

MINUTES
OF THE ANNUAL STOCKHOLDERS' MEETING OF
GMANETWORK, INC.
Held in Studio 6
GMA Network Studios, EDSA corner GMA Network Drive
Diliman, Quezon City
May 17, 2017 at 10:00 a.m.

STOCKHOLDER'S PRESENTED/REPRESENTED: Stockholdings (%):

	No. of Shares	Percentage
Common Shares	3,119,210,363	92.80%
Preferred Shares	7,489,610,364	99.87%
Total Issued & Outstanding Shares (Not Treasury Shares)	10,608,820,727	97.68%

OTHERS PRESENT:

Board of Directors

Felipe L. Gozon	Chairman/Chief Executive Officer
Gilberto R. Duavit, Jr.	President/Chief Operating Officer
Felipe S. Yalong	Executive Vice-President/Chief Financial Officer/Corporate Treasurer
Gilberto M. Duavit, Sr.	Director
Laura J. Westfall	Director
Anna Teresa M. Gozon	Assistant Corporate Secretary
Artemio V. Panganiban	Independent Director
Jaime C. Laya	Independent Director

Officers

Roberto Rafael V. Lucila	Corporate Secretary/ Compliance Officer
Miguel C. Enriquez	Consultant, Radio Operations
Ronaldo P. Mastrili	Senior Vice-President, Finance and ICT
Marissa L. Flores	Senior Vice-President, News & Public Affairs Group
Eduardo P. Santos	Consultant, Internal Audit
Sheila S. Tan	First Vice-President, Research
Angel Carmela J. Cruz	Vice-President, Corporate Affairs and Communication
Victoria T. Arradaza	Vice-President, Supply and Asset Management
Ayahl Ari Augusto P. Chio	Vice President, Administration and Investor Relations
Maria Lucille U. Dela Cruz	Senior Assistant Vice-President, Treasury and Account Management (Finance)
Mercedes Macy T. Suena	Senior Assistant Vice-President, Financial Management Systems (Finance)
Edwin P. Jimenez	Assistant Vice-President, Infrastructure Systems (ICT)

External Auditor

Mariecris Barbaso
 Ramon Dizon
 Ivan Rhett Macabeo
 Marydith Miguel
 Wilson Tan

I. CALL TO ORDER

The Chairman, Atty. Felipe L. Gozon, called the Annual Stockholders' Meeting to order at 10:00 a.m. The Corporate Secretary, Atty. Roberto Rafael V. Lucila, assisted by Atty. Maria Theresa E. de Mesa recorded the minutes of the proceedings.

II. CERTIFICATION OF NOTICE AND QUORUM

The Corporate Secretary reported that the written notices of the meeting were duly sent to all the stockholders in accordance with the By-Laws of the Company. The Corporate Secretary also certified that 3,119,210,363 common shares or 92.80% of the 3,361,047,000 total issued and outstanding common shares and 7,489,610,364 preferred shares or 99.87% of the total issued and outstanding preferred shares were present by the owners or their respective proxies. A quorum existed therefore, for the transaction of business.

III. READING AND APPROVAL OF THE MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING HELD ON MAY 18, 2016

The Chairman stated that the first item in the order of business is the reading and approval of the Minutes of the Annual Stockholders' Meeting held on May 18, 2016.

After some discussion, and upon motion duly made and seconded, the following resolution was unanimously approved:

“RESOLVED, That the reading of the Minutes of the Annual Stockholders' Meeting held on May 18, 2016 be dispensed with and that the same be hereby RATIFIED and/or APPROVED.”

IV. ANNUAL REPORT OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman and the Chief Executive Officer, Felipe L. Gozon, proceeded with presenting the Management report for the year ended December 31, 2016 as contained in the Annual Report which was previously distributed to the stockholders.

The Chairman proudly reported on the release of the cash dividends worth PhP3.5 billion which is the highest dividend payout in the history of the Corporation.

GMA7 achieved record-breaking accomplishments in 2016. In terms of ratings performance, GMA7 put up a strong programming lineup, particularly in the evening primetime block. As a result, GMA7 regained the TV ratings leadership in Nationwide National Urban TV Audience Measurement (NUTAM) starting in September 2016. GMA7 likewise increased its margins in the viewer-rich areas of Urban Luzon and Mega Manila, and more importantly, reduced the gap in TV ratings in Visayas and Mindanao.

GMA7 has so far maintained its top position in nationwide TV ratings and commits to keep this lead in the months and years to come.

GMA News TV, on the other hand, remained the leading news channel in the country. In April 2017, GMA launched "Dobol B sa News TV" in the radio primetime morning block, which is expected to enhance the channel's and radio's financial and ratings performance.

GMA7 delivered even better news in terms of its financial performance. On top of the boost provided by the political advertisements to its top line, GMA7 had recurring sales accounting for the larger portion of its unprecedented revenue growth in 2016.

GMA7's consolidated gross revenues in 2016 ended at PhP16.673 billion, which was up by 21% versus the 2015 gross revenues.

GMA7's airtime revenues amounted to PhP15.131 billion, which was 22% higher than that in 2015.

The core channel, GMA7, led all revenue streams in 2016, recording a 23% increase in revenues.

GMA7's radio business, on the other hand, ended 2016 with a 19% hike while GMA News TV posted a 10% increase. Regional TV's combined national and local sales went up by 4%.

In contrast to the double-digit increase in revenues, GMA7's total operating expenses of PhP11.597 billion went up only by 8% compared to 2015 owing to the operational efficiencies introduced by Management.

Consequently, GMA7's EBITDA in 2016 ended at PhP6.778 billion, which was 46% higher than in 2015. GMA7's consolidated Net Income After Tax in 2016 stood at PhP3.647 billion, which was 72% or PhP1.521 billion more than the bottom line in 2015.

Insofar as the other business units and subsidiaries of GMA7, revenues from the international operations and other businesses reached PhP1.542 billion, which went up by 15% compared to 2015.

Propelled by the growth in subscriber count of GMA Pinoy TV, GMA Life TV and GMA News TV, revenues from international operations in 2016 were 12% higher than in 2015.

Sales of GMA Worldwide registered a 36% increase from sales in 2015. GMA Films, on the other hand, recorded a 166% increase in revenues versus 2015.

Consolidated revenues of GMA New Media and its subsidiaries grew 42%, resulting from the implementation of strategic sales and marketing initiatives.

Revenues from GMA Records increased by 4%, while revenues from Alta Productions went up by 3%, in 2016 versus the previous year.

Script2010 posted an 18% growth in revenues.

In summary, all of GMA7s' subsidiaries increased their gross incomes in 2016.

All in all, while GMA7 has raised the bar in 2016, the year 2017 is shaping up to be even more exciting and a better one in terms of revenues and ratings, more so in view of the plans for GMA7's immediate future being already in place. This includes the Digital Terrestrial TV project, which is geared up for launch soon, initially at least in Megal Manila.

GMA7 continues to embrace the unceasing and fast-paced advancement of technology, particularly in broadcast, as more and more convenient platforms are becoming available to the global Filipino audience.

Nevertheless, the Chairman noted that the real challenge for GMA7 to remain on top of the industry is to consistently produce and deliver superior content. The Chairman emphasized that GMA7 is determined to accomplish this for the viewing pleasure of all Kapuso worldwide, who may wish to see GMA7's programs wherever they are and however and whenever they want to via TV sets, mobile gadgets, online and on-demand.

The Chairman expressed his sincerest gratitude to the stockholders, directors, officers, employees and talents, and other stakeholders, and especially to the loyal Kapuso viewers here and abroad, for the unwavering trust and support, for without them, GMA7's success would not be possible.

After the report, the Chairman opened the floor for comments and questions.

Several stockholders expressed their gratitude to the Corporation for the remarkable gift to the stockholders and financial and ratings performance and work of Management.

As one stockholder stated that he had yet to receive his cash dividends, the Chairman and Director/CFO assured all stockholders that all dividends should have already been paid either directly to them or their duly authorized stock brokers. For those who have not yet received their dividends, the CFO stated that he shall assist once the relevant information thereon is received by him but at the same time suggested that they coordinate with their respective stockbrokers if they engaged one for their subscription.

One stockholder commended GMA7 for its moral values and the redeeming values in its shows, which set it apart from the other network(s).

When asked by a stockholder of the chances of achieving the projected PhP3.9 billion in profits, the Chairman stated that GMA7 is higher in ratings than its competitors, and is slated to release even bigger shows this year that would give even higher ratings to the Company. The Chairman emphasized that the Company's sales is 16% higher than the competition without the political ads. The Chairman explained that he personally monitors the revenues and controls expenditures of the Company.

Insofar as GMA Films, the Chairman candidly stated that the Management is in the process of working on better film production performance.

Another stockholder expressed his hope for him and his family or friends to be able to personally watch shows of GMA7, which was positively received by the Chairman.

After some discussions, a stockholder moved that the Management Report together with the financial statements for the period ending December 31, 2016 be noted and approved. Another stockholder seconded. The following resolution was therefore adopted:

“RESOLVED, That the President’s Report and the Financial Report for the year 2016 are hereby NOTED and APPROVED.”

V. RATIFICATION OF THE ACTS OF THE BOARD OF DIRECTORS /CORPORATE OFFICERS

The Chairman stated that the next item on the agenda was the ratification of all acts, proceedings, transactions and resolutions of the Board of Directors, Executive Committee and Officers of the Company from the date of the last annual stockholders’ meeting on May 18, 2016 up to the present. The Chairman asked the Corporate Secretary to explain the nature of the acts to be ratified.

The Corporate Secretary explained that the acts of the Board of Directors were all conducted in the ordinary course of business and were reflected in the minutes of all the meetings of the Board of Directors and in accordance with good corporate practice.

After hearing no objections, and after motion duly made and seconded, the following resolution was unanimously approved:

“RESOLVED, That (1) the declaration of cash dividends to stockholders of record as of April 20, 2017 by the Board of Directors on March 27, 2017, and (2) all acts and resolutions of the Board of Directors and Management of the Corporation from the date of the last annual stockholders’ meeting on May 18, 2016 up to May 17, 2017 as reflected in the minutes of the meetings of the Board of Directors, are hereby APPROVED, CONFIRMED and RATIFIED.”

VI. ELECTION OF DIRECTORS

The Chairman stated that the next item on the agenda was the election of directors for the year 2017 - 2018. The Chairman requested the Nomination Committee to give its report on the nominees to the Board of Directors for the ensuing year.

Mr. Gilberto R. Duavit, Jr. reported that the following were nominated and approved by the Nomination Committee in its last meeting in accordance with the By-Laws of the Corporation:

FELIPE L. GOZON
GILBERTO R. DUAVIT, JR.
JOEL MARCELO G. JIMENEZ
GILBERTO M. DUAVIT, SR.
FELIPE S. YALONG
ANNA-TERESA M. GOZON
LAURA J. WESTFALL
ARTEMIO V. PANGANIBAN
JAIME C. LAYA

Mr. Duavit further stated that former Chief Justice Artemio V. Panganiban and Dr. Jaime C. Laya were nominated as independent directors.

Upon motion, and hearing no objections, the following were unanimously declared elected as members of the Board of Directors for the ensuing year 2017-2018, until their successors shall have been duly elected.

FELIPE L. GOZON
 GILBERTO R. DUAVIT, JR.
 JOEL MARCELO G. JIMENEZ
 GILBERTO M. DUAVIT, SR.
 FELIPE S. YALONG
 ANNA-TERESA M. GOZON
 LAURA J. WESTFALL
 ARTEMIO V. PANGANIBAN (*Independent Director*)
 JAIME C. LAYA (*Independent Director*)

VII. ELECTION OF THE EXTERNAL AUDITOR

The Chairman stated that the next item on the agenda was the election of the external auditor. The Chairman invited the Audit Committee to give their recommendation for the external auditor.

Dr. Laya, the Chairman of the Audit Committee, explained that the Committee has reviewed the performance and the fees of the current external auditor and recommended that SycipGorresVelayo&Co. be elected as external auditor.

After motion duly made and seconded, the following resolution was unanimously approved:

“RESOLVED, That the SycipGorresVelayo& Co. be elected external auditor of the Company.”

VIII. OTHER MATTERS/ADJOURNMENT

The Chairman opened the floor for any other matters which the shareholders wanted to bring up. There being none, the meeting was adjourned at 10:50a.m.


 FELIPE L. GOZON
 Chairman


 ROBERTO RAFAEL V. LUCILA
 Corporate Secretary

**(SUBJECT TO THE STOCKHOLDERS' APPROVAL
 AT THE NEXT STOCKHOLDERS' MEETING)**