



ANNUAL STOCKHOLDERS' MEETING

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

To: All Stockholders of
GMA Network, Inc.

Please be notified that the **Annual Meeting of the Stockholders of GMA Network, Inc.** will be held on **May 18, 2016** (Wednesday) at **10:00 a.m.** at the Studio 6, GMA Network Studios, EDSA corner GMA Network Drive, Diliman, Quezon City to consider, discuss or vote on the following:

1. Call to Order
2. Certification of Notice and Quorum
3. Approval of the Minutes of the Annual Stockholders' Meeting Held on May 20, 2015
4. Annual Report of the Chairman and Chief Executive Officer
5. Financial Report
6. Ratification of the Acts of the Board of Directors/Corporate Officers
7. Election of Directors (including the Independent Directors)
8. Election of the External Auditor
9. Consideration of such other business as may properly come before the meeting
10. Adjournment

Any stockholder may vote by proxy provided that such authorization remains unrevoked and on file with, or is submitted to, the undersigned at 15/F Sagittarius Building, H.V. De la Costa Street, Salcedo Village, Makati not later than May 9, 2016.

For purposes of the meeting, only stockholders of record as of April 18, 2016 are entitled to attend and vote in the said meeting.

For your convenience in registering your attendance, please bring any form of identification such as passport, driver's license or voter's I.D.

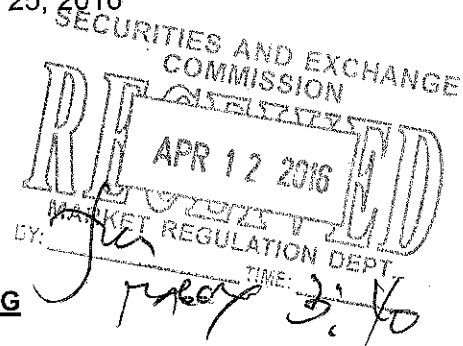
The Organizational Meeting of the Board of Directors shall be held immediately after the Annual Stockholders' Meeting.

Thank you.

For the Board of Directors


ROBERTO O. PAREL
Corporate Secretary

April 25, 2016



RATIONALE FOR THE SALIENT MATTERS CONTAINED IN THE AGENDA

Approval of the Minutes of the Annual Stockholders' Meeting Held on May 20, 2015

The approval of the minutes of the previous year's Annual Stockholders' Meeting is made part of the agenda for transparency and in order to comply with the requirements of the Company's By-laws, the corporation law, as well as the rules and regulations of the Securities and Exchange Commission ("SEC").

Annual Report of the Chairman and Chief Executive Officer

The annual report of the Chairman and the Chief Executive Officer is made part of the Agenda in order to inform the stockholders of the Company's ratings and financials during the previous year and to adhere to the principles of transparency and good corporate governance.

Financial Report

The Company's financial performance during the year 2015 has been detailed in the Audited Financial Statements (AFS) of the Company which was prepared by the Company's independent external auditor. The AFS have been reviewed and approved by the Board of Directors as recommended by the Audit and Risk Management Committee.

Ratification of the Acts of the Board of Directors/Corporate Officers

The Acts of the Board of Directors/Corporate Officers were duly deliberated upon prior to approval and were conducted in the ordinary course of business. The aforementioned acts of the Board of Directors are submitted for approval to the stockholders in compliance with the Company's By-laws, the corporation law, as well as the rules and regulations of the SEC.

Election of Directors (including the Independent Directors)

The directors of the previous year have been recommended by the Company's Nomination Committee for re-election. On the basis of the nominated directors' proven track record as shown by the results of the Company's performance and after review of their qualifications, the said directors were recommended for reelection by the Nomination Committee. Their appointment is submitted for approval to the stockholders in compliance with the Company's By-laws, the corporation law, as well as the rules and regulations of the SEC.

Election of the External Auditor

Upon the recommendation of the Audit and Risk Management Committee and after proper deliberation, the Board approved the re-appointment of SyCip Gorres & Velayo & Co. (SGV) as the Company's external auditor for 2016. The SGV's appointment is submitted for approval to the stockholders in compliance with the Company's By-laws, the corporation law, as well as the rules and regulations of the SEC.

We are not soliciting your proxy. However, if you are unable to attend the meeting but would like to be represented thereat, you may accomplish the proxy form herein provided below and submit the same to the Office of the Corporate Secretary on or before **May 9, 2016**. You may deliver this form or send it in

advance through fax no. (632) 812-0008. Validation of proxies shall be held on May 11, 2016 at 10:00 a.m. at GMA Network Center.

PROXY

I/We hereby name and appoint _____, or in his/her absence, the Chairman of the Meeting, as my/our proxy at the Annual Stockholders' Meeting of GMA Network, Inc. to be held at Studio 6, GMA Network Studios, EDSA corner GMA Network Drive, Diliman, Quezon City on Wednesday, May 18, 2016 at 10:00 a.m. and at any postponement or adjournment thereof.

Name

Signature

Date

No. of Shares Held

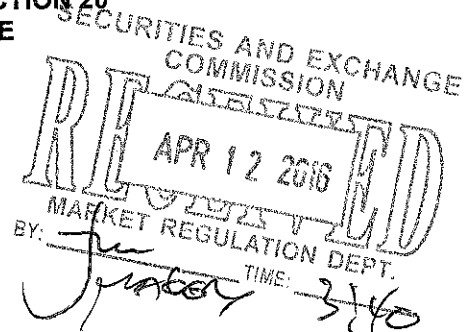
SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

OF

GMA NETWORK, INC.



1. Check the appropriate box:

☒ Preliminary Information Statement

☐ Definitive Information Statement

2. Name of Registrant as specified in its charter: **GMA Network, Inc.**

3. Province, country or other jurisdiction of incorporation or organization: **Philippines**

4. SEC Identification Number: **5213**

5. BIR Tax Identification Code **000-917-916-30**

6. Address of principal office

Postal Code

GMA Network Center, EDSA corner Timog Avenue, Diliman

7. Registrant's telephone number, including area code: **(632) 982-7777**

8. Date, time and place of the meeting of security holders: **May 18, 2016, 10:00 a.m.,
Studio 6, GMA Network Studios, EDSA corner GMA Network Drive,
Diliman, Quezon City**

9. Approximate date on which the Information Statement is first to be sent or given to security holders:

April 26, 2016

10. **In case of Proxy Solicitations:**

Name of Person Filing the Statement/Solicitor: Not Applicable

Address and Telephone No.: Not Applicable

11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class

Number of Shares Outstanding
or Amount of Debt Outstanding

Common Stock
Preferred Stock

3,361,047,000
7,499,507,184

12. Are any or all of registrant's securities listed in a Stock Exchange?

Yes ☒ No ☐

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

Philippine Stock Exchange / Common Stock

**GMA NETWORK, INC.
INFORMATION STATEMENT**

This Information Statement dated April 25, 2016 is being furnished to the stockholders of record of GMA Network, Inc. as of April 18, 2016 in connection with the Annual Stockholders' Meeting.

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY.

A. GENERAL INFORMATION

Item 1. Date, time and place of meeting of security holders.

- (a) Date: May 18, 2016
Time: 10:00 a.m.
Place: Studio 6, GMA Network Studios EDSA corner GMA Network Drive, Diliman, Quezon City
- (b) Approximate date when the Information Statement is first to be sent to security holders:
April 26, 2016

Item 2. Dissenters' Right of Appraisal

Title X of the Corporation Code of the Philippines grants to a shareholder the right to dissent and demand payment of the fair value of his share in certain instances, to wit: (1) in case any amendment to the corporation's articles of incorporation has the effect of changing and restricting the rights of any shareholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class; (2) in case of any sale, lease, exchange, transfer, mortgage or other disposition of all or substantially all of the corporate property or assets; (3) in case of merger or consolidation; (4) in case the corporation decides to invest its funds in another corporation or business or for any purpose other than the primary purpose; and (5) extension or shortening of the term of corporate existence.

Under Section 42 of the Corporation Code, a stockholder is likewise given an appraisal right in cases where a corporation decides to invest its funds in another corporation or business. The appraisal right may be exercised by a stockholder who shall have voted against any of the foregoing corporate actions proposed in a meeting by making written demand on the corporation for the payment of the fair value of his/its shares within 30 days after the date on which the vote is taken. Failure to make written demand within such period shall be deemed a waiver of such right. If the proposed action is implemented, the corporation shall pay to a stockholder surrendering his/its stock certificates the fair value of such shares as of the day prior to the date on which the vote was taken; however, no payment shall be made to any stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment. Within ten days after demanding payment for his shares, a dissenting stockholder shall submit his stock certificates for notation thereon that such shares are dissenting shares, failing which, his/its appraisal right shall, at the option of the corporation, terminate. Upon payment of the purchase price for the shares, the stockholder must transfer his shares to the corporation.

From the time a demand for payment of fair value until either the abandonment of the corporate action involved or the purchase of said shares by the corporation, all rights accruing to such shares, including voting and dividend rights, shall be suspended. If the dissenting stockholder is not paid the value of the shares within 30 days after the award, his voting and dividend rights shall be restored.

None of the proposed corporate actions qualifies as an instance for a possible exercise by security holders of their appraisal rights under Title X of the Corporation Code of the Philippines.

Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

- (a) There is no matter to be acted upon in which any Director or Executive Officer is involved or had a direct, indirect or substantial interest.
- (b) No Director has informed the Company of his opposition to any matter to be acted upon.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

- (a) GMA Network, Inc. ("the Company") has 3,361,047,000 common shares and 7,499,507,184 preferred shares subscribed and outstanding as of March 31, 2016. Every stockholder shall be entitled to one vote for each common and preferred share held as of the established record date.
- (b) All stockholders of record as of the closing of business on April 18, 2016 are entitled to notice of and to vote at the Company's Annual Stockholders' Meeting.
- (c) With respect to the election of directors, a stockholder may vote such number of shares for as many persons as there are directors to be elected or he may accumulate said shares and give one candidate as many votes as the number of directors to be elected or he may distribute them on the same principle among as many candidates as he shall see fit; provided, that the total number of votes cast by him shall not exceed the total number of shares owned by him, multiplied by the whole number of directors to be elected.
- (d) The following are the information on security ownership of certain record and beneficial owners and management:
 - (1) The security ownership of certain record and beneficial owners of more than 5% as of March 31, 2016 are as follows:

Title Of class	Name and Address of Beneficial Owner	Citizenship	Record / Beneficial	No. of shares held	Percent Owned
Common	GMA Holdings, Inc. ¹ Unit 5D Tower One, One McKinley Place, Bonifacio Global City	Filipino	PCD Nominee Corporation	846,038,700	25.15%
Common	Group Management & Development Inc. ² No. 5 Wilson St., San Juan, Metro Manila	Filipino	The Record Owner is the Beneficial Owner	789,813,389	23.47%

¹ The Board of Directors of GMA Holdings, Inc. has the power to decide how the shares owned in the Company are to be voted and has authorized Felipe L. Gozon and/or Gilberto R. Duavit, Jr. to vote on the company's shares in GMA Network, Inc.

² The Board of Directors of Group Management & Development, Inc. has authorized Gilberto R. Duavit, Jr. to vote on the common and preferred shares of the company in GMA Network, Inc.

Common	FLG Management & Development Corporation ³ Unit 2, 2/F, Building 2, 9 th Avenue, Bonifacio Global City, Taguig, Metro Manila	Filipino	The Record Owner is the Beneficial Owner	675,663,227	20.71%
Common	M.A. Jimenez Enterprises, Inc. 2/F Sagittarius Condominium, H. V. De la Costa St., Salcedo Village, Makati City ⁴	Filipino	The Record Owner is the Beneficial Owner	453,882,095	13.49%
Common	Television International Corporation ⁵ 2/F Sagittarius Condominium, H. V. De la Costa St., Salcedo Village, Makati City	Filipino	The Record Owner is the Beneficial Owner	334,378,037	9.94%
Total Common Shares 3,099,775,448 92.12%					
Preferred	Group Management & Development Inc. No. 5 Wilson St., San Juan, Metro Manila	Filipino	The Record Owner is the Beneficial Owner	2,625,805,308	35.01%
Preferred	FLG Management & Development Corporation Unit 2, 2/F, Building 2, 9 th Avenue, Bonifacio Global City, Taguig, Metro Manila	Filipino	The Record Owner is the Beneficial Owner	2,181,898,644	29.09%
Preferred	M.A. Jimenez Enterprises, Inc. 2/F Sagittarius Condominium, H. V. De la Costa St., Salcedo Village, Makati City	Filipino	The Record Owner is the Beneficial Owner	1,508,978,826	20.12%
Preferred	Television International Corporation 2/F Sagittarius Condominium, H. V. De la Costa St., Salcedo Village, Makati City	Filipino	The Record Owner is the Beneficial Owner	1,111,661,610	14.82%
Total Preferred Shares 7,428,344,388 99.04%					

GMA Holdings, Inc. is 99% owned by Gilberto R. Duavit, Jr., Felipe L. Gozon and Joel Marcelo G. Jimenez. The shares of the Company owned by GMA Holdings, Inc. are covered by Philippine Deposit Receipts ("PDR") which give the holder the right to delivery or sale of the underlying share. The PDRs are listed with the Philippine Stock Exchange.

Group Management and Development, Inc., FLG Management and Development Corporation, M.A. Jimenez Enterprises, Inc. and Television International Corporation are significant shareholders of the Company.

³ The Board of Directors of FLG Management & Development Corporation has authorized Felipe L. Gozon to vote on the common and preferred shares of the company in GMA Network, Inc.

⁴ The Board of Directors of M.A. Jimenez Enterprises, Inc. has authorized Joel Marcelo G. Jimenez and/or Laura J. Westfall to vote on the common and preferred shares of the company in GMA Network, Inc.

⁵ The Board of Directors of Television International Corporation has authorized Joel Marcelo G. Jimenez and/or Laura J. Westfall to vote on the common and preferred shares of the company in GMA Network, Inc.

(2) Security Ownership of Management as of March 31, 2016

As of March 31, 2016, the Company's directors and senior officers owned an aggregate of 6,365,198 common shares of the Company, equivalent to 0.1892% of the Company's issued and outstanding common capital stock and 27,294 preferred shares equivalent to 0.00% of the Company's issued and outstanding preferred capital stock.

Stockholder Name	Position	Citizenship	Record / Beneficial (R/B)	No. of Common Shares Held	Percent of Common Shares	No. of Preferred Shares Held	Percent of Preferred Shares
Anna-Teresa M. Gozon-Abrogar	Director/Assistant Corporate Secretary	Filipino	R/B	529,003	0.01%	6	0.00%
Gilberto R. Duavit Jr.	Director/Pres. and COO	Filipino	R/B	4,007,005	0.11%	12	0.00%
Felipe L. Gozon	Director/Chairman and CEO	Filipino	R/B	3,181	0.00%	26,880	0.00%
Joel Marcelo G. Jimenez	Director	Filipino	R/B	325,003	0.01%	6	0.00%
Michael John R. Duavit	Director	Filipino	R/B	1	0.00%	0	0.00%
Laura J. Westfall	Director	Filipino	R/B	2	0.00%	6	0.00%
Felipe S. Yalong	Director/Executive Vice-President/Chief Financial Officer	Filipino	R/B	1,025,002	0.03%	6	0.00%
Jaime C. Laya	Independent Director	Filipino	R/B	294,000	0.0087%	0	0.00%
Artemio V. Panganiban	Independent Director	Filipino	R/B	1	0.00%	0	0.00%
Marissa L. Flores	Senior Vice President – News and Public Affairs	Filipino		0	0.00%	0	0.00%
Ronaldo P. Mastrilli	Senior Vice President – Finance and ICT	Filipino	R/B	182,000	0.0054%	0	0.00%
Lilybeth G. Rasonable	Senior Vice President – Entertainment TV	Filipino	R/B	0	0.00%	0	0.00%
Elvis B. Ancheta	Senior Vice President and Head, Engineering Group; Head, Transmission and Regional Engineering Department	Filipino		0	0.00%	0	0.00%

Lizelle G. Maralag	Chief Marketing Officer	Filipino		0	0.00%	0	0.00%
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(3) Voting Trust Holders of 5% or more

The Company is unaware of any persons holding more than 5% of shares under a voting trust or similar agreement.

(4) Changes in Control

There are no existing provisions in the Articles of Incorporation or the By-Laws of the Company which will delay, defer or in any manner prevent a change in control of the Company. There have been no arrangements which have resulted in a change in control of the Company during the period covered by this report.

- (5) The Philippine Constitution prohibits foreign ownership in mass media companies such as GMA Network, Inc. Hence any such transfer of the shares (common or preferred) of the capital stock of the corporation shall be deemed null and void and will neither be recognized or registered in the books of the corporation. Thus, no part of the Company's equity (common or preferred) is owned by foreigners.

Item 5. Directors and Executive Officers

Nominees for Election as Members of the Board of Directors

The following are expected to be nominated as members of the Board of Directors for the ensuing year (2016-2017):

Anna-Teresa M. Gozon-Abrogar
Gilberto R. Duavit, Jr.
Felipe L. Gozon
Joel Marcelo G. Jimenez
Michael John R. Duavit
Laura J. Westfall
Felipe S. Yalong
Jaime C. Laya (*Independent Director*)
Artemio V. Panganiban (*Independent Director*)

All of the above nominees are incumbent directors. The nominees were formally nominated by Gilberto R. Duavit, Jr. Gilberto R. Duavit, Jr. is not related to the nominated independent directors, Jaime C. Laya and Artemio V. Panganiban.

In 2007, the Company amended its By-Laws providing the procedure for nominating the directors of the Company. The By-Laws provide that all nominations to the Board of Directors shall be submitted in writing to the Nomination Committee at least thirty (30) working days before the date of the regular annual meeting of stockholders. On January 28, 2016, the Nomination Committee reviewed the qualifications of the nominees and approved the final list of candidates.

The members of the Nomination Committee are as follows:

Felipe L. Gozon (*Chairman*)
Gilberto R. Duavit, Jr.
Artemio V. Panganiban
Joel Marcelo G. Jimenez

Board of Directors, Officers and Senior Management

Under the Articles of Incorporation of the Company, the Board of Directors of the Company comprises nine directors, two of whom are independent. The Board is responsible for the overall management and direction of the Company and meets regularly every quarter and other times as necessary, to be provided with updates on the business of the Company and consulted on the Company's material decisions. The directors have a term of one year and are elected annually at the Company's stockholders meeting. A director who was elected to fill a vacancy holds the office only for the unexpired term of his predecessor. As of March 31, 2016, the Company's Board of Directors and Senior Management are composed of the following:

Board of Directors				Senior Management		
Directors and Senior Management	Nationality	Position	Year Position was Assumed	Position	Year Position was Assumed	Age
Felipe L. Gozon	Filipino	Chairman/ Director	1975	Chief Executive Officer	2000	76
Michael John R. Duavit	Filipino	Director	2015	N/A	N/A	47
Gilberto R. Duavit, Jr.	Filipino	Director	1999	President/Chief Operating Officer	2010	52
Anna Teresa M. Gozon- Abrogar	Filipino	Director/ Assistant Corporate Secretary	2000	N/A	N/A	44
Joel Marcelo G. Jimenez	Filipino	Director	2002	N/A	N/A	52
Laura J. Westfall	Filipino	Director	2002	N/A	N/A	48
Felipe S. Yalong	Filipino	Director/ Corporate Treasurer	2002	Executive Vice President/Chief Financial Officer	2011	59
Roberto O. Parel	Filipino	Corporate Secretary	1993	N/A	N/A	60
Marissa L. Flores	Filipino	N/A	N/A	Senior Vice President, News and Public Affairs	2004	61
Ronnie P. Mastrili	Filipino	N/A	N/A	Senior Vice President for Finance and ICT	2013	50
Lilybeth G. Rasonable	Filipino	N/A	N/A	Senior Vice President for Entertainment TV	2013	52
Artemio V. Panganiban	Filipino	Independent Director	2007	N/A	2007	79
Jaime C. Laya	Filipino	Independent Director	2007	N/A	2007	77
Elvis B. Ancheta	Filipino	N/A	N/A	Senior Vice President and Head, Engineering Group; Head, Transmission and Regional Engineering Department	2014	49
Lizelle G. Maralag	Filipino	N/A	2016	Chief Marketing Officer	2016	50

The following are descriptions of the business experiences of the Company's directors, officers and senior management:

Felipe L. Gozon, Filipino, 76 years old, is the Chairman of the Board of Directors and Chief Executive Officer of the Network.

Atty. Gozon is a Senior Partner at the Law Firm of Belo Gozon Elma Parel Asuncion & Lucila. Aside from GMA Network, Inc., he is also Chairman and CEO of GMA Marketing and Productions, Inc. and GMA New Media, Inc.; Chairman and President of FLG Management and Development Corp.;

Chairman of Alta Productions Group, Inc., Citynet Network Marketing and Productions, Inc., Mont-Aire Realty and Development Corp., Philippine Entertainment Portal, Inc., and RGMA Network, Inc.; Vice Chairman of Malayan Savings and Mortgage Bank; Director of, among other companies, Gozon Development Corp., Justitia Realty and Management Corp., Antipolo Agri-Business and Land Development Corp., Capitlex Holdings, Inc., BGE Holdings, Inc., Philippine Chamber of Commerce and Industry, Chamber of Commerce of the Philippine Islands and President of Lex Realty, Inc. He serves as Chairman of the Board of Trustees of GMA Kapuso Foundation, Inc., Kapwa Ko Mahal Ko Foundation, Inc., and The Potter and Clay Christian School Foundation, Inc.; Chairman and President of Gozon Foundation; and Trustee of Bantayog ng mga Bayani Foundation. Gozon is also an Advisory Board Member of the Asian Television Awards.

Atty. Gozon is a recipient of several awards for his achievement in law, media, public service, and business, including the prestigious Chief Justice Special Award given by the Chief Justice of the Philippines (1991), Presidential Award of Merit given by the Philippine Bar Association (1990 & 1993), CEO of the Year given by Uno Magazine (2004), Master Entrepreneur – Philippines (2004) by Ernst and Young, Outstanding Citizen of Malabon Award for Legal and Business Management by the Kalipunan ng Samahan sa Malabon (KASAMA) (2005), People of the Year by People Asia Magazine (2005), Outstanding Manilan Award in the field of Social Responsibility and Broadcasting given by the City Government of Manila (2011), Quezon City Gawad Parangal Most Outstanding Citizen for 2011 given by the City Government of Quezon (2011), Tycoon of the Decade Award given by BizNews Asia (2011), Lifetime Achievement Award given by the UP Alumni Association (2012), Certificate of Recognition given by the Civil Aeronautics Board (2012), Personality of the Year for Broadcast Media given by SKAL International Makati (2013), Outstanding Member-Achiever given by Phi Kappa Phi UP Chapter (International Honor Society) (2013), Visionary Management CEO Award given by BizNews Asia (2013), Lifetime Achievement Award given by UP Preparatory High School Alumni (2014), Entrepreneurship Excellence Award and Best Broadcast CEO Award given by BizNews Asia (2014), The Rotary Golden Wheel Award for Corporate Media Management given by Rotary International District 3780 and Quezon City Government (2014), and Global Leadership Award for Excellence in Media Sector (first Filipino to win the award) given by The Leaders International together with the American Leadership Development Association in Kuala Lumpur, Malaysia (2015). He is also listed among Biz News Asia's Power 100 (2003 to 2010).

Atty. Gozon earned his Bachelor of Laws degree from the University of the Philippines (among the first 10 of his class) and his Master of Laws degree from Yale University Law School. He was admitted to the Bar in 1962, placing 13th in the Bar examinations.

Gilberto R. Duavit, Jr., Filipino, 52 years old, is the President and Chief Operating Officer of the Network. He has been a Director of the Company since 1999 and is currently the Chairman of the Network's Executive Committee. Aside from GMA Network, Inc., he is the Chairman of the Board of GMA Network Films, Inc. and GMA Worldwide, Inc. and a Board member and the Executive Committee Chairman of GMA Marketing and Productions, Inc. He also serves as President and CEO of GMA Holdings, Inc., RGMA Marketing and Productions, Inc., Film Experts, Inc., and Dual Management and Investments, Inc. He is the President and a Director of Group Management and Development, Inc.; President and Director of MediaMerge Corp., Citynet Network Marketing and Productions, Inc.; Director of RGMA Network, Inc., GMA New Media, Inc., Alta Productions Group, Inc., Optima Digital, Inc., and Mont-Aire Realty and Development Corp. He also serves as the President and a Trustee of GMA Kapuso Foundation, Inc. and a Trustee of the Guronasyon Foundation, Inc. and the HERO Foundation.

Mr. Duavit holds a Bachelor's Degree in Philosophy from the University of the Philippines.

Joel Marcelo G. Jimenez, Filipino, 52 years old, has been a Director of the Company since 2002. He is currently the President and CEO of Menarco Holdings and the Chief Executive Officer of Alta Productions, Inc. He is a Director of RGMA Network, Inc., GMA New Media, Inc., Scenarios, Inc., and

GMA Worldwide, Inc., besides also being a member of the Board of Directors of Malayan Savings and Mortgage Bank, and Unicapital Securities, Inc. He is also a Director of Nuvoland Philippines, a real-estate development company. He is a Trustee of GMA Kapuso Foundation, Inc.

He was educated in Los Angeles, California where he obtained a Bachelor's Degree in Business Administration from Loyola Marymount University. He also obtained a Master's Degree in Management from the Asian Institute of Management.

Felipe S. Yalong, Filipino, 59 years old, is the Executive Vice President and Chief Financial Officer of GMA Network, Inc. He is also the Head of the Corporate Services Group of the Network. He has been a Director of the Company since 2002. Aside from GMA Network, Inc., he also serves as Director and Corporate Treasurer of GMA Holdings, Inc., Scenarios, Inc., and GMA Network Films, Inc.; Director of Unicapital, Inc., Majalco Finance and Investments, Inc., and GMA Marketing and Productions, Inc.; Corporate Treasurer of RGMA Network, Inc., MediaMerge Corp.; Executive Vice President of RGMA Marketing and Productions, Inc.; and Corporate Treasurer of the Board of Trustees of GMA Kapuso Foundation, Inc.

Yalong was named CFO of the Year by ING FINEX in 2013.

He obtained a Bachelor of Science Degree in Business Administration Major in Accounting from the Philippine School of Business Administration and completed the Management Development Program at the Asian Institute of Management. He is a Certified Public Accountant.

Anna Teresa G. Abrogar, Filipino, 44 years old, has been a Director of the Company since 2000. She graduated valedictorian from grade school and high school at Colegio San Agustin. She graduated cum laude, BS Management Engineering from Ateneo de Manila University and obtained her Bachelor of Laws degree from the University of the Philippines where she graduated valedictorian, cum laude. She later obtained her Master of Laws from Harvard University.

She is a junior partner in Belo Gozon Elma Parel Asuncion & Lucila and was an Associate Professor in the University of the Philippines, College of Law where she taught taxation.

She is currently Programming Consultant to the Chairman/CEO of GMA Network, Inc. and the President of GMA Films, Inc. and GMA Worldwide, Inc. She is a trustee of GMA Kapuso Foundation.

Michael John R. Duavit, Filipino, 46 years old, was elected to the Company's Board of Directors in 2015. He is currently the Chairman, President and CEO of MRD Holdings & Investments, Inc. and the Chairman and Managing Director of Puresound Trading, Inc. He is a Director of Citynet Television, Inc. and GMA New Media, Inc.

Mr. Duavit is the President and Trustee of Guronasyon Foundation, Inc., which recognizes outstanding teachers in the province of Rizal and the City of Antipolo, and is also a Trustee of GMA Network's socio-civic arm GMA Kapuso Foundation, Inc.

Mr. Duavit was elected Representative of the First District of Rizal and served a full term from 2001 to 2010. During his tenure in Congress, he served as Vice-Chairman of the House Committee on Economic Affairs, the House Committee on Appropriations, and the House Committee on Trade and Industry, where he chaired the Special Sub Committee on Intellectual Property Rights.

Mr. Duavit earned his bachelor's degree from the De La Salle University-Manila, majoring in Marketing Management. He holds a graduate degree in Recording Arts Engineering from the Full Sail Center for

Recording Arts in Orlando, Florida, and attended a Management of Information Technology Program in Sweden as a SIDA scholar.

Laura J. Westfall, Filipino, 48 years old, has been a Director of the Company since 2000. She held the following positions in the Company — Senior Vice President of Corporate and Strategic Planning and Senior Vice President for Finance. In addition, she has served as Chairperson and President of GMA New Media. Prior to joining the Company, she worked for BDO Seidman — Los Angeles, an international audit and management consulting firm. She currently holds various positions in the Majent Group of Companies and serves as Board Member of Coffee Bean and Tea Leaf Philippines, Bronzеоak Clean Energy, Inc., and Museo Pambata

She holds a Masters Degree in Public and Private Management from Yale University and a Bachelor of Science degree in Accounting from the University of Southern California. She is a Certified Public Accountant (CPA) in the State of California.

Chief Justice Artemio V. Panganiban, Filipino, 79 years old, has been an Independent Director of the Company since 2007. In 1995, he was named a Justice of the Supreme Court and in 2005, he was appointed Chief Justice of the Philippines — a position he held until December 2006. At present, he is also an Independent Director of these listed firms: First Philippine Holdings Corp., Metro Pacific Investments Corp., Manila Electric Company, Robinsons Land Corp., GMA Holdings, Inc., Philippine Long Distance Telephone Co., Petron Corporation, Bank of the Philippine Islands, Asian Terminals, and a regular Director of Jollibee Foods Corporation. He is also a Senior Adviser of Metropolitan Bank, Chairman, Board of Advisers of Metrobank Foundation, Adviser of Double Dragon Properties, Chairman of the Board of the Foundation for Liberty and Prosperity, President of the Manila Cathedral Basilica Foundation, Chairman Emeritus of Philippine Dispute Resolution Center, Inc., and Member, Advisory Board of the World Bank (Philippines) and of the Asian Institute of Management Corporate Governance Council. He also is a column writer of The Philippine Daily Inquirer.

Upon his retirement, he was unanimously conferred a Plaque of Acclamation by the Associate Justices of the Supreme Court as the “Renaissance Jurist of the 21st Century;” and an Award of Honor by the Philippine Bar Association. In recognition of his role as a jurist, lawyer, civic leader, Catholic lay worker, business entrepreneur and youth leader, he had been the recipient of over 250 other awards from various governments, civic clubs, consumer associations, bar groups, religious movements and other non-government organizations, both local and international.

He obtained his Associate in Arts, “With Highest Honors” and later his Bachelor of Laws, with cum laude and “Most Outstanding Student” honors from the Far Eastern University. He placed sixth among more than 4,200 candidates who took the 1960 Bar examinations. He is likewise the recipient of several honorary doctoral degrees from various universities.

Dr. Jaime C. Laya, Filipino, 77 years old, has been an independent Director of GMA Network, Inc. since 2007. He is the Chairman and President of Philippine Trust Company (Philtrust Bank), Director of Ayala Land, Inc., Manila Water Company, Inc., and Philippine AXA Life Insurance Company, Inc. He also serves as Chairman of Don Norberto Ty Foundation, Inc. and Escuela Taller de Filipinas Foundation, Inc.; Trustee of St. Paul University - Quezon City, Cultural Center of the Philippines, Metropolitan Museum of Manila, Yuchengco Museum, Fundación Santiago, Inc., Ayala Foundation, Inc., and other foundations. He writes a weekly column for the *Manila Bulletin*.

He was Minister of Budget, 1975-1981; Minister of Education, Culture and Sports, 1984-86; Chairman of the Monetary Board and Governor, Central Bank of the Philippines, 1981-1984; Chairman, National Commission for Culture and the Arts, 1996-2001. He was faculty member of the University of the Philippines, 1957-1978 and Dean of the College of Business Administration, 1969-1974. In 1986, he founded J.C. Laya & Co., Ltd. (Certified Public Accountants and Management Consultants) later the

Philippine member firm of KPMG International; he served as the firm's Chairman until his retirement in 2004.

He earned his BSBA, *magna cum laude*, University of the Philippines, 1957; M.S. in Industrial Management, Georgia Institute of Technology, 1960; Ph.D. in Financial Management, Stanford University, 1966. He is a Certified Public Accountant.

Roberto O. Parel, Filipino, 60 years old, has been the Corporate Secretary of the Company since 1993. He is a Partner at the Law Firm of Belo Gozon Elma Parel Asuncion & Lucila. His practice areas include labor relations, natural resources and intellectual property. He is a Director of Time-Life International Philippines, Berong Nickel Corporation, Ulugan Nickel Corporation, Ulugan Resources Holdings, Inc., Nickeline Resources Holdings, Inc., TMM Management Inc. and Assetlex Development Company, Inc.; Corporate Secretary of Alta Productions Group, Inc., Scenarios, Inc., Citynet Network Marketing and Productions, Inc. and GMA Kapuso Foundation, Inc.

He graduated from the University of the Philippines with a Bachelor of Arts degree in Philosophy and a Bachelor of Laws degree. He was admitted to the Philippine Bar in 1981. Atty. Parel further pursued legal studies through short programs at the Center of American and International Law and the Southwestern Legal Foundation in Dallas, Texas. Later, he attended a training program on Industrial Property Rights held by the Japan Institute of Invention and Innovation and the Association for Overseas Technical Scholarship in Tokyo, Japan.

Marissa L. Flores, Filipino, 52 years old, is the Senior Vice President for News and Public Affairs, a position she has held since 2004. She joined the Company in 1987 as a researcher for public affairs documentaries and special reports and held the positions of Assistant Vice President for Public Affairs, Vice President for Production – News and Public Affairs before her appointment to her current position.

The Rotary Club of Manila recognized her as Television News Producer of the Year in 1996. In 2004, she was awarded the prestigious TOYM (The Outstanding Young Men) for Broadcast Management. In 2012, she received the CEO Excel Award from the International Association of Business Communicators (IABC) Philippines.

The News and Public Affairs group under Ms. Flores continues to be the recipient of international awards, notably the New York Festivals, US International Film and Video Festival Awards, Asian TV Awards. GMA News and Public Affairs remains as the only Philippine broadcast network which has won the highly-coveted Peabody Award (four Peabody awards as of 2014) — widely considered as broadcasting and cable's equivalent of the Pulitzer prize.

Besides overseeing news and public affairs programs in GMA Channel 7, it is also under Ms. Flores' leadership that GMA News Online was put up in 2007, and GMA News TV (GMA Network's news and public affairs channel on free TV) was launched in February 2011.

She earned her Bachelor's degree at the University of the Philippines, where she studied Journalism.

Ronaldo P. Mastrili, Filipino, 50 years old, is the Senior Vice President of GMA's Finance and ICT Departments. He obtained his Bachelor of Science in Business and Economics degree, major in Accounting from De La Salle University. He attended the Master in Business Administration Program from the same university and completed the Executive Development Program of the Asian Institute of Management. He is a Certified Public Accountant with expertise in the fields of accounting, auditing, finance, taxation and general management. He was formerly the Assistant Vice President of Controllershship of ABS-CBN and also served as its Group Internal Auditor before joining GMA Network in March 2001. He also worked with SGV and Co. in the early part of his career. Mr. Mastrili concurrently holds key positions in GMA Subsidiaries namely: Comptroller/Chief Accounting Officer of GMA

Holdings, Treasurer of Alta Productions, Director of Script2010, and Comptroller of GMA Films, GMA Kapuso Foundation and GMA Worldwide.

Lilybeth G. Rasonable, Filipino, 52 years old, is the Senior Vice President of the Entertainment TV Group of GMA Network, Inc. She is mainly responsible for the production of all entertainment programs of the Network.

After earning her degree in Broadcast Communication from the University of the Philippines, Ms. Rasonable immediately worked in the broadcasting industry, starting out as a Production Assistant and later on, an Associate Producer of the Intercontinental Broadcasting Company. She likewise worked as Production Coordinator and Executive producer of GMA Network, Inc.

Ms. Rasonable's work experience also included a post as Technical Consultant for Local Production with the Associated Broadcasting Company (ABC-5) and freelance Executive Producer for film and television. After a few years, she rejoined GMA as a Production Manager under its Sales and Marketing Group.

From Program Manager, Ms. Rasonable was promoted to Assistant Vice President for Drama in 2004. As AVP, she was a key figure in the creation of groundbreaking and phenomenal hits such as *Mulawin*, *Encantadia* and *Darna*, which made the primetime block of GMA invincible and contributed to the unprecedented success of GMA in its quest for leadership in the Philippine broadcasting industry. It was also during her time as AVP for Drama when GMA produced programs that created superstars for the Network and afternoon dramas dramatically rose and established strong presence in their timeslots with breakthrough innovations.

In 2010, Ms. Rasonable was promoted to the position of Vice President, Drama Productions and tasked with the supervision of non-primetime and primetime drama programs of GMA. By February 2012, she took the helm as Officer-in-Charge of the Entertainment TV (ETV) Group. And in December 2013, she received her promotion and appointment as ETV's Senior Vice President.

Elvis B. Ancheta, Filipino, 49 years old, is GMA Network's Senior Vice President and Head of Engineering Group. He is concurrently the Head of Transmission and Regional Engineering Department of the Network.

Engr. Ancheta is a member of the Society of Broadcast Engineers and Technicians of the Philippines and the Institute of Electronics and Communications Engineers of the Philippines, Inc. He was also GMA's principal representative to the Technical Working Group chaired by the National Telecommunications Commission for the drafting of the Digital Terrestrial Television Broadcasting - Implementing Rules and Regulations.

Engr. Ancheta earned his Bachelor of Science in Electronics and Communications Engineering degree from Saint Louis University in Baguio City.

Lizelle G. Maralag, Filipino, 50 years old, is GMA Network's Chief Marketing Officer. She is responsible for driving revenue growth and marketing innovation within all media platforms of the Network, including GMA's TV and radio stations as well as the Network's international channels. Under her leadership, GMA became the only Philippine broadcast company with the most number of local and global marketing awards.

She joined the GMA Network in 2010, after a laudable career as an advertising media professional spanning more than two (2) decades, where she drove to leadership position the top-ranked media agency in the market, Starcom Mediavest Group Phils. Co. Inc. as Managing Director, while

concurrently serving as the Chairperson of Publicis Group Media Philippines, overseeing Zenith Optimedia Phils. She continues to hold the record in the media advertising industry for winning the most number of Media Agency of Record pitches when she was Managing Director of Starcom Mediavest Group Philippines, from 2000-2009.

She holds a degree of Bachelor of Science in Statistics at the University of the Philippines, Diliman, and took post graduate studies at the INSEAD in Singapore. She was Founding Co-Chairperson of the Media Specialists Association of the Philippines (2008-2009), Chairman of the Radio Research Council Adjudication & Review Board, was a Director of the TV Research Council, was a part-time instructor at the University of Asia and the Pacific, served as a global juror in the Starcom MediaVest Group Fuel Awards (2004), and a frequent jury member in local and regional advertising and marketing industry awards.

Significant Employees

Although the Company and its key subsidiaries have relied on, and will continue to rely on, the individual and collective contributions of their executive officers and senior operational personnel, the Company and its key subsidiaries are not dependent on the services of any particular employee.

Family Relationships

Michael John R. Duavit is the brother of Gilberto R. Duavit, Jr., and Joel Marcelo G. Jimenez and Laura J. Westfall are siblings. Anna Teresa M. Gozon-Abrogar is the daughter of Felipe L. Gozon. Felipe L. Gozon's sister, Carolina L. Gozon-Jimenez, is the mother of Joel Marcelo G. Jimenez and Laura J. Westfall.

Involvement in Certain Legal Proceedings

To the best of the Company's knowledge, during the past five years and up to date, there had been no occurrence of any of the following events which are material to an evaluation of the ability or integrity of any director, person nominated to become a director, executive officer, or control person of the Company:

- Any filing of an insolvency or bankruptcy petition by or against any business of which such person was a general partner or executive officer, either at the time of the insolvency or within two years prior to that time;
- Any conviction by final judgment in a criminal proceeding, domestic or foreign, or any pending criminal proceeding, domestic or foreign, of any such person, excluding traffic violations and other minor offenses;
- Any final and executory order, judgment, or decree of any court of competent jurisdiction, domestic or foreign, against any such person, permanently or temporarily enjoining, barring, suspending, or otherwise limiting involvement in any type of business, securities, commodities, or banking activities; and,
- Any final and executory judgment of any such person by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC, or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, for violation of a securities or commodities law.

Resignation of Directors

Ms. Judith R. Duavit-Vazquez resigned as Director of the Company in 2015.

No director has resigned or declined to stand for re-election to the Board of Directors since the date of the last annual meeting of the Company because of a disagreement with the Company on matters relating to the Company's operations, policies and practices.

Certain Relationships and Related Transactions

Advances to Affiliates

The Company has, from time to time, made advances to certain of its affiliates. The advances are non-interest bearing.

The Company made advances to Mont-Aire in the amount of P121.4 million as of December 31, 2004. Of such advances, the Company converted the amount of P38.3 million into P38.3 million worth of common shares of Mont-Aire. Simultaneously, the other shareholders of Mont-Aire, namely, Group Management and Development, Inc., Television International Corporation and FLG Management and Development Corporation converted advances in the aggregate amount of P23.5 million made by them to Mont-Aire into P23.5 million worth of common shares of Mont-Aire. The SEC approved the conversion of the advances into equity on February 17, 2006. The Company owns 49% of Mont-Aire, with the remaining 51% being owned by the Duavit family, Gozon family and Jimenez family. Mont-Aire is a real estate holding company whose principal property is a 5.3 hectare property located in Tagaytay, Cavite. Such property is not used in the broadcasting business of the Company. As of December 31, 2015 and 2014, Mont-Aire has had advances owing to the Company in the amount of P87.9 million and P87.6 million, respectively. Please see Note 20 of the Company's financial statements.

Agreements with RGMA Network, Inc. ("RGMA")

The Company has an existing agreement with RGMA for the latter to provide general management, programming and research, events management, on-air monitoring of commercial placements, certificates of performance, billing and collection functions, and local sales service for the 25 radio stations of the Company. RGMA is paid management and marketing fees based on billed sales. Please see Note 20 of the Company's financial statements.

Agreements with GMA Marketing and Productions, Inc. ("GMA Marketing")

The Company entered into a marketing agreement with its wholly-owned subsidiary, GMA Marketing wherein GMA Marketing agreed to sell television advertising spots and airtime in exchange for which GMA Marketing will be entitled to a marketing fee and commission. Apart from this, the Company likewise engaged the services of GMA Marketing to handle and mount promotional events as well as to manage the encoding, scheduling of telecast/broadcast placements and subsequent monitoring of sales implementations for which GMA Marketing is paid a fixed monthly service fee. Please see Note 20 of the Company's financial statements.

Belo Gozon Elma Parel Asuncion & Lucila Law Office

The Company and the law firm of Belo Gozon Elma Parel Asuncion & Lucila entered into a retainer agreement in 1993 under which Belo Gozon Elma Parel Asuncion & Lucila was engaged by the Company as its external counsel. As such external counsel, Belo Gozon Elma Parel Asuncion & Lucila handles all cases and legal matters referred to it by the Company. Other than Felipe L. Gozon, who is part of the Gozon Family, one of the principal shareholders of the Company, and director of the Company since 1975, some of the lawyers of Belo Gozon Elma Parel Asuncion & Lucila eventually

assumed certain positions and functions in the Company either in their individual capacities or as part of the functions of Belo Gozon Elma Parel Asuncion & Lucila as the Company's external counsel. Please see Note 20 of the Company's financial statements.

Item 6. Compensation of Directors and Executive Officers

(a) CEO and Top 5 Compensated Executive Officers:

The following are the Company's highest compensated executive officers:

Name and Position

Felipe L. Gozon	Chairman and CEO
Gilberto R. Duavit, Jr.	President and COO
Felipe S. Yalong	Executive Vice President and Concurrent Group Head, Corporate Services Group and Chief Financial Officer
Marissa L. Flores	Senior Vice President, News and Public Affairs
Lilybeth G. Rasonable	Senior Vice President, Entertainment TV Group
Ronaldo P. Mastrili	Senior Vice President, Finance and Information and Communications Technology Department

	Year	Annual Salaries (in thousands)	13th Month and Bonuses (in thousands)	Total
5 Highest Compensated Officers	2013	91,658.4	52,829.9	144,488.3
	2014	101,691.8	40,024.6	141,716.4
	2015	105,700.4	72,452.0	178,152.4
	2016 (estimate)	109,928.4	75,350.1	185,278.5
Aggregate compensation paid to all officers and	2013	143,999.7	89,917.5	233,917.2
	2014	149,809.5	49,676.9	199,486.4
	2015	156,399.9	90,808.5	247,208.4
	2016 (estimate)	162,656.9	94,440.8	257,096.7

(a) Directors and other Executive Officers

Section 8 of Article IV of the Company's By-Laws provides that as compensation of the directors, the Members of the Board shall receive and allocate yearly an amount of not more than two and a half percent (2.5%) of the net income after income tax of the corporation during the preceding year. Of the said 2.5%, one percent (1%) shall be allocated to the members of the Board of Directors to be distributed share and share alike. The remaining one and a half percent (1.5%) shall be allocated to the members of the Executive Committee to be distributed share and share alike.

Employee Stock Ownership Plan ("ESOP")

The Company has no outstanding options or warrants held by its CEO, the named executive officers, and all officers and directors as a group.

Item 7. Independent Public Accountants

- (a) SyCip Gorres Velayo & Co. has acted as the Company's external auditors since 1994. The same accounting firm is being recommended for re-election at the scheduled annual meeting.

- (b) Representatives of SGV & Co. for the current year and for the most recently completed fiscal year are expected to be present at the Annual Stockholders' Meeting. They will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

The Company only became publicly listed with the Philippine Stock Exchange on July 30, 2007. Pursuant to Rule 68 paragraph 3 (b) (iv), the Company has engaged Mr. Ramon D. Dizon, partner of SGV & Co., to sign the Company's 2015 audited financial statements.

- (c) Changes in and disagreements with accountants on accounting and financial disclosure

The Company has not had any disagreements on accounting and financial disclosures with its current external auditors during the two most recent fiscal years or any subsequent interim period.

Sycip Gorres Velayo & Co. has no shareholdings in the Company nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities in the Company. The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Commission.

- (d) The aggregate fees billed for each of the last two years for professional services rendered by Sycip Gorres Velayo and Co., amounted to ₱6.5 million in 2015 and P6.0 million in 2014 (these included the fees related to financial audit and services for general tax compliance). In 2015, the additional P500,000.00 represented fees for a limited post implementation review services for the transition for Oracle to SAP for the Company's ERP. No other fees of any nature were paid.
- (e) The Company's Audit and Risk Management Committee was formed in 2007 and was formally organized during the latter portion of that year. The Audit and Risk Management Committee reviews the fee arrangements with the external auditor and recommends the same to the Board of Directors. The Audit and Risk Management Committee has recommended the appointment of Sycip Gorres Velayo and Co., as the external auditor of the Company.

The members of the Audit Committee are as follows:

Dr. Jaime C. Laya (*Chairman*)
Chief Justice Artemio V. Panganiban
Anna Teresa M. Gozon-Abrogar
Judith D. Vazquez
Laura J. Westfall

Item 8. Authorization or Issuance of Securities Other than for Exchange

There are no matters or actions to be taken up in the meeting with respect to authorization or issuance of securities.

Item 9. Modification or Exchange of Securities

There are no matters or actions to be taken up in the meeting with respect to the modification of any class of the Company's securities or the issuance or authorization for issuance of one class of the Company's securities in exchange for outstanding securities of another class.

Item 10. Financial and Other Information

In connection with Item 9 hereof, the Company has incorporated by reference the following as contained in the Management Report prepared in accordance with Rule 68 of the Securities and Regulation Code:

- 1) Audited Financial Statements for December 31, 2015 and 2014;
- 2) Management Discussion and Analysis or plan of operation; and
- 3) Information on business overview, properties, legal proceedings, market price of securities, and dividends paid out, corporate governance, corporate social responsibility.

Item 11. Mergers, Consolidations, Acquisitions and Similar Matters

No action is to be taken with respect to the mergers, consolidations, acquisitions and similar matters.

Item 12. Acquisition or Disposition of Property

No action is to be taken with respect to the acquisition or disposition of any property.

Item 13. Restatement of Accounts

No action is to be taken with respect to the restatement of any asset, capital or surplus account of the Company.

D. OTHER MATTERS

Item 14. Action with Respect to Reports

- (a) Approval of the Annual Report of Management and the Audited Financial Statements for the year ending December 31, 2015.
- (b) Approval of the Minutes of the 2015 annual meeting of the Stockholders held on May 20, 2015, covering the following salient matters:
 - (i) Approval of the Minutes of the annual meeting of the stockholders on May 21, 2014
 - (ii) Annual Report of the Chairman and Chief Executive Officer
 - (iii) Financial Report
 - (iv) Ratification of all acts of the Board of Directors and the Executive Committee
 - (v) Election of the Members of the Board of Directors, including the Independent Directors
 - (vi) Election of the External Auditor
- (c) Ratification of the acts of the Board of Directors/Corporate Officers, summarized as follows:

All acts and resolutions of the Board of Directors and Management for the period covering May 20, 2015 to May 18, 2016 adopted in the ordinary course of business, summarized as follows:

- Approval of the Minutes of the organizational meeting of the Board of Directors on May 20, 2015
- Approval of the Minutes of the regular meetings of the Board of Directors covering the following matters:
 - Appointment of signatories;
 - Approval of borrowings, opening of accounts and bank transactions;
 - Appointment/Election of Officers;
 - Approval of the record date and venue of the Annual Stockholders' Meeting;
 - Approval and release of the financial statements for the year ended December 31, 2015.

Item 15. Matters Not Required to be Submitted

All actions or matters to be submitted in the meeting will require the vote of the security holders, as follows:

Item 16. Amendment of Charter, By-Laws or Other Documents

No action is to be taken with respect to any amendment of the registrant's charter, by-laws or other documents.

Item 17. Other Proposed Action

- (a) Ratification of the Acts of the Board of Directors/Corporate Officers (as enumerated in Item 14 part c) including:
 - (i) Declaration by the Board of Directors on April 8, 2016 of cash dividends to stockholders of record as of April 25, 2016 and payment date on May 16, 2016.
- (b) Election of the Members of the Board of Directors, including two independent directors for the ensuing calendar year
- (c) Election of the External Auditor

Item 18. Voting Procedures

- (a) **Vote Required:** Motions, in general, require the affirmative vote of a majority of the shares of the Company's common stock present and/or represented and entitled to vote. However, under Philippine law, certain proposed actions may require the vote of at least two thirds (2/3) of the outstanding capital stock of the Company. The manner of voting is non-cumulative, except as to the election of directors.
- (b) **Method:** *Straight and cumulative voting.* In the election of directors, the nine (9) nominees garnering the highest number of votes shall be elected directors. The stockholder may vote such number of shares for as many persons as there are directors to be elected, or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected, or he may distribute them on the same principle among as many candidates as he shall see fit; provided, the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by the number of directors to be elected.
- (c) The Corporate Secretary shall be responsible for counting votes based on the number of shares entitled to vote owned by the stockholders who are present or represented by proxies at any meeting of the stockholders, in the presence of the Company's external auditor.

Other than the nominees' election as directors, no director, executive officer, nominee or associate of the nominees has any substantial interest, direct or indirect by security holdings or otherwise in any way of the matters to be taken upon during the meeting. The Company has not received any information that an officer, director or stockholder intends to oppose any action to be taken at the Annual Stockholders' Meeting.

Upon written request of the stockholders, the Company undertakes to furnish said stockholder with a copy of the SEC Form 17-A free of charge. Any written request for a copy of the Sec Form 17-A shall be addressed to the following:

GMA NETWORK, INC.
9/F GMA NETWORK CENTER
EDSA corner Timog Avenue
Diliman Quezon City

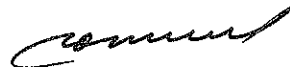
Attention: RONALDO P. MASTRILI
SENIOR VICE PRESIDENT, FINANCE AND ICT

The Company also undertakes to provide the first quarter interim financial report (period ended March 31, 2016) during the annual stockholder's meeting.

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati on April 12, 2016.

GMA NETWORK, INC.

By:


ROBERTO O. PAREL
Corporate Secretary

MANAGEMENT REPORT

I. BUSINESS OVERVIEW

GMA Network, Inc. is a free-to-air broadcasting company principally engaged in television and radio broadcasting, the production of programs for domestic and international audiences, and other related businesses. The Company derives the majority of its revenues from advertising related to television broadcasting.

The Company's Congressional television broadcasting franchise was renewed on March 20, 1992 through Republic Act 7252, which allows it to operate radio and television facilities in the Philippines for 25 years. GMA Network has 47 VHF and 41 UHF TV stations throughout the Philippines with its signal reaching approximately 98% of the country's Urban TV Households (Source: 2015 Nielsen Television Establishment Survey; Claimed reception among TV homes).

In 2015, GMA Network, Inc. grabbed leadership in National Urban TV ratings and maintained leadership in the viewer-rich areas of Urban Luzon and Mega Manila. The Company posted increases in its gross revenues and net income for 2015 versus 2014.

GMA Network's international operations continued to expand during the year. The Company's international syndication and distribution business likewise grew in 2015.

GMA SUBSIDIARIES, JOINT VENTURE AND AFFILIATES

The Company's subsidiaries and affiliates are involved in media-related services such as movie making, sets and props construction, film syndication, music and video recording, new media, online gaming, post production services, and marketing, which complement the Company's core television and radio broadcasting business.

The following table shows the Company's holdings in its principal subsidiaries, joint ventures and affiliates as of December 31, 2015:

COMPANY	OWNERSHIP	PRINCIPAL ACTIVITIES
Subsidiaries		
GMA New Media, Inc. (NMI)	100%	Converging Technology
Citynet Network Marketing and Productions, Inc.	100%	Television entertainment production
GMA Network Films, Inc.	100%	Film production
GMA Worldwide (Philippines), Inc.	100%	International marketing, handling foreign program acquisitions and international syndication of the Parent Company's programs
RGMA Marketing and Productions, Inc. (GMA Records)	100%	Music recording, publishing and video distribution
Scenarios, Inc.	100%	Design, construction, maintenance and storage of sets for TV, stage plays and concerts; transportation services
Script2010, Inc. (Script2010)*	100%	Design, construction and maintenance of sets for TV, stage plays and concerts; transportation and manpower services

Alta Productions Group, Inc.	100%	Pre- and post-production services
GMA Marketing & Productions, Inc. (GMPI)	100%	Exclusive marketing and sales arm of GMA's airtime; events management; sales implementation; traffic services and monitoring
Mediamerge Corporation**	100%	Business development and operations for the Company's online publishing/advertising initiatives
Digify, Inc. (Digify)**	100%	Crafting, planning and handling advertising and other forms of promotion including multi-media productions
Joint Ventures		
INQ7 Interactive, Inc.	50%	Internet publishing
Philippine Entertainment Portal, Inc. (PEP)**	50%	Internet publishing
Gamespan, Inc.**	50%	Sports betting and broadcasting
Affiliates		
Mont-Aire Realty and Development Corp.***	49%	Real estate
RGMA Network, Inc.	49%	Radio broadcasting and management

Notes:

* Indirectly owned through Citynet Network Marketing and Productions, Inc.

** Indirectly owned through GMA New Media, Inc.

*** 49% owned by GMA Network, Inc.

COMPETITION

The Company currently competes for audiences and advertising revenues directly with other broadcast stations, radio stations, newspapers, magazines, cable television, and outdoor advertising within their respective markets.

The Following table presents major broadcasting networks in the country:

Network	Description		2015 Ratings & Audience Share (Total day; 6AM-12MN)		
			Mega Manila	Urban Luzon	Urban National
GMA		Household Ratings	15.4	14.6	12.9
		Audience Share	41.7	39.7	35.4
ABS-CBN	Radio and TV broadcasting network and multimedia company. Founded in 1953, and is the first television station in the Philippines.	Household Ratings	9.9	11.2	12.8
		Audience Share	27.0	30.6	34.9
GNTV	GMA Network's sister channel. It is programmed by GMA. GMA NEWS TV (GNTV) was launched on February 28, 2011.	Household Ratings	2.2	1.9	1.6
		Audience Share	5.9	5.1	4.3
TV5	Third-oldest TV network in the country, with	Household Ratings	3.1	3.0	3.3

Network	Description		2015 Ratings & Audience Share (Total day; 6AM-12MN)		
			Mega Manila	Urban Luzon	Urban National
	main broadcast facilities in Novaliches, Quezon City. On March 2, 2010, Mediaquest acquired 100 percent ownership of the Associated Broadcasting Company and Primedia Inc., the broadcasting firm's major block airtimer.	Audience Share	8.5	8.2	9.2
SOLAR TV/ ETC (RPN)/ Solar News (RPN)/ CNN Philippines *	Radio Philippines Network (RPN 9) is a Philippine VHF television network of the Government Communications Group. On November 29, 2009, the network re-branded again under the new name Solar TV on RPN. *Solar TV went off air on February 26, 2011 and was re-launched as ETC (RPN) on March 2, 2011. It was re-launched anew as Solar News (RPN) on November 30, 2013, then was replaced by 9TV (RPN) starting Aug. 23, 2014. On March 16, 2015, 9TV (RPN) was re-launched as CNN PHILIPPINES.	Household Ratings	0.2	0.2	0.2
		Audience Share	0.7	0.6	0.6
Studio 23/ ABS-CBN Sports + Action **	Sister network to the main ABS-CBN Broadcasting Corporation, airing programming aimed towards young adults, such as North American imports and other English language programming. **Studio 23 was re-launched as ABS-CBN Sports + Action on January 18, 2014	Household Ratings	1.1	1.3	1.4
		Audience Share	3.1	3.4	3.8
National Broadcasting Network/ PTV	Official government TV, formerly called Maharlika Broadcasting System, Inc. and later the People's Television Network, Inc. (PTV).	Household Ratings	0.3	0.3	0.2
		Audience Share	0.9	0.8	0.6
Intercontinental Broadcasting Corporation (IBC 13)	IBC-13 is a VHF TV station of the Government Communications Group launched in 1975 by Roberto Benedicto.	Household Ratings	0.2	0.1	0.1
		Audience Share	0.5	0.4	0.4
Southern Broadcasting Network Solar News Channel/ TALK TV (SBN)/ ETC (SBN) ***	On January 1, 2008, Solar Entertainment Corporation's entertainment channel ETC aired on this station. ***SBN was launched as Talk TV (SBN) on March 3, 2011 and was later replaced by Solar News Channel on October 30, 2012. This channel was re-launched anew as ETC (SBN) on November 30, 2013	Household Ratings	0.1	0.1	0.1
		Audience Share	0.2	0.2	0.2
2nd Ave. (RJTV)	RJTV is a UHF free to air television channel owned and operated by Rajah Broadcasting	Household Ratings	0.0	0.0	0.0

Network	Description		2015 Ratings & Audience Share (Total day; 6AM-12MN)		
			Mega Manila	Urban Luzon	Urban National
	Network, Inc. owned by Ramon "RJ" Jacinto. Solar is also programming 2 nd Ave.	Audience Share	0.1	0.1	0.0

NOTE: Ratings data are based on the Nielsen Television Audience Measurement (TAM) Arianna.

INTERNATIONAL DISTRIBUTION

The Company's television programs are distributed outside the Philippines in two ways. One is through its subscription-based international linear channels – GMA Pinoy TV, GMA Life TV, and GMA News TV International, as well as non-linear content distribution through Video On Demand (VOD) service - are all distributed in multiple platforms that include DTH, cable, IPTV and OTT across various territories in North America, ASPAC, MENA and Europe. The other is through GMA Worldwide (Philippines), Inc. (GWI), a wholly-owned subsidiary of the Company. GWI distributes GMA's locally produced programs on all platforms through worldwide syndication sales to broadcasters/companies in China, Southeast Asia, Africa, and Europe.

GMA PINOY TV

The Company operates GMA Pinoy TV through which it offers subscription-based programs internationally. Launched in 2005, GMA Pinoy TV delivers to an international audience the Company's most popular news and public affairs and general entertainment programs.

GMA Pinoy TV is currently available in 50 states in the United States including Alaska and Hawaii, plus Puerto Rico and Washington DC; Canada; Japan; Guam; Saipan; Hong Kong; Singapore; Papua New Guinea; Australia; New Zealand the British Indian Territory of Diego Garcia; Madagascar; Malaysia; Palau; Haiti; 17 countries in the Middle East which includes the key territories of the Kingdom of Saudi Arabia, United Arab Emirates, Qatar, Bahrain, and Kuwait; 12 countries in North Africa and 16 countries in Europe which includes key areas of UK, France, Germany, and Italy. GMA Pinoy TV aims to establish global exposure and presence for the Network that will bring the company's programs to Filipino communities around the world.

Under the carriage and licensing agreements with international cable carriers, the Company generally receives a portion of the subscription fees and is also allocated a certain number of advertising minutes through which the Company may sell advertising spots, which it does, through GMA Marketing Productions Group (MPG). MPG also participates in joint promotions with various carriers for the marketing of GMA Pinoy TV.

As of December 2015, GMA Pinoy TV's viewership increased by 8% from the previous year, 2014. GMA's viewership base continues its steady growth despite the business challenges brought by overall industry and marketplace factors.

GMA LIFE TV

Three years after the success of GMA Pinoy TV, GMA Life TV, GMA Network's second international channel, was launched. More than just offering mainstream entertainment, GMA Life TV engages more viewers with its exciting line-up of heart-warming and innovative programs that feature the Filipinos' lifestyle and interests.

GMA Life TV is available in the United States, Canada, Middle East, North Africa, Europe, Australia, New Zealand, Hong Kong, Singapore, Japan, Malaysia, Papua New Guinea, Madagascar, Palau, Guam and Saipan. As of December 2015, GMA Life TV's viewership increased by 16% from the previous year, 2014.

GMA NEWS TV INTERNATIONAL

In September 2011, GMA Network began distributing GMA News TV International in order to provide overseas Filipinos with the latest, most comprehensive, and most credible news coverage from the Philippines. It offers internationally acclaimed and award-winning news and public affairs programs with 7 to 8 hours of original content daily.

It is now available in the United States, Canada, Middle East, North Africa, Europe, Australia, New Zealand, Hong Kong, Singapore, Japan, Malaysia, Madagascar, Palau, Guam and Saipan. As of December 2015, GMA News TV International's viewership increased by 32% from the previous year, 2014.

CONVERGING TECHNOLOGY

GMA New Media, Inc. is GMA Network's digital media and technology arm in charge of R&D, Software Design & Development, Systems Integration and Quality Assurance. Since its inception in July 2000, it has launched category-breaking projects in web, mobile, digital television and other new and emerging platforms.

GMA NMI AS GAMECHANGER

Back in the days when traditional and new media had clear boundaries, GMA NMI had the audacity to blur the borders. It was the first to enable mobile and TV to talk to each other, ushering in the era SMS-TV.

Sixteen years later, NMI continues to be at the top of its game.

As GMA Network's innovation center and de facto future-proofing agent, GMA NMI spearheads the design and implementation of the media giant's grand digital blueprint aimed to ensure the company's leadership in the digital era.

WEB

Online Publishing

In its early years, NMI launched GMA's official entertainment website, iGMA.tv, and its official news website, GMANews.tv. Both websites have won local and international acclaim as well as loyal patronage among Filipinos here and abroad.

In 2015, NMI led initiatives aimed to establish GMA as a dominant player online by slowly but steadily diminishing the huge lead that its main competitor held for quite some time. Launched in collaboration with various units in GMA Network, www.gmanetwork.com, the portal for all GMA websites, finally beat its long-time rival in terms of total pageviews by generating 653 million versus ABS-CBN.com's 606 million. This, despite ABS-CBN.com's eight-year headstart as an independent online brand. From only 118 million total pageviews in 2014, GMANetwork.com's pageviews grew 4.5 times, increasing the monthly average to 54.3 million versus previous year's 9.8 million. Unique browsers also grew 2.5 times. From a total of 17.5 million in 2014, this expanded to 61 million in 2015, based on data from Effective Measure, a third party online audience measurement service provider.

2015 was a milestone year for GMA News Online (GNO) as it breached the one billion pageviews mark. Audience reach also went up based on the increase in unique browsers. Monthly average pageviews⁶ for 2015 hit 95 million, a 135% increase from the 40.4M that GNO generated the prior year. The average unique browsers⁷ increased to almost 13.3 million from 8.4 million in 2014. Synergies from the Social Media team and the editorial team to enhance overall user experience, as well as NMI's non-stop back-end upgrades, helped sustain improvements in web metrics.

NMI entered into a joint venture with Summit Media and launched PEP.ph, the leading showbiz news portal in the Philippines. It also launched SPIN.ph or Sports Interactive Network, currently the No. 1 sports website based on recent data from Effective Measure. NMI provides the technology back-end of said sites. The joint venture is a way for GMA to capture a bigger slice of the online audience share by targeting readers who are keen on sports and entertainment.

MOBILE

NMI pioneered interactive TV in the Philippines with the launch of SMS-TV services in "*Debate*" and *Startalk*, and Eat Bulaga's Cool Dudes segment. This laid the foundation for succeeding SMS-TV initiatives that carried NMI through several years of growth and profit.

NMI also introduced SMS technology to Philippine broadcast TV and was the first to launch an interactive chat and gaming show called *Txtube*.

NMI launched *Fanatxt*, a mobile-based celebrity portal for Kapuso stars, considered as one of the most successful mobile VAS services ever launched locally.

NMI broke new ground with the launch of *Teledrama Text Saya*, the first ever mobile point of purchase promo for GMA's primetime shows done in partnership with GMPI.

NMI also developed the GMA News Online iOS and Android mobile apps that sport a new user interface to keep up with current design trends. The mobile apps allow people easy access to GMA content using their handheld devices. The GMA portal mobile app was also launched and was designed to be the perfect mobile companion to top-rating GMA shows.

CONVERGENT MEDIA

NMI works closely with GMA Marketing and Promotions, Incorporated (GMPI) in the launch of innovative convergent media campaigns such as *Win Mo Kapuso* and *Win Mo Pamasko*. The combination of TV plus new media has become a valuable strategic offering for clients in terms of ensuring the widest possible reach for both online and offline audiences.

YouScoop is NMI's joint initiative with GMA News and Public Affairs (NPA) that aims to promote citizen journalism and vigilance. YouScoop helps empower the people to provide information and news when and where it happens. Users can send information, photographs, videos and even audio recordings of newsworthy events wherever and whenever they may be through the app. A team of editors chooses items that will be featured in the YouScoop page on GMA News Online, while significant contributions that merit public broadcast are aired on any one of the GMA News and Public Affairs programs.

In collaboration with GMA NPA, NMI launched **IMReady**, a one-stop online portal for public safety information to aid in traffic and disaster awareness and preparedness. The project aims to provide the public with timely and relevant information to minimize risks and better prepare them during emergency situations. It also enables the public to plan their routes and itineraries. IMReady can be accessed on the Internet and can be downloaded as an app in both iOS and Android.

⁶ Pageviews refers to an instance of an Internet user visiting a particular page on a website.

⁷ Unique Browser refers to a unique device (e.g. a computer or mobile phone) that has made requests for content to the site in the period being measured.

In view of making IMReady a cutting-edge application, NMI sealed an exclusive media partnership agreement with Google-owned Waze, a leading social GPS navigation system that provides crowd-sourced traffic information and real-time maps. Waze allows subscribers to share real-time traffic and road information that enables people to save time and gas money on their daily commute. By connecting drivers to one another, the app helps people create local driving communities that work together to improve the quality of everyone's daily driving.

BROADCAST

Election Coverage

NMI has maintained its track record of providing GMA News and Public Affairs with speedy and accurate delivery of elections results using the latest technologies for the Eleksyon 2013 coverage. NMI spearheaded the count operations in PPCRV by acquiring, extracting, and prioritizing data from the COMELEC before sending it to GMA for processing.

To achieve multi-screen pervasiveness, NMI provided the most comprehensive election count data across all platforms—from television to mobile and the Internet. The team deployed its *proprietary search engine* that enabled users of GMA News Online and its mobile app (in both Android and iOS) to retrieve election count data in the Search Results. While all the other websites and apps were incapable of integrating the count results in their search, NMI's proprietary search returned the most relevant results for all candidates during election time.

NMI serves the same function of ensuring fast and accurate delivery of elections results in the 2016 elections.

NMI launched the Eleksyon 2016 microsite in February. On top of the usual news content, the microsite also has a special section where visitors can get to know the candidates running for the top positions this year. The **Candidates Section**⁸ contains the presidential and vice presidential aspirants' profiles, including their political history, controversies they are linked to, their respective Statements of Assets, Liabilities and Net Worth, and much more.

The microsite also features the **Campaign Tracker** section⁹ where the candidates' daily schedules are plotted on a map with a short description of their itinerary. A link can also be included in the description window if GNO has a supporting story of the campaign. Another recent improvement of this section is the field for voting population and 2013 elections voter turnout.

NMI also added a special information section to the microsite that summarizes the **demographics of the country's registered voters**.¹⁰ Information is presented based on gender, age, civil status and can be drilled down to the city level.

NMI powered GMA Network's **first ever 360-degree livestream of the PiliPinas Debates 2016**. For the first leg of the PiliPinas Debates 2016 held in Cagayan De Oro City on February 21, 2016, GMA News and Public Affairs and NMI teamed up to mount the first 360-degree livestream coverage of a live event in the Philippines, and one of the first worldwide.

The 360-degree livestream was available for near-real-time viewing on GMA News Online (www.gmanetwork.com/news) and later in GMA's YouTube channel, on-demand.

NMI's R&D unit developed the proprietary technology that allows any web user to pan the camera view around the venue in near-real-time. It utilizes a special single web camera that captures all the 360-

⁸ Click here to see page: <http://www.gmanetwork.com/news/eleksyon2016/candidates>

⁹ Click here to see page: http://www.gmanetwork.com/news/eleksyon2016/campaign_tracker

¹⁰ Click here to see page: http://www.gmanetwork.com/news/eleksyon2016/voters_profile

degree angles simultaneously. Moreover, NMI's 360 technology allows simultaneous streams to as many users with as many points of views and at bit-rates that are within practical web limits.

Digital TV

In collaboration with the Office of the President and GMA Engineering, NMI has been involved in the development of GMA's Digital TV strategy. The Intellectual Property Office of the Philippines published on March 7 NMI's invention entitled, "An Apparatus Operable as a Set-Top Unit." This was filed as a Utility Model application on February 17, 2016. The GMA set-top unit has an operating system that permits two-way or bidirectional packet-based data communication services that makes the unit Internet-capable, and a digital television system that enables digital broadcast services.

NMI is set to also apply for a utility model patent in select international territories where it perceives the proprietary technology will hold promise in Q2 2016.

NMI AS BUSINESS CENTER

NMI created two subsidiaries to fulfill its role as a business center.

The first is **MediaMerge, Incorporated**, the online publisher of GMA News Online. MediaMerge takes charge of online advertising sales.

MediaMerge capped off 2015 by posting a 50% growth in total online advertising sales, or PHP 79.3M compared to PHP 53M earned the previous year. The sustained improvements in both online sales and web metrics manifested throughout the year were due in large part to the effective execution of the growth strategies that NMI set out for the year. These include optimizing the websites to make them more suitable for "programmatic buying"¹¹; constant website enhancements paired with the effective use of social media; and efforts from the websites' respective editorial teams to make the browsing experience more intuitive, engaging, and convenient.

Designed to specialize in digital marketing, GMA NMI established **Digify, Incorporated**. Digify is a technocreative lab that specializes in sensor technologies such as augmented reality and beacon/proximity marketing, multimedia content production, and end-to-end software solutions for standalone digital and integrated marketing campaigns. Digify has launched a number of trailblazing projects that include award-winning apps for major clients and breakthrough solutions for clients in the technology industry.

NMI AS GMA'S CONDUIT TO INDUSTRY PARTNERS

The Digital Age is marked by constant change and dynamism and favors those who can manage to be constantly ahead of competition. It is in this context that NMI perceives its mandate to ensure that GMA Network is always at the leading edge in the digital space.

GMA NMI manages relationships with the major telecommunications companies in the Philippines and abroad, and with leading global brands such as Google, YouTube and Waze, to name some. It likewise serves as a conduit to advertising agencies and digital distribution partners meant to create new avenues for incremental revenue and expand the reach of GMA content, both in the local and international markets.

GMA NMI sealed partnerships with two of Southeast Asia's leading Internet TV service providers, iFlix and Hooq in Q2 2015 for a new video content distribution platform. The platform, called *Over-the-Top*

¹¹ Programmatic buying is a booking mechanism that more efficiently facilitates the selling of online ad inventory between publishers and advertisers. It also provides advertisers and their agencies better control of campaign outcomes by enabling them to set parameters through Real Time Bidding. For more information on programmatic buying, refer to <http://www.iab.net/programmatic>

(OTT), is an IP-based¹² format for content delivery. This new type of video-on-demand service enables users to enjoy online streaming access and an offline viewing option of TV shows and movies. This service optimizes GMA's existing library of content and allows Filipinos here and in the region to watch their well-loved GMA shows whenever they want, wherever they may be. With a growing subscriber base in the country from both Hooq and iFlix, the leverage on these digital platforms creates an opportunity to expand the base of GMA consumers online and create GMA brand loyalty both here and abroad.

Talks have been ongoing for more tie-ups with other OTT providers, set for launch in Q2 2016.

MOVIE PRODUCTION

GMA Network Films, Inc. was established in August 1995 to produce movies that cater to both the local and international markets. Its movie productions have reaped both critical acclaim and commercial success.

MUSIC AND VIDEO RECORDING

RGMA Marketing and Productions, Inc. (GMA Records) was incorporated in September 1997 and became operational in 2004 after the Company decided to reactivate its musical recording business through the "GMA Records" label. Since resuming operations, GMA Records has leveraged the Company's talent and media resources, releasing albums of various artists. It also partnered with sister company GMA Films and other major film production outfits to release their films on DVD. Likewise, it has introduced the network's top rating programs and blockbuster TV series into the home video market worldwide through GWI.

GMA Records works with GMA New Media and other local-based content providers and aggregators to take advantage of new revenue streams, particularly in the emerging market of digital music downloads. The company also secured non-exclusive mobile, web and kiosk-based deals with different content providers worldwide to continuously exploit the potentials of its music and video assets.

GMA Records publishes music and administers copyrights on behalf of composers. GMA Records is also actively pursuing publishing deals, building on its current catalog of original compositions. GMA Records serves as a clearing house and a source of music for the Company's television and film productions. It is also a member of FILSCAP, the Filipino Society of Composers, Authors and Publishers.

STAGE DESIGN

Scenarios, Inc. was incorporated in July 1996 and is engaged in transportation and warehousing services.

Script2010, Inc. was formally established in early 2010 as a subsidiary of Citynet Network Marketing and Productions, Inc. It engages in conceptual design and design execution through fabrication, construction, set-up and dismantling of sets, and creation of props. It also provides other related services such as live performances and events management, sales activation and promotion, and tradeshow exhibits.

Script2010, Inc. is also engaged in transportation, hauling and trucking services to further fulfill the needs of its clients. Other business units of **Script2010, Inc** are band/audio equipment rental, and facility support services to various GMA departments.

¹² IP (or Internet Protocol) -based distribution of television content uses the internet rather than traditional terrestrial, satellite signal or cable television as a format for content delivery.

POST PRODUCTION

Alta Productions Group, Inc. was established in 1988 as a production house primarily to provide production services for the Network. Until the late 1990s, it operated a satellite studio in Makati, producing award-winning News and Public Affairs Programs for GMA Channel 7.

Today, Alta Productions Group's core business is audio dubbing and mixing for broadcast. Its fully digital audio recording and mixing studios is in sync with the Network's production requirements and broadcast standards. Aside from dubbing foreign content into the local vernacular for airing on the Network, Alta Productions Group also dubs station-produced content into English for international consumption.

In addition, Alta Productions Group's shoot and video post-production department produces TVCs, broadcast content, and documentaries for both local and international clients. Its creative group also provides concept development, staging, and activation services for various clients' on-ground activities.

Alta Productions Group is proud to be one of the few production houses capable of servicing the complete spectrum of shoot and post-production requirements all under one roof. From conceptualization, creatives, shoot, post-production, all the way to execution.

MARKETING AND SALES OF COMMERCIAL AIRTIME AND EVENTS

GMA Marketing and Productions, Inc. (GMPI) was established in August 1980 and is the exclusive marketing and sales arm for the Company's commercial television and radio airtime and events. GMPI, a wholly owned subsidiary of the Company, provides the link between the Network and the advertisers and advertising agencies.

GMPI provides the Company's clients with services such as multi-media local and global media packages, promotional programs and materials, creative products, digital executions, and events. Part of GMPI's sales and marketing strategies are the integrated multi-platform packages, customized on-air, on-ground and online media solutions, branded entertainment, and other advertising and media-led promotional campaigns.

EMPLOYEES

As of December 31, 2015, the Company has 2,361 regular and probationary employees. The Company also engaged 552 talents in 2015. GMA Network, Inc. recognizes one labor union, the GMA Network, Inc. Employees Union. The Collective Bargaining Agreement (CBA) for the cycle 2014-2019 took effect in July 2014.

II. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

The Management Discussion and Analysis provides a narrative of the Company's financial performance and condition that should be read in conjunction with the accompanying financial statements, which have been prepared in accordance with accounting principles generally accepted in the Philippines.

As discussed below, the Company's financial statements do not show any losses from operation and hence the Company has not taken any measures to address the same.

KEY PERFORMANCE INDICATORS

The Company uses the following measures to assess its performance from period to period.

Ratings

The performance of a program and/or network as a whole with respect to household ratings is the primary consideration for an advertiser in the Philippines to determine whether to advertise on a given program and/or network. AGB Nielsen, a media research firm, provides ratings to the Company on a subscription basis.

Load Factor

Load factor refers to the amount of advertising minutes aired during the breaks in a program as a percentage of the total minutes available for advertisement. The load factor is an indication of a program's or a timeblock's ability to sell advertising minutes. Load factor statistics are internally generated, although certain third parties monitor such statistics.

Signal reach/coverage

The ability to reach a greater number of viewers is a part of the Company's strategy to provide its advertisers with more value for their advertising expenditures. The Company frequently assesses its signal strength and coverage by conducting field intensity surveys and tests.

Subscriber count

Subscriber count is the key performance indicator for the Company's initiatives in the international cable arena to diversify its revenue base beyond advertising revenues. The number of subscribers to the Company's GMA Pinoy TV, GMA Life TV and GMA News TV International form the benchmark for measuring the success of this service. The Company makes internal assessments to determine the market potential for each new initiative and sets a subscriber count target accordingly.

Cost control

The Company is continuously searching for ways to control costs and to improve efficiency. The Company has established systems and procedures to monitor costs and measure efficiency and has launched various initiatives and activities in relation to these efforts.

FINANCIAL AND OPERATIONAL RESULTS

For the Year Ended December 31, 2015

GMA Network, Inc. and its subsidiaries (GMA/the Company) sealed the twelve-month period of 2015 on a high note propelled by upbeat revenues since the start of the year. Coming from a challenging phase in 2014, the early months of 2015 saw a remarkable upswing in the top line which was sustained up to the close of the year. The sterling result was brought about by the confluence of several factors such as gaining fresh revenues from a come-backing major advertiser, influx of political advocacy placements, and recapturing number one position in terms of ratings on a national level, thus leading to a general improvement in the advertising load from regular customers. Likewise, it must be noted that during a greater part of the first six months this year, competition introduced drastic changes in its pricing strategy that pushed major advertisers to shift their adspend to GMA. As a result of the foregoing, consolidated revenues reached ₱13,727 million exhibiting a growth of ₱1,744 million or up 15% year-on-year. Airtime revenues across major platforms was the main driver for the remarkable hike in the top line generating a ₱1,702 million increase equivalent to 16% compared with same period a year ago. Political advocacies summed up to some ₱462 million, sans the impact of this non-recurring revenue, airtime sales was still ahead by a hefty ₱1,234 million or 12% versus a year ago. On the other hand, revenues from other sources which included subsidiaries and international operations concluded at ₱1,346 million, edging prior period by 3% or some ₱42 million.

The hike in consolidated revenues by a double-digit percentage of 15% this year was only met by a mere 2% or ₱171 million growth in total operating expenses (OPEX) ending at ₱10,745 million. Total production cost grew by 5% or ₱291 million but was cushioned by the reduction in general and administrative expenses (GAEX) which ended lower compared to last year by 2% or ₱120 million.

The strong top-line earnings coupled with a minimal growth in total cash OPEX, boosted consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) for 2015 at ₱4,641 million, significantly higher than last year by 59% or a huge ₱1,717 million. Consequently, the Company sealed consolidated net income after tax for the year ended at ₱2,126 million, a solid ₱1,116 million or 111% increase over 2014's audited net income after tax of ₱1,010 million.

Income Data	2015 (in millions PhP)	2014 (in millions PhP)	Inc/(Dec) (in millions PhP)	%
Revenues				
Television and radio airtime	12,380.7	10,678.9	1,701.8	16%
Production and others	1,346.4	1,304.0	42.4	3%
	13,727.1	11,982.9	1,744.2	15%
Total operating expenses	10,745.0	10,573.8	171.2	2%
EBITDA	4,641.2	2,924.5	1,716.7	59%
Net income	2,125.8	1,009.5	1,116.3	111%
Attributable to Equity Holders of Parent Company	2,115.1	1,004.7	1,110.4	111%
Noncontrolling Interest	10.7	4.9	5.9	121%

Revenues

Consolidated revenues for the year 2015 reached ₱13,727 million, outpacing prior year's top-line performance by a whopping ₱1,744 million or 15% as 2015 top line was buoyed by the presence of political advocacies and fresh airtime revenues from major advertiser. Airtime revenues provided the boost soaring by ₱1,702 million or 16% vis-à-vis last year, while revenues from production and others pitched in a modest growth of ₱42 million or 3% with ₱1,346 million in combined sales.

Revenues	2015 (in millions PhP)	2014 (in millions PhP)	Inc/(Dec) (in millions PhP)	%
Television and radio airtime	12,380.7	10,678.9	1,701.8	16%
Production and others	1,346.4	1,304.0	42.4	3%
	13,727.1	11,982.9	1,744.2	15%

On a per platform basis, Channel 7 topped the charts for the period with sales comprising more than three fourths of the total airtime revenue pie and ahead by a hefty 16% in absolute terms versus last year. Political advocacies aided in jacking-up the channel's sales in 2015. However, incremental sales from regular advertisers played the major role in the platform's revenue hike. Carving out the impact of political advocacies, Ch-7 improved y-o-y sales by 12%.

The Company's Radio business was likewise on a roll since the start of this year, thus, capping the period with sales higher by 15% vs. 2014's performance. Political advocacies for Radio influenced the increase. Similar to Ch-7, even after carving out the impact of these non-recurring placements, Radio nonetheless hurdled last year's topline by 11%.

Not far behind from Radio was GMA News TV (GNTV-11), which, through the years has steadily sustained its revenue growth. Full year 2015 revenues recorded its highest top line by far since the channel was launched. GNTV-11 outshone prior period by 24% despite being bereft of any political advocacy placements.

Lastly, Regional TV (RTV) operations which underwent some downsizing and streamlining activities earlier this year saw a reduction in total recurring sales by 13% from 2014. The presence of political advocacies on both national and local levels partly cushioned the revenue reduction to a mere 4% vs. prior period.

According to Nielsen's full year 2015 NUTAM (National Urban Television Audience Measurement) household shares, GMA was ahead of other networks in total day household audience share with 35.4 percent, leading ABS-CBN's 34.9 percent and TV5's 9.2 percent. GMA overtook its closest rival in NUTAM in September 2015, and has since sustained nationwide ratings leadership.

Full year 2015 data also showed that GMA remained the undisputed number one TV network in viewer-rich Urban Luzon and Mega Manila, and reigned supreme across all dayparts, including primetime. Urban Luzon accounts for 77 percent of all urban TV households in the country, while Mega Manila represents 59 percent.

Urban Luzon continued to be a strong area for GMA as it registered 39.7 percent, surpassing ABS-CBN's 30.6 percent by 9.1 points and TV5's 8.2 percent by 31.5 points. GMA also further secured its dominant position in its bailiwick Mega Manila with 41.7 percent, up 14.7 points from ABS-CBN's 27 percent and up 33.2 points from TV5's 8.5 percent.

For December 2015, GMA posted a stronger total day lead with 38.9 percent in NUTAM, outscoring ABS-CBN's 33.6 percent by 5.3 points, and TV5's 7.8 percent by 31.1 points. Compared to ABS-CBN, more programs from GMA also figured in the list of top programs across all areas last December. *Kapuso Mo Jessica Soho* emerged as the number one program in Urban Luzon and Mega Manila, and led the list of GMA programs in NUTAM. In particular, GMA's countdown to 2016 was the most viewed New Year countdown by urban viewers.

On other revenue streams, which was mainly comprised of the Company's international operations via GMA Pinoy (GPTV), GMA Life (GLTV) and GMA News TV as well as production and subsidiaries operations a net increase of P42 million or 3% was recorded in between years, with combined sales reaching P1,346 million. International operations' though making up the most part of the revenue pie ended shy by 5% from a year ago. The topline from this segment was dragged by the drop in subscription revenues arising from changes in pricing scheme with a major carrier which used to be on a guaranteed-minimum basis. The reduction was partly cushioned by the growth in subscriber count by 6% for GPTV and by 13% for GLTV and depreciation of the Peso against the USD by an average of P1.16 or 3% for the year. The effect of this drop in subscriber income was likewise trimmed down by the hike in advertising revenues from international operations by 5%. Program syndication on the other hand pitched in incremental sales of 11% from a year ago.

From subsidiaries operations, combined revenue hike was seen for the twelve months this 2015 – with New Media spearheading the growth due to recent tie-ups with iFlix and HOOQ. Media Merge, Digify and GMA Records also upped their revenues for the twelve-month period compared from a year ago. Lastly, GMA Films also recorded higher gross receipts from the spill-over from 2014 MMFF co-production entry *Kubot, The Aswang Chronicles*.

Expenses

Total operating expenses for the year amounted to ₱10,745 million, inching up by only 2% compared with 2014's ₱10,574 million. Total cash OPEX stood at the same level of last year with less than a 1% increase of P34 million while non-cash OPEX grew by 9% or P137 million.

Total direct costs (cash and non-cash production costs) which comprised 54% of total operating costs amounted to ₱5,843 million by the end of twelve months in 2015, overtaking prior period by 5%. The ₱291 million increase was a result of the shift in programming mix to more in-house produced programs during January this year and the spike in amortization of program rights resulting from more expensive foreign movies and *Koreanovela/Mexicanovela* series this 2015. The afternoon in-house produced soaps also incurred higher costs this year due to extension in airing time to take advantage of the high ratings of this grid.

	2015 (in millions PhP)	2014 (in millions PhP)	Inc/(Dec) (in millions PhP)	%
Production Costs				
Talent fees	2,800.3	2,738.8	61.5	2%
Rentals and outside services	731.9	740.4	(8.5)	-1%
Other program expenses	1,247.0	1,121.2	125.7	11%
Sub-total - Cash Production Costs	4,779.1	4,600.4	178.7	4%
Program rights amortization	754.6	646.7	108.0	17%
Depreciation and amortization	308.9	304.7	4.1	1%
Sub-total - Non-cash Production Costs	1,063.5	951.4	112.1	12%
Total production costs	5,842.6	5,551.8	290.8	5%

Meanwhile, general and administrative expenses (GAEX) settled at ₱4,902 million by the end of the year, even sliding by ₱120 million or 2% compared with the twelve-month period in 2014. This resulted from the considerable net decline in outside services by ₱81 million or 19%. Advertising and

promotional spending alone registered a cutback by P127 million or 38% versus last year. The slowdown in Corporate Synergy activities nationwide was one of the main factors that contributed to the reduced advertising expenses.

Taxes and licenses likewise finished off with a drop of 32% or P75 million from a year ago as the previous period was saddled with payments to BIR for tax assessments covering previous years. These reductions were partly offset by the moderate increase in Personnel cost, edging last year by 2%. The growth in the account for 2015 was driven by higher bonuses to all qualified employees (attuned to the considerable growth in the Company's bottom line) and non-recurring payout to separated employees of various Regional TV stations and other operating/service units within the Network, on top of the yearly salary adjustments for all qualified rank & file and confidential employees. These on the other hand, were cushioned to a considerable extent by the presence in 2014 of the non-recurring CBA signing bonus for rank & file employees and appreciation bonus for confidential employees. The reduction in total headcount moving toward the second half of 2015, aligned with the aforementioned redundancy program also partly eased out the said increases.

General and Administrative Expenses	2015 <i>(in millions PhP)</i>	2014 <i>(in millions PhP)</i>	Inc/(Dec) <i>(in millions PhP)</i>	%
Personnel costs	2,570.9	2,528.8	42.1	2%
Outside services	341.3	422.2	(80.8)	-19%
Facilities costs	557.5	592.0	(34.5)	-6%
Taxes and licenses	157.2	231.9	(74.7)	-32%
Others	754.7	751.5	3.3	0.4%
Subtotal - Cash GAEX	4,381.7	4,526.3	(144.6)	-3%
Depreciation and amortization	491.4	471.6	19.9	4%
Provision for doubtful accounts	8.6	0.7	7.9	1099%
Amortization of software costs	20.7	23.4	(2.7)	-12%
Subtotal - Non-cash GAEX	520.7	495.6	25.0	5%
Total GAEX	4,902.4	5,022.0	(119.6)	-2%

EBITDA

Earnings before interest, taxes, depreciation and amortization (EBITDA) for the year wrapped up at P4,641 million, remarkably higher than prior year's tally of P2,925 million. The P1,717 million or 59% growth in EBITDA was buoyed by the commendable increase in consolidated top line by 15% or P1,744 million which was met by an almost flat growth in combined cash operating expenses vs. prior year.

Net Income

Given the solid performance in sales this year and managed growth in total spending, net income for the full year of 2015 soared to P2,126 million, more than double the P1,010 million bottom line recorded the prior period or equivalent to a P1,116 million or 111% improvement year-on-year.

Balance Sheet Accounts

The Company ended 2015 with total assets of P14,416 million, representing an increase of 7% from end-2014's P14,020 million.

Cash and cash equivalents rose to ₱2,160 million, 35% or ₱561 million more than the ₱1,599 million recorded as at December 31, 2014. On the other hand, trade and other receivables sealed at ₱4,801 million, 3% higher than previous year.

Total liabilities dropped by 8% or ₱454 million as at end-December this year to ₱5,333 million from ₱5,787 million in 2014 mainly from payments of short-term loans which as at end-2015 stood at ₱1,153 million from ₱2,223 million a year ago. This was partly counterbalanced by the hike in trade payables & other current liabilities and income tax payable by ₱259 million and ₱298 million, respectively.

Equity attributable to Parent Company stockholders of ₱9,039 million grew by 10% or ₱848 million in between years arising from ₱2,126 million net income earned in 2015 subsequently offset by the dividend declared during the first half of 2015 of ₱1,215 million.

Cash Flows	2015 <i>(in millions PhP)</i>	2014 <i>(in millions PhP)</i>
Net cash provided by operating activities	3,462.4	661.9
Net cash used in investing activities	(539.6)	(553.1)
Net cash used in financing activities	(2,392.3)	(262.0)
Effect of exchange rate changes on cash and cash equivalents	30.9	2.3
Net increase (decrease) in cash and cash equivalents	561.5	(150.8)
Cash and cash equivalents at beginning of period	1,598.8	1,749.6
Cash and cash equivalents at end of period	2,160.3	1,598.8

Operating Activities

Net cash from operations registered at ₱3,462 million in 2015. This stemmed from income before income tax of ₱3,036 million, adjusted mainly by depreciation expense of ₱800 million, program and other rights usage of ₱755 million, pension expense of ₱167 million, interest expense and financing charges of ₱43 million, net unrealized foreign currency exchange loss of ₱24 million and amortization of software costs of ₱21 million apart from the changes in working capital. The primary components of the changes in working capital included the ₱229 million and ₱749 million upturn in trade and other receivables and program and other rights, respectively, partly offset by the ₱132 million dip in prepaid expense and other current assets.

Investing Activities

Net cash used in investing activities amounted to ₱540 million, coming primarily from the ₱553 million net additions to property and equipment. This was partly offset by the ₱22 million proceeds from sale of property and equipment.

Financing Activities

Net cash used in financing activities amounted to ₱2,392 million basically due from the loan payment of ₱2,325 million and cash dividend payout amounting to ₱1,224 million during the year, plus some ₱43 million in interest expense netted by ₱1,200 million remaining proceeds from short-terms loans.

FINANCIAL AND OPERATIONAL RESULTS

For the Year Ended December 31, 2014

GMA Network and its subsidiaries (GMA/the Company) concluded 2014 with consolidated revenues at ₱11,983 million, 7% or nearly a billion shy compared to prior year's ₱12,951 million top line. Without

some ₱724 million worth of non-recurring revenues from the 2013 mid-term elections which boosted prior year's top line – revenues for the twelve-month period in 2014 nonetheless trailed behind, albeit by only 2% or ₱244 million.

The Company incurred total operating expenses (OPEX) amounting to ₱10,574 million in 2014, yielding a flat growth vis-à-vis 2013 spending. In fact, cash OPEX even contracted by ₱136 million or 1%, which was offset by the hike in non-cash spending by ₱144 million.

With the foregoing results, consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) for 2014 concluded at ₱2,925 million, lower than last year by ₱794 million or 21% with the shortfall in the top line accounting for the drag. Similarly, consolidated net income sealed at ₱1,010 million, down ₱665 million or 40% year-on-year. The rise in non-cash operating expenses took its toll in further trimming down this year's bottom line.

Income Data	2014 (in millions PhP)	2013 (in millions PhP)	Inc/(Dec) (in millions PhP)	%
Revenues				
Television and radio airtime	10,678.9	11,726.8	(1,047.9)	-9%
Production and others	1,304.0	1,224.1	79.9	7%
	11,982.9	12,950.9	(968.0)	-7%
Total operating expenses	10,573.8	10,565.3	8.4	0.1%
EBITDA	2,924.5	3,718.2	(793.7)	-21%
Net income	1,009.5	1,675.0	(665.5)	-40%
Attributable to Equity Holders of Parent Company	1,004.7	1,666.9	(662.3)	-40%
Noncontrolling Interest	4.9	8.0	(3.2)	-39%

Revenues

Consolidated revenues for the year 2014 reached ₱11,983 million, lower than prior period by 7% or ₱968 million as 2013 top line was boosted by the windfall from the mid-term elections that year. Airtime revenues provided the drag with a 9% drop partly cushioned by the rise in revenues from other sources which grew by 7%.

Revenues	2014 (in millions PhP)	2013 (in millions PhP)	Inc/(Dec) (in millions PhP)	%
Television and radio airtime	10,678.9	11,726.8	(1,047.9)	-9%
Production and others	1,304.0	1,224.1	79.9	7%
	11,982.9	12,950.9	(968.0)	-7%

Airtime revenues pulled down combined topline, dropping by 9% or ₱1,048 million compared with 2013's full year performance. Biggest setback was seen in banner platform, Ch-7 which ended the year with a shortfall in revenues by 10%. After discounting the impact of political ads in 2013, the channel finished off only 4% less vs. recurring revenues of prior period.

Radio operations was more upbeat -- while revenues remained flat year-on-year, the platform exhibited a 6% hike in sales vis-à-vis recurring revenues in 2013. On a more positive note, leading free-to-air news channel, GNTV-11 wrapped up with recurring revenues ahead of prior period by 6%. Lastly, sales from Regional TV operations edged 2013 results by 2% even after carving out election-related

placements. Moreover, discounting the impact of political ads, Regional TV improved sales from regular advertisers by 10% year-on-year.

Ratings-wise, GMA ended 2014 on a strong note as it ruled over competition in full year Urban Luzon and Mega Manila, according to the industry's widely-trusted ratings service provider Nielsen TV Audience Measurement.

Based on full year 2014 ratings, GMA reaffirmed its total day household shares supremacy in the viewer-rich areas of Urban Luzon and Mega Manila, while leading across all dayparts including the highly contested primetime slot in both areas.

In Urban Luzon, which accounts for 77 percent of the total urban TV households nationwide, GMA recorded an average total day household audience share of 36.4 percent, surpassing ABS-CBN's 31.3 percent by 5.1 points, and TV5's 10.1 percent by 26.3 points.

GMA also posted a commanding 37.6 percent in Mega Manila, higher than ABS-CBN's 28.8 percent by 8.8 points, and TV5's 10.9 percent by 26.7 points. Mega Manila represented 60 percent of all urban TV households in the country in 2014.

Moreover, GMA scored higher nationwide shares than rival networks in the daytime blocks based on data covering the entire year. In the morning block, GMA registered 31.7 percent against ABS-CBN's 29.9 percent and TV5's 12.9 percent; while in the afternoon block, GMA posted 34.8 percent versus ABS-CBN's 32.5 percent and TV5's 11.1 percent. GMA subscribes to the Nielsen TV Audience Measurement service, while ABS-CBN is the lone local major TV network that subscribes to Kantar Media, formerly known as TNS. Nielsen data is gathered through a greater number of sampled homes nationwide in comparison to Kantar Media.

In the meantime, revenues from other businesses showed improvements by recording a 7% or ₱80 million hike to ₱1,304 million compared to a year ago. The Company's international operations continued to gain ground worldwide with revenues climbing by 10% as GMA Pinoy TV, GMA Life TV and GMA News TV International grew subscriber count by 4%, 8% and 59%, respectively. While the US remained the biggest area of concentration, Canada has been the primary source of growth for the platform in terms of new subscribers.

At the same time, audiences in Vietnam, Cambodia, Malaysia, and Nigeria, (to name a few) continue to enjoy popular *Kapuso* programs as GMA Worldwide, the global content distribution and acquisition arm of the Network, sold an aggregate 2,052 hours of locally-produced programs and movies, consequently increasing distribution revenues by 21% year-on-year. These were, however, partly weighed down by the decline in theatrical receipts as there were far less movies produced by GMA Network Films, Inc. in 2014 compared to previous year.

Expenses

Total operating expenses for the year amounted to ₱10,574 million, about the same as 2013's ₱10,565 million. Total direct costs (cash and non-cash production costs) in fact even contracted by ₱346 million or 6%, but were equalized by the escalation in general and administrative expenses (GAEX) by ₱354 million or 8%.

Production costs (both cash and non-cash) comprising 53% of total costs wrapped up at ₱5,552 million, lower than previous year by ₱346 million or 6%. Cash production cost settled at ₱4,600 million even below 2013 spending by ₱444 million or 9%. This was partly offset by the rise in non-cash direct cost by ₱98 million or 12%. In particular, amortization of program rights grew by ₱81 million or 14% to ₱647 million attuned to the change in programming mix during the early part of the year which featured canned movies in selected slots during the weekday evening and afternoon primetime blocks vice station-produced programs.

	2014 (in millions PhP)	2013 (in millions PhP)	Inc/(Dec) (in millions PhP)	%
Production Costs				
Talent fees	2,738.8	3,043.9	(305.0)	-10%
Rentals and outside services	740.4	819.2	(78.8)	-10%
Other program expenses	1,121.2	1,181.8	(60.6)	-5%
Sub-total - Cash Production Costs	4,600.4	5,044.8	(444.4)	-9%
Program rights amortization	646.7	565.4	81.3	14%
Depreciation and amortization	304.7	287.6	17.2	6%
Sub-total - Non-cash Production Costs	951.4	852.9	98.5	12%
Total production costs	5,551.8	5,897.7	(345.9)	-6%

General and administrative expenses (GAEX) by the end of the year wrapped up at ₱5,022 million, equivalent to an 8% or ₱354 million increase vs. the same period in 2013. Personnel cost was the main driver for the rise in spending brought about by the one-time signing bonus given to R&F employees in relation to the recently concluded Collective Bargaining Agreement and appreciation bonus granted to confidential employees. Without this non-recurring expense, total GAEX climbed by only 2%. Manpower count has practically remained at about the same level with only a 3% increase in regular employees between periods.

Taxes and licenses likewise scaled to ₱232 million, higher by ₱91 million or 65% due to the rise in business taxes and payout of prior years' tax deficiency assessments. These increases were partly cushioned by the reduction seen in Outside services (such as advertising & promotions, marketing fees and research and survey) and from lower Facilities costs, particularly repairs & maintenance expenses.

Other increase in GAEX was seen in depreciation and amortization mostly in the Company's facilities, furniture and fixture and computers.

	2014 (in millions PhP)	2013 (in millions PhP)	Inc/(Dec) (in millions PhP)	%
General and Administrative Expenses				
Personnel costs	2,528.8	2,170.2	358.6	17%
Outside services	422.2	507.7	(85.6)	-17%
Facilities costs	592.0	665.0	(73.0)	-11%
Taxes and licenses	231.9	140.7	91.2	65%
Others	751.5	734.2	17.2	2%
Subtotal - Cash GAEX	4,526.3	4,217.9	308.5	7%
Depreciation and amortization	471.6	417.9	53.7	13%
Provision for doubtful accounts	0.7	0.8	(0.1)	-16%
Amortization of software costs	23.4	31.0	(7.6)	-25%
Subtotal - Non-cash GAEX	495.6	449.7	45.9	10%
Total GAEX	5,022.0	4,667.6	354.4	8%

EBITDA

Earnings before interest, taxes, depreciation and amortization (EBITDA) sealed at ₱2,925 million, recording a 21% or ₱794 million reduction from prior year. Even as cash operating costs wrapped up lower in 2014 vs. a year ago, this was not enough to compensate for the shortfall in the topline

Net Income

Net income was pushed back to ₱1,010 million, down ₱665 million or 40% from 2013's ₱1,675 million with the reduction in revenues year-on-year as the main culprit.

Balance Sheet Accounts

Total assets as at end-2014 stood at ₱14,021 million, reflecting a 7% increase from end-2013's ₱13,084 million.

Cash and cash equivalents dropped to ₱1,599 million, 9% or ₱151 million less than the ₱1,750 million recorded as at December 31, 2013. On the other hand, trade and other receivables sealed at ₱4,638 million, 32% higher than previous year. Trade days-sales-outstanding (DSO) closed the year 2014 at 114 days, 22 days longer than the recorded DSO of 92 days at end-2013.

Total liabilities climbed by 36% or ₱1,529 million as at end-December this year to ₱5,787 million from ₱4,529 million in 2013 mainly from additional availments of short-term loans from ₱1,107 million last year to ₱2,223 million as at end-2014.

Equity attributable to Parent Company stockholders of ₱8,191 million dipped by 7% or ₱598 million in between years arising from dividend declared in 2014 of ₱1,312 million, aggravated by lower net income earned during the year.

	2014 (in millions PhP)	2013 (in millions PhP)
Cash Flows		
Net cash provided by operating activities	661.9	3,055.3
Net cash used in investing activities	(553.1)	(666.1)
Net cash used in financing activities	(262.0)	(1,941.7)
Effect of exchange rate changes on cash and cash equivalents	2.3	14.8
Net increase (decrease) in cash and cash equivalents	(150.8)	462.3
Cash and cash equivalents at beginning of period	1,749.6	1,287.3
Cash and cash equivalents at end of period	1,598.8	1,749.6

Operating Activities

Net cash from operations registered at ₱662 million in 2014. This resulted from income before income tax of ₱1,457 million, adjusted mainly by depreciation expense of ₱776 million, program and other rights usage of ₱647 million, pension expense of ₱163 million, interest expense and financing charges of ₱36 million and amortization of software costs of ₱31 million, apart from the changes in working capital. The primary components of the changes in working capital included the ₱1,115 million increase in trade and other receivables, partly offset by the ₱149 million rise in trade payables and other current liabilities.

Investing Activities

Net cash used in investing activities amounted to ₱553 million, coming primarily from the ₱599 million net additions to property and equipment and ₱22 million worth of software costs. These were partly

offset by the ₱75 million and ₱2 million proceeds from sale of property and equipment and investment properties, respectively.

Financing Activities

Net cash used in financing activities amounted to ₱262 million basically due from the loan payment of ₱1,107 million and cash dividend payout amounting to ₱1,311 million during the year, plus some ₱35 million in interest expense netted by ₱2,192 million remaining proceeds from short-terms loans.

KEY VARIABLE AND OTHER QUALITATIVE OR QUANTITATIVE FACTORS

- i. Trends, demands, commitments, events or uncertainties that will have a material impact on the issuer's liquidity.

As of December 31, 2015, there were no known trends, demands, commitments, events or uncertainties that will have a material impact on the issuer's liquidity.

- ii. 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 December 31, 2015, there were no events which may trigger a direct or contingent financial obligation that is material to the Company.

- iii. Material off-balance-sheet transactions, arrangements, obligations (including contingent obligations), and other relations of the company with unconsolidated entities or other persons created during the reporting period.

There were no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relations of the company with unconsolidated entities or other persons created during the reporting period.

- iv. Material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures.

For 2016, the parent company has allotted ₱553 million for capital expenditures. This will be financed by internally-generated funds.

- v. 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.

GMA Network'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.

- vi. Significant elements of income or loss that did not arise from the Company's continuing operations.

As of December 31, 2015, there were no significant elements of income or loss that did arise from the issuer's continuing operations.

- vii. Causes for Material Changes in the Financial Statements

Balance Sheet (December 31, 2014 vs. December 31, 2013)

- Cash and cash equivalents increase by 35% to ₱2,160 million at year-end which is directly attributed to this year's result of operation. Net cash provided by operating activities amounted to ₱3,462 million partly netted by the net cash used in investing activities of ₱540 million and in financing activities of ₱2,392 million.
- Available-for-sale financial assets also grew by 48% as a result of investment in IP E-Games Ventures, Inc..
- Short-term loans decreased by 48% as availments made are lower at ₱1,200 million vs. payments of ₱2,325 million.
- The 483% surge in income tax payable resulted from the result of the year 2015 operations.

- viii. 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.

Interim Periods

The Company currently cannot make available the financial information for the first quarter of 2016. The Company however, undertakes to submit its SEC Form 17-Q on or before May 15, 2016 and to make the same available upon request during the Company's Annual Stockholders' Meeting.

III. PROPERTIES

As of December 31, 2015, the Company's total property and equipment and real property amounted to P4,930.4 million. The property and equipment had a book value of P3,127.8 million, while its real property had a fair market value of P1,802.5 million (based on an Independent appraisal report as of December 17, 2013).

The following are the principal properties of the Company:

- The Channel 7 compound located in Barangay South Triangle, Diliman, Quezon City, which contains several buildings, including the GMA Network Center building;
- The GMA Network Center Studios, a four-storey building with an area of 4,053 square meter property adjacent to the GMA Network Center at GMA Network Drive cor. EDSA, Diliman Quezon City which houses two state-of-the-art studios, technical facilities and offices;
- The GMA-7 Antenna Tower in Tandang Sora Avenue, Barangay Culiati, Diliman Quezon City, which contains the TV and FM Transmitter building and the Satellite Uplink building;
- The GMA Fleet Center located on the east corner of Mother Ignacia Avenue and Sergeant Esguerra Avenue, Barangay South Triangle, Diliman Quezon City; and
- Properties in the key areas across different regions:

Luzon

- Land in Barangay Malued, Dagupan City, where the Company's radio and television studios are located;
- A 51,135 square meter property in Panghulo, Obando, Bulacan, where an AM transmitter site, a two-storey building, a genset house, and an AM tower are situated;
- A 2,000 square meter property in Barangay Concepcion Pequeña, Naga City, where a TV relay transmitter and an FM transmitter site are located; and
- A 10,000 square meter property in La Trinidad, Benguet where an FM transmitter site and a one storey building are situated.
- A 2000 square meter property in Bayubay Sur, San Vicente, Ilocos Sur where a TV studio is located.

Visayas

- Land located in Nivel Hills, Barangay Lahug, Cebu City, containing a multilevel building which houses radio and television operation facilities;
- Land in Barangay Tamborong, Jordan, Guimaras where an FM radio and television transmitter is located;
- Land in Alta Tierra, Jaro, Iloilo City where radio and television studios are located;
- Land in Barangay Jibao-an, Pavia, Iloilo where an AM transmitter site and building are located;
- Land in Barangay Sta. Monica, Puerto Princesa City, Palawan where a television relay transmitter site and building are located; and,
- Land in Barangay Bulwang, Numancia, Aklan where a television relay transmitter site and a building are located.

Mindanao

- Land in Bo. Matina Hills, Davao City where an FM and television transmitter building and studio complex are located;
- Land in Barangay San Isidro, General Santos City where a television relay transmitter site and a building are located; and,
- Land in Barangay Cabatangan, Zamboanga City where a television relay transmitter site and a building are located.

The properties owned by the Company are currently unencumbered and are free from any existing liens.

The Company also leases land, building and studio/office space in various locations around the Philippines under lease agreements for periods of between three and 25 years. The lease agreements may be cancelled at the Company's option. Rental expense of the Company related to this amounted to P18.4 million for the year ended December 31, 2015.

Regional Broadcast Stations

GMA owns regional broadcast stations in various parts of the country. Originating TV stations are stand-alone transmitter, studio and production facilities capable of producing and airing live and/or taped programs as well as plugs and advertising within their (local) service area/s independent of, or in conjunction with the national feed. Satellite TV stations are similar to originating TV stations except that they are not equipped with live production capability outside of news bulletins. Satellite TV stations are

also capable of broadcasting local plugs or advertising within their respective (local) service areas either independent of, or in conjunction with national program feeds. TV relay stations are limited to transmitter and signal receiving facilities and only re-broadcast programs/content received from originating or satellite TV stations with which they are associated; either via satellite or other receiving methods.

The following are GMA's television and radio stations throughout the Philippines:

LIST OF GMA's OPERATING TV STATIONS

NO	STATION	ADDRESS	CONTACT NUMBER
LUZON			
1	TV-7 Metro Manila (GMA)	Brgy. Culiat, Tandang Sora, Quezon City	(02) 931-9183 / (02) 924-2497
	TV-27 Metro Manila (GNTV)	Brgy. Culiat, Tandang Sora, Quezon City	(02) 931-9183 / (02) 924-2497
2	TV-5 San Nicolas, Ilocos Norte (GMA)	Brgy. San Lorenzo, San Nicolas, Ilocos Norte	0916-6715439
	TV-27 San Nicolas, Ilocos Norte (GNTV)	Brgy. San Lorenzo, San Nicolas, Ilocos Norte	0916-6715439
3	TV-48 Bantay, Ilocos Sur (GMA)	Mt. Caniao, Bantay, Ilocos Sur	0915-8632841
	TV-40 Bantay, Ilocos Sur (GNTV)	Mt. Caniao, Bantay, Ilocos Sur	0915-8632841
4	TV-7 Basco, Batanes (GMA)	Brgy. Kayvaluganan, Basco, Batanes	0915-6127197
5	TV-13 Aparri, Cagayan (GMA)	Hi-Class Bldg., De Rivera St., Aparri, Cagayan	0915-6130530
	TV-26 Aparri, Cagayan (GNTV)	Hi-Class Bldg., De Rivera St., Aparri, Cagayan	0915-6130530
6	TV-7 Tuguegarao, Cagayan (GMA)	No. 91 Mabini St., Tuguegarao City	0915-6127263
	TV-27 Tuguegarao, Cagayan (GNTV)	No. 91 Mabini St., Tuguegarao City	0915-6127263
7	TV-7 Santiago City, Isabela (GMA)	Heritage Commercial Complex, Maharlika Hi-way, Brgy. Malvar, Santiago City, Isabela	0915-2700063
8	TV-5 Baler, Aurora (GMA)	Purok 3, Brgy. Buhangin, Baler, Aurora	0915-6127194
9	TV-10 Olongapo (GMA)	Upper Mabayuhan, Olongapo City	0915-6127265
	TV-26 Olongapo (GNTV)	Upper Mabayuhan, Olongapo City	0915-6127265
10	TV-28 Tarlac City (GNTV)	Exclusively His Bldg. located at F. Tanedo St. corner Espinosa St., Tarlac City	0915-2700185
11	TV-12 Batangas (GMA)	Mt. Banoy, Bo. Talumpok East, Batangas City	0915-8632860

	TV-26 Batangas (GNTV)	Mt. Banoy, Bo. Talumpok East, Batangas City	0915-8632860
12	TV-44 Jalajala, Rizal (GMA)	Mt. Landing, Jalajala, Rizal	0915-8632874
13	TV-13 San Jose, Occidental Mindoro (GMA)	Bonifacio St., San Jose, Occidental Mindoro	0915-6127199
	TV-26 San Jose, Occidental Mindoro (GNTV)	Bonifacio St., San Jose, Occidental Mindoro	0915-6127199
14	TV-6 Brooke's Point, Palawan (GMA)	Poblacion, Brooke's Point, Palawan	0915-6127181
15	TV-8 Coron, Palawan (GMA)	Tapias Hill, Coron, Palawan	0915-6127178
16	TV-12 Puerto Princesa, Palawan (GMA)	Mitra Rd., Brgy. Sta. Monica, Puerto Princesa, Palawan	0915-6127185
	TV-27 Puerto Princesa, Palawan (GNTV)	Mitra Rd., Brgy. Sta. Monica, Puerto Princesa, Palawan	0915-6127185
17	TV-7 Tablas, Romblon (GMA)	Triple Peak, Sta. Maria, Tablas, Romblon	0915-6127225
18	TV-12 Legazpi, Albay (GMA)	Mt. Bariw, Estanza, Legaspi City	0915-8632867
	RGMA TV-33 Legazpi (GMA)	Mt. Bariw, Estanza, Legaspi City	0915-8632867
	TV-27 Legazpi, Albay (GNTV)	Mt. Bariw, Estanza, Legaspi City	0915-8632867
19	TV-8 Daet, Camarines Norte (GMA)	Purok 2, Brgy. Mancruz, Daet, Camarines Norte	0915-2700056
20	TV-7 Naga, Camarines Sur (GMA)	Brgy. Concepcion Pequeña, Naga City	0915-4417071
	RGMA TV-44 Naga (GMA)	Brgy. Concepcion Pequeña, Naga City	0915-4417071
	TV-28 Naga, Camarines Sur (GNTV)	Brgy. Concepcion Pequeña, Naga City	0915-4417071
21	TV-13 Virac, Catanduanes (GMA)	Brgy. Sto. Niño, Virac, Catanduanes	0915-6127174
22	TV-7 Masbate (GMA)	Brgy. Pinamurbuhan, Mobo, Masbate	0915-6127175
	TV-27 Masbate (GNTV)	Brgy. Pinamurbuhan, Mobo, Masbate	0915-6127175
23	TV-2 Juban, Sorsogon (GMA)	Mt. Bintacan, Brgy. Maalo, Juban, Sorsogon	0915-2700192
24	TV-7 Abra (GMA)	Brgy. Lusuac, Peñarrubia, Abra	0915-6130512
25	TV-10 Benguet (GMA)	Mt. Sto. Tomas, Tuba, Benguet	0915-4417080
	TV-22 Benguet (GNTV))	Mt. Sto. Tomas, Tuba, Benguet	0915-4417080
26	TV-5 Mountain Province (GMA)	Mt Amuyao, Barlig. Mountain Province	0915-2700124

	VISAYAS		
27	TV-2 Kalibo, Aklan (GMA)	New Busuanga, Numancia, Aklan	0915-6127216
	TV-27 Kalibo, Aklan (GNTV)	New Busuanga, Numancia, Aklan	0915-6127216
28	TV-5 Roxas City, Capiz (GMA)	Brgy. Milibili, Roxas City, Capiz	0915-6127217
	TV-27 Roxas City, Capiz (GNTV)	Brgy. Milibili, Roxas City, Capiz	0915-6127217
29	TV-6 Jordan, Guimaras (GMA)	Bo. Tamburong, Jordan, Guimaras	0915-4417084
	TV-28 Iloilo (GNTV)	Alta Tierra Subdivision, Jaro, Iloilo	0915-4417084
30	TV-13 Bacolod (GMA)	Security Bank Bldg., Rizal St. cor. Locsin St., Bacolod City	0915-8632864
	TV-48 Bacolod (GNTV)	Security Bank Bldg., Rizal St. cor. Locsin St., Bacolod City	0915-8632864
31	TV-30 Murcia, Negros Occidental (GMA)	Mt. Kanlandog, Brgy. Canlandog, Murcia, Negros Occidental	0915-2700132
32	TV-10 Sipalay (GMA)	Sipalay Municipal Building, Sipalay, Negros Occidental	0915-6127219
33	TV-11 Tagbilaran, Bohol (GMA)	Banat-I Hills, Brgy. Bool, Tagbilaran City	0915-6127214
34	TV-7 Cebu (GMA)	Bonbon, Cebu City	0915-4417075
	RGMA TV-51 Cebu (GMA)	Bonbon, Cebu City	0915-4417075
	TV-27 Cebu (GNTV)	Bonbon, Cebu City	0915-4417075
35	TV-5 Dumaguete (GMA)	Barrio Looc, Sibulan, Negros Oriental	0915-6131185
	TV-28 Dumaguete (GNTV)	Barrio Looc, Sibulan, Negros Oriental	0915-6131185
36	TV-8 Borongan (GMA)	Poblacion, Borongan, Eastern Samar	0915-6127177
37	TV-12 Ormoc, Leyte (GMA)	Brgy. Alta Vista, Ormoc City	0915-6127213
38	TV-10 Tacloban (GMA)	Basper, Tigbao, Tacloban City	0915-6127208
	TV-26 Tacloban (GNTV)	Basper, Tigbao, Tacloban City	0915-6127208
39	TV-5 Calbayog City (GMA)	Purok 2 San Mateo St. Brgy. Matobato, Calbayog City, Western Samar	0915-6127176
40	TV-26 Butuan (GMA)	Mayapay, Brgy. Bonbon, Butuan City	09163178470
	MINDANAO		

41	TV-4 Dipolog (GMA)	Linabo Peak, Dipolog City, Zamboanga Del Norte	0915-6127247
	TV-26 Dipolog (GNTV)	Linabo Peak, Dipolog City, Zamboanga Del Norte	0915-6127247
42	TV-3 Pagadian (GMA)	Mt. Palpalan, Pagadian City	0915-6127245
	TV-26 Pagadian (GNTV)	Mt. Palpalan, Pagadian City	0915-6127245
43	TV-9 Zamboanga (GMA)	Brgy. Cabatangan, Zamboanga City	0915-8632870
	RGMA TV-45 Zamboanga (GMA)	Brgy. Cabatangan, Zamboanga City	0915-8632870
	TV-21 Zamboanga (GNTV)	Brgy. Cabatangan, Zamboanga City	0915-8632870
44	TV-12 Mt. Kitanglad, Bukidnon (GMA)	Mt. Kitanglad, Bukidnon	0915-8632863
45	TV-5 Ozamis, Misamis Occidental (GMA)	Bo. Malaubang, Ozamis City, Misamis Occidental	0915-6127220
	TV-22 Ozamis, Misamis Occidental (GNTV)	Bo. Malaubang, Ozamis City, Misamis Occidental	0915-6127220
46	TV-11 Iligan City (GMA)	Brgy. Del Carmen, Iligan City	0915-6131202
47	TV-35 Cagayan de Oro (GMA)	Malasag Heights, Brgy. Cugman, Cagayan de Oro City	0915-8632875
	TV-43 Cagayan de Oro (GNTV)	Malasag Heights, Brgy. Cugman, Cagayan de Oro City	0915-8632875
48	TV-5 Davao (GMA)	Shrine Hills, Matina, Davao City	0915-4417082
	TV-27 Davao (GNTV)	Shrine Hills, Matina, Davao City	0915-4417082
49	TV-12 Cotabato (GMA)	Regional Government Center, Cotabato City	0915-6131170
	TV-27 Cotabato (GNTV)	Regional Government Center, Cotabato City	0915-6131170
50	TV-8 General Santos (GMA)	Nuñez St., Brgy. San Isidro, General Santos City	0915-8632871
	RGMA TV-32 General Santos (GMA)	Nuñez St., Brgy. San Isidro, General Santos City	0915-8632871
	TV-26 General Santos (GNTV)	Nuñez St., Brgy. San Isidro, General Santos City	0915-8632871
51	TV-10 Surigao (GMA)	Lipata Hills, Surigao City	0915-6131227
	TV-27 Surigao (GNTV)	Lipata Hills, Surigao City	0915-6131227
52	TV-2 Tandag (GMA)	Capitol Hill, Brgy. Telaje, Tandag, Surigao del Sur	0915-6127248
53	TV-12 Jolo, Sulu (GMA)	Ynawat Bldg., Hadji Butu St., Jolo, Sulu	0915-6131182

	TV-26 Jolo, Sulu (GNTV)	Ynawat Bldg., Hadji Butu St., Jolo, Sulu	0915-6131182
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GMA's RADIO STATIONS

AREA	FREQ.	CALL SIGN	POWER		ADDRESS
LUZON					
METRO MANILA	97.1 mhz.	DWLS	FM	25kW	GMA Complex, EDSA cor. Timog Ave., Diliman, Quezon City
	594 khz.	DZBB	AM	50kW	
BAGUIO	92.7 mhz.	DWRA	FM	5kW	2/F Baguio Midland Courier Bldg. 16 Kisad Rd., Baguio City
DAGUPAN	93.5 mhz.	DWTL	FM	10kW	GMA TV 10 Compound, Claveria Road, Malued District, Dagupan City, Pangasinan
LEGASPI	96.3 mhz.	DWCW	FM	10kW	3rd level A.Bichara Silversreen Entertainment Center, Magallanes St., Legazpi City
LUCENA	91.1 mhz.	DWQL	FM	10kW	3/F Ancon Bldg., Merchan Street , Lucena City
NAGA	101.5 mhz.	DWQW	FM	5kW	GMA complex, Diversion Road (Roxas Ave.) Beside Mother Seton Hospital, Naga City
PALAWAN	909 khz.	DYSP	AM	5kW	Solid Road, San Manuel Puerto Princesa City, Palawan
	97.5 mhz.	DYHY	FM	5kW	
TUGUEGARAO	89.3 mhz.	DWWQ	FM	10kW	4/F Villablanca Hotel Pattau St. cor Pallua Rd., Ugac Norte Tuguegarao, Cagayan
VISAYAS					
BACOLOD	107.1mhz.	DYEN	FM	10kW	3/F Door #10, Centroplex Mall, Gonzaga-Locsin St. Brgy. 21, Bacolod City 6100
CEBU	999 khz. 99.5 mhz.	DYSS DYRT	AM FM	10kW 25kW	GMA Skyview Complex Nivel Hills, Lahug, Cebu City
ILOILO	1323 khz	DYSI	AM	5kW	GMA Broadcast Complex, Phase 5, Alta Tierra Village Jaro, Iloilo City
	93.5 mhz.	DYMK	FM	10kW	
KALIBO	92.9 mhz.	DYRU	FM	5kW	Torres-Olivia Bldg. Roxas Ave. Extension, Kalibo, Aklan
MINDANAO					
CAGAYAN DE ORO	100.7 mhz.	DXLX	FM	5kW	2 nd Fir., Centro Mariano Bldg., Osmena St., Cagayan de Oro City (Footnote: For Transfer)
ILIGAN	DZBB Relay	DXND	FM	1kW	3/F Kimberly Bldg., A. Bonifacio cor. I. Emilia Ave., Iligan City, Lanao del Norte

DAVAO	103.5 mhz. 1125 khz	DXRV DXGM	FM AM	10kW 10kW	GMA Network Complex, Shrine Hills, Matina Davao City
GENERAL SANTOS	102.3 mhz.	DXCJ	FM	10kW	3/F PBC Bldg., Cagampang St. Gen. Santos City

IV. LEGAL PROCEEDINGS

The Company and its subsidiaries are involved, from time to time, as plaintiff or defendant in litigation arising from transactions undertaken in the ordinary course of its business. Described below are the pending material litigation of which the Company and its subsidiaries or their properties are subject. The Company believes that a judgment rendered against it in the cases indicated below will not have a material adverse effect on its operations or financial condition.

None of the Company's affiliates, or their property, namely, RGMA Network, Inc., Philippine Entertainment Portal, Inc. and Mont-Aire Realty and Development Corporation, are involved in any material pending litigation as of December 31, 2015.

Labor Cases

There is a pending case for illegal dismissal, unfair labor practices, non-payment of overtime pay, holiday pay, premium pay for holiday and rest day and night shift differential and service incentive leave pay filed by Carlos Pabriga, Geoffrey Arias, Kirby Campo, Arnold Lagahit and Armand Catibug. The complainants were engaged on various dates from 1993 to 1997 to replace regular employees of the Company's Cebu station who were on leave or otherwise unable to work. On August 24, 2000, the Labor Arbiter dismissed the complaints for illegal dismissal and unfair labor practices, but directed the Company to pay complainants their proportionate 13th-month pay. On appeal, the NLRC held that the complainants were regular employees with respect to the particular activity they were assigned until the activity ceased to exist and that they were entitled to separation pay, 13th-month pay, night shift differential and service incentive leave pay. The complainants claim that by virtue of this ruling, they are entitled to payment of a total of approximately ₱1.5 million as of March 2007. The Supreme Court denied our Petition and affirmed the findings of the Court of Appeals that complainants are regular employees of the Company. Complainants agreed to accept the settlement amount of P1.2 Million, inclusive of withholding tax on April 24, 2015.

There is also a case for illegal dismissal filed against GMA Marketing and Productions, Inc. ("GMPI"), another wholly-owned subsidiary of GMA Network, and its officers, Lizelle Maralag and Leah Nuyda initiated by Corazon Guison, a former Sales Director of GMPI. The complainant claimed that she was unceremoniously terminated from her employment sometime in May 2010 and is entitled to reinstatement as well as payment of full backwages, unpaid commissions and salaries, moral and exemplary damages and attorney's fees. On January 31, 2011, the Labor Arbiter rendered a decision finding for complainant Guison and ordered the respondents to pay P807,007.50 as backwages and P1,691,000.00 as separation pay, as well as attorney's fees. On appeal, the NLRC reversed the decision of the Labor Arbiter and ordered the dismissal of complainant's complaint. Complainant filed a Petition with the Court of Appeals where it is pending.

There is a case (NLRC LAC No. 02-000863-13[8]) for regularization filed by pinch-hitters or relievers of GMA, namely, Ricky F. Villarin, Danilo Dela Cruz, Rolin Pilante and Johnny Anito, Jr. against GMA Network, Inc. The Labor Arbiter rendered a decision declaring the relievers as regular employees of GMA. GMA appealed to the NLRC which denied the same. GMA's motion for reconsideration was likewise denied. Hence, GMA filed with the Court of Appeals a Petition for Certiorari docketed as CA.G.R. No.132455, The Court of Appeals rendered a Decision denying GMA's petition. GMA's motion for reconsideration was likewise denied.

There is a case (NLRC NCR Case No. 12-18557-12) for illegal dismissal, backwages, damages and attorney's fees filed by James Aaron Castillo Manalili against GMA, et al. Complainant Manalili was a segment producer whose Talent Agreement was terminated for cause. The Labor Arbiter rendered a decision dismissing the complaint on the finding that there was no employer-employee relationship. Hence, there is no illegal dismissal. The Labor Arbiter also affirmed the validity of the termination of the Talent Agreement. However, the Labor Arbiter awarded 13th month pay in favor of Manalili. Hence, we filed a partial appeal for GMA. On appeal, the NLRC, affirmed the labor arbiter's decision but deleted the award of 13th month pay to complainant. Complainant's motion for reconsideration was likewise denied by the NLRC. Complainant filed a Petition with the Court of Appeals where it is pending.

There is a case (NLRC NCR Case No. 01-00024-13) for illegal dismissal and money claims filed by Christopher Cruz Legaspi against GMA and its executives. Complainant Legaspi is an employee of GMA who was dismissed for cause. The Labor Arbiter rendered a decision finding illegal dismissal. However, the decision was reversed on appeal by the NLRC. Complainant filed a motion for reconsideration which was also denied by the NLRC.

There is a case for regularization and illegal dismissal (NLRC NCR Case No. 04-05664-13[22]) filed by Henry T. Paragele, Roland Elly C. Jaso, et al. against GMA. Complainants are relievers/pinch hitters whose services were no longer availed of by GMA. The Labor Arbiter rendered a decision dismissing the complaint. Complainants filed an appeal to the NLRC. NLRC rendered a decision dismissing the appeal. Complainants filed a motion for reconsideration which was also denied by the NLRC. Complainants filed a Petition with the Court of Appeals where it is pending.

There is another case for illegal dismissal and money claims (NLRC CASE No. NCR-07-09875-13; NCR-07-10010-13; NCR-07-10135-13) filed by the drivers of GMA, namely, Marcelo S. Santiago and Serafin R. Palopalo, Jr., assigned to various programs and covered by Talent Agreements which expired and were no longer renewed. The Labor Arbiter rendered a decision dismissing the complaint on the ground that the Talent Agreements are fixed term employment contracts. Complainants appealed to the NLRC which reversed the Labor Arbiter's decision by declaring complainants as regular employees of GMA. We filed a motion for reconsideration which was also denied by the NLRC. We filed a Petition with the Court of Appeals where it is pending.

There is a case for illegal dismissal, backwages and other money claims (NLRC-NCR-07-09474-13) filed by former segment producer De Chaves against GMA. Complainant was terminated for cause by GMA. The Labor Arbiter rendered a decision dismissing the complaint. De Chavez appealed to the NLRC which denied her appeal and affirmed the Labor Arbiter's decision. De Chavez filed a Petition with the Court of Appeals which denied the same. Similarly, De Chavez's Petition filed with the Supreme Court was denied for lack of merit.

Another pending case for illegal dismissal and regularization (NLRC NCR 01-00164-14) was filed by former utility personnel Reynaldo Delos Santos Aranas, et.al against GMA/Atty. Felipe L. Gozon. Complainants' talent agreements were not renewed by GMA. The Labor Arbiter rendered a Decision in favor of complainant. We filed an appeal with the NLRC where it is pending.

There is a case for regularization (NLRC NCR Case No. 06-06683-14) filed by Christian Bochee M. Cabaluna, et al. against GMA/Atty. Felipe L. Gozon. The Labor Arbiter rendered a Decision in favor of complainants. On appeal to the NLRC, the same was denied. We are preparing the Petition to be filed with the Court of Appeals.

Infringement Cases

The Company's officers, Felipe L. Gozon, Gilberto R. Duavit, Jr., Marissa L. Flores, Jessica A. Soho, Grace dela Peña-Reyes, John Oliver Manalastas, John Does and Jane Does were named as respondents in a criminal case initiated in June 2004 for copyright infringement before the City Prosecutor's Office of Quezon City and the Department of Justice ("DOJ"). The case was subsequently consolidated with the Company's counter charge for libel.

The respondents were charged in their capacities as corporate officers and employees of the Company responsible for the alleged unauthorized airing of ABS-CBN's exclusive live coverage of the arrival in the Philippines of Angelo dela Cruz, a Filipino overseas worker previously held hostage in Iraq. Aside from seeking to hold the named respondents criminally liable for infringement and unfair competition, ABS-CBN sought damages from the respondents jointly and severally in the aggregate amount of ₱200 million.

On July 27, 2004, the Company and certain of its officers filed a case for libel against certain officers of ABS-CBN for statements made in their programs Insider and Magandang Umaga Bayan relative to the incident involving the dela Cruz feed. The Company also seeks damages in the aggregate amount of ₱100 million.

In a Resolution dated December 3, 2004, the DOJ dismissed the complaint for libel against the ABS-CBN officers and employees and dropped the charges against the Company's officers except for Ms. Dela Peña-Reyes and Mr. Manalastas against whom the DOJ found probable cause for violation of the Intellectual Property Code. ABS-CBN filed a motion for partial reconsideration of the resolution on the grounds that the other named respondents were erroneously exonerated. The Company filed a petition for review with the DOJ with respect to the finding of probable cause against Ms. Dela Peña-Reyes and Mr. Manalastas and the dismissal of the case for libel which was denied. On August 1, 2005, the DOJ reversed the fiscal's resolution finding probable cause against Ms. dela Peña-Reyes and Mr. Manalastas and directed the fiscal to withdraw the Information. ABS-CBN filed a motion for reconsideration. Meanwhile, the DOJ issued a Resolution dated September 15, 2005 denying the Company's Petition for Review and ruling that ABS-CBN's officers and employees did not commit libel. The Company filed a motion for reconsideration.

On June 29, 2010, the DOJ issued a Resolution granting both the Company's and ABS-CBN's Motion for Reconsideration, and directing the filing of Information against ABS-CBN's officers and employees for libel. ABS-CBN moved for reconsideration which was denied by the DOJ. ABS-CBN filed a Petition with the Court of Appeals. In the meantime, an Information for libel was filed by the Quezon City Prosecutor with the Regional Trial Court of Quezon City, Branch 88.

The Company elevated the DOJ's June 29, 2010 Resolution directly to the Court of Appeals via a Petition for Certiorari docketed as CA-G.R. SP No. 115751. On November 9, 2010, the Court of Appeals issued a decision granting the Company's Petition for Certiorari and reversing the DOJ Resolution dated June 29, 2010 and reinstating the DOJ Resolution dated August 1, 2005 which ordered the withdrawal of Information for copyright infringement. ABS-CBN filed a Petition with the Supreme Court which partially granted the Petition by reversing the DOJ Resolution ordering the withdrawal of the Information and sustaining the finding of probable cause for copyright infringement only as against Ms. Dela Peña-Reyes and Mr. Manalastas.

Civil Cases

A case for damages was filed by Ronaldo Virola against Miguel Enriquez and the Company. Ronaldo Virola filed a case for damages arising from the airing of **Imbestigador** episodes showing the interviews of "Myra" and "Chona" who accused Virola of placing drugs in their drinks before molesting them. The said **Imbestigador** episodes also showed the raid conducted by operatives of Task Force Jericho of the Department of Interior and Local Government who applied for a warrant to search the residence of Virola. The complaint sought ₱800,000 in moral damages, ₱300,000 in exemplary damages, attorney's fees in the amount of ₱100,000 and the cost of suit. The Regional Trial Court of Caloocan dismissed the complaint after trial. Plaintiff appealed to the Court of Appeals which dismissed his appeal and affirmed the trial court's decision dismissing his complaint for damages.

On June 25, 2008, Mary the Queen Hospital filed a case for damages against the Company, Mike Enriquez as well as certain other members of the show, **Imbestigador**. The hospital alleged that the show damaged its reputation by falsely accusing them of illegally detaining a patient for failure to settle hospital bills. The hospital claimed a total of ₱ 5.5 million in moral, exemplary and temperate damages,

as well as costs of the suit. Plaintiff has rested its case and we are set to present defense evidence on April 21, 2016.

Another case involved the Company and members of the show **Imbestigador**, stemmed from a story involving a police officer allegedly extorting money from arrested drug dependents, which ultimately led to his arrest. On September 4, 2008, the complaint sought to enjoin the airing of the story relating to his arrest by filing a case for injunction. However, the plaintiff's application for restraining order was denied by the RTC of Quezon City. Plaintiff then filed an amended complaint to include a claim for damages. Plaintiff has rested its case and we are set to present defense evidence on April 8, 2016.

V. MARKET FOR ISSUER'S COMMON EQUITY AND RELATED STOCKHOLDERS MATTERS

Market Information

Stock Prices GMA7

<u>Period in 2015</u>	<u>Highest Closing</u>	<u>Lowest Closing</u>
1Q	7.00	5.95
2Q	6.77	6.03
3Q	6.54	6.00
4Q	7.57	6.30

Stock Prices GMAP

<u>Period in 2015</u>	<u>Highest Closing</u>	<u>Lowest Closing</u>
1Q	6.79	5.92
2Q	6.50	5.95
3Q	6.61	5.95
4Q	7.40	6.10

The Company's common shares and Philippine Deposit Receipts have been listed with the Philippine Stock Exchange since 2007. The price information as of the close of the latest practicable trading date April 11, 2016; GMA7's closing price is P7.18 for GMA7 and P6.95 for GMAP (PDRs).

Holders

There are 1,689 holders of common equity as of March 31, 2016. The following are the top 20 holders of the common equity of the Company:

Name of Shareholders	No. of Common Shares	Percentage of Ownership of Total Common Shares
GMA Holdings, Inc.	846,038,700	25.15%
Group Management & Development, Inc.	789,813,389	23.47%
FLG Management & Development Corp.	675,663,227	20.71%
M.A. Jimenez Enterprises, Inc.	453,882,095	13.49%
Television International Corp.	334,378,037	9.94%
PCD Nominee Corp.	214,619,546	6.38%
Gozon Development Corp.	14,033,954	0.42%
Gozon Foundation, Inc.	4,514,361	0.13%

Name of Shareholders	No. of Common Shares	Percentage of Ownership of Total Common Shares
Gilberto R. Duavit, Jr.	4,007,005	0.12%
Ismael Gozon	2,814,900	0.08%
Miguel Enrique Singson Roa	2,566,400	0.08%
Jose Mari L. Chan	1,210,100	0.04%
Alegria R. Sibal	1,093,252	0.03%
Felipe S. Yalong	1,025,000	0.03%
Alberto Tio Ong	1,000,000	0.03%
Judith Duavit Vazquez	588,000	0.02%
Anna Teresa G. Abrogar	529,000	0.02%
Jose P. Marcelo	501,498	0.01%
Jaime Javier Gana and/or Ma. Erlinda G. Gana	444,900	0.01%

The following are the top 20 holders of the Company's preferred shares as of March 31, 2016:

Name of Shareholders	No. of Preferred Shares	Percentage of Ownership of Total Preferred Shares
Group Management & Development Inc.	2,625,805,308	35.0130%
FLG Management & Development Corp.	2,181,898,644	29.0939%
M.A. Jimenez Enterprises	1,508,978,826	20.1210%
Television International Corp.	1,111,661,610	14.8231%
Gozon Development Corp.	46,245,306	0.6166%
Gozon Foundation Inc.	15,020,670	0.2003%
Alegria F. Sibal	2,623,806	0.0350%
Jose P. Marcelo	1,203,594	0.0160%
Sotero H. Laurel	830,706	0.0111%
Nita Laurel Yupangco	830,706	0.0111%
Jose C. Laurel V	830,706	0.0111%
Juan Miguel Laurel	830,706	0.0111%
Susana Laurel-Delgado	830,706	0.0111%
Ma. Asuncion Laurel-Uichico	830,706	0.0111%
Horacio P. Borromeo	784,164	0.0105%
Francis F. Obana	105,120	0.0014%
Eduardo Morato	38,028	0.0005%
Antonio Gomez	30,420	0.0004%
Jose N. Morales	30,420	0.0004%
Paul Sim	30,420	0.0004%

The information presented does not relate to an acquisition, business combination or other reorganization.

Dividend Information

Dividends shall be declared only from the surplus profits of the corporation and shall be payable at such times and in such amounts as the Board of Directors shall determine, either in cash, shares or property of the Company, or a combination of the three, as said Board of Directors shall determine. The declaration of stock dividends, however, is subject to the approval of at least two-thirds of the

outstanding capital stock. No dividend which will impair the capital of the Company shall be declared. The Company has no contractual restrictions which would limit its ability to declare any dividend.

Dividend History of the Company

<u>Year</u>	<u>Amount</u>	<u>Date Declared</u>	<u>Type of Dividend</u>
2005	P 218,521,203.5	February 17, 2005	Cash and Property
2005	P 3,000,000,000.0	October 11, 2005	Stock
2006	P 1,150,000,000.0	June 13, 2006	Cash and Property
2007	P 1,500,000,000.0	March 19, 2007	Cash
2007	P 375,000,000.0	April 26, 2007	Stock
2007	P 1,000,000,000.0	July 2, 2007	Cash
2008	P 1,214,163,001.0	May 21, 2008	Cash
2009	P 1,701,069,453.0	April 2, 2009	Cash
2010	P 2,187,089,296.56	March 25, 2010	Cash
2010	P 1,215,049,069.20	October 28, 2010	Cash
2011	P 2,187,089,296.56	March 11, 2011	Cash
2012	P 1,944,079,375	April 16, 2012	Cash
2012	P 1,264,794,293.2	August 22, 2012	Cash
2013	P 1,215,049,609	March 21, 2013	Cash
2014	P 1,312,253,577	April 2, 2014	Cash
2015	P 1,215,049,609.20	March 30, 2015	Cash
2016	P 1,944,079,375	April 8, 2016	Cash

The Company's Board of Directors has approved a dividend policy which will entitle holders of the Common Shares to receive annual cash dividends equivalent to a minimum of 50% of the prior year's net income based on the recommendation of the Board of Directors. Such recommendation will take into consideration factors such as the implementation of business plans, operating expenses, budgets, funding for new investments, appropriate reserves and working capital, among others. The cash dividend policy may be changed by the Company's Board of Directors at any time.

Recent Sales of Unregistered or Exempt Securities

No sale of unregistered or exempt securities of the Company has occurred within the past three years.

VI. CORPORATE GOVERNANCE

GMA Network, Inc. is committed to the principles of good governance and recognizes their importance in safeguarding shareholders' interests and in enhancing shareholder value. The Company has adopted a Revised Manual on Corporate Governance to institutionalize the Company's adherence to these principles. This Revised Manual clearly sets out the principles of good management and defines the specific responsibilities of the Board, the Board Committees, and management within the over-all governance framework.

The Revised Manual conforms to the requirements of the Philippine Securities and Exchange Commission and covers policies, among others:

(a) independent directors, (b) key board committees (e.g. Executive Committee, Nomination Committee, Audit and Risk Management Committee, Compensation and Remuneration Committee); (c) independent auditors, (d) internal audit, (e) disclosure system of company's governance policies, (f) stockholder rights, (g) monitoring and assessment, and (h) penalties for non-compliance.

The Board of Directors, led by the Chairman, Atty. Felipe L. Gozon, strongly advocates accountability, transparency and integrity in all aspects of the business and commits themselves to the best practices of governance in the pursuit of the Company's Mission and Vision.

To ensure adherence to corporate governance, the Board designated a Compliance Officer who is also the Company's Corporate Secretary and Vice-President, Roberto O. Parel. The Compliance Officer is responsible for monitoring compliance by the Company with the provisions and requirements of good corporate governance.

Based on the Revised Manual on Corporate Governance Manual dated July 31, 2014 as well as the Company's Annual Corporate Governance Report for 2015 filed with the Securities and Exchange Commission, there have been no deviations from the Company's Manual as of date.

Board of Directors

Compliance with the principles of good governance starts with the Company's Board of Directors. The Board is responsible for oversight of the business, determination of the company's long- term strategy and objectives, and management of the company's risks by ensuring the company's internal controls and procedures are observed. The Board of Directors ensures a high standard of governance, and promotes and protects the interests of the Company, its stockholders and other stakeholders.

The Board consists of nine directors, two of whom are independent directors. All nine members of the Board have the expertise, professional experience and background that allow a thorough discussion and deliberation of issues and matters affecting the Company.

The two independent directors – former Chief Justice Artemio V. Panganiban and Dr. Jaime C. Laya – have no relationship with the Company, which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

The Board comprises the following members:

Name	Position
Felipe L. Gozon	Chairman and CEO
Gilberto R. Duavit, Jr.	President and COO
Anna Teresa G. Abrogar	Director
Joel Marcelo G. Jimenez	Director
Michael John R. Duavit	Director
Laura J. Westfall	Director
Felipe S. Yalong	Director
Artemio V. Panganiban	Independent Director
Jaime C. Laya	Independent Director

Board Performance

Directors attend regular meetings of the Board, which are held every quarter and other times as necessary, and the Annual Stockholders' Meeting (ASM). In its meetings, the Board reviews the performance of the Company and its subsidiaries, approves plans, budgets and financial statements, sets policies and guidelines for management, and discusses matters requiring Board attention and approval. The Board met five (5) times in 2015. The attendance of the individual directors at these meetings is duly recorded as follows:

Director's Name	Regular and Special Meetings	
	<i>Present</i>	<i>Absent</i>
Felipe L. Gozon	5	0
Gilberto R. Duavit, Jr.	5	0
Joel Marcelo G. Jimenez	4	1
Felipe S. Yalong	5	0
Anna Teresa G. Abrogar	3	2
Michael John R. Duavit	3	2
Laura J. Westfall	5	0
Artemio V. Panganiban	5	0
Jaime C. Laya	5	0

All directors have individually complied with the SEC's minimum attendance requirement of 50%.

The Chairman, Felipe L. Gozon, presided over all the Board meetings for the year. He likewise presided over the Annual Stockholders' Meeting, with all the members of the Board in attendance.

Board Remuneration

The amended by-laws of the Company provides that the Board of Directors shall be entitled to an amount of not more than two and a half percent (2.5%) of the net income after income tax of the corporation during the preceding year and per diems for every board meeting attended. Of the said 2.5%, one percent (1%) shall be distributed equally among the members of the Board of Directors, while the remaining one and a half percent (1.5%) shall be distributed equally among the members of the Executive Committee.

Committees and Meetings of the Board of Directors

Four committees were established to aid in complying with the principles of good governance and address issues requiring the Board's attention:

Executive Committee

The Executive Committee (Excom) consists of three members which includes the Chairman of the Board and CEO Felipe L. Gozon, President and COO Gilberto R. Duavit, Jr. and Director Joel G. Jimenez. Mr. Gilberto R. Duavit, Jr. serves as Chairman of the Committee. It acts on matters delegated to it by the Board of Directors. The Excom acts by a majority vote and in accordance with the authority granted by the Board. All actions of the Excom are reported to the Board for ratification at the meeting immediately following such action.

Nomination Committee

The Nomination Committee is chaired by Felipe L. Gozon and composed of four members that include an independent director in the person of former Chief Justice Artemio V. Panganiban as Vice Chairman,

with Gilberto R. Duavit, Jr. and Joel Marcelo G. Jimenez as members. The mission of the Nomination Committee is to provide the shareholders with an independent and objective evaluation and assurance that the membership of the Board of Directors is competent and will foster the long-term success of the Corporation and secure its competitiveness. The Nomination Committee assists the Board of Directors in ensuring that all nominees to the Board of Directors are competent and qualified to be nominated as Director based on internal guidelines. This is to ensure that: (a) there is a proper mix of competent directors that would continuously improve shareholder's value; and, (b) Directors will ensure a high standard of best practices for the Company and its stakeholders.

Compensation and Remuneration Committee

The members of the Compensation and Remuneration Committee are Felipe L. Gozon (Chairman), Former Chief Justice Artemio V. Panganiban (Vice Chairman), with Michael John R. Duavit and Laura J. Westfall as members. The Committee recommends a formal and transparent framework of remuneration and evaluation for the members of the Board of Directors and key executives to enable them to run the Company successfully.

Audit and Risk Management Committee

Audit

The Audit and Risk Management Committee is currently composed of five members: Dr. Jaime C. Laya, (Chairman), former Chief Justice Artemio V. Panganiban (Vice Chairman), Anna Teresa M. Gozon-Abrogar, Michael John R. Duavit and Ms. Laura J. Westfall. The Audit and Risk Management Committee assists the Board in its fiduciary responsibilities by providing an independent and objective assurance to the Company's management and stakeholders in the continuous improvement of risk management systems, business operations and proper safeguarding and use of the Corporation's resources and assets. The Audit and Risk Management Committee provides a general evaluation and gives assistance in the over-all improvement of the risk management, control, and governance process of the Corporation as designed by Management and provides assurance that these are properly functioning.

The Committee conducts tenders for independent audit services, reviews audit fees and recommends the appointment and fees of the independent auditors to the Board. The Board, in turn, submits the appointment of the independent auditors for approval of the shareholders at the ASM.

The Audit and Risk Management Committee also approves the work plan of the Company's Internal Audit Group, as well as the overall scope and work plan of the independent auditors.

The Audit and Risk Management Committee held seven (7) meetings in 2015 wherein the Committee reviewed and approved, among others, the Company's 2014 Consolidated Audited Financial Statements as prepared by the external auditors.

Risk Management

The GMA Network's Board of Directors and management are mindful of the risks and uncertainties inherent in the business. In the formulation of corporate strategy and business decision-making, potential risks are always taken into account. Necessary steps are taken to minimize, if not eliminate, such risks.

The Audit and Risk Management Committee assists the Board in the oversight of the company's risk management, ensures that it has the proper controls in place, identifies and evaluates significant risk exposures and contributes to the improvement of risk management and control systems.

Both radio and television broadcasting are highly competitive businesses. GMA stations compete for listeners/viewers and advertising revenues within their respective markets directly with other radio and/or television stations, as well as with other media such as cable television and/or cable radio, newspapers, magazines, the internet, billboard advertising, among others. Audience ratings and market shares are subject to change, and any change in a particular market could have a material adverse effect on the revenue of our stations located in that market.

Considering the potential impact of various risks to the company's ability to deliver quality content across multiple platforms, the Company has established a Programming Committee that deliberates weekly on the programming issues and strategies of the Network. Regular monthly meetings of the Company's officers are also held to discuss plans, operational issues and strategies, implementation of projects and recommendations for improvements.

The Company's financial results are dependent primarily on its ability to generate advertising revenue through rates charged to advertisers. The advertising rates a station is able to charge is affected by many factors, including the ratings of its programs and the general strength of the local and national economies. Generally, advertising declines during periods of economic recession or downturns in the economy. As a result, the Company's revenue is likely to be adversely affected during such periods.

Management, being accountable to the Board, also prepares financial statements in a timely manner in accordance with generally accepted accounting standards in the Philippines. Management's statement of responsibility with regards to the Company's financial statements is included in this annual report.

The consolidated financial statements of GMA Network and its subsidiaries have been prepared in accordance with Philippine Financial Reporting Standards which are aligned with International Financial Reporting Standards. The financial statements are audited by external auditors and reviewed by the Audit and Risk Management Committee (with the support of the Internal Audit Group) to ensure that they fairly present, in all material respects, the financial position and results of the Company's operations before these are presented to the Board of Directors for approval.

The Board is responsible for presenting a clear, balanced and comprehensive assessment of the Company's financial position, performance and prospects each time it makes available its quarterly and annual financial statements to the public.

Management

The Chairman of the Board and Chief Executive Officer is Felipe L. Gozon, while Gilberto R. Duavit, Jr. holds the position of President and Chief Operating Officer.

The CEO is accountable to the Board for the development and recommendation of strategies and the execution of strategic directions set by the Board, while the COO is responsible for the day-to-day management of the Company and the implementation of the directives provided by the CEO and the Board's policies and decisions. Both the CEO and COO are guided by the Company's Mission, Vision, and Core Values.

Management regularly provides the Board with complete and accurate information on the operations and affairs of the Company.

Employee Relations

Employees are provided an employee handbook which contains the policies and guidelines for the duties and responsibilities of an employee of GMA Network, Inc. The Handbook also details the benefits and privileges accruing to all regular employees.

The News and Public Affairs Ethics Manual, on the other hand, sets the standards and rules on how News and Public Affairs personnel should conduct themselves at work.

Through an external newsletter and the intranet facilitated by the Corporate Affairs Division, employees are updated on material developments in the organization.

The Company also provides training programs and seminars for career advancement and development. The Company has also initiated activities centered on the safety, health and welfare of its employees.

Prompt Disclosures and Timely Reporting

GMA Network, Inc. adheres to a high level of corporate disclosure and transparency regarding the company's financial condition and state of corporate governance on a regular basis. Through the Investor Relations and Compliance Division (IRCD), shareholders are provided disclosures, announcements and periodic reports filed with the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange. These are also available on line through the Company's Investor Relations website www.gmanetwork.com/corporate/ir.

The Company, through the IRCD, holds regular Analysts' and Investors' briefings that are attended by the Company's Chief Executive Officer, Chief Operating Officer, Chief Finance Officer as well as other high ranking officers. Meetings with Fund Managers, Investment, Financial and Research Analysts are likewise handled by the IRCD.

Consolidated audited financial statements are submitted to the SEC on or before the prescribed period and distributed to the shareholders prior to the ASM.

The financial soundness indicators that the Company monitors are the following:

Key Performance Indicators	2015 (in millions PhP)	2014 (in millions PhP)	Inc/(Dec) (in millions PhP)	%
Revenues	13,727.1	11,982.9	1,744.2	15%
Airtime revenues	12,380.7	10,678.9	1,701.8	16%
Cash operating expenses	9,160.8	9,126.7	34.1	0.4%
EBITDA	4,641.2	2,924.5	1,716.7	59%
Net income before tax	3,036.2	1,457.5	1,578.7	108%
Net income after tax	2,125.8	1,009.5	1,116.3	111%

	2015	2014	Inc/(Dec)	%
Current ratio	2.24	1.90	0.34	18%
Asset-to-Equity ratio	1.59	1.70	(0.12)	-7%
Net debt-to-Equity ratio	-	0.08	(0.08)	-
Debt-to-Equity ratio	0.13	0.27	(0.14)	-53%
Interest Rate Coverage ratio	71.08	40.66	30.42	75%
Gross Profit margin	57%	54%	0.04	7%
EBITDA margin	34%	24%	0.09	39%
Net income margin	15%	8%	0.07	84%

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **ARTEMIO V. PANGANIBAN**, Filipino, of legal age, and with office address at 1203 Acacia Street, Dasmariñas Village, Makati City, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am an Independent Director of **GMA NETWORK, INC.**;
2. I am affiliated with the following companies or organizations:

Company/Organizations	Position/Relationship	Period of Service
First Philippine Holdings Corporation	Independent Director	2007 - present
Metro Pacific Investments Corporation	Independent Director	2007 - present
Manila Electric Company	Independent Director	2008 - present
Robinsons Land Corporation	Independent Director	2008 - present
GMA Holdings, Inc.	Independent Director	2009 - present
Petron Corporation	Independent Director	2010 - present
Bank of the Philippine Islands	Independent Director	2010 - present
Metro Pacific Tollways Corporation	Independent Director	2010 - present
Asian Terminals, Inc.	Independent Director	2010 - present
Metropolitan Bank and Trust Co.	Senior Adviser	2007 - present
Philippine Long Distance Tel. Co.	Independent Director	2013 - present
Philippine Daily Inquirer	Columnist	2007 - present
Jollibee Foods Corporation	Director	2012 - present

(For my full bio-data, log on to my personal website: cjpanganiban.com)

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of GMA NETWORK, INC., as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations.
4. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code.
5. I shall inform the Corporate Secretary of GMA NETWORK, INC. of any change in the above-mentioned information within five (5) days from its occurrence.

APR 12 2016
Done this ___ day of April, 2016 at Makati City.

ARTEMIO V. PANGANIBAN

Affiant

APR 12 2016

SUBSCRIBED AND SWORN to before me this ___ day of April 2016 at Makati City, affiant personally appeared before me and exhibited to me his Diplomatic Passport No. DE0013400 issued on December 15, 2015 by the DFA, Manila and will expire on December 14, 2020.

ATTY. VIRGLIO R. BATALLA

NOTARY PUBLIC FOR MAKATI CITY

APPOINTMENT NO. M32

UNTIL DECEMBER 31, 2016

ROLL OF ATTY. NO. 48348

MCLE COMPLIANCE NO. IV-0016333/4-10-2013

IDP O.R. No. 700701 LIFETIME MEMBER JAN. 29, 2007

PTR No. 532-95-05- JAN 04, 2010 MAKATI CITY

EXECUTIVE BLDG. CENTER

MAKATI AVE., COR., JUPITER

Doc. No. 397

Page No. 81

Book No. 289

Series of 2016.

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **JAIME C. LAYA**, Filipino, of legal age, and with office address at Suite 703 Midland Mansion Condominium A. Arnaiz Avenue, Makati City, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am an Independent Director of GMA Holdings, Inc.;
2. I am affiliated with the following companies or organizations:

Company/Organization	Position	Period of Service
Philippine Trust Company (Philtrust Bank)	Chairman and President	2004-present
GMA Network, Inc. and GMA Holdings, Inc.	Independent Director	2007-present
Ayala Land, Inc.	Independent Director	2010-present
Manila Water Company, Inc.	Independent Director	2014-present
Philippine AXA Life Insurance Co., Inc.	Director	2005-present
Charter Ping An Insurance Corporation	Independent Director	2016-
Escuela Taller Foundation of the Philippines, Inc.	Chairman	2013-present
Don Norberto Ty Foundation, Inc.	Chairman	2005-present
Cofradía de la Inmaculada Concepción	Trustee	1979-present
Heart Foundation of the Philippines, Inc.	Trustee	ca. 1985-present
CIBI Foundation, Inc.	Trustee	1998-present
St. Paul University – Quezon City	Trustee	2002-present
Fundación Santiago, Inc.	Trustee	2002-present
Cultural Center of the Philippines	Trustee	2003-present
Metropolitan Museum of Manila	Trustee	ca. 2004-present
Yuchengco Museum	Trustee	ca. 2007-present
Society for Cultural Enrichment, Inc.	Trustee	2009-present
Ayala Foundation, Inc.	Trustee	2013-present
Manila Polo Club	Director	2014-present
Filipinas Opera Society Foundation, Inc.	Trustee	2014-present
Various family corporations	Director	ca. 1960-present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of GMA Holdings, Inc., as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations.



4. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code.
5. I shall inform the Corporate Secretary of GMA Holdings, Inc. of any changes in the above-mentioned information within five (5) days from its occurrence.

Done this 4th day of April two thousand and sixteen at Makati City.

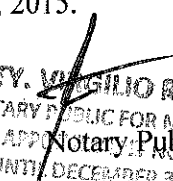

JAIME C. LAYA

Affiant

APR 12 2016

SUBSCRIBED AND SWORN to before me this 4th day of April, two thousand and sixteen, at Makati City, affiant personally appeared before me and exhibited to me his Passport No. EC3123777 issued at Manila on January 7, 2015.

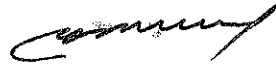
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ATTY. VIRGILIO R. BATALLA
NOTARY PUBLIC FOR MAKATI CITY
APP. NO. 1132
UNTIL DECEMBER 31, 2016
ROLL OF ATTY. NO. 48348
MCLE COMPLIANCE NO. IV-0016333/4-10-2013
IBP O.R. No. 706762-LIFETIME MEMBER JAN. 29, 2007
PTR No. 532-35-05- JAN 04, 2015 MAKATI CITY
EXECUTIVE BLDG. CENTER
MAKATI AVE., COR., JUPITER

CERTIFICATION

THIS IS TO CERTIFY that in compliance with **Article 9(B) of the 1987 Philippine Constitution**, none of the Directors, Independent Directors and Officers of **GMA Network, Inc.** are elected as public servants and or appointed in any government agency, local or foreign, without authority of law.

Issued this 12th day of April 2016.



ROBERTO O. PAREL
Compliance Officer
GMA Network, Inc.