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Minutes of the Annual Meeting of Stockholders
12 April 2013, Friday, 9:00 AM
Ballroom 1, Fairmont Makati, Makati City

	No. of Shares	Percentage of Total
Outstanding and Voting Shares Represented	2,467,726,979	84.11%

Directors Present:

Jaime Augusto Zobel de Ayala	<i>Chairman of the Board Chairman, Compensation Committee</i>
Arthur R. Tan	<i>President and Chief Executive Officer Member, Executive Committee</i>
Fernando Zobel de Ayala	<i>Chairman, Nomination Committee</i>
Rafael Ma. C. Romualdez	<i>Member, Executive Committee Member, Audit and Risk Committee Member, Finance Committee Member, Compensation Committee</i>
Delfin L. Lazaro	<i>Chairman, Executive Committee Member, Compensation Committee</i>
Hiroshi Nishimura	<i>Chairman, Audit and Risk Committee</i>
Delfin C. Gonzalez Jr.	<i>Chairman, Finance Committee Member, Audit and Risk Committee</i>
John Eric T. Francia	<i>Member, Finance Committee</i>
Jose Ignacio A. Carlos	<i>Member, Nomination Committee</i>
Alelie T. Funcell	<i>Member, Nomination Committee</i>

1. Call to Order

After the national anthem, the Chairman, Mr. Jaime Augusto Zobel de Ayala, called the meeting to order at 9:00 a.m. He welcomed the stockholders, members of the Board, the President and other officers of the Company who were in attendance at the meeting.

2. Notice of Meeting, Determination of Quorum and Voting Procedures

The Secretary, Ms. Sheila Marie Uriarte-Tan, certified that notice of the meeting was sent to each stockholder of record as of 13 February 2013 in accordance with the By-Laws and applicable rules.

The Secretary further certified that stockholders representing 2,467,726,979 shares or 84.11% of the 2,934,078,088 outstanding and voting shares were present, in person or by proxy.

The Chairman requested a stockholder who wished to make a remark should identify himself after being acknowledged by the Chair and to limit his remarks to the item in the agenda under consideration.

Thereafter, the Secretary discussed the voting procedures. Ballots had been given to the stockholders upon registration to enable them to vote in writing per item in the agenda. The ballots set forth the proposed resolutions for consideration by the stockholders and each proposed resolution would be shown on the screen as the same was taken up at the meeting.

Except the election of directors, all the items in the agenda would require for approval the vote of stockholders representing at least a majority of the issued and outstanding voting stock. Election of directors shall be by plurality of votes and every stockholder shall be entitled to cumulate his votes.

Each outstanding share of stock entitles the registered stockholder to one vote.

The Secretary also announced that the polls were open and stockholders could drop their ballots in the ballot boxes at the Registration table and inside the ballroom. All votes received shall be tabulated by the Office of the Corporate Secretary and the results validated by the external auditor, SyCip Gorres Velayo & Company (SGV). As the items in the agenda were taken up, the Secretary said that she would report on the votes received and tabulated at that point on the item. The final tally of votes would be reflected in the minutes of the meeting.

Finally, the Secretary informed the stockholders that the final tally of votes would be reflected in the minutes of the meeting.

Thereafter, the Chairman proceeded with the consideration of the next item in the agenda.

3. Approval of Minutes of the 2012 Stockholders' Meeting

The Chairman stated that copies of the minutes of the annual stockholders' meeting 13 April 2012 were distributed to the stockholders upon their registration for the meeting and a copy of the minutes was also posted and could be accessed on the website of the Company.

Thereafter, on motion of Mr. Bernie Santos, seconded by Mr. Brian Jalijali, the stockholders approved the minutes and adopted the following Resolution No. S-01-13, which was shown on the screen:

Resolution No. S-01-13

RESOLVED, to approve the minutes of the annual stockholders' meeting held on 13 April 2012.

As tabulated by the Office of the Corporate Secretary and validated by SGV, the votes on the motion for the approval of the minutes and the adoption of Resolution No. S-01-13 are as follows:

	For	Against	Abstain
Number of Voted Shares	2,466,805,979	0	921,000
% of Voting Shares Present	84.07%	0.00%	0.03%

4. Annual Report of Officers

Chairman's Overview

The Chairman began by noting that the world economy remained weak in 2012. This broad economic slowdown impacted the production of global electronic equipment, which contracted slightly in 2012, following declining rates in Western Europe, the United States, and Japan, and a slowdown in China's production.

The Corporation has proven itself to be resilient when faced with periods of soft global demand. This has been evident since the start of this decade when the Corporation weathered adverse trends in the global operating environment and consistently showed positive year on year growth rates in its revenues.

Last year showed that the Corporation could continue to excel despite the challenging business conditions. Its automotive segment surged forward while its industrial segment gained significantly as well. Remarkably, while EMS companies across the globe experienced a decline in revenues, the Corporation achieved a 15% growth on the back of acquisitions and business expansions of its key customers.

Across the Corporation's international teams, it excelled across the various industry programs it was engaged in. In 2012, the Corporation increased its market visibility by showcasing its outstanding design and engineering capabilities. This was demonstrated through the creation of a variety of applications, using advanced technologies, which include imagers, sensors, and power modules.

The Corporation continues to progress and improve across all areas of management and operations and Management is confident that this will continue to weather periods of economic adjustment. The Corporation's outstanding teamwork and strong internal management is counted on to operate efficiently at a time like this. The Corporation will also continue to tap its capacity to recognize and quickly transform new opportunities into business revenues.

In closing, the Chairman extended his deep appreciation to the customers and stakeholders for their continued support and confidence in the Corporation. He also extended his gratitude to the members of the Board, the Management, and its workforce for their dedication and cooperation, recognizing that it is through all their combined efforts that the Corporation has continued to succeed and thrive despite the challenges of an ever-changing global environment.

Thereafter, the President and CEO, Mr. Arthur R. Tan, delivered the President's Report.

The President's Report

The President noted that the Corporation's presence in key areas overseas allowed it to participate actively in providing solutions to original equipment manufacturers catering to regional and international

markets. Moreover, the global representation granted access to the finest talents anywhere in the world. With wider geographic footprint, technical capability, customer base, and experience, the Corporation can and will be creating more value for the Corporation and its customers.

In 2012, the Corporation posted USD661.8 Million in consolidated sales revenues, an increase of 15% from 2011 on additional revenues from acquired entities and new programs from existing and first-time customers.

Of the total revenues in 2012, the automotive segment has the biggest share at 32%. The automotive market was identified as a target market since the margins in this segment are relatively higher. After automotive, the sectors with the largest contributions to the Corporation's revenues are telecommunications at 19%, industrial at 16%, and consumer at 16%.

Half of the Corporation's current revenue is contributed by European customers, followed by Americans at 31%, Japanese at 9%, and Chinese and others at 10%.

The operations in China and Singapore posted USD276.7 Million in combined revenues in 2012 while operations in Europe, comprised of operations in Bulgaria, Czech Republic and Mexico, posted USD182.2 million.

The operations in the Philippines generated USD159.1 Million in revenues, a 3% increase from 2011 on the back of strong programs in the automotive, industrial, and storage device sectors.

The net income attributable to the Corporation's equity holders of USD5.4 Million in 2012 represents a vast improvement from USD3.3 Million in 2011. The balance sheet remains robust with a cash balance as of end-December 2012 of USD56.2 Million. Current ratio and debt-to-equity ratio are 1.56:1 and 0.46:1, respectively.

Despite global uncertainties and challenges in major markets, the Corporation remains undaunted that it will soar higher in 2013. It will continue to leverage its presence in China as the country's economy grows by more than 8% this year. The Corporation will look more aggressively for pockets of growth in every region as original equipment manufacturers (OEMs) in North America and Europe return to regional manufacturing, focusing on more supply chain control to lower total costs of production.

The Corporation will not lose sight of the following trends: the irreversible trend of increasing electronic content in vehicles; emerging applications of electronics in industrial and medical industries; advances in LED lighting; convergence of EMS and power SATS; and the rise of even more sophisticated connectivity devices.

With no room for complacency, the Corporation will continue to ensure its readiness for all eventualities. It will continue to make the supply chain management more efficient, rationalize manufacturing systems and processes, enhance design and engineering capabilities, and cultivate a corporate culture anchored on innovation and performance. All these efforts will not only further growth, but also safeguard the Corporation's sustainability against prevalent instability.

In closing, Mr. Tan thanked the co-employees, customers, shareholders, suppliers, and other stakeholders. Since 2002, the Corporation grew from USD79 Million in revenues to almost USD700 Million today.

Thereafter, the Chairman informed the stockholders that the Chair was ready to entertain questions or comments on the annual report and the audited financial statements.

Mr. Philip Turner commented that the Corporation seems to be heavily reliant on the automotive industry, which has its boom and bust cycle. Mr. Tan replied that the automotive industry was able to recover well because of the increase in the amount of electronic content rising despite the decreasing volume. Mr. Turner further commented that there has been a 17% drop in the electronic exports. He asked if this has affected the Corporation's exports. Mr. Tan replied that the Philippines is more balanced and registered a growth of 3%, excluding the semiconductor business.

Mr. Emil dela Cruz asked if there will be an upcoming follow-on offering of shares. Mr. Tan replied that this is still under study.

Mr. Steven Soliven inquired if the obsolete products are provided for in the comprehensive budget. Mr. Jerome S. Tan, Chief Finance Officer, replied that the Corporation has a policy for obsolescence. There was a 12-month inventory.

There being no other questions and comments from the stockholders, Mr. Rafael Nestor Mantaring, seconded by Ms. Gil de Leon, moved for the noting of the annual report and the approval of the 2012 audited financial statements, and the adoption of the following Resolution No. S-02-13, which was shown on the screen:

Resolution No. S-02-13

RESOLVED, to note the Corporation's Annual Report, which consists of the Chairman's Message, the President's Report, and the audio-visual presentation to the stockholders as of 12 April 2013, and to approve the 2012 audited financial statements.

As tabulated by the Office of the Corporate Secretary and validated by SGV, the votes on the motion for the noting and the approval of the minutes, and the adoption of Resolution No. S-02-13 are as follows:

	For	Against	Abstain
Number of Shares Voted	2,465,950,467	0.00	1,776,512
% of Shares Voted	84.05%	0.00%	0.06%

5. Ratification and approval of all acts and resolutions of the Directors and Officers during the preceding year

At the request of the Chairman, the Secretary explained that the ratification by the stockholders was sought for all the acts and resolutions of the Board of Directors, Executive Committee, and other Board Committees and all the acts of management and officers of the Company taken or adopted since the annual stockholders' meeting on 13 April 2012 until the date of this meeting.

The acts and resolutions of the Board and its Committees were reflected in the minutes of meetings and included approval of contracts, projects and investments, treasury matters, and acts covered by disclosures to the Philippine Stock Exchange and the Securities and Exchange Commission ("SEC"). The acts of Management and officers were those taken to implement the resolutions of the Board or its Committees or in the general conduct of business.

There being no question on the item under consideration, the Chairman requested for a motion for approval.

On motion of Mr. Neil Esguerra, seconded by Mr. Anthony Rodriguez, the stockholders approved and ratified all acts and resolutions during the preceding year of the Board of Directors, Executive Committee, and other Board Committees and the acts of Management taken and adopted since 13 April 2012 until 12 April 2013 to implement the resolutions of the Board or its Committees or in the general conduct of business and adopted Resolution No. S-03-13. The text of the following Resolution No. S-03-13 was shown on the screen.

Resolution No. S-03-13

RESOLVED, to ratify and approve the acts and resolutions of the Corporation's Board of Directors, the Executive Committee, and other Board Committees, as well as all the acts of the Management taken or adopted since the annual stockholders' meeting on 13 April 2012 until 12 April 2013 as reported by the Corporation's Secretary.

As tabulated by the Office of the Corporate Secretary and validated by SGV, the votes on the motion are as follows:

	For	Against	Abstain
Number of Shares Voted	2,465,950,467	351,000	1,425,512
% of Shares Voted	84.05%	0.01%	0.05%

6. Election of Directors

The next item in the agenda was the election of eleven (11) members of the Board of Directors for the ensuing year. The Chairman requested the Secretary to explain this item.

The Secretary explained that in accordance with the requirements of the Company's By-Laws, the Manual of Corporate Governance and the SEC Rules, the names of the following nominees to the Board of Directors had been submitted to the Nomination Committee, and each one has accepted the nomination in writing:

Jaime Augusto Zobel de Ayala
Fernando Zobel de Ayala
Delfin L. Lazaro
Arthur R. Tan
Delfin C. Gonzalez Jr.
John Eric T. Francia
Rafael Ma. C. Romualdez
Jose Ignacio A. Carlos
Alelie T. Funcell
Hiroshi Nishimura
Diosdado P. Banatao

Messrs. Banatao and Nishimura and Ms. Funcell had been nominated as independent directors. The Secretary further reported that all the nominees possessed all the qualifications and none of the disqualifications under the Company's By-Laws and Manual of Corporate Governance, and were eligible to be nominated and elected directors of the Company.

Given that the number of nominees was equal to the number of directors to be elected, the Chairman declared the eleven (11) nominees elected, to serve as directors from the date of the meeting until their successors are duly elected and qualified.

As tabulated by the Office of the Corporate Secretary and validated by SGV, the votes received by the nominees are as follows:

Director	For	Against*	Abstain*
Jaime Augusto Zobel de Ayala	2,465,272,920	0	428,874
% of Shares Voted	84.02%	0%	0.01%
Fernando Zobel de Ayala	2,464,921,920	0	428,874
% of Shares Voted	84.01%	0%	0.01%
Delfin L. Lazaro	2,464,920,345	0	428,874
% of Shares Voted	84.01%	0%	0.01%
Arthur R. Tan	2,464,932,345	0	428,874
% of Shares Voted	84.01%	0%	0.01%
Delfin C. Gonzalez Jr.	2,464,920,345	0	428,874
% of Shares Voted	84.01%	0%	0.01%
John Eric T. Francia	2,464,572,013	0	428,874
% of Shares Voted	84.00%	0%	0.01%
Rafael Ma. C. Romualdez	2,464,572,013	0	428,874
% of Shares Voted	84.00%	0%	0.01%
Jose Ignacio A. Carlos	2,464,573,013	0	428,874
% of Shares Voted	84.00%	0%	0.01%
Alelie T. Funcell	2,464,572,013	0	428,874
% of Shares Voted	84.00%	0%	0.01%
Hiroshi Nishimura	2,464,572,013	0	428,874
% of Shares Voted	84.00%	0%	0.01%
Diosdado P. Banatao	2,464,921,345	0	428,874
% of Shares Voted	84.01%	0%	0.01%

* Votes "Against" have no effect on the outcome of the elections. Under the Corporation Code of the Philippines, the election of directors is by plurality of votes.

Abstentions also have no effect on the outcome of the elections. Under the Corporation Code of the Philippines, shareholders have the right to cumulative voting to ensure minority shareholders' representation in the Board of Directors. A shareholder is entitled to one vote per share times the number of directors to be elected. He may cumulate his votes all in favor of one candidate, or distribute them equally or in any proportion among the candidates.

7. Election of External Auditor

At the request of the Chairman, Mr. Hiroshi Nishimura, Chairman of the Audit and Risk Committee, informed the stockholders that the Committee evaluated and was satisfied with the performance of the Company's external auditor, SGV. Thus, the Committee and the Board agreed to endorse the election of SGV as the external auditor of the Company for the current fiscal year for an audit fee of Pesos: Three Million Three Hundred Sixty Thousand (PhP3,360,000.00), exclusive of VAT and out-of-pocket expenses.

Thereafter, on motion of Mr. Olaf Gresens, seconded by Ms. Maricor Garcia, the stockholders elected SGV as external auditor of the Corporation for the current fiscal year including the approval of SGV's audit fee, and adopted the following Resolution No. S-04-13, which was shown on the screen.

Resolution No. S-04-13

RESOLVED, to elect the firm of SyCip Gorres Velayo & Company as the external auditor of the Corporation for the 2013 fiscal year for an audit fee of Pesos: Three Million Three Hundred Sixty Thousand (PhP3,360,000.00), exclusive of value-added tax and out-of-pocket expenses.

As tabulated by the Office of the Corporate Secretary and validated by SGV, the votes on the election of SGV as external auditor of the Corporation including the approval of its audit fee, and the adoption of Resolution No. S-04-13 are as follows:

	For	Against	Abstain
Number of Shares Voted	2,466,801,467	0	925,512
% of Shares Voted	84.07%	0%	0.03%

8. Other Matters

The Chairman opened the floor for questions or comments from the stockholders on other matters which are relevant and of general concern to the stockholders.

Mr. Guillermo Gili asked if the Corporation manufactures parts used for missiles. Mr. Arthur Tan replied that he is not aware that it does but the Corporation manufactures gyroscope for aeroscopes. The Corporation is not informed of the end-of-use of the parts it manufactures.

9. Adjournment

There being no other matters to discuss, on motion of Mr. Joel Peña, seconded by Mr. Mar Obillo, the meeting was adjourned.

RECORDED BY:


CHRISTIAN GERARD P. CASTILLO
Assistant Corporate Secretary 

ATTESTED BY:


JAIME AUGUSTO ZOBEL DE AYALA
Chairman of the Board & of the Meeting