GMA

STILL NUMBER 1 @ SIXTY FIVE

2015 GMA NETWORK, INC. ANNUAL REPORT

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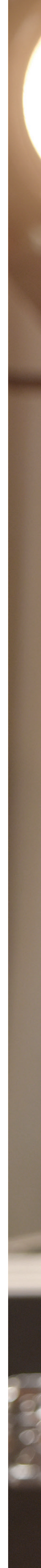


FELIPE L. GOZON
Chairman and CEO

The dynamic and fiercely competitive broadcast industry has kept us on our toes, constantly strengthening our core business and looking out for and quickly adapting to emerging trends. The year 2015, which was an exciting year for the industry and the country's economy as a whole, taught us valuable lessons and provided experiences that will guide us in our journey towards the future.

Fittingly, we celebrated our 65th anniversary in 2015 by achieving TV ratings and revenue numbers that were, to say the least, praiseworthy. With our programming strategy paying off, we regained momentum in TV ratings - increasing our advantage in the important areas of Mega Manila and Urban Luzon and grabbing overall leadership from our nearest rival in nationwide ratings or NUTAM beginning September. Accordingly, our revenues and net income for the year both ended with double digit growths, with almost all our revenue streams led by GMA Channel 7, GMA News TV, Radio and International Operations, contributing to the pie. Strategic spending and cost management remained key factors to our success during the year.

Our accomplishments in 2015 set the bar high for the succeeding year, more so with the national elections looming ahead. Speaking of elections, our comprehensive coverage of this very important event in May will showcase not only the latest technology, but will also highlight our credibility as a news organization. Once again, our audience will experience GMA News and Public Affairs' distinguished brand of coverage that extends to all our available media platforms including TV, radio, and online.

Overall, the year ahead will be more action-packed as we continue to develop and produce superior content that will be made available to our global Filipino audience via a wide array of platforms including TV, online and mobile gadgets. Soon, we will launch our Digital Terrestrial TV (DTT) technology, an innovative and game changing product which will hopefully be different from and better than what our competitor has introduced to the market.

While we have so far adapted successfully to the changes brought about by the fast evolving media landscape, we consciously try to remain the industry's pacesetter in diversifying our core business. The immediate future will be interesting for our company, as we expect the competition to get tougher. But with our stakeholders' continued support, we see only good things happening ahead.

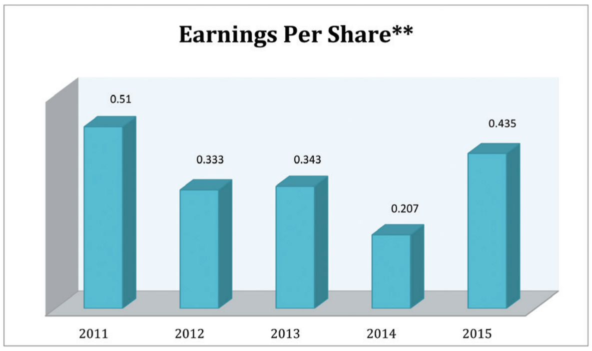
To our stakeholders, shareholders, partners, and most specially our viewers, thank you for being our loyal Kapuso for 65 years and beyond.

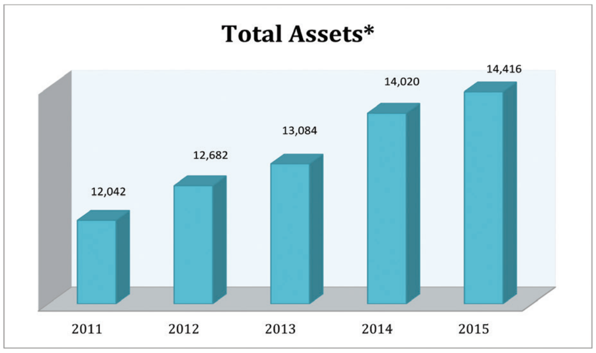
Maraming salamat sa inyong lahat, mga Kapuso.

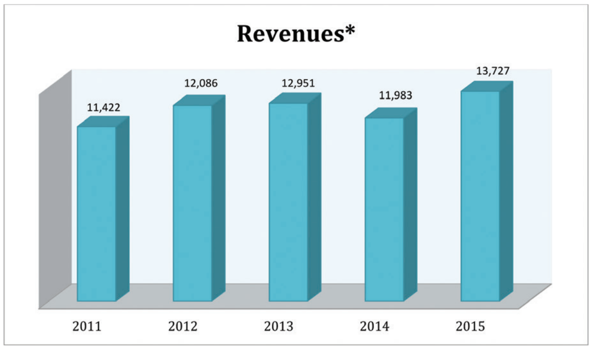
FELIPE L. GOZON
Chairman and CEO

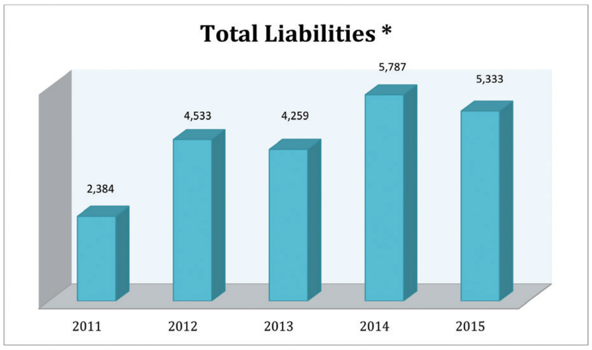
FINANCIAL HIGHLIGHTS

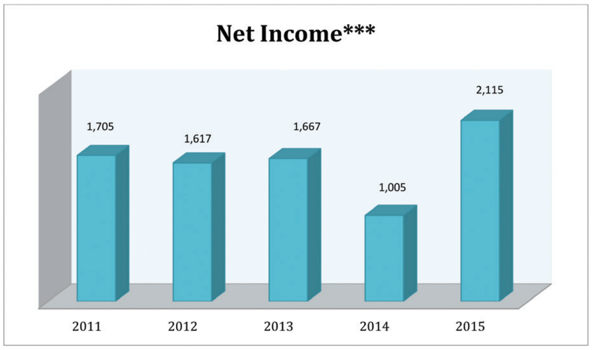
* Amounts in Million Pesos
** Amounts in Pesos
*** Amounts in Million Pesos and attributable to Equity holders of the Parent Company

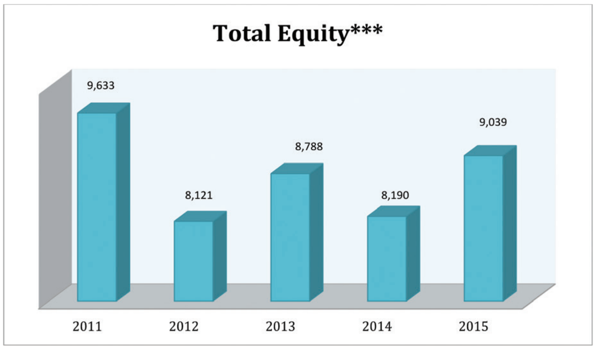












GILBERTO R. DUAVIT, JR.
President and COO

The year ended with the achievement of significant gains across all segments of our business; culminating in a commendable improvement in our financial performance. In contrast to our prior year TV ratings, we succeeded in improving GMA-7's lead in the viewer-rich areas of Urban Luzon and Mega Manila (particularly towards the latter part of the year) and more importantly, regained our advantage in the National (NUTAM) ratings in September (based on AGB Nielsen data). Despite the unrelenting intensity of competition for audience shares, these were delivered with managed programming and production costs, without compromising the quality of our program content.

GMA News TV (GNTV), on the other hand, remained the country's news channel of choice, maintaining its 4th overall ranking in NUTAM ratings (behind GMA, ABS-CBN and ABC 5); notwithstanding its limited free-to-air reach. Noteworthy are GNTV's top line performance in 2015 – its highest since its launch five years ago, as well as the realized reduction in programming costs attributed to its generated revenue.

Equally laudable were the financial results of our Radio business. Driven primarily by our flagship radio stations DZBB (AM) and DWLS (FM), radio ad revenues ended the year with double digit growth as the ratings of our AM and FM stations in Mega Manila and other key areas nationwide remained highly competitive. On the table are plans lined up for implementation in the coming year which are expected to further improve the performance of the business.

While our International business experienced a slight dip in subscription revenue in 2015, this was simply accounted for by our ceding a minimum guarantee (and the resulting incremental revenue contribution) from our previously exclusive carrier in the Middle East, enabling us to shift to a non-exclusive, multi-carrier arrangement to enhance our upside potentials in the said subscriber-rich territory going forward.

Nevertheless, the subscriber numbers of our three International channels; GMA Pinoy TV, GMA Life TV and GMA News TV International grew year on year; with the growth expected to continue in the coming year with scheduled new carrier launches in Europe, the Middle East as well as in Hongkong and Singapore. Program syndication revenue similarly continued to grow in 2015 with the addition of new markets, complimented by our maintained production of quality, proprietary content and the increased diversity of distribution platforms.

It was also a commendable year for our new media subsidiary, GMA New Media, Inc. (GMANMI), which significantly grew its on-line advertising and content syndication revenues in 2015; effectively leveraging on the greatly improved audience numbers of our proprietary digital assets; GMANetwork.com and GMA News Online and the growing demand for our content on-line. As the lead entity in the development of our Digital business, GMANMI continues to function as our R & D cell and is presently putting the finishing touches on "last mile" devices which are central to our digital strategy; alongside the development and implementation of digital solutions for myriad purposes and applications.

The year that passed ended with our having taken another step forward, with internal (structural and operational) changes both made and initiated to address the realities in our business space today, as well as the changes and challenges we envision in the future. As our programs become more optimally available on a Free to Air basis nationwide, so too has our content become progressively more accessible on-line and on demand. Initially through both our proprietary digital assets and the HOOQ and iFlix OTT services, this accessibility will be further increased via numerous OTT offerings in other parts of the world in the coming year. With a number subject of discussions and agreements involving our International carriers, most of the said OTT offerings, as approached, will enable us to not only increase our presence in the relevant, digital platforms and devices, but will allow us to do so without diluting our growing conventional platform (cable and DTH) subscription revenues. These, as we continue to derive benefits from the strengths and other advantages our carriers bring to the business. The foregoing said, we continue to pursue other related opportunities both here and abroad as we more aggressively promote our programs and talents to the growing on-line audience.

All ancillary technical back-end requirements related to our Digital Terrestrial TV (DTT) plans have been put in place with the pertinent process flows designed and integrated into our operations. With a few remaining components to finalize, it will not be much longer before we deploy the technology and bring our product to market.

The challenges that confront our business increasingly diversify over time. More than ever, our people, proven organizational agility and our ability to maintain the highest operating margins in the industry will prove to be our greatest advantages in meeting both the challenges and opportunities ahead.

Our many thanks once again to you, our valued partners and stakeholders for your continued trust and support. Together, there is no limit to where we can go.

GILBERTO R. DUAVIT, JR.
President and COO

GMA Network celebrated its 65th Anniversary in 2015, marking another milestone for the Company. The year indeed became worth revelling, as GMA posted earnings and profits way above target and managed to recapture the lead in nationwide TV ratings from its rival beginning September.

Maintaining competitiveness at a very high level by constantly improving its TV programs and other products while, at the same time, effectively managing costs remained key to the Network's success during the year.

With its strategic investments already in place and ready to roll out, GMA is now threading the path it has set towards the future of broadcast media.

Financials

GMA Network's consolidated revenues of P13.727 billion was up 15% versus 2014.

Airtime revenues went up 16% or P1.702 billion year-on-year. GMA's Channel 7 sealed 2015 with a 16% increase in revenues. Radio recorded a 15% hike while GMA News TV posted a revenue increase of 24%. Regional TV's revenues, on the other hand, went down by 4%.

Total operating expenses of P10.745 billion went up by only 2% compared to 2014.

EBITDA (Earnings Before Interest, Taxes, Depreciation And Amortization) ended at 4.641 billion, 59% higher than the previous year.

GMA Network's consolidated net income after tax in 2015 stood at P2.126 billion, up 111% or P1.116 billion versus 2014.

Ratings*

GMA Channel 7 led rival ABS-CBN Channel 2 in national urban (NUTAM) TV ratings in 2015, posting an average total day household audience share of 35.4 percent (up 0.5 percent point versus ABS-CBN's 34.9 percent average).

GMA remained dominant in the viewer-rich areas of Urban Luzon and Mega Manila, beating ABS-CBN in household audience share by 9.1 percentage points in Urban Luzon and 14.7 percentage points in Mega Manila.

The country's leading news channel GMA News TV, on the other hand, ranked fourth overall, behind GMA, ABS-CBN, and TV-5.

Other Business Units

Revenues from other businesses totalled P1.346 billion, an improvement of 3% or P42 million compared to 2014.

- **International**

International operations ended 2015 with revenues 5% lower than the previous year, as the Network ceded the minimum guarantee from a major carrier which contributed to the drop in subscription revenues.

- **GMA Worldwide**

Distribution revenues for GMA Worldwide showed a 6% increase over a year ago.

- **GMA Films**

GMA Films posted a 135% increase in net revenues in 2015.

- **GMA New Media**

Consolidated revenues of GMA New Media and its subsidiaries posted a 39% growth compared to last year's P136.96 million. Major contributor to this increase is Online sales, which grew 50% due in large part to the effective execution of the growth strategies that NMI set out for the year. YouTube earnings for NMI recorded a 110% growth while Digify, Inc. showed a 51% growth versus last year.

- **GMA Records**

Revenues for GMA Records recorded a 29% hike in 2015, with increases in sales from digital downloads and CDs contributing to the growth.

- **Alta Productions**

2015 revenues for ALTA Productions went down by 19% versus 2014.

- **Script2010**

Script2010 posted a 10% decrease in revenues mainly on lower demand for sets of GMA programs in 2015.

* GMA subscribes to Nielsen TV Audience Measurement, the more dominant and recognized TV ratings provider in the country.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SUBSIDIARIES (100% Ownership)

GMA New Media, Inc. (NMI) - Converging technology
Citynet Network Marketing and Productions, Inc. - Television entertainment production
GMA Network Films, Inc. - Film production
GMA Worldwide (Philippines), Inc. - International marketing and syndication of the Parent Company's programs
RGMA Marketing and Productions, Inc. (GMA Records) - Music recording, publishing and video distribution
Scenarios, Inc. - Design, construction and maintenance of sets for TV, stage plays and concerts; transportation services
Script2010, Inc. (Script2010)* - Design, construction and maintenance of sets for TV, stage plays and concerts; transportation and manpower services
Alta Productions Group, Inc. - Pre- and post-production services
GMA Marketing & Productions, Inc. (GMPI) - Exclusive marketing and sales arm of GMA's airtime; events management; sales implementation; traffic services and monitoring
Mediamerge Corporation** - Business development and operations for the Company's online publishing/advertising initiatives
Digify, Inc. (Digify)** - Crafting, planning and handling advertising and other forms of promotion including multi-media productions

JOINT VENTURES (50% Ownership)

INQ7 Interactive, Inc. - Internet publishing
Philippine Entertainment Portal, Inc. (PEP)** - Internet publishing

AFFILIATES (49% Ownership)

Mont-Aire Realty and Development Corp.*** - Real estate
RGMA Network, Inc. - 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.

CORPORATE CITIZENSHIP

GMA Network: A Heart that Beats for the Filipino

For the 21st century enterprise, being profitable and ensuring sustainability are complementary endeavors. As GMA Network pulls all stops to gain dominance in ratings and revenues, so too, does it consistently engage in corporate responsibility initiatives that promote the welfare of the Filipino audience. Doing well and doing good are musts for a business to be a relevant contributor to national progress and development.

GMA Network Excellence Award

Living up to its credo of excellence in everything it does, the Kapuso Network presents the GMA Network Excellence Award (GNEA) to a graduating Mass Communication or Engineering student who shows great promise of being a stalwart of the media industry. Through GNEA, GMA inspires future media practitioners to seamlessly fuse together active civic involvement, stellar academic performance as well as innovation and creativity as a lifestyle.

In 2015, a total of 28 nominees from all over the country vied for the Award. The 2015 GMA Network Excellence Awardee, Mari Angelyn M. Arambulo, (Magna Cum Laude, BA Communication Research, University of the Philippines-College of Mass Communication) received P50,000 and a special plaque. Six other finalists were each given P5,000 and a special plaque:

- Kiersnerr Gerwin B. Tacadena, Cum Laude, BA Journalism, UP-CMC
- Edmer C. Maguan, Magna Cum Laude, BA Communication Research, UP-CMC
- Ma. Regina T. Lopez, Magna Cum Laude, BA Communication Research, UP-CMC
- Darlene Amabele P. Salunga, Magna Cum Laude, AB Communication, Angeles University Foundation
- Perry S. Saico, BS in Electronics and Communications Engineering, Wesleyan University Philippines
- Lord Bien Lelay, Cum Laude, Bachelor of Arts in Journalism, University of Sto. Tomas

The panel of judges for GNEA:

- Dr. Orlando Mercado, President, Kapwa Ko Mahal Ko Foundation
- Neil Gumban, Assistant Vice President for Public Affairs, GMA Network
- Jose Sixto "Dingdong" Dantes III , Kapuso actor and Chairman, Yes Pinoy Foundation; he also served as GNEA's Ambassador

GMA's partners for GNEA:

- University of the Philippines-College of Mass Communication (Diliman)
- Angeles University Foundation
- Don Bosco Technical College
- Yes Pinoy Foundation
- Air 21

The Compleat Information Source

Believing that information is power and that an empowered citizenry drives progress, GMA Network is involved in a number of activities that give the Filipino audience relevant information to make them informed citizens.

First, the Kapuso Network provides free airtime to select organizations, both public and private, and their respective public service announcements. In 2015, across all its broadcast platforms, GMA ran a total of 493.59 minutes of ROS (run of station) plugs, equivalent to P173.42 million worth of airtime:

- GMA channel 7 - 140.17 minutes (P112.67 million)
- GMA News TV - 283.42 minutes (P52.83 million)
- DZBB - 31 minutes (P5.9 million)
- DWLS - 39 minutes (P2.02 million)

The Kapuso Network is also a consistent supporter of Metrobank Foundation's National Teachers' Month (NTM). To mark this national celebration, 30 teachers were treated to a special Kapuso experience – a comprehensive Studio Tour as well as back-to-back presentations on values in the classroom and how to use media as springboards for classroom teaching.

Helping Hands

In keeping with its oneness with the Filipino, GMA promotes volunteerism among its employees. To date, around 70 count themselves as GMA G.I.V.E.S (Guide. Interact. Volunteer. Educate. Serve), the Network's pool of employee-volunteers.

The volunteer activities implemented in 2015:

- Nurisha Feeding Program of Coke (from June to December)
- Anak TV's Larolympics, in celebration of GMA's 65th anniversary (27 June)
- Coastal Clean-up Day (19 September)
- Storytelling session and book distribution for Araw ng Pagbasa (27 November)
- Christmas outreach with the wards of Food for the Hungry Philippines

Aside from volunteerism, philanthropic work is also part of GMA's corporate DNA, primarily through its two socio-civic arms, the GMA Kapuso Foundation (GMAKF) and Kapwa Ko Mahal Ko (KKMK). GMAKF served 510,499 individuals through its various programs and projects in health, education, values-formation and environment while KKMK provided assistance to 86,849 people through medical and dental missions (in partnership with the SM Foundation), referrals to hospitals and other health care institutions and provision of medicines and laboratory/surgical diagnosis.

Kapuso Foundation reached out to more than 1.5 million individuals.

BOARD OF DIRECTORS

ROBERTO O. PAREL
Corporate Secretary

FELIPE S. YALONG
Director

DR. JAIME C. LAYA
Independent Director

GILBERTO R. DUAVIT, JR.
President and COO

CHIEF JUSTICE ARTEMIO V. PANGANIBAN
Director

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 New Media, Inc.; 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., Capitalex 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 achievements 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, Bronzeoak 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, Fundacin 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.

EXECUTIVE COMMITTEE

1 **GILBERTO R. DUAVIT, JR.**
Chairman

2 **FELIPE L. GOZON**
Member

3 **JOEL MARCELO G. JIMENEZ**
Vice-Chairman

HEADS OF SUBSIDIARIES

1 **GILBERTO R. DUAVIT, JR.** Chairman of GMA Network Films, Inc. and GMA Worldwide, Inc.; President/CEO of Scenarios, Inc., Script2010, Inc., RGMA Marketing and Productions, Inc.; President of Citynet Network Marketing and Productions, Inc. and MediaMerge Corp.

2 **FELIPE L. GOZON** Chairman and CEO of GMA Marketing and Productions, Inc. and GMA New Media, Inc.; Chairman of Alta Productions, Inc., Citynet Network Marketing and Productions, Inc., RGMA Marketing and Productions, Inc., Scenarios, Inc., Script2010, Inc., Digify, Inc. and MediaMerge Corp.

3 **EDILBERTO I. GALLARES** President and COO, GMA New Media, Inc. and President, Digify, Inc.

4 **ANNA TERESA G. ABROGAR** President of GMA Worldwide, Inc. and GMA Network Films, Inc.

5 **EDMUND A. ALCARAZ** President and COO, Alta Productions, Inc.

6 **LIZELLE G. MARALAG** President and COO, GMA Marketing and Productions, Inc.





VICE PRESIDENTS

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Corporate Communications

MA. NENITA E. CRUZ 2
Information and
Communications Technology

GERROME Y. APOLONA 3
HRD

PAUL HENDRIK P. TICZON 4
Post Production Operations

MA. LUZ P. DELFIN 5
Legal Affairs

MA. REGINA A. MAGNO 6
Drama Productions

HORACIO G. SEVERINO 7
Professional Development

AYAHL ARI AUGUSTO P. CHIO 8
Administration and Investor Relations

MARIVIN T. ARAYATA 9
Entertainment TV/Head,
Comedy/Game

MARY GRACE D. REYES 10
News Operations

VICTORIA T. ARRADAZA 11
Supply and Asset Management

AWARDS


BEST USE OF CSR
BRONZE
GMA Marketing and Productions
THE LOYALTY & ENGAGEMENT AWARDS 2015
BEST ENGAGEMENT STRATEGY FOR A FEMALE AUDIENCE
GOLD
Del Monte Philippines
BRAND
Del Monte Kitchenomics
AGENCY
GMA Marketing and Productions
THE LOYALTY & ENGAGEMENT AWARDS 2015
BEST ENGAGEMENT STRATEGY BY A MEDIA OWNER
SILVER
GMA Marketing and Productions
THE LOYALTY & ENGAGEMENT AWARDS 2015

2015 NEW YORK FESTIVALS
- Gold World Medal, Best Public Affairs Program – **Front Row: ALS**
- Bronze World Medal, Community Portraits – **Reporter's Notebook: Burak at Pangarap**
- Bronze World Medal, Human Concerns – **Motorcycle Diaries: Karapatan ng Bata**
- Bronze World Medal, Station/Image Promotion – **GMA News TV Station ID: May Pag-asa**
- Finalist Certificate, Human Interest – **Kapuso Mo, Jessica Soho: From Saudi With Love**
- Finalist Certificate, Best Camerawork – **Katipunan: Teresa**
- Finalist Certificate, Biography/Profiles – **Reel Time: Dungkoy**
- Finalist Certificate, Film: Documentaries – **Walang Rape sa Bontok**

GLOBAL MEDIA ICON OF THE YEAR (MASTER CLASS CATEGORY)
- **Felipe L. Gozon**

GLOBAL LEADERSHIP AWARDS (EXCELLENCE IN MEDIA SECTOR)
- **Felipe L. Gozon**

2015 READER'S DIGEST TRUSTED BRANDS
- Most Trusted News Presenter Award (5th in a row) – **Jessica Soho**

2015 US INTERNATIONAL FILM AND VIDEO FESTIVAL
- Gold Camera, Public Affairs Programs – **Front Row: ALS**
- Silver Screen, Newscasts – **24 Oras: Typhoon Mario Special Coverage**
- Silver Screen, Current Affairs – **Pagbangon**
- Silver Screen, Environment, Ecology – **Brigada: Balon ng Ginto**
- Silver Screen, Social Issues – **I Juander: Hanggang saan ang kayang gawin ni Juan para sa pag-aaral?**
- Silver Screen, Variety – **Sunday All Stars**
- Silver Screen, Telenovelas – **Ang Dalawang Mrs. Real**

CERTIFICATES FOR CREATIVE EXCELLENCE
- **I-Witness: Dorm 12** (Social Issues)
- **I-Witness: Rape of Manila** (History)
- **Kapuso Mo, Jessica Soho: From Saudi with Love** (Magazine Format)
- **Tunay na Buhay: Mga Sanggol at Langaw** (Social Issues)
- **Investigative Documentaries: Tan Political Clan** (Political, Government)
- **Reel Time: Pudong** (Cultural Issues)
- **Pop Talk: Vigan Food Crawl** (Travel)
- **24 Oras Weekend: Typhoon Ruby** (Newscasts)
- **State of the Nation with Jessica Soho: Justice for the Fallen 44** (Continuing News Stories)
- **Balita Pilipinas Ngayon: Typhoon Glenda** (Breaking News Stories)
- **Sa Puso ni Dok** (Mini-Series)
- **Ilustrado** (Cinematography)
- **GMA News TV Station ID: May Pag-asa** (Station ID)

ASIA-PACIFIC LOYALTY AND ENGAGEMENT AWARDS 2015
- Gold, Best Engagement Strategy for a Female Audience – **Del Monte Kitchenomics Branded App**
- Silver, Best Engagement Strategy by a Media Owner – **Kapuso Milyonaryo**
- Bronze, Best Use of CSR – **Share the Love Branded Station ID**

2015 ASIA PACIFIC CHILD RIGHTS AWARD
- Winner - **Reel Time's Buho**

ASIAN TELEVISION AWARDS
- Finalist, Best Game Program – **Celebrity Bluff**
- Finalist, Best Comedy Performance by an Actor – **Michael V.**

MOB-EX AWARDS 2015 SOUTH-EAST ASIA
Gold, Best App/Content by a Media Owner – **Del Monte Kitchenomics**
Gold, Best Use of Incentives and Rewards – **Kapuso Milyonaryo Mobile App**
Gold, Best In-App Advertising - **Del Monte Kitchenomics**
Bronze, Best App/Content by a Media Owner - **Kapuso Milyonaryo Mobile App**
Bronze, Best In-App Advertising - **Kapuso Milyonaryo Mobile App**

2015 METROBANK FOUNDATION JOURNALIST OF THE YEAR (JOY)
- **Howie Severino**

2015 AIBD WORLD TV AWARDS
- Best Documentary, Dealing with Natural Disasters - **GMA News and Public Affairs Special: "Pagbangon"**

2015 AL JAZEERA INTERNATIONAL DOCUMENTARY FILM FESTIVAL
- Nominated - **Reel Time: Bato, Bato, Pick**

2015 UN WORLD CONFERENCE ON DISASTER RISK REDUCTION
- Best Investigative Story – **GMA News and Public Affairs Special: Oras Na**

PANATA MARKETING EFFECTIVENESS AWARDS
- Gold in the Advocacy Marketing Category, Single Medium TV Category – **GMA Share the Love Campaign**
- Silver, Advocacy Marketing Category – **GMA News TV Station ID: May Pag-Asa**
- Panata Awardee in the Advocacy Marketing Integrated Program Category – **Kapuso Milyonaryo**
- Bronze in the Branded Integrated Program – Brand Building (Promotions) Category – **Del Monte Kitchenomics Branded Content and Companion Mobile App**

2015 ASIA-PACIFIC TAMBULI AWARDS
- Silver, Advocacy Category – **GMA News TV Station ID: May Pag-Asa**

THE INTERNATIONAL FILM FESTIVAL FOR WOMEN, SOCIAL ISSUES, AND ZERO DISCRIMINATION
- Gold Award, Documentary Short Category – **Reel Time: Pula**

THE DOCUMENTARY AND SHORT INTERNATIONAL MOVIE AWARDS (JAKARTA, INDONESIA)
- Gold Award for International Documentary Feature, Cinematography, and Director – **Reel Time: Batang Halau**

2015 INTERNATIONAL GOLD PANDA AWARDS
- Nominee, Special Jury Award – **Reel Time: Bato, Bato, Pick**

NAMIC EXCELLENCE IN MULTICULTURAL MARKETING AWARDS (EMMA)
- 1st Place, Marketing Tactics Print – **More to Love Print Ad for Telus**
- 2nd Place, Marketing Tactics All Other Media – **Alex Esclamado Memorial Award**
- 2nd Place, Marketing Tactics Premium – **GMA Pinoy TV Loud Basstard Bamboo Speaker**
- 3rd Place, Marketing Tactics All Other Media – **Home Away from Home: Battad Episode**
- 3rd Place, Marketing Tactics Social Media – **Ilustrado World Premiere Tweet Up Promo**

URTI GRAND PRIX FOR AUTHOR'S DOCUMENTARY
- Finalist – **Front Row: Lusong Dunong**

ASIA-PACIFIC SPARK AWARDS 2015
- Platinum, Best in Show – **GMA Marketing and Productions Inc.**
- Gold, Best Content Team – **GMA Marketing & Productions Inc.**
- Gold, Best App by a Media Owner – **Del Monte Kitchenomics**
- Gold, Best Corporate Branding by a Media Owner – **Share the Love campaign**
- Gold, Best Use of Branded Content by a Media Owner – **Christmas Short Film: Cebuana Lhuillier Happiest Pinoy**
- Gold, Best Engagement Strategy – **Kapuso Milyonaryo**
- Gold, Best Media Solution Digital – **Del Monte Kitchenomics**
- Gold, Best Programme Promotion – **#GoManny: Pacquiao-Mayweather Fight campaign**
- Silver, Best Media Solution Digital – **#GoManny: Pacquiao-Mayweather Fight campaign**
- Silver, Best Media Solution TV/Online Video – **Share the Love Campaign**
- Silver, Best Use of Branded Content – **Christmas Short Film: Lady's Choice Santa**
- Bronze, Best Campaign by a Media Owner – **Del Monte Kitchenomics**
- Bronze, Most Improved Offering by a Media Owner – **Del Monte Kitchenomics**

TOURISM STAR AWARD
- **Biyahe ni Drew** host **Drew Arellano** in the Media Category

NRCP ACHIEVEMENT AWARD (NATIONAL RESEARCH COUNCIL OF THE PHILIPPINES) 2014
- **Nathaniel " Mang Tani" Cruz**

VOLUNTEERS AGAINST CRIME & CORRUPTION (VACC) AWARDS
- Outstanding Radio Station – **DZBB 594khz**
- Outstanding Radio Anchor – **Mike Enriquez**
- Outstanding Television News Program – **24 Oras**
- Outstanding Television Anchors – **Mike Enriquez, Mel Tiangco & Vicky Morales (24 Oras)**

SPECIAL AWARDS
- Radio Program – **Saksi Sa Dobol B**
- Radio Anchor – **Joel Zobel**
- Television Station – **GMA 7**
- Television Reporters – **John Consulta & Marisol Abdurahman**
- Television News Programs – **State of the Nation with Jessica Soho and Quick Response Team**
- Television News Anchors – **Jessica Soho and Jiggy Manicad**

MANUEL LUIS QUEZON GAWAD PARANGAL
- Outstanding and longest running institution and program – **Kapwa Ko, Mahal Ko**

PHILIPPINE STUDENT QUILL AWARD
Merit Award – **Julie Anne San Jose (What A Wonderful World Music Video)**

OFW GAWAD PARANGAL
- Outstanding Online News for OFWs – **GMA News Online**
- Best Actor – **Dingdong Dantes**
- Best Actress – **Maricel Soriano**
- Favorite Young Actor – **Alden Richards**
- Favorite Young Actress/Dubsmash Queen – **Maine Mendoza (Yaya Dub)**
- Favorite Actor/Comedian – **Wally Bayola**
- Most Popular Team – **ALDUB**

5TH PMAP MAKATAO AWARDS FOR MEDIA EXCELLENCE
- TV Station of the Year Award – **GMA 7**
- Best Public Affairs Host – **Jessica Soho**
- Best TV News Program – **Mel Tiangco**
- Best TV News Program – **24 Oras**

HALIGI AT ILAW NG BAYAN INC.
Best Professional Reporter – **JP Soriano**

SAVE THE CHILDREN AWARDS
- Outstanding Documentary, Special Citation (Short Film Category) – **I-Witness' Mga Anak ng Pugad Lawin**

ALTA MEDIA ICON AWARDS 2015
- Best Magazine Show – **I Juander**
- Best Noontime Variety Show – **Eat Bulaga**
- Best Documentary Program – **I-Witness**
- Best News Program – **State of the Nation**
- Best Lifestyle Program – **Ang Pinaka**
- Best Female News Personality – **Jessica Soho (State of the Nation)**
- Best Documentary Program Host – **Kara David (I-Witness)**
- Best Public Service Program – **Wish Ko Lang**
- Best Travel Show – **Biyahe ni Drew**
- Best Magazine Show Host – **Jessica Soho (Kapuso Mo, Jessica Soho)**
- Best Lifestyle Show Host – **Rovilson Fernandez**
- Best Travel Show Host – **Drew Arellano (Biyahe ni Drew)**

6TH ENPRESS GOLDEN SCREEN TV AWARDS:
- Outstanding Educational Program – **Aha**
- Outstanding Educational Program Host – **Drew Arellano**
- Outstanding Magazine Program – **Kapuso Mo, Jessica Soho**
- Outstanding Magazine Program Host – **Jessica Soho (Kapuso Mo, Jessica Soho)**
- Outstanding Documentary Program Host – **Sandra Aguinaldo (I-Witness: The Rape of Manila)**
- Outstanding Crime/Investigative Program – **Imbestigador**
- Outstanding Crime/Investigative Program Host – **Mike Enriquez**
- Outstanding Public Affairs Program – **Bawal ang Pasaway kay Mareng Winnie**
- Outstanding Public Affairs Program Host – **Winnie Monsod**
- Outstanding Documentary Program – **Reel Time: Dungkoy**
- Outstanding News Program – **State of the Nation with Jessica Soho**
- Outstanding Male News Presenter – **Jiggy Manicad (Quick Response Team)**
- Outstanding Female News Presenter – **Jessica Soho (State of the Nation)**
- Outstanding Game or Talent Program – **Celebrity Bluff**
- Outstanding Game or Talent Program Host – **Eugene Domingo (Celebrity Bluff)**
- Outstanding Gag Program – **Bubble Gang**
- Outstanding Comedy Program – **Pepito Manaloto, Ang Tunay na Kwento**
- Outstanding Supporting Actor in a Gag/Comedy Program – **Sef Cadayona (Bubble Gang)**
- Outstanding Supporting Actress in a Gag/Comedy Program – **Carmi Martin (Ismol Family)**
- Outstanding Performance by an Actor in a Gag/Comedy Program – **Michael V. (Pepito Manaloto)**
- Oustanding Variety Program – **Eat Bulaga**
- Outstanding Female Host in a Musical or Variety Program – **Julia Clarete (Eat Bulaga, Tape, Inc.)**
- Outstanding Adapted Drama Program – **Villa Quintana**
- Outstanding Original Drama Program – **Ang Dalawang Mrs. Real**
- Outstanding Breakthrough Performance by an Actor – **Andre Paras (The Half Sisters)**
- Outstanding Breakthrough Performance by an Actress – **Gabbi Garcia (My Destiny)**

- Outstanding Supporting Actress in a Drama Program – **Alessandra de Rossi**
- Outstanding Performance by an Actor in a Drama Program – **Dingdong Dantes (Ang Dalawang Mrs. Real)**
- Outstanding Performance by an Actress in a Drama Program – **Maricel Soriano (Ang Dalawang Mrs. Real)**

PHILIPPINE PUBLIC SAFETY & ORDER SUPPORT GROUP (PPSOSG)

- Most Understood TV Program for Environmental Issues – **Born to be Wild**
- Most Appreciated Crime Prevention TV Program Host – **Mike Enriquez**
- Most Understood and Appreciated TV Weather Presenter/Forecaster – **Nathaniel Cruz**
- Most Convincing TV Network Public Service Information Campaign – **I am Ready**

46TH BOX-OFFICE ENTERTAINMENT AWARDS (GUILLERMO AWARDS)

- Most Popular TV Program Game Show – **Celebrity Bluff**

PEP LIST AWARDS

- Newsmakers of the Year - **Dingdong Dantes and Marian Rivera**
- Daytime Show of the Year - **Dading**
- Teleserye Actor of the Year - **Gabby Eigenmann**
- Teleserye Actress of the Year - **Jennylyn Mercado**

37TH CATHOLIC MASS MEDIA AWARDS

- Best Adult Educational/Cultural Program – **I-Witness, Sandra Aguinaldo's "Kubling Yaman ng Cama Juan"**
- Best Drama Series/Program – **Ilustrado**
- Best Special Event Coverage – **Ang People's Pope sa Pilipinas**
- Best News Program – **24 Oras Weekend "Papal Visit in Tacloban" (Special Citation)**
- Best Station ID – **May Pag-asa**
- Best News Magazine – **Brigada, "Ang Papa sa Pilipinas"**
- Best News Magazine – **Investigative Documentaries, "Tulay" (Special Citation)**
- Best Comedy Program – **Pepito Manaloto**
- Best Branded TV Ad – **GMA Christmas Short Film of Cebuana Lhuillier (Winston)**

2015 ANAK TV AWARDS

Anak TV Seal Awardees:

- **Aha!**
- **Alamat**
- **Born To Be Wild**
- **Kapuso Mo, Jessica Soho**
- **Pinoy MD**
- **Wish Ko Lang**
- **Ang Pinaka**
- **Biyahe Ni Drew**
- **Good News**
- **I Juander**
- **Poptalk**

Makabata Stars:

- **Drew Arellano**
- **Kara David**
- **Vicky Morales**

Top Household Favorites:

- **24 Oras**
- **Kapuso Mo, Jessica Soho**
- **State of the Nation With Jessica Soho**

29TH STAR AWARDS FOR TELEVISION

- Best Drama Mini Series – **Ilustrado**
- Best Drama Actor – **Alden Richards (Ilustrado)**
- Best Public Service Program Host – **Vicky Morales (Wish Ko Lang)**
- Best Documentary Program – **I-Witness**
- Best Documentary Program Hosts – **Sandra Aguinaldo, Kara David, Howie Severino, Jay Taruc (I-Witness)**
- Best Morning Show Hosts – **Arnold Clavio, Rhea Santos-de Guzman, Ivan Mayrina, Connie Sison, Susan Enriquez, Nathaniel Cruz, Lyn Ching-Pascual, Lhar Santiago, Suzi Abrera, Luane Dy, Love Añover, Tonipet Gaba, Winnie Monsod, Regine Tolentino, Atty. Gaby Concepcion (Unang Hirit)**
- Best News Program – **State of the Nation with Jessica Soho**
- Best Female News Newscaster – **Jessica Soho (SONA)**
- Best Travel Show – **Biyahe Ni Drew**
- Best Travel Show Host – **Drew Arellano (Biyahe Ni Drew)**

2ND INDING INDIE SHORT FILM FESTIVAL

- Asian Excellence Award Most Outstanding TV News Station – **GMA7**
- Asian Excellence Award Most Outstanding TV News Program of the Year – **24 Oras**
- Asian Excellence Award Best TV Program of the Year – **State of the Nation with Jessica Soho**
- Asian Excellence Award Best Public Service TV Program of the Year – **Wish Ko Lang**

3RD KAGITINGAN AWARDS FOR TELEVISION – BATAAN PENINSULA STATE UNIVERSITY

- Pinakamagiting na Programang Pantelebisyon – **Kapuso mo, Jessica Soho, AHA!, 24 Oras, I-Witness, Born to be Wild, Reporter's Notebook, Biyahe Ni Drew, Pepito Manaloto, Eat Bulaga**
- Pinakamagiting na Istasyong Pantelebisyon – **GMA Network**

THE 9TH UPLB ISKO'T ISKA'S BROADCAST CHOICE AWARDS (GANDINGAN)

- Best Morning Show – **Unang Hirit**
- Best Morning Show Hosts – **Unang Hirit hosts**
- Best Investigative Program – **Reporter's Notebook (Agaw Buhay)**
- Best Documentary Program – **I-Witness (Buwis, Gabay, Buhay)**
- Best Documentary Program Host – **Sandra Aguinaldo (I-Witness)**
- Best Magazine Program – **Kapuso Mo, Jessica Soho**
- Best Magazine Program Host – **Jessica Soho (KMJS)**
- Best News program – **24 Oras (Bagyong Yolanda)**
- Gandingan ng Kalikasan – **Born to be Wild**
- Gandingan ng Kalikasan Hosts – **Ferds Recio and Nielsen Donato**
- Best Investigative Program Host – **Jessica Soho (Brigada - GNTV)**
- Best News Anchor – **Jessica Soho (State of the Nation with Jessica Soho - GNTV)**
- Gandingan ng Kababaihan – **Investigative Documentaries' Kakaibang Eba**
- Gandingan ng Kababaihan Host – **Malou Mangahas (Investigative Documentaries - GNTV)**

PILLARS OF HOPE – ETON INTERNATIONAL SCHOOL

- **Mike Enriquez**
- **Jay Taruc**

SCHOOL PRESS ADVISERS' MOVEMENT AWARDS

- **Mel Tiangco** – SPAM's Award of Excellence in the Field of Broadcasting (3rd recipient of the award); SPAM's Award of Excellence as a News Anchor (1st recipient)


GLOBAL LEADERSHIP AWARDS 2015
TRUE AWARDS FOR REAL LEADERS
GMA NETWORK INC.
EXCELLENCE IN MEDIA SECTOR

SOTERO H. LAUREL AWARDS – LYCEUM OF THE PHILIPPINES UNIVERSITY
- Media Personality of the Year – **Nathaniel "Mang Tani" Cruz**

COMGUILD MEDIA AWARDS 2015
- Best Magazine Show – **Kapuso Mo, Jessica Soho**
- Best Educational Program – **Born to be Wild**
- Best News Program of the Year – **24 Oras**
- Most Outstanding Male News Presenter of the Year – **Mike Enriquez**
- Best Lifestyle Program – **Biyahe ni Drew**
- 2015 Hall of Fame for the Best Female Field Reporter – **Kara David**
- 2015 Hall of Fame for the Most Outstanding Female News Presenter – **Jessica Soho**

5TH EDUKCIRCLE FILM AND TELEVISION AWARD
- Most Outstanding Journalist in Public Service – **Mel Tiangco (Kapuso Foundation)**
- Best Female News Anchor of the Year – **Jessica Soho (State of the Nation with Jessica Soho)**
- Best Health Show Host – **Connie Sison (Pinoy MD)**
- Most Influential Film Child Star of the Year – **Ryzza Mae Dizon**
- Most Influential Celebrity Endorser of the Year – **Vic Sotto**
- Most Influential Concert Performer of the Year – **Regine Velasquez**
- Most Popular Breakout Loveteam of the Year – **Alden Richards and Maine Mendoza**

HILDEGARDE AWARDS FOR WOMEN IN MEDIA AND COMMUNICATION – ST. SCHOLASTICA'S COLLEGE
- Outstanding Achievement in the Broadcast Journalism Category – **State of the Nation with Jessica Soho, Biyahe ni Drew**

2ND GAWAD BAGANI
- Radio Category – **Arnold Clavio**
- Television Category – **Kara David**

1ST MITV GAWAD KAMALAYAN 2015
- A Tribute to **Pinoy Sports**
- Natatanging Programang Pang Kalikasan – **Born to be Wild**
- Natatanging Programang Pang Kalikasan Host – **Ferdinand Recio**
- Natatanging Programa Pang Turismo at Paglalakbay – **Biyahe ni Drew (GNTV)**
- Natatatanging Programa Pang Turismo at Paglalakbay – **Biyahe Ni Drew (GNTV)**
- Natatanging Dokumentaryo – **I-Witness**
- Natatanging Host Pangpalakasan – **Chino Trinidad**
- Natatanging Informative Program – **I-Bilib**
- Natatanging Public Affairs Program Host – **Jessica Soho**
- Natatanging Comedy Program – **Bubble Gang**
- Natatanging Informative Program Host – **Chris Tiu**
- Natatanging Science and Technology Program – **AHA!**
- Natatanging Programa Pangpalakasan – **Ang Pagpupugay: A Tribute to Pinoy Sports (GNTV)**
- Natatanging Host sa Dokyumentaryo – **Kara David**
- Natatanging Public Affairs Program – **Kapuso Mo, Jessica Soho**

11TH USTV AWARDS
- Students' Choice of Public Affairs Program – **I-Witness**
- Students' Choice of Magazine Program – **Kapuso Mo, Jessica Soho**
- Students' Choice of Comedy Program – **Pepito Manaloto**
- Students' Leaders' Choice of TV Program – **Reporter's Notebook**
- Students' Choice of News Host (Female) – **Jessica Soho**
- Students' Choice of Magazine Program Host – **Drew Arellano**
- Students' Choice of Sports Personality – **Chris Tiu**
- Students' Choice of Social Media Campaign for Social Action – **Think Before You Click** (social media site)
- Students' Choice of Social Media Campaign for Social Socio-Cultural Development – **Kapuso Mo, Jessica Soho Official Page**
- Students' Choice of Outstanding Social Media Personality (Female Category) – **Marian Rivera**
- Award of Excellence for Magazine Program – **Kapuso Mo, Jessica Soho**
- Award of Excellence for Documentary Program – **I-Witness**
- Award of Excellence for Comedy Program – **Bubble Gang**
- Special Citation in recognition of its depiction of the call of the Holy Father for mercy and compassion in relation to the 2015 Papal Visit to the Philippines – **Blessed by the Pope Documentary**

UMALAHOKJUAN AWARDS 2015
- Best News Anchor – **Jessica Soho (State of the Nation)**
- Best Magazine Show – **Kapuso Mo, Jessica Soho**
- Best Public Service Program – **Imbestigador**

4TH KARITON REVOLUTION
- Tulakabataan Award – **Kara David**

6TH NORTHWEST SAMAR STATE UNIVERSITY STUDENT CHOICE AWARDS FOR RADIO AND TELEVISION (NSCART)
- Best Education Program – **Born to be Wild**
- Best Educational Program Host – **Chris Tiu (I-Bilib)**
- Best Variety Show Host – **Carla Abellana (Sunday All Stars)**
- Best Game Show – **Celebrity Bluff**
- Best Game Show Host – **Eugene Domingo (Celebrity Bluff)**
- Best Comedy Program – **Ismol Family**
- Best Primetime Teleserye – **Ang Dalawang Mrs. Real**
- Best Showbiz-Oriented Program Host – **Joey De Leon**
- Best Public Service Program – **Pinoy MD**
- Best Showbiz-Oriented Program – **Startalk**
- Best Public Service Program Host – **Connie Sison (Pinoy MD)**
- Best Documentary Program – **Reporter's Notebook**
- Best Documentary Program Host – **Jiggy Manicad (Reporter's Notebook)**
- Best News and Public Affairs Program – **Saksi**
- Best News and Public Affairs Male Anchor – **Arnold Clavio (Saksi)**
- Best News and Public Affairs Female Anchor – **Vicky Morales (Saksi)**

CIRCLE OF EXCELLENCE AWARDS

Special award given to programs/personalities who won five (5) consecutive times in the same category

- Morning Show – **Unang Hirit**
- Morning Show Host – **Arnold Clavio (Unang Hirit)**
- Noontime Variety Show – **Eat Bulaga**
- Noontime Variety Show Host – **Vic Sotto**
- Comedy Program – **Bubble Gang**
- Magazine Program – **Kapuso Mo, Jessica Soho**
- Magazine Program Host – **Jessica Soho (Kapuso Mo, Jessica Soho)**
- Public Service Program – **Wish Ko Lang**
- Public Service Program Host – **Vicky Morales (Wish Ko Lang)**
- Documentary Program – **I-Witness**
- Journalism Program – **Imbestigador**
- Investigative Journalism Program Host – **Mike Enriquez (Imbestigador)**
- Public Affairs Male Anchor – **Mike Enriquez (24 Oras)**
- Public Affairs Female Anchor – **Mel Tiangco (24 Oras)**
- Public Affairs Program – **24 Oras**

5TH ADAMSON MEDIA AWARD

- **Vicky Morales**

2ND PARAGALA: CENTRAL LUZON MEDIA AWARDS

- Best Female Child Performer – **Ryzza Mae Dizon (My Little Bossings)**
- Best Sitcom – **Pepito Manaloto**
- Best Gag Show – **Bubble Gang**
- Best Game Show – **Celebrity Bluff (GMA 7)**
- Best Gameshow Host – **Eugene Domingo (Celebrity Bluff)**
- Best Morning Show Host – **Arnold Clavio (Unang Hirit)**
- Best News Program – **24 Oras**
- Best News Program Male Anchor – **Mike Enriquez (24 Oras)**
- Best News Program Female Anchor – **Jessica Soho (State of the Nation)**
- Best Public Affairs Talk Show – **Tunay na Buhay**
- Best Magazine Show – **Kapuso Mo, Jessica Soho**
- Best Magazine Show Host – **Jessica Soho (Kapuso Mo, Jessica Soho)**
- Best Investigative Show – **Imbestigador**
- Best Documentary Show – **I-Witness**

13TH GAWAD TANGLAW

- Best Educational Program – **I-Bilib**
- Best Documentary Program – **I-Witness**
- Best Comedy/Gag Show – **Pepito Manaloto**
- Best Performance by an Actor (Single Performance) – **Keempee De Leon (The Eat Bulaga Lenten Special)**
- Development Communication Award for Comprehensive Coverage – **Saint John Paul II: The Canonization of John Paul II and John XXIII, A GMA News Special Coverage (April 25-27, 2014)**

PLATINUM STALLION MEDIA AWARDS 2015 (TRINITY UNIVERSITY OF ASIA)

- Best News Anchor – **Jessica Soho**
- Best Public Affairs Program – **Kapuso Mo, Jessica Soho**
- Most Trusted Field Reporter – **Kara David**
- Best Values-Oriented program – **Wish Ko Lang**
- Best Reality Show – **Survivor Philippines**
- Best Noontime Show – **Eat Bulaga**
- Best Documentary Show – **I-Witness**
- Best Primetime Show – **Once Upon A Kiss**
- Best Game Show – **Celebrity Bluff**
- Best Gag Show – **Bubble Gang**
- Best AM Radio Station – **GMA Super Radyo DZBB 594**
- Best Child Female Film Actress – **Ryzza Mae Dizon**
- Outstanding Trinitian Media Practitioner – **Raffy Tima**
- Outstanding Trinitian – **Vonne Aquino**

38TH GAWAD URIAN

- Pinakamahusay na Pangunahing Aktres – **Eula Valdez**
- Pinakamahusay na Pangalawang Aktres – **Gladys Reyes**
- Pinakamahusay na Pangalawang Aktor – **Martin del Rosario**
- Pinakamahusay na Maikling Pelikula – **Adolfo Alix, Jr.'s "Kinabukasan"**
- Pinakamahusay na Dokyumentaryo – **Lester Valle and Carla Ocampo's "Walang Rape sa Bontoc"**

MULAT DOCUMENTARY GUILD (DOCUFILM GROUP OF PUP)

- Woman of Philippine Youth Media – **Ms. Jessica Soho**

EASTERN VISAYAS STATE UNIVERSITY- ORMOC CITY CAMPUS 2ND STUDENTS' CHOICE MASS MEDIA AWARDS

- Best Magazine Show – **Kapuso Mo Jessica Soho**
- Best Female Newscaster – **Ms. Jessica Soho**
- Best Public Service Program – **Imbestigador**
- Best Variety Show – **Eat Bulaga**
- Best Love Team – **AlDub**

CORPORATE GOVERNANCE

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	
	Present	Absent
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.

FINANCIAL STATEMENTS

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 P13,727 million exhibiting a growth of P1,744 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 P1,702 million increase equivalent to 16% compared with same period a year ago. Political advocacies summed up to some P462 million, sans the impact of this non-recurring revenue, airtime sales was still ahead by a hefty P1,234 million or 12% versus a year ago. On the other hand, revenues from other sources which included subsidiaries and international operations concluded at P1,346 million, edging prior period by 3% or some P42 million.

The hike in consolidated revenues by a double-digit percentage of 15% this year was only met by a mere 2% or P171 million growth in total operating expenses (OPEX) ending at P10,745 million. Total production cost grew by 5% or P291 million but was cushioned by the reduction in general and administrative expenses (GAEX) which ended lower compared to last year by 2% or P120 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 P4,641 million, significantly higher than last year by 59% or a huge P1,717 million. Consequently, the Company sealed consolidated net income after tax for the year ended at P2,126 million, a solid P1,116 million or 111% increase over 2014's audited net income after tax of P1,010 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 P13,727 million, outpacing prior year's top-line performance by a whopping P1,744 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 P1,702 million or 16% vis-a-vis last year, while revenues from production and others pitched in a modest growth of P42 million or 3% with P1,346 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% 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 ratings 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 P10,745 million, inching up by only 2% compared with 2014's P10,574 million. Total cash OPEX stood at the same level as 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 P5,843 million by the end of twelve months in 2015, overtaking prior period by 5%. The P291 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.

Production Costs	**2015** *(in millions PhP)*	2014 *(in millions PhP)*	Inc/(Dec) *(in millions PhP)*	%
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 P4,902 million by the end of the year, even sliding by P120 million or 2% compared with the twelve-month period in 2014. This resulted from the considerable net decline in outside services by P81 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 evened out the said increases.

General and Administrative Expenses	**2015** (in millions PhP)	2014 (in millions PhP)	Inc/(Dec) (in millions PhP)	%
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 after tax 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 3% from end-2014's P14,020 million.

Cash and cash equivalents rose to P2,160 million, 35% or P561 million more than the P1,599 million recorded as at December 31, 2014. On the other hand, trade and other receivables sealed at P4,384 million, 1% higher than previous year.

Total liabilities dropped by 8% or P454 million as at end-December this year to P5,333 million from P5,787 million in 2014 mainly from payments of short-term loans which as at end-2015 stood at P1,153 million from P2,223 million a year ago. This was partly counterbalanced by the hike in trade payables & other current liabilities and income tax payable by P259 million and P298 million, respectively.

Equity attributable to Parent Company stockholders of P9,039 million grew by 10% or P848 million in between years arising from P2,126 million net income earned in 2015 subsequently offset by the dividend declared during the first half of 2015 of P1,215 million.

Cash Flows	**2015** (in millions PhP)	2014 (in millions PhP)
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 P3,462 million in 2015. This stemmed from income before income tax of P3,036 million, adjusted mainly by depreciation expense of P800 million, program and other rights usage of P755 million, pension expense of P167 million, interest expense and financing charges of P41 million, net unrealized foreign currency exchange loss of P24 million and amortization of software costs of P21 million apart from the changes in working capital. The primary components of the changes in working capital included the P127 million and P749 million upturn in trade and other receivables and program and other rights, respectively, partly offset by the P132 million dip in prepaid expense and other current assets.

Investing Activities

Net cash used in investing activities amounted to P540 million, coming primarily from the P553 million net additions to property and equipment. This was partly offset by the P22 million proceeds from sale of property and equipment.

Financing Activities

Net cash used in financing activities amounted to P2,392 million basically due from the loan payment of P2,325 million and cash dividend payout amounting to P1,224 million during the year, plus some P43 million in interest expense netted by P1,200 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 P11,983 million, 7% or nearly a billion shy compared to prior year's P12,951 million top line. Without some P724 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 P244 million.

The Company incurred total operating expenses (OPEX) amounting to P10,574 million in 2014, yielding a flat growth vis-a-vis 2013 spending. In fact, cash OPEX even contracted by P136 million or 1%, which was offset by the hike in non-cash spending by P144 million.

With the foregoing results, consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) for 2014 concluded at P2,925 million, lower than last year by P794 million or 21% with the shortfall in the top line accounting for the drag. Similarly, consolidated net income sealed at P1,010 million, down P665 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 P11,983 million, lower than prior period by 7% or P968 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 P1,048 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--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 P=80 million hike to P1,304 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 P10,574 million, about the same as 2013's P10,565 million. Total direct costs (cash and non-cash production costs) in fact even contracted by P346 million or 6%, but were equalized by the escalation in general and administrative expenses (GAEX) by P354 million or 8%.

Production costs (both cash and non-cash) comprising 53% of total costs wrapped up at P5,552 million, lower than previous year by P346 million or 6%. Cash production cost settled at P4,600 million even below 2013 spending by P444 million or 9%. This was partly offset by the rise in non-cash direct cost by P98 million or 12%. In particular, amortization of program rights grew by P81 million or 14% to P647 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.

Production Costs	**2014** *(in millions PhP)*	2013 *(in millions PhP)*	Inc/(Dec) *(in millions PhP)*	%
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 P5,022 million, equivalent to a 8% or P354 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 P232 million, higher by P91 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.

General and Administrative Expenses	2014 (in millions PhP)	2013 (in millions PhP)	Inc/(Dec) (in millions PhP)	%
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 P2,925 million, recording a 21% or P794 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 after tax was pushed back to P1,010 million, down P665 million or 40% from 2013's P1,675 million with the reduction in revenues year-on-year as the main culprit.

Balance Sheet Accounts

Total assets as at end-2014 stood at P14,021 million, reflecting a 7% increase from end-2013's P13,084 million.

Cash and cash equivalents dropped to P1,599 million, 9% or P151 million less than the P1,750 million recorded as at December 31, 2013. On the other hand, trade and other receivables sealed at P4,638 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 P1,529 million as at end-December this year to P5,787 million from P4,529 million in 2013 mainly from additional availments of short-term loans from P1,107 million last year to P2,223 million as at end-2014.

Equity attributable to Parent Company stockholders of P8,191 million dipped by 7% or P598 million in between years arising from dividend declared in 2014 of P1,312 million, aggravated by lower net income earned during the year.

Cash Flows	2014 (in millions PhP)	2013 (in millions PhP)
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 P662 million in 2014. This resulted from income before income tax of P1,457 million, adjusted mainly by depreciation expense of P776 million, program and other rights usage of P647 million, pension expense of P163 million, interest expense and financing charges of P36 million and amortization of software costs of P31 million apart from the changes in working capital. The primary components of the changes in working capital included the P1,115 million increase in trade and other receivables, partly offset by the P149 million rise in trade payables and other current liabilities.

Investing Activities

Net cash used in investing activities amounted to P553 million, coming primarily from the P599 million net additions to property and equipment and P22 million worth of software costs. These were partly offset by the P75 million and P2 million proceeds from sale of property and equipment and investment properties, respectively.

Financing Activities

Net cash used in financing activities amounted to P262 million basically due from the loan payment of P1,107 million and cash dividend payout amounting to P1,311 million during the year, plus some P35 million in interest expense netted by P2,192 million remaining proceeds from short-terms loans.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

April 8, 2016

Securities and Exchange Commission
SEC Building, EDSA Greenhills
Mandaluyong, Metro Manila

The management of GMA Network, Inc. and Subsidiaries (the Group) is responsible for the preparation and fair presentation of the consolidated financial statements as at December 31, 2015 and 2014 and for each of the three years in the period ended December 31, 2015, including the additional components attached therein, in accordance with the Philippine Financial Reporting Standards. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the consolidated financial statements and submits the same to the stockholders.

SyCip Gorres Velayo & Co., the independent auditors, appointed by the stockholders has examined the consolidated financial statements of GMA Network, Inc. and Subsidiaries in accordance with the Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such examination.

FELIPE L. GOZON
Chairman of the Board
Chief Executive Officer

GILBERTO R. DUAVIT, JR.
President
Chief Operating Officer

FELIPE S. YALONG
Executive Vice President
Chief Financial Officer

Audit and Risk Management Committee Report

Report of the Audit and Risk Management Committee to the Board of Directors
For the Year Ended 31 December 2015

The Audit and Risk Management Committee's roles and responsibilities are defined in the Company's Manual of Corporate Governance approved by the Board of Directors. It assists the Board of Directors in fulfilling its oversight responsibility to the shareholders relating to the a) financial statements and financial reporting process; b) system of internal controls; c) risk management; d) performance of internal and independent auditors; and e) compliance with legal and regulatory matters.

In compliance with the Company's Manual of Corporate Governance, we confirm that:

- An independent director chairs the Audit and Risk Management Committee;
- We had six (6) meetings during the year, all of which were in-person meetings and included an executive session with the internal auditors;
- We have reviewed and discussed the audited annual financial statements of GMA Network, Inc. and Subsidiaries (GMA Group), including Management's Discussion and Analysis of Financial Condition and Results of Operations, with the management, internal auditors and SGV & Co., the independent auditor of the GMA Group. These activities were performed in the following context:
    - That management has the primary responsibility for the financial statements and financial reporting process; and
    - That SGV & Co. is responsible for expressing an opinion on the conformity of the GMA Group's consolidated audited financial statements with the Philippine Financial Reporting Standards;
- We have discussed and approved the overall scope and the respective audit plans of the internal auditors and SGV & Co. We have also discussed the results of their audits and their assessment of the GMA Group's internal controls and the overall quality of the financial reporting process;
- We have reviewed and approved all audit, audit-related services provided by SGV & Co. to the GMA Group and the related fees for such services. There are no non-audit related services provided by SGV;
- We have reviewed the reports of the internal auditors and regulatory agencies, where applicable, ensuring that management is taking appropriate corrective actions in a timely manner, including addressing internal control and compliance issues; and
- We have reviewed and discussed the adequacy of the GMA Group's enterprise-wide risk management process, including the nature of significant risk exposures, the related risk mitigation efforts and initiatives. This activity was reviewed in the context that management is primarily responsible for the risk management process.

Based on the reviews and discussions undertaken, and subject to the limitations on roles and responsibilities referred to above, the Audit and Risk Management Committee recommends to the Board of Directors that the audited financial statements be included in the Annual Report for the year ended December 31, 2015 for filing with the Securities and Exchange Commission. We are also recommending to the Board of Directors the re-appointment of SGV & Co. as the GMA Group's independent auditor for 2016 based on the review of the performance and qualifications.

April 8, 2016

JAIME C. LAYA
Audit & Risk Management Committee Chairman

ARTEMIO V. PANGANIBAN
Audit & Risk Management Committee Vice Chairman

MICHAEL JOHN R. DUAVIT
Audit & Risk Management Committee Member

ANNA TERESA M. GOZON-ABROGAR
Audit & Risk Management Committee Member

LAURA J. WESTFALL
Audit & Risk Management Committee Member

Countersigned by:

FELIPE L. GOZON
Chairman of the Board & CEO

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
GMA Network, Inc.

We have audited the accompanying consolidated financial statements of GMA Network, Inc. and Subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2015 and 2014, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2015, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of GMA Network, Inc. and Subsidiaries as at December 31, 2015 and 2014, and their financial performance and their cash flows for each of the three years in the period ended December 31, 2015 in accordance with Philippine Financial Reporting Standards.

SYCIP GORRES VELAYO & CO.

Marydith C. Miguel

Marydith C. Miguel
Partner
CPA Certificate No. 65556
SEC Accreditation No. 0087-AR-3 (Group A),
January 18, 2013, valid until April 30, 2016
Tax Identification No. 102-092-270
BIR Accreditation No. 08-001998-55-2015,
February 27, 2015, valid until February 26, 2018
PTR No. 5321664, January 4, 2016, Makati City

April 8, 2016

GMA NETWORK, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2015	2014
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 6 and 30)	**₱2,160,298,125**	₱1,598,825,520
Trade and other receivables (Notes 7, 20, and 30)	**4,384,198,602**	4,323,976,349
Program and other rights (Note 8)	**1,192,607,228**	1,198,270,709
Prepaid expenses and other current assets (Note 9)	**1,069,029,207**	1,099,835,394
	8,806,133,162	8,220,907,972
Asset classified as held for sale (Note 10)	**–**	26,432,472
Total Current Assets	**8,806,133,162**	8,247,340,444
Noncurrent Assets		
Property and equipment:		
At cost (Note 12)	**3,127,843,301**	3,373,810,427
At revalued amounts (Note 13)	**1,802,522,857**	1,799,712,858
Available-for-sale financial assets (Notes 10, 30 and 31)	**191,116,881**	129,024,081
Investments and advances (Notes 11 and 20)	**147,652,576**	147,937,544
Investment properties (Notes 14 and 31)	**55,548,001**	58,811,306
Deferred income tax assets - net (Note 28)	**185,462,919**	147,400,799
Other noncurrent assets (Notes 15, 30 and 31)	**99,262,238**	116,368,389
Total Noncurrent Assets	**5,609,408,773**	5,773,065,404
TOTAL ASSETS	**₱14,415,541,935**	₱14,020,405,848
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term loans (Notes 17 and 30)	**₱1,152,970,000**	₱2,222,960,000
Trade payables and other current liabilities (Notes 16, 20, and 30)	**2,190,657,499**	1,931,183,185
Income tax payable	**359,645,980**	61,653,785
Current portion of obligations for program and other rights (Notes 18 and 30)	**220,843,041**	116,533,114
Dividends payable (Note 30)	**10,873,177**	9,698,035
Total Current Liabilities	**3,934,989,697**	4,342,028,119
Noncurrent Liabilities		
Pension liability (Note 26)	**1,102,714,871**	1,161,280,052
Other long-term employee benefits (Notes 26 and 31)	**295,717,251**	259,012,979
Deferred income tax liabilities - net (Note 28)	**–**	19,696,301
Noncurrent portion of obligations for program and other rights (Notes 18, 30 and 31)	**–**	5,193,223
Total Noncurrent Liabilities	**1,398,432,122**	1,445,182,555
Total Liabilities	**5,333,421,819**	5,787,210,674

(Forward)

	December 31	
	2015	2014
Equity Attributable to Equity Holders of the Parent Company		
Capital stock (Note 19)	**₱4,864,692,000**	₱4,864,692,000
Additional paid-in capital	**1,659,035,196**	1,659,035,196
Revaluation increment on land - net of tax (Note 13)	**1,017,247,029**	1,017,247,029
Remeasurement loss on retirement plans - net of tax	**(300,486,170)**	(313,328,670)
Net unrealized gain (loss) on available-for-sale financial assets - net of tax (Note 10)	**(59,671,681)**	5,019,775
Retained earnings (Note 19)	**1,892,306,756**	992,079,088
Treasury stocks (Note 19)	**(28,483,171)**	(28,483,171)
Underlying shares of the acquired Philippine Deposit Receipts (Note 19)	**(5,790,016)**	(5,790,016)
Total Equity Attributable to Parent Company	**9,038,849,943**	8,190,471,231
Equity Attributable to Non-controlling Interest (Note 2)	**43,270,173**	42,723,943
Total Equity	**9,082,120,116**	8,233,195,174
TOTAL LIABILITIES AND EQUITY	**₱14,415,541,935**	₱14,020,405,848

See accompanying Notes to Consolidated Financial Statements.

GMA NETWORK, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2015	2014	2013
NET REVENUES (Note 21)	**₱13,727,094,669**	₱11,982,888,346	₱12,950,879,322
PRODUCTION COSTS (Note 22)	**5,842,585,068**	5,551,782,964	5,956,381,705
GROSS PROFIT	**7,884,509,601**	6,431,105,382	6,994,497,617
GENERAL AND ADMINISTRATIVE EXPENSES (Note 23)	**4,902,372,023**	5,021,969,892	4,608,945,146
OTHER INCOME (EXPENSE) - NET			
Interest expense (Notes 17 and 18)	**(40,534,078)**	(34,258,441)	(51,661,084)
Interest income (Note 6)	**13,655,810**	15,640,942	23,990,805
Net foreign currency exchange loss	**(33,533,918)**	(12,972,272)	(31,320,982)
Equity in net earnings (losses) of joint ventures (Note 11)	**(3,113,716)**	5,338,761	(5,362,051)
Others - net (Note 25)	**117,553,460**	74,569,595	66,106,894
	54,027,558	48,318,585	1,753,582
INCOME BEFORE INCOME TAX	**3,036,165,136**	1,457,454,075	2,387,306,053
PROVISION FOR INCOME TAX (Note 28)			
Current	**954,898,842**	513,917,294	909,190,340
Deferred	**(44,562,213)**	(65,982,463)	(196,859,299)
	910,336,629	447,934,831	712,331,041
NET INCOME	**2,125,828,507**	1,009,519,244	1,674,975,012
OTHER COMPREHENSIVE INCOME (LOSS) - net of tax			
Item to be reclassified to profit or loss in subsequent periods -			
Net changes in the fair market value of available-for-sale financial assets (Note 10)	**(60,440,000)**	770,788	(982,740)
Recycling of fair value change of certain available-for-sale firnancial assets due to impairment and redemption (Note 10)	**(5,241,820)**	1,370,300	–
Income tax effect	**990,364**	(204,500)	–
	(64,691,456)	1,936,588	(982,740)
Items not to be reclassified to profit or loss in subsequent periods:			
Revaluation increment (decrement) on land (Note 13)	–	(5,587,193)	395,714,346
Remeasurement gain (loss) on retirement plans (Note 26)	**18,346,429**	(410,241,751)	(86,144,320)
Income tax effect	**(5,503,929)**	124,748,683	(92,871,008)
	12,842,500	(291,080,261)	216,699,018
	(51,848,956)	(289,143,673)	215,716,278
TOTAL COMPREHENSIVE INCOME	**2,073,979,551**	₱720,375,571	₱1,890,691,290
Net income attributable to:			
Equity holders of the Parent Company	**₱2,115,082,277**	₱1,004,651,016	₱1,666,949,855
Non-controlling interest (Note 2)	**10,746,230**	4,868,228	8,025,157
	₱2,125,828,507	₱1,009,519,244	₱1,674,975,012
Total comprehensive income attributable to:			
Equity holders of the Parent Company	**₱2,063,233,321**	₱714,300,986	₱1,882,666,133
Non-controlling interest (Note 2)	**10,746,230**	6,074,585	8,025,157
	₱2,073,979,551	₱720,375,571	₱1,890,691,290
Basic / Diluted Earnings Per Share (Note 29)	**₱0.435**	₱0.207	₱0.343

See accompanying Notes to Consolidated Financial Statements.

GMA NETWORK, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Equity Attributable to Equity Holders of the Parent Company										
	Capital Stock (Note 19)	**Additional Paid-in Capital**	**Revaluation Increment on Land** - Net of Tax (Note 13)	**Remeasurement Loss on Retirement Plans** - Net of Tax (Note 26)	**Net Unrealized Gain (Loss) on Available-for-sale Financial Assets** - Net of Tax (Note 10)	**Retained Earnings** (Note 19)	**Treasury Stocks** (Note 19)	**Underlying Shares of the Acquired Philippine Deposit Receipts** (Note 19)	**Total Equity Attributable to Parent Company**	**Non-controlling Interest** (Note 2)	**Total Equity**
Balances at January 1, 2015	**₱4,864,692,000**	**₱1,659,035,196**	**₱1,017,247,029**	**(₱313,328,670)**	**₱5,019,775**	**₱992,079,088**	**(₱28,483,171)**	**(₱5,790,016)**	**₱8,190,471,231**	**₱42,723,943**	**₱8,233,195,174**
Total comprehensive income:											
Net income	–	–	–	–	–	**2,115,082,277**	–	–	**2,115,082,277**	**10,746,230**	**2,125,828,507**
Other comprehensive income (loss)	–	–	–	**12,842,500**	**(64,691,456)**	–	–	–	**(51,848,956)**	–	**(51,848,956)**
Cash dividends - ₱0.25 a share (Note 19)	–	–	–	–	–	**(1,214,854,609)**	–	–	**(1,214,854,609)**	–	**(1,214,854,609)**
Cash dividends to non-controlling interest	–	–	–	–	–	–	–	–	–	**(10,200,000)**	**(10,200,000)**
Balances at December 31, 2015	**₱4,864,692,000**	**₱1,659,035,196**	**₱1,017,247,029**	**(₱300,486,170)**	**(₱59,671,681)**	**₱1,892,306,756**	**(₱28,483,171)**	**(₱5,790,016)**	**₱9,038,849,943**	**₱43,270,173**	**₱9,082,120,116**
Balances at January 1, 2014	₱4,864,692,000	₱1,659,035,196	₱1,021,158,064	(₱24,953,087)	₱3,083,187	₱1,299,681,650	(₱28,483,171)	(₱5,790,016)	₱8,788,423,823	₱36,649,358	₱8,825,073,181
Total comprehensive income:											
Net income	–	–	–	–	–	1,004,651,016	–	–	1,004,651,016	4,868,228	1,009,519,244
Other comprehensive income (loss)	–	–	(3,911,035)	(288,375,583)	1,936,588	–	–	–	(290,350,030)	1,206,357	(289,143,673)
Cash dividends - ₱0.27 a share (Note 19)	–	–	–	–	–	(1,312,253,578)	–	–	(1,312,253,578)	–	(1,312,253,578)
Balances at December 31, 2014	₱4,864,692,000	₱1,659,035,196	₱1,017,247,029	(₱313,328,670)	₱5,019,775	₱992,079,088	(₱28,483,171)	(₱5,790,016)	₱8,190,471,231	₱42,723,943	₱8,233,195,174
Balances at January 1, 2013	₱4,864,692,000	₱1,659,035,196	₱744,158,022	₱35,347,937	₱4,065,927	₱847,781,404	(₱28,483,171)	(₱5,790,016)	₱8,120,807,299	₱28,624,201	₱8,149,431,500
Total comprehensive income:											
Net income	–	–	–	–	–	1,666,949,855	–	–	1,666,949,855	8,025,157	1,674,975,012
Other comprehensive income (loss)	–	–	277,000,042	(60,301,024)	(982,740)	–	–	–	215,716,278	–	215,716,278
Cash dividends - ₱0.25 a share (Note 19)	–	–	–	–	–	(1,215,049,609)	–	–	(1,215,049,609)	–	(1,215,049,609)
Balances at December 31, 2013	₱4,864,692,000	₱1,659,035,196	₱1,021,158,064	(₱24,953,087)	₱3,083,187	₱1,299,681,650	(₱28,483,171)	(₱5,790,016)	₱8,788,423,823	₱36,649,358	₱8,825,073,181

See accompanying Notes to Consolidated Financial Statements.

GMA NETWORK, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2015	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱3,036,165,136**	₱1,457,454,075	₱2,387,306,053
Non-cash adjustments to reconcile income before income tax to net cash flows:			
Depreciation and amortization (Notes 12, 14, 22 and 23)	**800,272,014**	776,525,812	705,440,885
Program and other rights usage (Notes 8 and 22)	**754,638,743**	646,680,799	565,357,691
Pension expense (Note 26)	**166,938,102**	163,016,525	116,158,183
Interest expense (Notes 17 and 18)	**40,534,078**	34,258,441	51,661,084
Net unrealized foreign currency exchange loss	**24,267,569**	12,357,814	45,628,791
Gain on disposal of asset held for sale (Notes 10 and 25)	**(23,567,528)**	–	–
Amortization of software costs (Notes 15 and 23)	**20,680,531**	23,369,011	30,995,844
Gain on sale of property and equipment (Note 25)	**(19,962,498)**	(32,321,569)	(11,243,730)
Interest income (Note 6)	**(13,655,810)**	(15,640,942)	(23,990,805)
Provisions for doubtful accounts (Notes 7 and 23)	**8,581,859**	715,495	848,005
Recycling of fair value change of certain available for-sale financial assets due to redemption (Note 10)	**(6,601,820)**	–	–
Equity in net losses (earnings) of joint ventures (Note 11)	**3,113,716**	(5,338,761)	5,362,051
Impairment loss on available-for-sale financial assets (Notes 10 and 23)	**1,360,000**	1,370,300	1,053,550
Loss on asset disposed/written off (Note 25)	**1,113,094**	3,624,011	2,703,576
Loss on redemption of available-for-sale financial assets (Note 25)	**147,380**	–	–
Dividend income (Note 25)	**–**	(514,942)	(22,130,300)
Gain on sale of investment properties (Note 25)	**–**	(396,813)	–
Working capital adjustments:			
Decreases (increases) in:			
Short-term investments	**–**	7,874,002	664,140
Trade and other receivables	**(126,593,181)**	(933,327,414)	373,295,344
Program and other rights (Note 8)	**(748,975,262)**	(635,722,227)	(585,446,302)
Prepaid expenses and other current assets	**29,693,093**	(331,402,718)	88,989,835
Increases (decreases) in:			
Trade payables and other current liabilities	**229,032,100**	150,800,771	187,053,120
Obligations for program and other rights	**99,116,704**	(51,500,114)	(76,383,888)
Other long-term employee benefits	**36,704,272**	12,240,548	21,711,880
Contributions to retirement plan assets (Note 26)	**(172,681,390)**	(17,595,626)	(3,578,687)
Benefits paid out of Group's fund	**(34,475,464)**	–	(420,198)
Cash flows provided by operations	**4,105,845,438**	1,266,526,478	3,861,036,122
Interest received	**13,444,879**	15,886,283	24,023,042
Income taxes paid	**(656,906,736)**	(619,881,084)	(829,742,855)
Net cash flows from operating activities	**3,462,383,581**	662,531,677	3,055,316,309
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Property and equipment (Note 12)	**(552,797,608)**	(563,896,491)	(672,652,227)
Land at revalued amount (Note 13)	**(2,809,999)**	–	–
Software costs (Note 15)	**(2,170,075)**	(21,632,058)	(12,309,842)
Investment properties (Note 14)	**(105,411)**	(3,299,279)	(1,846,519)
Proceeds from:			
Sale of property and equipment	**21,823,934**	38,540,596	13,257,506
Redemption of available-for-sale financial assets	**718,000**		
Sale of investment properties	**–**	2,200,001	–

(Forward)

	Years Ended December 31		
	2015	2014	2013
Decreases (increases) in other noncurrent assets	**(₱1,404,305)**	(₱2,510,978)	₱7,465,632
Advances to an associate and joint ventures (Notes 11 and 20)	**(2,828,748)**	(3,134,845)	–
Cash dividends received	–	65,902	–
Net cash flows used in investing activities	**(539,574,212)**	(553,667,152)	(666,085,450)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from availments of short-term loans (Note 17)	**1,200,000,000**	2,191,559,000	1,825,000,000
Payments of:			
Short-term loans (Note 17)	**(2,325,197,500)**	(1,106,824,000)	(2,500,000,000)
Cash dividends (Notes 2 and 19)	**(1,223,879,467)**	(1,311,424,172)	(1,213,829,077)
Interest expense	**(43,199,728)**	(35,317,535)	(52,848,510)
Net cash flows used in financing activities	**(2,392,276,695)**	(262,006,707)	(1,941,677,587)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**530,532,674**	(153,142,182)	447,553,272
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**30,939,931**	2,336,506	14,792,364
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**1,598,825,520**	1,749,631,196	1,287,285,560
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 6)	**₱2,160,298,125**	₱1,598,825,520	₱1,749,631,196

See accompanying Notes to Consolidated Financial Statements.

GMA NETWORK, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. **Corporate Information**

GMA Network, Inc. (GNI or the Parent Company) and its subsidiaries (collectively referred to as "the Group") are incorporated in the Philippines. The Group is primarily involved in the business of radio and television broadcasting. The Group is also involved in film production and other information and entertainment-related businesses. The registered office address of the Parent Company is GMA Network Center, Timog Avenue corner EDSA, Quezon City. The Parent Company was registered with the Philippine Securities and Exchange Commission (SEC) on June 14, 1950. On July 20, 1995, the Board of Directors (BOD) approved the extension of the corporate term of the Parent Company for another 50 years from June 14, 2000. In 1997, the SEC approved the said extension.

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

The accompanying consolidated financial statements of the Group were approved and authorized for issue in accordance with a resolution of the Parent Company's BOD on April 8, 2016.

2. **Basis of Preparation and Consolidation, Statement of Compliance and Changes in Accounting Policies and Disclosures**

Basis of Preparation
The consolidated financial statements of the Parent Company and its subsidiaries have been prepared on a historical cost basis, except for available-for-sale (AFS) financial assets and land under property and equipment which are measured at fair value. The consolidated financial statements are presented in Philippine peso, which is the Parent Company's functional and presentation currency. All values are rounded to the nearest peso, except when otherwise indicated.

Statement of Compliance
The Group's consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS).

Basis of Consolidation
The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as at December 31, 2015 and 2014. The Group controls an investee if, and only if, the Group has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Right arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Company gains control until the date the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests (NCI), even if this results in the NCI having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Parent Company's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, NCI and other components of equity while any resultant gain or loss is recognized in the consolidated statements of income. Any investment retained is recognized at fair value.

NCI represent the interests in the subsidiaries not held by the Parent Company, and are presented separately in the consolidated statements of income and within equity in the consolidated statements of financial position, separately from equity attributable to holders of the Parent Company. NCI shares in losses even if the losses exceed the non-controlling equity interest in the subsidiary. NCI represents the equity interest in RGMA Network, Inc. (RGMA Network).

The consolidated financial statements include additional information about subsidiaries that have NCI that are material to the Parent Company. Management determined material partly-owned subsidiaries as those with balance of NCI greater than 5% of non-controlling interests and/or subsidiaries whose activities are important to the Group as at end of the year.

Financial information of RGMA Network, a subsidiary that has material NCI, are summarized below:

	2015	2014
Proportion of equity interest held by NCI	**51%**	51%
Accumulated balances of material NCI	**₱43,270,173**	₱42,723,943
Net income allocated to material NCI	**10,746,230**	4,868,228

The summarized financial information of RGMA Network are provided below.

Summarized Statements of Comprehensive Income

	2015	2014	2013
Revenues	**₱192,281,024**	₱161,305,678	₱161,133,002
Expenses	**(162,154,673)**	(147,595,904)	(138,656,364)
Provision for income tax	**(9,055,313)**	(4,164,229)	(6,741,036)
Net income	**21,071,038**	9,545,545	15,735,602
Other comprehensive income	–	2,365,404	–
Total comprehensive income	**₱21,071,038**	₱11,910,949	₱15,735,602
Net income attributable to:			
NCI	**₱10,746,230**	₱4,868,228	₱8,025,157
Parent Company	**10,324,808**	4,677,317	7,710,445
Total comprehensive income attributable to:			
NCI	**₱10,746,230**	₱6,074,585	₱8,025,157
Parent Company	**10,324,808**	5,836,364	7,710,445

Summarized Statements of Financial Position

	2015	2014
Total current assets	**₱146,954,805**	₱144,057,618
Total noncurrent assets	**26,103,632**	24,781,992
Total current liabilities	**15,718,355**	18,520,518
Total noncurrent liabilities	**74,635,860**	68,715,910
Total equity	**82,704,222**	81,603,182
Attributable to NCI	**₱43,270,173**	₱42,723,943
Attributable to equity holders of the Parent Company	**₱39,434,049**	₱38,879,239

Summarized Cash Flow Information

	2015	2014	2013
Operating	**₱17,479,616**	(₱4,136,038)	₱1,843,305
Investing	**(20,728,549)**	(610,168)	(1,330,054)
Net increase (decrease) in cash and cash equivalents	**(₱3,248,933)**	(₱4,746,206)	₱513,251

In 2015, RGMA declared and paid dividends amounting to ₱10.20 million to NCI. There were no dividends paid to NCI for the years ended 2014 and 2013.

The consolidated financial statements include the accounts of the Parent Company and the following subsidiaries as at December 31, 2015 and 2014:

	Principal Activities	Percentage of Ownership Direct	Percentage of Ownership Indirect
Entertainment Business:			
Alta Productions Group, Inc. (Alta)	Pre- and post-production services	100	–
Citynet Network Marketing and Productions, Inc. (Citynet)	Television entertainment production	100	–
GMA Network Films, Inc.	Film production	100	–
GMA New Media, Inc. (GNMI)	Converging Technology	100	–
GMA Worldwide (Philippines), Inc.	International marketing, handling foreign program acquisitions and international syndication of the Parent Company's programs	100	–
Scenarios, Inc.*	Design, construction and maintenance of sets for TV, stage plays and concerts; transportation services	100	–
RGMA Marketing and Productions, Inc.	Music recording, publishing and video distribution	100	–
RGMA Network	Radio broadcasting and management	49	–
Script2010, Inc.**	Design, construction and maintenance of sets for TV, stage plays and concerts; transportation and manpower services	–	100
Advertising Business:			
GMA Marketing & Productions, Inc. (GMPI)	Exclusive marketing and sales arm of the Parent Company's airtime; events management; sales implementation, traffic services and monitoring	100	–
Digify, Inc.***	Crafting, planning and handling advertising and other forms of promotion including multi-media productions	–	100
Others:			
Media Merge Corporation***	Business development and operations for the Parent Company's online publishing/advertising initiatives	–	100
Ninja Graphics, Inc.****	Ceased commercial operations in 2004	–	51

**Under liquidation*
***Indirectly owned through Citynet*
****Indirectly owned through GNMI*
*****Indirectly owned through Alta; ceased commercial operations in 2004*

Changes in Accounting Policies and Disclosures
The accounting policies adopted were consistent with those of the previous financial year, except for the adoption of the following amendments and improvements to the Philippine Accounting Standards (PAS) which became effective for annual periods beginning on or after January 1, 2015. The adoption of these amendments and improvements did not have significant impact on the Group's consolidated financial statements.

- Amendments to PAS 19, *Employee Benefits - Defined Benefit Plans: Employee Contribution*
- Annual Improvements to PFRS (2010-2012 Cycle)

  - PFRS 2, *Share-based Payment - Definition of Vesting Condition*
  - PFRS 3, *Business Combinations - Accounting for Contingent Consideration in a Business Combination*

- PFRS 8, *Operating Segments - Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets*
- PAS 16, *Property, Plant and Equipment - Revaluation Method - Proportionate Restatement of Accumulated Depreciation,* and PAS 38*, Intangible Assets - Revaluation Method - Proportionate Restatement of Accumulated Amortization*
- PFRS 24, *Related Party Disclosures - Key Management Personnel*

▪ Annual Improvements to PFRS (2011-2013 cycle)

- PFRS 3, *Business Combinations - Scope Exceptions for Joint Arrangement*
- PFRS 13, *Fair Value Measurement - Portfolio Exception*
- PAS 40, *Investment Property*

<u>Future Changes in Accounting Policies</u>
The Group did not early adopt the following new standards, amendments and improvements to PFRS and Philippine Interpretations that have been approved but are not yet effective.

Effective January 1, 2016

- PAS 16, *Property, Plant and Equipment*, and PAS 38, *Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortization* (Amendments)

  The amendments clarify the principle in PAS 16 and PAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through the use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment, and may only be used in very limited circumstances to amortize intangible assets. The amendments are effective prospectively for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments will not have any impact on the Group's consolidated financial statements as the Group has not used a revenue-based method to depreciate its noncurrent assets.

- PAS 16, *Property, Plant and Equipment*, and PAS 41, *Agriculture - Bearer Plants* (Amendments)

  The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of PAS 41. Instead, PAS 16 will apply. After initial recognition, bearer plants will be measured under PAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of PAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, PAS 20, *Accounting for Government Grants and Disclosure of Government Assistance*, will apply. The amendments are retrospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. The amendments are not applicable to the Group as it does not have any bearer plants.

- PAS 27, *Separate Financial Statements - Equity Method in Separate Financial Statements* (Amendments)

  The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures, and associates in their separate financial statements. Entities already applying PFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of PFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to PFRS. The amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments will not have any impact on the Group's consolidated financial statements.

- PFRS 11, *Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations* (Amendments)

  The amendments to PFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant PFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, scope exclusion has been added to PFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

  The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group.

- PFRS 14, *Regulatory Deferral Accounts*
  PFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of PFRS. Entities that adopt PFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and other comprehensive income. The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. PFRS 14 is effective for annual periods beginning on or after January 1, 2016. The standard is not applicable to the Group since it is an existing PFRS preparer.

- PFRS 10, *Consolidated Financial Statements*, PFRS 12, *Disclosure of Interests in Other Entities* and PAS 28, *Investments in Associates and Joint Ventures* - *Investment Entities: Applying the Consolidation Exception* (Amendments)

  These amendments clarify that the exemption in PFRS 10 from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity (IE) that measures all of its subsidiaries at fair value and that only a subsidiary of an IE that is not an IE itself and that provides support services to the IE parent is consolidated. The amendments also allow an investor (that is not an IE and has an IE associate or joint venture), when applying the equity method, to retain the fair value measurement applied by the IE associate or joint venture to its interests in subsidiaries. These amendments are effective from annual periods beginning on or after January 1, 2016. These amendments will not have any impact on the Group's consolidated financial statements since none of the entities within the Group is an IE nor does the Group have IE associates or joint venture.

- PAS 1, *Presentation of Financial Statements - Disclosure Initiative* (Amendments)

  The amendments are intended to assist entities in applying judgment when meeting the presentation and disclosure requirements in PFRS. The amendments clarify the following:

  - That entities shall not reduce the understandability of their financial statements by either obscuring material information with immaterial information; or aggregating material items that have different natures or functions;
  - That specific line items in the statement of income and OCI and the statement of financial position may be disaggregated;
  - That entities have flexibility as to the order in which they present the notes to financial statements;
  - That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

  Early application is permitted and entities do not need to disclose that fact as the amendments are considered to be clarifications that do not affect an entity's accounting policies or accounting estimates. The Group is currently assessing the impact of these amendments on its consolidated financial statements.

- Annual Improvements to PFRS (2012-2014 cycle)

  These improvements to the following standards and interpretations are effective for annual periods beginning on or before January 1, 2016 and are not expected to have a material impact on the Group's consolidated financial statements.

  - PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations - Changes in Methods of Disposal*

    The amendment is applied prospectively and clarifies that changing from a disposal through sale to a disposal through distribution to owners and vice-versa should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in PFRS 5. The amendment also clarifies that changing the disposal method does not change the date of classification.

  - PFRS 7, *Financial Instruments: Disclosures - Servicing Contracts*

    PFRS 7 requires an entity to provide disclosures for any continuing involvement in a transferred asset that is derecognized in its entirety. The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance in PFRS 7 in order to assess whether the disclosures are required. The amendment is to be applied such that the assessment of which servicing contracts constitute continuing involvement will need to be done retrospectively. However, comparative disclosures are not required to be provided for any period beginning before the annual period in which the entity first applies the amendments.

- PFRS 7 - *Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements*

  This amendment is applied retrospectively and clarifies that the disclosures on offsetting of financial assets and financial liabilities are not required in the condensed interim financial report unless they provide a significant update to the information reported in the most recent annual report.

- PAS 19, *Employee Benefits - Regional Market Issue Regarding Discount Rate*

  This amendment is applied prospectively and clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

- PAS 34, *Interim Financial Reporting - Disclosure of Information 'Elsewhere in the Interim Financial Report'*

  The amendment is applied retrospectively and clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report).

Effective January 1, 2018

- PFRS 9, *Financial Instruments*

  In July 2014, the International Accounting Standards Board (IASB) issued the final version of PFRS 9, *Financial Instruments*. The new standard (renamed as PFRS 9) reflects all phases of the financial instruments project and replaces PAS 39, *Financial Instruments: Recognition and Measurement,* and all previous versions of PFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. PFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions. Early application of previous versions of PFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before February 1, 2015.

  The Group is currently assessing the impact of the adoption of PFRS 9 on its consolidated financial statements.

In addition, the IASB has issued the following new standards that have not yet been adopted locally by the SEC and Financial Reporting Standards Council. The Group is currently assessing the impact of these new standards and plans to adopt them in their required effective dates once adopted locally.

- International Financial Reporting Standards (IFRS) 15, *Revenue from Contracts with Customers*

  IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2018 with early adoption permitted.

Effective January 1, 2019

- IFRS 16, *Leases*

  On January 13, 2016, the IASB issued its new standard, IFRS 16, *Leases*, which replaces International Accounting Standards (IAS) 17, the current leases standard, and the related Interpretations.

  Under the new standard, lessees will no longer classify their leases as either operating or finance leases in accordance with IAS 17. Rather, lessees will apply the single-asset model. Under this model, lessees will recognize the assets and related liabilities for most leases on their statement of financial position, and subsequently, will depreciate the lease assets and recognize interest on the lease liabilities in their statement of income. Leases with a term of 12 months or less or for which the underlying asset is of low value are exempted from these requirements.

  The accounting by lessors is substantially unchanged as the new standard carries forward the principles of lessor accounting under IAS 17. Lessors, however, will be required to disclose more information in their financial statements, particularly on the risk exposure to residual value.

  The new standard is effective for annual periods beginning on or after January 1, 2019. Entities may early adopt IFRS 16 but only if they have also adopted IFRS 15, *Revenue from Contracts with Customers*. When adopting IFRS 16, an entity is permitted to use either a full retrospective or a modified retrospective approach, with options to use certain transition reliefs.

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3. **Summary of Significant Accounting and Financial Reporting Policies**

<u>Investments in Associates and Joint Ventures</u>
An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associate and joint ventures are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate or joint venture since the acquisition date.

Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The Group's share of the results of operations of the associate or joint venture is included in profit and loss. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the consolidated statements of comprehensive income outside operating profit and represents profit or loss after tax and NCI in the subsidiaries of the associate or joint venture.

If the Group's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture, the Group discontinues recognizing its share of further losses.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognizes the loss under "Equity in net earnings (losses) of joint ventures" in the consolidated statements of comprehensive income.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in the consolidated statements of comprehensive income.

Current versus Noncurrent Classification
The Group presents assets and liabilities in consolidated statements of financial position based on current/noncurrent classification. An asset is current when it is:

- expected to be realized or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:

- it is expected to be settled in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as noncurrent.

Deferred income tax assets and liabilities are classified as noncurrent assets and liabilities.

Cash and Cash Equivalents
Cash includes cash on hand and in banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from acquisition date and that are subject to an insignificant risk of change in value.

Fair Value Measurement

The Group measures financial instruments at fair value at each reporting date. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarized in the following notes:

- Disclosures for significant estimates and assumptions, see Note 4
- Quantitative disclosures of fair value measurement hierarchy, see Note 31
- Investment properties, see Note 14
- Financial instruments (including those carried at amortized cost), see Note 31

Fair value is the estimated price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

<u>"Day 1" Difference</u>

Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a "Day 1" difference) in the consolidated statements of income unless it qualifies for recognition as some other type of asset. In cases where use is made of data which is not observable, the difference between the transaction price and model value is only recognized in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the "Day 1" difference amount.

<u>Financial Instruments - Initial Recognition and Subsequent Measurement</u>

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

<u>*Financial Assets*</u>

Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss (FVPL), loans and receivables, held-to-maturity (HTM) investments, AFS financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at FVPL, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group's financial assets include cash and cash equivalents, short-term investments, trade and other receivables (excluding advances to suppliers), refundable deposits (included under "Other noncurrent assets" account in the consolidated statements of financial position) and AFS financial assets.

The Group's financial liabilities include trade payables and other current liabilities (excluding payable to government agencies, customers' deposits and advaces from customers), short-term loans, current and noncurrent obligations for program and other rights and dividends payable.

Subsequent Measurement
For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at FVPL
- Loans and receivables
- HTM investments
- AFS financial assets

The Group did not classify any financial asset under financial assets at FVPL and HTM investments as at December 31, 2015 and 2014.

a. *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The effective interest amortization is included in interest income in profit or loss. The losses arising from impairment are recognized under "General and administrative expenses" account in the consolidated statements of comprehensive income.

The Group's cash and cash equivalents, receivables (excluding advances to suppliers) and refundable deposits (included under "other noncurrent assets" account) are classified as loans and receivables (see Notes 6, 7 and 15).

b. *AFS financial assets*

AFS financial assets include equity investments and debt securities. Equity investments classified as AFS are those that are neither classified as held for trading nor designated at FVPL. Debt securities in this category are those that are intended to be held for an indefinite period of time and that may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, AFS financial assets are subsequently measured at fair value with unrealized gains or losses recognized in OCI and credited in the AFS reserve until the investment is derecognized, at which time the cumulative gain or loss is recognized in profit or loss, or the investment is determined to be impaired, when the cumulative loss is reclassified from the AFS reserve to profit or loss. Interest earned while holding AFS financial assets is reported as interest income using the EIR method.

The Group evaluates whether the ability and intention to sell its AFS financial assets in the near term is still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if the management has the ability and intention to hold the assets for foreseeable future or until maturity.

For a financial asset reclassified from the AFS category, the fair value carrying amount at the date of reclassification becomes its new amortized cost and any previous gain or loss on the asset that has been recognized in equity is amortized to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortized cost and the maturity amount is also amortized over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to profit or loss.

The Group's investments in listed and unlisted equity securities and golf club shares are classified as noncurrent AFS investments (see Notes 10 and 31).

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statements of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset; or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of Financial Assets

Further disclosures relating to impairment of financial assets, if any, are also provided in the following notes:

- Disclosures for significant estimates and assumptions, see Note 4
- Trade and other receivables, see Notes 7 and 30
- AFS investments, see Notes 10 and 30
- Financial assets, see Note 30

The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial Assets Carried at Amortized Cost. If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original EIR (i.e., the EIR computed at initial recognition). The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss shall be recognized in the consolidated statements of comprehensive income. The financial assets, together with the associated allowance accounts, are written off when there is no realistic prospect of future recovery.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are no longer included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date. Any subsequent reversal of an impairment loss is recognized in the consolidated statements of comprehensive income. Interest income continues to be accrued on the reduced carrying amount based on the original EIR of the asset. Loans, together with the associated allowance, are written off when there is no realistic prospect of future recovery and all collateral, if any, has been realized or has been transferred to the Group. If a future write-off is later recovered, the recovery is recognized in the consolidated statements of comprehensive income. Any subsequent reversal of an impairment loss is recognized in the consolidated statements of comprehensive income, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

Assets Carried at Cost. If there is an objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

AFS Financial Assets
For AFS financial assets, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as AFS, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. When there is evidence of impairment, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized in the profit or loss, is removed from

OCI and recognized in the profit or loss. Impairment losses on equity investments are not reversed through the profit or loss; increases in their fair value after impairment are recognized in OCI.

The determination of what is 'significant' or 'prolonged' requires judgment. In making this judgment, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

In the case of debt instruments classified as AFS, the impairment is assessed based on the same criteria as financial assets carried at amortized cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortized cost and the current fair value, less any impairment loss on that investment previously recognized in the profit or loss.

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded in the profit or loss. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in the profit or loss, the impairment loss is reversed through the profit or loss.

Financial Liabilities

Initial Recognition and Measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include accounts payable and other current liabilities (excluding payable to government agencies, customer deposits and advances from customers), short-term loans, obligations for program and other rights and dividends payable.

As at December 31, 2015 and 2014, the Group does not have financial liabilities at FVPL.

Subsequent Measurement
The measurement of financial liabilities depends on their classification, as described below:

a. *Financial liabilities at FVPL*

   Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL.

   Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by PAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in profit or loss in the consolidated statement of comprehensive income.

Financial liabilities designated upon initial recognition at FVPL are designated at the initial date of recognition, and only if the criteria in PAS 39 are satisfied. The Group has not designated any financial liability as at FVPL as at December 31, 2015 and 2014.

b. *Loans and borrowings*

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method.

Gains and losses are recognized in the consolidated statements of income when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the profit or loss.

Classification of Financial Instruments Between Liability and Equity

A financial instrument is classified as liability if it provides for a contractual obligation to:

- deliver cash or another financial asset to another entity;
- exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or
- satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Group does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously. The Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Group and all of the counterparties.

There is no offsetting of financial assets and financial liabilities and any similar arrangements that are required to be disclosed in the consolidated financial statements as at December 31, 2015 and 2014.

Program and Other Rights

Program and other rights with finite lives are stated at cost less amortization and impairment in value. The estimated useful lives and the amortization method used depend on the manner and pattern of usage of the acquired rights. The cost of program and other rights with specific number of runs within a specified term is amortized using straight line method up to the date of expiry. The cost of program and other rights with no definite expiration date is amortized on accelerated method based on the sum of the year's digit of ten years with salvage value of 10% of the total cost. Amortization expense is shown as "Program and other rights usage" included under "Production costs" account in the consolidated statements of comprehensive income.

For series of rights acquired, the cost is charged to income as each series is aired on a per episode basis.

For rights intended for airing over the international channels, the cost is amortized on a straight-line basis over the number of years indicated in the contract.

Prepaid Production Costs

Prepaid production costs, included under "Prepaid expenses and other current assets" account in the consolidated statements of financial position, represent costs paid in advance prior to the airing of the programs or episodes. These costs include talent fees of artists and production staff and other costs directly attributable to production of programs. These are charged to expense under "Production costs" account in the consolidated statements of comprehensive income upon airing of the related program or episodes. Costs related to previously taped episodes determined not to be aired are charged to expense.

Materials and Supplies Inventory

Materials and supplies inventory, included under "Prepaid expenses and other current assets" account in the consolidated statements of financial position, is stated at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method. Net realizable value is the current replacement cost.

Tax Credits

Tax credits represent claims from the government arising from airing of government commercials and advertisements availed under Presidential Decree (PD) No. 1362. Pursuant to PD No. 1362, these will be collected in the form of tax credits which the Group can use in paying for import duties and taxes on imported broadcasting related equipment. The tax credits cannot be used to pay for any other tax obligation to the government.

Asset Classified as Held for Sale

Asset classified as held for sale is measured at the lower of its carrying amount and fair value less costs to sell. An asset is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. An extension of the period required to complete a sale does not preclude an asset (or disposal group) from being classified as held for sale if the delay is caused by events or circumstances beyond the Group's control and there is sufficient evidence that the entity remains committed to its plan to sell the asset (or disposal group).

Property and Equipment

Property and equipment, except land, are stated at cost, net of accumulated depreciation and amortization and impairment losses, if any. Such cost includes the cost of replacing part of the property and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property and equipment are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Land is measured at fair value less accumulated impairment losses, if any, recognized after the date of the revaluation. Valuations are generally performed every three to five years or more frequently as deemed necessary to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Any revaluation surplus is recorded in other comprehensive income and hence, credited to the "Revaluation increment on land - net of tax" account under equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss, in which case, the increase is recognized in profit or loss. A revaluation deficit is recognized in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognized in the "Revaluation increment in land - net of tax" account.

Depreciation and amortization are computed on a straight-line basis over the following estimated useful lives of the assets:

Buildings, towers and improvements	11-20 years
Antenna and transmitter systems and broadcast equipment	5-10 years
Communication and mechanical equipment	3-5 years
Transportation equipment	4-5 years
Furniture, fixtures and equipment	5 years

An item of property and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognized.

The assets' residual values, useful lives and methods of depreciation and amortization are reviewed at each financial year-end and adjusted prospectively, if appropriate.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further depreciation and amortization is credited or charged to current operations.

Construction in progress is stated at cost. This includes cost of construction and other direct costs. Construction in progress is not depreciated until such time as the relevant assets are completed and put into operational use.

Investment Properties

Investment properties consist of real estate held for capital appreciation and rental.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties, except land, are measured at cost less accumulated depreciation and amortization and impairment in value. Land is stated at cost less any impairment in value.

Depreciation and amortization are computed using the straight-line method over 11-20 years.

The remaining useful lives and depreciation and amortization method are reviewed and adjusted, if appropriate, at each financial year-end.

Investment properties are derecognized when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in profit or loss in the period of derecognition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

Investment in Artworks

Investment in artworks, included under "Other noncurrent assets" account in the consolidated statements of financial position, is stated at cost less any impairment in value.

Software Costs

Costs incurred in the acquisition and customization of new software, included under "Other noncurrent assets" account in the consolidated statements of financial position, are capitalized and amortized on a straight-line basis over three to five years.

Impairment of Nonfinancial Assets

The carrying values of program and other rights, prepaid production costs, deferred production costs, tax credits, investments and advances, property and equipment, investment properties, software costs and investment in artworks are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists, and if the carrying value exceeds the estimated recoverable amount, the assets are considered impaired and are written down to their recoverable amount. The recoverable amount of these nonfinancial assets is the greater of an asset's or cash-generating unit's fair value less cost to sell or value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. The fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's length transaction less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. Impairment losses, if any, are recognized in profit or loss in comprehensive income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting period as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If any such indication exists, the recoverable amount is estimated. A previously recognized impairment loss, except for land at revalued amount where the revaluation is taken to OCI, is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such a reversal, the depreciation and amortization charges are adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life. For land at revalued amounts, the reversal of impairment is also recognized in OCI up to the amount of any previous revaluation.

In the case of investments in associates and interests in joint ventures, after application of the equity method, the Group determines whether it is necessary to recognize any additional impairment loss with respect to the Group's investments in associates and interests in joint ventures. The Group determines at each reporting period whether there is any objective evidence that the investments in associates and interests in joint ventures are impaired. If this is the case, the Group calculates the amount of impairment as being the difference between the recoverable amount of investments in associates and the acquisition cost and recognizes the amount in the consolidated statements of comprehensive income.

Equity
Capital stock is measured at par value for all shares issued. Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax. Proceeds and/or fair value of considerations received in excess of par value are recognized as additional paid-in capital.

Retained earnings include all current and prior period results of operations as reported in the consolidated statements of comprehensive income, net of any dividend declaration.

Treasury Stock and Underlying Shares of Acquired Philippine Deposit Receipts (PDRs)
The Parent Company's own reacquired equity instruments are deducted from equity. No gain or loss is recognized in the consolidated statements of comprehensive income on the purchase, sale, issuance or cancellation of the Group's own equity instruments.

Each PDR entitles the holder to the economic interest of the underlying common share of the Parent Company. The Parent Company's ownership of the PDRs are presented similar to treasury shares in the consolidated statements of financial position.

Dividends on Common Shares of the Parent Company
Dividends on common shares are recognized as liability and deducted from equity when approved by the BOD of the Parent Company. Dividends for the year that are approved after reporting period are dealt with as an event after reporting period.

Revenues
Revenues are recognized to the extent that it is probable that the economic benefits will flow to the Group and the amount can be reliably measured, regardless of when the payment is being made. Revenues are measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements.

The following specific recognition criteria must also be met before revenue is recognized:

Airtime Revenue. Revenue is recognized in the period the advertisements are aired. Such revenues are net of co-producers' share. The fair values of capitalizable exchange deals are included in airtime revenue and related accounts. These transactions represent advertising time exchanged for program materials, merchandise or service.

Payments received for advertisements before broadcast (pay before broadcast) are recognized as income on the dates the advertisements are aired. Prior to liquidation, these are classified as unearned revenue under "Advances from customers" included under "Trade payables and other current liabilities" in the consolidated statements of financial position.

Goods received in exchange for airtime usage pursuant to ex-deals contracts executed between the Group and its customers are recorded at fair market values of assets received. Fair market value is the current market price.

Tax credits on aggregate airtime credits from government sales availed of under PD No. 1362 are recognized as income when there is reasonable certainty that these can be used to pay duties and taxes on imported broadcasting related equipment.

Subscription Income. Revenue is recognized on an accrual basis in accordance with the terms of subscription agreements.

Commission from Artist Center. Revenue is recognized as income on an accrual basis in accordance with the terms of the related marketing agreements.

Production and Others. Production revenue is recognized when project-related services are rendered. Others pertain to revenue from sponsorship and licensing income which is recognized on an accrual basis in accordance with the terms of the agreement.

Rental Income. Revenue from lease of property and equipment is accounted for on a straight-line basis over the lease term.

Dividend Income. Revenue is recognized when the Group's right to receive payment is established.

Interest Income. Revenue is recognized as the interest accrues, taking into account the effective yield on the asset.

Equity in Net Earnings (Losses) of Joint Ventures. The Group recognizes its share in the net income or loss of an associate and joint ventures proportionate to the equity in the economic shares of such associates and joint ventures, in accordance with the equity method.

Other Income. Other income is recognized when there is an incidental economic benefit, other than the usual business operations, that will flow to the Group through an increase in asset or reduction in liability that can be measured reliably.

<u>Co-producers' Share</u>
Co-producers' share is deducted from gross revenues in the profit or loss in the period the advertisements are aired.

Share of co-producers on revenues of specific programs are covered by duly authorized contracts entered into between the Group and the co-producers. The co-producers normally undertake the production of such program in return for a stipulated percentage of revenue.

Borrowing Costs
Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily take a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Expenses
Expenses, presented as "Production costs" and "General and administrative expenses" in the consolidated statements of comprehensive income, are recognized as incurred.

Pension and Other Employee Benefits
The Parent Company and GMPI have funded, noncontributory defined benefit retirement plans covering permanent employees. Other entities are covered by Republic Act (R.A.) 7641, otherwise known as "The Philippine Retirement Law", which provides for qualified employees to receive an amount equivalent to a certain percentage of monthly salary at normal retirement age.

The cost of providing benefits under the defined benefit plans is determined using the projected unit credit method.

Defined Benefit Plans. The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes the following changes in the net defined benefit obligation under 'production costs' and 'general and administrative expenses' in consolidated statements of comprehensive income (by function):

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements.
- Net interest expense or income

Plan assets are assets that are held by a long-term employee benefit fund. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Employee Leave Entitlements. Employee entitlements to annual leave are recognized as a liability when they accrue to the employees. The liability relating to employee leave entitlement is recognized for services rendered equivalent to the maximum credit leaves earned by the employee, which is expected to be settled upon the employee's resignation or retirement. The present value of the noncurrent portion of the liability is determined by applying the discount rate based on government bonds.

<u>Leases</u>
The determination of whether the arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfillment of the arrangement depends on the use of a specific asset or assets or the arrangement conveys a right to use the asset. A reassessment is made after the inception of the lease, if any, if the following applies:

a. There is a change in contractual terms, other than a renewal or extension of the arrangement;
b. A renewal option is exercised or extension granted, unless the term of the renewal or extension was initially included in the lease term;
c. There is a change in the determination of whether fulfillment is dependent on a specified asset; or
d. There is substantial change to the asset.

Where the reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios (a), (c), or (d) above, and at the date of renewal or extension period for scenario (b).

The Group determines whether arrangements contain a lease to which lease accounting must be applied. The costs of the agreements that do not take the legal form of a lease but convey the right to use an asset are separated into lease payments if the entity has the control of the use or access to the asset, or takes essentially all of the outputs of the asset. The said lease component for these arrangements is then accounted for as finance or operating lease.

Group as Lessee. Leases which do not transfer to the Group substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as expense in the consolidated statements of comprehensive income on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

Group as Lessor. Leases where the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Rental income from operating leases are recognized as income in the consolidated statements of comprehensive income on a straight-line basis over the lease term. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Foreign Currency-denominated Transactions

Transactions in foreign currencies are initially recorded in the functional currency exchange rate at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing exchange rate at financial reporting period. All differences are taken to profit or loss in the consolidated statements of comprehensive income. Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Nonmonetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. For income tax purposes, foreign exchange gains and losses are treated as taxable income or deductible expenses when realized.

Taxes

Current Income Tax. Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted at reporting period.

Current income tax relating to items recognized directly in equity is recognized in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation, and establishes provisions where appropriate.

Deferred Income Tax. Deferred income tax is provided using the balance sheet liability method on temporary differences at reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting period.

Deferred income tax assets are recognized for all deductible temporary differences, carryforward benefits of excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carryforward benefits of excess MCIT over RCIT and unused NOLCO can be utilized, except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred income tax assets are reassessed at each reporting period and are recognized to the extent that it has become probable that future taxable profit will allow the deferred income tax assets to be recovered.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates and tax laws to be enacted or substantially enacted at the reporting period.

Deferred income tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Income tax relating to other comprehensive income is recognized in other comprehensive income section of the consolidated statements of comprehensive income.

Creditable withholding taxes. Creditable withholding taxes represent amounts withheld by the Group's customers and is deducted from the Group's income tax payable.

Value-added Tax (VAT). Revenue, expenses and assets are recognized net of the amount of VAT, except:

- where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority , in which case the tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- where receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of "Prepaid expenses and other current assets" or "Trade payables and other current liabilities" accounts in the consolidated statements of financial position.

<u>Earnings Per Share (EPS)</u>
Basic EPS is computed by dividing the net income for the year attributable to the equity holders of the Parent Company, net of income attributable to preferred shares, by the weighted average number of common shares outstanding during the year, with retroactive adjustments for any stock dividends declared, if any.

Diluted EPS is calculated by dividing the net income for the year attributable to the equity holders of the Parent Company (inclusive of income attributable to preferred shares) by the weighted average number of common shares outstanding during the year, plus the weighted average number of common shares that would be issued upon conversion of all dilutive potential common shares.

<u>Segment Reporting</u>
For management purposes, the Group's operating businesses are organized and managed separately into television and radio airtime, international subscriptions and other business activities. Such business segments are the basis upon which the Group reports its primary segment

information. The Group considers television and radio operations as the major business segment. The Group operates in two geographical areas where it derives its revenue. Financial information on business segments is presented in Note 5 to the consolidated financial statements.

Provisions
Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of comprehensive income net of any reimbursement.

Contingencies
Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed in the notes to consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed in the notes to consolidated financial statements when an inflow of economic benefits is probable.

Events after Reporting Period
Post year-end events that provide additional information about the Group's position at the reporting period (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to consolidated financial statements when material.

4. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect amounts reported in the consolidated financial statements and related notes at the end of the reporting period. However, uncertainty about these judgments, estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgments
In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the consolidated financial statements.

Functional Currency. The consolidated financial statements are presented in Philippine peso, which is the Parent Company's functional currency. The Philippine peso is also the functional currency of all the subsidiaries. It is the currency of the primary economic environment in which the Group operates.

Asset Classified as Held for Sale. The Group assessed that the interest in X-Play Online Games Incorporated (X-Play) met the criteria to be classified as held for sale in 2014 for the following reasons:

- X-Play is available for immediate sale and can be sold in its current condition.

- IP E-Games Ventures, Inc. (IPE) and GNMI have a recent agreement which provides the execution of the option agreement as discussed in Note 10. On July 28, 2014, the increase in capital stocks of IPE was approved by the SEC.

In 2014, the Group classified its investment in X-Play as "Asset classified as held for sale" account in the consolidated statements of financial position. On November 9, 2015, the sale of X-Play was completed.

Consolidation of entities in which the Group holds less than majority of voting rights. The Group considers that it controls RGMA Network even though it owns less than 50% of the voting rights. This is because the Group is the single largest shareholder of RGMA Network with a 49% equity interest. The remaining 51% of the equity shares in RGMA Network are owned by several parties. Since September 27, 1995, which is the date of incorporation of RGMA Network, there is no history of the other shareholders collaborating to exercise their votes collectively or to outvote the Group.

Assessing Joint Control of an Arrangement and the Type of Arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. The Group assessed that it has joint control in all its joint arrangements by virtue of a contractual agreement with other shareholders. The Group's joint ventures have separate legal entity and its stockholders have rights to its net assets.

The carrying value of the investments in joint ventures amounted to ₱18.86 million and ₱21.98 million as at December 31, 2015 and 2014, respectively (see Note 11).

Operating Leases - Group as Lessee. The Group has entered into various lease agreements as a lessee. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that the lessors retain all the significant risks and rewards of ownership of the properties and the accounts for the contracts as operating leases.

Rental expense charged to operations amounted to ₱843.63 million, ₱855.12 million and ₱919.49 million in 2015, 2014, and 2013 respectively (see Notes 22, 23 and 27).

Tax Credits. The Parent Company has determined that tax credits earned from airing of government commercials and advertisements are recognized based on the Parent Company's forecast of importation for the next twelve (12) months from reporting period in which the tax credits will be applied and when the application is reasonably certain.

Revenue from tax credits recognized in profit or loss amounted to ₱80.00 million and ₱44.80 million in 2014 and 2013, respectively (see Note 21).

Classification of Leave Entitlements as Current or Noncurrent. The Group assesses the classification of its leave entitlements as either current or noncurrent based on the historical experience of the outstanding leave availed.

Leave entitlements classified as current in "Accrued payroll and talent fees" included under "Trade payables and other current liabilities" account in the consolidated statements of financial position amounted to ₱9.23 million and ₱18.14 million as at December 31, 2015 and 2014, respectively, while other employee benefits classified as noncurrent amounted to ₱295.72 million and ₱259.01 million as at December 31, 2015 and 2014, respectively (see Note 26).

Estimates and Assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Estimating Allowance for Doubtful Accounts. Provisions are made for specific and groups of billed accounts where objective evidence of impairment exists. The Group evaluates these accounts based on available facts and circumstances that affect the collectability of the accounts. The review is accomplished using a combination of specific and collective assessment. The factors considered in specific and collective impairment assessments include, but not limited to, the length of the Group's relationship with customers, customers' current credit status and known market forces, average age of accounts, collection experience and historical loss experience. The amount and timing of recorded expenses for any period would differ if the Group made different judgments or utilized different methodologies. An increase in allowance for doubtful accounts would increase the recorded general and administrative expenses and decrease current assets.

Provision for doubtful accounts amounted to ₱8.58 million, ₱0.72 million and ₱0.85 million in 2015, 2014 and 2013, respectively (see Note 23). Trade and other receivables, net of allowance for doubtful accounts of ₱283.28 million and ₱274.69 million, amounted to ₱4,384.20 million and ₱4,323.98 million as at December 31, 2015 and 2014, respectively (see Note 7).

Classification and Amortization of Program and Other Rights. Program and other rights are classified as current assets because the Group expects to air any given title at any time within its normal operating cycle.

The Group estimates the amortization of program and other rights with finite lives using straight line method up to the date of expiry, which is the manner and pattern of usage of the acquired rights. The Group estimates the amortization of program and other rights with no definite epiration date using accelerated method based on the sum of the year's digit of ten years with salvage value of 10% of the total cost. The Group estimates that programs are generally more marketable in their initial airing as compared to the succeeding airings. In addition, estimation of the amortization of program and other rights is based on the Group's experience with such rights. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in the factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

Program and other rights usage amounted to ₱754.64 million, ₱646.68 million and ₱565.36 million in 2015, 2014 and 2013, respectively (see Note 22). Program and other rights, net of accumulated impairment loss of ₱2.70 million, amounted to ₱1,192.61 million and ₱1,198.27 million as at December 31, 2015 and 2014, respectively (see Note 8).

Determination of Impairment of AFS Financial Assets. For unquoted equity instruments, the financial assets are considered to be impaired when the Group believes that future cash flows generated from the investment is expected to decline significantly. The Group's management makes significant estimates and assumptions on the future cash flows expected and the appropriate discount rate to determine if impairment exists. Impairment may also be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance.

For the quoted shares, the Group determines that the financial assets are considered to be impaired when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The Group determines that a decline in fair value of greater than 20% of cost is considered to be a significant decline and a decline for a period of more than 12 months is considered to be a prolonged decline. This determination of what is significant or prolonged requires judgment. In making this judgment, the Group evaluates, among other factors, the normal volatility in share price for quoted equities.

Provision for impairment loss on AFS financial assets amounted to ₱1.36 million, ₱1.37 million and ₱1.05 million in 2015, 2014 and 2013, respectively (see Note 23). The carrying value of AFS financial assets amounted to ₱191.12 million and ₱129.02 million as at December 31, 2015 and 2014, respectively (see Note 10).

Estimating Allowance for Inventory Losses. The Group provides allowance for inventory losses whenever the net realizable value becomes lower than cost due to damage, physical deterioration, obsolescence, changes in price levels or other causes. The allowance account is reviewed periodically to reflect the accurate valuation of the inventories.

The carrying value of materials and supplies inventory, included under "Prepaid expenses and other current assets" in the consolidated statements of financial position, amounted to ₱26.01 million and ₱30.12 million as at December 31, 2015 and 2014, respectively (see Note 9). There were no provisions for inventory losses in 2015, 2014 and 2013.

Estimating Useful Lives of Property and Equipment, Software Costs and Investment Properties. The Group estimates the useful lives of property and equipment, software costs and investment properties based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment, software costs and investment properties are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. In addition, estimation of the useful lives of property and equipment, software costs and investment properties is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in the factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment, software costs and investment properties would increase the recorded general and administrative expenses and decrease noncurrent assets.

There has been no change in the Group's estimate of useful lives of its property and equipment, software costs and investment properties in 2015 and 2014.

Total depreciation and amortization expense for the years ended December 31, 2015, 2014 and 2013 amounted to ₱820.95 million, ₱799.89 million, and ₱736.44 million, respectively (see Notes 12, 14, 15, 22 and 23).

Revaluation of Land. The Group engages an accredited appraiser to determine the fair value of the land used in operations. Fair value is determined by reference to market-based evidence adjusted based on certain elements of comparison. The fair value amount would differ if the Group made different judgments and estimates or utilized a different basis for determining fair value.

Valuations from an accredited appraiser are generally performed every three to five years or more frequently as deemed necessary to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

The revalued amount of land amounted to ₱1,802.52 million and ₱1,799.71 million as at December 31, 2015 and 2014, respectively (see Note 13).

Impairment of Nonfinancial Assets. For prepaid production costs, tax credits, investments and advances, property and equipment, investment properties, program and other rights, investment in artworks and software costs, impairment testing is performed whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

The factors that the Group considers important which could trigger an impairment review include the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business
- significant negative industry or economic trends; and
- obsolescence or physical damage of an asset.

The Group recognizes an impairment loss whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of fair value less costs to sell and the asset's value in use. Recoverable amounts are estimated for individual assets or, if it is not possible, for the CGU to which the asset belongs.

As at December 31, 2015 and 2014, the Group did not identify any indicator of impairment on its nonfinancial assets, hence, no impairment tests were carried out.

The carrying values of nonfinancial assets as at December 31 follow:

	2015	2014
Property and equipment - at cost (see Note 12)	**₱3,127,843,301**	₱3,373,810,427
Program and other rights (see Note 8)	**1,192,607,228**	1,198,270,709
Investments and advances (see Note 11)	**147,652,576**	147,937,544
Tax credits (see Note 9)	**146,590,919**	181,584,094
Prepaid production costs (see Note 9)	**129,352,549**	179,060,055
Investment properties (see Note 14)	**55,548,001**	58,811,306
Software costs (see Note 15)	**17,406,636**	35,917,092
Investment in artworks (see Note 15)	**10,406,255**	10,406,255
Deferred production costs (see Note 15)	**1,952,433**	–

Taxes. The Group has exposures to the tax rules and regulations in the Philippines and significant judgment is involved in determining the provision for these tax exposures. The Group recognizes liabilities for expected tax issues based on estimates of whether additional taxes are due. Where the final tax outcome of these matters is different from the amounts that were initially recognized, such difference will impact profit or loss in the period in which such determination is made.

Estimating Realizability of Deferred Income Tax Assets. The Group reviews the carrying amounts of deferred income tax assets on nondeductible temporary differences and carryforward benefits of NOLCO and excess MCIT over RCIT at each reporting date and reduces deferred income tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

Based on the Group's assessment, not all nondeductible temporary differences and carryforward benefits of NOLCO and excess MCIT over RCIT will be realized.

Recognized deferred tax assets amounted to ₱637.17 million and ₱589.54 million as at December 31, 2015 and 2014, respectively, while unrecognized deferred tax assets amounted to ₱14.36 million and ₱28.55 million as at December 31, 2015 and 2014, respectively (see Note 28).

Pension and Other Employee Benefits. The determination of the Group's obligation and cost of pension benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions are described in Note 26 and include, among others, discount rate and salary increase rate. Due to the complexity of the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.

Pension liability amounted to ₱1,102.71 million and ₱1,161.28 million as at December 31, 2015 and 2014, respectively (see Note 26).

Determination of Fair Value of Financial Assets and Financial Liabilities. PFRS requires certain financial assets and financial liabilities are carried and disclosed at fair value, which requires extensive use of accounting estimates and judgments. While significant components of fair value measurement were determined using verifiable objective evidence (i.e., foreign exchange rates and interest rates), the amount of changes in fair value would differ if the Group utilized a different valuation methodology. Any changes in the assumptions could affect the fair value of these financial assets and financial liabilities. The fair value of financial assets and liabilities are enumerated in Note 31.

Determination of Fair Value of Investment Properties and Land at Revalued Amounts. PFRS requires disclosure of fair value of investment properties when measured at cost and requires land at revalued amount to be re-measured at fair value with sufficient regularity.

The fair values of these assets as at December 31, 2015 and 2014 are based on the appraisal report prepared by an accredited appraiser in 2013. Management believes that there is no significant change on the fair value of these assets given that there were no events or circumstances (i.e., development in the area, expected market value, condition of the property) that would indicate a significantly different fair value.

Contingencies. The Group is currently involved in various claims and legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the defense in these matters and is based upon an analysis of potential results. The Group currently does not believe these proceedings will have a material adverse effect on the Group's financial position.

5. Segment Information

Business Segments

For management purposes, the Group is organized into business units based on its products and services and has three reportable segments, as follows:

- The television and radio segment, which engages in television and radio broadcasting activities and which generates revenue from sale of national and regional advertising time.

- The international subscription segment which engages in subscription arrangements with international cable companies.
- Other businesses which include movie production, consumer products and other services.

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

Geographical Segments

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

The Group's revenues are mostly generated in the Philippines, which is the Group's country of domicile. Revenues from external customers attributed to foreign countries from which the Group derives revenue are individually and in aggregate immaterial to the consolidated financial statements.

Noncurrent assets consist of property and equipment, land at revalued amounts, investment properties and intangible assets which are all located in the Philippines.

The Group does not have a single external customer whose revenue accounts for 10% or more of the Group's revenues.

Inter-segment Transactions

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

Measurement Basis

The amount of segment assets and liabilities and segment profit or loss are based on measurement principles that are similar to those used in measuring the assets and liabilities and profit or loss in the consolidated financial statements, which is in accordance with PFRS.

Business Segment Data

	Local														
	Television and radio airitme			Other businesses			International subscription			Eliminations			Consolidated		
	2015	2014	2013	**2015**	2014	2013	**2015**	2014	2013	**2015**	2014	2013	**2015**	2014	2013
REVENUES															
External sales	**₱12,397,118,205**	₱10,676,626,531	₱11,738,449,260	**₱306,658,721**	₱230,463,979	₱234,617,743	**₱1,023,317,743**	₱ 1,075,797,836	₱977,812,319	**₱–**	₱–	₱–	**₱13,727,094,669**	₱11,982,888,346	₱12,950,879,322
Inter-segment sales	**–**	–	–	**865,398,189**	772,809,560	761,156,750	**–**	–	–	**(865,398,189)**	(772,809,560)	(761,156,750)	**–**	–	
	12,397,118,205	10,676,626,531	₱11,738,449,260	**1,172,056,910**	1,003,273,539	₱995,774,493	**1,023,317,743**	1,075,797,836	₱977,812,319	**(865,398,189)**	(772,809,560)	(₱761,156,750)	**13,727,094,669**	11,982,888,346	₱12,950,879,322
NET INCOME															
Segment results	**1,989,653,837**	583,750,944	₱1,816,913,584	**64,776,789**	(2,396,729)	₱37,512,277	**886,642,837**	827,781,275	₱531,126,610	**41,064,115**	–	₱–	**2,982,137,578**	1,409,135,490	₱2,385,552,471
Interest expense	**(40,534,078)**	(34,258,441)	(51,661,084)	**–**	–	–	**–**	–	–	**–**	–	–	**(40,534,078)**	(34,258,441)	(51,661,084)
Foreign exchange gain (loss)	**(35,156,621)**	(12,944,998)	(49,515,631)	**1,501,999**	(27,274)	854,376	**120,704**	–	17,340,273	**–**	–	–	**(33,533,918)**	(12,972,272)	(31,320,982)
Interest income	**12,732,355**	14,771,847	19,267,743	**923,455**	869,095	4,723,062	**–**	–	–	**–**	–	–	**13,655,810**	15,640,942	23,990,805
Equity in net earnings (losses)	**–**	–	–	**(3,113,716)**	5,338,761	(5,362,051)	**–**	–	–	**–**	–	–	**(3,113,716)**	5,338,761	(5,362,051)
Other income (expenses)	**147,700,876**	89,954,665	65,441,661	**39,581,131**	164,614,930	665,233	**–**	–	–	**(69,728,547)**	(180,000,000)	–	**117,553,460**	74,569,595	66,106,894
Income tax	**(601,077,210)**	(192,377,804)	(535,160,705)	**(30,911,123)**	(52,222,645)	(17,832,353)	**(266,029,062)**	(248,334,382)	(159,337,983)	**(12,319,234)**	45,000,000	–	**(910,336,629)**	(447,934,831)	(712,331,041)
	1,473,319,159	448,896,213	₱1,265,285,568	**72,758,535**	116,176,138	₱20,560,544	**620,734,479**	579,446,893	₱389,128,900	**(40,983,666)**	(135,000,000)	₱–	**2,125,828,507**	1,009,519,244	₱1,674,975,012
ASSETS AND LIABILITIES															
Assets															
Segment assets	**13,580,475,467**	12,109,164,612	₱11,655,665,602	**897,625,491**	942,507,866	₱853,416,184	**719,797,623**	1,804,517,475	₱1,365,518,823	**(1,025,033,178)**	(1,043,512,233)	(₱933,803,088)	**14,172,865,403**	13,812,677,720	₱12,940,797,521
Investment in associates - at equity	**38,350,619**	38,350,619	38,350,619	**18,862,994**	21,976,710	16,637,949	**–**	–	–	**–**	–	–	**57,213,613**	60,327,329	54,988,568
Deferred tax assets	**29,374,323**	–	–	**123,407,831**	147,400,799	88,150,862	**–**	–	–	**32,680,765**	–	–	**185,462,919**	147,400,799	88,150,862
	13,648,200,409	12,147,515,231	₱11,694,016,221	**1,039,896,316**	1,111,885,375	₱958,204,995	**719,797,623**	1,804,517,475	₱1,365,518,823	**(992,352,413)**	(1,043,512,233)	(₱933,803,088)	**14,415,541,935**	14,020,405,848	₱13,083,936,951
Liabilities															
Segment liabilities	**4,751,183,666**	5,261,372,401	₱3,890,259,616	**882,624,028**	926,552,875	₱839,168,812	**410,867,083**	292,609,818	₱188,876,025	**(711,252,958)**	(713,020,721)	(₱701,020,698)	**5,333,421,819**	5,767,514,373	₱4,217,283,755
Deferred tax liabilities	**–**	19,696,301	41,580,015	**–**	–	–	**–**	–	–	**–**	–	–	**–**	19,696,301	41,580,015
	₱4,751,183,666	₱5,281,068,702	₱3,931,839,631	**₱882,624,028**	₱926,552,875	₱839,168,812	**₱410,867,083**	₱292,609,818	₱188,876,025	**(₱711,252,958)**	(₱713,020,721)	(₱701,020,698)	**₱5,333,421,819**	₱5,787,210,674	₱4,258,863,770

Geographical Segment Data

	Local														
	Television and Radio Airtime			Other businesses			International subscription			Eliminations			Per FS		
	2015	2014	2013	**2015**	2014	2013	**2015**	2014	2013	**2015**	2014	2013	**2015**	2014	2013
REVENUES															
External sales	**₱12,397,118,205**	₱10,676,626,531	₱11,738,449,260	**₱306,658,721**	₱230,463,979	₱234,617,743	**₱1,023,317,743**	₱1,075,797,836	₱977,812,319	**₱–**	₱–	₱–	**₱13,727,094,669**	₱11,982,888,346	₱12,950,879,322
Inter-segment sales	–	–	–	**865,398,189**	772,809,560	761,156,750	–	–	–	**(865,398,189)**	(772,809,560)	(761,156,750)	–	–	–
	₱12,397,118,205	₱10,676,626,531	₱11,738,449,260	**₱ 1,172,056,910**	₱1,003,273,539	₱995,774,493	**₱1,023,317,743**	₱1,075,797,836	₱977,812,319	**(₱865,398,189)**	(₱772,809,560)	(₱761,156,750)	**₱13,727,094,669**	₱11,982,888,346	₱12,950,879,322
Other Segment Information															
Capital expenditures:															
Program rights and other rights and software cost	**₱740,066,535**	₱802,911,694	₱582,863,041	**₱341,960**	₱1,319,760	₱660,178	**₱10,736,842**	₱6,536,842	₱14,232,925	–	(₱150,000,000)	₱–	**₱751,145,337**	₱660,768,296	₱597,756,144
Property and equipment	**525,852,118**	561,411,874	656,219,043	**22,529,329**	1,032,224	2,067,525	**4,416,161**	1,452,393	14,365,659		–	–	**552,797,608**	563,896,491	672,652,227
Land at revalued amount	**2,809,999**	–	–	–	–	–	–	–	–	–	–	–	**2,809,999**	–	–
Investment properties	**105,411**	3,299,279	1,846,519	–	–	–	–	–	–	–	–	–	**105,411**	3,299,279	1,846,519
Depreciation and amortization	**1,570,560,588**	1,425,864,346	1,282,171,980	**13,162,277**	14,237,327	13,857,774	**6,868,423**	6,473,949	5,764,666	**(15,000,000)**	–	–	**1,575,591,288**	1,446,575,622	1,301,794,420

6. Cash and Cash Equivalents

	2015	2014
Cash on hand and in banks	**₱1,507,255,528**	₱1,439,180,767
Short-term deposits	**653,042,597**	159,644,753
	₱2,160,298,125	₱1,598,825,520

Cash in banks earn interest at the respective bank deposit rates. Short-term deposits are made for varying periods of up to three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Interest income earned from bank deposits and short-term investments amounted to ₱13.66 million, ₱15.64 million and ₱23.99 million in 2015, 2014 and 2013, respectively.

7. Trade and Other Receivables

	2015	2014
Trade:		
Television and radio airtime	**₱4,254,300,514**	₱3,294,544,056
Subscriptions	**277,677,942**	1,039,395,871
Others	**123,009,854**	174,239,390
Nontrade:		
Advances to officers and employees	**3,417,982**	4,443,381
Others	**9,068,441**	86,047,923
	4,667,474,733	4,598,670,621
Less allowance for doubtful accounts	**283,276,131**	274,694,272
	₱4,384,198,602	₱4,323,976,349

Trade Receivables

Television and Radio Airtime. Television and radio airtime receivables are unsecured, noninterest-bearing and are generally on 60-90 day terms upon receipt of invoice by the customers. Invoicing normally takes around 30 days from airing.

Television and radio airtime receivables include unbilled airtime receivables, arising when advertisements have been aired but billing or acceptance by the customer has been delayed due to time lag in completing all required documents.

Subscriptions Receivable. Subscriptions receivable pertain to receivables from international channel subscriptions and advertisements. These are unsecured, noninterest-bearing and normally collected within 30-60 days.

Other Trade Receivables. Other trade receivables are unsecured, noninterest-bearing and are generally on 60-90 day terms upon receipt of invoice by the customers.

Nontrade Receivables

Advances to Officers and Employees and Other Nontrade Receivables. Advances to officers and employees and other nontrade receivables are noninterest-bearing and are normally collected within the next financial year.

Allowance for Doubtful Accounts

The movements in the allowance for doubtful accounts on trade receivables are as follows:

	2015		
	Television and Radio Airtime	**Others**	**Total**
Balance at beginning of year	**₱269,872,570**	**₱4,821,702**	**₱274,694,272**
Provision for the year (see Note 23)	**7,605,661**	**976,198**	**8,581,859**
Balance at end of year	**₱277,478,231**	**₱5,797,900**	**₱283,276,131**

	2014		
	Television and Radio Airtime	Others	Total
Balance at beginning of year	₱269,872,570	₱4,106,207	₱273,978,777
Provision for the year (see Note 23)	–	715,495	715,495
Balance at end of year	₱269,872,570	₱4,821,702	₱274,694,272

The allowance for doubtful accounts for television and radio airtime and other receivables in 2015 and 2014 are results of specific and collective impairment assessments performed by the Group as follows:

	2015	2014
Individually impaired	**₱203,961,822**	₱247,892,830
Collectively impaired	**79,314,309**	26,801,442
	₱283,276,131	₱274,694,272

As at December 31, 2015 and 2014, the aging analysis of receivables that are not impaired follows:

	2015				
	Trade				
	Television and Radio Airtime	**Subscriptions**	**Others**	**Nontrade***	**Total**
Neither past due nor impaired	**₱1,891,256,559**	**₱84,061,725**	**₱84,885,135**	**₱6,483,312**	**₱2,066,686,731**
Past due but not impaired:					
1-30 days	**474,292,142**	**33,628,253**	**6,950,764**	**581,146**	**515,452,305**
31-60 days	**210,306,429**	**57,470,271**	**2,689,664**	**114,785**	**270,581,149**
61-90 days	**154,074,639**	**3,061,824**	**733,599**	**2,490,707**	**160,360,769**
91-180 days	**124,441,436**	**14,236,114**	**756,835**	**379**	**139,434,764**
181-365 days	**190,101,521**	**2,810,690**	**3,874,590**	**415,632**	**197,202,433**
Over 1 year	**932,349,557**	**82,409,065**	**17,321,367**	**2,400,462**	**1,034,480,451**
	₱3,976,822,283	**₱277,677,942**	**₱117,211,954**	**₱12,486,423**	**₱4,384,198,602**

	2014				
	Trade				
	Television and Radio Airtime	Subscriptions	Others	Nontrade*	Total
Neither past due nor impaired	₱2,140,146,851	₱443,781,464	₱86,788,965	₱76,032,053	₱2,746,749,333
Past due but not impaired:					
1-30 days	288,547,267	231,072,682	18,039,978	1,452,601	539,112,528
31-60 days	211,665,092	43,665,297	17,240,581	987,169	273,558,139
61-90 days	61,975,452	29,746,225	4,528,069	447,105	96,696,851
91-180 days	65,746,533	51,220,843	6,327,944	707,705	124,003,025
181-365 days	174,371,503	142,142,691	4,893,784	808,267	322,216,245
Over 1 year	82,218,788	97,766,669	31,598,367	10,056,404	221,640,228
	₱3,024,671,486	₱1,039,395,871	₱169,417,688	₱90,491,304	₱4,323,976,349

Trade and other receivables that are not impaired are assessed by the Group’s management as good and collectible.

The Group’s unbilled receivables amounted to ₱68.64 million and ₱27.65 million as at December 31, 2015 and 2014, respectively. These are included in trade receivables as “neither past due nor impaired” but with age of 31-60 days from date of airing.

8. Program and Other Rights

	2015		
	Program and Film Rights	**Story/Format Rights**	**Total**
Cost:			
Balance at beginning of year	**₱1,185,333,241**	**₱15,639,728**	**₱1,200,972,969**
Additions	**734,084,599**	**14,890,663**	**748,975,262**
Program and other rights usage (see Note 22)	**(730,289,184)**	**(24,349,559)**	**(754,638,743)**
Balance at end of year	**1,189,128,656**	**6,180,832**	**1,195,309,488**
Accumulated impairment in value	**(2,702,260)**	**–**	**(2,702,260)**
	₱1,186,426,396	**₱6,180,832**	**₱1,192,607,228**

	2014		
	Program and Film Rights	Story/Format Rights	Total
Cost:			
Balance at beginning of year	₱1,195,316,111	₱16,615,430	₱1,211,931,541
Additions	631,035,288	8,100,950	639,136,238
Write-off (see Note 25)	(3,414,011)	–	(3,414,011)
Program and other rights usage (see Note 22)	(637,604,147)	(9,076,652)	(646,680,799)
Balance at end of year	1,185,333,241	15,639,728	1,200,972,969
Accumulated impairment in value	(2,702,260)	–	(2,702,260)
	₱1,182,630,981	₱15,639,728	₱1,198,270,709

Management believes that the carrying values of program and other rights approximate its recoverable values.

In 2014, certain program and film rights were written off on the basis of their expiry dates.

9. Prepaid Expenses and Other Current Assets

	2015	2014
Advances to suppliers	**₱416,487,788**	₱314,400,253
Tax credits	**146,590,919**	181,584,094
Creditable withholding taxes	**140,181,190**	175,547,133
Input VAT	**136,952,228**	141,600,179
Prepaid production costs	**129,352,549**	179,060,055
Prepaid expenses	**71,717,440**	75,790,955
Materials and supplies inventory - at cost	**26,005,795**	30,117,943
Others	**1,741,298**	1,734,782
	₱1,069,029,207	₱1,099,835,394

Advances to suppliers are noninterest-bearing and are generally applied to acquisition of inventories and fixed assets and availment of services within the next financial year. Advances to suppliers, previously included in “Trade and other receivables”, amounting to ₱314.40 million as at December 31, 2014 was appropriately reclassified to “Prepaid expenses and other current assets” to conform with the 2015 presentation.

Tax credits represent claims of the Parent Company from the government arising from airing of government commercials and advertisements. The Parent Company expects to utilize these tax credits within the next financial year.

Prepaid production represents costs paid in advance prior to the airing of the programs or episodes. The Group expects to air the related programs or episodes within the next financial year.

Creditable withholding taxes represent amounts withheld by the Company’s customers and is deducted from the Company’s income tax payable.

Prepaid expenses include prepayments for rentals, insurance and other expenses.

In 2015, the Group has written off creditable withholding taxes and prepaid rentals amounting to ₱1.11 million (see Note 25).

10. Available-for-Sale Financial Assets

	2015	2014
Investments in shares of stock:		
Unquoted	**₱151,283,081**	₱122,184,081
Quoted	**39,833,800**	6,840,000
	₱191,116,881	₱129,024,081

The unquoted shares are stated at cost as there are no reliable sources and bases for subsequent fair value determination.

The movements in this account are as follows:

	2015	2014
Balance at beginning of year	**₱129,024,081**	₱135,552,548
Additions during the year	**130,000,000**	–
Redemption during the year	**(7,467,200)**	(573,343)
Net changes in the fair value of AFS financial assets	**(60,440,000)**	770,788
Write-off of AFS financial assets	**–**	(6,725,912)
Balance at end of the year	**₱191,116,881**	₱129,024,081

X-Play

GNMI holds 50% equity in X-Play Online Games Incorporated (X-Play). The other joint venture partner in X-Play is IPE. At the time of incorporation of X-Play, GNMI and IPE each subscribed to 1,000,000,000 common shares of X-Play's authorized capital stock with a par value of ₱100/share.

As discussed in Note 4, the Group, through GNMI's BOD, announced its decision to dispose of its shareholdings in X-Play on January 1, 2011, and classified its investment in X-Play as asset held for sale. The then carrying value of asset held for sale previously classified as interest in and advances to joint venture amounted to ₱26.43 million.

In connection with the planned disposal of X-Play, in March 2013, GNMI and IPE extended until June 30, 2013 the exercise period of the option agreement which was entered into by both parties on October 19, 2011. The option agreement states that IPE grants GNMI the option to sell all, but not less than all, of shares in stock of X-Play for a purchase price of ₱75.00 million in cash. Also, on March 23, 2012, GNMI agreed to subscribe to ₱130.00 million worth of shares of IPE's authorized but unissued capital stock to be offered on its Initial Public Offering in exchange for GNMI's shares of stock in X-Play at a subscription price per share equivalent to the offering price.

As at December 31, 2013, the sale of investment in X-Play has not materialized. The Group reassessed the classification of investment in X-Play and reclassified it under "Other noncurrent assets" account in the Group's 2013 consolidated statements of financial position.

In 2014, an agreement provides that IPE will provide GNMI and the Parent Company 10,000 million (GNMI - 4,000 million; GNI - 6,000 million) of IPE shares in exchange for GNMI's investment in X-Play and the Parent Company's ₱30.00 million advances and ₱50.00 million airtime credits granted to X-Play (collectively, the consideration). Also, as the increase in authorized capital stock of IPE was already approved by the SEC on July 28, 2014, the Group's investment in X-Play was reclassified to "Asset classified as held for sale" account in the 2014 consolidated statement of financial position.

On November 9, 2015, a Deed of Assignment was executed but the terms were amended to be 13,000 million (GNMI - 5,000 million; GNI - 8,000 million) of IPE shares in exchange for the same consideration. At initial recognition, the Group recognized at fair value the IPE shares as AFS financial assets amounting to ₱130.00 million.

Of the ₱50.00 million airtime credits, ₱22.00 million has not been implemented at date of exchange and therefore was recognized by the Group as unearned revenue, included as part of trade payables and other current liabilities. Also, a gain on disposal of asset held for sale amounting to ₱23.57 million, which represent excess of fair value of IPE shares over the carrying amount of GNMI's investment in X-Play, was recognized in the statements of comprehensive income (see Note 25).

The movements in net unrealized gain (loss) on AFS financial assets are as follows:

	2015	2014
Balance at beginning of the year - net of tax	**₱5,019,775**	₱3,083,187
Net changes in the fair market value of AFS financial assets	**(60,440,000)**	770,788
Recycling of fair value change of certain AFS financial assets due to impairment (see Note 23)	**1,360,000**	1,370,300
Recycling of fair value change of certain AFS financial assets due to redemption (see Note 25)	**(6,601,820)**	–
Tax effect of the changes in fair market values	**990,364**	(204,500)
Balance at end of the year - net of tax	**(₱59,671,681)**	₱5,019,775

In 2014 and 2013, the Group recognized dividends from AFS financial assets amounting to ₱0.51 million and ₱22.13 million, respectively (see Note 25).

11. Investments and Advances

Following are the details of this account in 2015 and 2014:

	2015	2014
Investment in an associate and interests in joint ventures	**₱57,213,613**	₱60,327,329
Advances to an associate (see Note 20)	**90,438,963**	87,610,215
	₱147,652,576	₱147,937,544

The movements in the above amounts are as follows:

	2015	2014
Investment in an associate and interests in joint ventures:		
Acquisition cost -		
Balance at beginning and end of year	**₱131,722,056**	₱131,722,056
Accumulated equity in net losses:		
Balance at beginning of year	**(71,394,727)**	(76,733,488)
Equity in net earnings (losses) during the year	**(3,113,716)**	5,338,761
Balance at end of year	**(74,508,443)**	(71,394,727)
	57,213,613	60,327,329
Advances to an associate:		
Balance at beginning of year	**87,610,215**	84,475,370
Additional advances during the year (see Note 20)	**250,000**	3,134,845
Balance at end of year	**87,860,215**	87,610,215
Advances to joint ventures -		
Advances during the year (see Note 20)	**2,578,748**	–
Total investments and advances	**₱147,652,576**	₱147,937,544

The ownership interests in an associate and joint ventures, which were all incorporated in the Philippines, and are accounted for under the equity method, as at December 31, 2015 and 2014 follows:

	Principal Activities	Percentage of Ownership	
		Direct	Indirect
Associate -			
Mont-Aire Realty and Development Corporation (Mont-Aire)	Real Estate	49	–
Joint Ventures:			
INQ7 Interactive, Inc. (INQ7)	Internet Publishing	50	–
Philippine Entertainment Portal (PEP)*	Internet Publishing	–	50
Gamespan, Inc. (Gamespan)*	Betting Games	–	50

**Indirect investment through GNMI.*

The carrying values of investments and the related advances are as follows:

	2015		
	Investments	**Advances** (Note 20)	**Total**
Associate -			
Mont-Aire	**₱38,350,619**	**₱87,860,215**	**₱126,210,834**
Joint ventures:			
Gamespan	**8,947,966**	**1,959,670**	**10,907,636**
PEP	**9,915,028**	**619,078**	**10,534,106**
	18,862,994	**2,578,748**	**21,441,742**
	₱57,213,613	**₱90,438,963**	**₱147,652,576**

	2014		
	Investments	Advances (Note 20)	Total
Associate -			
Mont-Aire	₱38,350,619	₱87,610,215	₱125,960,834
Joint ventures:			
Gamespan	8,950,931	–	8,950,931
PEP	13,025,779	–	13,025,779
	21,976,710	–	21,976,710
	₱60,327,329	₱87,610,215	₱147,937,544

The associate and joint ventures are not listed in any public stock exchanges.

PEP

As at December 31, 2012, the Group has unrecognized share in net losses of PEP amounting to ₱3.86 million. On November 15, 2013, the Group, through GNMI, converted its cash advances to PEP amounting to ₱12.00 million to additional investment in joint venture (see Note 32). As a result, in 2013, the Group recognized share in net losses amounting to ₱4.17 million which includes the prior year unrecognized losses.

In 2015 and 2014, the Group recognized its share in net losses and net earnings of PEP amounting to ₱3.11 million and ₱5.20 million, respectively.

Gamespan

On March 22, 2012, the Group, through GNMI, executed a Shareholder's Agreement with Manila Jockey Club (MJC) for the establishment of Gamespan, a joint venture corporation. The joint venture was organized to operate and manage the hardware and software owned by MJC, set-up new media infrastructure for offering and taking bets in horse racing and other sports.

In 2014, the Group recognized its share in net earnings of Gamespan amounting to ₱0.14 million.

INQ7

Losses of INQ7 recognized under the equity method in excess of the Group's carrying value of investment were applied against its advances to the Parent Company thereby reducing both advances and investments to zero as at December 31, 2015 and 2014. INQ7 ceased operations in 2007. In 2013, INQ7 submitted a request to liquidate its assets to SEC.

Mont-aire

The table below shows the condensed financial information of Mont-Aire as at December 31, 2015 and 2014, respectively:

Current assets	₱53,469,276
Noncurrent assets	120,275,583
	173,744,859
Current liabilities	1,269,154
Noncurrent liabilities	94,209,136
	95,478,290
Net assets	78,266,569
Proportion of the Group's ownership	49%
Carrying amount of investment	₱38,350,619

Mont-Aire ceased commercial operations in 2009. Noncurrent assets include parcels of land with an aggregate fair market value of ₱117.86 million determined by an accredited appraiser as at December 10, 2012, enough to cover for the carrying amount of investment the Group has in Mont-aire. There were no changes in the land account and management expects no significant change in fair value as at December 31, 2015 and 2014.

12. Property and Equipment at Cost

	2015				
	January 1	**Additions/ Depreciation** (see Notes 22 and 23)	**Disposals**	**Reclassifications**	**December 31**
Cost:					
Buildings, towers and improvements	**₱2,877,960,263**	**₱8,297,116**	**₱–**	**₱23,949,021**	**₱2,910,206,400**
Antenna and transmitter systems and broadcast equipment	**6,130,437,578**	**169,961,236**	**(2,711,554)**	**(10,816,406)**	**6,286,870,854**
Communication and mechanical equipment	**1,049,583,717**	**58,216,900**	**(65,625)**	**32,963,015**	**1,140,698,007**
Transportation equipment	**484,678,618**	**65,077,455**	**(52,823,893)**	**751,962**	**497,684,142**
Furniture, fixtures and equipment	**174,051,159**	**4,950,779**	**(289,781)**	**(29,277,460)**	**149,434,697**
	10,716,711,335	**306,503,486**	**(55,890,853)**	**17,570,132**	**10,984,894,100**
Accumulated Depreciation and Amortization:					
Buildings, towers and improvements	**1,480,111,379**	**140,183,177**	**–**	**2,275,650**	**1,622,570,206**
Antenna and transmitter systems and broadcast equipment	**4,633,309,838**	**453,313,256**	**(2,711,555)**	**(1,291,457)**	**5,082,620,082**
Communication and mechanical equipment	**816,954,816**	**98,119,251**	**(63,802)**	**27,883,811**	**942,894,076**
Transportation equipment	**304,315,890**	**91,799,498**	**(50,966,056)**	**(8,438,489)**	**336,710,843**
Furniture, fixtures and equipment	**143,887,211**	**13,488,116**	**(288,004)**	**(23,758,265)**	**133,329,058**
	7,378,579,134	**796,903,298**	**(54,029,417)**	**(3,328,750)**	**8,118,124,265**
Construction in progress and equipment for installation	**35,678,226**	**246,294,122**	**–**	**(20,898,882)**	**261,073,466**
	₱3,373,810,427	**(₱244,105,690)**	**(₱1,861,436)**	**₱–**	**₱3,127,843,301**

	2014				
	January 1	Additions/ Depreciation (see Notes 22 and 23)	Disposals	Reclassifications	December 31
Cost:					
Buildings, towers and improvements	₱2,819,009,872	₱45,899,980	(₱3,561,769)	₱16,612,180	₱2,877,960,263
Antenna and transmitter systems and broadcast equipment	5,757,631,807	309,423,264	(89,895,309)	153,277,816	6,130,437,578
Communication and mechanical equipment	924,212,961	96,681,933	(510,568)	29,199,391	1,049,583,717
Transportation equipment	472,743,730	69,319,527	(59,044,634)	1,659,995	484,678,618
Furniture, fixtures and equipment	190,002,542	9,049,182	(27,403,350)	2,402,785	174,051,159
	10,163,600,912	530,373,886	(180,415,630)	203,152,167	10,716,711,335
Accumulated Depreciation and Amortization:					
Buildings, towers and improvements	1,343,011,656	139,082,021	(1,982,298)	–	1,480,111,379
Antenna and transmitter systems and broadcast equipment	4,277,597,672	442,445,626	(86,733,460)	–	4,633,309,838
Communication and mechanical equipment	720,853,931	96,559,457	(458,572)	–	816,954,816
Transportation equipment	276,411,552	86,011,158	(58,106,820)	–	304,315,890
Furniture, fixtures and equipment	161,382,108	9,420,556	(26,915,453)	–	143,887,211
	6,779,256,919	773,518,818	(174,196,603)	–	7,378,579,134
Construction in progress and equipment for installation	205,307,788	33,522,605	–	(203,152,167)	35,678,226
	₱3,589,651,781	(₱209,622,327)	(₱6,219,027)	₱–	₱3,373,810,427

The cost of fully depreciated assets still used by the Group amounted to ₱4,659.21 million and ₱4,253.49 million as at December 31, 2015 and 2014, respectively.

Construction in progress pertains to costs incurred for installation of equipment, signal strengthening of transmitters nationwide and construction/improvement of studios and stations in the regions.

As at December 31, 2015 and 2014, no property and equipment have been pledged as collateral or security for any of the Group's liabilities.

13. **Land at Revalued Amounts**

	2015	2014
Cost:		
Balance at beginning year	**₱346,502,817**	₱346,502,817
Additions	**2,809,999**	–
Balance at end of year	**349,312,816**	346,502,817
Revaluation increment:		
Balance at beginning of year	**1,453,210,041**	1,458,797,234
Deductions	–	(5,587,193)
Balance at end of year	**1,453,210,041**	1,453,210,041
	₱1,802,522,857	₱1,799,712,858

Land used in operations was last appraised on December 17, 2013 by an accredited firm of appraisers and is valued in terms of its highest and best use. The ₱5.59 million reduction in 2014 from the account represents adjustment to the previously recognized appraisal increase after completion of the asset reconciliation.

The fair value was arrived at through the use of the "Market Data Approach" as determined by independent professionally qualified appraisers. The fair value represents the amount that would be received to sell an investment property in an orderly transaction between market participants at the date of valuation.

The fair value is categorized under Level 3 of the fair value hierarchy and represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in accordance with International Valuation Standards.

Management expects that there is no significant change on the fair value of land at revalued amount as at December 31, 2015 and 2014.

As at December 31, 2015 and 2014, no land has been pledged as collateral or security for any of the Group's liabilities and the Group has no restrictions on the realizability of its land and no contractual obligation to purchase, construct or develop land or for repairs, maintenance and enhancements.

14. **Investment Properties**

	2015		
	Land and Improvements	**Buildings and Improvements**	**Total**
Cost:			
Balance at beginning of year	**₱30,501,881**	**₱76,879,099**	**₱107,380,980**
Additions	–	**105,411**	**105,411**
Balance at end of year	**30,501,881**	**76,984,510**	**107,486,391**

(Forward)

		2015	
	Land and Improvements	**Buildings and Improvements**	**Total**
Accumulated depreciation:			
Balance at beginning of year	**₱–**	**₱46,765,625**	**₱46,765,625**
Depreciation during the year (see Note 23)	**–**	**3,368,716**	**3,368,716**
Balance at end of year	**–**	**50,134,341**	**50,134,341**
Accumulated impairment in value	**–**	**1,804,049**	**1,804,049**
Balance at end of year	**₱30,501,881**	**₱25,046,120**	**₱55,548,001**

		2014	
	Land and Improvements	Buildings and Improvements	Total
Cost:			
Balance at beginning of year	₱31,287,881	₱75,154,820	₱106,442,701
Additions	–	3,299,279	3,299,279
Disposal	(576,000)	(1,575,000)	(2,151,000)
Write-off (see Note 25)	(210,000)	–	(210,000)
Balance at end of year	30,501,881	76,879,099	107,380,980
Accumulated depreciation:			
Balance at beginning of year	–	44,106,443	44,106,443
Depreciation during the year (see Note 23)	–	3,006,994	3,006,994
Disposal	–	(347,812)	(347,812)
Balance at end of year	–	46,765,625	46,765,625
Accumulated impairment in value	–	1,804,049	1,804,049
Balance at end of year	₱30,501,881	₱28,309,425	₱58,811,306

The Parent Company wrote off some of its investment properties with carrying value of ₱0.21 million in 2014 due to dispute in ownership (see Note 25).

Certain investment properties were provided with allowance for impairment in prior years. Management believes that the carrying values after impairment approximate its recoverable values.

The fair market value of investment properties owned by the Group amounted to ₱133.67 million as at December 31, 2013. Land was last appraised on December 17, 2013 by an accredited appraiser and is valued in terms of its highest and best use. The fair value was arrived at through the use of the "Market Data Approach". Management expects that there is no significant change in the fair market value as at December 31, 2015 and 2014. The fair value represents the amount that would be received to sell an investment property in an orderly transaction between market participants at the date of valuation.

The fair value is categorized under Level 3 of the fair value hierarchy and represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in accordance with International Valuation Standards.

Rental income and the directly related expenses arising from these investment properties follow:

	2015	2014	2013
Rental income (see Note 25)	**₱3,664,115**	₱2,995,615	₱2,942,417
Direct operating expenses	**(3,368,716)**	(3,006,994)	(3,647,263)
	₱295,399	(₱11,379)	(₱704,846)

As at December 31, 2015 and 2014, no investment properties have been pledged as collateral or security for any of the Group's liabilities and the Group has no restriction on the realizability of its investment properties and no contractual obligation to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

15. **Other Noncurrent Assets**

	2015	2014
Deferred input VAT	**₱30,876,257**	₱31,387,166
Refundable deposits	**20,040,588**	19,913,347
Guarantee deposits	**18,046,427**	17,162,764
Software costs	**17,406,636**	35,917,092
Investment in artworks	**10,406,255**	10,406,255
Deferred production cost	**1,952,433**	–
Others	**533,642**	1,581,765
	₱99,262,238	₱116,368,389

Deferred input VAT relates to input tax on capital goods which is available for future application against output VAT in future periods.

The movements in software costs follow:

	2015	2014
Cost:		
Balance at beginning of year	**₱256,111,222**	₱234,479,164
Additions	**2,170,075**	21,632,058
Balance at end of year	**258,281,297**	256,111,222
Accumulated amortization:		
Balance at beginning of year	**220,194,130**	196,825,119
Amortization during the year (see Note 23)	**20,680,531**	23,369,011
Balance at end of year	**240,874,661**	220,194,130
	₱17,406,636	₱35,917,092

16. **Trade Payables and Other Current Liabilities**

	2015	2014
Trade payables	**₱592,626,117**	₱442,372,314
Payable to government agencies	**595,723,879**	716,452,892
Customers' deposits	**239,932,427**	220,874,091
Advances from customers (see Note 10)	**156,369,021**	–
Accrued expenses:		
Payroll and talent fees (see Note 26)	**222,796,911**	183,956,394
Production costs	**214,239,585**	226,233,686
Utilities and other expenses	**80,158,312**	80,705,045
Commission	**50,373,301**	27,536,812
Others	**38,437,946**	33,051,951
	₱2,190,657,499	₱1,931,183,185

Trade payables to suppliers are noninterest-bearing and are normally settled on terms ranging from 7 to 60 days.

Payable to government agencies is remitted within 30 days after reporting period.

Customers' deposits include guaranty deposits from advertising agencies to secure payment of bills by advertisers. These deposits are non-interest bearing and normally refunded once the related broadcasts are paid by the advertisers. It also includes deposits from the Group's lessees upon inception of the lease agreements.

Advances from customers include payments received before broadcast from customers. These deposits will be settled and implemented within the next financial year. As provided in Note 10, this account also includes unearned revenue of ₱22.00 million resulting from the sale of the Group's interests in X-Play.

Accrued expenses and other payables are noninterest-bearing and are generally settled within the next financial year.

Others include unpaid subscriptions and customs duties. These are noninterest-bearing and are normally settled within one year.

17. **Short-term Loans**

The Parent Company obtained unsecured short-term peso and US dollar denominated loans from various local banks in 2015 and 2014. Details and movements of the short-term loans are as follows:

	2015	2014
Balance at beginning of year	**₱2,222,960,000**	₱1,106,875,000
Availments	**1,200,000,000**	2,191,559,000
Payments	**(2,325,197,500)**	(1,106,824,000)
Foreign exchange loss	**55,207,500**	31,350,000
Balance at end of year	**₱1,152,970,000**	₱2,222,960,000

The loans consist of fixed rate notes with the following details:

Lender	Currency	Interest Rate (per annum)	Terms	2015	2014
Citibank	Dollar	1.73%	Availed of in 2015; payable in one year	**₱1,152,970,000**	₱–
Citibank	Dollar	1.68%	Availed of in 2014; payable in one year	–	1,922,960,000
BPI	Peso	1.90%	Availed of in 2014; payable in two months	–	300,000,000
Total				**₱1,152,970,000**	₱2,222,960,000

Interest expense and other financing charges amounted to ₱39.09 million, ₱31.68 million and ₱47.96 million in 2015, 2014 and 2013, respectively.

18. **Obligations for Program and Other Rights**

This account consists of:

	2015	2014
Current	**₱220,843,041**	₱116,533,114
Noncurrent	–	5,193,223
	₱220,843,041	₱121,726,337

Obligations for program and other rights represent liabilities to foreign and local film suppliers for program and other rights purchased by the Group. The current portion of the obligations for program rights is noninterest-bearing and is generally payable in equal monthly or quarterly installments. The amounts presented in the consolidated statements of financial position as at December 31, 2015 and 2014 represent the nominal amounts of the obligations which are expected to be settled within the next 12 months.

The noncurrent portion of obligations for program rights is payable in four years and is presented at its accreted value, using 4.03% discount rate, in the consolidated statements of financial position as at December 31, 2014.

Interest expense recognized on obligation and program rights amounted to ₱1.44 million, ₱2.58 million and ₱3.70 million in 2015, 2014 and 2013, respectively.

19. **Equity**

a. Capital Stock

Details of capital stock as at December 31, 2015 and 2014:

	Preferred		Common	
	Number of Shares	Peso Equivalent	Number of Shares	Peso Equivalent
Authorized - ₱0.20 par value per preferred share/₱1.00 par value per common share	7,500,000,000	₱1,500,000,000	5,000,000,000	₱5,000,000,000
Subscribed and issued	7,500,000,000	1,500,000,000	3,364,692,000	3,364,692,000
Treasury shares	492,816	98,563	3,645,000	3,645,000
Underlying shares of the acquired PDRs	–		750,000	750,000

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

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

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

The following summarizes the information on the Parent Company's registration of securities with the SEC which was approved on June 20, 2007, as required by Securities Regulation Code (SRC) Rule 68, As Amended (2011):

Securities	Authorized and issued shares	Issue/Offer Price
Initial public offering	91,346,000	₱8.50
Underlying common shares of PDRs	945,432,000	8.50
Over-allotment common shares	13,701,000	8.50
Common shares covering employee stock option plan	57,000,000	8.50
Underlying shares of the acquired PDRs	945,432,000	8.50

In prior years, the Parent Company has acquired 945.43 million PDRs issued by GMA Holdings for ₱8.50 per share. In as much as each PDR share grants the holder, upon payment of the exercise price and subject to certain other conditions, the delivery of one (1) Parent Company share or the sale and delivery of the proceeds of such sale of Parent Company share, such PDRs held by the Parent Company is being treated similar to a treasury shares.

b. Retained Earnings

The retained earnings of the Parent Company is restricted for the payment of dividends to the extent of ₱34.27 million as at December 31, 2015 and 2014, representing the cost of shares held in treasury and underlying shares of the acquired PDRs amounting to ₱28.48 million and ₱5.79 million, respectively, in 2015 and 2014.

Consolidated retained earnings include undeclared retained earnings of subsidiaries amounting to ₱192.13 million and ₱193.62 million as at December 31, 2015 and 2014, respectively. The Parent Company's retained earnings available for dividend declaration, computed based on the guidelines provided in SRC Rule 68, As Amended (2011), amounted to ₱1,689.77 million and ₱1,005.90 million as at December 31, 2015 and 2014, respectively.

The BOD of the Parent Company approved the declaration of the following cash dividends in 2015, 2014 and 2013:

Year	Declaration Date	Record Date	Cash Dividend Per Share	Total Cash Dividend Declared
2015	**March 30, 2015**	**April 24, 2015**	**₱0.25**	**₱1,214,854,609**
2014	April 2, 2014	April 24, 2014	₱0.27	₱1,312,253,578
2013	March 4, 2013	April 17, 2013	₱0.25	₱1,215,049,609

On April 8, 2016, the BOD approved the Parent Company's declaration and distribution of cash dividends amounting to ₱0.40 per share totaling ₱1,944.08 million to all stockholders of record at April 25, 2016 and will be paid on May 16, 2016.

20. Related Party Disclosures

Parties are considered to be related if one party has the ability, directly and indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individual or corporate entities.

Outstanding balances at year-end are unsecured and settlement occurs in cash throughout the financial year. There have been no guarantees provided or received for any related party receivables or payables. For years ended December 31, 2015 and 2014, the Company has not recorded any impairment of receivables on amounts owed by the related parties. The assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

In the ordinary course of business, the Company transacts with associates, affiliates, jointly controlled entities and other related parties on advances, reimbursement of expenses, and future stock subscriptions.

The transactions and balances of accounts as at and for the years ended December 31, 2015 and 2014 with related parties are as follows:

Related Party	Category	Year	Amount/ Volume of Transactions	Receivables (Payables)	Terms	Conditions
Associate -						
Mont-Aire	Advances (see Note 11)	**2015**	**₱250,000**	**₱87,860,215**	Noninterest-	Unsecured;
		2014	3,134,845	87,610,215	bearing	not impaired
Common stockholders:						
GMA Kapuso	Reimbursable charges	**2015**	**132,035**	**4,078,697**	On demand,	Unsecured;
Foundation Inc.		2014	197,020	4,011,857	noninterest-bearing	not impaired
Belo, Gozon,	Legal, consulting and	**2015**	**12,880,960**	**(560,000)**	On demand,	Unsecured;
Elma Law	retainers' fees	2014	12,327,240	(576,800)	noninterest-bearing	not impaired
Joint ventures:						
Gamespan	Advances (see Note 11)	**2015**	**₱1,959,670**	**₱1,959,670**	Noninterest-bearing	Unsecured; not impaired
PEP	Advances (see Note 11)	**2015**	**₱619,078**	**₱619,078**	Noninterest-bearing	Unsecured; not impaired

The advances made by the Parent Company to Mont-Aire, Gamespan and PEP are intended for future capital subscription.

Compensation of Key Management Personnel

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

	2015	2014	2013
Salaries and other long-term benefits	**₱340,264,893**	₱286,346,811	₱294,044,757
Pension benefits	**145,000,353**	140,385,431	40,322,398
	₱485,265,246	₱426,732,242	₱334,367,155

Equity Investments of the Retirement Fund

The Group's retirement fund includes equity investments in GMA Network, Inc. and GMA PDRs amounting to ₱47.78 million and ₱366.63 million in 2015, respectively, and ₱43.62 million and ₱342.76 million in 2014 respectively (see Note 26).

21. Net Revenues

	2015	2014	2013
Television and radio airtime	**₱12,397,118,205**	₱10,676,626,531	₱11,740,503,370
Subscription income (see Note 27)	**1,023,317,743**	1,075,797,836	977,812,319
Production and others	**324,488,394**	231,668,941	244,342,288
	13,744,924,342	11,984,093,308	12,962,657,977
Co-producers' shares	**(17,829,673)**	(1,204,962)	(11,778,655)
	₱13,727,094,669	₱11,982,888,346	₱12,950,879,322

Television and radio airtime include tax credits earned from airing of government commercials and advertisements amounting to ₱80.00 million and ₱44.80 million in 2014 and 2013, respectively. There were no income from tax credits earned in 2015.

22. **Production Costs**

	2015	2014	2013
Talent fees and production personnel costs (see Note 24)	**₱2,800,282,474**	₱2,738,810,934	₱3,102,519,989
Program and other rights usage (see Note 8)	**754,638,743**	646,680,799	565,357,691
Rental (see Note 27)	**731,850,677**	740,353,019	819,150,879
Facilities and production services	**567,552,339**	423,825,118	368,904,457
Tapes, sets and production supplies	**499,144,415**	497,911,836	575,808,346
Depreciation and amortization (see Note 12)	**308,860,531**	304,727,337	287,553,835
Transportation and communication	**180,255,889**	199,473,921	237,086,508
	₱5,842,585,068	₱5,551,782,964	₱5,956,381,705

23. **General and Administrative Expenses**

	2015	2014	2013
Personnel costs (see Note 24)	**₱2,608,455,858**	₱2,551,482,765	₱2,136,684,981
Depreciation and amortization (see Notes 12 and 14)	**491,411,483**	471,798,475	417,887,050
Communication, light and water	**274,428,572**	305,091,717	300,090,593
Advertising	**205,890,056**	332,414,477	393,148,883
Sales incentives	**180,064,157**	131,295,671	120,864,969
Professional fees	**171,532,826**	128,295,409	150,975,509
Marketing expense	**169,597,704**	131,764,590	140,909,480
Taxes and licenses	**157,226,517**	231,918,830	140,703,017
Rental (see Note 27)	**111,783,265**	114,768,310	100,339,414
Research and surveys	**93,171,513**	104,163,990	145,899,290
Repairs and maintenance	**66,894,802**	117,069,321	207,641,209
Transportation and travel	**65,272,971**	76,951,664	80,977,911
Security services	**55,017,437**	80,529,075	76,193,077
Software maintenance	**46,094,304**	62,371,317	39,099,556
Insurance	**27,162,693**	26,370,189	21,218,563
Janitorial services	**22,555,180**	21,320,457	16,616,542
Amortization of software costs (see Note 15)	**20,680,531**	23,369,011	30,995,844
Materials and supplies	**18,075,596**	22,480,776	24,094,187
Entertainment, amusement and recreation	**13,953,633**	13,724,393	13,728,404
Freight and handling	**10,988,081**	12,266,107	12,095,311
Dues and subscriptions	**8,930,117**	14,142,699	10,646,983
Provision for doubtful accounts (see Note 7)	**8,581,859**	715,495	848,005
Impairment loss on AFS financial assets (see Note 10)	**1,360,000**	1,370,300	1,053,550
Others	**73,242,868**	46,294,854	26,232,818
	₱4,902,372,023	₱5,021,969,892	₱4,608,945,146

Others include expenses incurred for messengerial services, other manpower, donations and other miscellaneous expenses.

Depreciation and Amortization

	2015	2014	2013
Property and equipment			
Production costs (see Notes 12 and 22)	**₱308,860,531**	₱304,727,337	₱287,553,835
General and administrative expenses (see Note 12)	**488,042,767**	468,791,481	414,524,911
Investment properties (see Note 14)	**3,368,716**	3,006,994	3,362,139
	₱800,272,014	₱776,525,812	₱705,440,885

24. Personnel Costs

	2015	2014	2013
Talent fees	**₱2,712,804,218**	₱2,652,472,280	₱2,971,320,857
Salaries and wages	**1,684,867,546**	1,710,460,808	1,553,164,989
Employee benefits and allowances	**741,620,872**	700,654,088	544,233,809
Pension expense (see Note 26)	**166,938,102**	163,016,525	116,158,183
Sick and vacation leaves expense	**102,507,594**	63,689,998	54,327,132
	₱5,408,738,332	₱5,290,293,699	₱5,239,204,970

The above amounts were distributed as follows:

	2015	2014	2013
Production costs (see Note 22)	**₱2,800,282,474**	₱2,738,810,934	₱3,102,519,989
General and administrative expenses (see Note 23)	**2,608,455,858**	2,551,482,765	2,136,684,981
	₱5,408,738,332	₱5,290,293,699	₱5,239,204,970

25. **Others - Net**

	2015	2014	2013
Commission from Artist Center	**₱26,486,506**	₱10,316,102	₱6,293,587
Gain on disposal of asset held for sale (see Note 10)	**23,567,528**	–	–
Gain on sale of property and equipment	**19,962,498**	32,321,569	11,243,730
Tax refund of GMA Pinoy TV	**14,742,143**	20,138,635	19,161,027
Merchandising license fees and others	**9,666,065**	10,641,552	1,657,906
Income from mall shows	**7,133,827**	4,232,090	2,908,221
Recycling of fair value change of certain available-for-sale firnancial assets due to redemption (Note 10)	**6,601,820**	–	–
Gain on reversal of long-outstanding payables	**6,466,667**	–	–
Rental income (see Note 27)	**6,278,507**	5,175,461	4,845,450
Write-off of AFS financial assets (See Note 10)	**–**	(6,725,912)	–
Sales of DVDs and integrated receiver-decoders	**4,457,354**	135,984	1,279,078
Bank charges	**(2,596,314)**	(2,097,352)	(1,454,150)
Loss on asset disposed/written off (see Notes 8, 9 and 14)	**(1,113,094)**	(3,624,011)	(2,703,576)
Loss on redemption of AFS financial assets	**(147,380)**	–	–
Dividends from AFS financial assets (see Note 10)	**–**	514,942	22,130,300
Gain on sale of investment properties	**–**	396,813	–
Others	**(3,952,667)**	3,143,722	745,321
	₱117,553,460	₱74,569,595	₱66,106,894

26. **Pension and Other Employee Benefits**

As at December 31, pension and other employee benefits consist of:

	2015	2014
Pension liability	**₱1,102,714,871**	₱1,161,280,052
Vacation and sick leave accrual	**304,942,271**	277,149,229
	1,407,657,142	1,438,429,281
Less current portion of vacation and sick leave accrual*	**9,225,020**	18,136,250
Pension and other long-term employee benefits	**₱1,398,432,122**	₱1,420,293,031

**Included in "Accrued expenses" under Trade payables and other current liabilities (see Note 16).*

<u>Pension Benefits</u>

The Group operates non-contributory defined benefit retirement plans.

Under the existing regulatory framework, Republic Act 7641 requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

Pension benefits recognized in the statements of comprehensive income are as follows (see Note 24):

	2015	2014	2013
Current service cost	**₱127,973,941**	₱123,391,933	₱91,017,025
Net interest cost	**38,964,161**	39,624,592	25,141,158
	₱166,938,102	₱163,016,525	₱116,158,183

Net pension liability recognized in the consolidated statements of financial position is as follows:

	2015	2014	2013
Present value of defined benefit obligation	**₱1,700,980,562**	₱1,642,786,529	₱1,226,966,160
Fair value of plan assets	**598,265,691**	481,506,477	621,718,108
Net pension liability	**₱1,102,714,871**	₱1,161,280,052	₱605,248,052

The changes in the present value of the defined benefit obligation are as follows:

	2015	2014	2013
Balance at beginning of year	**₱1,642,786,529**	₱1,226,966,160	₱1,095,667,012
Current service cost	**127,973,941**	123,391,933	91,017,025
Interest cost	**64,213,973**	75,185,302	67,222,108
Benefits paid*	**(133,993,881)**	(97,319,728)	(26,939,985)
Remeasurement losses:			
Changes in financial assumptions	**–**	146,438,354	–
Experience adjustment	**–**	168,124,508	–
Balance at end of year	**₱1,700,980,562**	₱1,642,786,529	₱1,226,966,160

**Includes payments made by the Group amounting to ₱34.48 million and ₱0.42 million in 2015 and 2013, respectively.*

The changes in the fair value of plan assets are as follows:

	2015	2014	2013
Balance at beginning of year	**₱481,506,477**	₱621,718,108	₱688,722,578
Contribution during the year	**172,681,390**	17,595,626	3,578,687
Interest income	**25,249,812**	35,560,710	42,080,950
Benefits paid	**(99,518,417)**	(97,689,078)	(26,519,787)
Remeasurement gain (loss) - return on plan assets	**18,346,429**	(95,678,889)	(86,144,320)
Balance at end of year	**₱598,265,691**	₱481,506,477	₱621,718,108

At each reporting period, the Group determines its distribution based on the performance of its retirement fund.

The Group expects to contribute ₱150.00 million to the defined benefit pension plan in 2016.

The funds are managed and supervised by a trustee bank for the benefits of the members. However, the general administration of the funds is vested in a Retirement Committee.

The following table presents the carrying amounts and estimated fair values of the plan assets:

	2015	2014
	Carrying Value/Fair Value	**Carrying Value/Fair Value**
Cash and cash equivalents	**₱150,245,482**	₱31,416
Equity instruments (see Note 20):		
GMA PDRs	**366,627,268**	342,760,950
GMA Network, Inc.	**47,775,600**	43,621,200
Debt instruments -		
Government securities	**20,201,208**	82,435,325
Others	**13,416,133**	12,657,586
	₱598,265,691	₱481,506,477

The plan assets consist of the following:

- Cash and cash equivalents consist of regular savings and time deposits.

- Investments in equity instruments consist of unsecured and not impaired investments on the listed shares of GMA Network, Inc. and GMA PDRs (see Note 20). Changes in the fair market value in these investments amounted to a gain of ₱91.93 million and ₱63.91 million in 2015 and 2014, respectively.

- Investments in debt instruments bear interest ranging from 3.15% to 7.89% and have maturities from February 2015 to October 2037. Equity and debt instruments held have quoted prices in active market.

- Others consist of loans and receivables which are collectible within the next twelve months.

The person who exercises voting rights over shares is within the powers of the Trustee, who do not have any relationship with the directors or officers of the Group.

The plan assets consist of 69.50% and 80.24% investments in equity instruments as at December 31, 2015 and 2014 , respectively. The plan assets are primarily exposed to financial risks such as liquidity risk and price risk.

Liquidity risk pertains to the plan's ability to meet its obligation to the employees upon retirement. To effectively manage liquidity risk, the Board of Trustees invests at least the equivalent amount of actuarially computed expected compulsory retirement benefit payments for the year to liquid/semi-liquid assets such as treasury notes, treasury bills, savings and time deposits with commercial banks.

The Group performed an Asset-Liability Matching Study (ALM) annually. The principal technique of the Group's ALM in order to minimize the portfolio liquidation risk is to ensure that the expected return on assets will be sufficient to support the desired level of funding arising from the defined benefit plans. The Group's current investment strategy consists of 70% equity instruments, 25% cash and cash equivalents, 5% debt instrument and 10% loans and receivables.

Price risk pertains mainly to fluctuations in market prices of equity securities listed in the Philippine Stock Exchange. In order to effectively manage price risk, the Board of Trustees continuously assesses these risks by closely monitoring the market value of the securities and implementing prudent investment strategies.

However, in the event a benefit claim arises under the retirement plan and the retirement fund is not sufficient to pay the benefit, the unfunded portion of the claim shall immediately be due and payable to the retirement fund from the Group.
The principal assumptions used in determining pension liability for the Group's plans are shown below:

	2015	2014	2013
Discount rate	**5.00%**	4-5%	6-7%
Expected rate of salary increase	**4.00%**	4.00%	4.00%
Turn-over rates:			
19-24 years old	**13.22%**	8.63%	10.44%
25-29 years old	**6.60%**	6.71%	6.95%
30-34 years old	**1.85%**	3.70%	3.87%
35-39 years old	**2.28%**	3.04%	2.55%
40-44 years old	**1.80%**	2.50%	2.18%
≥45 years old	**1.63%**	2.84%	2.75%

The sensitivity analysis below has been determined by remeasuring the defined benefit obligation at the reporting period after first adjusting one of the current assumption that were reasonably possible at the valuation date while all other assumptions remained unchanged. It should be noted that the changes assumed to be reasonably possible at the valuation date are open to subjectivity, and do not consider more complex scenarios in which changes other than those assumed may be deemed to be more reasonable.

	Increase (Decrease) in Basis Points	Increase (Decrease) in Defined Benefit Obligation		
		2015	2014	2013
Discount rate	50	**(₱85,998,488)**	(₱101,408,874)	(₱69,078,195)
	(50)	**94,061,708**	111,348,361	63,311,454
Future salary increases	50	**91,314,035**	103,936,573	67,115,049
	(50)	**(84,180,125)**	(95,817,259)	(61,961,791)

Shown below is the maturity analysis of the undiscounted benefit payments as at December 31:

Year	**2015**	2014	2013
Less than one year	**147,494,493**	₱103,899,340	₱49,613,321
More than 1 year to 3 years	**175,270,293**	189,955,877	206,832,446
More than 3 years to 7 years	**1,626,292,102**	1,107,707,179	953,524,310
More than 7 years to 15 years	**1,607,684,500**	1,307,077,274	1,384,008,046
More than 15 years to 20 years	**3,321,520,977**	2,817,584,173	2,577,809,201
More than 20 years	**13,882,063,607**	15,039,983,913	13,406,113,484

<u>Other Employee Benefits</u>
Other long-term employee benefits consist of accumulated and unexpired employee sick and vacation leave entitlements. Noncurrent portion of other employee benefits amounted to ₱295.72 million and ₱259.01 million as at December 31, 2015 and 2014, respectively, while current portion of other employee benefits recorded in "Accrued payroll and talent fees" included

under "Trade and other current liabilities" account amounted to ₱9.23 million and ₱18.14 million as at December 31, 2015 and 2014, respectively (see Note 16).

27. Agreements

Lease Agreements

Operating Lease Commitments - Group as Lessee. The Group entered into various lease agreements for the land, building, studio spaces, satellite and airtime that it presently occupies and uses for periods ranging from three to twenty five years. The leases are cancellable at the Group's option.

Also, in June 2012, the Parent Company agreed to extend its non-cancellable Co-production/ Blocktime Rental Agreement with ZOE Broadcasting Network, Inc. (ZBN) for another seven years from June 2012 to May 2019. On the first year of the contract renewal, the Parent Company shall pay ZBN an amount equivalent to total payments from June 2011 to May 2012, subject to yearly escalation of 10.00%.

Total rental expense amounted to ₱843.63 million, ₱855.12 million and ₱919.49 million in 2015, 2014, and 2013, respectively (see Notes 22 and 23).

The future minimum rentals payable under the non-cancellable operating leases follow:

	2015	2014
Within one year	**₱174,684,625**	₱158,804,204
After one year but not more than five years	**495,058,978**	669,743,603
	₱669,743,603	₱828,547,807

Operating Lease - Group as Lessor. The Group also leases out certain properties for a period of one year, renewable annually. The leased out properties include investment properties and portion of land in regional stations. Total rental income amounted to ₱6.28 million, ₱5.18 million and ₱4.85 million in 2015, 2014 and 2013, respectively (see Note 25).

Subscription Agreements

The Parent Company entered into various subscription agreements with international cable providers for the airing of its programs and shows abroad. The agreements generally have terms of three to five years and are based on certain agreed service package rates.

Total subscription income amounted to ₱1,023.32 million, ₱1,075.80 million and ₱977.81 million in 2015, 2014 and 2013, respectively (see Note 21).

28. Income Taxes

The current income tax pertains to the following:

	2015	2014	2013
RCIT	**₱951,169,854**	₱512,851,208	₱908,993,419
MCIT	**3,728,988**	1,066,086	196,921
	₱954,898,842	₱513,917,294	₱909,190,340

The components of the Group's provision for (benefit from) income tax in the consolidated profit or loss are as follows:

	2015	2014	2013
Current - RCIT	**₱954,898,842**	₱513,917,294	₱909,190,340
Deferred	**(44,562,213)**	(65,982,463)	(196,859,299)
	₱910,336,629	₱447,934,831	₱712,331,041

Income Tax
The reconciliation between the statutory income tax and effective income tax on income before income tax is shown below:

	2015	2014	2013
Statutory income tax	**30%**	30%	30%
Additions (deductions) in income tax resulting from:			
Interest income already subjected to final tax	**(0.10)**	(0.23)	(0.23)
Nondeductible interest expense	**(0.06)**	0.08	0.07
Equity in net earnings (losses) of joint ventures	**0.03**	(0.37)	0.22
Nontaxable refund of foreign tax credit	**(0.02)**	–	0.21
Nondeductible tax deficiency payment	**0.01**	–	–
Income tax holiday	**–**	–	(1.14)
Impairment loss on investment	**–**	–	0.04
Others - net	**0.12**	1.25	0.80
Effective income tax	**29.98%**	30.73%	29.97%

Deferred Income Taxes
The components of the Group's net deferred income tax assets and liabilities are as follows:

	2015	2014
Parent Company		
Deferred income tax assets:		
Pension liability	**₱234,743,605**	₱252,045,092
Allowance for doubtful accounts	**83,243,469**	80,961,771
Other long-term employee benefits	**72,014,626**	69,867,993
Advances from customers	**46,910,706**	–
Accrued rent	**28,650,284**	25,870,239
Unrealized foreign exchange loss	**7,650,732**	5,973,762
Revaluation of AFS financial assets	**623,954**	–
Customers deposits	**–**	605,392
	473,837,376	435,324,249

(Forward)

	2015	2014
Parent Company		
Deferred income tax liabilities:		
Revaluation increment on land	**(₱435,963,012)**	(₱435,963,012)
Unamortized capitalized borrowing costs	**(15,115,728)**	(18,138,874)
Discounting of noncurrent obligation for program and other rights	**(62,708)**	(496,254)
Revaluation of AFS financial assets	–	(422,410)
	(451,141,448)	(455,020,550)
	₱22,695,928	(₱19,696,301)

	2015	2014
Subsidiaries		
Deferred income tax assets:		
Pension liability	**₱95,284,022**	₱96,338,924
Intercompany sale of intangible assets	**40,500,000**	45,000,000
Other long-term employee benefits	**19,263,919**	7,835,907
Allowance for probable losses in investments	**7,405,770**	1,893,651
Allowance for doubtful accounts	**660,936**	1,446,511
Excess MCIT over RCIT	**196,806**	780,366
Unrealized loss on AFS financial assets	**16,000**	–
Unrealized foreign exchange loss	**6,750**	–
Others	–	922,207
	163,334,203	154,217,566
Deferred income tax liabilities:		
Unrealized foreign exchange gain	**(377,212)**	(6,574,266)
Revaluation of AFS financial assets	**(190,000)**	(242,501)
	(567,212)	(6,816,767)
	₱162,766,991	₱147,400,799
Deferred income tax assets - net	**₱185,462,919**	₱147,400,799
Deferred income tax liabilities - net	**₱–**	(₱19,696,301)

The components of deferred income tax assets (liabilities) pertaining to accounts presented under equity in the consolidated statements of financial position are as follows:

	2015	2014
Revaluation increment on land	**(₱435,963,012)**	(₱435,963,012)
Pension liability - remeasurement loss on retirement plan	**128,779,787**	134,283,716
Revaluation of AFS financial assets	**(25,573,578)**	(2,151,332)
	(₱332,756,803)	(₱303,830,628)

The components of the subsidiaries' deductible temporary differences and carryforward benefits of NOLCO and MCIT, for which no deferred income tax assets have been recognized in the Group's consolidated statements of financial position, are as follows:

	2015	2014
NOLCO	**₱35,320,723**	₱81,641,826
Allowance for doubtful accounts	**6,989,912**	9,805,947
Pension liability	**2,622,785**	1,992,286
Allowance for inventory stock	**1,708,252**	–
Other long-term employee benefits	**680,456**	627,035
Excess MCIT over RCIT	**161,953**	154,354
Allowance for impairment loss	–	540,866
Unrealized foreign exchange loss	–	57,200
	₱47,484,081	₱94,819,514

The unrecognized deferred tax assets from the above deductible temporary differences and carryforward benefits of NOLCO and MCIT amounted to ₱14.36 million and ₱28.55 million as at December 31, 2015 and 2014, respectively.

The deferred income tax assets were not recognized as management believes that future taxable income against which the deferred income tax assets can be used for these entities may not be available.

As at December 31, 2015, the Group's MCIT and NOLCO are as follows:

Date Paid/Incurred	Carry forward Benefit Up To	MCIT	NOLCO
December 31, 2013	December 31, 2016	₱401	₱15,613,400
December 31, 2014	December 31, 2017	76,482	19,473,687
December 31, 2015	December 31, 2018	281,876	233,636
		₱358,759	₱35,320,723

The movements in MCIT and NOLCO in 2015 are as follows:

	MCIT	NOLCO
Balance at beginning of year	₱934,720	₱81,641,826
Additions	281,876	233,636
Application	(656,338)	(4,998,884)
Expirations	(201,499)	(41,555,855)
	₱358,759	₱35,320,723

29. **EPS Computation**

The computation of basic and diluted EPS follows:

	2015	2014	2013
Net income attributable to equity holders of the Parent Company (a)	**₱2,115,082,277**	₱1,004,651,016	₱1,666,949,855
Less attributable to preferred shareholders	**652,733,626**	310,044,440	514,435,885
Net income attributable to common equity holders of the Parent Company (b)	**1,462,348,651**	₱694,606,576	₱1,152,513,970
Common shares issued at the beginning of year (Note 19)	**3,364,692,000**	3,364,692,000	3,364,692,000
Treasury shares (Note 19)	**(3,645,000)**	(3,645,000)	(3,645,000)
Underlying shares on acquired PDRs (Note 19)	**(750,000)**	(750,000)	(750,000)
Weighted average number of common shares for basic EPS (c)	**3,360,297,000**	3,360,297,000	3,360,297,000
Weighted average number of common shares	**3,360,297,000**	3,360,297,000	3,360,297,000
Effect of dilution - assumed conversion of preferred shares	**1,500,000,000**	1,500,000,000	1,500,000,000
Reacquired preferred shares	**(98,563)**	(98,563)	(98,563)
Weighted average number of common shares adjusted for the effect of dilution (d)	**4,860,198,437**	4,860,198,437	4,860,198,437
Basic EPS (b/c)	**₱0.435**	₱0.207	₱0.343
Diluted EPS (a/d)	**₱0.435**	₱0.207	₱0.343

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

The Group's principal financial instruments include cash and cash equivalents. The main purposes of these financial instruments include raising financing for the Group's operations and managing identified financial risks. The Group has other financial assets and liabilities such as trade and nontrade receivables (excluding advances to suppliers), refundable deposits, trade payables and other current liabilities (excluding payable to government agencies, customers' deposits and advances from customers), short-term loans, obligations for program and other right, dividends payable and other long-term employee benefits, which arise directly from its operations, and AFS financial assets. The main risks arising from the use of financial instruments are liquidity risk, foreign currency exchange risk and credit risk. The Group is not exposed to interest rate risk as most of its financial assets and financial liabilities have fixed rates.

The BOD reviews and approves the Group's objectives and policies.

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

The Group manages liquidity risk by using its cash and cash equivalents from operations to meet its short-term liquidity needs. The Group likewise regularly evaluates other financing instruments and arrangements to broaden the Group's range of financing sources.

The tables below summarize the maturity profile of the Group's financial assets used for liquidity risk management purposes and financial liabilities based on contractual undiscounted payments as at December 31:

		2015			
	On Demand	**Less than 3 Months**	**3 to 12 Months**	**More than 1 year**	**Total**
Loans and receivables:					
Cash and cash equivalents*	**₱1,379,929,293**	**₱653,042,597**	**₱–**	**₱–**	**₱2,032,971,890**
Trade receivables:					–
Television and radio airtime	**1,400,967,153**	**2,575,855,130**	**277,478,231**	–	**4,254,300,514**
Subscriptions	**102,517,693**	**175,160,249**	–	–	**277,677,942**
Others	**22,686,391**	**94,525,563**	**5,797,900**		**123,009,854**
Nontrade receivables:					
Advances to officers and employees	**315,790**	**3,102,192**	–	–	**3,417,982**
Others	**4,991,390**	**4,077,051**		–	**9,068,441**
Refundable deposits**	–	–	–	**20,040,588**	**20,040,588**
	2,911,407,710	**3,505,762,782**	**283,276,131**	**20,040,588**	**6,720,487,211**
AFS financial assets	–	**-**	**-**	**191,116,881**	**191,116,881**
	₱2,911,407,710	**₱3,505,762,782**	**₱283,276,131**	**₱211,157,469**	**₱6,911,604,092**
Other financial liabilities:					
Trade payables and other current liabilities***	**₱592,626,117**	**₱567,568,109**	**₱38,437,946**	**₱–**	**₱1,198,632,172**
Short-term loans****	–	–	**1,160,475,629**	–	**1,160,475,629**
Obligations for program and other rights	–	**220,843,041**	–	–	**220,843,041**
Dividends payable	**10,873,177**	–	–	–	**10,873,177**
	₱603,499,294	**₱788,411,150**	**₱1,198,913,575**	**₱–**	**₱2,590,824,019**

**Excluding cash on hand and production fund amounting ₱127.33 million.*
***Included under "Other noncurrent assets" account in the consolidated statements of financial position (see Note 15).*
****Excluding payable to government agencies, customer deposits and advances from customers amounting to ₱595.72 million, ₱239.93 million and ₱156.37 million, respectively (see Note 16).*
*****Gross contractual payments.*

		2014			
	On Demand	Less than 3 Months	3 to 12 Months	More than 1 year	Total
Loans and receivables:					
Cash and cash equivalents*	₱1,412,013,951	₱159,644,753	₱–	₱–	₱1,571,658,704
Trade receivables:					
Television and radio airtime	550,910,486	2,473,761,000	269,872,570	–	3,294,544,056
Subscriptions	320,876,428	718,519,443	–	–	1,039,395,871
Others	47,348,164	122,069,524	4,821,702	–	174,239,390
Nontrade receivables:					
Advances to officers and employees	39,000	4,404,381	–	–	4,443,381
Others	11,980,481	74,067,442	–	–	86,047,923
Refundable deposits**	–	–	–	19,913,347	19,913,347
	2,343,168,510	3,552,466,543	274,694,272	19,913,347	6,190,242,672
AFS financial assets	–	–	–	129,024,081	129,024,081
	₱2,343,168,510	₱3,552,466,543	₱274,694,272	₱148,937,428	₱6,319,266,753
Other financial liabilities:					
Trade payables and other current liabilities***	₱427,501,183	₱500,295,668	₱66,059,351	₱–	₱993,856,202
Short-term loans****	–	300,649,167	1,935,504,556	–	2,236,153,723
Obligations for program and other rights	–	116,533,114	–	5,193,223	121,726,337
Dividends payable	9,698,035	–	–	–	9,698,035
	₱437,199,218	₱917,477,949	₱2,001,563,907	₱5,193,223	₱3,361,434,297

**Excluding cash on hand and production fund amounting ₱27.17 million.*
***Included under "Other noncurrent assets" account in the consolidated statements of financial position (see Note 15).*
****Excluding payable to government agencies and customer deposits amounting to ₱716.45 million and ₱220.87 million, respectively (see Note 16).*
*****Gross contractual payments.*

Foreign Currency Exchange Risk. Foreign currency exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. The Group's exposure to foreign currency exchange risk results from its business transactions denominated in foreign currencies. It is the Group's policy to ensure that capabilities exist for active but conservative management of its foreign currency exchange risk.

The Group's foreign currency-denominated monetary assets and liabilities are as follows:

	2015		2014	
Assets				
Cash and cash equivalents	**$11,450,723**	**₱538,871,024**	$18,233,035	₱815,381,325
Trade receivables	**25,470,989**	**1,198,664,742**	24,933,815	1,115,040,207
	$36,921,712	**₱1,737,535,766**	$43,166,850	₱1,930,421,532
Liabilities				
Trade payables	**$2,684,356**	**₱126,325,793**	$614,398	₱27,475,879
Short-term loans	**24,500,000**	**1,152,970,000**	43,000,000	1,922,960,000
Obligations for program and other rights	**3,174,067**	**149,371,593**	1,114,846	49,855,913
	$30,358,423	**₱1,428,667,386**	$44,729,244	₱2,000,291,792
	$6,563,289	**₱308,868,380**	($1,562,394)	(₱69,870,260)

In translating the foreign currency-denominated monetary assets and liabilities into Philippine peso amounts, the exchange rate used were ₱47.06 to US$1.00 and ₱44.72 to US$1.00, the Philippine peso to U.S. dollar exchange rate as at December 31, 2015 and 2014, respectively.

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

	Appreciation (Depreciation) of ₱	Effect on Income before Income Tax
2015	**0.50**	**(₱820,411)**
	(0.50)	**820,411**
2014	0.50	₱1,033,850
	(0.50)	(1,033,850)

Credit Risk. Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. It is the Group's policy to enter into transactions with a diversity of creditworthy parties to mitigate any significant concentration of credit risk. The Group ensures that sales of products and services are made to customers with appropriate credit history. The Group has an internal mechanism to monitor the granting of credit and management of credit exposures. The Group has made provisions, where necessary, for potential losses on credits extended. The Group's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amount of the instruments. The Group does not require any collateral for its financial assets, thus, maximum exposure to credit risk is equal to the carrying value of the financial instruments.

The table below shows the maximum exposure to credit risk for the components of the consolidated financial position as at December 31:

	2015	2014
Loans and receivables		
Cash and cash equivalents*	**₱2,032,971,890**	₱1,571,658,704
Trade receivables:		
Television and radio airtime	**4,254,300,514**	3,294,544,056
Subscriptions	**277,677,942**	1,039,395,871
Others	**123,009,854**	174,239,390
Nontrade receivables:		
Advances to officers and employees	**3,417,982**	4,443,381
Others	**9,068,441**	86,047,923
Refundable deposits**	**20,040,588**	19,913,347
	6,720,487,211	6,190,242,672
AFS financial assets	**191,116,881**	129,024,081
	₱6,911,604,092	₱6,319,266,753

**Excluding cash on hand amounting to ₱27.17 million and ₱24.44 million as at December 31, 2014 and 2013, respectively.*
***Included under "Other noncurrent assets" account in the consolidated statements of financial position (see Note 15).*

The credit quality of financial assets is managed by the Group using high grade and standard grade as internal credit ratings.

- *High Grade.* Pertains to a counterparty who is not expected by the Group to default in settling its obligations, thus credit risk exposure is minimal. This normally includes prime financial institutions and companies and top 20 advertisers in terms of volume of sales, who consistently pay on or before the maturity date and related parties.

- *Standard Grade.* Pertains to a counterparty with tolerable delays (normally from 1 to 30 days) in settling its obligations to the Group. The delays may be due to cut-off differences. This includes customers outside the top 20 advertisers in terms of volume of sales, who consistently pay on maturity date and officers and employees.

As at December 31, 2015 and 2014, the credit quality of the Group's financial assets is as follows:

	2015				
	Neither Past Due Nor Impaired		**Past Due but not Impaired**	**Past Due and Impaired**	
	High Grade	**Standard Grade**			**Total**
Loans and receivables:					
Cash and cash equivalents*	**₱2,032,971,890**	**₱–**	**₱–**	**₱–**	**₱2,032,971,890**
Trade receivables:					
Television and radio airtime	**2,365,548,701**	**210,306,429**	**1,400,967,153**	**277,478,231**	**4,254,300,514**
Subscriptions	**117,689,978**	**57,470,271**	**102,517,693**	**–**	**277,677,942**
Others	**91,835,899**	**2,689,664**	**22,686,391**	**5,797,900**	**123,009,854**
Nontrade receivables:					
Advances to officers and employees	**3,102,192**	**–**	**315,790**	**–**	**3,417,982**
Others	**3,962,266**	**114,785**	**4,991,390**	**–**	**9,068,441**
Refundable deposits**	**20,040,588**	**–**	**–**	**–**	**20,040,588**
	4,635,151,514	**270,581,149**	**1,531,478,417**	**283,276,131**	**6,720,487,211**
AFS financial assets	**191,116,881**	**–**	**–**	**–**	**191,116,881**
	₱4,826,268,395	**₱270,581,149**	**₱1,531,478,417**	**₱283,276,131**	**₱6,911,604,092**

**Excluding cash on hand amounting to ₱127.33 million as at December 31, 2015.*
***Included under "Other noncurrent assets" account in the consolidated statements of financial position (see Note 15).*

	2014				
	Neither Past Due Nor Impaired		Past Due but	Past Due and	
	High Grade	Standard Grade	not Impaired	Impaired	Total
Loans and receivables:					
Cash and cash equivalents*	₱1,571,658,704	₱–	₱–	₱–	₱1,571,658,704
Trade receivables:					–
Television and radio airtime	269,872,570	1,870,274,281	884,524,635	269,872,570	3,294,544,056
Subscriptions	–	443,781,464	595,614,407		1,039,395,871
Others	4,821,702	81,967,263	82,628,723	4,821,702	174,239,390
Nontrade receivables:					–
Advances to officers and employees	–	4,404,381	39,000	–	4,443,381
Others	–	71,627,672	14,420,251	–	86,047,923
Refundable deposits**	19,913,347	–	–	–	19,913,347
	1,866,266,323	2,472,055,061	1,577,227,016	274,694,272	6,190,242,672
AFS financial assets	129,024,081	–	–	–	129,024,081
	₱1,995,290,404	₱2,472,055,061	₱1,577,227,016	₱274,694,272	₱6,319,266,753

**Excluding cash on hand amounting to ₱27.17 million as at December 31, 2014.*
***Included under "Other noncurrent assets" account in the consolidated statements of financial position (see Note 15).*

Capital Management

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

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

The Parent Company is not subject to externally imposed capital requirements.

No changes were made in the objectives, policies or processes for the three years ended December 31, 2015, 2014 and 2013.

The Group monitors its capital gearing by measuring the ratio of interest-bearing loan to total equity. The Group's interest-bearing loans, which are the short-term loans, amounted to ₱1,152.97 million and ₱2,222.96 million as at December 31, 2015 and 2014, respectively. The Group's total equity attributable to equity holders of the Parent Company as at December 31, 2015 and 2014 amounted to ₱9,038.85 million and ₱8,190.47 million, respectively.

31. **Fair Value Measurement**

The table below presents the carrying values and fair values of the Group's assets and liabilities, by category and by class, as at December 31:

	2015			
		Fair Value		
	Carrying Value	**Quoted Prices in Active Markets (Level 1)**	**Significant Observable Input (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Assets Measured at Fair Value				
Land at revalued amount	**₱1,802,522,857**	**₱–**	**₱–**	**₱1,802,522,857**
AFS financial assets	**39,833,800**	**39,833,800**	**–**	**–**
Assets for which Fair Values are Disclosed				
Investment properties	**55,548,001**	**–**	**–**	**135,390,479**
Loans and receivables - Refundable deposits*	**20,040,588**	**–**	**–**	**18,260,354**
	₱1,917,945,246	**₱39,833,800**	**₱–**	**₱1,956,173,690**

**Included under "Other noncurrent assets" account in the consolidated statements of financial position (see Note 15).*

	2014			
		Fair Value		
	Carrying Value	Quoted Prices in Active Markets (Level 1)	Significant Observable Input (Level 2)	Significant Unobservable Inputs (Level 3)
Assets Measured at Fair Value				
Land at revalued amount	₱1,799,712,858	₱–	₱–	₱1,799,712,858
AFS financial assets	6,840,000	6,840,000	–	–
Assets for which Fair Values are Disclosed				
Investment properties	58,811,306	–	–	135,390,479
Loans and receivables - Refundable deposits*	19,913,347	–	–	18,144,416
	₱1,885,277,511	₱6,840,000	₱–	₱1,953,247,753
Liability for which Fair Value is Disclosed				
Other financial liability - Noncurrent portion of obligation for program and other rights	₱5,193,223	₱–	₱–	₱6,526,340

**Included under "Other noncurrent assets" account in the consolidated statements of financial position (see Note 15).*

During the years ended December 31, 2015 and 2014, there were no transfers between levels of fair value measurement. There are no financial instruments classified under levels 1 and 2.

<u>Fair Value Determination</u>
The following methods and assumptions are used to estimate the fair value of each asset and liability for which it is practicable to estimate such value:

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

Refundable Deposits
The fair value of refundable deposits is based on the present value of the future discounted cash flows. Discount rates used range from 3.14% to 4.72% in 2015 and 3.64% to 4.83% in 2014.

AFS Financial Assets
These are investments in quoted and unquoted shares of stock. The fair value of quoted shares is based on quoted market prices. For unquoted shares, the carrying amounts (cost less allowance for impairment losses) approximate fair values due to unpredictable nature of future cash flows and lack of other suitable methods for arriving at reliable fair value.

Investment Properties
The valuation for investment properties was derived through market data approach based upon prices paid in actual market transactions. This approach relies on the comparison of recent sale transactions or offerings of similar properties which have occurred and/or offered with close proximity to the subject property adjusted based on certain elements of comparison (e.g. market conditions, location, physical condition and amenities). Significant unobservable valuation input in determining the fair value of investment properties includes adjusted price per square meter that ranges from ₱900 to ₱118,945.

Land at Revalued Amount
The valuation for land was derived through market data approach based upon prices paid in actual market transactions. This approach relies on the comparison of recent sale transactions or offerings of similar properties which have occurred and/or offered with close proximity to the subject property adjusted based on certain elements of comparison (e.g. market conditions, location, physical condition and amenities). Significant unobservable valuation input in determining the fair value of land at revalued amount includes adjusted price per square meter that ranges from ₱200 to ₱50,000.

Significant increases (decreases) in estimated price per square meter would result in a significantly higher (lower) fair value of the properties.

Trade Payables and Other Current Liabilities (excluding payable to government agencies and customer deposits), Short-term Loans, Current Portion of Obligations for Program and Other Rights and Dividends Payable
The carrying values of trade payables and other current liabilities, short-term loans, current portion of obligations for program and other rights and dividends payable are the approximate fair values due to the relatively short-term maturity of these financial instruments.

Noncurrent Portion of Obligations for Program and Other Rights
The fair value of noncurrent portion of obligation for program and other rights is based on the present value of the future cash flows. Discount rate used is 4.03% in 2014.

32. Supplemental Information to Consolidated Statements of Cash Flows

Non-cash transaction in 2015 consists of acquisition of AFS financial assets for ₱130.00 million in exchange for investments in X-Play for ₱26.43 million, advances for ₱30.00 million and airtime receivables for ₱28.00 million (see Note 10).

Non-cash transaction in 2013 consists of investment in PEP for ₱12.00 million through conversion of advances of GNMI in PEP (see Note 11). This also consists of the increase in AFS financial assets amounting to ₱22.13 million which is attributable to the dividends declared to the Parent Company.

DIRECTORY

TELEVISION

LUZON

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

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

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

TV-7 Basco, Batanes (GMA)
Brgy. Kayvaluganan, Basco, Batanes
0915-6127197

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

TV-7 Tugegarao, Cagayan (GMA)
No. 91 Mabini St., Tuguegarao City
0915-6127263

TV-27 Tugegarao, Cagayan (GNTV)
No. 91 Mabini St., Tuguegarao City
0915-6127263

TV-7 Santiago City, Isabela (GMA)
Heritage Commercial Complex, Maharlika Hi-way,
Brgy. Malvar Santiago City, Isabela
0915-2700063

TV-5 Baler, Aurora (GMA)
Purok 3, Brgy. Buhangin, Baler, Aurora
0915-6127194

TV-10 Olongapo (GMA)
Upper Mabayuhan, Olongapo City
0915-6127265

TV-26 Olongapo (GNTV)
Upper Mabayuhan, Olongapo City
0915-6127265

TV-28 Tarlac City (GNTV)
Exclusively His Bldg. located at F. Tanedo St.
corner Espinosa St., Tarlac City
0915-2700185

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

TV-44 Jalajala, Rizal (GMA)
Mt. Landing, Jalajala, Rizal
0915-8632874

TV-13 San Jose, Occidental Mindoro (GMA)
Bonifacio St., San Jose, Occidental Mindoro
0915-6127199

TV-26 San Jose, Occidental Mindoro (GMA)
Bonifacio St., San Jose, Occidental Mindoro
0915-6127199

TV-6 Brooke's Point, Palawan (GMA)
Poblacion, Brooke's Point, Palawan
0915-6127181

TV-8 Coron, Palawan (GMA)
Tapias Hill, Coron, Palawan
0915-6127178

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

TV-7 Tablas, Romblon (GMA)
Triple Peak, Sta. Maria, Tablas, Romblon
0915-6127225

TV-12 Legazpi, Albay (GMA)
Mt. Bariw, Estanza, Legazpi City
0915-8632867

RGMA TV-33 Legazpi, Albay (GMA)
Mt. Bariw, Estanza, Legazpi City
0915-8632867

TV-27 Legazpi, Albay (GNTV)
Mt. Bariw, Estanza, Legazpi City
0915-8632867

TV-8 Daet, Camarines Norte (GMA)
Purok 2, Brgy. Mancruz, Daet, Camarines Norte
0915-2700056

TV-7 Naga, Camarines Sur (GMA)
Brgy. Concepcion Pequeña, Naga City
0915-4417071

RGMA TV-44 Naga , Camarines Sur (GMA)
Brgy. Concepcion Pequeña, Naga City
0915-4417071

TV-28 Naga , Camarines Sur (GNTV)
Brgy. Concepcion Pequeña, Naga City
0915-4417071

TV-13 Virac, Catanduanes (GMA)
Brgy. Sto. Niño, Virac, Catanduanes
0915-612717

TV-7 Masbate (GMA)
Brgy. Pinamurbuhan, Mobo, Masbate
0915-6127175

TV-27 Masbate (GNTV)
Brgy. Pinamurbuhan, Mobo, Masbate
0915-6127175

TV-2 Juban, Sorsogon (GMA)
Mt. Bintacan, Brgy. Maalo, Juban, Sorsogon
0915-2700192

TV-7 Abra (GMA)
Brgy. Lusuac, Peñarrubia, Abra
0915-6130512

TV-10 Benguet (GMA)
Mt. Sto. Tomas, Tuba, Benguet
0915-4417080

TV-22 Benguet (GNTV)
Mt. Sto. Tomas, Tuba, Benguet
0915-4417080

TV-5 Mountain Province (GMA)
Mt Amuyao, Barlig. Mountain Province
0915-2700124

VISAYAS

TV-2 Kalibo, Aklan (GMA)
New Busuanga, Numancia, Aklan
0915-6127216

TV-27 Kalibo, Aklan (GNTV)
New Busuanga, Numancia, Aklan
0915-6127216

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

TV-6 Jordan, Guimaras (GMA)
Bo. Tamburong, Jordan, Guimaras
0915-4417084

TV-28 Iloilo (GNTV)
Alta Tierra Subdivision, Jaro, Iloilo
0915-4417084

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

TV-30 Murcia, Negros Occidental (GMA)
Mt. Kanlandog, Brgy. Canlandog,
Murcia, Negros Occidental
0915-2700132

TV-10 Sipalay (GMA)
Sipalay Municipal Building, Sipalay, Negros Occidental
0915-6127219

TV-11 Tagbilaran, Bohol (GMA)
Banat-I Hills, Brgy. Bool, Tagbilaran City
0915-6127214

TV-7 Cebu (GMA)
Bonbon, Cebu City
0915-441707

RGMA TV-51 Cebu (GMA)
Bonbon, Cebu City
0915-441707

TV-27 Cebu (GNTV)
Bonbon, Cebu City
0915-441707

TV-5 Dumaguete (GMA)
Barrio Looc, Sibulan, Negros Oriental
0915-6131185

TV-28 Dumaguete (GNTV)
Barrio Looc, Sibulan, Negros Oriental
0915-6131185

TV-8 Borongan (GMA)
Poblacion, Borongan, Eastern Samar
0915-6127177

TV-12 Ormoc, Leyte (GMA)
Brgy. Alta Vista, Ormoc City
0915-6127213

TV-10 Tacloban (GMA)
Basper, Tigbao, Tacloban City
0915-6127208

TV-26 Tacloban (GMA)
Basper, Tigbao, Tacloban City
0915-6127208

TV-5 Calbayog City (GMA)
Purok 2 San Mateo St. Brgy. Matobato,
Calbayog City, Western Samar
0915-6127176

TV-26 Butuan (GMA)
Mayapay, Brgy. Bonbon, Butuan City
09163178470

MINDANAO

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

TV-3 Pagadian (GMA)
Mt. Palpalan, Pagadian City
0915-6127245

TV-26 Pagadian (GNTV)
Mt. Palpalan, Pagadian City
0915-6127245

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

TV-12 Mt. Kitanglad, Bukidnon (GMA)
Mt. Kitanglad, Bukidnon
0915-8632863

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

TV-11 Iligan City (GMA)
Brgy. Del Carmen, Iligan City
0915-6131202

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

TV-5 Davao (GMA)
Shrine Hills, Matina, Davao City
0915-4417082

TV-27 Davao (GNTV)
Shrine Hills, Matina, Davao City
0915-4417082

TV-12 Cotabato (GMA)
Regional Government Center, Cotabato City
0915-6131170

TV-27 Cotabato (GNTV)
Regional Government Center, Cotabato City
0915-6131170

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

TV-10 Surigao (GMA)
Lipata Hills, Surigao City
0915-6131227

TV-27 Surigao (GMA)
Lipata Hills, Surigao City
0915-6131227

TV-2 Tandag (GMA)
Capitol Hill, Brgy. Telaje, Tandag, Surigao del Sur
0915-6127248

TV-12 Jolo (GMA)
Ynawat Bldg., Hadji Butu St., Jolo, Sulu
0915-6131182

TV-26 Jolo (GNTV)
Ynawat Bldg., Hadji Butu St., Jolo, Sulu
0915-6131182

RADIO STATIONS

LUZON

METRO MANILA
AM – DZBB (594 khz.) 50kW
FM – DWLS (97.1 mhz.) 25kW
GMA Complex, EDSA cor. Timog Ave.,
Diliman, Quezon City

BAGUIO
FM – DWRA (92.7 mhz.) 5kW
2/F Baguio Midland Courier Bldg. 16 Kisad Rd., Baguio City

DAGUPAN
FM – DWTL (93.5 mhz.) 10kW
Claveria Road, Malued District
Dagupan City, Pangasinan

LEGAZPI
FM – DWCW (96.3 mhz.) 10kW
3rd level A. Bichara Silverseen Entertainment Center, Magallanes St.,
Legazpi City

LUCENA
FM – DWQL (91.1 mhz.) 10kW
3/F Ancon Bldg., Merchan Street, Lucena City

FM – DWQW (101.5 mhz.)
GMA complex , Diversion Road(Roxas Ave.)
Beside Mother Seton Hospital, Naga City

PALAWAN
AM – DYSP (909 khz.) 5kW
FM – DYHY (97.5 mhz.) 5kW
Solid Road, San Manuel
Puerto Princesa City, Palawan

TUGUEGARAO
FM – DWWQ (89.3 mhz.) 10kW
4/F Villablanca Hotel Pattaui St. cor. Pallua Rd.,
Ugac Norte Tuguegarao, Cagayan

VISAYAS

BACOLOD
FM – DYEN (107.1mhz.) 10kW
3/F Door # 10 Centroplex Mall
Gonzaga- Locsin St. Brgy. 21
Bacolod City 6100

CEBU
AM – DYSS (999 khz.) 10kW
FM – DYRT (99.5 mhz.) 25kW
GMA Skyview Complex Nivel Hills,
Lahug, Cebu City

ILOILO
AM – DYSI (1323 khz.) 5kW
FM – DYMK (93.5 mhz.) 10kW
Phase 5, Alta Tierra Village Jaro, Iloilo City

KALIBO
FM – DYRU (92.9 mhz.) 5kW
Torres-Olivia Bldg. Roxas Ave. Extension,
Kalibo, Aklan

MINDANAO

CAGAYAN DE ORO
FM – DXLX (100.7 mhz.) 5kW
2nd Flr. Centro Mariano Bldg.
Osmena St. Cagayan de Oro City

Footnote : For Transfer

ILIGAN
FM (DZBB Relay) 1kW
3/F Kimberly Bldg., A Bonifacio cor. I. Emillia Ave.,
Iligan City, Lanao del Norte

DAVAO
AM – DXGM (1125 khz.) 10k
FM – DXRV (103.5) 10k
GMA Network Complez, Shrine Hills, Matina Davao City

GENERAL SANTOS
FM – DXCJ (102.3 mhz.) 10KW
3/F PBC Bldg., Cagampang St. Gen. Santos City

SUBSIDIARIES

GMA New Media, Inc.
12/F GMA Network Center, EDSA cor. Timog
Avenue, Diliman, Quezon City
Tel: 857-4664 ● 857-4627
Fax: 857-4665 ● 857-4633
Website: www.gmanmi.com
Chairman and CEO: **Felipe L. Gozon**
President and COO: **Edilberto I. Gallares**

CityNet Network Marketing and Productions, Inc.
GMA Network Center, EDSA cor. Timog Avenue, Diliman, Quezon City
Tel: 982-7777
Chairman: **Felipe L. Gozon**
President: **Gilberto R. Duavit, Jr.**

GMA Network Films. Inc.
GMA Network Center, EDSA cor. Timog Avenue,
Diliman, Quezon City
Tel: 982-7777 local 9980/9981
Telefax: 926-1842
Chairman: **Gilberto R. Duavit, Jr.**
President: **Anna Teresa G. Abrogar**

GMA Worldwide (Philippines), Inc.
10/F GMA Network Center, EDSA corner
Timog Avenue, Diliman, Quezon City
Tel: 928-5072
982-7777 local 9381
928-5065
Fax: 928-5065
Chairman: **Gilberto R. Duavit, Jr.**
President: **Anna Teresa G. Abrogar**

RGMA Marketing and Productions and Productions, Inc. (GMA Records)
Unit 1405 Future Point Plaza, 112 Panay Avenue,
Brgy. South Triangle, Quezon City
Website: www.gmarecords.com.ph
Tel: 411-7521
Telefax: 376-3395
Chairman: **Felipe L. Gozon**
President and CEO: **Gilberto R. Duavit, Jr.**

Script2010, Inc. (Formerly Capitalex Holdings, Inc.)
GMA Complex, EDSA corner Timog Avenue,
Diliman, Quezon City
Tel: 982-7777 local 9921
928-5507
Telefax: 928-7482
Chairman: **Felipe L. Gozon**
President and CEO: **Gilberto R. Duavit, Jr.**

Scenarios, Inc.
GMA Complez, EDSA cor. Timog Avenue,
Diliman Quezon City
Tel: 982-7777 local 9921
928-5507
Telefax: 928-7482
Chairman: **Felipe L. Gozon**
President and CEO: **Gilberto R. Duavit, Jr.**

Alta Productions, Inc.
10/F Sagittarius Building, H.V. Dela Costa St.,
Salcedo Village, Makati City
Tel: 816-3881
Fax: 813-3982
Chairman: **Felipe L. Gozon**
President and COO: **Edmund A. Alcaraz**

GMA Marketing and Productions, Inc.
15/F GMA Network Center, EDSA cor. Timog Avenue,
Diliman, Quezon City
Tel: 982-7777
Fax: 928-2044
Chairman and CEO: **Felipe L. Gozon**
President and COO: **Lizelle G. Maralag**

MediaMerge Corporation
6/F GMA Network Center, EDSA cor. Timog Avenue,
Diliman, Quezon City
Tel: 982-7777 local 1308
927-6268
Fax: 927-6210
Chairman: **Felipe L. Gozon**
President: **Gilberto R. Duavit, Jr.**

Digify, Inc.
GMA Network Center, EDSA cor. Timog Avenue,
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Tel: 857-4627
Telefax: 928-4553
Chairman: **Felipe L. Gozon**
President: **Edilberto I. Gallares, Jr.**

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RGMA Network, Inc.
GMA Complex, EDSA cor. Timog Avenue, Diliman, Quezon City
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Telefax: 925-8188

JOINT VENTURES

INQ7 Interactive, Inc.
9/F Rufino Building, Ayala Avenue corner Rufino Street,
Makati City
Tel: 892-1828 to 29
Fax: 813-0818

Philippine Entertainment Portal, Inc.
Level 2, Robinsons Galleria, EDSA cor. Ortigas Avenue, Quezon City
Tel: 633-1368
Telefax: 634-6140
Website: www.pep.ph

SOCIO-CIVIC ORGANIZATIONS

GMA Kapuso Foundation, Inc.
2/F Kapuso Center, GMA Network Drive cor.
Samar St., EDSA, Diliman, Quezon City
Tel: 982-7777 loc. 9901 and 9905
Telefax: 928-4299 928-9351
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Website www.kapusofoundation.com

Kapwa Ko Mahal Ko
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BANK REFERENCES

Abacus Capital and Investments Corp.
Unit 3001-E Philippine Stock Exchange Center,
Exchange Road, Ortigas Center, Pasig City

Asia United Bank
Parc Royale Condominium
Dona Jullia Vargas, Ortigas Center, Pasig City

Banco de Oro Universal Bank
12 ADB Avenue, Ortigas Center
Mandaluyong City

Bank of the Philippine Islands
BPI Bldg., Ayala Avenue corner Paseo de Roxas
Makati City

Chinatrust (Phils.) Commercial Bank
Tower One and Exchange Plaza,
Ayala Triangle, Ayala Avenue, Makati City

Citibank, N.A.
Citibank Tower
8741 Paseo de Roxas, Makati City

Development Bank of the Philippines
Sen. Gil Puyat Avenue,
Makati City

Deutsche Bank AG (Manila Branch)
26/F Tower One, Ayala Triangle,
Makati City

East West Bank
6795 Ayala Avenue cor. Herrera St.,
Salcedo Village, Makati City

JP Morgan Chase Bank
31/F Philamlife Tower,
8767 Paseo de Roxas, Makati City
Landbank of the Philippines
Landbank Plaza, 1598 M.H. del Pilar St.,
cor. J.Quintos, Malate, Manila

Metropolitan Bank & Trust Co.
Metrobank Plaza, Sen. Gil Puyat Avenue,
Makati City

Malayan Bank Savings and Mortgage Bank
Majalco Bldg., Benavidez cor. Trasierra St.,
Legaspi Village, Makati City

Philippine Bank of Communication
ACPC Bldg., 1186 Quezon Avenue,
Quezon City

Philippine National Bank
PNB Financial Center,
Pres. Diosdado Macapagal Blvd., Pasay City

Rizal Commercial Banking Corporation
Unit 106 Parc Chateau Condominium,
Garnet cor. Onyx St., Ortigas Center, Pasig City

Robinsons Bank
JSB Bldg., Tomas Morato corner Scout Delgado
Quezon City

Unicapital/ Majalco
Majalco Bldg., Benavidez cor. Trasierra St.,
Legaspi Village, Makati City

Union Bank of the Philippines
Union Bank Plaza,
Meralco Avenue cor. Onyx and Sapphire Roads,
Ortigas Center, Pasig City

United Coconut Planters' Bank
UCPB Building,
Makati Avenue, Makati City

SHAREHOLDER SERVICES

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Stock Trading Information
GMA Network, Inc. is listed in the Philippine Stock Exchange.

Trading symbol

GMA7 – Common Shares
GMAP – Philippine Deposit Receipts (PDRs)

STILL NUMBER 1 @ SIXTY FIVE

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