COVER SHEET

5213
SEC Registration Number

GMA NETWORK, INC.

(Group's Full Name)

GMA Network Center, Timog Avenue corner EDSA, Quezon City

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

Mr. Ronaldo P. Mastrili
(Contact Person)

982-7777
(Group Telephone Number)

0 9	3 0
Month	*Day*

(Fiscal Year)

17-Q
(Form Type)

Month	*Day*

(Annual Meeting)

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

S T A M P S

Remarks: Please use BLACK ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2) (b) THEREUNDER

1. For the quarterly period ended **September 30, 2010**

2. SEC Identification Number **5213**

3. BIR Tax Identification No. **000-917-916-000V**

4. Exact name of issuer as specified in its charter **GMA Network, Inc.**

5. **Philippines**
   Province, country or other jurisdiction of incorporation

6. ________ (SEC Use Only)
   Industry Classification Code

7. **GMA Network Center, Timog Avenue corner EDSA Quezon City** — **1103**
   Address of principal office — Postal Code

8. **(632) 982-7777**
   Issuer's telephone number, including area code

9. Not applicable
   Former name or former address, if changed since last report

10. Securities registered pursuant to Section 8 and 12 of the SRC and Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Outstanding Stock and Amount of Debt Outstanding……………..
Common Stock, P1 par value	**3,361,047,000 shares**
Preferred Stock, P0.20 par value	**7,499,507,184 shares**

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

    Yes [X] No [ ]

12. Indicate by check mark whether the registrant:

    (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

    Yes [X] No [ ]

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

    Yes [X] No [ ]

TABLE OF CONTENTS

Management Discussion and Analysis of Financial Condition and Results of Operations for the Nine Months Ended September 30, 2010

GMA Network remains on track going into the last stretch of the year, rising up to the challenge post election-period. For the nine months period this year, GMA Network, Inc.'s top line amounted to ₱10.876 billion, ₱851 million or 8% higher than comparative period in 2009. Airtime revenues from all platforms were ahead of last year's performance. In the same manner, subscription revenues from International operations posted double digit growth from a year ago due to a higher subscriber base, providing much needed top line growth.

In the meantime, total operating expenses grew by ₱626 million, albeit at a higher rate of 11%, from ₱5.555 billion for the nine-month period last year, to ₱6.181 billion in 2010. Production costs climbed 14% or ₱425 million mainly on account of the non-recurring election coverage cost as well as additional in-house produced programs particularly in the weekday late afternoon grid, replacing canned programs. The weekday telebabad block likewise carried higher costing programs vis-à-vis their counterparts last year. The rise in general and administrative expenses was slower at 8% or ₱202 million year-on-year, with the continued promotional blitz in the regions as one of the main drivers. The hike in sales incentives owing to this year's election revenues added to the increase in general and administrative expenses.

Income Data	**9M-2010** *(in millions)*	9M-2009 *(in millions)*	Inc/(Dec) *(in millions)*	**%**
Gross Revenues				
Television and radio airtime	**₱10,050.5**	₱9,243.2	₱807.3	9%
Production and others	**825.3**	781.6	43.7	6%
	10,875.8	10,024.8	851.0	8%
Less: Revenue Deductions				
Agency and marketing commissions	**1,595.4**	1,430.5	164.9	12%
Co-producers' share	**90.5**	158.8	(68.2)	-43%
	1,685.9	1,589.2	96.7	6%
Net Revenue	**9,189.9**	8,435.6	754.3	9%
Production Costs	**3,488.6**	3,063.9	424.8	14%
Gross Profit	**5,701.3**	5,371.7	329.5	6%
General and Administrative Expenses	**(2,692.4)**	(2,490.8)	(201.6)	8%
Interest Expense and Financing Charges	**(3.4)**	(8.2)	4.8	-59%
Interest Income	**63.2**	43.8	19.3	44%
Other Income	**16.2**	28.5	(12.3)	-43%
Income Before Income Tax	**3,084.9**	2,945.1	139.7	5%
Provision for Income Tax	**813.2**	796.3	16.9	2%
Net Income	**₱2,271.7**	₱2,148.8	₱122.8	6%
Earnings Per Share				
Basic	**₱0.467**	₱0.442		
Diluted	**0.467**	0.442		

Revenues

Consolidated gross revenues – consisting of airtime revenues from television and radio, subscription revenue from international operations, and other revenues from subsidiaries – were up 8% or ₱851 million, sealing the nine-month performance at ₱10.876 billion from ₱10.025 billion in 2009.

Gross Revenues	**9M-2010** *(in millions)*	9M-2009 *(in millions)*	Inc/(Dec) *(in millions)*	%
Television and radio airtime	**₱10,050.5**	₱9,243.2	₱807.3	9%
Production and others	**825.3**	781.6	43.7	6%
	₱10,875.8	₱10,024.8	₱851.0	8%

Airtime revenues from TV and radio, which made up 92% of total revenues, posted a 9% increase to ₱10.051 billion resulting mainly from the influx of political advertisements earlier this year though partly mitigated by the slowdown experienced from June to August owing to the cut-back in ad spend of some major advertisers. Channel 7 airtime revenues – the Company's lifeblood, contributing 85% of the total revenue pie – grew to ₱9.262 billion, 7% higher than last year's performance. QTV Channel 11's airtime revenues climbed 10% to ₱346 million. Airtime revenues from radio operations improved by soaring 73% to ₱443 million versus ₱256 million generated last year.

Meanwhile, revenue from other sources sealed the first nine months with ₱825 million, a 6% rise over prior year's ₱782 million. Subscription revenues from international operations which contributed 85% of the total production and others revenues, posted a 10% increase vs. previous year resulting from the continued growth in subscriber base. By the end of the third quarter, GPTV's subscribers were at 263,000, 17% higher than the subscriber count recorded in the same period in 2009. Of this figure, 123,000 are also GLTV subscribers, up 13% year-on-year. The viewer counts are estimated at 1.7 million and 994,000 for GPTV and GLTV, respectively. On the other hand, subsidiaries shared ₱127 million in total other revenues, dropping by 15% from ₱148 million recorded in the same period last year.

Expenses

Total operating expenses – composed of production cost and general and administrative expenses – ended at ₱6.181 billion, up 11% from ₱5.555 billion a year ago.

Production Costs	**9M-2010** *(in millions)*	**9M-2009** *(in millions)*	**Inc/(Dec)** *(in millions)*	%
Talent fees	**₱1,715.9**	₱1,383.5	₱332.4	24%
Rentals and outside services	**507.1**	438.4	68.6	16%
Other program expenses	**765.6**	721.0	44.6	6%
Sub-total - cash production cost	**2,988.6**	2,542.9	445.7	18%
Program rights amortization	**345.4**	379.4	(34.0)	-9%
Depreciation and amortization	**154.7**	141.6	13.1	9%
Total production cost	**₱3,488.6**	₱3,063.9	₱424.8	14%

Production-related expenses, which accounted for 56% of the total operating expenses, increased by 14% to ₱3.489 billion compared to last year's ₱3.064 billion. Cash production costs were up by 18% or ₱446 million due to the growth in talent fees as Channel 7 and QTV 11 aired higher costing and additional station-produced programs.

Non-cash production costs of ₱500 million were likewise higher by 4% than last year primarily due to depreciation of light vehicles and studios used for production, with the full depreciation of some broadcast equipment.

Consolidated general and administrative expenses (GAEX) amounted to ₱2.692 billion, reflecting an increase of 8% versus ₱2.491 billion in 2009. Outside services, followed by facilities costs were the major drivers for the year-on-year increase.

General and Administrative Expenses	**9M-2010** *(in millions)*	9M-2009 *(in millions)*	Inc/(Dec) *(in millions)*	**%**
Personnel costs	**₱1,133.9**	₱1,130.3	₱3.6	0.3%
Outside services	**482.6**	357.6	125.0	35%
Facilities costs	**327.5**	252.6	75.0	30%
Taxes and licenses	**145.0**	143.4	1.6	1%
Others	**344.5**	324.5	20.0	6%
Subtotal - Cash GAEX	**2,433.5**	2,208.4	225.1	10%
Depreciation and amortization	**244.4**	268.4	(24.1)	-9%
Amortization of software cost	**14.6**	14.0	0.6	4%
Subtotal - Non-cash GAEX	**258.9**	282.4	(23.5)	-8%
Total GAEX	**₱2,692.4**	₱2,490.8	₱201.6	8%

Personnel costs amounted to ₱1.134 billion, up by only 0.3% or ₱4 million from last year's ₱1.130 billion. The minimal increase was mainly due to the yearly salary rate adjustments for rank and file and confidential employees coupled with the increase in manpower count, which was offset by signing bonus paid out last year due to new collective bargaining agreement covering the years 2009-2011.

Outside services – consisting of advertising and promotions, management and professional fees and sales incentives – increased by 35% to ₱483 million. Advertising and sales incentives accounted for the increase as more extensive promotional activities in Regional areas were conducted this year compared to last year while growth in sales incentives was an offshoot of the higher sales owing to advocacy and political ads for 2010 National and Local Elections.

Facilities cost – composed of utilities and repairs and maintenance – increased 30% or ₱75 million, ending the period at ₱328 million, primarily due to various maintenance works undertaken at both the head office and regional relay stations and from the increase in generation charge of Meralco, as well as, rise in utilization of electricity as the offices within the GMA Network Studios became almost fully occupied.

Taxes and licenses inched up by 1% to ₱145 million due to the increase in franchise tax resulting from the year-on-year growth in revenue base and from higher royalty taxes in relation to subscription revenues from international operations, as revenues from this segment continued to grow. Other cash GAEX inched up 6% to ₱345 million.

Non-cash GAEX of ₱259 million was 8% lower than last year with the full depreciation of some facilities and equipment, which remain still in use. Also, less additions to property and equipment were made during the year compared last year.

Interest and financing charges on short-term loans

Interest expense and financing charges for the period amounting to ₱3 million was 59% lower compared to last year's ₱8 million. The drop resulted from less short-tem notes payable during the first nine months of this year compared to same period last year. The Company still boasts of being debt-free as of end September 2010.

Interest income from short-term investments

Interest income from short-term investments ended higher by 44% to ₱63 million from last year's ₱44 million due to higher interest rates and higher average monthly placements this period, largely due to cash inflows from political advertisements earlier during the year.

Other Income

Other income ended at ₱16 million, down 43% from ₱29 million in 2009 mainly reflective of the drop in the US dollar-to-peso conversion rate that resulted to net foreign exchange loss. Total decrease was partially offset by gain on sale of fixed assets recognized this period amounting to ₱12 million. The decrease was further lessened by the increase in share of net earnings of an affiliate due to the dramatic improvement in its net income.

Net Income

Consolidated net income settled at ₱2.272 billion, reflecting a year-on-year growth of 6% or ₱123 million. EBITDA for the nine-month period wrapped up at ₱3.784 billion, 2% or ₱71 million more than 2009 year-to-date figures.

The growth in net income drove return on assets and return on equity to rise at 22% and 28%, respectively, from 20% and 26%, a year ago.

Balance Sheet Accounts

Consolidated total assets ended at ₱13.750, slightly lower than the 2009 year-end figure. The decline in non-current assets accounts was greatly offset by the dramatic climb in cash and cash equivalents and prepaid expenses and other current assets balances by ₱289 million.

Cash Flows	**9M-2010** *(in millions)*	9M-2009 *(in millions)*
Net cash provided by operating activities	**₱2,471.1**	₱2,287.0
Net cash used in investing activities	**(87.2)**	(360.6)
Net cash used in financing activities	**(2,189.4)**	(1,720.6)
Effect of exchange rate changes on cash and cash equivalents	**(7.7)**	0.5
Net increase (decrease) in cash and cash equivalents	**186.9**	206.3
Cash and cash equivalents at beginning of year	**2,200.2**	1,688.1
Cash and cash equivalents at end of year	**₱2,387.0**	₱1,894.4

Operating Activities

Net cash from operations registered at ₱2.471 billion for the first nine months of 2010. This resulted from the pre-tax income of ₱3.085 billion and income tax payments of ₱852 million, adjusted mainly by depreciation expense of ₱400 million and changes in working capital of ₱101 million. The primary component of the changes in working capital was the ₱92 million decrease in trade and other current liabilities as a result of payments to various creditors.

Investing Activities

Net cash used in investing activities amounted to ₱87 million. The ₱258 million additions to property and equipment and software costs were the primary driver, aligned with the continued expansion in the regions. This was offset by the ₱63 million interest earned from cash placements and ₱29 million cash proceeds from sale of property and equipment.

Financing Activities

Net cash used in financing activities amounted to ₱2.189 billion. This was due to payments of cash dividends previously declared and interest and financing charges amounting to ₱2.186 billion and ₱3 million, respectively.

GMA NETWORK, INC. AND SUBSIDIARIES
INTERIM CONSOLIDATED BALANCE SHEETS

	September 30, 2010 Unaudited	December 31, 2009 Audited
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 22 and 23)	**₱2,387,046,453**	₱2,200,193,818
Short-term investments (Notes 22 and 23)	**250,000**	23,460,312
Trade and other receivables - net (Notes 22 and 23)	**5,292,263,069**	5,310,223,152
Program rights	**596,687,998**	640,175,411
Prepaid expenses and other current assets	**487,820,412**	385,985,665
Total Current Assets	**8,764,067,932**	8,560,038,358
Noncurrent Assets		
Available-for-sale financial assets (Notes 22 and 23)	**104,906,848**	104,906,848
Investments and advances (Note 15)	**377,823,921**	394,327,610
Property and equipment at cost (Note 13)	**2,840,551,770**	3,024,036,141
Land at revalued amounts	**1,403,122,465**	1,403,122,465
Investment properties	**57,779,363**	59,716,748
Deferred tax assets - net	**44,655,079**	42,173,115
Other noncurrent assets (Notes 22 and 23)	**157,477,925**	175,132,835
Total Noncurrent Assets	**4,986,317,371**	5,203,415,762
	₱13,750,385,303	₱13,763,454,120
LIABILITIES AND EQUITY		
Current Liabilities		
Trade payables and other current liabilities	**₱1,869,622,912**	₱1,961,301,659
Income tax payable	**371,765,896**	407,847,673
Obligation for program rights	**90,170,540**	61,475,710
Dividends payable	**4,463,170**	3,367,963
Total Current Liabilities	**2,336,022,518**	2,433,993,005
Noncurrent Liabilities		
Pension liability	**280,837,454**	280,534,771
Deferred tax liabilities - net	**168,806,513**	168,806,513
Total Noncurrent Liabilities	**449,643,967**	449,341,284
Total Liabilities	**2,785,666,485**	2,883,334,289
Equity		
Capital stock - P1 par value (Note 17)	**4,864,692,000**	4,864,692,000
Additional paid-in capital (Note 17)	**1,659,035,196**	1,659,035,196
Revaluation increment in land - net of tax	**744,158,022**	744,158,022
Unrealized gain on available-for-sale financial assets - net of tax	**2,171,187**	2,171,187
Retained earnings (Note 17)	**3,728,935,600**	3,644,336,613
Treasury stock (Notes 7 and 17)	**(28,483,171)**	(28,483,171)
Underlying shares of the acquired Philippine Deposit Receipts (Notes 7 and 17)	**(5,790,016)**	(5,790,016)
Total Equity	**10,964,718,818**	10,880,119,831
	₱13,750,385,303	₱13,763,454,120

GMA NETWORK, INC. AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	For the Quarter Ended September 30		For the Nine Months Ended September 30	
	2010	2009	**2010**	2009
GROSS REVENUES (Note 18)	**₱3,311,062,117**	₱3,689,402,616	**₱10,875,837,612**	₱10,024,849,780
LESS				
Agency and marketing commissions	**483,130,196**	527,953,479	**1,595,387,740**	1,430,486,177
Co-producers' share	**17,817,951**	37,013,661	**90,539,378**	158,750,983
	500,948,147	564,967,140	**1,685,927,118**	1,589,237,160
NET REVENUES	**2,810,113,970**	3,124,435,476	**9,189,910,494**	8,435,612,620
PRODUCTION COSTS (Note 19)	**1,144,177,751**	1,157,159,343	**3,488,633,301**	3,063,877,983
GROSS PROFIT	**1,665,936,219**	1,967,276,133	**5,701,277,193**	5,371,734,637
GENERAL & ADMINISTRATIVE EXPENSES (Note 20)	**(903,953,334)**	(898,733,805)	**(2,692,408,160)**	(2,490,789,283)
OTHER INCOME (EXPENSES)				
Interest income from bank deposits and short-term investments	**19,510,959**	7,528,535	**63,157,098**	43,845,288
Interest expense and financing charges on short-term loans	**(578,363)**	(2,083,131)	**(3,358,193)**	(8,191,021)
Equity in net earnings of associates and joint ventures	**3,679,735**	2,884,493	**9,240,571**	4,122,960
Others - net (Note 21)	**(4,499,869)**	8,994,173	**6,946,370**	24,412,292
	18,112,462	17,324,069	**75,985,846**	64,189,518
INCOME BEFORE INCOME TAX	**780,095,347**	1,085,866,398	**3,084,854,879**	2,945,134,872
PROVISION FOR (BENEFIT FROM) INCOME TAX				
Current	**198,258,834**	299,231,965	**815,648,558**	801,348,691
Deferred	**(1,230,345)**	(1,230,004)	**(2,481,964)**	(5,063,020)
	197,028,489	298,001,961	**813,166,594**	796,285,672
NET INCOME	**583,066,858**	787,864,437	**2,271,688,285**	2,148,849,201
OTHER COMPREHENSIVE INCOME	**–**	–	**–**	–
TOTAL COMPREHENSIVE INCOME	**₱583,066,858**	₱787,864,437	**₱2,271,688,285**	₱2,148,849,201
EARNINGS PER SHARE (Note 7)				
Basic	**₱0.120**	₱0.162	**₱0.467**	₱0.442
Diluted	**₱0.120**	₱0.162	**₱0.467**	₱0.442

GMA NETWORK, INC. AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010 AND 2009

	Capital Stock (Note 17)	**Additional Paid-in Capital** (Note 17)	**Revaluation Increment in Land** - Net of Tax	**Unrealized Gain (Loss) on Available-for-sale Financial Assets -** Net of Tax	**Retained Earnings** (Note 17)	**Treasury Stock** (Note 7 and 17)	**Underlying Shares of the Acquired Philippine Deposit Receipts** (Note 7 and 17)	**Total Equity**
At January 1, 2010	**₱4,864,692,000**	**₱1,659,035,196**	**₱744,158,022**	**₱2,171,187**	**₱3,644,336,613**	**(₱28,483,171)**	**(₱5,790,016)**	**₱10,880,119,831**
Total comprehensive income	**-**	**-**	**-**	**-**	**2,271,688,285**	**-**	**-**	**2,271,688,285**
Cash dividends (Note 6)	**-**	**-**	**-**	**-**	**(2,187,089,298)**	**-**	**-**	**(2,187,089,298)**
At September 30, 2010	**₱4,864,692,000**	**₱1,659,035,196**	**₱744,158,022**	**₱2,171,187**	**₱3,728,935,600**	**(₱28,483,171)**	**(₱5,790,016)**	**₱10,964,718,818**
At January 1, 2009	₱4,864,692,000	₱1,651,547,885	₱744,158,022	₱1,843,368	₱2,527,155,258	(₱28,483,171)	(₱5,790,016)	₱9,755,123,346
Total comprehensive income	-	-	-	-	2,148,849,201	-	-	2,148,849,201
Collection of subscriptions receivable	-	11,630,442	-	-	-	-	-	6,443,798
Cash dividends (Note 6)	-	-	-	-	(1,724,332,699)	-	-	(1,724,332,699)
At September 30, 2009	₱4,864,692,000	₱1,663,178,327	₱744,158,022	₱1,843,368	₱ 2,951,671,690	(₱28,483,171)	(₱5,790,016)	₱10,191,270,290

GMA NETWORK, INC. AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010 AND 2009

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱3,084,854,879**	₱2,945,134,872
Adjustments for:		
Depreciation and amortization (Notes 19 and 20)	**399,042,554**	410,017,230
Interest income from bank deposits and short-term investments	**(63,157,098)**	(43,845,288)
Movements in pension liability	**302,683**	(35,124,719)
Amortization of software costs (Note 20)	**14,572,409**	14,007,128
Gain on sale of property and equipment (Note 21)	**(11,605,788)**	(3,588,206)
Equity in net earnings of associates and joint ventures	**(9,240,571)**	(4,122,960)
Unrealized foreign exchange loss (gain)	**6,097,357**	(3,451,567)
Interest expense and financing charges on short-term loans	**3,358,193**	8,191,021
Dividend income (Note 21)	**(56,777)**	(17,941)
Operating income before working capital changes	**3,424,167,841**	3,287,199,570
Decreases (increases) in:		
Trade and other receivables	**18,379,920**	(374,407,053)
Program rights	**43,487,413**	136,881,095
Prepaid expenses and other current assets	**(101,834,747)**	(152,213539)
Increases (decreases) in:		
Trade payables and other current liabilities	**(91,678,747)**	295,973,559
Obligations for program rights	**30,343,231**	(64,967,952)
Net cash generated from operations	**3,322,864,911**	3,128,465,680
Income taxes paid	**(851,730,335)**	(841,481,727)
Net cash provided by operating activities	**2,471,134,576**	2,286,983,953
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Property and equipment	**(230,644,472)**	(349,410,847)
Software costs	**(27,124,340)**	(12,695,293)
Decreases (increases) in:		
Short-term investments	**23,210,312**	(21,805,737)
Available-for-sale financial assets	**–**	(205,037)
Investments and advances	**25,744,260**	263,055
Other noncurrent assets	**30,206,841**	(21,660,155)
Interest received	**62,737,261**	44,675,482
Proceeds from sale of property and equipment and investment properties	**28,629,462**	217,563
Cash dividends received	**56,777**	17,941
Net cash used in investing activities	**(87,183,899)**	(360,603,028)

(Forward)

	2010	2009
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of:		
Cash dividends	**(₱2,185,994,091)**	(₱1,724,022,561)
Notes payable	**–**	(299,589,041)
Interest and financing charges paid	**(3,358,193)**	(8,191,021)
Proceeds from availments of notes payable	**–**	299,589,041
Collection of subscriptions receivable	**–**	11,630,442
Net cash used in financing activities	**(2,189,352,284)**	(1,720,583,140)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**(7,745,758)**	518,888
NET INCREASE IN CASH AND CASH EQUIVALENTS	**186,852,635**	206,316,673
CASH AND CASH EQUIVALENTS AT JANUARY 1	**2,200,193,818**	1,688,107,116
CASH AND CASH EQUIVALENTS AT SEPTEMBER 30	**₱2,387,046,453**	₱1,894,423,789

GMA NETWORK, INC. AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE QUARTERS ENDED SEPTEMBER 30, 2010 AND 2009

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱780,095,347**	₱1,085,866,398
Adjustments for:		
Depreciation and amortization	**127,309,464**	137,128,530
Movements in pension liability	**21,556,963**	27,386,882
Interest income from bank deposits and short-term investments	**(19,510,956)**	(7,528,535)
Amortization of software costs	**4,984,898**	4,622,477
Gain on sale of property and equipment and investment properties	**(3,887,925)**	(615,905)
Unrealized foreign exchange loss (gain)	**3,619,356**	(23,825)
Equity in net earnings of associates and joint ventures	**(3,679,735)**	(2,884,493)
Interest expense and financing charges on short-term loans	**578,363**	2,083,131
Dividend income	**(12,323)**	–
Operating income before working capital changes	**911,053,452**	1,246,034,660
Decreases (increases) in:		
Trade and other receivables	**(777,081,564)**	335,981,212
Program rights	**(30,990,269)**	44,303,563
Prepaid expenses and other current assets	**41,374,452**	(37,698)
Increases (decreases) in:		
Trade payables and other current liabilities	**(187,329,111)**	128,761,737
Obligations for program rights	**27,909,366**	(19,040,802)
Net cash generated from (used in) operations	**(15,063,674)**	1,736,002,672
Income taxes paid	**(198,686,286)**	(179,870,281)
Net cash provided by (used in) operating activities	**(213,749,960)**	1,556,132,391
CASH FLOWS FROM INVESTING ACTIVITIES		
Reversal (acquisitions) of:		
Property and equipment	**108,641,105**	(123,072,127)
Software costs	**(10,909,885)**	(12,695,293)
Decreases (increases) in:		
Short-term investments	**19,855,920**	310,314
Available-for-sale financial assets	**–**	(6,660,196)
Investments and advances	**26,959,687**	(26,876)
Other noncurrent assets	**(15,011,651)**	(32,887,833)
Interest received	**18,044,359**	7,869,531
Proceeds from sale of property and equipment and investment properties	**4,420,683**	–
Cash dividends received	**12,323**	–
Net cash used in investing activities	**152,012,541**	(167,162,480)

(Forward)

	2010	2009
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of:		
Cash dividends	**(₱512,369)**	(₱2,133,593)
Notes payable	**–**	(299,589,041)
Collection of subscription receivable	**–**	9,453,830
Interest and financing charges paid	**(578,363)**	(2,916,464)
Net cash used in financing activities	**(1,090,732)**	(295,185,268)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**(6,382,348)**	(6,321,534)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(69,210,499)**	1,087,463,109
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE QUARTER	**2,456,256,952**	806,960,680
CASH AND CASH EQUIVALENTS AT END OF THE QUARTER	**₱2,387,046,453**	₱1,894,423,789

1. Corporate Information

GMA Network, Inc. (the Parent Company) and its subsidiaries (collectively referred to as "the Group") are incorporated in the Philippines. The Group is primarily involved in the business of radio and television broadcasting. The Group is also involved in film production and other information and entertainment-related businesses. The registered office address of the Parent Company is GMA Network Center, Timog Avenue corner EDSA, Quezon City.

The Parent Company's shares of stock are publicly listed and traded in the Philippine Stock Exchange.

2. Basis of Preparation

The consolidated financial statements of the Group have been prepared using the historical cost basis, except for available-for-sale (AFS) financial assets, which are measured at fair value, and land used in operations, which is carried at revalued amounts. The consolidated financial statements are presented in Philippine peso, which is the Parent Company's functional and presentation currency under Philippine Financial Reporting Standards (PFRS). All values are rounded to the nearest peso, except when otherwise indicated.

Statement of Compliance

The accompanying consolidated financial statements have been prepared in compliance with PFRS. PFRS consists of PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretations.

Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following new and amended standards and Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC) which the Group has adopted during the year:

New Standards and Interpretations

- Philippine Interpretation IFRIC 13, *Customer Loyalty Programmes*, effective July 1, 2008
- Philippine Interpretation IFRIC 16, *Hedges of a Net Investment in a Foreign Operation*, effective October 1, 2008
- PFRS 8, *Operating Segments*, effective January 1, 2009
- Philippine Interpretation IFRIC 18, *Transfer of Assets from Customers*, effective July 1, 2009

Amendments to Standards

- PFRS 1, *First-time Adoption of Philippine Financial Reporting Standards* and PAS 27, *Consolidated and Separate Financial Statements - Cost of an Investments in a Subsidiary, Jointly Controlled Entity or Associates*, effective January 1, 2009
- PFRS 2, *Share-based Payment: Vesting Conditions and Cancellations*, effective January 1, 2009
- PFRS 7, *Financial Instruments: Disclosures - Improving Disclosures about Financial Instruments*, effective January 1, 2009

- PAS 1, *Presentation of Financial Statements*, effective January 1, 2009

- PAS 23, *Borrowing Costs* (Revised), effective January 1, 2009

- PAS 32, *Financial Instruments: Presentation* and PAS 1, *Presentation of Financial Statements - Puttable Financial Instruments and Obligations Arising on Liquidation*, effective January 1, 2009

- Improvements to PFRS (2009), with respect to the amendment on the Appendix to PAS 18, *Revenue*

- Improvements to PFRS (2008)

The standards that have been adopted and that are deemed to have an impact on the consolidated financial statements of the Group are described below:

- PAS 1, *Presentation of Financial Statements*, separates owner and non-owner changes in equity. The consolidated statements of changes in equity will include only details of transactions with owners, with all non-owner changes in equity presented as a single line. In addition, the standard introduces the statements of comprehensive income which presents all items of income and expense either in one single statement, or in two linked statements. The revision also includes changes in titles of some of the financial statements to reflect their function more clearly, although not mandatory for use in the financial statements. The Group opted to present one single statement.

- PAS 18, *Revenue*, adds guidance to determine whether an entity is acting as a principal or as an agent. The features to consider are whether the entity:

    i. has primary responsibility for providing the goods or services
    ii. has inventory risk
    iii. has discretion in establishing prices
    iv. bears the credit risk

  The Group has assessed its revenue arrangements against these criteria. The Group's revenue recognition policy has been updated accordingly.

- PFRS 7, *Financial Instruments: Disclosures*, requires additional disclosures about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by source of inputs using a three level fair value hierarchy, by class, for all financial instruments recognized at fair value. In addition, reconciliation between the beginning and ending balance for level 3 fair value measurements is now required, as well as significant transfers between levels in the fair value hierarchy. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and financial assets used for liquidity management. The fair value measurement disclosures are presented in Note 23. The liquidity risk disclosures are not significantly impacted by the amendments and are presented in Note 22.

- PFRS 8, *Operating Segments*, replaced PAS 14, *Segment Reporting*, upon its effective date. The Group concluded that the operating segments determined in accordance with PFRS 8 are the same as the business segments previously identified under PAS 14. PFRS 8 diclosures are shown in Note 9, including the related revised comparative information.

<u>Future Changes in Accounting Policies</u>

The Group did not early adopt the following revised PFRS, improvements to PFRS and Philippine Interpretations that have been approved but are not yet effective:

New Standard and Interpretation

- PFRS 3, *Business Combinations* (Revised) and PAS 27, *Consolidated and Separate Financial Statements* (Amended), become effective for annual periods beginning on or after July 1, 2009. PFRS 3 (Revised) introduces significant changes in the accounting for business combinations occurring after this date. Changes affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs and future reported results. PAS 27 (Amended) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners. Therefore, such transactions will no longer give rise to goodwill, nor will it give rise to a gain or loss. The Group does not expect these revision and amendment to have an impact on the consolidated financial statements as it has not entered into any business combination.

- Philippine Interpretation IFRIC 17, *Distribution of Noncash Assets to Owners*, becomes effective for annual periods beginning on or after July 1, 2009, with early application permitted. It provides guidance on how to account for noncash distributions to owners. The interpretation clarifies when to recognize a liability, how to measure it and the associated assets, and when to derecognize the asset and liability. The Group does not expect this interpretation to have an impact on its consolidated financial statements as it has not made noncash distributions to shareholders in the past.

Amendments to Standards

- PAS 39, *Financial Instruments: Recognition and Measurement - Eligible Hedged Items*, becomes effective for annual periods beginning on or after July 1, 2009. It addresses the designation of a one-sided risk in a hedged item, and the designation of inflation as hedged risk or portion in particular situations. It clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as a hedged item. The Group has concluded that the amendment will have no impact on its financial position or performance as it has not entered into any such hedges.

- PFRS 2, *Share-based Payment - Group Cash-settled Share-based Payment Transactions*, becomes effective for annual periods beginning on or after January 1, 2010. It clarifies the scope and the accounting for group cash-settled share-based payment transactions. The Group has concluded that the amendment will have no impact on its financial position or performance as it has not entered into such share-based payment set-up.

Improvements to PFRS (2009)

The omnibus amendments to PFRS issued in 2009 were issued primarily with a view to removing inconsistencies and clarifying wordings. The amendments are effective for annual periods beginning on or after January 1, 2010, except when otherwise stated. The Group has not adopted the following improvements and anticipates that the changes will have no material effect on its consolidated financial statements:

- PFRS 2, *Share-based Payment*, clarifies that the contribution of a business on formation of a joint venture and combinations under common control are not within the scope of PFRS 2 even though they are out of scope of PFRS 3, *Business Combinations* (Revised). The amendment is effective for annual periods on or after July 1, 2009.

- PAS 38, *Intangible Assets*, clarifies that if an intangible asset acquired in a business combination is identifiable only with another intangible asset, the acquirer may recognize the group of intangible assets as a single asset provided that the individual assets have similar useful lives. It also clarifies that the valuation techniques presented for determining the fair value of intangible assets acquired in a business combination that are not traded in active markets are only examples and are not restrictive on the methods that can be used. The amendment is effective for annual periods beginning on or after July 1, 2009.

- Philippine Interpretation IFRIC 9, *Reassessment of Embedded Derivatives*, clarifies that it does not apply to possible reassessment at the date of acquisition of embedded derivatives in contracts acquired in a business combination between entities or businesses under common control or the formation of joint venture. The amendment is effective for annual periods beginning on or after July 1, 2009.

- Philippine Interpretation IFRIC 16, *Hedge of a Net Investment in a Foreign Operation*, states that, in a hedge of a net investment in a foreign operation, qualifying hedging instruments may be held by any entity or entities within the group, including the foreign operation itself, as long as the designation, documentation and effectiveness requirements of PAS 39 that relate to a net investment hedge are satisfied. The amendment is effective for annual periods beginning on or after July 1, 2009.

- PFRS 5, *Noncurrent Assets Held for Sale and Discontinued Operations*, clarifies that the disclosures required in respect of noncurrent assets and disposal groups classified as held for sale or discontinued operations are only those set out in PFRS 5. The disclosure requirements of other PFRS only apply if specifically required for such noncurrent assets or discontinued operations.

- PFRS 8, *Operating Segments*, clarifies that segment assets and liabilities need only be reported when those assets and liabilities are included in measures that are used by the chief operating decision maker.

- PAS 1, *Presentation of Financial Statements*, clarifies that the terms that could result, at anytime, in its settlement by the issuance of equity instruments at the option of the counterparty do not affect its classification.

- PAS 7, *Statement of Cash Flows*, explicitly states that only expenditure that results in recognizing an asset can be classified as a cash flow from investing activities.

- PAS 17, *Leases*, removes the specific guidance on classifying land as a lease. Prior to the amendment, leases of land were classified as operating leases. The amendment now requires that leases of land are classified as either ‘finance’ or ‘operating’ in accordance with the general principles of PAS 17. The amendments will be applied retrospectively.

- PAS 36, *Impairment of Assets*, clarifies that the largest unit permitted for allocating goodwill acquired in a business combination is the operating segment, as defined in PFRS 8, *Operating Segments*, before aggregation for reporting purposes.

- PAS 39, *Financial Instruments: Recognition and Measurement*, clarifies the following:

  i. that a prepayment option is considered closely related to the host contract when the exercise price of a prepayment option reimburses the lender up to the approximate present value of lost interest for the remaining term of the host contract.

  ii. that the scope exemption for contracts between an acquirer and a vendor in a business combination to buy or sell an acquiree at a future date applies only to binding forward contracts, and not derivative contracts where further actions by either party are still to be taken.

  iii. that gains or losses on cash flow hedges of a forecast transaction that subsequently results in the recognition of a financial instrument or on cash flow hedges of recognized financial instruments should be reclassified in the period that the hedged forecast cash flows affect profit or loss.

New Interpretation Effective in 2012

- Philippine Interpretation IFRIC 15, *Agreements for the Construction of Real Estate*, becomes effective for annual periods beginning on or after January 1, 2012 and covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. The Interpretation requires that revenue on construction of real estate be recognized only upon completion, except when such contract qualifies as construction contract to be accounted for under PAS 11, *Construction Contracts*, or involves rendering of services in which case revenue is recognized based on stage of completion. Contracts involving provision of services with the construction materials and where the risks and reward of ownership are transferred to the buyer on a continuous basis will also be accounted for based on stage of completion. The interpretation will not have an impact on the consolidated financial statements because the Group does not have such activity.

3. **Seasonality or Cyclicality of Interim Operations**

The Company's operations are not generally affected by any seasonality or cyclicality.

4. **Nature and Amount of Changes in Estimates**

2009 figures were restated to conform to the current period's presentation.

5. **Repayments of Debt**

The Company has no long-term debt in both periods presented.

6. **Dividends Paid**

On March 25, 2010, the BOD approved the Parent Company's declaration and distribution of ₱0.45 per share cash dividends totaling ₱2.187 billion to all stockholders of record as of April 14, 2010.

On April 2, 2009, the BOD approved the Parent Company's declaration and distribution of ₱0.35 per share cash dividends totaling ₱1.701 billion to all stockholders of record as of April 21, 2009.

On May 21, 2008, the BOD approved the Parent Company's declaration and distribution of ₱0.25 per share cash dividends totaling to ₱1.214 billion to all stockholders of record as of June 11, 2008.

On July 2, 2007 and March 19, 2007, the BOD approved the Parent Company's declaration and distribution of ₱0.54 per share cash dividends totaling to ₱2.500 billion to all stockholders of record as of declaration dates.

On May 10, 2007, the SEC approved the application of the Parent Company, filed on April 27, 2007, to increase its authorized capital stock from ₱5.000 billion to ₱6.500 billion, divided into 5,000 million common shares with par value of ₱1.00 each and 7,500 million preferred shares with par value of ₱0.20 each. The increase in authorized capital stock of ₱1.500 billion consists of 1,500 million common shares.

25% of the approved increased in authorized capital stock on May 10, 2007 has been subscribed and was fully paid for by means of stock dividends equivalent to the aggregate amount of ₱375 million declared out of the retained earnings of the Corporation as of December 31, 2006 payable to all stockholders of record of the Corporation.

7. **EPS Computation**

The computation of basic EPS follows:

	9M-2010	9M-2009
Net income (a)	**₱2,271,688,285**	₱2,148,849,201
Less attributable to preferred shareholders	**701,063,663**	663,184,534
Net income attributable to common shareholders (b)	**₱1,570,624,622**	₱1,485,664,667
Common shares issued at the beginning of year	**3,364,692,000**	3,364,692,000
Treasury shares (see Note 17)	**(3,645,000)**	(3,645,000)
Underlying shares on acquired PDRs (see Note 17)	**(750,000)**	(750,000)
Weighted average number of common shares for basic EPS (c)	**3,360,297,000**	3,360,297,000
Basic EPS (b/c)	**₱0.467**	₱0.442

The computation of diluted EPS follows:

	9M-2010	9M-2009
Net income (a)	**₱2,271,688,285**	₱2,148,849,201
Weighted average number of common shares	**3,360,297,000**	3,360,297,000
Effect of dilution - assumed conversion of preferred shares	**1,500,000,000**	1,500,000,000
Reacquired preferred shares	**(98,563)**	(98,563)
Weighted average number of common shares adjusted for the effect of dilution (d)	**4,860,198,437**	4,860,198,437
Diluted EPS (a/d)	**₱0.467**	₱0.442

As mentioned in Note 6, the SEC approved the increase in the Parent Company's authorized capital stock from ₱2.000 billion to ₱5.000 billion on February 17, 2006.

As further mentioned in Note 6, the SEC likewise approved the increase in the Parent Company's authorized capital stock from ₱5.000 billion to ₱6.500 billion on May 10, 2007.

8. **Material Events**

A. Any known trends, demands, commitments, events or uncertainties that will have a material impact on the issuer's liquidity.

   As of September 30, 2010, there are no known trends, demands, commitments, events or uncertainties that will have a material impact on the issuer's liquidity.

B. Any material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures.

   The 2010 Capital Expenditure budget of the parent company amounts to ₱717.0 million. This will be partly financed by remaining proceeds from IPO listing and the balance from internally-generated funds.

C. Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations.

The Group's results of operations depend largely on the ability to sell airtime for advertising. The company's business may be affected by the general condition of the economy of the Philippines.

D. Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration or an obligation.

   As of September 30, 2010, there are no events which may trigger a direct or contingent financial obligation that is material to the Company.

E. Any significant elements of income or loss that did not arise from the issuer's continuing operations.

   As of September 30, 2010, there are no significant elements of income or loss that did not arise from the issuer's continuing operations.

F. Any seasonal aspects that had a material effect on the financial condition or results of operations.

   There are no seasonal aspects that had a material effect on the financial condition or results of operations.

G. Any material events that were unusual because of their nature, size or incidents affecting assets, liabilities, equity, net income, or cash flows.

   There are no material events that were unusual because of their nature, size or incidents affecting assets, liabilities, equity, net income, or cash flows.

H. Any material events subsequent to the end of the interim period that that have not been reflected in the financial statements for the interim period.

   On October 28, 2010, the BOD approved the Parent Company's declaration and distribution of cash dividends amounting to ₱1.214 billion or ₱0.25/share to all stockholders of record as of November 17, 2010. This will be paid on December 8, 2010.

9. **Segment Reporting**

Segment information is prepared on the following basis:

<u>Business Segments</u>

For management purposes, the Group has determined three reportable segments that are organized and managed separately according to nature of business - the television and radio operation, international subscriptions and other businesses. These operating segments are monitored and strategic decisions are made on the basis of segment operating results.

The television and radio segment is principally the Group's television and radio broadcasting activities which generates revenue from sale of national and regional advertising time. The Group considers this the major business segment, accounting for the bulk of the Group's gross revenue, net income, assets and liabilities.

International subscription primarily involves subscription arrangements with international cable companies. Other businesses include movie production, consumer products and other services.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. On a consolidated basis, the Group's performance is evaluated based on consolidated net income for the year. Net income for the year is measured consistent with consolidated net income in the consolidated financial statements.

Geographical Segments

The Group operates in two major geographical segments. In the Philippines, its home country, the Group is involved in television operations. In the United States and in other locations (which include Middle East, Europe, Australia, Canada and Japan), wherein the Group ties up with cable providers to bring television programming outside the Philippines.

Inter-segment Transactions

Segment revenue, segment expenses and segment results include transfers among business segments and among geographical segments. The transfers are accounted for at competitive market prices charged to unrelated customers for similar services. Such transfers are eliminated upon consolidation.

Business Segment Data

The following table presents revenue and expense information and certain asset and liability information regarding business segments for the three-month periods ended September 30, 2010 and 2009.

	Television and Radio Airtime		International		Other Businesses		Eliminations		Consolidated	
	9M-2010	9M-2009	9M-2010	9M-2009	9M-2010	9M-2009	9M-2010	9M-2009	9M-2010	9M-2009
REVENUES										
External sales	**10,050,507,271**	9,243,217,069	**698,737,465**	633,419,078	**126,592,876**	148,213,633	**–**	–	**10,875,837,612**	10,024,849,780
Inter-segment sales	**–**	–	**–**	–	**421,368,403**	334,597,354	**(421,368,403)**	(334,597,354)	**–**	–
	10,050,507,271	9,243,217,069	**698,737,465**	633,419,078	**547,961,279**	482,810,987	**(421,368,403)**	(334,597,354)	**10,875,837,612**	10,024,849,780
NET INCOME										
Segment results	**1,018,830,283**	990,907,007	**397,688,057**	340,765,370	**(20,089,756)**	(44,371,366)	**–**	–	**1,396,428,584**	1,287,301,012
Interest expense and other financing charges	**(3,266,717)**	(8,134,245)	**–**	–	**(91,476)**	(56,776)	**–**	–	**(3,358,193)**	(8,191,021)
Foreign exchange gain (loss)	**18,656,762**	(1,019,586)	**2,049**	1,073,000	**597,615**	(484,084)	**–**	–	**19,256,426**	(430,670)
Interest income from bank deposits and short-term Investments	**62,404,938**	42,886,988	**–**	–	**752,160**	958,300	**–**	–	**63,157,098**	43,845,288
Equity in net earnings of associates and joint ventures	**–**	–	**–**	–	**9,240,571**	4,122,960	**–**	–	**9,240,571**	4,122,960
Other income (expenses)	**(25,466,884)**	22,333,938	**–**	–	**(735,911)**	3,582,023	**–**	–	**(26,202,795)**	25,915,961
Income tax	**800,025,265**	785,487,810	**–**	–	**13,141,329**	10,797,861	**–**	–	**813,166,594**	796,285,671
	1,871,183,647	1,832,461,912	**397,690,106**	341,838,370	**2,814,532**	(25,451,082)	**–**	–	**2,271,688,285**	2,148,849,201
ASSETS AND LIABILITIES										
Assets										
Segment assets	**12,444,512,013**	12,013,004,092	**672,056,032**	395,102,294	**612,738,598**	492,314,080	**(402,352,595)**	(289,866,458)	**13,326,954,048**	12,610,554,008
Investment in associates - at equity	**572,715,072**	634,409,828	**–**	–	**80,118,005**	83,622,319	**(274,056,901)**	(308,366,561)	**378,776,176**	409,665,586
Deferred tax assets	**–**	–	**–**	–	**44,655,079**	41,097,275	**–**	–	**44,655,079**	41,097,275
	13,017,227,085	12,647,413,920	**672,056,032**	395,102,294	**737,511,682**	617,033,674	**(676,409,496)**	(598,233,019)	**13,750,385,303**	13,061,316,869
Liabilities										
Segment liabilities	**2,561,643,848**	2,659,657,182	**11,127,701**	9,888,575	**790,253,461**	695,550,659	**(746,165,038)**	(664,367,965)	**2,616,859,972**	2,700,728,451
Deferred tax liabilities	**168,806,513**	169,318,128	**–**	–	**–**	–	**–**	–	**168,806,513**	169,318,128
	2,730,450,361	2,828,975,310	**11,127,701**	9,888,575	**790,253,461**	695,550,659	**(746,165,038)**	(664,367,965)	**2,785,666,485**	2,870,046,579

Geographical Segment Data

The following table presents revenue information regarding geographical segments for the three-month periods ended September 30, 2010 and 2009.

	Local									
	Television and Radio Airtime		Other Businesses		International		Eliminations		Consolidated	
	9M-2010	9M-2009	9M-2010	9M-2009	9M-2010	9M-2009	9M-2010	9M-2009	9M-2010	9M-2009
REVENUES										
External sales	**10,050,507,271**	9,243,217,069	**126,592,876**	148,213,633	**698,737,465**	633,419,078	**–**	–	**10,875,837,612**	10,024,849,780
Inter-segment sales	**–**	–	**421,368,403**	334,597,354	**–**	–	**(421,368,403)**	(334,597,354)	**–**	–
	10,050,507,271	9,243,217,069	**547,961,279**	482,810,987	**698,737,465**	633,419,078	**(421,368,403)**	(334,597,354)	**10,024,849,780**	10,024,849,780

10. **Changes in Composition of Issuer**

There are no changes in the composition of the Issuer since the last balance sheet date.

11. **Changes in Contingent Assets or Liabilities**

As of September 30, 2010, the Group has no contingent assets or liabilities.

12. **Material Contingencies**

There are no contingent liabilities, events or transactions that will materially affect the Company's financial position and results of operations.

13. **SFAS 16 / IAS 16, *Property, Plant and Equipment***

See Exhibit 1.

14. **SFAS 24 / IAS 24, *Related Party Disclosures***

	Country of Incorporation	Percentage of Ownership
Entertainment Business:		
Citynet Network Marketing and Productions, Inc.	Philippines	100
GMA Network Films, Inc.	- do -	100
GMA New Media, Inc. (GNMI)	- do -	100
GMA Worldwide (Philippines), Inc.	- do -	100
RGMA Network Marketing & Productions, Inc.	- do -	100
Scenarios, Inc.	- do -	100
Script2010, Inc.	- do -	100
Advertising Business:		
Alta Productions Group, Inc. (Alta)	- do -	100
GMA Marketing & Productions, Inc. (GMPI)	- do -	100
Others:		
MediaMerge Corporation *	- do -	100
Ninja Graphics, Inc. (Ninja) **	- do -	51

**Indirectly owned through GNMI; formerly Digital Kitchen, Inc.*

***Indirectly owned through Alta; ceased commercial operations in 2001*

The ownership interests in associates and joint ventures accounted for under the equity method consist of the following as of September 30:

	Percentage of Ownership		Country of
	2010	2009	Incorporation
Associates:			
Real Estate -			
Mont-Aire Realty and Development Corporation (Mont-Aire)	**49.0**	49.0	Philippines
Advertising Business -			
RGMA Network, Inc. (RGMA)	**49.0**	49.0	- do -
Joint ventures:			
Internet Publishing:			
INQ7 Interactive, Inc. (INQ7)	**50.0**	50.0	- do -
Philippine Entertainment Portal, Inc. (PEP)	**50.0**	50.0	- do -
Casual Online Interactive Games -			
X-Play Online Games Inc. (X-Play)	**50.0**	50.0	- do -

Transactions with related parties are as follows:

Related Party	Nature of Transaction	Year	Transactions During the Year	Advances to Associates and Joint Ventures (see Note 15)	Trade Receivables	Trade Payables
INQ7, GMA Kapuso Foundation, Inc. (GMA Foundation)	Grant of non-interest-bearing advances	**2010**	**₱11,567,888**	**₱2,610,287**	**₱959,376**	**₱–**
		2009	–	2,610,287	1,481,804	–
RGMA	Marketing commission expense	**2010**	**158,997,793**	**32,442,640**	**42,875,559**	**–**
		2009	61,189,663	58,281,531	46,181,818	–
Mont-Aire	Debt to equity conversion, grant of noninterest-bearing advances	**2010**	**–**	**84,475,370**	**–**	**–**
		2009	–	84,475,370	–	–
Image One	Collection remittance	**2010**	**–**	**–**	**–**	**987,028**
		2009	–	–	–	987,028
Belo, Gozon, Elma Law (BGE Law), FLG Management and Development Corporation (FLG), San Mateo Management Corporation (San Mateo), 3LM Koblenz Mgt Corp (3LM Koblenz) and Majent Management and Development Corporation (Majent)	Legal and retainers' fees and others	**2010**	**3,491,850**	**–**	**–**	**–**
		2009	3,343,200	–	–	–

GMA Foundation

Some of the trustees of GMA Foundation are also the stockholders of the Parent Company.

RGMA

RGMA became an associate of the Parent Company in 2007. In previous years, the Parent Company and RGMA have certain common stockholders. The advances made by the Parent Company to RGMA were intended for future capital subscription.

Mont-Aire

Mont-Aire became an associate of the Parent Company in 2006. The advances made by the Parent Company to Mont-Aire in previous years were intended for future capital subscription.

Image One
GMPI has an existing agreement with Image One whereby GMPI shall be the sole and exclusive contractor for the marketing and sale of advertising spots of Image One's electronic outdoor and indoor billboards. In consideration for the said services, GMPI receives from Image One a marketing fee based on a certain percentage of Image One's annual collection.

On January 31, 2007, the agreement of GMPI with Image One was terminated.

BGE Law
BGE Law is the legal counsel of the Group. The Parent Company's Chairman of the Board is a principal partner of BGE Law.

FLG, San Mateo, 3LM Koblenz, Majent
These companies are owned or partly owned by some officers of the Parent Company and GMPI. GMPI employs the services of these related parties in sourcing and hiring competent and capable personnel and in conducting studies to improve GMPI's capability in providing efficient services to clients.

The compensation of key management personnel of the Group, by benefit type, follows:

	9M-2010	9M-2009
Salaries and other short-term benefits	**₱141,429,550**	₱136,278,254
Pension benefits	**28,021,686**	28,606,499
	₱169,451,236	₱164,884,753

15. **SFAS 28 / IAS 28, *Accounting for Investments in Associates***

The Group's investments in associates are accounted for under the equity method. An associate is an entity in which the Group has significant influence and which is neither a subsidiary nor a joint venture of the Group. The investments in associates are carried in the unaudited interim consolidated balance sheets at cost plus post-acquisition changes in the Group's share in the net assets of the associates, less any impairment in value. The unaudited interim consolidated statements of income include the Group's share in the results of operations of the associates. Unrealized gains arising from transactions with associates are eliminated to the extent of the Group's interest in the associates, against the investments in the associates. Unrealized losses are eliminated similarly but only to the extent that there is no evidence of impairment of the asset transferred.

The carrying values of investments accounted for under the equity method and the related advances are as follows:

	September 30, 2010		
	Investments	**Advances**	**Total**
Associates:			
RGMA	**₱187,853,139**	**₱32,442,640**	**₱220,295,779**
Mont-Aire	**38,350,618**	**84,475,370**	**122,825,988**
Joint ventures:			
X-Play	**32,091,867**	**–**	**32,091,867**
INQ7	**–**	**2,610,287**	**2,610,287**
	₱258,295,624	**₱119,528,297**	**₱377,823,921**

	December 31, 2009		
	Investments	Advances	Total
Associates:			
RGMA	₱175,474,885	₱59,281,531	₱234,756,416
Mont-Aire	38,350,619	84,475,370	122,825,989
Joint ventures:			
X-Play	34,134,918	–	34,134,918
INQ7	–	2,610,287	2,610,287
	₱247,960,422	₱146,367,188	₱394,327,610

16. **Long-term Receivable from a Related Party**

As of September 30, 2010, the Group has no long-term receivable from a related party.

17. **Equity**

The composition of capital stock as of September 30, 2010 and December 31, 2009 follows:

	Number of Preferred Shares		Number of Common Shares	
	2010	2009	**2010**	2009
Authorized - ₱0.20 par value per preferred share/₱1.00 par value per common share	**7, 500,000,000**	7,500,000,000	**5,000,000,000**	5,000,000,000
Subscribed and issued at beginning of year	**7, 500,000,000**	7,500,000,000	**3,364,692,000**	3,364,692,000
Subscribed and issued at end of year	**7, 500,000,000**	7,500,000,000	**3,364,692,000**	3,364,692,000

On April 26, 2007, the BOD and stockholders approved the increase in the Parent Company's authorized capital stock from ₱5.000 billion to ₱6.500 billion, divided into 5,000 million common shares with ₱1.00 par value and 7,500 million preferred shares with ₱0.20 par value. On the same date, the BOD and stockholders approved the declaration of stock dividends amounting to ₱375 million representing 375 million common shares to all stockholders of record as of April 25, 2007. The stock dividends will be taken from the increase in authorized capital stock. The increase in the Parent Company's authorized capital stock was approved by the SEC on May 10, 2007.

The preferred shares are of equal rank, preference and priority and are identical in all respect regardless of series. Preferred shares are participating at the rate of one fifth (1/5th) of the dividend paid to common shares, which rate is adjusted proportionately by the Parent Company's BOD consequent to any stock split or stock dividend declaration affecting the common shares and preferred shares. Preferred shares are convertible at the option of the shareholders at the rate of five (5) preferred shares to one (1) common share, based on par value.

Preferred shares enjoy priority over common shares in the distribution of assets of the Parent Company in the event of dissolution and liquidation, at such rates, terms and conditions as the BOD may determine. Each preferred share is entitled to one vote and shall have the same voting rights as the common shares.

The Parent Company's BOD may specify other terms and conditions, qualifications, restrictions and privileges of the preferred shares or series/classes thereof, insofar as such terms, conditions, qualifications, restrictions and privileges are not inconsistent with the articles of incorporation and any applicable law or regulation.

IPO

The BOD of the PSE, in its regular meeting on June 27, 2007, approved the Parent Company's application to list its common shares with the PSE. On July 16, 2007, the SEC declared the Parent Company's Registration Statement in respect of the IPO effective and issued the "Certificate of Permit to Offer Securities for Sale" in respect of the offer shares.

On July 30, 2007, the Parent Company completed its IPO of 91,346,000 common shares, at an offer price of ₱8.50 a share, from its authorized and unissued capital stock by way of a primary offer (the Domestic Share Offer). In addition, 822,115,000 Philippine Deposit Receipts (PDRs), at an issue price of ₱8.50 per PDR, were issued by GMA Holdings, Inc. (GHI), an affiliate. Of the PDRs issued by GHI, 91,346,000 PDRs covered 91,346,000 common shares of the Parent Company (the Primary PDR Offer) and 730,769,000 PDRs covered 730,769,000 common shares of certain shareholders of the Parent Company (the Secondary PDR Offer).

The total gross proceeds from the Domestic Share Offer and Primary PDR Offer amounted to ₱1,552.9 million while the total gross proceeds for the Secondary PDR Offer amounted to ₱6,211.5 million. The Parent Company did not receive any proceeds from the Secondary PDR Offer. The net proceeds from the Domestic Share Offer and Primary PDR Offer were intended to be used primarily for improvements to existing facilities, investments in capacity expansion and general corporate purposes. Direct costs incurred relative to the IPO amounting to ₱135 million were charged against the corresponding additional paid in capital arising therefrom.

ESOP

On April 26, 2007, the Parent Company's BOD and shareholders approved the Parent Company's ESOP. The Parent Company allocated a maximum of 57.0 million shares from its unissued common shares to be made available to its regular employees, talents and consultants under the terms of the ESOP. The purpose of the ESOP is to allow regular employees of the Group, as well as qualified Filipino consultants and talents, to be part owners of the Parent Company and to share in its profits by giving them the opportunity to own common shares.

Under the terms of the ESOP, regular employees with at least three years of service with the Group are allowed to subscribe to a maximum number of shares equivalent to six times of their gross monthly salary at the offer price. Employees with less than three years of service are allowed to subscribe to a maximum of three times their gross monthly salary at the offer price during listing. The shares to be subscribed by the employees, however, cannot be less than the minimum number of shares set by the Parent Company. In the event that the total number of shares applied for by all the employees exceeded the number of shares made available under the ESOP, the number of shares applied for by each employee will be reduced proportionately.

At least 25% of the subscription had to be paid while the balance will be payable over maximum period of one and a half years in 36 equal semi-monthly installments through payroll deductions, without interest. In the case of talents and consultants, the number of shares allotted shall be determined by the Parent Company.

The ESOP is administered by a board of administrators consisting of five members who are appointed by the Parent Company's BOD. The board of administrators oversees the implementation of the ESOP and decides on any matters which may arise regarding its implementation. The Parent Company's Executive Committee has the authority to modify the terms of the ESOP as it may deem necessary or beneficial for the Parent Company.

The ESOP was fully subscribed and was fully paid in February 2009.

Treasury Stock and Underlying Shares of Acquired PDRs

In 2008, the Parent Company reacquired common shares and preferred shares totaling 1,000,000 and 492,816, respectively, at acquisition cost of ₱8 million.

In 2007, the Parent Company reacquired 2,645,000 common shares at acquisition cost of ₱21 million and likewise acquired 750,000 PDRs at acquisition cost of ₱6 million.

18. Revenue

This account consists of:

	9M-2010	9M-2009
Television and radio airtime	**₱10,050,507,271**	₱9,243,217,069
Production and others	**825,330,341**	781,632,711
	₱10,875,837,612	₱10,024,849,780

19. Production Costs

This account consists of:

	9M-2010	9M-2009
Talent fees	**₱1,715,903,288**	₱1,383,479,393
Rental and outside services	**507,057,595**	438,413,423
Tapes, sets and production supplies	**410,498,008**	298,602,229
Program rights usage	**345,369,819**	379,373,290
Depreciation	**154,677,779**	141,598,498
Transportation and communication	**146,482,221**	65,974,624
Facilities and others	**208,644,591**	356,436,526
	₱3,488,633,301	₱3,063,877,983

20. General and Administrative Expenses

This account consists of:

	9M-2010	9M-2009
Personnel costs	**₱1,133,916,488**	₱1,130,298,537
Outside services	**482,577,114**	357,625,515
Facilities costs	**327,516,749**	252,563,159
Depreciation and amortization	**258,937,184**	282,425,860
Taxes and licenses	**145,004,678**	143,376,512
Others	**344,455,947**	324,499,700
	₱2,692,408,160	₱2,490,789,283

21. **Other Income**

This account consists of the following income (expenses):

	9M-2010	9M-2009
Foreign exchange gain (loss) - net	**(₱19,256,426)**	₱430,670
Gain on sale of property and equipment	**11,605,788**	3,588,206
Dividends	**56,777**	17,941
Others	**14,540,231**	20,375,475
	₱6,946,370	₱24,412,292

22. **Financial Risk Management Objectives and Policies**

The Group's principal financial instruments include nonderivative instruments such as cash and cash equivalents, short-term investments, guarantee and other deposits, short-term loans and obligations for program rights. The main purposes of these financial instruments include raising financing for the Group's operations and managing identified financial risks. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. The main risks arising from the use of financial instruments are liquidity risk, foreign exchange risk, interest rate risk and credit risk.

The Board of Directors reviews and approves the Group's objectives and policies.

Liquidity Risk. The Group is exposed to the possibility that adverse changes in the business environment and/or its operations would result to substantially higher working capital requirements and the subsequent difficulty in financing additional working capital.

The Group manages liquidity risk by maintaining a pool of credit lines from financial institutions that exceeds expected financing requirements for working capital. The Group likewise regularly evaluates other financing instruments and arrangements to broaden the Group's range of financing sources.

The following table summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments as of September 30, 2010:

	On Demand	**Less than 3 Months**	**3 to 12 Months**	**Total**
Trade payables and other current liabilities	₱301,281,311	₱466,917,999	₱353,336,282	₱1,121,535,592
Obligations for program rights	–	35,589,221	54,581,319	90,170,540
Dividends payable	4,463,170	–	–	4,463,170
	₱305,744,481	₱502,507,220	₱407,917,601	₱1,216,169,302

** Excluding payable to government agencies amounting to ₱748 million as of September 30, 2010, the amount of which is not considered a financial liability.*

Foreign Exchange Risk. The Group's exposure to foreign exchange risk results from its business transactions denominated in foreign currencies. It is the Group's policy to ensure that capabilities exist for active but conservative management of its foreign exchange risk.

The Group's foreign currency-denominated monetary assets and liabilities amounted to ₱539 million (US$11.7 million) and ₱66 million (US$1.5 million), respectively, as of September 30, 2010 and ₱213 million (US$4.5 million) and ₱123 million (US$2.6 million), respectively, as of December 31, 2009.

In translating the foreign currency-denominated monetary assets and liabilities into peso amounts, the exchange rates used were ₱43.91 to US$1.00 and ₱46.20 to US$1.00, the Philippine peso to U.S. dollar exchange rates as of September 30, 2010 and December 31, 2009, respectively.

The following table demonstrates the sensitivity to a reasonably possible change in US$ exchange rate, with all other variables held constant, of the Group's income before income tax from balance sheet date up to next reporting date (due to changes in the fair value of monetary assets and liabilities). There is no impact on the Group's equity other than those already affecting profit or loss.

Increase (Decrease) in ₱ to US$ rate	Effect on Income Before Income Tax
₱0.50	(₱5,071,766)
(0.50)	5,071,766

The increase in ₱ to US$ rate means stronger peso against the U.S. dollar while a decrease in ₱ to US$ means stronger U.S. dollar against the peso.

Interest Rate Risk. The Group's exposure to changes in interest rates is minimal as the Group has no long-term obligations.

The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's income before income tax from balance sheet date up to next reporting date. There is no impact on the Group's equity other than those already affecting profit or loss.

Increase (Decrease) in Basis Points	Effect on Income Before Income Tax
50	₱11,777,607
(50)	(11,777,607)

Credit Risk. Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. It is the Group's policy to enter into transactions with a diversity of creditworthy parties to mitigate any significant concentration of credit risk. The Group ensures that sales of products and services are made to customers with appropriate credit history. The Group has an internal mechanism to monitor the granting of credit and management of credit exposures. The Group has made provisions, where necessary, for potential losses on credits extended.

	Neither Past Due Nor Impaired	Past Due But Not Impaired	Total
Cash and cash equivalents*	₱2,352,892,868	₱–	₱2,352,892,868
Short-term investments	250,000	–	250,000
Trade and other receivables**	3,928,031,642	1,119,181,352	5,047,212,994
Guarantee and other deposits	17,629,312	–	17,629,312
AFS financial assets	104,906,848	–	104,906,848
	₱6,403,710,670	₱1,119,181,352	₱7,522,892,022

** Excluding cash on hand and various funds amounting to ₱34.2 million as of September 30, 2010.*
*** Excluding advances to suppliers and advances to officers and employees amounting to ₱116.5 million and ₱128.5 million as of September 30, 2010.*

The Group's past due trade receivables include those that are past due but are still collectible. These past due trade receivables are assessed by the management of the Group as good and collectible.

The Group's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amount of these instruments.

Counterparties to financial instruments consist of a large number of prime financial institutions. The Group does not expect any counterparty to default in its obligations, given the high credit ratings. The Group has no significant concentration of credit risk with any counterparty.

Capital Management
The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, pay-off existing debts, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for September 30, 2010 and December 31, 2009.

The Group monitors its capital gearing by measuring the ratio of interest-bearing debt to total stockholders' equity. Interest-bearing debt includes all short-term and long-term debt. The Group's total equity as of September 30, 2010 and December 31, 2009 amounted to ₱10.965 billion and ₱10.880 billion, respectively.

23. **Financial Assets and Liabilities**

The table below presents the carrying values and fair values of the Group's financial instruments by category and by class as of September 30, 2010 and December 31, 2009, respectively:

	2010		2009	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value
Financial Assets				
Loans and receivables:				
Cash and cash equivalents	**₱2,387,046,453**	**₱2,387,046,453**	₱2,200,193,818	₱2,200,193,818
Short-term investments	**250,000**	**250,000**	23,460,312	23,460,312
Trade and other receivables - net	**5,292,263,069**	**5,292,263,069**	5,310,223,152	5,310,223,152
Guarantee and other deposits (included under "Other noncurrent assets" account in the consolidated balance sheets)	**17,629,312**	**17,069,959**	15,311,853	14,833,451
	7,697,188,834	**7,696,629,481**	7,549,189,135	7,548,710,733
AFS financial assets	**104,906,848**	**104,906,848**	104,906,848	104,906,848
	₱7,802,095,682	**₱7,801,536,329**	₱7,654,095,983	₱7,653,617,581
Financial Liabilities				
Other financial liablities:				
Trade payables and other current liabilities*	**₱1,121,535,592**	**₱1,121,535,592**	₱1,178,110,208	₱1,178,110,208
Obligations for program rights	**90,170,540**	**90,170,540**	61,475,710	61,475,710
Dividends payable	**4,463,170**	**4,463,170**	3,367,963	3,367,963
	₱1,492,624,469	**₱1,492,624,469**	₱1,242,953,881	₱1,242,953,881

** Excluding payable to government agencies amounting to ₱748.1 million and ₱783.2 million as of September 30, 2010 and December 31, 2009, respectively, the amounts of which are not considered financial liabilities.*

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

Cash and Cash Equivalents, Short-term Investments and Trade and Other Receivables. The carrying values of cash and cash equivalents, short-term investments and trade and other receivables approximate fair values primarily due to the relatively short-term maturity of these financial instruments.

Guarantee and Other Deposits. The fair value of guarantee and other deposits is based on the present value of the future discounted cash flows. Discount rates used range from 4.57% to 4.95% in 2010 and 4.42% to 4.81% in 2009.

AFS Financial Assets. These are investments in quoted and unquoted shares of stock. The fair value of quoted shares is based on quoted market prices. In the absence of a reliable basis in determining fair values of unquoted shares, the investments are carried at cost, net of impairment in value.

Notes Payable. The carrying value of notes payable that are re-priced every 3 months approximates fair value because of the recent and regular re-pricing based on current market rates. The fair value of notes payable with fixed interest rate is determined by discounting the future cash flows using the prevailing rate as of reporting date.

Trade Payables and Other Current Liabilities and Obligations for Program Rights. The carrying values of trade payables and other current liabilities and obligations for program rights approximate fair values due to the relatively short-term maturity of these financial instruments.

Fair Value of Hierarchy
The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

a. quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

b. inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (Level 2); and

c. inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The financial instruments carried at fair value only pertain to the Group's AFS financial assets, which consist of quoted equity securities. As of September 30, 2010 and December 31, 2009, these securities are categorized under Level 1 of the fair value hierarchy. The Group has no financial instruments categorized under Level 2 and Level 3. There were no transfers between Level 1 and Level 2 fair value measurements and no transfer into and out of Level 3 fair value measurements.

24. **Causes for Material Changes in the Financial Statements**

Balance Sheet (September 30, 2010 vs. December 31, 2009)

- Cash and cash equivalents increased by 8% to ₱2.387 billion due to net cash generated from normal operating activities exceeding net cash used for financing and investing activities.
- Trade and other receivables decreased by 0.3% to ₱5.292 billion from ₱5.310 billion as collections for the first nine months of the year was slightly higher than net sales generated.
- Program rights dropped by 7% to ₱597 million due to higher usage vis-à-vis rate of acquisition.
- Obligation for program rights increased by 47% to ₱90 million as total acquisitions on account exceeded payments.
- Income tax payable decreased by 9% to ₱372 million due to higher creditable withholding taxes claimed.

- Retained earnings increased 2% to ₱3.729 billion, aligned with net sales generated netted by income tax and cash dividends paid during the first nine months of the year.

25. **Other Notes to 2nd Quarter 2010 Operations and Financials**

The key performance indicators that the Company monitors are the following:

	9M-2010	9M-2009
Gross revenues	**₱10,875,837,612**	₱10,024,849,780
Gross airtime revenues	**10,050,507,271**	9,243,217,069
Cash operating expenses	**5,422,056,679**	4,751,269,619
EBITDA	**3,784,040,757**	3,712,878,252
Net income before tax	**3,084,854,880**	2,945,134,872
Net income after tax	**2,271,688,285**	2,148,849,201

	September 30, 2010	December 31, 2009
Current ratio	**3.75x**	3.52x
Return on assets	**22%**	20%
Return on equity	**28%**	26%
EBITDA margin	**35%**	36%
Net income margin	**21%**	20%

GMA NETWORK, INC. AND SUBSIDIARIES **EXHIBIT 1**
ROLLFORWARD OF PROPERTY AND EQUIPMENT - CONSOLIDATED
SEPTEMBER 30, 2010

	DECEMBER 31, 2009	ADDITIONS	DISPOSALS	RECLASSIFICATIONS	SEPTEMBER 30, 2010
At cost					
Buidings and leasehold improvements	2,640,110,537	25,581,310	(4,800,342)	(205,781,616)	2,455,109,889
Broadcast equipment	4,052,769,124	209,068,925	(46,896,951)	(18,140,578)	4,196,800,520
Communication & mechanical equipment	576,372,201	64,102,081	(13,605,408)	1,948,150	628,817,024
Transportation equipment	336,544,464	77,210,539	(71,408,204)	33,806	342,380,605
Furniture, fixtures and equipment	153,720,112	6,360,618	(734,300)	963,512	160,309,942
	7,759,516,438	382,323,473	(137,445,205)	(220,976,726)	7,783,417,980
Accumulated Depreciation					
Buidings and leasehold improvements	(856,089,394)	(92,512,363)	921,476	(3,484,304)	(951,164,585)
Broadcast equipment	(3,175,013,821)	(189,627,032)	46,701,576	217,973	(3,317,721,304)
Communication & mechanical equipment	(417,191,279)	(51,325,743)	9,889,390	(1,655,130)	(460,282,762)
Transportation equipment	(204,385,626)	(47,497,360)	62,608,043	(2,721,974)	(191,996,917)
Furniture, fixtures and equipment	(118,243,299)	(8,337,623)	301,047	(188,443)	(126,468,318)
	(4,770,923,419)	(389,300,121)	120,421,532	(7,831,878)	(5,047,633,886)
Equipment for installation	32,528,097	29,470,989		(19,075,828)	42,923,258
Construction In Progress	2,915,025	23,361,635		35,567,758	61,844,418
	35,443,122	52,832,624	-	16,491,930	104,767,676
Net book value	3,024,036,141	45,855,976	(17,023,673)	(212,316,674)	2,840,551,770

GMA NETWORK, INC. AND SUBSIDIARIES **EXHIBIT 2**
AGING OF ACCOUNTS RECEIVABLE
SEPTEMBER 30, 2010
(Amounts in Php Millions)

	Total	Not yet due	Current	31-180 days	181 days to 1 year	Over 1 year
Trade Receivables						
Trade receivables	5,273	2,722	573	633	510	834
Allowance for doubtful accounts	(208)					
Trade receivables - net	5,063					
Nontrade Receivables						
Advances to talents and employe	112					
Advances to suppliers and others	111					
Interest receivable	5					
	229					
Trade and other receivables - Net	**5,292**					

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on behalf by the undersigned thereunto duly authorized.

Issuer: **GMA NETWORK, INC.**

By:

FELIPE S. YALONG
TREASURER, SVP & CHIEF FINANCE OFFICER

RONALDO P. MASTRILI
VP -FINANCE

Date: November 15, 2010