COVER SHEET

CS	2	0	0	6	0	2	3	5	6

S.E.C. Registration Number

GMA HOLDINGS INC.

(Company's Full Name)

Unit 5D Tower One
One McKinley Place
New Global City Taguig

Atty. Caryl Miriam Y. Lopez	816-3716 to 19
Contact Person	

Month	Day	17-A	Month	Day
Fiscal Year		FORM TYPE	Annual Meetings	

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A, *AS AMENDED*

**ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES**

OF

GMA HOLDINGS, INC.

1. For the fiscal year ended: **December 31, 2008**

2. SEC Identification Number: **CS200602356** 3. BIR Tax Identification No. 244-658-896-000

4. Exact name of issuer as specified in its charter: **GMA HOLDINGS, INC.**

5. **Philippines**
   Province, Country or other jurisdiction of incorporation or organization

6. (SEC Use Only)
   Industry Classification Code:

7. **Unit 5D Tower One, One McKinley Place, New Bonifacio Global City, Fort Bonifacio, Taguig City**
   Address of principal office — Postal Code

8. **(632) 9827777**
   Issuer's telephone number, including area code

9. **Not Applicable**
   Former name, former address, and former fiscal year, if changed since last report.

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Philippine Depositary Receipts ("PDRs")	**906,258,000**

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

Yes [✓] No [ ]

If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange/ PDRs

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [✓]   No [ ]

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

Yes [✓]   No [ ]

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form. (See definition of "affiliate" in "Annex B").

Not Applicable

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Not Applicable

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

GMA Holdings, Inc., (the "Company" or "GHI") was incorporated on February 15, 2006. As a holding Company, its primary purpose is to invest in, purchase, or otherwise acquire own, hold, use, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose of real and personal property, including, but not limited to stocks, bonds and debentures. The Company has no subsidiaries.

The Philippine Deposit Receipts ("PDRs") issued by the Company were listed with the Philippine Stock Exchange ("PSE") on July 30, 2007.

GHI does not engage in any other business or purpose except in relation to the issuance of the PDRs relating to the GMA Network, Inc. common shares ("Common Shares") for as long as the PDRs are outstanding. GHI has undertaken to perform the obligations under the PDRs and the acquisition and holding of the Common Shares underlying the PDRs, which includes maintaining the listing with the PSE, and maintaining its status as a Philippine Person for as long Philippine law prohibits ownership of Common Shares by non-Philippine persons.

The registered office address of the Company is Unit 5D Tower One, One McKinley Place, New Bonifacio Global City, Fort Bonifacio, Taguig City.

Transactions with/and or dependence on related parties:

Not applicable.

Employees:

The Company had no fulltime employees as of December 31, 2008 and does not anticipate acquiring any employees within the next ensuing 12 months. No labor unions are present within the Company.

Item 2. Properties

The Company does not own any real property. The Company does not lease any real property and does not intend to acquire any within the next 12 months.

Item 3. Legal Proceedings

The Company is not, and has not been, a party to any legal proceeding.

Item 4. Submission of Matters to a Vote of Security Holders

There were no matters submitted to a vote of security holders during the fourth quarter of the fiscal year.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

Market Information

The Company first offered PDRs relating to GMA Network, Inc. Common Shares on July 31, 2007. These PDRs were listed on the Philippine Stock Exchange on the same date.

2008	Stock Prices		
	High	Low	Period Close
First Quarter	8.00	5.80	7.60
Second Quarter	7.60	7.00	7.00
Third Quarter	7.00	5.30	5.50
Fourth Quarter	5.70	3.20	3.30
2008	**8.00**	**3.20**	**3.30**

The price information as of the close of the latest practicable trading date, April 13, 2009, was P4.55.

Holders

The total number of shareholders as of February 28, 2009 was six. The number of shares subscribed as of February 28, 2009 was 10,000 or P100,000.00.

Name of Shareholder	No. of Shares Subscribed	Percentage of Ownership
Felipe L. Gozon	3,330	33.30
Gilberto R. Duavit, Jr.	3,330	33.30
Joel Marcelo G. Jimenez	3,330	33.30
Felipe S. Yalong	5	.05
Manuel P. Quiogue	4	.04
Jaime C. Laya	1	.01
Total	**10,000**	**100.00**

Dividend Information

Dividends shall be declared only from the surplus profits of the corporation and shall be payable at such times and in such amounts as the Board of Directors shall determine, either in cash, shares or property of the Company, or a combination of the three, as said Board of Directors shall determine. The declaration of stock dividends, however, is subject to the approval of at least two-thirds of the outstanding capital stock. No dividend which will impair the capital of the Company shall be declared. The Company has not declared any dividend to its stockholders since its incorporation.

The Company has not and will not engage in any other business or purpose except in relation to the issuance of the PDRs relating to the underlying Common Shares for as long as the PDRs are outstanding.

Any cash dividends distributed in respect of Common Shares underlying the PDRs received by the Company shall be applied towards its operating expenses then due for the preceding and current year. A further amount equal to the operating expenses in the preceding year shall be set aside to meet operating or other expenses for the succeeding year. Amounts remaining in excess of such requirements shall be distributed pro rata amongst the outstanding PDRs.

Whenever the Company shall receive or become entitled to receive from the GMA Network, Inc. any distribution in respect of the Common Shares which consists of a free distribution of Common Shares, the Company shall grant additional PDRs to holders in respect of such distributions.

Whenever the Company shall receive or become entitled to receive from the GMA Network, Inc. any distribution in securities (other than Common Shares) or in other property (other than cash) in respect of the Common Shares subject to the PDRs, the Company shall forthwith procure delivery of such securities or other property pro rata to PDR holders or otherwise to the order of the PDR holder, subject to compliance with applicable laws and regulations in the Philippines.

There are no restrictions on the Company's ability to pay dividends on common equity.

Item 6. Management's Discussion and Analysis or Plan of Operation.

The following discussion should be read in conjunction with the Financial Statements of the Company that are incorporated into this Information Statement by reference. Such Financial Statements have been prepared in accordance with Philippine GAAP.

As discussed in the previous section, the Company has not and will not engage in any other business or purpose except in relation to the issuance of the PDRs relating to the underlying GMA Network, Inc. Common Shares for as long as the PDRs are outstanding.

Any cash dividends or other cash distributions distributed in respect of Common Shares received by the Company (or the Pledge Trustee on its behalf) shall be applied toward the operating expenses then due (including but not limited to applicable taxes, fees and maintenance costs charged by the Philippine Stock Exchange) of the Company (the "Operating Expenses") for the current and preceding year (as certified by an independent auditor). A further amount equal to the operating expenses in the preceding year (as certified by an independent auditor) (the "Operating Fund") shall be set aside to meet operating or other expenses for the succeeding year. Any amount in excess of the aggregate of the Operating Expenses paid and the Operating Fund for such period (as certified by the independent auditor of the PDR Issuer) shall be distributed to Holders pro rata on the first Business Day after such cash dividends are received by the Company.

KEY PERFORMANCE INDICATORS

The Company's key performance indicators are focused on the dividends it receives to meet PDR holders' expectations and monitor cash and cash equivalents levels to meet its obligations with respect to the Company's current and preceding year's operation.

RESULTS OF OPERATIONS

Results of Operations of GMA Holdings Inc. for the year ended December 31, 2008 compared with year ended December 31, 2007.

The Company registered a net income of P3.48 million for the year ended December 31, 2008, a 244% increase from its previous year bottom line of P1.01 million. This resulted mainly from the exercise fees on conversion of PDR to common shares and interest income from short-term placements and bank deposits covering unreleased portion of the IPO proceeds and exercise fees, net of operating expenses for listing and professional fees and others.

Financial Condition. Cash and cash equivalents increased by P84 million or sixty-three (63) times brought about by the full collection of the receivable from GMA Network representing portions of IPO proceeds. Accounts receivable resulted mainly from uncollected exercise fees on PDR conversion as of December 31, 2008. Accounts payable and accrued expenses increased by 88% which represents additional accrual of operating expenses in 2008. Due to Shareholders, on the other hand, consists of the portion of IPO proceeds that remains unpaid to the Selling Shareholders of GMA Network, Inc. as of the same cut-off date.

For the year ended December 31, 2007

The Company had posted a net income of P1.01 million for the year ended December 31, 2007, a turnabout from the net loss of P24,321 for ten months in 2006. This had resulted mainly from the increase in interest income from bank deposits covering unreleased portion of the IPO proceeds still due to Shareholders, net of operating expenses for professional fees and taxes.

Financial Condition. In 2007, cash and cash equivalents had increased by P1.2 million or 1,215% from 2006, brought about by the net effect of increase in interest income from bank deposits and payment of professional fees for the pledge-trustee arrangement. Accounts payable and accrued expenses also increased by 255% that represented additional accrual of operating expenses that remained unpaid as of December 31, 2007.

KEY VARIABLE AND OTHER QUALITATIVE OR QUANTITATIVE FACTORS

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

As of December 31, 2008, there were no known trends, demands, commitments, events or uncertainties that will have a material impact on the issuer's liquidity.

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

As of December 31, 2008, there were no events which may trigger a direct or contingent financial obligation that is material to the Company.

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

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

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

For 2008, there were no material commitments for capital expenditures.

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

The Company's results of operations depend largely on its ability to meet PDR holders' expectations from the dividends it receives and to monitor cash and cash equivalents levels to meet its obligations with respect to the Company's current and preceding year's operation. There are no known trends, events or uncertainties that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations.

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

As of December 31, 2008, there were no significant elements of income or loss that did not arise from the issuer's continuing operations.

vii. Causes for Material Changes in the Financial Statements

<u>Balance Sheet (December 31, 2008 vs. December 31, 2007)</u>

- Cash and cash equivalents increased by sixty-three (63) times to ₱85 million due to portion of proceeds of sale of PDRs that remain unreleased to selling shareholders as compared with last year's cash level arising from proceeds of capital stock subscription and interest income earned for the period.
- Due from GMA of P51 million representing portion of the proceeds of PDR sale which was deposited in GMA's account were fully collected in 2008.
- Accounts payable and other accrued expenses increased by 88% to P167,258 mainly due to increase in payables for professional fees as against 2007.
- Due to shareholders of P81 million increased by 61% due to additional collection of proceeds of PDR sale from GMA.
- The change in income tax payable is the result of the ordinary course of business of the Company.

viii. Seasonal aspects that had a material effect on the financial condition or results of operations.

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

Item 7. Financial Statements

The Audited Financial Statements prepared in accordance with SRC Rule 68, as amended is attached hereto as Annex "A".

Item 8. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

Since 2007, SyCip Gorres Velayo & Co. has served as the independent auditors of the Company to audit the Company's financial statements. The Company has not had any material disagreements on accounting matters or financial disclosure matters with SyCip Gorres Velayo & Co.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

Board of Directors, Officers and Senior Management

Under the Articles of Incorporation of the Company, the Board of Directors of the Company comprises five directors, one of whom is independent. The directors have a term of one year and are elected annually at the Company's stockholders meeting. A director who was elected to fill a vacancy holds the office only for the unexpired term of his predecessor. As of February 28 31, 2009, the Company's Board of Directors and Senior Management were composed of the following:

		Board of Directors		Senior Management		
Directors and Senior Management	**Nationality**	**Position**	**Year Position was Assumed**	**Position**	**Year Position was Assumed**	**Age**
Felipe L. Gozon	Filipino	Chairman/ Director	2007	N/A	N/A	69
Gilberto R.	Filipino	Director	2007	President/	2007	45

Duavit, Jr.				Chief Executive Officer		
Anna Teresa M. Gozon-Abrogar	Filipino	Corporate Secretary	2007	N/A	N/A	37
Joel Marcelo G. Jimenez	Filipino	Director	2007	N/A	N/A	44
Felipe S. Yalong	Filipino	Director/ Corporate Treasurer	2007	Chief Financial Officer/ Chief Operating Officer	2007	52
Ronaldo P. Mastrili	Filipino	N/A	N/A	Comptroller/ Chief Accounting Officer	2007	43
Jaime C. Laya	Filipino	Independent Director	2008	N/A	N/A	70

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

Felipe L. Gozon

Atty. Felipe L. Gozon, Filipino, 69 years old, earned his Bachelor of Laws degree from the University of the Philippines and his Masters of Laws degree from Yale University Law School. He was admitted to the Bar in 1963, placing 13th in the Bar examinations. He is a Senior Partner at the Belo Gozon Elma Parel Asuncion & Lucila Law firm. He is also the Chairman, President, and Chief Executive Officer of GMA Network, Inc. Atty. Gozon is also Chairman and CEO of GMA Marketing and Productions, Inc. and GMA New Media, Inc.; Chairman and President of FLG Management and Development Corp.; Chairman of Alta Productions Group, Inc., Citynet Network Marketing and Productions, Inc., Mont-Aire Realty and Development Corp. 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., Unicapital, Inc., Asian Institute of Journalism and Communication, and Sagittarius Condominium Corp.; President of Lex Realty, Inc.; Vice President of the Philippine Chamber of Commerce and Industry. He also serves as Chairman of the Board of Trustees of GMA Kapuso Foundation, Inc., The Potter and Clay Christian School Foundation, Inc. and Kapwa Ko Mahal Ko Foundation, Inc.; Chairman and President of Gozon Foundation; Director of The Nova Foundation for Differently Abled Persons, Inc.; and Trustee of Kilosbayan Foundation, Inc. and Bantayog ng mga Bayani Foundation. Atty. Gozon was named CEO of the Year by UNO Magazine in 2004 and Master Entrepreneur of the Year (Philippines) 2004 by SGV/Ernst & Young in 2005. People Asia Magazine included him in the list of People of the Year 2005. He is one of the recipients of Business Icon Gold award from BizNewsAsia in 2008.

Gilberto R. Duavit, Jr.

Mr. Gilberto R. Duavit, Jr., Filipino, 45 years old, holds a Bachelor's Degree in Philosophy from the University of the Philippines. Mr. Duavit is currently the Executive Vice President and Chief Operating Officer of GMA Network, Inc.; Chairman of the Board of GMA Network Films, Inc. (2004 to present) and GMA Worldwide, Inc. (2005 to present); President and CEO of Dual Management and Investments, Inc.; Vice Chairman of the Board of GMA Marketing and Productions, Inc.; President and CEO of Scenarios, Inc. (2001 to present), RGMA Marketing and Productions, Inc., and Film Experts, Inc.; President of Mediamerge Corp., Citynet Network Marketing and Productions, Inc.; Director of RGMA Network, Inc., GMA New Media, Inc., Mediamerge Corp., Citynet Network Marketing and Productions, Inc., Alta Productions Group, Inc., Group Management and Development, Inc., Optima Digital, Inc., Monte-Aire Realty and Development Corp. and Pacific Heights Sports and Resort, Inc.; Executive Vice President of Group Management and Development, Inc. He also serves as the President of the Board of Trustees of GMA Foundation, Inc. and as a Trustee of Guronasyon Foundation, Inc. (formerly LEAF).

Joel G. Jimenez

Mr. Joel G. Jimenez, Filipino, 44 years old, 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. He is currently the Senior Vice President of GMA Marketing and Productions, Inc. Mr. Jimenez is a Trustee of GMA Kapuso Foundation, Inc. Director of GMA Network, Inc., RGMA Network, Inc., GMA New Media, Inc., Scenarios, Inc., and GMA Worldwide, Inc., besides also being a Member of the Board of financial institutions such as Malayan Savings and Mortgage Bank, and Unicapital Securities, Inc. Mr. Jimenez is also the Chief Executive Officer of Alta Productions Group, Inc. a wholly owned subsidiary of GMA Network, Inc. (1993 to present).

Felipe S. Yalong

Mr. Felipe S. Yalong, Filipino, 52 years old, obtained a Bachelor of Science degree in Business and Accounting from the Philippine School of Business Administration and completed the Management Development Program at the Asian Institute of Management. He was formerly an Auditor of SyCip, Gorres and Velayo Co. and the Group Comptroller of the National Transport Group. He was formerly Senior Vice-President of the Corporate Services Group of ABS-CBN (1987-1997) before transferring to GMA Network, Inc. He is currently the Director and Corporate Treasurer of GMA Network, 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.

Jaime C. Laya

Dr. Jaime C. Laya, Filipino, 70 years old, earned his B.S.B.A. (accounting; *magna cum laude*) from the University of the Philippines in 1957. He later obtained an M.S. in Industrial Management from the Georgia Institute of Technology in 1961. He subsequently obtained a

Ph.D. in Financial Management from Stanford University in 1966. He is a Certified Public Accountant, having placed 8th in the 1957 examinations.

Dr. Laya was formerly the Minister of Budget from 1975 to 1981. He also served as the Minister of Education, Culture and Sports in 1984-86. The Minister is ex-officio Chairman of the Boards of Regents of all state universities and colleges, including the University of the Philippines. He was also the Chairman of the Monetary Board and Governor, Central Bank of the Philippines from 1981-1984.

Dr. Laya served as the Chairman of the National Commission for Culture and the Arts and as private sector representative in the Cultural Heritage Sector from 1996 to 2001. He was also Professor and Dean of Business Administration at the University of the Philippines from 1957 to 1978.

Other positions of note held by Dr. Laya are as follows: Action Officer of Intramuros Administration (Old City Restoration Project) from 1979 to 1986; President of the Philippine Trust Co. (Philtrust Bank) from 1992 to 1998; Founder and Chairman of Laya Mananghaya & Co. (LMC), a Philippine member firm of KPMG International and one of the world's largest professional organizations from 1986 to 2004, by which it had become one of the Philippines' largest auditing and consulting firms. He was also Chairman and President of the Association of Certified Public Accountants in Public Practice (ACPAPP) in 2003 and ACPAPP Foundation, Inc. in 2004.

He is currently independent director of a number of corporations, academic institutions, and foundations.

Anna Teresa M. Gozon-Abrogar

Atty. Anna Teresa M. Gozon-Abrogar, Filipino, 37 years old, graduated *cum laude*, with a Bachelor of Science degree in Management Engineering from Ateneo de Manila University and obtained a Bachelor of Laws degree from the University of the Philippines where she graduated valedictorian, *cum laude*. She later obtained a Master of Laws degree from Harvard University. She is a Junior Partner at Belo Gozon Elma Parel Asuncion & Lucila Law firm. Atty. Abrogar was an Associate Professor at the University of the Philippines, College of Law where she taught Taxation Law. Atty. Abrogar is also a Director of GMA Network, Inc., GMA New Media, Inc.; Director and Corporate Secretary of Mont-Aire Realty and Development Corp., and FLG Management and Development Corp.; and President of GMA Worldwide, Inc. and GMA Network Films, Inc.

Ronaldo P. Mastrili

Mr. Ronaldo P. Mastrili, Filipino, 43 years old, obtained a Bachelor of Science in Business and Economics degree, major in Accounting from De La Salle University. He attended Master in Business Administration Program from the same university and completed the Executive Development Program of Asian Institute of Management. He is a Certified Public Accountant with expertise in fields of accounting, auditing, finance and taxation. He was formerly the Assistant Vice President for Controllership of ABS-CBN and also served as the Group Internal Auditor before joining the Company. He also worked with SGV & Co. in the early part of his career. He is currently the Vice President for Finance of GMA Network, Inc.

Significant Employees

Although the Company will continue to rely on the individual and collective contributions of their executive officers, the Company is not dependent on the services of any particular employee.

Family Relationships

Anna Teresa M. Gozon-Abrogar is the daughter of Felipe L. Gozon. Felipe L. Gozon's sister, Carolina L. Gozon Jimenez, is the mother of Joel Marcelo G. Jimenez.

Involvement in Certain Legal Proceedings

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

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

Item 10. Executive Compensation

No director or officer receives or has received compensation for their services. The By-Laws of the Company however, provides that each director is entitled to a reasonable *per diem* allowance for attendance at each meeting of the Board of Directors. The By-Laws further provide that the Board may receive and allocate an amount of not more than 10% of the net income before income tax of the corporation during the preceding year. Such compensation shall be determined and apportioned among the directors in such manner as the Board may deem proper, subject to the approval of the stockholders representing at least a majority of the stockholders.

Item 11. Security Ownership of Certain Beneficial Owners and Management

As of February 28, 2009, the following persons owned at least 5% of the Company's outstanding common shares:

Title of class	Name, Address of Record Owner and Relationship with Company	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percentage of Class
Common	Felipe L. Gozon Unit 5 5D Tower One, One McKinley Place, New Bonifacio City, Fort Bonifacio, Taguig City	Record	Filipino	3,330	33.30
Common	Gilberto R. Duavit, Jr. Unit 5 5D Tower One, One McKinley Place, New Bonifacio City, Fort Bonifacio, Taguig City	Record	Filipino	3,330	33.30
Common	Joel Marcelo G. Jimenez Unit 5 5D Tower One, One McKinley Place, New Bonifacio City, Fort Bonifacio, Taguig City	Record	Filipino	3,330	33.30
			Total	**9,990**	**99.90**

The following is the security ownership of the directors and executive officers of the Company as of the same date:

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percentage of Class
Common	Felipe L. Gozon	Direct 3,330	Filipino	33.30
Common	Gilberto R. Duavit, Jr.	Direct 3,330	Filipino	33.30
Common	Joel Marcelo G.	Direct	Filipino	33.30

	Jimenez	3,330		
Common	Felipe S. Yalong	Direct	Filipino	.05
		5		
Common	Jaime C. Laya	Direct	Filipino	.01
		1		
	Total	**9,996**		**99.96**

Voting Trust

The Company is unaware of the existence of any voting trust or similar agreement.

Change in Control

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

Item 12. Certain Relationships and Related Transactions

The Company engaged as its legal counsel, the Law Firm Belo Gozon Elma Parel Asuncion & Lucila ("BGEPAL") where Atty. Felipe L. Gozon is a Senior Partner. Atty. Gozon is the Chairman and one of the major stockholders of the Company.

On July 30, 2007, the Company issued PDRs relating to GMA Network, Inc. Common Shares. The proceeds owing to the selling shareholders of GMA Network, Inc. ("Selling Shareholders") whose Common Shares formed the underlying shares of the PDRs in the Company's Initial Public Offering were initially held by the Company then remitted to these Selling Shareholders. Please see Note 10 of the Company's Financial Statements.

Other than the foregoing, the Company has had no material transactions during the past two years, nor is any material transaction presently proposed between the Company and parties that fall outside the definition of "related parties" under SFAS/IAS No. 24, but with whom the registrants or its related parties have a relationship that enables the parties to negotiate terms of material transactions that may not be availed from other, more clearly independent parties on an arm's length basis.

PART IV – CORPORATE GOVERNANCE

Item 13. Corporate Governance

The Board of Directors has established a set of policies and initiatives to ensure that GMA Holding's business practices are compliant with the best practices in corporate governance. On

February 13, 2008, a Manual on Corporate Governance was submitted to the Securities and Exchange Commission in compliance with SEC Memorandum Circular 2, Series of 2002.

The Manual 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 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 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 appointed a Compliance Officer on February 13, 2008.

Based on the certification of compliance with the Company's Manual filed with the Commission on January 16, 2009, there have been no deviations from the Company's Manual as of date.

PART V - EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17-C

(a) Exhibits and Reports on SEC Form 17-C

For the past six months, the Company has filed the following SEC Form 17-C reports:

Subject of 17-C	Date Filed
GHI Board Approval of 2008 Financial Statement; Annual Stockholders' Meeting on May 29, 2009; Record Date on April 29, 2009	April 7, 2009
GHI Payment of cash dividend declared to PDR holders as of April 21, 2009	April 2, 2009

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of MAKATI CITY on 27 APR 2009 2009.

By:

GILBERTO R. DUAVIT, JR.
Principal Executive Officer

RONALDO P. MASTRILI
Comptroller/ Principal Accounting Officer

FELIPE S. YALONG
Principal Operating Officer/
Principal Financial Officer

ANNA-TERESA M. GOZON-ABROGAR
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 27 day of APR 2009 2009 affiant(s) exhibiting to me his/their Residence Certificates, as follows:

NAMES	Passport No.	Date of Issue	Place of Issue
Gilberto R. Duavit, Jr.	ZZ214234	March 29, 2007	DFA, Manila
Felipe S. Yalong	XX1282901	May 27, 2008	DFA, Manila
Ronaldo P. Mastrili	UU0377974	Jan. 10, 2007	DFA, Manila
Anna-Teresa M. Gozon-Abrogar	**XX1762918**	**Aug. 05, 2008**	DFA, Manila

Doc. No. 238;
Page No. 49;
Book No. II;
Series of 2009.

Notary Public
CHRISTINE F. BIO
Appointment No. M-198
Notary Public for Makati City
Until December 31, 2009
Roll No. 54285
PTR No. 1589717/1-20-2009/Makati City
IBP No. 776776/1-16-09/Sorsogon
15/F Sagittarius Condominium
H.V. dela Costa St., Salcedo Village
Makati City

GMA HOLDINGS, INC.

Treasurer's Certificate

This is to certify that the General Form for Financial Statements (GFFS) as submitted by GMA Holdings, Inc. in the accompanying diskette has the same basic and material data from the audited financial statements.

HRAD
CENTRAL RECEIVING AND RECORDS DIVISION
APR 17 2009
RECEIVED SUBJECT TO REVIEW OF FORM AND CONTENTS

Certified and attested by:

FELIPE S. YALONG
Corporate Treasurer

Acknowledgement

SUBSCRIBED AND SWORN to before me this 16 day of April 2009 at Makati, affiants exhibited to me his TIN 102-874-052(Felipe S. Yalong).

Doc. No. 327
Page No. 67
Book No. II
Series of 2009

ATTY. ANGELITA D. DE GUZMAN
NOTARY PUBLIC
UNTIL DEC. 31, 2010
PTR NO. 1569582
JAN. 6, 2008 MAKATI CITY

GMA HOLDINGS, INC.
Unit 5-D Tower One, One McKinley Place, New Bonifacio Global City, Fort Bonifacio, Taguig City 1634 Philippines
MAILING ADDRESS: GMA Network Center, EDSA cor. Timog Ave., Diliman, Quezon City 1103 Philippines
Telephone No. (632) 982-7777 loc. 8001 **Fax** (632) 928-5133

GENERAL FORM FOR FINANCIAL STATEMENTS

NAME OF CORPORATION: GMA HOLDINGS, INC.

CURRENT ADDRESS: 5D Tower One, One McKinley Place, New Bonifacio Global City, Taguig City

TEL. NO.: 982-7777 loc 8001/8889 FAX NO.:

COMPANY TYPE : Holding Company PSIC:

If these are based on consolidated financial statements, please so indicate in the caption.

Table 1. Balance Sheet

FINANCIAL DATA	2008 (in P'000)	2007 (in P'000)
A. ASSETS (A.1 + A.2 + A.3 + A.4 + A.5 + A.6 + A.7 + A.8 + A.9 + A.10)	86,174,257.00	51,783,532.00
A.1 Current Assets (A.1.1 + A.1.2 + A.1.3 + A.1.4 + A.1.5)	86,174,257.00	51,783,532.00
A.1.1 Cash and cash equivalents (A.1.1.1 + A.1.1.2 + A.1.1.3)	85,400,478.00	1,324,572.00
A.1.1.1 On hand		
A.1.1.2 In domestic banks/entities	85,400,478.00	1,324,572.00
A.1.1.3 In foreign banks/entities		
A.1.2 Trade and Other Receivables (A.1.2.1 + A.1.2.2)	773,779.00	50,458,960.00
A.1.2.1 Due from domestic entities (A.1.2.1.1 + A.1.2.1.2 + A.1.2.1.3 + A.1.2.1.4)		
A.1.2.1.1 Due from customers (trade)	773,779.00	0.00
A.1.2.1.2 Due from related parties	0.00	50,458,960.00
A.1.2.1.3 Others, specify (A.1.2.1.3.1+A.1.2.1.3.2)		
A.1.2.1.3.1		
A.1.2.1.3.2		
A.1.2.1.4 Allowance for doubtful accounts (**negative entry**)		
A.1.2.2 Due from foreign entities, specify (A.1.3.2.1 + A.1.3.2.2 + A.1.3.2.3 + A.1.3.2.4)		
A.1.2.2.1		
A.1.2.2.2		
A.1.2.2.3		
A.1.2.2.4 Allowance for doubtful accounts (**negative entry**)		
A.1.3 Inventories (A.1.3.1 + A.1.3.2 + A.1.3.3 + A.1.3.4 + A.1.3.5 + A.1.3.6)	0.00	0.00
A.1.3.1 Raw materials and supplies		
A.1.3.2 Goods in process (including unfinished goods, growing crops, unfinished seeds)		
A.1.3.3 Finished goods		
A.1.3.4 Merchandise/Goods in transit		
A.1.3.5 Unbilled Services (in case of service providers)		
A.1.3.6 Others, specify (A.1.3.6.1+A.1.3.6.2)		
A.1.3.6.1		
A.1.3.6.2		
A.1.4 Financial Assets other than Cash/Receivables/Equity investments (A.1.4.1 + A.1.4.2 + A.1.4.3 + A.1.4.4+A.1.4.5+A.1.4.6)	0.00	0.00
A.1.4.1 Financial Assets at Fair Value through Profit or Loss - issued by domestic entities (A.1.4.1.1 + A.1.4.1.2 + A.1.4.1.3 + A.1.4.1.4 + A.1.4.1.5)		
A.1.4.1.1 National Government		
A.1.4.1.2 Public Financial Institutions		
A.1.4.1.3 Public Non-Financial Institutions		
A.1.4.1.4 Private Financial Institutions		
A.1.4.1.5 Private Non-Financial Institutions		
A.1.4.2 Held to Maturity Investments - issued by domestic entities (A.1.4.2.1 + A.1.4.2.2 + A.1.4.2.3 + A.1.4.2.4 + A.1.4.2.5)		
A.1.4.2.1 National Government		
A.1.4.2.2 Public Financial Institutions		
A.1.4.2.3 Public Non-Financial Institutions		
A.1.4.2.4 Private Financial Institutions		
A.1.4.2.5 Private Non-Financial Institutions		

NOTE:

This general form is applicable to companies engaged in Agriculture, Fishery, Forestry, Mining, and Quarrying, Manufacturing, Electricity, Gas and Water, Construction, Wholesale and Retail Trade, Transportation, Storage and Communications, Hotels and Restaurants, Real Estate, Community, Social and Personal Services, other forms of production, and general business operations. This form is also applicable to other companies that do not have industry-specific Special Forms. Special forms shall be used by publicly-held companies and those engaged in non-bank financial intermediation activities, credit granting, and activities auxiliary to financial intermediation, which require secondary license from SEC.

Domestic corporations are those which are incorporated under Philippine laws or branches/subsidiaries of foreign corporations that are licensed to do business in the Philippines where the center of economic interest or activity is within the Philippines. On the other hand, foreign corporations are those that are incorporated abroad, including branches of Philippine corporations operating abroad.

Financial Institutions are corporations principally engaged in financial intermediation, facilitating financial intermediation, or auxiliary financial services. Non-Financial institutions refer to corporations that are primarily engaged in the production of market goods and non-financial services.

GENERAL FORM FOR FINANCIAL STATEMENTS

NAME OF CORPORATION: GMA HOLDINGS, INC.

CURRENT ADDRESS: 5D Tower One, One McKinley Place, New Bonifacio Global City, Taguig City

TEL. NO.: 982-7777 loc 8001/8889 FAX NO.:

COMPANY TYPE : Holding Company PSIC:

If these are based on consolidated financial statements, please so indicate in the caption.

Table 1. Balance Sheet

FINANCIAL DATA	2008 (in P'000)	2007 (in P'000)
A.1.4.3 Loans and Receivables - issued by domestic entities: (A.1.4.3.1 + A.1.4.3.2 + A.1.4.3.3 + A.1.4.3.4 + A.1.4.3.5)		
A.1.4.3.1 National Government		
A.1.4.3.2 Public Financial Institutions		
A.1.4.3.3 Public Non-Financial Institutions		
A.1.4.3.4 Private Financial Institutions		
A.1.4.3.5 Private Non-Financial Institutions		
A.1.4.4 Available-for-sale financial assets - issued by domestic entities: (A.1.4.4.1 + A.1.4.4.2 + A.1.4.4.3 + A.1.4.4.4 + A.1.4.4.5)		
A.1.4.4.1 National Government		
A.1.4.4.2 Public Financial Institutions		
A.1.4.4.3 Public Non-Financial Institutions		
A.1.4.4.4 Private Financial Institutions		
A.1.4.4.5 Private Non-Financial Institutions		
A.1.4.5 Financial Assets issued by foreign entities: (A.1.4.5.1+A.1.4.5.2+A.1.4.5.3+A.1.4.5.4)		
A.1.4.5.1 Financial Assets at fair value through profit or loss		
A.1.4.5.2 Held-to-maturity investments		
A.1.4.5.3 Loans and Receivables		
A.1.4.5.4 Available-for-sale financial assets		
A.1.4.6 Allowance for decline in market value (negative entry)		
A.1.5 Other Current Assets (state separately material items) (A.1.5.1 + A.1.5.2 + A.1.5.3)	0.00	0.00
A.1.5.1		
A.1.5.2		
A.1.5.3		
A.2 Property, plant, and equipment (A.2.1 + A.2.2 + A.2.3 + A.2.4 + A.2.5 + A.2.6 + A.2.7+A.2.8)	0.00	0.00
A.2.1 Land		
A.2.2 Building and improvements including leasehold improvement		
A.2.3 Machinery and equipment (on hand and in transit)		
A.2.4 Transportation/motor vehicles, automotive equipment, autos and trucks, and delivery equipment		
A.2.5 Others, specify (A.2.5.1 + A.2.5.2 + A.2.5.3 + A.2.5.4 + A.2.5.5)		
A.2.5.1 Property, or equipment used for education purposes		
A.2.5.2 Construction in progress		
A.2.5.3		
A.2.5.4		
A.2.5.5		
A.2.6 Appraisal increase, specify (A.2.6.1 + A.2.6.2 + A.2.6.3 + A.2.6.4)		
A.2.6.1		
A.2.6.2		
A.2.6.3		
A.2.6.4		
A.2.7 Accumulated Depreciation (**negative entry**)		
A.2.8 Impairment Loss or Reversal (if loss, negative entry)		
A.3 Investments accounted for using the equity method (A.3.1 + A.3.2 + A.3.3)	0.00	0.00
A.3.1 Equity in domestic subsidiaries/affiliates		
A.3.2 Equity in foreign branches/subsidiaries/affiliates		
A.3.3 Others, specify (A.3.1.1 + A.3.2.1 + A.3.3.1 + A.3.3.4)		
A.3.3.1		
A.3.3.2		
A.3.3.3		
A.3.3.4		
A.4 Investment Property	0.00	0.00
A.5 Biological Assets	0.00	0.00
A.6 Intangible Assets (A.6.1 + A.6.2)	0.00	0.00
A.6.1 Major item/s, specify (A.6.1.1 + A.6.1.2 + A.6.1.3 + A.6.1.4)		
A.6.1.1		
A.6.1.2		
A.6.1.3		
A.6.1.4		
A.6.2 Others, specify (A.6.2.1 + A.6.2.2 + A.6.2.3 + A.6.2.4)		
A.6.2.1		
A.6.2.2		
A.6.2.3		
A.6.2.4		
A.7 Assets Classified as Held for Sale	0.00	0.00
A.8 Assets included in Disposal Groups Classified as Held for Sale	0.00	0.00

GENERAL FORM FOR FINANCIAL STATEMENTS
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TEL. NO.: 982-7777 loc 8001/8889 FAX NO.:
COMPANY TYPE : Holding Company PSIC:

If these are based on consolidated financial statements, please so indicate in the caption.

Table 1. Balance Sheet

FINANCIAL DATA	2008 (in P'000)	2007 (in P'000)
A.9 Long-term receivables (net of current portion) (A.9.1 + A.9.2 + A.9.3)	0.00	0.00
A.9.1. From domestic entities, specify (A.9.1.1 + A.9.1.2 + A.9.1.3 + A.9.1.4)		
A.9.1.1		
A.9.1.2		
A.9.1.3		
A.9.1.4		
A.9.2 From foreign entities, specify (A.9.2.1 + A.9.2.2 + A.9.2.3 + A.9.2.4)		
A.9.2.1		
A.9.2.2		
A.9.2.3		
A.9.2.4		
A.9.3 Allowance for doubtful accounts, net of current portion (negative entry)		
A.10 Other Assets (A.10.1 + A.10.2 + A.10.3 + A.10.4+A.10.5)	0.00	0.00
A.10.1 Deferred charges - net of amortization		
A.10.2 Deferred Income Tax		
A.10.3 Advance/Miscellaneous deposits		
A.10.4 Others, specify (A.10.4.1 + A.10.4.2 + A.10.4.3 + A.10.4.4)		
A.10.4.1		
A.10.4.2		
A.10.4.3		
A.10.4.4		
A.10.5 Allowance for write-down of deferred charges/bad accounts (**negative entry**)		
B. LIABILITIES (B.1 + B.2 + B.3 + B.4 + B.5)	**81,600,129.00**	**50,694,063.00**
B.1 Current Liabilities (B.1.1 + B.1.2 + B.1.3 + B.1.4 + B.1.5 + B.1.6 + B.1.7)	81,600,129.00	50,694,063.00
B.1.1 Trade and Other Payables to Domestic Entities	81,534,685.00	50,694,063.00
B.1.1.1 Loans/Notes Payables		
B.1.1.2 Trade Payables	167,258.00	88,844.00
B.1.1.3 Payables to Related Parties, specify (B.1.1.3.1 + B.1.1.3.2 + B.1.1.3.3)	81,367,427.00	50,605,219.00
B.1.1.3.1		
B.1.1.3.2		
B.1.1.3.3		
B.1.1.4 Others, specify (B.1.1.4.1 + B.1.1.4.2 + B.1.1.4.3)		
B.1.1.4.1		
B.1.1.4.2		
B.1.1.4.3		
B.1.2 Trade and Other Payables to Foreign Entities (specify) (B.1.2.1+B.1.2.2+B.1.2.3+B.1.2.4)	0.00	0.00
B.1.2.1		
B.1.2.2		
B.1.2.3		
B.1.2.4		
B.1.3 Provisions	0.00	0.00
B.1.4 Financial Liabilities (excluding Trade and Other Payables and Provisions) (B.1.4.1 + B.1.4.2 + B.1.4.3)	0.00	0.00
B.1.4.1		
B.1.4.2		
B.1.4.3		
B.1.4.4		
B.1.5 Liabilities for Current Tax	65,444.00	0.00
B.1.6 Deferred Tax Liabilities	0.00	0.00
B.1.7 Others, specify (If material, state separately; indicate if the item is payable to public/private or financial/non-financial institutions)	0.00	0.00
B.1.7.1 Dividends declared and not paid at balance sheet date		
B.1.7.2 Acceptances Payable		
B.1.7.3 Liabilities under Trust Receipts		
B.1.7.4 Portion of Long-term Debt Due within one year		
B.1.7.5 Deferred Income		
B.1.7.6 Any other current liability in excess of 5% of Total Current Liabilities, specify: (B.1.7.6.1 + B.1.7.6.2 + B.1.7.6.3 + B.1.7.6.4)		
B.1.7.6.1		
B.1.7.6.2		
B.1.7.6.3		
B.1.7.6.4		

GENERAL FORM FOR FINANCIAL STATEMENTS
NAME OF CORPORATION: GMA HOLDINGS, INC.
CURRENT ADDRESS: 5D Tower One, One McKinley Place, New Bonifacio Global City, Taguig City
TEL. NO.: 982-7777 loc 8001/8889 FAX NO.:
COMPANY TYPE : Holding Company PSIC:
If these are based on consolidated financial statements, please so indicate in the caption.

Table 1. Balance Sheet

FINANCIAL DATA		2008 (in P'000)	2007 (in P'000)
B.2 Long-term Debt - Non-current Interest-bearing Liabilities (B.2.1 + B.2.2 + B.2.3 + B.2.4 + B.2.5)		0.00	0.00
B.2.1 Domestic Public Financial Institutions			
B.2.2 Domestic Public Non-Financial Institutions			
B.2.3 Domestic Private Financial Institutions			
B.2.4 Domestic Private Non-Financial Institutions			
B.2.5 Foreign Financial Institutions			
B.3 Indebtedness to Affiliates and Related Parties (Non-Current)		0.00	0.00
B.4 Liabilities Included in the Disposal Groups Classified as Held for Sale		0.00	0.00
B.5 Other Liabilities (B.5.1 + B.5.2)		0.00	0.00
B.5.1 Deferred Income Tax			
B.5.2 Others, specify (B.5.2.1 + B.5.2.2 + B.5.2.3 + B.5.2.4)			
B.5.2.1			
B.5.2.2			
B.5.2.3			
B.5.2.4			
C. EQUITY (C.3 + C.4 + C.5 + C.6 + C.7 + C.8 + C.9+C.10)		**4,574,128.00**	**1,089,469.00**
C.1 Authorized Capital Stock (no. of shares, par value and total value; show details) (C.1.1+C.1.2+C.1.3)			
C.1.1 Common shares	**10,000 shares par value of P10**		
C.1.2 Preferred Shares			
C.1.3 Others			
C.2 Subscribed Capital Stock (no. of shares, par value and total value) (C.2.1 + C.2.2 + C.2.3)		100,000.00	100,000.00
C.2.1 Common shares	**10,000 shares par value of P10**		
C.2.2 Preferred Shares			
C.2.3 Others			
C.3 Paid-up Capital Stock (C.3.1 + C.3.2)		100,000.00	100,000.00
C.3.1 Common shares			
C.3.2 Preferred Shares			
C.4 Additional Paid-in Capital / Capital in excess of par value / Paid-in Surplus		0.00	0.00
C.5 Minority Interest		0.00	0.00
C.6 Others, specify (C.6.1 + C.6.2 + C.6.3 + C.6.4 + C.6.5)		0.00	0.00
C.6.1			
C.6.2			
C.6.3			
C.6.4			
C.6.5			
C.7 Appraisal Surplus/Revaluation Increment in Property/Revaluation Surplus		0.00	0.00
C.8 Retained Earnings (C.8.1 + C.8.2)		4,474,128.00	989,469.00
C.8.1 Appropriated			
C.8.2 Unappropriated		4,474,128.00	989,469.00
C.9 Head / Home Office Account (for Foreign Branches only)		0.00	0.00
C.10 Cost of Stocks Held in Treasury (**negative entry**)		0.00	0.00
D. TOTAL LIABILITIES AND EQUITY (B + C)		**86,174,257.00**	**51,783,532.00**

GENERAL FORM FOR FINANCIAL STATEMENTS
NAME OF CORPORATION: GMA HOLDINGS, INC.
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TEL. NO.: 982-7777 loc 8001/8889 **FAX NO.:**
COMPANY TYPE : Holding Company **PSIC:**

If these are based on consolidated financial statements, please so indicate in the caption.

Table 2. Income Statement

FINANCIAL DATA	2008 (in P'000)	2007 (in P'000)
A. REVENUE / INCOME (A.1 + A.2 + A.3)	**5,768,054.00**	**1,403,293.00**
A.1 Net Sales or Revenue / Receipts from Operations (manufacturing, mining,utilities, trade, services, etc.) (from Primary Activity)	1,958,700.00	0.00
A.2 Share in the Profit or Loss of Associates and Joint Ventures accounted for using the	0.00	0.00
A.3 Other Revenue (A.3.1 + A.3.2 + A.3.3 + A.3.4 + A.3.5)	0.00	0.00
A.3.1 Rental Income from Land and Buildings		
A.3.2 Receipts from Sale of Merchandise (trading) (from Secondary Activity)		
A.3.3 Sale of Real Estate or other Property and Equipment		
A.3.4 Royalties, Franchise Fees, Copyrights (books, films, records, etc.)		
A.3.5 Others, specify (A.3.5.1 + A.3.5.2 + A.3.5.3 + A.3.5.4 + A.3.5.5 + A.3.5.6 + A.3.5.7)		
A.3.5.1 Rental Income, Equipment		
A.3.5.2		
A.3.5.3		
A.3.5.4		
A.3.5.5		
A.3.5.6		
A.3.5.7		
A.4 Other Income (non-operating) (A.4.1 + A.4.2 + A.4.3 + A.4.4)	3,809,354.00	1,403,293.00
A.4.1 Interest Income	3,809,354.00	1,403,293.00
A.4.2 Dividend Income		
A.4.3 Gain / (**Loss**) from selling of Assets, specify (A.4.3.1 + A.4.3.2 + A.4.3.3 + A.4.3.4 + A.4.3.5 + A.4.3.6 + A.4.3.7)		
A.4.3.1		
A.4.3.2		
A.4.3.3		
A.4.3.4		
A.4.4 Gain / (**Loss**) on Foreign Exchange (A.4.4.1 + A.4.4.2 + A.4.4.3 + A.4.4.4)		
A.4.4.1		
A.4.4.2		
A.4.4.3		
A.4.4.4		
B. COST OF GOODS SOLD (B.1 + B.2 + B.3)	**0.00**	**0.00**
B.1 Cost of Goods Manufactured (B.1.1 + B.1.2 + B.1.3 + B.1.4 + B.1.5)		
B.1.1 Direct Material Used		
B.1.2 Direct Labor		
B.1.3 Other Manufacturing Cost / Overhead		
B.1.4 Goods in Process, Beginning		
B.1.5 Goods in Process, End (**negative entry**)		
B.2 Finished Goods, Beginning		
B.3 Finished Goods, End (**negative entry**)		
C. COST OF SALES (C.1 + C.2 + C.3)	**0.00**	**0.00**
C.1 Purchases		
C.2 Merchandise Inventory, Beginning		
C.3 Merchandise Inventory, End (**negative entry**)		
D. COST OF SERVICES, SPECIFY (D.1 + D.2 + D.3 + D.4 + D.5 + D.6)	**0.00**	**0.00**
D.1		
D.2		
D.3		
D.4		
D.5		
D.6		

Control No.: SEC Reg CS20060235
Form Type: GFFS (rev 2006)

GENERAL FORM FOR FINANCIAL STATEMENTS

NAME OF CORPORATION: GMA HOLDINGS, INC.

CURRENT ADDRESS: 5D Tower One, One McKinley Place, New Bonifacio Global City, Taguig City

TEL. NO.: 982-7777 loc 8001/8889 FAX NO.:

COMPANY TYPE : Holding Company PSIC:

If these are based on consolidated financial statements, please so indicate in the caption.

Table 2. Income Statement

FINANCIAL DATA	2008 (in P'000)	2007 (in P'000)
E. OTHER DIRECT COSTS, SPECIFY (E.1 + E.2 + E.3 + E.4 + E.5 + E.6)	0.00	0.00
E.1		
E.2		
E.3		
E.4		
E.5		
E.6		
F. GROSS PROFIT (A - B - C - D - E)	5,768,054.00	1,403,293.00
G. OPERATING EXPENSES (G.1 + G.2 + G.3 + G.4)	1,340,668.00	108,844.00
G.1 Selling or Marketing Expenses		
G.2 Administrative Expenses	1,236,885.00	108,844.00
G.3 General Expenses		
G.4 Other Expenses, specify (G.4.1 + G.4.2 + G.4.3 + G.4.4 + G.4.5 + G.4.6)		
G.4.1 Interest Expense and Bank Charges	103,783.00	0.00
G.4.2		
G.4.3		
G.4.4		
G.4.5		
G.4.6		
H. FINANCE COSTS	0.00	0.00
I. NET INCOME (LOSS) BEFORE TAX (F - G - H)	4,427,386.00	1,294,449.00
J. INCOME TAX EXPENSE (negative entry)	-942,727.00	-280,659.00
K. INCOME AFTER TAX	3,484,659.00	1,013,790.00
L. Amount of (i) Post-Tax Profit or Loss of Discontinued Operations; and (ii) Post-Tax Gain or Loss Recognized on theMeasurement of Fair Value less Cost to Sell or on the Disposal of the Assets or Disposal Group(s) constituting the Discontinued Operation (if any)		
L.1		
L.2		
M. Profit or Loss Attributable to Minority Interest		
N. Profit or Loss Attributable to Equity Holders of the Parent		

GENERAL FORM FOR FINANCIAL STATEMENTS

NAME OF CORPORATION: GMA HOLDINGS, INC.

CURRENT ADDRESS: 5D Tower One, One McKinley Place, New Bonifacio Global City, Taguig City

TEL. NO.: 982-7777 loc 8001/8889 FAX NO.:

COMPANY TYPE : Holding Company PSIC:

If these are based on consolidated financial statements, please so indicate in the caption.

Table 3. Cash Flow Statements

FINANCIAL DATA	2008 (in P'000)	2007 (in P'000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (Loss) Before Tax and Extraordinary Items	4,427,386.00	1,294,449.00
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
Depreciation		
Amortization, specify:		
Others, specify: Proceeds from Issuance of Phil Deposit Receipts	0.00	8,036,172,000.00
Payment for subscription of GMA shares	0.00	(8,036,172,000.00)
Final taxes paid on interest income	(877,283.00)	(280,659.00)
Adjustment for interest income from short term placements and bar	(3,809,354.00)	(1,403,293.00)
Interest Received	3,642,625.00	1,403,293.00
Write-down of Property, Plant, and Equipment		
Changes in Assets and Liabilities:		
Decrease (Increase) in:		
Receivables	(607,050.00)	0.00
Inventories		
Other Current Assets		
Others, specify: Due from GMA	50,458,960.00	(50,458,960.00)
Increase (Decrease) in:		
Accounts Payable and Accrued Expenses	78,414.00	63,844.00
Income and Other Taxes Payable		
Others, specify: Due to Shareholders	30,762,208.00	50,605,219.00
A. Net Cash Provided by (Used in) Operating Activities (sum of above rows)	84,075,906.00	1,223,893.00
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) Decrease in Long-Term Receivables		
(Increase) Decrease in Investment		
Reductions/(Additions) to Property, Plant, and Equipment		
Others, specify:		
B. Net Cash Provided by (Used in) Investing Activities (sum of above rows)	0.00	0.00
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from:		
Loans		
Long-term Debt		
Issuance of Securities		
Others, specify:		
Payments of:		
(Loans)		
(Long-term Debt)		
(Stock Subscriptions)		
Others, specify (**negative entry**):		
C. Net Cash Provided by (Used in) Financing Activities (sum of above rows)	0.00	0.00
NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)	84,075,906.00	1,223,893.00
Cash and Cash Equivalents		
Beginning of year	1,324,572.00	100,679.00
End of year	85,400,478.00	1,324,572.00

GENERAL FORM FOR FINANCIAL STATEMENTS

NAME OF CORPORATION: GMA HOLDINGS, INC.
CURRENT ADDRESS: 5D Tower One, One McKinley Place, New Bonifacio Global City, Taguig City
TEL. NO.: 982-7777 local 8001/8889 FAX NO.:
COMPANY TYPE : Holding Company PSIC:

If these are based on consolidated financial statements, please so indicate in the caption.

Table 4. Statement of Changes in Equity

FINANCIAL DATA	(Amount in P'000)					
	Capital Stock	Additional Paid-in Capital	Revaluation Increment	Translation Differences	Retained Earnings	TOTAL
A. Balance, 2006	100,000.00				-24,321.00	75,679.00
A.1 Correction of Error(s)						
A.2 Changes in Accounting Policy						
B. Restated Balance						
C. Surplus						
C.1 Surplus (Deficit) on Revaluation of Properties						
C.2 Surplus (Deficit) on Revaluation of Investments						
C.3 Currency Translation Differences						
C.4 Other Surplus (specify)						
C.4.1						
C.4.2						
C.4.3						
C.4.4						
C.4.5						
D. Net Income (Loss) for the Period					1,013,790.00	1,013,790.00
E. Dividends (negative entry)						
F. Appropriation for (specify)						
F.1						
F.2						
F.3						
F.4						
F.5						
G. Issuance of Capital Stock						
G.1 Common Stock						
G.2 Preferred Stock						
G.3 Others						
H. Balance, 2007	100,000.00				989,469.00	1,089,469.00
H.1 Correction of Error (s)						
H.2 Changes in Accounting Policy						
I. Restated Balance						
J. Surplus						
J.1 Surplus (Deficit) on Revaluation of Properties						
J.2 Surplus (Deficit) on Revaluation of Investments						
J.3 Currency Translation Differences						
J.4 Other Surplus (specify)						
J.4.1						
J.4.2						
J.4.3						
J.4.4						
J.4.5						
K. Net Income (Loss) for the Period					3,484,659.00	3,484,659.00
L. Dividends (negative entry)						
M. Appropriation for (specify)						
M.1						
M.2						
M.3						
M.4						
M.5						
N. Issuance of Capital Stock						
N.1 Common Stock						
N.2 Preferred Stock						
N.3 Others						
O. Balance, 2008	100,000.00				4,474,128.00	4,574,128.00

Control No.: SEC Reg CS20060235
Form Type: GFFS (rev. 2006)

GENERAL FORM FOR FINANCIAL STATEMENTS

NAME OF CORPORATION: GMA HOLDINGS, INC.
CURRENT ADDRESS: 5D Tower One One McKinley Place, New Bonifacio, Global City, Taguig City
TEL. NO.: 982-7777 local 8001/8889 FAX NO.:
COMPANY TYPE : Holding Company PSIC:

If these are based on consolidated financial statements, please so indicate in the caption.

Table 5. Details of Income and Expenses, by source
(applicable to corporations transacting with foreign corporations/entities)

FINANCIAL DATA	2008 (in P'000)	2007 (in P'000)
A. REVENUE / INCOME (A.1 + A.2)		
A.1 Net Sales or Revenue / Receipts from Operations (manufacturing, mining,utilities, trade, services, etc.) (from Primary Activity) (A.1.1 +A.1.2)	1,958,700.00	0.00
A.1.1 Domestic		
A.1.2 Foreign		
A.2 Other Revenue (A.2.1 +A.2.2)		
A.2.1 Domestic	3,809,354.00	1,403,293.00
A.2.2 Foreign, specify (A.2.2.1+A.2.2.2+ A.2.2.3+ A.2.2.4+ A.2.2.5+ A.2.2.6+A.2.2.7+ A.2.2.8+A.2.2.9+A.2.2.10)		
A.2.2.1		
A.2.2.2		
A.2.2.3		
A.2.2.4		
A.2.2.5		
A.2.2.6		
A.2.2.7		
A.2.2.8		
A.2.2.9		
A.2.2.10		
B. EXPENSES (B.1 + B.2)	**1,340,668.00**	**108,844.00**
B.1 Domestic	1,340,668.00	108,844.00
B.2 Foreign, specify (B.2.1+B.2.2+B.2.3+B.2.4+B.2.5+B.2.6+B.2.7+B.2.8+B.2.9+B.2.10)		
B.2.1		
B.2.2		
B.2.3		
B.2.4		
B.2.5		
B.2.6		
B.2.7		
B.2.8		
B.2.9		
B.2.10		

GMA HOLDINGS, INC.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

April 2, 2009

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

The management of GMA Holding, Inc. is responsible for all information and representations contained in the consolidated financial statements for the years ended December 31, 2008 and 2007. The financial statements have been prepared in conformity with generally accepted accounting principles in the Philippines and reflect amounts that are based on the best estimates and informed judgment of management with an appropriate consideration to materiality.

In this regard, management maintains a system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition and liabilities are recognized. The management likewise discloses to the company's audit committee and to its external auditor: (i) all significant deficiencies in the design or operation of internal controls that could adversely affect its liability to record, process, and report financial data; (ii) material weaknesses in the internal controls; and (iii) any fraud that involves management or other employees who exercise significant roles in internal controls.

The Board of Directors reviews the financial statements before such statements are approved and submitted to the stockholders of the company.

Sycip, Gorres, Velayo & Co., CPA's, the independent auditors appointed by the stockholders, has examined the financial statements of the company in accordance with generally accepted auditing standards in the Philippines and has expressed its opinion on the fairness of presentation upon completion of such examination, in its report to the Board of Directors and stockholders.

Signed under oath by the following:

FELIPE L. GOZON
Chairman of the Board

GILBERTO R. DUAVIT, JR.
President and Chief Executive Officer

FELIPE S. YALONG
Chief Financial Officer

SUBSCRIBED AND SWORN to before me this 16 day of April 2009 at Makati affiants exhibited to me their (Felipe L. Gozon) TIN 106-174-605, (Gilberto R. Duavit, Jr.) TIN 158-147-748 and (Felipe S. Yalong) TIN 102-874-054.

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Page No. 66
Book No. IV
Series of 2009

ATTY. ANGELITA D. DE GUZMAN
NOTARY PUBLIC
UNTIL DEC. 31, 2010
PTR NO. 1569582
JAN. 6, 2008 MAKATI CITY

GMA HOLDINGS, INC.
Unit 5-D Tower One, One McKinley Place, New Bonifacio Global City, Fort Bonifacio, Taguig City 1634 Philippines
MAILING ADDRESS: GMA Network Center, EDSA cor. Timog Ave., Diliman, Quezon City 1103 Philippines
Telephone No. (632) 982-7777 loc. 8001 **Fax** (632) 928-5133

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Phone: (632) 891 0307
Fax: (632) 819 0872
www.sgv.com.ph

BOA/PRC Reg. No. 0001
SEC Accreditation No. 0012-FR-1

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
GMA Holdings, Inc.
Unit 5D Tower One, One McKinley Place
New Bonifacio Global City
Fort Bonifacio, Taguig City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of GMA Holdings, Inc. included in this Form 17-A and have issued our report thereon dated April 2, 2009. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to Financial Statements and Supplementary Schedules are the responsibility of the Company's management. These schedules are presented for purposes of complying with Securities Regulation Code Rule 68.1 and SEC Memorandum Circular No. 11, Series of 2008, and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state in all material respect the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Melinda Gonzales-Manto

Melinda Gonzales-Manto
Partner
CPA Certificate No. 26497
SEC Accreditation No. 0085-AR-1
Tax Identification No. 123-305-056
PTR No. 1566443, January 5, 2009, Makati City

April 2, 2009

ANNEX 68.1 - M

GMA HOLDINGS, INC.
INDEX TO FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2008

A	Marketable securities (current marketable equity securities and other short-term cash investments)	Not applicable
B	Amounts receivable from directors, officers, employees, related parties and principal stockholders (other than related parties)	Not applicable
C	Non-current marketable equity securities, other long-term investments in stock and other investments	Not applicable
D	Indebtedness of unconsolidated subsidiaries and related parties	Not applicable
E	Intangible assets and other assets	Not applicable
F	Long -term debt	Not applicable
G	Indebtedness to related parties (long-term loans from related companies)	Not applicable
H	Guarantees of securities of other issuers	Not applicable
I	Capital stock	Attached
J	Retained earnings	Attached

Schedule I. Capital Stock

Type of Stock	Number of Shares Authorized	Number of Shares Issued and Outstanding as Shown Under Related Balance Sheet Caption	Number of Shares Reserved for Options, Warrants, Conversion and Other Rights	Number of Shares Held by Related Parties	Directors, Officers and Employees	Others
Common	10,000	10,000	–	–	10,000	–

GMA Holdings, Inc.
Unit 5D Tower One, One Mckinley Place, New Bonifacio Global City
Fort Bonifacio, Taguig City

Retained Earnings Available for Dividend Declaration
December 31, 2008

Retained earnings, January 1, 2008	₱989,469
Net income actually earned in 2008	3,484,659
Retained earnings as of December 31, 2008 available for dividend declaration	₱4,474,128

COVER SHEET

CS200602356
SEC Registration Number

GMA HOLDINGS, INC.
(Company's Full Name)

Unit 5D Tower One, One McKinley Place, New Bonifacio Global City, Fort Bonifacio, Taguig City
(Business Address: No. Street City/Town/Province)

Ms. Sonia A. Saw
(Contact Person)

982-7777
(Company Telephone Number)

12	31
Month	*Day*

(Fiscal Year)

AAFS
(Form Type)

Month *Day*
(Annual Meeting)

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
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Phone: (632) 891 0307
Fax: (632) 819 0872
www.sgv.com.ph

BOA/PRC Reg. No. 0001
SEC Accreditation No. 0012-FR-1

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
GMA Holdings, Inc.
Unit 5D Tower One, One McKinley Place
New Bonifacio Global City
Fort Bonifacio, Taguig City

We have audited the accompanying financial statements of GMA Holdings, Inc., which comprise the balance sheets as at December 31, 2008 and 2007, and the statements of income, statements of changes in stockholders' equity and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements present fairly, in all material respects, the financial position of GMA Holdings, Inc. as of December 31, 2008 and 2007, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards.

SYCIP GORRES VELAYO & CO.

Melinda Gonzales-Manto

Melinda Gonzales-Manto
Partner
CPA Certificate No. 26497
SEC Accreditation No. 0085-AR-1
Tax Identification No. 123-305-056
PTR No. 1566443, January 5, 2009, Makati City

April 2, 2009

GMA HOLDINGS, INC.

BALANCE SHEETS

	December 31	
	2008	2007
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 6 and 12)	**₱85,400,478**	₱1,324,572
Accounts receivable (Note 12)	**773,779**	–
Due from GMA (Notes 10 and 12)	–	50,458,960
	₱86,174,257	₱51,783,532
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued expenses (Notes 7, 11 and 12)	**₱167,258**	₱88,844
Due to shareholders (Notes 10, 11 and 12)	**81,367,427**	50,605,219
Income tax payable	**65,444**	–
Total Current Liabilities	**81,600,129**	50,694,063
Stockholders' Equity		
Capital stock	**100,000**	100,000
Retained earnings	**4,474,128**	989,469
Total Stockholders' Equity	**4,574,128**	1,089,469
	₱86,174,257	₱51,783,532

See accompanying Notes to Financial Statements.

GMA HOLDINGS, INC.
STATEMENTS OF INCOME

	Years Ended December 31	
	2008	2007
REVENUE		
Interest income from short-term placements and bank deposits (Note 6)	**₱3,809,354**	₱1,403,293
Exercise fees (Note 5)	**1,958,700**	–
	5,768,054	1,403,293
EXPENSES		
Operating expenses (Note 8)	**1,236,885**	108,844
Interest expense and bank charges	**103,783**	–
	1,340,668	108,844
INCOME BEFORE INCOME TAX	**4,427,386**	1,294,449
PROVISION FOR INCOME TAX (Note 9)	**(942,727)**	(280,659)
NET INCOME	**₱3,484,659**	₱1,013,790

See accompanying Notes to Financial Statements.

GMA HOLDINGS, INC.
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

	Years Ended December 31	
	2008	2007
CAPITAL STOCK - ₱10 par value		
Authorized and subscribed - 10,000 shares	**₱100,000**	₱100,000
RETAINED EARNINGS (DEFICIT)		
Balance at beginning of year	**989,469**	(24,321)
Net income	**3,484,659**	1,013,790
Balance at end of year	**4,474,128**	989,469
	₱4,574,128	₱1,089,469

See accompanying Notes to Financial Statements.

GMA HOLDINGS, INC.
STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱4,427,386**	₱1,294,449
Adjustment for interest income from short-term placements and bank deposits (Note 6)	**(3,809,354)**	(1,403,293)
Income (loss) before working capital changes	**618,032**	(108,844)
Decrease (increase) in:		
Accounts receivable	**(607,050)**	–
Due from GMA (Note 10)	**50,458,960**	(50,458,960)
Increase in:		
Accounts payable and accrued expenses	**78,414**	63,844
Due to shareholders (Note 10)	**30,762,208**	50,605,219
Cash generated from operations	**81,310,564**	101,259
Interest received	**3,642,625**	1,403,293
Income taxes paid	**(877,283)**	(280,659)
Proceeds from issuance of Philippine deposit receipts (Note 5)	–	8,036,172,000
Payments for subscriptions of GMA shares (Note 5)	–	(8,036,172,000)
Net cash provided by operating activities	**84,075,906**	1,223,893
CASH IN BANKS AT BEGINNING OF YEAR	**1,324,572**	100,679
CASH IN BANKS AT END OF YEAR	**₱85,400,478**	₱1,324,572

See accompanying Notes to Financial Statements.

GMA HOLDINGS, INC.

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

GMA Holdings, Inc. (the Company) was incorporated in the Philippines on February 15, 2006 to invest in, purchase or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, exchange or otherwise dispose real and personal property of every kind and description.

The accounting and administrative functions of the Company are undertaken by GMA Network, Inc. (GMA), an affiliate.

On July 30, 2007, the Company issued Philippine Deposit Receipts (PDRs), which were listed and traded in the Philippine Stock Exchange (PSE) (see Note 5).

The Company will not engage in any business or purpose other than in connection with the issuance of the PDRs, the performance of the obligations under the PDRs and the acquisition and holding of the underlying shares of GMA in respect of the PDRs issued. This includes maintaining the Company's listing with the PSE and maintaining its status as a Philippine person for as long as the Philippine law prohibits ownership of GMA's shares by non-Philippine person.

The registered office address of the Company is Unit 5D Tower One, One McKinley Place, New Bonifacio Global City, Fort Bonifacio, Taguig City.

The accompanying financial statements of the Company as of and for the years ended December 31, 2008 and 2007 were authorized for issue by the Board of Directors (BOD) on April 2, 2009.

2. Basis of Preparation

The accompanying financial statements of the Company have been prepared on the historical cost basis. The financial statements are presented in Philippine peso, which is the Company's functional and presentation currency. All values are rounded to the nearest peso, except when otherwise indicated.

Statement of Compliance

The accompanying financial statements of the Company have been prepared in compliance with Philippine Financial Reporting Standards (PFRS). PFRS includes statements named PFRS and Philippine Accounting Standards (PAS) issued by the Financial Reporting Standards Council and Philippine Interpretations of International Financial Reporting Interpretations Committee (IFRIC).

Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year except for the following new Philippine Interpretations, which the Company has adopted during the year.

- Philippine Interpretation IFRIC 11, *PFRS 2 - Group and Treasury Share Transactions*, requires arrangements whereby an employee is granted rights to an entity's equity instruments to be accounted for as an equity-settled scheme by the entity even if (a) the entity chooses or is required to buy those equity instruments (e.g., treasury shares) from another party, or (b) the shareholders of the entity provide the equity instruments needed. It also provides guidance on how subsidiaries, in their separate financial statements, account for such schemes when their employees receive rights to the equity instruments of the parent. The adoption of this interpretation did not have any impact on the Company's financial statements.

- Philippine Interpretation IFRIC 12, *Service Concession Arrangements*, covers contractual arrangements arising from entities providing public-to-private service concession arrangements if control of the assets remains in public hands but the private sector operator is responsible for construction activities, as well as for operating and maintaining the public sector infrastructure. This interpretation has no impact on the Company's financial statements as no such arrangement currently exists.

- Philippine Interpretation IFRIC 14, *PAS 19, The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*, provides guidance on how to assess the limit on the amount of surplus in a defined benefit scheme that can be recognized as an asset under PAS 19, *Employee Benefits*. The adoption of this interpretation has no impact on the Company's financial position or performance.

Future Changes in Accounting Policies

- PFRS 2, *Share-based Payment (Revised)*, will become effective for financial years beginning on or after January 1, 2009. It restricts the definition of "vesting condition" to a condition that includes an explicit or implicit requirement to provide services. Any other conditions are non-vesting conditions, which have to be taken into account to determine the fair value of the equity instruments granted. In case the award does not vest as a result of a failure to meet a non-vesting condition that is within the control of either the entity or the counterparty, it must be accounted for as a cancellation. The revised standard will have no impact on the Company's financial statements.

- PFRS 3, *Business Combinations (Revised)*, and PAS 27, *Consolidated and Separate Financial Statements (Revised)*, will become effective for financial years beginning on or after July 1, 2009. The revised PFRS 3 introduces a number of changes in the accounting for business combinations that will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs and future reported results. The revised PAS 27 requires that a change in the ownership interest of a subsidiary be accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary, as well as the loss of control of a subsidiary. The changes introduced by the revised standards must be applied prospectively and will affect future acquisitions and transactions with minority interests. The revised standards will have no impact on the Company's financial statements.

- PFRS 8, *Operating Segments*, will replace PAS 14, *Segment Reporting*, and will become effective for financial years beginning on or after January 1, 2009. It adopts a management approach in reporting segment information. The information reported would be that which management uses internally for evaluating the performance of operating segments and allocating resources to those segments. Such information may be different from that reported in the balance sheets and statements of income and companies will need to provide explanations and reconciliations of the differences. The Company assessed that the adoption of this standard will have no impact on the financial statements.

- PAS 1, *Presentation of Financial Statements (Revised)*, will become effective for financial years beginning on or after January 1, 2009. The standard separates owner and non-owner changes in equity. The statement of changes in equity will include only details of transactions with owners, with all non-owner changes in equity presented as a single line. In addition, the standard introduces the statement of comprehensive income, which presents all items of income and expense recognized in profit or loss, together with all other items of recognized income and expense, either in one single statement, or in two linked statements. The Company is currently assessing the impact of the revised standard on its financial statements.

- PAS 23, *Borrowing Costs (Revised)*, will become effective for financial years beginning on or after January 1, 2009. The standard has been revised to require capitalization of borrowing costs when such costs relate to a qualifying asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The Company does not expect this revised standard to have an impact on its financial statements.

- PAS 32, *Financial Instruments: Presentation*, and PAS 1, *Presentation of Financial Statements - Puttable Financial Instruments and Obligations Arising on Liquidation (Amendments)*, will become effective for financial years beginning on or after January 1, 2009. The amendment to PAS 32 requires certain puttable financial instruments and obligations arising on liquidation to be classified as equity if certain criteria are met. The amendment to PAS 1 requires disclosure of certain information relating to puttable instruments classified as equity. The Company expects that the amendments will have no impact on its financial position or performance.

- PAS 39, *Financial Instruments: Recognition and Measurement - Eligible Hedged Items (Amendment)*, will become effective for financial years beginning on or after July 1, 2009. The amendment addresses the designation of a one-sided risk in a hedged item, and the designation of inflation as a hedged risk or portion in particular situations. It clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as a hedged item. The amendment will not have any impact on the financial statements as the Company has not entered into any such hedges.

- Philippine Interpretation IFRIC 13, *Customer Loyalty Programmes*, will become effective for financial years beginning on or after July 1, 2008. This interpretation requires customer loyalty award credits to be accounted for as a separate component of the sales transactions in which they are granted and therefore, part of the fair value of the consideration received is allocated to the award credits and deferred over the period that the award credits are fulfilled. The Company expects that this interpretation will have no impact on its financial statements as no such schemes currently exist.

- Philippine Interpretation IFRIC 15, *Agreements for the Construction of Real Estate*, will become effective for financial years beginning on or after January 1, 2009. The interpretation is to be applied retroactively. It clarifies when and how revenue and related expenses from the sale of real estate should be recognized if an agreement between a developer and a buyer is reached before the construction of the real estate is completed. Furthermore, the interpretation provides guidance on how to determine whether an agreement is within the scope of PAS 11, *Construction Contracts*, or PAS 18, *Revenue*. The interpretation will not have an impact on the financial statements because the Company does not have such activity.

- Philippine Interpretation IFRIC 16, *Hedges of a Net Investment in Foreign Operations*, will become effective for financial years beginning on or after October 1, 2008. It provides guidance in identifying the foreign currency risks that qualify for hedge accounting in the hedge of a net investment, where within the Company the hedging instruments can be held in the hedge of a net investment and how an entity should determine the amount of foreign currency gain or loss, relating to both the net investment and the hedging instrument, to be recycled on disposal of the net investment. The interpretation will have no impact on the Company's financial statements.

<u>Improvements to Existing Accounting Standards</u>

The Company did not early adopt the following improvements to existing accounting standards that have been approved but are not yet effective. The Company is currently assessing the impact of the following improvements to existing standards but anticipates that the changes will have no material effect on the financial statements.

- PFRS 7, *Financial Instruments: Disclosures*, removes the reference to "total interest income" as a component of finance costs.

- PAS 1, *Presentation of Financial Statements*, provides that assets and liabilities classified as held for trading in accordance with PAS 39, *Financial Instruments: Recognition and Measurement*, are not automatically classified as current in the balance sheet.

- PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, clarifies that only the implementation guidance that is an integral part of a PFRS is mandatory when selecting accounting policies.

- PAS 10, *Events after the Balance Sheet Date*, clarifies that dividends declared after the end of reporting period are not obligations.

- PAS 16, *Property, Plant and Equipment*, replaces the term "net selling price" with "fair value less costs to sell". It further clarifies that items of property, plant and equipment held for rental that are routinely sold in the ordinary course of business after rental are transferred to inventory when rental ceases and they are held for sale.

- PAS 18, *Revenue*, replaces the term "direct costs" with "transaction costs" as defined in PAS 39, *Financial Instruments: Recognition and Measurement*.

- PAS 19, *Employee Benefits*, revises the definition of past service costs, return on plan assets and short-term and long-term employee benefits. Amendments to plans that result in reduction in benefits related to future services are accounted for as curtailment. It deletes the reference to the recognition of contingent liabilities to ensure consistency with PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*.

- PAS 20, *Accounting for Government Grants and Disclosure of Government Assistance*, provides that loans granted in the future with no or low interest rates will not be exempt from the requirement to impute interest. The difference between the amount received and the discounted amount is accounted for as government grant. Various terms were revised to be consistent with the other PFRS.

- PAS 23, *Borrowing Costs*, revises the definition of borrowing costs to consolidate the two types of items that are considered components of borrowing costs into one - the interest expense calculated using the effective interest method calculated in accordance with PAS 39, *Financial Instruments: Recognition and Measurement*.

- PAS 27, *Consolidated and Separate Financial Statements*, states that when a parent entity accounts for a subsidiary in accordance with PAS 39, *Financial Instruments: Recognition and Measurement*, in its separate financial statements, this treatment continues when the subsidiary is subsequently classified as held for sale.

- PAS 28, *Investment in Associates*, establishes that if an associate is accounted for at fair value in accordance with PAS 39, *Financial Instruments: Recognition and Measurement*, only the requirement of PAS 28 to disclose the nature and extent of any significant restrictions on the ability of the associate to transfer funds to the entity in the form of cash or repayment of loans applies.

- PAS 29, *Financial Reporting in Hyperinflationary Economies*, revises the reference to the exception to measure assets and liabilities at historical costs, such that it notes property, plant and equipment as being an example, rather than implying that it is a definitive list. Various terms were revised to be consistent with the other PFRS.

- PAS 31, *Interest in Joint Ventures*, provides that if a joint venture is accounted for at fair value in accordance with PAS 39, *Financial Instruments: Recognition and Measurement*, only the requirement of PAS 31 to disclose the commitments of the venturer and the joint venture as well as summary financial information about the assets, liabilities, income and expense will apply.

- PAS 34, *Interim Financial Reporting*, requires that earnings per share be disclosed in interim financial reports if an entity is within the scope of PAS 33, *Earnings per Share*.

- PAS 36, *Impairment of Assets*, provides that if discounted cash flows are used to estimate "fair value less costs to sell", additional disclosure is required about the discount rate, consistent with the disclosures required when the discounted cash flows are used to estimate "value in use".

- PAS 38, *Intangible Assets*, provides that expenditure on advertising and promotional activities is recognized as an expense when the Company has either the right to access the goods or has received the services.

- PAS 39, *Financial Instruments: Recognition and Measurement*, changes in circumstances relating to derivatives are not reclassification and therefore maybe either removed from, or included in, the "fair value through profit or loss" (FVPL) classification after initial recognition. It removes the reference to a segment when determining whether an instrument qualifies as a hedge. It further requires the use of the revised effective interest rate when re-measuring a debt instrument on the cessation of fair value hedge accounting.

- PAS 40, *Investment Property*, revises the scope such that property under construction or development for future use as an investment property is classified as investment property. If fair value cannot be reliably determined, the investment under construction will be measured at cost until such time that fair value can be determined or construction is complete. It revises the conditions for a voluntary change in accounting policy to be consistent with PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, and clarifies that the carrying amount of investment property held under lease is the valuation obtained, increased by any recognized liability.

- PAS 41, *Agriculture*, removes the reference to the use of pre-tax discount rate to determine fair value. It likewise removes the prohibition to take into account cash flows resulting from any additional transformations when estimating fair value. Furthermore, it replaces the term "point-of-sale costs" with "costs to sell".

3. Summary of Significant Accounting Judgment, Estimates and Assumptions

The Company's financial statements prepared in accordance with PFRS require management to make judgment, estimates and assumptions that affect amounts reported in the financial statements and related notes.

Judgment

Functional Currency. In the process of applying the Company's accounting policies, management has determined that its functional currency is the Philippine peso. It is the currency of the primary economic environment in which the Company operates.

Estimates and Assumptions

The key estimates and assumptions concerning the future and other key sources of estimation uncertainty at balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial years are discussed below:

Estimating Realizability of Deferred Tax Assets. The Company's assessment on the recognition of deferred tax assets on nondeductible temporary differences and carryforward benefits of net operating loss carryover (NOLCO) is based on the forecasted taxable income of the following reporting period. This forecast is based on the Company's future expectations on revenue and expenses.

No deferred tax asset was recognized as of December 31, 2008. Unrecognized deferred tax asset amounted to ₱46,720 as of December 31, 2007 (see Note 9).

Fair Value of Financial Assets and Liabilities. The Company carries certain financial assets and liabilities at fair value, which requires the use of accounting estimates and judgment. The significant components of fair value measurement were determined using verifiable objective evidence (i.e., foreign exchange rates, interest rates, volatility rates). However, the timing and amount of changes in fair value would differ if the Company utilized different valuation methodologies and assumptions. Any changes in the fair value of these financial assets and liabilities would affect the statements of income and statements of changes in stockholders' equity.

The fair values of the Company's financial assets and liabilities are discussed in Note 12.

4. Summary of Significant Accounting and Financial Reporting Policies

Financial Assets and Liabilities

Date of Recognition. The Company recognizes a financial asset or a financial liability in the balance sheets when it becomes a party to the contractual provisions of the instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using settlement date accounting.

Initial Recognition of Financial Instruments. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at FVPL, includes transaction cost.

Subsequent to initial recognition, the Company classifies its financial assets in the following categories: financial assets at FVPL, loans and receivables, held-to-maturity (HTM) investments and available-for-sale (AFS) financial assets. Financial liabilities are classified as financial liabilities at FVPL or other financial liabilities. The classification depends on the purpose for which the instruments are acquired and whether they are quoted in an active market. Management determines the classification at initial recognition and, where allowed and appropriate, re-evaluates this classification at every reporting date. The Company's financial assets are of the nature of loans and receivables.

Determination of Fair Value. The fair value of financial instruments traded in active markets at balance sheet date is based on their quoted market price or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. When current bid and asking prices are not available, the price of the most recent transaction provides evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of the transaction.

For all other financial instruments not listed in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist, options pricing models and other relevant valuation models.

Day 1 Profit. 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 Company recognizes the difference between the transaction price and fair value (a Day 1 profit) in the 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 the statements of income when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the Day 1 profit amount.

<u>Financial Assets</u>

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

Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Gains or losses on investments held for trading are recognized in the statements of income.

Financial assets may be designated by management at initial recognition as at FVPL when any of the following criteria is met:

- the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognizing gains or losses on a different basis; or
- the assets are part of a group of financial assets, financial liabilities or both which are managed and their performance are evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or
- the financial instrument contains an embedded derivative, unless the embedded derivative does not significantly modify the cash flows or it is clear, with little or no analysis, that it would not be separately recorded.

The Company has no financial assets classified under this category as of December 31, 2008 and 2007.

Loans and Receivables. Loans and receivables are nonderivative financial assets with fixed or determinable payments that are not quoted in an active market. They are not entered into with the intention of immediate or short-term resale and are not designated as AFS financial assets or financial assets at FVPL. Loans and receivables are carried at cost or amortized cost, less impairment in value. Amortization is determined using the effective interest method. Loans and receivables are included in current assets if maturity is within 12 months from balance sheet date. Otherwise, these are classified as noncurrent assets.

Classified as loans and receivables are the Company's cash and cash equivalents, accounts receivable and due from GMA. The carrying values of financial assets under this category amounted to ₱86,174,257 and ₱51,783,532 as of December 31, 2008 and 2007, respectively (see Note 12).

HTM Investments. HTM investments are quoted nonderivative financial assets with fixed or determinable payments and fixed maturities for which the Company's management has the positive intention and ability to hold to maturity. Where the Company sells other than an insignificant amount of HTM investments, the entire category would be tainted and reclassified as AFS financial assets. After initial measurement, the investments are measured at amortized cost using the effective interest method, less impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in the statements of income when the HTM investments are derecognized or impaired, as well as through the amortization process. Assets under this category are classified as current assets if maturity is within 12 months from balance sheet date and as noncurrent assets if maturity date is more than a year from balance sheet date.

The Company has no investments classified as HTM as of December 31, 2008 and 2007.

AFS Financial Assets. AFS financial assets are nonderivative financial assets that are designated in this category or are not classified in any of the other categories. Subsequent to initial recognition, AFS financial assets are carried at fair value in the balance sheets. Changes in the fair value of such assets are reported as revaluation reserve for AFS financial assets in the stockholders' equity section of the balance sheets until the investment is derecognized or the investment is determined to be impaired. On derecognition or impairment, the cumulative gain or loss previously reported in equity is transferred to the statements of income. Interest earned on holding AFS financial assets are recognized in the statements of income using the effective interest rate. Assets under this category are classified as current assets if expected to be realized within 12 months from balance sheet date and as noncurrent assets if expected to be realized more than a year from balance sheet date.

The Company has no financial assets classified as AFS as of December 31, 2008 and 2007.

Financial Liabilities

Financial Liabilities at FVPL. Financial liabilities are classified in this category if these result from trading activities or derivatives transaction that are not accounted for as accounting hedges, or when the Company elects to designate a financial liability under this category.

The Company has no financial liabilities classified under this category as of December 31, 2008 and 2007.

Other Financial Liabilities. This category pertains to financial liabilities that are not held for trading or not designated as at FVPL upon the inception of the liability. These include liabilities arising from operations or borrowings.

The financial liabilities are recognized initially at fair value and are subsequently carried at amortized cost, taking into account the impact of applying the effective interest method of amortization (or accretion) for any related premium, discount and any directly attributable transaction costs.

This category includes accounts payable and accrued expenses and due to shareholders. The carrying values of financial liabilities under this category amounted to ₱81,534,685 and ₱50,694,063 as of December 31, 2008 and 2007, respectively (see Note 12).

Embedded Derivatives

An embedded derivative is separated from the host contract and accounted for as a derivative if all of the following conditions are met: a) the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract; b) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and c) the hybrid or combined instrument is not recognized at FVPL.

Subsequent reassessment is prohibited unless there is a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract, in which case reassessment is required. The Company determines whether a modification to cash flows is significant by considering the extent to which the expected future cash flows associated with the embedded derivative, the host contract or both have changed and whether the change is significant relative to the previously expected cash flow on the contract.

Derecognition of Financial Assets and Liabilities

Financial Assets. A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

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

When the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset.

Financial Liabilities. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired.

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 modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit and loss.

Impairment of Financial Assets

The Company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired.

Assets Carried at Amortized Cost. If there is objective evidence that an impairment loss on loans and receivables 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 credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced through the use of an allowance account. The amount of the loss shall be recognized in the statements of income.

The Company 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 not 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 by adjusting the allowance account. The amount of the reversal is recognized in the statements of income. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of 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 Company. If in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance for impairment losses account. If a future write-off is later recovered, the recovery is recognized in the statements of income under "Other income" account. Any subsequent reversal of an impairment loss is recognized in the statements of 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 objective evidence that an impairment loss has been incurred in an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a 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 asset's 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. If an AFS financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortization) and its current fair value, less any impairment loss previously recognized in profit or loss, is transferred from stockholders' equity to the statements of income. Reversals in respect of equity instruments classified as AFS are not recognized in profit or loss. Reversals of impairment losses on debt instruments are reversed through profit or loss, if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognized in profit or loss.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheets if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the balance sheets.

Provisions

Provisions are recognized when the Company 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. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. Where the Company expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the receipt of the reimbursement is virtually certain.

Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount can be reliably measured.

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

Taxes

Current Tax. Current tax assets and liabilities for the current and prior periods 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 substantively enacted at balance sheet date.

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

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

- where the deferred 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 or loss; 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 tax assets are recognized for all deductible temporary differences, carryforward benefits of 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 NOLCO can be utilized, except:

- where the deferred 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 or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, deferred 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 tax assets is reviewed at each balance sheet date 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 tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred 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) that have been enacted or substantively enacted at balance sheet date.

Income tax relating to the items recognized directly in stockholders' equity is recognized in the statements of changes in stockholders' equity and not in the statements of income.

Deferred tax assets and deferred tax 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.

Contingencies

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

Events After Balance Sheet Date
Post year-end events that provide additional information about the Company's position at balance sheet date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to financial statements when material.

5. PDRs

On July, 30, 2007, the Company issued 822,115,000 PDRs relating to 822,115,000 GMA shares. On August 21, 2007, additional 123,317,000 PDRs were issued relating to 123,317,000 GMA shares. Each PDR was issued for a total consideration of ₱8.50.

Each PDR grants the holders, upon payment of the exercise price and subject to certain other conditions, the delivery of one (1) GMA share or the sale of and delivery of the proceeds of such sale of one (1) GMA share. The Company remains to be the registered owner of the GMA shares covered by the PDRs. The Company also retains the voting rights over the GMA shares.

The GMA shares are still subject to ownership restrictions on shares of corporations engaged in mass media and GMA may reject the transfer of shares to persons other than Philippine nationals. The PDRs were listed in the PSE on July 30, 2007, and the same may be exercised at any time from said date. Any cash dividends or other cash distributions in respect of GMA shares received by the Company shall be applied toward the operating expenses of the Company for the current and preceding years. A further amount equal to the operating expenses in the preceding year shall be set aside to meet operating or other expenses for the succeeding years. Any amount in excess of the aggregate of the operating expenses paid and the operating fund for such period shall be distributed to PDR holders pro-rata on the first business day after such cash dividends are received by the Company.

Upon exercise of the PDRs, an exercise price of ₱0.05 per share shall be paid by the PDR holders. The exercise price is shown as "Exercise fees" account in the statements of income.

Immediately prior to the closing of the PDR offering and additional issuances described above, GMA, to which the Company is affiliated, transferred 945,432,000 GMA shares to the Company in relation to which the PDRs were issued. For as long as the PDRs are not exercised, these shares underlying the PDRs are, and will continue to be registered in the name of and owned by, and all rights pertaining to these shares, including voting rights, shall be exercised by the Company. The obligations of the Company to deliver the GMA shares on exercise of the right contained in the PDRs are secured by the Pledge of Shares in favor of the Pledge Trustee acting on behalf of each holder of a PDR over the GMA shares.

At any time after the PDR offering, a shareholder may, at his option and from time to time, deliver shares to the Company in exchange for an equal number of PDRs. The exchanges are based on prevailing traded values of GMA shares at the time of transaction with the corresponding PDR option price.

As mentioned above, the Company retains the rights to receive the cash flows from its investment in GMA and assumes a contractual obligation to pay those cash flows to the PDR holders, net of operating expenses (a "pass-through" arrangement). The "pass-through" test is met because the Company (a) has no obligation to the PDR holders unless it collects equivalent amounts from its investment in GMA, (b) is contractually prohibited from selling or pledging its investment in GMA other than as security to the PDR holders for the obligation to pay the cash flows, and (c) has an obligation to remit any cash flows from the investment in GMA to the PDR holders without material delay.

Under the "pass-through" test, the Company is deemed to have transferred substantially the risks and rewards of its investment in GMA. Accordingly, the investment in GMA and the liabilities related to the issuance of the PDRs were derecognized by the Company under the provisions of PAS 39, *Financial Instruments: Recognition and Measurement.*

The following are the details and movements of the PDRs and the underlying GMA shares for the year ended December 31, 2008:

	PDRs	Number of Shares
Balance at beginning of year	₱8,036,172,000	945,432,000
Exercise of PDRs	(332,979,000)	(39,174,000)
Balance at end of year	₱7,703,193,000	906,258,000

6. Cash and Cash Equivalents

This consists of:

	2008	2007
Cash in banks	**₱33,432,980**	₱1,324,572
Short-term placements	**51,967,498**	–
	₱85,400,478	₱1,324,572

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

Interest income, net of final tax, earned from cash and cash equivalents amounted to ₱3,047,483 and ₱1,122,634 in 2008 and 2007, respectively.

7. Accounts Payable and Accrued Expenses

This account consists of:

	2008	2007
Accounts payable	**₱7,258**	₱3,844
Accrued expenses	**160,000**	85,000
	₱167,258	₱88,844

Accounts payable and accrued expenses are noninterest-bearing and are normally settled throughout the financial year.

8. Operating Expenses

This account consists of:

	2008	2007
Listing fees	**₱783,574**	₱–
Professional fees	**393,400**	105,000
Taxes and licenses	**6,295**	3,844
Others	**53,616**	–
	₱1,236,885	₱108,844

9. Income Taxes

The components of the Company's provision for income tax are as follows:

	2008	2007
Final tax on interest income from bank deposits	**₱761,871**	₱280,659
Regular corporate income tax	**180,856**	–
	₱942,727	₱280,659

The movements in NOLCO are as follows:

	2008	2007
Balance at beginning of year	**₱133,486**	₱25,000
Addition	–	108,486
Applied during the year	**(133,486)**	–
	₱–	₱133,486

NOLCO incurred in 2007 and 2006 totaling ₱133,486 was applied as deduction from normal taxable income in 2008.

In 2007, deferred tax asset on NOLCO amounting to ₱46,720 was not recognized as management believes that taxable income against which the NOLCO can be used may not be available.

The reconciliation of the statutory income tax amounts to the effective income tax amounts follows:

	2008	2007
Income tax computed at statutory income tax rate	**₱1,549,585**	₱453,057
Add (deduct) tax effects of:		
Interest income from bank deposits already subjected to final tax	**(571,403)**	(210,494)
Movements in unrecognized deferred tax asset	**(46,720)**	37,970
Nondeductible expenses	**11,265**	126
Effective tax amounts	**₱942,727**	₱280,659

10. Related Party Disclosures

Transactions with related parties have been entered into at terms no less favorable than could have been obtained if the transactions were entered into with unrelated parties. The amounts included in the financial statements with respect to these transactions as of December 31, 2008 and 2007 and for the years then ended follow:

Related Parties	Relationship	Nature of Transactions	Year	Transactions During the Year	Due from GMA	Due to Shareholders
GMA	Affiliate*	Portion of proceeds from issuance of PDRs and reimbursements of crossing expenses	2008	(₱50,458,960)	₱–	₱–
			2007	50,458,960	50,458,960	–
Group Management and Development, Inc., FLG Management and Development Corporation, M.A. Jimenez Enterprises, Inc., Television International Corporation, Gozon Development Corporation, Gozon Foundation, Inc.	Shareholders	Portion of proceeds from issuance of PDRs	2008	30,762,208	–	81,367,427
			2007	50,605,219	–	50,605,219

**Affiliate refers to a company whose stockholders are also the stockholders of the Company.*

11. Financial Risk Management Objectives and Policies

The Company's principal financial instruments include cash and cash equivalents. The main purpose of these financial instruments is to finance the Company's operations. The Company has various other financial assets and liabilities such as accounts receivable, due from GMA, accounts payable and accrued expenses and due to shareholders, which arise directly from its operations.

The main risks arising from the Company's financial instruments are interest rate risk, credit risk and liquidity risk. The Company does not engage in any foreign currency-denominated transactions that may cause exposure to foreign exchange risk. The Company's BOD and management review and agree on the policies for managing each of these risks as summarized below:

Interest Rate Risk
The Company's exposure to interest rate risk is minimal and is attributed to cash and cash equivalents.

The Company does not have any interest bearing obligations.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Company's income before income tax from balance sheet date to next reporting date:

2008

Increase (Decrease) in Basis Points	**Effect on Income Before Income Tax**
50	**₱427,002**
(50)	**(427,002)**

2007

Increase (Decrease) in Basis Points	Effect on Income Before Income Tax
50	₱6,623
(50)	(6,623)

Credit Risk
The Company's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amounts of cash and cash equivalents, accounts receivable and due from GMA. The exposure to credit risk is minimal.

Counterparties to these financial instruments are prime institutions. The Company does not expect any counterparty to default in its obligations, given the high credit ratings.

In 2007, the Company's credit risk is concentrated on its receivables from GMA.

Credit Quality Financial Assets
The credit quality of financial assets is managed by the Company using high grade and standard grade as internal credit ratings.

High Grade. Pertains to a counterparty who is not expected by the Company to default in settling its obligations, thus credit risk exposure is minimal. This normally includes large prime financial institutions and related parties.

Standard Grade. Other financial assets not classified as high grade are included in this category.

The Company classified its cash and cash equivalents, accounts receivable and due to GMA as high grade financial assets as of December 31, 2008 and 2007.

As of December 31, 2008, the aging analysis of accounts receivable is as follows:

Neither past due nor impaired	₱166,729
<30 days past due	62,650
31–60 days	217,700
61–90 days	118,500
Over 90 days	208,200
	₱773,779

Liquidity Risk
The Company's objectives to manage its liquidity profile are: a) to ensure that adequate funding is available at all times; b) to meet commitments as they arise without incurring unnecessary costs; and c) to be able to access funding when needed at the least possible cost.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as of December 31, 2008 and 2007:

	2008		
	On Demand	**3 to 12 Months**	**Total**
Accounts payable and accrued expenses	**₱167,258**	**₱–**	**₱167,258**
Due to shareholders	**–**	**81,367,427**	**81,367,427**
	₱167,258	**₱81,367,427**	**₱81,534,685**

	2007		
	On Demand	3 to 12 Months	Total
Accounts payable and accrued expenses	₱88,844	₱–	₱88,844
Due to shareholders	–	50,605,219	50,605,219
	₱88,844	₱50,605,219	₱50,694,063

Capital Management
The primary objective of the Company'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 Company's capital management is undertaken by GMA.

12. Financial Assets and Liabilities

The following table sets forth the carrying values and fair values of financial assets and liabilities by category and by class as of December 31:

	2008		2007	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value
Financial Assets				
Loans and receivables:				
Cash and cash equivalents	**₱85,400,478**	**₱85,400,478**	₱1,324,572	₱1,324,572
Accounts receivable	**773,779**	**773,779**	–	–
Due from GMA	–	–	50,458,960	50,458,960
	₱86,174,257	**₱86,174,257**	₱51,783,532	₱51,783,532
Financial Liabilities				
Other financial liabilities:				
Accounts payable and accrued expenses	**₱167,258**	**₱167,258**	₱88,844	₱88,844
Due to shareholders	**81,367,427**	**81,367,427**	50,605,219	50,605,219
	₱81,534,685	**₱81,534,685**	₱50,694,063	₱50,694,063

Due to the short-term nature of the related transactions, the carrying values of the above financial instruments approximate their fair values as of balance sheet dates.

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BOA/PRC Reg. No. 0001
SEC Accreditation No. 0012-FR-1

INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
GMA Holdings, Inc.
Unit 5D Tower One, One McKinley Place
New Bonifacio Global City
Fort Bonifacio, Taguig City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of GMA Holdings, Inc. included in this Form 17-A and have issued our report thereon dated April 2, 2009. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to Financial Statements and Supplementary Schedules are the responsibility of the Company's management. These schedules are presented for purposes of complying with Securities Regulation Code Rule 68.1 and SEC Memorandum Circular No. 11, Series of 2008 and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state in all material respect the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Melinda Gonzales-Manto

Melinda Gonzales-Manto
Partner
CPA Certificate No. 26497
SEC Accreditation No. 0085-AR-1
Tax Identification No. 123-305-056
PTR No. 1566443, January 5, 2009, Makati City

April 2, 2009

GMA Holdings, Inc.
Unit 5D Tower One, One Mckinley Place, New Bonifacio Global City
Fort Bonifacio, Taguig City

Retained Earnings Available for Dividend Declaration
December 31, 2008

Retained earnings, January 1, 2008	₱989,469
Net income actually earned in 2008	3,484,659
Retained earnings as of December 31, 2008 available for dividend declaration	₱4,474,128