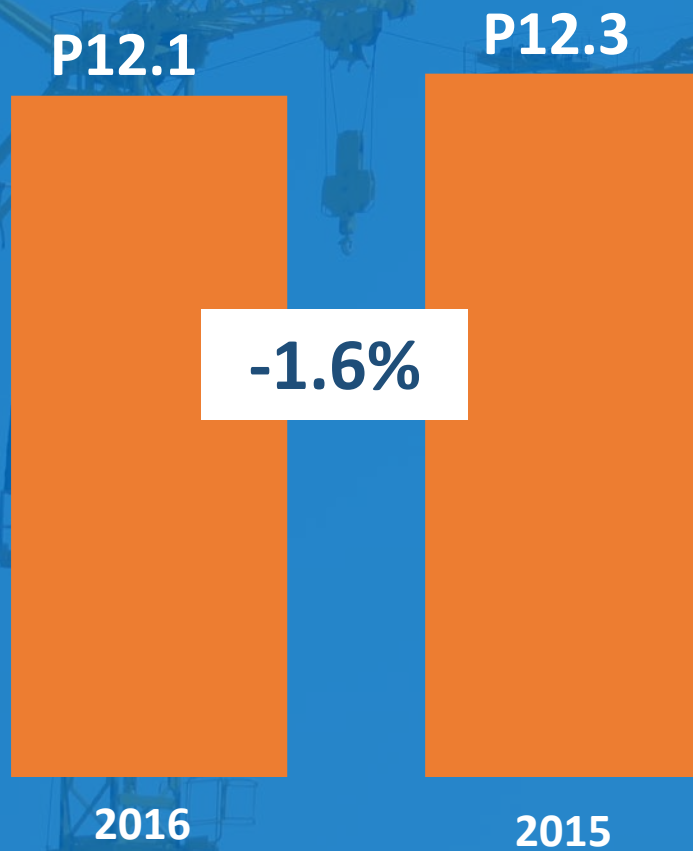
Our resilient business model

We were able to avert a sharp drop in core profitability because of the stellar results of our energy and construction companies.

Unfortunately, despite the good operating performance of our real estate, mining and water businesses, their bottom lines declined.

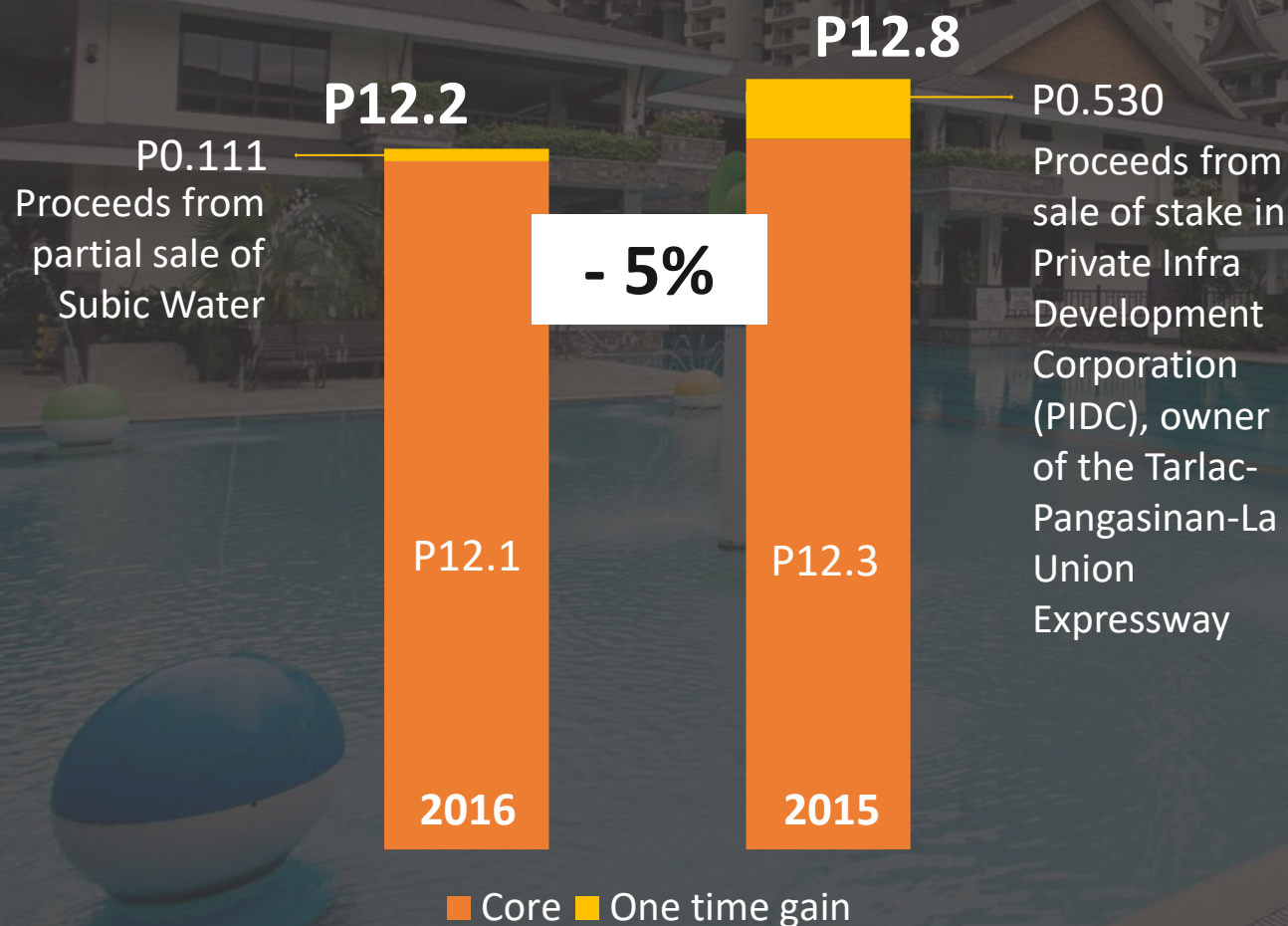
Consolidated Core Net Income

(in billion pesos)



Consolidated Net Income

(in billion pesos)





Net Income

(in million pesos)

Increased due to higher revenues and improved margins

P938



2016

P628



2015

+ 49%



D.M. CONSUNJI, INC.
ENGINEERS • CONTRACTORS

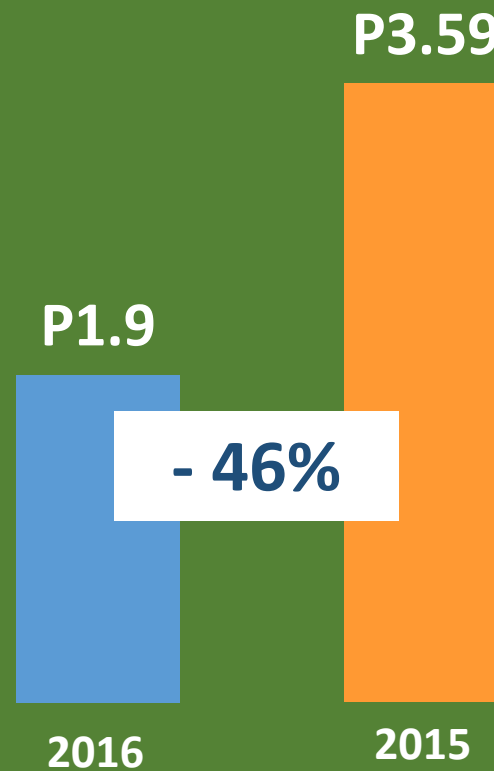




Net Income

(in billion pesos)

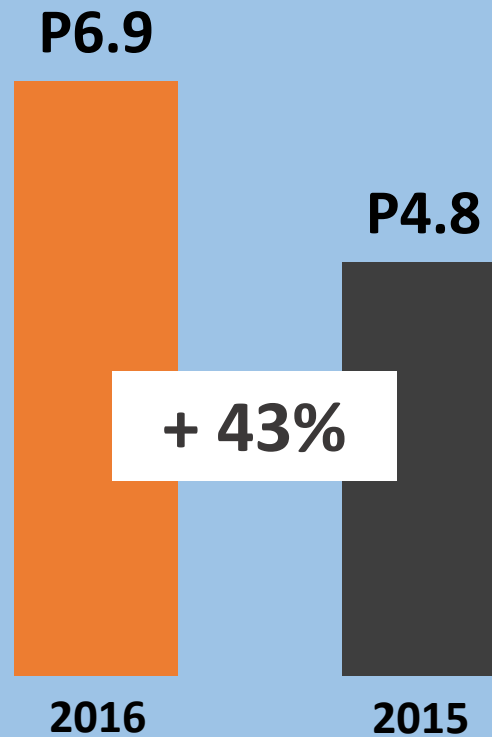
Declined due to deferred revenue recognition from high-rise projects



Net Income Contribution

(in billion pesos)

Hit an all-time-high due to higher coal and power sales

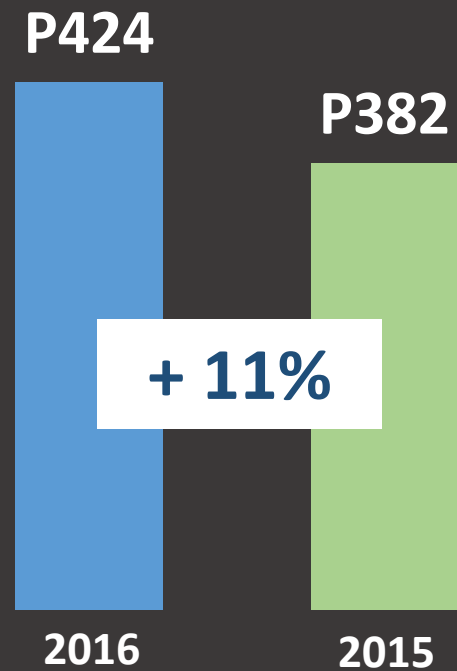




Net Income

(in million pesos)

Improved due to higher electricity sales in Masbate and Palawan, and full-year operations in Oriental Mindoro



DMCI POWER
CORPORATION

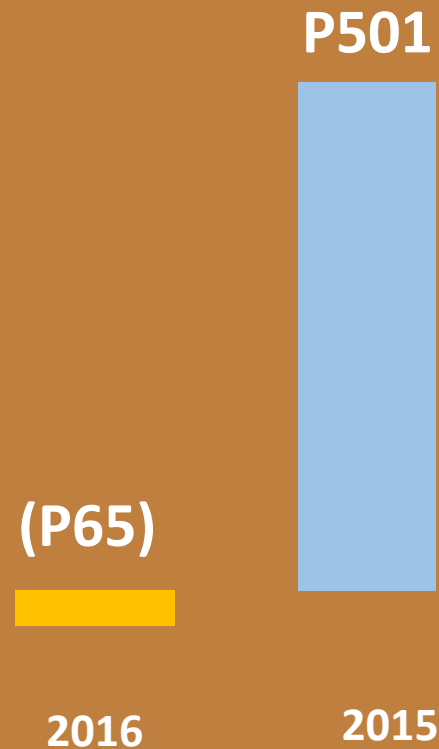




Net Income

(in million pesos)

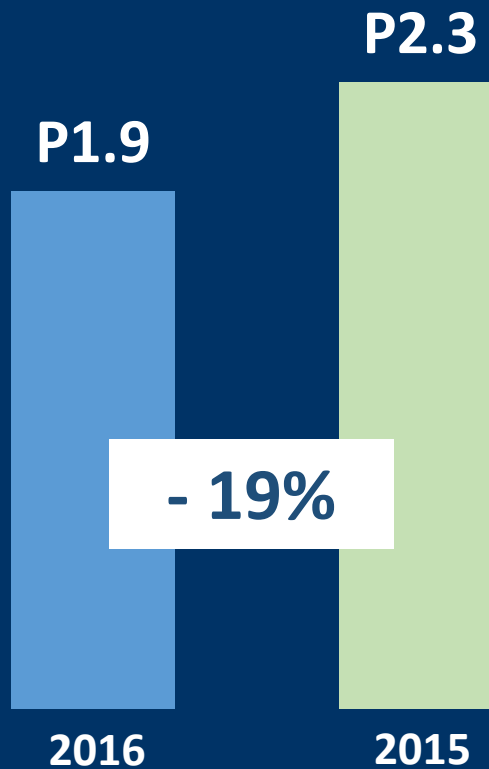
Severely affected by suspensions,
declining nickel prices and sluggish
demand for lower grade nickel



Net Income Contribution

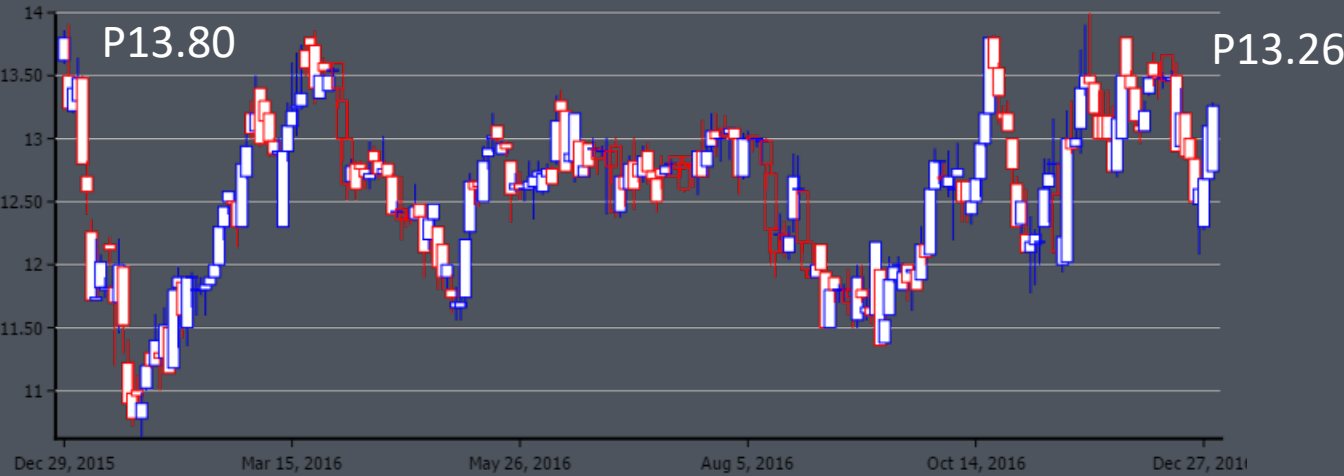
(in billion pesos)

Dropped mainly due to the expiration of its income tax holiday in December 2015

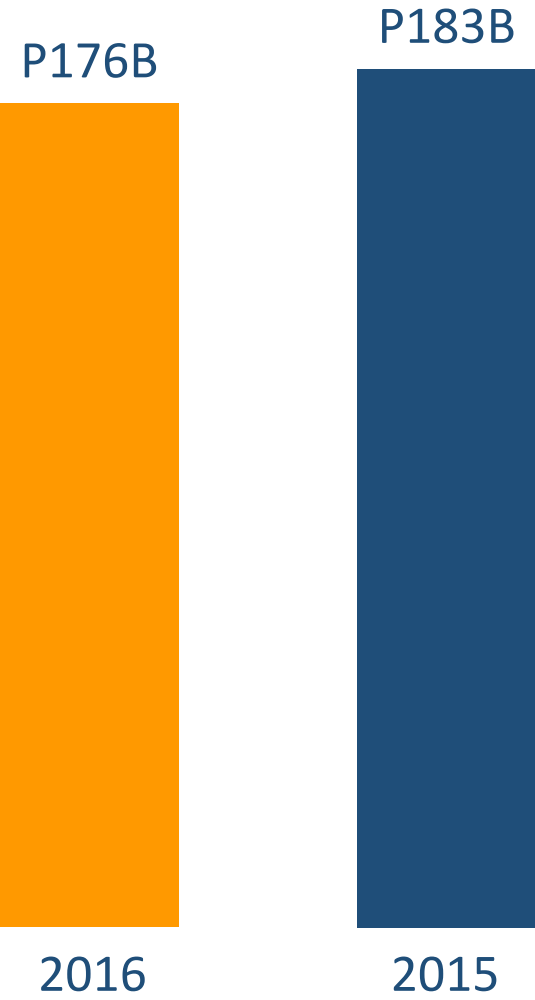


Share Price

Slipped 4% year-on-year compared to PSEi decline of 1.6%



Market Capitalization





**Our Company distributed regular
and special dividends to our
stockholders.**

Regular Dividend: 24 centavos

Special Cash Dividend: 24 centavos

Total payout: P6.37 billion





DMCI group

P23 M

donated to help
build the country's
largest drug
rehabilitation center

Semirara Mining and Power Corporation

1,819,045

hills reforested
since year 2000

DMCI Power Corporation

5,000

residents of Barangay
Irawan benefit
from free medical
consultations



DMCI Homes

250

UP Diliman students benefit daily from the bicycles donated by DMCI Homes

Zambales Diversified Metals Corporation

Scholarships for

41 college students

96 high school students

Berong Nickel Corporation

Support for

181

college students from Palawan

Maynilad Water Services, Inc.

Mission Ginhawa reached out to over

13,000

disaster-stricken families in 2016



Commitment to Strong Corporate Governance

Our Company has been steadily improving its corporate governance framework.

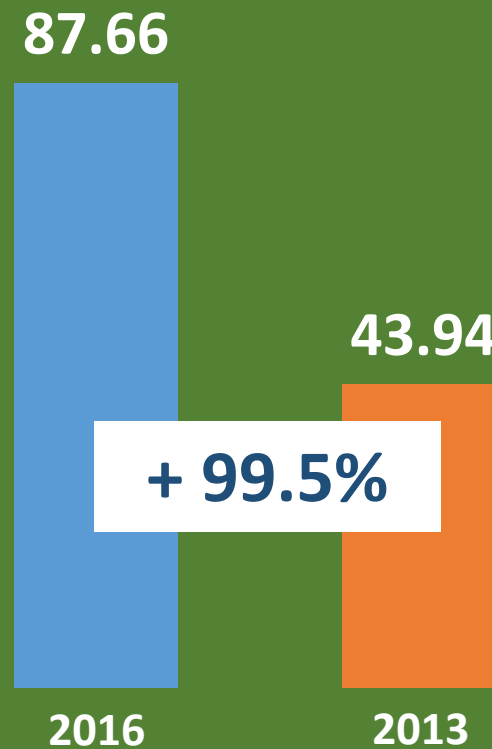
We adopted the ASEAN Corporate Governance scorecard (ACGS)* as an assessment tool.

**The ACGS is a corporate governance rating of a publicly listed company's governance policies and practices based on publicly available information and benchmarked against international best practices. It was initiated by the ASEAN Capital Markets Forum and Asian Development Bank.*



ASEAN Corporate Governance Scorecard (ACGS) Score

Nearly doubled in the last four years



DMCI HOLDINGS
INCORPORATED



Policies Adopted and Amended by the Board of Directors in 2016

Date	Item
10 August 2016	<ul style="list-style-type: none">• Vision Statement• Mission Statement• Corporate Values• Corporate Strategy
10 March 2016	<ul style="list-style-type: none">• Manual on Corporate Governance• Code of Business Conduct and Ethics• Related Party Transactions Policy• Community Interaction Policy• Environmentally Friendly Value Chain Policy• Supplier and Contractor Policy
31 March 2016	<ul style="list-style-type: none">• Conflict of Interest Policy





We have been focusing on risk management.

Over the short and medium-term, we have identified our top three risks and introduced measures to manage them.

Our Top Three Risks

1. Succession Planning

- Established an executive committee
- Launched functional cluster meetings
- Formed a Management Development Program





Our Top Three Risks

2. Legal and Regulatory Compliance

We have dedicated compliance and regulatory teams in our operating subsidiaries.

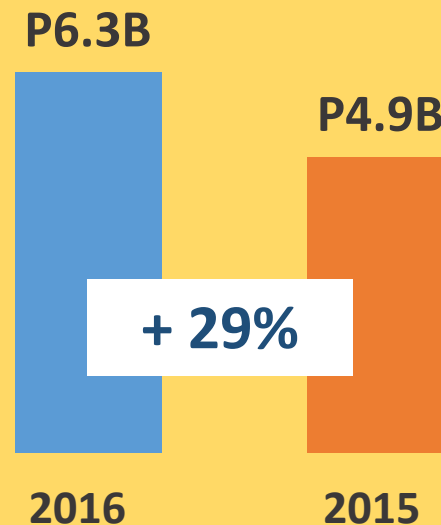
We engage consultants to assist us in our enterprise risk management, internal audit, among others.



Our Top Three Risks

3. Portfolio Management

We instituted a more stringent cash flow monitoring system which allowed us to grow our cash dividend income.



Recent Developments

1. Supreme Court of the Philippines Ruling on North Luzon Railways Corporation (Northrail)

Denied with finality the motions for reconsideration of the Bases Conversion and Development Authority and North Luzon Railways Corporation against DMCI Project Developers, Inc.

Case started in August 2005 when DMCI PDI served a demand for arbitration to BCDA and Northrail.

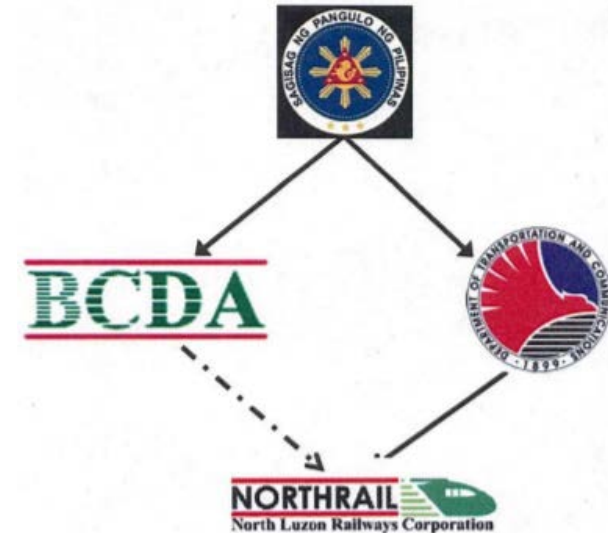


Recent Developments

1. Supreme Court of the Philippines Ruling on North Luzon Railways Corporation (Northrail)

With this ruling, DMCI PDI can now proceed with its arbitration case against BCDA and North Rail.

We expect to begin the arbitration proceeding within the year.



Recent Developments

2. Supreme Court of the Philippines Ruling on Torre De Manila

Dismissed petition for mandamus against DMCI Project Developers, Inc. (DMCI Homes) and lifted the TRO on Torre De Manila on the basis of the following:

- Lack of jurisdiction
- Petitioners have no standing to sue
- Petitioners stand to suffer no injury
- There is no law that prohibits the construction of Torre De Manila



Recent Developments

2. Supreme Court of the Philippines Ruling on Torre De Manila

DMCI Homes can now proceed with finishing Torre De Manila.

Unit turnovers are expected to begin around third quarter of 2019.

We are grateful to our customers for standing by DMCI Homes despite the unfortunate delays.

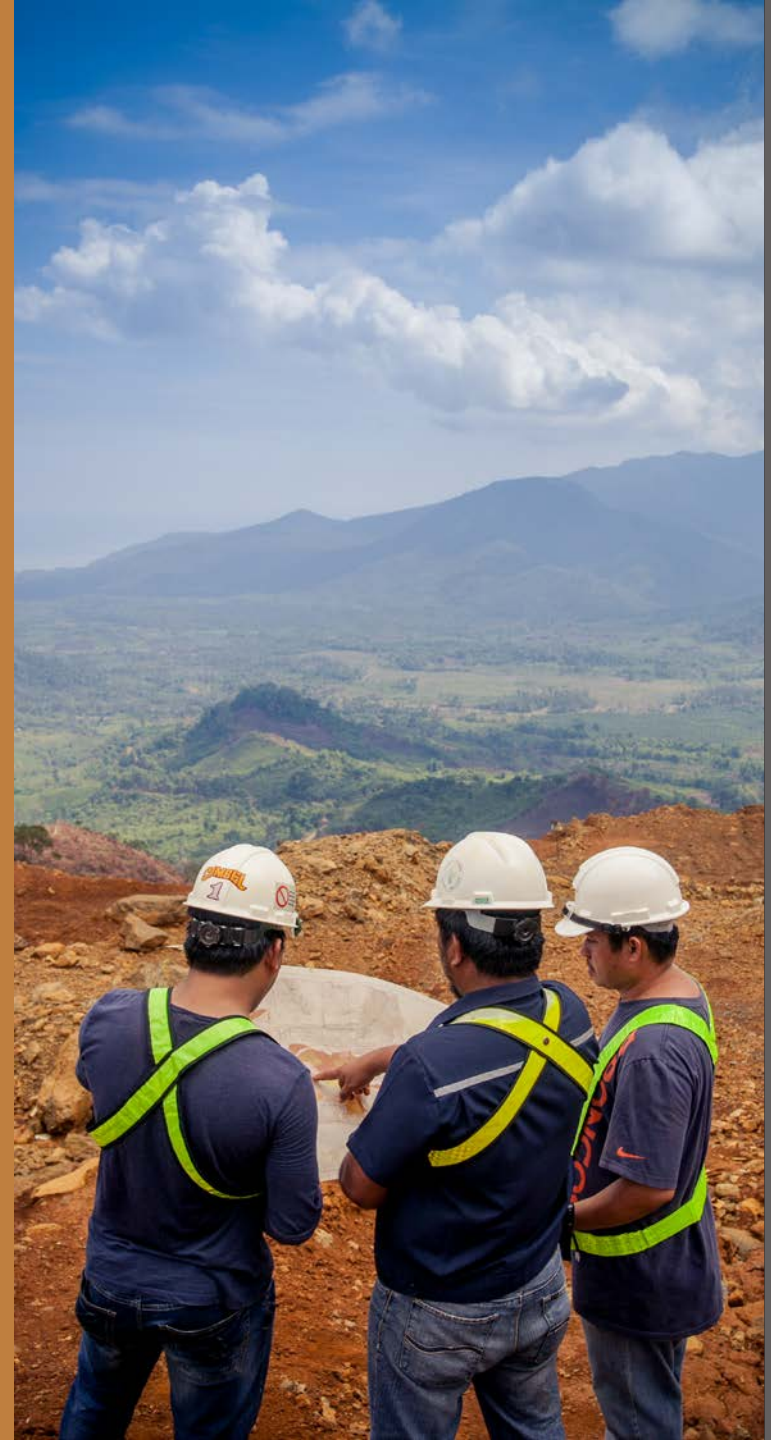


Recent Developments

3. Change in DENR leadership

We hope that the mining industry will be given a fair chance to prove itself and to contribute to the growth of our economy.

We also hope that it will pave the way for the full operations of our Palawan and Zambales nickel mines.



Recent Developments

3. Change in DENR leadership

Berong Nickel Corporation received its ISO14001 Certificate on March 16, 2017.

Zambales Diversified Metals Corporation is in the process of securing its own ISO 14001 certification.

Certificate

Standard **ISO 14001:2004 + Cor. 1:2009**

Certificate Registr. No. 01 104 1734713

Certificate Holder:



Berong Nickel Corporation
Sitio Badlisan, Brgy. Berong, Quezon Palawan, Philippines

Scope:

Nickel Mining Operations

Proof has been furnished by means of an audit that the requirements of ISO 14001:2004 + Cor. 1:2009 are met.

Validity:

The certificate is valid from 2017-03-16 until 2018-09-14.

2017-03-16

K. Jighe

TÜV Rheinland Cert GmbH
Am Grauen Stein · 51105 Köln

www.tuv.com



2016 was marked by many challenges and moments of uncertainty for our Company.

But these did not define or deter us.





“...building is not about making money but putting up structures, making buildings, real things that brought real benefits to other people.”

- Engr. David M. Consunji
Founding Chairman
DMCI Holdings, Inc.





Affordable, reliable
electricity



Education and
Training



Rural Employment



Royalties



Livelihood



Infrastructure



OPEN FORUM



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