



SAN MIGUEL CORPORATION

March 23, 2011

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

Gentlemen:

We are transmitting herewith a copy of the SEC Form 17-C (Current Report), which we submitted to the Securities and Exchange Commission this afternoon.

Very truly yours,



FERDINAND K. CONSTANTINO
Corporate Information Officer

COVER SHEET

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S. E. C. Registration Number

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(Company's Full Name)

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

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Contact Person

(632)	632-3000
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Company Telephone Number

1	2
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Month

3	1
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Day

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FORM TYPE

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Month

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Day

Annual Meeting

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Secondary License Type, If Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

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Total No. of Stockholders

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Domestic

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Foreign

To be accomplished by SEC Personnel concerned

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File Number

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE (SRC) AND SRC RULE 17(b)(3) THEREUNDER



1. **March 23, 2011**
Date of Report (Date of earliest event reported)
2. SEC Identification No. **PW 00000277**
3. BIR Tax Identification No. **000-060-741-000**
4. **SAN MIGUEL CORPORATION**
Exact name of registrant as specified in its charter
5. **Philippines**
(Province, country or other jurisdiction of Incorporation)
6. (SEC Use Only)
Industry Classification Code
6. **No. 40 San Miguel Avenue, Mandaluyong City, Metro Manila**
(Address of principal office)
- 1550**
(Postal Code)
7. **(632) 632-3000**
(Registrant's telephone number, including area code)
8. **N/A**
(Former name or former address, if change since last report)
The Registrant has not changed its address since its last report to this Honorable Commission.
9. Securities registered pursuant to Sections 8 and 12 of SRC

Title of Each Class	Outstanding as of October 28, 2010
Common Shares	2,310,620,252
Series "1" Preferred Shares	970,506,353
TOTAL	3,281,126,605

10. Indicate the item numbers reported herein: **Item 9**

In connection with the contemplated re-offering of the Corporation's common shares, the Corporation submits for the reference of the Commission the attached pro-forma consolidated financial statements of the Corporation, inclusive of the pro-forma assumptions. Kindly note that the entries appearing under the heading "Historical" refer to the figures reflected in the Consolidated Statement of Income of the Corporation and its subsidiaries (the "Group") submitted to the Commission on March 16, 2011. The pro-forma financial statements take into account the projected financial performance of the Group based on the premise that Petron Corporation and SMC Global Power Holdings Inc. were acquired as of January 2010.

[End]

Pursuant to the requirements of the Securities Regulation Code, the registrant duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SAN MIGUEL CORPORATION

By:



MARY ROSE S. TAN
Assistant Corporate Secretary

March 23, 2011.

SAN MIGUEL CORPORATION AND SUBSIDIARIES
CONSOLIDATED PRO FORMA STATEMENTS OF INCOME
(In Millions, Except Per Share Data)

For the year ended December 31, 2010					
	Historical	SRC and Petron from January 1 to December 14, 2010	SMC Global Power Holdings from January 1 to July 31, 2010	Other Pro forma adjustments	Pro forma Combined
SALES	P 246,109	208,199 ⁽¹⁾	20,301 ⁽²⁾	-	P 474,609
COST OF SALES	173,906	189,612 ⁽¹⁾	13,576 ⁽²⁾	-	377,094
GROSS PROFIT	72,203	18,587	6,725	-	97,515
SELLING AND ADMINISTRATIVE EXPENSES	(37,426)	(6,825) ⁽¹⁾	(114) ⁽²⁾	-	(44,365)
INTEREST EXPENSE AND OTHER FINANCING CHARGES	(16,578)	(4,803) ⁽¹⁾	(4,559) ⁽²⁾	846 ⁽³⁾	(25,094)
INTEREST INCOME	3,023	739 ⁽¹⁾	23 ⁽²⁾	(1,928) ⁽⁴⁾	1,857
EQUITY IN NET EARNINGS OF ASSOCIATES	6,817	(151) ⁽¹⁾	0	(4,596) ⁽⁵⁾	2,070
GAIN ON SALE OF INVESTMENTS AND PROPERTY AND EQUIPMENT	529	(8) ⁽¹⁾	-	-	521
OTHER INCOME (CHARGES) - Net	6,926	1,620 ⁽¹⁾	7,421 ⁽²⁾	(3,832) ^(6,7)	12,135
INCOME BEFORE INCOME TAX	35,494	9,159	9,496	(9,510)	44,639
INCOME TAX EXPENSE	11,438	2,160 ⁽¹⁾	(367) ⁽²⁾	(132) ⁽⁸⁾	13,099
NET INCOME	P 24,056	6,999	9,863	(9,378)	31,540
Net Income Attributable to :					
Equity Holders of the Parent Company	P 20,091	7,071	9,376	(11,446)	P 25,093
Non-controlling Interests	3,965	(72) ⁽¹⁾	487 ⁽²⁾	2,068 ^(9,10)	6,448
	P 24,056	6,999	9,863	(9,378)	P 31,540
Basic Earnings Per share	6.18	3.06	4.06	(4.95)	8.34

Pro forma Assumptions

- (1) Represents the results of Sea Refinery Corporation (SRC) and Petron Corporation (Petron) from January 1 to December 14, 2010.
- (2) Represents results of SMC Global Power Holdings Corp (SMC Global) and its subsidiaries San Miguel Energy Corporation (SMEC) and Strategic Power Devt. Corp (SPDC) from January 1 to July 31, 2010.
- (3) Represents adjustment in Interest Expense of SRC assuming that SRC partially used the amount advanced by SMC to pay off its loans payable as of January 1, 2010.
- (4) Represents reduction in interest income assuming:
 - a. The Company used P50,277 million in cash on January 1, 2010 in connection with the acquisition of SRC and Petron and that such cash would have generated interest amounting to P 1,807 million, computed at an interest rate prevailing at the market for the relevant period.
 - b. The Company used P4,320 million in cash on January 1, 2010 in connection with the acquisition of SMC Global Power Holdings Corp and that such cash would have generated interest amounting to P 121 million, computed at an interest rate prevailing at the market for the relevant period .
- (5) Adjustments in Equity In Net Earnings:
 - a. Represents reversal of SMC's share in net income of Petron from June 15 to December 15, 2010 amounting to P1,599 million, assuming SMC acquired SRC and Peron on January 1, 2010.
 - b. Represents reversal of the 40% share of SMC in the net income of SMEC and SPDC for the period January 1 to September 30, 2010 amounting to P3,361 million, assuming SMC acquired 100% equity interests in SMC Global on January 1, 2010.
 - c. Represents adjustment in SMC Global 's 6.19 % share in the net income of Meralco for the period January 1 to July 31, 2010 amounting to P364 million, assuming that the Investment in shares of stock of Meralco was classified as Investment in Associates from January 1, 2010.
- (6) Represents reversal of SMC Global's (a) dividend income from Meralco amounting to P390 million (b) unrealized fair value gain from its investment in shares of stock of Meralco amounting to P5,762 million, assuming that the Investment was classified as Investment in Associates from January
- (7) To take up adjustment in the bargain purchase gain assuming that SMC acquired 100% equity interests in SMC Global on January 1, 2010 .
- (8) Assumes (i) adjustments for interest income in connection with the acquisition of SMC Global, SRC and Petron were subject to the Philippine statutory income tax rate of final tax rate of 20% (ii) the adjustments for the reversal in interest expense and other financing charges in connection with the acquisition of SRC and Petron were subject to the Philippine statutory income tax rate of 30%.
- (9) Represents reversal of the Non Controlling interests (a) for the 40% share of SMC in the net income of SMEC and SPDC for the period January 1 to Sept 30, 2010 amounting to P487 million and (b) for the 25% share of other shareholders in the net loss of SMC Global for the month of August 2010 amounting to (P49), assuming SMC acquired 100% equity interests in SMC Global on January 1, 2010.
- (10) Represents the net income attributable to the 31.74% interest held by the non controlling interest of Petron from January 1 to December 14, 2010 amounting to P2,506 , assuming SMC acquired SRC and Petron on January 1, 2010.