

# COVER SHEET

5 2 1 3

S.E.C. Registration Number

G M A N E T W O R K I N C.

(Company's Full Name)

G M A N E T W O R K C E N T E R

E D S A C O R N E R T I M O G A V E.

D I L I M A N Q U E Z O N C I T Y

Ari Chio

Contact Person

982-7777

Month

Day

Fiscal Year

1 7 - C

FORM TYPE

Month

Day

Annual Meetings

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Domestic

Foreign

File Number

LCU

Document I.D.

Cashier

STAMPS

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17  
OF THE SECURITIES REGULATION CODE  
AND SRC RULE 17.2(c) THEREUNDER

1. **March 22, 2013**  
Date of Report (Date of earliest event reported)
2. **5213** SEC Identification Number      3. **000-917-916** BIR Tax Identification No.
4. **GMA NETWORK, INC.**  
Exact name of issuer as specified in its charter
5. **PHILIPPINES**..... 6.  (SEC Use Only)
- Province, country or other jurisdiction of incorporation      Industry Classification Code:
7. **GMA Network Center, Timog Avenue corner EDSA, Diliman QC**  
Address of principal office      Postal Code
8. **(632) 9827777**  
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 Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA
- | Title of Each Class of Securities | Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding |
|-----------------------------------|---|
| Common Stock                      | 3,361,047,000   |
| Preferred Stock                   | 7,499,507,184   |
11. Indicate the item numbers reported herein:

## ITEM 9. OTHER MATTERS:

### 1. Press Release

#### **GMA Network ends 2012 with P13.929 billion gross revenues**

(Quezon City, Philippines - March 22, 2013) - Broadcast giant GMA Network, Inc. (GMA) reported consolidated gross revenues of P13.929 billion for the full year of 2012, up by six percent versus 2011.

At the end of the period, the Network managed a seven percent growth in airtime sales to P12.703 billion that comprises 91 percent of its gross revenues.

For 2013, GMA Chairman and CEO Atty. Felipe L. Gozon said that the company is expected to deliver better financial results as evidenced by its strong financial performance at the opening of the year.

"The first two months have been exceptionally strong with GMA Channel 7 hitting an all time high in February alone," declared Gozon. "We intend to keep this momentum as we anticipate sustained revenue growth across all platforms."

GMA's flagship channel Ch 7 drove the increase in 2012 as it registered a seven percent rise in incremental sales due to its consistent nationwide leadership across the year.

This was supported by revenues from Regional TV, the business unit that oversees GMA's regional TV operations, which climbed a significant 25 percent, as a result of various expansion and improvement efforts in different areas nationwide. Leading local news channel GMA News TV, on the other hand, gained a modest two percent increase in its top line on its second year of operations, while airtime revenues from Radio dropped three percent.

GMA International, which manages the operations and distribution of the Network's international channels, sustained the subscriber uptake of its flagship channel GMA Pinoy (GPTV) and its lifestyle channel GMA Life TV (GLTV) that grew 13 percent to 329,108 and nine percent to 124,884, respectively, at the period's closing. However, subscription and advertising revenues from GMA International fell a tad short by 0.9 percent due to the appreciation of the Peso but discounting the impact of the forex fluctuation, international sales slightly grew by two percent.

Meanwhile, earnings from subsidiaries went up by 14 percent coming from external sources but mainly from Digify, Inc., GMA New Media's new techno-creative lab that provides technology-based solutions to other companies, which generated bulk of the net increase in this category.

GMA Films' co-produced entry to the 2012 Metro Manila Film Festival *Si Agimat, Si Enteng, at si Ako* raked in almost P98 million in gross receipts, while Julie Anne San Jose's self-titled album by GMA Records clinched a Double Platinum Record Award from its combined physical and digital sales of almost 38,000 units for the period August 15, 2012 to December 15, 2012. San Jose's carrier single titled "I'll Be There" gained over 245,000 downloads for the same period, which earned for it a Platinum Digital Single Award. According to PARI, San Jose is the very first recipient of this award.

GMA Worldwide, Inc. (GWI), GMA's content acquisition and distribution arm, likewise sold over 60 program and movie titles to Brunei, Cambodia, Hong Kong, Indonesia, Korea, Macau, Malaysia, Myanmar, Singapore, Thailand, Vietnam, Italy, Kenya, Tanzania and USA.

The company saw a seven percent increase in its total operating expenses (OPEX) for the year to P9.593 billion owing primarily to the upsurge in the amortization of program rights in order to further diversify and strengthen its programming.

The rise in OPEX also came from the increase in depreciation charges from the commissioning of the state-of-the-art Media Asset Management System (MAMS) that allows the Network to migrate to a tapeless, file-based workflow in the last quarter of 2011, along with massive investments for the launch of multi-million peso originating stations in Ilocos Norte (GMA Ilocos) and Naga City (GMA Bicol) in 2012.

Furthermore, general and administrative expenses (GAEX) rose by 12 percent due to the disbursement of several employee bonuses compounded by the growth in the Network's manpower headcount.

GMA thus ended 2012 with earnings before interest, taxes, depreciation and amortization (EBITDA) of P3.397 billion, reaching a double-digit gain of 10 percent year on year. However, due to the rise in OPEX, net income after tax settled at P1.617 billion, a decline of five percent versus a year ago.

In an effort to further widen its reach and bring quality programs to viewers around the country this 2013, the Network continues to allot multi-million pesos worth of investments for its continuous expansion projects. Last January, GMA opened its Cagayan de Oro-based originating station dubbed GMA Northern Mindanao, which covers 1.4 million TV households - the second widest coverage by a GMA station next to Mega Manila. This is also in line with GMA's intensive preparations for Eleksyon 2013 - the Network's special coverage of the forthcoming mid-term elections, which is touted to be the biggest and widest one undertaken by GMA.

GMA International is also set to deepen the penetration of its channels in 2013 with the launch of GMA Pinoy TV, GMA Life TV and GMA News TV-International with more affiliates in Canada, US, the Middle East, Europe, and the Asia Pacific regions.

For the full year 2012, GMA led rival networks in nationwide ratings for the second year in a row based on data from the industry's more widely recognized ratings service provider Nielsen TV Audience Measurement.

For the covered period, GMA scored an average total day household audience share of 34.4 percent, leading ABS-CBN's 31.5 percent by 2.9 points, and TV5's 15.1 percent by 19.3 points.

GMA also ruled across all dayparts in the important areas of Urban Luzon and Mega Manila, which make up 77 and 59.5 percent, respectively, of the total urban television population in the country.

In Urban Luzon, GMA scored a 38.2 percent average total day household audience share, ahead by 10.8 points over ABS-CBN's 27.4 percent and by 23.6 points over TV5's 14.6 percent average. GMA also ended 2012 strongly in its bailiwick Mega Manila with an average total day household audience share of 39.2 percent, up 13.4 points from ABS-CBN's 25.8 percent and up by 24 points from TV5's 15.2 percent.

GMA subscribes to Nielsen TV Audience Measurement along with 22 other paying subscribers including another local major television network (TV5), Faulkner Media, CBN Asia, 15 advertising agencies, and 4 regional clients.

In Mega Manila, Nielsen has a sample size of 1,190 homes versus Kantar Media's 770 homes. Nationwide, Nielsen has an urban sample size of 2,000 homes compared to the lower sample size of 1,370 utilized by Kantar Media. (30)

2. Additional Disclosures made during the Briefing

Channel 7 Sales for the months of January to February is over 30% higher compared to 2012. As of March 21, Channel 7 Sales already hit PHP 1.18 Billion vs 1.1 B for the full month of March 2012. The growth is being driven by Regular Advertisers as Political Ads comprise only around 8% of Sales.

Net Income for 2013 should exceed 2012.

CAPEX for 2013 is projected to be PHP 900M including PHP 300 carryover CAPEX from last year.

SIGNATURES

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

**GMA NETWORK, INC.**

**March 22, 2013**

Issuer

Date

By:

  
**FELIPE S. YALONG**  
Executive Vice President/CFO