

MINUTES OF THE
ANNUAL STOCKHOLDERS MEETING OF
ABS-CBN CORPORATION
HELD ON APRIL 19, 2018 at 8:00 A.M.

The annual meeting of the stockholders of ABS-CBN CORPORATION was held on April 19, 2017 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 1,792,429,611 common and preferred shares out of 1,883,515,142 common and preferred shares, or 95.16% 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 1,792,335,395 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; 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. Emmanuel S. de Dios (independent director); Mr. Federico M. Garcia; Mr. Carlo L. Katigbak; Mr. Federico R. Lopez; Mr. Manuel M. Lopez; Mr. Martin L. Lopez; and Mr. Salvador G. Tirona. Mr. Augusto Almeda Lopez and Mr. Oscar M. Lopez were not present due to health reasons. Mr. Jose Antonio U. Periquet attended equally urgent matters abroad and was not able to join the meeting.

The following Board Advisors were also present during the meeting: Mr. Mario Luza Bautista; Randolph S. David; Mr. Rafael L. Lopez; Mr. Honorio Poblador IV; and Ms. Ma. Rosario Santos-Concio. Ms. Catherine E. Lopez, the partner-in-charge from the external auditor, Sycip Gorres Velayo & Co., Mr. Ricardo B. Tan, Jr., Head, Investor Relations and Compliance Officer, and other key officers of the Corporation were also present to answer any questions from the stockholders.

READING AND APPROVAL OF MINUTES OF PREVIOUS STOCKHOLDERS MEETING

The reading of the minutes of the stockholders' meeting held on April 6, 2017 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:

“Ladies and gentlemen, fellow stockholders, good morning and thank you for being with us today.

“2017 has been another outstanding year for ABS-CBN. Your company delivered its highest net income ever in a non-election year of P3.2 billion. While the TV advertising industry continues to face challenges, we are encouraged by the growth in other sectors of the company. Our digital advertising is gaining substantial traction, our broadband business in Sky continues to deliver robust growth, and our movie business continues to churn out box office records. We coupled these strong revenue initiatives with more stringent cost management to deliver on last year’s record net income level.

“From a bigger picture standpoint, over the next few years, and given all the fundamental changes affecting our industry, ABS is looking to transform itself. Our

transformation program is going to be anchored on five key strategies:

“First is our commitment to be an ambidextrous organization—balancing the need to protect and grow our core business of broadcasting, while pushing hard to be more relevant in an increasingly digital world. Our digital mindset will continue to grow and permeate everything we do. In broadcast, we hope to convert nearly all homes to digital homes via ABS-CBN TV Plus, SkyCable or SkyDirect. Across all other platforms, we are interweaving digital executions so that our customers are able to consume their content on a true and genuine multi-platform basis. One of the best examples of this is Metro—where we now allow our customers to consume lifestyle content through a combination of websites, social media, cable TV, and print—with each platform deepening the overall consumer experience. We are also investing heavily in offering all our content online via our flagship site iWanTV. We are positioning iWanTV as the go-to place for all Filipino content, whether re-purposed from movies and TV, or via shows that are produced specifically for digital streaming.

“Our second commitment is to extend our content experiences into physical experiences. One of our recent speakers in the ANC Leadership Series, Peter Guber, former chairman of Sony Entertainment said, that even in this digital world, human relationships are still analog. We believe that establishing deep relationships still needs face-to-face physical interaction. To this end, not only are we engaging our customers each week via concerts, mall events and meet-and-greets, we are also opening the ABS-CBN Studio Experience Store next month. It is a facility of over a thousand square meters where our Kapamilya can go and be a part of everything that we do at ABS-CBN.

“Our third commitment is to continuously connect the Filipinos abroad with their families here. Every time we travel and speak to our kababayans abroad, the one thing they inevitably ask from us is to keep that connection to home alive—so that even if they cannot be physically here, they can stay emotionally connected to their Kapamilya. We commit to find new and innovative ways to serve them and keep them close to the families and the country they love.

“Our fourth commitment is to deliver genuine, sincere and impactful public service. We cannot achieve all our dreams for ABS, if we don’t also help the Filipino achieve their dreams. To do this, we have organized all public service efforts across the group into six key categories: livelihood, education, child welfare, environmental protection, health, and relief operations. We believe these six categories best represent the most urgent needs of our kababayan. Our goal in the coming years is to evolve our public service programs so that they deliver meaningful and long-lasting impact to the communities we serve—empowering our countrymen to fulfill their own hopes, aspirations and dreams.

“Finally, we believe that as a creative company, the quality of talent is our strongest competitive advantage. Which is why our people are at the heart of what we do. We commit to nurture their talent to the fullest—to give all of them the opportunity to

shine and be the best that they can be. Because we know that when they are at their best, ABS-CBN is also at its best.

“There will be a lot of uncertainty in the future of ABS-CBN. We cannot escape from that because there are fundamental changes around us that we do not control. But amidst all these uncertainties, we are sure of one thing—that if we continue to focus on giving our customers a service that is meaningful, relevant and valuable to them, we will continue to exist and thrive as a company. We know that the only way to adapt to the threats and opportunities that surround us, is to offer service that matters to our Kapamilya. And if we offer this service, genuinely, sincerely, authentically and correctly, I am sure ABS-CBN will continue to play an important role in Philippine society.

“To our dear stockholders, despite all our challenges, thank you for continuing to believe in ABS-CBN. We hope that your continued faith in our company is driven not just by a belief in the viability of our business but also by a firm conviction that what we do is genuinely in the service of the Filipino.

“Thank you and please allow me to show this short video on our performance last year.”

Thereafter, a video presentation was presented covering the following significant activities and achievements of the Corporation during the past year:

For 2017, the company delivered P3.2 billion in net income – the highest post-election net income result ever. Comparing financial performance excluding election related revenues and expenses, net income would have increased 29% in 2017. Revenues stood at P40.7 billion while EBITDA was at P9.6 billion. Assets now stand at P75.1 billion and equity is now at P33.7 billion.

Consumer revenues grew 9% offsetting the 11% decline in advertising revenues. Net income exceeded the company’s 2017 targets through a disciplined approach to expenses – which remained flat versus the previous year. Both production costs and General Administrative Expenses declined vs the previous year – by 2% and 6% respectively.

The company’s digital transformation is well on its way.

Digital revenues grew 95% in 2017 with ABS-CBN.com continuing to be the #1 Philippine-based website across all categories delivering over 3.6 billion page views. The company sold two million TV Plus boxes in 2017 bringing the total number of boxes in the market to 4.3 million at the end of 2017. Among DTT homes, Cinema – an ABS-CBN DTT channel is now the #3 channel. There are now 17 DTT transmitters nationwide covering 49% of TV households.

Channel 2 delivered a 46% average national audience share in 2017 with all the top 10 TV shows coming from ABS-CBN. Overall, ABS-CBN channels now command a 53% audience share.

iWanTV now has over 9.3 million registered users with active subscribers growing by 55% year on year. Over-the-top's subscriber base grew by 20% ending 2017 with 190,000 subscribers.

ABS-CBN News.com continues to be the #1 Philippines-based news site. TV Patrol is still the most watched news program on TV while DZMM remains the #1 AM station in Metro Manila.

In 2017, the company started regularly commissioning digital-only shorts and series, aggressively migrated its magazines and books to an online portal NoINK and expanded the multi-view coverage of sports online. Earlier in the year, the company launched Discovering Routes, the first digital-only series produced by ABS-CBN Global.

In 2017, the company launched its Kapamilya Account Single Sign On service, KTX – an online ticketing service and Kapamilya Thank You – its Customer Loyalty Program. Kapamilya Sign On ended the year with 8.2 million unique users.

Ahead of its 25th anniversary this year, Star Cinema delivered 17 films in 2017 generating 2.5 billion in gross receipts. This represents close to 76% of the domestic gross receipts of all local movies. At the end of 2017, Star Cinema was also managing 11 cinemas in eight locations as part of the company's City Malls partnership.

Sky Cable's revenues grew 4% in 2017 with Sky Cable's subscriber base delivering 22% growth. Its newest platform, Sky Direct, ended the year with close to 400,000 subscribers.

Extending content into immersive spaces is another key initiative of the company.

In 2017, Kidzania attracted over 330,000 visitors while its live events generated over P1 billion in revenues locally and internationally.

Geographic expansion is another aspect of the company's transformation.

ABS-CBN Global subscribers grew 13% in 2017 driven primarily by TFC.tv and IPTV subscribers. International revenues grew 4% with growth coming from events, theatrical distribution and its international syndication businesses. ABS-CBN content is now in 35 countries including Latin America with syndication revenues growing 38%.

Service to the Filipino means transforming lives. The company's public service efforts are now grouped into six key areas – education and training, livelihood and employment, environment, health and wellness, humanitarian assistance and child welfare. In 2017, Bantay Bata received and acted upon over 8,500 reports. The

company served over 24,000 families affected by the Marawi crisis. It assisted over 122,000 individuals over various natural calamities. The ABS-CBN Tulong Center served over 7,000 individuals. Education efforts continued towards building classrooms, enabling teachers, providing school supplies and supporting the senior high school program across the country. Livelihood programs spanning eco-projects as well as community-based social enterprises continue to be rolled out.

Finally, the transformation journey begins at home. The company continues to invest in not only the training and education of its employees through ABS-CBN University but have now engaged various external groups to help the company in its transformation journey. Last year, 2,514 internal participants attended 58 courses and learning events.

Consistent with the Corporation's policy allowing stockholders to participate in the meetings of stockholders and ask questions, the Chairman opened the floor for any questions that the stockholders may have on the Management Report or the Financial Statements. There being no questions, the Chairman proceeded to the next item in the agenda.

APPROVAL OF AUDITED FINANCIAL STATEMENTS

The next item taken up was the consideration of the audited financial statements of the company for the year ended December 31, 2017. 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, 2017 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 2018 to 2019:

EMMANUEL S. DE DIOS
AUGUSTO ALMEDA LOPEZ
CARLO L. KATIGBAK
EUGENIO LOPEZ III
OSCAR M. LOPEZ
MANUEL M. LOPEZ
MARTIN L. LOPEZ
FEDERICO R. LOPEZ

FEDERICO M. GARCIA
SALVADOR G. TIRONA
ANTONIO JOSE U. PERIQUET

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

A stockholder moved, and was seconded, that the those nominated be declared elected as directors for the ensuing year and until their successors shall have been duly elected and qualified since there were only 11 seats in the Board to be filled and only eleven 11 stockholders were 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, 2017 to December 31, 2017 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

Consistent with the Corporation’s policy allowing stockholders to participate in the meetings of stockholders and ask questions, the Chairman inquired if there were other matters to be taken up during the meeting and entertained questions from the floor.

Mr. Sam Canowa, a stockholder, said that he read in a news article that Sky Cable Corporation is in partnership with Calix 2 for the Fiber to the Home transition of Sky Cable and asked if the company could confirm this. The Chairman requested Mr. Antonio S. Ventosa, President and Chief Operating Officer of Sky Cable Corporation to answer the question. Mr. Ventosa said that he is not familiar with any partnership with Calix 2 but they may be a supplier. Mr. Ventosa said that Sky Cable has converted most of its plant to Fiber to the Curb. Mr. Ventosa said that he will look into this.

Mr. Canowa also commented that he did not like the design of the studio set of *Halalan 2016* and hoped that the company will improve the studio set for *Halalan 2019*. He said that the look of the 2010 and 2013 sets were better. He also suggested a bigger studio for TV Patrol with a large panoramic TV screen just like the studios of U.S. news programs.

He also said that regional stations should shift to HD. He also said that ABS-CBN and S&A should also be made available on DTT, not only on TV Plus. He also asked that the *Myx Channel*, *Cinema One* and *TFC* be on HD and that there should be an additional channel, *MOR 101.9*, on Sky Cable, just like *DZMM Teleradyo*. He said that he is proud to be part of ABS-CBN as a stockholder of ABS-CBN and uses *iWant TV*, *Sky on Demand* and all other platforms of ABS-CBN.

Another stockholder inquired about the profit guidance of ABS-CBN. The President said that it will be released after the first quarter 2018 results have been disclosed to the public.

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