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CORPORATE STRATEGY

Transforming lives by changing the media landscape is both ABS-CBN’s vision and passion. The key thrusts of our business strategy are:

- Anytime, anywhere, in any device or medium
  - As our audiences demand greater control over how and when they will consume our content, we will ensure our continued relevance by distributing our content in the widest array of platforms that technology will allow.
  - Our audiences will be able to reach us anytime, at any place, in any medium.

- Building on our core strength in content creation
  - While everything around us changes – the technology, the production process, the medium used to access our content – our core ability to create quality content that touch, inspire and empower our viewers must remain constant. We will continue building on our core strength of content creation.

- Maintain a strong fiscal position and bring value to our stakeholders
  - We will derive the most synergies possible between our content and distribution businesses. We will consciously operate more efficiently and cost-effectively, as we deliver greater value to our audience, customers, clients, partners and shareholders.

CORPORATE MISSION

We exist in the service of Filipinos worldwide, as well as of all humankind.

We exist to inform and to entertain through creative content for any distribution platform.

We innovate, diversify and expand into enterprises where our expertise in content creation opens new business and service opportunities.

We promote the best in Filipino talent, and reflect the true sentiment of the Filipinos.

CORPORATE VALUES

In achieving our corporate vision, our values guide us through the journey.

EXCELLENCE

Judgment and Drive for Results

- We use best judgment to balance speed, quality and cost to attain best returns.

Innovation & Embracing Change

- We continuously explore new ways of doing things. We challenge even our past successes to achieve breakthroughs and to ensure our continuous improvement.
- We champion breakthrough ideas and initiatives.

Risk-Taking

- In a constantly changing competitive landscape is both ABS-CBN’s vision and passion. The key thrusts of our business strategy are:

- We use best judgment to balance speed, quality and cost to attain best returns.

HONESTY, INTEGRITY AND RESPECT

- We deliver on our commitments. We speak out and we speak true. Our values are non-negotiable.
- We consistently treat others respectfully and fairly.

MERITOCRACY

- We believe in caring for our people. We believe in granting commensurate rewards at the right time for good performance.

SERVICE ORIENTATION

- We treat Filipinos, our stakeholders and customers, as our Kapamilya, putting their interests above all because they are the primary reason for our existence. We serve them with joyfulness while we create and nurture personal connections and authentic relationships built on trust.

TEAMWORK

Company Interest and Transparency

- We place the good of the team over our own personal interests.
Dear Kapamilya,

"It is not done in any map, true places never are." - Herman Melville, Moby Dick

The journeys we choose are never on any map. That is the calling of a pioneer. Our foundations were always founded on a pioneering spirit and service to the Filipino. This has been the story of ABS-CBN and it is this daring that will continue to mold our plans into the future.

Close to 30 years after ABS-CBN resumed broadcasting after the 1986 People Power Revolution, let our kapamilya know that in a few years, the ABS-CBN we now know will be very different yet strikingly familiar.

Digital Terrestrial Television will be the norm across the country. After having pioneered this technology for over four years, we finally got the go-ahead to launch in 2015. By December 2015, we sold over 40,000 TV Plus boxes.

We’ve launched a new way of selling advertising - CNBP (Cost per Individual Rating Point). CNBP is a globally accepted ad sales model that provides more transparency for advertisers while rewarding programmers for their investments in growing ratings.

Our TV production group has continued their amazing run – dominating the industry with all Top 10 shows for 2015 coming from ABS-CBN and remaining the No.1 station in ratings nationwide – for total day as well as for primetime.

Star Cinema remains the number 1 film powerhouse of our country with 2015 releases A Second Chance and Palibot. Benjamin 2 now taking over the top two spots as the all-time top-grossing Filipino films of all time.

KidZania Manila opened in August 2015 – hosting over 208,000 guests in its first four months of operations. We launched ABS-CBN HD and ABS-CBN Sports Action HD on SkyCable in 2015 together with various other digital initiatives including our own MNC (Multichannel Network) on YouTube – Chicken Park Adobo.

Our digital and online assets have grown with ABS-CBN holding the number one spot among top sites and top social media accounts.

ABS-CBN Mobile is an investment that we continue to grow. We’ve set the stage for both subscriber and ARPU growth – with ARPU more than doubled from the start of 2015.

Our expertise in content creation, storytelling and information takes on new importance in the multi-platform world. Our first experiments in original content for our digital platforms are showing encouraging success. We’ve also started new ways of growing our audiences for live events and special programs through Pay per View, SVOD, VhongTV and RTVCx.

The journeys we choose are never on any map. That is the calling of a pioneer.

Our foundations were always founded on a pioneering spirit and service to the Filipino. This has been the story of ABS-CBN and it is this daring that will continue to mold our plans into the future.
Our revenue mix continues to diversify. 44% of our revenues now come from non-advertising sources. Direct to Consumer sales grew 16% in 2015. The increase in the number of films released internationally, as well as the increase in the number of screens, consumer sales was also helped by the success of our live events business, the growth in Globalis subscription base and the robust growth of SkyCable’s broadband subscriber base.

The shift to digital has also seen businesses like publishing, music and radio begin their first steps in digital delivery and online selling, with publishing also shifting to a very successful book publishing model in 2015.

We strengthened our digital and multi-platform approach of our news service while preparing for ANC’s 20th anniversary with the launch of new shows, a new studio and a focus on international expansion.

In 2015, our company delivered PHP 2,564.8 million net income, a 25.4% increase from 2014. We increased net income margins, EBITDA grew by 62% on the back of revenues growing by 54%. We’ve continued to manage expenses to deliver greater efficiencies. Minus the cost of the TV Plus boxes, our expenses have only grown 7% from the previous year, with production costs growing only modestly 3.3%.

Finance Asia has recognized our efforts by naming ABS-CBN among the top 5 Most Managed Mid Cap companies in the Philippines for 2015.

25 years after my father launched ABS-CBN Foundation, our public service have grown into an advocacy that embraces various initiatives – relief operations, the environment, child protection and welfare, education, school-based livelihood projects and various assistance projects through our Tulugan Center.

The rehabilitation work in Yolanda-affected areas continued with Sagay-Kapampangan turning over 127 classrooms in 42 schools and implementing various livelihood projects that have benefited over 42,000 individuals.

In 2015, Typhoon Lando hit the country. Sagay-Kapampangan was able to provide assistance for 1,037 families representing 7,645 individuals across Aurora, Tarlac, Pangasinan, Nueva Ecija, Bataan, Bicol, Bulacan, Benguet and La Union.

All of these pale in comparison to ABS-CBN’s biggest accomplishment for 2015. Any business built to last must not only think about the nuts and bolts of the business. It must think about its heart and soul – a heart that must keep beating and a soul that must steer it in the right direction.

Chato Santos-Concio marked his final year as President and CEO of ABS-CBN in 2015. He is ABS-CBN’s 5th president and the 3rd CEO to have assumed the role since the company went independent in 1986.

Under his leadership, he put the ABS-CBN values at the forefront and center of every organizational decision – big or small. She created an atmosphere of teamwork, fairness, personal empowerment. She is demanding and yet allows for a mentorship that enables one to meet the expectations she sets.

Her ability to foster a discipline in creative work – one that innovates but is firm is something that we will always be thankful for.

Under his watch as president, we have seen our revenues double – from P786.9 million in 2008 to P1.394 billion in 2015. Our net income also doubled – from P142 million to P285 million. As CEO, she oversaw the continued dominance of our creative groups across all our platforms while managing the most significant expansion program of our company in recent years.

What these numbers can never capture is her role as we overcome a very tough period in our company history. As I said in a Metro article recently, we were on our way back but I think it called for Chato to really sit there and pull it all together – and she did.

For all that and a whole lot more, we say thank you to Chato for showing us what it truly means to be in the Service of the Filipinos – to be a friend, a mentor and a leader.

I am pleased to report that Chato will continue to play an active role in our affairs even after he retires. His creative leadership will continue to be felt as the Chief Content Officer and the President of ABS-CBN University.

As we continue our journey, I am also pleased to report that your board of directors has appointed Carlo Katigbak as ABS-CBN’s 6th president and 4th CEO. Carlo is one that has also grown up in ABS-CBN and one that is a familiar face to many of our shareholders – having held various positions, including President and CEO of SkyCable, head of ABS-CBN Interactive and ABS-CBN Access including our mobile business.

I feel a sense of pride about what we’ve set to do and excitement about the journey that will always lie ahead. I am grateful to everyone who has come before us for taking us to where we are today.

As we begin a new chapter of ABS-CBN, we honor our past, celebrate the present and embrace a future that asks us to dare even more. Throughout all this, we remained guided by our constant mission - to be in the Service of the Filipinos.

EUGENIO E. LOPEZ III
Chairman of the Board
Mga Kapamilya,

It has been 38 years since Gerry Lopez – ‘Kaps’ – first asked me to join ABS-CBN, a company he grew up with, grown up with and one that he loved. And so it is appropriate that for this year’s report, we celebrate the year with our 2015 Christmas campaign – ‘Thanks You for the Love.’

Mother Teresa once said, ‘We can do no great things, only small things with great love.’ And in a fitting way, that is the journey I have seen ABS-CBN pursue all these years – baby steps, small steps, all adding up to the biggest that we now see and admire.

The pioneering spirit, the team work, the dedication and hard work of the men and women of ABS-CBN are the attributes that everyone can see day in and day out.

But for us at ABS-CBN, it is love that binds this group together, that gets us across the line and inspires us to go the extra mile. It is love that has propelled us to take on being in service of the Filipino as our north star.

Scratch beneath the surface of everything we think, say and do and you will find this vision reflected in our business, in our way of thinking and in how we do things. And today, I can assure you that we are trying even harder.

In 2015, we introduced The Kapamilya Way – our attempt at reigniting our corporate values in an updated fashion. In this period of significant growth and expansion, we need to remind every kapamilya – newbies and veterans, that our core is defined by a set of values that make us truly kapamilya.

As we onboard new members of the team, renewed relationships with suppliers and as we grow our scale of talent and teams, we started their journeys with the Kapamilya Way. Enabling this included updating our Code of Conduct, strengthening our Whistle Blower Policy, our Conflict of Interest policy, our Gift-Giving policy as well various internal controls reviews, our risk management framework and our corporate governance and compliance processes.

This ensures continuity not only of the business but more importantly, continuity of heart and soul in the years to come. I am elated to report that these efforts have led to ABS-CBN being named once again among the Top 50 Publicly Listed Companies for Corporate Governance, ABS-CBN was also named among the trusted brands in the country and the only media company in The ESG Stakeholders Relations Group’s 2015 Philippines Trust Index.

Our kapamilyas have had to learn to do things in new and different ways over the recent past. ABS-CBN University continued to deliver on our Internal learning programs by augmenting classes held outside of ABS-CBN with a set of programs that are designed to address the current requirements of the business. In 2015, the University conducted over 23 courses and events across over 1,000 hours of training with over 1,000 participants across all academies.

But for us at ABS-CBN, it is love that binds this group together, that gets us across the line and inspires us to go the extra mile.

It is love that has propelled us to take on being in service of the Filipino as our north star.

The Kapamilya Way goes beyond just values – this includes fostering the welfare and health of our kapamilyas, providing excellent customer service across all our businesses and ensuring a sustainable approach to how we conduct business and how we impact communities.

By focusing on people first – one of our five strategic pillars, we are provided a greater chance of success for everything else that we set out to do.

In 2015, your management team met at our annual management conference to define a set of plans that bring us to this day.

That triggered a series of initiatives that has now resulted in your company posting its best net income result since 2010. I am elated to report that your company delivered P2.24 billion in net income in 2015 – a 25.8% increase from the previous year. More than that, ABS-CBN has now delivered three consecutive years of net income growth. Our net income margin grew 10% in 2015, EBITDA grew 6.7% with revenues growing by 4.8%. Mplus the investment in DIT boxes, our expenses grew by only 3.7%.

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 32.5%. Segment net income margin now stands at 16%. 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 5 Best Managed Mid Cap companies in the Philippines.

A number of initiatives to our current business have delivered these results. Foremost of which is our second strategic pillar – Multi-Channel and Digital Content. We reframe our ad sales approach and partnered with the industry in adopting a globally accepted standard – CRIP or Cost per Individual Ratings Point. The framework allowed advertisers to pay based on the ratings delivery of the show.

In turn, this allows us to invest even more into programs in order to deliver maximum ratings – which in turn directly affect the sales generated.

This has resulted in our best ratings performance since the adoption of the Kantar Media TV Audience Measurement in June 2013, ABS-CBN delivered a 50.5% average audience share in primetime for the whole of 2015 – our highest since 2012. Our whole day audience share remained steady at 43%. Of the top 20 shows on TV for 2015 were ABS-CBN shows led by FPJ’s Ang Probinsyano and The Voice Kids Sundays.

Message of the President & CEO
This success has resulted in overseas program sales that have opened new markets for us. Vietnam secured 500 hours of programs, Thailand - 400 hours with an additional 804 hours of shows in six new territories. The J2 show for 2015, Pangako Sa ‘Yo made history by being the first format acquired by Mexico - the home of telenovelas.

This national ratings success was supported by our Regional group – our subsidiaries in each and every area in the country. ABS-CBN Regional dominated 2015 in the 14 areas listed above, which accounts for 60% of the Philippines. Our number 1 UHF network in the Philippines and number 4 among all free to air networks.

Our cable channels group remained the number one studio group on cable with a 13% share of all cable only audiences. Equally impressive is that A2ZCinema, our integrated cable advertising group, now represents a combined 44% of all cable audiences. Cinema One remained the number one cable channel while most of our channels like Mix, Teleborkin and ANC remained number one in their respective genres.

DZMM continued to be the No. 1 AM station in Mega Manila. Our MOR stations were No. 1 in 8 markets.

Our Nature films group outperformed their previous performance, Star Cinema reaped local box office records with A Second Chance and Buhay Playbuhay Ben&Ben now taking over the top two spots as the all-time top grossing Filipino films of all time. This record breaking year was also hailed by our Global group releasing more of our films internationally and into more theaters and screens across the world - an initiative that we continue to grow.

Our Music group celebrated its 20th anniversary in 2015 with various new releases and concerts as well as acquiring the rights to 16 original compositions of Ogie Alcasid, Vhong Navarro and Jose de Leon - adding to what could be one of the biggest music libraries of Filipino music in our industry.

Our Publishing group also 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.

Our Digital Media group celebrated the 20th anniversary of ABS-CBN.com by growing its online dominance to cement its position as the number one portfolio of digital assets from the Philippines. 20 years after its launch, ABS-CBN.com delivered close to 2.5 billion page views with over 175 million users from all over the world. Results from our various Over The Top (OTT) platforms better solidified the future, WantTV, Sky On Demand as well as TFC TV all showed dramatic growth from the previous year.

Our News and Current Affairs group had another banner year - with our order shows remaining dominant in their time slots and our online assets remaining number one in the rankings.

Our OTT group in 2015 marked the birth of digital television in the Philippines. At the end of 2015, we sold over 250,000 TV Plus boxes and are well on our way to achieving many new milestones.

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

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

Our third strategic pillar is about Filipino overseas - be they Overseas Filipino Workers or immigrants or 2nd generation Filipinos. To support this, we’ve seen a growing appetite for what we create and do even with non-Filipinos.

We see this in the results of our Global division - a 66% growth in TFC TV subscribers and total of 32 million viewers of TFC across the world. We also increased the number of live events we staged throughout the world, 2015’s highlight was ASAP Live in London which drew 10,000 guests from across Europe at the SSE Arena. Other events included shows in Australia, Canada and Japan.

Our fourth pillar expands our content offerings into immersive and physical experiences. This is a relatively new and exciting initiative but one that is a natural extension of our media and entertainment core.

Ranging from our consumer products offerings, O’Home Shopping, our concerts and live events - all these are underpinned by our content and storytelling expertise, our media reach and production synergies.

The newest offering is KidZania – our first investment in the themed entertainment business. KidZania Manila is the 20th KidZania city in the world, and it is proud to be the first of its kind in the Philippines. KidZania Manila opened its doors to the public on August 2, 2015. Since it opened, KidZania has entertained over 208,000 guests. It now boasts of 33 corporate partners.

Our fifth strategic pillar is service to the community. In its 20th year anniversary 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 SAGA Kapamilya featuring over 127 stories in 42 visits and implementing various livelihood projects that have benefited over 42,000 individuals.

After Typhoon Lando the country, Sagada Kapamilya was able to provide assistance for 13,777 families representing 87,485 individuals across 9 provinces. Yoko Ono once said “A dream you dream alone is only a dream; A dream you dream together is reality.”

And so, we dream - together. We reach for the stars - together.

We celebrated success, reflected on failures and always came together as Kapamilya to ensure that we remain true to our mission.

In my 28 years at ABS-CBN, I am privileged to have witnessed all these and more - from humbles and struggling beginnings in the early days, to heady moments of success and growth. It seems like the depths of defeat and failure and back to a steadier gait of progress. I see the faces of all those that have gone before us who mentioned to us make us who we are today; I see flashes of moments that defined us as a company - moments that we now hope we can pass on to the next generation of Kapamilyas.

In my final year as President and CEO of this company, I thank you for having entrusted me with this huge responsibility - a role I never would have dreamed of but one that I will always be grateful for, I hope that in my own small way, I contributed to the storied history of ABS-CBN.

As I move on to my new role in the company, I would like to thank all the ABS-CBN family, the people who in one way or another have contributed to what we do today in service of our beloved ABS-CBN into the next chapters of our story.

A dream you dream alone is only a dream; A dream you dream together is reality.

Our dream is real and true. For it is not only a shared dream and vision, it has survived the test of time and continues to reach across generations and decades. It is a dream we continue to dream together - one that we will pursue for generations and decades to come, in the Kapamilya Way - that of being in the Service of the Filipino.

MA. ROSARIO SANTOS-CONCIO
President and Chief Executive Officer
"The only reason we’re in business is to render public service to the Filipinos. If a company were to live only for profit, it cannot grow. In the end, it will wither on the vine. We have to give back to society.

It is the mission of service that is the heart and soul of ABS-CBN. It’s an idea that was expressed almost 2,000 years ago, when someone said, ‘I didn’t come to be served, but to serve.’ It’s from there that I draw a lot of inspiration.”

— Eugenio “Geny” Lopez Jr. (1928-1999)
Multi-Channel And Digital Content

The most visible expression of successfully connecting with our audiences is when our audiences need us with their time and their trust - when we see our ratings reach new heights, when our subscribers grow, when our online numbers breach new levels, when our box office receipts establish new records, when our advertisers and partners share continued trust and support in our efforts and when we are honored by various groups for our work.

Inside ABS-CBN, these achievements germinate not just from a culture of excellence, hard work and risk-taking but from tough lessons throughout our corporate history.

Beyond these, a hand’s day’s work is always made worthwhile when we see a smile, a tear, a hug and applause, read a note from someone saying how something we’ve done has changed their life, inspired them, encouraged them, made them try harder. We are in the business of making memories, shared memories. We are in the business of creating a better world and sharing that joy with everyone all over the world.

“The role of the storyteller is to awaken the storyteller in others.” - Jack Zipes

Before we are able to reach out to an audience, we are taught to reach deep within, before we are to understand our kapamilya, we must learn to understand ourselves. Before we refer to others as kapamilya, we must be kapamilya. More than just numbers, ABS-CBN focuses on the stories behind every Filipino – we listen, we observe, we care, we get to know them.

Together, we share our collective stories – stories of hope and triumph, of our fears and our dreams, of our pursuits and experiences. Together, we are stories of the day – reporting and recording our journey as a nation, as a people and as kapamilya.

These are our 2015 stories.
Television

ABS-CBN’s television platforms include its VHF, UHF, Cable, IP TV and Digital Terrestrial Television groups.

Founded in October 23, 1952 and known as ABS (All Broadcasting Systems) back then, the first Philippine television broadcast was a black and white signal beamed to a little over 120 TV sets.

62 years later and a storied past that has seen multiple firsts in creativity, engineering, news and a dark period under Martial Law, ABS-CBN remains the consistent Philippine content and creative leader - now reaching over 18 million TV homes in the Philippines and over 3 million subscribers internationally.

Operational Highlights

Entertainment

"It’s never about us anymore. It’s about the inspiring nature of the Filipino" - Charo Santos-Concio

ABS-CBN’s ability to maintain a successful connection with its audiences day in and day out lies in the painstaking process it undergoes as it decides what shows to air, how it programs the day, how to take risks in storytelling and in how to continue to understand what moves our audience.

Last year, ABS-CBN delivered a 41.5% average audience share for the whole day with its prime-time average audience share at 49.8%. Both these figures are national audience shares spanning both urban and rural homes. Close to 1 out of 2 TV homes in the Philippines tuned in to ABS-CBN every day in 2015 for primetime.

Even since the adoption of the Kantar Media National
Survey in June 2012, ABS-CBN has maintained its position as the number one free-to-air network in the Philippines – for total day and on primetime.

In 2015, 52 out of the top 100 shows come from ABS-CBN – be they weekday or weekend shows. Primetime Bibas shows were among the top weekday programs.

FPJ’s Ang Probinsyano, starring Coco Martin, is a remake of an IPPA movie of the same title in 1992, following the story of Cardo and his fight to seek justice for the death of his twin brother Adolfo.

A remake of the successful Kapamilya series in the 90’s, Patgallo Sa Yo, featured the Kapamilya Kapatid Kathryn Bernardo and Daniel Padilla as Yna and Angelico. It also introduced the Team-up of Jodi Sta. Maria and Ian Veneracion as Amor and Eduardo.

We witnessed the story of Xander and Agnes through the romantic series, Foreloversmore, starring Liza Soberano and Enrique Gil together with an ensemble cast.

In the tradition of creating value-laden and family-oriented programs, we produced Nathaniel and Dream Date. Nathaniel is the story of an angel with a special mission on earth to restore humanity’s faith in God. Dream Dad follows the story of a man and an orphaned girl and the bond that brought them together as a family.

Drama programs like Bridges of Love also graced our primetime, as well as You’re My Home, which was launched during the first quarter.

2015 also marked the multimillion-dollar success of On The Wings of Love, a program that did not only launch the JaDine (James Reid and Nadine Lustre) team-up, but was also a pioneering 360-degree brand, engaging audiences on free TV, digital and social media, pay-per-view, concert events nationwide and globally with publishing, merchandising and retail as additional revenue streams.

Weekday mornings were filled with shows like Kfi TV, Oh My G and Bingbing, to keep our audience engaged during the day. It’s Showtime, our flagship noontime program, was able to surpass the challenge of competition by coming up with fresh ideas and segments to keep our audience entertained.

The afternoons of 2015 were jam-packed with drama programs such as Floribella, Nasasang Kung Kailangan Kita, All of Me and Pasion de Amor, the afternoon edition of the reality show PBB JKT48 and the daily game show, Deal or No Deal.

Weekends were dominated by The Voice Kids and Your Face Sound Familiar, our international format shows, as well as ABS-CBN’s original format show, Dance Kids.

Long time drama Wansapanataym, MMI, and continued to triumph during Saturday nights. For weekends, MMI and Wansapanataym have stayed on the top 10 weekend shows since 2012.
AGAP also continues to dominate Sunday noontime. While prime time weekend shows kept our audience entertained with programs like the family comedy Home Sweetie Home and reality talk show Gandang Gabi Vice.

In 2015, ABS-CBN produced the first local series shot in High Definition – Roselle, a soap opera series. Beginning 2012 with ratings blockbuster Be Careful With My Heart, all ABS-CBN TV series migrated to the HD format. On October 3, 2015, ABS-CBN launched a high-definition feed on SkyCable and Destiny Cable. ABS-CBN HD now holds the distinction of being the first major network in the Philippines on high-definition.

Consistent with our vision of the future, 2015 saw even more efforts at delivering content across various other platforms – online, via internet, on cable, across mobile platforms and overseas. Beginning in 2015, our TV Entertainment group has also provided exclusive original content for mobile and for our online platforms – a natural evolution of our storytelling expertise.

These shows include: Team Gonzaga, Meet the Playboys, Want, Daniel, Want Kathryn, Want KathBiel, and Midas, Forever.

We create great stories because it is our commitment to our audience. Beyond episodes, we push the viewer experience to a higher level with quality content and more meaningful connections.
OPERATIONAL HIGHLIGHTS

Sports

Launched on January 16, 2014, ABS-CBN Sports + Action (S+A) was previously known as Studio 23 - ABS-CBN’s Uni- network. Since then, S+A continued to be the only pro-sports network specializing in sports programming. Two years later, S+A has cemented its position as the number one Uni- network in the Philippines and the fourth Free-to-air network - outperforming all of the 4 major networks in the country. S+A delivered a 6% increase in ratings for 2015.

ABS-CBN Sports is available across the various platforms that the company offers, such as Channel 2 (VHF), S+A (UHF), SKYcable, The Mobile Channel (TFC Global), and online through www.atv.com.ph and on ABS-CBN.com.

ABS-CBN Sports delivered 2015’s most memorable sporting events across various platforms while launching new initiatives along the way.

ABS-CBN Sports is now the home of two collegiate leagues as it secured the rights and return of the National Collegiate Athletic Association (NCAA), together with the University Athletic Association of the Philippines (UAAP). With these two leagues, ABS-CBN Sports is now home to some of the most popular basketball and collegiate teams in the country. The NCAA Men’s basketball Final Four delivered its highest TV ratings since 2010 on S+A.

True to our vision of sports development at the collegiate level, ABS-CBN Sports investments in covering sports like volleyball, cheerleading and football reaped significant awards for both sports - two considered seasons highlights for the annual sports calendar.

National Basketball Association (NBA) – ABS-CBN Sports aired over 120 NBA games across its platforms for 2015. In September, ABS-CBN was the exclusive media partner of the Under Armour Asia tour presenting NBA superstar and MVP Stephen Curry to Manila audiences.

ABS-CBN Sports’ coverage of the historic Mayweather-Pacquiao fight in May was the highest rated coverage among the three networks that aired the fight. Its online component, RingBay.com, was headed by Asia’s number one sports digital platform award at the first ever Asia Sports Industry Awards (ASIA).

In 2015, ABS-CBN Sports and boxing promotional outfit, AIA Promotions, signed a ten-year partnership agreement to expand the promotions and broadcast of boxing both in the country and internationally – a commitment to grassroots sports development mirrored in our commitment to collegiate athletics.

Since that time, the ABS-CBN/AIA partnership has staged various boxing events featuring up and coming as well as world ranking boxers across both the Philippines and internationally. In October, ABS-CBN and AIA Promotions staged Pinoy Pride 33 in Los Angeles, California USA. This was the highest rating program for ABS-CBN Sports/Action since the channel was launched in January 2014. In August, Pinoy Pride 32 returned to Dubai for its 2nd staging of the event. S+A is also the home of top ranked bouts throughout the year.

ABS-CBN Sports’ Ball is the first and only local sports channel to broadcast on HD – having broadcast the first HD broadcast on July 17, 2009. As the year ended, ABS-CBN announced that Ball would discontinue its broadcasts – concluding its sports programming on S+A, which in turn announced plans on an HD feed starting January 2015.

ABS-CBN Sports continues to advocate grassroots development of sports as its part of being in the Service to the Nation, Sports clinics like the Ultimate Football Experience held in Binan City, various basketball all-events and the first UAPF Yani day are all designed to foster a sporting culture with the youth and their families.
News and Current Affairs

"Journalism can never be silent. That is its greatest virtue and its greatest fault. It must speak, and speak immediately, while the issues of wonder, the claims of church and the signs of horror are still in the air." — Henry Adams

Keeping the public trust is painstakingly built throughout the years.

Consistently named as one of the most trusted media and business organizations in the Philippines, ABS-CBN was named among the trusted brands in the country and the only media company in FCB The Shareholder Relations Group’s 2015 Philippines Trust Index.

Stories that made the headlines in 2015, across the nation and the world, include the Papal visit to the Philippines, the Mamasapano clash, the Pacquiao-Mayweather Jr. fight, the South China Sea situation, the Typhoon Haiyan saga, the APEC 2015 Philippines summit and the Bangsamoro Basic Law discussions.

ABS-CBN’s coverage of the Final State of the Nation Address of President Aquino was the highest-rated coverage among all networks.

Leading up to the 2016 National Elections, ABS-CBN News announced the launch of Halalan 2016 — a cross platform partnership effort with 22 national organizations to not only bring the latest news in the run-up to the elections but to provide analysis and fact-checking throughout the campaign period.

Flagship news program TV Patrol remained the leading newscast on television and a consistent member of the top 10 ratings list every year. DZMM 630 remained the number one AM station in Mega Manila while DZMM Saturdays continued to dominate cable television as the number one cable news channel in the Philippines.

The ABS-CBN News Channel (ANC) prepared to celebrate its 20th anniversary in 2016 with the launch of new shows, a brand refresh and a new studio while beefing up its on-air team with respected journalists and new faces. ANC also begansubmitting its Filipino-language content, such as news, sound bites and clips of ABS-CBN current affairs programs, to widen its audience both locally and internationally. As the year ended, ANC started to broadcast shows from a new satellite studio in the heart of the business district while preparing for the launch of its HD channel in 2016. To that end, the channel was made available as a stand-alone channel across various TFC territories abroad.

Online, ABS-CBN News dominated the online space across abs-cbn.com/news, across its social media platforms and on its mobile apps — remaining the leading Philippine-based site on Alexa rankings throughout the year.
Digital Terrestrial Television

ABS-CBN began investing in Digital Terrestrial Television (DTT) in 2011, shortly after government announced the adoption of the Japanese DTT standard in June 2010. Despite what seemed like an uncertain future, the company took the bold step of building and testing a DTT transmission network, a set of DTT-only channels while testing various DTT receiver boxes—all this while surely preparing for the advent of DTT broadcasting in the Philippines.

This precession was rewarded in December 2014 when the National Telecommunications Commission (NTC) issued the implementing rules and regulations for digital terrestrial television broadcast in the country. This announcement signaled the official launch of ABS-CBN TV Plus commercialized broadcast on February 11, 2015.

TV Plus operates on 16 transmitters, with four exclusive DTT-only channels. By the end of 2015, a little over 840,000 TV Plus boxes were already sold.

DTT-only channel Cineplex (C7) complements the other channels from the ABS-CBN stable (ABS-CBN, S+A, Knowledge Channel and DZMM), taking in not only an effective proposition to viewers of the TV Plus box but in introducing a significant segment of the population to crystal clear digital reception and a multi-channel experience.

ABS-CBN Regional

Spanning the Philippine archipelago, ABS-CBN Regional ensures that ABS-CBN is not only present in every slice across the country but that we stay relevant and connected to our countrymen wherever they may be—Luzon, Visayas or Mindanao.

The true test of all things ABS-CBN in the regional areas of the country, the Regional team deliver a mix of both national and local entertainment, news, radio, live events, local arts and public service across the country.

Among ABS-CBN Regional’s programs include dedicated shows for the regions outside the National Capital Region, like MagTV, Ab. Sag, TV Patrol, Kapamilya Mas Winner Ka and Apli Tayo Dito which are aired across Luzon, Visayas, and Mindanao, in the dialect of the region they are in.

2015 started off with Regional’s news gathering efforts in Iloilo as part of the Pope Francis visit to the Philippines. Regional then kicked off a series of Kapamilya Karavan – an annual roadshow of our biggest stars across the country. This year Regional held 2 Kapamilya Karavan in Cebu, Bisan, Bagatag, Dagupan, Albay, Puerto Princesa, Marawi, Quezon, Ilocos and many more. Regional also produced 3 international roadshows for the US, Amsterdam and Madrid.

More than four thousand running enthusiasts from across Luzon united in support of various advocacies last May 16 for ABS-CBN Regional’s project One Kapamilya Run (OKR), which was held simultaneously in seven different cities.

Now in its second year OKR attracted runners in the cities of Dagupan (Pangasinan), Baguio (Benguet), San Fernando (Pampanga), Sasag (Iloilo), Iloilo (Iloilo), Iloilo (Iloilo), Masbate (Masbate), and Puerto Princesa (Palawan) to address pressing concerns in the communities such as environment, health and education.

In 15 urban areas and 8 rural areas across the country, ABS-CBN Regional sustained its ratings on television while leading most of its AM and FM radio counterparts in various areas.

The regional team was instrumental in covering various national events such as MMFF, Pope Francis, Typhoon Lando and Nona as well as leading various public service and relief efforts throughout the year.
Cable Channels

Founded in 1995, Creative Programs Inc. (CPI) is the cable channel group of ABS-CBN.

CPI produces 5 cable channels for the domestic market. These are the no.1 cable channel in the Philippines – Cinema One, Philippine Classics channel Jeepney TV, local music channel Myx, anime channel Hero and LULUtv.

A number of these channels have not only added acquired content but have become originators of genre-defining content that is now seen across other platforms. Some of these initiatives include Cinema One Originals, launched as a bi-annual film festival in the Philippines. It evolved into an annual festival aiming to showcase the talents and diverse voices of Filipino independent films. In 2014, a Cinema One entry, That Thing Called Tadhana, was selected as the Audience Choice for the festival. This same feature was then given a wide-release by Star Cinema in 2015 delivering P38M in boxoffice receipts making it the all-time top-grossing independent film release in the Philippines. Cinema One also provided a subscription on demand service on SKYcable called Cinema One Premium HD to celebrate the channel’s 20th anniversary.

Music channel Myx continued to celebrate youth, culture and music throughout the year. In November 2015, the network celebrated its 15th anniversary, the month-long celebration started with Myx Fest 2015 at the SM Mall of Asia Concert Grounds on October 31, 2015. The following day, November 1, 2015, Myx re-branded with new shows and a new look with a major graphics overhaul. Myx also invited past and present VJs for the grand Myx Homecoming which was aired as a debut special film. The network concluded the celebration with the airing of the Myx 15 documentary on November 20, 2015, the Bunch day of Myx in 2000. The Myx brand is also seen internationally through ABS-CBN Global’s channels offering in North America.

Hero celebrated its 10th anniversary with a year-long anime festival that cemented its position as the no.1 anime cable channel in the Philippines.

CPI Channels’ combined household share in urban cable homes for 2015 was 19% – the highest channel share among all other studio groups on cable, beating both international and domestic channel groups.

Apart from producing channels, CPI distributes a total of 13 channels including channels from Celestial Tiger Entertainment, Universal Networks International and Fox International Channels.

Feature Films

21 out of the 25 top grossing Philippine films of all time have been produced or co-produced by ABS-CBN Film Productions Inc. (Star Cinema) – our feature film division under the Star Creatives group.

Founded in 1993, Star Cinema is the leading Philippines-based feature film and cinema distribution company. Star Cinema also holds the distinction of having produced or co-produced 8 out of the top 10 top-grossing Philippine films of all time.

2015 was a banner year for Star Cinema – with 5 released breaking into the top 25 top-grossing Filipino films list. The new top Filipino films of all time are A Second Chance (P492M), Payback Bridesmaid 2 (P140M), Crazy Beautiful You (P322M), The Love Affair (P300M) and You’re My Boss (P210M).

As we ended 2015, another Star Cinema release was breaking new ground – Beauty and the Beast is the first Filipino film to have breached the P500 million peso mark at the local box office and is now destined to be the top-grossing Filipino film of all time.
Our feature films have gone beyond the wide screen – now being regularly offered on Pay Per View both locally and internationally, and offered as rentals or downloads on iTunes and various other online platforms, including our own TFCx and TFCx’s iPTV platform. These movies are also regularly seen on our VHI network, our cable channels group’s Cinema One, our OTT channel, Cinemas and our international cable channels TFC and Tide/beam.

Apart from its cinema releases, Star Cinema is the producer of numerous Channel 2 series including the country’s longest-running drama anthology and one of ABS-CBN’s top-rating shows, Maalaala Mo Kaya, Pangako Sa’ Yo, and Handarawan, among others.

Radio

ABS-CBN Radio traces its roots to DZRT 1000KHz back when James Lindenberg shifted Bonifacio Telecommunications from manufacturing radios to radio broadcasting on November 23, 1948.

ABS-CBN’s AM station first went on the air on October 19, 1952, as DZAM 1260. Today’s DZMM 630 went on the air on July 22, 1986. As DZMM prepares for its 50th anniversary in 2016, its Radio Format teams continue to provide the immediacy of news coverage and commentary throughout the country. Recognized as one of the most awarded radio stations in the Philippines by the Kapuso ng mga Broadcasters ng Pilipinas, DZMM continues its tradition of breaking news, investigative reports and commentaries heard across its AM stations and simulcast on its cable-channel DZMM Telebrradio which is seen on local cable, on OTT and globally through TFC.

DZMM-FM 102 MHz, better known as DZMM-FM 102.3 MHz, is the first FM radio station in the Philippines and a FM station of the former Chronicle Broadcasting Network (CBN), DZYM-FM was originally founded in 1956 and played oldies music of the 1940s and 1950s. MOR (My Only Radio For Life) is the FM network descendant of DZYM-FM. Now composed of 7 FM stations throughout the country, MOR’s music and talk format on FM continues to deliver today’s local hits and trends to an even more mobile youth market.

Flagship AM stations DZMM remained the number one AM station in Mega Manila while FM station MOR was the second FM station in the same area, MOR held the top FM spot in various markets across the country – Baguio, Legazpi, Cebu, Puerto Princessa, Tacloban Libis, Davao, Cagayan de Oro and Cotabato.
Music

Star Music (formerly Star Records) is the music recording and publishing arm of ABS-CBN. Founded on February 2, 1995, it celebrated its 20th anniversary starting with We Are All God’s Children, the Pope Francis Philippines visit commemorative album, Star Music released 16 albums in 2015.

Apart from producing music albums, Star Music produced some of 2015’s biggest concerts in the Philippines. These include Nike Gamboa’s Gentle Ginta’s 5th and Davina Holland’s Most Wanted concert both at the Araneta Coliseum.

Star Music distributes music and albums for over 165 artists including ABS-CBN’s very own Philharmonic Orchestra.

A key mission of the Music group is the continued discovery of original music, artists, songwriters and musicians. This is led by, Vhong Navarro—a songwriting competition was launched in 2000 and ran until 2015. It was revived in 2015 as Vhong Navarro Pinoy Love Songs and has become a regular competition since then.

Star Music products are available online on various music services including its very own streaming platform—the only local music portal in the Philippines.

Star Music Publishing owns and represents some of the biggest music catalogues of Philippine music. These include Bayanhan Music Publishing Inc. (BAM), among others. In 2015, Star Music Publishing acquired the rights to 16 original compositions of Tito Sotto, Vic Sotto and Joey de Leon which includes songs popularized by TNT’s group VST & Co., Sharon Cuneta, and Nora Aunor and popular songs such as ‘Sapagkat Araw Mo,’ ‘Tayo’y Magapapano’ and ‘Alaala Mo, Isnapoy Ko.’

Publishing

ABS-CBN Publishing Inc. (API) was founded in 1995 and is the publishing arm of ABS-CBN Corporation. The company boasts a roster of 11 magazine titles covering fashion, lifestyle, high society, food, entertainment and youth. The group also publishes books of note like the Cory Aquino Commemorative Book and the autobiography of Senator President Juan Ponce Enrile.

Recently, API expanded its publishing portfolio to include shorter form books which has become its new growth engine.

In 2015, API sold 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. 2015 highlights include Senator Miriam Defensor-Santiago’s Shaido’s Forever - surpassing all sales records to become the best-selling consumer book. Shaido’s Forever also won the Humor category at the Filipino Readers Choice Awards and was awarded the Bronze Award for Book Design at the Adobe Design Awards 2015.

Other books include Dear Alice, Break Na Kam, Pasion which went on to become the country’s best selling relationship advice book.

Metro Magazine celebrated its 26th year with circulation growth of 15% driven by a bold line-up of covers and its new editor in chief, Sarah Hicker. The magazine capped the year with 2005’s most celebrated fashion event, Metrowear Live featuring six of the best young designers today. Its sister publication Metro Society organized the Metro Society Benefit featuring Brosco Brothers, maintaining its reputation as the only magazine to mount fashion shows with top foreign luxury brands.

In 2015, Vault Magazine, API’s Men’s Luxury title was awarded Best Feature on Wine Appreciation and Best Photo Documentary at Asian Publishing Awards.
Online
ABS-CBN went online in 1995 when abs-cbn.com was launched—making it the first website for a Philippine media and entertainment company. This was then followed by the launch of abs-cbnnews.com in 1997. While in 2005, TFC Now, its first streaming product, was launched.

As ABS-CBN Online celebrated its 20th year in 2015, it has grown its online dominance to cement its position as the number one portfolio of digital assets from the Philippines. Revenues increased by 30 percent over the previous year.

Together with the growth of its online assets, ABS-CBN launched multi-channel network Chicken Park Studio, which aims to empower and guide YouTube content creators to become superstars in their own right. Chicken Park Studio allows these creators to be trained by ABS-CBN in crafting content for a digital audience, making them a potential marketing platform for brands.

ABS-CBN also launched Stellar—a celebrity social media marketing agency. The first of its kind in the country, Stellar empowers social media campaigns for products and services through Star Magic’s more than 230 artists and their Facebook, Twitter, and Instagram accounts. As part of this launch, ABS-CBN developed the NautiScore algorithm, a pioneering social media scoring system that powers Stellar. The NautiScore performs regular analytics on the social media assets of the company’s celebrities and monitors these for celebrity selection for client brands and campaigns.

WanTV is ABS-CBN’s video-on-demand and live streaming site that features shows from ABS-CBN and Skylab and as well as cable channels such as DZMM Teleserye and ANC. Users can also watch international shows from various international cable channels. Aside from TV shows, WanTV also features local and foreign movies that are updated regularly. Launched in 2011, WanTV TV recorded over 14,000 total users for 2015 with a peak of 33,000 users in a single day. App Annie reports that as of December 31, 2015, the WanTV app is the fifth most downloaded free entertainment app for iPhone and ranking 7th among iPad apps.

ABS-CBN delivered close to 2.5 billion page views in 2015, with 305 million users across the world. Alexa ranking shows that it is the number one Philippine-based online site for local visitors and ranks 58th in the United Arab Emirates, 73rd in Qatar, 64th in Singapore and 751st in Saudi Arabia. Even in the US, it is now ranked at 585. Globally, abs-cbn.com is ranked number 382 among all worldwide sites. As 2015 ended, the Digital Media Division consolidated our online assets under a single domain—abs-cbn.com.

Our YouTube channel has delivered close to 2.6 billion lifetime views and now has 2.85 million subscribers—one of the top 10 YouTube channels in the world, four out of the top 10 YouTube channels from the Philippines belong to ABS-CBN. ABS-CBN News is now ranked number 22 globally in the All Media category of YouTube channels.

On Facebook, ABS-CBN ended the year with 15.6 million followers while ABS-CBN News had 9.7 million—both accounts among the top 10 Facebook accounts from the Philippines. ABS-CBN is now ranked 4th globally in the media house category of Facebook while ABS-CBN News followers at 5th place.

On Twitter, @GMAprilDizon ranks 6th among the most followed accounts from the Philippines and is the only media account in the top 10. Four out of the top 5 Philippine media accounts on Twitter come from ABS-CBN, @absctvnews is now ranked 15th globally in the Twitter News category.

ABS-CBN Digital has over 21 iPad apps and 25 iPhone apps on the iTunes store with another 17 apps on Android. In 2015, ABS-CBN’s entertainment website PUSH.ph launched the PUSHD Awards—aiming to showcase the stars who are doing very well in the digital space, whether they are TV personalities or not, as determined not only by their number of followers, but also their number of likes, subscribers and most especially, engagement with their audience.
Cable and Satellite

Central CATV was founded on June 6, 1990, followed a year later by the incorporation of Sky Vision Corporation, its first signal transmission to Unisaneta’s Village in Makati City happened on December 19, 1991.

Today, SKYcable celebrates its 25th anniversary: it is the largest cable company in the Philippines providing both cable entertainment as well as broadband services with 2 million homes passed. SKYcable has the distinction of offering the largest channel selection and the highest HD channels in the country—over 180 channels and over 30 HD channels are on offer.

Arguably the biggest pay-TV event for 2015 was the Pacquiao-Mayweather fight. The fight generated the highest number of on-demand subscriptions ever and was made available on both standard as well as high-definition SKYcable subscribers.

To mark its 25th anniversary, SKYcable launched the new Me and My SKY packages in May while offering all its channels for free to all subscribers for a 10-day period. On its anniversary month, SKY also released The Silver SKY: 25 Years of Bringing the World Closer to Home, a special coffee table book featuring the story of SKY from the point of view of its founders and from the perspective of the different aspects of the business.

SKYcable’s biggest growth driver continues to be its broadband subscriber business. 2015 saw a 44% growth in its broadband subscriber base driven by the launch of various high-speed packages throughout the year. With continuous investment in its infrastructure upgrades, bandwidth and service reliability, SKYcable is expected to grow even more aggressively in the coming years.

Coupled with its ability to offer both cable television and wired broadband, SKY launched the new SKY Mobi in 2015—with its first mobile hotspot offering in conjunction with ABS-CBN Mobile. It also announced the launch of SKY on Demand—a service that runs on the most advanced digibox to date, harnessing the capabilities of SKYcable and SKY broadband subscriptions to utilize the popular video streaming (the Want TV), both the SKY On-Demand digibox and the video on-demand service were launched in March 2015.

In order to tap the more budget-conscious segment of the population, SKY also launched its prepaid service in August 2015. The service provides two ways of topping up payments—either through the SKYcable prepaid card or via ABS-CBN Mobile. The service also allows for various packages to be made available.

Beyond the various channel offerings, SKYcable’s public service offering triggered a number of special feeds made available solely to SKYcable subscribers—the whole-day HD coverage of Pope Francis’ visit to the Philippines, the coverage of the APEC convention in the Philippines as well as the 2015 Halalan Pambansa together with various regional festivals.

A growing change in consumption patterns has also led SKYcable to begin to offer more NVDIO (near video on demand) or SVOD (subscription video on demand) products including special concerts from ABS-CBN, Cinema One Originals, as well as recently released Star Cinema and HBO movies.

More than all this, SKY has been focused on customer service—its Wave and Qba campaign, going the extra mile for its customers, a personal concierge service, regular updates via social media, additional hotlines as well as online SMS or help line activation of various services including service or channel package upgrades.

25 years after its launch, SKYcable is more than just cable. It is an indispensable part of homes throughout the country—for channels and content, for internet access at home or on the go as well as for the latest product innovations, SKY’s services and channels are now available on any device, anytime and anywhere through its converged product offerings. And as 2015 ended, SKY enters a new phase in its growth—SKY Direct, the Sky Director Home product which launches in 2016. SKY Direct allows SKY to reach all Filipino homes in the country—with its well-loved channels and content offers in a more immediate fashion.

A full year of innovation and review photos well for the next 25 years of SKYcable’s place in Filipino homes.
**OPERATIONAL HIGHLIGHTS**

**Mobile**

The youngest access platform of the company is ABS-CBN Mobile – an MVNO (Mobile Virtual Network Operator) product in partnership with Globe Telecom.

True to the company’s mission of being in the Service of the Filipino, ABS-CBN Mobile was launched on November 16, 2015 during the lobbying of Talang Na, Talagang Na, Talaga Na benefit concert of ABS-CBN for the Typhoon Haiyan victims. Actor Piolo Pascual stated that the first 100 thousand SIM cards were sent to the survivors of the said typhoon in the Visayas region for free to help restore communications among the members of the family.

Two years later, ABS-CBN Mobile has led the sector in product innovation – focusing on its core expertise in content creation as a differentiator in a competitive sector. From apps that provide unique access to the top stars of ABS-CBN, exclusive mobile-only access to concerts and events, ABS-CBN Mobile has led in content innovation for mobile.

Every ABS-CBN Mobile subscriber is given access to iWant TV – ABS-CBN’s unique time and place shift over-the-top product. iWant TV provides linear as well as on-demand access to ABS-CBN channels and shows as well as various international channels, tucked into iWant TV are various shows that are exclusive to ABS-CBN Mobile users.

Synergies with ABS-CBN included VIP access to audits, shoots and events, Director’s Cut for Passion de Amor team Gonzalez, I Do Mobisodes, Dear MOO and Invasion of Privacy, to name a few.

The mobile highlight for the year was the first movie produced for a mobile platform in the Philippines – Must Date A Playboy starring Kim Chiu and Xian Lim and produced by Star Cinema for ABS-CBN Mobile. The top-notch mobile romantic comedy debuted in August of 2015.

**International Syndication**

These ratings and box office successes bode well for the company as they continue to grow our vast library of top rated wholly-owned shows that are now being delivered across multiple platforms both locally and internationally.

Beyond the finished products, we are proud that our locally-grown formats are now offered to overseas networks and clients. This in turn, has allowed our talents and creative teams to be known outside of our borders – our effort at broadening our audience beyond just Filipinos.

In 2015, ABS-CBN International Distribution sold close to 3,800 hours of content to various networks throughout the world. This jumped to over 5,000 hours in 2016. 2015 continued this sales growth with another 4,500 hours of ABS-CBN content licensed across the world.

ABS-CBN content is now licensed in over 50 territories around the world. In 2015, we added Kazakhstan, Colombia, Macao, Peru, Papua New Guinea and American Samoa to our growing list of territories that have licensed our content. We also added two new airlines that are now licensing our shows and movies – Tunis Airline and Air Nippon. We also closed two deals with OTT over the top players iFix and MDCQ in 2015 allowing millions of viewers in Southeast Asia and the Middle East to experience ABS-CBN content.
Global

As the 80’s came to an end, Gary Lopez was already speaking of serving the Filipino wherever he may be - worldwide. In 1991, ABS-CBN’s first foray into the international market came via program tapes shipped and aired in Europe. This was then followed by program tapes of TV Patrol mailed and aired over KFST San Francisco in 1993. Sometime between 1993 and 1994, ABS-CBN International (the precursor to ABS-CBN Global) was born.

After a lot of patience and persistence, the Filipino Channel (TFC) began airing in the US on Easter Sunday 1994 as a five-hour block of programming. TFC began transmitting via satellite from Manila into the US on a 24/7 channel on September 26, 1994.

A vision to serve the Filipino worldwide does not stop with a single channel in North America. Fast forward to 2015 and TFC is available across the world - North America, Europe, the Middle East and North Africa and the Asia Pacific region.

More than just TFC, ABS-CBN now offers ANC, ABS-CBN SportsAction, Lifestyle Network, Myx TV and CinemaOne across multiple platforms partners throughout the world. Given the diverse overseas Filipino population, ABS-CBN has also transformed its offerings by making its shows available via OTT platforms together with the traditional OTT and cable platforms. At the end of 2015, there were close to 33 million viewers of ABS-CBN Global platforms spread across the world.

The year was also marked by significant initiatives in growing the reach and breadth of ABS-CBN Global beyond its core audience - English subtitle for the channel has allowed ABS-CBN’s content to expand into non- FILAOM homes, Original content including shows like It’s Showtime America, Asian Nation, Citizen Pinoy and Galing Pilipino speak to the unique experiences and needs of migrant Filipinos. Myx TV is now an English-language multicultural Asian American entertainment network in the United States that is available across multiple analogue and digital platforms. Boosting of award-winning shows like ‘I’m Asiang American’, Myx TV has reached out to an underserved Asian American youth market that is growing in size and influence.

TFCi is the international OTT platform of ABS-CBN – providing the ability to watch ABS-CBN shows anytime, anywhere and on any device. Driven by the continued growth in overseas Filam base, TFCi’s subscriber base grew by 66% in 2015.

A key highlight of 2015 was TFC Middle East’s pay-per-view boxing of the Pacquiao vs. Mayweather fight which was shown across various platforms and included cinema screenings in the Middle East in partnership with Gulf Films.
Given the localization success of Star Cinema, ABS-CBN Global also grew its international feature film business with more movies released internationally and into more cinemas. There were close to 330 theaters outside the Philippines that screened a Star Cinema film in 2015 which in turn is now providing significant growth for both Star Cinema and ABS-CBN Global's businesses. 2015’s Love Affair is now the top-grossing Philippine film released by ABS-CBN Global followed closely by Crazy Beautiful You and A Second Chance.

Bringing a slice of home to overseas Filipinos go beyond television and cinema. Every year, ABS-CBN Global seems to have broken their previous year record in attendance for the various live events they stage across the world. 2015’s highlight was ASAP Live in London which drew 10,000 guests from across Europe at the SSE Wembley Arena. Other events included shows in Australia, Canada and Japan.

With this wide a reach of its content, ABS-CBN Global also stepped up its anti-piracy initiatives with the successful removal and prosecution of various content pirates around the world.

Other offerings of ABS-CBN Global include remittances (mpullrem) and cargo (Star Cargo). Any ABS-CBN Global event, movie, channel and product is a slice of home that is able to bridge the distance between Filipinos wherever they may be – linking Filipinos across the world, shrinking the miles and days even for just a spell. These les become even more critical in times of need.

ABS-CBN International Foundation is a 501(c)(3) non-profit, non-governmental organization dedicated to improving the lives of disadvantaged Filipino families in the Philippines and around the world. AFI is a committed advocate of public service and accomplishes its mission through supporting the programs of the ABS-CBN Foundation (ABS-CBN Lingkod Kapantay Foundation) in the Philippines.

Serving the Filipino Worldwide - a vision that has grown in meaning, depth and breadth after over 25 years. Today, it is about connecting Filipinos and their families around the world - shared experiences, shared moments despite the distance and time apart.
Live Events, Theme Parks and Consumer Products

Moving away from screens, entering immersive experiences and bringing a slice of Kapamilya into more areas of our lives – these are the new frontiers that ABS-CBN has embraced. Natural extensions of its content and platforms businesses, 2015 saw this goal become even more of a reality both locally and internationally.

Live Events

In 2015, ABS-CBN consolidated its live events efforts into a single unit in order to maximize synergies and growth. Having mounted regular concerts and live events across the country in the past, these local concerts took on a new approach by mounting them in multiple places, Vice Ganda’s Gandang Gala at SMRT, for instance was a sell out concert staged in both in Manila, the show was then brought to Honolulu, Chicago, Jacksonville and Tokyo while also being mounted locally in Cebu and Bacolod.

Daniel Padilla, Most Wanted was the first time homegrown star Daniel Padilla staged his concert at the Mall of Asia Arena – a concert that was simultaneously offered on SKYcable Pay-per-View, ABS-CBN Mobile and with live pay-per-view at various cinemas across the country.

The ABS-CBN Philharmonic Orchestra is a joint venture of ABS-CBN and First Philippine Holdings. The orchestra is a 43-piece orchestra under the baton of Music Director Gerard Salonga. The orchestra was created for the sole purpose of connecting and remelting symphonic music into the lives of the Filipino people and its younger generation. Founded in 2012, the orchestra is known not only for the regular series of concerts it stages but also for the various albums it has released. The orchestra can also be heard on the scores of various films as well as the orchestra of choice for various foreign concerts staged in the Philippines.

2015’s orchestra highlights include: The Music of Ray Valera, a tribute to the legendary Filipino composer and singer Ray Valera and an updated version of The Magic of John Williams. Both concerts were held at The Theater at Solaire.

Kidzania

“Get ready for a better world. Where kids do big things.”

Kidzania Manila is a safe, unique, and interactive environment where children aged 4-14 can discover, explore, and learn about the adult world – in a kid-sized city built just for them.

It’s a play city built to scale for children, complete with paved streets, transport system, and a functioning economy. With 8,000 square meters of play space, children can explore their interests and learn life skills through over 70 immersive role-playing activities. Kidzania Manila is located at Park Triangle in Bonifacio Global City.

Education + Entertainment, Kidzania Manila provides a dynamic way to help kids learn by taking on exciting role-play activities such as pilots, cooks, artists, firefighters, veterinarians, and even broadcasters. All activities are real-world-based, hands-on, and interactive. Kids also get to wear realistic uniforms and use realistic work tools.

Real industries, real experience, in Kidzania Manila, each establishment is sponsored by a leading industry partner that provides technical expertise and know-how to each activity. The industry partners help guide the content with real-life business practices – making the activities as authentic as possible.

Kidzania Manila opened its doors to the public on August 7, 2015. Since it opened, Kidzania has entertained over 220,000 guests. It now boasts of 52 corporate partners, Kidzania Manila is the 20th Kidzania city in the world, and is proud to be the first of its kind in the Philippines.

Kidzania Manila is ABS-CBN’s first foray into the themed entertainment business.
OPERATIONAL HIGHLIGHTS

Consumer Products

Licensing and Merchandise

A natural extension of the success of its content, ABS-CBN Licensing and Merchandise had a busy 2015, from its initial foray in the business in the 1990’s, the division has now outlined a steady growth strategy that has seen it expand not only as a synergy and marketing partner but as a standalone business.

Its licensing component is responsible for handling all commercial requests for the use of ABS-CBN’s intellectual properties by third parties. These include themed entertainment groups as well as advertisers.

Its merchandise division has evolved into a group that now produces a steady stream of clothes, softlines and hardlines for various age groups and price points – all available online via the ABS-CBN Store, at the ABS-CBN store in Quezon City as well as in various malls and outlets. Apparel, chocalte, notebooks, bags, pillows, footwear and even an assortment of luxury goods are now available in its various outlets.

O Shopping

In 2015, ABS-CBN Corporation invested in a joint venture project with CJ O Shopping Corporation, one of the world’s largest home shopping companies, to introduce a new TV home shopping lifestyle to Filipino consumers.

The joint venture, called A CJ O Shopping Corporation, combines the strength of the two industry giants to empower Filipinos with information about reliable and world-class products that they can obtain through a time-saving purchasing process.

Since its launch, O Shopping has grown across all its targets – a 60% growth in sales in 2015 with over 800 products made available in 2015.

It introduced an online payment system and an across the country payment tie-up with BDO while also expanding its credit card rate to now include Batangas, Bulacan, Pampanga and Cebu. It also expanded beyond TV Shopping and opened its online store in 2015.
People

"A good team, like a good show, comes into being when the separate individuals working together creates, in essence, another separate higher entity - the team - the driver - which is better than any of those individuals can ever be on their own." - Gary David Goldberg

The true force that propels ABS-CBN every year is our people - they who tirelessly give the best that they can give, who perform acts that go beyond the call of duty, who aim to be the best that they can be in the process, are transformed into the best in the industry. No job is too big or too small, no task unworthy of their full effort - the men and women of ABS-CBN are the very essence of service to the Filipinos.

Health and Wellness

Our Health and Wellness Programs for 2015 are designed to provide opportunities for our employees and talents to be reminded of the need to care for their health and well-being. A number of activities include various runs and walks, wellness clinics and health screenings, organized sports activities, seminars not only about physical health but financial management, family days and celebrations all help in ensuring that the team is holistically cared for.

In 2015, ABS-CBN conducted over 43 programs that involved over 5,271 employees, EMs and dependents across all our locations.
Organizational Capability Building and Succession Planning

ABS-CBN has been able to continue being the leader in the Philippine media and entertainment space through a very deliberate effort at growing the skills of our teams and our talents and through a continuous effort at identifying future leaders. This task has become more important over the recent past as we expand our business into new ventures—an expansion requiring us to bring in new skills, new ways of doing things and new leaders as part of the evolution of ABS-CBN—an evolution born out of a changing audience and a changing consumer landscape.

Today, over half of our Executive Committee is composed of officers that are 50 years old and below—a promise of continuity into the next decade. Close to half of this executive committee have joined the organization over the past 10 years while the balance of the team are composed of ABS-CBN veterans having spent over 10–25 years with the company.

ABS-CBN has over 10,000 employees and talents spread throughout the Philippines and across various offices around the world. The team shows a healthy balance of employees across different generations—from fresh graduates to ABS-CBN veterans; to some of the top practitioners of their respective fields—each one answering the same call of being of service to the Filipino.

To ensure that each Kapamilya is able to be the best they can be, we’ve embarked on an organized approach towards succession planning and leadership—identifying high potential candidates both internally and externally, designing individual development plans for each and every candidate, monitoring, coaching, and mentoring them throughout their journeys. This deep bench has enabled us to fuel various growth initiatives and expansion programs.

ABS-CBN University

“Emergent leaders are the ones who know what to lead and when to follow. They are very different from the typical Type A leaders who always need to be the one in control. And ABS-CBN University will be a way to identify and develop emergent leaders.” — Eugenio Lopez III

ABS-CBN University is a realized dream for the company—a visible commitment to the growth and constant learning required by our industry. Launched in 2014, this two year old initiative has grown from its early days to a program now composed of six academies: the Moving Images Academy, Leadership Academy, Digital Academy, Journalism Academy, Service and Business Excellence Academy, and Liberal Studies Academy.

These academies provide employees with practical knowledge, business knowledge, managing of competencies, and task-oriented education.

In 2015, the University conducted over 32 courses and events, with over 1,000 hours of training and with 1,809 participants across all academies. Over 740 employees completed various e-learning classes throughout the year, teaching and learning—part of our corporate values come to life each and every year through this program.
Star Magic

It all began in April 1992 when Freddie M. Garcia (then Executive Vice President and General Manager for ABS-CBN), together with Johnny Manahan (then Program Director), hatched the idea of creating a stable of new stars exclusively for ABS-CBN. It was then called the "Talent Center," its first major project was the hit afternoon youth show, Ang TV, which was launched in October of the same year and was supported by many exposure-driven activities for the talents such as mall shows, live concerts and even two record albums.

23 years later Star Magic is the home and birthplace of many a star across all disciplines of the media and entertainment industry - not only in the Philippines but in many parts of the world. Auditions, workshops, management services, training - a dedicated team of professionals led by Johnny Manahan or "Mr. M" and Manolo Alberto have discovered, nurtured and launched hundreds of artists in over two decades, ensuring a continued vibrancy not only for ABS-CBN but for the Philippine entertainment industry. In 2015, Star Magic represented close to 130 of the country's best talents spanning various ages and industries.

Pinoy Media Congress

"Your talent may win you your dream. But only your good values that will make you feel proud of yourself." - Charo Santos-Concio at the Pinoy Media Congress 2015

The Pinoy Media Congress (PMC) is the country's biggest and longest running annual gathering of communication students, professors, experts and practitioners. A project of ABS-CBN and the Philippine Association of Communication Educators Foundation (PACEF), the PMC aims to prepare the next generation of Filipino communication professionals and media practitioners through a series of talks and activities with the current leaders in the media industry. The PMC started in 2006, and over the past nine years, the two groups have joined forces to create a venue - a bridge - wherein current media practitioners and mass communication students can meet and interact, exchange ideas and inspire each other to be excellent and responsible media men and women.

In her 2015 keynote address, ABS-CBN President and CEO Charo Santos-Concio reminded students that though technology makes it easier for anyone to create and distribute content - and while talent can make their dreams come true - it is their good values that will make them proud of themselves and of the careers they have built.
The Kapamilya Way

The most visible expression of our corporate values is seen in how we do things – the Kapamilya Way. Whether these are formal programs or a celebration of service and values, these all help mold every and every Kapamilya – both off and on-camera.

An On-going Partnership

ABS-CBN continues to be affiliated with an amazing relationship with its two employee unions. Due to the meaning of a union, both parties have celebrated this relationship with single day negotiations for their respective collective bargaining agreements. By avoiding protracted discussions, the teams have been able to plan, act and think about the future as one.

Safety and Security

Ensuring the continued safety and security of our kapamilyas is a commitment of ABS-CBN. Through the combined efforts of various teams and led by various internal and external experts, ABS-CBN continues to upgrade its facilities, conducts regular drills and safety inspections as well as regular training sessions covering all aspects of security and safety – both in events, on-location work, studio work, office environments, natural calamities and various other scenarios. Various departments such as our News and Current Affairs group have specialized protocols, and every employee is expected to not only know what to do for himself/herself but to also be able to assist a kapamilya as needed.

Compliance

Recognizing the collective responsibility each and every kapamilya has in achieving our mission and values, ABS-CBN was one of the first companies in the Philippines to introduce a Whistleblowing policy in 2014. In 2015, the company reinforced its Insider Trading and Conflict of Interest policies with the establishing a GIF-Giving policy for all employees, talent and trade partners. True to our values, we continue to strengthen our compliance and governance framework across our organization.

The ASEAN Capital Markets Forum (ACMF) was established in 2004 under the auspices of the Association of Southeast Asian Nations (ASEAN) Finance Ministers. ACMF, together with the Asian Development Bank, established the ASEAN Corporate Governance Scorecard (ACCS) - a rigorous methodology benchmarked against international best practice – including the Organization for Economic Cooperation and Development’s principles of corporate governance. We assess the corporate governance performance of publicly listed companies (PLCS) in the six participating ASEAN member countries. Beginning 2013, the ACCS has published a list of the top 50 publicly listed companies for each ASEAN country scored for corporate governance.

“Wow at Saya”

This is our way of welcoming any visitor to our home, our way of saying thank you for the love to kapamilyas that come visit our studios, our studio tours and our offices throughout the world.

In 2015, we embarked upon a program to enhance the visitor experience across our offices through upgrading various facilities, automating visitor registration and ensuring that every kapamilya feels at home with us.
Kapamilya Awards

Our service and loyalty awards program designed to honor all Kapamilya employees for their years of service to the Filipinos. This year, almost 300 employees were recognized for their service to the company - 18 employees for the 25-year awards, 105 for 20-year awards, 231 for 15-year awards, 263 for 10-year awards, and 271 for 5-year awards. More than just a service awards program, this is a celebration of years of hard work, fun, friendship and growing up in ABS-CBN.

Walk on Water (WOW) Awards

Honoring Kapamilya that have gone the extra mile, a celebration of any effort that goes beyond the call of duty. This year, the WOW Awards received more than a hundred entries. Among these entries, 33 finalists were chosen and one winner for each of the eight categories emerged. The categories are as follows: Best Jr. Craft, Everyday Hero, Extraordinary Hero, Service Excellence - Individual, Team, Creative Breakthrough - Long Form, Creative Breakthrough - Short Form, and Service Excellence - Team.

Lopez Achievement Awards

An annual program of Lopez oils that honors various business initiatives across various Lopez Group companies. In 2015, ABS-CBN Media was honored in the Customer Focus category for “Want TV, ABS-CBN.” In July, Kapamilya Foundation Inc. (KLKD) received an award for public responsibility for its “Go! Grow!” project as well as two other awards for public responsibility. One for Falcon Lopez’s Pocket Life Pocket Project and another for KTV Falcon’s Pinajing Foundation.

Gawad Geny Lopez Jr. Bayaning Pilipino Awards

This search for modern-day heroes aims to give recognition to ordinary folks doing extraordinary deeds – a fitting tribute to the Filipino spirit of humanitarianism, industry, determination and dedication to public service. December lives in the hearts of many Filipinos and ABS-CBN continues to prove that wherever there are Filipinos, there are heroes.

Launched in 1998, it was envisioned by the late Eugene Lopez Jr. for which the award is now named. With the help of NDD and Filrap, Gawad Geny Lopez Jr. Bayaning Pilipino awards are also given through Bayaning Pillino sa Gawahing Japan and Bayaning Pillino sa Asia-Pasifik, Korean Filmes.

What is Kapamilya? The Urban Dictionary defines Kapamilya as a Filipino slang term for someone who is addicted to the shows and celebrities of ABS-CBN Corporation. Literally means "belonging to one family". The direct English translation is "part of the family". To us, it means all that – and more, it means you – and how we can be of service to you.
Sustainability and Corporate Social Responsibility

ABS-CBN operates in various sectors of the economy. We recognize that creating value not only for our businesses but also for the communities where we operate and the environment that we impact go hand in hand with our mission of being in the service of the Filipino.

To that end, we view our approach towards sustainability and corporate social responsibility along a number of pillars:

Sustainable Management Practices

Our adherence to corporate governance, compliance and our code of conduct provides a framework that ensures long-term financial value and business continuity for all our stakeholders. Over the past 5 years, ABS-CBN Corporation has not only shown consistent growth in profit but also a commitment to increasing efficiencies across our businesses through a rigorous review of our processes and operations.

We continue to improve our corporate governance and internal controls and have been recognized as among the Top 50 publicly listed Philippine companies for corporate governance on the Asian Corporate Governance Scorecard (ACGS) since 2013. ACGS is a joint initiative of the Asian Capital Markets Forum and the Asian Development Bank.

In 2015, ABS-CBN adopted an updated gift giving policy for all its business units with the aim of ensuring that its code of conduct was up to date. It has also adopted a formal screening process for all its suppliers and vendors.

ABS-CBN亦支持供应商，特别是一些环境友好型供应商，他们的业务对环境造成的影响最小。

Business Sustainability

While we expand into new business ventures and opportunities, this expansion is heavily on synergies across our various businesses as well as tapping strategic partnerships in order to generate efficiencies in these ventures. Our investments continue to remain anchored on our core skill while exploring new opportunities for value generation.

Operations

In 2003, ABS-CBN commissioned its seven-stage treatment plant at its headquarters in Guinobatan City, Philippines. The plant treats close to 250 cubic meters of water per day. In 2004, ABS-CBN started using the treated water for irrigation maintenance, toilets and as cooling for its air-conditioning systems. This resulted in a 77% reduction in water consumption down to 4.11 cubic meters per month. In 2015, the treatment plant generated 30,973 cubic meters of treated water.

Given the need for 24/7 operations, ABS-CBN employs a significant number of power generators for its operations. These are regularly tested and maintained in order to ensure compliance with Department of Environment and Natural Resources (DENR) codes. In 2015, all generators of ABS-CBN registered fuel that was at least 40% below DENR standards. In most cases, they were over 65% below DENR standards for smoke emission.

ABS-CBN also employs a used oil recycling facility in compliance with Republic Act 6969. The disposal of used oil as well as used batteries is coordinated with the ABS-CBN Lingganay Kapamilya Foundation Inc., an accredited third-party recycler. Proceeds from the recycled oil (Barclay Langa) and batteries (Barclay Batarya) are donated to the foundation for its various projects. In 2015, Barclay Langa generated 6,405.29 liters of used oil while collecting close to 228,600 liters for the program. Barclay Batarya collected 13,766 kilograms of used batteries.

In 2015, ABS-CBN started the initiative to recycle materials used for production sets as well as various other production-related materials.

The company also uses mostly “green sealed” or “designed for the environment” chemicals for housekeeping which reduces the health risk to cleaners.
Human Resource Sustainability

Various initiatives were listed in the people section of this report. These include Health and Wellness initiatives, the ABS-CBN University as well as talent development and succession planning and organizational capability building.

Various initiatives designed for improving safety, security and business continuity have also been discussed in the people section of this report. Employee safety is further enhanced with regular safety drills, seminars and announcements apart from regular safety inspections by both the safety group and the property management group of the company. These drills and inspections are done across all the offices and properties of ABS-CBN. Employees are also provided regular e-mail and SMS updates during typhoons and other natural calamities. A command center which receives updated from government agencies, the ABS-CBN Weather Center and its News and Current Affairs group as well as the Oscar M. Lopez Center for Climate Change Adaptation and Disaster Risk Management Foundation, Inc. allows for a steady stream of reliable information in aid of decision management for the company and its operating units. The company is also able to deploy remote sensing for its assets in order to track teams that are in the field.

In 2015, the safety team of ABS-CBN created office emergency teams to train various employees as wardens and emergency response team members to respond to potential emergencies.

Giving Back to the Community

In 1990, Cory Lopez established the ABS-CBN Foundation which focused on disaster relief for victims of events like the July 1990 earthquake and the 1991 People Power revolution. These efforts are perhaps the most widely associated with the company’s mission of being in the service of the Filipino.

In 2015, the company worked on greater synergies across its various advocacy with an integrated public service initiative.

ABS-CBN Lingkod Kay Gawaing Bayan Foundation, Inc. (formerly ABS-CBN Foundation, Inc.) is a committed advocate for public service. Along with its Disaster Management initiatives, the company has turned over 107 classrooms in 62 sites. These classrooms directly benefited 8,000 school children and 300 teachers in the affected areas. In 2014, Sanggao Kapampiya lapped its sister program, Pambansa Dita, to complement its school building efforts with educational uplift programs. As of December 2015, over 14 million pesos was invested in Educational uplift programs. Sanggao Kapampiya partnered with Sanggao Kapampiya to implement the majority of its livelihood and ecotourism projects in the affected areas. The livelihood projects initiated by B.K. include organic farming, fishing and fish processing, establishment of restaurants, and weaving. A total of 172,092,584.27 was allocated for livelihood programs in the affected areas which directly
As of December 2015, Sagô-Karambu served
P 70,035,639.99 of the donations.
Education P 173,528,016.29
Livelihood P 172,069,386.78
Relief Operation P 279,598,311.64
Logistics and Support Services P 76,035,647.93
TOTAL P 702,031,412.93

**Bantay Bata 163** - the child protection and welfare program of ALKFI started in 1997 on Valentine’s Day as our gift of love to the Filipino children. What began as a hotline and rescue operation has evolved into a truly holistic system which includes therapy, after care and preventive programs. Bantay Bata also aims to respond to child abuse cases all over the Philippines. In August 2000, it established its provincial office in Davao. A centralized national call center was established in July 2003. Through the support of the ABS-CBN Regional Network Group, Child and Family office were launched in January 2005; Biñan and Zamboanga in February and March 2006; Negros and Cebu in November 2007 and Pangasinan in October 2008; Laguna and Soccsksargen in February 2010. This in 2016, 163 also shares its expertise with the world as an active member of Child Helpline International (CHI) and the International Social Service (ISS), 2015 marked the 18th year of service of Bantay Bata 163. Over this period, the program has received over 371,617 hotline calls that it responded to. It supported the the in the rescue of 2,444 cases, provided legal support for 3,937 cases and assisted in the rehabilitation of 64,796 children.

**Program Genio** - the quality education program of ALKFI. Program Genio envisions discovering and developing the inherent genius or genius in every child. The program which serves in cooperation with the school division of the Department of Education focuses on public elementary school children and their immediate communities. Program Genio maintains current partnerships with private sector donors that advocate school development.

**Capit Bisig Para sa Ilog Pasig** - the river rehabilitation initiative of ALKFI. It was launched on February 24, 2003, its aim is to rehabilitate Metro Manila’s waterways by focusing on the esteros (creeks) first, after which it will target mainstream efforts on the Pasig River, Marikina River, and Lagoons de Bay.

**BayaniJuan sa Southville 7** - launched in 2007. BayaniJuan was conceived following ALKFI’s experience in various rehabilitation and development programs. ALKFI synergized the efforts of these key programs into one project to holistically develop sustainable communities. Resident in the spirit of BayaniJuan, the project partners with the government, NGOs, private groups and various sectors.

Biñan battered by two powerful typhoons in December 2008 was the first area of implementation of the BNU project in 2008.

In 2009, the ABS-CBN Foundation launched BNU in Southville 7th Calaba, Laguna as part of efforts to help 1,277 families that were relocated from informal settlements along Lazure de Paco. They join families from Marilina and Pasig who lost their homes to Typhoons Ondoy and those previously relocated by the National Housing Authority.
**Bantay Kalikasan** - In 1999, ABS-CBN launched Bantay Kalikasan (Nature Watch). Through the years, it has implemented several projects addressing specific, environmental issues at hand. Recently, it has focused on eco-tourism as a way of generating livelihood while at the same time protecting and enhancing various areas of the country. Its projects include La Mesa Park, Bantay Langgam, Bantay Bato, Ecomuseums and the G Initiative.

**Tulang Center** - ABS-CBN opened the Tulang Center to the public on February 24, 2014. The Tulang Center is essentially a kapampangan in need of legal, medical and other forms of assistance. Aside from providing legal and medical aid, it also aims to address the concerns of overseas Filipino workers. The Tulang Center works with various groups, including the Integrated Bar of the Philippines, Overseas Workers Welfare Administration, hospitals, physicians, and other organizations in responding to the needs of kapampangan who come for help. For its 10th anniversary, it served 1,850 kapampangan in various capacities.

Apart from these public service initiatives, ABS-CBN continues to give back to the community through various other initiatives. These include:

**Knowledge Channel** - The Knowledge Channel Foundation, Inc. (KCFI) is a non-profit organization dedicated to uplifting the lives of Filipinos from poverty through education.

Since 1993, KCFI has been at the forefront of providing learners with access to multimedia learning materials via through K Channel television, online through KCFI Online and on-demand through the KCFI Portable Media Library. It is the first and only curriculum-based multimedia learning system focused on Philippine basic education. It has been proven to be an effective tool in increasing learning outcomes, student participation and community involvement among schools.

To help improve the quality of teaching and learning, KCFI conducts training for teachers and principals through its program called Learning Effectively through Enhanced Pedagogies (LEEP). Further, the Foundation is also involved in strengthening governance among educational leaders through programs like the Superintendent's Leadership Program (SLP).

The country's first and only curriculum-based educational channel, K Channel is now part of the line-up of exclusive

free-to-air networks via digital terrestrial television of the ABS-CBN TV Plus. K Channel is also available on Sky Cable.

**ABS-CBN Orchestra Educational Outreach** - A fundamental commitment to educational outreach is what drives the ABS-CBN Philharmonic Orchestra to make a mark in the Filipino community. Holding concerts for schools in the Bulacan Theatre, the orchestra presents orchestral music to a wide range of ages. The Educational Concerts focus on bringing orchestral music to the community in an entertaining way while giving schools and teachers the tools necessary to enrich the lives of all their students. Through visits to schools around the city, the orchestra also reaches out beyond their home theatre,

The first film restored was Ishmael Bernal's 1982 film

Nanala which was screened at the 69th Venice International Film Festival as part of its 50th year anniversary. It was followed by Pepe Diokno's 1982 film

Oro, Plata, Mata. Following these are Oliver Lomibao's

Maximiliano Musique and Maniisa, Laurence Guider's Tanging Yaman, Rony Quintos' Anak, Margaux Diaz-Abaya's Bagong Bulaklak, and Chito S. Roño's Oakridge '90.

As of 2015, the project has restored and remastered over 100 films. The restored films have been released in a wide array of platforms such as limited theatrical runs, film festivals, TV broadcasts, in both free-to-air TV and cable TV, DVDs, and video on demand services.
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. 

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.

The Board of Directors consists of 11 members, elected by shareholders during the Annual Stockholders’ Meeting. For the year 2015, three directors are Eugenio L. Lopez III, Chairman; Augusto Almeda Lopez, Maria Rosario Santos-Concio; Oscar M. Lopez; Presentation L. Psinakis; Federico R. Lopez; Federico M. Garcia; Salvador Tirona, Manuel M. Lopez, Antonio Jose U. Periquet, and Emmanuel D. O. Dios. In compliance with the SEC requirement— that at least 20% of the Board should be independent directors— the Company elected Mr. Periquet and Mr. De Dios do not possess any of the disqualifications enumerated under Section II (5) of the Code of Corporate Governance and Section II (5) of SEC Memorandum Circular No. 16, Series of 2002.

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, 2015 to December 31, 2015, the Board had 13 meetings.

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<thead>
<tr>
<th>Board Meeting Date</th>
<th>Number of Attendance</th>
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<td>Presentation L. Psinakis</td>
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<td>Federico R. Lopez</td>
<td>13</td>
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<tr>
<td>Salvador Tirona</td>
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Mix 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.

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 SEC, the by-laws, and the Manual of Corporate Governance. Under the Manual of Corporate Governance, independent directors (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 or officers of any of the foregoing); (ii) are not related to any director, officer or substantial stockholder 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, or any of its substantial shareholders within the last two 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 arms length and are immaterial; and (vii) do not own more than 2% of the shares of the Company and/or its related companies, or any of its substantial shareholders. Mr. Periquet and Mr. De Dios do not possess any of the disqualifications enumerated under Section II (5) of the Code of Corporate Governance and Section II (5) of SEC Memorandum Circular No. 16, Series of 2002.

Eugenio L. Lopez III 13 11 85% Y
Ma. Rosario Santos-Concio 13 11 85% Y
Oscar M. Lopez 13 9 69% Y
Augusto Almeda Lopez 13 11 85% Y
Presentation L. Psinakis 13 7 54% Y
Manuel M. Lopez 13 12 92% Y
Federico R. Lopez 13 9 69% N
Federico M. Garcia 13 11 85% Y
Salvador Tirona 13 13 100% Y

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.

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.
Compensation of Directors

Each board director receives a set amount of Php20,000 per board meeting and Php10,000 per committee meeting attended. In terms of profit sharing and bonuses, the total yearly compensation of directors shall not exceed 10 percent of the net income before income tax of the Company during the preceding year.

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. Randy David, Mario Bautista, Carlo L. Katigbak, Honorio G. Poblador IV and Martin L. Lopez are members of the Board of Advisors.

Board Committees

There are seven Board committees that have been established to address any issues requiring the directors’ attention.

The Programming Committee deliberates on the programming issues and strategies of the network, and is primarily a business strategy committee. It is composed of Federico Garcia, Ma. Rosario Santos-Concio, and Emmanuel De Dios. Randolf David is an advisor.

The Compensation Committee reviews any recommendations on incentive schemes and the issuance of stock options to employees. It is composed of Augusto Almeda-Lopez, Federico Garcia and Antonio Jose Periquet. Mario Bautista and Randolf David are advisors.

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. It is composed of Salvador Tirona, Eugenio Lopez III, Ma. Rosario Santos-Concio, Antonio Jose Periquet and Emmanuel De Dios. Randolf David is an advisor.

The Compliance Officer

The Company has appointed a Compliance Officer who is tasked to ensure the Company’s compliance with the laws and regulations, and its policies and practices toward full compliance with the laws and regulations. It is composed of Federico Garcia and Emmanuel De Dios. Mario Bautista and Randolf David are advisors.

The Audit Committee

• Co-chairs the Audit Committee Meetings; and
• Appoints the Company’s independent auditors, certifies the financial reports and risks, examines changes concerning the salaries and benefits provided to the Company’s CEO. The committee is composed of Augusto Almeda-Lopez, Federico Garcia and Antonio Jose U. Periquet. Mario Bautista is an advisor.

The Audit and Compliance Committee reviews the financial reports and risk, examines internal control systems, oversees the audit process as well as the company’s compliance with laws, and evaluates the company’s management system, in coordination with the Audit Committee. The chairman is composed of Antonio Jose Periquet, Salvador Tirona, and Emmanuel De Dios. Carlo Katigbak, Honorio G. Poblador IV and Martin L. Lopez are advisors.

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. It is composed of Salvador Tirona, Federico Garcia, and Emmanuel De Dios. Honorio G. Poblador IV and Martin L. Lopez are advisors.

The Nomination and Election Committee reviews and evaluates the qualifications of all persons nominated to the Board for any appointment 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 Lopez III, Ma. Rosario Santos-Concio, Antonio Jose Periquet and Emmanuel De Dios. Randolf David is an advisor.

The止め Bidding 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.

The Whistle Blowing Policy is a clear statement of the organizational policy and will be published in the Code of Conduct and Conflict of Interest Policy. In the event of a conflict of interest, the policy will be reviewed and approved by the Audit Committee.

Audit

The Audit Committee is composed of members independent of management and meetings are attended by the President and Chief Executive Officer, the General Counsel, and the Chief Financial Officer.The committee meets both in executive session and in whole. The Committee is responsible for the appointment of the external auditor and for the establishment of the audit plan. The committee also monitors and evaluates the performance of the external auditor and considers the independence of the external auditor. The committee also reviews the internal audit plan and reports and monitors the implementation of recommended controls.

The Audit Committee is composed of independent directors, including the Chairman. Quarterly meetings are held and attended by the Chairman and members of the Committee. The Committee is responsible for the audit plan and reports and monitors the implementation of recommended controls.
• The Committee reviewed and discussed the reports of the internal auditors, including the necessary corrective actions, with concerned management.

• The Committee reviewed and assessed that a sound internal audit, control, and compliance is in place based on the reports of management and internal and external auditors.

• The Committee reviewed and discussed the audited annual financial statements of the Company and its Subsidiaries with the management, internal auditors, and external auditors taking into consideration that:

  o Management is responsible for the Company’s financial statements and the related statements of financial condition and results of operations, and

  o 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.

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 this responsibility was assumed by the newly created Risk Management Committee. 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 M. 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 shareholders, 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.

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 Securities

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 Depositary Receipts within five trading days, in compliance with the PSE’s requirement for such disclosure.

Shareholder and 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 to 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 business, 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.

ABS-CBN’s Investor Relations website may be found on http://ir.abs-cbn.com
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, 2015, 2014 and 2013.

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

For the Year Ended December 31, 2015

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

<table>
<thead>
<tr>
<th>2015</th>
<th>2014</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidated Revenues</td>
<td>P38,278</td>
<td>P33,544</td>
</tr>
<tr>
<td>Consumer Sales</td>
<td>17,013</td>
<td>14,664</td>
</tr>
<tr>
<td>Advertising Revenues</td>
<td>21,265</td>
<td>18,880</td>
</tr>
<tr>
<td>Films and Music</td>
<td>1,282</td>
<td>1,161</td>
</tr>
<tr>
<td>Narrowcast</td>
<td>1,410</td>
<td>1,265</td>
</tr>
<tr>
<td>Others</td>
<td>2,709</td>
<td>2,278</td>
</tr>
<tr>
<td>Consolidated Costs and Expenses</td>
<td>P34,686</td>
<td>P30,369</td>
</tr>
<tr>
<td>Cost of Sales and Services</td>
<td>11,474</td>
<td>9,248</td>
</tr>
<tr>
<td>Production Costs</td>
<td>11,434</td>
<td>11,008</td>
</tr>
<tr>
<td>Other Cost and Expenses</td>
<td>131</td>
<td>139</td>
</tr>
<tr>
<td>Sale of Goods</td>
<td>1,734</td>
<td>352</td>
</tr>
<tr>
<td>Consumer Sales</td>
<td>44%</td>
<td>44%</td>
</tr>
<tr>
<td>Advertising Revenues</td>
<td>56%</td>
<td>56%</td>
</tr>
<tr>
<td>Films and Music</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>Narrowcast</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>Others</td>
<td>3%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Consolidated Revenues

For the year ended December 31, 2015, ABS-CBN generated consolidated revenues of P38,278 billion from advertising and consumer sales, P4.734 billion or 14.1% higher year-on-year.

Advertising revenues increased by P2.385 billion or 12.6% higher year-on-year. Consumer sales also increased by P2.349 billion resulting from the sale of ABS-CBN TVPlus, strong performance of Global’s television and retailment business and higher revenue from Sky Cable’s broadband business.

Consolidated Costs and Expenses

Direct costs and expenses amounted to P34,686 billion in 2015, or a 14.2% increase year-on-year.

Production cost increased by P2.227 billion or 24.1% which is 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 P2.227 billion or 24.1% 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 16.4% or P1.664 billion. The Company’s personnel related expenses contributed to the increase in GAEX during the year while non-cash related expenses decreased by 4.7%.

Net Income and EBITDA

The Company generated P2.545 billion net income for the year 2015. Net income increased by 25.4% compared to P2.030 billion in the previous year, EBITDA reached P7.940 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.

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:

<table>
<thead>
<tr>
<th>2015</th>
<th>2014</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidated Revenues</td>
<td>P31,054</td>
<td>P27,447</td>
</tr>
<tr>
<td>Consumer sales</td>
<td>15,148</td>
<td>14,173</td>
</tr>
</tbody>
</table>

Free-to-Air

Revenue from the Free-to-Air business grew by P2.583 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 15.0%, 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
Global 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 38.8% while the afternoon block remained strong with “Doble Kara” and “Nasaan Ka Nang Kailangan Kita” registering 14.9% and 13.9% in ratings, respectively.

Global 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 38.8% while the afternoon block remained strong with “Doble Kara” and “Nasaan Ka Nang Kailangan Kita” registering 14.9% and 13.9% in ratings, respectively.

Global revenue increased by 5.8% as a result of higher earnings from theatrical and events which increased by P246 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 P102 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 Playboy Bejamin 2 and A Second Chance generated over P450 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 P200 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 and in lower number year-on-year of movies that are co-produced.

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.

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:

<table>
<thead>
<tr>
<th>Rank</th>
<th>Channel</th>
<th>Program</th>
<th>Rating (%)</th>
<th>2015</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>ABS-CBN</td>
<td>The Voice Kids Sunday</td>
<td>42.7</td>
<td>Weekday</td>
<td>546</td>
</tr>
<tr>
<td>2</td>
<td>ABS-CBN</td>
<td>The Voice Kids Saturday</td>
<td>40.8</td>
<td>Weekday</td>
<td>546</td>
</tr>
<tr>
<td>3</td>
<td>ABS-CBN</td>
<td>FPJ’s Ang Probinsyano</td>
<td>39.6</td>
<td>Weekday</td>
<td>546</td>
</tr>
<tr>
<td>4</td>
<td>ABS-CBN</td>
<td>Nathaniel</td>
<td>34.0</td>
<td>Weekend</td>
<td>546</td>
</tr>
<tr>
<td>5</td>
<td>ABS-CBN</td>
<td>Pinoy Big Brother</td>
<td>33.6</td>
<td>Weekend</td>
<td>546</td>
</tr>
<tr>
<td>6</td>
<td>ABS-CBN</td>
<td>Boses ng Bulilit, Muling Bibirit</td>
<td>32.8</td>
<td>Weekend</td>
<td>546</td>
</tr>
<tr>
<td>7</td>
<td>ABS-CBN</td>
<td>Doble Kara</td>
<td>31.0</td>
<td>Weekend</td>
<td>546</td>
</tr>
<tr>
<td>8</td>
<td>ABS-CBN</td>
<td>Dance Kids Saturday</td>
<td>30.3</td>
<td>Weekend</td>
<td>546</td>
</tr>
<tr>
<td>9</td>
<td>ABS-CBN</td>
<td>MMK Ang Tahanan Mo</td>
<td>29.7</td>
<td>Weekday</td>
<td>546</td>
</tr>
<tr>
<td>10</td>
<td>ABS-CBN</td>
<td>Dream Out</td>
<td>29.9</td>
<td>Weekend</td>
<td>546</td>
</tr>
</tbody>
</table>

*Source: Kantar Media TV Audience Measurement, Total Philippines, Total Days, January - December 2015.
Statements of Management’s Responsibility for Financial Statements

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 as of and for the years ended December 31, 2015, 2014 and 2013, 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 has examined the consolidated financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such examination.

Eugenio L. Lopez III
Chairman of the Board

Ma. Rosario N. Santos-Concio
President and Chief Executive Officer

Rolando P. Valdueza
Group Chief Financial Officer

ABS-CBN BROADCAST CENTER, SGT. E.A. ESGUERRA AVENUE COR. MOTHER IGNACIA ST., QUEZON CITY, PHILIPPINES
TEL. NOS.: (632) 924-4101 | (632) 415-2272

Report of the Audit Committee for the Year Ended December 31, 2015

To The Board of Directors:

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 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
• Compliance of the Company with legal and regulatory requirements.

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

• The majority of the Audit Committee members are independent directors, including the Chairman;
• Quarterly meeting were held and attended by the Chairman and members of the Committee;
• 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:
  o Management is responsible for the Company’s financial statements and the related statements of financial condition and results of operations, and;
  o 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.

Based on the foregoing and the related discussions undertaken, and subject to the limitations of our roles and responsibilities, the Audit Committee presents this Report to the Board of Directors.
EUGENIO L. LOPEZ III, Filipino, age 67
Chairman of the Board of Directors
Eugenio “Gabby” Lopez III is the Chairman of the Board of ABS-CBN Corporation. He was elected Chairman 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 87
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 (FPCI), Bayot Telecommunications Inc., Sky Cable Corporation, 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 Advanced Management Program at Harvard Business School in 1969.

MA. ROSARIO SANTOS-CONCIO, Filipino, age 60
Board Member, President and Chief Executive Officer
Ms. Santos-Concio was appointed Chief Executive Officer in January 2013. Prior to this, she was ABS-CBN’s President and Chief Operating Officer in 2008. She was previously the Head of Channel 2 Mega Manila Management. Onscreen, Ms. Santos-Concio hosts ABS-CBN Channel 2’s longest-running drama anthology Manila Con with a Communications Arts degree. Ms. Santos-Concio also completed the Advanced Management Program at Harvard Business School in 2007.

OSCAR M. LOPEZ, Filipino, age 85
Board Member
Mr. Oscar M. Lopez has served as a Director of ABS-CBN since 1966. He also serves as Chairman Emeritus and Chief Strategic Officer of the First Philippine Holdings Corporation (FPHC), and Chairman Emeritus of Lopez Holdings Corporation. First Gen and Energy Development Corporation. He is Chairman of First Philippine Industrial Park and First Sunrised Circuits, Inc. He is also Vice Chairman of Rockwell Land. Mr. Lopez has led FPHC’s efforts in other businesses aside from energy and power, including toll road construction, industrial park and real estate development, and electronics manufacturing. Mr. Lopez has a Master’s degree in Public Administration from the Littauer School of Public Administration in Harvard University (1955), the institution where he also earned his Bachelor of Arts degree, cum laude in 1951.

PRESENTACION L. PSINAKIS, Filipino, age 80
Board Member
Ms. Psinakis has served as a Director of the Company since 1988. Ms. Psinakis is the Founder and President of Griffin Sierra Travel, Inc. She is a member of the Board of Trustees of the Eugenio Lopez Foundation, Inc. and also serves as director of the following companies: Lopez Inc., Banp.magk Insurance Agency, ADTEL Inc., and Philippine Commercial Capital Inc. She took a Bachelor of Arts course in St. Scholastica’s College.

FEDERICO R. LOPEZ, Filipino, age 54
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). He is also Chairman and CEO of First Gen Corporation and Energy Development Corporation. Lopez Corporation is 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 Skat Solar Challenge Foundation. The OML Center is the result of the twin advocacy of the Lopez family for environmental protection and public service. He is also on the Trustees Board of World Wide Fund-Filipinas, Philippine Disaster Recovery Foundation and the Philippine Tropical Forest Conservation Foundation.

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 Mokai 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.

MANUEL M. LOPEZ, Filipino, age 72
Board Member
Mr. Lopez is the Chairman and Chief Executive Officer of Lopez Holdings Corporation. He is a holder of a Bachelor of Science degree in Business Administration and attended the Program for Management Development at the Harvard Business School. He is the chairman of Rockwell Land, the Vice chairman of FPHC and is a director of Meraco. He was Chief Executive Officer of Meraco from July 2001 to June 2010. Mr. Lopez is the Philippine Ambassador to Japan.

SALVADOR G. TIRONA, Filipino, age 60
Board Member
Mr. Salvador G. Tirona has served as a Director of the Company since 1988. 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.

ANTONIO JOSE U. PERIQUET, Filipino, age 54
Board Member, Independent Director
Mr. Antonio Jose U. Periquet has been an independent director of ABS-CBN since 2013. He is currently chairman of the Campani Hill Group, Campani Hill Advisors and Pacific Man Holdings, Inc., and also serves as an independent director on the boards of Ayal Corporation, Bank of the Philippine Islands, BPI Capital, BPI Savings Bank, DMC Holdings, the Man’s Group of Companies and the Philippine Seven Corporation. 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.

EMANUEL S. DE DIOS, Filipino, age 67
Board Member, Independent Director
Mr. De Dios is 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 College of Economics and Business Administration from 2007 to 2010. He was a member of the Board of Advisors to the Board of Directors of the Corporation from 2005 until his election as an Independent Director in 2013. He is a member of the Board of Trustees of Pulsar Asia (Phils.), Inc. since 2008. He received his AB Economics degree from the Ateneo de Manila University cum laude in 1978 and his PhD in Economics from the University of the Philippines in 1987. He pursued post-doctoral studies in the University of Konstanz in Germany from 1987 to 1988. He is the author of various books, monographs, articles and reviews in the field of economics.
ABS-CBN CORPORATION

ABS-CBN SUBSIDIARIES & AFFILIATES

ABS-CBN CENTER FOR COMMUNICATION ARTS, INC.

WORKSHOPS OF ABS-CBN

6/F Design & Talent Center Building,
ABS-CBN Broadcast Center,
Diliman, Quezon City 1103 Philippines

Phone: (632) 416-1901 • Fax: (632) 413-8704

Email: info@absbayan.pinoycentral.com

URL: www.abs-cbnfoundation.com

ABCD GLOBAL LIMITED

ABS-CBN Corporation

6/F Eugenio Lopez Jr. Communications Center,
ABS-CBN Broadcast Center,
Diliman, Quezon City 1103 Philippines

Phone: (632) 415-2277 • Fax: (632) 413-5381

Email: info@absbayan.pinoycentral.com

URL: www.abs-cbnfoundation.com

PLAY INNOVATIONS, INC.

The Unit in Ortigas Center,
252 University Parkway,
Bancroff Global City, Taguig City

Department: Sale

Phone: (632) 391-9547 • Fax: (632) 411-0065

Email: sales@playinnovations.com

URL: www.playinnovations.com

STAR RECORDS, INC.

2/F Eugenio Lopez Jr. Communications Center,
ABS-CBN Broadcast Center,
Diliman, Quezon City 1103 Philippines

Phone: (632) 415-2277 • Fax: (632) 413-5381

Email: info@starrecords.com.ph

URL: www.starrecords.ph

STUDIO 23, INC.

4/F Eugenio Lopez Jr. Communications Center,
ABS-CBN Broadcast Center,
Diliman, Quezon City 1103 Philippines

Phone: (632) 415-2277 • Fax: (632) 413-5381

Email: info@studio23.com

URL: www.studio23.com

TV FOOD CHEFS, INC.

1132 University Parkway,
12th Floor Avecshares Center

4/F Eugenio Lopez Jr. Communications Center,
ABS-CBN Broadcast Center,
Diliman, Quezon City 1103 Philippines

Phone: (632) 415-2277 • Fax: (632) 413-5381

Email: info@tfnichefs.com

URL: www.tfnichefs.com

Diliman, Quezon City 1103 Philippines
For further information about our company, please contact the following:

INVESTOR RELATIONS
Phone: (632)4152272
E-mail: ir@abs-cbn.com

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STEERING COMMITTEE
Aldrin Cerrado
Ricardo Tan
Raymund Miranda
Robert Labayen
Connie Banaag-Lim
Kane Erol Choa
Christine Daria-Estabillo
Carmelo Saliendra
Michael Andre Ocampo
Marileth Evangelista Abejero
Roger Villon

LAY-OUT & PRE-PRESS PRODUCTION
ABS-CBN Creative Communications Management

HEAD, CCM
Robert Labayen

HEAD, CREATIVE PRODUCTION GROUP, CCM
Johnny de los Santos

CREATIVE ACCOUNT HEAD
Christine Daria-Estabillo

PRODUCERS
Christine Daria-Estabillo
Connie Banaag-Lim

PRODUCTION ASSISTANTS
Mark Raywin Tomo
Marie Claire Quilas

ART DIRECTOR
Carmelo Saliendra

CONTRIBUTING WRITERS
Raymund Miranda
Christine Daria-Estabillo

GRAPHIC DESIGNERS
Carmelo Saliendra
Michael Andre Ocampo
Marileth Evangelista Abejero
Roger Villon

PHOTOGRAPHER
MELOMAGIC Photography
Johnny de los Santos

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