



13 June 2012

PHILIPPINE STOCK EXCHANGE, INC.

Attention: Ms. Janet A. Encarnacion
Head, Disclosure Department
3rd Floor, Philippine Stock Exchange Plaza
Ayala Avenue, Makati City

Gentlemen:

Please find the revised 2011 Annual Report (SEC Form 17-A) of GMA Holdings Inc. in compliance with the SEC's letter dated May 18, 2012 received by our office on the 28th of May 2012.

Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to be "Ayaahl Ari Augusto P. Chio".

AYAHL ARI AUGUSTO P. CHIO
Alternate Corporate Information Officer

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



106132012000827



SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
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Barcode Page

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Company Information

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Company Type Stock Corporation

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June 13, 2012

Corporation Finance Department
Securities and Exchange Commission
SEC Building, EDSA,
Greenhills, Mandaluyong City

Attention: *Justina F. Callangan*
Director

Re : *GMA Holdings, Inc.'s*
Amended Annual Report (SEC Form 17-A)


Gentlemen:

GMA Holdings, Inc. (the "Company") filed its 2011 Annual Report (SEC Form 17-A) on April 30, 2012. In your letter dated May 18, 2012, which we received May 28, 2012, you directed us to amend the same in accordance with the remarks in the checklist attached to the letter. The required disclosures in the checklist were not reflected in the Company's original filing since it adopted the format of its previous submissions.

Thus, in compliance with your letter dated May 18, 2012, we hereby submit the Company's Amended 2011 Annual Report (SEC Form 17-A), with the amendments thereto underlined for your convenience.

Thank you very much.

Very truly yours,


RONALDO P. MASTRILI
Comptroller/Chief Accounting Officer

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

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COVER SHEET

"A"

C S 2 0 0 6 0 2 3 5 6

S.E.C. Registration Number

G M A H O L D I N G S, I N C.

(Company's Full Name)

U n i t 5 D T o w e r O n e
O n e M c K i n l e y P l a c e
N e w G l o b e C i t y T a g u i g

Atty. Anna Teresa M. Gozon-Abrogar

Contact Person

816-3716

Amended
2012 ANNUAL REPORT

1 7 - A

FORM TYPE

Month Day
Fiscal Year

Month Day
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, 2011**
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")

861,961,000

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 Depositary 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, 2011 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

(a) Securities Sold and Consideration therefor

The Company first offered PDRs relating to GMA Network, Inc. Common Shares on July 31, 2007 at the price of Php8.50. These PDRs were listed on the Philippine Stock Exchange on the same date. Of the PDRs offered, 91,346,000 PDRs were offered on behalf of the Company (the "Primary PDR Offer") and 730,769,000 PDRs were offered on behalf of certain existing

shareholders of the Company, namely Group Management and Development, Inc., FLG Management and Development Corporation, M.A. Jimenez Enterprises, Inc., Television International Corporation, Gozon Development Corporation and Gozon Foundation (collectively, "Selling Shareholders") (the "Secondary PDR Offer"). Of the 730,769,000 PDRs relating to Common Shares offered on behalf of the Selling Shareholders, 256,829,164 from Group Management and Development Corporation, Inc., 212, 829,164 from FLG Management and Development Corporation, 147,249,954 from M.A. Jimenez Enterprises, Inc., 108,475,350 from Television International Corporation, 4,516,152 from Gozon Development Corporation and 1,468,846 from Gozon Foundation, Inc.

GMA Network expected to raise gross proceeds from the Domestic Share Offer and Primary PDR Offer of approximately P1,552.9 million. After deducting estimated, applicable fees, underwriting fees, commissions and expenses related to the Combined Offer of approximately P129.4 million, net proceeds to GMA Network Inc. from the Combined Offer were expected to be approximately P1,423.5 million.

GMA Network Inc. did not receive any proceeds from the Secondary PDR Offer. Taxes, issue management, underwriting and selling fees and other fees and expenses pertaining to the Secondary PDR Offer were for the account of the Selling Shareholders.

Each of GHI and the Selling Shareholders granted the Deutsche Bank AG (Sole Global Coordinator, Domestic Lead Underwriter and Issue Manager) an option, exercisable for 30 days from the date of listing and when trading of the Common Shares and PDRs on the Philippine Stock Exchange ("PSE"), to purchase or place up to 123,317,000 PDRS.

Other than the foregoing, no securities were sold which were not registered under the Code within the past three (3) years.

(b) Underwriters and Other Purchasers

ATR KimEng Capital Partners, Inc. acts as Joint Lead Manager, Domestic Lead Underwriter for GHI and the Selling Shareholders. The participating underwriters are as follows:

- (1) BDO Capital and Investment Corporation
- (2) First Metro Investment Corporation
- (3) Unicapital Incorporated
- (4) Abacus Capital and Investment Corporation
- (5) Asian Alliance and Investment Corporation
- (6) Pentacapital Investment Corporation
- (7) RCBC Capital Corporation
- (8) Union Bank of the Philippines

2011	Stock Prices		
	High	Low	Period Close
First Quarter	7.01	6.52	6.99
Second Quarter	7.10	6.70	6.80
Third Quarter	7.10	6.39	6.47
Fourth Quarter	6.55	6.03	6.50

The price information as of the close of the latest practicable trading date, April 26, 2012, was PhP 10.10

Holders

The total number of shareholders as of April 15, 2012 was seven. The number of shares subscribed as of April 15, 2012 was 10,000 or P100,000.00 at P100.00 per share.

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
Artemio V. Panganiban	4	.04
Manuel P. Quiogue	4	.04
Jaime C. Laya	1	.01
Felipe S. Yalong	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.

In 2010, the Company declared P300 per share cash dividends amounting to P3 million to all stockholders of record as at May 29, 2010. This was paid on June 4, 2010.

In 2009, the Company declared P400 per share cash dividends amounting to P4 million to all stockholders of record as at May 29, 2009. This was paid on June 5, 2009.

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.

On March 11, 2011, the Company approved cash distribution to PDR holders of P0.45 per share, in relation to dividends declared by GMA, totaling to P387.88 million to all shareholders of record as at April 8, 2011.

On October 28, 2010, the Company approved cash distribution to PDR holders of P0.25 per share, in relation to dividends declared by GMA, totaling to P215.49 million to all shareholders of record as at November 17, 2010.

On March 25, 2010, the Company approved cash distribution to PDR holders of P0.45 per share, in relation to dividends declared by GMA, totaling to P395.49 million to all shareholders of record as at April 14, 2010.

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, 2011 and 2010

The Company posted a net income of ₱688 thousand for the year ended December 31, 2011, 66% lower than year-ago net income of ₱2.02 million, mainly due to the absence of income from conversion of PDRs to common shares as compared to last year.

The company distributed ₱387.88 million or ₱0.45 per share on May 6, 2011 in relation to dividends received from GMA Network, Inc.

Operating expenses slightly increased to ₱1.27 million versus ₱1.26 million of 2010 as a result of increased professional fee to ₱527 thousand from ₱409 thousand a year ago. This increase was partly offset by the reduction in listing fees by ₱107 thousand to ₱695 thousand as an offshoot of lower market cap.

Financial Condition. Cash in bank and cash equivalents of ₱50.06 million decreased by ₱27.43 million from the end-2010 level due to payment of final withholding taxes to BIR in January 2011 for the dividends declared and paid in December 2010. This was also the primary reason for the drop of ₱27.60 million in liabilities which at end-2010 included the aforementioned payable to BIR

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, 2011, 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, 2011, 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 2011, 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, 2011, 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

Balance Sheet (December 31, 2011 vs. December 31, 2010)

- Cash in bank and cash equivalents of ₱50.06 million decreased by ₱27.43 million from the end-2010 level due to payment of final withholding taxes to BIR in January 2011 for the dividends declared and paid in December 2010.
- Accounts payable and accrued expenses of ₱241 thousand decreased by ₱27.60 million attributable to the final withholding tax payable as of year-end of 2010 paid in January 2011 to BIR.
- 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, SvCip Gorres Velavo & 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 SvCip Gorres Velavo & Co.

AUDIT AND AUDIT RELATED FEES

The Company engaged SvCip Gorres Velavo @ Co. (SGV) as the independent auditors to audit the annual financial statements in accordance with Philippine Standards on Auditing and express its opinion on these financial statements as a whole as well as on the Supplemental Schedules Required by Annex 68-E included in Form 17-A in compliance with Securities Regulation Code Rule 68, As Amended (2011). The Company paid SGV an audit fee of Seventy-Five Thousand Pesos (P75,000) for year 2011 which is the same fee with year 2010.

The Company has not engaged SGV for tax accounting, compliance, advice, planning and any other form of tax services during the years 2011 that are reasonably related to the performance of the audit or review of the Company's financial statements.

TAX FEES

The Company has not engaged SGV for tax accounting, compliance, advice planning and any other form of tax services during the years 2011 and 2010.

ALL OTHER FEES

The Company has not engaged SGV for products and services other than the services described under "Audit and Audit Related Fees" above.

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, two 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 April 15, 2012 the Company's Board of Directors and Senior Management were composed of the following:

Directors and Senior Management	Board of Directors			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	72
Gilberto R. Duavit, Jr.	Filipino	Director	2007	President/Chief Executive Officer	2007	48
Anna Teresa M. Gozon-Abrogar	Filipino	Corporate Secretary	2007	N/A	N/A	40
Joel Marcelo G. Jimenez	Filipino	Director	2007	N/A	N/A	47
Felipe S. Yalong	Filipino	Corporate Treasurer	2007	Chief Financial Officer/ Chief Operating Officer	2007	55
Jaime C. Laya	Filipino	Independent Director	2008	N/A	N/A	73
Artemio V. Panganiban	Filipino	Independent Director	2009	N/A	N/A	75
Ronaldo P. Mastrili	Filipino	N/A	N/A	Comptroller/ Chief Accounting Officer	2007	46

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

Felipe L. Gozon

Filipino, 72 years old, is the Chairman of the Board of Directors and the Chief Executive Officer of GMA Network, Inc.

Atty Gozon is a Senior Partner at the Law Firm of Belo Gozon Elma Parel Asuncion & Lucila. Aside from GMA Network, Inc., he is also Chairman and CEO of GMA 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. Philippine Entertainment Portal, Inc., and RGMA Network, Inc.; Vice Chairman of Malayan Savings and Mortgage Bank; Director of, among other companies, Gozon Development Corp., Justitia Realty and Management Corp., Antipolo Agri-Business and Land Development Corp., Sagittarius Condominium Corp. and President of Lex Realty, Inc. He serves as Chairman of the Board of Trustees of GMA Kapuso Foundation, Inc., Kapwa Ko Mahal Ko Foundation, Inc., and The Potter and Clay Christian School Foundation, Inc.; Chairman and President of Gozon Foundation; and Trustee of Bantayog ng mga Bayani Foundation.

Atty. Gozon is a recipient of several awards for his achievement in law, media, public service, and business, including the prestigious Chief Justice Special Award given by the Chief Justice of the Philippines (1991), Presidential Award of Merit given by the Philippine Bar Association (1990 & 1993), CEO of the Year given by Uno Magazine (2004), Master Entrepreneur – Philippines (2004) by Ernst and Young, Outstanding Citizen of Malabon Award for Legal and Business Management by the Kalipunan ng Samahan sa Malabon (KASAMA) (2005), and People of the Year by People Asia Magazine (2005). He is also listed among Biz News Asia's Power 100 (2003 to 2010). Gozon was also selected as a member of the Advisory Board for the 2010 Asian Television Awards (ATA).

Atty. Gozon earned his Bachelor of Laws degree from the University of the Philippines and his Master of Laws degree from Yale University Law School. He was admitted to the Bar in 1962, placing 13th in the Bar examinations.

Gilberto R. Duavit, Jr.

Filipino, 48 years old, is the President and CEO of GMA Holdings, Inc.. He is also President and Chief Operating Officer of the GMA Network, Inc. He has been a Director of the GMA Network, Inc. since 1999. Aside from GMA Network, Inc. he is the Chairman of the Board of GMA Network Films, Inc. and GMA Worldwide, Inc. and Vice Chairman of the Board of GMA Marketing and Productions, Inc. He also serves as President and CEO of Scenarios, Inc., RGMA Marketing and Productions, Inc., Film Experts, Inc., and Dual Management and Investments, Inc. He is the President/COO and Director of Group Management and Development, Inc.; President and Director of MediaMerge Corp., Citynet Network Marketing and Productions, Inc.; Director of RGMA Network, Inc., GMA New Media, Inc., Alta Productions Group, Inc., Optima Digital, Inc., Monte-Aire Realty and Development Corp., and Pacific Heights Sports and Resort, Inc. He also serves as the President and a Trustee of GMA Kapuso Foundation, Inc., President of Guronasyon Foundation, Inc. (formerly LEAF) and is a Trustee of the HERO Foundation.

Mr. Duavit holds a Bachelor's Degree in Philosophy from the University of the Philippines.

Joel G. Jimenez

Filipino, 47 years old, has been a Director of GMA Network, Inc. since 2002. He is currently the Senior Vice President of GMA Marketing and Productions, Inc., and the Chief Executive Officer of Alta Productions, Inc. He is a Director of RGMA Network, Inc., GMA New Media, Inc., Scenarios, Inc., and GMA Worldwide, Inc., besides also being a member of the Board of Directors of Malayan Savings and Mortgage Bank, and Unicapital Securities, Inc. He is also a Director of NuvoLand Philippines, a real-estate development company. He is a Trustee of GMA Kapuso Foundation, Inc.

He was educated in Los Angeles, California where he obtained a Bachelor's Degree in Business Administration from Loyola Marymount University. He also obtained a Master's Degree in Management from the Asian Institute of Management.

Felipe S. Yalong

Filipino, 55 years old, obtained a Bachelor of Science 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

Filipino, 73 years old, has been an independent Director of GMA Network, Inc. since 2007. He is the Chairman of Philippine Trust Company (Philtrust Bank), Director of Philippine Ratings Services Corporation, Victorias Milling Company, Inc., Philippine AXA Life Insurance Company, Inc., Ayala Land, Inc., and Manila Polo Club, Inc. He also serves as Chairman of Don Norberto Ty Foundation, Inc., CIBI Foundation, Inc., and Dual Tech Foundation, Inc.; Trustee of De la Salle University – Taft, St. Paul University-Quezon City, Cultural Center of the Philippines, Metropolitan Museum of Manila, Yuchengco Museum and Fundación Santiago, Inc.

He was Minister of Budget, 1975-1981; Minister of Education, Culture and Sports, 1984-86; Chairman of the Monetary Board and Governor, Central Bank of the Philippines, 1981-1984; Chairman, National Commission for Culture and the Arts, 1996-2001. He was faculty member of the University of the Philippines, 1957-1978 and Dean of the College of Business Administration, 1969-1974. In 1986, he founded J.C. Laya & Co., Ltd. (Certified Public Accountants and Management Consultants) later the Philippine member firm of KPMG International; he served as the firm's Chairman until his retirement in 2004.

He earned his BSBA, magna cum laude, University of the Philippines, 1957; M.S. in Industrial Management, Georgia Institute of Technology, 1961; Ph.D. in Financial Management, Stanford University, 1966. He is a Certified Public Accountant.

Artemio V. Panganiban

Filipino, 75 years old, has been an independent Director of GMA Network, Inc. since 2007. In 1995, he was named a Justice of the Supreme Court and in 2005, he was appointed Chief Justice of the Philippines — a position he held until December 2006. At present, he is also an Independent Director of these listed firms: First Philippine Holdings Corp., Metro Pacific Investments Corp., Manila Electric Company, Robinsons Land Corp., GMA Holdings, Inc., Metro Pacific Tollways Corp., Petron Corporation, Bank of the Philippine Islands, and Asian Terminals. He is also a Senior Adviser of Metropolitan Bank, Independent Adviser of Philippine

Long Distance Telephone Co., Chairman, Board of Advisers of Metrobank Foundation, Chairman of the Board of Philippine Dispute Resolution Center, Inc., and Member, Advisory Board of the World Bank and of the Asian Institute of Management Governance Council. He also is a column writer of The Philippine Daily Inquirer.

Upon his retirement, he was unanimously conferred a Plaque of Acclamation by the Associate Justices of the Supreme Court as the "Renaissance Jurist of the 21st Century;" and an Award of Honor by the Philippine Bar Association. In recognition of his role as a jurist, lawyer, civic leader, Catholic lay worker, business entrepreneur and youth leader, he had been the recipient of over 250 other awards from various governments, civic clubs, consumer associations, bar groups, religious movements and other non-government organizations, both local and international.

He obtained his Associate in Arts, "With Highest Honors" and later his Bachelor of Laws, cum laude and "Most Outstanding Student" honors from the Far Eastern University. He placed sixth among more than 4,200 candidates who took the 1960 Bar examinations. He is likewise the recipient of several honorary doctoral degrees from various universities.

Anna Teresa M. Gozon-Abrogar

Filipino, 40 years old, graduated valedictorian from grade school and high school at Colegio San Agustin. She graduated cum laude, BS Management Engineering from Ateneo de Manila University and obtained her Bachelor of Laws degree from the University of the Philippines where she graduated valedictorian, cum laude. She later obtained her Master of Laws from Harvard University.

She is a junior partner in Belo Gozon Elma Parel Asuncion & Lucila and was an Associate Professor in the University of the Philippines, College of Law where she taught taxation.

Ronaldo P. Mastrilli

Filipino, 46 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 Controllershship of ABS-CBN and also served as the Group Internal Auditor before joining GMA Network, Inc. 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 up to the latest date, 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 April 15, 2012, 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. Jimenez	Direct 3,330	Filipino	33.30
Common	Felipe S. Yalong	Direct 1	Filipino	.01
Common	Jaime C. Laya	Direct 1	Filipino	.01
Common	Artemio V. Panganiban	Direct 4	Filipino	.04
	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 March 31, 2011, a Manual on Corporate Governance was submitted to the Securities and Exchange Commission in compliance with SEC Memorandum Circular No. 6, Series of 2009.

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 10, 2012, 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 months, the Company has filed the following SEC Form 17-C reports:


<u>Subject of 17-C</u>	<u>Date Filed</u>
Results of Board Meeting: Approval of FS, setting of ASM Date and Record Date, Cash distribution of cash dividends for PDR Holders in relation to the dividends declared by GMA	March 28, 2012
Results of ASM and Organizational Board Meeting Certifications on qualifications of independent directors	May 27, 2011


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 03 APR 2012, 2012

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 03 APR 2012 day of _____ 2012 affiant(s) exhibiting to me his/their Passport Numbers, as follows:

NAMES	Passport No.	Date of Issue	Place of Issue
Gilberto R. Duavit, Jr.	EA0030704	Feb. 15, 2010	DFA, Manila
Felipe S. Yalong	XX1282901	May 27, 2008	DFA, Manila
Ronaldo P. Mastrili	EA0020825	January 6, 2010	DFA, Manila
Anna-Teresa M. Gozon-Abrogar	XX17629184	August 6, 2008	DFA, Manila

Doc. No. 160
Page No. 33
Book No. I
Series of 2012.


Notary Public **MIN RONALD D.M. ALZONA**
Appointment No. M-101
Notary public for Makati City
Until December 31, 2013
Roll No. 59104
Admitted to the Bar April 2011
PTR No. 3184934/1-10-2012/Makati City
IDP No. 969777/1-08-2012/Makati City
15/F Sagittarius Condominium
H.V. dela Costa St., Salcedo Village
Makati City

COVER SHEET

C S 2 0 0 6 0 2 3 5 6

SEC Registration Number

G M A H O L D I N G S , I N C .

(Company's Full Name)

U n i t 5 D T o w e r O n e , O n e M c K i n l e y P l a c e , N e w B o n i f a c i o G l o b a l C i t y , F o r t B o n i f a c i o , T a g u i g C i t y

(Business Address: No. Street City/Town/Province)

Mr. Ronaldo P. Mastrili

(Contact Person)

982-7777

(Company Telephone Number)

1 2 3 1

Month Day
(Fiscal Year)

A A F S

(Form Type)

Month Day
(Annual Meeting)

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

7

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

Document ID

LCU

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

STATEMENTS OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

March 28, 2012


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

The management of GMA Holdings, Inc. is responsible for the preparation and fair presentation of the financial statements for the years ended December 31, 2011 and 2010, including the additional components attached therein, in accordance with Philippine Financial Reporting Standards. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

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

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


FELIPE L. GOZON
Chairman of the Board


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


FELIPE S. YALONG
Chief Financial Officer


SUBSCRIBED AND SWORN to before me this 3rd day of April 2012, affiants exhibiting to me their Passport Numbers, as follows:

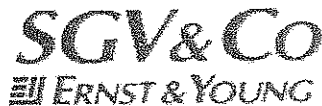
Name:	Passport No.	Date Issued	Place Issued
Felipe L. Gozon	XX1289201	May 27, 2008	DFA, Manila
Gilberto R. Duavit, Jr.	EA0030704	Feb. 15, 2010	DFA, Manila
Felipe S. Yalong	XX1282901	May 27, 2008	DFA, Manila

Doc. No. 156
Page No. 33
Book No. 1
Series of 2012.

GMA HOLDINGS, INC.

Unit 5-D Tower One, One McKinley Place, New Bonifacio Global City, Fort Bonifacio, Taguig City, Philippines.
MAILING ADDRESS: GMA Network Center, EDSA cor. Timog Ave., Diliman, Quezon City, Philippines.


MARVIN RONALD D.M. ALZONA
Appointment No. M-101
Notary public for Makati City
Until December 31, 2013
Roll No. 59104
IBP No. 86977711-08-2012



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.
January 25, 2010, valid until December 31, 2012
SEC Accreditation No. 0012-FR-2 (Group A),
February 4, 2010, valid until February 3, 2013

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

Report on the Financial Statements

We have audited the accompanying financial statements of GMA Holdings, Inc., which comprise the statements of financial position as at December 31, 2011 and 2010, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2011, and a summary of significant accounting policies and other explanatory information.

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, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 at December 31, 2011 and 2010, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2011 in accordance with Philippine Financial Reporting Standards.

Report on the Supplementary Information Required Under Revenue Regulations 19-2011 and 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations 19-2011 and 15-2010 in Note 15 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of GMA Holdings, Inc. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as whole.

SYCIP GORRES VELAYO & CO.



Editha V. Estacio

Partner

CPA Certificate No. 91269

SEC Accreditation No. 1136-A (Group A),

July 6, 2011, valid until July 5, 2014

Tax Identification No. 178-486-845

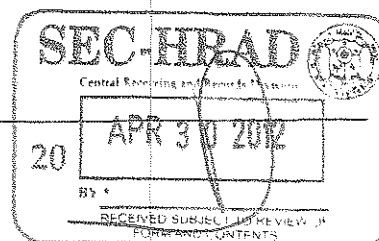
BIR Accreditation No. 08-001998-94-2011,

February 4, 2011, valid until February 3, 2014

PTR No. 3174594, January 2, 2012, Makati City

March 28, 2012

GMA HOLDINGS, INC.
STATEMENTS OF FINANCIAL POSITION



	December 31	
	2011	2010
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 6, 13 and 14)	₱50,059,007	₱77,490,056
Accounts receivable (Notes 13 and 14)	204,339	94,641
Prepaid tax	43,263	12,834
Total Current Assets	50,306,609	77,597,531
Noncurrent Asset		
Deferred tax assets (Note 11)	456,299	76,290
	₱50,762,908	₱77,673,821
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued expenses (Notes 7, 13 and 14)	₱241,032	₱266,355
Due to shareholders (Notes 12, 13 and 14)	47,271,600	47,271,600
Withholding taxes payable (Note 8)	-	27,573,777
Total Current Liabilities	47,512,632	75,111,732
Equity		
Capital stock	100,000	100,000
Retained earnings	3,150,276	2,462,089
Total Equity	3,250,276	2,562,089
	₱50,762,908	₱77,673,821

See accompanying Notes to Financial Statements.

GMA HOLDINGS, INC.

STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2011	2010	2009
REVENUE			
Interest income (Note 6)	₱1,968,591	₱2,681,564	₱3,469,200
Exercise fees (Note 5)	—	1,083,050	1,131,800
	1,968,591	3,764,614	4,601,000
EXPENSES			
Operating expenses (Note 10)	1,266,395	1,264,966	797,016
Interest expense and bank charges	300	182	56,473
	1,266,695	1,265,148	853,489
INCOME BEFORE INCOME TAX	701,896	2,499,466	3,747,511
PROVISION FOR INCOME TAX (Note 11)			
Current	393,718	557,973	777,333
Deferred	(380,009)	(76,290)	—
	13,709	481,683	777,333
NET INCOME	688,187	2,017,783	2,970,178
OTHER COMPREHENSIVE INCOME	—	—	—
TOTAL COMPREHENSIVE INCOME	₱688,187	₱2,017,783	₱2,970,178

See accompanying Notes to Financial Statements.

GMA HOLDINGS, INC.

STATEMENTS OF CHANGES IN EQUITY

	Years Ended December 31		
	2011	2010	2009
CAPITAL STOCK - ₱10 par value			
Authorized and subscribed - 10,000 shares	₱100,000	₱100,000	₱100,000
RETAINED EARNINGS			
Balance at beginning of year	2,462,089	3,444,306	4,474,128
Total comprehensive income	688,187	2,017,783	2,970,178
Cash dividends (Note 9)	—	(3,000,000)	(4,000,000)
Balance at end of year	3,150,276	2,462,089	3,444,306
	₱3,250,276	₱2,562,089	₱3,544,306

See accompanying Notes to Financial Statements.

GMA HOLDINGS, INC.**STATEMENTS OF CASH FLOWS**

	Years Ended December 31		
	2011	2010	2009
OPERATING ACTIVITIES			
Income before income tax	₱701,896	₱2,499,466	₱3,747,511
Non-cash adjustments to reconcile income before income tax to net cash flows:			
Interest income (Note 6)	(1,968,591)	(2,681,564)	(3,469,200)
Interest expense and bank charges	300	182	56,473
Working capital adjustments:			
Decreases (increases) in:			
Accounts receivable	(126,000)	11,950	594,300
Prepaid tax	(30,429)	(12,834)	—
Increases (decreases) in:			
Accounts payable and accrued expenses	(25,323)	(99,418)	198,515
Withholding taxes payable (Note 8)	(27,573,777)	27,573,777	—
Due to shareholders (Notes 12, 13 and 14)	—	(34,095,827)	—
Net cash flows generated from (used in) operations	(29,021,924)	(6,804,268)	1,127,599
Interest received	1,984,893	2,865,965	3,357,687
Interest paid	(300)	(182)	(56,473)
Income taxes paid	(393,718)	(601,654)	(799,096)
Net cash flows from (used in) operating activities	(27,431,049)	(4,540,139)	3,629,717
FINANCING ACTIVITY			
Payment of cash dividends (Note 9)	—	(3,000,000)	(4,000,000)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(27,431,049)	(7,540,139)	(370,283)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	77,490,056	85,030,195	85,400,478
CASH AND CASH EQUIVALENTS AT END OF YEAR	₱50,059,007	₱77,490,056	₱85,030,195

See accompanying Notes to Financial Statements.

GMA HOLDINGS, INC.

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

GMA Holdings, Inc. (the Company) is incorporated in the Philippines 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 registered office address of the Company is Unit 5D Tower One, One McKinley Place, New Bonifacio Global City, Fort Bonifacio, Taguig City. The Company was registered with the Securities and Exchange Commission (SEC) on February 15, 2006.

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

In 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 accompanying basic financial statements of the Company were approved and authorized for issue in accordance with a resolution of the Board of Directors (BOD) on March 28, 2012.

2. Basis of Preparation and Changes in Accounting Policies and Disclosures

Basis of Preparation

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

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

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended PFRS and Philippine Interpretations which were adopted starting January 1, 2011:

- PAS 24 (Amended), *Related Party Disclosures*, effective for annual periods beginning on or after January 1, 2011
- PAS 32 (Amendment), *Financial Instruments: Presentation - Classification of Rights Issues*, effective for annual periods beginning on or after February 1, 2010
- Philippine Interpretation IFRIC 14, *Prepayments of a Minimum Funding Requirement (Amendment)*, effective for annual periods beginning on or after January 1, 2011

- Philippine Interpretation IFRIC 19, *Extinguishing Financial Liabilities with Equity Instrument*, effective for annual periods beginning on or after July 1, 2010
- Improvements to PFRSs (issued 2010)

Improvements to PFRSs (issued 2010). Improvements to PFRSs, an omnibus of amendments to standards, deal primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard.

- PFRS 3, *Business Combinations - Measurement options available for non-controlling interest*
- PFRS 3 (as revised in 2008), *Business Combinations - Contingent consideration arising from business combination prior to adoption of PFRS 3*
- PFRS 3, *Business Combinations - Un-replaced and voluntarily replaced share-based payment awards*
- PFRS 7, *Financial Instruments - Disclosures*
- PAS 1, *Presentation of Financial Statements*
- PAS 27, *Consolidated and Separate Financial Statements*
- PAS 34, *Interim Financial Statements*

The adoption of the above interpretations and amendments and improvements to PFRSs did not have a significant impact on the financial statements.

Standards Issued but not yet Effective

Standards issued but not yet effective up to the date of issuance of the financial statements are listed below. The Company intends to adopt these standards when these become effective. Except as otherwise indicated, the Company does not expect the adoption of these new and amended standards and interpretations to have significant impact on its financial statements.

- PAS 1, *Financial Statement Presentation - Presentation of Items of Other Comprehensive Income* - The amendments to PAS 1 changed the grouping of items presented in other comprehensive income. Items that could be reclassified (or "recycled") to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects presentation only and has therefore no impact on the Company's financial position or performance. The amendment becomes effective for annual periods beginning on or after July 1, 2012.
- PAS 12, *Income Taxes - Recovery of Underlying Assets* - The amendment clarified the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in PAS 40, *Investment Property*, should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, it introduces the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in PAS 16 always be measured on a sale basis of the asset. The amendment becomes effective for annual periods beginning on or after January 1, 2012.
- PAS 19, *Employee Benefits (Amendment)* - Amendments to PAS 19 range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. The Company is currently assessing the impact of the amendment to PAS 19. The amendment becomes effective for annual periods beginning on or after January 1, 2013.

- *PAS 32, Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities* - These amendments to PAS 32 clarify the meaning of "currently has a legally enforceable right to set-off" and also clarify the application of the PAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. While the amendment is expected not to have any impact on the net assets of the Company, any changes in offsetting is expected to impact leverage ratios and regulatory capital requirements. The amendments to PAS 32 are to be retrospectively applied for annual periods beginning on or after January 1, 2014.
- *PFRS 7, Financial Instruments: Disclosures - Enhanced Derecognition Disclosure Requirements* - The amendment requires additional disclosure about financial assets that have been transferred but not derecognized to enable the user of the Company's financial statements to understand the relationship with those assets that have not been derecognized and their associated liabilities. In addition, the amendment requires disclosures about continuing involvement in derecognized assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognized assets. The amendment becomes effective for annual periods beginning on or after July 1, 2011.
- *PFRS 7, Financial Instrument: Disclosures Offsetting Financial Assets and Financial Liabilities* - These amendments require an entity to disclose information about rights of set-off and related arrangements (such as collateral agreements). The new disclosures are required for all recognized financial instruments that are set off in accordance with PAS 32. These disclosures also apply to recognized financial instruments that are subject to an enforceable master netting arrangement or "similar agreement", irrespective of whether they are set-off in accordance with PAS 32. The amendments require entities to disclose, in a tabular format unless another format is more appropriate, the following minimum quantitative information. This is presented separately for financial assets and financial liabilities recognized at the end of the reporting period:
 - a. The gross amounts of those recognized financial assets and recognized financial liabilities;
 - b. The amounts that are set off in accordance with the criteria in PAS 32 when determining the net amounts presented in the statement of financial position;
 - c. The net amounts presented in the statement of financial position;
 - d. The amounts subject to an enforceable master netting arrangement or similar agreement that are not otherwise included in (b) above, including:
 - i. Amounts related to recognized financial instruments that do not meet some or all of the offsetting criteria in PAS 32; and
 - ii. Amounts related to financial collateral (including cash collateral); and
 - e. The net amount after deducting the amounts in (d) from the amounts in (c) above.

The amendments to PFRS 7 are to be retrospectively applied for annual periods beginning on or after January 1, 2013.

- *PFRS 9, Financial Instruments: Classification and Measurement* - PFRS 9 as issued reflects the first phase on the replacement of PAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in PAS 39. In subsequent phases, hedge accounting and impairment of financial assets will be addressed with the completion of this project expected in 2012. The adoption of the first phase of PFRS 9 will not have an effect on the classification and measurement of the Company's financial assets and financial liabilities. The Company will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture. The standard is effective for annual periods beginning on or after January 1, 2015.

- PFRS 10, *Consolidated Financial Statements* - PFRS 10 replaces the portion of PAS 27, *Consolidated and Separate Financial Statements*, which addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC-12, *Consolidation - Special Purpose Entities*. PFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by PFRS 10 will require management to exercise significant judgment to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in PAS 27. This standard becomes effective for annual periods beginning on or after January 1, 2013.
- PFRS 11, *Joint Arrangements* - PFRS 11 replaces PAS 31, *Interests in Joint Ventures*, and SIC-13, *Jointly-controlled Entities - Non-monetary Contributions by Venturers*. PFRS 11 removes the option to account for jointly controlled entities using proportionate consolidation. Instead, jointly-controlled entities that meet the definition of a joint venture must be accounted for using the equity method. This standard becomes effective for annual periods beginning on or after January 1, 2013.
- PFRS 12, *Disclosure of Interests in Other Entities* - PFRS 12 includes all of the disclosures that were previously included in PAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in PAS 31 and PAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. This standard becomes effective for annual periods beginning on or after January 1, 2013.
- PFRS 13, *Fair Value Measurement* - PFRS 13 establishes a single source of guidance under PFRS for all fair value measurements. PFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under PFRS when fair value is required or permitted. This standard becomes effective for annual periods beginning on or after January 1, 2013.
- Philippine Interpretation IFRIC 15, *Agreements for the Construction of Real Estate* - This interpretation covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. The interpretation requires that revenue on construction of real estate be recognized only upon completion, except when such contract qualifies as construction contract to be accounted for under PAS 11, *Construction Contracts*, or involves rendering of services in which case revenue is recognized based on stage of completion. Contracts involving provision of services with the construction materials and where the risks and reward of ownership are transferred to the buyer on a continuous basis will also be accounted for based on stage of completion. The SEC and the Philippine Financial Reporting Standards Council have deferred the effectivity of this interpretation until the final Revenue standard is issued by International Accounting Standards Board and an evaluation of the requirements of the final Revenue standard against the practices of the Philippine real estate industry is completed.
- Philippine Interpretation IFRIC 20, *Stripping Costs in the Production Phase of a Surface Mine* - This interpretation applies to waste removal costs that are incurred in surface mining activity during the production phase of the mine ("production stripping costs") and provides guidance on the recognition of production stripping costs as an asset and measurement of the stripping activity asset. This interpretation becomes effective for annual periods beginning on or after January 1, 2013.

3. Summary of Significant Accounting Policies

Cash and Cash Equivalents

Cash and cash equivalents in the statements of financial position comprise cash on hand and in banks and short-term deposits with maturities of three (3) months or less.

Financial Assets

Initial Recognition and Measurement. Financial assets within the scope of PAS 39 are classified as financial assets at fair value through profit or loss (FVPL), loans and receivables, held-to-maturity (HTM) investments, available-for-sale (AFS) financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognized initially at fair value plus transaction costs, except in the case of financial assets recorded at FVPL.

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

The Company's financial assets include cash and cash equivalents and accounts receivable.

As at December 31, 2011 and 2010, the Company does not have any financial asset at FVPL, HTM investments, AFS financial assets and derivatives designated as hedging instruments.

"Day 1" Profit or Loss. Where the transaction price 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 of the financial instruments (a "Day 1" profit or loss) in profit or loss unless it qualifies for recognition as some other type of asset. In cases where data which is not observable is used, the difference between the transaction price and model value is only recognized in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the "Day 1" profit or loss amount.

Subsequent Measurement. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest amortization is included in interest income in profit or loss. The losses arising from impairment are recognized in profit or loss in interest expense for loans and in cost of sales or other operating expenses for receivables.

Derecognition of 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; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; or

- Either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company 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 or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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

Impairment of Financial Assets. The Company assesses, at each reporting period, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and when observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortized cost. For financial assets carried at amortized cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Financial 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 there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of interest income in profit or loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral 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 account. If a future write-off is later recovered, the recovery is credited to interest expense in profit or loss.

Financial Liabilities

Initial Recognition and Measurement. Financial liabilities within the scope of PAS 39 are classified as financial liabilities at FVPL, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

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

The Company's financial liabilities include accounts payable and accrued expenses and due to shareholders.

As at December 31, 2011 and 2010, the Company did not have financial liabilities at FVPL or derivatives designated as hedging instruments.

Subsequent Measurement. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in interest expense in profit or loss.

The Company's interest-bearing short-term loans are availed and paid within each financial reporting year.

Derecognition of Financial Liabilities. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

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

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position 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 assets and settle the liabilities simultaneously. This is not generally the case with master netting agreements, therefore, the related assets and liabilities are presented at gross in the statements of financial position.

Fair Value of Financial Instruments

The fair value of financial instruments that are traded in active markets at each reporting period is determined by reference to quoted market prices 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 ask 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 financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

- Using recent arm's-length market transactions;
- Reference to the current fair value of another instrument that is substantially the same; or
- A discounted cash flow analysis or other valuation models.

Withholding Taxes Payable

The Company's withholding taxes payable is composed mainly of final taxes arising from dividend pay-outs made by GMA to PDR holders. Remittances on final income taxes are made 15 days following the end of the month when the taxes were withheld.

Equity

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

Revenues

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, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent.

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

Exercise Fees. Revenue is recognized upon conversion of PDRs to common shares.

Expenses

Expenses presented as "Operating expenses" in the statements of comprehensive income are recognized as incurred.

Taxes

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

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

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

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

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

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.

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 to be enacted or substantially enacted at the reporting period.

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

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

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

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of "Prepaid tax" or "Accounts payable and accrued expenses" accounts in the statements of financial position.

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. 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.

Contingencies

Contingent liabilities are not recognized in the financial statements. These are disclosed in the notes to financial statements 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 in the notes to financial statements when an inflow of economic benefits is probable.

Events after Reporting Period

Post year-end events that provide additional information about the Company's position at the reporting period (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.

4. Summary of Significant Accounting Judgment, Estimates and Assumptions

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

Judgment

In the process of applying the Company's accounting policies, management has made the below judgment, which has the most significant effect on the amounts recognized in the financial statements.

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

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 NOLCO and excess MCIT is based on the forecasted taxable income of the five (5) reporting periods. This forecast is based on the Company's future expectations on revenue and expenses.

Deferred tax assets amounted to ₱0.46 million and ₱0.08 million as at December 31, 2011 and 2010, respectively (see Note 11).

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., interest 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 reported fair value of these financial assets and liabilities.

The fair values of the Company's financial assets and liabilities are discussed in Note 14.

5. Philippine Deposit Receipts

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 comprehensive income. Exercise fees amounted to nil, ₱1.08 million and ₱1.13 million in 2011, 2010 and 2009, respectively.

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, the shares underlying the PDRs will continue to be registered in the name of and owned by the Company, 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 exchange is based on prevailing traded value 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 are not recognized by the Company.

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

	PDRs		Number of Shares	
	2011	2010	2011	2010
Balance at beginning of year	₱7,326,668,500	₱7,510,787,000	861,961,000	883,622,000
Exercise of PDRs	-	(184,118,500)	-	(21,661,000)
Balance at end of year	₱7,326,668,500	₱7,326,668,500	861,961,000	861,961,000

On March 11, 2011, the Company approved cash distribution to PDR holders of ₱0.45 per share, in relation to dividends declared by GMA, totaling to ₱387.88 million to all shareholders of record as at April 8, 2011. These were remitted to PDR holders on May 6, 2011.

On October 28, 2010, the Company approved cash distribution to PDR holders of ₱0.25 per share, in relation to dividends declared by GMA, totaling to ₱215.49 million to all shareholders of record as at November 17, 2010. These were remitted to PDR holders on December 9, 2010.

On March 25, 2010, the Company approved the cash distribution to PDR holders of ₱0.45 per share, in relation to dividends declared by GMA, totaling ₱395.49 million to all shareholders of record as at April 14, 2010. These were remitted to PDR holders on May 11, 2010.

Events after Reporting Period

On March 28, 2012, the Company approved a cash distribution to PDR holders of ₱0.40 per share, in relation to dividends declared by GMA, totaling to ₱344.78 million to all shareholders of record as at April 16, 2012.

6. Cash and Cash Equivalents

	2011	2010
Cash on hand and in banks	₱3,623,829	₱32,614,342
Short-term deposits	46,435,178	44,875,714
	₱50,059,007	₱77,490,056

Cash in banks earn interest at the respective bank deposit rates. Short-term deposits are made for varying periods of up to three (3) months depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

Interest income earned from bank deposits and short-term deposits amounted to ₱1.97 million, ₱2.68 million and ₱3.47 million in 2011, 2010 and 2009, respectively.

7. Accounts Payable and Accrued Expenses

	2011	2010
Accounts payable	₱6,580	₱66,587
Accrued expenses	234,452	199,768
	₱241,032	₱266,355

Accounts payable and accrued expenses are noninterest-bearing and are normally settled within the next financial year. Accrued expenses represent accrued audit fees, retainers' fees and petty cash expenses.

8. Withholding Taxes Payable

In 2010, this account represents liabilities to the Bureau of Internal Revenue (BIR) for the remittance of final taxes withheld on dividend payments made to PDR holders. These are noninterest-bearing and are expected to be remitted within 15 days after reporting period (see Note 5).

The Company has no withholding taxes arising from dividend payments to PDR holders for the year ended December 31, 2011.

9. Equity

Management plans to declare as dividends the retained earnings in excess of the capital stocks in 2012.

In 2010, the Company declared ₱300 per share cash dividends amounting to ₱3.00 million to all stockholders of record as at May 29, 2010. This was paid on June 4, 2010.

In 2009, the Company declared ₱400 per share cash dividends amounting to ₱4.00 million to all stockholders of record as at May 29, 2009. This was paid on June 5, 2009.

The following summarizes the information on the Company's registration of securities with the SEC as required by Securities Regulation Code Rule 68, As Amended (2011):

Date of SEC approval	Authorized Number of shares	Number of Issued Shares	Issue/ Offer Price
July 30, 2007	945,432,000	945,432,000	₱8.50

10. Operating Expenses

	2011	2010	2009
Listing fees	₱695,085	₱801,622	₱280,000
Professional fees	527,005	409,080	463,960
Taxes and licenses	27,129	24,274	22,845
Others	17,176	29,990	30,211
	₱1,266,395	₱1,264,966	₱797,016

11. Income Taxes

Current Income Tax

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

	2011	2010	2009
Final tax interest	₱393,718	₱536,312	₱693,840
MCIT	—	21,661	—
RCIT	—	—	83,493
	₱393,718	₱557,973	₱777,333

The reconciliation of the provision for income tax computed at statutory income tax rate and the provision for income tax as shown in the statements of comprehensive income is summarized as follows:

	2011	2010	2009
Income tax computed at statutory income tax rate	₱210,569	₱749,840	₱1,124,253
Deduction in income tax resulting from - Interest income from short-term placements and bank deposits already subjected to final tax	(196,860)	(268,157)	(346,920)
	₱13,709	₱481,683	₱777,333

Deferred Income Tax

The components of deferred tax assets follow:

	2011	2010
MCIT	₱21,661	₱21,661
NOLCO	434,638	54,629
	₱456,299	₱76,290

As at December 31, 2011, the Company's MCIT and NOLCO are as follows:

Date Paid/Incurred	Carryforward Benefit Up To	MCIT	NOLCO
December 31, 2010	December 31, 2013	₱21,661	₱182,098
December 31, 2011	December 31, 2014	—	1,266,695
		₱21,661	₱1,448,793

12. Related Party Disclosures

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

Terms and Conditions of Transactions with Related Parties

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 outstanding balances at year-end are normally settled in cash. In 2011, no transactions have been entered into by the Company with its related parties.

Related Parties	Relationship	Nature of Transactions	Year	Transactions During the Year	Due to Shareholders
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	2011 2010	₱— (34,095,827)	₱47,271,600 47,271,600

Transactions in 2010 amounting to ₱34.10 million pertains to distributions of the cash reserved for the Company's contingent IPO tax liability to the selling shareholders.

The Company's key management personnel are employed by GMA and no part of their salaries was allocated to the Company.

13. Financial Risk Management Objectives and Policies

The Company's principal financial instruments include cash and cash equivalents. The main purposes of these financial instruments include raising financing for the Company's operations and managing identified financial risks. The Company has other financial assets and liabilities such as accounts receivable, 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 BOD reviews and approves the Company's objectives and policies.

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

The Company manages liquidity risk by maintaining a pool of credit lines from financial institutions that exceeds expected financing requirements for working capital. The Company likewise regularly evaluates other financing instruments and arrangements to broaden the Company's range of financing sources.

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

	2011		Total
	On Demand	3 to 12 Months	
Cash and cash equivalents	₱50,059,007	₱-	₱50,059,007
Accounts payable and accrued expenses	₱241,032	₱-	₱241,032
Due to shareholders	47,271,600	-	47,271,600
	₱47,512,632	₱-	₱47,512,632
	2010		Total
	On Demand	3 to 12 Months	
Cash and cash equivalents	₱77,490,056	₱-	₱77,490,056
Accounts payable and accrued expenses	₱266,355	₱-	₱266,355
Due to shareholders	47,271,600	-	47,271,600
	₱47,537,955	₱-	₱47,537,955

Interest Rate Risk. Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to changes in interest rates is minimal and is attributed to cash and cash equivalents.

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 reporting period up to next reporting period. There is no impact on the Company's equity other than those already affecting profit or loss.

	Increase (Decrease) in Basis Points	Effect on Income Before Income Tax
2011	50	P250,295
	(50)	(250,295)
2010	50	P387,450
	(50)	(387,450)

Credit Risk. Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. It is the Company's policy to enter into transactions with a diversity of creditworthy parties to mitigate any significant concentration of credit risk. The Company ensures that services are made to customers with appropriate credit history. The Company has an internal mechanism to monitor the granting of credit and management of credit exposures. The Company has made provisions, where necessary, for potential losses on credits extended. The Company's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amount of the instruments. The Company does not require any collateral for its 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 and accounts receivable as high grade financial assets as at December 31, 2011 and 2010.

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

	2011	2010
Neither past due nor impaired	P203,539	P93,841
Past due but not impaired:		
31-60 days	—	800
151-365 days	800	—
	P204,339	P94,641

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

No changes were made in the objectives, policies or processes for the three years ended December 31, 2011, 2010 and 2009.

The Company's capital management is undertaken by GMA. The Company's capital includes the total equity, which amounted to ₱3.25 million and ₱2.56 million as at December 31, 2011 and 2010, respectively.

14. Financial Assets and Liabilities

The table below presents the carrying values and fair values of the Company's financial instruments, by category and by class, as at December 31:

	2011		2010	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Loans and receivables:				
Cash and cash equivalents	₱50,059,007	₱50,059,007	₱77,490,056	₱77,490,056
Accounts receivable	204,339	204,339	94,641	94,641
	₱50,263,346	₱50,263,346	₱77,584,697	₱77,584,697
Financial Liabilities				
Loans and borrowings:				
Accounts payable and accrued expenses	₱241,032	₱241,032	₱266,355	₱266,355
Due to shareholders	47,271,600	47,271,600	47,271,600	47,271,600
	₱47,512,632	₱47,512,632	₱47,537,955	₱47,537,955

The carrying values of the above financial instruments are the approximate fair values due to the relatively short-term maturity.

Fair Value Hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The financial instruments carried at fair value only pertain to the Company's AFS financial assets, which consist of quoted equity securities. As at December 31, 2011 and 2010, these securities are categorized under Level 1 of the fair value hierarchy. The Company has no financial instruments categorized under Level 2 and Level 3. There were no transfers between levels of fair value measurement in 2011 and 2010.

15. Supplementary Information Required by Revenue Regulations (RR) No. 19-2011 and 15-2010

RR 19-2011

RR 19-2011 was issued to prescribe the new BIR forms that will be used for Income Tax filing covering and starting with December 31, 2011, and to modify Revenue Memorandum Circular No. 57-2011 dated November 25, 2011.

The following are the schedules prescribed under existing revenue issuances applicable to the Company as at December 31, 2011:

a. Schedule of Itemized Deductions

Professional fees	₱527,005
Taxes and licenses	27,129
Miscellaneous	17,176
Others - Listing fee	695,085
	<u>₱1,266,395</u>

b. Taxes and Licenses

	Official Receipt Number	Date paid	Amount
Mayor's Permit	1201287	1/20/2011	₱23,689
Barangay Clearance	6443993	1/1/2011	1,500
Community Certificate	47886	1/20/2011	1,440
Annual Registration	EFPS	1/31/2011	500
			<u>₱27,129</u>

RR 15-2010

The Company reported and/or paid the following types of taxes in 2011:

a. Other Taxes and Licenses

All other local and national taxes paid for the year ended December 31, 2011 consist of:

Local taxes and license fees	₱26,629
Registration fees	500
	<u>₱27,129</u>

b. Withholding Taxes

Withholding taxes paid and/or withheld for the year ended December 31, 2011 consist of:

Expanded withholding tax	₱12,450
Final withholding tax	52,021,356
	<u>₱52,033,806</u>



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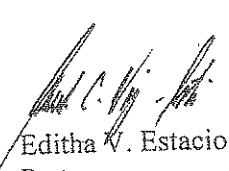
BCA/PRC Reg. No. 0001,
January 25, 2010, valid until December 31, 2012
SEC Accreditation No. 0012-FR-2 (Group A),
February 4, 2010, valid until February 3, 2013

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. (the Company) as at December 31, 2011 and 2010 and for each of the three years in the period ended December 31, 2011, included in this Form 17-A, and have issued our report thereon dated March 28, 2012. 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, As Amended (2011), 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 respects, the information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.


Editha V. Estacio

Partner

CPA Certificate No. 91269

SEC Accreditation No. 1136-A (Group A),

July 6, 2011, valid until July 5, 2014

Tax Identification No. 178-486-845

BIR Accreditation No. 08-001998-94-2011,

February 4, 2011, valid until February 3, 2014

PTR No. 3174594, January 2, 2012, Makati City

March 28, 2012

GMA HOLDINGS, INC.

INDEX TO FINANCIAL STATEMENTS AND SUPPLEMENTARY
SCHEDULES
AS AT DECEMBER 31, 2011

I. Supplemental schedules required by Annex 68-E	
A. Financial assets	Attached
B. Amounts receivable from directors, officers, employees, related parties and principal stockholders (other than related parties)	Not applicable
C. Amounts of receivables from related parties which are eliminated during consolidation process of financial statements	Not applicable
D. Intangible assets - other asset	Not applicable
E. Long-term debt	Not applicable
F. Indebtedness to related parties	Not applicable
G. Guarantees of securities of other issuers	Not applicable
H. Capital stock	Attached
II. Schedule of all the effective standards and interpretations	Attached
III. Reconciliation of Retained Earnings Available for Dividend Declaration	Attached
IV. Map of the relationships of the Company within the Group	Not applicable

GMA HOLDINGS, INC.

**SUPPLEMENTAL SCHEDULES REQUIRED BY ANNEX 68-E
AS AT DECEMBER 31, 2011**

Schedule A. Financial Assets

Name of Issuing entity and association of each issue	Number of shares or principal amount of bonds and rates	Amount shown in the statements of financial position	Value based on market quotation at end of reporting period	Income received and accrued
Cash				
On hand	P-	P3,623,829	P-	P-
In banks	-	46,435,178	-	39,639
	-	50,059,007	-	39,639
Cash equivalents				
Union Bank of the Philippines	-	20,030,753	-	803,482
Banco De Oro	-	26,404,425	-	1,125,470
	-	46,435,178	-	1,928,952
	P-	P96,494,185	P-	P1,968,591

Schedule H. Capital Stock

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding as Shown Under Related Statements of Financial Position	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.

**SCHEDULE OF ALL THE EFFECTIVE STANDARDS AND INTERPRETATIONS
AS AT DECEMBER 31, 2011**

I. List of Philippine Financial Reporting Standards (PFRSs) effective as at December 31, 2011

PFRSs	Adopted/Not adopted/Not applicable
PFRS 1, <i>First-time Adoption of Philippine Financial Reporting Standards</i>	Adopted
PFRS 2, <i>Share-based Payment</i>	Not applicable
PFRS 3, <i>Business Combinations</i>	Not applicable
PFRS 4, <i>Insurance Contracts</i>	Not applicable
PFRS 5, <i>Non-current Assets Held for Sale and Discontinued Operations</i>	Not applicable
PFRS 6, <i>Exploration for and Evaluation of Mineral Resources</i>	Not applicable
PFRS 7, <i>Financial Instruments: Disclosures</i>	Not applicable
PFRS 8, <i>Operating Segments</i>	Not applicable
PAS 1, <i>Presentation of Financial Statements</i>	Adopted
PAS 2, <i>Inventories</i>	Not applicable
PAS 7, <i>Statement of Cash Flows</i>	Adopted
PAS 8, <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>	Adopted
PAS 10, <i>Events after the Reporting Period</i>	Adopted
PAS 11, <i>Construction Contracts</i>	Not applicable
PAS 12, <i>Income Taxes</i>	Adopted
PAS 16, <i>Property, Plant and Equipment</i>	Not applicable
PAS 17, <i>Leases</i>	Not applicable
PAS 18, <i>Revenue</i>	Adopted
PAS 19, <i>Employee Benefits</i>	Not applicable
PAS 20, <i>Accounting for Government Grants and Disclosure of Government Assistance</i>	Not applicable
PAS 21, <i>The Effects of Changes in Foreign Exchange Rates</i>	Not applicable
PAS 23, <i>Borrowing Costs</i>	Not applicable
PAS 24, <i>Related Party Disclosures</i>	Adopted
PAS 26, <i>Accounting and Reporting by Retirement Benefit Plans</i>	Not applicable
PAS 27, <i>Consolidated and Separate Financial Statements</i>	Not applicable
PAS 28, <i>Investments in Associates</i>	Not applicable
PAS 29, <i>Financial Reporting in Hyperinflationary Economies</i>	Not applicable
PAS 31, <i>Interests in Joint Ventures</i>	Not applicable
PAS 32, <i>Financial Instruments: Presentation</i>	Not applicable
PAS 33, <i>Earnings per Share</i>	Not applicable
PAS 34, <i>Interim Financial Reporting</i>	Not applicable
PAS 36, <i>Impairment of Assets</i>	Not applicable

PFRSs	Adopted/Not adopted/Not applicable	
PAS 37, <i>Provisions, Contingent Liabilities and Contingent Assets</i>	Adopted	
PAS 38, <i>Intangible Assets</i>	Not applicable	
PAS 39, <i>Financial Instruments: Recognition and Measurement</i>	Not applicable	
PAS 40, <i>Investment Property</i>	Not applicable	
PAS 41, <i>Agriculture</i>	Not applicable	
Philippine Interpretation IFRIC-1, <i>Changes in Existing Decommissioning, Restoration and Similar Liabilities</i>	Not applicable	
Philippine Interpretation IFRIC-2, <i>Members' Shares in Co-operative Entities and Similar Instruments</i>	Not applicable	
Philippine Interpretation IFRIC-4, <i>Determining whether an Arrangement contains a Lease</i>	Not applicable	
Philippine Interpretation IFRIC-5, <i>Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds</i>	Not applicable	
Philippine Interpretation IFRIC-6, <i>Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment</i>	Not applicable	
Philippine Interpretation IFRIC-7, <i>Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies</i>	Not applicable	
Philippine Interpretation IFRIC-9, <i>Reassessment of Embedded Derivatives</i>	Not applicable	
Philippine Interpretation IFRIC-10, <i>Interim Financial Reporting and Impairment</i>	Not applicable	
Philippine Interpretation IFRIC-12, <i>Service Concession Arrangements</i>	Not applicable	
Philippine Interpretation IFRIC-13, <i>Customer Loyalty Programmes</i>	Not applicable	
Philippine Interpretation IFRIC-14, <i>PAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction</i>	Not applicable	
Philippine Interpretation IFRIC-16, <i>Hedges of a Net Investment in a Foreign Operation</i>	Not applicable	
Philippine Interpretation IFRIC-17, <i>Distributions of Non-cash Assets to Owners</i>	Not applicable	
Philippine Interpretation IFRIC-18, <i>Transfers of Assets from Customers</i>	Not applicable	
Philippine Interpretation IFRIC-19, <i>Extinguishing Financial Liabilities with Equity Instruments</i>	Not applicable	
Philippine Interpretation SIC-7, <i>Introduction of the Euro</i>	Not applicable	
Philippine Interpretation SIC-10, <i>Government Assistance - No Specific Relation to Operating Activities</i>	Not applicable	
Philippine Interpretation SIC-12, <i>Consolidation - Special Purpose Entities</i>	Not applicable	
Philippine Interpretation SIC-13, <i>Jointly Controlled Entities - Non-Monetary Contributions by Venturers</i>	Not applicable	
Philippine Interpretation SIC-15, <i>Operating Leases - Incentives</i>	Not applicable	

PFERSs	Adopted/Not adopted/Not applicable	
Philippine Interpretation SIC-21, <i>Income Taxes - Recovery of Revalued Non-Depreciable Assets</i>	Not applicable	
Philippine Interpretation SIC-25, <i>Income Taxes - Changes in the Tax Status of an Entity or its Shareholders</i>	Not applicable	
Philippine Interpretation SIC-27, <i>Evaluating the Substance of Transactions Involving the Legal Form of a Lease</i>	Not applicable	
Philippine Interpretation SIC-29, <i>Service Concession Arrangements: Disclosures</i>	Not applicable	
Philippine Interpretation SIC-31, <i>Revenue - Barter Transactions Involving Advertising Services</i>	Not applicable	
Philippine Interpretation SIC-32, <i>Intangible Assets - Web Site Costs</i>	Not applicable	

II. List of New and Amended Standards and Interpretations and Improvements to PFRS that became effective as at January 1, 2011

PFRSs	Adopted/Not adopted/Not applicable	
<i>New and Amended Standards and Interpretations</i>		
PAS 24 (Amended), <i>Related Party Disclosures</i>	Adopted	
PAS 32, <i>Financial Instruments: Presentation</i> (Amendment) – Classification of Rights Issues	Not Applicable	
Philippine Interpretation IFRIC 14 (Amendment), <i>Prepayments of a Minimum Funding Requirement</i>	Not Applicable	
PFRS 1, <i>First-time Adoption of IFRS</i> – Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters	Not Applicable	
<i>Improvements to PFRS</i>		
PFRS 1, <i>First-time Adoption of IFRS</i> : <ul style="list-style-type: none"> Accounting policy changes in the year of adoption Revaluation basis as ‘deemed cost’ Use of ‘deemed cost’ for operations subject to rate regulation 	Not Applicable	
PFRS 3, <i>Business Combinations</i> : <ul style="list-style-type: none"> Transition requirements for contingent consideration from a business combination that occurred before the effective date of the revised IFRS. Measurement of non-controlling interests Un-replaced and voluntarily replaced share-based payment rewards 	Not Applicable	
PFRS 7, <i>Financial Instruments: Disclosures</i> – Clarification of disclosures	Not Applicable	
PAS 1, <i>Presentation of Financial Statements</i> – Clarification of statement of changes in equity	Adopted	
PAS 27, <i>Consolidated and Separate Financial Statements</i> – Transition requirements for amendments made as a result of IAS 27 Consolidated and Separate Financial Statements	Not Applicable	
PAS 34, <i>Interim Financial Reporting</i> – Significant events and transactions	Not Applicable	
Philippine Interpretation IFRIC 13, <i>Customer Loyalty Programmes</i> – Fair value of award credits	Not Applicable	
Philippine Interpretation IFRIC 19, <i>Extinguishing Financial Liabilities with Equity Instruments</i>	Not Applicable	

Note: The standards marked as “Not applicable” have been adopted by the entity but have no significant covered transactions as of and for the years then ended December 31, 2011, 2010 and 2009.

GMA HOLDINGS, INC.

**SCHEDULE OF RETAINED EARNINGS AVAILABLE
FOR DIVIDEND DECLARATION
FOR THE YEAR ENDED DECEMBER 31, 2011**

Unappropriated retained earnings, as adjusted to available for dividend distribution, beginning of year	₱2,462,089
Net income during the year closed to retained earnings	688,187
Unrealized deferred tax assets	(456,299)
Retained earnings - available for dividend declaration as at December 31, 2011	₱2,693,977