



SAN MIGUEL CORPORATION

July 5, 2012

The Philippine Stock Exchange, Inc.
Disclosure Department
3rd Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Attention: **Ms. Janet A. Encarnacion**
Head - Disclosure Department

Re: **Amended Annual Report**

Gentlemen:

We are submitting herewith an electronic copy of the amended Annual Report (Sec form 17a) of San Miguel Corporation, without the annexes and attachments, as filed with the Securities and Exchange Commission. The amendments are underscored in the said report, specifically on page 25 on per diems of directors, page 27 on the shareholdings of directors of the Company in Top Frontier, and page 27 on ECJ Holdings.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer



107052012001041

**SECURITIES AND EXCHANGE COMMISSION**

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COVER SHEET

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(Company's Full Name)

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(Business Address: No. Street City/Town/Province)

Atty. Mary Rose S. Tan

Contact Person

(632) 632-3000

Company Telephone Number

AMENDED SEC FORM

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Month

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Secondary License Type, If Applicable

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Amended Articles Number/Section

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Total No. of Stockholders

Total Amount of Borrowings

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Domestic

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Foreign

To be accomplished by SEC Personnel concerned

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended **December 31, 2011**
2. SEC Identification Number **PW 000277** 3. BIR Tax Identification No. **041-000-060-741-V**
4. Exact name of issuer as specified in its charter **SAN MIGUEL CORPORATION**
5. **Philippines** 6.
Province, Country or other jurisdiction of Industry Classification Code:
incorporation or organization
7. **No. 40 San Miguel Avenue, Mandaluyong City** **1550**
Address of principal office Postal Code
8. **(02) 632-3000**
Issuer's telephone number, including area code
9. **N/A**
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

Title of Each Class	Number of Shares of Common and Preferred Stock Outstanding and approximate Debt Outstanding (as of December 31, 2011)
Common Shares	2,369,031,302
Series 1 Preferred Shares	<u>970,506,353</u>
TOTAL	3,339,537,655
Total Liabilities	₱ 591,436 million

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

Yes [☒] No [☐]

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

Philippine Stock Exchange

Common and Series "1" Preferred Shares

12. Check whether the issuer:

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

Yes [☒] No [☐]

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

Yes [☒] No [☐]

13. The aggregate market value of the voting stock held by non-affiliates of the Company as of December 31, 2011 and March 31, 2012 is ₱65,584,842,908.80 and ₱63,392,776,563.30, respectively.

DOCUMENTS INCORPORATED BY REFERENCE

14. The following documents are attached and incorporated by reference:

None.

PART I – BUSINESS AND GENERAL INFORMATION

Item 1. Business

San Miguel Corporation (SMC or the Parent Company), together with its subsidiaries (collectively referred to as the Group), is one of the largest companies in the Philippines in terms of market capitalization and is a highly diversified conglomerate. It has leading businesses in beer, liquor, food, packaging, power and fuel and oil. SMC's traditional businesses comprise primarily beverage, food and packaging products. SMC has embarked on a diversification strategy and has expanded into a number of new businesses, including power, fuel and oil, infrastructure, mining, telecommunications, property development and other businesses outside of its traditional businesses. SMC has implemented this strategy through a series of acquisitions and investments.

As part of its growth strategy, SMC, either directly or through its subsidiaries, made a series of acquisitions in the fuel and oil, power, infrastructure, telecommunications, banking and mining industries over the past three years. A summary of these transactions is set forth below.

- SMC has 68.26% equity interest in Petron Corporation (Petron)
- SMC has acquired the rights, pursuant to IPPA agreements with Power Sector Assets and Liabilities Management Corporation to administer three power plants in Sual, Ilijan and San Roque.
- SMC owns a 33.19% equity interest in the Manila Electric Company (Meralco)
- SMC made the following infrastructure acquisitions:
 - a. A 35.0% equity interest in Private Infra Dev Corporation (PIDC)
 - b. A 93.0% equity interest in Trans Aire Development Holdings Corp. (TADHC, formerly known as Caticlan International Airport Development Corporation)
 - c. A 51.0% equity interest in Universal LRT Corporation (BVI) Limited (Universal LRT)
 - d. A 46.53% equity interest in Atlantic Aurum Investments BV (Atlantic)
- SMC made the following telecommunications acquisitions:
 - a. A 41.5% equity interest in Liberty Telecommunications Holdings, Inc. (LTHI)
 - b. A 100.0% equity interest in Bell Telecommunications Philippines (BellTel)

- c. A 100% equity interest in A.G.N. Philippines, Inc. (AGNP) which holds 40% interest in Eastern Telecommunications Philippines, Inc. (ETPI) and 37.7% equity interest in ETPI through its wholly-owned subsidiary, San Miguel Equity Securities, Inc.
- SMC made the following mining acquisitions:
 - a. A 100.0% equity interest in each of the three concession holders of coal deposits in the Southern Mindanao region – namely, Daguma Agro Minerals, Inc., Bonanza Energy Resources, Inc. and Sultan Energy Phils. Corp.
- As of December 31, 2011, a 39.93% equity interest in Bank of Commerce through SMPI

Established in 1890 as a single-product brewery, SMC has transformed itself from a market leading beverages, food and packaging business with a globally recognized beer brand, into a large and diversified conglomerate with additional markets, leading businesses and investments on power, fuel and oil, infrastructure, telecommunications, banking and mining industries. In 2011, the Group accounts for about 4.18 % of the country's gross national income and 5.50% of the country's gross domestic product.

The Group's flagship product, San Miguel Beer, is among the world's largest selling beers and among the top brands in Southeast Asia.

From its original cerveza, the Group now owns a wide range of popular beverage brands and products that extends from beer to hard liquor, bottled water, powdered juice and juice drinks.

The Group's food operations includes the production and marketing of fresh, ready-to-cook and processed chicken, fresh pork and beef and value-added meats, milk, butter, cheese, margarine, ice cream, flour products, coffee, cooking oil and animal and aquatic feeds.

Through the partnerships it has forged with major international companies, the Group has gained access to the latest technologies and expertise, thereby enhancing the Group's status as a world-class organization.

The Parent Company has strategic partnerships with international companies, among them Nihon Yamamura Glass Company, Ltd. (NYG), Hormel Foods International Corporation (HFIC) of the United States, Super Coffee Corporation Pte Ltd (SCCPL) of Singapore, Penderyn Pte Ltd. (Penderyn) and Kirin Holdings Company Limited (Kirin), one of the largest beer manufacturing company in Japan.

The Group is one of the nation's biggest private employers with an estimated 17,151 employees. In addition, the Group contributes to the growth of downstream industries and sustains a network of hundreds of third party suppliers in 2011.

Major developments in the Group are discussed in Management's Discussion and Analyses of Financial Position and Performance, attached herein as **Annex "A"**, and in Notes 5, 6, 8, 13, 14, 15, 44 and 45 of the Audited Consolidated Financial statements, attached herein as **Annex "B"**.

Core Businesses:

Beverages

San Miguel Brewery Inc. (SMB) has five breweries in the Philippines strategically located in Luzon, Visayas and Mindanao.

The international beer group operates one brewery each in Indonesia, Vietnam, Thailand, and two breweries in China.

Apart from beer, the Group also produces hard liquor through its majority-owned subsidiary, Ginebra San Miguel, Inc. (GSMI). GSMI is one of the world's largest gin producer by volume. It has two distillers and four bottling plants.

The Group also produces non-carbonated ready-to-drink tea and fruit juices in the Philippines through GSML.

Below is a list of the beverage subsidiaries as of December 31, 2011:

San Miguel Brewery Inc. and subsidiaries [including Iconic Beverages, Inc., Brewery Properties Inc. and subsidiary, Brewery Landholdings, Inc. and San Miguel Brewing International Ltd. and subsidiaries {including San Miguel Brewery Hong Kong Limited (SMBHK) and subsidiaries, PT Delta Jakarta Tbk and a subsidiary, San Miguel (Baoding) Brewery Co. Ltd., San Miguel Brewery Vietnam Ltd., San Miguel Beer (Thailand) Ltd. and San Miguel Marketing Thailand Ltd.}]

Ginebra San Miguel, Inc. and subsidiaries [including Distileria Bago, Inc. and Ginebra San Miguel International, Ltd., Ginebra San Miguel International Holdings Ltd., Global Beverage Holdings Ltd. and Siam Holdings Ltd.]

San Miguel Foods and Beverage International Limited and subsidiaries [including PT San Miguel Indonesia Foods & Beverages, San Miguel (Thailand) Co. Ltd. , San Miguel (Guangdong) Foods & Beverages Co. Ltd., San Miguel (Vietnam) Co. Ltd. , PT San Miguel Marketing Indonesia, and San Miguel (Malaysia) Sdn. Bhd.]

Food

The Group's domestic food operations are comprised of San Miguel Pure Foods Company, Inc. (SMPFC) and its subsidiaries, which include San Miguel Foods, Inc. (SMFI), San Miguel Mills, Inc. (SMMI), The Purefoods-Hormel Company, Inc. (PF-Hormel), Magnolia Inc. (Magnolia) and San Miguel Super Coffeemix Co. (SMSCCI), Inc.

SMPFC holds in its portfolio the names of some of the most formidable brands in the Philippine food industry, among them, Magnolia, Pure Foods, Monterey, Star, Dari Crème, B-Meg, and Jelly Ace. To date, SMPFC has a product line up that is unparalleled in the industry, offering a variety of food products and services for both individual and food service customers. Its products range from cooking oils, feeds, flour and flour-based products, poultry, fresh and value-added meats, breadfill, dairy and coffee.

The support of its parent company SMC and partnerships with major international companies like United States-based Hormel Foods International Corporation and Singapore-based SCCPL and Penderyn have given SMPFC access to the latest technologies and expertise, allowing it to deliver flavor, freshness, safety, quality and value-for-money to its customers.

SMPFC is a 99.92%-owned business of the Parent Company. It was incorporated in 1956 to engage primarily in the business of manufacturing and marketing of processed meat products. SMPFC is the Parent Company of the food business. SMPFC, through its subsidiaries, later on diversified into poultry and livestock operations, feeds and flour milling, dairy and coffee operations, franchising (Smokey's) and young animal ration manufacturing and distribution. SMPFC was consolidated with SMC in April 2001.

The Food Group operates through the following subsidiaries and divisions:

- *San Miguel Foods, Inc.* - is a 99.97%-owned subsidiary of SMPFC and operates the integrated Poultry, Feeds and Basic Meats businesses, the San Miguel Food Shop franchising operations, and the San Miguel Integrated Sales (SMIS) selling and distribution activities.

- a) *Poultry Business* - engages in integrated poultry operations and sells live birds, frozen and fresh chilled birds and cut-ups. The business supplies the chicken meat requirements of PF-Hormel for the latter's manufacture of chicken-based value-added products.
 - b) *Feeds Business* - manufactures and sells different types of feeds to commercial growers. Internal requirements of SMFI's Poultry and Basic Meats businesses are likewise being served by the Feeds business.
 - c) *Basic Meats Business* - formerly carried out by Monterey Foods Corporation (Monterey) prior to the merger of Monterey into SMFI in September 2010, engages in livestock farming, processing and selling of meat products, mainly pork and cattle. Fresh produce, as well as further processed or value-added meat products, are sold in *Monterey* meat shops located in major supermarkets and cities throughout the country. The business is also one of the suppliers of PF-Hormel, an affiliate, for its primals requirements.
 - d) *San Miguel Food Shop* - engages in franchising operations, established primarily to showcase the San Miguel Group's food and beverage products and to further enhance consumer awareness. There are four (4) outlets operating as at December 31, 2011.
 - e) *San Miguel Integrated Sales* - was formed in May 2009 when the receivables, inventories and fixed assets of SMC's Centralized Key Accounts Group were transferred to SMFI. SMIS is engaged in the business of selling and distributing various products of SMPFC's subsidiaries to modern and general trade customers.
- *San Miguel Mills, Inc.* - is a 100%-owned subsidiary of SMPFC and engages in the manufacture and distribution of flour and premixes.
 - *The Purefoods-Hormel Company, Inc.* - is a 60%-40% joint venture between SMPFC and Hormel Netherlands B.V., which produces and markets processed meats (hotdogs, hams, bacons, cold cuts and gourmet meat) and canned meat products (corned beef, luncheon meat, Vienna sausage, pork and beans, liver spread and meat loaf). PF-Hormel also distributes value-added pork, beef and poultry products such as chicken and pork nuggets, chicken balls, chicken hotdogs, premium marinated chicken, cordon bleu, beef burgers, budget patties, *longganisa* lines and ready-to-eat meat products.
 - *Magnolia, Inc.* - is a 100%-owned subsidiary of SMPFC and manufactures and markets butter, margarine, cheese, milk, ice cream and cooking oils. The business also handles the sale and marketing of jellies and desserts. The production of jellies and desserts is currently outsourced to third party tollers after its subsidiary-toller, *Sugarland Corporation*, ceased its tolling operations in February 2008.
 - *PT San Miguel Pure Foods Indonesia (PTSMMPFI)* - started as a 49%-51% joint venture between SMPFC and the Hero Group of Companies and organized in 1995 for the manufacture and distribution of processed meats in Indonesia. In 2004, SMPFC increased its ownership to 75% following the Hero Group's divestment of its interest in PTSMMPFI to Lasalle Financial Inc. (Lasalle). The remaining 25% is currently owned by Penderyn Pte Ltd. (Penderyn) of Singapore by virtue of the sale and transfer by Lasalle of its entire shareholding in PTSMMPFI to Penderyn effective February 2, 2010. On February 5, 2010, Lasalle, Penderyn and SMPFC executed an Adherence Agreement pursuant to which Penderyn agreed to observe and perform all obligations of Lasalle under the Joint Venture Agreement relating to PTSMMPFI.

- *San Miguel Super Coffeemix Co., Inc.* - is a 70%-30% joint venture between SMPFC and Super Coffeemix Manufacturing Ltd (SCML) of Singapore, which started commercial operations in April 2005 by marketing its 3-in-1 coffee mixes in the Philippines. Since then, SMSCCI has introduced a good number of products that include a sugar-free line of coffee mixes, a premium line of coffee mixes, 100% Premium Instant Coffee, 2-in-1 coffee mixes and a pro-health line of coffee mixes. In November 2009, by virtue of the Deed of Assignment and Deed of Novation of Joint Venture Agreement executed by and among SMSCCI, SCML and SCCPL, SCML assigned and transferred its entire shareholding in SMSCCI to SCCPL, and SCCPL agreed to perform and comply with all obligations of SCML under the Joint Venture Agreement relating to SMSCCI.
- *SMPFC's Great Food Solutions (GFS)* - is the food service division of SMPFC that caters to hotels, restaurants and institutional accounts for their meat, poultry, dairy and flour-based requirements, as well as provides food solutions/recipes and menus. GFS also handles the *Smokey's* hotdog bar and *Outbox* food-to-go stall/cart franchising operations.
- *San Miguel Pure Foods International, Limited (SMPFIL)* - is a company incorporated in the British Virgin Islands in February 2007 and is 100%-owned by SMPFC.
- *San Miguel Pure Foods Investment (BVI) Limited (SMPFI)* - is a company incorporated in the British Virgin Islands in August 1996 and started as a 51%-49% joint venture between SMFBIL and Hormel Netherlands B.V. In July 2010, SMPFC, through its wholly-owned subsidiary, SMPFIL, acquired SMC's 51% interest (through SMFBIL) in SMPFI. SMPFI owns 100% of San Miguel Hormel (Vn) Co., Ltd., a company incorporated in Vietnam that engages in live hog farming and the production of feeds and fresh and processed meats.

Below is the list of food subsidiaries:

San Miguel Pure Foods Company, Inc. and subsidiaries [including San Miguel Foods, Inc., San Miguel Mills, Inc. and subsidiary, Golden Bay Grain Terminal Corporation, The Purefoods-Hormel Company, Inc., Magnolia Inc. and subsidiaries including Golden Food and Dairy Creamery Corporation, San Miguel Super Coffeemix Co., Inc., P.T. San Miguel Pure Foods Indonesia and San Miguel Pure Foods International, Limited and subsidiary, San Miguel Pure Foods Investment (BVI) Limited and subsidiary, San Miguel Hormel (Vn) Co. Ltd.]

Packaging

The San Miguel Packaging Group (Packaging Group) is a total packaging solutions business servicing many of the region's leading food, pharmaceutical, chemical, beverages, spirits and personal care manufacturers. With clients in the Asia-Pacific, Middle East, Africa and the U.S. markets, the Packaging Group is involved in the production and marketing of the following packaging products, among others, glass containers, glass molds, polyethylene terephthalate (PET) bottles and preforms, PET recycling, plastic closures, corrugated cartons, woven polypropylene/kraft sacks and paperboard, pallets, flexible packaging, plastic crates, plastic floorings, plastic films, plastic tubes, plastic trays, plastic pails and tubs, plastic consumer and industrial containers, crate and pallet leasing, metal closures and two-piece aluminum cans, woven products, industrial laminates and radiant barriers. It is also involved in PET bottle filling, graphics design, packaging research and testing, packaging development and consultation, contract packaging and trading.

Apart from supplying the internal requirements of the San Miguel Group, the Packaging Group also supplies major Philippine-based multinational corporations such as Nestlé Philippines, Inc., Unilever Philippines Inc., Kraft Foods Phils., Inc., Diageo Philippines, Inc., Del Monte Philippines, Inc., Coca-Cola Bottlers Philippines Inc. and Pepsi-Cola Products Philippines, Inc.

Glass. The glass business is the largest business segment of the Packaging Group. It has three glass manufacturing facilities in the Philippines and one glass mold plant serving the requirements of the beverage, spirits, food, pharmaceutical, chemical, personal care and health care industries. The bulk of the glass bottle requirements served by this segment are for the beverage industries. San Miguel Yamamura Asia Corporation is rated as the country's most technologically advanced glass manufacturing facility.

Metal. The metal business manufactures metal caps, crowns, resealable caps and two-piece aluminum beverage cans for a range of industries that include beer, spirits, softdrinks and food. The Packaging Group's metal container plant is the country's only aluminum beverage can plant in the Philippines and pioneered in the production of two-piece cans and ends for the beverage market.

Plastics. The plastics business provides plastic crates and pallets, plastic poultry flooring, plastic trays, plastic tubes, plastic consumer and industrial containers, and plastic pails and tubs to domestic and international markets.

PET. The PET business produces PET preforms and bottles, plastic caps & handles and offers filling services as well.

Paper. Mindanao Corrugated Fibreboard, Inc. (Mincorr), a wholly-owned subsidiary of SMC supplies the packaging needs of a broad range of manufacturing and agricultural industries. Mincorr is based in Davao.

Composites. Through its Rightpak plant and Malaysian plants, the Packaging Group manufactures flexible packaging for the food, beverage, personal care, semiconductor & electronics, chemical and healthcare industries.

The Packaging Group has ten international packaging facilities located in China (glass, plastic, paperboard), Vietnam (glass, metal), Malaysia (flexibles, plastic films, woven bags and industrial laminates and a packaging research center) and Indonesia (plastic closures). Aside from extending the reach of the packaging business overseas, these facilities also serve the packaging requirements of SMB breweries in China and Vietnam.

In January 2008, SMC finalized a joint venture agreement with NYG pursuant to which NYG purchased 35% of San Miguel Packaging Specialists, Inc. (SMPSI) and San Miguel Packaging International Limited (SMPIL). SMPSI owns all of the domestic plants of the Packaging Group, except the corrugated carton plant, Mincorr and SMYAC, which is already an existing joint venture between SMC and NYG. SMYPIL's subsidiaries are composed of the Packaging Group's international facilities.

In connection with the joint venture of SMPSI and NYG, SMPSI changed its corporate name to "San Miguel Yamamura Packaging Corporation" as approved by the SEC on June 4, 2008. In addition, the Board of Directors of SMPIL likewise approved the change in the corporate name of SMPIL to "San Miguel Yamamura Packaging International Limited" (SMYPIL) on January 3, 2008 and such change became effective on June 11, 2008.

In December 17, 2009, the packaging business through its international subsidiary, SMYPIL, acquired a 65% stake in JHK Investments Pty. Ltd., which owns 100% of Cospak Group, the largest packaging trading firm in Australia.

Below is a list of domestic and international packaging subsidiaries as of December 31, 2011:

San Miguel Yamamura Packaging Corporation and
subsidiary, SMC Yamamura Fuso Molds Corporation

San Miguel Yamamura Packaging International Limited and subsidiaries [including San Miguel Yamamura Phu Tho Packaging Co. Ltd., Zhaoqing San Miguel Yamamura Glass Co., Ltd., Foshan San Miguel Yamamura Packaging Co. Ltd., PT San Miguel Yamamura Utama Indoplas, San Miguel Yamamura Packaging & Printing Sdn. Bhd., San Miguel Yamamura Woven Products Sdn. Bhd., Packaging Research Centre Sdn. Bhd., San Miguel Plastic Films Sdn. Bhd. and San Miguel Yamamura Knox Pty. Ltd. and subsidiaries]
Mindanao Corrugated Fibreboard, Inc.
San Miguel Paper Packaging Corporation
San Miguel Yamamura Asia Corporation

Properties

San Miguel Properties, Inc. (SMPI) was created in 1990 initially as the corporate real estate arm of SMC. It is the Group's primary property subsidiary, currently 99.68% owned by SMC.

SMPI is presently engaged in commercial property development, sale and lease of real properties, management of strategic real estate ventures and corporate real estate services.

Other subsidiaries include the following as of December 31, 2011:

SMC Stock Transfer Service Corporation
ArchEn Technologies Inc.
SMITS, Inc. and subsidiary
Anchor Insurance Brokerage Corporation
SMC Shipping and Lighterage Corporation and subsidiaries [including MG8 Terminal Inc., Keppel Cebu Shipyard Land, Inc. and Mactan Shipyard Corporation]
Challenger Aero Air Corp.
Pacific Central Properties, Inc.
San Miguel Equity Securities, Inc.
San Miguel Equity Investments Inc.

Power Generation and Distribution

In 2007, SMC began participating in the bidding for power generation companies being privatized by the Philippine government. Two years later, SMC successfully entered into the power generation industry. Through SMC Global Power Holdings Corp. (SMC Global) and its subsidiaries San Miguel Energy Corporation (SMEC), Strategic Power Devt. Corp. (SPDC) and South Premier Power Corp. (SPPC), it is now one of the largest power companies in the Philippines based on the contracted capacity that SMC Global manages. Currently, SMC Global's principal activity is the sale under the Independent Power Producer Administrator's (IPPA) framework of power generated by power plants in the Philippines that are owned and operated by Independent Power Producer's (IPP). Under the IPPA framework, the IPPs own and operate their power plants and SMC Global, as IPPA, sells the electricity and determines the amount of energy to be generated by the IPPs.

SMC Global is the IPPA for the Sual, Ilijan and San Roque power plants, which have a combined contracted capacity of 2,545 MW. SMC Global began acting as IPPA of the Sual power plant in November 2009, the San Roque power plant in March 2010 and the Ilijan power plant in September 2010. The Sual power plant is a coal-fired power plant, the Ilijan power plant is a natural gas-fired power plant and the San Roque power plant is a hydro-electric power plant. In addition to its IPPA power plants, SMC Global also owned, from September 2010 through August 25, 2011, a 620 MW oil-fired power plant located in Limay, Bataan. In August 26, 2011, SMC Global sold the Limay power plant. SMC Global sells power through offtake agreements either directly to customers, including the Meralco and other distribution utilities, electric cooperatives and industrial customers, or through the WESM.

SMC again, through SMEC, likewise owns three mining companies who are concession holders of coal deposits in Southern Mindanao.

In 2010, SMC also acquired a 10.1% stake in Indophil Resources NL (Indophil), which holds a 37.5% beneficial ownership of Sagittarius Mines, Inc. which in turn holds a 40% controlling equity stake in a joint venture to explore, develop and operate the Tampakan Copper-Gold Project in Southern Mindanao. As of December 31, 2011, SMC's ownership interest in Indophil was diluted to 3.99% as a result of the additional shares issuances made by Indophil.

Below is the list of the power generation and distribution subsidiaries as of December 31, 2011:

SMC Global Power Holdings Corp. and subsidiaries [including San Miguel Energy Corporation and subsidiaries, South Premiere Power Corp., Strategic Power Devt. Corp. and San Miguel Electric Corp.]

Fuel and Oil

In late 2008, SMC entered into an option agreement to acquire 50.1% of Petron which was partially exercised in April 2010. This move was followed by a tender offer and the acquisition of additional shares from the Ashmore Group. SMC exercised its remaining option in December 2010 and now effectively owns 68.26% of Petron. Petron is the largest integrated oil refining and marketing company in the Philippines, supplying more than a third of the country's refined oil requirements and is the largest liquefied petroleum gas distributor, with a 37.0% market share in the eight months ended August 31, 2011, according to the Department of Energy. Petron's core business involves the refining of crude oil and the marketing and distribution of refined petroleum products, primarily for the domestic market. Petron possesses the most extensive oil distribution infrastructure in the country with more than 30 depots and terminals and over 1,900 service stations in the Philippines. Petron also exports various petroleum products and petrochemical feedstock, including high sulfur fuel oil, naphtha, mixed xylene, benzene, toluene and propylene, to customers in the Asia-Pacific region.

Below is the list of the fuel and oil subsidiaries:

Sea Refinery Corporation and subsidiary, Petron Corporation and subsidiaries [including Petron Marketing Corporation, Petron Freeport Corporation, Petrogen Insurance Corporation, Overseas Ventures Insurance Corporation, Petron Singapore Trading Pte. Ltd. and New Ventures Realty Corporation and subsidiary, Las Lucas Construction & Development Corporation]

Infrastructure

SMC has invested in companies which hold concessions in various infrastructure projects as follows:

San Miguel Holdings Corp. (SMHC), through its subsidiary, Rapid Thoroughfares, Inc. acquired a 35% stake in PIDC which holds a 35-year concession to build and operate an 88.6 kilometer two-lane expressway that will connect Tarlac, Pangasinan and La Union.

SMHC also acquired a 93% stake in TADHC, the company which holds a 25-year contract-add-operate-transfer arrangement for rehabilitating and operating the Caticlan airport.

SMHC also has signed a sale and purchase agreement to acquire up to 51% stake in Universal LRT which holds a 25-year build-transfer-operate concession on the Metro Rail Transit Line 7 project, extending the metro rail system servicing Metro Manila.

SMHC has acquired 46.53% stake in Atlantic, a company which has obtained ownership of the following:

- 80% stake in South Luzon Tollway Corporation, which holds a 30-year concession (valid until 2035) to operate the 36 km South Luzon Expressway (SLEX), one of the three major expressways that links Metro Manila to key southern provinces; and
- 52.5% stake in Citra Metro Manila Tollways Corporation.

Below is the list of the infrastructure subsidiaries as of December 31, 2011:

San Miguel Holdings Corp. and subsidiaries [including Rapid Thoroughfares Inc., Trans Aire Development Holdings Corp. and Universal LRT Corporation (BVI) Limited]

Telecommunications

In 2010, SMC through its subsidiary Vega Telecoms Inc. (Vega) owns 41.48% stake in LTHI, a telecommunications carrier listed in the Philippine Stock Exchange, offering telephone services nationwide as well as data communications, inter-exchange carrier services and international voice and data connectivity services.

Also, in 2010, Vega subscribed to shares of stock equivalent to 100% of Two Cassandra-CCI Conglomerates, Inc., Power Smart Capital Ltd., and Perchpoint Holdings, Corp. which companies collectively own 100% of BellTel.

BellTel, which began commercial operations in 2002, offers an integrated package of services, including local and long distance telephony, high speed data connectivity, Internet, cable TV, and videoconferencing. It has various licenses that include local exchange carrier (LEC), international gateway facility (IGF), inter-exchange carrier (IXC), very small aperture terminal (VSAT), internet service provider (ISP), and wireless local loop (WLL) telephone systems in various cities and municipalities in national capital region (NCR). It is authorized to provide the full range of services throughout the Philippines.

In 2011, SMC, through Vega, acquired 100% of the outstanding and issued shares of stock of AGNP, the beneficial owner of approximately 40% of ETPI, inclusive of the existing businesses, investments and telecommunications service facilities of ETPI. On October 20, 2011, the Parent Company through its wholly-owned subsidiary, San Miguel Equity Securities, Inc., acquired 37.7% of the outstanding and issued shares of stock of ETPI, making ETPI a subsidiary of the Group.

ETPI, which was established more than 130 years ago, offers a full range of telecommunication services, including internet, data, voice and value added services such as transmission of voice, data, facsimile, control signs, audio and video. It has various licenses that include local exchange carrier (LEC), mobile, cellular, paging, fiber optic, multi channel distribution system (MMDS), local multi-point distribution system (LMDS), satellite transmit and receive systems, switches, and their value-added services.

Below is the list of the telecommunications subsidiaries as of December 31, 2011:

Vega Telecom, Inc. and subsidiaries [including Two Cassandra-CCI Conglomerates, Inc., Perchpoint Holdings Corp. and Power Smart Capital Limited [collectively own Bell Telecommunication Philippines, Inc.] and AGNP]

Principal products or services

The principal products of the Group are attached hereto as **Annex “E”**.

Percentage of sales or revenues and net income contributed by foreign sales

The Group's 2011 foreign operations contributed about 5.0% of consolidated sales and (2.13%) of consolidated net income. Foreign sales is broken down by market as follows:

Market	% to Consolidated Sales		
	2011	2010	2009
China	1.25	2.45	3.29
Indonesia	1.28	2.36	2.49
Vietnam	0.84	1.50	2.07
Others	1.63	3.65	3.40

Distribution Methods

The Group employs various means to ensure product availability at all times. It distributes through a network of dealers, wholesalers, and various retailers. The Group owns, as well as contracts, third party fleet of trucks, delivery vans, and barges, to ensure timely and cost efficient distribution of its various products, from beverages, food and packaging.

Status of any publicly-announced new product or service

The Group does not have any publicly announced new major product that is being developed.

Competition

The Group has the leading brands with the highest quality in the industry, substantial market share, leads over its nearest competitors, successful pricing strategies and strong financial position.

Sources and Availability of Raw Materials and Supplies

The Group obtains its principal raw materials on a competitive basis from various suppliers here and abroad. The Group is not aware of any dependency upon one or a limited number of suppliers for essential raw materials as it continuously looks for new principals/traders where the strategic raw materials could be sourced out and negotiations are done on a regular basis. The Group has contracts with various suppliers (from a related party and third parties) for varying periods ranging from 3 to 12 months. All contracts contain renewal options.

Among the Group's third party supplier of major raw materials in 2011 are as follows:

BEVERAGE BUSINESS

Malt and Hops

Joe White Maltings Pty. Ltd.
Malteurop S.A.
Malteries Soufflet
Barrett Burstn Malting Co. Pty. Ltd.
Boortmalt N.V.
Guangzhou Malting Co., Ltd.
Malteurop (Baoding) Malting Co. Ltd.
Ningbo Malting Company Limited
Qitai Chunlei Malting Co. Ltd.
Shandan Ruiyuan Beer Materials Co., Ltd.
HVG Hopfenverwertungsgenossenschaf
Simon H. Steiner, Hopfen, GmbH
John Haas, Inc.

Corn Grits/Tapioca/ Rice/Sugar	Cagayan Corn Products Northern Star Rice Mill, Inc. Chaodee Starch (2004) Co. Ltd. Udtong Agrarian Reform Beneficiaries Multi-purpose Cooperative RJJ Enterprises Limketkai Manufacturing Corporation All Asian Countertrade, Inc. Binh Phuoc General Import Export Joint Stock Company Hapro Baoding Ruifeng Company Dongguan Jinxianfeng Sugar Co. Khanh Hoa JSC Taikoo Sugar Ltd. Tonghua Buayai (1994) Co., Ltd. DNTN Toan Dao Foshan Guangming Food Manufacture Co., Ltd. PT Sinar Unigrain Tongliao Wanshunda Cornstarch Co.
Packaging Materials	Printwell, Inc. DTM Print & Labels Specialist, Inc. Constantia, Malaysia Guang Dong Man Cheong Packaging Printing Co. Ltd. Guangdong Wanchang Label and Foil Co., LTD HK Man Cheong MBF Printing Crown Seal Public Company Limited Guangzhou Xinquan Crown Co., LTD GZ New Spring Shenyang Ziquan Guandong Huaxing Glass Co., Ltd. Siam Glass Industry Company Limited Ball Asia Pacific Beijing Conpac, PT Fountain Can Corporation Pacific Can (Zhangzhou) Co., LTD Cangzhou Cangshun
Molasses	Progressive Chemical Trade, Inc. Schoormans & Van Ginneken Phils., Inc.
Alcohol	ED & F Man Asia Pte., Ltd. Heindrich Trading Corp. Kooll Company, Inc. Progressive Chemical Trade, Inc.
Alcohol Tollers	Balayan Distillery, Inc. Berbacs Chemicals, Inc.

Cassava	Heindrich Agri Corp. Heindrich Trading Corp. Progressive Chemical Trade, Inc. Sunnix, Inc.
Banana Tapioca Meal	Udtong Agrarian Reform Beneficiaries Multi-Purpose Cooperative
Sugar	All Asian Countertrade, Inc. Central Azucarera Don Pedro, Inc.
High Fructose Corn Syrup	BNC Ingredients Corp.
Flavors	Givaudan Singapore PT Mane Indonesia Firmenich Asia Pte Ltd Symrise
Brandy Concentrate	Jose Esteves S.A.

FOOD BUSINESS

Soybean and Soybean Meals	AG Processing, Inc. Louis Dreyfus Commodities Asia Pte Ltd.
Breeder Stocks	Cobb Vantress Inc. Aviagen Group
Spring / Soft Wheat	Columbia Grains International, Inc. Toyota Tsusho America, Inc.
Indian Buffalo Meat	Allanasons Limited
Cheese Curd and Anhydrous Milk Fat	Fonterra (SEA) Pte. Limited
Oil	Tap Oil Manufacturing Corp.
Coffee Mixes	Super Coffee Corporation Pte. Ltd. SCML (Thailand) Company Ltd.

PACKAGING BUSINESS

<i>Glass</i>	
Silica Sand	Woodward Japan, Incorporated Mitsubishi Corporation
Soda Ash	Connell Brothers Company
Limestone	Megarock Milling Corporation

Feldspar	Feldspar Processing Corp Rock Energy International Corporation
Cullet	Sanven Marketing Corporation Carlo and Michael Marketing Coca-Cola Bottlers Philippines, Inc.
<i>Molds</i>	
Casting Molds	Metals Engineering Resources Corp FVC Philippines, Inc. BF Glass Mould Overseas PTE, Ltd
NeckRing Bars	Metals Engineering Resources Corp. BF Glass Mould Overseas PTE, Ltd
Floucast Round Bars	Pan Pacific Industrial Company Ammex Machine Tools Phils
<i>Plastics</i>	
Resins, Polymers, Poly-Ethylenes	JG Summit Petrochemical Corporation Titan Trading Corp. SDN. BHD. SK Plastic Reliance Co.
Colorants/Pigments	Chemdis Manufacturing Corporation Masterbatch Philippines, Inc Esta Fine Colour Corp
Inks	MCR Industries Inc Union Inks & Graphics Phils., Inc. CDI Sakata Inx Kolora Ink and Chemical Corp Toyo Ink (Phils) Co. Inc
<i>Metal</i>	
TFS (Tin Free Sheet)	Macrolite Korea Corp. Kemeny Overseas Products Corp. Mitsui & Co., Ltd. Metal One Corporation
Aluminum Sheet	Macrolite Korea Corp. Samhwa Trading
Liners	Samhwa Trading Sancap Liner Technology Chemdis Manufacturing Corporation Fortune Plastics Processing & Chemical Corporation D&L Polymer & Colours, Inc.
Inks	CDI Sakata inx Corp. Inkote Philippines, Inc

	WR Grace (Phils), Inc
Aluminum Coil	Alcoa, Inc. Sumitomo Corporation
Lubricants/Coolant	Houghton Australia Pty Ltd. Force Industries Division America
<i>Laminates</i>	
PET/CPP/OPP and Other Films	Polyplex Thailand PT Kolon PT Argha Karya Universal Robina Corporation
PE Films	Klang Hock Plastic Industries, Sdn. Bhd Flexible Packaging Products Corp. Accuprint Inc.
Aluminum Foil	Gruppo Teknologia, Inc. Daching Enterprise Ltd. 3 Sun Traders Corporation
Resins	Trans World Trading Co., Inc. Dow Chemicals Pacific, Ltd. JG Summit Petrochemical Corporation
<i>PET</i>	
PET Resin	Indorama Polymers Public Co., Ltd Shinkong Synthetic Fibers Corporation Eastwest Polymer Private Limited
HDPE Resin	JG Summit Petrochemical Corporation
PP Resin	Basell Asia Pacific Limited
Hotfill Resin	Shinkong Synthetic Fibers Corporation FarEastern Polychem Industries
CO2	Coca - Cola Bottlers, Philippines, Inc.
Green Colorant	PT Holland Colours Asia
<u>FUEL AND OIL BUSINESS</u>	
Crude	Saudi Arabian Oil Company
Base Oil	Shell International Eastern
Lubricants	BP Singapore Pte. Ltd
Alkylate (Blending Component)	Conocophillips International Inc.

	Total Trading Asia SA SK Energy Co., Ltd. Hyundai Oilbank
Finished Product	Shell International Eastern BP Singapore Pte. Ltd Petronas Trading Corporation Petrobras Singapore Private Ltd. Vitol Asia Pte. Ltd Petrochina International Pte. Ltd Glencore Singapore Pte. Ltd BB Energy (Asia) Pte. Ltd. Mitsui & Co. Ltd PTT Public Company, Limited Itochu Petroleum Co. (Singapore) Pte. Ltd. China Aviation Oil (Singapore) Corporation Ltd.

POWER GENERATION AND DISTRIBUTION

Coal	PT Kaltim Prima Coal PT Trubaindo Coal Mining Noble Resources
Purchase of Electricity from Market	Philippine Electricity Market Corporation

Dependency upon a single customer or a few customers

Due to constant drive toward customer satisfaction and continuous improvement, the Group is able to maintain its wide base of customers. The Group is not dependent upon a single or a few customers.

Transactions with and /or dependence on related parties

The Group and certain related parties, in the normal course of business, purchase products and services from one another. Please see Note 34 of the Consolidated Financial Statements attached hereto as **Annex “B”**.

Registered Trademarks/Patents, etc.

All marks used by the Group in its principal products are either registered or pending registration in the name of the Parent Company or its subsidiaries in the Philippines and in foreign markets of said products.

Government Approval

The Group has obtained all necessary permits, licenses and government approvals to manufacture and sell its products.

Government Regulation

The Group has no knowledge of recent or impending legislation, the implementation of which can result in a material adverse effect on the Group's business or financial condition.

Research & Development

The Group's expenses for research and development are as follows (amounts in millions):

	2011	2010	2009
Research and Development	P 350	P 407	P 300
Percentage to Net Income	2.00%	2.03%	0.52%

Human Resources and Labor Matters

As of December 31, 2011, the Group has about 17,151 employees and has 36 existing collective bargaining agreements ("CBA"). Of the 36 CBAs, 3 will be expiring in 2012.

The list of CBAs entered into by the Parent Company and its subsidiaries with their different employee unions, is attached hereto as **Annex "F"**.

Major Business Risk/s

The major business risks facing the Group are as follows:

a) Competitor Risks

New and existing competitors can erode the Group's competitive advantage through the introduction of new products, improvement of product quality, increase in production efficiency, new or updated technologies, costs reductions, and the reconfiguration of the industry's value chain. The Group has responded with the corresponding introduction of new products in practically all businesses, improvement in product propositions and packaging, and redefinition of the distribution system of its products.

b) Catastrophic and Environmental Risks

War, terrorism, fire, severe weather conditions, health issues and other similar events that are completely beyond the control of the Group were mitigated with the re-channeling of volumes from mostly on-premise outlets to retail stores.

c) Political Risks

The risk of adverse consequences through political actions by way of discouraging alcoholic consumption in Indonesia where the Group has a sizeable investment in a brewery is being gradually addressed with the introduction of non-alcoholic beverages that can cater to the predominantly Muslim population. Marketing and distribution efforts for the Group's beer and liquor products have focused only in outlets where alcoholic beverages are allowed to be sold and consumed.

d) Regulatory Risks

Changes in regulations and actions by national or local regulators can result in increased competitive pressures, such as the recent legislation on excise tax increases for alcoholic beverages.

e) Social and Cultural Risks

The way people live, work and behave as consumers can affect the industry's products and services. For example, more women in the workplace, concerns about drug use, increasing crime rate, increased health consciousness, etc. The Group has introduced products that try to address or are attuned to the evolving lifestyles and needs of its consumers. *San Mig Light* was

introduced to address increasing health consciousness and *San Mig Strong Ice* for the upwardly mobile market. Initiatives similar to this have been pushed in the food division for years.

f) Sourcing Risks

Alternative sources of raw materials are used in the Group's operations to avoid and manage risks on unstable supply and higher costs.

g) Financial Risk

The Group enters into various commodity derivatives to manage its price risks on strategic commodities. Commodity hedging allows stability in prices, thus offsetting the risk of volatile market fluctuations. Through hedging, prices of commodities are fixed at levels acceptable to the Group, thus protecting raw material cost and preserving margins.

Prudent fund management is employed to manage exposure to changes in earnings as a result of fluctuations of interest rates, foreign currency rates, etc.

Liquidity risks are managed to ensure adequate liquidity of the Group through monitoring of accounts receivables, inventory, loans and payables. A committed stand-by credit facility from several local banks is also available to ensure availability of funds when necessary.

Please refer to Note 41 of the Notes to the audited Consolidated Financial Statements attached hereto as **Annex "B"** for the discussion of the Group's Financial Risk Management Objectives and Policies.

Item 2. Properties

A summary of information on the Parent Company and its significant subsidiaries principal plants and conditions thereof, is attached hereto as **Annex "D"**.

The Parent Company and its significant subsidiaries have no principal properties that are subject to a lien or mortgage. There are no imminent acquisitions of any material property that cannot be funded by working capital of the Group.

Item 3. Legal Proceedings

The Group is not a party to, and its properties are not the subject of, any material pending legal proceeding that could be expected to have a material adverse effect on the Group's results of operations.

Item 4. Submission of Matters to a Vote of Security Holders

There are no matters which were submitted to a vote of the Parent Company's stockholders, through the solicitation of proxies or otherwise, during the fourth quarter of 2011.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

The Company's common shares and Series "1" preferred shares are listed and traded in the Philippine Stock Exchange.

The Company's high and low closing prices for each quarter of the last two (2) fiscal years and for the first quarter of 2012 are as follows:

	2012				2011				2010					
	Common		Series "1"		Common		Series "1"		Class A*		Class B		Series "1"	
	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low
1 st	112.50	110.20	80.00	76.60	189.00	150.00	100.00	65.00	74.50	66.50	74.50	67.00		
2 nd	-	-	-	-	175.00	105.70	76.50	74.50	75.00	69.50	76.00	70.00		
3 rd	-	-	-	-	132.60	110.90	80.00	75.00	76.00	66.55	76.00	66.00		
4 th	-	-	-	-	129.20	110.50	79.95	75.00	169.70	73.50	-	-	120.00	86.05

* The Company's common A and B shares were declassified on August 26, 2010.

The closing prices as of April 12, 2012, the latest practicable trading date, are as follows:

Common ₱ 113.30
Series "1" Preferred ₱ 79.00

The approximate number of shareholders as of December 31, 2011 is 40,492.

The top 20 common and preferred stockholders as of December 31, 2011 are as follows:

Rank	Name of Stockholders	Common	Series "1" Preferred Shares	Total No. of Shares	Percentage of outstanding
1	Top Frontier Investment Holdings Inc.	1,221,878,025	0	1,221,878,025	36.589212%
2	PCD Nominee Corporation (Filipino)	364,192,846	0	364,192,846	10.905777%
3	ASC Investors, Inc.	0	167,483,095	167,483,095	5.015292%
4	PCD Nominee Corporation	24,431,823	117,321,873	141,753,696	4.244823%
5	ARC Investors, Inc.	0	105,689,360	105,689,360	3.164874%
6	Primavera Farms, Inc.	94,738,250	0	94,738,250	2.836943%
7	San Miguel Corporation Retirement Plan	1	85,751,165	85,751,166	2.567824%
8	Toda Holdings, Inc.	0	74,880,174	74,880,174	2.242291%
9	Pastoral Farms, Inc.	63,158,769	0	63,158,769	1.891293%
10	Black Stallion Ranch, Inc.	63,158,769	0	63,158,769	1.891293%
11	Misty Mountains Agricultural Corp.	63,158,769	0	63,158,769	1.891293%
12	Te Deum Resources, Inc.	0	58,487,823	58,487,823	1.751421%
13	Rock Steel Resources, Inc.	0	58,237,403	58,237,403	1.743923%
14	San Miguel Officers Corps, Inc.	0	53,863,035	53,863,035	1.612932%
15	Roxas Shares, Inc.	0	52,815,194	52,815,194	1.581554%
16	Silver Leaf Plantations, inc.	47,369,061	0	47,369,061	1.418469%
17	Meadow-Lark Plantations, inc.	47,369,039	0	47,369,039	1.418469%
18	PCD Nominee Corporation (Non-Filipino)	46,867,608	11,510	46,879,118	1.403798%
19	AP Holdings, Inc.	0	34,669,405	34,669,405	1.038177%

Rank	Name of Stockholders	Common	Series "1" Preferred Shares	Total No. of Shares	Percentage of outstanding
20	Valhalla Properties, Inc.	0	31,411,848	31,411,848	0.940630%
	TOTAL	2,036,322,960	840,621,885	2,876,944,845	86.150289%

Cash dividends declared by the Parent Company's BOD to common shareholders amounted to P1.05 per share and P6.75 per share in 2011 and 2010, respectively.

Cash dividends declared by the Parent Company's BOD to preferred shareholders amounted to P6.00 per share both in 2011 and 2010.

Description of the following securities of the Group may be found in the indicated Notes to the 2011 audited Consolidated Financial Statements, attached herein as **Annex "B"**:

Long-term Debt	Note 23
Stockholders' Equity	Note 26
Share-Based Transactions	Note 40

There were no securities sold by the Parent Company within the past three (3) years which were not registered under the Securities Regulation Code.

Item 6. Management's Discussion and Analysis or Plan of Operation.

(A) Management Discussion and Analysis

The information required by Item 6 (A) may be found on **Annex "A"** hereto.

(B) Information on Independent Accountant and Other Related Matters

The accounting firm of Manabat Sanagustin & Co., CPAs served as the Parent Company's external auditors for the last six fiscal years. The Board of Directors will again nominate Manabat Sanagustin & Co., CPAs as the Parent Company's external auditors for this fiscal year.

Representatives of Manabat Sanagustin & Co., CPAs are expected to be present at the stockholders' meeting and will be available to respond to appropriate questions. They will have the opportunity to make a statement if they so desire.

The Parent Company paid the external auditor for its services rendered amounting to P12 million both in 2011 and 2010.

The stockholders approve the appointment of the Parent Company's external auditors. The Audit Committee reviews the audit scope and coverage, strategy and results for the approval of the board and ensures that audit services rendered shall not impair or derogate the independence of the external auditors or violate SEC regulations.

Item 7. Financial Statements

The Audited Consolidated Financial Statements and Statement of Management's Responsibility are attached as **Annex "B"** hereto with the Supplementary Schedules attached as **Annex "C"** hereto. The auditors' PTR, name of certifying partner and address are attached as **Annex "B-1"** hereto.

The other documents together with their corresponding separate report required to be filed with the Audited Financial Statements under SRC Rule 68, as amended, are included in the attached to **Annex "C."**

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There are no disagreements with the Parent Company's external auditors on accounting and financial disclosure.

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

The names of the incumbent and key executive officers of the Company, and their respective ages, periods of service, directorships in other reporting companies and positions held in the last five (5) years, are as follows:

Eduardo M. Cojuangco, Jr., Filipino, 76, is the Chairman and Chief Executive Officer of the Company, a position he has held since July 7, 1998. He is also the Chairman of the Company's Executive Committee. He also holds the following positions: Chairman and Chief Executive Officer of Ginebra San Miguel, Inc.; and Chairman of San Miguel Pure Foods Company, Inc. He is also the Chairman of ECJ & Sons Agricultural Enterprises, Inc. and the Eduardo Cojuangco, Jr. Foundation, Inc., and a Director of Caiñaman Farms, Inc. and Petron Corporation. He is a former Director of Manila Electric Company (February 2009-May 2009).

Ramon S. Ang, Filipino, 58, is the Vice Chairman since January 28, 1999, President and Chief Operating Officer since March 6, 2002 of the Company. He is also a Member of the Executive Committee and Nomination and Hearing Committee of the Company. He also holds, among others, the following positions: Chairman of San Miguel Brewery Inc. and San Miguel Brewery Hong Kong Limited (Hong Kong), Petron Corporation, Sea Refinery Corporation, SMC Global Power Holdings Corp., San Miguel Foods, Inc., San Miguel Yamamura Packaging Corporation, San Miguel Properties, Inc., and Anchor Insurance Brokerage Corporation; Vice Chairman of Ginebra San Miguel, Inc. and San Miguel Pure Foods Company, Inc.; Director of Top Frontier Investment Holdings Inc.; Chairman of Liberty Telecoms Holdings Inc., Philippine Diamond Hotel & Resort, Inc., Philippine Oriental Realty Development, Inc., Atea Tierra Corporation and Cyber Bay Corporation; Vice Chairman and Director of Manila Electric Company; and an Independent Director of Philweb Corporation. Mr. Ang has held directorships in various domestic and international subsidiaries of SMC in the last five years. He was recently elected as President and Chief Operating Officer of PAL Holdings, Inc. and Philippine Airlines, Inc., Trustmark Holdings Corporation, Zuma Holdings and Management Corporation, and Director of Air Philippines Corporation.

Estelito P. Mendoza, Filipino, 82, has been a Director of the Company since April 21, 1998. He is a Member of the Executive Committee, Audit Committee, and the Chairman of the Nomination and Hearing Committee of the Company. He is also a Director of Petron Corporation, Manila Electric Company, Philippine National Bank and Philippine Airlines, Inc., and Chairman of Prestige Travel, Inc. Atty. Mendoza, a former Solicitor General, Minister of Justice, Member of the Batasang Pambansa and Governor of the Province of Pampanga, heads the E.P. Mendoza Law Office. He is also a former Chairman of Dutch Boy Philippines, Inc. and Alcorn Petroleum and Minerals Corporation, and Director of East-West Bank.

Iñigo Zobel, Filipino, 55, has been a Director of the Company since May 5, 1999. He also holds the following positions: Chairman of Top Frontier Investment Holdings Inc., Vice Chairman of SMC Global Power Holdings Corp., President and Chief Executive Officer of E. Zobel, Inc., President of Ayala España S.A., Calatagan Golf Club, Inc. and Hacienda Bigaa, Inc.; and a Director of Calatagan Resort, Inc., Calatagan Bay Realty, Inc., and MERMAC, Inc. He was previously the President of Diamond Star Agro Products, Inc. (1985-2007) and formerly an Independent Director of San Miguel Brewery Inc., San Miguel Pure Foods Company, Inc. San Miguel Properties, Inc., and Ginebra San Miguel, Inc. He was recently elected as Director of PAL Holdings, Inc. and Philippine Airlines, Inc. and President and Chief Operating Officer of Air Philippines Corporation.

Winston F. Garcia, Filipino, 53, has been a Director of the Company since February 1, 2001, currently an Independent Director of the Company, and a Member of the Audit Committee and Executive Compensation Committee of the Company. Atty. Garcia was President and General Manager of the Government Service Insurance System and was Vice Chairman of its Board of Trustees. He also held the following positions: Chairman of the National Reinsurance Corporation of the Philippines, GSIS Mutual Fund, Inc., Asean Forum, Incorporated and Philippine Social Security Association; Director of Philippine National Construction Corporation, and Philippine Health Insurance Corporation; Board Member of Asean Social Security Association; and a Member of the International Insurance Society, Inc., International Social Security Association, and Federation of Afro Insurers and Reinsurers. Atty. Garcia has been a practicing lawyer since 1983.

Menardo R. Jimenez, Filipino, 79, has been a Director of the Company since February 27, 2002 and the Chairman of the Executive Compensation Committee of the Company and a Member of the Executive Committee. He is also a Director of San Miguel Pure Foods Company, Inc., and Magnolia, Inc. His other positions include: Chairman of the United Coconut Planters Bank; President and Chief Executive Officer of Albay-Agro Industrial Corporation; Director of Majent Agro Industrial Corporation, M. A. Jimenez Enterprises, Inc., Television International Corporation, ; Chairman of Fibers Trading, Inc., CBTL Holdings, Inc., and Meedson Properties Corporation; and a Director of Cunickel Mining and Industrial Corporation, Mabuhay Philippines Satellite Corporation, CCC Insurance Corporation and Pan-Phil Aqua Culture Corporation.

Leo S. Alvez, Filipino, 69, has been a Director of the Company since February 27, 2002 and a Member of the Audit Committee of the Company. He is also a Director of Ginebra San Miguel, Inc. and San Miguel Pure Foods Company, Inc. Ret. Major General Alvez is a former Security Consultant to the Prosecution Panel of the Senate Impeachment Trial of President Joseph Estrada (2000-2001), Vice Commander of the Philippine Army (1998), and Division Commander of the 7th Infantry Division (1996-1998).

Hector L. Hofileña, Filipino, 82, has been a Director of the Company since July 24, 2008 and a Member of the Company's Executive Committee. He is a former Associate Justice of the Court of Appeals (1994-1999) and currently Director of San Miguel Properties, Inc. Justice Hofileña is a professor at the Ateneo De Manila University School of Law.

Carmelo L. Santiago, Filipino, 69, has been an Independent Director of the Company since July 24, 2008. He is the Chairman of the Company's Audit Committee, and Member of the Executive Committee, Executive Compensation Committee and the Nomination and Hearing Committee. He is also an Independent Director of San Miguel Brewery Inc., San Miguel Brewery Hong Kong Limited (Hong Kong) and Liberty Telecoms Holdings Inc.; and Director of Terbo Concepts. Mr. Santiago is the founder and owner of several branches of Melo's Restaurant and founder of Wagyu Restaurant.

Roberto V. Ongpin, Filipino, 75, has been a Director of the Company since September 1, 2009. He is a member of the the Nomination and Hearing Committee and Executive Committee of the Company. He also holds the following positions: Director of Petron Corporation, Top Frontier Investment Holdings Inc. and Ginebra San Miguel, Inc.; Chairman of PhilWeb Corporation, ISM Communications Corporation, Alphaland Corporation, Philippine Bank of Communications, Atok-Big Wedge Co., Inc., and Acentic GmbH; Non-Executive Director, Forum Energy PLC (UK) and Shangri-la Asia Limited (Hong Kong), and Deputy Chairman, South China Morning Post (Hong Kong). He was recently elected as Director of PAL Holdings, Inc. and Philippine Airlines, Inc.

Alexander J. Poblador, Filipino, 58, has been a Director of the Company since September 1, 2009. He is the Founding Partner and Chairman of the Executive Committee of Poblador Bautista & Reyes Law Office. Atty. Poblador is a practicing lawyer, specializing in the fields of commercial litigation, international arbitration, real estate finance and project development, bankruptcy and corporate reorganization.

Joselito D. Campos, Jr., Filipino, 61, has been a Director since May 31, 2010. He is a member of the Executive Compensation Committee. He is the President and Chief Executive Officer of Del Monte Philippines, Inc. He is also the Chairman and Chief Executive Officer of the NutriAsia Group of Companies, a major food conglomerate in the Philippines, Chairman of Fort Bonifacio Development Corp. and Vice-Chairman of Ayala-Greenfield Development Corp., two major Philippine property developers. He was the former Chairman and Chief Executive Officer of United Laboratories, Inc. and its regional subsidiaries and affiliates. He is also the Honorary Consul in the Philippines for the Republic of Seychelles. He is Chairman of the Metropolitan Museum of Manila and a Trustee of the Asia Society in the Philippines, the Philippines-China Business Council, the Philippine Center for Entrepreneurship and a member of the WWF (World Wildlife Fund) Philippines.

Eric O. Recto, Filipino, 48, has been a Director since May 31, 2010. He is a member of the Executive Compensation Committee of the Company. He is the President and Director of Petron Corporation and Top Frontier Investment Holdings Inc; the Chairman of Philippine Bank of Communications; a Director of Manila Electric Company; Vice Chairman of Philweb Corporation, Atok-Big Wedge Corporation, Alphaland Corporation; and President of ISM Communications Corporation,. He was previously Undersecretary of the Department of Finance, in charge of both the International Finance Group and the Privatization Office from 2002 to 2005.

Ferdinand K. Constantino, Filipino, 60, has been a Director of the Company since May 31, 2010. He is a member of the Executive Committee, Audit Committee, Executive Compensation Committee and Nomination and Hearing Committee. He is Senior Vice President, Chief Finance Officer and Treasurer of the Company. He also holds, among others, the following positions: President of Anchor Insurance Brokerage Corporation; and a Director of San Miguel Brewery Inc., San Miguel Yamamura Packaging Corporation, SMC Global Power Holdings Corp., Top Frontier Investment Holdings Inc., Petron Corporation, Ginebra San Miguel Inc. and San Miguel Foods Inc. Mr. Constantino previously served San Miguel Corporation as Chief Finance Officer of the San Miguel Beer Division (1999-2005) and as Chief Finance Officer and Treasurer of San Miguel Brewery Inc. (2007-2009); Director of San Miguel Pure Foods Company, Inc. (2008-2009), Director of San Miguel Properties, Inc. (2001-2009); and Chief Finance Officer of Manila Electric Company (2009). He has held directorships in various domestic and international subsidiaries of SMC during the last five years. He was recently elected as Director of PAL Holdings, Inc., and Philippine Airlines, Inc.

Reynato S. Puno, Filipino, 71, was elected to the Board as an independent director of the Company on January 20, 2011. Former Chief Justice Reynato S. Puno served as the Chief Justice of the Supreme Court from December 6, 2006 until his retirement on May 17, 2010. He joined the Court as an Associate Justice on June 1993 and was previously Associate Justice of the Court of Appeals (1986 to 1993), Appellate Justice of the Intermediate Appellate Court (1983), Assistant Solicitor General (1974-1982) and City Judge of Quezon City (1972-1974). He has also served as Deputy Minister of Justice from 1984-1986. He completed his Bachelor of Laws from the University of the Philippines in 1962, and has a Master of Laws degree from the University of California in Berkeley (1968) and a Master in Comparative Law degree from the Southern Methodist University, Dallas, Texas (1967).

Virgilio S. Jacinto is the Corporate Secretary, Senior Vice President and General Counsel and Compliance Officer of the Company (since October 8, 2010). He is a Director of San Miguel Brewery Inc. and Petron Corporation. He was formerly the Vice President and First Deputy General Counsel from 2006 to 2010 and appointed as the Company's General Counsel in 2010. He was Director and Corporate Secretary of United Coconut Planters Bank, Partner at Villareal Law Offices and Associate at SyCip, Salazar, Feliciano & Hernandez Law Office. Mr. Jacinto is an associate professor at the University of the Philippines. He obtained his law degree from the University of the Philippines where he was the class salutatorian and placed sixth in the 1981 Bar Examinations. He holds a Master of Laws degree from Harvard University. In addition, Mr. Jacinto holds various directorships in various domestic and international subsidiaries of SMC.

Joseph N. Pineda is the Senior Vice President and Deputy Chief Finance Officer of the Company. He was formerly Vice-President prior to his promotion on July 27, 2010, and has been the Deputy Chief Financial Officer since December 2005. He was previously Special Projects Head of the Company since January 2005. Mr. Pineda has a degree of Bachelor of Arts in Economics from San Beda College and obtained units towards a Master in Business Administration degree from De La Salle University. In addition, Mr. Pineda holds directorships in various SMC domestic and international subsidiaries.

Aurora T. Calderon is the Senior Vice President-Senior Executive Assistant to the President and Chief Operating Officer of the Company since January 20, 2011. Previous to her appointment, she was a consultant of the Company reporting to the Chief Operating Officer since 1998. She is also a member of the board of directors of Petron Corporation, Petron Marketing Corporation, Petron Freeport Corporation, SMC Global Power Holdings Corp., Sea Refinery Corporation, Thai San Miguel Liquor Co., Ltd., NVRC, Las Lucas Construction and Development Corp., and Kankiyo Corporation. She is the President and a Director of Total Managers, Inc. and was a Director of Meralco (2008-2009). A certified public accountant, Ms. Calderon graduated from the University of the East with a degree in Bachelor of Science in Business Administration, major in Accountancy, *magna cum laude*. In addition, Ms. Calderon holds directorships in various SMC domestic and international subsidiaries. She was recently elected as Director of PAL Holdings, Inc., Philippine Airlines, Inc., Trustmark Holdings Corporation, Zuma Holdings and Management Corporation, and Air Philippines Corporation.

Term of Office

Pursuant to the Company's By-Laws, the directors are elected at each annual stockholders' meeting by stockholders entitled to vote. Each director holds office until the next annual election and his successor is duly elected, unless he resigns, dies or is removed prior to such election.

Independent Directors

The independent directors of the Company are as follows:

1. Winston F. Garcia
2. Carmelo L. Santiago
3. Reynato S. Puno

Significant Employees

The Company has no employee who is not an executive officer but who is expected to make a significant contribution to the business.

Family Relationships

Mr. Eric O. Recto is the nephew of Mr. Roberto V. Ongpin. Both are incumbent directors of the Company. Other than this, there are no other family relationships up to the fourth civil degree either by consanguinity or affinity among the Company's directors, executive officers or persons nominated or chosen by the Company to become its directors or executive officers.

Involvement in Certain Legal Proceedings

None of the directors, nominees for election as director, executive officers or control persons of the Company have been involved in any legal proceeding, including without limitation being the subject of any (a) bankruptcy petition, (b) conviction by final judgment in a criminal proceeding, domestic or foreign, or a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses, (c) order, judgment or decree of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities, which is not subsequently reversed, suspended or vacated, or (d) judgment of violation of a securities or commodities law or regulation by a

domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self regulatory organization, which has not been reversed, suspended or vacated, for the past five (5) years up to the latest date that is material to the evaluation of his ability or integrity to hold the relevant position in the Company.

Item 10. Executive Compensation

The aggregate compensation paid or incurred during the last two (2) fiscal years and estimated to be paid in the ensuing fiscal year to the Chief Executive Officer and senior executive officers of the Company are as follows:

NAME	YEAR	SALARY	BONUS	OTHERS	TOTAL
Total Compensation of the Chief Executive Officer and Senior Executive Officers ¹	2012 (estimated)	₱160.9 Million	₱127.2 Million	₱ 26.8 Million	₱314.9 Million
	2011	₱145.5 Million	₱ 184.6 Million	₱ 34.1 Million	₱ 364.2 Million
	2010	₱ 145.8 Million	₱ 161.6 Million	₱ 23.2 Million	₱ 330.6 Million
All other officers and directors as a group unnamed	2012 (estimated)	₱113.7 Million	₱ 46.8 Million	₱ 28.2 Million	₱ 188.7 Million
	2011	₱ 113.0 Million	₱ 66.1 Million	₱ 31.4 Million	₱ 210.5 Million
	2010	₱ 91.7 Million	₱ 40.8 Million	₱ 31.8 Million	₱ 164.3 Million
Total	2012 (estimated)	₱ 274.6 Million	₱ 174.0 Million	₱ 55.0 Million	₱ 503.6 Million
	2011	₱ 258.5 Million	₱ 250.7 Million	₱ 65.5 Million	₱ 574.7 Million
	2010	₱ 237.5 Million	₱ 202.4 Million	₱ 55 Million	₱ 494.9 Million

Section 10 of the Amended By-Laws of the Company provides that the Board of Directors shall receive as compensation no more than 2% of the profits obtained during the year after deducting therefrom general expenses, remuneration to officers and employees, depreciation on buildings, machineries, transportation units, furniture and other properties. Such compensation shall be apportioned among the directors in such manner as the Board deems proper. The Company provides each director with reasonable per diem of P50,000 and P20,000 for each Board and Committee meeting attended, respectively.

The Long-Term Incentive Plan for Stock Options (“LTIP”) of the Company grants stock options to eligible senior and key management officers of the Company as determined by the Committee administering the said Plan. Its purpose is to further and promote the interests of the Company and its shareholders by enabling the Company to attract, retain and motivate senior and key management officers, and to align the interests of such officers and the Company's shareholders.

On November 10, 2005, the Company approved the grant of stock options to 1,096 executives and middle managers of about 4.43 million shares based on the closing price of the Company's shares, computed in accordance with the LTIP. Also on March 1, 2007, the Parent Company approved the grant of options to 822 executives consisting of 18.31 million shares. On June 25, 2009 and June 26, 2008, the

¹ The Chief Executive Officer and senior executive officers of the Company for 2012 are Eduardo M. Cojuangco, Jr., Ramon S. Ang, Ferdinand K. Constantino, Virgilio S. Jacinto, Joseph N. Pineda, Ma. Belen C. Buensuceso, and David S. Santos; for 2011 are Eduardo M. Cojuangco, Jr., Ramon S. Ang, Ferdinand K. Constantino, Virgilio S. Jacinto, Joseph N. Pineda, Ma. Belen C. Buensuceso, and David S. Santos; for 2010 are Eduardo M. Cojuangco, Jr., Ramon S. Ang, Ferdinand K. Constantino, Francis H. Jardeleza, Eduardo Sergio G. Edeza, Virgilio S. Jacinto, Joseph N. Pineda, Manuel M. Agustin and Bella O. Navarra.

Parent Company approved the grant of options to 755 executives consisting of 5.77 million shares and to 742 executives consisting of 7.46 million shares, respectively.

Options to purchase 34.05 million shares and 12.45 million shares in 2009 and 2008, respectively, were outstanding at the end of each year. Options which were exercised and cancelled totaled about 3.23 million and 1.76 million shares in 2009 and 2008, respectively.

There were no employment contracts between the Company and a named executive officer.

There were neither compensatory plans nor arrangements with respect to a named executive officer.

Item 11. Security Ownership of Certain Beneficial Owners and Management

Owners of more than 5% of the Company's voting² securities as of December 31, 2011 were as follows:

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent
Series "1" Preferred Shares	CIIF Companies ³ c/o 16/F, UCPB Building, Makati City	CIIF Companies c/o 16/F, UCPB Building, Makati City	Filipino	753,848,312	22.57%
Common	ECJ Companies ⁴ c/o 5/F, Universal Reinsurance Building, Perea Street corner Paseo de Roxas, Legaspi Village, Makati City	ECJ Companies	Filipino	493,375,183	14.77%

² Common stockholders have the right to vote on all matters requiring stockholders' approval. The holders of the Series "1" Preferred shares shall not be entitled to vote except in matters provided for in the Corporation Code: amendment of articles of incorporation; adoption and amendment of by-laws; sale, lease exchange, mortgage, pledge, or other disposition of all or substantially all of the corporate property; incurring, creating or increasing bonded indebtedness; increase or decrease of capital stock; merger or consolidation with another corporation or other corporations; investment of corporate funds in another corporation or business; and dissolution.

³ ASC Investors, Inc., ARC Investors, Inc., Anglo Ventures Corporation, AP Holdings, Inc., Fernandez Holdings, Inc., First Meridian Development, Inc., Randy Allied Ventures, Inc., Rock Steel Resources, Inc., Roxas Shares, Inc., San Miguel Officers Corps., Inc., Soriano Shares, Inc., Te Deum Resources, Inc., Toda Holdings, Inc. and Valhalla Properties Limited, Inc. None of these companies owns more than 5% of the Company's total issued and outstanding Series "1" Preferred shares as of December 31, 2011 except ASC Investors, Inc.; ARC Investors, Inc.; Toda Holdings, Inc., Te Deum Resources, Inc., Rock Steel Resources, Inc., San Miguel Officers Corps., Inc. and Roxas Shares, Inc. (see Top 20 Series "1" Preferred Shareholders in this report.) The administrator of the CIIF Companies is the United Coconut Planters Bank and the Chairman of the Board or its President or the designate of the Chairman is authorized to vote in person or by proxy the shares registered in the name of the CIIF Companies.

⁴ The following are the companies where the Chairman has controlling interests: Primavera Farms, Inc., Misty Mountains Agricultural Corporation, Black Stallion Ranch, Inc., Pastoral Farms, Inc., Meadow-Lark Plantations, Inc., Silver-Leaf Plantations, Inc., Agricultural Consultancy Services, Inc., Archipelago Realty Corporation, Archipelago Finance and Leasing Corporation, Baleta Ranch, Inc., Christensen Plantation Corporation, Discovery Realty Corporation, Dream Pastures, Inc., Echo Ranch, Inc., Far East Ranch, Inc., First United Transport, Inc., Habagat Realty Development Corporation, Kalawakan Resorts, Inc., Kaunlaran Agricultural Corporation, Labayug Air Terminals, Inc., Land Air International Marketing Corporation, LHL Cattle Corporation, Lucena Oil Factory,

Common	Top Frontier Investment Holdings Inc. ⁵ 5th Floor, ENZO Bldg., No. 339 Sen. Gil Puyat, Makati City	Top Frontier Investment Holdings Inc.	Filipino	1,221,878,025	36.59%
Common	PCD Nominee Corporation (Filipino) Makati City	Various individuals/entities	Filipino	364,192,846	10.91%

The following are the number of shares comprising the Company's capital stock (all of which are voting shares) owned of record by the directors, Chief Executive Officer, key officers of the Company, and nominees for election as director, as of December 31, 2011:

Name of Owner	Amount and Nature of Ownership		Citizenship	Total No. of Shares
	Common	Series "1" Preferred		
Eduardo M. Cojuangco, Jr.	776,038 (D)		Filipino	776,038 (0.02%)
Ramon S. Ang	376,653 (D)		Filipino	376,653 (0.01%)
Ferdinand K. Constantino	139,409 (D)	210,609 (D)	Filipino	350,018 (0.02%)
Estelito P. Mendoza	31,972 (D)		Filipino	31,972 (0.00%)
Hector L. Hofileña	29,854 (D)		Filipino	29,854 (0.00%)
Iñigo Zobel	16,171 (D)		Filipino	16,171 (0.00%)
Leo S. Alvez	5,000 (D) 9,326 (I)		Filipino	14,326 (0.00%)
Joselito D. Campos, Jr.	9,149 (D)		Filipino	9,149 (0.00%)
Winston F. Garcia	5,000 (D)		Filipino	5,000 (0.00%)
Menardo R. Jimenez	5,000 (D)		Filipino	5,000 (0.00%)
Carmelo L. Santiago	5,000 (D)		Filipino	5,000 (0.00%)
Alexander J. Poblador	5,000 (D)		Filipino	5,000 (0.00%)
Roberto V. Ongpin	5,000 (D)		Filipino	5,000 (0.00%)
Eric O. Recto	5,000 (D)		Filipino	5,000 (0.00%)
Reynato S. Puno	5,000 (D)		Filipino	5,000 (0.00%)
Virgilio S. Jacinto	25,622 (D)		Filipino	25,622 (0.00%)
Joseph N. Pineda	42,600 (D)		Filipino	42,600 (0.00%)
Aurora T. Calderon	2,600 (D)		Filipino	2,600 (0.00%)

The aggregate number of shares owned of record by the Chief Executive Officer, key officers and directors as a group as of December 31, 2011 is 1,664,803 shares or approximately 0.0504% of the Company's outstanding capital stock.

Inc., Metroplex Commodities, Inc., Northeast Contract Traders, Inc., Northern Carriers Services Management Corporation, Oceanside Maritime Enterprises, Inc., Oro Verde Services, Inc., PCY Oil Manufacturing Corporation, Philippine Technologies, Inc., Punong Bayan Housing Development Corporation, Pura Electric Co., Inc., Radio Audience Developers Integrated Org., Inc., Radyo Pilipino Corporation, Rancho Grande, Inc., Reddee Developers, Inc., San Esteban Development Corporation, Southern Service Traders, Inc., Southern Star Cattle Corporation, Spade One Resorts Corporation, Unexplored Land Developers, Inc., Verdant Plantations, Inc., Vesta Agricultural Corporation and Wings Resort Corporation. None of these corporations owns more than 5% of the voting securities of the Company. The shares owned by these companies are voted, either in person or by proxy, by the authorized designate of their respective boards. Mr. Eduardo M. Cojuangco, Jr. is not a stockholder of record of these companies or its respective parent companies.

⁵ *The shares owned by Top Frontier Investments Holdings, Inc. are voted, in person or by proxy, by its authorized designate. As of December 31, 2011, Top Frontier Investments Holdings, Inc. has voting rights to a total of 1,221,878,025 shares of the Company which represent about 51.57% of the outstanding common capital stock of the Company. Mr. Roberto V. Ongpin and Mr. Eric O. Recto own 1,999 and 1 shares, respectively, in Top Frontier.*

The aggregate number of shares owned by all officers and directors as a group as of December 31, 2011 is 2,394,724 shares or approximately 0.0717% of the Company's outstanding capital stock.

The Chairman and Chief Executive Officer, Mr. Eduardo M. Cojuangco, Jr. and the President and Chief Operating Officer, Mr. Ramon S. Ang, exercised their options under LTIP in 2011. Other than Mr. Joseph N. Pineda, none of the above key officers have exercised their options under LTIP in 2011.

Voting Trust

There is no person holding more than 5% of the Company's voting securities under a voting trust arrangement.

Changes in Control

The Company is not aware of any change in control or arrangement that may result in a change in control of the Company since the beginning of its last fiscal year.

Item 12. Certain Relationships and Related Transactions

See Note 34 (Related Party Disclosures) of the Notes to the Consolidated Financial Statements.

PART IV – CORPORATE GOVERNANCE

Item 13. Corporate Governance

The evaluation by the Company to measure and determine the level of compliance of the Board of Directors and top level management with its Manual of Corporate Governance ("Manual") is vested by the Board of Directors in the Compliance Officer. The Compliance Officer is mandated to monitor compliance by all concerned with the provisions and requirements of the Manual. The Compliance Officer has certified that the Company has substantially adopted all the provisions of the Manual.

Pursuant to its commitment to good governance and business practice, the Company continues to review and strengthen its policies and procedures, giving due consideration to developments in the area of corporate governance which it determines to be in the best interests of the Company and its stockholders.

PART V – EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17-C

(a) Exhibits

The Audited Consolidated Financial Statements are attached as **Annex "B"** and the Supplementary Schedules are attached as **Annex "C"** hereto. The other Schedules as indicated in the Index to Schedules are either not applicable to the Parent Company and its subsidiaries or require no answer.

(b) Reports on Form 17-C

A summary list of the reports on Form 17-C filed during the last six month period covered by this report is attached as **Annex "G"**.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Mandaluyong on May 7, 2012 and as amended on July 4, 2012.

By:


EDUARDO M. COJUANGCO JR.
Chairman and Chief Executive Officer


RAMON S. ANG
Vice Chairman-President and
Chief Operating Officer


FERDINAND K. CONSTANTINO
Chief Finance Officer and Treasurer


BELLA O. NAVARRA
Comptrollership Manager/
Principal Accounting Officer


VIRGILIO S. JACINTO
Corporate Secretary

SUBSCRIBED AND SWORN to before me this JUL 4 - 2012 day of July 2012, affiants exhibiting to me their passports as follows:

<u>NAME</u>	<u>PASSPORT NO.</u>	<u>DATE OF ISSUE</u>	<u>PLACE OF ISSUE</u>
Ramon S. Ang	XX0748364	July 11, 2011	Manila
Ferdinand K. Constantino	XX0167306	November 24, 2007	Manila
Bella O. Navarra	XX0264770	February 1, 2008	Manila
Virgilio S. Jacinto	EB0971552	September 17, 2010	Manila
Eduardo M. Cojuangco, Jr.	XX1347206	June 6, 2008	Manila

Doc. No. 218;
Page No. 35;
Book No. 24;
Series of 2012.


MARY ROSE S. TAN
Commission No. 0252-11
Notary Public for Mandaluyong City
Until Dec. 31, 2012
SMC, 40 San Miguel Ave., Mandaluyong City
Roll No. 47144
PTR No. 1963633; 1/19/12; Mandaluyong City
Lifetime Member No. 09449; 01/04/11; Makati City