

Kaunlaran

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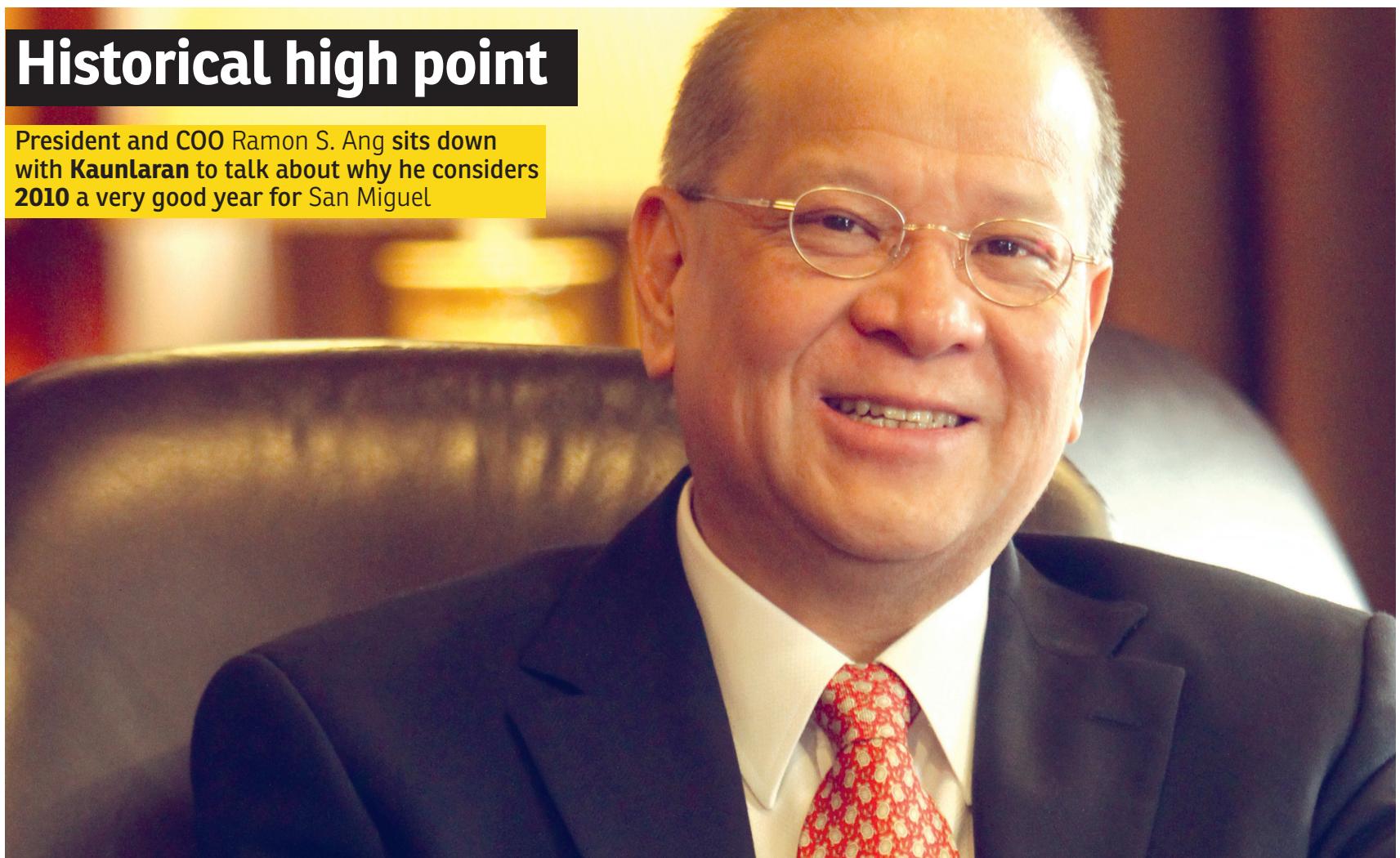
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GREAT EXPECTATIONS



Historical high point

President and COO Ramon S. Ang sits down with **Kaunlaran** to talk about why he considers 2010 a very good year for San Miguel



San Miguel is riding high these days. Stock prices of the parent company, and its beer and food subsidiaries are at an all-time high, outperforming a market that's showed renewed vigor in the last half of 2010. All SMC's core businesses are doing well, as are the company's power subsidiaries under the umbrella of the San Miguel Energy Group. But while SMC's current robustness owes something to the improving economy and the general sense of optimism that's greeted the new government, San Miguel's success can also be put down to the fact that management's strategy for taking advantage of those improving sectors and markets is beginning to take hold.

The company is capitalizing on plans to ramp up private investment in the Philippine infrastructure sector, and in recent months, has been raising and freeing up funds for new strategic investments. This shift in strategy illustrates the general attractiveness of the prevailing investment climate and the potential rewards on offer for the 120-year-old conglomerate.

Kaunlaran spoke to SMC's President and Chief Operating Officer Ramon S. Ang about the past year, the importance of "one San Miguel" and the values he hopes every San Miguel employee will embrace.—KGL

How would you assess 2010?

Sa palagay ko, magandang taon para sa atin ang 2010. I think we can all feel proud at how things have gone. *Lahat ng mga businesses natin ay naging maganda ang performance.* They did what was expected of them in terms of pushing sales, keeping costs down and generating profits. We ended the year with revenues exceeding US\$12 billion—the first company in the Philippines to break the US\$10 billion mark. That's a huge achievement. The value of our stocks—San Miguel parent, San Miguel Brewery, San Miguel Purefoods—are advancing at an all-time high. As a company, we're on a bull run.

There were a number of successes during the year that continue to contribute to our present growth and create opportunities for further growth and profitability. We expanded in key areas, driving down costs and effecting synergies across many of our critical business processes. Petron is very much a part of the San Miguel Group and they are contributing strongly to our bottom line.

Our traditional businesses have held their own. Packaging is doing well overseas, competing for exports and standing out in terms of product quality. *Syempre,* Beer is doing well, *katulad din ng Ginebra.* Food has improved a lot in terms of

competitiveness and profitability. In fact our core businesses are gearing up for another round of expansion. San Miguel Brewery is adding another bottling line in South Luzon to meet demand and we have several poultry, hog and feeds expansion programs in the pipeline.

A special message to my friends in the Food sector: I'm very proud of how they kept their focus *kahit na napag-uusapan natin noon ang pagbebenta ng business.* Given all the uncertainty, that must have been difficult, but they held up their end and did very well.

Going into the next decade, it's about how we, as San Miguel Group, take on the opportunities now being presented to us. We need to broaden and deepen the effects of our initiatives over the last two to three years.

Some people say San Miguel is into too many things, that we have way too many priorities. How do you respond to that?

In terms of priorities, I wouldn't say we have too many. Our portfolio is obviously more diversified, but the priorities are the same. Focused *pa rin tayo sa growth, at sa pagpapalago ng ating business.* *Iyan naman ang ating No. 1 priority simula noon, at sa palagay ko ay tayo naman ay naging disciplined tungkol diyan.* There's

