

MINUTES OF THE  
ANNUAL STOCKHOLDERS MEETING OF  
**ABS-CBN CORPORATION**  
HELD ON MAY 5, 2016 at 8:00 A.M.

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The annual meeting of the stockholders of ABS-CBN CORPORATION was held on May 5, 2016 at 8:00 a.m. at the Dolphy Theater, ABS-CBN Broadcast Center, Sgt. Esguerra Avenue corner Mother Ignacia Street, Quezon City.

CALL TO ORDER

The meeting was called to order by the Chairman of the Board, Mr. Eugenio Lopez III, who presided over the same. The Secretary, Enrique I. Quiason, recorded the minutes of the proceedings.

PROOF OF SERVICE OF NOTICE

The Secretary certified that for purposes of the meeting, proper notices of the same were sent to all stockholders of record in accordance with the provisions of the By-Laws.

CERTIFICATION OF THE PRESENCE OF QUORUM

The Secretary certified that there being present at the meeting, in person or by proxy, stockholders owning 1,797,950,389 common and preferred shares out of 1,872,123,642 common and preferred shares, or 96.04% of the total number of the issued and outstanding common and preferred shares, a quorum was present for the transaction of business. The Secretary further informed the stockholders that none of the proxies representing 1,797,865,093 shares submitted to him carried any abstention or opposition to any of the matters to be taken up during the meeting.

The Secretary also explained that should the need arise, the manner of voting shall be non-cumulative, except as to the election of directors, and each stockholder shall have one vote for each share entitled to vote and registered in his name. Unless a motion is duly made and seconded, the voting shall be made viva voce and counted manually by the Corporate Secretary. Voting shall be done by balloting upon motion duly made and seconded and the transfer agent shall count and canvass the ballots.

In the election of directors, the top eleven nominees with the most number of votes

will be elected as directors. Cumulative voting shall be allowed.

In addition to the Chairman of the Board, Mr. Eugenio Lopez III, the following directors were present during the annual general meeting: Mr. Federico M. Garcia; Mr. Carlo L. Katigbak; Mr. Augusto Almeda Lopez; Mr. Federico R. Lopez; Mr. Oscar M. Lopez; Mr. Salvador G. Tirona; Mr. Antonio Jose U. Periquet (independent director); and Mr. Emmanuel S. De Dios (independent director). The following Board Advisors were also present during the meeting: Mr. Mario L. Bautista; Ms. Ma. Rosario Santos-Concio; Mr. Randolph S. David; Mr. Martin L. Lopez and Mr. Honorio Poblador IV.

#### READING AND APPROVAL OF MINUTES OF PREVIOUS STOCKHOLDERS MEETING

The reading of the minutes of the stockholders' meeting held on April 24, 2015 was dispensed with and, upon motion duly made and seconded, the stockholders unanimously approved the same.

#### REPORT OF THE PRESIDENT AND CHIEF OPERATING OFFICER

The President and Chief Executive Officer, Mr. Carlo L. Katigbak rendered the following report to the stockholders:

Mga Kapamilya,

Today we celebrate and give thanks for an amazing journey – one that started 62 years ago. In that span of time, ABS-CBN has been at the forefront of many milestones in our industry and in our country.

Yet, what makes ABS-CBN unique is that these achievements are byproducts of our mission rather than our goal. Scratch beneath the surface of everything we do and you will find this mission reflected in our way of thinking, in our business and in our actions.

In 2015, we introduced to all employees the Kapamilya Way. In this period of significant growth and expansion, we needed to remind every kapamilya that our core is defined by a set of values that make ABS-CBN unique.

This ensures continuity not only of the business but more importantly, continuity of heart and spirit in the years to come. I am pleased to report that these efforts have led to ABS-CBN being named among the most trusted brands in the country and the only media company in The EON Stakeholder Relations

Group's 2015 Philippine Trust Index.

The Kapamilya Way goes beyond just values. It includes fostering the talent, welfare and well-being of our kapamilyas. By focusing on people first, we are provided a greater chance of success for everything else that we've set out to do. As our business evolves, our kapamilyas have had to learn new skills and new ways of thinking. In 2015, we launched the ABS-CBN University to further develop the potential of our employees. The University conducted over 23 courses with over 1,000 hours of training and 1,700 participants.

We like saying that if we focus on our mission, success will follow. If we focus on service, the business will grow. If we focus on the Filipino, we will always be rewarded.

In 2015, your company posted its best net income result since 2010. I am pleased to report that your company delivered P2.5 billion in net income in 2015 – a 25% increase from the previous year. Consequently, our net income and EBITDA margins stood strong at 6.9% and 21.5% respectively.

These results tell only a portion of the story. A look at our TV and Studio Entertainment segment shows an even more impressive result. Segment revenues grew by 11% and segment net income grew by an impressive 32%. These results show that our core business continues to deliver healthy growth even as we invest in new businesses.

Given these results, we are thankful that Finance Asia named ABS-CBN among the top 3 Best Managed Mid Cap companies in the Philippines.

A number of initiatives in our current business have helped to deliver these results.

We reframed our ad sales approach and partnered with the industry in adopting a new pricing standard – CPIRP or Cost per Individual Rating Point. This framework prices our ad spots based on the ratings delivered by a show. In turn, this allows us to invest even more into programs in order to deliver maximum ratings.

We have had our best ratings performance since the adoption of the Kantar Media TV Audience Measurement in June 2012. ABS-CBN delivered a 50% average audience share in primetime for the whole of 2015 – our highest since 2012. Our whole day audience share remained steady at 43%. All the top 20 shows on TV for 2015 were ABS-CBN shows led by *FPJ's Ang Probinsyano* and *The Voice Kids Sundays*, while *TV Patrol* continues to be the No. 1 newscast on TV.

As testament to the quality of our programs, other countries have begun licensing and airing our TV shows. Vietnam secured 500 hours of programs, Thailand – 400 hours with an additional 924 hours of shows in six other

territories. Our show *Pangako Sa 'Yo* made history for being the first format acquired by Mexico – the home of telenovelas.

Our newly launched Sports+Action channel delivered an impressive year – delivering a huge 69% increase in ratings while remaining the No. 1 UHF network in the Philippines and no. 4 among all Free to Air networks.

Our cable channels group remained the no.1 studio group on cable with a 19% share of all cable audiences.

DZMM continued to be the No. 1 AM station in Mega Manila. Our MOR stations were no. 1 in nine markets nationwide.

Our feature films group outperformed their previous performance. Star Cinema re-wrote local box office records with *A Second Chance* and *Praybet Benjamin 2* now taking over the top two spots as the all-time top grossing Filipino films of all time. This record breaking year was also helped by our Global group releasing more of our films internationally– an initiative that we continue to grow.

Our Publishing group celebrated its 20th anniversary by selling over 750,000 books - holding the No. 1 spot in the National Book Store Bestsellers List and dominating the Top 5 spots on the list for all 12 months of 2015.

We are committed to transitioning ABS-CBN into an agile digital company.

The launch of TV+ in 2015 marked the birth of digital free television in the Philippines. At the end of 2015, we sold over 940,000 TV Plus boxes and are well on our way to achieving 50% penetration in Mega Manila by the end of this year.

Our Digital Media group has grown its online properties to cement its position as the No. 1 portfolio of digital assets from the Philippines. ABS-CBN.com delivered close to 2.5 billion page views with over 313 million users from all over the world.

ABS-CBN Mobile showed steady improvement in delivering on its numbers. Its ARPU has now doubled since the start of 2015.

Sky Cable celebrated its 25th anniversary with various consumer offerings, additional HD channels and a 44% growth in its broadband subscriber base.

Our Global division saw a 66% growth in subscribers paying to watch TFC over the Internet. Across all its platforms, we now have a total of 3.1 million viewers of TFC across the world.

We remain committed to serving our communities.

In its 25th year of service, ABS-CBN Lingkod Kapamilya Foundation has grown to serve a broad spectrum of initiatives – all bound by a common goal, that of being in the Service of the Filipino.

The rehabilitation work in Yolanda affected areas continued with Sagip Kapamilya turning over 127 classrooms in 42 sites and implementing various livelihood projects that have benefited over 42,000 individuals.

After Typhoon Lando swept the country, Sagip Kapamilya was able to provide assistance for 17,000 families or 88,000 individuals.

In English, the origin of “thank you” comes from the word “think”. Saying thank you literally means to think of you.

It is in this spirit that today, we say thank you to all of you for your trust and support all these years.

We say thank you to all our kapamilyas for sharing this journey and for giving and serving beyond the call of duty.

And today we say thank you to Charo Santos-Concio. Charo marked her final year as President and CEO of ABS-CBN in 2015.

Under her leadership, she put the ABS-CBN values at the front and center of every organizational decision – big or small. She oversaw the continued dominance of our creative groups across all our platforms while managing a significant expansion program of our company.

Under her watch we have seen our revenues double – from P19.6 billion in 2008 to P38.3 billion in 2015. Our net income also close to doubled – from P1.4 billion to P2.5 billion.

For all these...and a whole lot more, we say thank you to Charo.

John F. Kennedy once said “As we express our gratitude, we must never forget that the highest appreciation is not to utter words, but to live by them.”

Today, as we say thank you, we recommit to living by our values as a company. We recommit to our mission - for it is not only a mission but a vision and a dream, one that has survived the test of time – reaching across generations and decades. It is a dream we continue to dream together – one that we will pursue for generations and decades to come. It is the Kapamilya Way – to be always In the Service of the Filipino.

Thereafter, through a video presentation, the significant activities and achievements of the Corporation during the past year, as well as clips of ABS-CBN programs, were shown.

## APPROVAL OF AUDITED FINANCIAL STATEMENTS

The next item taken up is the consideration of the audited financial statements of the company for the year ended December 31, 2015. Upon motion duly made and seconded, and there being no objection from any stockholder, the report of the President and Chief Executive Officer was noted and the audited financial statements of the Company for the year ended December 31, 2015 were approved.

## ELECTION OF DIRECTORS

The meeting proceeded to the election of directors for the ensuing year.

The Secretary informed the body that he received, in accordance with the rules of the Securities and Exchange Commission, nominations of the following stockholders as Directors for the ensuing year 2016 to 2017:

MR. EUGENIO LOPEZ III  
MR. AUGUSTO ALMEDA LOPEZ  
MR. CARLO L. KATIGBAK  
MR. OSCAR M. LOPEZ  
MR. MANUEL M. LOPEZ  
MS. PRESENTACION L. PSINAKIS  
MR. FEDERICO R. LOPEZ  
MR. FEDERICO M. GARCIA  
MR. SALVADOR G. TIRONA  
MR. ANTONIO U. PERIQUET  
MR. EMMANUEL S. DE DIOS

with Mr. Antonio U. Periquet and Mr. Emmanuel S. De Dios being nominated as independent directors. There were no other stockholders nominated.

The Chairman thereupon directed that all the votes of the stockholders present or represented be cast in favor of the stockholders nominated, and declared them as the duly elected members of the Board of Directors of the Company, to act as such until the election and qualification of their successors.

## RATIFICATION OF THE ACTS OF THE BOARD THE OFFICERS AND MANAGEMENT

Upon motion and duly made and seconded, and there being no objection to the

motion, the stockholders approved and adopted the following resolution:

“RESOLVED, That all acts of the Board of Directors, the Board Committees and the Management of Company during the period January 1, 2014 to December 31, 2015 be, as the same hereby are, confirmed and ratified.”

#### APPOINTMENT OF EXTERNAL AUDITOR

Upon motion made and duly seconded, and there being no objection from any stockholder, the auditing firm of Sycip, Gorres, Velayo & Co. was retained as external auditor of the Company.

#### OTHER MATTERS

The Chairman entertained additional questions from the floor.

A stockholder inquired if the Company plans to introduce television programs about the environment. He said that the Company has *Ang Probinsyano* which covers the life of law enforcers. The Chairman requested Ms. Ma. Socorro V. Vidanes to answer the question. Ms. Vidanes said that they will consider the suggestion and work on a project dealing with the conservation of the environment.

Another stockholder asked the Chairman’s view if Ferdinand Marcos, Jr. will be elected as Vice President of the Philippines. The Chairman said that we live in a democracy and if he is elected it will be the will of the people.

Another stockholder inquired about the earning guidance of the Company for 2016. The Chairman requested Mr. Aldrin M. Cerrado to respond to the question. Mr. Cerrado said that the earning guidance for 2016 is between P3.2 billion to P3.5 billion.

Another stockholder inquired if the auditing fee includes out-of-pocket expenses and value added taxes. Mr. Cerrado said that for 2015, total auditing fees of the external auditors amounted to P24 million. Out-of-pocket expenses did not exceed 5% of the auditing fees.

#### ADJOURNMENT

There being no further business to transact, upon motion duly made and seconded,

and there being no objection, the meeting was adjourned.

**ENRIQUE I. QUIASON**  
Corporate Secretary

ATTEST:

**EUGENIO LOPEZ III**  
Chairman