

MINUTES OF THE ANNUAL MEETING OF THE STOCKHOLDERS OF  
**GMA HOLDINGS, INC.**

Held at the Le Souffle  
Unit B, The Fort, Bonifacio Global City, Taguig City  
May 29, 2009

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**STOCKHOLDERS PRESENT:**

Felipe L. Gozon	33.3
Gilberto R. Duavit, Jr.	33.3
Joel Marcelo G. Jimenez	33.3
Felipe S. Yalong	.0
Artemio V. Panganiban	.0
Jaime C. Laya	.0
<b>TOTAL</b>	<b>99.9</b>

**OTHERS PRESENT:**

Roberto O. Parel  
Ronaldo P. Mastrili  
Eduardo P. Santos  
Ari P. Chio  
Caryl Miriam Y. Lopez  
Cirilo P. Noel (SGV)  
Dave L. Balangue (SGV)  
Ramon D. Dizon (SGV)  
Melinda G. Manto (SGV)  
Sherwin V. Yason (SGV)

**I. CALL TO ORDER**

The Chairman, Atty. Felipe L. Gozon, called the meeting to order at 10:07a.m. The Acting Corporate Secretary, Roberto O. Parel, recorded the minutes of the meeting.

**II. CERTIFICATION AND NOTICE OF QUORUM**

The Corporate Secretary reported that the notices of the meeting were duly sent to all the stockholders in accordance with the By-Laws of the Company and that 99% of the total issued and outstanding common stock were present. A quorum existed therefore, for the transaction of business

### III. APPROVAL OF THE MINUTES OF THE ANNUAL STOCKHOLDERS MEETING HELD ON MAY 30, 2008

The Chairman stated that the first item in the order of business was the approval of the minutes of the Annual Stockholders' Meeting held on May 30, 2008.

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

"RESOLVED, That the Minutes of the Stockholders Meeting held on May 30, 2008 be hereby APPROVED."

### IV. REPORT OF THE PRESIDENT

The President, Mr. Gilberto R. Duavit, Jr., proceeded to give a brief report on the Company as follows:

The year 2008 proved to be a challenging one across the globe and for virtually all sectors of the local economy. The global financial crisis led to economic slowdown, and as inflation reached its peak in the second half of the past year, we saw the stock market start to slide. The Broadcast industry was not spared as stock prices of the PDRs (GMAP) dropped from P7.60 at the beginning of 2008 to P3.30 by the end of the year. While GMA Holdings' business is primarily administrative in nature in relation to PDR stock transactions, its financial results were also affected by the economic situation - - although ironically in the opposite manner.

With the selldown of foreign investors due, among other reasons, to the price differential between the common shares (GMA7) and the PDRs (GMAP), with GMA trading at a higher price, we saw more than 39M PDRs converted into Common shares starting in May 2008 - - something that we did not see in the past year. As a result, GHI realized revenues of almost P2M from exercise fees on the conversions.

Also, despite decreasing interest rates during the year, interest income grew by 17% to P3.8M versus P1.4M for the same period (2007) in the previous year due to higher cash and cash equivalents in 2008 resulting from the collection of the remaining IPO proceeds from GMA Network for the account of the selling shareholders.

Total revenues for the year more than quadrupled to P5.8 million compared to last year's P1.4 million.

On the expense side, operating costs increased from just P109,000 last year to P1.3M this year primarily due to PSE listing fees, retainer fees for bank trusteeship on the PDRs and legal fees and other expenses which were not present in 2007 as these were charged against the IPO proceeds in the said year.

Net income settled at P3.5M, more than three times last year's P1.01M.

Total assets grew to P86M, 66% higher than last year's P52M owing to the full collection of receivables from GMA for the remaining IPO proceeds which will be reverted back to the selling shareholders. Correspondingly, there was an increase in the total liabilities, specifically in the Due to Shareholders account.

The remarkable growth in net profits has resulted in unrestricted retained earnings available for dividend declaration amounting to P4.5M as of December 31, 2008.

It is also noteworthy that with the favorable results in operations, the Company was able to distribute to the PDR holders the same cash dividend rate as applied to GMA shares at P0.35 and P0.25 per share for the years 2008 and 2007, respectively, undiluted by the operating expenses which were fully covered by our generated revenues.

#### **Commitment to Good Governance**

Management continues to fulfill its commitment to provided quality financial reporting, to adopt best standards of good governance, to comply with our statutory reporting requirements as a listed company and to support initiatives of GMA Network in improving the market value of its stock shares.

After the report, the Chairman opened the floor for comments and questions. No questions were raised and the Chairman proceeded with the next item on the agenda.

#### **V. RATIFICATION OF ACTS OF THE BOARD OF DIRECTORS FOR THE PREVIOUS YEAR**

The Chairman stated that the next item on the agenda was the ratification of all acts, proceedings, transactions and resolutions of the Board of Directors, and Officers of the Company since the date of the last annual stockholders meeting.

The Acting Corporate Secretary explained that the acts of the Board of Directors were duly reflected in the minutes. A summary of these acts which included in the materials previously circulated were attached as Annex "A".

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

"RESOLVED, That the acts of the Board of Directors and Officers of the Company listed as Annex "A" be hereby RATIFIED and APPROVED."

## VI. ELECTION OF DIRECTORS

The Chairman stated that the next item on the agenda was the election of directors for the ensuing year. Being the Chairman of the Nomination Committee, Mr. Felipe L. Gozon reported that the following were nominated and approved by the Nomination Committee:

Felipe L. Gozon  
 Gilberto R. Duavit, Jr.  
 Joel Marcelo G. Jimenez  
 Jaime C. Laya (*Independent Director*)  
 Artemio V. Panganiban (*Independent Director*)

After motions made seconded the following were unanimously declared elected as members of the Board of Directors for the ensuing year until their successors shall have been duly elected.

Felipe L. Gozon  
 Gilberto R. Duavit, Jr.  
 Joel Marcelo G. Jimenez  
 Jaime C. Laya (*Independent Director*)  
 Artemio V. Panganiban (*Independent Director*)

## VII. ELECTION OF THE EXTERNAL AUDITOR

The Chairman stated that the next item on the agenda was the election of an external auditor.

The Chairman of the Audit Committee, Dr Jaime C. Laya, stated that since the Committee was still in the process of receiving fee proposals from various external auditors and as such, could not make a recommendation to the stockholders in time for the annual stockholders meeting. To obviate the expenses of holding a second stockholders meeting, the Committee recommended to request that the authority be delegated to the Board of Directors instead.

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

"RESOLVED, That the authority to elect the External Auditor of the Company be hereby delegated to the Board of Directors."

## VIII. RATIFICATION OF THE ACTS OF THE BOARD FOR THE PREVIOUS YEAR

The Chairman stated that the next item on the agenda was the ratification of the acts of the Board of Directors for the previous year. The Chairman asked the Acting Corporate Secretary to explain the nature of the acts to be ratified.

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

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

“RESOLVED, That the acts of the Board of Directors and Officers of the Company from the date of the last annual stockholders’ meeting on May 30, 2008 up to the present be hereby RATIFIED and APPROVED.”


## IX. ADJOURNMENT

There being no more items to discuss, the meeting was adjourned at 10:34 a.m.

Prepared By:

  
ROBERTO O. PAREL  
*Acting Corporate Secretary*

Attested By:

  
FELIPE L. GOZON  
*Chairman*

GMA HOLDINGS, INC.ACTS OF THE BOARD OF DIRECTORS

<b>2008</b>		
May 30, 2008 (Organizational Meeting)	-	Appointment of the Members of the Nomination, Compensation and Remuneration and Audit Committees
	-	Election/ Appointment of Officers
	-	Appointment of External Counsel
June 23, 2008 (Special Meeting)	-	Approval of cash distribution to PDR Holders in the amount of 25 cents per PDR Holders as of June 11, 2008
<b>2009</b>		
April 7, 2009 (Special Meeting)	-	Approval and release of the Financial Statements for the year ended December 31, 2008
	-	Setting of record date for the Annual Stockholders Meeting
May 8, 2009	-	Approval of Cash Distribution to the PDR Holders
	-	Change of signatories to the Banco de Oro (Timog EDSA Branch) account of the Corporation