



NOTICE OF SPECIAL STOCKHOLDERS' MEETING

**To: All Stockholders of
ABS-CBN Corporation**

Please take notice that the Annual Meeting of Stockholders of **ABS-CBN Corporation** will be held on April 19, 2018 at 8:00 a.m. at the Dolphy Theater, ABS-CBN Broadcast Center, Sgt. Esguerra Ave. corner Mo. Ignacia St., Diliman, Quezon City, to discuss the following:

A G E N D A

1. Call to Order
2. Proof of Service of Notice
3. Certification of Presence of Quorum
4. Approval of the Minutes of the Annual Stockholders' Meeting held on April 6, 2017.
5. Report of Management
6. Ratification of the Audited Financial Statements and Approval of Report of Management
7. Election of Directors for the Ensuing Year
8. Ratification of all acts of the Board of Directors, Executive Committee and Management for the period covering January 1, 2017 through December 31, 2017 adopted in the ordinary course of business
9. Appointment of External Auditors
10. Other Business
11. Adjournment

For purposes of the meeting, only stockholders of record as of March 8, 2018 are entitled to attend and vote in the said meeting.

Should you be unable to attend the meeting in person, you may appoint a Proxy by executing the appropriate form. **MANAGEMENT IS NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND MANAGEMENT A PROXY.** For validation, however, please return your proxies not later than April 10, 2018 to:

Rizal Commercial Banking Corporation (RCBC)
RCBC Stock Transfer Processing Section
Ground Floor West Wing, GPL (Grepalife) Building
221 Sen. Gil Puyat Avenue corner Pasong Tamo St.
Makati City, Metro Manila, Philippines
Attention: Antonio B. Madrid Jr.
Tel: +632 8927566

For your convenience in registering your attendance, please have some form of identification such as a passport, driver's license or voter's I.D.

By order of the Board of Directors:


ENRIQUE QUIASON
Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 17.1(b)
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

Preliminary Information Statement

Definitive Information Statement

2. Name of registrant as specified in its charter:

ABS-CBN CORPORATION

3. Province, Country or other jurisdiction of incorporation or organization

QUEZON CITY, PHILIPPINES

4. SEC Identification Number: 1803

5. BIR Tax Identification Number: 000-406-761-000

6. Address of Principal Office

ABS-CBN Broadcast Center
Sgt. Esguerra Avenue corner Mother Ignacia Street
Quezon City 1103 Philippines

7. Registrant's telephone no. and area code: (632) 415-22-72

8. Date, time and place of the meeting of security holders

Date : April 19, 2018
Time : 8:00 A.M.
Place : Dolphy Theater, ABS-CBN Broadcast Center
Sgt. Esguerra Avenue corner Mother Ignacia St.
Quezon City 1103 Philippines

9. Approximate date of which the Information Statement is first to be sent or given to security holders

March 23, 2018

10. Securities registered pursuant to Sections 8 & 12 of the Code or Section 4 and 8 of the Revised Securities Act:



Common Shares	872,123,642 shares
Fixed Rate Bonds	₱6,000,000,000.00

11. Are any or all of these securities listed on the Philippine Stock Exchange?

Yes [/] No []

The Company's common shares have been listed on the Philippine Stock Exchange since 1992.

EXPLANATION OF AGENDA ITEMS

1. Call to Order

The Chairman will call to order the Annual Stockholders' Meeting.

2. Proof of Service of Notice

The Corporate Secretary will be asked to certify that copies of the Notice and Agenda of the meeting, among others, were served upon the stockholders entitled to the same.

3. Certification of Presence of Quorum

The Corporate Secretary will then certify whether or not, based on the number of shares present personally or represented by proxy, a quorum exists for a valid meeting.

4. Approval of the Minutes of the Annual Stockholders' Meeting held on April 6, 2017

The minutes of the previous annual stockholders' meeting has been made available on the Corporation's website corporate.abs-cbn.com/investorrelations/corporate-governance/. Copies of the minutes will also be distributed to the stockholders before the meeting. A resolution on this item requires the approval of a majority of the votes of the stockholders present and eligible to vote. The minutes of the annual stockholders' meeting held on April 6, 2017 contain discussions of the following items:

- Approval of the Minutes of the Annual Stockholders' Meeting held on May 5, 2016
- Report of the President and Discussions of Questions from the Stockholders
- Approval of Audited Financial Statements for the Year Ended December 31, 2016;
- Election of the Directors
- Ratification and approval of the acts of Board, the Officers and Management for the fiscal year 2016;
- Appointment of External Auditors;
- Approval of the ABS-CBN Employee Stock Purchase Plan and the Executive Stock Purchase Plan
- Adjournment

5. Report of Management

The President and Chief Executive Officer will render the Report of Management on the company's performance in 2017, as reflected in the audited financial statements.

6. Ratification of the Audited Financial Statements and Approval of Report of Management

At this point, the Chairman will open the floor for any questions, comments or points of clarifications from the stockholders regarding the report of management and operations of the Corporation and the audited financial statements.

After all questions from the floor are entertained, the stockholders will be requested to ratify the Board's approval of the Corporation's audited financial statements as of December 31, 2017 and to approve the report of management. The audited financial statements are attached to the Information Statement and sent to eligible stockholders pursuant to the requirements of the Securities Regulation Code.

A resolution on the ratification of the approval of the audited financial statements and the approval of the report of management requires the approval of a majority of the votes of stockholders present and eligible to vote.

7. Election of Directors for the Ensuing Year

Pursuant to the Corporation's By-Laws, Manual of Corporation Governance, and applicable rules of the Securities and Exchange Commission, any stockholder, including minority stockholders, may submit nominations for the election of directors at least ten (10) calendar days prior to the date of the meeting or by April 10, 2018. As of March 20, 2018 the Nomination and Election Committee received nominations for directors and found such nominees to have all the qualifications and none of the disqualifications to serve as directors. The names of the nominees and their respective profiles, including directorships in listed companies, are duly indicated in the Information Statement. The election of directors will be done by plurality of votes using cumulative voting.

8. Ratification of the Acts of the Board and of Management

This will cover all acts and resolutions adopted by the board of directors and management since the January 1, 2017 until December 31, 2017. These cover matters entered into in the ordinary course of business, with those of significance having been covered by the proper disclosures to the Securities and Exchange Commission and the Philippine Stock Exchange in accordance with applicable disclosure rules. A resolution on this agenda item requires the approval of a majority of the votes of stockholders present and eligible to vote.

9. Appointment of External Auditors

The Audit Committee has recommended the re-appointment of SyCip, Gorres, Velayo & Co. as external auditors for the ensuing year. The profile of the firm is duly indicated in the Information Statement. A resolution on this agenda item requires the approval of a majority of the votes of stockholders present and eligible to vote.

10. Other Business

This covers consideration of other business that may properly come before the meeting. The chairman of the meeting will entertain other comments, questions or points of clarification from the stockholders.

PROXY FORM

Date:

Item 1. Identification

This proxy will serve to nominate, constitute and appoint _____, as my attorney and proxy, to represent me at the Annual Meeting of the Stockholders of the Corporation scheduled on April 19, 2018 at 8:00 a.m. at Dolphy Theater, ABS-CBN Broadcast Center, Sgt. Esguerra Avenue corner Mother Ignacia St., Quezon City, and any adjournment(s) thereof, as fully and to all intents and purposes as I might or could if present and voting in person, hereby ratifying and confirming any and all action taken on matters which may properly come before such meeting or adjournment(s) thereof.

Item 2. Instruction

By affixing his/her signature on the space provided below, the undersigned stockholder hereby directs the said proxy to vote on the agenda items set forth below as he/she has expressly indicated by marking the same with an "X", failing which, his/her said proxy shall exercise full discretion in acting thereon. **If the undersigned stockholder fails to indicate his/her vote on the items specified below, this shall serve to authorize his/her proxy to exercise full discretion to act,**

Please be advised that proxies are validated by the Company's stock and transfer agent, Rizal Commercial Banking Corporation. The record date for the stockholders entitled to attend and to vote in the said meeting is **March 8, 2018**.

Item 3. Revocability of Proxy

This proxy shall be valid for the Annual Stockholders Meeting scheduled on April 19, 2018 or any adjournment thereof. It shall be for a maximum period of five (5) years, unless withdrawn by the undersigned stockholder by written notice duly filed with the Corporate Secretary. This proxy shall not be valid where the undersigned stockholder personally appears and registers in the stockholders meeting. The proxy may not be withdrawn if coupled with an interest.

Proposal	Action		
	FOR	AGAINST	ABSTAIN
1. Approval of Minutes of the Annual Stockholders' Meeting held on April 6, 2017			
2. Ratification of the Audited Financial Statements for the Year Ended Dec. 31, 2017 and Approval of Report of Management			
3. Ratification of the Acts of the Board and of Management			
4. Election of Directors			
Federico M. Garcia			
Carlo L. Katigbak			
Augusto Almeda Lopez			
Eugenio Lopez III			
Federico R. Lopez			
Manuel M. Lopez			
Martin L. Lopez			
Oscar M. Lopez			
Salvador G. Tirona			
Emmanuel S. de Dios (Independent Director)			
Antonio Jose U. Periquet (Independent Director)			

5. Appointment of Sycip, Gorres, Velayo & Co. as External Auditors			
6. Consideration of such other business as may properly come before the meeting.			

IN WITNESS WHEREOF, I have hereunto set my hand at _____, this _____, 2018.

(Printed Name of Stockholder & Signature)

(Witness)

NOTE: Accomplished proxy form should be delivered on or before April 10, 2018 to:

Rizal Commercial Banking Corporation (RCBC)
RCBC Stock Transfer Processing Section
 Ground Floor West Wing, GPL (Grepalife) Building
 221 Sen. Gil Puyat Avenue corner Pasong Tamo St.
 Makati City, Metro Manila, Philippines
Attention: Antonio B Madrid Jr
 Tel: +632 8927566

THIS PROXY FORM IS BEING PROVIDED AS A SAMPLE FOR USE BY THE STOCKHOLDERS SHOULD THEY WISH TO ACCOMPLISH THE SAME. IT IS NOT BEING SOLICITED ON BEHALF OF THE CORPORATION OR ITS MANAGEMENT. THE CORPORATION OR ITS MANAGEMENT IS NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND MANAGEMENT PROXY.

ABS-CBN CORPORATION INFORMATION STATEMENT

This information statement is dated March 23, 2018 and is being furnished to stockholders of record of ABS-CBN Corporation (“ABS-CBN” or the “Company”) as of March 8, 2018 in connection with the Annual Stockholders’ Meeting.

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY.

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A. GENERAL INFORMATION

Item 1. Date, time and place of meeting of security holders

Date - April 19, 2018, Thursday
Time - 8:00 A.M.
Place - Dolphy Theater, ABS-CBN Broadcast Center, Quezon City

Principal Office - ABS-CBN Broadcast Center, Sgt. Esguerra Ave.,
cor. Mo. Ignacia St., Quezon City, Metro Manila

Approximate date of which the Information Statement is first to be sent to security holders

March 23, 2018

Item 2. Dissenters’ Right of Appraisal

A stockholder has a right to dissent and demand payment of the fair value of his share: (i) in case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholders or class of shares or of authorizing preferences over the outstanding shares or of extending or shortening the term of corporate existence; (ii) in case any sale, lease, mortgage or disposition of all or substantially all the corporate property or assets; and (iii) in case of merger or consolidation.

The appraisal right may be exercised by a stockholder who has voted against the proposed corporate action, by making a written demand on the Company within 30 days after the date on which the vote was taken for the payment of the fair market value of his shares.

There are no matters or proposed corporate actions, which may give rise to a possible exercise by security holders of their appraisal rights under Title X of the Corporation Code of the Philippines.

Item 3. Interest of Certain Persons in Matters to be acted upon

- (a) No Director or Executive Officer of the Company has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon.
- (b) No Director has informed the Company of his opposition to any action to be taken by the registrant at the meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

- (a) The Company has 883,515,142 common shares subscribed and outstanding as of February 28, 2018. Every stockholder shall be entitled to one vote for each share of common stock held as of the established record date.
- (b) The Company has 1,000,000,000 preferred shares subscribed and outstanding as of February 28, 2018. The preferred shares are voting and every holder of preferred shares shall be entitled to one vote for each share of preferred stock held as of the established record date.
- (c) All stockholders of record as of March 8, 2018 are entitled to notice of and to vote at the Company’s Stockholders’ Meeting.
- (d) With respect to the election of directors, a stockholder may vote such number of shares for as many persons as there are directors to be elected or he may accumulate said shares and give one candidate as many votes as the number of directors to be elected or he may distribute them on the same principle among as many candidates as he shall see fit; provided, that the total number of votes cast by him shall not exceed the total number of shares owned by him multiplied by the whole number of directors to be elected.
- (e) Security ownership of certain Record and Beneficial Owners and Management:

Security Ownership of Certain Records and Beneficial Owners as of February 28, 2018:

Title Of class	Name and Address of Record Owner	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	% of Class	% of Outstanding
Common	Lopez, Inc. 5/F Benpres Bldg, Exchange Road cor Meralco Ave., Pasig City	Lopez, Inc.	Filipino	480,933,747	54.43%	25.53%
Common	PCD Nominee Corporation* G/F Makati Stock Exchange Bldg., Ayala Ave., Makati City	ABS-CBN Holdings Corporation	Filipino	373,228,814	42.24%	19.82%
Preferred	Lopez, Inc. 5/F Benpres Bldg, Exchange Road cor Meralco Ave., Pasig City	Lopez, Inc.	Filipino	987,130,246	98.71%	52.41%

**PCD Nominee Corporation is not a related to the Company*

Lopez, Inc. is the holding company of the Lopez family. It is owned by the respective holding companies of the families of Eugenio Lopez, Jr., Oscar M. Lopez, Presentacion L. Psinakis and Manuel M. Lopez. It has issued convertible notes covering the shares in the Company registered and beneficially owned by it in favor of Lopez Holdings Corporation (formerly: Benpres Holdings Corporation).

Eugenio Lopez III, or in his absence, Manuel M. Lopez, or in his absence Oscar M. Lopez have been named and appointed to exercise the voting power of Lopez Inc.’s shares in ABS-CBN Corporation.

The 373,228,814 common shares under the name of PCD Nominees Corporation are held for ABS-CBN Holdings Corporation (ABS-CBN Holdings) and represent the underlying shares covered by Philippine Deposit Receipts (PDRs)

issued by ABS-CBN Holdings. ABS-CBN Holdings is owned 50% by Lopez, Inc. and 50% by Oscar M. Lopez, Manuel M. Lopez, and Eugenio Lopez III. The shares in the Company registered and beneficially owned by it are covered by the PDRs which gives the holder thereof the right to delivery or sale of the underlying share. The PDRs are listed with the Philippine Stock Exchange (PSE).

Eugenio Lopez III, or in his absence, Manuel M. Lopez, or in his absence Oscar M. Lopez have been named and appointed to exercise the voting power of ABS-CBN Holdings' shares in ABS-CBN Corporation.

Other than the stockholders identified above, as of February 28, 2018 there are no other stockholders other than participants under PCD account who own more than 5% of the voting securities.

There are no foreign shareholders.

Security Ownership of Management as of February 28, 2018:

As of February 28, 2018, the Company's directors and senior officers owned an aggregate of **3,449,855** shares of the Company, equivalent to 0.39% of the Company's total issued and outstanding capital stock.

Title of Class	Stockholder Name and Position	Nature of Beneficial Ownership	Citizenship	Number of Shares Held	Percent Held
Common	Eugenio L. Lopez III <i>Chairman</i>	Direct	Filipino	769,690	0.09%
Common	Augusto Almeda-Lopez <i>Vice-Chairman</i>	Direct/Indirect	Filipino	253,888	0.03%
Common	Oscar M. Lopez <i>Director</i>	Direct	Filipino	63,605	0.01%
Common	Carlo L. Katigbak <i>Director, President and Chief Executive Officer</i>	Direct	Filipino	249,500	0.03%
Common	Federico R. Lopez <i>Director</i>	Direct	Filipino	1	0.00%
Common	Martin L. Lopez <i>Director, and Chief Technology Officer</i>	Direct	Filipino	89,659	0.01%
Common	Manuel M. Lopez <i>Director</i>	Direct	Filipino	351,196	0.04%
Common	Salvador G. Tirona <i>Director</i>	Direct	Filipino	22,002	0.00%
Common	Federico M. Garcia <i>Director</i>	Direct	Filipino	13,898	0.00%
Common	Antonio U. Periquet <i>Independent Director</i>	Direct	Filipino	2,001	0.00%
Common	Emmanuel S. De Dios <i>Independent Director</i>	Direct	Filipino	1	0.00%
Common	Rolando P. Valdueza <i>Head, Corporate Services Group 2 and Group Chief Finance Officer</i>	Direct	Filipino	269,500	0.03%
Common	Ma. Socorro V. Vidanes <i>Chief Operating Officer, Broadcast</i>	Direct	Filipino	239,500	0.03%
Common	Mario Carlo P. Nepomuceno <i>Head, Corporate Services Group 1</i>	Direct	Filipino	92,351	0.01%
Common	Vivian Y. Tin	Direct	Filipino	60,600	0.01%

Title of Class	Stockholder Name and Position	Nature of Beneficial Ownership	Citizenship	Number of Shares Held	Percent Held
	<i>Head, Integrated Customer Business Development</i>				
Common	Regina E. Reyes <i>Head, Integrated News and Current Affairs</i>	Direct	Filipino	35,048	0.00%
Common	Higino T. Dungo <i>Head, Integrated Public Services</i>	Direct	Filipino	51,000	0.01%
Common	Philip Lambert L. Berba <i>Head, Service Delivery Group</i>	Direct	Filipino	130,600	0.01%
Common	Enrique I. Quiason <i>Corporate Secretary</i>	Direct	Filipino	9,615	0.00%
Common	Raymund Martin T. Miranda <i>Chief Strategy Officer & Chief Risk Management Officer</i>	Direct	Filipino	139,900	0.02%
Common	Lina D. Quiogue <i>Head, Retail and Licensing</i>	Direct	Filipino	5,300	0.00%
Common	Laurenti M. Dyogi <i>Head of Entertainment Production</i>	Direct	Filipino	191,500	0.02%
Common	Ma. Rosario S. Bartolome <i>Head, Kidzania</i>	Direct	Filipino	80,000	0.01%
Common	Mario L. Bautista <i>Board Advisor</i>	Direct	Filipino	29,000	0.00%
Common	Jose Agustin C. Benitez <i>Head, Integrated Sales</i>	Direct	Filipino	29,000	0.00%
Common	Aldrin M. Cerrado <i>Chief Finance Officer</i>	Direct	Filipino	25,000	0.00%
Common	Kane Errol C. Choa <i>Head, Integrated Corporate Communications</i>	Direct	Filipino	2,000	0.00%
Common	Carmela C. Del Mundo <i>Officer-in-charge, Internal Audit</i>	Direct	Filipino	5,000	0.00%
Common	Marifel G. Gaerlan - Cruz <i>Asst. Corporate Secretary</i>	Direct	Filipino	2,000	0.00%
Common	Robert G. Labayen <i>Head, Integrated Creative Communication Management</i>	Direct	Filipino	71,000	0.01%
Common	Dino Jacinto M. Laurena <i>Head, Integrated Sports</i>	Direct	Filipino	40,000	0.00%
Common	Charles A. Lim <i>Head, Access</i>	Direct	Filipino	65,500	0.01%
Common	Luis Paolo M. Pineda <i>Head of Lifestyle Ecosystem and Concurrent Head, Business Development</i>	Direct	Filipino	10,000	0.00%
Common	Caesar J. Poblador <i>Head, Corporate Legal Affairs</i>	Direct	Filipino	2,000	0.00%

Title of Class	Stockholder Name and Position	Nature of Beneficial Ownership	Citizenship	Number of Shares Held	Percent Held
Common	Elaine E. Uy <i>OIC, Digital Media Division</i>	Direct	Filipino	1,000	0.00%
Common	Antonio S. Ventosa <i>Chief Operating Officer, Sky Cable</i>	Direct	Filipino	45,000	0.01%
Common	Teresita L. Villareal <i>Head, Creative Programs, Incorporated</i>	Direct	Filipino	3,000	0.00%
	Total Security Ownership of Directors and Management			3,449,855	0.39%

None of the members of the Company's directors and management owns 2.0% or more of the outstanding capital stock of the Company.

- (f) The Company knows of no person holding more than 5% of common shares under a voting trust or similar agreement.
- (g) No change of control in the Company has occurred since the beginning of its last fiscal year.

Item 5. Directors and Executive Officers

Board of Directors

The following are expected to be nominated as members of the Board of Directors for the ensuing year during the Company's Annual Stockholders' Meeting on April 19, 2018:

Eugenio L. Lopez III
Augusto Almeda-Lopez
Carlo L. Katigbak
Federico M. Garcia
Federico R. Lopez
Martin L. Lopez
Manuel M. Lopez
Oscar M. Lopez
Salvador G. Tirona
Emmanuel S. de Dios (*Independent Director*)
Antonio Jose U. Periquet (*Independent Director*)

All of the nominees are incumbent directors. Except for the nominees for independent directors, they were formally nominated by Lopez Inc., through its Chairman, Mr. Manuel M. Lopez. The independent directors, were nominated by Mr. Raul B. Quizon, a stockholder who is not related in any way to the nominees for independent director. The nominees will serve as directors of the Company for one year from date of election.

The Nomination and Election Committee reviews and evaluates the qualifications of all persons nominated to the Board and other appointments that require Board approval, and assesses the effectiveness of the Board's processes and procedures in the election or replacement of directors. It is composed of Eugenio L. Lopez III, Emmanuel S. De Dios, and Antonio Jose U. Periquet. Randolph S. David is an advisor of the committee.

The Company has adopted the SRC Rule 38 (Requirements on Nomination and Election of Independent Directors) and has complied therewith.

The following nominees have held their current positions in their respective companies for more than 5 years unless otherwise indicated. Below is a summary of the nominees' qualifications:

Eugenio L. Lopez III, Filipino, age 65

Chairman of the Board of Directors

Mr. Eugenio "Gabby" Lopez III became a Director of the company in 1992 and was elected Chairman of the Board in 1997. Aside from leading ABS-CBN, Mr. Lopez III also serves as Vice Chairman of Lopez Holdings Corporation. He is also a Director of First Gen Corporation, First Philippine Holdings, and Sky Vision Corporation. He earned a Bachelor of Arts degree in Political Science from Bowdoin College in 1974 in Brunswick, Maine and a Master's degree in Business Administration from the Harvard Business School in 1980 in Boston, Massachusetts.

Augusto Almeda-Lopez, Filipino, age 89

Vice-Chairman

Mr. Augusto Almeda Lopez became a Director in 1988 and has served as Vice Chairman since 1989. He also serves as Director of the First Philippine Holdings Corporation (FPHC), First Philippine Industrial Corporation (FPIC), and ADTEL Inc. He is the Board Chairman of his family's company, ACRIS Corporation. He is an Alumnus of De La Salle College, Ateneo de Manila, and the University of the Philippines College of Law Class 1952. He has attended several Business Seminars including the Advance Management Program at Harvard Business School in 1969.

Carlo L. Katigbak, Filipino, age 47

President and Chief Executive Officer

Mr. Katigbak was appointed President and Chief Executive Officer of the Corporation effective January 1, 2016. He has 22 years of experience in business, spanning financial management, business operations, corporate planning and general management. He began his career as a financial analyst with First Pacific Capital Corporation in 1992. Joining SKYcable in 1994 as a Corporate Finance Manager, he eventually held various positions in Corporate Planning, Provincial Operations and Finance. In 1998, he served as the first Managing Director of Pilipino Cable Corporation. He was appointed Managing Director of ABS-CBN Interactive the following year, and led the company's pioneering efforts in various digital services such as mobile downloads, interactive television, online advertising and online video-on-demand. In 2005, he returned to SKYcable as Managing Director. Mr. Katigbak holds a degree in Bachelor of Science in Management Engineering from the Ateneo De Manila University, and has completed the Advanced Management Program at Harvard Business School in 2009.

Emmanuel S. de Dios, Filipino, age 62

Board Member, Independent Director

Mr. de Dios has been a Professor of Economics at the University of the Philippines School of Economics since 1989. He is also the President of Human Development Network (Philippines) since July 2012. He was the Dean of the University of the Philippines School of Economics from 2007 to 2010. He was a member of the Board of Advisers to the Board of Directors of the Corporation from 2011 until his election as an Independent Director in 2013. He became chair of the Board of Trustees of Pulse Asia Research, Inc. as of 2016. He received his AB Economics degree from the Ateneo de Manila University (cum laude) in 1978 and his Ph.D. in Economics from the University of the Philippines in 1987. He pursued post-doctoral studies at the Universität Konstanz in Germany from 1987 to 1988 and is the author or editor of various books, monographs, articles and reviewers in economics.

Federico M. Garcia, Filipino, age 74

Board Member

Mr. Garcia is a Director of ABS-CBN and consultant for radio and television broadcasting from January 2006 to present. Mr. Garcia is currently the Chairman of Programming Committee and a member of Compensation Committee for the Chairman and CEO and Risk Management Committee. Mr. Garcia was the President of ABS-CBN from 1997 to 2003. Prior to his appointment as President, Mr. Garcia was Executive Vice President and General Manager of ABS-CBN from 1987 to 1998. He also worked as a TV Sales Executive with ABS-CBN in 1966 until Martial Law. Before rejoining the Company in 1987, he was Executive Vice President of GMA Network, managing its marketing and programming activities. He attended the College of Business Administration at the University of the Philippines. Mr. Garcia is a recipient of various Philippine broadcasting industry awards.

Federico R. Lopez, Filipino, age 56

Board Member

Mr. Federico Lopez has served as Director of the Company since 1999. Mr. Lopez is Chairman and Chief Executive Officer of First Philippine Holdings Corporation (FPH), First Gen Corporation (First Gen) and Energy Development Corporation (EDC). First Gen and EDC are publicly listed power generation companies that are into clean and indigenous energy and are part of the FPH portfolio. He is currently the Vice Chairman of Rockwell Land Corporation. An advocate of the environment, Mr. Lopez is the Chairman of the Oscar M. Lopez Center for Climate Change Adaptation and Disaster Risk Management Foundation (The OML Center) and the Sikat Solar Challenge Foundation, Inc. The OML Center is the result of the advocacy of the Lopez family for environmental protection and public service. He is also a member of the Board of Trustees of World Wildlife Fund Philippines, Philippine Disaster Recovery Foundation and the Forest Foundation Philippines. Mr. Lopez is a member of the World Presidents Organization, Asia Business Council, ASEAN Business Club, New York Philharmonic International Advisory Board, Management Association of the Philippines, Philippine Chamber of Commerce and Industry, European Chamber of Commerce of the Philippines and Makati Business Club. Mr. Lopez graduated with a Bachelor of Arts degree, major in Economics and International Relations (cum laude) from the University of Pennsylvania, U.S.A. in 1983.

Manuel M. Lopez, Filipino, age 75

Board Member

Mr. Lopez was the Philippine Ambassador to Japan from December 2010 until June 2016. He was the Chairman and Chief Executive Officer of Manila Electric Company (Meralco) from July 2001 to June 2010. He is concurrently the Chairman and CEO of Lopez Holdings Corporation and is the Chairman of Bayan Telecommunications Holdings Corp., Rockwell Land Corporation, and Rockwell Leisure Club. He is also the Vice Chairman of First Philippine Holdings Corporation and Lopez, Inc., President of Eugenio Lopez Foundation, Inc. and a Director at Meralco, Sky Cable Corporation, Sky Vision Corporation, First Philippine Realty Corp. and Lopez Group Foundation, Inc. Mr. Lopez is a holder of a Bachelor of Science degree in Business Administration and attended the Program for Management Development at the Harvard Business School.

Martin L. Lopez, Filipino, age 45

Board Member and Chief Technology Officer

Mr. Lopez was appointed as a Director on April 6, 2017. He also serves as Chief Technology Officer in ABS-CBN, where he is responsible for setting the Company's strategic direction, and for ensuring operational excellence in matters related to technology encompassing both broadcast engineering and information technology. Before his appointment, he was Vice President and Chief Information Officer of Meralco. He was also the President of e-Meralco Ventures, Inc. (eMVI), a wholly owned subsidiary of Meralco. He is a graduate of Menlo College in California with a degree in Business Administration. He completed the Executive MBA Program from the Asian Institute of Management.

Oscar M. Lopez, Filipino, age 87

Board Member

Mr. Oscar M. Lopez has served as a Director of ABS-CBN since 1966. He also serves as Chairman Emeritus to First Philippine Holdings Corp., Lopez Holdings Corporation, First Gen Corporation, Energy Development Corp., Rockwell Land Corp., First Philippine Industrial Park, among others. He was Management Association of the Philippines' Management Man of the Year 2000. He was the first Filipino businessman to be awarded the most prestigious Officer's Cross of the Order of Merit of the Federal Republic of Germany in 2005. He was a recipient of The Outstanding Filipino (TOFIL) Award in the field of Business for the year 2009. Mr. Lopez has a Master's Degree in Public Administration from the Littauer School of Public Administration at the Harvard University (1955), where he also earned his Bachelor of Arts degree, cum laude, in 1951.

Antonio Jose U. Periquet, Filipino, age 56

Board Member, Independent Director

Mr. Antonio Jose U. Periquet has been an independent director of ABS-CBN since April 2013. He is currently the Chairman of the Campden Hill Group Inc. (since August 2011), Pacific Main Properties & Holdings, Inc. (since December 1999), BPI Asset Management & Trust Corporation (since February 2017) and also serves as an independent director on the boards of Ayala Corporation (September 2010), Albizia ASEAN Tenggara Fund (July 2015), Bank of the Philippine Islands (April 2012), BPI Capital (May 2010), BPI Family Savings Bank (May 2012), DMCI Holdings (August 2010), the

Max's Group of Companies (February 2014) and the Philippine Seven Corporation (July 2010). Mr. Periquet is a Trustee of the Lyceum of the Philippines University and is a member of the Dean's Global Advisory Board of the Darden School of Business, University of Virginia. He is a graduate of the Ateneo de Manila University (AB Economics) and holds an MSc in Economics from Oxford University and an MBA from the University of Virginia.

Salvador G. Tirona, Filipino, age 63

Board Member

Mr. Salvador G. Tirona has served as a Director of the Company since 2010. He is the President and Chief Operating Officer and concurrently, Chief Finance Officer of Lopez Holdings Corporation. He initially joined Lopez Holdings Corporation as its Chief Finance Officer in September 2005 and held this position until his appointment to his current position in 2010. He was formerly a Director and the Chief Finance Officer of Bayan Telecommunications, Inc. He joined the Lopez Group in 2003 as the Chief Finance Officer of Maynilad Water Services, Inc. He holds a Bachelor's degree in Economics from the Ateneo de Manila University and a Master's degree in Business Administration from the same university.

Independent Directors of the Board

The nominees for Independent Directors, Mr. Periquet and Mr. de Dios, are independent of management and free from any business or other relationship, which could, or could reasonably be perceived to, materially interfere with their exercise of independent judgment in carrying out their responsibilities as directors of the Company.

Specifically, Mr. Periquet and Mr. de Dios: (i) are not directors or officers or substantial stockholders of the Company or its related companies or any of its substantial shareholders (other than as independent directors of any of the foregoing); (ii) are not relatives of any director, officer or substantial shareholder of the Company, or any of its related companies or any of its substantial shareholders; (iii) are not acting as nominees or representatives of a substantial shareholder of the Company, or any of its related companies or any of its substantial shareholders; (iv) have not been employed in any executive capacity by the Company, or any of its related companies or by any of its substantial shareholders within the last two (2) years; (v) are not retained as professional advisers by the Company, any of its related companies or any of its substantial shareholders within the last two (2) years, either personally or through their firms; (vi) have not engaged and do not engage in any transaction with the Company or with any of its related companies or with any of its substantial shareholders, whether by themselves or with other persons or through a firm of which they are partners or companies of which they are directors or substantial shareholders, other than transactions which are conducted at arm's length and are immaterial; (vii) do not own more than two percent of the shares of the Company and/or its related companies or any of its substantial shareholders; (viii) are not affiliated with any non-profit organization that receives significant funding from the Company or any of its related companies or substantial shareholders; and (ix) are not employed as executive officers of another company where any of the Company's executives serve as directors. Mr. Periquet and Mr. de Dios do not possess any of the disqualifications enumerated under the Code of Corporate Governance and SEC Memorandum Circular No. 19, Series of 2016.

List of Executive Officers

The following officers are expected to be nominated for re-election or election at the Organizational Meeting of the Board of Directors following the Annual Stockholders' Meeting on April 19, 2018:

Ma. Rosario S. Bartolome, Filipino, age 47

Head, Kidzania

Ms. Bartolome was appointed Governor of Kidzania Manila and President & CEO of Play Innovations, Inc. (PII) effective January 1, 2017. Prior to her appointment, she was the COO of PII and Head of ABS-CBN Integrated Marketing. Ms. Bartolome brings with her more than 21 years of experience in integrated communications planning and media marketing. She is recognized locally and internationally for her innovative and cutting edge media solutions that have shaped the Philippine media landscape. Prior to joining ABS-CBN, she was the Managing Director of Carat Philippines and was Vice President of Universal McCann Philippines. Ms. Bartolome graduated from the Ateneo de Manila University with a degree in Communication Arts. In 2016, she completed the IAAPA Attraction Managers Program and Harvard Business School's Advanced Management Program.

Jose Agustin C. Benitez, Jr., Filipino, age 59

Head, Integrated Sales

Mr. Benitez joined the Company in 2006 as the Company's Head of Channel 2 Sales. He is tasked with establishing strategic long-term partnerships with agencies and advertiser clients. He was formerly Sales Head of ABC Channel 5 and of GMA Channel 7, and was instrumental in developing the Sales Units of both companies. Before becoming involved in Broadcast Sales, Mr. Benitez was formerly Media Director and Vice President of Ace Saatchi and Saatchi, where he provided leadership to a media department that handled diverse clients. He was also formerly President and CEO of Zenith Optimedia, Nestle's independent media agency, and President and CEO of Optimum Media. Mr. Benitez graduated from the University of the Philippines, Diliman, with a Bachelor of Arts degree in Economics.

Kane Errol C. Choa, Filipino, age 45

Head, Integrated Corporate Communications

Mr. Choa is currently the head of the Integrated Corporate Communications of ABS-CBN. He has 24 years of work experience in media and communications. Prior to joining ABS-CBN, he worked at Euro Agatep Associates, the offices of Sen. Manuel Villar and the late Sen. Miriam Defensor Santiago, and ABC 5. Mr. Choa also serves as the Chairman of the International Association of Business Communicators (IABC) Philippines, vice president of Anak TV, trustee of the Quezon City Tourism Council, and a member of the Standards Authority of the Kapisanan ng mga Brodkaster ng Pilipinas. He maintains a column, "Kapamilya Day," in The Philippine Star. He obtained his Master of Science degree in Media and Communications with Merit from The London School of Economics and Political Science in 2005 as a British Chevening scholar. He also has an MA in Communication from the Ateneo de Manila University.

Robert G. Labayen, Filipino, age 57

Head, Integrated Creative Communication Management

Mr. Labayen spent 21 years in advertising prior to joining ABS-CBN in 2004. He started as a copywriter and rose to the rank of Managing Partner and Executive Creative Director. He also served the advertising industry as President of the Creative Guild of the Philippines. Today, his Division articulates the ABS-CBN vision of service to the Filipino through their work in promoting ABS-CBN's image and its entertainment, news, sports and advocacy programs. In 2014, the 4A's-P and the Creative Guild gave him the Lifetime Achievement Award. Mr. Labayen obtained his degree of Bachelor of Arts in Sociology from Bicol University. He has also completed his Masters in Business Administration at the University of the Philippines College of Mass Communications.

Olivia M. Lamasan, Filipino, age 54

Managing Director, ABS-CBN Film Productions, Inc. (Star Cinema)

Ms. Lamasan was appointed as Managing Director of Star Cinema effective January 15, 2018. After a stint doing Line Production for Regal Films and Vision Films, she joined ABS-CBN in 1987 as Supervising Producer for Going Bananas, and Executive Producer for the Sharon Cuneta Show. Ms. Lamasan was the co-creator of "Maalala Mo Kaya," becoming its Supervising Producer, Creative Head, and eventually Writer/Director. As Head of Star Cinema Creative Department and its premier director, Ms. Lamasan drives the creative development and supervision of all Star Cinema movies, and its Training Department. As Creative Head/Consultant of Star Creatives TV, she was the creative force that helped shape ABS-CBN drama programs. Concurrently, she heads the Moving Images Department of the ABS-CBN University. Ms. Lamasan graduated from Miriam College, with a Bachelor of Arts degree in Communication Arts.

Dino Jacinto M. Laurena, Filipino, age 56

Head, Integrated Sports

As Head of Integrated Sports, Mr. Laurena develops and optimizes profitable business opportunities for the Integrated Sports Group. Prior to joining ABS-CBN, he was the Senior Vice President of McCann Worldgroup Philippines and co-managed Harrison Communications. Mr. Laurena is an alumnus of the De La Salle University with degrees in Bachelor of Arts major in Psychology and Bachelor of Science in Commerce, major in Marketing.

Charles A. Lim, Filipino, age 56

Head, Access

Mr. Charles Lim was appointed as Head of Access in 2017. He brings with him years of experience in the various cross-

functional disciplines of General Management, Operations, Marketing & Sales, IT and Engineering both local and international. Prior to joining ABS-CBN, Mr. Lim was EVP and Head of Consumer Wireless Business for both Smart and Sun and was later on appointed EVP and Head of Strategic Acquisitions and Investments for the PLDT group. Mr. Lim graduated with a Business Administration and Management degree from Ateneo de Manila University.

Dennis Marco A. Liquigan, Filipino, age 48

Head, Star Music

Mr. Liquigan was appointed as Head of Star Music in 2013. Prior to becoming Head of Star Music, he held various positions in ABS-CBN, starting as a Researcher, then as a Segment Producer for Showbiz Lingo, an Executive Producer for The Buzz, and rising up the rank as Promo Director for Star Cinema. He graduated from the University of Santo Tomas with a Bachelor of Arts degree in Communication Arts.

Raymund Martin T. Miranda, Filipino, age 55

Chief Strategy Officer and Chief Risk Management Officer

Mr. Miranda has been an Asia-Pacific media executive and strategist for more than 31 years. Mr. Miranda was appointed Chief Strategy Officer (CSO) in August 2012. He was also appointed Chief Risk Management Officer (CRMO) in a concurrent capacity in November 2012. As CSO, Mr. Miranda is tasked with designing, driving and managing the strategic planning process across the organization. As CRMO, he is also tasked with leading, developing and managing the risk management strategies, processes and policy reviews of the Company. Prior to his appointment with ABS-CBN, he was a consultant for the company for various projects. Mr. Miranda served as the Managing Director, Global Networks Asia-Pacific of NBCUniversal from 2007 to 2011, heading the entertainment channels division of NBC Universal across 33 countries. Before that, he spent a year in Manila as the President/CEO of Nation Broadcasting Corporation (92.3x FM) and Head of Strategy and Content for Mediaquest Holdings, Inc. From 1998 to 2006, he was with The Walt Disney Company in Singapore and Manila as Managing Director South East Asia for Walt Disney International, Managing Director for South East Asia/Korea for Walt Disney Television International and the Head of Radio Disney Asia. He started his career in FM radio before joining the GMA Network group in 1987. He was named Vice-President, Creative Services of GMA Network, Inc. in 1992. Mr. Miranda took up degrees in Bachelor of Science in Biology and Bachelor of Arts in Communication at the University of the Philippines.

Mario Carlo P. Nepomuceno, Filipino, age 58

Head, Corporate Services Group 1

Mr. Nepomuceno's career spans close to 40 years in the field of human resources and organizational development with stints in brand management and sales. His expanded roles have included leading the delivery of Leadership Development, Innovation, Public Service, Legal and Corporate Safety and Security Services. He has also overseen the set up and operations of a corporate university. Mr. Nepomuceno has worked in a broad range of industries with both local and global organizations, either as a consultant or employee. He has had exposure to the media, attractions, banking, fast moving consumer goods, transportation, telecoms, cable, and BPO industries, among others. He has serviced clients in the government and non-government sectors as well. He has acquired over thirty years executive and leadership experience within corporate and non-corporate settings. Mr. Nepomuceno graduated with a degree in A.B. Psychology from the Ateneo de Manila University and is an accredited trainer and facilitator for numerous management and leadership programs. He is a Certified Attractions Manager of the International Association of Amusement Parks and Attractions.

Luis Paolo M. Pineda, Filipino, age 46

Head of Lifestyle Ecosystem and Concurrent Head, Business Development

Mr. Pineda was appointed Head of Lifestyle Ecosystem in November 2017, and concurrently, as Head of Business Development in 2009. He joined ABS-CBN Interactive in 2000 as Business Development Manager for www.pinoycentral.com where he was able to establish strong partnerships and identified potential joint ventures with companies in the same industry. His work eventually included coordination with all ABS-CBN media platforms, conceptualization, execution, and evaluation of mobile applications. In 2005, he took on the role of overall head for the Company's mobile and online business while practically co-managing its video-streaming operations. His appointment to oversee the gaming business followed in August of 2005 and in December 2005, he was officially designated as Managing Director for ABS-CBN Interactive. Mr. Pineda graduated with a degree in Business Management in Ateneo de Manila University and completed an executive management course in Kellogg University.

Lina D. Quiogue, Filipino, age 58

Head, Retail and Licensing

Ms. Quiogue assumed the position of Head, Retail and Licensing beginning May 2016. Prior to that, she was the Head of Strategic Sales. She has over 20 years of extensive experience and a strong track record of positive breakthrough business results, specifically in starting up, turning around and building businesses; and strategic development and implementation. Prior to ABS-CBN, Ms. Quiogue was the President of Stanhome World Philippines, and President and General Manager of Avon Philippines. She was also instrumental in the brand growth for businesses in Asia Pacific, as Avon's Regional Vice President, Marketing. Ms. Quiogue received her Bachelor of Arts in Mass Communications from University of the Philippines, with distinction as Cum Laude.

Ma. Regina "Ging" E. Reyes, Filipino, age 55

Head, Integrated News and Current Affairs

Ms. Reyes is responsible for all newsgathering, content and strategic direction of the News and Current Affairs Division of ABS-CBN. She has over 20 years of solid experience as a broadcast journalist. She joined ABS-CBN in 1986 as a Production Assistant, rose from the ranks to become Executive Producer and Head Writer of the award-winning "The World Tonight" and other special events, and eventually, Director for News Production. Prior to her appointment as Head of News and Current Affairs, Ms. Reyes was ABS-CBN'S North America News Bureau Chief from 2002 to 2010. In 2007, she was named by the Filipina Women's Network as one of the 100 Most Influential Filipino Women in the U.S. Ms. Reyes received her Bachelor of Arts in Broadcast Communication from the University of the Philippines.

Arsenio M. Sabado, Filipino, age 51

Head, Human Resources and Organizational Development

Mr. Sabado was appointed as Head of Human Resources and Organizational Development effective November 2017. He has a strong generalist and functional expertise in leadership and organization development, training, employee/labor relations gained from over 20 years of HR experience and over 15 years of managerial experience in leading local and international teams in Asia and Europe. Prior to joining ABS-CBN, he held several executive roles at Philip Morris. He graduated with a Bachelor of Science in Industrial Engineering from the University of the Philippines in 1989.

Vivian Y. Tin, Filipino, age 55

Head, Integrated Customer Business Development

Ms. Tin heads the Integrated Customer Business Development – Research and Analytics group of ABS-CBN. Her division provides consumer and market insights and information to support strategic and tactical business decisions for ABS-CBN and all its subsidiaries. Ms. Tin has had extensive experience in market research, particularly in media measurement and customized research. She began her career at Trends-MBL, where she rose to become Associate Research Director in 1992. After her stint in Trends-MBL, she moved on to ACNielsen Philippines where she became Director of Customized Research that handled top local and multinational companies in home care, personal care, pharmaceutical, food, dining and financial services. Prior to joining ABS-CBN, Ms. Tin was formerly Executive Director of Nielsen Media Research, the media research division of ACNielsen Philippines. She was a director of Advertisers Board of the Philippines (AdBoard) in 2005 and 2006 and was the President of the Marketing & Opinion Research Society of the Philippines (MORES) in 2004 and 2005. She graduated magna cum laude with a Bachelor of Arts degree in Political Science and had her graduate studies on Applied Statistics, both at the University of the Philippines. Ms. Tin also completed the Advanced Management Program at Harvard Business School in 2010.

Rolando P. Valdueza, Filipino, age 58

Head, Corporate Services Group 2 and Group Chief Finance Officer

Mr. Valdueza was appointed Chief Finance Officer in 2008, and as the Group Chief Finance Officer since 2012. Prior to his appointment as CFO, he was Head of the Regional Network Group (RNG) of ABS-CBN since 2001. Before joining the Company in 1988 as Budget Officer, he was an auditor with SGV & Co. and was Finance Manager at the National Marine Corporation. He also served as Sky Cable Regional Director for Visayas and Mindanao and later became Managing Director of Pilipino Cable Corporation. Mr. Valdueza took up BS Accounting at University of the East and graduated *magna cum laude* in 1981.

Antonio S. Ventosa, Filipino, age 56

Chief Operating Officer, Sky Cable, and Concurrent Head, Narrowcast

Mr. Ventosa joined the Company in 2006 as Head of Corporate Marketing. In November 2015, he was appointed Chief Operating Officer of Skycable Corporation, and in June 2017, he was appointed President. In his over 10 years with ABS-CBN, Mr. Ventosa took on roles as the OIC of Access Group and concurrent Head of ABS-CBN's Narrowcast group consisting of ABS-CBN Integrated Sports, ABS-CBN Publishing, and Creative Programs, Inc. and was involved with the launch of ABS-CBN TV+, the group's DTT service. Over the past 3 years he was focused on the integration of the Company's sports agenda and strengthening local cable programming. He led the re-staging of the UHF Channel to ABS-CBN Sports+Action and led the launch of Jeepney TV as ABS-CBN's TV classics channel. He brings to the Group his 20 years of professional experience in general management, marketing and communications here and abroad. Prior to ABS-CBN, he was Managing Director of Leo Burnett Manila, President of ARC Worldwide & Blackpencil Advertising. He was also Chairman and President of the Association of Accredited Advertising Agencies of the Philippines, a Board Director of AdBoard, Executive Vice President of the *Kapisanan ng mga Brodkaster ng Pilipinas*, and the Founding Chairman of the Araw Values Awards. He is a member of the Advisory Board of UA&P Tambuli Awards. Mr. Ventosa was honored in 2004 by his alma mater, De La Salle University, as La Sallian Achiever on Advertising. He obtained his degree of Bachelor of Science in Marketing from De La Salle University.

Ma. Socorro V. Vidanes, Filipino, age 55

Chief Operating Officer, Broadcast

Ms. Vidanes was appointed as Chief Operating Officer, Broadcast effective February 1, 2016. Prior to this appointment, she was Head of Free TV. She was also the Head of Channel 2 Mega Manila in 2009. Prior to that, she held the position of Managing Director for ABS-CBN TV Production from 2001 to 2008. She has been with ABS-CBN since 1986, starting as an Associate Producer and has since then been involved in the production of all types of programs – talk shows, variety, reality, game, comedy and drama. Ms. Vidanes obtained her degree of Bachelor of Arts in Communication Arts from the Ateneo de Manila University. She has also completed the Advance Management Program at Harvard Business School in 2014.

Fernando V. Villar, Filipino, age 49

Head, Integrated Marketing

Mr. Villar provides overall leadership in marketing the Company's channels, programs to various customers—the audiences, advertisers, and media agencies. Prior to joining ABS-CBN, he was the President and Chief Operating Officer of McCann WorldGroup Philippines – the Philippines' largest marketing communications agency. Mr. Villar held top positions in the Philippine Advertising Industry: Chairman of the 4As of the Philippines (Association of Accredited Advertising Agencies), Vice-Chairman of AdBoard, and Board Member of the Ad Standards Council (ASC). The University of the Philippines College of Business awarded Mr. Villar as one of its Most Distinguished Alumni in 2011, the youngest to be given this distinction. He graduated with a degree in Business Administration from the university's Diliman campus in 1988.

Enrique I. Quiason, Filipino, age 57

Corporate Secretary

Mr. Enrique I. Quiason was appointed as Corporate Secretary in 2015. He has been the Assistant Corporate Secretary of the Corporation since 1993. He received a Bachelor of Science degree in Business Economics and a Bachelor of Laws degree from the University of the Philippines, and a Master of Laws degree in Securities Regulation from Georgetown University. He is a senior partner of the Quiason Makalintal Barot Torres Ibarra Sison & Damaso Law Office. He is the corporate secretary of FPHC, LHC, Lopez, Inc., Rockwell Land Corporation, ABS-CBN Holdings, Inc., and Sky Cable Corporation.

Marifel G. Gaerlan-Cruz, Filipino, age 51

Assistant Corporate Secretary

Ms. Gaerlan-Cruz was appointed as Assistant Corporate Secretary in 2015. She has been the Head for Contracts and Corporate Services, Legal Services Department of the Corporation and its subsidiaries since 2006. She received her Bachelor of Arts in History (cum laude), from the University of the Philippines, and her Juris Doctor degree (second honors) from the Ateneo de Manila School of Law.

Family Relationships

Mr. Oscar M. Lopez is the brother of Mrs. Presentacion L. Psinakis and Manuel M. Lopez. He is the uncle of Mr. Eugenio L. Lopez III and the father of Mr. Federico R. Lopez. Mr. Eugenio L. Lopez III and Mr. Federico R. Lopez are first cousins.

Mr. Rafael L. Lopez is the brother of Eugenio L. Lopez III. Mr. Martin L. Lopez is the cousin of Eugenio L. Lopez III and the son of Mr. Manuel M. Lopez. Mr. Carlo L. Katigbak is a cousin of Mr. Eugenio L. Lopez III.

Significant Employees

The Company considers its entire workforce as significant employees. Everyone is expected to work together as a team to achieve the company's goals and objectives.

Involvement of Directors and Officers in Certain Legal Proceedings

For the past 5 years up to March 1, 2018, the Company is not aware of any bankruptcy proceedings filed by or against any business of which a director, person nominated to become a director, executive officer, or control person of the Company is a party or of which any of their property is subject.

For the past 5 years up to March 1, 2018, the Company is not aware of any conviction by final judgment in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, of any of its director, person nominated to become a director, executive officer, or control person, except for: (i) a libel case filed and still pending against Eugenio Lopez III, in his former capacity as President and CEO of the Company, entitled *People of the Philippines v. Tulfo et al.*; and (ii) a criminal complaint against members of the board of directors and officers for estafa filed by Solar Entertainment Corporation ("Solar") pending before the prosecutor's office. The latter case is related to the civil case for damages filed by Solar against ABS-CBN in connection with their joint license agreement for the NBA games.

For the past 5 years up to March 1, 2018, the Company is not aware of any order, judgment, or decree not subsequently reversed, superseded, or vacated, by any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending, or otherwise limiting the involvement of a director, person nominated to become a director, executive officer, or control person of the Company in any type of business, securities, commodities, or banking activities.

For the past 5 years up to March 1, 2018, the Company is not aware of any findings by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, that any of its director, person nominated to become a director, executive officer, or control person has violated a securities or commodities law.

Relationships and Related Transactions

For a detailed discussion of ABS-CBN's related party transactions, see the accompanying notes to the Company's audited consolidated financial statements.

Except for transactions discussed in the accompanying notes to the Company's audited consolidated financial statements, there had been no material transactions during the past 2 years, nor is any material transaction presently proposed, to which the Company was or is to be a party in which any director, executive officer of the Company, or security holder of more than 10% of the Company's voting securities, any relative or spouse of any such director or executive officer or owner of more than 10% of the Company's voting securities had or is to have direct or indirect material interest.

Furthermore, there had been 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 Philippine Accounting Standards (PAS) No. 24, but with whom the registrants or its related parties have a relationship (e.g., former senior management of the Company or other parties who have some other former or current relationship with the Company) 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.

Item 6. Compensation of Directors and Executive Officers

Information as to the aggregate compensation paid or accrued during the last two fiscal years and to be paid in the ensuing fiscal year to the Company’s chief executive and 5 other most highly compensated executive officers follow:

SUMMARY COMPENSATION TABLE				
Annual Compensation – 2017 Actual and 2018 Estimated				
Name	Year	Salary	Bonus	Other Annual Compensation
Chief executive and most highly compensated executive officers (in alphabetical order): Carlo L. Katigbak Aldrin M. Cerrado Laurenti M. Dyogi Ma. Lourdes N. Santos Rolando P. Valdueza Ma. Socorro V. Vidanes	2018E	₱172,810,229	₱-	₱-
	2017	164,581,170	137,444,883	27,872,371
All managers and up as a group unnamed	2018E	₱2,523,317,420	₱-	₱-
	2017	2,403,159,447	924,565,684	378,556,460

SUMMARY COMPENSATION TABLE				
Annual Compensation -2016				
Name	Year	Salary	Bonus	Other Annual Compensation
Chief executive and most highly compensated executive officers (in alphabetical order): Carlo L. Katigbak Olivia M. Lamasan Ma. Lourdes N. Santos Rolando P. Valdueza Ma. Socorro V. Vidanes	2016	₱124,689,375	₱467,643,313	₱-
All managers and up as a group unnamed	2016	₱1,711,704,236	₱1,000,379,582	₱64,418,187

There are no standard arrangements between the Company and its executive officers, hence there are no employment contracts between the Registrant and the named executive officers nor any compensatory plan or arrangement. No action is to be taken with regard to election, any bonus, profit sharing, and pension/retirement plan. On February 22, 2017, the Board of Directors approved an Employee Stock Purchase Plan and an Executive Stock Purchase Plan. The stockholders unanimously approved the Stock Purchase Plans on April 6, 2017, and the Securities and Exchange Commission (SEC) approved the same on September 28, 2017.

Item 7. Independent Public Accountants

The principal accountants and external auditors of the Company is the accounting firm of SyCip, Gorres, Velayo & Company (SGV & Co.). The accounting firm of SGV & Co. has been the Company's Independent Public Accountants for the last 5 years. There was no event in the past 5 years where SGV & Co. and the Company had any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosure or auditing scope or procedure.

The Company has engaged SGV & Co., with Ms. Catherine E. Lopez as the engagement partner, for the audit of the Company's books in 2017. The Company has complied with SRC Rule 68, paragraph 3(b)(iv) re:5-year rotation requirement for the external auditor.

SGV & Co. is being recommended for re-election at the scheduled Annual Stockholders' Meeting on April 19, 2018.

Representatives of SGV & Co. for the current year and for the most recently completed fiscal year are expected to be present at the Annual Stockholders' Meeting. They will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

The aggregate fees billed to ABS-CBN and its subsidiaries for each of the last 2 fiscal years for professional services rendered by the external auditor are as follows:

	2017	2016
Audit Fees	28,180,000	23,334,000
Non-Audit Fees	6,189,191	11,284,645

The Audit Committee's approval policies and procedures for the above services from SGV & Co., the external auditors are discussed in Section IV of the Company's Manual of Corporate Governance filed with the Commission on May 26, 2017. The Audit Committee pre-approves all audit and non-audit services as these are proposed or endorsed before these services are performed by our independent auditor.

The Audit Committee is composed of Mr. Antonio Jose Periquet as Chairman, Mr. Salvador Tirona, Mr. Emmanuel De Dios, and Mr. Martin L. Lopez. Mr. Honorio Poblador IV is an advisor of the Audit Committee.

Item 8. Employee Stock Option Plan

The Company had an employee stock option plan (ESOP) which covered 1,403,500 shares at 95% of offer price during the initial public offering. Collections were made in 48 semi-monthly installments without interest through payroll deductions. Shares offered under the ESOP have been fully paid and issued since 1995.

On March 29, 2000, the Board of Directors approved another ESOP covering 6,080,306 shares. In 2002, all the shares acquired by the Company covering this ESOP, were exercised by the employees. As of December 31, 2010, there are no more outstanding ESOP.

On February 22, 2017, the Board of Directors approved an Employee Stock Purchase Plan and an Executive Stock Purchase Plan. The stockholders unanimously approved the Employee Stock Purchase Plan and Executive Stock Purchase Plan on April 6, 2017, and the SEC approved the same and permitted the offering under the plans on September 28, 2017. From January 22, 2018 to February 9, 2018, the Parent Company offered shares to qualified employees and executives under the ESPP and the Executive Stock Purchase Plan and as of February 22, 2018, the Company accepted a total subscription from participants of 11,391,500 common shares. The ABS-CBN Employee Stock Purchase Plan was offered to rank and file employees, technical specialists and Internal Job Market members with at least 1 year tenure. The maximum number of ABS-CBN common shares that could be subscribed by a participant under this plan is 2,000 shares. The subscription price was ₱29.50, a 15% discount on the closing price as of the offer date or 45-day weighted closing prices, whichever is lower. The subscription price will be paid in 5 years. The Executive Stock Purchase Plan was offered to managers and artists and members of the Board of Directors with at least 1 year tenure. Managers and artists can subscribe up to a maximum of shares equivalent to 2.5 months of their monthly salary or income. Members of the Board of Directors can subscribe up to 100,000 shares. The subscription price for the first 2,000 shares was P29.50, a 15% discount on the closing price as of the offer date or 45-day weighted closing prices, whichever is lower. There was no discount on the subscription price for the shares subscribed in excess of 2,000 shares. The subscription price will be paid in 5 years.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Item Authorization or Issuance of Securities Other than for Exchange

No action is to be taken with respect to the authorization or issuance of securities.

Item 10. Modification or Exchange of Securities

No action is to be taken with respect to the modification or exchange of the Company's securities.

Item 11. Financial and Other Information

No action is to be taken.

Item 12. Mergers, Consolidations, Acquisitions, and Similar Matters

No action is to be taken with respect to the mergers, consolidations, acquisitions, and similar matters.

Item 13. Acquisition or Disposition of Property

No action is to be taken with respect to the acquisition or disposition of any property.

Item 14. Restatement of Accounts

No action is to be taken with respect to the restatement of any asset, capital or surplus account of the Company.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

- (a) Approval of the Annual Report of Management and the Audited Financial Statements for the year ending December 31, 2017.
- (b) Approval of the Minutes of the Annual Meeting of the Stockholders held on April 6, 2017 covering the following matters:
 - i) Annual Report of Officers;
 - ii) Approval of Annual report and Audited Financial Statements for the Year Ended December 31, 2017;
 - iii) Election of the Members of the Board of Directors, including the Independent Directors;
 - iv) Ratification and approval of all acts and resolution of the Board of Directors and of Management for the fiscal year 2017 ;
 - v) Appointment of External Auditors;
 - vi) Approval of the ABS-CBN Employee Stock Purchase Plan and the Executive Stock Purchase Plan

Item 16. Matters Not Required to be Submitted

No action is to be taken with respect to any matter that is not required to be submitted to a vote of security holders.

Item 17. Amendment of Charter, By-laws or Other Documents

No action is to be taken with respect to an amendment of the Articles of Incorporation or By-laws of ABS-CBN.

Item 18. Other Proposed Actions

- a) Ratification of all acts of the Board of Directors and Management for the period covering January 1, 2017 through December 31, 2017 adopted in the ordinary course of business. These cover matters entered into in the ordinary course of business, with those of significance having been covered by the proper disclosures, such as: the election of corporate officers, membership in board committees, treasury matters related to the opening of accounts and bank transactions, designation of authorized signatories, approval of audited financial statements, declaration of cash dividends, and items which are included in the reports of the Chairman and management for 2017 and the 2016 audited financial statements,
- b) Election of the Members of the Board of Directors, including the Independent Directors, for the ensuing calendar year;
- c) Appointment of the External Auditor, SyCip Gorres Velayo & Co.

Item 19. Voting Procedures

- (a) **Vote Required:** The proposed actions listed in Item 15 and Item 18, as in motions in general, require the affirmative vote of a majority of the shares of the Company's common stock present and/or represented and entitled to vote. There are no actions being proposed that may require the vote of at least a majority or at least two thirds of the outstanding capital stock of the Company. The manner of voting is non-cumulative, except as to the election of directors.
- (b) **Method:** Straight and cumulative voting. For the amendment of the Amended By-laws, voting shall be straight voting. In the election of directors, the top eleven nominees with the most number of votes will be elected as directors. If the number of nominees does not exceed the number of directors to be elected, all the shares present or represented at the meeting will be cast in favor of the nominees. If the number of nominees exceeds the number of directors to be elected, voting will be done by ballots. On the election of directors, each stockholder may vote such number of shares for as many persons as there are directors to be elected or he may accumulate such shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit; provided, that the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by the whole number of directors to be elected.

The Corporate Secretary will be responsible for counting votes based on the number of shares entitled to vote owned by the stockholders who are present or represented by proxies at any meeting of the stockholders, in the presence of the Company's external auditor.

Upon the written request of a stockholder, the Company undertakes to furnish said stockholder with a copy of the Company's annual report on SEC Form 17-A free of charge. Any written request for a copy of the annual report shall be addressed to the following:

**ABS-CBN Corporation
ABS-CBN Broadcast Center
Sgt. Esguerra Avenue corner Mother Ignacia Street
Diliman, Quezon City**

**Attention: Aldrin M. Cerrado
Chief Finance Officer**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in Pasig City on March 23, 2018.

ABS-CBN CORPORATION

By:



ENRIQUE I. QUIASON
Corporate Secretary

PART I - BUSINESS AND GENERAL INFORMATION

1. Business Overview

1.1. Historical Background

ABS-CBN Corporation (“ABS-CBN” or the “Company”) traces its roots from Bolinao Electronics Corporation (BEC), established in 1946 as an assembler of radio transmitting equipment. In 1952, BEC adopted the business name Alto Broadcasting System (ABS) and began setting up the country’s first television broadcast by 1953. On September 24, 1956, Chronicle Broadcasting Network (CBN), owned by Don Eugenio Lopez Sr. of the Lopez family, was organized primarily for radio broadcasting. In 1957, Don Eugenio Lopez Sr. acquired ABS and on February 1, 1967, the operations of ABS and CBN were integrated and BEC changed its corporate name to ABS-CBN Broadcasting Corporation. On August 16, 2010, the Philippine Securities and Exchange Commission (SEC) approved the change of Company’s corporate name to ABS-CBN Corporation. This change is a reflection of the Company’s diversified businesses in existing and new industries.

ABS-CBN achieved many firsts since it started the television industry in the country in 1953. However, with the imposition of martial law in September 1972, ABS-CBN ceased operations as the government forcibly took control of the Company. ABS-CBN resumed commercial operations in 1986 after the People Power or EDSA revolution.

Recovery after 14 years of absence was difficult as resources were scarce. Nevertheless, through relentless effort, ABS-CBN recaptured leadership in the Philippine television and radio industries by 1988. During the 1990s and the early part of the new millennium, the Company expanded and ventured into complementary businesses in cable TV, international distribution, mobile services, and magazine publishing among others.

1.2. Lines of Business

ABS-CBN is the Philippines’ leading media and entertainment company. The Company presents its operations into the following reportable segments:

- A. Media Networks and Studio Entertainment
- B. Cable, Satellite and Broadband
- C. Digital and Interactive Media
- D. Consumer Products and Experiences

MEDIA NETWORKS AND STUDIO ENTERTAINMENT

Media networks and studio entertainment is comprised of broadcast, global operations, film and music production, radio, digital terrestrial television, cable channels and publishing. This consists of local and global content creation and distribution through television and radio broadcasting.

Broadcast segment covers content creation and distribution mainly through free TV and radio with Channel 2 and DZMM as its flagship platforms. The content created is predominantly in Filipino and is aimed at the mass Filipino audience. The Company’s leading position in the Philippine television broadcasting industry is largely due to the popularity of its entertainment programs, including *teleseryes*, drama anthologies, situation comedies, variety, reality and game shows. On the other hand, news and public affairs programs have developed a reputation for the quality of news coverage that includes national, local and international events.

Global segment, through ABS-CBN International, North America, pioneered the international content marketing, promotion, distribution and licensing through Direct to Home (DTH), cable, Internet Protocol Television (IPTV), mobile and online through The Filipino Channel (TFC). It is available in all territories where there is a significant market of overseas Filipinos that include but are not limited to North America, Middle East, Europe, and Asia Pacific. Other activities include international film distribution, remittance, retail, sponsorships and events.

Films and Music segment of the Company is composed of movie production, film distribution, audio recording and distribution and video and audio post production. Films and music needs are generally produced through its subsidiary ABS-CBN Film Productions Inc. (AFPI) or more popularly known as Star Cinema. Other movies are co-produced with other local or international producers or are simply distributed by AFPI. Music needs are also managed by AFPI to complement the recording needs of the Company's multi-talented artists and handle music publishing and composing requirements, respectively.

Digital Terrestrial Television (DTT) services were commercially launched in February 2015, pioneering the country's transition from analog to digital transmission. The Company continues to invest in DTT equipment to improve clarity of signal in certain areas of Mega Manila and Central Luzon. The business expanded its nationwide operation by building new digital signal transmitters in Davao City, Bacolod, Iloilo and Cagayan De Oro. The transition from analogue to digital resulted in an increase in its audience share. DTT also pioneered the Kapamilya Box Office (KBO), an affordable Pay-Per-View where Filipino families may choose to access premium content from their television sets or mobile devices by using ABS-CBN Mobile load to pay for the service.

Narrowcast and Sports caters to the needs of specific or targeted audiences or markets not normally addressed by the Broadcast business. Included in this line of business are cable programming and channel offerings such as Filipino movie channel, music channel, animé, upscale male sports content and upscale female lifestyle content. It also covers print, sports, and other niched programming via its UHF (Ultra High Frequency) channel. Narrowcast includes the following subsidiaries: Creative Programs, Inc. (CPI), and ABS-CBN Publishing, Inc. (API). As part of the Company's goal to elevate boxing as a sport in the country, it entered into a joint venture agreement with ALA Sports Promotions, Inc., (ALA Sports) a world class boxing organization and promotional company.

CABLE, SATELLITE AND BROADBAND

Cable, Satellite and Broadband include cable television services of Sky Cable Corporation (Sky Cable) and its subsidiaries in Metro Manila and in certain provincial areas in the Philippines. It offers both postpaid and prepaid packages as well as *a la carte* programming, broadband, internet phone, among others. Consumers are given various options that can be tailor fitted to suit their specific requirements including the ability to have a real triple-play service in the market that combines cable TV, broadband and internet phone. Catch up feature on missed programming via iWantv were provided as an option to the customers for a total pay TV entertainment package. Sky Cable accounts for nearly half of the total local pay TV market.

DIGITAL AND INTERACTIVE MEDIA

Digital and interactive media aim to provide Filipinos meaningful experiences online via engaging content and relevant platforms, whenever and wherever they prefer. It provides end-to-end services to internal lines of businesses and partner brands, from strategy and communication planning, content and product creation, business intelligence, social media analytics, and digital talent management. It also includes multi-channel and social marketing platforms.

Wireless Telecommunications includes telecommunication and content services through ABS-CBNmobile under ABS-CBN Convergence, Inc. (ABS-C). ABS-CBNmobile's network sharing agreement with Globe Telecom enables ABS-CBN to deliver content in addition to traditional telecommunication services on mobile devices. Through the network-sharing agreement, Globe Telecom will provide capacity and coverage on its existing cellular mobile telephony network to ABS-C on a nationwide basis. The parties may also share assets such as servers, towers, and switches.

Digital Publishing segment covers ABS-CBN platforms that provide news, sports, entertainment and lifestyle content. This also includes the country's first and only YouTube-certified multi-channel network, Adober Studios, where content creators can publish, promote, and monetize their original videos. It also includes Stellar, the first influencer marketing platform in the Philippines designed to connect social media celebrities with more brands and more followers.

OTT Platforms refers to film and television content that are accessible online. This segment includes iWantTV, a service offered together with ABS-CBN's telecommunication and DTT services, Sky On Demand, a platform that allows Sky Cable subscribers to watch and stream their favorite shows, and TFC.tv, the online platform of The Filipino Channel.

CONSUMER PRODUCTS AND EXPERIENCES

This segment is composed of live events, theme parks and consumer products.

Live Events

The company delivers movie events, mall shows, concerts, theater musicals and plays, studio tours and corporate events to domestic and international locations.

Theme Parks

The Company has also invested in a theme park more popularly known as *KidZania Manila*.

KidZania provides children and their parents a safe, unique, and very realistic educational environment that allows kids between the ages of four to twelve to do what comes naturally to them: role-playing by mimicking traditionally adult activities. As in the real world, children perform "jobs" and are either paid for their work (as a fireman, doctor, police officer, journalist, shopkeeper, etc.) or pay to shop or to be entertained. The indoor theme park is a city built to scale for children, complete with buildings, paved streets, vehicles, a functioning economy, and recognizable destinations in the form of "establishments" sponsored and branded by leading multi-national and local brands.

Licensing and Merchandising

The Company sells ABS-CBN-branded merchandise through its physical and online stores, as well as through partner stores. It also includes the ABS-CBN Experience Store, where, in addition to selling ABS-CBN products, the store serves as a hub for events featuring the Company's artists and talents.

Home Shopping

Launched in October 2013, A C J O Shopping Corporation (A C J O) is a joint venture between ABS-CBN and C J O Shopping Corporation of Korea to provide online and TV home shopping in the Philippines.

1.3. Subsidiaries

The following is a list of the Company's active subsidiaries, which ABS-CBN controls as of December 31, 2017:

Company	Place of Incorporation	Principal Activities	Date of Incorporation	Ownership (%)
MEDIA NETWORK AND STUDIO ENTERTAINMENT				
Global:				
ABS-CBN Global Ltd.	Cayman Islands	Holding company	January 3, 2002	100.0
ABS-CBN Europe Ltd.	United Kingdom	Cable and satellite programming services	May 8, 2003	100.0
ABS-CBN Europe Remittance Inc.	United Kingdom	Services - money remittance	2010	100.0
ABS-CBN Japan, Inc.	Japan	Cable and satellite programming services	March 22, 2006	100.0
ABS-CBN Middle East FZ-LLC	Dubai, UAE	Cable and satellite programming services	April 29, 2002	100.0
ABS-CBN Middle East LLC	Dubai, UAE	Trading	April 29, 2002	100.0
E-Money Plus, Inc.	Philippines	Services - money remittance	August 7, 2000	100.0
ABS-CBN Global Hungary Kft.	Budapest, Hungary	Holding company	February 9, 2009	100.0
ABS-CBN International, Inc.	California, USA	Cable and satellite programming services	March 22, 1979	100.0
ABS-CBN Australia Pty. Ltd.	Victoria, Australia	Cable and satellite programming services	May 18, 2004	100.0
ABS-CBN Canada, ULC	Canada	Cable and satellite programming services	March 8, 2007	100.0

Company	Place of Incorporation	Principal Activities	Date of Incorporation	Ownership (%)
ABS-CBN Global Remittance Inc.	California, USA	Services - money remittance	November 18, 2009	100.0
ABS-CBN Telecom North America, Inc.	California, USA	Telecommunications	April 19, 1995	100.0
ABS-CBN Canada Remittance Inc.	Canada	Services - money remittance	2011	100.0
ABS-CBN Global Netherlands B.V.	Amsterdam, Netherlands	Intermediate holding and financing company	May 19, 2009	100.0
Films and Music:				
ABS-CBN Film Productions, Inc.	Philippines	Movie production	March 25, 2003	100.0
Cinescreen, Inc.	Philippines	Theater operation	June 5, 2017	100.0
Narrowcast and Sports:				
ABS-CBN Publishing, Inc. (API)	Philippines	Print publishing	September 3, 1992	100.0
Creative Programs, Inc. (CPI)	Philippines	Content development and programming services	October 24, 2000	100.0
Others:				
ABS-CBN Center for Communication Arts, Inc.	Philippines	Educational/training	June 10, 1999	100.0
ABS-CBN Global Cargo Corporation	Philippines	Non-vessel operations common carrier	November 4, 2009	100.0
ABS-CBN Integrated and Strategic Property Holdings, Inc.	Philippines	Real estate	October 09, 2003	100.0
ABS-CBN Shared Service Center PTE. Ltd.	Singapore	Services – support	July 3, 2008	100.0
Medianow Strategies, Inc. (Medianow)	Philippines	Marketing, sales and advertising	August 22, 2014	79.7
Professional Services for Television & Radio, Inc.	Philippines	Services - production	January 9, 1995	100.0
Rosetta Holdings Corporation	Philippines	Holding company	April 3, 2009	100.0
Sarimanok News Network, Inc. (SNN)	Philippines	Content development and programming services	June 23, 1998	100.0
The Big Dipper Digital Content & Design, Inc.	Philippines	Digital film archiving and central library, content licensing and transmission	June 30, 2000	100.0
TV Food Chefs, Inc.	Philippines	Services - restaurant and food	January 23, 2001	100.0
iConnect Convergence, Inc.	Philippines	Services – call center	June 10, 2013	100.0
ABS-CBN Studios, Inc.	Philippines	Production facility	April 21, 2015	100.0
DIGITAL AND INTERACTIVE MEDIA				
Sapientis Holdings Corporation	Philippines	Holding company	June 29, 2009	100.0
Columbus Technologies, Inc.	Philippines	Holding company	December 29, 2011	70.0
ABS-CBN Convergence, Inc.	Philippines	Telecommunication	December 29, 2011	69.3
PAY TV NETWORKS				
Sky Vision Corporation	Philippines	Holding company	April 18, 1991	75.0
Sky Cable Corporation	Philippines	Cable television services	June 6, 1990	59.4
Bisaya Cable Television Network, Inc.	Philippines	Cable television services	April 8, 1993	59.4
Bright Moon Cable Networks, Inc.	Philippines	Cable television services	November 5, 1992	59.4
Cavite Cable Corporation	Philippines	Cable television services	July 11, 1991	59.4
Cepsil Consultancy and Management Corporation	Philippines	Cable television services	November 9, 1993	59.4
Davao Cableworld Network, Inc.	Philippines	Cable television services	September 11, 1992	59.4
Discovery Mactan Cable, Inc.	Philippines	Cable television services	November 29, 1995	41.6
HM Cable Networks, Inc.	Philippines	Cable television services	August 13, 1992	59.4
HM CATV, Inc.	Philippines	Cable television services	September 2, 1992	59.4
Hotel Interactive Systems, Inc.	Philippines	Cable television services	October 9, 1995	59.4
Isla Cable TV, Inc.	Philippines	Cable television services	February 9, 1996	59.4
Moonsat Cable Television, Inc.	Philippines	Cable television services	November 4, 1992	59.4
Pilipino Cable Corporation	Philippines	Cable television services	June 10, 1998	59.4
Satellite Cable TV, Inc.	Philippines	Cable television services	April 20, 1992	59.4
Sun Cable Holdings, Incorporated	Philippines	Holding company	February 18, 1995	59.4
Sun Cable Systems Davao, Inc.	Philippines	Cable television services	September 22, 1994	59.4
Sunvision Cable, Inc.	Philippines	Cable television services	June 2, 1994	59.4
Tarlac Cable Television Network, Inc.	Philippines	Cable television services	February 17, 1993	59.4

Company	Place of Incorporation	Principal Activities	Date of Incorporation	Ownership (%)
Telemondial Holdings, Inc.	Philippines	Holding company	January 19, 1994	59.4
JMY Advantage Corporation	Philippines	Cable television services	November 20, 1996	56.4
Cebu Cable Television, Inc.	Philippines	Cable television services	June 11, 1991	57.4
Suburban Cable Network, Inc.	Philippines	Cable television services	June 7, 1991	54.9
Pacific CATV, Inc. (Pacific)	Philippines	Cable television services	April 22, 1991	58.0
First Ilocandia CATV, Inc.	Philippines	Cable television services	November 26, 1991	54.9
Mactan CATV Network, Inc.	Philippines	Cable television services	July 5, 1993	56.6
Home-Lipa Cable, Inc.	Philippines	Cable television services	September 26, 1991	35.6
CONSUMER PRODUCTS AND EXPERIENCES				
ABS-CBN Theme Parks and Resorts Holdings, Inc.	Philippines	Holding company	July 16, 2012	100.0
ABS-CBN Themed Experiences, Inc.	Philippines	Attractions center	July 7, 2017	100.0
Play Innovations, Inc.	Philippines	Theme park	September 11, 2012	73.0
Play Innovations Hungary Kft.	Budapest, Hungary	Theme park	October 3, 2012	73.0

1.4. Significant Philippine Associates and Affiliates

Company	Principal Activity	Date of Incorporation	Relationship
Lopez, Inc.	Holding Company	11 August 1967	Parent of ABS-CBN
Lopez Holdings Corporation*	Holding Company	08 June 1993	52.5 owned by Lopez, Inc.
AMCARA Broadcasting Network, Inc.	Television and radio broadcasting	11 April 1994	49.0 owned by ABS-CBN
A C J O	Home shopping	13 August 2013	50.0 owned by ABS-CBN
ALA Sports	Boxing promotions	4 December 2013	44.0 owned by ABS-CBN
Daum Kakao Corporation	Services	16 February 2015	50.0 owned by ABS-CBN
The Flagship, Inc.	Services	20 October 2015	40.0 owned by ABS-CBN

*Formerly Benpres Holdings Corporation

1.5. Competition

MEDIA NETWORK AND STUDIO ENTERTAINMENT

Broadcast

Free-to-Air Television: There are currently 11 commercial television stations – those which derive the majority of their revenues from the sale of advertising and airtime – in Mega Manila (which includes Metro Manila and parts of the nearby provinces of Rizal, Laguna, Cavite and Bulacan), with 7 on VHF (Very High Frequency) and 4 on UHF.

The Company's television broadcasting networks compete for advertising revenues, the acquisition of popular programming and for the services of recognized talent and qualified personnel. The Company's television stations also compete with other advertising media, such as radio, newspapers, outdoor advertising and cable television channels, as well as with home video exhibition, the Internet and home computer usage.

The major free-to-air broadcasting networks in the country, their corresponding Mega Manila channels, and their respective performance in total Philippines household ratings and audience share for January-December 2017, are as follows:

Network	Call Sign/Frequency	Total Philippines (January – December 2017)	
		Rating %	Share %
ABS-CBN Corporation	ABS-CBN 2	15.7	45.5
GMA Network Inc.	GMA 7	11.7	33.8
Associated Broadcasting Company	ABC 5 / TV5	1.7	5.0
Others		3.1	9.0

*Source: Kantar Media TV Audience Measurement – TV Homes

The Company principally competes with 13 commercial free-to-air television stations in Mega Manila, including the channels of its major competitor, GMA Network, Inc. (GMA 7 or GMA Network) which owns and operates GMA 7. In 2011, GMA Network began airing GMA News TV on VHF channel 11 under an airtime agreement with ZOE Broadcasting Network.

NBN 4, RPN 9 and IBC 13 are owned and operated by the Philippine government, although there have been plans to privatize RPN 9 and IBC 13. Beginning 2008, Solar Entertainment Corporation, a Filipino company primarily engaged in the business of cable programming, entered into blocktime agreements with RPN 9, SBN 21 and RJTV 29. The 3 channels are currently airing Solar-produced and acquired programs and use the respective call signs: Solar TV, ETC and 2nd Avenue. In 2010, SBN 21 became a fully owned subsidiary of Solar. In 2011, Solar became a minority shareholder of RPN 9 and began broadcasting on another UHF channel Beam 31. In 2015, RPN 9 began airing as CNN Philippines.

In August 2008, ABC 5 was re-launched as TV5 after it entered into a blocktime agreement with Media Prima Berhad (MPB), a Malaysian company. The agreement stipulated that MPB would manage and operate the channel's entertainment programming. In October 2009, Mediaquest Holdings Inc., a unit of the Beneficial Trust Fund of the Philippine Long Distance Telephone Company (PLDT), acquired a 75% stake in ABC Development Corporation, operator of TV5, and had a separate agreement to acquire MPB Primedia, MPB's Philippine unit. In 2011, TV5 launched AksyonTV, a news channel, on UHF channel 41. In October 2017, TV5 entered into a partnership with ESPN to launch ESPN5, airing on both TV5 and Aksyon TV.

Radio: The Company's flagship radio stations, DZMM on the AM band and 101.9 in the FM band, compete with over 21 radio stations in each band in Mega Manila. The Company's other regional/provincial radio stations (3 in the AM band and 16 in the FM band) also compete with the regional radio stations of major radio broadcasting companies, such as Manila Broadcasting Company, Bombo Radyo, and Radio Mindanao Network.

The Company's radio network competes with other radio broadcasting entities for advertising revenues and for the services of recognized talent and qualified personnel. The Company's radio stations also compete with other advertising media and other forms of entertainment, including music products such as CDs and digital music.

Programming: ABS-CBN is a growing supplier of Filipino content for television and cable channels both in the Philippines and, increasingly, throughout the world. In-house produced contents have been and are still currently aired in numerous countries around the world, particularly in Southeast Asia, China, Africa, and Eastern Europe.

The Company faces competition for distribution of its programming from other producers of Filipino programming. ABS-CBN also competes with other programming providers for channel space and compensation for carriage from cable television operators and other multi-channel distributors. For such program services, distributors select programming based on various considerations, including the prices charged for the programming and the quality, quantity and variety of programming.

ABS-CBN's content library of in-house produced drama series, movies, reality shows, variety shows, documentaries, and the like, runs in the hundreds of thousands of hours combined. Moreover, the Company also has exclusive broadcast licenses for numerous popular local and foreign-acquired programs and movies.

Competition in acquiring foreign-produced programming and films has also been greater than in the previous years. The Company competes with other Philippine broadcast entities and pan-regional cable programming producers in acquiring broadcast rights to popular foreign TV shows and films.

Global

International Cable and Satellite Services: The Company's DTH satellite subscription service in the United States presently competes with other satellite television and cable systems, national broadcast networks, and regional and local broadcast stations. Likewise, the Company's IPTV, cable and TFC in other territories such as Middle East, Europe, Australia, Canada, Japan and Asia Pacific, compete with other similar service providers and other entertainment means of the Filipino communities in these areas.

The Company also faces direct competition in terms of Filipino programming. In 2005, GMA Network launched its own Filipino cable channel in the United States, GMA Pinoy TV. GMA Network has already launched a second international cable channel, GMA Life TV.

Films and Music

Film Production and Distribution: The production and distribution of feature films is a highly competitive business in the Philippines. Star Cinema competes for the services of recognized creative talents, both artists and production staff, and for film rights and scripts, which are essential to the success of a feature film. The Company likewise competes with other feature film producers, including other Filipino studios, smaller independent producers and major foreign studios such as Disney, Dreamworks, and Warner Brothers. Success in the Philippine movie business depends on the quality of the film, its distribution and marketing, and the public's response to the movie.

The number of films released by the Company's competitors in any given period may create an oversupply of product in the market, which may reduce the Company's share of gross box office admissions. Star Cinema also competes with other forms of entertainment and leisure time activities such as DVDs. Piracy also takes a considerable chunk of the Company's earnings potential.

Music Production and Distribution: The Company competes in the production and distribution of songs, jingles, musical scores and other music-related content with other local and foreign music publishers and independent composers and lyricists, as well as other forms of entertainment. The Company also competes in the acquisition of the services of artists and other talents. Piracy and illegal downloads of the Company's music content properties also adversely impact the Company's music production and distribution business.

DTT

DTT broadcasting will soon replace the current analog transmission system, with the intention of improving the quality of broadcast service and reception, and for a better and more effective utilization of frequency spectrums. As the Department of Information and Communications Technology (DICT) rolls out the DTT broadcasting migration plan, with the vision of moving to fully digital TV by 2023, competition is also increasing for the Company.

In 2015, the Company commercially released the country's first digital terrestrial set-top box with freemium digital TV channels called ABS-CBN TVPlus. Aside from carrying free-to-air digital broadcasts of ABS-CBN and other digital broadcasters, it came with four (4) new digital TV channels exclusive to the Company's set-top box. As of end-2017, the Company has sold over 4 million of these set-top boxes.

In December 2017, GMA Network's digital TV signal was offered throughout Mega Manila area, for its free TV channels. DTT service will be improved for nearby provinces for its digital TV boxes. GMA is currently working to expand its DTT service into Visayas and Mindanao areas.

Other networks are seen to move into the digital TV space as DICT moves the schedule to total shut-off of analog TV services in April 2023.

Narrowcast and Sports

ABS-CBN, through its subsidiaries SNN and CPI, also provides programming for 8 cable channels. These cable channels compete for viewership with other local cable programmers and pan-regional cable channels. Production and acquisition for cable programs, as well as the selling of airtime for advertising, are highly competitive. The Company also faces competition with other cable channels in terms of cable carriage among the numerous pay TV providers in the country. On the other hand, API also competes with other players in print industry.

CABLE SATELLITE AND BROADBAND

SKYcable is a leading cable and broadband technology provider in the Philippines. SKYcable's main competitor in the pay TV business is Signal. SKYcable also competes with other small local operators in certain cities it operates in, but no other operator has the same scale and geographic reach as SKYcable.

SKYcable, through its SKYcable network, directly competes for viewer attention and subscriptions with other providers of entertainment, news and information, including other cable television systems, broadcast television stations and DTH satellite companies.

Cable television systems also face strong competition from all media for advertising revenues. Important competitive factors include fees charged for basic and premium services, the quantity, quality and variety of the programming offered, signal reception, customer service, and the effectiveness of marketing efforts.

The broadband business where the Company's product, SkyMobi, operates in, has several direct competitors. These competitors range from large telecommunications companies to smaller and dedicated service providers catering to individuals and businesses alike. Key competitive factors include speed of service, coverage, and fees charged for broadband services.

DIGITAL AND INTERACTIVE MEDIA

Wireless Telecommunications: ABS-CBN provides mobile telecommunications services through ABS-C. ABS-C is the newest entrant in the highly competitive industry dominated by Globe Telecom and Smart Communications.

Digital Media: The Company continues to be the #1 Philippine-based website across all categories beating out media competitors.

OTT Platform: ABS-CBN's OTT platforms compete with international OTT providers. Over the past year, a number of OTT players have entered the country. Key factors in this segment include new technologies that support the platform, easy access to online content, quality and quantity of content offered, and viewership habits.

CONSUMER PRODUCTS AND SERVICES

Theme Parks: The Company establishes its position at the forefront of the educational entertainment industry in the Philippines through Kidzania. Kidzania is the fastest growing kids' educational entertainment concept in the world and is present in 24 locations in 19 countries with ABS-CBN spearheading in the country. The business is sponsored by the leading industry partners that provide technical expertise and know-how, they help guide the content with real life business practices, making the activities as authentic as possible.

1.6. Patents, Trademarks, Licenses, Franchises, Concessions and Royalty

Republic Act No. 7966, approved on March 30, 1995, granted the Company the franchise to operate TV and radio broadcasting stations in the Philippines through microwave, satellite or whatever means including the use of new technologies in television and radio systems. The franchise is for a term of 25 years. ABS-CBN is required to secure from the National Telecommunications Commission (NTC) appropriate permits and licenses for its stations and any frequency in the TV or radio spectrum.

ABS-CBN's intellectual property includes content that the Company has produced. ABS-CBN owns various trademarks and copyright over most programs it produced. ABS-CBN has also acquired the rights over content of a number of third party production entities.

Third Party-owned Foreign and Local Film and Programs aired through the Networks

ABS-CBN and its subsidiaries have licenses from foreign and local program and feature film owners to distribute the same through its networks. The licenses to distribute the foreign programs and foreign and local feature films grant ABS-CBN and its subsidiaries the right to distribute said programs and films on free TV, cable, and satellite in the Philippines and in territories wherein TFC is distributed. These licenses for TV rights have an average term of 2 to 3 years. Such programs comprise approximately 15% of the programming of Channel 2, approximately 65% of the content of Sports & Action, and close to 89% for all CPI cable channels collectively.

Star Cinema has the license to distribute local and foreign feature films in the Philippines for theatrical, TV, and video distribution, with limited ancillary rights. The licenses for foreign films have an average term of 10 to 15 years.

Aside from licenses, programs or events produced by third parties are aired through the networks of ABS-CBN and its subsidiaries under blocktime agreements or coverage and broadcast agreements entered into with such third party-producers.

Music Licenses

ABS-CBN and its subsidiaries enter into agreements for the synchronization and use of music in its films and programs with the composers, publishers and record companies and producers. ABS-CBN is also in negotiation with the Filipino Society of Composers, Authors and Publishers, Inc. (FILSCAP) and the Sound Recording Rights Society (SOUNDSRIGHT) , the collecting societies in the Philippines, for the public performance rights of music contained in such films or programs produced by ABS-CBN and its subsidiaries. Fees for public performance rights of The Filipino Channel are paid to the relevant collecting societies in the territories where the channels are located.

ABS-CBN also has various mechanical and synchronization licenses and distribution agreements with composers, publishers and record companies and producers, for the songs, albums, ringback tones, and videos it produces, manufactures, distributes or sells on physical or digital format and/or on digital and mobile service providers.

Government Regulations on Principal Products or Services

The principal law governing the broadcasting industry is the Public Service Act (Commonwealth Act. No. 146, as amended). Under this Act, the term "public service" encompasses owning, operating, managing, controlling in the Philippines, for hire or compensation, with general or limited clientele, whether permanent, occasional or accidental, and done for general business purposes, wire or wireless broadcasting stations. Accordingly, the business of ABS-CBN comes under the jurisdiction of the Public Service Commission, which was created under the same Act to have jurisdiction, supervision, and control over all public services, their franchises, equipment, and other properties, and in the exercise of its authority, to have the necessary powers and the aid of the public force.

The Act seeks to protect the public against unreasonable charges and inefficient service by public utilities, including companies engaged in television and radio broadcasting as well as to prevent excessive competition. Thusly, the Public Service Commission has been granted certain powers under the Act, including the issuance of a certificate of public convenience; the fixing and determination of the rates, tolls, charges, etc.; the fixing of just and reasonable standards, classifications, regulations, etc.; the establishment of reasonable rules, regulations, instructions; to suspend or revoke certificates issued under the Act.

The 1987 Philippine Constitution provides that "ownership and management of mass media shall be limited to citizens of the Philippines, or to corporations, cooperatives or associations wholly-owned and managed by such citizens" (Section 11, Article XVI). As a result, the Company is subject to a nationality restriction, which it has continuously and fully complied with.

Republic Act No. 7966, approved on March 30, 1995, granted the Company a new Congressional Franchise to operate TV and radio broadcasting stations in the Philippines through microwave, satellite or whatever means including the use of new technologies in television and radio systems. The Congressional Franchise is for a term of another 25 years. ABS-CBN is required to secure from the NTC appropriate permits and licenses for its stations and any frequency in the TV or radio spectrum. Under the Congressional Franchise, a special right is reserved to the President of the Philippines, in times of rebellion, public peril, calamity, emergency, disaster or disturbance of peace and order, to temporarily take over and operate the stations of the Company to temporarily suspend the operation of any station in the interest of public safety, security and public welfare, or to authorize the temporary use and operation thereof by any agency of the government, upon due compensation to the grantee, for the use of the said stations during the period when they shall be so operated. Under the Congressional Franchise, the Company is required to: provide adequate public service time to enable the government through broadcasting stations to reach the population on important public issues; provide at all times sound and balanced programming; promote public participation such as in community programming; assist in the functions of public information and education; conform to the ethics of honest enterprise; and not use its stations for the broadcasting of obscene and indecent language, speech, act or scene, or for the dissemination of deliberately false information or wilful misrepresentation to the detriment of the public interest, or to incite, encourage, or assist in subversive or treasonable acts. The Company is not subject to any previous censorship of its broadcast or telecast provided that the Company observes self-regulation during any broadcast or telecast and shall cut off from the air the speech, play, act or scene, or other matter being broadcast or telecast if the tendency thereof is to propose or incite treason, rebellion or sedition, or the language used therein or the theme thereof is indecent or immoral.

The government departments and agencies that administer the laws governing the broadcasting industry and content are the NTC, the DICT, the Movie and Television Review and Classification Board (MTRCB), the Optical Media Board (OMB), and the Department of Labor and Employment.

The NTC primarily regulates the broadcasting industry. Its mandate extends to the regulation and supervision of radio and television broadcast stations, cable television (CATV) and pay television (Executive Order No. 546 and Executive Order No. 205). Its functions include the granting of certificates of public convenience and necessity/provisional authority to install, operate and maintain telecommunications, broadcast and CATV services; granting licenses to install, operate and maintain radio stations; allocate/sub-allocate and assign the use of radio frequencies; type-approving/type-accepting all radio communications, broadcast and customer premises equipment; conduct radio communications examination and issue radio operations certificate; prepare, plan and conduct studies for policy and regulatory purposes; monitor the operation of all telecommunications and broadcast activities; enforce applicable domestic and international laws, rules and regulations, prosecute violation thereof, and impose appropriate penalties/sanctions; issue licenses to operate land, maritime, aeronautical and safety devices; and perform such other telecommunications/broadcast-related activities as may be necessary in the interest of public service.

Notably, the NTC has issued a memorandum circular in November 2013, to begin the groundwork for the country's shift from analog to ISDB-T, the digital TV using the Japanese standard. This was prompted by the goal to help the country prepare for calamities. ABS-CBN has invested in facilities to improve signal quality and expand coverage of its television network, in preparation for this shift. DTT is considered the Company's next frontier in media and will provide its existing core media business accelerated growth through both enhanced content experience and opportunities to introduce other products and services to TV households.

Under the guidelines issued last December 17, 2014 by NTC, analog VHF TV service should neither be disrupted nor terminated until further orders from the NTC while operators are required to simulcast their digital terrestrial television broadcast (DTTB) service together with the analog TV service within one year upon the grant of authority to provide DTTB service. VHF TV operators that fail to simulcast within one year would lose their frequency to other qualified UHF TV operators. Analog UHF TV operators could go directly to DTTB service anytime during the one-year transition period but could also simulcast their DTTB service depending on the availability of frequencies. Entities with a valid Congressional franchise to provide TV broadcasting service may apply for an authorization to operate a DTTB service as long as the operators have the financial capacity and technical capability to install, operate, and maintain the proposed DTTB network.

The DICT is the primary policy, planning, coordinating, implementing and administrative entity of the Executive Branch

of the government that will plan, promote and develop the national ICT agenda. Although the NTC is attached to the DICT for policy and program coordination, the DICT does not have the power to review the acts and resolutions of the NTC.

The MTRCB is responsible for rating television and film for the Philippines. It classifies television programs based on their content. It is also the regulatory body that initiates plans and fosters cooperation in the industry to improve, upgrade and make viable the industry as one source of fueling the national economy.

The OMB was created, pursuant to the policy of the state to institute means to regulate the manufacture, mastering, replication, importation and exportation of optical media. To this end, the OMB has been empowered to formulate policies and programs necessary to accomplish the purposes of the Optical Media Act of 2003. It has also been granted the power to supervise, regulate, grant or renew licenses. Its power also encompasses inspections, obtaining search warrants, and acting as complainant in criminal prosecutions for violators of the Act. It can hear and resolve administrative cases against violators of the Act and impose sanctions, confiscate optical media, suspend, cancel or deny renewal of licenses.

In addition to the restrictions imposed by the government agencies, a broadcaster must also follow rules and industry standards promulgated by the *Kapisanan ng mga Brodkaster sa Pilipinas* (KBP), of which the Company is a member. The KBP is a self-regulating trade organization consisting of television and radio operators. It formulates policies and guidelines for the operations of its members and enforces programming and advertising rules.

Costs and Effect of Compliance with Environmental Laws

Development projects that are classified by law as environmentally critical or projects within statutorily defined environmentally critical areas are required to obtain an Environmental Compliance Certificate (ECC) prior to commencement. Through its regional offices or through the Environmental Management Bureau (EMB), the Department of Environment and Natural Resources (DENR) determines whether a project is environmentally critical or located in an environmentally critical area.

The ECC is a government certification that (i) the proposed project or undertaking will not cause a significant negative environmental impact; (ii) that the proponent has complied with all the requirements of the Environmental Impact System (EIS) system and; (iii) that the proponent is committed to implement its approved environmental management plan in the EIS or, if an IEE was required, that it will comply with the mitigation measures suggested therein. The ECC contains specific measures and conditions that the project proponent must undertake before and during the operation of a project, and in some cases, during the abandonment phase of the project to mitigate identified environmental impact.

ABS-CBN is not engaged in any project or activity that may require compliance with these requirements. For the past three years, there were no costs related to the effect of compliance with environmental laws.

However, if and when applicable, the Company shall apply for and secure proper permits, clearances or exemptions from the DENR, Department of Health, Civil Aviation Authority of the Philippines, and other regulatory agencies, for the installation and operation of proposed broadcast stations nationwide.

Employees and agreements of labor contracts, including duration

ABS-CBN and Subsidiaries had 6,566 regular employees, 1,576 non-regular employees and 2,926 talents and project-based employees as of December 31, 2017. ABS-CBN's expected headcount growth is 3% within the next 12 months.

The Philippine Labor Code and other statutory enactments provide the minimum benefits that employers must grant to their employees, which include certain social security benefits, such as benefits mandated by the Social Security Act of 1997 (R.A. No. 8282), the National Health Insurance Act of 1995 (R.A. No. 7875), as amended, and the Home Development Fund Law of 2009 (R.A. No. 9679).

Under the Social Security Act of 1997, social security coverage is compulsory for all employees under 60 years of age. An employer is obligated to deduct and withhold from each employee's monthly salary, wage, compensation or earnings, the employee's contribution, and the employer, for its part, makes a counterpart contribution for the employee, and remits both amounts to the Social Security System (SSS). This enables the employees to claim their pension, death benefits, permanent disability benefits, funeral benefits, sickness benefits and maternity-leave benefits. The Social Security Act of 1997 imposes penal sanctions if an employer fails to remit the contributions to the SSS. For corporate employers, the penalty is imposed on its president and members of the board of directors.

The National Health Insurance Act, created the National Health Insurance Program (NHIP) to provide health insurance coverage and ensure affordable and accessible health care services to all Filipino citizens. Under the law, all members of the SSS are automatically members of the NHIP. The Philippine Health Insurance Corporation (PhilHealth) administers the NHIP, and an employer is required to deduct and withhold the contributions from the employee's salary, wage or earnings, make a counterpart contribution for the employee, and remit both amounts to PhilHealth. The NHIP will then subsidize personal health services required by the employee subject to certain terms and conditions under the law. The National Health Insurance Act likewise imposes penal sanctions if an employer does not remit the contributions to PhilHealth. For corporate employers, the penalty is imposed on its president and members of the board of directors.

The Home Development Fund Law (R.A. No. 9679) or the Pag-IBIG Fund Law, created the Home Development Mutual Fund (HDMF), a national savings program as well as a fund to provide for affordable shelter financing to Filipino workers. Coverage under the HDMF is compulsory for all SSS members and their employers. Under the law, an employer must deduct and withhold 2% of the employee's monthly compensation, up to a maximum of ₱5,000 and likewise make a counterpart contribution of 2% of the employee's monthly compensation, and remit the contributions to the HDMF. The Pag-IBIG Fund Law also imposes penal sanctions if the employer does not remit the contributions to the HDMF.

The Philippine Labor Code provides that, in the absence of a retirement plan provided by their employers, private-sector employees who have reached 60 years of age or more, but not beyond 65 years of age, the compulsory retirement age for private-sector employees without a retirement plan, and who have rendered at least 5 years of service in an establishment, may retire and receive a minimum retirement pay equivalent to one-half month's salary for every year of service, with a fraction of at least 6 months being considered as one whole year. For the purpose of computing the retirement pay, "one-half month's salary" shall include all of the following: 15 days salary based on the latest salary rate; in addition, one-twelfth of the 13th month pay and the cash equivalent of 5 days of service incentive leave pay. Other benefits may be included in the computation of the retirement pay upon agreement of the employer and the employee or if provided in a collective bargaining agreement (CBA).

ABS-CBN has complied with all these labor regulations and laws.

ABS-CBN's management recognizes two labor unions, one for the supervisory employees and another for the rank and file employees. The Supervisory Union represents approximately 6.6% of the total regular employees of ABS-CBN, while 18% of belong to the Rank & File Union. The current CBA for the supervisory union covers the period August 1, 2015 to July 30, 2018, while the CBA for the rank and file employees covers the period December 11, 2016 to December 10, 2019.

For the last 3 years, there were neither labor strikes nor any disputes with the labor unions. CBA negotiations with the Rank and File and Supervisory unions were concluded without any major issues and were ratified by the majority of the union members.

1.7. Corporate Social Responsibility (CSR)

ABS-CBN Lingkod Kapamilya Foundation, Inc. (formerly ABS-CBN Foundation, Inc.)

ABS-CBN's enviable position of being in media opens up opportunities to render public service. The driving philosophy underpinning the Company's business is to be of service to the Filipino people. Given the socio-political context of the Philippines, ABS-CBN's audience and stakeholders expect and rightly deserve nothing less.

ABS-CBN Lingkod Kapamilya Foundation, Inc. (ALKFI), a non-stock, non-profit organization, was incorporated in 1989 to address the plight of the disadvantaged and to ensure that solicited help are properly allotted and utilized. ALKFI has 3 flagship programs:

- *Operation Sagip*. Operation Sagip provides relief assistance to victims of calamities and natural disasters. It is likewise engaged in the rehabilitation of typhoon-damaged public schools and several disaster risk-reduction projects all over the country. In particular, Bayanijuan, an Operation Sagip, helps in rebuilding and improving Filipino communities through construction of electricity and water infrastructures, and provision of interest-free loans to residents. These activities are funded through grants awarded by ALKFI's partners – individuals, corporates, government and non-government institutions. Bayanijuan is expected to continue until the end of 2018. Similarly, Programa Genio of Operation Sagip was launched in 2012 to focus on the curriculum enhancement, and training and resource development of teachers in the covered communities. Named in honor of ABS-CBN Founder and Chairman Eugenio Lopez Jr., the Programa Genio provides supplementary instructional materials, consultancy and parental involvement seminars in public schools.
- *Bantay Bata* (Child Watch). Bantay Bata 163 evolved from being a national call center to an institution that provides holistic and comprehensive programs and services. It provides medical assistance, supplemental feeding and educational scholarships to disadvantaged children. On a larger scale, Bantay Bata works on increasing awareness on the rights of the child by conducting various community and school outreaches geared towards preventing abuse and violence on children.
- *Bantay Kalikasan* (Nature Watch). Bantay Kalikasan promotes the cause of the environment. It endeavors to preserve biodiversity, secure livelihood, community cohesion, participation, and advocacy. It has three flagship projects namely – La Mesa Ecopark and Watershed, The Green Initiative and Kapit Bisig Para sa Ilog Pasig. In 1999, Bantay Kalikasan has started the reforestation and protection program of the La Mesa Watershed, the only remaining patch of forest in the Metro Manila area and a major source of potable water. The Green Initiative orchestrates partnerships with different sectors to promote and protect biodiversity using poverty alleviation as a strategy. It is now present in 13 communities nationwide. Kapit Bisig para sa Ilog Pasig was launched to rehabilitate the Pasig River through the clean-up of its tributaries in partnership with the Pasig River Rehabilitation Commission (PRRC) and other partners. Currently, the Company is involved in the rehabilitation of linear parks in partnership with the PRRC.

1.8. Principal Competitive Strengths of the Company

Diversified businesses

ABS-CBN is considered the country's leading media and entertainment company, with service offerings across the different platforms of media, servicing a wide array of customer segments.

The Company's VHF television network, consisting of Channel 2, other owned and operated television stations, and 10 affiliated stations, is one of the leading television networks in the Philippines. The Company also operates Channel 23, one of the leading UHF television networks with 41 television stations. These VHF and UHF networks reach an estimated 97% and 50%, respectively, of all television owning households in the Philippines.

ABS-CBN is also one of the leading radio broadcast companies, operating 22 radio stations throughout the key cities of the Philippines. The Company's anchor radio stations in Mega Manila, DZMM and DWRR, are among the highest-rated

stations in Mega Manila, in the AM and FM bands, respectively.

The Company delivers television programming outside of the Philippines to over 3 million viewers in North America, the Middle East, Europe, Japan, Australia, Canada, and other countries in Asia, through the internet and the Company's global distribution platform, ABS-CBN Global, using DTH satellite service, cable television channels and IPTV.

ABS-CBN holds approximately 59.4% economic interest in Sky Cable, Sky Cable also offers the fastest residential broadband service in the country. On May 11, 2012, Sky Cable entered into agreements with Destiny Cable, Inc. (Destiny), Solid Broadband Corporation, and Uni-Cable TV, Inc. (together, the Destiny Cable Group) for the acquisition of its cable and broadband assets and subscribers.

The Company's product offering is further complemented by subsidiaries focused on other multimedia services such as film production, music recording, telecommunications and magazine and book publishing.

Unparalleled distribution network

ABS-CBN's nationwide distribution infrastructure for both TV and radio is unparalleled. The Company operates under a 25-year congressional franchise (renewed in March 1995) to operate TV and radio facilities. The Company operates a total of 31 studios - 13 in Metro Manila and 18 regionally, 130 editing bays, and 11 production vans for remote studio operations. This distribution network is further intensified with the various platforms of the Company that provide opportunity for simultaneous use of content and multi-repurposing for increased revenue potentials for the group.

Extensive experience of management team

ABS-CBN's management is composed of highly experienced professionals with significant track record in the media sector, managing close to 10,000 employees. Key senior officers have been working within the industry for at least 10 years.

Clear growth strategy

The Company will continue to grow its existing media and related businesses which will continue to be its core product in the future. As part of its strategic business development and growth initiatives, ABS-CBN has identified key areas which will drive its growth in the future. Its cable TV and broadband business, through Sky Cable will continue to grow and further penetrate its existing markets. The Company, through ABS-C, is continually exploring its options with regard to its wireless broadband, voice network strategy and mobile content distribution. ABS-CBN is also planning to integrate its customer relationship network among its businesses to establish more relationship potential and generate more revenues from its subscriber base.

1.9. Key Strategies and Objectives

As an organization, ABS-CBN affirms its mission of being in the service of the Filipino. The Company is driven to pioneer and innovate because it knows that it helps more Filipinos discover themselves and connect to one another. The Company opens pathways to opportunities and brings people a step closer to their dreams. ABS-CBN is firmly committed to pursuing excellence. The key elements to its business strategy are:

Building on our core strength in content creation. While the technology, the production process, and the medium used to access content evolve, ABS-CBN's core ability to create quality content that touches, inspires and empowers its viewers must remain constant. The Company will continue building on its core strength in content creation.

Anytime, anywhere, in any device or medium. As ABS-CBN's audience demand greater control over how and when they will consume content, the Company will ensure its continued relevance by distributing its content in the widest array of platforms that technology will allow. The Company's audience will be able to reach ABS-CBN anytime at any place in any medium.

Maintain a strong fiscal position and bring value to our stakeholders. The Company will derive the most synergies possible between its content and distribution businesses. The Company will ensure that it is able to optimize its strength of content creation by being present in all platforms possible. In addition, the Company will consciously operate more efficiently and cost-effectively, as it delivers greater value to its customers, clients, partners, and shareholders.

1.10. Transactions with Related Parties

For a detailed discussion of ABS-CBN's related party transactions, refer to Note 23 of the Company's 2017 audited consolidated financial statements.

Except for related party transactions discussed in the accompanying notes to the Company's 2017 audited consolidated financial statements, there had been no material transactions during the past 2 years, nor is any material transaction presently proposed, to which the Company was or is to be a party in which any director, executive officer of the Company, or security holder of more than 10% of the Company's voting securities, any relative or spouse of any such director or executive officer or owner of more than 10% of the Company's voting securities had or is to have direct or indirect material interest.

Furthermore, there had been no material transactions during the past 2 years, nor is any material transaction presently proposed, between the Company and parties that fall outside the definition of "related parties" under PAS 24 *Related Party Disclosure – Key Management Personnel*, but with whom the registrants or its related parties have a relationship (e.g., former senior management of the Company or other parties who have some other former or current relationship with the Company) 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.

1.11. Risks Relating to the Company

The Company's results of operations may be negatively affected by adverse economic conditions in the Philippines and abroad since its operations depend on its ability to sell airtime for advertising, to sell various goods and services, and to collect subscription fees from its subscribers. Historically, the advertising industry, relative to other industries, has been particularly sensitive to the general condition of the economy. Also, the ability of consumers to pay for the Company's services or goods depends on their disposable income at any given time. Consequently, the Company's business may be affected by the economic condition of the country and of the territories where it conducts its business.

ABS-CBN's Board of Directors and management are mindful of the potential impact of various risks to the Company's ability to operate a viable business. Strategy formulation and decision-making always take into account these potential risks and the Company ensures that it takes all the steps necessary to minimize, if not eliminate, such risks. ABS-CBN ensures that it has the proper control systems in place, and to the extent possible, adopted global best practices, to identify, assess, analyze and mitigate market, operating, financial, regulatory, community, reputational, and other risks.

The Risk Management Committee formed in March 2010 assumes the responsibility of oversight for Enterprise Risk Management (ERM), taking over from the Audit Committee.

2. Properties

2.1 Head Office

The properties of the Company consist of production, broadcasting, transmission and office facilities, majority of which are owned by the Company. Broadcast operations are principally conducted in the 44,000 square meters ABS-CBN Broadcasting Center located at Sgt. Esguerra Avenue corner Mother Ignacia St. Quezon City. The broadcast center also houses the Company's 650-foot transmitter tower and other broadcast facilities and equipment.

The broadcast center is comprised of several buildings, one of which is a modern 15-story building known as the Eugenio Lopez Jr. Communications Center (ELJCC). The ELJCC houses the corporate offices of the Company and its subsidiaries engaged in related businesses. Aside from the corporate offices, the building also has television soundstages, sound

recording studios and other television production facilities. The building has a gross floor area of approximately 100,000 square meters and total office space of approximately 58,000 square meters. The ground floor is leased to various businesses including banks, retail stores, coffee shops and restaurants. The broadcast center also houses the Company's other buildings and properties:

- The main building, which currently houses the Company's TV Production, News and Current Affairs, Regional Network, and Manila Radio groups. The Company's Technical Operations Center and several studios and soundstages are also located in the main building, which was completed in 1968.
- ABS-CBN also owns several properties within close proximity to the broadcast center, most notably the Pinoy Big Brother house, the JUSMAG compound, and the Borromeo lot currently used by some of the Company's divisions.

The Company may acquire additional properties to accommodate planned production facilities that will lead to more efficient operations. The Company intends to finance this through internally generated funds and other sources of funding such as debt.

2.2 Local and Regional Properties

ABS-CBN also owns real estate properties in various parts of the country. Originating stations have the capacity to produce and broadcast their own programs and to air advertising locally. Relay stations can only re-transmit broadcasts from originating stations. Affiliate stations are not owned by the Company. Rather, they are typically independently owned by local Filipino business people and are contracted to re-broadcast the Company's originating signals during specified time blocks for negotiated fixed fees.

The following table sets forth the location and use of ABS-CBN's television and radio stations as of December 31, 2017:

VHF TV Stations

	Station	Channel	Transmitter Site
1	Manila	2	Mother Ignacia St., Diliman, QC
2	Cebu	3	Mt. Busay, Cebu City
3	Bacolod	4	Mt. Kanlandog, Murcia, Negros Occ.
4	Mt. Kitanglad, Bukidnon	2	Mt. Kitanglad, Bukidnon
5	Davao	4	Shrine Hills, Matina, Davao City
6	General Santos	3	Brgy. Lagao, Gen. Santos City
7	Zamboanga	3	Zamboanga City
8	Naga	11	Naga City
9	Tacloban	2	Mt. Naga-naga, Tacloban City
10	Dumaguete	12	Valencia, Negros Or.
11	Isabela	2	Santiago City, Isabela
12	Tuguegarao	3	Tuguegarao, Cagayan
13	Cotabato	5	Cotabato City
14	Baguio	3	Mt. Sto. Tomas, Benguet
15	Iligan	4	Iligan City
16	Butuan	11	Butuan City
17	Ilocos Norte	7	San Nicolas, Ilocos Norte
18	Legaspi	4	Mt. Bariw, Legaspi
19	Olongapo	12	Upper Mabayuan, Olongapo City
20	Iloilo ⁽¹⁾	10	Jordan, Guimaras
21	Batangas	10	Mt. Banoy, Batangas
22	Bohol	9	Jagna, Bohol
23	Mt. Province	11	Mt. Amuyao, Mt. Province
24	Zambales	13	Botolan, Zambales

	Station	Channel	Transmitter Site
25	Albay	10	Tabaco, Albay
26	Sorsogon	7	Sorsogon, Sorsogon
27	Aklan	9	Kalibo, Aklan
28	Ilocos Sur	11	Bantay, Ilocos Sur
29	Cagayan de Oro	4	Bulua, Cagayan de Oro
30	Occidental Mindoro	11	San Jose, Occidental Mindoro
31	Catanduanes	7	Virac, Catanduanes
32	Masbate Comm. Bctg. Co. ⁽²⁾	10	Masbate, Masbate
33	St. Jude Thaddeus Inst. of Tech ⁽²⁾	12	Surigao City
34	Sulu Tawi-Tawi Broadcasting Corporation ⁽²⁾	10	Jolo, Sulu
35	Calbayog Comm. Bctg. Corp. ⁽²⁾	10	Calbayog City, Western Samar
36	Palawan Bctg Corp.	7	Puerto Princesa, Palawan
37	Aparri	9	Aparri, Cagayan
38	Espanola	10	Espanola, Palawan
39	Batanes	11	Basco, Batanes

¹Owned by Amcara

²Affiliate

UHF TV Stations

	Station	Channel	Transmitter Site
1	Manila ⁽²⁾	23	Metro Manila
2	Cebu ⁽⁴⁾	23	Mt. Busay, Cebu City ⁽¹⁾
3	Davao ⁽⁴⁾	21	Matina Hills, Davao City ⁽¹⁾
4	Dagupan ⁽⁴⁾	30	Sto. Tomas, Benguet ⁽¹⁾
5	Naga ⁽⁴⁾	24	Naga City ⁽¹⁾
6	Batangas ⁽⁴⁾	36	Mt. Banoy, Batangas ⁽¹⁾
7	Baguio ⁽²⁾	32	Mt. Sto. Tomas (Baguio) ⁽¹⁾
8	Laoag ⁽⁴⁾	23	San Nicolas, Laoag ⁽¹⁾
9	Bacolod ⁽⁴⁾	22	Bacolod City ⁽¹⁾
10	Iloilo ⁽²⁾	38	La Paz, Iloilo City ⁽¹⁾
11	Zamboanga ⁽⁴⁾	23	Zamboanga City ⁽¹⁾
12	Gen. Santos ⁽⁴⁾	36	General Santos City ⁽¹⁾
13	Tacloban ⁽³⁾	24	Mt. Naga-Naga, Tacloban
14	Cagayan De Oro ⁽⁴⁾	23	Cagayan de Oro City ⁽¹⁾
15	Dumaguete ⁽⁴⁾	24	Mt. Palimpinon, Valencia, Negros Oriental ⁽¹⁾
16	Botolan ⁽⁴⁾	23	Botolan, Zambales ⁽¹⁾
17	Isabela ⁽⁴⁾	23	Santiago City ⁽¹⁾
18	Bohol ⁽³⁾	40	Jagna, Bohol
19	Marbel, Koronadal ⁽⁴⁾	24	Koronadal, S. Cotabato
20	Rizal ⁽²⁾	40	Jala-Jala, Rizal
21	Legaspi ⁽³⁾	23	Legaspi City
22	Olongapo ⁽⁴⁾	24	Olongapo City ⁽¹⁾
23	Iligan ⁽⁴⁾	26	Iligan City ⁽¹⁾
24	Butuan ⁽³⁾	22	Butuan City
25	Cotabato ⁽³⁾	23	N. Cotabato
27	Palawan ⁽⁴⁾	23	P. Princesa, Palawan

	Station	Channel	Transmitter Site
28	Surigao ⁽³⁾	23	Surigao City
29	Roxas City ⁽⁴⁾	21	Roxas City
30	Baler ⁽⁴⁾	22	Baler, Aurora
31	Camarines Norte ⁽⁴⁾	23	Daet, Camarines Norte
32	Kalibo ⁽⁴⁾	23	Aklan
33	Dipolog ⁽⁴⁾	42	Dipolog City
34	Lucena City ⁽⁴⁾	24	Lucena City, Quezon
36	Tarlac ⁽²⁾	34	Tarlac City
37	San Miguel ⁽²⁾	34	San Miguel, Bulacan
38	San Fernando, Pampanga ⁽²⁾	46	San Fernando, Pampanga
39	San Pablo ⁽²⁾	46	San Pablo, Laguna
41	Ilocos Sur ⁽²⁾	34	Bantay, Ilocos Sur

¹Co-located with VHF TV Stations

²Owned by ABS-CBN

³With pending application with NTC

⁴Owned by Amcara

FM RADIO Stations

	Station	Frequency (MHz)	Call Sign	Locations
1	Manila	101.9	DWRR	Lopez Center, Antipolo City
2	Cebu	97.1	DYLS	Mt. Busay, Cebu City
3	Bacolod	101.5	DYOO	Mt. Kanlandog, Murcia, Negros Occ.
4	Davao	101.1	DXRR	Shrine Hill, Matina, Davao City
5	Baguio	103.1	DZRR	Mt. Sto. Tomas, Benguet
6	Legaspi	93.9	DWRD	Mt. Bariw, Legaspi
7	Naga	93.5	DWAC	Naga City
8	Laoag	95.5	DWEL	San Nicolas, Ilocos Norte
9	Dagupan	94.3	DWEC	Dagupan City
10	Iloilo	91.1	DYMC	Iloilo City
11	Tacloban	94.3	DYTC	Tacloban City
12	Cagayan De Oro	91.9	DXEC	Bulua, Cagayan de Oro City
13	Cotabato	95.1	DXPS	Cotabato City
14	Gen. Santos	92.7	DXBC	Lagao, Gen. Santos City
15	Zamboanga	98.7	DXFH	Zamboanga City
16	Palawan	99.9	DYCU	Puerto Princesa
17	Palawan	99.7	PA	Espanola Palawan
18	Santiago	93.1	PA	Santiago Isabela

AM RADIO Stations

	Station	Frequency (MHz)	Call Sign	Locations
1	Manila	630	DZMM	Obando, Bulacan
2	Cebu	1512	DYAB	Pardo, Cebu City
3	Davao	1296	DXAB	Matina, Davao City
4	Palawan	765	DYAP	Puerto Princesa

There are no mortgages, liens or encumbrances over the above properties.

2.3 Leased Properties

Lessor	Effectivity Date		Monthly Rent	Particulars	Terms
	Start	End			
Trajano, Fee Sai	January 01, 2016	January 31, 2017	284,317	Quezon City	no escalation
Smartnet Philippines	October 01, 2016	September 30, 2017	204,205	Mandaluyong	w/ 5% escalation rate per annum
Florpet Corporation	April 01, 2016	March 31, 2021	173,300	Cebu	w/ 10% escalation rate per annum
Jeco Real Estate	July 01, 2013	June 30, 2018	68,831	Isabela	w/ 5% escalation rate per annum
Eduardo Anqui	October 01, 2012	September 30, 2017	53,940	Negros Oriental	w/ 10% escalation rate per annum
Florpet Corporation	November 01, 2014	October 31, 2019	35,038	Cebu	w/ 10% escalation rate per annum
Yolanda Tuazon	March 15, 2016	March 14, 2017	30,032	San Miguel	w/ 10% escalation rate per annum
Federico Ong Jr.	October 15, 2015	October 14, 2020	21,052	Cagayan	w/ 5% escalation rate per annum
Tabaco Midcity	December 01, 2015	December 01, 2020	18,457	Albay	w/ 3% escalation rate per annum
Jeana Away	January 1, 2015	December 31, 2024	17,640	Mountain Province	w/ 5% escalation rate per annum
Benedict Tiu	May 2, 2015	May 3, 2017	36,382	Laguna	w/ 5% escalation rate per annum
Vicente Gato	October 15, 2015	October 14, 2020	14,071	Batanes	w/ 5% escalation rate per annum
Jose Tan	December 15, 2015	December 15, 2025	57,062	Baler	w/ 10% escalation rate per annum
Bayan Telecommunications Inc.	March 01, 2013	March 01, 2023	2,071,585	Fairview	w/ 5% escalation rate per annum
Dewey So Sy	March 01, 2016	February 28, 2017	380,250	Baler	no escalation
Rockwell Land Corporation	August 01, 2015	July 31, 2020	79,530	Makati	w/ 5% escalation rate per annum
Viray, Ma. Cecilia	May 1, 2016	April 1, 2017	70,000	Quezon city	no escalation
Alam, Florita	October 20, 2016	February 19, 2017	13,000	Quezon city	no escalation
Punzalan, Cireneo B.	November 1, 2016	March 31, 2017	14,000	Quezon city	no escalation
BSA Tower Condominium Corp.	February 1, 2017	February 1, 2024	201,600	Makati	w/ 3% escalation rate per annum
Palladian Land Development	February 1, 2017	February 1, 2024	18,000	Pasay	w/ 5% escalation rate per annum
Shania and kenny Properties	September 1, 2015	August 31, 2018	15,000	Baguio	w/ 5% escalation rate per annum

Lessor	Effectivity Date		Monthly Rent	Particulars	Terms
	Start	End			
Uytingkoc Development Corp.	October 16, 2016	October 15, 2021	83,502	Tacloban	w/ 5% escalation rate every 2 years
South stream Commercial Dev.	June 1, 2014	June 1, 2019	89,720	Batangas	w/ 5% escalation rate every 2 years
Jeco Real Estate	January 1, 2013	December 31, 2017	72,747	Isabela	w/ 5% escalation rate per annum
Plomares, Eduardo	September 1, 2016	August 31, 2017	17,244	Vigan	no escalation
Dante Sigua	July 1, 2015	June 30, 2018	23,526	Roxas	no escalation

3. Legal Proceedings

For the past 5 years, the Company is not a party in any legal proceedings which involves a claim for damages in an amount, exclusive of interest and cost, exceeding 10% of the current assets of the Company.

While not deemed material legal proceedings based on the amount of the claims involved, the following legal proceedings involving the Company were the subject of news reports, and therefore generated public interest but Management is nevertheless of the opinion that should there be any adverse judgment based on these claims, this will not materially affect the Company's financial position and results of operations:

Solar Entertainment Inc. v. ABS-CBN Corporation and Skycable Corporation

This case a civil action for collection of allegedly unpaid carriage fees of Solar's NBA and BTv Channel by Skycable in connection with Solar and the Company's Joint Television License Agreement for the NBA games. The case was filed on 11 May 2017 and docketed as Civil Case No. R-MND-17-01630-CV. It is pending before the Regional Trial Court of Mandaluyong City, Branch 209. Solar's total claim against the Company and Skycable is ₱659 million. It is the Company's position that carriage fees are not due because it is a co-licensee of the Joint Television License Agreement for the airing of the NBA games. The Company has filed a Motion to Dismiss and Motion for Preliminary Hearing on Affirmative Defenses. The next hearing is on 20 March 2018 for Solar's presentation of evidence on the Company's affirmative defenses

"GMA Network, Inc. vs. ABS-CBN Broadcasting Corporation, et al"

The Company also has a pending civil case for libel against it filed by GMA Network, Inc. in connection with the same events covered by the case against AGB Nielsen. The case was filed in 03 January 2008 and docketed as Q-08-61735, is pending before the Regional Trial Court of Quezon City, Branch 76. GMA's total claim against the Company is Fifteen Million Pesos (₱15,000,000). GMA has completed presentation of its evidence and its documentary evidence has been admitted. The company presented its evidence on 13 February 2018.

"Wilfredo Revillame vs. ABS-CBN Broadcasting Corporation"

This is a civil action for rescission of contract and damages filed by Wilfredo Revillame against the Company in connection with the former's talent contract with the Company. The Company filed a counterclaim for breach of contract, injunction, and damages. The case was docketed as Civil Case No. Q-10-67770 and original raffled to Regional Trial Court, Branch 84. Upon the inhibition of the presiding judge of Branch 84, the case was re-raffled to and is now pending with Branch 217. Revillame's total claim against the Company is Eleven Million Five Hundred Thousand Pesos (₱11,500,000). Revillame filed a Motion to Dismiss on the ground that the Company is guilty of forum-shopping which was granted by the trial court. The Company has filed a Motion for Reconsideration which was also denied. The Company filed an appeal which was granted. Thus, ABS-CBN's counter-claims were reinstated. Revillame filed a Motion for Reconsideration which was denied. Upon motion, he has until 19 January 2018 within which to file Petition for Review before the Supreme Court.

“ABS-CBN Corporation vs. Wilfredo Revillame aka Willie Revillame, Wilproductions, Inc., ABC Development Corporation and Ray Espinosa in his capacity as President of ABC”

This is a complaint for copyright infringement filed by the Company against Revillame, Wilproductions, ABC Development Corporation and Ray Espinosa, for the production and airing of “Willing Willie”, in violation of the Company’s copyright over the show “Wowowee”, which it created, produced and broadcast. The case was docketed as Civil Case No. 10-1155 and is pending with the Regional Trial Court, Makati, Branch 66. The Company is asking for One Hundred Two Million Four Hundred Thousand Pesos (₱102,400,000) as actual and compensatory damages and other consequential damages.

When the Court denied defendants’ Motion to Defer Proceedings, they filed a petition for Certiorari before the Court of Appeals, entitled “*ABC Development Corporation and Ray Espinosa vs. Villarosa and ABS-CBN Corporation*,” docketed as CA-GR Sp. No. 117063. The Court of Appeals granted the petition, and dismissed the suit copyright infringement case on the ground of forum-shopping. The Company has filed a Motion for Reconsideration which was denied. The Company has filed a petition for review with the Supreme Court, which petition remains pending.

ABS-CBN Corporation vs. Willie Revillame, Atty. Romeo Monfort, Reynaldo Fong and other John and/or Jane Does,

This is a suit for use of a falsified document in a judicial proceeding and falsification of AIPC Bond No. G (16)-09314/NSMKT2 which Revillame submitted in the trial court. This case was filed with the Office of the City Prosecutor of Quezon City and was docketed as XV-03-INV-11I-07-532. The suit was dismissed. The Company’s appeal with the Department of Justice was denied. The Company filed a motion for reconsideration, which remains pending.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

4. Submission of Matters to a Vote of Security Holders

On November 15, 2012, stockholders approved the Amendment of Article VII of the Amended Articles of Incorporation of the Corporation to reclassify 200 million unissued common shares with a par value of ₱1.00 each shares into 1 billion Preferred Shares with a par value of ₱0.20 each share, to create the Preferred Shares and to provide the rights and restrictions of the said Preferred Shares. The preferred shares are cumulative, voting, non-participating, redeemable and convertible.

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

The Company's common shares have been listed on the PSE since 1992. Philippine Deposit Receipts (PDRs) issued by ABS-CBN Holdings Corporation were listed in 1999. Common shares may be exchanged for PDRs and vice versa. The common shares (PSE: ABS) closed at ₱28.45 while the PDRs (PSE: ABSP) closed at ₱28.00 on March 22, 2018.

Dividends

The declaration and payment of dividends are subject to certain conditions under the Company's existing long term loan agreements with various banks and other. Under said loan agreements, the Company may declare and pay dividends provided: (a) all payments (including pre-payments) due on said loan and premiums on insurance of assets are current and updated; (b) all financial covenants set forth therein are satisfied; (c) certain financial ratios are met and such payment will not result in the violation of the required financial ratios under the loan agreements; (d) no event of default as provided in the loan agreements shall exist or occur as a result of such payment; and (e) the total amount of the cash dividends does not exceed 50% of the Company's net income after taxes for the fiscal year preceding the declaration.

- **Stock Dividend (Per Share)**

No stock dividend declared since July 2, 1996.

- **Cash Dividend (Per Share)**

Amount	Share	Declaration Date	Record Date	Payment Date
₱0.60	Common	March 28, 2001	April 25, 2001	May 25, 2001
₱0.64	Common	July 21, 2004	July 24, 2004	August 10, 2004
₱0.45	Common	March 28, 2007	April 20, 2007	May 15, 2007
₱0.83	Common	March 26, 2008	April 30, 2008	May 27, 2008
₱0.90	Common	March 25, 2009	May 5, 2009	May 29, 2009
₱1.11	Common	March 11, 2010	March 31, 2010	April 29, 2010
₱2.10	Common	March 4, 2011	March 25, 2011	April 19, 2011
₱0.80	Common	March 30, 2012	April 25, 2012	May 22, 2012
₱0.40	Common	April 23, 2013	May 10, 2013	June 6, 2013
₱0.004	Preferred	January 30, 2014	February 14, 2014	February 28, 2014
₱0.60	Common	March 27, 2014	April 16, 2014	May 7, 2014
₱0.60	Common	March 5, 2015	March 20, 2015	April 30, 2015
₱0.004	Preferred	April 24, 2015	May 11, 2015	May 18, 2015
₱0.75	Common	March 17, 2016	April 11, 2016	April 29, 2016
₱0.004	Preferred	May 05, 2016	May 20, 2016	June 7, 2016
₱1.04	Common	February 22, 2017	March 8, 2017	March 22, 2017
₱0.004	Preferred	February 22, 2017	March 8, 2017	March 22, 2017
₱0.92	Common	February 22, 2018	March 8, 2018	March 22, 2018
₱0.004	Preferred	February 22, 2018	March 8, 2018	March 22, 2018

High and Low Share Prices

		ABS		ABSP	
		High	Low	High	Low
2017					
	First Quarter	48.95	43.80	48.80	44.00
	Second Quarter	46.60	42.2	47.00	41.00
	Third Quarter	43.90	40.30	44.50	39.90
	Fourth Quarter	40.70	34.5	40.50	34.10
2016					
	First Quarter	62.80	53.40	64.00	50.00
	Second Quarter	59.50	45.50	60.00	45.00
	Third Quarter	54.25	46.75	55.00	47.00
	Fourth Quarter	49.50	43.25	49.30	43.50
2015					
	First Quarter	66.00	45.00	70.00	45.70
	Second Quarter	64.20	59.80	66.00	59.90
	Third Quarter	65.10	53.00	68.15	55.00
	Fourth Quarter	68.00	59.80	68.50	59.90
2014					
	First Quarter	32.60	27.00	32.00	26.40
	Second Quarter	39.85	32.70	40.40	32.50
	Third Quarter	43.80	36.50	43.80	35.80
	Fourth Quarter	48.00	42.00	49.00	42.00
2013					
	First Quarter	41.30	37.00	45.00	37.50
	Second Quarter	46.00	36.95	48.10	35.10
	Third Quarter	40.30	30.60	43.00	31.50
	Fourth Quarter	33.95	30.30	35.15	30.80
2012					
	First Quarter	37.75	30.00	38.30	29.90
	Second Quarter	41.80	33.70	50.00	32.00
	Third Quarter	37.00	24.45	36.95	23.30
	Fourth Quarter	34.20	29.95	34.00	29.15
2011					
	First Quarter	47.50	40.50	47.90	44.00
	Second Quarter	42.50	38.90	44.00	41.50
	Third Quarter	40.50	28.60	44.00	34.50
	Fourth Quarter	32.60	29.70	33.50	29.50
2010					
	First Quarter	30.00	25.50	31.00	26.00
	Second Quarter	38.50	29.00	40.50	28.50
	Third Quarter	56.00	36.50	56.00	40.50
	Fourth Quarter	56.00	43.50	56.00	45.00

The number of shareholders of record as of February 28, 2018 was 8,352. Common shares issued as of February 28, 2018 were 883,515,142. Preferred Shares outstanding as of February 28, 2018 were 1,000,000,000.

As of February 28, 2018, the foreign equity ownership of ABS-CBN is at 0%.

Top 20 Common Shares Stockholders

As of February 28, 2018, the Top 20 stockholders of ABS-CBN own an aggregate of 860,837,068 or 97.43% of issued common shares.

Rank	Name	Citizenship	Record/Beneficial	No. of Shares	Percentage
1	LOPEZ, INC.	Filipino	Record	480,933,747	54.43%
2	PCD NOMINEE CORPORATION	Filipino	Record	373,228,814	42.24%
3	CHING TIONG KENG	Filipino	Record	859,500	0.10%
4	ABS-CBN FOUNDATION, INC.	Filipino	Record	780,995	0.09%
5	EUGENIO LOPEZ III	Filipino	Record	769,690	0.09%
6	CREME INVESTMENT CORPORATION	Filipino	Record	417,486	0.05%
7	FG HOLDINGS	Filipino	Record	386,270	0.04%
8	MANUEL M. LOPEZ	Filipino	Record	351,196	0.04%
9	JOSE MARI LIM CHAN	Filipino	Record	350,410	0.04%
10	JOSE MARI L. CHAN	Filipino	Record	343,820	0.04%
11	CHARLOTTE C. CHENG	Filipino	Record	340,000	0.04%
12	CYNTHIA D. CHING	Filipino	Record	337,500	0.04%
13	ROLANDO P. VALDUEZA	Filipino	Record	269,500	0.03%
14	TIONG KENG CHING	Filipino	Record	252,000	0.03%
15	CARLO L. KATIGBAK	Filipino	Record	249,500	0.03%
16	MA. SOCORRO V. VIDANES	Filipino	Record	239,500	0.03%
17	LA SUERTE CIGAR & CIGARETTE FACTORY	Filipino	Record	205,000	0.02%
18	LAURENTI M. DYOGI	Filipino	Record	191,500	0.02%
19	ALBERTO G. MENDOZA &/OR JEANIE MENDOZA	Filipino	Record	168,250	0.02%
20	MIMI CHUA	Filipino	Record	162,390	0.02%
	Subtotal of Top 20 Stockholders			860,837,068	97.43%
	Others			22,678,074	2.57%
	Total No. of Shares			883,515,142	100.00%

Top 20 Preferred Shares Stockholders

As of February 28, 2018, the Top 20 stockholders of ABS-CBN's preferred stock are as follows:

Rank	Name	Citizenship	Record / Beneficial	No. of Shares	%
1	Lopez, Inc.	Filipino	Record	987,130,246	98.71%
2	Tower Securities Incorporated	Filipino	Record	4,431,583	0.44%
3	Citibank NA FAO Maybank ATR King Eng Capital Partners Inc. Trust Dept	Filipino	Record	2,244,787	0.22%
4	Manuel M. Lopez and/or Ma. Teresa Lopez	Filipino	Record	1,643,032	0.16%
5	Abacus Securities Corporation	Filipino	Record	727,085	0.07%
6	Abacus Securities Corporation	Filipino	Record	699,091	0.07%
7	Value Quest Securities Corporation	Filipino	Record	662,020	0.07%
8	Globalinks Securities & Stocks, Inc.	Filipino	Record	297,081	0.03%
9	Manuel M. Lopez	Filipino	Record	187,518	0.02%
10	Maybank ATR Kim Eng Securities	Filipino	Record	182,083	0.02%
11	Belson Securities , Inc.	Filipino	Record	128,905	0.01%
12	Asiasec Equities, Inc.	Filipino	Record	120,000	0.01%
13	PCCI Securities Brokers Corporation	Filipino	Record	112,022	0.01%
14	Ricky See Eng Huy	Filipino	Record	103,901	0.01%
15	Noli de Castro	Filipino	Record	93,372	0.01%
16	Meridian Securities, Inc.	Filipino	Record	93,133	0.01%
17	Edmond T. Aguilar	Filipino	Record	71,961	0.01%
18	Leonardo P. Katigbak	Filipino	Record	66,702	0.01%
19	Kris Aquino	Filipino	Record	64,136	0.01%
20	Imperial, De Guzman, Abalos & Co., Inc.	Filipino	Record	56,641	0.01%
	Subtotal of Top 20 Stockholders			999,115,299	99.91%
	Others			884,701	0.09%
	Total No. of Shares			1,000,000,000	100.00%

Recent Sales of Unregistered or Exempt Securities, Including Recent Issuance of Securities Constituting an Exempt Transaction

On February 28, 2013, the Company issued One Billion Preferred Shares at an issue price of ₱0.20 per share through a rights offering solely to its stockholders. No underwriters were involved in the offer and no commission or remuneration was paid in connection with the offer. The offer and issuance of the Preferred Shares is an exempt transaction under Section 10.1 (e) of the Securities Regulation Code since the said securities were offered and sold to the Company's stockholders exclusively and no commission or remuneration was paid in connection with the offer and sale of the securities.

On June 5, 2013, the Company issued 57,836,900 Common Shares to ABS-CBN Holdings Corporation at an issue price of ₱43.125 per share. The offer and issued of the said Common Shares is an exempt transaction under Section 10.1 (k) of the Securities Regulation Code since the securities was sold to fewer than twenty (20) persons in the Philippines during any twelve-month period.

On June 25, 2013, Lopez, Inc. subscribed to 34,702,140 Common Shares at a subscription price of ₱43.225 per share. The offer and issued of the said Common Shares is an exempt transaction under Section 10.1 (k) of the Securities Regulation Code since the securities was sold to fewer than twenty (20) persons in the Philippines during any twelve-month period.

On February 22, 2017, the Board of Directors approved an Employee Stock Purchase Plan and an Executive Stock Purchase Plan. The stockholders unanimously approved the Employee Stock Purchase Plan and Executive Stock Purchase Plan on April 6, 2017, and the SEC approved the same and permitted the offering under the plans on September 28, 2017. From January 22, 2018 to February 9, 2018, the Parent Company offered shares to qualified employees and executives under the ESPP and the Executive Stock Purchase Plan and as of February 22, 2018, the Company accepted a total subscription from participants of 11,391,500 common shares. The ABS-CBN Employee Stock Purchase Plan was offered to rank and file employees, technical specialists and Internal Job Market members with at least 1 year tenure. The maximum number of ABS-CBN common shares that could be subscribed by a participant under this plan is 2,000 shares. The subscription price was P29.50, a 15% discount on the closing price as of the offer date or 45-day weighted closing prices, whichever is lower. The subscription price will be paid in 5 years. The Executive Stock Purchase Plan was offered to managers and artists and members of the Board of Directors with at least 1 year tenure. Managers and artists can subscribe up to a maximum of shares equivalent to 2.5 months of their monthly salary or income. Members of the Board of Directors can subscribe up to 100,000 shares. The subscription price for the first 2,000 shares was P29.50, a 15% discount on the closing price as of the offer date or 45-day weighted closing prices, whichever is lower. There was no discount on the subscription price for the shares subscribed in excess of 2,000 shares. The subscription price will be paid in 5 years.

The Registration Statement for the issuance of the additional Common Shares has been approved by the SEC.

Key Variable and Other Qualitative and Quantitative Factors

The following parameters pertain to various qualitative and quantitative factors that may affect the operations of the Company:

- i. There are no known trends, demands, commitments, events or uncertainties that will have a material impact on ABS-CBN's liquidity.
- ii. There are no known events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of obligation.
- iii. There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.
- iv. ABS-CBN's financial performance depends largely on the ability to sell airtime for advertising. The Company's business may be affected by the general condition of the economy as well as adverse change in political policies of the country. Nonetheless, this risk is augmented and managed with the Company's engagement in diverse industries.
- v. There are no significant elements of income or loss that did not arise from the Company's continuing operations.
- vi. There are no seasonal aspects that may have a material effect on the financial condition or results of operations.

Information on Independent Accountant and other Related Matters

The principal accountants and external auditors of the Company is the accounting firm of SyCip, Gorres, Velayo & Company (SGV & Co.). The accounting firm of SGV & Co. has been the Company's Independent Public Accountants for the last 5 years. There was no event in the past 5 years where SGV & Co. and the Company had any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosure or auditing scope or procedure.

The Company has engaged SGV & Co., with Catherine E. Lopez as the engagement partner, for the audit of the Company's books in 2014. The Company has complied with SRC Rule 68, paragraph 3(b) (iv) re: five (5) year rotation requirement for the external auditor.

SGV & Co. is being recommended for re-election at the scheduled Annual Stockholders' Meeting on April 19, 2018.

Representatives of SGV & Co. for the current year and for the most recently completed fiscal year are expected to be present at the Annual Stockholders' Meeting. They will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

The aggregate fees billed to ABS-CBN and its subsidiaries for each of the last 2 fiscal years for professional services rendered by the external auditor are as follows:

	2017	2016
Audit Fees	28,180,000	23,334,000
Non-Audit Fees	6,189,191	11,284,645

The Audit Committee's Approval Policies and Procedures for the above services from SGV & Co., the external auditors are discussed in Section IV of the Company's Manual of Corporate Governance filed with the Commission on May 26, 2017. The Audit Committee pre-approves all audit and non-audit services as these are proposed or endorsed before these services are performed by our independent auditor.

6. Management's Discussion and Analysis of Financial Condition and Results of Operations

The Management's Discussion and Analysis of Financial Condition and the Results of Operation for the past three fiscal years are attached hereto as **Annex A**.

Key Performance Indicators

Ratios	2017	2016	2015	Formula
Current Ratio	2.18	2.02	1.88	Current Assets/Current Liabilities
Net Debt-to-Equity Ratio	0.24	0.30	0.31	Interest-bearing loans and borrowings less Cash and Cash equivalent/ Total Stockholders' Equity
Asset-to-equity ratio	2.23	2.30	2.45	Total Assets/ Total Stockholders' Equity
Interest rate coverage ratio	5.09	5.65	5.20	EBIT/ Interest Expense
Return on Equity	9.38%	11.12%	8.9%	Net Income/ Total Stockholders' Equity
Return on Assets	4.21%	4.85%	3.6%	Net Income/Total Asset
Profitability Ratios:				
Gross Profit Margin	39.42%	42.28%	40.0%	Gross Profit/ Net Revenue
Net Income Margin	7.77%	8.47%	6.6%	Net Profit/ Net Revenue

7. Financial Statements

The Company's Statement of Management's Responsibility and Audited Financial Statements as of December 31, 2017 is in **Annex B**. Financial Statements are prepared in accordance with SRC Rule 68, as amended and Rule 68.1.

The Schedule for Determination of Retained Earnings available for Dividend Declaration prepared in accordance with SEC Memorandum Circular No. 11 is also included in **Annex B**.

8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There are no changes in and disagreements with accountants on accounting and financial disclosure during the 2 most recent fiscal years or subsequent interim period.

PART III - COMPENSATION INFORMATION

9. Executive Compensation

Information as to the aggregate compensation paid or accrued during the last 2 fiscal years and to be paid in the ensuing fiscal year to the Company’s chief executive and 5 other most highly compensated executive officers follow:

SUMMARY COMPENSATION TABLE				
Annual Compensation – 2017 Actual and 2018 Estimated				
Name	Year	Salary	Bonus	Other Annual Compensation
Chief executive and most highly compensated executive officers (in alphabetical order): Carlo L. Katigbak Aldrin M. Cerrado Laurenti M. Dyogi Ma. Lourdes N. Santos Rolando P. Valdueza Ma. Socorro V. Vidanes	2018E	₱172,810,229	₱-	₱-
	2017	164,581,170	137,444,883	27,872,371
All managers and up as a group unnamed	2018E	₱2,523,317,420	₱-	₱-
	2017	2,403,159,447	924,565,684	378,556,460

SUMMARY COMPENSATION TABLE				
Annual Compensation -2016				
Name	Year	Salary	Bonus	Other Annual Compensation
Chief executive and most highly compensated executive officers (in alphabetical order): Carlo L. Katigbak Olivia M. Lamasan Ma. Lourdes N. Santos Rolando P. Valdueza Ma. Socorro V. Vidanes	2016	₱124,689,375	₱467,643,313	₱-
All managers and up as a group unnamed	2016	₱1,711,704,236	₱1,000,379,582	₱64,418,187

Compensation of Directors

Each Board Director receives a set amount of ₱20,000 per board meeting and ₱10,000 per committee meeting attended. In terms of profit sharing and bonuses, the total yearly compensation of directors shall not exceed 10% of the net income before income tax of the Company during the preceding year.

9. Security Ownership of Certain Beneficial Owners and Management

Security Ownership of Certain Records and Beneficial Owners as of February 28, 2018

Title Of class	Name and Address of Record Owner	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	% of Class	% of Outstanding
Common	Lopez, Inc. 5/F Benpres Bldg, Exchange Road cor Meralco Ave., Pasig City	Lopez, Inc.	Filipino	480,933,747	54.43%	25.53%
Common	PCD Nominee Corporation* G/F Makati Stock Exchange Bldg., Ayala Ave., Makati City	ABS-CBN Holdings Corporation	Filipino	373,228,814	42.24%	19.82%
Preferred	Lopez, Inc. 5/F Benpres Bldg, Exchange Road cor Meralco Ave., Pasig City	Lopez, Inc.	Filipino	987,130,246	98.71%	52.41%

*PCD Nominee Corporation is not related to the Company

The preferred shares are voting and every holder of preferred shares shall be entitled to one vote for each share of preferred stock held as of the established record date.

Lopez, Inc. is the holding company of the Lopez family. It is owned by the respective holding companies of the families of Eugenio Lopez, Jr., Oscar M. Lopez, Presentacion L. Psinakis and Manuel M. Lopez. It has issued convertible notes covering the shares in the Company registered and beneficially owned by it in favor of Lopez Holdings Corporation (formerly: Benpres Holdings Corporation).

Eugenio Lopez III, or in his absence, Manuel M. Lopez, or in his absence, Oscar M. Lopez have been named and appointed to exercise the voting power of Lopez Inc.'s shares in ABS-CBN Corporation.

The 373,171,164 common shares under the name of PCD Nominees Corporation are held for ABS-CBN Holdings Corporation (ABS-CBN Holdings) and represent the underlying shares covered by Philippine Deposit Receipts (PDRs) issued by ABS-CBN Holdings. ABS-CBN Holdings is owned 50% by Lopez, Inc. and 50% by Oscar M. Lopez, Manuel M. Lopez, and Eugenio Lopez III. The shares in the Company registered and beneficially owned by it are covered by Philippine Deposit Receipts (PDRs) which gives the holder thereof the right to delivery or sale of the underlying share. The PDRs are listed with the PSE.

Eugenio Lopez III, or in his absence, Manuel M. Lopez, or in his absence, Oscar M. Lopez have been named and appointed to exercise the voting power of ABS-CBN Holdings' shares in ABS-CBN Corporation.

Other than the stockholders identified above, as of February 28, 2018 there are no other stockholders other than participants under PCD account who own more than 5% of the voting securities.

There are no foreign shareholders.

Changes in Control

There have not been any arrangements that have resulted in a change in control of the Company during the period

covered by this report. The Company is not aware of the existence of any voting trust arrangement among the shareholders.

10. Certain Relationships and Related Transactions

Relationships and Related Transactions / Agreements with Affiliates

For a detailed discussion of ABS-CBN's related party transactions, see Note 23 of the Company's audited consolidated financial statements. Also, refer to section 1.10 Transactions with Related Parties of this report.

Parent Company

Lopez, Inc. is the registered owner of 78.4% of the voting stock of the Company as of December 31, 2017. Lopez, Inc. is the holding company of the Lopez family. It is owned by the respective holding companies of the families of Eugenio L. Lopez III, Oscar M. Lopez, Presentacion L. Psinakis and Manuel M. Lopez. It has issued convertible notes covering the shares in the Company registered and beneficially owned by it in favor of Lopez Holdings Corporation.

Resignation of Directors Because of Disagreement with Policies

No director has resigned or declined to stand for re-election to the Board of Directors since the date of the last annual meeting of stockholders of the Company because of a disagreement with the Company on matters relating to the Company's operations, policies and practices.

PART IV - Corporate Governance

ABS-CBN recognizes the importance of corporate governance in enhancing the stakeholders' interests in the Company. Its Board of Directors commits itself to the principles of good corporate governance.

The Company's principles of corporate governance are contained in its Articles of Incorporation, By-Laws, Manual of Corporate Governance, and Annual Corporate Governance Report.

As an organization, ABS-CBN reaffirms its mission of being in the service of the Filipino people, and espouses that there is no dichotomy between doing good business and practicing the right values.

Through values cascading throughout the organization, the Company has identified the core values necessary to guide its leaders and employees in formulating and making business decisions, which in the end must always remain consistent with this mission and goal of service.

In 2013, the Institute of Corporate Directors (ICD), in partnership with the SEC, the Institute of Internal Auditors of the Philippines (IIA-P), and the Chartered Financial Analysts Society (CFA) recognized ABS-CBN among the Top 50 Philippine Publicly-Listed Companies in terms of corporate governance efforts. The Top 50 Publicly-Listed Companies were selected based on their policies, procedures, and practices in relation to the Association of Southeast Asian (ASEAN) Corporate Governance Scorecard (ACGS) standards on the rights and equitable treatment of shareholders, the role of stakeholders, disclosure and transparency, and the responsibilities of the board.

In May 2017, the Company revised its Manual on Corporate Governance, to comply with SEC Memorandum Circular No. 19, Series of 2016, the Code of Corporate Governance for Publicly-Listed Companies.

THE BOARD OF DIRECTORS

The ABS-CBN Board of Directors (the "Board") represents the stakeholders' interest in pursuing a successful business, including the optimization of financial returns. The Board's mission is to determine that the Corporation is managed in such a way as to ensure this result while adhering to the laws and rules of the jurisdictions in which it operates, observing the highest standards of corporate governance, and observing high ethical norms. The Board establishes the overall goals, strategies, and policies of the Company. It strives to regularly monitor the effectiveness of management's decisions and the execution of strategies. In addition to fulfilling its obligations for increased stockholder value, the Board has responsibility to the Company's customers, employees, suppliers, and the community.

In accordance with the Company's Articles of Incorporation, By-Laws, and Corporate Governance Manual, the Board in 2016 was comprised of 11 members elected by the shareholders during the Annual Stockholders' Meeting. The Company has 10 non-executive directors, two (2) of whom are independent.

All nominations for the election of Directors by the stockholders are required to be submitted in writing to the Board of Directors at least 30 business days before the scheduled date of the annual stockholders' meeting. The Nomination and Election Committee reviews and evaluates the qualifications of all persons nominated to the Board and other appointments that require Board approval, and assesses the effectiveness of the Board's processes and procedures in the election or replacement of directors.

There is a mix of executive, non-executive, and independent directors on the Board. Senior management executives other than the Chief Executive Officer attend Board meetings on a regular basis even if they are not members of the Board. On matters of corporate governance, while the Board assumes that decisions will be made by the impartial (previous word used is "independent") directors, inputs to any policy formulation and discussions from directors who are employees of the Company are welcome and expected, unless the issue involves an actual conflict of interest with such directors.

For the year 2017, these directors are Eugenio L. Lopez III, Chairman; Augusto Almeda-Lopez; Carlo L. Katigbak; Oscar M. Lopez; Federico R. Lopez; Martin L. Lopez; Federico M. Garcia, Salvador G. Tirona, Manuel M. Lopez, Antonio Jose U. Periquet, and Emmanuel S. De Dios.

Independent Directors

In compliance with the SEC requirement – that at least 20% of the Board should be independent directors with no material relationship with the Company, 2 independent directors – Mr. Periquet and Mr. de Dios – were elected. These directors are independent of management, and are free of any relationship that may interfere with their judgment. In addition, Mr. Periquet and Mr. de Dios do not possess any of the disqualifications enumerated under SEC Memorandum Circular No. 19, Series of 2016.

Criteria for Independence for Independent Directors

The Board assesses the independence of each director and individual nominated for election to the Board as an independent director. As part of this analysis, the Board must review and conclude whether each nominee for independent director satisfies the requirements of the rules of the SEC, the by-laws, and the Manual of Corporate Governance.

Under the Manual of Corporate Governance, independent directors (i) are not, or have not been officers or employees or substantial stockholders of the Company or its related companies, or any of its substantial shareholders (other than as independent directors of any of the foregoing); (ii) are not relatives of any director, officer or substantial shareholder of the Company, or any of its related companies, or any of its substantial shareholders; (iii) are not acting as nominees or representatives of a substantial shareholder of the Company, or any of its related companies or any of its substantial shareholders; (iv) have not been employed in any executive capacity by the Company, or any of its related companies or by any of its substantial shareholders within the last two years; (v) are not retained as professional advisers by the Company, any of its related companies, either personally or through their firms; (vi) have not engaged and do not engage in any transaction with the Company, or with any of its related companies, or with any of its substantial shareholders, whether by themselves or with other persons, or through a firm of which they are partners, or companies of which they are directors or substantial shareholders, other than transactions which are conducted at arms-length and are immaterial; (vii) do not own more than 2% of the shares of the Company and/or its related companies, or any of its substantial shareholders; (viii) are not affiliated with any non-profit organization that receives significant funding from the Company or any of its related companies or substantial shareholders; and (ix) are not employed as executive officers of another company where any of the Company's executives serve as directors.

The Company also adopted a policy that independent directors of the Company may serve for a maximum cumulative term of 9 years, after which, the independent director will be perpetually barred from re-election as such, but may qualify for election as non-independent director. In the instance that the Board wants to retain an Independent Director who has served 9 years, the Board will provide a meritorious justification and seek approval from the shareholders during the Annual Stockholders Meeting. As of January 31, 2018, the Company's independent directors have served in such capacity for 4 years.

Selection of Directors

The Board itself is responsible for screening its own members and recommending them for election by the stockholders. The Chairman and Chief Executive Officer have direct input into the screening process. The final approval of nominees to the director position is determined by the full Board. In case of vacancies in the Board between annual stockholder meetings, the Board may elect directors to serve until the next annual meeting.

Board of Advisors

The Board of Advisors was created to provide guidance to the Board of Directors. The Board of Advisors sits in all the Board Meetings and its members are also members of the Board Committees. Randolph S. David, Mario L. Bautista,

Honorio G. Poblador IV, and Maria Rosario Santos-Concio are the members of the Board of Advisors. Mr. Rafael L. Lopez was appointed as Board Advisor on February 22, 2018.

Separate Roles of the Chairman and President & Chief Executive Officer (CEO)

The respective roles of the Company's Chairman, Mr. Eugenio L. Lopez, III, and President & CEO, Mr. Carlo L. Katigbak, are clearly defined to achieve appropriate balance of power, increase accountability, and improve the Board's capacity for decision making independent of the management.

Mr. Eugenio L. Lopez III is responsible for the management, development and the effective performance of the Board, and maintains proper governance of the Company. As Chairman of the Board, Mr. Lopez plans and organizes all the activities of the Board, including the preparation for, and the conduct of, Board meetings. He ensures the quality, quantity and timeliness of the information that goes to the Board. He also oversees the formation of the Board committees and the integration of their activity with that of the Board.

The President & CEO has general charge and supervision of the business and affairs of the Company, subject to the Board. On a day-to-day basis, he makes, executes and signs in the name of the Company such contracts as are necessary in the ordinary course of business, and such other contracts as are authorized by the Board. As the President & CEO, Mr. Katigbak leads Management in developing and implementing business strategies, plans, and budgets subject to Board approval. He then provides the Board and stockholders a report on the financial performance of the Company and its results of operations on a regular basis.

The Corporate Secretary

Atty. Enrique I. Quiason is the Company's Corporate Secretary. Under the Company's Corporate Governance Manual, the Corporate Secretary must be a Filipino Citizen. The Corporate Secretary issues notices for all board and shareholders meetings. It is required that the Corporate Secretary attends and records the minutes of all board meetings. He is also responsible for assisting the Board in the preparation of the meeting agenda and the Management in the preparation and gathering of materials/documents to be presented to the Board or shareholders. In addition, as the Corporate Secretary, Atty. Quiason takes charge of the corporate seal and records, and signs, together with the President & CEO, all stock certificates and such other instruments as may require such signature.

Board Performance

The Board has regular monthly meetings, as much as possible, to review the performance of the Company and its subsidiaries, approve any pertinent plans, budgets, and financial statements, set guidelines for management, and discuss any various matters requiring Board attention and approval. Any member of the Board may ask management to give special reports on and analysis of certain issues.

From January 1, 2017 to December 31, 2017, the Board had 10 meetings.

Board Attendance to Meetings in 2017

Directors' Name	Total No. of Board Meetings	No. of Board Meetings Attended	Percentage of Attendance (%)	Attended Annual Stockholders' Meeting? (Y/N)
Eugenio L. Lopez III	10	7	70%	Y
Carlo L. Katigbak	10	10	100%	Y
Oscar M. Lopez	10	7	70%	Y
Augusto Almeda Lopez	10	10	100%	Y
Presentacion L. Psinakis *	3	1	33%	N
Manuel M. Lopez	10	6	60%	N
Federico R. Lopez	10	7	70%	Y
Federico M. Garcia	10	6	60%	Y
Salvador Tirona	10	10	100%	Y
Emmanuel S. De Dios	10	9	90%	Y
Antonio Jose U. Periquet	10	8	80%	Y
Martin L. Lopez **	6	7	86%	Y

* Died July 25, 2017

** Nominated and elected on April 6, 2017

Continuing Education Programs and Trainings for Directors

The Board has attended the following trainings and seminars during the year 2017:

Director's Name	Trainings / Continuing Education FY2017
Eugenio L. Lopez III	Lopez Group Corporate Governance Training Program (September 2017)
Carlo L. Katigbak	Lopez Group Corporate Governance Training Program (September 2017)
Augusto Almeda Lopez	Lopez Group Corporate Governance Training Program (September 2017) Adapting Changes in the Corporate Governance and Internal Control Environment (December 2017)
Manuel M. Lopez	Lopez Group Corporate Governance Training Program (September 2017)
Federico R. Lopez	Seminar on Industrial Revolution Roadmap (February 2017) Digital Capability Seminar (May 2017) Verge Hawaii – Clean Energy Integration Seminar (June 2017) Lopez Group Corporate Governance Training Program (September 2017)
Martin L. Lopez	Transition to General Management Executive Programme – INSEAD Fontainebleau, France (May 2017) Singapore (July 2017)
	Lopez Group Corporate Governance Training Program (September 2017)
Federico M. Garcia	Lopez Group Corporate Governance Training Program (September 2017)
Salvador Tirona	Lopez Group Corporate Governance Training Program (September 2017)
Emmanuel S. De Dios	None
Antonio Jose U. Periquet	Corporate Governance Seminar (February 2017)

On December 6, 2016, the SEC has granted Mr. Oscar M. Lopez a permanent exemption from the Corporate Governance training requirement under SEC Memorandum Circular No. 20, series of 2013.

Board Committees

The Board has established the following 7 board committees to address any issues requiring the directors' attention:

1. The Programming Committee

Composition	Chairman, one (1) member, two (2) advisors
Members	Federico Garcia – Chairman, and Emmanuel De Dios
Advisors	Randolf S. David, and Ma. Rosario Santos-Concio
Responsibilities	The Programming Committee deliberates on the programming issues and strategies of the network, and is primarily a business strategy committee.

2. The Compensation Committee

Composition	Chairman, two (2) members, and two (2) advisors
Members	Augusto Almeda Lopez – Chairman, Federico R. Lopez, and Antonio Jose U. Periquet
Advisors	Mario L. Bautista, and Randolf S. David
Responsibilities	The Compensation Committee reviews any recommendations on bonus and incentive schemes and other compensation benefits.

3. The Succession Planning Committee

Composition	Chairman, two (2) members, and one (1) advisor
Members	Salvador G. Tirona – Chairman, Emmanuel S. De Dios, and Augusto Almeda Lopez
Advisors	Randolf S. David
Responsibilities	The Succession Planning Committee ensures that there is a pipeline to key positions in the organization, and that there are ready replacements for any key positions that are suddenly vacated. It oversees the replacement planning table of the organization, and identifies successors and gaps in succession, as well as any measures needed to fill such gaps.

4. The Compensation Committee for the Chairman and the Chief Executive Officer

Composition	Chairman, two (2) members, and one (1) advisor
Members	Augusto Almeda-Lopez – Chairman, Federico Garcia, and Antonio Jose U. Periquet.
Advisors	Mario L. Bautista
Responsibilities	The Compensation Committee for the Chairman and the Chief Executive Officer reviews and approves the recommended changes concerning the salaries and benefits provided to the Company's Chairman and CEO.

5. The Audit and Compliance Committee

Composition	Chairman, two (2) members, and one (1) advisor
Members	Antonio Jose U. Periquet – Chairman, Salvador G. Tirona, and Emmanuel S. De Dios
Advisors	Honorio G. Poblador IV
Responsibilities	The Audit and Compliance Committee reviews the financial reports and risks, examines internal control systems, oversees the audit process as well as the company's compliance with laws, and evaluates the company's business conduct. The Audit and Compliance Committee also selects and appoints the Company's External Auditor.

6. The Risk Management Committee

Composition	Chairman, two (2) members, and one (1) advisor
Members	Salvador G. Tirona – Chairman, Federico M. Garcia, and Emmanuel S. De Dios
Advisors	Honorio G. Poblador IV
Responsibilities	The Risk Management Committee oversees the formulation and establishment of an enterprise wide risk management system, including the review, analysis, and recommendation of policies, frameworks, strategies, and systems to be used by the Company to manage risks, threats, and liabilities.

7. The Nomination and Election Committee

Composition	Chairman, two (2) members, and one (1) advisor
Members	Eugenio Lopez III – Chairman, Carlo L. Katigbak, and Antonio Jose U. Periquet
Advisors	Randolf S. David
Responsibilities	The Nomination and Election Committee reviews and evaluates the qualifications of all persons nominated to the Board and other appointments that require Board approval, and assesses the effectiveness of the Board’s processes and procedures in the election or replacement of directors.

The Board should ensure that, through a managed and effective system, board appointments are made that provide a mix of proficient directors, each of whom is able to add value and to bring prudent judgment to bear on the decision making process.

Under the Company’s Manual of Corporate Governance, the Nomination and Election Committee shall consider the following qualifications and disqualification of a nominee to the Board in its recommendation of such nominee for election or re-election.

Qualifications of Director

A director shall have the following qualifications at the time he is duly elected and qualified and throughout his term of office:

- Holder of at least 1 share of stock of the Company;
- Personal integrity, capacity to read and understand financial statements, absence of conflicts of interest with the Company (subject to the discretion of the Board), time availability and motivation.

Qualifications of an Independent Director

- An independent director shall mean a person other than an officer or employee of the Company, its parent or subsidiaries, or any other individual having a relationship with the Company, which would interfere with the exercise of independent judgment in carrying out the responsibilities of a Director.
- If the independent directors becomes an officer or employee of the same corporation he shall be automatically disqualified from being an independent director.

Disqualification and Grounds for Dismissal of Directors

Any of the following shall be a ground for the temporary disqualification or dismissal for a cause of a Director:

- Refusal to fully disclose the extent of his business interest as required under the Securities Regulation Code and its Implementing Rules and Regulations. This disqualification shall be in effect as long as his refusal persists;
- Absence or non-participation for unjustifiable reason/s for more than 50% of all meetings, both regular and special, of the Board during his incumbency, or any 12-month period during said incumbency. This disqualification applies for purposes of the succeeding election;
- Dismissal or termination from directorship in another listed corporation for cause. This disqualification shall be in effect until he has cleared himself of any involvement in the alleged irregularity;
- Conviction that has not yet become final referred to in the grounds for the disqualification of Directors.

Directorship in Other Listed Companies

The following members of the Board are also directors of the publicly listed companies identified below.

Director's Name	Name of Listed Company	Directorship for FY2017
Eugenio L. Lopez III	Lopez Holdings Corporation	Vice Chairman
	First Gen Corporation	Non-Executive Director
	First Philippine Holdings Corporation	Non-Executive Director
	Rockwell Land Corporation	Non-Executive Director
	ABS-CBN Holdings Corporation	Executive Director
Oscar M. Lopez	Lopez Holdings Corporation	Chairman Emeritus
	First Gen Corporation	Chairman Emeritus
	First Philippine Holdings Corporation	Chairman Emeritus, Executive Director
	Energy Development Corporation	Chairman Emeritus
	Rockwell Land Corporation	Chairman Emeritus
	ABS-CBN Holdings Corporation	Chairman, Executive Director
Augusto Almeda Lopez	First Philippine Holdings Corporation	Non-Executive Director
Manuel M. Lopez	Lopez Holdings Corporation	Chairman, Executive Director
	First Philippine Holdings Corporation	Vice Chairman
	Rockwell Land Corporation	Chairman
Federico R. Lopez	First Gen Corporation	Chairman, Executive Director
	Energy Development Corporation	Chairman, Executive Director
	First Philippine Holdings Corporation	Chairman, Executive Director
	Rockwell Land Corporation	Vice Chairman
Salvador Tirona	Lopez Holdings Corporation	Executive Director
Antonio Jose U. Periquet	Ayala Corporation	Independent Director
	Bank of the Philippine Islands	Independent Director
	DMCI Holdings, Inc.	Independent Director
	Philippine Seven Corporation	Independent Director
	Max's Group of Companies	Independent Director
	ABS-CBN Holdings Corporation	Independent Director

COMPANY POLICIES

Code of Conduct and Conflict of Interest Policy

The Company's Code of Conduct (CoC) defines the behaviors that are acceptable or not acceptable within the organization. It details the offenses versus the Company's or the person's property, the schedule of penalties for each offense according to its gravity, and the grievance process, and defines the roles of the different people involved in disciplinary action. The CoC covers all directors, employees, consultants, product and service providers, and anyone who acts in the name of ABS-CBN.

The CoC includes the Company's Conflict of Interest Policy. Directors are disallowed from engaging in any business, which competes with or is antagonistic to that of the Company or any of its subsidiaries and affiliates. On the other hand, employees are expected not to have any direct or indirect financial or pecuniary interest in any business, contract, or transaction in connection with which they intervene or take part in their official capacity. In addition, employees are expected not to render services to another employer without the knowledge of higher management. They are also expected to disclose other businesses or jobs undertaken which may be in conflict with any existing or future undertaking of the Company.

Assisting in the dissemination and implementation of this Code of Conduct is the Ethics Committee, which focuses on conflict-of-interest situations. The Committee helps make decisions and clarify stands in cases of personal or professional conflict, or in which the employee or the company stands to gain unfairly from an arrangement, relationship, or procedure. Essential to the idea of good and ethical conduct is the upholding of common corporate and individual values, which are disseminated through a process of values cascading.

Related Party Transactions Policy

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

It is the policy of the Company to transact sales to and purchases from related parties at normal market prices. Outstanding balances as of year-end are unsecured, interest-free and settlement occurs in cash, and are collectible or payable on demand. Assessment of provision for doubtful accounts relating to amounts owed by related parties is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

Related party transactions or reorganizations that would affect related-party transactions are reported to and reviewed by the Audit Committee. All related party transactions are reported in the Company's Annual Audited Financial Statement and Annual Company Report.

Dividend Policy

The declaration and payment of dividends are subject to certain conditions under the Company's existing long-term loan agreements with various banks and other. Under said loan agreements, the Company may declare and pay dividends provided that:

- All payments (including pre-payments) due on said loan and premiums on insurance of assets are current and updated;
- All financial covenants set forth therein are satisfied;
- Certain financial ratios are met and such payment will not result in the violation of the required financial ratios under the loan agreements;
- No event of default as provided in the loan agreements shall exist or occur as a result of such payment; and
- The total amount of the cash dividends does not exceed 50% of the Company's net income after taxes for the fiscal year preceding the declaration.

Disclosures and Financial Reporting

ABS-CBN's financial statements comply with Philippine Accounting Standards and Philippine Financial Reporting Standards that in turn conform with International Accounting Standards.

The annual consolidated financial statements provide information on the financial condition and results of operations of the businesses of ABS-CBN and its subsidiaries. These financial statements include detailed information on the total

assets, total liabilities and shareholders' equity, revenues, costs and expenses, operating income and income before tax, net income attributable to shareholders of ABS-CBN and minority interest, earnings per share, and EBITDA.

Business segment information is likewise provided for major business categories and includes information such as revenues, operating and net income, assets and liabilities, capital expenditures and depreciation and amortization expenses.

Dealings in Company Shares

ABS-CBN requires all members of the Board of Directors and principal officers to report any purchase, sale or change in their shareholdings of the Company's common shares or Philippine Deposit Receipts within 5 trading days, in compliance with the PSE's requirement for such disclosure.

RISK MANAGEMENT

ABS-CBN's Board of Directors and management are mindful of the potential impact of various risks to the Company's ability to deliver quality content across multiple platforms and consequently, as a result of its operations, value to shareholders. In 2009, the Audit Committee of the Board of Directors provided oversight on Enterprise Risk Management.

In 2010, the newly created Risk Management Committee assumed this responsibility. At the same time, the Board of Directors of the Company approved the appointment of a Chief Risk Management Officer, reporting directly to the Board of Directors. In November 2012, the Board of Directors approved the appointment of Mr. Raymund Martin T. Miranda as Chief Risk Management Officer concurrent with his role as Chief Strategy Officer of ABS-CBN. As Chief Risk Management Officer, he will continue to provide the overall leadership, vision and direction for enterprise risk management by continuing to establish and implement an integrated risk management framework that covers all aspects of risk across the Company's organization, and improve the Company's risk management readiness.

The Company's corporate strategy formulation and business decision-making processes always take into account potential risks and the steps and costs necessary to minimize, if not eliminate, such risks. As part of its stewardship responsibility and commitment to deliver optimum value to its stakeholders, ABS-CBN ensures that it has the proper control systems in place, and to the extent possible, adopted global best practices, to identify and assess, analyze and mitigate market, operating, financial, regulatory, community, reputational, and other risks. The formal identification of the control systems is currently being undertaken. The Company contracted SGV (a member firm of Ernst and Young) to assist in the development of an ERM Framework and Program.

Key Risk Factors

Risk Relating to the Business of the Company

- The Company operates in an increasingly competitive industry whose dynamics are changing with technological advancements;
- A decrease in the overall spending on advertising airtime could adversely affect the Company's results;
- If the Company loses some of its key advertisers, it could lose a significant amount of its revenues;
- Because a high percentage of the Company's operating expenses are fixed, a relatively small decrease in advertising revenue could have a significant negative impact on the Company's financial results; and
- The regulatory environment, government policies and economic factors could influence the growth and profitability of the Company.

Risk Relating to the Philippines

- The Philippine economy and business environment may be disrupted by political or social instability;

- Territorial disputes with China and a number of Southeast Asian countries may disrupt the Philippine economy and business environment;
- Any future political or social instability in the country could adversely affect the business operations and financial condition of the Company; and
- Occurrence of natural disasters may adversely affect the business of the Company.

The Company's results of operations may be negatively affected by adverse economic conditions in the Philippines and abroad since its operations depend on its ability to sell airtime for advertising, to sell various goods and services, and to collect subscription fees from its subscribers. Historically, the advertising industry, relative to other industries, has been particularly sensitive to the general condition of the economy. In addition, the ability of consumers to pay for the Company's services or goods depends on their disposable income at any given time. Consequently, the Company's business may be affected by the economic condition of the country and of the territories where it conducts its business.

AUDIT

Internal Audit

The Internal Audit Division (IA Division) is responsible for providing independent and objective assurance and consulting services to the Company's Board of Directors through its Audit Committee. Its main function is to evaluate the adequacy, effectiveness, and efficiency of the Company's internal control system and to recommend necessary control measures for its improvement. It likewise establishes an effective follow-up system to monitor the implementation of recommended controls.

The IA Division is composed of people with varied specializations, majority of which are certified public accountants. It also has certified internal auditors, certified information systems auditor, certified fraud examiners, certified forensic accountants, and accredited quality assurance validators. The IA Division has an Information Technology (IT) Audit and a Technical Audit Teams, which are composed of engineers and IT professionals.

The IA Division conducts regular audits of the Company and its Subsidiaries based on an annual audit plan in a 3-year audit cycle that is approved by the Audit Committee. Special audit projects are also undertaken as the need arises.

In 2017, the IA Division presented to the Audit Committee its audit plan, updates on the status of audit projects, highlights of significant findings, implementation status of audit recommendations, and other significant audit activities.

Beginning 2012, the IA Division also worked closely with the Company's Risk Management Officer.

Audit Committee Report for 2017

The Audit Committee represents and assists the Board of Directors in fulfilling its oversight responsibilities by reviewing the:

- Reasonableness of the Company's financial statements, efficiency of the financial reporting process, and soundness of the internal control environment;
- Objectivity, independence, and effectiveness of internal audit functions and processes;
- Qualifications, independence, and fees of the Company's external auditors with regard to the annual review of the Company's financial statements; and
- Company's compliance with legal and regulatory requirements.

The roles and responsibilities of the Audit Committee are embodied in an Audit Committee Charter. In compliance with the Charter, the Audit Committee confirms that:

- A majority of the Audit Committee members are independent directors, including the Chairman;
- Quarterly meetings were held and attended by the Chairman and members of the Committee;

- The Committee reviewed and approved the internal audit scope, manpower resources, and competencies necessary to carry out the audit plan;
- The Committee reviewed the reports of the internal auditors and discussed the necessary corrective actions with concerned management;
- The Committee reviewed the audited annual financial statements of the Company and its Subsidiaries and discussed it with management, internal auditors, and external auditors taking into consideration that:
 - Management is responsible for the Company's financial statements and the related statements of financial condition and results of operations, and;
 - SGV & Co., the external auditor, is responsible for expressing an opinion on the conformity of the Company's audited financial statements with the Philippine Financial Reporting Standards and International Financial Reporting Standards as appropriate.

ROLE OF STAKEHOLDERS

Customers' Welfare

The Company is committed to the delivery of world-class products and services and to the responsible and creative utilization of resources, most especially its human resource. It fosters and promotes an environment of professionalism based on competence, self-discipline and responsible behavior. In establishing such an environment, a set of defined standards of acceptable behavior in performing one's job and in dealing with co-employees and the public that is consistent with corporate policies and core values is necessary.

Supplier/Contractor Selection and Criteria

In dealings with suppliers and contractors the Company abides by its Code of Conduct, wherein it is stated that favoring or conniving with suppliers, customers or any other person in consideration of kickbacks, personal rebates or any valuable consideration is considered an offense. Company personnel who do not adhere to this policy are dealt with, accordingly.

The Company, likewise, has a general policy on the conduct of its bidding process to ensure fair and honest competition. The general policy for supplier/contractor selection is available in the Company's website.

Environmentally Friendly Value Chain

The Company complies with several government environmental laws through the following initiatives: re-use or recycling of effluent water (PD984 or Clean Water Act); proper disposal of busted lamps used oil and used/spent batteries (RA6969 or Toxic Substance and Hazardous and Nuclear Waste Control Act) and annual stack emission testing of generator sets (RA8749 or Clean Air Act). The Company saves energy its office headquarters by installing variable frequency drives for chilled water pump operations in the centralized air conditioning system. It also has materials recovery facilities for solid waste management, which results in an average reduction of 25 tons per year of solid waste for disposal.

The vermicomposting facilities reduce solid waste from tree and plant trimmings and the resulting organic fertilizer is used for plants propagation. The Company uses mostly "green sealed" or "designed for the environment" chemicals for housekeeping, which reduces the health risk among cleaners. The Company also has properly labeled trashcans (reusable, biodegradable, non-biodegradable) which makes it easy to segregate waste. It also uses biodegradable trash bags.

Whistle Blowing Policy

In November 2013, the Company implemented the Whistle Blowing Policy. This policy provides for and encourages employees and others to report, in good faith, any covered wrongful conduct committed by employees of which they have personal knowledge. The policy assures the employees of protection against harassment, threats, and any other

form of retaliation from the persons reported. Any employee, who attempts, performs, causes or encourages any retaliatory actions against a whistleblower and/or the whistleblower relatives up to the fourth degree of consanguinity or affinity, will be subjected to disciplinary action and may be either suspended or dismissed, without prejudice to other legal actions that the Company may take, upon showing that the motive of the said employee was due to the disclosure made whistleblower.

The Whistle Blowing Policy is a clear statement that if any covered wrongdoing by any of its employees is identified and reported accordingly, it will be dealt with, through a thorough investigation and the proper imposition of accountability. To provide employees several avenues to report illegal or wrongful activities, the Policy allows reporting to any of the following: Head of Human Resources and Organizational Development, Head of Audit, Head of Legal, and employee's Division Head.

Creditors' Rights

The Company complies with the debt servicing requirements of the creditors. The Company also ensures that the documentary requirements of the creditors are complete, accurate and submitted on time.

Creditors are regularly provided with financial and operational information about the Company through quarterly and annual investors' briefings. The Company's Treasury Head updates the creditors of the Company's performance on a regular basis and when there is an immediate need. New contracts or agreements for investments, loan availments, asset disposals, mergers and acquisitions, etc. are reviewed by the Company's Legal Department in order to determine if certain provisions may violate existing loan covenants. In cases when certain covenants will be breached, the Treasury seeks the consent of creditors to undertake the new initiative or when appropriate, negotiate with counter parties to remove/modify provisions that may have a consequence of breaching any loan covenants.

Interaction with Community

The ABS-CBN Lingkod Kapamilya Foundation, Inc. was established to become a holistic community builder. "Bantay Bata," a child protection and welfare organization cited by the United Nations Convention on the Rights of the Child, responds to thousands of hotline calls and handles hundreds of rescue causes. The program also provides scholarships and conducts feeding programs. As the term implies, "BantayKalikasan" is engaged in environmental protection through policy formulation assistance, reforestation, river system rehabilitation and ecotourism promotion. "Operation Sagip" is involved in relief operations and rehabilitation after a natural or man-made disaster. It also trains schools and communities in disaster risk reduction.

Programa Genio is involved in curriculum enhancement, teacher training and learning resource development in public schools BayaniJuan manages a 107- hectare resettlement community in Calauan, Laguna for families affected by the rehabilitation of the Pasig River and typhoon Ondoy.

Kapit Bisig Para sa Ilog Pasig (KBPIP), in partnership with the Pasig River Rehabilitation Commission (PRRC) is heavily involved in the rehabilitation of the Pasig River. Together, they have collected over 70 tons of garbage in 10 GI and KBPIP areas, engaged 6,398 volunteers, and completed 1,270 linear meters of estero rehabilitation.

The Company sends representatives to meetings, hearings and public consultations on various issues conducted by the barangay. The Company also requests for barangay clearance/permit for tapings, production shootings, and use of sidewalks as parking area during stockholders' meetings, trade events, program launchings, awarding ceremonies, etc. Every year, the Company requests as well for issuance of community tax certificates to employees.

The Company submits incident reports to the barangay in relation to accidents, robbery, illegal parking, illegal vendors, violation of tricycle drivers and establishment. In addition, the Company supports the barangay on its information drive by covering barangay related activities.

SHAREHOLDERS' RIGHTS

The Company respects the rights of the stockholders as provided in the Corporation Code; namely:

1. Right to vote on all matters that require their consent or approval;
2. Pre-emptive rights;
3. Power of inspection;
4. Right to dividends; and
5. Appraisal rights.

The shareholders, as a whole, have the right to receive timely and transparent information about the Company as may be required by laws or rules of the PSE.

Right to Nominate Candidates for Board of Directors

The By-Laws of the Company allows all stockholders, including minority shareholders, the right to nominate candidates for the Board of Directors.

Conduct of Stockholders' Meeting

Shareholders, including institutional shareholders, are encouraged to attend stockholders' meetings. A written or printed notice of the annual meeting is delivered to each shareholder not less than 21 days before the date of the meeting. Any stockholder entitled to vote may be represented at any regular or special meeting of stockholders by a duly executed proxy. Proxies should be in writing, properly signed and witnessed by one party. The written proxy shall be filed with the Office of the Corporate Secretary of the Company not later than 10 calendar days prior to the scheduled stockholders meeting.

Details of attendance of shareholders, results of voting, and the results of annual/special stockholders meetings' resolutions are disclosed in the Annual Corporate Governance Report.

INVESTOR RELATIONS

ABS-CBN fully respects shareholder rights and complies with regulatory and legal requirements that enforce and ensure that such rights are respected. These requirements include due and proper notification for general meetings and provision of adequate, transparent and timely information due shareholders.

As a publicly listed corporation, ABS-CBN is subject to reporting requirements prescribed by regulatory authorities, including the SEC and the PSE, among others. ABS-CBN is compliant in submitting timely structured and non-structured reports and disclosure filing required by the SEC and the PSE.

To complement these disclosures, ABS-CBN's Investor Relations group also holds regular analyst and press briefings coincident with its quarterly and annual report submissions that further explain, elaborate on and contextualize the Company's operating performance and financial condition and results. ABS-CBN's Chief Finance Officer, the Head of Treasury, and the Head of Investor Relations are always present at these investor, analyst and press briefings to address any questions that may be raised concerning the Company's operating and financial results.

In addition, ABS-CBN's Chief Finance Officer, Head of Treasury, and its Head of Investor Relations, meet with representatives of institutional investors and investment funds upon request and at various investor conferences throughout the year for more intimate and detailed discussions about the Company's businesses, operating and financial results, business prospects and long-term plans. Inquiries from institutional and individual investors received by regular or electronic mail are also duly acknowledged and addressed in a timely and transparent manner.

ABS-CBN maintains an investor relations website that contains information on the history and businesses of the Company, its Board of Directors and senior management executives, financial information and reports and disclosures filed with the SEC and the PSE, share price performance and dividend history, and investor relations contact information.

The contact details (e.g. telephone and email) of the office responsible for investor relations are provided the ABS-CBN Investor Relations website – <http://ir.abs-cbn.com>.

COMPLIANCE OFFICER

The Company has appointed a Compliance Officer who is tasked to ensure the Company's observance of corporate governance best practices and provide recommendations to the Board for the continuous improvement of its policies and practices toward full compliance and the adoption of global best practices. The Compliance Officer also submits to the SEC, the PSE, and the Philippine Dealing and Exchange Corporation (PDEX), the Company's Annual Corporate Governance Report, periodic reports, and other material disclosures.

Evaluation System

ABS-CBN continues to evaluate its compliance with its Manual of Corporate Governance. The Board of Directors regularly conducts its self-assessment as well as an assessment of ABS-CBN's compliance with the Manual of Corporate Governance. ABS-CBN participates in the corporate governance survey conducted by the PSE.

Measures to Comply with Leading Practices

ABS-CBN continues to implement enhancements to comply with leading practices on good corporate governance such as the revision of its Corporate Governance Manual to comply with recent SEC requirements and the submission of the Annual Corporate Governance Report to the SEC. In 2017, the Board approved a whistle blowing policy and a policy on insider trading. The members of the Board of Directors and the key officers attended a training seminar on corporate governance in 2017.

Deviations from Manual of Corporate Governance

There were no reported deviations from the Company's Manual of Corporate Governance.

Improvement of Corporate Governance

ABS-CBN continues to review its Manual of Corporate Governance for improvements. In May 2017, the Company released its revised Manual on Corporate Governance to comply with the requirements under SEC Memorandum Circular No. 19, Series of 2016. ABS-CBN also reviews the charters of the different committees as well as evaluates existing policies on corporate governance. In July 2017, the Company approved its policy on insider trading that will be applicable to the directors, officers, and employees.

ANNEX A

MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is a discussion and analysis of ABS-CBN Corporation and Subsidiaries' ("ABS-CBN" or the "Company") financial performance for the years ended December 31, 2017, 2016 and 2015.

All values are presented in Philippine Peso and are rounded to the nearest millions, except when otherwise indicated.

FOR THE YEAR ENDED DECEMBER 31, 2017

The table below summarizes the results of operations for the years 2017 and 2016.

	2017	2016	Variance	
			Amount	%
Consolidated Revenues	₱40,698	₱41,630	(₱932)	(2.2)
Advertising Revenues	21,098	23,650	(2,552)	(10.8)
Consumer Sales	19,600	17,980	1,620	9.0
<i>Sale of Services</i>	16,643	15,877	766	4.8
<i>Sale of Goods</i>	2,624	1,966	658	33.5
<i>Others</i>	333	137	196	143.1
Costs and Expenses	36,573	36,690	117	0.3%
Production Costs	11,834	12,012	(178)	(1.5)
Cost of Sales and Services	12,822	12,017	805	6.7
General and Administrative Expenses (GAEX)	11,917	12,661	(744)	(5.9)
Financial Costs – net	800	726	74	10.2
Equity in Net Loss of	5	1	4	(400)
Associates and Joint Ventures				
Other Income – net	(615)	(467)	148	31.7
Net Income	₱3,163	₱3,525	(₱362)	(10.3)
EBITDA	₱9,626	₱9,853	(₱299)	(2.3)

Consolidated Revenues

For the year ended December 31, 2017, ABS-CBN generated consolidated revenues of ₱40.7 billion from advertising and consumer sales, ₱932.0 million or 2.2% lower year-on-year.

Advertising revenues decreased by ₱2.55 billion or 10.8% lower year-on-year attributable to election related advertising placements from the first half of 2016. Excluding election related placements, advertising revenues for 2017 is only down by ₱61 million or 0.3% lower year-on-year. Consumer sales increased by ₱1.62 billion mainly resulting from the sale of ABS-CBN TVPlus and higher revenues from Sky Cable's broadband and direct to home business.

Comparative revenue mix is as follows:

	2017	2016
Advertising revenues	52%	57%
Consumer sales	48%	43%

Consolidated Costs and Expenses

Direct costs and expenses amounted to ₱36.57 billion in 2017, lower by ₱117 million compared 2016.

Production cost decreased by ₱178 million or 1.5%. The movement was due to the decline in program related expenses by ₱227 million as a result of savings in rentals, specifically, technical and production equipment. Another contributor to the decline was licenses and royalties of program rights which declined by ₱140 million. There was however, an increase in depreciation and film rights amortization of ₱264 million as a result of technical equipment and program rights acquisitions.

Cost of sales and services increased by ₱805 million or 6.7% in 2017. The increase is significantly attributable to the sale of ABS-CBN TVPlus. Boxes sold in 2017 reached 2.0 million, which was 53.5% higher or 702 thousand more boxes compared to 2016. As of December 31, 2017, total boxes sold have reached 4.3 million.

GAEX decreased by ₱744 million or 5.9% compared to the previous year. The decline is attributable mainly to employee related expenses which decreased by 9.4%.

Net Income and EBITDA

The Company generated ₱3.2 billion net income, with EBITDA of ₱9.6 billion for the year ended December 31, 2017.

Business Segments

For management purposes, the Company categorizes its operations into the following reportable businesses: (i) Media Networks & Studio Entertainment, (ii) Cable, Satellite & Broadband, (iii) Digital & Interactive Media and (iv) Consumer Products & Live xperience. This segmentation is the basis upon which the Company measures its business operations.

	<p><u>Media Network & Studio Entertainment</u></p> <ul style="list-style-type: none">- Entertainment- News- Global- Film & Music- Radio- DTT- Sports- Cable Networks- Publishing
	<p><u>Cable, Satellite & Broadband</u></p> <ul style="list-style-type: none">- Pay TV (Cable & Satellite)- Broadband

	<p>Digital & Interactive Media</p> <ul style="list-style-type: none"> - Online - Mobile - Over-the-top
	<p>Consumer Products & Experiences</p> <ul style="list-style-type: none"> - Live events - Themepark - Home shopping - ABS-CBN store - Licensing & merchandising

The following analysis presents results of operations of the Company's business segments for the year ended December 31, 2017:

Segment	Operating Revenue		Net Income	
	2016	2017	2016	2017
Media Network & Studio Entertainment	₱31,315	₱29,471	₱4,108	₱3,564
Cable, Satellite & Broadband	8,761	9,118	70	123
Digital & Interactive Media	671	1,220	(634)	(441)
Consumer Product & Experience	883	889	(19)	(82)

A. Media Networks & Studio Entertainment

ABS-CBN channels (Channel 2, Sports & Action, Cinema, Yey, Knowledge Channel and Teleradyo) led in national audience share and ratings. Overall audience share was at 53.2% for the year 2017. ABS-CBN programs continuously filled out the Top 10 highest rating programs in 2017, which was led by the top rating program and long running telenovela "Ang Probinsyano" with an average national TV rating of 38.6%. "Your Face Sounds Familiar Kids", "The Voice Teens", "La Luna Sangre", "Wansapanataym", "Maalaala Mo Kaya", and "Little Big Shots" were also included in the Top 10 programs.

Aside from the top programs mentioned above, ABS-CBN's TV Patrol and Umagang Kay Ganda were among the most watched news and current affairs programs with average national ratings of 33.4 and 5.5, respectively.

Revenue from international business increased by ₱210 million or 3.5% year-on-year. The increase in international business was mainly attributable to Global's subscription revenues, which increased by ₱284 million or 6.7%. Program syndication also increased by 37.5% coming from Africa and Latin America. The overall increase in international business was partially offset by the reorganization of Global's remittance business, which had a decline in revenues by ₱131 million or 143.2%.

Film & Music's revenues declined by 0.6% in 2017. During the year, 17 locally produced quality movies added up to Star Cinema's movie library build-up namely: Vince, Kath & James, Extra Service, My Ex and Whys, Can't Help Falling in Love, Dear Other Self, Can We Still Be Friends, Finally Found Someone, Bloody Crayons, Love You to the

Stars and Back, Loving in Tandem, Last Night, Seven Sundays, Unexpectedly Yours, Ghost Bride, The Revenger Squad and, Ang Panday. Total gross receipts generated from these movies reached over ₱2.45 billion.

ABS-CBN TVPlus contributed significant increase in revenues for the entire year with a total of 2.0 million boxes sold, a 53.5% increase or 702 thousand additional boxes sold in comparison to 2016.

B. Cable, Satellite & Broadband

Sky Cable's revenue increased by ₱363 million or 4.1% year-on-year. The increase in Sky Cable's performance was triggered by the increase in direct to home subscribers count by 280 thousand. In total, subscriber count of Sky increased by 243 thousand, moving up to 1.4 million subscribers or 21.7% increase by end of 2017.

C. Digital & Interactive Media

Since the Company's direction is to go digital, various platforms are continuously developed and enhanced to address the rapid digital preference move of the "millennials". This thrust in digital content production in various platforms such as, Push, ABS-CBN Lifestyle, Choose Philippines, Iwant TV, ABS-CBN Exclusives and Entertainment, further drove consumer engagement reflected through increasing monthly active subscribers throughout 2017. Total revenues generated from online platforms amounted to ₱ 660 million in 2017, higher by 95% compared to 2016.

D. Consumer Products & Experience

Kidzania generated ₱524 million in revenues with a total of 339 thousand visitors in 2017.

O-shopping continuously offer new products and promos to assure quality home TV shopping and online experience. It generated ₱840 million in revenues, 2.1% higher in comparison to 2016.

Capital Expenditures

Cash capital expenditures and program rights acquisitions amounted to ₱7.9 billion as of December 31, 2017.

Statement of Financial Position Accounts

As at December 31, 2017, total consolidated assets stood at ₱75.1 billion, 3.3% higher than total assets of ₱72.7 billion as of December 31, 2016.

Shareholders' equity increased to ₱33.7 billion or 6.4% in December 31, 2017 compared to the previous year.

The company's net debt-to-equity ratio was at 0.24x and 0.30x as of December 31, 2017 and December 31, 2016, respectively.

FOR THE YEAR ENDED DECEMBER 31, 2016

The table below summarizes the results of operations for the years 2016 and 2015.

	2016	2015	Variance	
			Amount	%
Consolidated Revenues	₱41,630	₱38,278	₱3,352	8.8
Advertising Revenues	23,650	21,265	2,385	11.2
Consumer Sales	17,980	17,013	967	5.7
<i>Sale of Services</i>	15,877	15,148	729	4.8
<i>Sale of Goods</i>	1,966	1,734	232	13.4
<i>Others</i>	137	131	6	4.6
Costs and Expenses	36,690	34,686	2,004	5.8
Production Costs	12,012	11,434	578	5.1
Cost of Sales and Services	12,017	11,131	886	8.0
General and Administrative Expenses (GAEX)	12,661	12,121	540	4.5
Financial Costs – net	726	519	207	39.9
Equity in Net Loss (Earnings) of Associates and Joint Ventures	1	1	-	-
Other Income – net	(467)	(257)	(210)	81.7
Net Income	₱3,525	₱2,545	₱980	38.5
EBITDA	₱9,853	₱7,940	₱1,913	24.1

Consolidated Revenues

For the year ended December 31, 2016, ABS-CBN generated consolidated revenues of P41.630 billion from advertising and consumer sales, ₱3.352 billion or 8.8% higher year-on-year.

Advertising revenues increased by ₱2.385 billion or 11.2% higher year-on-year attributable to election related advertising placements and increase in overall ratings per program. Consumer sales also increased by ₱967 million mainly resulting from the sale of ABS-CBN TVPlus, higher revenue from Sky Cable’s broadband business.

Comparative revenue mix is as follows:

	2016	2015
Advertising revenues	57%	56%
Consumer sales	43%	44%

Consolidated Costs and Expenses

Direct costs and expenses amounted to ₱36.690 billion in 2016, or a 5.8% increase year-on-year.

Production cost increased by ₱578 million or 5.1%. The minimal increase in production cost is mainly attributable to the following costs incurred: (1) ₱100 million from election related expenses, (2) ₱90 million from sports related license fees, (3) ₱210 million from program related expenses and (4) ₱100 million from strategic initiatives for the news and current affairs.

Cost of sales and services increased by ₱886 million or 8.0% which is mainly attributable to the sale of ABS-CBN TVPlus. Facilities related expenses also contributed to the increase in cost of sales and services accounting for 20% of the total growth. In addition, 30% of the total increase is attributable to non-cash expenses primarily because of Global, Kidzania and ABS-CBN Mobile.

GAEX grew by 4.5% or ₱540 million. The minimal growth was because of ₱597 million provision for doubtful accounts, research and survey, outside services and legal and professional fees but was offset by ₱230 million decline in personnel related expenses.

Net Income and EBITDA

The Company generated ₱3.525 billion net income for the year 2016. Net income increased by 38.5% compared to ₱2.545 billion in the previous year. EBITDA reached ₱9.853 billion, a 24.1% increase year-on-year.

Business Segments

For management purposes, the Company categorizes its operations into the following reportable businesses: TV and Studio, Cable and Satellite and New Businesses. This segmentation is the basis upon which the Company measures its business operations.

	<p>TV and Studio</p> <p>TV and studio segment is composed of broadcast, global operations, film and music production, cable channels, and publishing. Local and global content creation and distribution through television and radio broadcasting are included in this segment.</p>
	<p>Cable and Satellite</p> <p>Pay TV networks include cable television services of Sky Cable and its subsidiaries in Metro Manila and in certain provincial areas in the Philippines. It offers postpaid and prepaid packages as well as a la carte programming, broadband, internet phone, among others.</p>
	<p>New Business</p> <p>New businesses and initiatives pertain to wireless telecommunications business, digital terrestrial TV, theme parks and home shopping.</p>

The following analysis presents results of operations of the Company's business segments for the period December 31, 2016 and 2015:

E. TV and Studio

TV and Studio segment results for the year are as follows:

	Revenues		
	2016	2015	%
Free-to-Air	₱23,967	₱21,314	12.4
Global	5,855	5,976	(2.0)
Films and Music	1,316	1,258	4.6
Others	857	1,020	(16.0)
	₱31,995	₱29,568	8.2

**Includes reclassification of 2015 figures for comparative purposes.*

Free-to-Air

Revenue from the Free-to-Air business grew by ₱2.653 billion or 12.4% compared to previous year. Airtime revenue increased significantly primarily because of the ₱2.264 billion political advertising revenue coupled with 3.4% regular rate increase and 3.7% ratings increase.

Growth is fuelled by ABS-CBN's strength in content creation and programming, which led to ratings leadership. ABS-CBN's Primetime teleseryes remained its high ratings with its line-up of top caliber drama series such as "Ang Probinsyano", "Pangako Sa'yo", "Dolce Amore", and "Magpahanggang Wakas". Weekend programming also remained competitive as "The Voice Kids", "Pilipinas Got Talent", "Dance Kids", and "Pinoy Boyband Superstar" makes it to the top 20 programs in 2016.

With the launch of ABS-CBN's newest and biggest innovation in Philippine TV with ABS-CBN TV Plus in February 2015, TV Plus contributed to the overall increase in revenue with over 1 million boxes sold in 2016 or a total of 2.3 million boxes sold as of end of 2016.

ABS-CBN's Channel 2 led in national audience share and ratings. Channel 2's overall audience share was at 45.0% in December 2016 while the primetime audience share was at 49.0% based on Kantar National TV Audience Measurement. ABS-CBN's primetime lead in December 2016 was sustained by its top rating programs led by "Ang Probinsyano" with average national TV rating of 40.0%, "The Voice Kids", "Pangako Sa'yo", and "Dolce Amore" among others.

Moreover, the top 10 programs in the Philippines were dominated by ABS-CBN.

Rank	Channel	Program	Rating (%)*	
1	ABS-CBN	FPJ's Ang Probinsyano	40.0	Weekday
2	ABS-CBN	The Voice Kids Sunday	38.2	Weekend
3	ABS-CBN	The Voice Kids Saturday	37.0	Weekend
4	ABS-CBN	Pangako Sa'yo	34.3	Weekday
5	ABS-CBN	Dolce Amore	33.8	Weekday
6	ABS-CBN	Pilipinas Got Talent Sunday	32.0	Weekend
7	ABS-CBN	Pilipinas Got Talent Saturday	31.9	Weekend
8	ABS-CBN	Dance Kids Saturday	31.2	Weekend
9	ABS-CBN	Pinoy Boyband Superstar Sunday	30.8	Weekend
10	ABS-CBN	Dance Kids Sunday	30.7	Weekend

*Source: Kantar Media TV Audience Measurement, Total Philippines, Total Days, January - December 2016

Global

As of December 31, 2016, ABS-CBN Global reached over 3.0 million viewers in over 40 countries across 4 continents worldwide.

Global's primary revenue drivers were as follows:

	Revenues		
	2016	2015	%
Subscription	₱3,942	₱3,607	9.3
Advertising Revenue	600	704	(14.8)
Theatrical and Events	624	713	(12.5)
Remittance	222	347	(36.0)
Others	467	605	(22.8)
	₱5,855	₱5,976	(2.0)

The decline in Global's revenue is primarily attributable the slowdown in its remittance, theatrical and advertising revenues in 2016. The termination of the satellite business also contributed to the decline in the overall revenue potential of Global. However, despite the drop in the said revenues, the subscribers count managed to improve in 2016 year resulting to a 9.4% or ₱335 million increase in subscription revenue.

ABS-CBN Global is consistent in the commitment to touch the lives of Kapamilya overseas and finding new ways outside TV viewing that would allow its customers to be more immersive and interactive. ABS-CBN Global staged the successful "ASAP New York" where round 9,000 Kapamilyas were entertained by over 50 artists.

Films and Music

Total revenue of Films and Music increased 4.6% year-on-year. ABS-CBN Film Productions, Inc. (i.e. "Star Cinema") released 14 films in 2016. *Beauty and the Bestie* and *The Super Parental Guardians (SPG)* generated over ₱500 million box office receipts making it to the list of highest grossing Filipino films. Although SPG was not part of the Metro Manila Film Festival, it still was able to generate ₱600 million from local and international gross receipts. Apart from the titles mentioned above, *Barcelona* and *Unmarried Wife* were also able to generate more than ₱200 million gross receipts.

Comparative cost of sales and services increased by ₱187 million year-on-year due to digital distribution and lower number of co-produced movies year-on-year.

F. Cable and Satellite

Revenue from Pay TV Network consist of the following:

	Revenues		
	2016	2015	%
Cable	₱5,496	₱5,672	(3.1)
Broadband	2,641	1,646	60.4
Advertising Revenue and Others	804	765	5.1
	₱8,761	₱8,083	8.4

Total revenues grew by ₱678 million or 8.4% year-on year. Broadband revenues increased by 60.4% driven by 45.1% growth in broadband subscriber base. In 2016, Sky introduced its direct-to-home service, which successfully allowed additional 112 thousand subscribers by end of year.

Total costs and expenses increased by 8.2% to ₱8.542 billion. This increase was primarily due to bandwidth, programming and outside services.

G. New Business

KidZania Manila, an indoor play city where kids can have fun exploring the adult world, officially opened its doors to the public last August 7, 2015. In 2016, Kidzania generated ₱514 million in revenues with over 362 thousand attendance and 66 role-playing establishments with 104 activities.

ABS-CBN*mobile* generated over 930 thousand subscribers by end of 2016. With the continuous improvement and reach of the ABS-CBN mobile, it was able to launch various exclusive programs and activities such as Kapamilya VIP and Pinoy Big Brother PBB Insider.

On the other hand, A CJ O continuously performed well during the year generating average monthly sales of ₱69 million.

Capital Expenditures

Cash capital expenditures and program rights acquisitions amounted to ₱6.338 billion as of December 31, 2016.

Statement of Financial Position Accounts

As at December 31, 2016, total consolidated assets stood at ₱72.734 billion, 4.0% higher than total assets of ₱69.944 billion as of December 31, 2015.

Shareholders' equity increased to ₱31.692 billion or 10.4% in December 31, 2016 compared to the previous year. The increase in equity is attributable to net income earned during the year.

The company's net debt-to-equity ratio was at 0.30x and 0.31x as of December 31, 2016 and December 31, 2015, respectively.

FOR THE YEAR ENDED DECEMBER 31, 2015

The table below summarizes the results of operations for the years 2015 and 2014.

	2015	2014	Variance	
			Amount	%
Consolidated Revenues	₱38,278	₱33,544	₱4,734	14.1
Advertising Revenues	21,265	18,880	2,385	12.6
Consumer Sales	17,013	14,664	2,349	16.0
Sale of Services	15,148	14,173	975	6.9
Sale of Goods	1,734	352	1,382	392.6
Others	131	139	(8)	(5.8)
Costs and Expenses	34,686	30,369	4,317	14.2
Production Costs	11,434	11,008	426	3.9
Cost of Sales and Services	11,131	9,247	1,884	20.4
General and Administrative Expenses (GAEX)	12,121	10,114	2,007	19.8
Financial Costs – net	519	1,043	(524)	(50.2)
Equity in Net Loss (Earnings) of Associates and Joint Ventures	1	(3)	4	(133.3)
Other Income – net	(257)	(652)	395	(60.6)
Net Income	₱2,545	₱2,030	₱515	25.4
EBITDA	₱7,940	₱7,476	₱464	6.2

Consolidated Revenues

For the year ended December 31, 2015, ABS-CBN generated consolidated revenues of P38.278 billion from advertising and consumer sales, ₱4.734 billion or 14.1% higher year-on-year.

Advertising revenues increased by ₱2.385 billion or 12.6% higher year-on-year. Consumer sales also increased by ₱2.349 billion resulting from the sale of ABS-CBN TVPlus, strong performance of Global's theatrical and remittance business and higher revenue from Sky Cable's broadband business.

Comparative revenue mix is as follows:

	2015	2014
Advertising revenues	56%	56%
Consumer sales	44%	44%

Consolidated Costs and Expenses

Direct costs and expenses amounted to ₱34.686 billion in 2015, or a 14.2% increase year-on-year.

Production cost increased by ₱426 million or 3.9%. Personnel expenses and talent fees contributed 2.1% increase year-on-year. Increase in other cash expenses is mainly attributable to facilities-related expenses and licenses during the year, while non-cash expenses such as depreciation and amortization increased by 2.9%.

Cost of sales and services increased by ₱1.884 billion or 20.4% which is attributable to ABS-CBN TVPlus. Cost of services also increased in line with the increase in Sky Cable’s programming and bandwidth costs. In addition, Global’s cost of services increased due to higher transaction and events cost.

GAEX grew by 19.8% or ₱2.007 billion. The Company’s personnel related expenses contributed to the increase in GAEX during the year while non-cash related expenses decreased by 4.1%.

Net Income and EBITDA

The Company generated ₱2.545 billion net income for the year 2015. Net income increased by 25.4% compared to ₱2.030 billion in the previous year. EBITDA reached ₱7.940 billion, a 6.2% increase year-on-year.

Business Segments

For management purposes, the Company categorizes its operations into the following reportable businesses: TV and Studio, Pay TV Networks and New Businesses. This segmentation is the basis upon which the Company measures its business operations.

	<p><u>TV and Studio</u> TV and studio segment is composed of broadcast, global operations, film and music production, cable channels, and publishing. Local and global content creation and distribution through television and radio broadcasting are included in this segment.</p>
	<p><u>Cable and Satellite</u> Pay TV networks include cable television services of Sky Cable and its subsidiaries in Metro Manila and in certain provincial areas in the Philippines. It offers postpaid and prepaid packages as well as a la carte programming, broadband, internet phone, among others.</p>
	<p><u>New Business</u> New businesses and initiatives pertain to wireless telecommunications business, digital terrestrial TV, theme parks and home shopping.</p>

The following analysis presents results of operations of the Company's business segments for the period December 31, 2015 and 2014:

A. TV and Studio

TV and Studio segment results for the year are as follows:

	Revenues		
	2015	2014	%
Free-to-Air	₱19,675	₱17,092	15.1
Global	5,976	5,651	5.8
Films and Music	1,282	1,161	10.4
Narrowcast	1,412	1,265	11.6
Others	2,709	2,278	18.9
	₱31,054	₱27,447	13.1

Includes reclassification of 2014 figures for comparative purposes and excludes ABS Mobile TVCs

Free-to-Air

Revenue from the Free-to-Air business grew by ₱2.583 billion or 15.1% compared to previous year. Airtime revenue increased significantly in Channel 2 and Regional Network with year-on-year increase of 13.0% and 39.0%, respectively.

Growth is fuelled by ABS-CBN's strength in content creation and programming which led to ratings leadership. ABS-CBN's Primetime Bida remained undisputed with its line-up of top caliber drama series such as "Ang Probinsyano", "Pangako Sa'yo", "On the Wings of Love", and "Pasion de Amor".

ABS-CBN continued to dominate weekend programming as "The Voice Kids" and "Your Face Sounds Familiar" makes it to the list of most watched TV programs in the country.

ABS-CBN's Channel 2 led in national audience share and ratings. Channel 2's overall audience share was at 43.0% in December 2015 while the primetime audience share was at 48.6% based on Kantar National TV Audience Measurement. ABS-CBN's primetime lead in December 2015 was sustained by its top rating programs led by "Ang Probinsyano" with average national TV rating of 39.6% while the afternoon block remained strong with "Doble Kara" and "Nasan Ka Nang Kailangan Kita" registering 14.7% and 13.9% in ratings, respectively:

Rank	Channel	Program	Rating (%)*	
1	ABS-CBN	The Voice Kids Sunday	42.7	Weekend
2	ABS-CBN	The Voice Kids Saturday	40.8	Weekend
3	ABS-CBN	FPJ's Ang Probinsyano	39.6	Weekday
4	ABS-CBN	Nathaniel	34.6	Weekday
5	ABS-CBN	Pangako Sa'Yo	33.8	Weekday
6	ABS-CBN	Boses ng Bulilit, Muling Bibirit	32.8	Weekend
7	ABS-CBN	Dance Kids Saturday	31.6	Weekend
8	ABS-CBN	Dance Kids Sunday	31.0	Weekend
9	ABS-CBN	MMK Ang Tahanan Mo	30.7	Weekday
10	ABS-CBN	Dream Dad	29.9	Weekend

*Source: Kantar Media TV Audience Measurement, Total Philippines, Total Days, January - December 2015

Global

As of December 31, 2015, ABS-CBN Global reached over 3.0 million viewers in over 40 countries across 4 continents worldwide, 8.5% higher than previous year. 53.1% of Global viewers were in North America while 40.5% were in the Middle East.

Global's primary revenue drivers were as follows:

	Revenues		
	2015	2014	%
Subscription	₱3,607	₱3,475	3.8
Advertising Revenue	704	581	21.2
Theatrical and Events	713	467	52.7
Remittance	347	305	13.8
Others	605	823	(26.5)
	₱5,976	₱5,651	5.8%

Global revenue increased by 5.8% as a result of higher earnings from theatrical and events which increased by ₱246 million compared to the previous year. During the year, Global released 12 movies from Star Cinema, with *The Love Affair* ranking as the highest-grossing internationally released film as of date. For events, ABS-CBN and TFC mounted the ASAP 20 Live in London last September 2015 with almost 10,000 Filipinos in attendance.

In line with the increase in total subscriber count, subscription related revenue increased by ₱132 million or 3.8% compared to previous year. Also, the significant increase in volume of remittance transactions during the year triggered the increase in remittance revenue of 13.8%.

Films and Music

Total revenue of Films and Music increased 10.4% year-on-year. ABS-CBN Film Productions, Inc. (i.e. "Star Cinema") released 14 films. *The Amazing Praybeyt Benjamin 2* and *A Second Chance* generated over ₱450 million box office receipts making it to the list of highest grossing Filipino films. *A Second Chance* is also the highest grossing non-Metro Manila Film Fest Filipino film of all time. Four films namely, *Feng Shui*, *Crazy Beautiful You* and *You're My Boss* generated more than ₱200 million gross receipts. Gross receipts in 2015 is 3.7% higher than gross receipts of previous year considering that more movies were released in 2014.

Comparative cost of sales and services increased by 3.1% year-on-year due to more quality films produced in and lower number year-on-year of movies that are co-produced.

Narrowcast

Total revenues of narrowcast increased by ₱147 million or 11.6%. Significant increase in revenues is fuelled by the theatrical release of Cinema One Original movie *That Thing Called Tadhana* with over ₱135 million gross receipts. ABS-CBN Publishing, Inc. also released bestselling books namely *Stupid is Forever*, *Stupid is Forevermore* and *Dear Alex* which contributed to the increase in revenues.

B. Pay TV Networks

Revenue from Pay TV Network consist of the following:

	Revenues		
	2015	2014	%
Cable	₱5,672	₱5,661	0.0
Broadband	1,646	1,264	30.2
Advertising Revenue and Others	765	839	(8.8)
	₱8,083	₱7,764	4.1

Total revenues grew by ₱319 million or 4.1% year-on year. Broadband revenues increased by 30.2% driven by 44.4% growth in broadband subscriber base. Pay-per view revenue doubled in 2015 mainly from the Pacquiao-Mayweather which is the highest pay-per view event to date.

Total costs and expenses increased by 7.3% to ₱7.898 billion. This increase was caused by growth in programming and bandwidth costs of 3.8%.

C. New Business

KidZania Manila, an indoor play city where kids can have fun exploring the adult world, officially opened its doors to the public last August 7, 2015. Since opening, KidZania has welcomed over 200,000 visitors generating ₱239 million revenues in a span of five months.

In February 2015, ABS-CBN Corporation launched its newest and biggest innovation on Philippine TV with ABS-CBN TVplus. Total sell-in of set-top boxes for digital terrestrial TV reached over 800 thousand boxes as of December 31, 2015.

ABS-CBN*mobile* being the first mobile phone service to offer exclusive content never before seen on TV launched its StarFlix service last August 2015. "Must date the Playboy" was the first offer of StarFlix which featured the best and most popular artists of ABS-CBN. Average revenue per user (ARPU) ended at ₱95 as at December 31, 2015 from an ARPU of ₱42 at the start of the year.

On the other hand, A CJ O continuously performed well during the year generating average monthly sales of ₱56 million.

Capital Expenditures

Cash capital expenditures and program rights acquisitions amounted to ₱5.3 billion as of December 31, 2015.

Statement of Financial Position Accounts

As at December 31, 2015, total consolidated assets stood at ₱69.9 billion, 4.0% higher than total assets of ₱67.2 billion as of December 31, 2014.

Shareholders' equity increased to ₱28.7 billion or 6.8% in December 31, 2015 compared to the previous year. The increase in equity is attributable to net income earned during the year.

The company's net debt-to-equity ratio was at 0.31x and 0.26x as of December 31, 2015 and December 31, 2014, respectively.

REPUBLIC OF THE PHILIPPINES)
PASIG CITY) S.S.

ABS-CBN CORPORATION

SECRETARY'S CERTIFICATE

I, **ENRIQUE I. QUIASON**, Filipino, of legal age, the duly elected and incumbent Corporate Secretary of **ABS-CBN CORPORATION** (the "Corporation"), a corporation duly organized and existing under the laws of the Republic of the Philippines, DO HEREBY CERTIFY, That:

I am familiar with the facts herein certified and duly authorized to certify the same;


None of the Directors and Independent Directors are elected Public Servants;

To the best of the Corporation's knowledge, information and belief, none of the Directors and Independent Directors and/or Officers of the Corporation are appointed and/or employees in any government agency except as follows:

1. Dr. Emmanuel S. De Dios is currently a Professor at the University of the Philippines School of Economics.


To the best of the Corporation's knowledge, information and belief, "a public officer may generally be allowed to hold an office or employment in a private enterprise" (DOJ Opinion No. 40, Series of 2002). Hence, there is no bar for the aforementioned individuals from holding office as directors or officers. In any event, with respect to Dr. Emmanuel S. De Dios, attached is the consent of the Dean of the University of the Philippines, School of Economics.

WITNESS THE SIGNATURE of the undersigned this 20 MAR 2018 day of March, 2018 at Pasig City.


ENRIQUE I. QUIASON
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 20 MAR 2018 day of March, 2018, affiant exhibiting to me his Community Tax Certificate No. 07823905 issued on January 9, 2018 at Pasig City with SSS No. 03-8352363-1 as his competent evidence of identity.

Doc. No. 103;
Page No. 22;
Book No. 2;
Series of 2018.


SID ANGEL M. BAUTISTA
Notary Public
FOR AND IN THE CITY OF PASIG AND SAN JUAN
AND IN THE MUNICIPALITY OF PATROS
B/PAL, LAKHAR, PASIG CITY
PTR NO. 381911, PASIG CITY
TIP LIFE TIME NO. 014841648416
ROLL NO. 66241/APPOINTMENT NO. 34 (2010-2011)
21/F Robinsons Equitable Tower, 4806 Ave. Cor. Payson St.
1605 Ortigas Center, Pasig City



**UNIVERSITY OF THE PHILIPPINES
SCHOOL OF ECONOMICS**

19 March 2018

Dr. Emmanuel S. de Dios
University of the Philippines
School of Economics

Dear Dr. de Dios:

This is to formally re-confirm that you are allowed to continue your directorship(s) and/or engagement in consultancies and part-time employment for private corporations in accordance with the University's policy on limited practice of profession.

Yours truly,

Orville Jose C. Solon, PhD.
Dean

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **ANTONIO JOSE U. PERIQUET, JR.**, Filipino, of legal age and a resident of No. 27 Banaba Road, Forbes Park South, Makati City, Philippines, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of ABS CBN Corporation and have been its independent director since April, 2013.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
Pacific Main Holdings, Inc.	Chairman	1999 - present
Campden Hill Group, Inc.	Chairman	2012 - present
Campden Hill Advisors, Inc.	Chairman	2012 - present
BPI Asset Management and Trust Corporation	Chairman	2017 - present
ABS-CBN Holdings Corporation	Independent Director	2012 - present
Ayala Corporation	Independent Director	2010 - present
Bank of the Philippine Islands (BPI)	Independent Director	2012 - present
BPI - Capital Corporation	Independent Director	2010 - present
BPI - Family Savings Bank, Inc.	Independent Director	2012 - present
DMCI Holdings, Inc.	Independent Director	2010 - present
Max's Group of Companies, Inc.	Independent Director	2014 - present
Philippine Seven Corporation	Independent Director	2010 - present
The Straits Wine Company, Inc.	Director	2010 - present
Lyceum of the Philippines University	Trustee	2010 - present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of ABS CBN Corporation as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code. (where applicable)

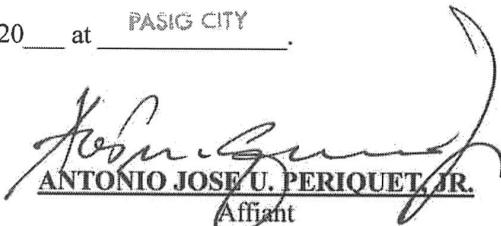
NAME OF DIRECTOR/ OFFICER/ SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding/ I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be):

OFFENSE CHARGED/INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS


6. (For those in government service/affiliated with a government agency or GOCC) I have the required written permission or consent from the (head of the agency/department) to be an independent director in ABS CBN Corporation, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. I shall inform the corporate secretary of ABS CBN Corporation of any changes in the abovementioned information within five days from its occurrence.

Done, this 16 MAR 2018 day of _____ 20__ at PASIG CITY.


ANTONIO JOSE U. PERIQUET, JR.
 Affiant

SUBSCRIBED AND SWORN TO before me this 16 MAR 2018 day of _____ 2018 at PASIG CITY, affiant exhibited to me his Philippine Passport No. P6023226A issued on 13 February 2018 by the Department of Foreign Affairs in Manila and SSS No. 03-8032428-6 as 2 competent evidence of identity.

Doc. No. 126 ;
 Page No. 27 ;
 Book No. T ;
 Series of 2018.


CARA MARIE S. MAGLAYA
 NOTARY PUBLIC
 FOR AND IN THE CITY OF PASIG AND SAN JUAN
 AND IN THE MUNICIPALITY OF PATEROS
 UNTIL DECEMBER 31, 2019
 PTR NO. 3887182; 1/10/2018; PASIG CITY
 BSP NO. 003956; 1/04/2018; RSP1
 ROLL NO. 65519/APPROXIMATELY INQ. 36 (2018-2019)
 21/F Robinsons-Equitable Tower, 4 A/C 8 Ave. cor. Foveada St.
 1605 Ortigas Center, Pasig City

CERTIFICATION OF INDEPENDENT DIRECTOR

I, EMMANUEL S. DE DIOS, Filipino, of legal age and a resident of 7 (formerly 60) Yakal Street, Monte Vista Subdivision, Marikina City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of ABS-CBN Corporation and have been its independent director since April 2013.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
University of the Philippines	Professor (Economics)	1989 to present
Pulse Asia, Inc.	Director	2008 to present
Human Development Network	President	2012 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of ABS-CBN Corporation, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code. (where applicable)

NAME OF DIRECTOR/ OFFICER/ SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding/ I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be):

OFFENSE CHARGED/INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS


6. (For those in government service/affiliated with a government agency or GOCC) I have the required written permission or consent from the (head of the agency/department) to be an independent director in ABS-CBN Corporation, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. I shall inform the corporate secretary of ABS-CBN Corporation of any changes in the abovementioned information within five days from its occurrence.

Done, this 20th day of March 2018 at Pasig City.


EMMANUEL S. DE DIOS
 Affiant

SUBSCRIBED AND SWORN to before me this 20TH day of March, 2018 at Pasig City, affiant personally appeared before me and exhibited to me his G SIS CRN No. 006-0086-9258-2 as his competent evidence of identity.

Doc. No. 104 ;
 Page No. 22 ;
 Book No. I ;
 Series of 2018.


SID ANGELO M. BAUTISTA
 Notary Public
 DOJ AND IN THE CITY OF PASIG AND SAN JUAN
 AND IN THE MUNICIPALITY OF PATEROS
 UNTIL DECEMBER 31, 2019
 PTR NO. 3897191; 1/10/2018; PASIG CITY
 IBP LIFETIME NO. 014963; MANILA II
 ROLL NO. 66041/APPOINTMENT NO. 34 (2018-2019)
 32/F Robinson-Equitable Tower, 4 ADB Aves. cor. Povitda St.
 1605 Ortigas Center, Pasig City



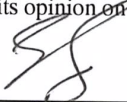
ABS-CBN CORPORATION

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **ABS-CBN Corporation and Subsidiaries** is responsible for the preparation and fair presentation of the consolidated financial statements for the years ended December 31, 2017, 2016 and 2015, 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 consolidated 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 consolidated financial statements and submits the same to the stockholders.

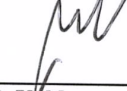
SyCip Gorres Velayo & Co., the independent auditors appointed by the stockholders for the period December 31, 2017 and 2016, respectively, has examined the consolidated financial statements of the Company in accordance with the Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such examination.



Eugenio L. Lopez III
Chairman of the Board



Carlo L. Katigbak
President & CEO



Rolando P. Valdueza
Group Chief Financial Officer




Aldrin M. Cerrado
Chief Financial Officer

Signed this 21 day of MARCH, 2018

SUBSCRIBED AND SWORN to me before this ____ day of MAR 21 2018 Affiants exhibiting to me their Passports, as follows:

<u>NAMES</u>	<u>PASSPORT NO.</u>	<u>DATE OF EXPIRY</u>	<u>PLACE OF ISSUE</u>
Eugenio L. Lopez III	EB8352063	07 Jun 2018	DFA, Manila
Carlo L. Katigbak	EC6618200	26 Jan 2021	DFA, Manila
Rolando P. Valdueza	EB9244017	26 Sep 2018	DFA, Manila
Aldrin M. Cerrado	EC0845195	13 Apr 2019	DFA, Manila

Doc. No. : 330
Page No. : 67
Book No. : II
Series of: 2018


ANNE JANELLE O. YU
Commission No. 345
Notary Public for Quezon City
Until December 31, 2018
4/F, ELJ Communications Center
Eugenio Lopez Drive, Quezon City
Roll No. 64403
PTR No. 5321825/01.04.2018/Quezon City
IBP Lifetime Roll No. 018542/01.10.2018/Makati
MCLE Compliance No. V-0015285/03.08.2016