

Vision

The best managed
government enterprise
creating and maintaining
globally competitive and
sustainable growth centers
with the participation
of affected communities
and private sector.

Mission

To effect sustainable development
through globally competitive and
environment friendly facilities
in the Clark and Subic reservations
and their extensions, and Morong
in Bataan, that enhances the
productivity and ingenuity of the Filipino,
in partnership with the private sector
and in consultation with affected
communities.

	6	Executive Summary
2	2	President's Message
4	4	Chairman's Message
20	20	Financial Statements
22	22	Board of Directors
24	24	Subsidiaries & Affiliates
26	26	Investor's Haven
28	28	Management Directory

Contents

Cover Story

BCDA is more than just a builder of infrastructure and manager-developer of lands. BCDA makes goods, people and technology move—and where there is movement, there is growth.



President's Message

I am heartened to note that BCD has been performing its mandate to create globally competitive industrial, business, residential, recreational and transportation hubs – to highlight our country on the map of global investment. BCD's year 2001 performance exemplifies how well-thought out and properly implemented development plans translate to attractive sites for investors.

Connectivity as a means to keep up with the pace of globalization, best describes the essence of our BCD projects. Military camps are now made accessible to our people for a multitude of reasons. Fort Bonifacio is not just an emerging business, entertainment and educational center, but an alternative link between Metro Manila's leading business districts. The Subic, Clark, Poro Point, John Hay and Morong Special Economic Zones generate income, livelihood and technology exchange.

The Clark and Subic facilities are home to close to four billion dollars in investment. The launch of the Subic-Clark-Tarlac Toll Road Project to connect the three major economic centers is a milestone for the BCD. This Toll Road Project forms a regional logistics hub for the manufacture, storage and movement of goods, data and services. Camp John Hay was also opened this year to local and international tourists offering a haven in this mountain resort, with first-class accommodations. BCD likewise connects with the families affected by these development projects, as evidenced by the relocation of more than 7,000 families to decent, permanent homes by end 2001.

For all these achievements, I congratulate the team of Chairman Rogelio Singson. You leave a legacy of visionary leadership that has built a strong foundation for BCD. I am certain that BCD will continue to fulfill its mandate and vision. Together, we can bring our land and people to their rightful place in the global community.


Gloria Macapagal Arroyo



BCDA Chairman Rogelio Singson and Japan Bank for International Cooperation Governor Kyosuke Shinozawa signed the loan agreement to finance the Subic-Clark-Tarlac Toll Road Project during President Gloria Macapagal-Arroyo's visit to Japan on September 14, 2001.



Chairman's Message

One thing is clear to us now, more than ever. If the Philippines is to harness the opportunities of an increasingly "globalized" marketplace, then it needs to develop the infrastructure, facilities and manpower that support our industry and business for global competitiveness.

At BCDA we envision ourselves to be at the forefront of this effort to transform the areas we live, play and work in, into centers that keep us at pace and at par with the citizens of an increasingly borderless world.

The year 2001 was a confirmation that we are on the right track. It was a milestone year for us at BCDA as we worked towards fulfilling our mandate, and focused on the quality of our programs and projects. We consciously set the highest standards for ourselves and for every BCDA project, making certain that every detail was in line with our vision of creating globally competitive growth centers.

Globalization is a big word. To achieve it takes focus, determination, adherence to set values and principles, and business savvy. I am proud to say that the BCDA team has shown these qualities, and as a result, has made the year 2001 another fruitful one for BCDA.

As you peruse our Annual Report you will understand why I can confidently call the past year a productive one. Many plans were completed, projects began implementation, facilities were opened to their respective publics. But there are two important measures by which we determine the quality of our performance for the year.

The first is financial viability. We are happy to report that our activities in the year 2001 strengthened our capability to earn steady and stable income.

Our second measure is the progression of our dreams into reality.

We dreamed of Fort Bonifacio living up to its name - Global City - and today it is setting the standards for urban development.

We envisioned fully serviced socialized housing for the less fortunate families in the areas under our wing. As of today we have helped more than 7,000 families in their search for a decent home and means of livelihood.

We conceived the Subic-Clark Alliance Program as the collaboration that would create a global transport and logistics hub. The launch of the Subic-Clark-Tarlac Toll Road Project in 2001 was the first concrete step towards that realization.

We imagined Camp John Hay as a family-oriented, environmentally sound tourist destination, and last year, its gates opened to hundreds of families.

We set the highest standards for good governance and ethics, and came up with the first ever Code of Ethics and Conduct for the BCDA Board of Directors.

As I now move on, my own dream is to attract private investments into the Philippines, in my capacity as a citizen and businessman. This dream is bolstered by the success that BCDA has met in fulfilling its mandate. I pay tribute to the men and women who have worked with dignity and firm resolve towards our vision.

I assure our investors, partners, beneficiaries and kababayans that for as long as the BCDA team focuses on its mandate and lives by the high moral and professional standards it has set, then the advancement towards true globalization will continue.

I look forward to seeing progressive communities rise from the foundation that BCDA and its partners has built. To the men and women of BCDA, I say, stand proud. At the center of any of our BCDA projects, you can feel the pulse of a dynamic and boundless world. Know then, even as you visualize the infinite possibilities for the future, that we have already given something of ourselves back to the land of our birth.

I thank the Lord for having given me the opportunity to serve our country at the helm of BCDA.
Maraming salamat din sa inyong lahat.



Rogelio L. Singson

Executive Summary



Subic-Clark Alliance for Development (SCAD)

- The Memorandum of Agreement for the Subic-Clark Alliance for Development Program was signed on June 19, 2001. The Alliance calls for the alignment of the long-term development goals of the Subic and Clark Special Economic Zones. It aims to create a regional maritime and aviation logistics hub that is ideal for the manufacture, storage and movement of goods, data and services for international distribution.
- A major component of the Alliance is the Subic-Clark-Tarlac Expressway. The road project was launched towards the end of 2001. A loan agreement between the Japan Bank for International Cooperation (JBIC) and BCDA was signed on September 14, 2001 to fund the project.
- BCDA signed a P 1 Billion bridge loan agreement with the Development Bank of the Philippines on September 18, 2001, to cover BCDA's 15% equity counterpart in the project.



Clark Special Economic Zone

- The entry of 81 new investment projects by foreign and local investors was approved, projected to bring in a total of P 1.395 Billion in investments over the next five years.
- Clark-based firms exported more than US\$ 290 Million worth of goods from January to December 2001.
- Signed lease agreement with United Parcel Service (UPS). An initial investment of P 500 Million will bring in an average of six flights a day, as part of UPS' effort to establish an intra-Asia Hub.



Subic Bay Freeport

- In 2001, some 20,000 jobs were created in the Subic Freeport.
- The Freeport remained a top contributor to national export earnings. Exports continued to exceed the US\$ 1 Billion mark.
- P 3.6 Billion was collected from duties and taxes on importations, an 85% increase over year 2000 collections, and P 747.7 Million from the 5% tax on gross income of Subic Freeport enterprises, a 35% increase over last year.
- P 1.68 Billion worth of investments covering 142 contracts was committed.
- Almost 7 million local and foreign tourists visited the Freeport.



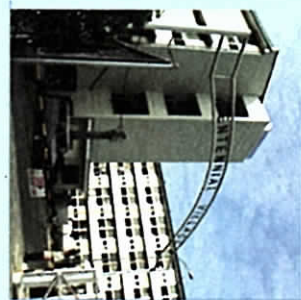
Bonifacio Global City

- The Manila Japanese School began operations in April 2001.
- The British School Manila moved its campus from Paranaque to BCDA's Institutional Area in September 2001.
- The Twin Pacific Plaza Towers was completed in September 2001.
- Preparations and planning for the 9.7-hectare Multi Modal Station to be developed by Ayala Land was completed. Construction will begin in the early part of 2002.
- Two gasoline station sites were awarded to Shell Philippines and Petron along C-5 Road. Shell began operating its service station in December 2001.
- The first phase of Heritage Park began operations in the first quarter of 2001.



John Hay Special Economic Zone

- Approximately 8 hectares from the Club John Hay Reservation was segregated on April 2001 for the legitimate and qualified occupants of Barangay Scout Barro. On December 18, 2001, President Gloria Macapagal Arroyo signed Executive Order 64, declaring the properties of BCDA in Scout Barro as housing site for bonafide occupants.
- The Manor Hotel partially opened (72 units) in December 2001.
- The Log Cabin Homes, Country Homes, Country Loghomes, and Condomel all reached varying stages of completion.



Housing

- BCDA's housing and relocation activities in 2001 brought the total number of families awarded housing units or homelots to more than 7,000 families.



Poro Point Freeport

- BCDA finalized the agreement on the relocation of the facilities of the Voice of America (VOA)/International Broadcasting Bureau (IBB) from an area of approximately 80 hectares to a 15-hectare area within the Zone. The leasing of the property by VOA/IBB will generate approximately US\$ 3.3 million for 10 years.



Bataan Technology Park, Inc.

- The 10-kilometer Backdoor Access Road between the Bataan Technology Park (BTP) and Subic Special Economic and Freeport Zone was completed in December 2001.
- The land use and infrastructure development plan for the BTP Complex was completed.

Revenue Generation and Investment Centers: Metro Manila

Bonifacio Global City

In the year 2001, BCDA continued to enhance the value of its 146 hectares in Bonifacio Global City by pursuing major development projects. The Global City continued to be a major commercial and residential destination, a central business address as well as a major road link between the northern and southern Metro Manila cities.

Institutional Area

Activities in the 25-hectare Institutional Area within the Bonifacio Global City increased in 2001 as the Manila Japanese School began operations in April 2001 and British School Manila transferred its campus to the new site in September of the same year.

Bonifacio Multi-Modal Station

In 2001, preparations and planning for the 9.76-hectare Multi-Modal Station to be developed by Ayala Land Inc. (ALI) was completed. Construction will begin in the early part of 2002. The Multi-Modal station is envisioned to be a transport hub surrounded by a mix of five office towers, two residential buildings and one



British School Manila



serviced apartment, a retail mall, an exhibit/trade hall, three hotels, three landscaped entrance plazas, multi-leveled gardens, pedestrian walkways and parking facilities.

Pacific Plaza Towers

The twin Pacific Plaza Towers was completed in September 2001. A high-end residential complex, Pacific Plaza has 393 units giving a panoramic view of Laguna de Bay and the Makati skyline.

Bonifacio Data Center

In line with President Gloria Macapagal Arroyo's program under the Information Technology and E-commerce Coordinating Council or ITECC, BCDA is developing the Bonifacio Data Center. This Internet Data Center is designed to catalyze the development of e-government, IT businesses and software development in the country. The ITECC and the National Economic Development Authority (NEDA) approved the feasibility study for possible ODA funding under the Digital Divide Component of the Special Yen Loan Package of the Japanese Government. The proposal is currently with the Japan Bank for International Cooperation (JBIC) for evaluation.

Disposition of FBDC Areas

BCDA's disposition program was held back in 2001 because BCDA's joint venture company, Fort Bonifacio Development Corporation (FBDC) launched a Disposition Program involving about 23 hectares of

prime land in Bonifacio Global City. BCDA aimed to take advantage of this opportunity to dispose of at least 15% of its 45% equity in NewCo, a company spun off from FBDC with the same equity sharing structure (55% Bonifacio Land Corporation, 45% BCDA). The value of BCDA shares to be disposed was estimated at P 800 Million. The property market was not receptive to a major sale however, and only Ayala Land, Inc. submitted a bid which was not acceptable to FBDC.

Pacific Plaza Towers



After the failed bidding, Metro Pacific Corporation (MPC) resorted to selling its 69.6% stake in Bonifacio Land Corporation (BLC), the consortium which holds 55% interest in FBDC. By the end of 2001, MPC was in talks with two groups, Ayala Land Inc. and Robinsons Land Corp., for the sale of its majority stake in BLC. FBDC sold the 5-hectare portion of the Bonifacio Global City known as FBDC Compound to a consortium of property developers led by businessman Carlos Rufino and the Megaworld Group for an estimated P 2 Billion.

Heritage Park

Heritage Park, developed by BCDA, is a 76-hectare high value, multi-use memorial park designed with an ideal environment, aesthetic landmarks and will be equipped with modern internet services and facilities. BCDA has sold P 2.5 Billion worth of Heritage Park investment certificates to fund the development. The park opened in the first quarter of 2001.

Villamor Air Base

BCDA and the Philippine Air Force (PAF) began negotiations for the new delineation of BCDA and PAF properties in Villamor Air Base (VAB). This will pave the way for an effective development for Villamor.

BCDA completed the VAB Master Development and Business Plan to enable it to dispose some of its Villamor properties, particularly the Driving Range. The 8.2-hectare Driving Range is foreseen as a development of residential, sports and recreation complexes. The value of the property is estimated at P 825.10 Million.

Heritage Park



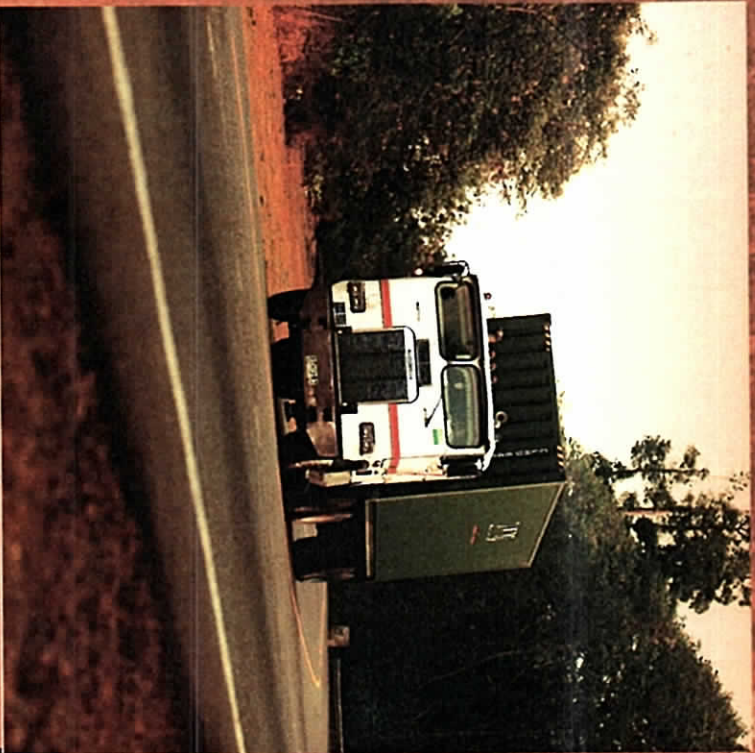
Special Economic Zones

Subic-Clark Alliance for Development

In June 2001, BCDA, together with the Clark Development Corporation (CDC) and the Subic Bay Metropolitan Authority (SBMA), signed a Memorandum of Agreement (MOA) creating the Subic-Clark Alliance for Development (SCAD) Program. The program calls for the alignment of the long-term development goals of the Subic and Clark Special Economic Zones.

A month after the signing of the MOA, the Department of Trade and Industry (DTI), BCDA, CDC and SBMA held a SCAD Strategic Visioning and Planning Workshop to develop a comprehensive vision, mission and broad strategy for the implementation of the Program.

The Alliance Program will provide a unique opportunity for Subic and Clark to combine their strengths and coordinate investment promotion efforts. The Alliance aims to provide world-class infrastructure and support facilities, international access of people and goods through the airport and seaport, access to abundant and highly skilled manpower and competitive fiscal incentives.



Subic-Clark-Tarlac
Toll Road





Subic-Clark-Tarlac Expressway

A major component of the Subic-Clark Alliance is the construction of the Subic-Clark-Tarlac Toll Road with two sections: the Subic-Clark segment and the Sta. Ines, Mabalacat-Tarlac section. It will provide a direct toll road connection between three vital development areas in Central Luzon.

On September 14, 2001, the loan agreement between the JBC and BCDA was signed for the funding of the Expressway project. Total project cost is close to US\$ 345 million. Eighty five percent (85%) of the total cost will be funded by the special yen loan facility of the JBC while the remaining 15% will be shouldered by the BCDA as the equity contribution. To finance part of BCDA's 15% equity counterpart, BCDA has signed a P 1 Billion bridge loan agreement with the Development Bank of the Philippines (DBP) on September 18, 2001. This will be taken out of the P 2 Billion bond flotation arrangement with DBP which will be launched in May 2002.

The final alignment survey for the tollroad project has been finalized. Aerial photogrammetry studies to define the right-of-way alignment were completed by the consortium of Pacific Consultants, Inc., Katahira and Nippon Koei Ltd. Bidding for the detailed design and engineering for the Expressway project was conducted in December 2001.

Clark Special Economic Zone Investments

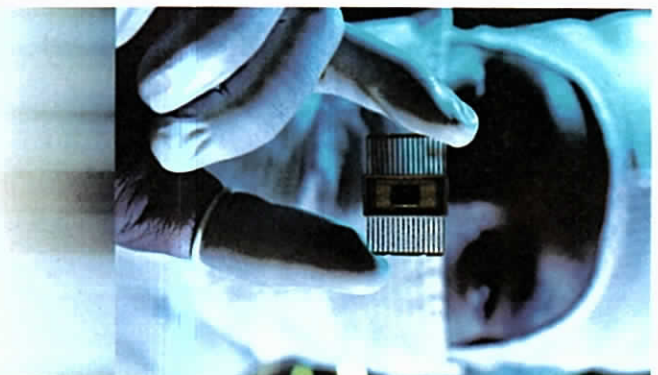
In 2001, the entry of 81 investment projects by foreign and local investors was approved. This will infuse a total of P 1.395 Billion in investments over the next five years. These projects are expected to generate an additional 3,288 jobs within the same period.

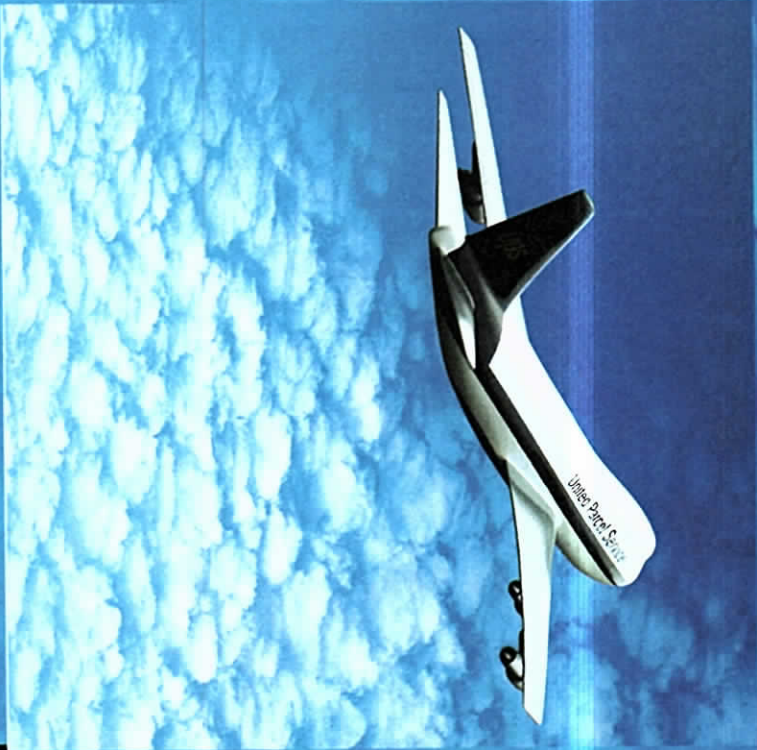
Exports

More than US\$ 290 Million worth of exports by Clark-based firms were recorded from January to December 2001. The top three exporters were Sampo Technology (US\$ 53,963,162), Nanox Philippines (US\$ 44,967,778), and Yokohama Tire Philippines (US\$ 25,236,742).

Employment

As of December 30, 2001, the total number of actual workers at Clark was placed at 21,988. This number was generated mainly as a result of the establishment of investment projects inside Clark since 1993. In the more than 90-year stay of the US Air Force in Clark, only 20,000 were employed.





United Parcel Service

Diosdado Macapagal International Airport

Airport Development

The BCDA and CDC Boards approved in December 2001 the merger of CDC and Clark International Airport Corporation (CIAC). The merger will result in the better implementation of programs and operational efficiency in the Clark Special Economic Zone.

The Clark International Airport was renamed Diosdado Macapagal International Airport (DMA) on September 28, 2001, the 91st birth anniversary of the late President Diosdado Macapagal.

Lease agreements were signed with leading industries in the aviation field.

- **United Parcel Service (UPS)**

UPS aims to establish an IntraAsia Hub serving the Asia Pacific Region, with specific focus on China. With an initial investment of P 500 Million, UPS will bring in an average of six flights a day.

- **Cebu Pacific Airlines**

Cebu Pacific began regular thrice weekly Cebu-DMA-Cebu flights in October 2001. This new service is expected to benefit the 2.5 million domestic tourists north of Metro Manila, a number estimated to increase to 3.5 million by the year 2005.



- **MACE Limited**

CDC signed a Memorandum of Understanding (MOU) with MACE for the development of a state-of-the-art aircraft maintenance facility in Clark's aviation complex. It will bring in US\$ 50 Million worth of investment into Clark and will generate some 21,000 jobs once it is fully operational. The MOU will culminate into the forging of a lease agreement between the two parties in January 2002.

Environmental Programs

The formulation and implementation of environmental management plans, policies and guidelines were pursued encompassing the concerns of proper garbage collection; proper disposal and recycling of hazardous Styropor waste material; proper handling and disposal of waste from health clinics.

The protection, conservation and enhancement of Clark's natural environment was ensured in the implementation of the Tree Maintenance Program.

The CDC team began negotiations with BN Consultants, Philippines, Inc. for the construction and development of the Clark Integrated Solid Waste Management Facility Sanitary Landfill Project at Sitio Kalangitan, Barangay Cutcut II, Capas, Tarlac in the Clark Subzone.

The team likewise firmed up discussions with US-based firm Civil Engineering Research Foundation for the free clean-up of at least 14 areas which have been identified as toxic waste-contaminated.



Management Systems Improvement

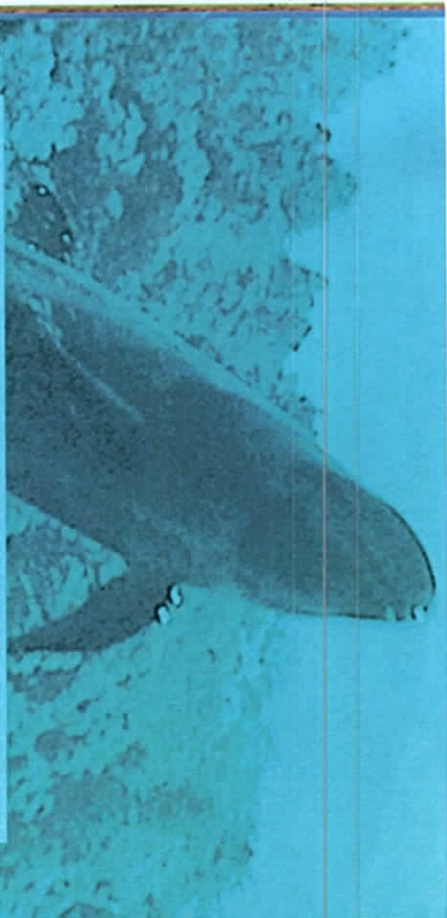
CDC began laying the groundwork for ISO 9000:2000 Certification, initially for the Business Planning and Development Group. The effort is aimed at improving and enhancing the systems and procedures of CDC in relation to the quality systems recognized both here and abroad.

Property and Asset Management

In 2001, CDC pursued and completed several property management projects, including the improvement and refurbishing of the landmarks Clark Main Gate, Salakot and K-9 Cemetery. It rehabilitated and repaired several buildings, roads, bridges and perimeter fences. The construction of 4 Kababayan Centers, Sacobia Bridge Approach and the asphaltting of the main road were likewise completed.

Clark Polytechnic

In 2001, the Clark Polytechnic was established primarily to address the training requirements and manpower needs of locators within the zone. In relation to this, CDC signed an MOU with Microsoft Chairman Bill Gates to establish the Microsoft-Clark Development Center which will provide extensive and up-to-date training on information technology.



Ocean Adventure

NorthRail Project

BCDA is pursuing the implementation of the Manila-Clark Railways System (MCRS) project. The MCRS will provide a rail transport link between Metro Manila and the Diosdado Macapagal International Airport (DMA) in Clark, Pampanga. The project will cover a distance of about 100 kilometers, and will reduce travel time to Clark from 1 1/2 hours to approximately 45 minutes.

In 2001, NorthRail received a proposal from the China National and Technological Import and Export Corporation to finance and implement rail construction subject to long-term financing. BCDA is currently preparing to resubmit a feasibility study to the NEDA, to seek approval and clearance to undertake the project at a lower cost and longer alignment.

Subic Freeport and Special Economic Zone Investments

A total of 142 new lease and sub-lease agreements were approved; 226 existing investments were renewed and/or expanded, with a value of P 1.68 Billion in committed investments.

Subic saw the opening of brand new facilities such as the Ocean Adventure, a Marine Park tourism attraction, the first of its kind in the country, world class





manufacturer Juken Sangyo and supplier companies to Wistron Infocomm (Phils) Co. (formerly Acer).

Mega Equipment International Corporation, one of the country's top bulk handlers, began construction of its P 600-Million modern bulk-grains handling facilities.

Tacoma likewise laid down plans to build a P 360-Million bulk terminal for fertilizer support for the food security program of the President in Central Luzon. This complements Subic Bay Metropolitan Authority or SBMA's container port development program designed to turn Subic into a modern seaport and transshipment hub in Asia.

A Memorandum of Agreement was signed between the SBMA and the Philippine affiliate of American company Kellogg Brown and Root (KBR) for the establishment of a P 100-Million ship repair and maintenance, gas and oil production platform fabrication plant, utilizing the former ship repair facilities of the US Navy.

Exports

For the third consecutive year, the Freeport breached the US\$ 1-Billion level even with the softening of the electronics industry. During the last quarter, Subic increased its export performance, registering a 27% increase over its performance in the same period in the year 2000. The export value for the year 2001 amounted to US\$ 1.08 Billion, slightly lower than the 2000 figure of US\$ 1.23 Billion.

Employment

In 2001, the Freeport hired a total 19,604 workers, an increase of 44% from the 13,614 jobs generated in year 2000. The high employment rate was brought about by the increase in hiring by manufacturing and service companies such as Wistron, and its suppliers, which accounted for the highest number of hires particularly in the last quarter.

The new employment figure brought to 45,742 the total workforce in the Freeport, net of retrenched and terminated workers.

Tourism

The opening of new tourism facilities complementing the Freeport's "Natural Subic" attraction drew more visitors to Subic. Compared to the 1998 tourist arrivals of a little over 2 million, the number of both foreign and domestic guests grew each year to 3 million in 1999; 6.7 million in 2000 and almost 7 million in 2001.

More attractions began their planning and development stage in 2001, including a Forest Adventure Park, an aviary, resorts and adventure facilities.

Property and Asset Management

Several infrastructure projects, worth a total of P 800 Million, were implemented in 2001. These included the construction and rehabilitation of roads and bridges, and a state-of-the-art sanitary landfill.

Construction began on a new road that connects to the US\$ 425 Million Subic-Clark-Tarlac Expressway project.

Several systems were installed to enhance the Cyber Subic project, including an Ortho-GIS Supported Emergency 911 System, Asset Information System and Maintenance Management System, along with Investor Handling and Integrated Financial Management System.





Poro Point Seaport

Poro Point Freeport and Special Economic Zone

Lease of the Voice of America

International Broadcasting Bureau

BCDA has finalized the agreement on the relocation of the facilities of the Voice of America/ International Broadcasting Bureau (VOA/IBB), which occupied approximately 80 hectares in the Zone. The VOA/IBB facilities will be relocated to a 15-hectare area at a lease of US\$ 3.3 Million for 10 years.

Marketing of Poro Point Special Economic Zone

The John Hay-Poro Point Development Corporation (JPDC) began a campaign to drum up interest among investors in the development of a new township that will take advantage of the seaport and airport of the Zone. JPDC envisions Poro Point as a well-planned, mixed-use development to complement the planned Metro San Fernando.

Operation of the Poro Point Seaport

The Poro Point Industrial Corporation, continued to pay its annual lease of P 50 Million, an amount it has been paying since 1999. PPIIC is a joint venture company of BCDA/JPDC and Bulk Handlers, Inc. to undertake the development, operation, management and



administration of the seaport and industrial areas within the Poro Point Seaport. The company is expected to generate a total revenue of P 1.433 Billion in 25 years.

John Hay Special Economic Zone

Segregation of Land for Housing Site

In April 2001, BCDA approved the segregation of about 8 hectares from the Club John Hay Reservation for the legitimate and qualified occupants of Barangay Scout Barrio. President Arroyo signed Executive Order 64 on December 2001, "declaring the properties of BCDA in Scout Barrio as housing site for bonafide occupants." To prepare for segregation and awarding, a census was conducted in the concerned barangays.

Completion of Units in Camp John Hay

Camp John Hay Development Corporation (CJHDvCo) completed 6 of the 15 units of Loghomes at the VDA area. The first and second batches of Country Homes (total of 21 units) were completed. The third batch was 25% completed by end of 2001.

The Country Loghomes recorded an 87% accomplishment rate while the Condotel was 49% completed by the end of 2001. In December 2001, the Manor Hotel made 72 units available to visitors.

The third batch of Baguio City Priority Projects comprised of 62 projects was opened for bidding.



Bataan Technology Park, Inc. (BTPI)

BCDA improved access to the Bataan Technology/Industrial Park by completing in December 2001 the road connection between the Park and the Subic Special Economic and Freeport Zone. The 10-kilometer SBMA-BTPI Backdoor Access Road was implemented in four phases for a total cost of P 104 Million.

BCDA completed the land use and infrastructure development plan for the BTP Complex in preparation for the formulation of the detailed Master Development Plan.





Pamayanang
Diego Silang

Housing and Relocation Programs

BCDA Social Development Plan

BCDA began the formulation of a full-blown medium-term BCDA Social Development Plan/Program (SDP) with special focus on the preservation of indigenous cultures and traditions; sustainable development; people empowerment; gender equality; and transfer of technology. The SDP was undertaken in an effort to create a more comprehensive framework for BCDA's social development projects.

Housing and Relocation

The value of Bonifacio Global City is greatly enhanced by the many development projects that have been completed and that are lined up for implementation. These developments are often hampered by the presence of informal occupants in project areas. To address the situation, BCDA is determined to implement its housing and relocation program as mandated. BCDA's housing and relocation program facilitates the clearing and vacant possession of the much needed project areas.

Status of Census.

BCDA completed mapping activities. This will help determine quality for the relocation of structures to be and their locations in these areas.

Status of Reloc.

In 2001, 6 families joining 6 housing units or

- Philippine Central housing units occupied
- Bicutan housing units occupied

- Pamayanang housing Taguig; occupied

- Philippine Air Camp subdivision allotted

- Villamor Air locate home

- Lupang Kiri project relocated



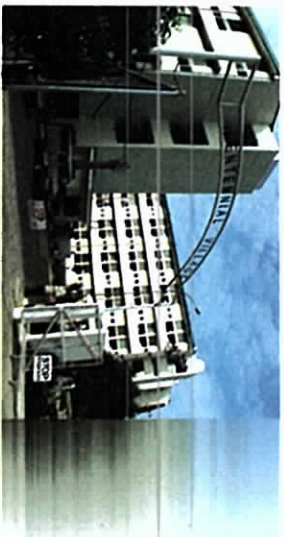
Status of Census, Tagging and Mapping

BCDA completed the census, tagging and mapping activities on 37 locations within Fort Bonifacio. This will help determine the number of families that qualify for the relocation package of BCDA, the number of structures to be demolished and compensated for, and their locations within project areas. Structures found in these areas totaled 5,638.

Status of Relocated Families

In 2001, BCDA relocated more than 1,800 families joining 6,000 others who have been awarded housing units or homelots in these sites:

- *Philippine Centennial Village* – 7.3-hectare medium-rise housing community located along C-5 Road, West Bicutan in Taguig; 1,140 units constructed; 1,128 units occupied.
- *Pamayanang Diego Slang* – 24.6-hectare medium-rise housing community located along C-5 Road, Ususan, Taguig; 2,880 units constructed; 630 units occupied/committed.
- *Philippine Army Village* – 100 hectares located in Camp O'Donnell, Capas, Tarlac; 700 lots subdivided; 150 housing units constructed and allotted to the Philippine Army.
- *Villamor Air Base Armen's Village* – 53 hectares located in Villamor Air Base, Pasay City; 1,730 homelots awarded.
- *Lupang Katuparan* – 48-hectare land-based relocation program divided into 4 areas; 1,135 families relocated.



Improvement of Organizational Capability

The BCDA Medium-Term Strategic Plan

In the year 2001, BCDA completed the formulation of the BCDA Medium-Term Strategic and Development Plan (MTSDP). The establishment of the MTSDP helps improve the operations of BCDA by setting a unified direction and set of objectives.

Good Governance and Ethical Standards for Directors

On September 7-8, 2001, a seminar-workshop on Basic Corporate Governance was conducted with the directors of BCDA, CDC, CIAC and JPDC participating. The seminar focused on the Code of Conduct and Ethical Standards for Public Officials and Employees and Board Authority and Practices. The group then created the Code of Ethics for the Board of Directors of BCDA and its subsidiaries.

Financial Statements

Balance Sheet (in million pesos)

	1997	1998	1999	2000	2001
(unaudited)					
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalent	4,102	1,992	1,314	1,251	1,152
Receivables	241	928	1,527	2,047	3,483
Inventories	1,331	2,006	1,715	1,594	913
Other Current Assets		167	211	188	92
Total Current Assets	5,674	5,093	4,767	5,080	5,640
INVESTMENTS PROPERTY AND EQUIPMENT OTHER ASSETS					
	36,241	36,598	28,835	30,122	30,673
	39,839	40,722	41,618	43,466	43,878
	11,153	10,704	57	58	71
TOTAL ASSETS	92,907	93,117	75,277	78,726	80,262
LIABILITIES AND CAPITAL					
Current Liabilities					
Accounts Payable	483	214	882	1,227	1,557
Trust Liabilities	2,719	1,097	1,139	622	517
Total Current Liabilities	3,202	1,311	2,021	1,849	2,075
Long-Term Liabilities Deferred Revenues Total Liabilities					
	8,815	8,815	498	1,263	1,287
	12,017	10,925	2,519	3,112	3,861
Capital					
Paid-up Capital	77,996	78,530	67,712	69,656	70,193
Contingent Capital	1	1	1	1	1
Donated Capital	1	1	1	1	1
Retained Earnings	2,892	3,660	5,044	5,956	6,205
Total Capital	80,890	82,192	72,758	75,614	76,400
TOTAL LIABILITIES AND CAPITAL	92,907	93,117	75,277	78,726	80,262

Balance Sheet Analysis

BCDA's total assets as of 31 December 2001 amounted to P80,262 billion which is 2% higher than last year's P78,726 billion. This increment is the result of the following changes:

1. Receivables increased by P1.44 billion, or 70%, on account of the following: additional sale of condominium units in the Pacific Plaza Towers project; P500 million receivable from the Department of Public Works and Highways (DPWH) for the widening of the North Luzon Expressway; and P96 million from the Manila International Airport Authority for the site of the NDA Terminal III.
2. Inventories decreased by P681 million as a result of the sale of condominium units in the Pacific Plaza Towers and housing units at Centennial Village and Pampayanang Diego Sanga, and refund from Philippine Army for the construction of Philippine Army Village at Camp O'Donnell, Tulac.
3. Investments increased by P551 million due to the P146 million equity share in the net income of BCDA subsidiaries and affiliates, and the additional P405 million equity contributions to its subsidiaries and affiliates.
4. Property and Equipment increased by P412 million due mainly to the transfer of properties from Sacoada Development Authority (SDA) and Philippine Centennial Expo '98 Corporation (Exporc), and construction of various infrastructure projects in Fort Bonifacio.
5. Payables increased by P330 million because of BCDA's share in the development cost of the Pacific Plaza Towers Project and outstanding obligations to contractors of various infrastructure projects.
6. The new account Long Term Liabilities represents the bridge loan secured from the Development Bank of the Philippines (DBP) to finance various BCDA priority projects which include, among others, the construction of the Solac Clark-Tarlac Expressway.
7. Deferred revenues increased by P24 million due primarily to the receipt of advance rentals from Poro Point Industrial Corporation, MCC New Life Christian Academy, Petron Corp., and Pilgrims Shell Petroleum Corporation.
8. Paid-up Capital increased by P537 million on account of the proceeds from the underwriting of Heritage Park Certificates.

Statement

REVENUE:

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Statement of Income and Retained Earnings (in million pesos)

	1997	1998	1999	2000	2001
REVENUES					
Interest Income					
Joint Venture Income	444	472	163	112	115
Seaport/Airport Income	49	61	225	308	271
Lease/Miscellaneous Income	2	55	69	2	51
Total Revenues	495	591	487	494	513
EXPENDITURES					
Personal Services	46	66	73	94	85
Maintenance & Other Operating Expenses	339	429	484	490	424
TOTAL EXPENDITURES	385	495	557	584	508
Net Income (Loss) from Operations	110	96	(70)	(90)	5
Other Income (Expenses)	1,387				
Subsidy from the National Government	498	686	1,502	918	194
Equity in net income of subsidiaries/affiliates				(8)	(7)
Interest Expense					
Net Income Before Tax	1,995	782	1,432	820	192
Provision for Income Tax		(2)	(6)	(8)	(8)
NET INCOME	1,995	780	1,426	812	184
Retained Earnings, Beginning	938	2,892	3,659	5,044	5,956
Prior Period Adjustments	18	18	7	100	65
Cash dividends	(59)	(31)	(48)	-	-
Retained Earnings, End	2,892	3,659	5,044	5,956	6,205

Income Statement Analysis

For calendar year 2001, BCDCA generated total revenues of P313 million, which is 4% higher than the previous year's P494 million. Although there was a 12% decline in income from the joint venture with Pacific Plaza Tower Inc., from P308 million to P271 million, income from seaport operations considerably rose from P2 million to P51 million. Lease/Miscellaneous and interest income likewise increased this year.

Total expenditures for the 12-month period amounted to P508 million or 13% lower than last year's level of P584 million. Taxes, duties and fees, as well as Cash Compensation contributed most to the decrease in maintenance and other operating expenses (MOOE) for CY 2001.

Net income from operations amounted to almost P3 million or 0.91% of total revenues, a turnaround from last year's losses of P90 million. This was a result of the slightly higher revenues as against total expenditures, as stipulated above.

BCDA's net income of P184 million after other income and tax provision is about four times lower than last year's P912 million. This is mainly attributable to the decline in equity share in net income of subsidiaries/affiliates, i.e., from P918 million in 2000 to P194 million this year.

BCDA recorded retained earnings of P6.205 billion by the end of the year 2001, showing an increase of 4% from that of P5.956 billion in 2000. Retained Earnings is comprised of the following: P2.85 billion subsidy from the National Government as BCDA's share in net proceeds from sale of portion of Fort Bonifacio, P3.799 billion equity share in net income of subsidiaries and affiliates, and P444 million accumulated loss from operations and prior period adjustments.

Rogelio I. Singson
Chairman & President



Astoya M. Santiago
Vice Chairman



Avin P. Capino
Director



Jesulito A. Ma
Director



Board of Directors

Liberato P. Lanas
Director



Rafael Julian V. Azanza
Director



Isaac S. Puno
Director



**New
Appointees**

As of March 2002



Gerard R. Sano
Director



Jesulito A. Manalo
Director



Art-Ben C. Sebastian
Director



Florencio F. Padernal
Chairman



Isaac S. Puno III
Director



Rufo Colayco
President / CEO



Clark Development Corporation

Rizalino S. Navarro
Chairman

Dr. Emmanuel Y. Angeles
President

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Dr. Florencio F. Paderm
Chairman
As of March 2002

Fortunato U. Abat
President

Subsidiaries & Affiliates



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Rizalino S. Navarro
Chairman

Dr. Emmanuel Y. Angeles
President

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Dr. Emmanuel Y. Angeles



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Manuel V. Pangilinan
President & CEO

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Rizalino S. Navarro



Manuel V. Pangilinan



Dr. Florencio F. Paderm
Chairman

Isaac S. Puno III
President & CEO



Dr. Florencio F. Paderm

Investors setting up their business in the special economic and freeport zones of SUBIC, CLARK, JOHN HAY, PORO POINT or MORONG enjoy government-guaranteed incentives such as:

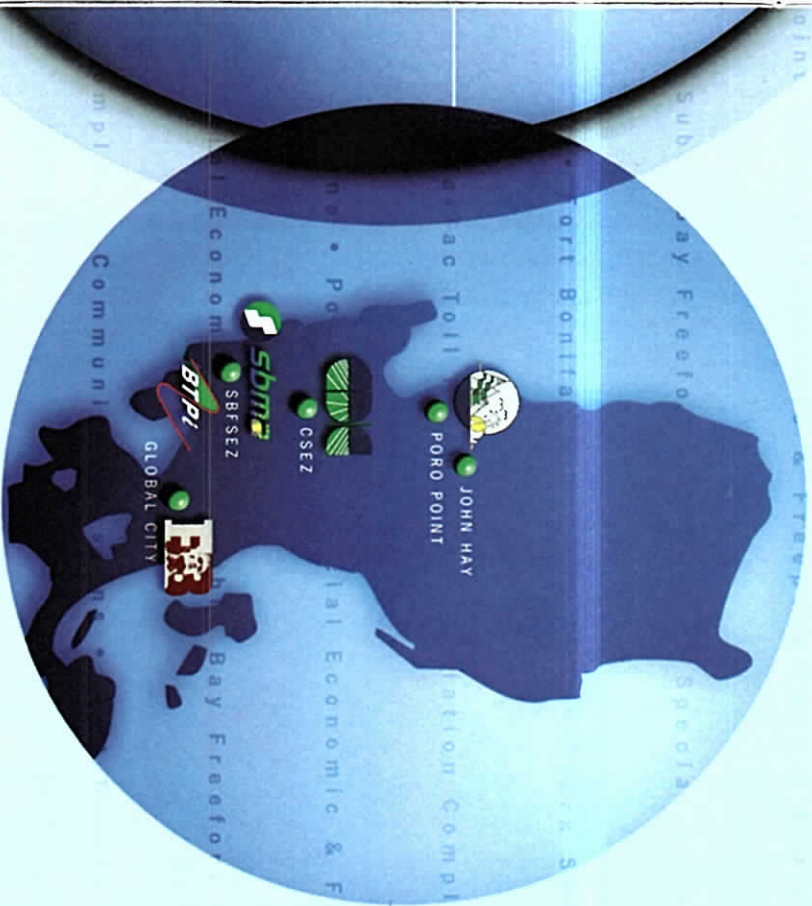
- 5% levy on Gross Income Earned (GIE) in lieu of all national and local taxes and duties
- tax and duty-free importation of capital goods, machinery, raw materials, supplies and finished goods
- management of the zone as a separate customs territory, ensuring free flow of articles within the zone
- unlimited purchase and consumption of tax and duty-free consumer goods within the zone
- liberalized banking rules/no foreign exchange controls
- businesses within the zones may be 100% foreign-owned
- security and infrastructure of a special economic and freeport zone.

The SUBIC BAY FREEPORT AND SPECIAL ECONOMIC ZONE, with excellent seaport facilities, is ideal for light-to-medium and high-tech industries.

The CLARK SPECIAL ECONOMIC ZONE, future site of a world-class international civil-aviation complex, is best suited for the establishment of industrial, commercial, tourism and trade centers.

The JOHN HAY SPECIAL ECONOMIC ZONE and PORO POINT SPECIAL ECONOMIC AND FREEPORT ZONE provide the ultimate in tourism facilities as they combine the exotic pleasure of John Hay's mountain haven and Poro Point's waterfront resort with an industrial and tourism complex along the finest coastlines of Northern Philippines.

The MORONG SPECIAL ECONOMIC ZONE is being developed into an agro-industrial zone to complement Subic.



Management Directory

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Resident Auditor
Tel. No. (632) 5100412

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Shog Hara – Old Principal

British School Manila

Helen Kersy-Whiteman – Head, Principal
John Hawkins – Chairman, Board of Governors

International School Manila

David Toze – Superintendent

Heritage Park

Emr Tubayan – General Manager

Amertron Inc.

Irene Gauda – Administration Manager

Cyber City Teleservices, L.T.D.

Harry Quambao – Human Resources Manager

L&T International Group (Philis) Inc.

Falma Mercado – Asst. Admin Manager

Yokohama Tire Philippines, Inc.

Ray Mandocdoc – Section Head, Plant Management Dept.

Juken Sangyo (Philis) Corp.

Makuro Tabata – General Manager

Abel Delector – Personnel & Gen. Affairs Manager

Subic Bay Marine Exploration (Ocean Adventure)

John Corcoran – President

Nena Castro – Media & Special Projects Consultant

Wayne Prigos – Director for Annual Trainers

Sheval Birch – Animal Trainer

Sanyo Seiki Manufacturing Co. Ltd.

Mr. Yuzo Oguchi – President

Larry Saha – Personnel & Gen. Affairs Section Supervisor

Sanyo Denki Philippines, Inc.

Harum Kanazaki – President

Alan Copuz – Production Asst. Manager

Emy Hidalgo – Personnel & General Affairs Interpreter

YI Phone Inc.

Raymond Liu – President

William Becala – Asst. Operations Manager

The 2001 Annual Report is a project of the Public Affairs Department team of Edgar M. Morada, Patrick Francisco, Patricia Cardona and Irina J. Communications Services, Inc. team of Sony J. Jalandoni, Project Manager; Odi Rodolfo, Art Director; Pa. B. Guillerrez, Writer; Francis Abraham, Photographer; Joey Francis, Graphic Artist; Ireen Azarcon, Layout Artist; Denise Ortigas, Account Executive; George J. Lara, Production Manager; and Merv Rio, Production Assistant.