

2001 Annual Report



Driving Growth through Strategic Acquisitions



Strategic acquisitions propelled San Miguel Corporation in 2001 - a year when aftershocks of major events here and abroad greatly altered the economic and political environments. The Company acquired Pure Foods Corporation, Coca-Cola Bottlers Philippines, Inc. and Cosmos Bottling Corporation. These acquisitions brought alliances and synergies that will ensure the Company's profitability and growth in the years ahead. With its position in the domestic market secure, the Company is well-positioned to pursue its goal of becoming a major regional player.



A. Financial Highlights

(In million pesos, except per share data)

	2001	2000	Changes
Net Sales	P121,588	P82,308	48%
Income from operations	10,486	7,928	32%
Net Income	6,468	6,844	-5%
Cash Dividends	2,364	2,250	5%
Per Common Share			
Basic earnings per share*	2.62	2.76	-5%
Cash Dividends**	0.99	1.00	-1%

* The basic earnings per share are based on the weighted average number of shares outstanding during each year. The shares issuable under the Company's stock plan have no dilutive effect on basic earnings per share.

** The cash dividends per share are based on the number of shares outstanding at the end of each year.

B. Business Portfolio

B.1. Beverages

SAN MIGUEL BEER DOMESTIC OPERATIONS
Production & marketing of beer & other malt beverages
San Miguel Corporation
5 Breweries

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SAN MIGUEL BEER INTERNATIONAL

Production & Marketing of beer & other malt beverages

San Miguel Brewery Hong Kong, Ltd.

Guangzhou San Miguel Brewery Company, Ltd.

San Miguel Shunde Brewery Company, Ltd.

San Miguel Bada Baoding Brewery Company, Ltd.

P.T. Delta-Djakarta San Miguel Brewery Vietnam, Ltd.

J. Boag & Son

1 brewery each in Vietnam, Indonesia & Australia

4 breweries in China

LA TONDEÑA DISTILLERS, INC.

Production & Marketing of gin, rum & jelly snacks.

Sugarland Corporation

Distilleria Bago, Inc.

4 wines-and-spirits plants

1 alcohol distillery

1 jelly snack plant

COCA-COLA BOTTLERS PHILIPPINES, INC.

Production & Marketing of soft drinks, fruit drinks,

Fruit juices, distilled & mineral water

Cosmos Bottling Corporation

Philippine Beverage Partners, Inc.

30 bottling plants

5 mineral & distilled water plants

3 juice plants

2 powdered juice plants

B.2. Food & Agribusiness

SAN MIGUEL FOODS, INC.

Breeding, hatching, processing & marketing of chicken;

Production & Marketing of feeds

3 poultry processing plants

2 poultry breeder farms

3 hatcheries & 1 animal feed plant

AGRIBUSINESS

Production & Export of coconut oil & other coconut products

1 coconut oil mill

MONTEREY FOODS CORPORATION

Hog breeding; hog & cattle fattening; processing &

Marketing of basic & value added meat products

1 meat plant

7 hog breeder farms

2 cattle farms

MAGNOLIA INC.

Production & marketing of butter, margarine & cheese

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Star Dari, Inc.
1 butter, margarine & cheese plant

PURE FOODS CORPORATION

Production & marketing of processed meats, feeds, poultry & flour

Pure Foods-Hormel Corporation

P.T. Pure Foods Suba Indah

1 processed meat plant

4 feedmill plants

1 flour mill

2 poultry hatchery farms

2 hog farms

B.3. Packaging

METAL

Production & marketing of metal closure & two-piece aluminum cans

San Miguel Corporation

San Miguel Yamamura Ball Corporation

San Miguel Shunde Packaging Company, Ltd.

San Miguel Phu Tho Packaging Company, Ltd.

Domestic:

2 metal closure & lithography plants

1 two - piece aluminum can plant

Foreign:

1 crown line in China

1 crown plant in Vietnam

PLASTICS

Production & marketing of plastic crates, pallets & R-PET bottles

San Miguel Corporation

Rightpak International Corporation

San Miguel Shunde Packaging Company, Ltd.

P.T. San Miguel Sampoerna Packaging Industries, Ltd.

Domestic:

3 plastic plants

Foreign:

1 plastic plant each in China & Indonesia

GLASS

Production & marketing of glass containers & glass molds

San Miguel Corporation

San Miguel Yamamura Asia Corporation

Premium Packaging International, Inc.

San Miguel Yamamura Fuso Molds Corporation

San Miguel Yamamura Haiphong Glass Company, Ltd.

Zhaoqing San Miguel Glass Company, Ltd.

Domestic:

4 plants

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1 glass mold plant

Foreign:

1 crown line in China

1 crown plant in Vietnam

PAPER

Production & marketing of corrugated cartons

San Miguel Rengo Packaging Corporation

Mindanao Corrugated Fiberboard, Inc.

2 carton plants

COMPOSITES

Production & marketing of composites

Rightpak International Corporation

1 composites plant

B.4. Real Estate

SAN MIGUEL PROPERTIES, INC.

Management & development of office, commercial,

Industrial & residential properties

Projects:

The Legacy

Villa de Calamba

Primavera Hills

Bel Aldea

Maravilla

Buenavista Homes

San Miguel Properties Centre

The Enterprise Center

SMC Head Office Complex

HQ Business Centers

Pacific Woods

C. Fellow Stockholders and Employees

In 2001, your management took bold steps to securely set in motion the Company's growth and profitability in the coming years.

Major acquisitions highlighted our strategies in 2001: Coca-Cola Bottlers Philippines, Inc. (CCBPI), Pure Foods Corporation and Cosmos Bottling Corporation - all blue chip deals that fortified our position in the domestic market. These acquisitions were part of a purposive and deliberate initiative to put San Miguel Corporation in a position of leadership and strength.

CCBPI brings our business into the non-alcoholic beverage market with carbonated beverages representing a considerable segment of this market. CCBPI also bought Philippine Beverage Partners, Inc. (PhilBev) from La Tondeña Distillers, Inc. (LTDI) which had earlier spun-off its water and juice businesses and formed PhilBev in the process. Under the management of CCBPI, PhilBev pursues opportunities in the soft beverage market which is nearly three times

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larger than the carbonated soft drinks market. CCBPI will focus on growing the non-carbonated beverage business of San Miguel.

Integrating the entire business will be our main objective in 2002 as we move to maximize synergies at all levels. Already we have begun to realize benefits in sales and logistics and similar synergies are under evaluation to draw out efficiencies in production.

Pure Foods greatly widened the scope of our food business. Prior to the acquisition, the San Miguel Food Group had P7 billion in assets. With Pure Foods, it currently has P16 billion in assets.

Brands and product formats for both San Miguel Food Group and Pure Foods will be integrated and rationalized with strategic product positioning. Modes of distribution, selling and marketing will be reviewed and subject to collaborative efforts. Resources will be fully utilized and reallocated as we integrate facilities, manpower, sales and marketing programs.

During the second semester of 2001, negotiations and agreements to acquire Cosmos Bottling Corporation (CBC) were pursued in earnest. The acquisition was finalized and completed in January 2002. The products that CBC brings complement CCBPI's roster of carbonated beverages. CBC covers the low-priced market sector with a robust presence in the growing root beer segment. This acquisition will allow us to quench the thirst of our consumers with a broader range of affordable soft drinks as CBC is integrated into the San Miguel Group, bringing out the best synergies available.

Following these acquisitions, we welcomed Kirin Brewery Company, Ltd. of Japan as an investor. With today's industries being shaped by two powerful forces namely, globalization and consolidation, our partnership with a major Asian conglomerate enhances the prospects of a stronger San Miguel presence in the Asia-Pacific region. Kirin's businesses which include, among others, beverages, food, nutrient food & feed and pharmaceutical, bring interesting possibilities for our diversified operations.

Over the last few years we have been guided by a strategy that is laying the groundwork for further growth. Our results for the year 2000 certainly reflect San Miguel's commitment to delivering higher levels of value and performance to our shareholders.

These developments took place amid the aftershocks of major events here and abroad that greatly altered the economic, business and political scenario. The Company performed well against this backdrop.

Your Company generated consolidated net sales of P122 billion, a 48% improvement over the P82.3 billion in 2000. Revenue grew across all businesses: 48% in beverage, 90% in the food group and 1% in packaging.

Operating income registered at P10.5 billion, 32% higher than the P7.93 billion the previous year. Consolidated net income without CCBPI and Pure Foods would have reached P7.31 billion, up 7% from last year. But due to the short-term dilutive effects of the CCBPI acquisition, net income amounted to P6.47 billion, against P6.84 billion in 2000.

Weak consumer spending, an unfavorable foreign exchange rate and high costs characterized the business environment. Thus, we can confidently say that we weathered the crisis and came out ahead. Our achievements can be attributed to two things: first, the wisdom of our strategies which include working on the basics of our core businesses, harnessing the strength of our

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brands and maintaining a healthy balance sheet. And second, the professionalism and expertise of our employees across the entire organization.

Long-term profitability, however, in an increasingly competitive global environment demands that our businesses grow rapidly. The acquisitions provide the necessary channel to expand our businesses and capture markets almost immediately. Aside from that, we gained competitive advantage with added leverage and valuable learning. Cost structures can now be enhanced with potential synergies in several areas from raw materials sourcing to sales and marketing.

While we do expect our earnings outlook to improve with the early contributions from the acquisitions, their full value, however, will be realized in the next few years. We have been working on integration processes to safeguard and maximize the value of the acquired companies. This is necessary as varied cultures with different business practices and once-competing management teams are now tasked to work and function together. Quite a number of synergies have yielded tangible payoffs in a variety of areas. More gains will materialize in the coming months as we continue to integrate these businesses to become even more responsive and efficient, reducing operational overlaps and streamlining all systems.

Fellow stockholders, our leadership in our core businesses is more than secure. We have moved on to a higher ground from where we are strongly positioned to take advantage of more opportunities to assure us of a consistently profitable future.

Now that we have strengthened our position in the domestic market, we will continue to pursue our goal of becoming a major regional player. Currently we have a direct manufacturing presence in five Asia-Pacific countries. San Miguel Beer remains the leading brand in Hong Kong and Guangzhou with strong market positions in Australia, Vietnam and Indonesia.

All these developments fit in well with our plans of creating an extensive logistics and distribution network. We have actually broken ground and started work in the main hub of this network. With all the new products to deliver and the entire Philippine market to serve, our systems must be efficiently interconnected to bring the San Miguel brand anywhere in the country at the soonest possible time.

We are very excited about the future of San Miguel. The acquisitions provide new and powerful growth engines that should bring our organization into platforms with new opportunities at every turn. We have built on our strengths and kept our course.

Again, we would like to recognize the contribution of each and every employee whose dedication, loyalty and hard work have made San Miguel, the premier company in Philippine business.

And we thank you, our stockholders. Your trust and confidence have inspired us to build a better company worthy of your investment.

D. Management Discussion and Analysis

In 2001, San Miguel Corporation further diversified its beverage portfolio as it reentered the soft drinks industry and realigned its water and juice businesses.

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Beer

San Miguel Beer Division's (SMBD) domestic operations posted an operating income of P4.14 billion, a slight improvement from last year, even as the entire beer industry was stalled by the economic slow down. Declining farm incomes and tight competition from other alcoholic beverages aggravated market conditions. Volumes dropped 3% from the previous year's level.

Market Share, based on Retail Trade Audit, reached its highest level in eight year. Initiatives to optimize trade coverage, more aggressive marketing efforts and the implementation of trade and consumer programs to improve availability were pursued even as the market tightened.

To address the various needs of a highly segmented market, SMBD mounted specific campaigns to push volumes for each brand. A new, thematic campaign, "Nandito Ang Sarap", strengthened San Miguel Beer's leadership position among all brands.

San Mig Light continued to stay ahead in terms of growth, bolstered by innovative events and lifestyle marketing. Red Horse rode on its "Tunay na Lakas" campaign to improve market share in the strong beer segment. Gold Eagle kept a firm hold of the economy market with a "Pangkondisyon" campaign, fortifying its presence in Visayas and Mindanao.

International operations posted US\$8.77 million in consolidated operating income, a 31% hike from last year. Sales revenue improved by 5%. Volumes matched last year's levels amid difficult market conditions and intense competition from foreign players. San Miguel Beer moved into its global positioning strategy with the Great Asian Beer campaign.

China Business Operations implemented the One China Organization Structure, aligning and integrating the entire China strategy. North China operations performed better than last year with the continued success of Blue Star, a more efficient sales system and improved price structures. Lower sales volume, however, tempered South China operations notwithstanding aggressive sales initiatives. Hong Kong's volumes remained stable but a substantial beer tax put a squeeze on profits.

Vietnam posted a substantial 77% increase in sales volume. This was brought about by improvements in the distribution structure and selling systems that focused on outlet management. In Indonesia, political and economic uncertainties, declining exchange rates, restrained consumer demand and higher selling prices to cover large tax increases deflated volumes and profit.

San Miguel Corporation benefited from a full one-year impact of J. Boag and Son's operations in 2001 against partial 2000 results. Despite a declining Australian beer market, J. Boag & son grew its volumes and revenue and substantially improved its operating income. James Boag Premium was re-launched with new packaging while James Boag Premium Light was launched in Tasmania.

New export markets were opened in Texas, Illinois, Ohio, Virginia, Florida, Angola, Panama, Sharjah in the United Arab Emirates and Oman, bringing our market base to a total of 43 export markets. Cerveza Negra, also known as San Miguel Dark Beer in other countries, entered Korean market while San Mig Light was introduced in Guam.

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Hard Liquor

La Tondeña Distillers, Inc. (LTDI) pushed operating income up by 2% to P2.92 billion as higher selling prices were complemented by contained fixed costs. Net income grew by 39% to P1.88 billion as a result of the one-time gain on the sale of the non-liquor business. Without the one-time gain, net income registered at P1.2 billion.

Ginebra San Miguel Continued to maintain its market leadership even as total liquor volumes declined amid a persistently weak market coupled with a deliberate effort by management to improve trade inventory levels. Despite higher selling prices, revenues were flat due to lower volumes.

Sales and marketing efforts were intensified to perk up consumer demand. In South Philippines, two new products that were rolled out in the first semester-VK 35 and GSM Blue-showed, promising results.

Inroads to the ASEAN market were established. In Thailand, a tie-up with major beverage company doubled export volumes. Ginebra San Miguel and Tondeña Manila Rhum gained headway into the South Korean, Taiwan and Malaysian markets.

Towards the end of the year, La Tondeña Distillers, Inc. spun off and sold its water and juice businesses to Coca-Cola Bottlers Philippines, Inc. (CCBPI) and The Coca-Cola Company as it set out on its new mandate to focus on the liquor business.

Soft Drinks

With the reacquisition of CCBPI, San Miguel Corporation reentered the soft drink market and widened its portfolio base in the beverage industry. For the period covering May to December, contributions to San Miguel amounted to P21.12 billion in revenue and P1.11 billion in operating income.

Several product innovations marked 2001 with the entry of Barq's Root Beer and Schweppes Tonic/Soda Water in 330 ml. cans into the root beer and mixer markets.

Integration with the San Miguel Group has produced rationalizations particularly in sales operations. Among others, these include the closure of a large part of CCBPI's "mini-bodega" network and the handover of its operations to reliable wholesalers and dealers or conventional route servicing.

CCBPI's acquisition of Cosmos Bottling Corporation (CBC) brings with it CBC's loyal and large economy soft drink following. Since the negotiations with CBC occurred just before year-end, the synergies and alliances will be more evident towards the end of 2002.

Water & Juice

Revenue from the water business grew by 2% to P1.08 billion while operating income rose to 223 million. Efforts to increase consumer awareness on the benefits of branded water were intensified to offset the proliferation of refilling stations. Bottled water volumes grew, bolstered by a strong PET performance and the turnaround of the five-gallon segment.

The powdered juice segment enjoyed a 58% surge in its net sales revenue from the previous year. The strong performance of Ponkana boosted overall volume growth. However, increased cost of sugar and pre-mixes depressed gross margins.

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Meanwhile, the ready-to-drink juice segment slowed down as the market contracted in the face of consumer preference for lower-priced variants.

With the acquisition of Pure Foods, SMC is now the market leader in the country's fast growing food industry, particularly in the refrigerated/processed meats market, and the poultry and feeds industries.

The San Miguel Food Group (SMFG), including Pure Foods Corporation, performed strongly in 2001, registering a sizeable 90% growth in consolidated revenues at P32.74 billion. Operating income reached P2.12 billion, 269% over last year. These were achieved despite a weak consumer market with the poultry business exhibiting high profitability, feeds driving volumes and the consolidation of Pure Foods. During its first nine months with SMC, Pure Foods contributed P12.27 billion in operating income.

Poultry

The industry experienced a surge in chicken prices for most of the year brought about by a shortage of broiler supply. San Miguel Foods, Inc.'s (CMFI) poultry revenue grew 15% to P6.96 billion and operating income more than doubled at P277 million. Volumes grew by 6%. Food service continued to provide a major area of growth and Magnolia remained the supplier of choice for major fast food chains. Pure Foods' poultry business contributed revenue of P4.44 billion. Operating income was recorded at P308 million.

Feeds

SMFI's feeds business posted operating income of P440 million, a 67% jump from last year's P264 million. Revenues reached P6.61 billion as the business brought in strong volumes. This was achieved through aggressive marketing campaigns, demand-creation activities and supply quality and availability programs. Pure Foods' feeds business brought in P1.53 billion in revenue and P70.3 million in operating income.

Animal feeds were driven by the hog segment as farmers opted for performance feeds. Aquatic feeds continued to shift into inland pen and cage and sea farming. Demand for both sinking and floating feeds increased as intensive systems were set up. B-Meg introduced Expert, a low-cost feed in Luzon.

Flour

Pure Foods' flour business posted a revenue of P2.41 billion and operating income of P154 million. These were largely spurred by the recovery of flour selling prices particularly with the pricing of the Emperor and King Premium brands together with specialty and blended flours. Production operated to near full capacity to further push margins.

Meats

Monterey grew revenue by 10% to P3.82 billion mainly from volume improvements in pork and the value-added segment. Operating income was recorded at P292 million.

Boosted by Monterey's strong presence in the supermarkets, pork sales revenue improved by 16% to P2.50 billion. Volumes grew by 7%. As demand went up, Monterey improved its hog production facilities and outsourcing.

Monterey's beef business revenue dropped by 6% to P1.05 billion. Sales volumes declined as the "mad cow" scare unsettled the entire industry and customers opted for relatively safe alternatives. Monterey opened 32 outlets last year.

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Processed Meats

Stronger volumes and improved prices drove the Food Group's processed meats business despite an 11% decline in industry volume. Pure Foods contributed P5.92 billion in sales revenues and P618 million in operation income.

Refrigerated meats, which continued to be the main revenue and profit generator, boosted market share with robust volumes for hotdogs, bacon and cold cuts. Pure Foods Hormel outpaced the industry with gains of 16% in revenue and 26% in operating income. Canned good volumes increased by 11% against the industry's 7% growth. All these cushioned the operating loss of San Miguel CampoCarne Corporation.

Butter, Cheese & Margarine

Philippine Dairy Products Corporation faced a flat market where demand for cheese declined and that for butter improved. Operating income registered at P315 million while volumes had a 1% increment. Sales revenue went up by 4% largely due to price increases to ease the effect of cost hikes of imported ingredients and an unfavorable foreign exchange.

Agribusiness

Our oils and fats business contributed P160 million in operation income. Agribusiness revenue improved by 2% from last year despite a sluggish market.

San Miguel Packaging Products (SMPP) faced a challenging year with a diversified sales push, tight cost and funds management, and improved efficiencies and productivity levels across all its businesses.

SMPP registered sales revenues of P13.56 billion, 1% higher than previous year's P13.45 billion. The vulnerability of the packaging industry to the business conditions of its clients was highly evident in 2002. Sales of packaging products to internal customers in the San Miguel Group settled to much lower levels coming from an all-time high in year 2000 which saw SMPP lending support to an aggressive sales push of internal customers. Multinational companies that have pulled out manufacturing facilities from the Philippines embarked on regional supply purchasing, sourcing from various regional packaging suppliers. The advent of e-bidding also drove down profit margins across the entire packaging industry. These factors, along with intense domestic competition, exerted a downward pressure on selling prices, aggravating the impact of price increases in imported raw materials to adversely squeeze profit margins. Operating income was recorded at P1.57 billion, 17% lower than a year ago.

New markets, both domestic and overseas, were developed as we pushed sales to new customers in food, beverage and pharmaceuticals. SMPP took advantage of export opportunities and started non-traditional activities such as trading and contract packaging.

The division's five overseas joint ventures were operationally cash self-sufficient, with four of them registering positive net incomes. Total revenue slightly improved at P1.24 billion while operating income reached P122 million. San Miguel Yamamura Haiphong Glass Co., LTD. achieved a 50% hike in its operating income. P.T. San Miguel Sampoerna Packaging Ind., Ltd. raised sales volumes, revenue and operating income.

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Glass

Large volumes by internal customers in 2000 tempered the demand for returnable packaging this year. Revenue reached P4.79 billion and operating income was at P844 million. Both were lower from last year by 8% and 14%, respectively.

Paper

Better volumes from new and major customers increased revenue by 16% to P1.96 billion. Operating income, however, was cut down by 32% to P109 million as stiff competitions prevented any selling price increase from being implemented.

Plastics

Revenue registered at P1.74 billion while operating income stood at P585 million. Coming from an extremely high base in 2000 to a low demand this year, revenue and operating income dropped by 22% and 21%, respectively. Initial efforts in the pallet and crate leasing business were put in high gear, laying the groundwork for future growth in this area.

Metal

Operating income improved by 32% to P627 million while revenue increased to P4.18 billion, 20% over last year despite the weak demand for metal crowns from internal customers. Demand for two-piece cans remained favorable. San Miguel Yamamura Ball Corporation anchored its performance on improved sales and cost containment to register sales revenue of P1.93 billion and an operating income of P181 million.

Composites

Intense competition held down composite volumes, and consequently reduced revenue and operating income. Revenue stood at P920 million while operating income was posted at P84.6 million. Under composites, we embarked on contract packaging, a service that will be further developed in the near future.

San Miguel Corporation generated consolidated net sales of P122 billion, a 48% improvement over the P82.3 billion in 2000. Revenue grew across all businesses: 48% in beverage, 90% in the food group and 1% in packaging.

Operating income registered at P10.5 billion, 32% higher than the P7.93 billion the previous year. Consolidated net income was posted at P6.47 billion, a 5% decline from last year's performance of P6.84 billion largely due to the short-term dilutive effects of the CCBPI acquisition.

Net financing charges increased substantially to P2.71 billion from P641 million as a result of the full consolidation of the acquisitions and because the average interest rates on short and long term loans for the year were higher versus last year. Further to this, interest income dropped by over a billion pesos as cash resources were used for acquisitions.

Net income contribution from Coca-Cola Bottlers Philippines, Inc. of P473 million, net of minority interest, was less than the foregone equity earnings from Coca-Cola Amatil of P744 million and the amortization of the deferred income on the non-competition agreement of P446 million.

The balance sheet of San Miguel Corporation remained strong in 2001 despite the economic slowdown.

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Cash and short-term securities decreased to P25.4 billion from last year's level of P43.0 billion due to the acquisition of Pure Foods and CCBPI.

The company's current ratio is at 1.61 compared to 1.81 last year, while our indebtedness remains manageable with a debt to equity ratio of 0.92

Consolidated assets reached P14 billion, an increase of P11.2 billion over last year primarily due to the consolidation of CCBPI and Pure Foods. Earnings per share were at P2.62 against 2000 level of P2.76. Return on average stockholders equity was 9.9%

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E. Selected Financial Data

(Amounts in Millions, Except Per Share and Statistical Data)

For the Year	2001	2000	1999
Net Sales	P121,588	P82,308	P69,776
Income from Operations	P10,486	P7,928	P6,688
Net Income	P6,468	P6,844	P6,016
Basic Earnings Per Share	P2.62	P2.76	P2.29
Taxes	P21,852	P18,458	P17,375
Cash Dividends	P2,364	P2,250	P2,759
Cash Dividends Per Share A	P0.99	P1.00	P1.23
Stock Dividends	10%	-	10%
At Year-End			
Working Capital	P30,676	P35,581	P34,305
Total Assets	P164,235	P153,029	P137,410
Property, Plant & Equipment - Net	P59,858	P49,708	P45,553
Stockholders' Equity	P65,327	P65,912	P55,733
Stockholders' Equity Per Share ^A	P27.33	P29.28	P24.77
Number of Shares Outstanding - Net of Treasury Shares	2,389,912,004	2,250,734,081	2,249,789,366
Number of Stockholders	49,500	49,687	50,245
Number of Employees	26,697	14,864	14,511
Financial Statistics			
% Return on Average Stockholders' Equity	9.86	11.25	9.80
Current Ratio	1.62	1.81	1.87
Debt to Equity Ratio ^B	0.92	0.99	1.11
Market Price			
Class A - High	P50.91	P58.00	P74.00
- Low	P37.50	P44.00	P39.67
Class B - High	P66.36	P57.50	P86.50
- Low	P42.00	P46.50	P45.45

A - Based on the number of shares outstanding at the end of each year

B - Total debt to stockholders' equity and minority interest

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F. Consolidated Balance Sheets

(Amounts in Millions)

	2001	2000
CURRENT ASSETS		
Cash and short-term securities	P25,432	P43,036
Receivables - net	25,345	20,375
Inventories - net	27,110	13,295
Prepaid expenses and other current assests	2,811	2,548
Total Current Assets	80,698	79,254
Investments - net	6,070	10,454
Property, Plant and Equipment - net	17,609	13,613
	P164,235	P153,029
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current Liabilities		
Drafts and loans payable	P22,183	P21,400
Accounts Payable and accrued expenses	17,890	14,658
Income and other taxes payable	2,610	1,823
Dividends Payable	592	325
Current maturities of long-term debt	6,747	5,467
Total Current Liabilities	50,022	43,673
Long-term Debt - net of current maturities	21,774	22,119
Non-current Liabilities and Deferred Credits	7,035	10,305
Minority Interest in Consolidated Subsidiaries	20,077	11,020
Stockholders' Equity		
Capital stock	13,700	12,573
Additional paid-in capital	1,498	1,480
Cumulative translation adjustment	9,563	9,556
Appropriated retained earnings	4,925	5,096
Unappropriated retained Earnings	56,365	53,215
Treasury Stock - at cost	(20,724)	(16,008)
	65,327	65,912
	P164,235	P153,029

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G. Consolidated Statements of Income

(Amounts in Millions, Except Per Share Data)

	2001	2000	1999
Sales	P121,588	P82,308	P69,776
Cost of Sales	80,240	54,048	47,864
Gross Profit	41,348	28,260	21,912
Operating Expenses	30,862	20,332	15,224
Income from Operations	P10,486	P7,928	P6,688
Other Income (Charges)			
Financial Charges	(2,707)	(641)	(751)
Minority Interest in net earnings of subsidiaries	(1,781)	(630)	(285)
Equity in net earnings of affiliates	616	1,284	901
Others - net	2,948	(126)	1,016
	(924)	(113)	881
Income Before Income Tax	9,562	7,815	7,569
Provision for Income Tax	3,094	971	1,553
Net Income	P6,468	P6,844	P6,016
Basic Earnings Per Share	P2.62	P2.76	P2.29

