

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

Held at the Aubergine Restaurant Patisserie,
32nd and 5th Building, 5th Avenue cor. 32nd Street,
Bonifacio Global, Taguig City
May 25, 2012

PRESENT:

Gilberto R. Duavit, Jr.	33.3%
Joel Marcelo G. Jimenez	33.3
Dr. Jaime C. Laya	.0
Chief Justice Artemio V. Panganiban	.0
	66.6%

ABSENT:

Felipe L. Gozon

OTHERS PRESENT:

Anna Teresa M. Gozon-Abrogar
Maria Estelita B. Arles
Ari P. Chio
Ronaldo P. Mastrili
Felipe S. Yalong
Clairma T. Mangangey (Partner, SGV & Co.)

I. CALL TO ORDER

The President, Gilberto R. Duavit, Jr. acted as the Chairman and called the meeting to order at 10:00 a.m. Atty. Anna Teresa M. Gozon-Abrogar, acted as the secretary and recorded the minutes.

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 66.6% 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 27, 2011

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 27, 2011.

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 27, 2011 are hereby APPROVED.”

III. REPORT OF THE PRESIDENT

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

The Philippine domestic economy slowed down to 3.7% in 2011 as compared to 7.1% in 2010. The government's underspending constricted the economy to a lower GDP of 4.9% in the first quarter coming from an election stimulated year. The GDP dipped to 3.4% in the second quarter and further declined to 3.2% in the third quarter as influenced by the European debt crisis and the sluggish recovery of the U.S. Economy. The local stock market composite index grew 4% from 4,201.14 in 2010 to 4,371.96 at year end 2011, comparable to the Dow Jones industrial index which grew 6%. Some analysts observed that the performance of Global Equity Markets in 2011 were driven mainly by hot money as investors scrambled for safe haven assets amidst uncertainties and fears over Europe. The more liquid markets in Asia were affected as investors were able to monetize assets more quickly which benefitted the countries such as the Philippines and Indonesia.

The performance of the Company's PDRs are identical to that of GMA Common Shares. More PDRs were converted into common shares this year compared to 21 million PDRs converted in the previous year. GHI's Revenues of Php 1.97 million in 2011 came solely from interest income earned from cash placements. Interest income also reduced by 27% compared to 2010, on account of lower cash placements. On the other hand operating expenses slightly increased to Php 1.267 million vs Php 1.265 million in 2010 as a result of the increase in the professional fees partly offset by a reduction in the listing fees as an offshoot of lower market capitalization. The lower revenues, net income after tax settled at Php 688,000 or 66% lower than the previous year's Php 2.018 million. Total Assets stood at Php 51 million or 38% lower than the previous year's Php 78 million mainly due to payments of dividends to GHI stockholders. Liabilities also went down on account of no withholding taxes as of end 2011 arising from dividend payments to PDR holders. Despite the reduced income, GHI was able to distribute to all shareholders of record as of April 16, 2012 the same cash dividend rate as those received by GMA common stockholders, which was at 40 centavos per share.

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

In closing, the President thanked the Board of Directors, GMA officers, for their continued counsel and pro bono support during the year with the exceptional guidance of the legal counsels and the external auditors.

Dr. Laya then moved for the approval of the report of the President.

“RESOLVED, that the President’s Report and the Financial Report for the year 2011 are hereby NOTED and APPROVED.”

IV. 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 and Officers for the previous year. The Chairman asked the 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 27, 2011 up to the present are hereby RATIFIED and APPROVED.”

V. ELECTION OF DIRECTORS

The Chairman stated that the next item on the agenda was the election of directors for the ensuing year. The Corporate Secretary 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*)
 CHIEF JUSTICE 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*)
 CHIEF JUSTICE 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. ADJOURNMENT

There being no more items to discuss, the meeting was adjourned at 10:50 a.m.

Prepared By:


ANNA TERESA M. GOZON-ABROGAR
Acting Corporate Secretary

Attested By:


GILBERTO R. DUAVIT, JR.
Acting Chairman of the Meeting