

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

Held at the Aubergine Restaurant Patisserie
32nd and 5th Building, 5th Avenue, 32nd Street,
Bonifacio Global City, Taguig City
May 28, 2010

STOCKHOLDERS PRESENT:

Felipe L. Gozon	33.3%
as represented by Gilberto R. Duavit, Jr.	
Gilberto R. Duavit, Jr.	33.3
Joel Marcelo G. Jimenez	33.3
Felipe S. Yalong	.0
Artemio V. Panganiban	.0
Jaime C. Laya	.0
TOTAL	99.9%

OTHERS PRESENT:

Roberto O. Parel
Ronaldo P. Mastrili
Eduardo P. Santos
Ari P. Chio
Caryl Miriam Y. Lopez
Ramon D. Dizon (SGV)

I. CALL TO ORDER

The Chairman of the meeting, Chief Justice Artemio V. Panganiban, called the meeting to order at 10:03 a.m. Atty. Roberto O. Parel, acted as the secretary and recorded the minutes.

II. CERTIFICATION AND NOTICE OF QUORUM

The Acting 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 29, 2009

The Acting 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 29, 2009.

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 29, 2009 are 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 President stated that the Philippine economy showed its resilience in 2009 as it narrowly avoided a recession in the first quarter but bounced back in the fourth quarter to bring up the full-year GDP growth to positive territory, albeit a 0.9 percent increase. The global crisis that persisted in 2008 spilled over to 2009 teetering into recession with the less-than-expected 0.4 percent GDP growth in the first quarter. With the government resuscitating the economy with stimulus-spending in the second half coupled with definitive signs of recovery in the US and global economy, the local economy recovered towards the fourth quarter as GDP grew 1.8 percent, notwithstanding the double whammies brought by typhoons Ondoy last Septemebr 26 and Pepeng last October 5, 2009.

Interestingly, the local stock market comprise index, which included GMA7 in the 30-company index, appeared to have chartered a different course as it grew 39% from 1,872.9 in 2008 to 3,052.7 at the end of 2009, mimicking the trend in the U.S. stock market. The PDRs (GMAP) outperformed the composite index, soaring 58% from P3.30 at the close of 2008 to P7.90 by the end of the year.

There were 23M PDRs converted into common shares (GMA7) compared to 39M PDRs last year. The bulk of the conversion happened during the second quarter which tends to suggest that the foreign investors unloaded their stocks jittery of the dismal Q1 GDP growth figures when it was published in May 2009.

The President thereafter, handed the floor to Mr. Mastrili.

Mr. Mastrili reported that GHI realized revenues of about P1.1M from exercise fees on the above stock conversion which is only half of the fees it generated in 2008 during the height of the world-wide financial crisis. Also, interest income earned from cash placements slightly went down to P3.5M versus P3.8M last year on account of declining rates (from 6.875% in 2008 to 3%-5% in 2009) despite the P31M additional placements made at the middle of the

year. Thus, total revenues for the year was 25% lower at P4.6M compared to last year's P5.8M.

However, expenses also went down to P853 thousand from P1.3 million last year primarily due to lower PSE listing fees. The 2009 listing fees were levied based on the stock value as of 2008 which were much lower than the stocks value in 2007. Professional fees were 15% higher mainly due to legal fees.

Net income after tax settled at P3.0M or 15% lower than last year's P3.5M.

Total assets stood at P85M or 1% lower than last year's P86M due to dividend payout. On the other hand, the minimal increase in total liabilities is attributed to accrual of legal fees.

Despite lower income, the Company was able to distribute to the PDR holders the same cash dividend rate of GMA shares at P0.45 and P0.35 per share for the years 2009 and 2008, respectively, undiminished by the operational expenses which were fully covered by our generated revenues.

Commitment to Good Governance

The President thereafter proceeded to report on good governance, stating that the Company continues to fulfill its commitment to provide quality financial reporting, to adopt best standards of good governance, to comply with its statutory reporting requirements as a listed company and to support initiatives of GMA Network in improving the market value of its stock shares.

V. ELECTION OF DIRECTORS

The Acting Chairman stated that the next item on the agenda was the election of directors for the ensuing year. A Member of the Nomination Committee, Mr. Duavit 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 and 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*)

VI. ELECTION OF THE EXTERNAL AUDITOR

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

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

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

“RESOLVED, That the Sycip Gorres Velayo &
Co. is elected as external auditor of the Company”

VII. RATIFICATION OF THE ACTS OF THE BOARD FOR THE PREVIOUS YEAR

The Acting Chairman stated that the next item on the agenda was the ratification of the acts of the Board of Directors and Officers 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 29,
2009 up to the present are hereby RATIFIED and
APPROVED.”

VIII. ADJOURNMENT

There being no more items to discuss, the meeting was adjourned at 10:40 a.m.

Prepared By:


ROBERTO O. PAREL
Acting Corporate Secretary

Attested By:


CHIEF JUSTICE ARTEMIO V. PANGANIBAN
Acting Chairman