

Grupo Televisa, S.A.B.

(Exact name of Registrant as specified in its charter)

N/A

(Translation of Registrant's name into English)

United Mexican States

(Jurisdiction of incorporation or organization)

Av. Vasco de Quiroga No. 2000

Colonia Santa Fe

01210 Mexico City

Mexico

(Address of principal executive offices)

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(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

	Title of each class	Name of each exchange on which registered
Series A	Shares, without par value (Series A Shares)	New York Stock Exchange (for listing purposes only)
Series B	Shares, without par value (Series B Shares)	New York Stock Exchange (for listing purposes only)
Series L	Shares, without par value (Series L Shares)	New York Stock Exchange (for listing purposes only)
Dividend Preferred	Shares, without par value (Series D Shares)	New York Stock Exchange (for listing purposes only)
	Global Depository Shares (GDSs), each representing five	New York Stock Exchange
	Ordinary Participation Certificates	

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(Certificados de Participación Ordinarios)

(CPOs)

CPOs, each representing twenty-five Series A New York Stock Exchange (for listing purposes
Shares, twenty-two only)

Series B Shares, thirty-five Series L Shares and
thirty-five Series D Shares

Securities registered or to be registered pursuant to Section 12(g) of the Act: **None.**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None.**

The number of outstanding shares of each of the issuer's classes of capital
or common stock as of December 31, 2017 was:

116,787,660,217 Series A Shares
53,935,763,045 Series B Shares
85,806,837,531 Series L Shares
85,806,837,531 Series D Shares

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of large accelerated filer, accelerated filer, and emerging growth company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Emerging Growth Company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

The term new or revised financial accounting standards refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP

International Financial Reporting Standards as issued
by the International Accounting Standards Board

Other

If Other has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

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We publish our financial statements in accordance with International Financial Reporting Standards, or IFRS, as issued by the International Accounting Standards Board, or IASB, which differ in some significant respects from generally accepted accounting principles in the United States, or U.S. GAAP, and accounting procedures adopted in other countries.

Unless otherwise indicated, (i) information included in this annual report is as of December 31, 2017 and (ii) references to Ps. or Pesos in this annual report are to Mexican Pesos and references to Dollars, U.S. Dollars, U.S. dollars, \$ or U.S.\$ are to United States dollars.

In this annual report, we, us, our or Company refer to Grupo Televisa, S.A.B. and, where the context requires, its consolidated entities. Group refers to Grupo Televisa, S.A.B. and its consolidated entities.

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Part I

Item 1. Identity of Directors, Senior Management and Advisers

Not applicable.

Item 2. Offer Statistics and Expected Timetable

Not applicable.

Item 3. Key Information

Selected Financial Data

The following tables present our selected consolidated financial information as of and for each of the periods indicated. This information is qualified in its entirety by reference to, and should be read together with, our audited consolidated year-end financial statements. The following data for each of the years ended December 31, 2017, 2016, 2015, 2014 and 2013 has been derived from our audited consolidated year-end financial statements, including the consolidated statements of financial position as of December 31, 2017 and 2016, the related consolidated statements of income, comprehensive income, changes in stockholders' equity and cash flows for the years ended December 31, 2017, 2016 and 2015, and the accompanying notes appearing elsewhere in this annual report.

The selected consolidated financial information as of December 31, 2017, 2016, 2015, 2014 and 2013 and for the years ended December 31, 2017, 2016, 2015, 2014 and 2013, was prepared in accordance with IFRS, as issued by the IASB.

The exchange rate used in translating Pesos into U.S. Dollars for calculating the convenience translations included in the following tables, except capital expenditures, is determined by reference to the interbank free market exchange rate, or the Interbank Rate, as reported by Banco Nacional de México, S.A., or CitiBanamex, as of December 31, 2017, which was Ps.19.7051 per U.S. Dollar. This annual report contains translations of certain Peso amounts into U.S. Dollars at specified rates solely for the convenience of the reader. The exchange rate translations contained in this annual report

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should not be construed as representations that the Peso amounts actually represent the U.S. Dollar amounts presented or that they could be converted into U.S. Dollars at the rate indicated.

	2017		2017		Year Ended December 31, 2016		2015		2014		2013	
	U.S.\$		Ps.		Ps.		Ps.		Ps.		Ps.	
Income Statement Data:												
Net sales	U.S.\$	4,784	Ps.	94,274	Ps.	96,287	Ps.	88,052	Ps.	80,118	Ps.	73,791
Operating income		723		14,243		16,598		18,745		13,956		18,738
Finance (expense) income, net												
(2)		(269)		(5,305)		(9,532)		(123)		(4,329)		885
Net income		334		6,578		5,333		12,325		6,660		10,234
Net income attributable to stockholders of the Company		230		4,524		3,721		10,899		5,387		7,748
Net income attributable to non-controlling interests		104		2,053		1,612		1,426		1,273		2,486
Basic earnings per CPO attributable to stockholders of the Company (3)				1.54		1.28		3.77		1.87		2.71
Diluted earnings per CPO attributable to stockholders of the Company (3)				1.46		1.20		3.52		1.74		2.50
Weighted-average number of shares outstanding (in millions)(3)(4)				344,033		341,017		338,291		337,551		335,263
Cash dividend per CPO(3)				0.35		0.35		0.35				0.70

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	2017		2017		Year Ended December 31, 2016		2015		2014		2013	
Comprehensive Income Data:												
Total comprehensive income	U.S.\$	363	Ps.	7,162	Ps.	4,144	Ps.	11,982	Ps.	8,982	Ps.	11,833
Total comprehensive income attributable to stockholders of the Company		262		5,162		2,426		10,478		7,672		9,336
Total comprehensive income attributable to non-controlling interests		101		2,000		1,718		1,504		1,310		2,497

	2017		2017		As of December 31, 2016		2015		2014		2013	
Financial Position Data:												
Cash and cash equivalents	U.S.\$	1,966	Ps.	38,735	Ps.	47,546	Ps.	49,397	Ps.	29,729	Ps.	16,692
Temporary investments		305		6,014		5,498		5,330		4,789		3,723
Total assets		15,083		297,220		309,054		281,474		235,552		194,109
Short-term debt and current portion of long-term debt (5)		16		307		851		2,980		337		314
Interest payable(5)		91		1,797		1,827		1,184		975		796
Long-term debt, net of current portion(6)		6,191		121,993		126,147		107,431		80,661		59,743
Customer deposits and advances		954		18,798		21,709		20,985		20,435		22,437
Capital stock		253		4,978		4,978		4,978		4,978		4,978
Total equity (including non-controlling interests)		5,057		99,657		96,284		99,522		87,915		78,579
Shares outstanding (in millions)(4)				342,337		341,268		338,468		338,056		335,501

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	2017		2017		Year Ended December 31, 2016		2015		2014		2013	
Cash Flow Data:												
Net cash provided by operating activities	U.S.\$	1,274	Ps.	25,100	Ps.	36,657	Ps.	31,286	Ps.	28,463	Ps.	23,806
Net cash used in investing activities		(880)		(17,331)		(29,000)		(23,782)		(22,740)		(25,246)
Net cash (used in) provided by financing activities		(836)		(16,469)		(9,991)		12,033		7,231		(924)
(Decrease) increase in cash and cash equivalents		(447)		(8,811)		(1,851)		19,668		13,037		(2,371)
Other Financial Information:												
Capital expenditures(7)	U.S.\$	885	Ps.	16,760	Ps.	27,942	Ps.	25,524	Ps.	17,004	Ps.	14,871
Other Data (unaudited):												
Magazine circulation (millions of copies)(8)				72		90		103		117		126
Number of employees (at year end)				39,900		42,200		43,900		39,500		32,000
Number of Sky subscribers (in thousands at year end)(9)				8,003		8,027		7,284		6,638		6,015
Number of Pay Television RGUs (in thousands at year end)(10)				4,185		4,206		4,061		3,357		2,495
Number of Broadband Internet RGUs (in thousands at year end)(10)				3,797		3,412		3,067		2,289		1,667
Number of Digital Telephony RGUs (in thousands at year end)(10)				2,122		2,113		1,891		1,228		916

Notes to Selected Consolidated Financial Information:

(1) Except per *Certificado de Participación Ordinario*, or CPO, magazine circulation, employees, subscribers and Revenue Generating Units, or RGUs.

(2) Includes interest expense, interest income, foreign exchange loss or gain, net, and other finance income or expense, net. See Note 22 to our consolidated year-end financial statements.

(3) For further analysis of net earnings per CPO (as well as corresponding amounts per Series A Share not traded as CPOs), see Note 24 to our consolidated year-end financial statements. In April 2017, 2016 and 2015, the Company's stockholders approved the payment of a dividend of Ps.0.35 per CPO, respectively. In 2014, the Company's stockholders did not approve the payment of any dividends. In December 2013 and April 2013, our stockholders approved the payment of a dividend of Ps.0.35 per CPO, respectively.

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(4) As of December 31, 2017, 2016, 2015, 2014 and 2013, we had four classes of common stock: Series A Shares, Series B Shares, Series D Shares and Series L Shares. Our shares are publicly traded in the United Mexican States, or Mexico, primarily in the form of CPOs, each CPO representing 117 shares comprised of 25 Series A Shares, 22 Series B Shares, 35 Series D Shares and 35 Series L Shares; and in the United States in the form of Global Depository Shares, or GDSs, each GDS representing five CPOs. As of December 31, 2017, there were approximately 2,451.6 million CPOs issued and outstanding, each of which was represented by 25 Series A Shares, 22 Series B Shares, 35 Series D Shares and 35 Series L Shares, and an additional number of approximately 55,497.3 million Series A Shares, 0.2 million Series B Shares, 0.2 million Series D Shares and 0.2 million Series L Shares issued and outstanding (not in the form of CPO units). See Note 16 to our consolidated year-end financial statements.

(5) The figures set forth in this line item are presented at amortized cost (principal amount, net of finance costs). Interest payable is included in current portion of long-term debt in the consolidated statements of financial position as of December 31, 2017 and 2016, and prior to 2014 was presented as a separate line item of consolidated current liabilities in the consolidated statement of financial position. See Notes 2(n) and 13 to our consolidated year-end financial statements.

(6) The figures set forth in this line item are presented at amortized cost (principal amount, net of finance costs). See Operating and Financial Review and Prospects Results of Operations Liquidity, Foreign Exchange and Capital Resources Indebtedness and Note 13 to our consolidated year-end financial statements.

(7) Capital expenditures are those investments made by us in property, plant and equipment. The exchange rate used in translating Pesos into U.S. Dollars for calculating the convenience translation for capital expenditures is determined by reference to the Interbank Rate on the dates on which a given capital expenditure was made. See Information on the Company Capital Expenditures .

(8) The figures set forth in this line item represent total circulation of magazines that we publish independently and through joint ventures and other arrangements and do not represent magazines distributed on behalf of third parties.

(9) Sky has operations in Mexico, the Dominican Republic and Central America. The figures set forth in this line item represent the total number of gross active residential and commercial subscribers for Innova, S. de R.L. de C.V., or Innova, at the end of each year presented. For a description of Innova's business and results of operations and financial condition, see Information on the Company Business Overview Our Operations Sky .

(10) An RGU is defined as an individual service subscriber who is billable under each service provided by Empresas Cablevisión, S.A.B. de C.V., or Cablevisión, Cablemás, S.A. de C.V., or Cablemás, Televisión Internacional, S.A. de C.V., or TVI, Grupo Cable TV, S.A. de C.V., or Cablecom and Cablevisión Red, S.A. de C.V., or Telecable (pay television, or pay-TV, broadband internet and digital telephony). For example, a single subscriber paying for cable television, broadband internet and digital telephony services represents three RGUs. We believe it is appropriate to use the number of RGUs as a performance measure for Cablevisión, Cablemás, TVI, Cablecom and Telecable given that these businesses provide other services in addition to pay-TV. See Operating and Financial Review and Prospects Results of Operations Total Segment Results Cable and Information on the Company Business Overview Cable .

Dividends

Decisions regarding the payment and amount of dividends are subject to approval by holders of a majority of the Series A Shares and Series B Shares voting together, generally, but not necessarily, on the recommendation of the Board of Directors, as well as a majority of the Series A Shares voting separately. Emilio Azcárraga Jean indirectly controls the voting of the majority of the Series A Shares and, as a result of such control, both the amount and the payment of dividends require his affirmative vote. See Major Stockholders and Related Party Transactions The Major Stockholders . On March 25, 2004, our Board of Directors approved a dividend policy under which we currently intend to pay an annual ordinary dividend of Ps.0.35 per CPO. On April 2, 2013, at a general stockholders meeting, our stockholders approved a cash distribution to stockholders of up to Ps.1,084.2 million, which represents the payment of our ordinary dividend of Ps.0.35 per CPO, equivalent to Ps.0.002991452991 per share. In addition to the dividend payment approved by our stockholders on April 2, 2013, and based on a proposal by our Board of Directors, on December 9, 2013, at a general stockholders meeting, our stockholders approved a cash distribution to stockholders of up to Ps.1,084.2 million, which represents the payment of our ordinary dividend of Ps.0.35 per CPO, equivalent to Ps.0.002991452991 per share. The dividend approved on December 9, 2013 was in lieu of the annual dividend for 2014 that would otherwise typically have been approved in April 2014. On April 29, 2015, at our general stockholders meeting, our stockholders approved a cash distribution to stockholders of up to Ps.1,084.2 million, which represents the payment of our ordinary dividend of Ps.0.35 per CPO, equivalent to Ps.0.002991452991 per share. On April 28, 2016, at our general stockholders meeting, our stockholders approved a cash distribution to stockholders of up to Ps. 1,084.2 million, which represents the payment of our ordinary dividend of Ps.0.35 per CPO, equivalent to Ps. 0.002991452991 per share. On April 28, 2017, at our general stockholders meeting, our stockholders approved a cash distribution to stockholders of up to Ps.1,084.2 million,

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which represents the payment of our ordinary dividend of Ps.0.35 per CPO, equivalent to Ps.0.002991452991 per share. On April 27, 2018, at our general stockholders meeting, our stockholders approved a cash distribution to stockholders of up to Ps.1,073.4 million, which represents the payment of our ordinary dividend of Ps.0.35 per CPO, equivalent to Ps.0.002991452991 per share. All of the recommendations of the Board of Directors related to the payment and amount of dividends were voted on and approved at the applicable general stockholders meetings.

Exchange Rate Information

Since 1991, Mexico has had a free market for foreign exchange and, since 1994, the Mexican government has allowed the Peso to float freely against the U.S. Dollar. There can be no assurance that the government will maintain its current policies with regard to the Peso or that the Peso will not depreciate or appreciate significantly in the future.

The following table sets forth, for the periods indicated, the high, low, average and period end noon buying rate in New York City for cable transfers in Pesos published by the Federal Reserve Bank of New York, expressed in Pesos per U.S. Dollar. The rates have not been restated in constant currency units and therefore represent nominal historical figures.

Period	High	Low	Average(1)	Period End
2013	13.4330	11.9760	12.7584	13.0980
2014	14.7940	12.8455	13.3022	14.7500
2015	17.3580	14.5640	15.8735	17.1950
2016	20.8415	17.1900	18.6674	20.6170
2017	21.8910	17.4775	18.8841	19.6397
October	19.1785	18.2110	18.8215	19.1290
November	19.2565	18.5125	18.9306	18.6335
December	19.7325	18.6200	19.1765	19.6395
2018 (through April 20, 2018)	19.4840	17.9705	18.6176	18.6145
January	19.4840	18.4880	18.9118	18.6215
February	18.9010	18.3600	18.6473	18.8405
March	18.8635	18.1676	18.5901	18.1676
April (through April 20, 2018)	18.8145	17.9705	18.2081	18.6145

(1) Average rates reflect the average of the daily exchange rate during the relevant period.

The above rates may differ from the actual rates used in the preparation of the financial statements and the other financial information appearing in this annual report.

In the past, the Mexican economy has had balance of payment deficits and decreases in foreign exchange reserves. While the Mexican government does not currently restrict the ability of Mexican or foreign persons or entities to convert Pesos to U.S. Dollars, we cannot assure you that the Mexican government will not institute restrictive exchange control policies in the future, as has occurred from time to time in the

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past. To the extent that the Mexican government institutes restrictive exchange control policies in the future, our ability to transfer or to convert Pesos into U.S. Dollars and other currencies for the purpose of making timely payments of interest and principal of indebtedness, as well as to obtain foreign programming and other goods, would be adversely affected. See Risk Factors Risk Factors Related to Mexico Currency Fluctuations or the Devaluation and Depreciation of the Peso Could Limit the Ability of Our Company and Others to Convert Pesos into U.S. Dollars or Other Currencies, Which Could Adversely Affect Our Business, Financial Condition or Results of Operations .

On April 20, 2018, the noon buying rate was Ps.18.6145 per U.S.\$1.00.

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Risk Factors

The following is a discussion of risks associated with our company and an investment in our securities. Some of the risks of investing in our securities are general risks associated with doing business in Mexico. Other risks are specific to our business. The discussion below contains information, among other things, about the Mexican government and the Mexican economy obtained from official statements of the Mexican government as well as other public sources. We have not independently verified this information. Any of the following risks, if they actually occur, could materially and adversely affect our business, financial condition, results of operations or the price of our securities.

Risk Factors Related to Mexico

Economic and Political Developments in Mexico May Adversely Affect Our Business

Most of our operations and assets are located in Mexico. As a result, our financial condition, results of operations and business may be affected by the general condition of the Mexican economy, the depreciation or appreciation of the Peso as compared to the U.S. Dollar and other currencies, Mexican inflation, interest rates, regulation, taxation, social instability and other political, social and economic developments in or affecting Mexico over which we have no control.

Mexico Has Experienced Adverse Economic Conditions, Which Could Have a Negative Impact on Our Results of Operations and Financial Condition

Mexico has historically experienced uneven periods of economic growth. Mexican gross domestic product, or GDP, increased by 3.3% in 2015, increased by 2.9% in 2016 and increased by 2.0% in 2017. Mexican GDP growth reached Mexican government forecasts in 2017 and, according to Mexican government forecasts, Mexican GDP is expected to increase in a range between 1.9% - 2.3% in 2018. We cannot assure you that these estimates and forecasts will prove to be accurate.

Any future economic downturn, including downturns in the United States, Europe, Asia or anywhere else in the world, could affect our financial condition and results of operations. For example, demand for advertising may decrease both because consumers may reduce expenditures for our advertisers' products and because advertisers may reduce advertising expenditures and demand for publications, cable television, direct-to-home, or DTH, satellite services, pay-per-view programming, telecommunications services and other services and products may decrease because consumers may find it difficult to pay for these services and products.

Developments and the Perception of Risk in other Countries, Especially in Europe, the United States and Emerging Market Countries, May Materially Adversely Affect the Mexican Economy, the Market Value of Our Securities and Our Results of

Operations

The market value of securities of Mexican companies, the social, economic and political situation in Mexico and our financial condition and results of operations are, to varying degrees, affected by economic and market conditions in other countries, including the United States, China and other Latin American and emerging market countries. Therefore, investors' reactions to developments in any of these other countries may have an adverse effect on the market value or trading price of securities of Mexican issuers. Crises in the United States, Europe, China or emerging market countries may reduce investor interest in securities issued by Mexican companies, including those issued by us.

In the past, the development of adverse economic conditions in other emerging market countries resulted, in general, in capital flight and, as a consequence, in a decrease in the value of foreign investments in Mexico. The financial crisis that originated in the United States during the third trimester of 2008 triggered a recession of global scale. This adversely affected the Mexican economy and Mexican capital markets, both directly and indirectly, and led to, among other things, fluctuations in the trading prices of securities issued by publicly owned companies, scarcity of credit, spending cuts, slowdown in the global economy, exchange rate volatility and inflationary pressures. Recent turmoil in other large economies, such as those in Europe and China, could also have such effect. Further, our operations, including the demand for our products or services, and the price of our securities, have also historically been adversely affected by increases in interest rates in the United States and elsewhere.

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Any of these factors, if they were to occur again, would negatively affect the market value of our securities and make it more difficult for us to access capital markets and finance our operations in the future, which could have a material adverse effect on our business, financial condition, results of operations, cash flows, prospects and the market price of our securities.

In addition, in recent years economic conditions in Mexico have become increasingly correlated with economic conditions in the United States as a result of the North American Free Trade Agreement, or NAFTA, and increased economic activity between the two countries. Adverse economic conditions in the United States or other related events could have a significant adverse effect on the Mexican economy, which could adversely affect our business. Talks to renegotiate NAFTA are currently underway, and the U.S. and Mexico administrations have indicated their willingness to withdraw from NAFTA under certain circumstances. Any action taken by the current U.S. or Mexico administrations, including termination of or any amendments to NAFTA, could have a negative impact on the Mexican economy, such as reductions in the levels of remittances, reduced commercial activity or bilateral trade, or declining foreign direct investment in Mexico. In addition, increased or perceptions of increased economic protectionism in the United States and other countries could potentially lead to lower levels of trade and investment and economic growth, which could have a similarly negative impact on the Mexican economy. These economic and political consequences could adversely affect our business and our results of operations.

We cannot assure you that events in other emerging market countries, in the United States or elsewhere will not materially adversely affect our business, financial condition, results of operations, cash flows, prospects and the market price of our shares. In addition, there is uncertainty in global markets stemming from the June 2016 referendum regarding the role of the United Kingdom in the European Union and the subsequent outcome of the vote to leave the European Union (Brexit). The terms of exit from the European Union by the United Kingdom are unclear. The formal notification by the United Kingdom to the European Council under Article 50 of the Treaty on European Union was made on March 29, 2017, triggering a two-year period during which the terms of Brexit are to be negotiated. The United Kingdom and European Union announced in March 2018 an agreement in principle to transitional provisions under which European Union law would remain in force in the United Kingdom until the end of December 2020, but this remains subject to successful conclusion of a final agreement on Brexit. In the absence of such an agreement there would be no transitional provisions and Brexit would occur at the end of the two year period on March 29, 2019. It is possible that the United Kingdom's choice to leave the European Union will have a significant impact on macroeconomic conditions in the United Kingdom, the European Union and the rest of the world. Immediately following the Brexit vote, there were significant devaluations of the British pound. In the days following the Brexit vote, the performance of global financial markets, particularly international stock markets, was significantly affected. Even though the long-term effects of Brexit on capital markets, foreign exchange markets and on the overall political and macroeconomic situation globally remain uncertain and will in large part depend on the outcome of the Brexit negotiations, there will likely continue to be a period of instability and volatility in global financial markets until the terms and times of the United Kingdom's departure from the European Union are clear. As a result, Brexit may adversely affect political regulatory, economic and market conditions and contribute to the instability of global political institutions, regulatory agencies and financial markets, negatively impacting our business, results of operations and financial condition.

Our profitability is affected by numerous factors, including changes in viewing preferences, priorities of advertisers and reductions in advertisers budgets. Historically, advertising in most forms of media has correlated positively with the general condition of the economy and thus, is subject to the risks that arise from adverse changes in domestic and global economic conditions, consumer confidence and spending. The

demand for our products and services in Mexico, the U.S. and in the other countries in which we operate may be adversely affected by the tightening of credit markets and economic downturns. As a global media and cable company, we depend on the demand from customers in Mexico, the U.S. and the other countries in which we operate, and reduced consumer spending that falls short of our projections could adversely impact our revenues and profitability.

Uncertainty in Global Financial Markets Could Adversely Affect Our Financing Costs and Exposure to Our Customers and Counterparties

The global financial markets continue to be uncertain and it is hard to predict for how long the effects of the global financial stress of recent years will persist and what impact it will have on the global economy in general, or the economies in which we operate, in particular, and whether slowing economic growth in any countries could

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result in decreased consumer spending affecting our products and services. If access to credit tightens further and borrowing costs rise, our borrowing costs could be adversely affected. Difficulties in financial markets may also adversely affect some of our customers. In addition, we enter into derivative transactions with large financial institutions, including contracts to hedge our exposure to interest rates and foreign exchange, and we could be affected by severe financial difficulties faced by our counterparties.

Currency Fluctuations or the Devaluation and Depreciation of the Peso Could Limit the Ability of Our Company and Others to Convert Pesos into U.S. Dollars or Other Currencies, Which Could Adversely Affect Our Business, Financial Condition or Results of Operations

The Peso has been subject to significant depreciation against the U.S. Dollar in the past and may be subject to significant fluctuations in the future. A significant portion of our indebtedness and a significant amount of our costs are U.S. Dollar-denominated, while our revenues are primarily Peso-denominated. As a result, decreases in the value of the Peso against the U.S. Dollar could cause us to incur foreign exchange losses, which could reduce our net income.

Severe devaluation or depreciation of the Peso may also result in governmental intervention, or disruption of international foreign exchange markets. This may limit our ability to transfer or convert Pesos into U.S. Dollars and other currencies for the purpose of making timely payments of interest and principal on our indebtedness and adversely affect our ability to obtain foreign programming and other imported goods. The Mexican economy has suffered current account balance of payment deficits and shortages in foreign exchange reserves in the past. While the Mexican government does not currently restrict the right or ability of Mexican or foreign persons or entities to convert Pesos into U.S. Dollars or to transfer other currencies outside of Mexico, there can be no assurance that the Mexican government will not institute restrictive exchange control policies in the future. To the extent that the Mexican government institutes restrictive exchange control policies in the future, our ability to transfer or convert Pesos into U.S. Dollars or other currencies for the purpose of making timely payments of interest and principal on indebtedness, as well as to obtain imported goods would be adversely affected. Devaluation or depreciation of the Peso against the U.S. Dollar or other currencies may also adversely affect U.S. Dollar or other currency prices for our debt securities or the cost of imported goods.

The public decisions and announcements of the presidential administration in the United States have had, and may continue to have, an adverse effect on the value of the Peso against other currencies, particularly the U.S. Dollar. The decision by the U.S. Federal Reserve to increase applicable interest rates for bank reserves could also affect the exchange rate of the Peso relative to the U.S. Dollar.

An Increase in Interest Rates in the United States Could Adversely Impact the Mexican Economy and May Have a Negative Effect on Our Financial Condition or Performance

A decision by the U.S. Federal Reserve to increase applicable interest rates for banks' reserves may lead to a general increase in interest rates in the United States. This, in turn, may redirect the flow of capital from emerging markets into the United States because investors may be able to obtain greater risk-adjusted returns in larger or more developed economies than in Mexico. Thus, companies in emerging market economies such as Mexico could find it more difficult and expensive to borrow capital and refinance existing debt. This may negatively affect our potential for economic growth and our ability to refinance our existing debt and could materially adversely affect our business, financial condition, results of operations, cash flows, prospects and the market price of our shares.

Renegotiation of Trade Agreements or Other Changes in Foreign Policy by the Presidential Administration in the United States Could Adversely Affect Imports and Exports Between Mexico and the United States and Other Economic and Geopolitical Effects may Adversely Affect Us

As a result of the U.S. elections in November 2016 and the change in U.S. presidential administration in January 2017, there has been uncertainty regarding U.S. policies related to trade, tariffs, immigration, and foreign affairs, including with respect to Mexico. In particular, the U.S. administration has stated its intent to renegotiate NAFTA or even withdraw from NAFTA in certain circumstances. The Mexican government has also mentioned its willingness to renegotiate or withdraw from NAFTA. The Mexican economy has become very connected to the U.S. economy, due in part to the high level of economic activity between the two countries, including trade and investment facilitated by NAFTA. The NAFTA parties are currently engaged in negotiations regarding potential amendments to various aspects of NAFTA. The presidential

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administration in the United States and/or the Mexican government could withdraw from or renegotiate the terms of trade agreements between the United States and Mexico, such as NAFTA, which could significantly affect the Mexican economy, including the level of imports and exports, domestic and foreign investment, economic activity, and employment. Such impacts could adversely affect our activities, financial condition, results of operations, cash flows and prospects as well as the market price of our shares. Other economic and geopolitical effects, including those related to United States policy on trade, tariffs and immigration, may also adversely affect us.

High Inflation Rates in Mexico May Decrease Demand for Our Services While Increasing Our Costs

In the past, Mexico has experienced high levels of inflation. The annual rate of inflation, as measured by changes in the Mexican National Consumer Price Index, or NCPI, was 2.1% in 2015, 3.4% in 2016, 6.8% in 2017 and is projected to be 4.3% in 2018. An adverse change in the Mexican economy may have a negative impact on price stability and result in higher inflation than its main trading partners, including the United States. High inflation rates can adversely affect our business and results of operations in, among others, the following ways:

- inflation can adversely affect consumer purchasing power, thereby adversely affecting consumer and advertiser demand for our services and products; and
- to the extent inflation exceeds our price increases, our prices and revenues will be adversely affected in real terms.

High Interest Rates in Mexico Could Increase Our Financing Costs

In the past, Mexico had, and may in the future have, high real and nominal interest rates. The interest rates on 28-day Mexican government treasury securities averaged 3.0%, 4.2% and 6.7% for 2015, 2016 and 2017, respectively. High interest rates in Mexico could increase our financing costs and thereby impair our financial condition, results of operations and cash flow.

Political Events in Mexico Could Affect Mexican Economic Policy and Our Business, Financial Condition and Results of Operations

The Mexican government has exercised, and continues to exercise, significant influence over the Mexican economy. Mexican governmental actions concerning the economy and state-owned enterprises could have a significant effect on Mexican private-sector entities in general, and us in particular, as well as on market conditions, prices and returns on Mexican securities, including our securities. In the past, economic and other reforms have not been enacted because of

strong congressional opposition to the Mexican president.

The current administration has been pursuing significant amendments to Mexico's laws, regulations, public policies and government programs. Mexico's current President Enrique Peña Nieto and the three main political parties of Mexico (i.e. PRI, *Partido Acción Nacional*, or PAN, and the *Partido de la Revolución Democrática*, or PRD) signed the *Pacto por México*, or Pact for Mexico, in 2012. In accordance with the Pact for Mexico, during 2013 several amendments to the *Constitución Política de los Estados Unidos Mexicanos*, or the Political Constitution of the United Mexican States, or Mexican Constitution, were approved, relating to (i) antitrust, (ii) telecommunications, (iii) public bids to grant new concessions to offer broadcasting services, (iv) energy policy and (v) education. Likewise, in accordance with the Pact for Mexico, in January 2014, amendments were made to 34 Mexican financial laws. During 2014, pursuant to the transitory articles of the June 2013 Telecom Reform (the Telecom Reform), the Mexican Federal Congress amended the applicable legal framework to implement the relevant provisions of the Mexican Constitution, and issued the new *Ley Federal de Telecomunicaciones y Radiodifusión*, or Telecommunications and Broadcasting Federal Law, or LFTR, on July 14, 2014 and the *Ley Federal de Competencia Económica*, or Mexico's Federal Antitrust Law, which became effective on July 7, 2014. Such changes may have a material adverse effect on the Mexican economic, social and political situation, and on our business, financial condition and results of operations. See Existing Mexican Laws and Regulations or Changes Thereto or the Imposition of New Ones May Negatively Affect Our Operations and Revenue and The Reform and Addition of Various Provisions of the Mexican Constitution Related to Telecommunications, the LFTR, and Other Recent Actions of IFT May Significantly and Adversely Affect the Business, Results of Operations and Financial Results of Some of Our Business Segments .

Presidential and federal congressional elections are scheduled to take place on July 1, 2018. The electoral process could lead to friction among political parties and the executive branch officers, which could cause political

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and economic instability. The elections are complex and competitive and we cannot predict the outcome of these elections. This unpredictable environment could create volatility in the market. During election years, Mexico historically has experienced an atmosphere of uncertainty, probable economic restraint in the field of private investment and political and social tension. We cannot predict any new policies to be implemented by the new government. In addition, the outcome of such presidential election could lead to additional changes in the regulation of the sectors in which we operate.

In addition, any effects on the social and political situation in Mexico could adversely affect the Mexican economy, including the stability of its currency. We cannot ascertain, at this time, how any material adverse effect on Mexican economic policy, Mexico's economic situation, the stability of Mexico's currency or market conditions may affect our business or the price of our securities.

Mexico has Experienced a Period of Increased Criminal Activity and Such Activities Could Adversely Affect Our Financing Costs and Exposure to Our Customers and Counterparties

During recent years, Mexico has experienced a period of increased criminal activity and violence, primarily due to organized crime. These activities, their escalation and the violence associated with them could have a negative impact on the business environment in which we operate, and therefore on our financial condition and results of operations.

Imposition of Fines by Regulators and Other Authorities Could Adversely Affect Our Financial Condition and Results of Operations

A significant portion of our business, activities and investments occur in heavily regulated sectors. The Mexican regulators and other authorities, including tax authorities, have increased their supervision and the frequency and amounts of fines and assessments have increased significantly. Although we intend to defend our positions vigorously when procedures are brought or fines are imposed by authorities, there can be no assurance that we will be successful in such defense. Accordingly, we may in the future be required to pay fines and assessments that could be significant in amount, which could materially and adversely affect our financial condition and results of operations.

Existing Mexican Laws and Regulations or Changes Thereto or the Imposition of New Ones May Negatively Affect Our Operations and Revenue

Our business, activities and investments are subject to various Mexican federal, state and local statutes, rules, regulations, policies and procedures, which are subject to change and are affected by the actions of various Mexican federal, state and local government authorities. In that regard, existing laws and regulations including, among others, antitrust, telecom, social security and tax laws were amended in recent years and the manner in which these laws and regulations are enforced or interpreted could change, and new laws or regulations could be adopted. Such changes could materially adversely affect our operations and our revenue.

Mexico's Federal Antitrust Law and the LFTR, including their regulations, may affect some of our activities, including our ability to introduce new products and services, enter into new or complementary businesses or joint ventures and complete acquisitions. In addition, the Federal Antitrust Law and its regulations, as well as the conditions and measures imposed by the *Instituto Federal de Telecomunicaciones*, or Federal Telecommunications Institute, or IFT, an institute with constitutional autonomy responsible for overseeing the broadcasting (radio and television) and telecommunications industries and their antitrust matters, or by the *Comisión Federal de Competencia Económica*, or Mexican Antitrust Commission, or COFECE, may adversely affect our ability to determine the rates we charge for our services and products or the manner in which we provide our products or services. Approval of IFT or the COFECE, as applicable, is required to acquire certain businesses or enter into certain joint ventures. There can be no assurance that in the future IFT or the COFECE, as the case may be, will authorize certain acquisitions or joint ventures related to our businesses, the denial of which may adversely affect our business strategy, financial condition and results of operations. IFT or COFECE, as applicable, may also impose conditions, obligations and fines that could adversely affect some of our activities, our business strategy, our financial condition and results of operations. See [Imposition of Fines by Regulators and Other Authorities Could Adversely Affect Our Financial Condition and Results of Operations](#).

As a result of the amendments to the Mexican Constitution and the LFTR relating to telecommunications, television, radio and antitrust, concessions for the use of spectrum are now only granted through public bid processes. As a result of such reform, the [Auction Program for Digital Television Broadcast Frequencies](#), or the Program, was approved by IFT and took place in 2014. The Program granted concessions over frequencies that

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might be grouped in order to create at least two national networks with national geographic coverage, or National Digital Networks. The Program provided that holders of concessions that may be granted thereunder will only be entitled to provide broadcasting services, in connection with each radioelectric frequency (channel), within the geographic coverage zone defined by the Program.

On March 7, 2014, IFT published in the *Diario Oficial de la Federación*, or the Official Gazette of the Federation, an invitation to a public auction for the concession for the two National Digital Networks which would be granted for a term of 20 years for the operation of stations with, among other characteristics, mandatory geographic coverage in 123 locations corresponding to 246 channels within the Mexican territory.

Pursuant to a resolution published in the Official Gazette of the Federation, concessionaires or groups having commercial, organizational, economic or legal relations and that together hold concessions for broadcasting services representing at least 12 MHz of radio-electric spectrum in any geographic coverage zone may not participate in the public bid for National Digital Networks. Accordingly, we were prevented from participating in the bidding. In March 2015, IFT issued its ruling announcing Grupo Radio Centro, S.A.B. de C.V., or Grupo Radio Centro, and Cadena Tres I, S.A. de C.V., or Imagen Television as winning bidders for two free to air broadcasting licenses with separate national coverage. Imagen Television has completed the process, has received its license and began broadcasting on October 17, 2016. However, since Grupo Radio Centro failed to pay the amount they bid for their free to air broadcasting license, the IFT's ruling announcing them as a winning bidder was declared null and void and they did not receive the license. As a result, the auction of the portion of the spectrum that was going to be assigned to Grupo Radio Centro took place during 2017. The new bid was for 148 channels for Digital Terrestrial Television, including at least 123 channels that were not allocated in the IFT-1 bidding process for the two national digital broadcast television networks. At the end of the process, offers were received for 32 channels located in 29 different coverage areas located in 17 States and covering about 45 percent of the country's total population. The bidding process concluded in December 2017 with the issuance of the corresponding concession titles in favor of Compañía Periodística Sudcaliforniana, S.A. de C.V., Comunicación 2000, S.A. de C.V., Francisco de Jesús Aguirre Gómez, Intermedia de Chihuahua, S.A. de C.V., José Guadalupe Manuel Trejo García, Multimedios Televisión, S.A. de C.V., Quiero Media, S.A. de C.V., Radio Comunicación Gamar, S.A. de C.V., Radio Operadora Pegasso, S.A. de C.V., Radio-Televisión de Nayarit, S.A. de C.V., Tele Saltillo, S.A. de C.V., Televisión Digital, S.A. de C.V. and Telsusa Televisión México, S.A. de C.V.

In September 2010, Mexico's former President Felipe Calderon Hinojosa, published through the *Secretaría de Comunicaciones y Transportes*, or Secretary of Communications and Transport, or SCT, in the Official Gazette of the Federation, a decree establishing the actions to be taken to expedite the transition to digital television and digital radio broadcasting (referred to in this annual report as the 2010 Decree). The transition was completed, and analog broadcasting ended, on December 31, 2015.

Due to the recent digital transition and the analog shutdown in Mexico, we experienced a loss of a portion of our audience which do not have access to digital radio and/or television.

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Article 15-A of the *Ley del Seguro Social*, or the Social Security Law, could materially adversely affect our financial condition and results of operations. Article 15-A provides that a company that receives personnel services from a third party on any of the company's premises with such personnel under its control, is jointly bound to comply with the obligations related to social security that have to be fulfilled by such personnel services providers for the benefit of their respective employees. Article 15-A also requires the Company to send a list to the *Instituto Mexicano del Seguro Social*, or the Social Security Mexican Institute, of all agreements entered into with personnel services providers.

In addition to the foregoing, certain provisions of the *Ley Federal del Trabajo*, or the Federal Labor Law, could materially adversely affect our financial condition and results of operations. The Federal Labor Law, as amended in November 2012, provides, among other things, that personnel outsourcing agreements must meet certain requirements. If these requirements are not met, the company that receives the benefit of the outsourced services might be deemed to be the employer of the personnel performing the services and thus required to comply with all the obligations applicable to employers pursuant to the Federal Labor Law in respect of such personnel.

In the last quarter of 2013, the Mexican Federal Congress approved a new tax reform, which became effective as of January 1, 2014. The reform has the following effects on the Mexican tax laws: the issuance of a new income

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tax law, the repeal of the flat rate business tax law and the cash deposits tax law, and certain amendments and changes to the Mexican tax laws related to value added tax, or VAT, and excise tax.

Among the tax reforms approved by the Mexican Federal Congress, the most relevant changes include (i) the elimination of the consolidation regime; (ii) the increase to the border VAT rate from 11% to 16%; (iii) the increase of the excise tax rates applicable to certain activities and industries such as the sale of foods with high density fat and the sale of sweetened drinks; (iv) the elimination of several deductions to the income tax, including the deduction of 47% of non-taxable employee benefits; (v) the imposition of an additional tax of 10% on dividends paid to individuals or foreign residents; and (vi) the increase in the maximum income tax rate to 35% for individuals.

In February 2014, certain subsidiaries of the Company filed an *amparo* proceeding challenging the constitutionality of the elimination of the deduction of 47% of the non-taxable employee benefits against the income tax. The *amparo* petition is pending resolution.

The following describes the tax reforms that will have an important impact on the Group.

Elimination of the tax consolidation regime: As a consequence of this reform, we have been paying since 2014, and expect to continue to pay for six more years, income tax that was deferred in prior years in an aggregate amount of Ps.6,813 million.

Limitation of the deduction of non-taxable employee benefits: As a result of the tax reform, employee benefits that are exempt from income tax are deductible only up to 53%. This reform has resulted in an increase in income tax payable by some of our subsidiaries.

Increase to the border VAT rate: The preferential VAT rate of 11% applicable to operations carried out in the border region of Mexico was eliminated; consequently, going forward, the general VAT rate of 16% must be applied in the entire country. This means that any of our entities that render services or sell goods in the border region will have to charge an additional 5% of VAT to their customers.

The Reform and Addition of Various Provisions of the Mexican Constitution Related to Telecommunications, the LFTR, and Other Recent Actions of IFT May Significantly and Adversely Affect the Business, Results of Operations and Financial Results of Some of Our Business Segments

On June 12, 2013, the Telecom Reform came into force. As a result of the Telecom Reform, the LFTR was published in the Official Gazette of the Federation, and became effective on August 13, 2014. The LFTR amends, supplements and repeals certain provisions related to previous telecommunications and broadcasting legislation, in order to be consistent with the Telecom Reform. The Telecom Reform, the LFTR and any

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regulations related thereto to be issued by the President and IFT, as applicable, and certain actions recently taken by IFT, or to be taken by IFT from time to time, affect or could significantly and adversely affect the business, results of operations and financial condition of certain of our subsidiaries that provide services in the areas of broadcasting, cable and telecommunications.

The LFTR provides that measures taken or decisions issued by IFT are not subject to judicial stay. Therefore, subject to limited exceptions, until a decision, action or omission by IFT is declared void or unconstitutional by a competent court through a binding and final judgment, IFT's decision, action or omission will be valid and will have full legal effect.

As a result of the reforms to the Mexican Constitution and the must-offer and must-carry regulations issued by IFT, starting on September 10, 2013, concessionaries of broadcast services have been required to permit pay-TV concessionaries to retransmit broadcast signals, free of charge and on a non-discriminatory basis, within the same geographic coverage area simultaneously and without modifications, including advertising, and with the same quality of the broadcast signal, except in certain specific cases provided in the Telecom Reform. Also, since September 10, 2013, our pay-TV concessionaires are required to retransmit broadcast signals of free television concessionaires, free of charge and on a non-discriminatory basis, subject to certain exceptions and additional requirements provided for in the Telecom Reform.

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Certain pay-TV concessionaires benefit from the free use of broadcast for retransmission to their subscribers. Consequently, the business that licenses to pay-TV concessionaires our television signals and our subsidiary that is the owner and/or licensor of the audiovisual works that we have produced or distributed, jointly or separately by us and some of our subsidiaries, have ceased receiving significant income from licensing retransmission rights, which has affected and will continue to affect their results of operations.

On February 27, 2014, the General Guidelines Regarding the Provisions of Section 1 of the Eight Article of the Transitory Decree Amending and Supplementing a Number of Provisions of Articles 6, 7, 27, 28, 73, 78, 94 and 105 of the Mexican Constitution in Telecommunications, or the Guidelines, were published in the Official Gazette of the Federation, which include, among other obligations, the obligation of concessionaires of broadcast television licenses to permit the retransmission of their broadcast signals and the obligation of pay-TV concessionaires to perform such retransmission (without requiring the prior consent of the broadcast television concessionaires) in the same geographic coverage zone for free (subject to certain exceptions) and in a non-discriminatory manner in its entirety, simultaneously and without modifications, including advertising, and with the same quality of the broadcast signal without requiring consent from the broadcast television concessionaires.

On March 6, 2014, IFT issued a decision (the Preponderance Decision) whereby it determined that we, together with other entities with concessions to provide broadcast television, including some of our subsidiaries, are preponderant economic agents in the broadcasting sector in Mexico (together, the Preponderant Economic Agent). The Preponderance Decision imposes on the Preponderant Economic Agent various measures, terms, conditions and restrictive obligations, some of which are described below, that may significantly and adversely affect the activities and businesses of our broadcasting businesses, as well as the results of operations and financial condition:

- *Infrastructure sharing* The Preponderant Economic Agent must make its passive broadcasting infrastructure available to third-party concessionaires of broadcast television for commercial purposes in a non-discriminatory and non-exclusive manner, with the exception of broadcasters that, at the time the measures enter into force, have 12 MHz or more of radio-electric spectrum in the geographic area concerned. Such passive broadcasting infrastructure includes, among others, non-electronic elements at transmitting locations, rights of way, ducts, masts, trenches, towers, poles, security, sites, land, energy sources and air conditioning system elements. This action may result in the Preponderant Economic Agent being bound to incur substantial additional costs and obligations in complying with this requirement, as well as affecting the results of operations. Furthermore, this measure will facilitate the entry and expansion of new competitors in the broadcasting industry without such competitors having to incur costs or investment expenses that new businesses in this industry otherwise would have made and which we incurred in the past and will continue incurring in the future in order to remain competitive. A first infrastructure offer with the terms and conditions to make our passive broadcasting infrastructure available to third-party concessionaires was published on our website on December 19, 2014 and was valid until December 31, 2016. This was succeeded by a second infrastructure offer, which we published on our website on November 30, 2016 and which is effective as of January 1, 2017. This was succeeded by a third infrastructure offer, which we published on our website on November 30, 2017, which includes the offer of the signal emissions in terms set forth in the new Preponderance Measures described below. The price to be paid by the concessionaires for the use of our infrastructure is subject to negotiation. As of this date, we have not received any request from third-party concessionaires regarding such infrastructure offer. If the Company and the relevant concessionaire do not agree on a price, the IFT may determine a price, which, if it does not meet market conditions, may affect the businesses, results of operations and financial conditions of certain of our subsidiaries that provide services in the areas of broadcasting and telecommunications.

- *Advertising sales* According to the Preponderance Decision, the Preponderant Economic Agent must deliver to IFT the terms and conditions of its broadcast advertising services and fee structures, including commercials, packages, discount plans and any other commercial offerings and publish them on its webpage. The Preponderant Economic Agent also must make publicly available on its website its forms of contracts and terms of sale for each service. Based on this decision, the Preponderant Economic Agent is expressly prohibited from refusing to sell advertising and/or discriminate with respect to the advertising spaces being offered. If IFT considers that the Preponderant Economic Agent has failed to comply with the foregoing, IFT may order the Preponderant Economic Agent to make its advertising spaces available, which, in turn, could affect the ability of the Preponderant Economic Agent to carry out its advertising sales plans in an efficient and competitive manner, affecting its operating results. This provision may also affect

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the ability of the Preponderant Economic Agent to offer competitive rates to its customers. This provision, may give a competitive advantage to, among others, our broadcast television competitors, TV Azteca, S.A.B. de C.V., or TV Azteca, Imagen Television, and new concessionaires of broadcast television spectrum.

- *Prohibition on acquiring certain exclusive content* The Preponderant Economic Agent may not acquire transmission rights, on an exclusive basis, for any location within Mexico with respect to certain relevant content, determined by IFT in the Ruling whereby IFT identifies the relevant audiovisual contents in terms and for the purposes of the fourth measure and the second transitory article of the fourth attachment of the Telecommunication Preponderance Decision and the Broadcasting Preponderance Decision, or the Relevant Content Ruling, which list may be updated every two years by IFT. Relevant content is defined as programs with a high expected level of regional or national audience and with unique characteristics that in the past have generated high levels of national or regional audiences. The Relevant Content Ruling identified certain programs that would be considered relevant content, namely, Mexican national soccer team games, the opening and closing ceremonies of the Olympic Games, the opening and closing ceremonies and semifinals and finals of the FIFA World Cup, and the finals of the Mexican Soccer League. This Ruling applies to broadcasting Preponderant Economic Agents and may limit the ability of Preponderant Economic Agents to negotiate and have access to this content and could affect its ability to acquire content in the medium and long term, which could significantly and adversely affect its revenues and results of operations from the sale of advertising, as well as the quality of the programming offered for its audiences. These audiences may move to other broadcast television transmissions or other technological platforms that transmit such content, or to other leisure activities such as browsing the internet or playing videogames, among others.
- *Over-the-air channels* When the Preponderant Economic Agent offers any of its over-the-air channels, or channels that have at least 50% of the programming that is broadcast daily between 6:00 a.m. and midnight on such channels, to its affiliates, subsidiaries, related parties or third parties, for distribution through a different technological platform than over-the-air broadcast television, the Preponderant Economic Agent must offer these channels to any other person that asks for distribution over the same platform as the Preponderant Economic Agent has offered, on the same terms and conditions. Also, if the Preponderant Economic Agent offers a package of two or more of these channels, it must also offer them in an unpackaged form upon request. This may significantly affect our ability to commercialize our programming, including programming that is not produced for broadcast television, which could affect our revenues and results of operations. Likewise, our ability to make more efficient use of other technological platforms could be significantly affected.
- *Prohibition on participating in buyers clubs or syndicates to acquire audiovisual content, without IFT's prior approval* The Preponderant Economic Agent may not enter into or remain a member of any buyers club or syndicates of audiovisual content unless it has received the prior approval of IFT. A buyers club is defined as any arrangement between two or more economic agents to jointly acquire broadcast rights to audiovisual content in order to obtain better contractual terms. This may result in the Preponderant Economic Agent not having exclusive access to certain audiovisual content and consequently its audiences may move to other broadcast television transmissions or other technological platforms that transmit such content. It may also result in its acquisition costs significantly increasing, which can affect business strategy, financial condition and results of operations. This provision, when applied, will award a competitive advantage to, among others, our broadcast television competitors, TV

Azteca, Imagen Television, and to new licensees of broadcast television spectrum. This measure will also prevent other domestic players and the Preponderant Economic Agent from obtaining content together at competitive prices and taking advantage of economies of scale which may be available to international players.

On February 27, 2017, as part of the bi-annual review of the broadcasting sector preponderance rules, IFT amended various measures, terms, conditions and restrictive obligations (the New Preponderance Measures) as follows:

- *Infrastructure sharing* In addition to the previously imposed obligations regarding the sharing of passive infrastructure, the New Preponderance Measures have (i) included the service of signal emissions in the event that no passive infrastructure exists on the relevant requested site; (ii) strengthened the supervision of services provided by the Preponderant Economic Agent and tariff arrangements made with its clients; (iii) included certain rules relating to publicity of its tariffs; and (iv) included a new electronic management

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system. Under the new Preponderance Measures, the IFT determined specific tariffs for our third infrastructure offer.

- *Prohibition on acquiring certain exclusive content* This measure has been modified by enabling the Preponderant Economic Agent to acquire relevant content under certain circumstances as long as it obtains the sublicense of such transmission rights to the other broadcasters of over-the-air television in Mexico on non-discriminatory terms.
- *Advertising sales* IFT modified this measure by including specific requirements to the Preponderant Economic Agent in its provision of over the air advertising services, particularly to telecommunications companies, which include (i) publishing and delivering to IFT specific information regarding tariffs, discount plans, contracting and sales terms and conditions, contract forms and other relevant practices; and (ii) prohibiting discrimination, refusals to deal, conditioned sales and other conditions that inhibit competition. The Preponderant Economic Agent also has to provide very detailed information to IFT on a recurrent basis of over the air advertising services related to telecommunications companies.
- *Accounting separation* We, as the Preponderant Economic Agent, are required to implement an accounting separation methodology and we have begun the process of implementing the criteria defined by IFT for those purposes, which criteria were published in the Diario Oficial de la Federación, or the Official Gazette of the Federation, on December 29, 2017.

On March 28, 2014, we, together with our subsidiaries determined to be the Preponderant Economic Agent in the broadcasting sector, filed an *amparo* proceeding challenging the constitutionality of the Preponderance Decision. The final resolution is still pending. We are unable to predict the outcome of this proceeding.

Additionally, on March 31, 2017, we, together with our subsidiaries, filed an *amparo* proceeding challenging the constitutionality of the New Preponderance Measures. We are unable to predict the outcome of this proceeding.

The Telecom Reform provided for a public bid or auction to grant licenses to establish the National Digital Networks. The Auction Program for Digital Television Broadcast Frequencies took place in 2014 and the first part of 2015. See Existing Mexican Laws and Regulations or Changes Thereto or the Imposition of New Ones May Negatively Affect Our Operations and Revenue .

Imagen Television's National Digital Networks and the new 148 channels of Digital Terrestrial Television compete and will compete with our broadcasting subsidiaries for advertising revenues, which together with the measures previously described, can affect revenues and operating results and our ability to have access to competitive content or content of interest to advertisers and audiences. As a result, these advertisers and audiences may move to other broadcast television stations or other technological platforms, and our audience share may be reduced. Likewise,

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we may incur additional costs in order to meet other obligations of IFT as previously described and which may be imposed on us as a result of the LFTR and the secondary regulations issued by the executive power and IFT, as applicable.

In addition to competition from the National Digital Networks, we could also be subject to additional competition from new competitors in the broadcast, cable and telecommunications markets in which we participate, including pay-TV, broadband, telephone services, cable providers, DTH television, telephone operators and other participants as a result of the elimination on the restrictions on foreign investment in telecommunications services and satellite communication and the increase in the maximum permitted foreign-ownership in broadcasting (television and radio) to 49%.

The LFTR provides that integrated sole concessions will be renewed for terms equal to the maximum terms for which they could be granted, namely, up to 30 years. To request the renewal of a concession, a concession holder must: (i) file its request with IFT one year prior to the beginning of the fifth period of the term of the concession; (ii) comply with its obligations established in the applicable laws and in the concession title; and (iii) accept the new conditions that IFT may impose. In such cases, IFT will issue its ruling within 180 days, following the date the concession holder files the renewal request. If IFT does not issue its ruling within 180 days the renewal will be automatically granted.

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In the case of concessions for the use of radio-electric spectrum, the maximum term of renewal is 20 years. Renewal of concessions for the use of spectrum require, among others: (i) to request such renewal to IFT in the year prior to the last fifth period of the fixed term of the related concession; (ii) to be in compliance with the concession holder's obligations under the LFTR, other applicable regulations, and the concession title; (iii) a declaration by IFT that there is no public interest in recovering the spectrum granted under the related concession; and (iv) the acceptance by the concession holder of any new conditions for renewing the concession as set forth by IFT, including the payment of a related fee. To our knowledge, no spectrum granted for broadcasting services in Mexico has been recovered by the Mexican government in the past several years for public interest reasons; however, the Company is unable to predict the outcome of any action by IFT in this regard.

On March 13, 2015, the IFT investigative authority issued a preliminary opinion (the *Opinion*), which was published in the Official Gazette on March 18, 2015. The *Opinion* was issued pursuant to Transitory Article 39 of the LFTR and presumed the probable existence of substantial power in the market of restricted television and audio services in Mexico, with respect to the Company and some of its subsidiaries. IFT determined that the Company did not hold substantial power in the investigated markets (the *Original Ruling*). However, on January 19, 2017, as a result of an *amparo* proceeding filed by a third party, a Circuit Court ordered IFT to revoke the *Original Ruling* and issue a new ruling analyzing elements only within the period from January 2009 to August 2014. The Circuit Court determined that in the *Original Ruling*, IFT took into consideration information outside of the relevant period of review, which should have only been the period from January 2009 to August 2014.

As a consequence of the ruling, IFT issued a new resolution (the *New Resolution*) on February 24, 2017, determining that the Company and some of its subsidiaries have substantial power in the market of restricted television and audio services. The *New Resolution* was challenged by the Company and some of its subsidiaries in several proceedings filed on March 23, 2017 and May 9, 2017.

The Supreme Court resolved one of these legal actions on February 7, 2018. The Court ruled that IFT exceeded the Guidelines ordered by the Circuit Court. As a result, a federal court required IFT to overrule the *New Resolution* and issue another one under the Guidelines ordered by the Supreme Court. Subsequently on March 20, 2018, IFT revised the *New Resolution*, concluding that it does not have the elements necessary to determine the existence of any economic agent with substantial power in the market of restricted television and audio services. In compliance with the guidelines issued by the Supreme Court in February 2018, this new resolution replaces IFT's prior determination of substantial power. As a result of this resolution, any proceeding previously initiated by IFT to impose asymmetric measures on the Company and its subsidiaries relating to the determination of substantial power is not effective, and the measures directly provided for such purposes in current regulations are not to be applied. On April 27, 2018, a Federal Court determined that IFT complied with the court resolution.

As part of our expansion of our cable business, on August 13, 2014, we acquired Cablecom and its subsidiaries (the *Cablecom Acquisition*), and on January 8, 2015, we acquired Telecable and its affiliates and subsidiaries (the *Telecable Acquisition*). For each of the *Cablecom* and *Telecable* Acquisitions, the IFT conducted an investigation pursuant to transitory Article 9 of the LFTR in order to analyze and determine if, as result of each transactions, the Company acquired substantial market power in the pay television and audio services market. On November 2, 2015, and February 29, 2016, respectively, the IFT ruled that there were no sufficient elements to determine the existence of market power in the municipalities of Mexico in which *Cablecom* and *Telecable* operate. The IFT resolutions have been challenged by certain third parties. These challenges are still under review by the competent courts. Notwithstanding the foregoing, IFT has legal authority to conduct new investigations in order to determine the existence of an economic agent with substantial power in any of the relevant markets of the broadcasting and telecommunication sectors.

Overall, the Telecom Reform, the LFTR and secondary regulations already issued and to be issued by the executive power or IFT, as applicable, as well as any actions taken by IFT, may increase our operating costs and interfere with our ability to provide, or prevent us from offering, some of our current or future services. Moreover, the entry of new market participants and the introduction of new products could result in an impairment to the prices of some of our products and/or costs and adversely affect our results in some business segments in future periods.

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The resolutions issued by IFT under the Telecom Reform significantly and adversely affect certain areas related to some of our activities, including broadcasting, cable and telecommunications, as well as our ability to introduce new products, infrastructure and services, to enter into new businesses or complementary businesses, to consummate acquisitions or joint ventures, to determine the rates we charge for our products, services and use of our infrastructure, to acquire broadcast rights to exclusive content, and to charge market rates for the licensing of copyrights we hold.

See Information on the Company Business Overview Regulation Telecom Reform and Broadcasting Regulations .

Risk Factors Related to Our Major Stockholders

Emilio Azcárraga Jean Has and Will Have Substantial Influence Over Our Management and the Interests of Mr. Azcárraga Jean may Differ from Those of Other Stockholders

We have four classes of common stock: Series A Shares, Series B Shares, Series D Shares, and Series L Shares. A trust for the benefit of Emilio Azcárraga Jean, or the Azcárraga Trust, currently holds 43.1% of the outstanding Series A shares, 0.1% of the outstanding Series B shares, 0.1% of the outstanding Series D shares and 0.1% of the outstanding Series L shares of the Company. As a result, Emilio Azcárraga Jean controls the vote of most of the shares held through the Azcárraga Trust. The Series A Shares held through the Azcárraga Trust constitute a majority of the Series A Shares whose holders are entitled to vote because non-Mexican holders of CPOs and GDSs are not permitted to vote the underlying Series A Shares in accordance with the trust agreement governing the CPOs and the Company's bylaws. Accordingly, and so long as non-Mexicans own more than a minimal number of Series A Shares, Emilio Azcárraga Jean will have the ability to direct the election of 11 out of 20 members of our Board of Directors, as well as prevent certain actions by the stockholders, including dividend payments, mergers, spin-offs, changes in corporate purpose, changes of nationality and amendments to the anti-takeover provisions of our bylaws. See Major Stockholders and Related Party Transactions The Major Stockholders .

As Controlling Stockholder, Emilio Azcárraga Jean Has the Ability to Limit Our Ability to Raise Capital, Which Would Require Us to Seek Other Financing Arrangements

Emilio Azcárraga Jean has the voting power to prevent us from raising money through equity offerings. Mr. Azcárraga Jean has informed us that if we conduct a primary sale of our equity, he would consider exercising his pre-emptive rights to purchase a sufficient number of additional Series A Shares in order to maintain such power. In the event that Mr. Azcárraga Jean is unwilling to subscribe for additional shares and/or prevents us from raising money through equity offerings, we would need to raise money through a combination of debt or other forms of financing, which we may not obtain, or if so, possibly not on favorable terms.

Risk Factors Related to Our Business

The Operation of Our Business May Be Adversely Affected if the Mexican Government Does Not Renew or Revokes Our Broadcast or Other Concessions

In June 2013, the Mexican Federal Congress passed the Telecom Reform which, among other things, created IFT. IFT has the authority to grant concessions for radio and television stations as well as for telecommunications services.

Under Mexican law, we need concessions from IFT (previously from SCT) to broadcast our programming over our television and radio stations, and to provide telecommunication services. In July 2004, in connection with the adoption of a release issued by the SCT for the transition to digital television, all of our broadcast television concessions were renewed until 2021. The expiration dates for the concessions for our radio stations range from 2019 to 2037. See **Risk Factors Related to Mexico Existing Mexican Laws and Regulations or Changes Thereto or the Imposition of New Ones May Negatively Affect Our Operations and Revenue** . The expiration dates of our Cable and Telecommunications concessions range from 2018 to 2046 and our DTH concessions expire in 2018 and 2027. The expiration dates for the concessions for our telephone services range from 2018 to 2046. Cablevisión obtained a telecommunications concession that expires in 2029. Before the Telecom Reform in 2013, the SCT typically renewed the concessions of those concessionaires that complied with the applicable renewal procedures under Mexican law and with their obligations under the concession. In July 2014, the Mexican

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Federal Congress enacted the LFTR, which provides that integrated sole concessions will be renewed for terms equal to the maximum terms for which they could be granted, namely, up to 30 years.

Under Mexican law, we need a permit, or Gaming Permit, from the *Secretaría de Gobernación*, or Mexican Ministry of the Interior, to operate our gaming business. The operation of our gaming business may be terminated or interrupted if the Mexican Government does not renew or revokes our Gaming Permit. The Gaming Permit was granted to us on May 25, 2005 and its expiration date is May 24, 2030. We are unable to predict if we will obtain a renewal of the Gaming Permit.

See Risk Factors Related to Mexico Existing Mexican Laws and Regulations or Changes Thereto or the Imposition of New Ones May Negatively Affect Our Operations and Revenue and The Reform and Addition of Various Provisions of the Mexican Constitution Related to Telecommunications, the LFTR, and Other Recent Actions of IFT May Significantly and Adversely Affect the Business, Results of Operations and Financial Results of Some of Our Business Segments .

We Face Competition in Each of Our Markets That We Expect Will Intensify

We face competition in all of our businesses, including broadcasting, advertising sales, cable, pay-TV, telecommunications and all other businesses. The entities in which we have strategic investments and the joint ventures in which we participate also face competition. We expect that competition in our different businesses will intensify.

This competition mainly arises from the growth of the convergent market, pursuant to which certain concessionaries of telecommunication services are allowed to provide other services not included in their original concessions.

In television broadcasting, we face substantial competition from TV Azteca and other broadcasters such as Imagen Television and Multimedios, among others. See Information on the Company Business Overview Our Operations Content Television Industry in Mexico and Information on the Company Business Overview Our Operations Programming Television Networks .

Over-the-air broadcasting television also faces increased competition from other audiovisual platforms, including a great variety of pay-television channels distributed in Mexico, internet over-the-top (OTT) providers, and audiovisual content distributed over the internet and videogame systems.

We also face additional competition in television broadcasting from at least Imagen Television, which was granted a free to air broadcasting license with separate national coverage by IFT in March 2015 and began broadcasting in October 2016.

See Risk Factors Related to Mexico The Reform and Addition of Various Provisions of the Mexican Constitution Related to Telecommunications, the LFTR, and Other Recent Actions of IFT May Significantly and Adversely Affect the Business, Results of Operations and Financial Results of Some of Our Business Segments .

In radio broadcasting, we compete with other radio stations in their respective markets. Among our main competitors in the radio broadcast business are Grupo Radio Centro S.A.B. de C.V., NRM Comunicaciones, S.A. de C.V. and Grupo Acir, S.A. de C.V.

With respect to advertising, our radio and television stations compete with other radio and television stations in their respective markets, as well as with other advertising media, such as pay-TV, newspapers, magazines, internet and outdoor advertising.

Our DTH satellite business faces competition from various competitors, including Dish Mexico, a DTH satellite pay-TV platform which launched its services in Mexico at the end of 2008, Mega Cable Comunicaciones, S.A. de C.V., or Megacable, Total Play, and from cable television companies which are subsidiaries of the Company. In addition, the DTH market competes with other media with respect to advertising and sales, including Pay-TV, outdoor advertising and publishing, among others.

At the end of 2012, Axtel launched a product called Axtel TV, which as of this date, under its basic package, offers up to 52 standard definition channels, optional virtual recording, in addition to internet and voice services.

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In addition, the entertainment and telecommunications industries in which we operate are changing rapidly because of new participants and evolving distribution technologies, including the internet. As Mexico completes the transition to digital television, it is likely that competition will continue to increase.

The cable industry in Mexico has become highly competitive and we face significant competition. Most cable operators are authorized to provide pay-TV, internet broadband services and voice services, including Voice over Internet Protocol, or VoIP, which poses a risk to us. We also face competition from the Preponderant Economic Agent in telecommunications, particularly in the provision of data and fixed telephony services. The cable business is also capital intensive.

Our pay-TV companies face competition from IPTV or OTT providers such as Netflix, Claro Video and Prime Video (Amazon), as well as from other pay-TV operators such as Dish Mexico, Total Play, Megacable and other cable television companies. Additionally, our cable television companies face competition from Sky.

We also face competition in our publishing business, where each of our magazine publications competes for readership and advertising revenues with other magazines of a general character and with other forms of print and non-print media.

The production and distribution of feature films is a highly competitive business in Mexico. The various producers compete for the services of recognized talent and for film rights to scripts and other literary property. We compete with other feature film producers, Mexican and non-Mexican, and distributors in the distribution of films in Mexico, the U.S. and in Latin America. We also face competition in our other businesses. See [Information on the Company Business Overview](#) [Competition](#) .

Our principal competitors in the gaming industry are Codere S.A., or Codere, Corporación Interamericana de Entretenimiento, S.A.B. de C.V., or CIE, Grupo Caliente S.A. de C.V., or Grupo Caliente, Grupo Cirsa, S.A. de C.V., or Grupo Cirsa, and Atracciones y Emociones Vallarta, S.A. de C.V., or Grupo Logrand.

Our future success will be affected by changes in the broadcasting, advertising sales, cable, telecommunications, entertainment, gaming and other industries where we participate, which we cannot predict, and consolidation in such industries could further intensify competitive pressures. We expect to face competition from an increasing number of sources in Mexico, including emerging technologies that provide new services to pay-TV customers and new entrants in the public and pay-TV industries, which will require us to make significant capital expenditures in new technologies and will result in higher costs in the acquisition of content or may impair our ability to renew rights to special events, including sporting and entertainment events. Our business may require substantial capital to pursue additional acquisitions and capital expenditures, which may result in additional incurrence of leverage, issuance of additional capital or a combination thereof.

The Seasonal Nature of Our Business Affects Our Revenue and a Significant Reduction in Fourth Quarter Net Sales Could Impact Our Results of Operations

Our business reflects seasonal patterns of advertising expenditures, which is common in the television broadcast industry, as well as cyclical patterns in periodic events such as the FIFA World Cup and the Olympic Games. We typically recognize a disproportionately large percentage of our Content advertising net sales in the fourth quarter in connection with the holiday shopping season. For example, in 2015, 2016 and 2017 we recognized 33.4%, 34.4% and 32.9%, respectively, of our net sales in the fourth quarter of the year. Accordingly, a significant reduction in fourth quarter advertising revenue could adversely affect our business, financial condition and results of operations.

DIRECTV Has Certain Governance and Veto Rights Over Some Operations of Innova

We own a 58.7% interest in Innova, our DTH venture in Mexico, Central America and the Dominican Republic. The remaining balance of Innova's equity is indirectly owned by The DIRECTV Group, Inc., or DIRECTV, through its subsidiaries DTH (Mexico) Investment, LTD, DIRECTV Latin America Holdings, Inc. and DIRECTV Latin America LLC. Although we hold a majority of Innova's equity and designate a majority of the members of Innova's Board of Directors, DIRECTV has certain governance and veto rights in Innova, including the right to block certain transactions between us and Innova. DIRECTV was acquired by AT&T Inc. in July 2015.

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Loss of Transmission or Loss of the Use of Satellite Transponders Could Cause a Business Interruption in Innova, Which Would Adversely Affect Our Net Income

Media and telecom companies, including Innova, rely on satellite transmissions to conduct their day-to-day business. Any unforeseen and sudden loss of transmission or non-performance of the satellite for Innova can cause huge losses to Innova's business. The unforeseen loss of transmission may be caused due to the satellite's loss of the orbital slot or the reduction in the satellite's functional life.

The size of the business interruption impact for Innova in the case of a satellite loss exceeds the insurance we have acquired to cover this risk. In order to reduce the possibility of financial consequences resulting from an unforeseen loss of transmission, Innova entered into an agreement to launch a backup satellite jointly with Sky Brasil Servicos Ltda., or Sky Brasil, which was launched in the first quarter of 2010. In the third quarter of 2013, Sky entered into an agreement with DirecTV for the acquisition and launch of a satellite named SM-1, which started operations in June 2015. In the future, we may have to invest in additional satellite capacity. We cannot predict the extent of losses to Innova in the case of current or new satellite loss or the effectiveness of any alternative strategy.

Any Incidents Affecting Our Network and Information Systems or Other Technologies Could Have an Adverse Impact on Our Business, Reputation and Results of Operations

Our business operations rely heavily on network and information systems and other technology systems. Incidents affecting these systems, including cyber-attacks, viruses, other destructive or disruptive software or activities, process breakdowns, outages, or accidental release of information could result in a disruption of our operations, improper disclosure of personal data of clients, subscribers, or employees, or other privileged or confidential information, or unauthorized access to our digital content or any other type of intellectual property. In 2016, we detected that our systems were accessed without authorization. While an investigation conducted with third-party cybersecurity experts revealed that certain email systems were accessed without authorization, no evidence was found that any databases containing personal data of clients, subscribers, or employees were compromised. The incident has not had a material effect on our business or operations. It is common for a company such as ours to be subjected to continuous attempted cyber-attacks or other malicious efforts to cause a cybersecurity incident. Any such incident could damage our reputation and may require us to expend substantial resources on litigation, regulatory investigation, and remediation costs, and could therefore have a material adverse effect on our business and results of operations. We continue to work closely with our outside advisors to prevent cybersecurity incidents, and to invest in maintaining and improving cybersecurity resilience. The company's cybersecurity risks are monitored by our Audit Committee and reported to our Board of Directors. Nevertheless, because of the nature of the threats, there can be no assurance that our preventative efforts can fully prevent or mitigate all such incidents or be successful in avoiding harm to our business in the future.

The Results of Operations of Univision Holdings, Inc. May Affect Our Results of Operations and the Value of Our Investment in That Company

We have a substantial investment in Univision Holdings, Inc., or UHI (formerly known as Broadcasting Media Partners, Inc., or BMP), the parent company of Univision Communications, Inc., or Univision. However, we do not control and do not consolidate the results of UHI. Our investment in UHI is currently held in the form of common stock and warrants that are exercisable for shares of common stock. Our exercise of the warrants into shares of common stock of UHI is subject to certain conditions. The value of the common stock of UHI could materially increase or decrease the carrying value of the warrants, as they are measured at fair value. After the exercise of the warrants, we will remain a minority equity holder of UHI. The results of operations of UHI and Univision may affect the value of our investment in UHI and our results of operations. The business, financial condition and results of operations of Univision could be materially and adversely affected by risks including, but not limited to: (i) failure to service debt; (ii) cancellation, reductions or postponements of advertising; (iii) an increase in the preference among Hispanics for English-language programming; (iv) an increase in the cost of, and decrease in the supply, quality of and demand for, Univision's programming; (v) changes in the rules and regulations of the Federal Communications Commission, or the FCC; (vi) competitive pressures from other broadcasters and other entertainment and news media; (vii) failure to retain the rights to sports programming; (viii) possible strikes or other union job actions and; (ix) the impact of new technologies.

There can be no assurance that the results of operations of UHI and its respective subsidiaries will be sufficient to maintain or increase the value of our investment in such company, or that such results will not materially and

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adversely affect our results of operations. For a discussion of our investment in UHI, see [Information on the Company Business Overview - Univision](#) .

The Amendment to the Regulations of the General Health Law on Advertising Could Materially Affect Our Business, Results of Operations and Financial Condition

On February 14, 2014, the Mexican Ministry of Health published in the Official Gazette of the Federation an amendment to the Regulations of the General Health Law on Advertising, pursuant to which advertisers of certain high-caloric foods and non-alcoholic beverages are required to obtain prior permission from the health authorities in order to advertise their products on radio, broadcast television, pay-TV and in movie theaters (the [Health Law Amendment](#)). The Health Law Amendment became effective on April 16, 2014 and comprehensive guidelines entitled [Guidelines with nutritional and advertising criteria for advertisers of food and non-alcoholic beverages for obtaining permission for the advertising of their products with respect to the provisions of Articles 22 bis and 79 of the Regulations of the General Health Law on Advertising](#) (the [Health Law Guidelines](#)) were published in the Official Gazette of the Federation on April 15, 2014 and became effective on July 7, 2014 for the advertisement of the following products: snacks, flavored drinks, candies, chocolates, or foods similar to chocolates and became effective for the remaining products on January 1, 2015.

The Health Law Guidelines restrict the hours that certain high-caloric foods and non-alcoholic drinks can be advertised. These restrictions do not apply when the advertisement is aired during certain programs such as sports, telenovelas, news programs, series officially rated as unsuitable for children, films with ratings of B, B15, C and D, and programs where the advertiser certifies through audience research that people between the ages of 4 and 12 represent no more than 35% of the audience and receives the prior consent from the Federal Commission for the Protection Against Health Risks.

We cannot predict the impact or effect that such Health Law Amendment might continue to have on our results of operations in the future.

We Have Identified Material Weaknesses in Our Internal Controls Over Financial Reporting, and if We Fail to Remediate these Material Weaknesses and Achieve an Effective System of Internal Controls, We May Not Be Able to Report Our Financial Results Accurately. In Addition, the Trading Price of Our Securities May Be Adversely Affected by a Related Negative Market Reaction

In connection with the preparation of our financial statements for each of the years ended December 31, 2016 and 2017, we identified material weaknesses (as defined under standards established by the Public Company Accounting Oversight Board) in our internal controls over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. The material weaknesses in the Company's internal control over financial reporting arose because the Company did not appropriately design, maintain or monitor certain controls in response to the risk of material misstatement, including controls over certain information technology controls, did not design and maintain effective controls over segregation of duties within the accounting systems, including review and approval of manual journal entries, and had ineffective controls with respect to the accounting for certain revenue and the related accounts receivable at certain divisions.

As of the date of this annual report, the process of designing, implementing and validating remedial measures related to the material weaknesses noted above has begun. While none of these weaknesses resulted in improper activities or inaccuracies in or adjustments to our previously filed financial statements, if our efforts to remediate the items noted above are not successful, it could affect the accuracy of our reporting on the future results of operations and our ability to make our required filings with government authorities, including the SEC. Furthermore, our business and operating results and the price of our securities may be adversely affected by related negative market reactions. While we have no reason to believe there will be further additional material weaknesses identified, we cannot be certain that in the future additional material weaknesses will not exist or otherwise be discovered.

For further details, see Items 15 Controls and Procedures Management's Annual Report on Internal Control Over Financial Reporting, Remediation Plan and Activities, Attestation Report of the Independent Registered Public Accounting Firm and Changes in Internal Control over Financial Reporting.

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Changes in U.S. Tax Law Might Adversely Affect the Results of Operations of Our U.S. Subsidiaries and Joint Venture Entities

On December 22, 2017, the United States enacted Public law no. 115-97 (the Tax Act) into law. The Tax Act introduced significant changes to U.S. federal income tax laws applicable to our U.S. subsidiaries, affiliates and joint venture entities including the reduction of the U.S. federal corporate income tax rate from 35% to 21%, limitation of the tax deduction for interest expense, limitation of the tax deduction for net operating losses, enactment of an immediate deduction for certain new investments, repeal of the corporate alternative minimum tax, and modification or elimination of many business deductions and credits.

The Tax Act also imposes a new minimum tax called the Base Erosion and Anti-Abuse Tax (BEAT) on certain U.S. corporations. The BEAT is imposed on certain deductible amounts paid by a U.S. corporation that (i) has aggregate gross receipts of at least \$1.5 billion over its three prior taxable years and (ii) is at least 25%-owned by a non-U.S. person (or otherwise related to a non-U.S. person in specified circumstances). The BEAT taxes modified taxable income of a U.S. corporation described above at a rate of 5% beginning in 2018, increasing to 10% in 2019 and 12.5% in 2026. In general, modified taxable income is calculated by adding back to the U.S. corporation's regular taxable income the amount of certain base erosion tax benefits with respect to payments to foreign affiliates, as well as the base erosion percentage of any net operating loss deductions. The BEAT applies only to the extent it exceeds the U.S. corporation's regular corporate income tax liability (determined without regard to certain tax credits). At present, we do not expect the BEAT to apply to our U.S. subsidiaries, affiliates and joint ventures, however, it is possible that the BEAT could apply in future years.

There is significant uncertainty regarding how these and other provisions of the Tax Act will be interpreted, and guidance may not be forthcoming. It is possible that a technical corrections bill may be passed during 2018 that could alter or clarify the Tax Act, possibly with retroactive effect. Any changes to, clarifications of, or guidance under the Tax Act could add significant expense and have an adverse effect on the results of operations of our U.S. subsidiaries, affiliates and joint venture entities. Further, it is unclear how foreign governments and U.S. state and local jurisdictions will incorporate the U.S. federal income tax law changes and such jurisdictions may enact tax laws in response to the Tax Act that could result in further changes to global taxation and adversely affect our financial position and results of operations.

Risk Factors Related to Our Securities

Any Actions Stockholders May Wish to Bring Concerning Our Bylaws or the CPO Trust Must Be Brought in a Mexican Court

Our bylaws provide that a stockholder must bring any legal actions concerning our bylaws in courts located in Mexico City. All parties to the trust agreement governing the CPOs, including the holders of CPOs, have agreed to submit any legal actions concerning the trust agreement only to Mexican courts.

Non-Mexicans May Not Hold Series A Shares, Series B Shares or Series D Shares Directly and Must Have Them Held in a Trust at All Times

Although, as a result of the Telecom Reform, foreign investors are no longer restricted from holding equity interests in Mexican companies doing business in the telecommunications industry, the trust governing the CPOs and our bylaws nevertheless restrict non-Mexicans from directly owning Series A Shares, Series B Shares or Series D Shares. Non-Mexicans may hold Series A Shares, Series B Shares or Series D Shares indirectly through the CPO Trust, which will control the voting of such shares. Under the terms of the CPO Trust, a non-Mexican holder of CPOs or GDSs may instruct the CPO Trustee to request that we issue and deliver certificates representing each of the shares underlying its CPOs so that the CPO Trustee may sell, to a third party entitled to hold the shares, all of these shares and deliver to the holder any proceeds derived from the sale.

Non-Mexican Holders of Our Securities Forfeit Their Securities if They Invoke the Protection of Their Government

Pursuant to Mexican law, our bylaws provide that non-Mexican holders of CPOs and GDSs may not ask their government to interpose a claim against the Mexican government regarding their rights as stockholders. If non-Mexican holders of CPOs and GDSs violate this provision of our bylaws, they will automatically forfeit the Series

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A Shares, Series B Shares, Series L Shares and Series D Shares underlying their CPOs and GDSs to the Mexican government.

Non-Mexican Holders of Our Securities Have Limited Voting Rights

In accordance with the bylaws and trust governing the CPOs of the Company, non-Mexican holders of CPOs or GDSs are not entitled to vote the Series A Shares, Series B Shares and Series D Shares underlying their securities. The Series L Shares underlying CPOs or GDSs, the only series of our Shares that can be voted by non-Mexican holders of CPOs or GDSs, have limited voting rights. These limited voting rights include the right to elect two directors and limited rights to vote on extraordinary corporate actions, including the delisting of the Series L Shares and other actions which are adverse to the holders of the Series L Shares. For a brief description of the circumstances under which holders of Series L Shares are entitled to vote, see Additional Information Bylaws Voting Rights and Stockholders Meetings .

Our Antitakeover Protections May Deter Potential Acquirers and May Depress Our Stock Price

Certain provisions of our bylaws could make it substantially more difficult for a third party to acquire control of us. These provisions in our bylaws may discourage certain types of transactions involving the acquisition of our securities. These provisions may also limit our stockholders ability to approve transactions that may be in their best interests and discourage transactions in which our stockholders might otherwise receive a premium for their Shares over the then current market price, and could possibly adversely affect the trading volume in our equity securities. As a result, these provisions may adversely affect the market price of our securities. Holders of our securities who acquire Shares in violation of these provisions will not be able to vote, or receive dividends, distributions or other rights in respect of these securities and would be obligated to pay us a penalty. For a description of these provisions, see Additional Information Bylaws Antitakeover Protections .

GDS Holders May Face Disadvantages When Attempting to Exercise Voting Rights as Compared to Other Holders of Our Securities

In situations where we request that The Bank of New York Mellon, the depository for the securities underlying the GDSs, ask GDS holders for voting instructions, the holders may instruct the depository to exercise their voting rights, if any, pertaining to the deposited securities. The depository will attempt, to the extent practical, to arrange to deliver voting materials to these holders. We cannot assure holders of GDSs that they will receive the voting materials in time to ensure that they can instruct the depository how to vote the deposited securities underlying their GDSs, or that the depository will be able to forward those instructions and the appropriate proxy request to the CPO Trustee in a timely manner. For stockholders meetings, if the depository does not receive voting instructions from holders of GDSs or does not forward such instructions and appropriate proxy request in a timely manner, if requested in writing from us, it will provide a proxy to a representative designated by us to exercise these voting rights. If no such written request is made by us, the depository will not represent or vote, attempt to represent or vote any right that attaches to, or instruct the CPO Trustee to represent or vote, the shares underlying the CPOs in the relevant meeting and, as a result, the underlying shares will be voted in the manner described under Additional Information Bylaws Voting Rights and Stockholders Meetings Holders of CPOs . For CPO Holders meetings, if the depository does not timely receive instructions from a Mexican or non-Mexican holder of GDSs as to the exercise of voting rights relating to the underlying CPOs in the relevant CPO holders meeting, the depository and the custodian will take such actions as are necessary to cause such CPOs to be counted for purposes of satisfying applicable quorum requirements and, unless we in our sole discretion have given prior written notice to the depository and the custodian to the contrary, vote them in the same manner as the majority of the CPOs are voted at the relevant CPOs holders meeting.

This means that holders of GDSs may not be able to exercise their right to vote and there may be nothing they can do if the deposited securities underlying their GDSs are not voted as they request.

The Interests of Our GDS Holders Will Be Diluted if We Issue New Shares and These Holders Are Unable to Exercise Preemptive Rights for Cash

Under Mexican law and our bylaws, our stockholders have preemptive rights with respect to capital increases. This means that in the event that we issue new Shares for cash, our stockholders will have a right to subscribe and pay the number of Shares of the same series necessary to maintain their existing ownership percentage in that series. U.S. holders of our GDSs cannot exercise their preemptive rights unless we register any newly issued Shares under

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the U.S. Securities Act of 1933, as amended, or the Securities Act, or qualify for an exemption from registration. If U.S. holders of GDSs cannot exercise their preemptive rights, the interests of these holders will be diluted in the event that we issue new Shares for cash. We intend to evaluate at the time of any offering of preemptive rights the costs and potential liabilities associated with registering any additional Shares. We cannot assure you that we will register under the Securities Act any new Shares that we issue for cash. In addition, although the Deposit Agreement provides that the depositary may, after consultation with us, sell preemptive rights in Mexico or elsewhere outside the U.S. and distribute the proceeds to holders of GDSs, under current Mexican law these sales are not possible. See [Directors, Senior Management and Employees](#) [Stock Purchase Plan and Long-Term Retention Plan](#) and [Additional Information](#) [Bylaws](#) [Preemptive Rights](#) .

The Protections Afforded to Minority Stockholders in Mexico Are Different From Those in the U.S.

Under Mexican law, the protections afforded to minority stockholders are different from those in the U.S. In particular, the law concerning fiduciary duties of directors is not well developed, there is no procedure for class actions or stockholder derivative actions and there are different procedural requirements for bringing stockholder lawsuits. As a result, in practice, it may be more difficult for our minority stockholders to enforce their rights against us or our directors or major stockholders than it would be for stockholders of a U.S. company.

The *Ley del Mercado de Valores*, or the Mexican Securities Market Law, provides additional protection to minority stockholders, such as (i) providing stockholders of a public company representing 5% or more of the capital stock of the public company, an action for liability against the members and secretary of the Board and relevant management of the public company, and (ii) establishing additional responsibilities on the audit committee in all issues that have or may have an effect on minority stockholders and their interests in an issuer or its operations.

It May Be Difficult to Enforce Civil Liabilities Against Us or Our Directors, Executive Officers and Controlling Persons

We are organized under the laws of Mexico. Substantially all of our directors, executive officers and controlling persons reside outside the U.S., all or a significant portion of the assets of our directors, executive officers and controlling persons, and substantially all of our assets, are located outside of the U.S., and some of the parties named in this annual report also reside outside of the U.S. As a result, it may be difficult for you to effect service of process within the United States upon these persons or to enforce against them or us in U.S. courts judgments predicated upon the civil liability provisions of the federal securities laws of the U.S. We have been advised by our Mexican counsel, Mijares, Angoitia, Cortés y Fuentes, S.C., that there is doubt as to the enforceability, in original actions in Mexican courts, of liabilities predicated solely on U.S. federal securities laws and as to the enforceability in Mexican courts of judgments of U.S. courts obtained in actions predicated upon the civil liability provisions of U.S. federal securities laws.

Forward-Looking Statements

This annual report and the documents incorporated by reference into this annual report contain forward-looking statements. In addition, we may from time to time make forward-looking statements in reports to the SEC, on Form 6-K, in annual reports to stockholders, in prospectuses, press releases and other written materials and in oral statements made by our officers, directors or employees to analysts, institutional investors, representatives of the media and others. Words such as *believe* , *anticipate* , *plan* , *expect* , *intend* , *seek* , *potential* ,

estimate , project , predict , forecast , guideline , may , should , could , will and similar words and expressions to identify forward-looking statements, but are not the exclusive means of identifying these statements. Examples of these forward-looking statements include, but are not limited to:

- estimates and projections of financial results, cash flows, capital expenditures, dividends, capital structure, financial position or other financial items or ratios;
- statements of our plans, objectives or goals, including those relating to anticipated trends, competition, regulation and rates;
- statements concerning our current and future plans regarding our online and wireless content division, Televisa Digital;

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- statements concerning our current and future plans regarding our investment in and other arrangements with Imagina Media Audiovisual S.L., or Imagina;

- statements concerning our current and future plans regarding our investment in Grupo de Telecomunicaciones de Alta Capacidad, S.A.P.I. de C.V., or GTAC;

- statements concerning our current and future plans regarding our gaming business;

- statements concerning our future plans, including capital expenditures, regarding the pay-TV, broadband and/or telephony services provided by our subsidiaries;

- statements concerning our transactions with Univision and our current and future plans regarding our investment in common stock and the warrants exercisable for common stock of UHI, the parent company of Univision;

- statements concerning our current and future plans regarding our investment in Tenedora Ares, S.A.P.I. de C.V., or Ares;

- statements concerning our current and future plans, including capital expenditures, regarding our investment in Innova and our transactions and relationship with DIRECTV;

- statements concerning our transactions with NBC Universal's Telemundo Communications Group, or Telemundo;

- statements about our future economic performance or statements concerning general economic, political or social conditions in Mexico or other countries in which we operate or have investments; and

- statements or assumptions underlying these statements.

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We have based these forward-looking statements on our current expectations, assumptions, estimates and projections. While we believe these expectations, assumptions, estimates and projections are reasonable, such forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond our control. We caution you that a number of important factors, including those discussed under **Risk Factors**, could cause actual results to differ materially from those expressed in or implied by these forward-looking statements. Some of the factors that could cause actual results to differ materially from those expressed in or implied by the forward-looking statements include:

- economic and political developments and conditions and government policies in Mexico or elsewhere;
- uncertainty in global financial markets;
- currency fluctuations or the depreciation of the Peso;
- changes in inflation rates;
- changes in interest rates;
- the impact of existing laws and regulations, changes thereto or the imposition of new laws and regulations affecting our businesses, activities and investments;
- the risk that our concessions may not be renewed;
- the risk of loss of transmission or loss of the use of satellite transponders or incidents affecting our network and information systems or other technologies;
- changes in customer demand; and
- effects of competition.

We caution you that the foregoing list of factors is not exhaustive and that other risks and uncertainties may cause actual results to differ materially from those in forward-looking statements. You should evaluate any statements made by us in light of these important factors and you are cautioned not to place undue reliance on any

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forward-looking statements. Forward-looking statements speak only as of the date they are made, and we do not undertake any obligation to update them in light of new information, future developments or other factors.

Item 4. Information on the Company**History and Development of the Company**

Grupo Televisa, S.A.B. is a *sociedad anónima bursátil*, or limited liability stock corporation, which was organized under the laws of Mexico in accordance with the *Ley General de Sociedades Mercantiles*, or Mexican Companies Law. Grupo Televisa was incorporated under Public Deed Number 30,200, dated December 19, 1990, granted before Notary Public Number 73 of Mexico City, and registered with the Public Registry of Commerce in Mexico City on Commercial Page (*folio mercantil*) Number 142,164. Pursuant to the terms of our *estatutos sociales*, or bylaws, our corporate existence continues through 2106. Our principal executive offices are located in Mexico City at Avenida Vasco de Quiroga, No. 2000, Colonia Santa Fe, 01210 Ciudad de México, México. Our telephone number at that address is (52) (55) 5261-2000.

Capital Expenditures

The table below sets forth our expected capital expenditures for the year ended December 31, 2018 and our actual capital expenditures, investments in joint ventures and associates, and acquisitions for the years ended December 31, 2017, 2016 and 2015.

	Year Ended December 31,(1)(2)			
	2018 (Expected)	2017 (Actual)	2016 (Actual)	2015 (Actual)
	(Millions of U.S. Dollars)			
Capital expenditures	U.S.\$ 950.0	U.S.\$ 884.7	U.S.\$ 1,490.9	U.S.\$ 1,605.4
GTAC(3)	9.5	11.1	7.8	6.3
Telecable(3)				667.7
Acquisition of remaining non-controlling interests in TVI(3)			403.0	
Other acquisitions and investments		9.9	4.9	27.8

(1) Amounts in respect of some of the capital expenditures, investments and acquisitions we made in 2017, 2016 and 2015 were paid for in Pesos. These Peso amounts were translated into U.S. Dollars at the Interbank Rate in effect on the dates on which a given capital expenditure, investment or acquisition was made. See Key Information Selected Financial Data .

(2) See Operating and Financial Review and Prospects Capital Expenditures, Acquisitions and Investments, Distributions and Other Sources of Liquidity.

(3) See Our Operations Cable , and Investments for a discussion regarding GTAC, Cablecom, Telecable and TV

In 2017, 2016 and 2015, we relied on a combination of operating revenues, borrowings and net proceeds from dispositions to fund our capital expenditures, acquisitions and investments. We expect to fund our capital expenditures in 2018 and potential capital expenditures, investments and/or acquisitions going forward, which could be substantial in size, through a combination of cash from operations, cash on hand, equity securities, and/or the incurrence of debt, or a combination thereof. The amount of borrowings required to fund these cash needs in 2018 will depend upon the timing of cash payments from advertisers under our advertising sales plan.

For a further discussion of how we intend to fund our expected capital expenditures, investments and acquisitions for 2018 as well as a more detailed description of our capital expenditures, investments and acquisitions in prior years, see Operating and Financial Review and Prospects Results of Operations Liquidity, Foreign Exchange and Capital Resources Liquidity and Operating and Financial Review and Prospects Results of Operations Liquidity, Foreign Exchange and Capital Resources Capital Expenditures, Acquisitions and Investments, Distributions and Other Sources of Liquidity .

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Business Overview

Televisa is a leading media company in the Spanish-speaking world, an important cable operator in Mexico, and an operator of a leading direct-to-home satellite pay television system in Mexico.

Televisa distributes the content it produces through several broadcast channels in Mexico and in over 50 other countries through 26 pay-tv-brands and television networks, cable operators and over-the-top or "OTT" services.

In the United States, Televisa's audiovisual content is distributed through Univision, the leading media company serving the Hispanic market. Univision broadcasts Televisa's audiovisual content through multiple platforms in exchange for a royalty payment. In addition, Televisa has equity and warrants which upon their exercise would represent approximately 36% on a fully-diluted, as-converted basis of the equity capital in Univision Holdings Inc., the controlling company of Univision.

Televisa's cable business offers integrated services, including video, high-speed data and voice services to residential and commercial customers as well as managed services to domestic and international carriers through five cable Multiple System Operators in Mexico.

Televisa owns a majority interest in Sky, a leading direct-to-home satellite pay television system in Mexico, operating also in the Dominican Republic and Central America.

Televisa also has interests in magazine publishing and distribution, radio production and broadcasting, professional sports and live entertainment, feature-film production and distribution, and gaming.

Business Strategy

We intend to leverage our position as a leading media company in the Spanish-speaking world to continue expanding our business while maintaining profitability and financial discipline. We intend to do so by maintaining our leading position in the Mexican television market, by continuing to produce high quality programming and by improving our sales and marketing efforts while maintaining high operating margins and expanding our cable business.

By leveraging all our business segments and capitalizing on their synergies to extract maximum value from our content and our distribution channels, we also intend to continue expanding our cable business, increasing our international programming sales worldwide and strengthening our position in the growing U.S.-Hispanic market. We also intend to continue developing and expanding Sky, our DTH platform, and our cable businesses. We will continue to strengthen our position and will continue making additional investments, which could be substantial in size, in the DTH and cable industry in accordance with the consolidation of the cable market in Mexico, and we will also continue developing our publishing business and maintain our efforts to become an important player in the gaming industry.

We intend to continue to expand our business by developing new business initiatives and/or through business acquisitions and investments in Mexico, the United States and elsewhere. However, we continue to evaluate our portfolio of assets, in order to determine whether to continue plans to dispose of select non-core operations.

Maintaining Our Leading Position in the Mexican Television Market

Continuing to Produce High Quality Programming. We aim to continue producing the type of high quality television programming that in the past has propelled many of our programs to be among the most watched in Mexico. We have launched a number of initiatives in creative development, program scheduling and on-air promotion. These initiatives include improved production of our highly rated telenovelas, new comedy and game show formats and the development of reality shows and new series. We have improved our scheduling to be better aligned with viewer habits by demographic segment while improving viewer retention through more dynamic on-air graphics and pacing. We have enhanced tune-in promotion both in terms of creative content and strategic placement. We also plan to continue expanding and leveraging our Spanish-language video library, rights to soccer games and other events, as well as cultural, musical and show business productions. In addition, our strategic alliance with Telemundo allows us to broadcast more than 1,150 hours per year of Telemundo's original

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programming on Channel 9 and distribute Telemundo content in Mexico on an exclusive basis across multiple platforms including broadcast television, pay television and our emerging digital platforms.

Maintaining High Operating Segment Income Margins. Our Content operating segment income margins for 2016 and 2017 were 40.2% and 37.7%, respectively. We intend to continue maintaining high operating segment income margins in our Content businesses by increasing revenues and controlling costs and expenses.

Continue Building Our DTH and Cable Platforms

DTH. We believe that Ku-band DTH satellite services offer an enhanced opportunity for expansion of pay television services into cable households seeking to upgrade reception of our broadcasting and in areas not currently serviced by operators of cable or multi-channel, multi-point distribution services. We own a 58.7% interest in Innova, or Sky, our venture with DIRECTV. Innova is a DTH company with services in Mexico, Central America and the Dominican Republic with more than 8 million subscribers, of which 2.5% were commercial subscribers as of December 31, 2017.

The key components of our DTH strategy include:

- offering high quality programming, including rights to our four over-the-air broadcast channels, exclusive broadcasts of sporting events, such as the largest coverage of the Mexican Soccer League, the Spanish Soccer League, La Liga and La Copa del Rey, the English Premier League and the FA Cup, the NFL Sunday Ticket, MLB Extra Innings, the NHL, bullfighting, FEI Events, marathons, Diamond League, the largest coverage of the Mexican Baseball League (LMB), ATP tournaments, Basketball Euroleague and FIFA tournaments;
- capitalizing on our relationship with DIRECTV and local operators in terms of technology, distribution networks, infrastructure and cross-promotional opportunities;
- capitalizing on the low penetration of pay-TV services in Mexico;
- providing superior digital Ku-band DTH satellite services and emphasizing customer service quality; and

- providing aggressive HD offerings and continuously expanding our programming in HD.

Cable. We are a shareholder of several Mexican cable companies. For example:

- we own a controlling stake in Cablevisión, which operates in Mexico City and its metropolitan area, where it offers cable television, high speed internet and IP telephony services;
- we own TVI, which offers cable television, data and voice services in the metropolitan area of Monterrey and other areas of northern Mexico, such as data and voice services in the metropolitan area of Mexico City;
- we own Cablemás, which operates in approximately 104 cities in Mexico where it offers cable television, high speed internet and telephony services;
- we own Cablecom, which offers cable television, telephony, value added services and virtual networks to corporate customers around 15 states of Mexico; and
- we own Telecable, a cable company that provides video, data and telephony services in Mexico, primarily in the states of Guanajuato, Jalisco, Aguascalientes, Queretaro, Tamaulipas, and Colima, among others.

With a consolidated subscriber base of 4,185,150 cable television, or video subscribers and 13.8 million homes passed as of December 31, 2017, these companies are important service providers in Mexico. Homes passed refers to any residential homes or businesses that are connected to telecommunications systems, or those prepared to be connected to telecommunications systems but are not currently connected or that require some type of investment in order for them to be connected. For instance, each apartment located in a building that is prepared to be connected to telecommunications systems represents one home passed. It is generally understood that a home or business

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counts as a home passed when it can be connected to a telecommunications network without additional extensions to the main transmission lines. Our cable strategy aims to increase our subscriber base, average monthly revenues per subscriber and penetration rate by:

- continuing to offer high quality programming;
- continuing to upgrade our existing cable network into a broadband bidirectional network;
- aiming to provide digital services in order to stimulate new subscriptions, substantially reduce piracy and offer new value-added services;
- increasing the penetration of our high-speed internet access and other multimedia services as well as providing a platform to offer internet protocol, or IP, and telephony services;
- continuing the roll out of advanced digital set-top boxes which allow the transmission of high definition programming and recording capability; and
- continuing to leverage our strengths and capabilities to develop new business opportunities and expand through additional investments and/or acquisitions, which can be substantial in size.

Our cable companies have introduced a variety of new services over the past few years, such as interactive television and other enhanced program services, including high-speed internet access through cable modem as well as IP telephony. In November 2014, we launched a unified commercial offer under the izzi™, our principal brand for residential customers, offering a revolutionary double-play package with unlimited telephony services and high-speed data access. In addition, the double-play package can be upgraded to a triple-play package by adding one of three pay-TV bundles. Our cable companies also continue to commercialize telecommunication services through their original trademarks in some of their coverage zones. In June 2016, we launched izzi TV, a new entertainment platform, which among other services, provides customers live channels, SVOD (Subscription Video on Demand), as well as access to all content available through Blim, including the izzi go mobile application, compatible with iOS and Android platforms. Izzi go is a TV Everywhere application that enables subscribers to access channels, movies and series on demand. Izzi go also features a remote control compatible with our set top boxes, and allows subscribers to rent additional content through the application, all for a fixed price. For an additional cost, subscribers can choose from different complements to the izzi TV service, such as TVOD (Transactional Video on Demand) titles, HBO and Fox Premium. As of December 31, 2017, we have launched izzi in 94 cities, generating significant increases in gross ads. As of December 31, 2017, our cable companies had 3,797,336 broadband subscribers. The growth in our subscriber base has been driven primarily by the upgrade of our networks and the launch of competitive broadband offerings. As of December 31, 2017, our cable companies had 2,121,952 IP telephone lines in service, or voice subscribers.

Continue Expanding the Portfolio of Channel Offerings in Mexico and Abroad

Network Subscription. Through our 26 pay-TV brands and 69 national and international feeds, we reached more than 45 million subscribers throughout Latin America, the Caribbean, the United States, Canada, Europe, Africa and Australia in 2017. Our pay-TV channels include, among others, three music channels, five movie channels, eight variety and entertainment channels, three sports channels and one news channel. All of our sports channels offer 24 hour a day programming 365 days a year. Popular channels include, among others, De Película, Distrito Comedia, TLNovelas and Golden.

Transforming Our Publishing Business

Despite the continuing challenges facing the industry, we believe we continue to be among the leaders of the publishing business and maintained a total approximate circulation of 71.8 million magazines during 2017. We believe our subsidiary, Editorial Televisa, S.A. de C.V., or Editorial Televisa, is the most important Spanish-speaking publishing company in the world in number of magazines distributed. Editorial Televisa publishes 110 titles, with 44 wholly-owned trademarks and 29 licensed trademarks from world renowned publishing houses, including Spanish language editions of some of the most prestigious brands in the world. Editorial Televisa distributes its titles to 14 countries, including Mexico, the United States and countries throughout Latin America.

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Increasing Our International Programming Sales Worldwide and Strengthening Our Position in the Growing U.S.-Hispanic Market

We license our programs to television broadcasters and pay-TV providers in the United States, Latin America, Asia, Europe and Africa. Excluding the United States, in 2017, we licensed 85,098 hours of programming in 80 countries throughout the world. We intend to continue exploring ways of expanding our international programming sales.

According to the Annual Estimates of the Resident Population by Sex, Age, Race, and Hispanic Origin for the United States: April 1, 2010 to July 1, 2016 issued by the U.S. Census Bureau Population Division, the U.S.-Hispanic population is estimated to be 57.47 million, or approximately 17.8% of the U.S. population, and is currently one of the fastest growing segments in the U.S. population, with the growth among Hispanics responsible for over half of the U.S. population gains between 2000 and 2010. The U.S. Census Bureau projects that the Hispanic population will be approximately 20.3% of the U.S. population by the year 2025.

We intend to leverage our unique and exclusive content, media assets and long-term associations with others to benefit from the growing demand for entertainment among the U.S.-Hispanic population.

We supply television programming for the U.S.-Hispanic market through Univision, the leading media company serving Hispanic America. In exchange for this programming, during 2015, 2016 and 2017, Univision paid us U.S.\$311.1 million, U.S.\$324.6 million and U.S.\$313.9 million respectively, in royalties. For a description of our arrangements with Univision, see Univision .

Developing New Businesses and Expanding through Acquisitions

We plan to continue leveraging our strengths and capabilities to develop new business opportunities and expand through acquisitions in Mexico, the United States and elsewhere. We are constantly seeking investment opportunities that complement our cable strategy. We may identify and evaluate opportunities for strategic acquisitions of complementary businesses, technologies or companies. We may also consider joint ventures, minority investments and other collaborative projects and investments. Any such acquisition or investment could be funded using cash on hand, our equity securities and/or the incurrence of debt, or a combination thereof.

Some of our recent acquisitions and investments include:

- our acquisition in January 2015 of Telecable, a cable company that provides video, data and telephony services in Mexico, primarily in the states of Guanajuato, Jalisco, Aguascalientes, Queretaro, Tamaulipas, and Colima, among others; and
- our acquisition of the remaining 50% of equity interest of TVI in March 2016, a cable company that provides cable television, internet access, telephony services and bidirectional data transmission in the metropolitan area of Monterrey and other areas of northern Mexico.

For a further discussion of some of our recent investments, see [Investments](#) .

We also plan to continue growing our gaming business, which consists of casinos and an online gaming site. As of December 31, 2017, we had 17 casinos in operation, under the brand name [PlayCity](#) . In accordance with our permit, we plan to continue opening casinos. In 2017, we launched our online sports betting site. The casinos and the online sports betting site are operated under the Gaming Permit obtained from the Mexican Ministry of the Interior, to establish, among other things, up to 55 casinos and number draws throughout Mexico.

Notwithstanding the foregoing, the Company continues to evaluate its portfolio of assets in order to determine if it continues to dispose select non-core operations.

Expanding Our Business in the Mexican Telecommunications Markets by Taking Advantage of the Telecom Reform and Implementing Legislation

Pursuant to the Telecom Reform (see [Regulation Telecom Reform and Broadcasting Regulations](#)), a preponderant economic agent (*agente económico preponderante*) in the telecommunications market means an economic agent that has, directly or indirectly, more than 50% of the national market share in telecommunications services, calculated based on the number of users, subscribers, network traffic or used capacity according to the data available to IFT. We are aware from the public records that, on March 7, 2014, IFT notified América Móvil, S.A.B. de C.V., or América Móvil, of a resolution which determined that América Móvil and its operating subsidiaries

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Radiomóvil Dipsa, S.A de C.V., or Telcel, and Teléfonos de México, S.A.B. de C.V., or Telmex, Telefonos del Noreste, S.A. de C.V. or Telnor, as well as Grupo Carso, S.A.B. de C.V. and Grupo Financiero Inbursa, S.A.B. de C.V., are a preponderant economic agent in the telecommunications market, and imposed on them certain specific asymmetrical regulations which América Móvil reported publicly in the following areas:

- **Interconnection:** Regulation on interconnection, including the imposition of (a) asymmetric rates to be determined by IFT and (b) the implementation of an interconnection framework agreement (*convenio marco de interconexión*);
- **Sharing of Infrastructure:** Regulation on the access and use of passive infrastructure, including towers, sites, ducts and rights of way, at rates to be negotiated amongst the operators and, where agreement cannot be reached, to be determined by IFT using a methodology of long term average incremental costs;
- **Local Loop Unbundling:** Regulation on local loop unbundling, including the imposition of rates to be determined by IFT using a methodology of long term average incremental costs;
- **Wholesale of Leased Lines:** Regulation on wholesale of leased lines for interconnection, local and domestic and international long distance, at rates to be negotiated among the operators and, where agreement cannot be reached, to be determined by IFT using a methodology of retail minus, except for leased lines for interconnection services where the methodology to be used for determining the applicable rates will be of long term average incremental costs;
- **Roaming:** Regulation on the provision of wholesale roaming services, at rates to be negotiated amongst the operators and, where agreement cannot be reached, to be determined by IFT using a methodology of long term average incremental costs;
- **Elimination of National Roaming Charges:** IFT has imposed the elimination of national roaming charges to the preponderant economic agent's subscribers;
- **Mobile Virtual Operators:** Regulation on wholesale access to mobile virtual operators to services provided by the preponderant economic agent to its subscribers, at rates to be negotiated among the operators and, where agreement cannot be reached, to be determined by IFT using a methodology of retail minus;

- **Certain Obligations on the Provision of Services:** Certain rates for the provision of telecommunications services to the subscribers of the preponderant economic agent shall be subject to rate control and/or authorization by IFT, by using a series of methodologies related to maximum prices and replicability. Also, a series of obligations relating to the sale of services and products, including the obligation to offer individually all services that are offered under a bundle scheme; limited exclusivity on handsets and tablets; and the obligation of eliminating the sim-lock on handsets;
- **Content:** IFT has issued the Relevant Content Ruling applicable for Preponderant Economic Agents, which contains a prohibition to acquire transmission rights for any territory within Mexico on an exclusive basis, relating to relevant content (*contenidos audiovisuales relevantes*), including without limitation national soccer play-offs (*liguilla*), FIFA world cup soccer finals and, any other event where high-audiences are expected at a national or regional level. The IFT may update the relevant content list every two years; and
- **Information and Quality of Service Obligations:** Several obligations related to information and quality of service, including the publication of a series of reference terms (*ofertas públicas de referencia*) of the wholesale and interconnection services subject of the asymmetric regulation imposed by IFT and accounting separation.

On March 8, 2017, IFT issued a resolution to the preponderant economic agent in the telecommunications market that modifies the asymmetrical regulations described above. The most relevant modifications are the following:

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- Wholesale of Leased Lines: the methodology to be used by IFT in case an agreement cannot be reached in wholesale of leased lines for interconnection, local and domestic and international long distance, is limited to long term average incremental costs;
- Functional separation: the preponderant economic agent in the telecommunications market will have to functionally separate the provision of wholesale services through the creation of a new legal entity and a wholesale division; which entity will solely and exclusively provide wholesale services related to access network elements, dedicated links and passive infrastructure, among other wholesale services.

The wholesale division within the existing companies will provide the other wholesale services subject to the aforementioned measures that are not provided by the newly created legal entity.

- Equivalence of Supplies and Inputs, Technical and Economic Replicability: The preponderant economic agent in the telecommunications market must guarantee the equivalence of supplies and inputs, the technical replicability of the services that it commercializes to its end users, and equal access to technical and commercial information.

The preponderant economic agent in the telecommunications market must also guarantee the economic replicability of the services that it commercializes to its end users for which it will validate the economic replicability of the services ex-post based on the methodology, terms and conditions that the IFT determines.

According to public records, América Móvil and its operating subsidiaries, Telcel, Inbursa, Telmex and Telnor, filed amparo proceedings against IFT's original resolution. The courts issued a ruling confirming the constitutionality of IFT's resolution, with the exception of Telcel's proceeding that is pending before the Supreme Court.

The measures imposed on the preponderant economic agent, if properly implemented, will represent an opportunity for us to increase our coverage and product diversity, while reducing our costs and capital expenditures requirements as a result of the access to the network of the preponderant economic agent and the regulation of the terms and conditions, on competitive terms, of such access. Moreover, asymmetric regulations may create a beneficial economic and regulatory environment in the telephony and broadband markets and may further enhance our ability to compete in the telecommunications industry.

All of these measures, if properly implemented, could create a beneficial economic and regulatory environment, level the playing field for all participants in the telecommunications market and foster competition, representing an opportunity for the growth of our Sky and cable businesses; nevertheless, in the Company's view, the preponderant economic agent is not complying with its obligations under such measures and the Company has filed several complaints before IFT.

In August 2017, the Supreme Court of Justice of the Nation (SCJN) determined that the interconnection rate regime relating to mobile termination by the Preponderant Economic Agent in Telecommunications Network, which contained a limitation on the Preponderant Economic Agent's ability to charge for traffic termination in its mobile network, was unconstitutional. As a result, the SCJN ordered that the IFT issue a tariff. In November 2017, IFT resolved that the tariff for traffic termination in the mobile network of the Preponderant Economic Agent will be Ps.0.028562 per minute of interconnection from January 1 to December 31, 2018.

In April 2018, the SCJN determined that the interconnection rate regime relating to fixed termination by the Preponderant Economic Agent in Telecommunications Network, which contained a limitation on the Preponderant Economic Agent's ability to charge for traffic termination in its fixed network, was unconstitutional. As a result, the SCJN will order to the IFT issue a tariff for traffic termination in the fixed network of the Preponderant Economic Agent applicable from January 1 to December 31, 2019

Additionally, the Telecom Reform (1) permits 100% foreign ownership in satellite and telecommunications services and increases to up to 49% the level of permitted foreign ownership in television and radio services, subject to reciprocity of the originating foreign investment country, and (2) provides that the Mexican government will build a national network to facilitate effective access for the Mexican population to broadband and other telecommunications services. These amendments may provide opportunities for us to enter into joint ventures with

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foreign investors with proven international experience in these markets and also to work with the Mexican government in the development of this new network.

The Telecom Reform also calls for the *Plan Nacional de Desarrollo*, or National Development Plan, to include a program for installing broadband connections in public facilities, which would identify the number of sites to be connected per year to promote access to broadband. We believe our potential participation in this program could result in business opportunities while improving the quality of the telecommunications services to be provided by the Mexican government.

Commitment to Sustainability

We have made, and will continue to make, sustainable development part of our offerings and commercial strategy, in order to continue meeting the expectations of, and creating added value for, our stockholders. As part of our commitment to sustainability, we named a sustainability officer and established a committee that comprises some of our high-level executive officers as well as independent consultants.

We have focused on, among other things, analyzing our emission of greenhouse gases, establishing reduction goals, being in compliance with the *Ley General de Cambio Climático*, or General Law of Climate Change, and creating and strengthening alliances with generators of renewable energy.

As a result of our commitment, as of February 1, 2013, we were named one of the six members of the *IPC Sustentable*, or Sustainability Index, of the *Bolsa Mexicana de Valores*, or Mexican Stock Exchange; and on March 20, 2018, we were confirmed as a sustainable issuer for the period effective as of March 20, 2018 through March 15, 2019. The Sustainability Index currently includes 30 issuers, which have been selected based on their commitment to corporate governance, social responsibility and environmental management.

Since 2014, we have presented our Report for Climate Change and Water through CDP (formerly the Carbon Disclosure Project).

In February 2016, we joined the United Nations Global Compact, the world's largest corporate sustainability initiative, and make its Ten Principles part of our strategy, culture and daily actions.

In December 2016, the Company was included as a constituent of the FTSE4Good Emerging Index and continued to be a part of the Index throughout 2017.

These achievements are the result of our consistent review and enhancement of our internal policies, procedures and plans regarding sustainability; our emphasis on the relevance of sustainability as being a critical business focus of our management committees and directive groups; and the establishment of key performance indicators in social, economic and labor-related matters, which allow us to evaluate our

internal and external impact.

Commitment to Social Responsibility

We are deeply committed to strengthening communities throughout Mexico and investing in their development. During the last 17 years, Fundación Televisa, or Fundación, has created and supported programs that provide educational opportunities, promote cultural identity and encourage community engagement. Fundación offers a wide range of tools and opportunities that shape the lives of millions of Mexicans. We have taken advantage of the Company's wide range of media platforms to promote social awareness campaigns, and digital platforms to foster civic participation. Fundación has developed various digital educational platforms that, through innovation and creativity, allow users to substantially improve their abilities and capabilities. These no-cost, self-teaching tools are broadly available to many Mexicans that would otherwise lack basic tools and access to opportunities. Many of these efforts have improved the lives of millions of people.

Establishing strong, strategic partnerships is a priority for Fundación. These partnerships have improved Fundación's effectiveness and have broadened its reach. We continuously seek out and collaborate with experts in

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the academic, business, and financial fields, as well as with other organizations to benefit a greater number of people. During these 17 years, we have developed partnerships with more than 400 non-governmental organizations, as well as with public and private institutions.

We believe that the best way to enhance quality of life, increase economic opportunities, and improve the well-being of families across Mexico is through education. Therefore, we offer a range of programs tailored for every development stage, including early childhood campaigns for newborns to 3 year-olds, access to high-quality elementary and basic education for 4 to 15 year-olds, programs to increase middle and high school completion rates for 16 to 22 year-olds, including an educational program that teaches children computer coding in which in 2017, 27,113 students from public schools in ten states across Mexico learned basic coding skills from 1,037 teachers and instructors. These programs, which focus on enhancing the quality of education in Mexico, include scholarships, school infrastructure, media labs, reading workshops, knowledge competitions and the promotion of entrepreneurship and universal values.

Through Bécalos , which is a joint initiative with Asociación de Bancos de México and several financial institutions, we have granted 36,505 scholarships, including 1,614 scholarships for students developing employability competencies, 217 for participants of an international exchange program with U.S. community colleges and 90 for students attending a program for talented youth. With these numbers, Bécalos reached a historic sum of 285,917 beneficiaries and 1,202 attendees to its international mobility efforts.

Our entrepreneurship program Posible , has become the major non-governmental program to support startups in Latin America, enrolling more than 96,000 individuals in 2017, 51% of which are women.

Fundación also focuses on expanding the reach of Mexican culture. We promote our cultural values inside and outside of Mexico, sponsoring and promoting various exhibitions, collaborations, and investigative digital and editorial projects, which benefit from the access to our photography and audiovisual collection, one of the most important visual arts collections in Latin America; our exhibitions have been visited by thousands of people.

Ensuring that we make an effective and significant contribution for disaster relief, Fundación worked closely with different areas and subsidiaries of the Company to set up collection centers to receive in-kind donations for families affected by the September 2017 earthquakes and floods. Through its main operation center established at the Azteca Stadium, Fundación's team and approximately 18,000 volunteers distributed over 1,110 tons of food, water and medical and home supplies that came from thousands of institutional and individual donors. Volunteers included key opinion leaders, sports and media figures and executives from the Company. These goods were delivered to 103 communities and shelters in the states of Oaxaca, Chiapas, Puebla, Morelos, Estado de México, Guerrero, and Ciudad de México. With the support of a large number of citizens, Fundación became a bridge of service between Mexican volunteers and those in need of help. In addition, in an effort to continue supporting the affected areas, we began activities for the recovery stage. Fundación was part of an alliance that raised over Ps.255 million to build new houses, schools and critical infrastructure in the affected areas. Moreover, with the help of other partners, Fundación plans to work on economic development on the coast of Oaxaca with local entrepreneurs, artisans, small businesses and college students.

Through our BAJA Initiative, Fundación established 133 thousand hectares of protected areas and over 11 thousand hectares of recovery zones for responsible fishing villages in partnership with local communities along the coast of the Sea of Cortes. These efforts led to an increase in the biomass of seven fish species used for consumption with commercial value in the area.

In the United States, through Televisa Foundation, we support the Hispanic community. Our efforts are particularly focused on improving the lives of Hispanic children and young adults through programs focused on education and culture, including:

- A program to communicate the importance of early childhood for healthy cognitive development to Hispanic families. To that end, through a network of several key partnerships, including prestigious international organizations such as UNICEF (who in particular adopted the concept as a global campaign), we provide practical information and disseminate our message through Univision and various other social media platforms, reaching millions of people.

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- State of the art learning material programs to strengthen bilingual education for young students. Our platform Aprende con el Chavo has reached over three million users in the United States through our apps Learn Math, Learn English, Learn Spanish, Learn Code and Explore with El Chavo.
- A program directed to boosting the development of scientific and technological abilities in Hispanic children, with an emphasis on young women. This program has gained recognition and support through a national campaign in the United States, and the United Nations has recognized it as one of the top five global initiatives to close the gender gap in the tech sector. Through our TECHNOLOchicas Lift program, we have engaged hundreds of Latina middle school girls to help develop their skills.

Televisa Foundation's cultural program aims to strengthen the sense of identity among Hispanic families and promotes Mexican visual arts in the United States. In 2017, we sponsored an exhibition of Gabriel Figueroa's work at Centro Cultural McNicols in Denver, Colorado as well as a film cycle called *Between Twilight and Dawn: Julio Bracho and the Golden Age of Mexican Cinema* at the Museum of Modern Art in New York City. In 2017, Televisa Foundation organized *La Calle*, an exhibition by Alex Webb, in collaboration with Aperture Foundation in New York City.

Our Operations

As of December 31, 2017, we classify our operations into four business segments: Content, Sky, Cable, and Other Businesses.

Content

Television Industry in Mexico

General. There are 16 television stations operating in Mexico City and approximately 555 other television stations elsewhere in Mexico. Most of the stations outside of Mexico City rebroadcast programming originating from the Mexico City stations. We own and operate four of the 16 television stations in Mexico City, Channels 2, 4, 5 and 9. Some of these stations are affiliated with 221 repeater stations and 30 local stations outside of Mexico City. See *Television Networks*. Our major competitor, TV Azteca, owns and operates Channels 7 and 1 (formerly 13) in Mexico City, which we believe are affiliated with 177 stations outside of Mexico City. Likewise, TV Azteca owns the concession for Channel 40, or Proyecto 40, an ultra-high radioelectric frequency, or UHF, channel that broadcasts throughout the Mexico City metropolitan area, and Grupo Imagen owns the concession for Channel 27, or Excelsior and Channel 29, or Imagen Television. The Mexican government currently operates seven stations in Mexico City, Channel 11, which has 12 repeater stations, Channel 21, Channel 22, Channel 20 (TVUNAM), Channel 34, Channel 45 (Congress), Channel 30, an anchor station of *Sistema Público de Radiodifusión del Estado Mexicano*, which, we

believe, has 25 repeater stations outside Mexico City, 24 stations (Governments of the States), and seven other university stations. There are 39 local television stations affiliated with Imagen Television, outside of Mexico City. There are also 19 independent stations outside of Mexico City which are unaffiliated with any other stations. See Television Networks .

We estimate that approximately 30.5 million Mexican households have television sets, representing approximately 93% of all households in Mexico as of December 31, 2017. We believe that approximately 97.6% of all households in Mexico City and the surrounding area have television sets.

Programming

Programming We Produce. We produce a significant part of the Spanish-language television programming in the world. In 2015, 2016 and 2017, we produced approximately 89,200 hours, 90,500 hours and 87,900 hours, respectively, of programming for broadcast on our network stations; including programming produced by our local stations, which represented 57.9%, 56.4% and 58.2% of our total hours produced in the same years, respectively. Programming and videos for broadcast on our pay-TV channels, through our cable operations and DTH satellite ventures, represented 28.6%, 30.3% and 29.1% of our total hours produced in 2015, 2016 and 2017, respectively.

We produce a variety of programs, including telenovelas, newscasts, situation comedies, game shows, reality shows, children's programs, comedy and variety programs, musical and cultural events, movies and educational

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programming. Our telenovelas are broadcast either dubbed or subtitled in a variety of languages throughout the world.

Our programming also includes broadcasts of special events and sports events in Mexico promoted by us and others. Among the sports events that we broadcast are soccer games and professional wrestling matches. See [Other Businesses Sports and Show Business Promotions](#) . In 2015, we broadcasted Copa America Chile 2015, FIFA World Cup Under 20 New Zealand 2015, FIFA Women's World Cup Canada 2015, CONCACAF Gold Cup 2015 and FIFA World Cup Under 17 Chile 2015. In 2016, we broadcasted Copa América Centenario USA 2016, UEFA Euro France 2016, FIFA Women's World Cup Under 17 Jordan 2016, FIFA Futsal World Cup Colombia 2016, FIFA Women's World Cup Under 20 Papua New Guinea 2016 and FIFA Club World Cup Japan 2016. In 2017, we broadcasted FIFA Confederations Cup Russia 2017, Beach Soccer World Cup Bahamas 2017, CONCACAF Gold Cup 2017, FIFA World Cup Under 17 India 2017 and FIFA U-20 World Cup Korea Republic 2017. We have secured the rights to broadcast the 2018 FIFA World Cup Russia, the 2022 FIFA World Cup Qatar and the 2026 and 2030 FIFA World Cups for Mexico and other territories in Latin America.

Our programming is produced primarily at our 34 studios in Mexico City. We also operate 23 fully equipped remote control units (*OB Vans*). Some of our local television stations also produce their own programming. These local stations operate 45 studios and 24 fully equipped remote control units. See [Programming Local Affiliates](#) .

Foreign-Produced Programming. We license and broadcast television programs produced by third parties outside Mexico. Most of this foreign programming is from the United States and includes television series, movies and sports events, including coverage of Major League Baseball games and National Football League games. Foreign-produced programming represented approximately 35.8%, 36.8% and 35.6% of the programming broadcast on our four television networks in 2015, 2016 and 2017, respectively. A substantial majority of the foreign-produced programming aired on our networks was dubbed into Spanish and was aired on Channel 5, with the remaining aired on Channel 9.

Talent Promotion. We operate Centro de Educación Artística, a school in Mexico City, to develop and train actors. We provide instruction free of charge, and a substantial number of the actors appearing on our programs have attended the school. We also promote writers and directors through a writers' school as well as various contests and scholarships.

Television Networks. We operate three television networks that can be viewed throughout parts of Mexico depending on the schedules and programming on our affiliated television stations through Channels 2, 5 and 9 in Mexico City. The following table indicates the total number of operating television stations in Mexico affiliated with each of our three networks, as well as the total number of local affiliates, as of December 31, 2017.

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	Wholly Owned Mexico City Anchor Stations	Wholly Owned Affiliates	Majority Owned Affiliates	Minority Owned Affiliates	Independent Affiliates	Total Stations
Channel 2	1	124	2		1	128
Channel 5	1	62			3	66
Channel 9	1	16			14	31
Subtotal	3	202	2		18	225
Border Stations						
Local (Stations) Affiliates		17		1	12	30
Total	3	219	2	1	30	255

Channel 2 Network. Channel 2, which is known as *Las Estrellas*, or *The Stars*, together with its affiliated stations, is the leading television network in Mexico and the leading Spanish-language television network in the world, as measured by the size of the audience capable of receiving its signal. Channel 2's programming is broadcast 24 hours a day, seven days a week, on 128 television stations located throughout parts of Mexico. The affiliate stations generally retransmit the programming and advertising transmitted to them by Channel 2 without interruption. Such stations are referred to as *repeater* stations. We estimate that the Channel 2 Network reaches

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approximately 29.8 million households, representing 98% of the households with television sets in Mexico. The Channel 2 Network accounted for a majority of our national television advertising sales in each of 2015, 2016 and 2017.

The Channel 2 Network targets the average Spanish-speaking family as its audience. Its programs include soap operas (telenovelas), news, entertainment, comedy and variety programs, movies, game shows, reality shows and sports. The telenovelas make up the bulk of the prime time lineup and consist of romantic dramas that unfold over the course of 70 to 120 half-hour episodes. Substantially all of Channel 2's programming is aired on a first-run basis and much of it is produced by us.

Channel 5 Network. In addition to its anchor station, Channel 5 is affiliated with 65 repeater stations located throughout parts of Mexico. We estimate that the Channel 5 Network reaches approximately 27.5 million households, representing approximately 90.4% of households with television sets in Mexico. We believe that Channel 5 offers the best option to reach the 18-34 year old demographic, and we have extended its reach into this key group by offering new content.

We believe that Channel 5 has positioned itself as the first social television channel in Mexico, with exclusive content for each platform, with a combination of reality shows, national and international soccer, sitcoms, dramas, movies, cartoons and other children's programming. The majority of Channel 5's programs are produced outside of Mexico, primarily in the United States. Most of these programs are produced in English.

Channel 9 Network. In addition to its anchor station, Channel 9 is affiliated with 30 repeater stations, approximately 35% of which are located in central Mexico. We estimate that Channel 9 reaches approximately 22.1 million households, representing approximately 72.5% of households with television sets in Mexico.

The Channel 9 Network targets viewers 30 years and older. Its programs include movies, sports, sitcoms, game shows, telenovelas produced by third parties, news, an entertainment newscast and re-runs of popular programs from Channel 2.

Channel 4. Channel 4 broadcasts in the Mexico City metropolitan area and, according to our estimates, reaches over 6.4 million households, representing approximately 21.2% of television households in Mexico in 2017. As described above, as part of our plan to attract medium-sized and local Mexico City advertisers, we focused the reach of this network throughout Mexico and revised the format of Channel 4 to create ForoTV in an effort to target viewers in the Mexico City metropolitan area. We currently sell local advertising time on ForoTV to medium-sized and local advertisers at rates comparable to those charged for advertising on local, non-television media, such as radio, newspapers and billboards. However, by purchasing local advertising time on ForoTV, medium-sized and local advertisers are able to reach a wider audience than they would reach through local, non-television media.

ForoTV targets young adults between 30 and 40 years old, and adults more than 55 years old. Its programs consist primarily of journalist content, news, and round table programs in which the participants analyze the national and international news.

Local Affiliates. There are currently 30 local television stations affiliated with our networks, of which 17 stations are wholly owned, one station is minority owned and 12 stations are independent affiliated stations. These stations receive part of their programming from Channels 4 and 9. See Channel 4 . The remaining programs aired consist primarily of programs licensed from our program library and locally produced programs. The locally produced programs include news, game shows, musicals and other cultural programs and programs offering professional advice. In 2015, 2016 and 2017, the local television stations owned by us produced 51,600 hours, 51,000 hours and 51,100 hours, respectively, of programming. Each of the local affiliates maintains its own sales department and sells advertising time during broadcasts of programs that it produces and/or licenses. Generally, we pay the affiliate stations that we do not wholly own a fixed percentage of advertising sales for network affiliation.

Border Stations. Until May 30, 2017, we had a station operation agreement with Bay City Television, a U.S. corporation indirectly owned by us, which, pursuant to an electronic cross-border permit from the FCC, broadcasted English content through XETV, a Tijuana based television station that operates under a concession from the SCT in Mexico.

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Network Subscription. We produce or license a suite of Spanish and English-language television channels for pay-TV systems in Mexico, Latin America, the Caribbean, Europe, the United States, Canada, Africa and Australia. These channels include programming such as general entertainment, telenovelas, movies, news and music-related shows, interviews and videos. Some of the programming included in these channels is produced by us while other programming is acquired or commissioned from third parties. We commercialize 26 pay-TV brands through over 69 domestic and international feeds, which reach over 45 million subscribers worldwide, averaging six networks per subscriber.

In 2015, 2016 and 2017, we produced approximately 25,500 hours, 27,400 hours and 25,500 hours, respectively, of programming and videos, for broadcast on our pay-TV channels. The names and brands of our standard definition channels include: *Telehit*, *RMS (formerly Ritmoson)*, *Bandamax*, *De Película*, *TLN (Portugues)*, *Unicable*, *Golden*, *Edge*, *Golden Latinoamérica*, *TLNovelas*, *Tiin*, *Estrellas Latinoamérica*, *Estrellas Delay-2hrs*, *Estrellas Delay-1hr*, *Distrito Comedia*, *TDN*, *TD Centro* and *UTDN*. The brands of our high definition channels include: *Golden HD*, *Telehit HD*, *TDN HD*, *De Película HD*, *Unicable HD*, *Golden Premier HD*, *Foro TV HD Nacional* and *Fighting Sports Network FSN HD*.

Licensing and Syndication. We license our programs and our rights to programs produced by other television broadcasters and pay-TV providers in the United States, Canada, Latin America, Asia, Europe and Africa. We collect licensing fees based on the size of the market for which the license is granted or on a percentage of the advertising sales generated from the programming. In addition to the programming licensed to Univision, we licensed 80,444 hours, 93,473 hours and 85,098 hours of programming in 2015, 2016 and 2017, respectively. See Univision and Operating and Financial Review and Prospects Results of Operations Total Segment Results Content . As of December 31, 2017, we had 268,715 half-hours of television programming in our library available for licensing.

Expansion of Programming Reach. Our programs can be seen in the United States, Canada, Latin America, Asia, Europe, Africa and Australia. We intend to continue to expand our sales of Spanish-language programming internationally through pay-TV services.

Televisa Digital. Televisa Digital is the Company's online and wireless content division. This venture includes Televisa.com, our Spanish-language horizontal website and online and supported video streaming, as well as video on demand apps and our mobile value added service unit. Currently, our video on demand apps are Las Estrellas, Sports and News. Additionally, in 2016, we launched a digital version of Apple TV for Las Estrellas. Televisa Digital leverages the Company's and third parties' premium and extensive Spanish-language content, including news, sports, business, music and entertainment, editorials, life and style, technology, health, kids and an opinion survey channel.

We have a strong presence on every social media platform by managing over 150 accounts and reaching over 35 million social media user accounts (one user can be a follower of one or more social media profiles).

We have license agreements to distribute Telemundo's original content through digital and wireless platforms in Mexico. As part of the agreements, Telemundo provides us with original content, including its highly popular telenovelas currently broadcasted on our Channel 9 and on all of our digital platforms. The agreements complement and are part of the strategic alliance to distribute Telemundo's original content in Mexico across multiple platforms, including broadcast television, pay-TV and emerging digital platforms.

In order to become more competitive in the digital marketplace, in 2017, Televisa Digital continued to focus on distributing and monetizing our content across social media, apps and sites and maintaining alliances with Facebook, YouTube and other social media platforms for new products such as Twitter Amplify, Google AMP, YouTube Reserved and Snappy TV.

OTT Platform. In January 2014, we launched an over-the-top (OTT) platform under the brand VEO , which in February 2016 was relaunched as blim . Blim is operated by Televisa, S.A. de C.V. and is accessible through any electronic device with an Internet connection and provides two different services in Mexico: (i) Subscription Video-On-Demand (SVOD) with an extensive catalogue of domestic and foreign entertainment (original productions, movies, series, documentaries, programs, *telenovelas* and children's content); and (ii) TV Everywhere that provides live television content of a few of the Company's PayTV channels in certain territories.

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Advertising Sales Plan. Our sales force is organized into separate teams, each of which focuses on groups of clients, in order to provide multi-platform offers that include free-to-air television, pay television, local stations and digital services. In 2018, we began billing our clients on a cost-per-rating-point basis rather than on a fixed pricing scheme. Most of our sales were done through Modular 2.0 or packages that have a pre-determined allocation through national channels and dayparts. We sell commercial time in two ways: upfront and scatter basis. Advertisers that elect the upfront option lock in prices for most of our commercial inventory for the upcoming year, regardless of future price changes. Advertisers that choose the upfront option make annual prepayments, with cash or short-term notes, and are charged lower rates than those charged on a scatter basis for their commercial time, given the highest priority in schedule placement, and given a first option in advertising during special programs. Scatter advertisers, or advertisers who choose not to make upfront payments but rather advertise from time to time, risk both higher prices and limited access to choose commercial time slots. Under our cost-per-rating-point approach, all advertisers are billed based on actual gross rating points delivered. For 2018, we have successfully migrated to a pricing mechanism based on ratings. For a description of our advertising sales plan, see Operating and Financial Review and Prospects Results of Operations Total Segment Results Content Advertising Rates and Sales .

We currently sell a significant portion of our available television advertising time. We use the remaining portion of our television advertising time primarily to satisfy our legal obligation to the Mexican government to provide up to 18 minutes per day of our broadcast time between 6:00 a.m. and midnight for public service announcements and 30 minutes per day for public programming (referred to in this annual report as Official Television Broadcast Time), and our remaining available television advertising time to promote, among other things, our products. We sold approximately 53%, 42% and 35% of total available national advertising time on our networks during prime time broadcasts in 2015, 2016 and 2017, respectively, and approximately 45%, 35% and 29% of total available national advertising time during all time periods in 2015, 2016 and 2017, respectively. See Operating and Financial Review and Prospects Results of Operations Total Segment Results Content .

Sky

Background. We operate Sky , our DTH satellite venture in Mexico, Central America and the Dominican Republic, through Innova. We indirectly own 58.7% of this venture. The remaining 41.3% of Innova is owned by DIRECTV. For a description of capital contributions and loans we have made to Innova, see Operating and Financial Review and Prospects Results of Operations Liquidity, Foreign Exchange and Capital Resources Capital Expenditures, Acquisitions and Investments, Distributions and Other Sources of Liquidity .

Innova's Social Part Holders Agreement provides that neither we nor News Corp. nor DIRECTV may directly or indirectly operate or acquire an interest in any business that operates a DTH satellite system in Mexico, Central America and the Dominican Republic (subject to limited exceptions).

As of December 31, 2015, 2016 and 2017, Innova's DTH satellite pay-TV service had 7,284,162, 8,026,519 and 8,002,526 gross active subscribers, respectively. Innova primarily attributes its successful growth to its superior programming content, its exclusive transmission of the largest coverage sporting events such as soccer tournaments and special events, its high quality customer service and its nationwide distribution network with approximately 1,006 points of sale. In addition to the above, Innova also experienced growth during 2015, 2016 and 2017 due to the success of VeTV, our low-end package in Mexico. Sky continues to offer the highest quality and exclusive content in the Mexican pay-TV industry. Its programming packages combine our over-the-air channels with other exclusive content.

During 2017, Sky offered exclusive content, which included certain Mexican Soccer League matches and most of the Spanish Soccer League, La Liga and La Copa del Rey, the English Premier League and the FA Cup, the NFL Sunday Ticket, the NHL, bullfighting, FEI Events, marathons, Diamond League, the largest coverage of the Mexican Baseball League (LMB), ATP tournaments, Basketball Euroleague and FIFA tournaments in Central

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America and some exclusive matches in Mexico. In addition to new programming contracts, Sky continues to operate under arrangements with a number of third party programming providers to provide additional channels to its subscribers. Sky also has arrangements with the major programming studios and sports federations.

In 2017, the Sky HD Package comprised 156 channels, as well as 28 additional channels for pay-per-view. We expect to continue broadening our HD offering in the coming years for which we may need additional transponder capacity.

As of December 31, 2017, programming package monthly fees for residential subscribers, net of a prompt payment discount if the subscriber pays within 12 days of the billing date, are the following: Basic Ps.159, Fun Ps.309, Fox+ Ps.469, HBO Ps.479 and Universe Ps.689. Monthly fees for each programming package do not reflect a monthly rental fee in the amount of Ps.174 for the decoder necessary to receive the service (or Ps.160 if the subscriber pays within 12 days of the billing date) and a one-time activation fee which depends on the number of decoders and payment method. The monthly fees with respect to our prepaid programming package are the following: VeTV Ps.104, VeTV PLUS Ps.154 and the monthly rental fee for the decoder necessary to receive the service is Ps.95.

Sky devotes 12 pay-per-view channels to family entertainment and movies and eight channels are devoted to adult entertainment. In addition, Sky assigns seven extra channels exclusively for special events, known as Sky Events, which include concerts and sports. Sky provides some Sky Events at no additional cost while it sells others on a pay-per-view basis.

The installation fee is based on the number of set up boxes and the method of payment chosen by the subscriber. The monthly cost consists of a programming fee plus a rental fee for each additional box.

Programming. We are a major source of programming content for our DTH venture and have granted our DTH venture DTH satellite service broadcast rights to most of our existing and future program services (including pay-per-view services on DTH), subject to some pre-existing third party agreements and other exceptions and conditions. Through its relationships with us and DIRECTV, we expect that the DTH satellite service in Mexico will be able to continue to negotiate favorable terms for programming both with third parties in Mexico and with international suppliers from the United States, Europe and Latin America.

Cable

The Cable Television Industry in Mexico. Cable television offers multiple channels of entertainment, news and informational programs to subscribers who pay a monthly fee. These fees are based on the package of channels the

subscribers receive. According to IFT, there were approximately 1,138 pay-TV concessions in Mexico, including 195 integrated sole concessions, as of December 31, 2017, serving approximately 19.6 million subscribers (including cable and DTH).

Digital Cable Television Services. Our cable companies offer on-screen interactive programming guide, video on demand, high definition channels as well as other services throughout Mexico. Along with their digital pay-TV service, our cable companies offer high speed internet and a competitive digital telephone service. Through their network, they are able to distribute high quality video content, new services, interactivity with video on demand, 1080i high definition, impulse and order pay-per-view, a-la-carte programming, among other products and services, with added value features and premium solutions for consumers, and telephony and internet.

Revenues. Our cable companies generate revenues from their pay-TV, broadband and telephony services, from additional services such as video on demand, and from sales of advertising to local and national advertisers. Subscriber revenues come from monthly service and rental fees and, to a lesser extent, one-time installation fees.

Cable Initiatives. Our cable companies plan to continue offering the following services to their subscribers:

- Enhanced programming services, including video on demand, subscription video on demand, high definition;
- Broadband internet services; and
- IP telephony services.

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Cablevisión. We own a 51% controlling stake in Cablevisión, one of the most important cable television operators in Mexico, which operates in Mexico City and its metropolitan area, where it offers cable television, high speed internet access and IP telephony services.

TVI. In March 2016, we acquired the remaining 50% of the equity interest of TVI and its subsidiaries and as a result, TVI is a wholly-owned subsidiary of the Company. The transaction amounted to Ps.6,750 million, including the assumption of long-term liabilities in the aggregate amount of Ps.4,750.0 million, with maturities between 2017 and 2020, and a cash payment of Ps.2,000.0 million. TVI offers cable television, internet access, telephony services and bidirectional data transmission in the metropolitan area of Monterrey and other areas of northern Mexico.

Cablemás. We own Cablemás, which operates in approximately 104 cities in Mexico where it offers cable television, high speed internet access and telephony services.

Cablecom. On July 31, 2013, we invested Ps.7,000 million in convertible debt instruments, which in August 2014 we converted into 95% of the equity interest in Ares, the owner of 51% of the equity interest in Cablecom, a cable company that offers cable television, internet access and telephony services in Mexico. As part of the 2013 transaction, we also invested U.S.\$195 million in a debt instrument issued by Ares. In August 2014, we acquired, pursuant to applicable regulations, the remaining 5% of the equity interest in Ares and the remaining 49% of the equity interest of Cablecom for an additional consideration of Ps.8,550 million, which consisted of the capitalization of the U.S. dollar debt instrument issued by Ares in the amount of Ps.2,642 million, and cash in the amount of Ps.5,908 million.

Telecable. On January 8, 2015, through a series of transactions, we acquired 100% of the equity interest of Telecable for an aggregate consideration of Ps.10,002 million. Telecable is a cable company that provides cable television, internet access and telephony services in Mexico, primarily in the states of Guanajuato, Jalisco, Aguascalientes, Queretaro, Tamaulipas, and Colima, among others.

Bestel. Currently, the Company indirectly holds 66.1% of the equity of Bestel (35.3% through Cablevisión and 30.8% of CVQ), which provides voice, data, and managed services to domestic and international carriers and to the enterprise, corporate, and government segments in Mexico. Through Bestel (USA), Inc., Bestel provides cross-border services to U.S. carriers including internet protocol, or IP, transit, collocation, international private lines, virtual private networks, or VPNs, and voice services, as well as access to the Internet backbone via companies or carriers classified as TIER 1 which are networks that can reach every other network on the internet without purchasing internet protocol address transit or paying settlements and TIER 2 which are networks that peer with some networks, but purchase internet protocol address transit or pay settlements to reach at least some portion of the internet. Bestel operates more than 28,000 kilometers of a fiber-optic network of which it owns approximately 10,000 kilometers. This fiber-optic network covers several important cities and economic regions in Mexico and has direct crossing of its

network into Dallas, Texas, Nogales, Arizona, and San Diego, California in the United States. This enables the company to provide high capacity connectivity between the United States and Mexico.

Other Businesses

Publishing. Notwithstanding the challenges facing the publishing industry, we believe we have maintained our position as the most important publisher and distributor of magazines in Mexico and of Spanish-language magazines in the world, as measured by circulation.

With a total circulation of approximately 71.8 million copies in 2017, we publish 110 titles that are distributed in 14 countries, including the United States, Mexico, Colombia, Chile, Argentina, Peru and Panama, among others. See Other Businesses – Publishing Distribution . Our main publications in Mexico include *TV y Novelas*, a weekly entertainment and telenovelas magazine; *Vanidades*, a popular bi-weekly magazine for women; and *Caras*, a monthly leading lifestyle and socialite magazine. Our other main publications in Latin America and the United States include *Vanidades*, *TV y Novelas U.S.A.* and *Caras* Colombia and Chile.

We publish the Spanish-language edition of several magazines, including *Cosmopolitan*, *Harper's Bazaar*, *Seventeen*, and *Esquire* through a joint venture with Hearst Communications, Inc.; *Men's Health*, *Women's Health* and *Runner's World*, pursuant to a license agreement with Rodale, Inc.; *Marie Claire*, pursuant to a license agreement with Marie Claire Album; *Sport Life* and *Automóvil Panamericano*, as well as other special editions of popular automotive magazines, through a joint venture with Motorpress Ibérica, S.A.; *Muy Interesante* and *Padres e*

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Hijos pursuant to a joint venture with Zinet Media Global, S.L. We also publish a Spanish-language edition of *National Geographic* and *National Geographic Traveler* in Latin America and in the United States through a licensing agreement with National Geographic Partners, LLC. In addition, we publish several comics pursuant to license agreements with Marvel Characters, B.V., Mediatoon Licensing and DC Comics.

Our digital advertising revenue increased from 10.1% of the total advertising revenue of the publishing business in 2015 to 17.1% in 2017.

Publishing Distribution. We estimate that we distribute more than 50%, in terms of volume, of the magazines circulated in Mexico through our subsidiary, Distribuidora Intermex, S.A. de C.V., or Intermex. We believe that our distribution network, including independent distributors, reaches over 300 million Spanish-speaking people in approximately 14 countries, including Mexico, Colombia, Argentina, Chile, Peru and Panama. We also estimate that such distribution network reaches more than 20,000 points of sale in Mexico. Our publications are also sold in the United States, the Caribbean and elsewhere through independent distributors. In Mexico, in 2015, 2016 and 2017, 67.4%, 60.2% and 58.6%, respectively, of the publications distributed by our company were published by our Publishing division. In addition, our distribution network sells a number of publications published by joint ventures and independent publishers, as well as sticker albums, novelties and other consumer products.

Sports and Show Business Promotions. We actively promote a wide variety of sports events and cultural, musical and other entertainment productions in Mexico. Most of these events and productions are broadcast on our television stations, cable television system, radio stations and DTH satellite services. See Content Programming , Cable Digital Cable Television Services , Radio Stations and Our Operations Sky .

Soccer. We own Club de Fútbol América S.A. de C.V., or Club América, which currently plays in the Mexican First Division and is one of the most popular and successful soccer teams in Mexico. In the Mexican First Division, each team plays two tournaments of 17 games per regular annual season. The best teams of each regular season engage in post-season championship play.

We own the Azteca Stadium, which has hosted two World Cup Inaugurations and Final Games (1970 and 1986). In 2016, the Azteca Stadium underwent major renovations, adding new premier zones (suites and club seats). The stadium currently has a total seating capacity of approximately 84,500 fans. The Azteca Stadium hosts the home games of Club América as well as the qualifying matches of the Mexican National Team. The stadium has a current contract with the National Football League, or the NFL, to host one regular season game each year beginning in 2016, and is expected to host three more official regular season NFL games through 2021 as well.

Promotions. We promote a wide variety of concerts and other shows, including beauty pageants, song festivals and shows of popular Mexican and international artists.

Feature Film Production and Distribution. We produce and co-produce first-run Spanish- and English-language feature films, some of which are among Mexico's top films based on box office receipts.

We distribute our films to movie theaters in Mexico, the United States and Latin America, and later release them for broadcast on video on demand, cable and network television; some of those films have been partially financed by us and are among the highest grossing Mexican films in Mexico, such as *Un Gallo Con Muchos Huevos*, *No Manches Frida*, *Hazlo Como Hombre*, *3 Idiotas* and the Spanish language film that broke audience and box office records in Mexico and the United States during its release year, *Instructions Not Included*, which became the second highest film in Mexico in terms of number of viewers. We distribute feature films produced by non-Mexican producers in Mexico. In 2015, 2016, 2017 and up to February 2018, we distributed 19, 21, 20 and 4 feature films, respectively, including several U.S. box office hits.

At December 31, 2017, we owned or had rights to 395 Spanish-language theatrical films, 165 theatrical films in other languages, 25 Spanish-language video titles and 27 video titles in other languages. Many of these films and titles have been shown on our television networks, cable system, DTH and subscription video on demand services.

Gaming Business. In 2006, we launched our gaming business, which consists of casinos and an online gaming site. As of December 31, 2017, we had 17 casinos in operation, under the brand name PlayCity. In accordance

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with our permit, we plan to continue opening casinos. In 2017, we launched our online sports betting site. The casinos and our online sports betting site are operated under the Gaming Permit obtained from the Mexican Ministry of the Interior, to establish, among other things, up to 55 casinos and number draws throughout Mexico. During 2017, our management decided to begin an internal process to close Multijuegos, our lottery business, and in December 2017, we obtained an authorization from the Mexican Ministry of the Interior, to suspend such business operations.

Radio Stations. Our radio business, Sistema Radiópolis, S.A. de C.V., or Radiópolis, is operated under a joint venture with Promotora de Informaciones, S.A., or Grupo Prisa, a leading Spanish communications group. Under this joint venture, we hold a controlling 50% full voting stake in this subsidiary and we have the right to appoint the majority of the members of the joint venture's board of directors. Except in the case of matters that require unanimous board and/or stockholder approval, such as extraordinary corporate transactions, the removal of directors and the amendment of the joint venture's organizational documents, among others, we control the outcome of most matters that require board of directors and/or stockholder approval. We also have the right to appoint Radiópolis' Chief Financial Officer. The election of Radiópolis' Chief Executive Officer requires a unanimous vote from the joint venture's board of directors.

Radiópolis owns and operates 17 radio stations in Mexico, including three AM and three FM radio stations in Mexico City, five AM and two FM radio stations in Guadalajara, one AM station in Monterrey, one FM radio station in Mexicali, one AM/FM combo station in San Luis Potosí and one FM radio station in Veracruz. Some Radiópolis stations transmit powerful signals which reach beyond the market areas they serve. For example, XEW-AM and XEWA-AM transmit signals that under certain conditions may reach the southern part of the United States. XEW-AM may also reach most of southern Mexico. Including owned and affiliated stations, Radiópolis has 88 stations. We estimate that Radiópolis' radio stations reach 23 states in Mexico. Our programs aired through our radio stations network reach approximately 64% of Mexico's population. We plan to continue to explore ways to expand the reach of our radio programming and advertising through affiliations with third parties and through acquisitions.

According to Investigadores Internacionales Asociados, S.C., or INRA, in 2015, 2016 and 2017, XEW-AM ranked, on average, twelfth, thirteenth and fourteenth, respectively, among the 32 stations in the Mexico City metropolitan area AM market, XEQ-FM, ranked, on average, first, first and first respectively, among the 30 stations in the Mexico City metropolitan area FM market, and XEBA ranked, on average, second, second and second respectively, among the 24 stations in the Guadalajara City metropolitan FM market. INRA conducts daily door-to-door and automobiles interviews in the Mexico City metropolitan area to determine radio listeners' preferences. Outside Mexico City, INRA conducts periodic surveys.

Our radio stations use various program formats, which target specific audiences and advertisers, and cross-promote the talent, content and programming of many of our other businesses, including television, sports and news. We produce some of Mexico's top-rated radio formats, including W Radio (News-talk), W Deportes (Sports), Ke Buena (Mexican music) and Los 40 (Pop music). W Radio, Ke Buena and Los 40 formats are also broadcast through the internet.

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The successful exclusive radio broadcasting in 2017 of the Liga Mx, Copa Oro, Copa Confederaciones, Champions League, La Liga, NFL and World Series placed Radiópolis among the highest rating sports-broadcasting radio stations in Mexico.

During the last five years, Radiópolis has organized 20 massive live musical events with leading artists, gathering an attendance of 98,457 people in aggregate for the last two events, which were performed at the Azteca Stadium in Mexico City. The events organized by Radiópolis have become among the most popular music-related events among the musical radio stations in Mexico.

We sell both national and local advertising on our radio stations. Our radio advertising sales force sells advertising time primarily on a scatter basis. See [Our Operations Content Programming Advertising Sales Plan](#) . In addition, we use some of our available radio advertising time to satisfy our legal obligation to the

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Mexican government to provide up to 35 minutes per day of our broadcast time, between 6:00 a.m. and midnight for public service announcements, and 30 minutes per day for official programming (referred to in this annual report as Official Radio Broadcast Time).

Investments

OCEN. We own a 40% stake in OCEN, a subsidiary of CIE, which owns all of the assets related to CIE's live entertainment business unit in Mexico. OCEN's business includes the production and promotion of a wide variety of live entertainment events such as concerts, theatrical, family and cultural events, as well as the operation of entertainment venues, the sale of entrance tickets (under an agreement with Ticketmaster Corporation), food, beverages and merchandising, and the booking and management of Latin artists. OCEN is ranked as the number three live show promoter in the world, according to Pollstar Magazine.

During 2015, 2016 and 2017, OCEN promoted 2,727, 2,968 and 2,986 events, respectively, and during 2017, it managed 12 entertainment venues in Mexico City, Guadalajara and Monterrey, providing an entertainment platform that established OCEN as one of the principal live entertainment companies in Mexico.

During 2017, 21.8 million entrance tickets were issued by OCEN's subsidiary Ticketmaster, compared to 22.8 million in 2016.

Imagina. We own equity participations equivalent to 19.9% of the capital stock of Imagina, one of the main providers of content and audiovisual services for the media and entertainment industry in Spain. Imagina was created in 2006 with the merger of Mediapro and Grupo Arbol. Imagina is a leading distributor of sports rights and is the current promoter of the Spanish Soccer League distribution rights worldwide. Imagina is also a provider of satellite transmission services as well as on location production and post-production services for third parties.

As part of our participation in Imagina, we improved potential synergies between us and Imagina and opportunities to create value. Additionally, we have certain rights of first refusal to acquire formats and audiovisual content, as well as transmission rights for sport events in certain territories. We appoint two directors to Imagina's board, which is currently composed of 10 members.

On February 16, 2018, we announced that we have agreed to sell our 19.9% stake in Imagina. Upon closing of the transaction, total proceeds to us will be approximately 284 million euros. The closing and total proceeds to be received are subject to the fulfillment of certain conditions and is expected to take place in the next few months.

Grupo de Telecomunicaciones de Alta Capacidad, S.A.P.I. de C.V. In March 2010, Telefónica, Editora Factum, S.A. de C.V., a wholly-owned subsidiary of the Company which was merged into CVQ in May 2015, and Megacable agreed to jointly participate, through a consortium known as Grupo de Telecomunicaciones de Alta Capacidad, S.A.P.I. de C.V. (GTAC), in the public bid for a pair of dark fiber wires held by the CFE (*Comisión Federal de Electricidad*). In June 2010, the SCT granted GTAC a favorable award in the bidding process for a 20 year contract for the lease of up to 19,457 kilometers of dark fiber-optic capacity, along with a corresponding concession, granted in July 2010, to operate a public telecommunications network using DWDM technology. In June 2010, one of our subsidiaries entered into a long-term credit facility agreement to provide financing to GTAC in an amount up to Ps.688.2 million. Under the terms of this agreement, principal and interest are payable at dates agreed by the parties, between 2013 and 2021. In addition, a subsidiary of the Company entered into supplementary long-term loans to provide additional financing to GTAC for an aggregate principal amount of Ps.582.7 million. By the end of 2017, GTAC had in operation 175 links and 151 nationwide nodes, and the services for customers grew to 2,200, of which 89% have a capacity of 10 Gbps. The overall capacity per link is approximately 3.2 Tbps (80 optical channels x 10, 40 and 100 Gbps each channel). In addition, GTAC maintains four of its own routes (1,720 kilometers), three third-party dark fiber IRU (1,782 kilometers) and local loops (518 kilometers). This new fiber optic network will represent for us a new alternative to access data transportation services, increasing competition in the Mexican telecommunications market and therefore improving the quality of the services offered. The fiber optic network will aim to increase broadband internet access for businesses as well as households in Mexico.

We have investments in several other businesses. See Notes 3 and 10 to our consolidated year-end financial statements.

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Univision

We have a number of arrangements with Univision, the leading Spanish-language media company in the United States that owns and operates the following: Univision Network, a leading content creator that is among the most-watched Spanish-language television networks in the United States; UniMás; Univision Cable Networks; Galavisión; UDN (Univision Deportes Network); Univision tlnovelas; ForoTV; De Película; De Película Clásico; Bandamax; Ritmoson; Telehit; Univision Local Media, which owns and/or operates 62 television stations and 58 radio stations in major Hispanic markets within the United States and Puerto Rico; Univision Now, a direct-to-consumer, on demand and live streaming subscription service; and the Fusion Media Group (FMG), a division that serves young, diverse audiences, which includes 10 cable networks, news and lifestyle English language network FUSION TV, UCI's interest in El Rey Network, Univision.com, Uforia, a music application featuring multimedia music content; as well as a collection of leading digital brands that span a range of categories: technology (Gizmodo), sports (Deadspin), music (TrackRecord), lifestyle (Lifehacker), modern women's interests (Jezebel), news and social justice (FUSION.net), African American news and culture (The Root), gaming (Kotaku), and car culture (Jalopnik). FMG also includes the Company's interest in comedy and news satire brands The Onion, Clickhole and The A.V. Club.

On December 20, 2010, Univision, we, UHI and other parties affiliated with the investor groups that own UHI, entered into various agreements and completed certain transactions previously announced in October 2010. As a result, in December 2010, we (1) made a cash investment of U.S.\$1,255 million in UHI (formerly known as BMP), in exchange for an initial 5% equity stake in UHI, and U.S.\$1,125 million aggregate principal amount of 1.5% Convertible Debentures of UHI due 2025 which were convertible at our option into additional shares then equivalent to an approximately 30% equity stake of UHI, subject to applicable laws and regulations in the United States and other conditions, (2) acquired an option to purchase at fair value certain additional equity in UHI, subject to applicable laws and regulations in the United States, and other terms and conditions, and (3) sold to Univision our 50% equity interest in TuTv, our previous joint venture with Univision engaged in satellite and cable pay-TV programming distribution in the United States, for an aggregate cash amount of U.S.\$55 million. In connection with this investment, (1) we entered into an amended program license agreement, or PLA, with Univision, pursuant to which Univision has the exclusive right to broadcast certain Televisa content in the United States, (2) we entered into a new program license agreement with Univision, the Mexico License Agreement, or MLA, under which we have received the exclusive Spanish-language broadcast and digital rights to Univision's audiovisual programming (subject to certain exceptions) in Mexico during the term of the PLA, and (3) three designees of the Company joined Univision's then 20-member Board of Directors, which was later increased to four designees of the Company on Univision's expanded 22-member Board of Directors, on which there are currently 19 directors serving.

As part of our investment in Univision, we agreed, together with the Univision Sponsor group, to an incentive fee with Saban Capital Group that may result in the Company reducing its stake in Univision by approximately 3% (on a fully diluted basis) or paying an equivalent amount in cash.

Under the PLA, we granted Univision exclusive Spanish-language broadcast and digital rights to our audiovisual programming (subject to certain exceptions) in the United States and all territories and possessions of the United States, including Puerto Rico, which includes the right to

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use our online, network and pay-television programming on current and future Spanish-language television networks (with certain exceptions), including the Univision, UniMás and Galavisión cable television networks, owned or controlled by Univision and current and future Univision Spanish-language online and interactive platforms (such as Univision.com, UVideos and Video on Demand). Univision also has rights under the PLA to broadcast in the United States Mexican First Division soccer league games for which we own or control the United States rights, which began with select teams in 2011 and which expanded in 2015 to all teams to which we own or control United States rights. We have agreed to provide Univision with at least 8,531 hours of programming per year for the term of the PLA.

In connection with the December 20, 2010 transactions with Univision, we and Univision entered into the MLA, under which we have received the exclusive Spanish-language broadcast and digital rights to Univision's audiovisual programming (subject to certain exceptions) in Mexico during the term of the PLA.

We have an international program rights agreement, or IPRA, with Univision that previously required Univision to grant us and Venevision International Corporation, or Venevision, the right to broadcast outside the United States

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programs produced by Univision for broadcast on the Univision Network or the Galavision Network under this agreement. On December 20, 2010, we and Univision entered into an amendment to the IPRA pursuant to which, subject to the MLA and certain existing agreements with Venevision, our broadcast rights over certain Univision programs reverted back to Univision without affecting Venevision's rights under the IPRA. We have been informed that certain of Venevision's agreements with Univision have now been terminated and others have been amended. We also entered into an international sales agency agreement with Univision, pursuant to which Univision grants us the right to act as Univision's sales agent during the term of the MLA to sell or license worldwide outside the United States and Mexico Univision's Spanish-language programming, to the extent Univision makes such programming available in other territories and Univision owns or controls rights in these territories, and subject to limited exceptions.

In December 2011, we made an additional investment of U.S.\$49.1 million in cash in common stock of UHI by which we increased our interest in UHI from 5% to 7.1%. In August 2012, we made an additional investment of U.S.\$22.5 million in cash in common stock of UHI by which we increased our interest in UHI from 7.1% to 8.0%. On January 30, 2014, a group of institutional investors made a capital contribution to UHI. As a result of this transaction, our equity stake in UHI decreased from 8.0% to 7.8%. On July 15 2015, we exercised 267,532 warrants to increase our equity stake from 7.8% to 10% (as discussed further below).

On July 1, 2015, the Company, UHI and Univision, together with Univision's major shareholders, entered into a Memorandum of Understanding (the "MOU") and Univision and a subsidiary of the Company entered into an amendment to the existing PLA (the "PLA Amendment").

Under the PLA Amendment, the terms of the existing strategic relationship between Univision and the Company were amended, including as follows:

(i) **Revised Royalty Computation** In exchange for Univision agreeing to make certain additional sources of revenue subject to the royalty, effective January 1, 2015 and through December 2017, the royalty rate on substantially all of Univision's Spanish-language media networks revenue was decreased to 11.84%, compared to 11.91% under the previous terms of the PLA. On January 1, 2018, the royalty rate increased from 11.84% to 16.13%, compared to 16.22% under the prior terms. Additionally, the Company will continue to receive an incremental 2% in royalty payments on such media networks' revenues above an increased revenue base of \$1.66 billion, compared to the prior revenue base of \$1.65 billion. The royalty rate will increase again to 16.45% starting later in June 1, 2018 and for the remainder of the term, from 16.13%, compared to the prior rate of 16.54%. With this second rate increase, the Company will receive an incremental 2% in royalty payments above a reduced revenue base of \$1.63 billion. The royalty base generally includes all Univision revenues from the exploitation or operation of its Spanish-language audiovisual platforms, sublicensing arrangements, licenses of content to network affiliates or multichannel video programming distributors, and Univision-branded online platforms, whether those revenues are derived on an advertising, subscription, distribution, interactive media, or transactional basis.

(ii) **Term Extension** Subject to Univision completing a public offering of its common stock that results in net proceeds to Univision of a minimum agreed upon amount and no change of control having occurred, the PLA Amendment extends the term of the PLA from its current expiration date of the later of 2025 and 90 months after the

Company voluntarily sells two-thirds of its equity interests in UHI, to the later of 2030 and 90 months after the Company voluntarily sells two-thirds of its equity interests in UHI. Univision's exclusive U.S. broadcast and digital rights (with limited exceptions) to the Company's programming including premium Spanish-language telenovelas, sports, sitcoms, reality series, new programming and feature films, remains substantially unchanged. In March 2018, UHI announced that it has determined not to utilize the registration statement initially filed on July 2, 2015 for an initial public offering in the United States.

As consideration for the PLA Amendment, the MOU and other agreements entered into at the same time, Univision made a one-time payment of \$4.5 million to the Company on July 6, 2015.

At the same time, the Company and Univision amended the MLA to conform to the PLA Amendment.

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In addition, under the terms of the MOU, Univision, the Company and the major shareholders of Univision agreed to the following:

(i) **Equity Capitalization Amendment** The equity capitalization of Univision was adjusted to realign the economic and voting interest of the Company and Univision's other stockholders. As a result, the Company holds common stock that, upon an initial public offering of Univision, would have approximately 22% of the voting rights of Univision's common stock. The classes of Univision shares of common stock held by the Company provide the right to designate a minimum number of directors to Univision's board of directors.

(ii) **Conversion of Debentures** In July 2015, the Company exchanged \$1.125 billion principal amount of Univision's convertible debentures into warrants that are exercisable for certain classes of UHI's common stock. In connection with the conversion, Univision made a one-time payment to the Company of \$135.1 million on July 15, 2015 to induce the conversion. In July 2015, the Company exercised 267,532 warrants to increase its equity stake in UHI from 7.8% to 10%. On December 31, 2017, the Company held 4,590,953 warrants exercisable for shares of Univision.

Technical Assistance Agreement

In connection with our investment in Univision, we and other parties affiliated with the investor group that own UHI, entered into an agreement under which the Company provided Univision with certain technical assistance related to the Univision's business. Effective as of March 31, 2015, UHI and the Company entered into an agreement to terminate the technical assistance agreement. Under this termination agreement, UHI agreed to pay a reduced termination fee and the increased quarterly service fees referenced below in full satisfaction of Univision's obligations to the Company under the technical assistance agreement. Pursuant to such termination agreement, Univision paid to the Company a termination fee of \$67.6 million on April 14, 2015 and continued to pay the increased quarterly service fee equal to 0.7365836% of EBITDA for the calendar quarter in question, until December 31, 2015.

FCC Matters

On January 3, 2017, the FCC (a) approved an increase in the authorized aggregate foreign ownership of Univision's issued and outstanding shares of common stock from 25% to 49%; and (b) authorized the Company to hold up to 40% of the voting interests and 49% of the equity interests of Univision. As a result of such authorization, the Company will be able to increase its current equity stake in Univision. In addition, pursuant to the MOU Univision agreed that, after its original sponsors have transferred at least 75% of Univision's common stock, Univision will file an application for any required FCC approval of a transfer of control of Univision to the public stockholders of Univision or as otherwise may be required.

For additional information regarding our relationship with Univision, see Notes 9, 10, 14 and 19 to our consolidated year-end financial statements.

Competition

We compete with various forms of media and entertainment companies in Mexico, both Mexican and non-Mexican. See [Key Information](#) [Risk Factors](#) [Risk Factors Related to Our Business](#) [We Face Competition in Each of Our Markets That We Expect Will Intensify](#) .

Content

Our television stations compete for advertising revenues and for the services of recognized talent and qualified personnel with other television stations (including the stations owned by TV Azteca and Imagen Television) in their markets, as well as with other advertising media, such as pay television networks, radio, newspapers, magazines, outdoor advertising, cable television and a multi-channel, multi-point distribution system, or MMDS, OTT content providers, internet websites and DTH satellite services. Our content also competes with other forms of

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entertainment and leisure time activities. We generally compete with 240 channels throughout Mexico, including the channels of our major competitor, TV Azteca, which owns and operates Channels 7 and 1 (formerly 13) in Mexico City, which we believe are affiliated with 179 stations outside of Mexico City. TV Azteca holds two concession titles for Channel 40, or Proyecto 40, and Channel a+, UHF channels that broadcast in the Mexico City metropolitan area.

In addition to the foregoing channels, there are additional operating channels in Mexico with which we also compete, including Channel 11, which has 42 repeater stations, and Channel 22, which has 16 repeater stations in Mexico, which are operated by the Mexican government, as well as Imagen Television that operates as a concession holder to broadcast on a national digital network. Our television stations are the leading television stations in their respective markets. See Content Television Networks .

Our English and Spanish-language border stations compete with English and Spanish-language television stations in the United States, and our Spanish-language productions compete with other English and Spanish-language programs broadcast in the United States.

We are a major supplier of Spanish-language programming in the United States and throughout the world. We face competition from other international producers of Spanish-language and English-language programming and other types of programming.

Sky

Innova currently competes with, or expects to compete with, among others, cable television operators, MMDS systems, national broadcast networks (including our three free-to-air networks and Channel 4), regional and local broadcast stations, OTT content providers, internet video websites and other DTH concessions such as Dish Mexico, which as of the third quarter of 2017 had approximately 2.9 million subscribers, according to IFT. Currently, Dish Mexico offers not only low-priced packages, but also high-end products such as High Definition Packages. Innova also faces competition from:

(a) unauthorized C-band and Ku-band television signals provided by third parties without authorization of the Mexican government; and (b) illegal streaming services that facilitate access to television channels and content through set up boxes and applications. Other competitors include radio, movie theaters, video rental stores, IPTV, internet, video games and other entertainment sources. We also face significant competition from new entrants in pay-TV services as well as from the new public television networks. The consolidation in the entertainment and broadcast industries could further intensify competitive pressures. As the pay-TV market in Mexico matures, and as the offering of bundled services that include pay-TV, broadband and telephony increases, Innova expects to face competition from an increasing number of sources. Emerging technologies that provide new services to pay-TV customers as well as new competitors in the DTH field or cable, telecommunication and internet players entering into video services would require us to make significant capital expenditures in new technologies and additional transponder capacity.

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In October 2008, Dish Mexico, a subsidiary of a U.S. based DTH company operating with certain arrangements with Telmex, started operations in Mexico through a DTH concession. Dish Mexico currently operates nationwide.

Since 2010, there is a fiber to the home, or FTTH, pay-TV service called Total Play, which offers more than 300 channels, Video on Demand, HD and other applications. This service also includes bundle discounts for their interactive TV, internet and voice services. Axtel provides a product called Axtel TV, which offers up to 87 standard definition channels, 46 HD channels, 50 audio channels, and 50 hours of virtual recording in addition to internet and voice services.

Cable

Cablevisión, Cablemás, TVI, Cablecom and Telecable face intense competition from several media, internet, OTT, cable and telecommunications companies throughout Mexico.

The telecommunications industry in Mexico has become highly competitive. New technologies and technical innovations have been implemented in the telecommunications sector, resulting in a significant increase in competition. We believe that there is a strong correlation between the increase in competition and the adoption of new technologies.

Our cable operators face intense competition in the Internet services market and in the fixed telephony services market, from several service providers such as Axtel and other cable companies, but also importantly from the Preponderant Economic Agent in the telecommunications sector, which holds a significant market share.

Our cable operators also face tough competition from other cable companies and from other pay-TV operators such as Dish Mexico, Total Play and Sky. Recently, competition in this market has increased due to the growth of IPTV or OTT providers such as Netflix, Claro Video and Amazon Prime Video.

Our Pay TV companies compete as well with other media with respect to advertising sales, including DTH, social media, outdoor advertising and publishing among others. The information technologies are changing and we expect will continue to change the consumption of advertising in the communications media.

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Other Businesses

Publishing

Each of our magazine publications competes for readership and advertising revenues with other magazines of a general character and with other forms of print and non-print media. Competition for advertising is based on circulation levels, reader demographics and advertising rates.

Radio

The radio broadcast business is highly competitive in Mexico as well. Our radio stations compete with other radio stations in their respective markets, as well as with other advertising media, such as television, newspapers, magazines and outdoor advertising. Among our principal competitors in the radio broadcast business are Grupo Radio Centro, S.A.B. de C.V., which owns or operates more than 200 radio stations throughout Mexico, 11 of which are located in Mexico City, Grupo Acir, S.A. de C.V., which owns or operates six radio stations in Mexico City, and has a presence in 25 cities in Mexico, and NRM Comunicaciones, S.A. de C.V., which owns six radio stations in Mexico City.

Competition for audience share in the radio broadcasting industry in Mexico occurs primarily in individual geographic markets. Our radio stations are located in highly competitive areas. However, the strength of the signals broadcast by a number of our stations enables them to reach a larger percentage of the radio audience outside the market areas served by their competitors.

Feature Film Production and Distribution

Production and distribution of feature films is a highly competitive business in Mexico. The various producers compete for the services of recognized talent and for film rights to scripts and other literary property. We compete with other feature film producers, Mexican and non-Mexican, and distributors in the distribution of films in Mexico, the U.S. and in Latin America. See **Other Businesses Feature Film Production and Distribution** . Our films also compete with other forms of entertainment and leisure time activities.

Gaming Business

Our principal competitors in the gaming industry are, with respect to casinos, Codere, CIE, Grupo Caliente Grupo Cirsa and Grupo Logrand. We also face competition from several illegal casino and bingo parlors throughout Mexico.

Regulation

Our business, activities and investments are subject to various Mexican federal, state and local statutes, rules, regulations, policies and procedures, which are constantly subject to change and are affected by the actions of various Mexican federal, state and local governmental authorities. See **Key Information Risk Factors Risk Factors Related to Mexico Imposition of Fines by Regulators and Other Authorities Could Adversely Affect Our Financial Condition and Results of Operations** , **Existing Mexican Laws and Regulations or Changes Thereto or the Imposition of New Ones May Negatively Affect Our Operations and Revenue** and **The Reform and Addition of Various Provisions of the Mexican Constitution Related to Telecommunications, the LFTR, and Other Recent Actions of IFT May Significantly and Adversely Affect the Business, Results of Operations and Financial Results of Some of Our Business Segments** . The material Mexican federal, state and local statutes, rules, regulations, policies and procedures to which our business, activities and investments are subject are summarized below. Station XETV, Tijuana, is also subject to certain regulatory requirements of the FCC, including the obligation to obtain permits for cross-border transmission of programming broadcast to the United States and to obtain licenses to operate microwave and/or satellite earth station transmitting equipment within the U.S. These summaries do not purport to be complete and should be read together with the full texts of the relevant statutes, rules, regulations, policies and procedures described therein.

Television

Mexican Television Regulations

Concessions. The LFTR regulates, on a convergent basis, the use and exploitation of the radio-electric spectrum, and the telecommunications networks, as well as the rendering of broadcasting, cable, satellite pay-TV and telecommunications services.

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Concessions for the commercial use of spectrum are granted through public bid processes. Such concessions are granted for a fixed term, subject to renewal in accordance with LFTR. Renewal of concessions for the use of spectrum require, among others: (i) to request such renewal to IFT in the year prior to the last fifth period of the fixed term of the related concession; (ii) to be in compliance with the concession holder's obligations under the LFTR, other applicable regulations, and the concession title; (iii) a declaration by IFT that there is no public interest in recovering the spectrum granted under the related concession; and (iv) the acceptance by the concession holder of any new conditions for renewing the concession as set forth by IFT, including the payment of a related fee. To our knowledge, no spectrum granted for broadcasting services in Mexico has been recovered by the Mexican government in the past several years for public interest reasons, however, the Company is unable to predict any future action by IFT.

Pursuant to the Telecommunications and Broadcasting Federal Law, concessionaires will now only have one integrated sole concession to provide telecommunication and possibly broadcasting services. Integrated sole concessions will be granted for a term of up to 30 years with the possibility to renew them, for the same term originally granted. Renewal of integrated sole concessions require, among others: (i) to request its renewal to IFT within the year prior to the last fifth period of the fixed term of the related concession; (ii) to be in compliance with the concession holder's obligations under the LFTR, other applicable regulations, and the concession title; and (iii) the acceptance by the concession holder of any new conditions for renewing the concession as set forth by IFT. IFT shall resolve any request for renewal of the telecommunications concessions within 180 business days of its request. Failure by IFT to respond within such period of time shall be interpreted as if the request for renewal has been granted.

On March 7, 2014, IFT published in the Official Gazette of the Federation an invitation to a public auction for the concession for the two new National Digital Networks. The invitation provided that the concessions for the National Digital Networks would be granted for a term of 20 years for the operation of stations with, among other characteristics, mandatory geographic coverage in 123 locations corresponding to 246 channels within the Mexican territory.

The Company was prevented from participating as a bidder in the 2014 public auction. See [Key Information](#) [Risk Factors Related to Mexico](#) [The Reform and Addition of Various Provisions of the Mexican Constitution Related to Telecommunications, the LFTR, and Other Recent Actions of IFT May Significantly and Adversely Affect the Business, Results of Operations and Financial Results of Some of Our Business Segments](#) and [Risk Factors Related to Our Business](#) [The Operation of Our Business May Be Adversely Affected if the Mexican Government Does Not Renew or Revokes Our Broadcast or Other Concessions](#) . In March 2015, IFT issued its ruling announcing Grupo Radio Centro and Imagen Television as winning bidders for two free to air broadcasting licenses with separate national coverage. Imagen Television has completed the process and has received its license. However, since Grupo Radio Centro failed to pay the amount they bid for their free to air broadcasting license, the IFT's ruling announcing them as a winning bidder was declared null and void and they will not receive the license. As a result, the auction of the portion of the spectrum that was going to be assigned to Grupo Radio Centro took place during 2017. The new bid was for 148 channels for Digital Terrestrial Television, including at least 123 channels that were not allocated in the IFT-1 bidding process for the two national digital broadcast television networks. At the end of the process, offers were received for 32 channels located in 29 different coverage areas, located in 17 States and covering about 45 percent of the country's total population. The bidding process concluded in December 2017 with the issuance of the corresponding concession titles in favor of Compañía

Periodística Sudcaliforniana, S.A. de C.V., Comunicación 2000, S.A. de C.V., Francisco de Jesús Aguirre Gómez, Intermedia de Chihuahua, S.A. de C.V., José Guadalupe Manuel Trejo García, Multimedios Televisión, S.A. de C.V., Quiero Media, S.A. de C.V., Radio Comunicación Gamar, S.A. de C.V., Radio Operadora Pegasso, S.A. de C.V., Radio-Televisión de Nayarit, S.A. de C.V., Tele Saltillo, S.A. de C.V., Televisión Digital, S.A. de C.V. and Telsusa Televisión México, S.A. de C.V. See Key Information Risk Factors Risk Factors Related to Mexico The Reform and Addition of Various Provisions of the Mexican Constitution Related to Telecommunications, the LFTR, and Other Recent Actions of IFT May Significantly and Adversely Affect the Business, Results of Operations and Financial Results of Some of Our Business Segments .

None of our over-the-air television concessions has ever been revoked or otherwise terminated and, except for an immaterial concession to transmit an UHF restricted television service which expired in November 2010, all of

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our concessions have been renewed. See [Information on the Company](#) [Business Overview](#) [Regulation](#) [Cable Television Concessions](#) .

We believe that we have operated our television concessions substantially in compliance with their terms and applicable Mexican law. If a concession is revoked or terminated, the concessionaire could be required to forfeit to the Mexican government all of its assets or the Mexican government could have the right to purchase all the concessionaire's assets. In our case, the assets of our licensee subsidiaries generally consist of transmitting facilities and antennas. See [Key Information](#) [Risk Factors](#) [Risk Factors Related to Our Business](#) [The Operation of Our Business May Be Adversely Affected if the Mexican Government Does Not Renew or Revokes Our Broadcast or Other Concessions](#) .

In July 2004, in connection with the adoption of a policy issued by the SCT for the transition to digital television, all of our television concessions were renewed until 2021. In compliance with the 2014 Constitutional amendment that provided the terms for the shutdown of the analogical transmissions, the transition to digital television has been completed. See [Key Information](#) [Risk Factors](#) [Risk Factors Related to Mexico](#) [Existing Mexican Laws and Regulations or Changes Thereto or the Imposition of New Ones May Negatively Affect Our Operations and Revenue](#) and [Risk Factors Related to Our Business](#) [The Operation of Our Business May Be Adversely Affected if the Mexican Government Does Not Renew or Revokes Our Broadcast or Other Concessions](#) .

As a result of the Telecom Reform, certain provisions of the LFTR and Guidelines related to the distribution of more than one channel of programming on the same transmission channel, or multiplexing, were passed. Such provisions optimize the use of the spectrum; for example, where the 6MHz spectrum was used entirely to broadcast only one channel of programming analog standard, now based on new technologies, more than one channel of programming digital standard on the same transmission channel can be broadcast. The Company, as a Preponderant Economic Agent has a restrictive obligation related to multiplexing. The IFT shall not authorize the Preponderant Economic Agent to broadcast channels in excess of 50% of the total channels authorized to other broadcasters in the same geographic coverage. The IFT has granted 75 multiplexing authorizations to the Company: 33 authorizations for multiplexing the Channel 5 Network, 19 authorizations for multiplexing the Gala TV Network, two authorizations for multiplexing the Channel 2 Network and three authorizations for multiplexing the Channel CJ Grand Shopping Network. Further filings for new authorizations are still under evaluation.

Supervision of Operations. To ensure that broadcasting is performed in accordance with the provisions established in the concession title, the LFTR and Guidelines, IFT is entitled to monitor compliance by exercising powers of supervision and verification: for example, the IFT can perform technical inspections of the television stations and the concessionaire must file annual reports with IFT.

On February 15, 2017, the Mexican Ministry of Interior published in the Official Gazette of the Federation an amendment to the regulations of broadcast television and pay-TV programming guidelines that provides for different age classifications for programming (the [Programming Guidelines Amendment](#)), which became effective on February 16, 2017, substituting in full force and effect the previous amendment published on November 4, 2015. The [Programming Guidelines Amendment](#) for broadcast television is as follows: (i) programs classified **D** exclusively for mature audience only may broadcast after midnight to 5:00 am; (ii) programs classified **C** for adults may broadcast only after 9:00 p.m. to 5:59 am; (iii) programs classified **B15** for teenagers over 15 years old may be broadcast only after 7:00 p.m. to 5:59 am;

(iv) programs classified B for teenagers and adults may be broadcast only after 4:00 p.m. to 5:59 am; and
(v) programs classified A and AA for all age groups may be broadcast at any time. The same age classifications apply for pay-TV programming and the age classifications must be shown to the audience, but there are no applicable broadcasting time limitations.

Content for Children and Teenagers. The LFTR includes new criteria for programming addressed for children and teenagers. Each concessionaire is also required to transmit each day, free of charge, up to 30 minutes of programming promoting cultural, educational, family counseling and other social matters, using programming provided by the Mexican government. Historically, the Mexican government has not used a significant portion of this time.

Restrictions on Advertising. Mexican law regulates the type and content of advertising broadcast on television. In order to prevent the transmission of misleading advertising, without affecting freedom of expression and

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dissemination, the broadcasting of advertisements presented as journalistic news or information is prohibited. Under current law, advertisements of alcoholic beverages (other than beer and wine) may be broadcast only after 9:00 p.m. and advertisements for tobacco products are prohibited. Advertising for alcoholic beverages must not be excessive and must be combined with general promotions of nutrition and general hygiene. Health Law Guidelines were published in the Official Gazette of the Federation on April 15, 2014 and became effective on July 7, 2014 for the advertisement of the following products: snacks, flavored drinks, candies, chocolates, or foods similar to chocolates and became effective for the remaining products on January 1, 2015. See Risk Factors Related to Our Business The Amendment to the Regulations of the General Health Law on Advertising Could Materially Affect Our Business, Results of Operations and Financial Condition . Moreover, the Mexican government must approve any advertisement of lotteries and other sweepstakes games.

TV advertisement will not take up more than 18% of broadcast time on any day in TV. However, this percentage can be increased by an additional 2% when at least 20% of the content programmed is national production. Another 5% of advertisement time can be added when at least 20% of the content programmed is independent national production. There are no restrictions on maximum rates. See Key Information Risk Factors Risk Factors Related to Mexico Existing Mexican Laws and Regulations or Changes Thereto or the Imposition of New Ones May Negatively Affect Our Operations and Revenue , The Amendment to the Regulations of the General Health Law on Advertising Could Materially Affect Our Business, Results of Operations and Financial Situation and The Reform and Addition of Various Provisions of the Mexican Constitution Related to Telecommunications, the LFTR, and Other Recent Actions of IFT May Significantly and Adversely Affect the Business, Results of Operations and Financial Results of Some of Our Business Segments .

Additional Rights for Audiences. Among others, the LFTR imposes new obligations on concessionaires. Under the LFTR, concessionaires must have a code of ethics and appoint an Ombudsman, whom shall not have been employed by the respective concessionaire or concessionaires during a period of two years prior to his/her appointment. The Ombudsman can be appointed (i) individually by the relevant concessionaire, (ii) jointly by several concessionaires or (iii) by a body or chamber which represents concessionaires. The Cámara Nacional de la Industria de Radio y Televisión (CIRT), or Mexican Chamber of Television and Radio Broadcasters, has appointed two individuals who are authorized to act as Ombudsman for all of its concessionaire members who decide to retain them. On November 29, 2016 IFT issued the Guidelines for the Defense of the Audiences, which were published on December 21, 2016 in the Federal Official Gazette. These guidelines and some related provisions of the LFTR were constitutionally challenged by the Executive Branch and the Senate particularly for concerns that they restrict freedom of speech. The resolution of the procedures is pending and they will be resolved by the Supreme Court of Justice. In addition to the obligations established in the LFTR, such guidelines emphasize that the concessionaires must: (i) make sure that when broadcasting news, the reporting of factual material is clearly distinguished from commentaries and personal analysis; (ii) submit electronic, online and telephone programming guides; (iii) establish specific actions to distinguish between advertising and content, (iv) offer programming that is subtitled and dubbed in Spanish; and (v) provide sign language for the hearing impaired in at least one of their most-watched nationwide news programs. These guidelines establish the procedure before the Ombudsman for the defense of the rights of the audiences. On October 27, 2017, an amendment to the LFTR was published in the Official Gazette of the Federation, which, among other things: (i) restricts the power of the IFT to regulate a large portion of the provisions established by the Guidelines for the Defense of the Audience; (ii) increases the ability of all broadcasting and telecommunications concessionaires to self-regulate themselves by granting them the ability to regulate their programming content and the way in which they decide to respect and promote the rights of the audiences through their code of ethics without being subject to IFT's approval; (iii) removes the obligation to make sure that, when broadcasting news, the reporting of factual material is clearly distinguished from commentaries and personal analysis; and (iv) makes clear that the appointment of an Ombudsman is not subject to special specifications and procedures set by IFT.

Government Broadcast Time. Radio and television stations have to provide to the Mexican Government up to 18 minutes per day of the television broadcast time and 35 minutes per day of the radio broadcast time between 6:00 a.m. and midnight, in each case distributed in an equitable and proportionate manner. Any time not used by the Mexican government on any day is forfeited. Generally, the Mexican government uses all or substantially all of the broadcast time available to it under this tax.

Foreign Ownership. Non-Mexican ownership of shares of Mexican enterprises is restricted in some economic sectors, including broadcast television, and radio. As a result of the Telecom Reform, the participation of foreign

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investors can be up to 49% in free to air radio and television, subject to reciprocity requirements, and up to 100% in telecommunications services and satellite communications. Such amendments are reflected in the LFTR and Mexico's *Ley de Inversión Extranjera*, or Foreign Investment Law, and the *Reglamento de la Ley de Inversión Extranjera*, or the Foreign Investment Law Regulations. See [Satellite Communications](#) Mexican Regulation of DTH Satellite Services .

Radio

The regulations applicable to the operation of radio stations in Mexico are identical in all material respects to those applicable to television stations. The expiration dates of our radio concessions range from 2015 to 2037. Concessions for two radio stations in the states of Jalisco and Baja California will expire in 2019 and 2020, respectively. Renewal applications were timely filed, but are still pending as certain related matters of the applicable regulations are being reviewed by the corresponding authorities. See [Content](#) , [Other Businesses](#) Radio Stations and [Key Information](#) Risk Factors Risk Factors Related to Our Business The Operation of Our Business May Be Adversely Affected if the Mexican Government Does Not Renew or Revokes Our Broadcast or Other Concessions .

In December 2016, Radiópolis agreed to transfer the rights and obligations of the concession title of two AM stations operating in Guadalajara. IFT notified the transfer of such stations in December 2017 and April 2018.

In February 2017, Radiópolis participated in Bid No. IFT-4 to obtain the concession of new FM radio stations, and IFT awarded two stations in the cities of Ensenada and Puerto Vallarta. We expect these two stations will begin operations in 2018.

In August 2017, IFT authorized the migration of two of our AM radio stations operating in Monterrey and Guadalajara to the FM band. We expect to begin operations in the new band in 2018.

Cable Television

Concessions. Cable television operators now apply for a concession from IFT (previously SCT) in order to operate their networks and provide cable television services and other multimedia communications services. Applications are submitted to IFT (previously SCT) and, after a formal review process, a concession is granted for an initial term of up to 30 years. Cablevisión obtained a telecommunications concession, which expires in 2029. Pursuant to its public telecommunications concession, Cablevisión can provide cable television, limited audio transmission services, specifically music programming, bidirectional internet access and unlimited data transmission services in Mexico City and surrounding areas in the State of Mexico (*Estado de México*). In addition, in May 2007, the SCT granted

Cablevisión authorization to modify its concession allowing Cablevisión to provide local telephony services using the telephony public network. The scope of Cablevisión's public telecommunications concession is much broader than the scope of its former cable television concession, which covered only cable television services and audio programming.

Cablemás and its affiliates operate under 62 concessions, which cover 20 Mexican states. Through these concessions, Cablemás provides cable television services, internet access and bidirectional data transmission services. Cablemás provides local and long distance telephony services. Each concession granted by the SCT and/or IFT allows Cablemás to install and operate a public telecommunications network. The expiration dates for Cablemás' concessions range from 2023 to 2046. Cablemás holds a concession title that allows it to provide any telecommunications service all around Mexico.

TVI and its affiliates operate under 10 concessions, which cover 8 Mexican states. Through these concessions, TVI provides cable television services, bidirectional data transmission and internet and telephony services. Each concession granted by the SCT and/or IFT allows TVI to install and operate a public telecommunications network. The expiration dates for TVI's concessions range from 2025 to 2045. TVI holds a concession title that allows it to provide any telecommunications service all around Mexico.

Cablecom and its affiliates operate under 25 concessions, which cover 15 Mexican states. Through these concessions, Cablecom provides cable television services, bidirectional data transmission and internet and telephony services. Each concession granted by the SCT or IFT allows Cablecom to install and operate a public

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telecommunications network. The expiration dates for Cablecom's concessions range from 2025 to 2045. Cablecom hold a concession title that allows it to provide any telecommunications service all around Mexico.

Telecable operates under 32 concessions, which cover 10 Mexican states. Through these concessions, Telecable provides cable television services, bidirectional data transmission and internet and telephony services. Each concession granted by the SCT or IFT allows Telecable to install and operate a public telecommunications network. The expiration dates for Telecable's concessions range from 2022 to 2046. Telecable holds a concession title that allows it to provide any telecommunications service all around Mexico.

According to the LFTR, a public telecommunications concession may be renewed upon its expiration, or revoked or terminated prior to its expiration for a variety of circumstances, including:

- unauthorized interruption or termination of service;
- interference by the concessionaire with services provided by other operators;
- non-compliance with the terms and conditions of the public telecommunications concession (which has expressly established that failure to comply will result in the revocation of the concession);
- the concessionaire's refusal to interconnect with other operators;
- loss of the concessionaire's Mexican nationality;
- unauthorized assignment, transfer or encumbrance, in whole or in part, of the concession or any rights or assets;
- the liquidation or bankruptcy of the concessionaire; and

- ownership or control of the capital stock of the concessionaire by a foreign government.

In addition, IFT (previously SCT) may establish under any public telecommunications concession further events which could result in revocation of the concession. Under current Mexican laws and regulations, upon the expiration or termination of a public telecommunications concession, the Mexican government has the right to purchase those assets of the concessionaire that are directly related to the concession, at market value.

Cable television operators are subject to the LFTR and, since February 2000, have been subject to the *Reglamento del Servicio de Televisión y Audio Restringidos*, or the Restricted Television and Audio Services Regulations. Under current Mexican law, cable television operators are classified as public telecommunications networks, and must conduct their business in accordance with Mexican laws and regulations applicable to public telecommunications networks.

Under the applicable Mexican law, the Mexican government, through the SCT, may also temporarily seize or even expropriate all of a public telecommunications concessionaire's assets in the event of a natural disaster, war, significant public disturbance or threats to internal peace and for other reasons related to preserving public order or for economic reasons. The Mexican government is obligated by Mexican law to compensate the concessionaire, both for the value of the assets seized and related profits.

Supervision of Operations. IFT (previously SCT) regularly inspects the operations of cable systems and cable television operators must file annual reports with IFT.

Under Mexican law, programming broadcast on cable networks is not subject to judicial or administrative censorship. However, this programming is subject to various regulations, including prohibitions on foul language, programming which is against good manners and customs or programming which is against the national security or against public order.

Mexican law also requires cable television operators to broadcast programming that promotes Mexican culture, although cable television operators are not required to broadcast a specified amount of this type of programming.

In addition to broadcasting programming that promotes Mexican culture, Mexican law also requires cable television operators to carry all air broadcasted channels and *Señales de Instituciones Públicas Federales* or Public Federal Institutions Channels provided by the Mexican government according to the applicable regulations.

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Restrictions on Advertising. Mexican law restricts the type of advertising that may be broadcast on cable television. These restrictions are similar to those applicable to advertising broadcast on over-the-air Channels 2, 4, 5 and 9. See Regulation Television Mexican Television Regulations Restrictions on Advertising .

Forfeiture of Assets. Under Mexican regulations, at the end of the term of a public telecommunications concession, assets of concessionaires may be purchased by the Mexican government at market value.

Non-Mexican Ownership of Public Telecommunications Networks

Under current Mexican law, non-Mexicans may currently own up to 49%, subject to reciprocity by the relevant foreign country, of the outstanding voting stock of Mexican companies with a broadcast television or radio concession. However, non-Mexicans may currently own up to all of the outstanding voting stock of Mexican companies with a public telecommunications concession to provide cellular telephone, fixed-line telephone, pay-TV and data services.

Application of Existing Regulatory Framework to Internet Access and IP Telephony Services

Cablevisión, TVI, Cablecom, Telecable and Cablemás may be required, under Mexican law, to permit other concessionaires to connect their network to its network in a manner that enables its customers to choose the network by which the services are carried.

To the extent that a cable television operator has any available capacity on its network, as a public telecommunications network, Mexican law requires the operator to offer third party providers access to its network. Our cable operators currently do not have any capacity available on their networks to offer to third party providers and do not expect that they will have capacity available in the future given the broad range of services they plan to provide over their networks.

Satellite Communications

Mexican Regulation of DTH Satellite Services. Under LFTR, concessions to broadcast DTH satellite services are for an initial term of up to 30 years, and are renewable for up to 30 years. We received a 30-year concession to operate DTH satellite services in Mexico utilizing SatMex satellites in May 1996. In November 2000, we received an additional 20-year concession to operate our DTH satellite service in Mexico using the IS-9 satellite system, a foreign-owned satellite system. Our use of the IS-16, IS-21 and SM-1 satellites has been authorized by the competent Mexican authorities.

Like a public telecommunications network concession, a DTH concession may be revoked or terminated by IFT (previously SCT) prior to the end of its term in certain circumstances, which for a DTH concession include:

- The failure to use the concession within 180 days after it was granted;
- A declaration of bankruptcy of the concessionaire;
- Failure to comply with the obligations or conditions specified in the concession;
- Unlawful assignments of, or encumbrances on, the concession; or
- Failure to pay to the government the required fees.

At the termination of a concession, the Mexican government has the preemptive right to acquire the assets of a DTH satellite service concessionaire. In the event of a natural disaster, war, significant public disturbance or for reasons of public need or interest, the Mexican government may temporarily seize and expropriate all assets related to a concession, but must compensate the concessionaire for such seizure. The Mexican government may collect fees based on DTH satellite service revenues of a satellite concessionaire.

Under the LFTR, DTH satellite service concessionaires may freely set customer fees but must notify IFT (previously SCT) of the amount, except that if a concessionaire has substantial market power, IFT may determine fees that may be charged by such concessionaire. The LFTR specifically prohibits cross-subsidies.

There is currently no limitation on the level of non-Mexican ownership of voting equity of DTH satellite system concessionaires.

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Regulation of DTH Satellite Services in Other Countries. Our current and proposed DTH ventures in other countries are and will be governed by laws, regulations and other restrictions of such countries, as well as treaties that such countries have entered into, regulating the delivery of communications signals to, or the uplink of signals from, such countries. In addition, the laws of some other countries establish restrictions on our ownership interest in some of these DTH ventures as well as restrictions on programming that may be broadcast by these DTH ventures.

Mexican Gaming Regulations

Pursuant to Mexico's *Ley Federal de Juegos y Sorteos*, or Federal Law of Games and Draws, or Gaming Law, and its accompanying regulations, the *Reglamento de la Ley Federal de Juegos y Sorteos*, or Gaming Regulations, the Mexican Ministry of the Interior has the authority to permit the operation of games and lotteries that involve betting. This administrative authorization is defined as a permit under the Gaming Regulations. Under the Gaming Regulations, each permit establishes the terms and conditions for the operation of the respective activities authorized under the permit and the specific periods for operation of those activities. Permits for games and lotteries that involve betting have a maximum term of 25 years. The holder of the relevant permit must comply with all the terms provided in the permit, the Gaming Law and the Gaming Regulations. We were granted a Gaming Permit on May 25, 2005, which expires on May 24, 2030.

Mexican Antitrust Law

The Federal Antitrust Law became effective on July 7, 2014. It should be noted that IFT is entitled to review antitrust matters related to the telecommunications and broadcasting sectors, while the COFECE is in charge of all other antitrust matters. IFT or COFECE must authorize mergers and acquisitions before they take place. In addition, one of the thresholds was modified to only apply to sales or assets of economic agents in Mexico and not worldwide economic agents.

The Federal Antitrust Law allows reporting parties to request a fast track review for a specific transaction when it is evident that the transaction does not restrain competition. It is considered evident that a transaction does not restrain competition when:

- (i) the acquirer does not have any participation in any market related to the relevant market;
- (ii) the acquirer is not an actual or potential competitor of target; and
- (iii) any of the following circumstances are met:

- (a) the acquirer is a new participant in the relevant market;
- (b) the acquirer does not have control over target before or after the transaction; or
- (c) the acquirer has control over target before the transaction.

IFT or COFECE, as applicable, must resolve within five business days from the date of filing if the transaction should be admitted to the fast track review process. Once admitted, it must resolve within 15 business days whether it is evident that the transaction does not restrain competition.

The Antitrust Law provides that the following reportable transactions, among others, are exempt from being reviewed by IFT or COFECE:

- (i) Corporate restructurings.
- (ii) Transactions where the acquirer has control over the target from its incorporation or from the date the last reported transaction was approved by IFT or COFECE.
- (iii) Trusts in which the trustor contributes assets without intending to transfer, or causing the actual transfer of, assets to another company that is not part of the corporate structure of the trustor.
- (iv) Transactions that have effect in Mexico involving non-Mexican participants, if the participants will not take control of Mexican legal entities, or acquire assets in Mexico, in addition to those previously controlled or owned by such participants.

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(v) When the acquirer is a Brokerage House, whose operation involves the acquisition of stock, obligations, securities or assets, in order to place them among the investing public, except when the Brokerage House obtains a significant influence in the decisions of the company.

(vi) Acquisitions of equity securities (or convertible securities) through stock markets that represent less than 10% of such securities, and the acquirer is not entitled to: (w) appoint board members; (x) control a shareholders meeting decision; (y) vote more than 10% of voting rights of the issuer; or (z) direct or influence the management, operation, strategy or principal policies of the issuer.

(vii) When the acquisition of stock, assets, obligations or securities is made by one or more investment funds with speculative purposes that have no investments in companies or assets that participate or are occupied in the same relevant market of the acquired company.

According to transitory article 9 of the LFTR, as long as there is a Preponderant Economic Agent in the telecommunications and broadcasting sectors, in order to promote competition and develop viable competitors in the future, it is not required to obtain IFT approval of mergers and acquisitions carried out by concession holders when the following requirements are met:

(a) The transaction reduces the Dominance Index in the sector and the Hirschman-Herfindahl Index does not increase by more than 200 points.

(b) As a result of the transaction, the economic agent involved has a sector share percentage of less than 20%.

(c) The Preponderant Economic Agent of the sector in which the transaction is taking place is not involved in the transaction.

(d) The transaction does not effectively diminish, harm or hinder the free competition and concurrency in the applicable sector.

Notwithstanding the above, concession holders involved in the transaction shall inform IFT of the transaction within ten days following the completion of the transaction and IFT will then have 90 calendar days to investigate the transaction and in case it determines the existence of substantial market power in the relevant market, it may impose the necessary measures to protect and encourage free competition and concurrency in such market.

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With regard to our acquisitions of Cablecom and Telecable, IFT ruled that there were no sufficient elements to determine the existence of market power in the municipalities of Mexico in which Cablecom and Telecable operate. The IFT resolutions have been challenged by certain third parties. These challenges are still under review by the competent courts. There is a risk that IFT could try to impose measures upon us which could significantly and adversely affect the activities and businesses of our broadcasting and/or telecommunications businesses, as well as our results of operations and financial condition.

Other relevant provisions provided in the Antitrust Law, are the following:

- a) Granting the *Autoridad Investigadora*, or Prosecutor Authority, authority to investigate the commission of monopolistic practices, forbidden mergers, barriers to competition, essential facilities or substantial market power.
- b) Enhancement of the legal power of the authorities for conducting its investigations (such as requesting written evidence and testimonies and performing verification visits).
- c) Significantly increased monetary fines for the commission of illegal conduct.
- d) IFT or COFECE, as applicable, may determine the existence of essential facilities when the following conditions are met: (i) one or several economic agents with substantial market power control a good; (ii) the reproduction of such good by other economic agents is unviable, now or in the future, due to technical, legal or economic reasons; (iii) the good is indispensable for the provision of other goods or services in other markets and does not have close substitutes.

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e) IFT or COFECE, as applicable, may determine the existence of barriers to competition and free markets, when an element is found that either: (i) hinders the access of new entrants; (ii) limits competition; or (iii) hinders or distorts competition and the free market process.

f) The resolutions issued by IFT or COFECE, as applicable, can only be challenged by an *amparo* claim, which will be ruled by the Antitrust, Telecommunications and Broadcasting Federal Courts, without any judicial stay that can suspend the execution of the resolution.

The above mentioned provisions may significantly and adversely affect our business, results of operations and financial condition.

Mexican Electoral Amendment

In 2007, the Mexican Federal Congress published an amendment to the Mexican Constitution (referred to in this annual report as the 2007 Constitutional Amendment), pursuant to which, among other things, the *Instituto Federal Electoral*, or the Federal Electoral Institute, or IFE, has the exclusive right to manage and use the Official Television Broadcast Time and the Official Radio Broadcast Time (jointly referred to in this annual report as Official Broadcast Time). In February 2014, the Mexican Federal Congress approved a Constitutional amendment creating the *Instituto Nacional Electoral*, or the National Electoral Institute, or INE, which replaced the IFE. The INE has the same functions and capacity as the former IFE and regulates the services of radio and television in the same manner, except that the INE has a relevant participation in the electoral campaigns in federal, state and local procedures by distributing the Official Broadcast Time among the political parties. For a description of the Official Broadcast Time, see Information on the Company Business Overview Our Operations Content Programming Advertising Sales Plan and Information on the Company Business Overview Other Businesses Radio Stations . The INE has the exclusive right to use the Official Broadcast Time for its own purposes and for the use of political parties in Mexico (as provided in the Mexican Constitution) for self promotion and, when applicable, to promote their electoral campaigns during election day, pre-campaign and campaign periods.

The INE and the political parties must comply with certain requirements included in the 2007 Constitutional Amendment for the use of Official Broadcast Time. During federal electoral periods, the INE will be granted, per the 2007 Constitutional Amendment, 48 minutes per day in each radio station and television channel, to be used during pre-campaign periods in two and up to three minutes per broadcast hour in each radio station and television channel, of which all the political parties will be jointly entitled to use one minute per broadcast hour. During campaign periods, at least 85% of the 48 minutes per day, shall be allocated among the political parties, and the remaining 15% may be used by the INE for its own purposes. During non-electoral periods, the INE will be assigned with up to 12% of the Official Broadcast Time, half of which shall be allocated among the political parties. In the event that local elections are held simultaneously with federal elections, the broadcast time granted to the INE shall be used for the federal and the local elections. During any other local electoral periods, the allocation of broadcast time will be made pursuant to the criteria established by the 2007 Constitutional Amendment and as such criteria are reflected in applicable law.

In addition to the foregoing, pursuant to the 2007 Constitutional Amendment political parties are forbidden to purchase or acquire advertising time directly or through third parties, from radio or television stations; likewise, third parties shall not acquire advertising time from radio or television stations for the broadcasting of advertisements which may influence the electoral preferences of Mexican citizens, nor in favor or against political parties or candidates to offices elected by popular vote.

We believe we have been operating our business in compliance with the provisions of the 2007 Constitutional Amendment; however, we have filed legal actions contesting certain provisions of the 2007 Constitutional Amendment.

Telecom Reform and Broadcasting Regulations

On June 12, 2013, the Telecom Reform came into force. The Telecom Reform, the LFTR and secondary regulations issued by the President and IFT, as applicable, and certain actions recently taken by IFT, an organization with constitutional autonomy responsible for overseeing the radio and television broadcasting industries and telecommunications, including all aspects of economic competition, affect or could significantly and adversely affect our business, results of operations and financial position. See Key Information Risk Factors Related to

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Mexico The Reform and Addition of Various Provisions of the Mexican Constitution Related to Telecommunications, the LFTR, and Other Recent Actions of IFT May Significantly and Adversely Affect the Business, Results of Operations and Financial Results of Some of Our Business Segments .

The Telecom Reform created two regulatory bodies that are independent from the executive branch of government: COFECE (which assumed the functions of the former Mexican Antitrust Commission, except in the areas of telecommunications and broadcasting (television and radio)) and IFT (which oversees the Mexican telecommunications and broadcasting (television and radio) industries, including all antitrust matters relating to those industries). In addition, specialized federal courts empowered to review all rulings, actions and omissions of these independent regulatory bodies were created. No stay or injunction will suspend any measure or action taken by these regulatory bodies. Therefore, subject to limited exceptions, until any decision, action or omission by these regulatory bodies is declared void by a competent court through a binding and final judgment, COFECE's or IFT's decision, action or omission will be valid and will have full force and legal effect.

IFT is empowered, among other things, to (i) oversee the Mexican telecommunications (including cable and satellite pay-TV) and broadcasting (television and radio) industries, including all antitrust matters related to these industries; (ii) set limits to national and regional frequencies that can be exploited by a concession holder, or to the cross-ownership of telecommunications, television or radio businesses that serve the same market or geographical zone that may include the divestment of certain assets to comply with such limits; (iii) issue asymmetric regulation; (iv) grant and revoke telecommunications, television and radio concessions; (v) approve any assignment or transfer of control of such concessions; (vi) revoke a concession for various reasons, including in the case of a breach by a concessionaire of a non-appealable decision confirming the existence of illegal antitrust conduct (*practica monopólica*); and (vii) determine the payment to be made to the government for the granting of concessions.

Concessions for the use of spectrum will only be granted through public bid processes. On March 7, 2014, IFT published in the Official Gazette of the Federation an invitation to a public auction for the concession for the two National Digital Networks which will be granted for a term of 20 years for the operation of stations with, among other characteristics, mandatory geographic coverage in 123 locations corresponding to 246 channels within the Mexican territory.

In March 2015, IFT issued its ruling announcing Grupo Radio Centro and Imagen Television as winning bidders for two free to air broadcasting licenses with separate national coverage. However, since Grupo Radio Centro failed to pay the amount they bid for their free to air broadcasting license, the IFT's ruling announcing them as a winning bidder was declared null and void and they will not receive the license. As a result, the auction of the portion of the spectrum that was going to be assigned to Grupo Radio Centro took place during 2017. The new bid was for 148 channels for Digital Terrestrial Television, including at least 123 channels that were not allocated in the IFT-1 bidding process for the two national digital broadcast television networks. At the end of the process, offers were received for 32 channels located in 29 different coverage areas, located in 17 States and covering about 45% of the country's total population. The bidding process concluded in December 2017 with the issuance of the corresponding concession titles in favor of Compañía Periodística Sudcaliforniana, S.A. de C.V., Comunicación 2000, S.A. de C.V., Francisco de Jesús Aguirre Gómez, Intermedia de Chihuahua, S.A. de C.V., José Guadalupe Manuel Trejo García, Multimedia Television, S.A. de C.V., Quiero Media,

S.A. de C.V., Radio Comunicación Gamar, S.A. de C.V., Radio Operadora Pegasso, S.A. de C.V., Radio-Televisión de Nayarit, S.A. de C.V., Tele Saltillo, S.A. de C.V., Televisión Digital, S.A. de C.V. and Telsusa Televisión México, S.A. de C.V. See Key Information Risk Factors Risk Factors Related to Mexico The Reform and Addition of Various Provisions of the Mexican Constitution Related to Telecommunications, the LFTR, and Other Recent Actions of IFT May Significantly and Adversely Affect the Business, Results of Operations and Financial Results of Some of Our Business Segments.

Access to information and communication technologies, as well as broadcasting and telecommunications services (including broadband), is established as a constitutional right. The Telecom Reform further requires that such information be diverse and timely, and that any person may search, receive and disclose information and ideas of any kind through any media. Among other things, the LFTR contemplates the right of audiences to be able to receive content that reflects ideological pluralism, that the news is distinguishable from the reporter's opinions, and to have the right to replicate the news.

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The Telecom Reform permits 100% foreign ownership in satellite and telecommunications services and increases to up to 49% the level of permitted foreign ownership in television and radio services, subject to reciprocity of the originating foreign investment country.

As a result of the Telecom Reform and LFTR, starting on September 10, 2013, concessionaries of broadcast services have been required to permit pay-TV concessionaries to retransmit broadcast signals, free of charge and without discrimination, within the same geographic coverage area simultaneously and without modifications, including advertising, and with the same quality of the broadcast signal, except in certain specific cases provided in the Telecom Reform. Also, since September 10, 2013, our pay-TV licensees are required to retransmit broadcast signals of others, free of charge and on a non-discriminatory basis, subject to certain exceptions and additional requirements provided for in the Telecom Reform.

On February 27, 2014, the Guidelines were published in the Official Gazette of the Federation, which include, among other obligations, the obligation of concessionaries of broadcast television licenses to permit the retransmission of their broadcast signals and the obligation of pay-TV concessionaries to allow such retransmission (without requiring the prior consent of the broadcast television concessionaries) in the same geographic coverage zone for free (subject to certain exceptions) and in a non-discriminatory manner in its entirety, simultaneously and without modifications by the broadcasting concessionaire, including advertising, and with the same quality of the broadcast signal without requiring consent from the broadcast television concessionaries.

The Telecom Reform calls for the National Development Plan. The National Development Plan includes a program for installing broadband connections in public facilities, which would identify the number of sites to be connected per year to promote access to broadband in public buildings dedicated to investigation, health, education, social services and in other facilities owned by the government.

Mexico's transition to digital television was completed on December 31, 2015. Frequencies released as a consequence of such digitalization were transferred back to the Mexican State.

See Key Information Risk Factors Related to Mexico The Reform and Addition of Various Provisions of the Mexican Constitution Related to Telecommunications, the LFTR, and Other Recent Actions of IFT May Significantly and Adversely Affect the Business, Results of Operations and Financial Results of Some of Our Business Segments .

The LFTR establishes a renewal procedure that will result in the granting of a renewal of an integrated sole concession (when involving radio-electric spectrum or orbital resources, a concession to exploit such spectrum is required) in order to provide telecommunications and possibly, broadcasting services. The integrated sole concession will be awarded for renewable 30 year terms. Renewal of integrated sole concessions require, among others: (i) to request its renewal to IFT within the year prior to the last fifth period of the fixed term of the related concession; (ii) to be in compliance with the concession holder's obligations under the LFTR, other applicable regulations, and the concession title; and (iii) the acceptance by the concession holder of any new conditions for renewing the concession as set forth by IFT. IFT shall resolve any request for renewal of the telecommunications concessions within 180 business days of its request. Failure by IFT to respond within such period of time shall be interpreted as if the request for renewal has been granted.

The LFTR also contemplates that concession holders that operate a public network of telecommunications must: (i) abstain from charging long distance fees for calls made by users to any national destination; (ii) if there was no other concession holder providing similar services in a certain territory, the concession holder providing the service in such territory shall have to continue providing the services; and (iii) concession holders must adopt the open architecture designs for the network to guarantee the interconnection and interoperation of their network.

The LFTR establishes the maximum amount of time that a concession holder providing broadcasting services with commercial purposes can use for commercial advertising. The maximum amount of advertising time is set at 18% of the total broadcasting time for each television channel, and the maximum amount for radio stations shall not exceed 40% of the total broadcasting time for each channel (such percentages may be increased as described in Television Mexican Television Regulations Restrictions on Advertising).

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The LFTR establishes that those concession holders providing broadcasting services shall offer broadcasting services and advertising spaces to any person or corporation that requires them on a non-discriminatory basis and on market terms granting the terms, packages, conditions, and rates in force at the time of the request. Additionally, the law provides that balance shall be maintained between advertising and programming. Advertising shall be subject to several rules, including the maximum time allowed for advertising (i.e. 18% of the total available time per channel in free to air television; 40% in radio; and 6 minutes per hour on pay-television and audio).

Significant Subsidiaries

The table below sets forth our significant subsidiaries as of December 31, 2017.

Name of Significant Subsidiary	Jurisdiction of Organization or Incorporation	Percentage Ownership(1)
Corporativo Vasco de Quiroga, S.A. de C.V. (CVQ) (3)	Mexico	100.0%
Cablemás subsidiaries (2) (4)	Mexico	100.0%
Telecable subsidiaries (2) (8)	Mexico	100.0%
Empresas Cablevisión, S.A.B. de C.V. (2) (5) (18)	Mexico	51.0%
Milar, S.A. de C.V.(2)	Mexico	51.0%
Cablevisión, S.A. de C.V.	Mexico	51.0%
Arretis S.A.P.I. de C.V.(2) (5).(19)	Mexico	100.0%
Sky DTH, S.A. de C.V.(2) (10)	Mexico	100.0%
Innova Holdings, S. de R.L. de C.V. (2) (10)	Mexico	58.7%
Innova, S. de R.L. de C.V. (Innova)(11)	Mexico	58.7%
Television Internacional, S.A. de C.V. (TVI) (2) (5) (6)	Mexico	100.0%
Editorial Televisa, S.A. de C.V.(2) (7) (9)	Mexico	100.0%
Grupo Distribuidoras Intermex, S.A. de C.V.(2) (7) (12)	Mexico	100.0%
Grupo Telesistema , S.A. de C.V. (13)	Mexico	100.0%
Grupo Bissagio, S.A. de C.V. (2) (14)	Mexico	100.0%
Multimedia Telecom, S.A. de C.V. (14)	Mexico	100.0%
Villacezan, S.A. de C.V. (2) (7)	Mexico	100.0%
Televisa, S.A. de C.V.(15)	Mexico	100.0%
Televisión Independiente de México, S.A. de C.V.(2)	Mexico	100.0%
Sistema Radiópolis, S.A. de C.V.(2) (7) (16)	Mexico	50.0%
Televisa Juegos, S.A. de C.V.(2) (7) (17)	Mexico	100.0%
Ulvik, S.A. de C.V.(2) (20)	Mexico	100.0%

(1) Percentage of equity owned by us directly or indirectly through subsidiaries or affiliates.

(2) While this subsidiary is not a significant subsidiary within the meaning of Rule 1-02(w) of Regulation S-X under the Securities Act, we have included this subsidiary in the table above to provide a more complete description of our operations.

(3) Direct subsidiary through which we conduct the operations of our Cable segment.

(4) The Cablemás subsidiaries are directly owned by CVQ. As of December 31, 2014, some Cablemás subsidiaries were direct subsidiaries, and some other were directly owned by Consorcio Nekeas, S.A. de C.V., a former wholly-owned direct subsidiary. In January 2015, Consorcio Nekeas, S.A. de C.V. was merged into TTelecom H, S.A.P.I. de C.V. (TTelecom), a former direct subsidiary, and in July 2015, TTelecom was merged into CVQ. The Cablemás direct subsidiaries were acquired by a direct subsidiary of CVQ in the second half of 2015.

(5) One of three indirect subsidiaries through which, together with the Cablemás and Telecable subsidiaries, we conduct the operations of our Cable segment.

(6) A direct subsidiary of CVQ. Through February 2016, we had a 50% ownership interest in TVI, and consolidated this subsidiary because we appointed the majority of the members of the Board of Directors of TVI. In March 2016, we acquired the remaining 50% non-controlling interest in TVI.

(7) One of five subsidiaries through which we conduct the operations of our Other Businesses segment.

(8) The Telecable subsidiaries are directly owned by CVQ as a result of the merger of TTelecom the former parent of the TTelecom subsidiaries, into CVQ in July 2015. TTelecom was a wholly-owned subsidiary through which we acquired the Telecable subsidiaries in January 2015.

(9) Direct subsidiary through which we conduct the operations of our Publishing business.

(10) One of two subsidiaries through which we own our equity interest in Innova.

(11) Indirect subsidiary through which we conduct the operations of our Sky segment. We currently own a 58.7% interest in Innova.

(12) Direct subsidiary through which we conduct the operations of our Publishing Distribution business.

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- (13) Direct subsidiary through which we conduct the operations of our Content segment and certain operations of our Other Businesses segments.
- (14) Indirect subsidiaries through which we own 10% of the capital stock of UHI and maintain our investment in warrants that are exercisable for capital stock of UHI. In November 2015, Grupo Xquenda, Ltd. an indirect subsidiary formerly incorporated in Switzerland, was migrated to Mexico with the name Grupo Bissagio, S.A. de C.V.
- (15) Indirect subsidiary through which we conduct certain operations of our Content segment.
- (16) Direct subsidiary through which we conduct the operations of our Radio business.
- (17) Direct subsidiary through which we conduct the operations of our Gaming business.
- (18) A direct majority-owned subsidiary of CVQ. As of December 31, 2014, Empresas Cablevisión, S.A.B. de C.V. was directly owned by Editora Factum, S.A. de C.V., a former direct subsidiary that was merged into CVQ in May 2015.
- (19) In November 2016, Grupo Cable T.V. S.A. de C.V. a former indirect subsidiary of CVQ acquired by us in 2014, was merged into Arretis, S.A.P.I. de C.V.
- (20) Direct subsidiary through which we conduct certain operations of our Content segment and certain operations of our Other Businesses segments.

Property, Plant and Equipment

Broadcasting, Office and Production Facilities. Our properties consist primarily of broadcasting, production facilities, television and repeater stations, technical operations facilities, workshops, studios and office facilities, most of which are located in Mexico. We own most of our properties or lease offices and facilities through indirect wholly owned and majority owned subsidiaries. There are no major encumbrances on any of our properties and we currently do not have any significant plans to construct any new properties or expand or improve our existing properties. Our principal

offices, which we own, are located in Santa Fe in Mexico City. Each of our television stations has individual transmission facilities located in Mexico, substantially all of which we own. Our television production operations are concentrated in four locations in Mexico City, 14 studios in San Angel, 12 studios located in Chapultepec, three studios in Santa Fe and one studio in Rojo Gomez. We own substantially all of these studios. The local television stations wholly or majority owned by us have in the aggregate 45 production studios. We own other properties used in connection with our operations, including a training center, technical operations facilities, studios, workshops, television and repeater stations, and office facilities. We beneficially own Azteca Stadium, which seats approximately 84,500 people, through a trust arrangement that was renewed in 1993 for a term of 30 years and that may be extended for additional periods. In the aggregate, these properties, excluding Azteca Stadium, currently represent approximately 5.7 million square feet of space, of which over 4.2 million square feet are located in Mexico City and the surrounding areas, and approximately 1.5 million square feet are located outside of Mexico City and the surrounding areas.

Our cable television, radio, publishing and Mexican DTH satellite service businesses are located in Mexico City. We also own the transmission and production equipment and facilities of our radio stations located outside Mexico City.

We also own or lease over a total of 263,153 square feet in properties in the United States, Latin America, Spain and Switzerland in connection with our operations there. We own or lease all of these properties through indirect wholly owned and majority owned subsidiaries. The following table summarizes our real estate and lease agreements in the United States, Latin America, Spain and Switzerland.

Operations	Number of Properties	Location
Television and news activities		
Owned properties	1	San Diego, California(1)
Leased properties	3	Madrid, Spain(2) Zug, Switzerland(1)
Publishing activities		
Owned properties	4	Miami, Florida(1) Santiago, Chile (1) Caracas, Venezuela (1) Bogota, Colombia(1)
Leased properties	11	Beverly Hills, California(1) Miami, Florida(1) New York, New York(1) Medellín, Colombia(1) Bogotá, Colombia(2) San Juan, Puerto Rico(1) Chicago, Illinois(1) Pearland, Texas(1) Guayaquil, Ecuador (2)

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Operations	Number of Properties	Location
Publishing distribution and other activities		
Owned properties	2	Lima, Peru(2)
Leased properties	8	Quito, Ecuador(2) Guayaquil, Ecuador(1) Panamá, Panamá(2) Lima, Peru (2) Bogotá, Colombia (1)
DTH		
Leased properties	7	San José, Costa Rica(1) Guatemala(1) Nicaragua(1) Panama(1) San Salvador(1) Honduras(1) Dominicana(1)
Telephony		
Leased properties	7	San Antonio, Texas(3) Dallas, Texas(1) Laredo, Texas(1) McAllen, Texas(1) Mission, Texas (1)

Satellites. We currently use transponder capacity on nine satellites: Eutelsat 117 West A (formerly Satmex 8), which reaches Mexico, the United States, Latin America, and the Caribbean; Eutelsat 115 West A (formerly Satmex 5), which reaches Mexico, the United States and Latin America; Intelsat IS-11, replacement of PAS 3-R (renamed in February 2007 IS-3R), which started operations in July 2009 and reaches North America, Western Europe, Latin America and the Caribbean; Galaxy 16 (formerly Galaxy IVR), which reaches Mexico, the United States and Canada; Galaxy 19, which reaches Mexico, the United States and Canada; IS-905, which reaches Western and Eastern Europe; IS-21, which reaches Central America, Mexico, the Southern United States and the Caribbean; IS-16, which reaches Central America, Mexico, the Southern United States and the Caribbean; and SM-1, which reaches Central America, Mexico, the Southern United States and the Caribbean. In March 2010, Sky reached an agreement with a subsidiary of Intelsat to lease 24 transponders on the Intelsat IS-21 satellite which is mainly used for signal reception and retransmission services over the satellite's estimated 15-year service life. IS-21 started service in the third quarter of 2012, replacing Intelsat IS-9 as Sky's primary transmission satellite. In April 2010, Intelsat released the IS-16 satellite, where Sky has an additional twelve transponders to deliver new DTH-HD channels and more DTH SD channels; this satellite is also a back-up satellite for our DTH venture operations. For a description of guarantees related to our DTH venture transponder obligations, see Note 13 to our consolidated year-end financial statements.

Since 1996, we have been working with PanAmSat (now Intelsat) as our satellites services provider, which provided to Televisa five Ku band transponders on Satellite PAS-3R, three of which were intended to be for DTH to Spain. We were required to pay an annual fee for each transponder of U.S \$3.1 million. Due to an exchange with three of five 54 Mhz ku Band transponders, until April 2, 2016, we had capacity on two 36 Mhz C band transponders on Galaxy 16.

In December 2005, we signed an extension with PanAmSat, for the use of three transponders on the PAS-3R satellite until 2009 and 2012 and two transponders on the Galaxy IVR (replaced by Galaxy 16) satellite until 2016. In October 2015, we signed a new contract with SES S.A.

until June 2019 for the replacement of two transponders

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of Galaxy 16. The new contract included three transponders and a full service migration to the new satellite, AMC-9. On June 17, 2017, AMC-9 experienced a technical issue that impacted the satellite and thus, we entered into a new contract until June 30, 2022 to transition the full service of 147 Mhz to Intelsat's satellites, Galaxy 16 and Galaxy 19.

In February 2007, Intelsat renamed some of its satellite fleet acquired with its 2006 merger with PanAmSat: current names for PAS-9 and PAS-3R are IS-9 and IS-3R, respectively. Intelsat kept the name of Galaxy 16. In December 2007, Sky and Sky Brasil reached an agreement with Intelsat Corporation and Intelsat LLC to build and launch a new 24-transponder satellite, IS-16, for which service will be dedicated to Sky and Sky Brasil over the satellite's estimated 15-year life. The satellite was successfully launched in February 2010 and started operations in April 2010. In the third quarter of 2013, Sky entered into an agreement with DirecTV for the acquisition and launch of the SM-1 satellite, which was successfully launched in May 2015 and started operations on June 2015. See Note 11 to our consolidated year-end financial statements.

In August 2009, the contract on two remaining transponders of the IS-3R satellite expired (end of life of the satellite). We negotiated a new contract for the transponder on the IS-905 satellite until August 31, 2015, for the distribution of our content in Europe. In September 2015, the contract was renewed with Intelsat until August 2018.

In February 2012, we renewed the contract with Satélites Mexicanos, S.A. de C.V., or Satmex, on Satmex 5 until January 31, 2015. In March 2014, Satélites Mexicanos, S.A. de C.V. was renamed Eutelsat Americas, as a part of Eutelsat Group. In February 2015, we renewed our contracts with Eutelsat Americas until January 2018, and also contracted for a new transponder on Eutelsat 117 West A from April 2015 until March 2018.

On October 31, 2012, the contract on one of the three transponders of the Galaxy 16 satellite expired. In November 2012, we entered into a new contract with SES, S.A., or SES, for a new transponder on the AMC-9 satellite until October 31, 2017, as a replacement of the previous one. In November 2015, this contract was extended until December 2018.

With several new domestic and international satellites having been launched recently, and with several others scheduled for launch in the next few years, including those scheduled for launch by Intelsat, Eutelsat Americas (formerly Satmex) and SES, we believe that we will be able to secure satellite capacity to meet our needs in the future, although no assurance can be given in this regard.

Insurance. We maintain comprehensive insurance coverage for our offices, equipment, transmission lines networks and other property for risks including fire, earthquake, flooding, storm, and other similar events and the resulting business interruption losses, subject to some limitations. We do not maintain insurance for our DTH business in case of loss of satellite transmission. We cannot provide any assurance that our insurance coverage is sufficient to cover any losses that we may sustain, or that we will be able to successfully claim our losses under our insurance policies on a timely basis or at all. If we incur any loss not covered by our insurance policies, or the compensated amount is significantly less than our actual loss or is not timely paid, our business, financial condition and results of operations could be materially and adversely affected.

Item 5. Operating and Financial Review and Prospects.

You should read the following discussion together with our consolidated year-end financial statements and the accompanying notes, which appear elsewhere in this annual report. This annual report contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below and elsewhere in this annual report, particularly in Key Information Risk Factors . See Key Information Forward-Looking Statements for further discussion of the risks and uncertainties inherent in forward-looking statements. In addition to the other information in this annual report,

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investors should consider carefully the following discussion and the information set forth under **Key Information** **Risk Factors** before evaluating us and our business.

Preparation of Financial Statements

As required by regulations issued by *Comisión Nacional Bancaria y de Valores*, or the Mexican Banking and Securities Commission, for listed companies in Mexico, our financial information is presented in accordance with the IFRS as issued by the IASB for financial reporting purposes.

	Year Ended December 31,					
	2017		2016		2015	
	(Millions of Pesos)(1)					
Net sales	Ps.	94,274.2	Ps.	96,287.4	Ps.	88,051.8
Cost of sales		53,534.6		52,377.8		47,226.5
Selling expenses		10,554.1		10,900.7		9,716.2
Administrative expenses		13,556.0		13,273.4		12,035.5
Other expense, net		2,386.3		3,137.4		328.5
Operating income		14,243.2		16,598.1		18,745.1
Finance expense, net		5,304.9		9,532.1		122.9
Share of income of joint ventures and associates, net		1,913.3		1,139.6		35.4
Income taxes		4,274.1		2,872.2		6,332.2
Net income		6,577.5		5,333.4		12,325.4
Net income attributable to non-controlling interests		2,053.0		1,612.0		1,426.3
Net income attributable to stockholders of the Company	Ps.	4,524.5	Ps.	3,721.4	Ps.	10,899.1

(1) Certain data set forth in the table above may vary from the corresponding data set forth in our consolidated statements of income for the years ended December 31, 2017, 2016 and 2015 included in this annual report due to differences in rounding.

Results of Operations

For segment reporting purposes, our consolidated cost of sales, selling expenses and administrative expenses for the years ended December 31, 2017, 2016 and 2015 exclude corporate expenses and depreciation and amortization, which are presented as separate line items. The following table sets forth the reconciliation between our operating segment income and the consolidated operating income according to IFRS:

	Year Ended December 31,					
	2017		2016		2015	
	(Millions of Pesos) (1)					
Net sales	Ps.	94,274.2	Ps.	96,287.4	Ps.	88,051.8
Cost of sales(2)		40,709.9		40,825.2		37,169.5

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Selling expenses(2)	9,283.6	9,717.5	8,764.7
Administrative expenses(2)	6,823.9	6,821.5	6,422.3
Operating segment income	37,456.8	38,923.2	35,695.3
Corporate expenses	2,291.0	2,207.9	1,960.8
Depreciation and amortization	18,536.3	16,979.8	14,660.9
Other expense, net	2,386.3	3,137.4	328.5
Operating income	Ps. 14,243.2	Ps. 16,598.1	Ps. 18,745.1

(1) Certain data set forth in the table above may vary from the corresponding data set forth in our consolidated statements of income for the years ended December 31, 2017, 2016 and 2015 included in this annual report due to differences in rounding.

(2) Excluding corporate expenses and depreciation and amortization.

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The following table sets forth our segment net sales data for the indicated periods as a percentage of total segment net sales:

	Year Ended December 31,(1)		
	2017	2016	2015
Segment Net Sales			
Content	34.8%	36.9%	38.1%
Sky	22.7	22.1	21.3
Cable	33.9	32.1	31.6
Other Businesses	8.6	8.9	9.0
Total segment net sales	100.0%	100.0%	100.0%
Intersegment operations	(3.4)	(3.1)	(2.4)
Total consolidated net sales	96.6%	96.9%	97.6%

The following table sets forth our operating income as a percentage of our total consolidated net sales:

	Year Ended December 31,(1)		
	2017	2016	2015
Net Sales			
Cost of sales(2)	43.2%	42.4%	42.2%
Selling expenses(2)	9.8	10.1	10.0
Administrative and corporate expenses(2)	9.7	9.4	9.5
Depreciation and amortization	19.7	17.6	16.6
Other expense, net	2.5	3.3	0.4
Consolidated operating income	15.1	17.2	21.3
Total consolidated net sales	100.0%	100.0%	100.0%

(1) Certain segment data set forth in these tables may vary from the corresponding data set forth in our consolidated year-end financial statements due to differences in rounding. The segment net sales and total segment net sales data set forth in this annual report include sales from intersegment operations in all periods presented. See Note 25 to our consolidated year-end financial statements.

(2) Excluding depreciation and amortization.

Table of Contents**Summary of Business Segment Results**

The following tables set forth the net sales and operating segment income of each of our reportable business segments and intersegment sales, corporate expenses, depreciation and amortization and other expense, net for the years ended December 31, 2017, 2016 and 2015.

Reportable segments are those that are based on our method of internal reporting to senior management for making operating decisions and evaluating performance of operating segments, and certain qualitative, grouping and quantitative criteria. As of December 31, 2017, we classified our operations into four business segments: Content, Sky, Cable, and Other Businesses.

	2017		Year Ended December 31, 2016		2015	
	(Millions of Pesos)(1)					
Segment Net Sales						
Content	Ps.	33,997.2	Ps.	36,686.7	Ps.	34,332.6
Sky		22,196.6		21,941.2		19,253.5
Cable		33,048.3		31,891.6		28,488.3
Other Businesses		8,376.3		8,828.3		8,124.3
Total Segment Net Sales		97,618.4		99,347.8		90,198.7
Intersegment Operations		(3,344.2)		(3,060.4)		(2,146.9)
Total Consolidated Net Sales	Ps.	94,274.2	Ps.	96,287.4	Ps.	88,051.8
Operating Segment Income						
Content	Ps.	12,825.3	Ps.	14,748.0	Ps.	14,564.2
Sky		10,106.6		9,898.5		8,972.3
Cable		14,034.8		13,236.1		11,405.6
Other Businesses		490.1		1,040.6		753.2
Total Operating Segment Income(2)		37,456.8		38,923.2		35,695.3
Corporate Expenses(2)		(2,291.0)		(2,207.9)		(1,960.8)
Depreciation and Amortization(2)		(18,536.3)		(16,979.8)		(14,660.9)
Other Expense, net		(2,386.3)		(3,137.4)		(328.5)
Consolidated Operating Income(3)	Ps.	14,243.2	Ps.	16,598.1	Ps.	18,745.1

(1) Certain segment data set forth in these tables may vary from the corresponding data set forth in our consolidated year-end financial statements due to differences in rounding. The segment net sales and total segment net sales data set forth in this annual report include sales from intersegment operations in all years presented. See Note 25 to our consolidated year-end financial statements.

(2) The total operating segment income data set forth in this annual report do not include corporate expenses or depreciation and amortization in any year presented, but are presented herein to facilitate the discussion of segment results.

(3) Consolidated operating income reflects corporate expenses, depreciation and amortization, and other expense, net, in the years presented. See Note 25 to our consolidated year-end financial statements.

Seasonality

Our results of operations are seasonal. We typically recognize a disproportionately large percentage of our overall consolidated net sales (principally advertising) in the fourth quarter in connection with the holiday shopping season. For example, in 2017, 2016 and 2015, we recognized 27.7%, 28.4% and 28.3%, respectively, of our consolidated net sales in the fourth quarter of the year. Our costs, in contrast to our revenues, are more evenly incurred throughout the year and generally do not correlate to the amount of advertising sales.

Preponderant Economic Agent Status

For a discussion of the consequences regarding IFT's March 6, 2014 decision determining that we, together with other entities with concessions to provide broadcast television, are preponderant economic agents in the broadcasting sector in Mexico see [Risk Factors Related to Mexico – The Reform and Addition of Various Provisions of the Mexican Constitution Related to Telecommunications, the LFTR and Other Recent Actions of IFT May Significantly and Adversely Affect the Business, Results of Operations and Financial Results of Some of Our Business Segments](#) . For a discussion regarding the opportunities and options for us as a result of IFT's determination that Grupo Carso, S.A.B de C.V., Grupo Financiero Inbursa, S.A.B. de C.V., and other entities are preponderant economic agents in the telecommunications market in Mexico see [Business Overview – Business](#)

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Strategy Expanding our Business in the Mexican Telecommunications Markets by Taking Advantage of the Telecom Reform and Implementing Legislation .

**Results of Operations for the Year Ended December 31, 2017
Compared to the Year Ended December 31, 2016**

Total Segment Results

Net Sales

Net sales decreased by Ps.2,013.2 million, or 2.1%, to Ps.94,274.2 million for the year ended December 31, 2017 from Ps.96,287.4 million for the year ended December 31, 2016. This decrease was attributable to the decline in Content segment revenues and, to a lesser extent, the decline in sales at our Other Businesses segment.

Cost of Sales

Cost of sales decreased by Ps.115.3 million, or 0.3%, to Ps.40,709.9 million for the year ended December 31, 2017 from Ps.40,825.2 million for the year ended December 31, 2016. This decrease was due to lower costs principally in our Content segment and in our Publishing business.

Selling Expenses

Selling expenses decreased by Ps.433.9 million, or 4.5%, to Ps.9,283.6 million for the year ended December 31, 2017 from Ps.9,717.5 million for the year ended December 31, 2016. This decrease was attributable to lower selling expenses, primarily in our Content, Sky and Other Businesses segments.

Administrative and Corporate Expenses

Administrative and corporate expenses increased marginally by Ps.85.5 million, or 0.9%, to Ps.9,114.9 million for the year ended December 31, 2017 from Ps.9,029.4 million for the year ended December 31, 2016. This growth reflects an increase in administrative expenses, principally in our Cable segment.

Corporate expense increased by Ps.83.1 million, or 3.8%, to Ps.2,291.0 million in 2017, from Ps.2,207.9 million in 2016. The increase reflected primarily a higher share-based compensation expense.

Share-based compensation expense in 2017 and 2016 amounted to Ps.1,489.9 million and Ps.1,410.5 million, respectively, and was accounted for as corporate expense. Share-based compensation expense is measured at fair value at the time the equity benefits are conditionally sold to officers and employees, and is recognized over the vesting period. The increase of Ps.79.4 million primarily reflected the increase in the market price of our CPO in prior years.

Content

We categorize our sources of revenue in our Content segment as follows:

- Advertising,
- Network Subscription, and
- Licensing and Syndication.

Given the cost structure of our Content segment, operating segment income is reported as a single line item.

The Advertising revenue is derived primarily from the sale of advertising time on our television broadcast operations, which include the production of television programming and broadcasting of Channels 2, 4, 5 and 9 (television networks), as well as the sale of advertising time on programs provided to pay television companies in Mexico and in our internet business, and the production of television programming and broadcasting for local television stations in Mexico and the United States. The broadcasting of television networks is performed by television repeater stations in Mexico which are wholly-owned, majority-owned or minority-owned by the Group or otherwise affiliated with our networks.

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The Network Subscription revenue is derived from domestic and international programming services provided to independent cable television systems in Mexico and our direct-to-home (DTH) satellite and cable television businesses. These programming services for cable and pay-per-view television companies are provided in Mexico, other countries in Latin America, the United States and Europe. The programming services consist of both programming produced by us and programming produced by third parties.

The Licensing and Syndication revenue is derived from international program licensing and syndication fees. Our television programming is licensed and syndicated to customers abroad, including Univision.

The following table presents net sales and operating segment income in our Content segment, and the percentage of change when comparing 2017 with 2016:

	Year Ended December 31,		Change (%)
	2017	2016	
	(Millions of Pesos)		
Net Sales			
Advertising	Ps. 20,719.1	Ps. 23,223.2	-10.8%
Network Subscription Revenue	4,058.1	4,399.3	-7.8%
Licensing and Syndication	9,220.0	9,064.2	1.7%
Total Net Sales	Ps. 33,997.2	Ps. 36,686.7	-7.3%
Operating Segment Income	Ps. 12,825.3	Ps. 14,748.0	-13.0%

Content net sales, representing 34.8% and 36.9% of our total segment net sales for the years ended December 31, 2017 and 2016, respectively, decreased by Ps.2,689.5 million, or 7.3%, to Ps.33,997.2 million for the year ended December 31, 2017 from Ps.36,686.7 million for the year ended December 31, 2016.

Advertising revenue decreased 10.8%. Advertising sold upfront, which typically accounts for the large majority of advertising revenue in a given year, is priced per spot based on, among other things, prior years ratings.

The pricing of such inventory remains fixed regardless of any change in ratings when transmitted. As a result of the ratings increase during 2017, clients achieved their target audience number with a smaller expense and were practically absent from the scatter market. This negative effect was particularly adverse to Televisa during the fourth quarter given the significance of scatter market revenue during the last few months of the year.

For 2018, we have successfully migrated to a pricing mechanism based on ratings. Under the new sales mechanism, advertising customer deposits and advances arranged during the fourth quarter of 2017, along with a number of contracts concluded in January 2018, for all of our Content platforms increased by 1.8%, as compared to the fourth quarter of 2016.

Network Subscription revenue decreased by 7.8%. The decrease is explained by the fact that a competitor is no longer carrying our pay-TV networks.

The increase in Licensing and Syndication revenue of 1.7% is mainly explained by non-recurring revenue originated in other local licensing agreements. The royalties from Univision reached U.S.\$313.9 million in 2017, equivalent to a decrease of 3.3% from 2016.

Content operating segment income decreased by 13.0% to Ps.12,825.3 million in 2017 compared with Ps.14,748.0 million in 2016. The margin was 37.7%. The decrease in operating segment income was due to the decrease in net sales, partially offset by a decrease in cost of sales and operating expenses.

Advertising Rates and Sales

We sell commercial time in two ways: upfront and scatter basis. Our sales force is organized into separate teams, each of which focuses on groups of clients, in order to provide single platform and multi-platform offers that include free-to-air television, pay television, local stations and digital services.

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During 2017, advertisers that elected the upfront option locked-in prices for most of our commercial inventory for the upcoming year, regardless of future price changes or changes in ratings. Advertisers that chose the upfront option made annual prepayments, with cash or short-term notes, were charged lower rates than those charged on a scatter basis for their commercial time, were given the highest priority in schedule placement, and were given a first option in advertising during special programs. Scatter advertisers, or advertisers who chose not to make upfront payments but rather advertise from time to time, risked both higher prices and lack of access to choice commercial time slots. We billed our advertising customers based on fixed pricing rather than on a cost-per-rating-point basis. Advertising revenues were recognized at the time the advertising services were rendered (i.e., the advertising was broadcast). Upon broadcast of the corresponding advertising, advertisers were charged based on the price tariff previously agreed with them. Any upfront payments were recorded as liabilities until such time as the revenue was recognized. We were not committed with advertisers to achieve a certain rating upon broadcast and we did not charge on estimates but rather on actual agreed prices. Therefore, we did not have to account for any deficiency or provide any price adjustment.

In 2018, we began billing our clients on a cost-per-rating-point basis rather than on a fixed pricing scheme. Most of our sales were done through Modular 2.0 or packages that have a pre-determined distribution through national channels and dayparts. We expect to continue to sell commercial time in two ways: upfront and scatter basis. Advertisers that elect the upfront option lock-in prices on a cost-per-rating basis for most of our commercial inventory for the upcoming year, regardless of future price changes. Advertisers that choose the upfront option make annual prepayments, with cash or short-term notes, are charged lower rates than those charged on a scatter basis for their commercial time and are given a first option in advertising during special programs. Scatter advertisers, or advertisers who choose not to make upfront payments but rather advertise from time to time, risk both higher prices and limited access to commercial time slots. Under our cost-per-rating-point approach, all advertisers are billed based on actual gross rating points delivered. See Information on the Company - Business Overview - Advertising Sales Plan .

For 2018, we have successfully migrated to a pricing mechanism based on ratings.

The Mexican government does not restrict our ability to set our advertising rates. In setting advertising rates and terms, we consider, among other factors, the likely effect of rate increases on the volume of advertising sales. We have historically been flexible in setting rates and terms for our television advertising. Nominal rate increases have traditionally varied across daytime hours, and the same price increases have not been implemented for all programs, with higher increases for certain programs as a result of higher demand for advertising during certain hours.

We sold approximately 53%, 42% and 35% of total available national advertising time on our networks during prime time broadcasts in 2015, 2016 and 2017, respectively, and approximately 45%, 35% and 29% of total available national advertising time during all time periods in 2015, 2016 and 2017, respectively. Television broadcasting advertising time that is not sold to the public is primarily used to satisfy our legal obligation to the Mexican government to provide Official Television Broadcast Time and to promote, among other things, our products.

As of December 31, 2017 and 2016, we had received Ps.16,072.3 million and Ps.18,335.2 million, respectively, of advertising deposits and advances for advertising time in all of our Content platforms and in our other segments, for 2018 and 2017, respectively, representing approximately U.S.\$815.6 million and U.S.\$888.5 million, respectively, at

the applicable year-end exchange rates. Approximately 90.0% and 71.6% of these deposits as of December 31, 2017 and 2016, respectively, were in the form of short-term, non-interest bearing notes, with the remainder in each of these years consisting of cash deposits. The weighted average maturity of these notes at December 31, 2017 and 2016 was 4.7, and 3.8 months, respectively.

Sky

Sky net sales are primarily derived from program services, activation fees and equipment rental to subscribers, and national advertising sales.

Sky net sales, representing 22.7% and 22.1% of our segment net sales for the years ended December 31, 2017 and 2016, respectively, increased by Ps.255.4 million, or 1.2%, to Ps.22,196.6 million for the year ended December 31, 2017 from Ps.21,941.2 million for the year ended December 31, 2016. The number of net active subscribers

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decreased by 23,993 during the year to 8,002,526 as of December 31, 2017. Sky ended the year with 174,809 subscribers in Central America and the Dominican Republic.

During 2017, Sky was impacted by unusually high growth of net additions in 2016 as a result of the analog shut down. On the other hand, during 2017 the number of clients that subscribe to a high-definition package grew by 20% reaching approximately 7% of the total subscriber base. In addition, revenue per customer increased year over year by 6.0%.

Sky operating segment income increased by Ps.208.1 million, or 2.1%, to Ps.10,106.6 million for the year ended December 31, 2017 from Ps.9,898.5 million for the year ended December 31, 2016, and the margin was 45.5%. The increase in revenues was partially offset by higher programming and personnel costs.

Cable

Cable net sales are derived from the provision of cable and telecommunication services, as well as advertising sales. Net sales relating to pay-TV services generally consist of monthly subscription fees for basic and premium service packages, fees charged for pay-per-view programming and, to a significantly lesser extent, monthly rental and one-time installation fees, broadband internet and telephone services subscription. The voice and data business derives revenues from providing data and long-distance services solutions to carriers and other telecommunications service providers through its fiber-optic network. Net sales relating to pay-TV advertising consist of revenues from the sale of advertising on Cablevisión, Cablemás, TVI, Cablecom and, starting January 1, 2015, Telecable. Rates are based on the day and time the advertising is aired, as well as the type of programming in which the advertising is aired. Pay-TV subscription and advertising rates are adjusted periodically in response to inflation and in accordance with market conditions.

Cable net sales, representing 33.9% and 32.1% of our segment net sales for the years ended December 31, 2017 and 2016, respectively, increased by Ps.1,156.7 million, or 3.6%, to Ps.33,048.3 million for the year ended December 31, 2017 from Ps.31,891.6 million for the year ended December 31, 2016.

Total revenue generating units, or RGUs, reached 10.1 million. The growth was mainly driven by 385,546 data net additions. Voice net additions were 8,670; partially offset by a drop in video subscribers of 20,714 net decrement.

Cable operating segment income increased by Ps.798.7 million, or 6.0%, to Ps.14,034.8 million for the year ended December 31, 2017 from Ps.13,236.1 million for the year ended December 31, 2016, and the margin reached 42.5%, equivalent to an increase of 100 basis points from 2016, and is the highest on record. These favorable variances were partially offset by higher programming, maintenance, personnel and promotional costs and expenses.

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The following table sets forth the breakdown of RGUs per service type for our Cable segment as of December 31, 2017 and 2016.

	2017	2016
Video	4,185,150	4,205,864
Broadband (data)	3,797,336	3,411,790
Voice	2,121,952	2,113,282
RGUs	10,104,438	9,730,936

During the first quarter 2017, we adjusted downward our RGU count by 207,000. As part of the integration of all our cable assets under the same systems, during the first quarter of 2017 we standardized the methodology for accounting for RGUs across all companies. Prior to standardization of policies, TVI had a different reporting methodology for RGUs. The adjustment to the RGU count does not have an impact on financial results. The strictest criteria has now been adopted by all five cable operations.

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Other Businesses

Other Businesses net sales are primarily derived from the promotion of sports and special events in Mexico, the distribution of feature films, gaming, radio, publishing and publishing distribution.

Other Businesses net sales, representing 8.6% and 8.9% of our segment net sales for the years ended December 31, 2017 and 2016, respectively, decreased by Ps.452.0 million, or 5.1%, to Ps.8,376.3 million for the year ended December 31, 2017 from Ps.8,828.3 million for the year ended December 31, 2016. Decrease in revenues was mainly driven by performance in the publishing and soccer businesses.

Other Businesses operating segment income decreased by Ps.550.5 million, or 52.9%, to Ps.490.1 million for the year ended December 31, 2017 from Ps.1,040.6 million for the year ended December 31, 2016, reflecting a decrease in operating segment income of our publishing, soccer and feature film distribution businesses.

Depreciation and Amortization

Depreciation and amortization expense increased by Ps.1,556.5 million, or 9.2%, to Ps.18,536.3 million for the year ended December 31, 2017 from Ps.16,979.8 million for the year ended December 31, 2016. This change primarily reflected an increase in such expense in our Cable, Sky and Content segments.

Other Expense, Net

Other expense, net, decreased by Ps.751.1 million to Ps.2,386.3 million for the year ended December 31, 2017 from Ps.3,137.4 million for the year ended December 31, 2016. This decrease reflected primarily: (i) a lower loss on disposition of property and equipment of Ps.692.0 million resulting primarily from a reduction in network upgrades in our Cable segment operations and from the absence of costs incurred in connection with the cancellation in 2016 of a contract for a new satellite in our Sky segment; (ii) a lower expense of Ps.564.2 million related to legal and accounting advisory and professional services. These favorable variances were partially offset by losses of Ps.294.9 million on the disposition of a publishing business in Argentina in our Other Businesses segment and of intangible assets in our Content segment.

Other expense, net, for the year ended December 31, 2017, include primarily: (i) non-recurrent severance expenses; (ii) losses on disposition of property, equipment and intangible assets; (iii) legal and accounting advisory and professional services; (iv) donations; (v) a loss on the disposition of a publishing business in Argentina; and (vi) impairment adjustments to certain trademarks in our Publishing business.

Non-operating Results

Finance Income or Expense, Net

Finance income or expense, net, significantly impacts our consolidated financial statements in periods of currency fluctuations. Finance income or expense, net, reflects:

- interest expense;
- interest income;
- foreign exchange gain or loss attributable to monetary assets and liabilities denominated in foreign currencies; and
- other finance income or expense, net, including gains or losses from derivative instruments.

Our foreign exchange position is affected by our assets or liabilities denominated in foreign currencies, primarily U.S. dollars. We record a foreign exchange gain or loss if the exchange rate of the Peso to the other currencies in which our monetary assets or liabilities are denominated varies.

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Finance expense, net, decreased by Ps.4,227.2 million to Ps.5,304.9 million for the year ended December 31, 2017 from Ps.9,532.1 million for the year ended December 31, 2016. This decrease reflected primarily: (i) a favorable change of Ps.3,259.2 million in foreign exchange income or loss, net, resulting primarily from a 4.5% appreciation of the Mexican Peso against the U.S. Dollar in 2017 compared with a 19.9% depreciation of the Mexican Peso against the U.S. Dollar in 2016; (ii) a favorable change of Ps.946.6 million in other finance income or expense, net, resulting primarily from a net gain in fair value in our derivative contracts; and (iii) a Ps.769.2 million increase in interest income explained primarily by an increase in interest rate applicable to cash equivalents. These favorable variances were partially offset by a Ps.747.8 million increase in interest expense, due primarily to a higher average principal amount of debt in the fourth quarter of 2017, relating to (i) the incurrence of Mexican Peso debt in October and November 2017; and (ii) the prepayment in December 2017 of certain outstanding debt and accrued interest primarily denominated in U.S. Dollars, along with related fees for such prepayment.

Share of Income of Associates and Joint Ventures, Net

This line item reflects our equity participation in the operating results and net assets of unconsolidated businesses in which we maintain an interest, but which we do not control. We recognize equity in losses of associates and joint ventures up to the amount of our initial investment, subsequent capital contributions and long-term loans, or beyond that amount when guaranteed commitments have been made by us in respect of obligations incurred by associates and joint ventures.

Share of income of associates and joint ventures, net, increased by Ps.773.7 million to Ps.1,913.3 million for the year ended December 31, 2017 from Ps.1,139.6 million for the year ended December 31, 2016. This increase reflected mainly a higher share of income of UHI, the controlling company of Univision, resulting from an increase in UHI's income before income taxes, and a non-recurring tax benefit in connection with a reduction of the corporate tax rate in the United States from 35% to 21%, which was partially offset by a lower share of income of Imagina, a communications company in Spain.

Income Taxes

Income taxes increased by Ps.1,401.9 million to Ps.4,274.1 million in 2017 compared with Ps.2,872.2 million in 2016. This increase reflected a higher effective income tax rate, primarily in connection with (i) a higher taxable inflationary gain resulting from a net monetary liability position of significant companies in Televisa and 6.8% inflation rate in 2017, compared with a 3.4% inflation rate in 2016; and (ii) as well as a higher tax base.

The Mexican corporate income tax rate was 30% in each of the years 2017, 2016 and 2015. In accordance with the 2014 Tax

Reform (as defined below), the corporate income tax rate will remain 30% in 2018 unless the Mexican Federal Congress enacts further reform.

In the last quarter of 2013, the Mexican Federal Congress approved a new tax reform (the 2014 Tax Reform), which became effective as of January 1, 2014. Among the tax reforms approved by the Mexican Federal Congress was the elimination of the tax consolidation regime allowed for Mexican controlling companies through December 31, 2013. See Note 23 to our consolidated year-end financial statements.

As a result of this change, beginning on January 1, 2014, we are no longer allowed to consolidate, for income tax purposes, income or loss of our Mexican subsidiaries up to 100% of our share ownership.

Net Income Attributable to Non-controlling Interests

Net income attributable to non-controlling interests reflects that portion of operating results attributable to the interests held by third parties in the businesses which are not wholly-owned by us, including our Cable and Sky segments, as well as our Radio business.

Net income attributable to non-controlling interests increased by Ps.441.0 million, or 27%, to Ps.2,053.0 million for the year ended December 31, 2017, compared with Ps.1,612.0 million for the year ended December 31, 2016. This increase reflected primarily a higher portion of net income attributable to non-controlling interests in our Cable and Sky segments.

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Net Income Attributable to Stockholders of the Company

We generated net income attributable to stockholders of the Company in the amount of Ps.4,524.5 million for the year ended December 31, 2017, as compared to Ps.3,721.4 million for the year ended December 31, 2016. The net increase of Ps.803.1 million reflected:

- a Ps.2,354.9 million decrease in operating income;
- a Ps.4,227.2 million decrease in finance expense, net; and
- a Ps.441.0 million increase in net income attributable to non-controlling interests.

These changes were partially offset by:

- a Ps.773.7 million increase in share of income of associates and joint ventures, net; and
- a Ps.1,401.9 million increase in income taxes.

**Results of Operations for the Year Ended December 31, 2016
Compared to the Year Ended December 31, 2015**

Total Segment Results

Net Sales

Net sales increased by Ps.8,235.6 million, or 9.4%, to Ps.96,287.4 million for the year ended December 31, 2016 from Ps.88,051.8 million for the year ended December 31, 2015. This increase was attributable to strong growth in our

Content segment, and double-digit growth in our Sky and Cable segments.

Cost of Sales

Cost of sales increased by Ps.3,655.7 million, or 9.8%, to Ps.40,825.2 million for the year ended December 31, 2016 from Ps.37,169.5 million for the year ended December 31, 2015. This increase was due to higher costs principally in our Content, Sky and Cable segments.

Selling Expenses

Selling expenses increased by Ps.952.8 million, or 10.9%, to Ps.9,717.5 million for the year ended December 31, 2016 from Ps.8,764.7 million for the year ended December 31, 2015. This increase was attributable to higher selling expenses, primarily in our Cable, Content and Sky segments.

Administrative and Corporate Expenses

Administrative and corporate expenses increased by Ps.646.3 million, or 7.7%, to Ps.9,029.4 million for the year ended December 31, 2016 from Ps.8,383.1 million for the year ended December 31, 2015. The growth reflects an increase in administrative expenses, principally in our Cable and Sky segments. This increase includes an increase of 12.6% in corporate expenses.

Corporate expense increased by Ps.247.1 million, to Ps.2,207.9 million in 2016, from Ps.1,960.8 million in 2015. The increase reflected primarily a higher share-based compensation expense.

Share-based compensation expense in 2016 and 2015 amounted to Ps.1,410.5 million and Ps.1,199.5 million, respectively, and was accounted for as corporate expense. Share-based compensation expense is measured at fair value at the time the equity benefits are conditionally sold to officers and employees, and is recognized over the

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vesting period. The increase of Ps.211.0 million reflected primarily the increase in the market price of our CPO in prior years, and to a lesser extent a higher number of our CPOs conditionally sold to officers and employees in our Cable segment.

Content

The following table presents net sales and operating segment income in our Content segment, and the percentage of change when comparing 2016 with 2015:

	Year Ended December 31,				Change (%)
	2016	(Millions of Pesos)		2015	
Net Sales					
Advertising	Ps.	23,223.2	Ps.	23,029.3	0.8%
Network Subscription Revenue		4,399.3		3,595.4	22.4%
Licensing and Syndication		9,064.2		7,707.9	17.6%
Total Net Sales	Ps.	36,686.7	Ps.	34,332.6	6.9%
Operating Segment Income	Ps.	14,748.0	Ps.	14,564.2	1.3%

Content net sales increased by Ps.2,354.1 million, or 6.9%, to Ps.36,686.7 million for the year ended December 31, 2016 from Ps.34,332.6 million for the year ended December 31, 2015.

Advertising revenue growth reached 0.8%. The modest growth in 2016 follows a contraction in revenues during 2015 that resulted from the restructuring of our advertising sales organization.

Advertising customer deposits for 2017 grew by 8.9%.

Network Subscription Revenue increased by 22.4%. The growth in the year was driven mainly by the sustained addition of pay-TV subscribers, both in Mexico and Latin America and a positive translation effect on foreign-currency denominated revenues. These two factors more than compensated for the loss of revenue from Megacable starting September 2016.

During the year, Televisa continued to produce and transmit several of the leading pay-TV networks in Mexico in key categories, including general entertainment, music and lifestyle, and movies. During 2016, 11 of the top 30 pay-TV networks in Mexico were produced by Televisa.

The increase in Licensing and Syndication revenue of 17.6% is mainly explained by a positive translation effect on foreign-currency-denominated revenues. The royalties from Univision reached US\$324.6 million in 2016, equivalent to a growth of 4.3% from

2015.

In the aggregate for the full year, the Content segment results reflect a positive translation effect on foreign-currency-denominated sales that amounted to Ps.1,887.0 million.

Content operating segment income increased by 1.3% to Ps.14,748.0 million in 2016 compared with Ps.14,564.2 million in 2015. The margin was 40.2%. The moderate growth in operating segment income was possible in spite of the increased investment in the production of content, the loss of revenue from Megacable starting September, 2016, and the decision not to renew the agreement with Netflix starting July, 2016.

Sky

Sky net sales increased by Ps.2,687.7 million, or 14.0%, to Ps.21,941.2 million for the year ended December 31, 2016 from Ps.19,253.5 million for the year ended December 31, 2015. The increase in revenue was the fastest of the last four years and was driven by a growth in the subscribers of 742 thousand. Strong revenue growth was also driven by a higher than usual re-charge rate in the first half of 2016 following the transition from analog to digital transmission of broadcast signals. As of December 31, 2016, the number of net active subscribers increased to 8,026,519 (including 190,545 commercial subscribers), compared with 7,284,162 (including 178,915 commercial

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subscribers) as of December 31, 2015. Sky closed 2016 with 206,814 subscribers in Central America and the Dominican Republic.

Sky operating segment income increased by Ps.926.2 million, or 10.3%, to Ps.9,898.5 million for the year ended December 31, 2016 from Ps.8,972.3 million for the year ended December 31, 2015, and the margin was 45.1%. The increase in revenues was partially compensated by higher programming costs mainly as a result of the depreciation of the Mexican peso.

Cable

Cable net sales increased by Ps.3,403.3 million, or 11.9%, to Ps.31,891.6 million for the year ended December 31, 2016 from Ps.28,488.3 million for the year ended December 31, 2015.

Voice and data revenue generating units, or RGUs, grew by 11.8% and 11.3% compared with 2015, respectively, and video RGUs grew by 3.6%.

Cable operating segment income increased by Ps.1,830.5 million, or 16.0%, to Ps.13,236.1 million for the year ended December 31, 2016 from Ps.11,405.6 million for the year ended December 31, 2015, and the margin reached 41.5%, equivalent to an increase of 150 basis points from 2015, and is the highest on record. The increase in the margin was possible due to the aggressive cost savings program implemented throughout the year and process of integration of our five cable operations. These favorable variances were partially offset by higher programming costs mainly as a result of the depreciation of the Mexican peso and by higher maintenance, personnel and leasing costs and expenses.

The following table sets forth the breakdown of RGUs per service type for our Cable segment as of December 31, 2016 and 2015.

	2016	2015
Video	4,205,864	4,061,655
Broadband (data)	3,411,790	3,066,699
Voice	2,113,282	1,891,026
RGUs	9,730,936	9,019,380

During the first quarter 2017, we have adjusted downward our RGU count by 207,000. As part of the integration of all our cable assets under the same systems, during the first quarter of 2017 we standardized the methodology for accounting for RGUs across all companies. Prior to standardization of policies, TVI had a different reporting methodology for RGUs. The adjustment to the RGU count does not have an impact on financial results. The strictest criteria has now been adopted by all five cable operations.

Other Businesses

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Other Businesses net sales increased by Ps.704.0 million, or 8.7%, to Ps.8,828.3 million for the year ended December 31, 2016 from Ps.8,124.3 million for the year ended December 31, 2015. Businesses that performed well include soccer and gaming. The gaming business benefited from higher revenues from our electronic gaming machines, while soccer saw an increase in revenues as a result of player-related transactions.

Other Businesses operating segment income increased by Ps.287.4 million, or 38.2%, to Ps.1,040.6 million for the year ended December 31, 2016 from Ps.753.2 million for the year ended December 31, 2015, reflecting primarily i) an increase in the operating segment income of our gaming and soccer businesses; and ii) a decrease in the operating segment loss of our publishing distribution business.

Depreciation and Amortization

Depreciation and amortization expense increased by Ps.2,318.9 million, or 15.8%, to Ps.16,979.8 million for the year ended December 31, 2016 from Ps.14,660.9 million for the year ended December 31, 2015. This change

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primarily reflected an increase in such expense in our Cable and Sky segments, and was partially offset by a decrease in our Content segment.

Other Expense, Net

Other expense, net, increased by Ps.2,808.9 million to Ps.3,137.4 million for the year ended December 31, 2016 from Ps.328.5 million for the year ended December 31, 2015. This increase reflected primarily: (i) the absence of a non-recurring cash income of Ps.1,038.3 million (U.S.\$67.6 million) as a result of the early termination of a technical assistance agreement with Univision in the first quarter of 2015; (ii) a non-recurring costs of approximately Ps.259.3 million incurred in connection with the cancellation of a contract for a new satellite in our Sky segment; (iii) an increase in non-recurring severance expense in 2016 in the aggregate amount of Ps.912.2 million in connection with dismissals of personnel in our Content, Cable and Other Businesses segments, as part of a cost reduction plan; and (iv) an increase in legal and accounting advisory and professional services.

Other expense, net, for the year ended December 31, 2016, also included loss on disposition of property and equipment, donations, and a non-cash impairment charge related to goodwill and trademarks in our Publishing business.

Non-operating Results

Finance Income or Expense, Net

Finance income or expense, net, significantly impacts our consolidated financial statements in periods of currency fluctuations. Finance income or expense, net, reflects:

- interest expense;

- interest income;

- foreign exchange gain or loss attributable to monetary assets and liabilities denominated in foreign currencies; and

- other finance income or expense, net, including gains or losses from derivative instruments.

Our foreign exchange position is affected by our assets or liabilities denominated in foreign currencies, primarily U.S. dollars. We record a foreign exchange gain or loss if the exchange rate of the Peso to the other currencies in which our monetary assets or liabilities are denominated varies.

Finance expense, net, increased by Ps.9,409.2 million to Ps.9,532.1 million for the year ended December 31, 2016 from Ps.122.9 million for the year ended December 31, 2015. This increase reflected primarily: (i) an unfavorable change of Ps.7,558.1 million decrease in other finance income or expense, net, resulting primarily from the absence of other finance income recognized by us in July 2015 in connection with our exchange of Convertible Debentures issued by UHI, the controlling company of Univision, for Warrants that are exercisable for UHI's common stock, which included a cash amount of Ps.2,195 million (U.S.\$135.1 million) received from UHI for such exchange, and a Ps.4,718.2 million reclassification from accumulated other comprehensive income in consolidated equity in connection with a cumulative non-cash gain related to changes in fair value of such debentures; (ii) a Ps.2,258.5 million increase in interest expense, due primarily to a higher average principal amount of debt, finance lease obligations and other notes payable in 2016 and the impact of the depreciation of the Mexican peso against the U.S. dollar on such interest expense; and (iii) a Ps.64.3 million increase in foreign exchange loss, net, resulting primarily from the depreciation of the Mexican peso against the U.S. dollar on a higher average net U.S. dollar liability position in 2016, which was partially offset by a favorable hedge effect resulting from our higher U.S. dollar investment in UHI in 2016. These unfavorable variances were partially offset by a Ps.471.7 million increase in interest income explained primarily by a higher average amount of cash equivalents and temporary investments in 2016.

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Share of Income of Associates and Joint Ventures, Net

This line item reflects our equity participation in the operating results and net assets of unconsolidated businesses in which we maintain an interest, but which we do not control. We recognize equity in losses of associates and joint ventures up to the amount of our initial investment, subsequent capital contributions and long-term loans, or beyond that amount when guaranteed commitments have been made by us in respect of obligations incurred by associates and joint ventures.

Share of income of associates and joint ventures, net, increased by Ps.1,104.2 million to Ps.1,139.6 million for the year ended December 31, 2016 from Ps.35.4 million for the year ended December 31, 2015. This increase reflected mainly a favorable change in our share of income or loss of UHI, the controlling company of Univision, as well as a higher share of income of Imagina, a communications company in Spain, which investment we began to recognize as an associate in third-quarter 2015.

Income Taxes

Income taxes decreased by Ps.3,460.0 million to Ps.2,872.2 million in 2016 compared with Ps.6,332.2 million in 2015. This decrease reflected primarily a lower tax base, which was partially offset by a higher effective income tax rate.

The Mexican corporate income tax rate was 30% in each of the years 2016, 2015 and 2014. In accordance with the 2014 Tax Reform (as defined below), the corporate income tax rate will remain 30% thereafter.

In the last quarter of 2013, the Mexican Federal Congress approved a new tax reform (the 2014 Tax Reform), which became effective as of January 1, 2014. Among the tax reforms approved by the Mexican Federal Congress was the elimination of the tax consolidation regime allowed for Mexican controlling companies through December 31, 2013. See Note 23 to our consolidated year-end financial statements.

As a result of this change, beginning on January 1, 2014, we are no longer allowed to consolidate, for income tax purposes, income or loss of our Mexican subsidiaries up to 100% of our share ownership.

Net Income Attributable to Non-controlling Interests

Net income attributable to non-controlling interests reflects that portion of operating results attributable to the interests held by third parties in the businesses which are not wholly-owned by us, including Cable and Sky segments, as well as our Radio business.

Net income attributable to non-controlling interests increased by Ps.185.7 million, or 13%, to Ps.1,612.0 million for the year ended December 31, 2016, compared with Ps.1,426.3 million for the year ended December 31, 2015. This increase reflected primarily a higher portion of net income attributable to non-controlling interests in our Sky and Cable segments, which was partially offset by the acquisition of a non-controlling interest in Televisión Internacional, S.A. de C.V. (TVI), a company in our Cable segment, in first-quarter 2016.

Net Income Attributable to Stockholders of the Company

We generated net income attributable to stockholders of the Company in the amount of Ps.3,721.4 million for the year ended December 31, 2016, as compared to Ps.10,899.1 million for the year ended December 31, 2015. The net decrease of Ps.7,177.7 million reflected:

- a Ps.2,147.0 million decrease in operating income;
- a Ps.9,409.2 million increase in finance expense, net; and
- a Ps.185.7 million increase in net income attributable to non-controlling interests.

These changes were partially offset by:

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- a Ps.1,104.2 million increase in share of income of associates and joint ventures, net; and
- a Ps.3,460.0 million decrease in income taxes.

Effects of Depreciation and Inflation

The following table sets forth, for the periods indicated:

- the percentage that the Peso depreciated or appreciated against the U.S. Dollar;
- the Mexican inflation rate;
- the U.S. inflation rate; and
- the percentage change in Mexican GDP compared to the prior period.

	2017	Year Ended December 31, 2016	2015
(Appreciation) depreciation of the Peso as compared to the U.S. Dollar(1)	(4.5)%	19.9%	16.6%
Mexican inflation rate(2)	6.8	3.4	2.1
U.S. inflation rate	2.1	2.1	0.7
Increase in Mexican GDP(3)	2.0	2.9	3.3

(1) Based on changes in the Interbank Rates, as reported by CitiBanamex, at the end of each period, which were as follows: Ps.14.7613 as of December 31, 2014; Ps.17.2160 as of December 31, 2015; Ps.20.6356 as of December 31, 2016; and Ps.19.7051 as of December 31, 2017.

(2) Based on changes in the NCPI from the previous period, as reported by the Mexican Central Bank, which were as follows: 116.1 in 2014; 118.5 in 2015; 122.5 in 2016; and 130.8 in 2017.

(3) As estimated by the *Instituto Nacional de Estadística, Geografía e Informática*, or INEGI.

The general condition of the Mexican economy, the depreciation of the Peso as compared to the U.S. Dollar, inflation and high interest rates have in the past adversely affected, and may in the future adversely affect, our:

- **Advertising and Other Revenues.** Inflation in Mexico adversely affects consumers. As a result, our advertising customers may purchase less advertising, which would reduce our advertising revenues, and consumers may reduce expenditures for our other products and services, including pay-TV services.
- **Foreign Currency-Denominated Revenues and Operating Costs and Expenses.** We have substantial operating costs and expenses denominated in foreign currencies, primarily in U.S. Dollars. These costs are principally due to our activities in the United States, the costs of foreign-produced programming and publishing supplies and the leasing of satellite transponders. The following table sets forth our foreign currency-denominated revenues and operating costs and expenses stated in millions of U.S. Dollars for 2017, 2016 and 2015:

		Year Ended December 31,		
	2017	2016		2015
		(Millions of U.S. Dollars)		
Revenues	U.S.\$	788	U.S.\$ 910	U.S.\$ 943
Operating costs and expenses		690	819	859

On a consolidated basis, in 2017, 2016 and 2015, our foreign-currency-denominated costs and expenses did not exceed our foreign-currency-denominated revenues but there can be no assurance that they will continue not to do so in the future. As a result, we will continue to remain exposed to future depreciation of the Peso, which would increase the Peso equivalent of our foreign-currency-denominated costs and expenses.

- **Finance Expense, Net.** The depreciation of the Peso as compared to the U.S. Dollar generates foreign exchange losses relating to our net U.S. Dollar-denominated liabilities and increases the Peso equivalent of our interest expense on our U.S. Dollar-denominated indebtedness. Foreign exchange losses, derivatives used to hedge foreign exchange risk and increased interest expense increase our finance expense, net.

We have also entered into and will continue to consider entering into additional financial instruments to hedge against Peso depreciation and reduce our overall exposure to the depreciation of the Peso as compared to the

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U.S. Dollar, inflation and high interest rates. We cannot assure you that we will be able to enter into financial instruments to protect ourselves from the effects of the depreciation of the Peso as compared to the U.S. Dollar, inflation and increases in interest rates, or if so, on favorable terms. In the past, we have designated, and from time to time in the future we may designate, certain of our investments or other assets as effective hedges against Peso depreciations. See Key Information Risk Factors Risk Factors Related to Mexico , Quantitative and Qualitative Disclosures About Market Risk Market Risk Disclosures and Note 4 to our consolidated year-end financial statements.

IFRS

Our consolidated financial information as of December 31, 2017 and 2016 and for the years ended December 31, 2017, 2016 and 2015, was prepared in accordance with IFRS as issued by the IASB.

New and Amended IFRSs

Below is a list of the new and amended standards that have been issued by the IASB and are effective for annual periods starting on or after January 1, 2018. Our management does not expect the pronouncements effective for annual periods beginning on January 1, 2018 to have a material impact on our consolidated financial statements (see Note 27 to our consolidated year-end financial statements). Our management is in the process of assessing the potential impact those pronouncements effective for annual periods beginning on or after January 1, 2019 will have on our consolidated financial statements. Some amendments and improvements to certain IFRS standards became effective on January 1, 2017, and they did not have any significant impact on our consolidated financial statements.

New or Amended Standard	Title of the Standard	Effective for Annual Periods Beginning On or After
Amendments to IFRS 10 and IAS 28 (1)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Postponed
IFRS 15	<i>Revenue from Contracts with Customers</i>	January 1, 2018
Amendments to IFRS 15	<i>Effective Date of IFRS 15</i>	January 1, 2018
Amendments to IFRS 15	<i>Clarifications to IFRS 15 Revenue from Contracts with Customers</i>	January 1, 2018
IFRS 9	<i>Financial Instruments</i>	January 1, 2018
Amendments to IAS 40 (2)	<i>Transfers of Investment Property</i>	January 1, 2018
IFRIC 22 (1)	<i>Foreign Currency Transactions and Advance Consideration</i>	January 1, 2018
Amendments to IFRS 2 (1)	<i>Classification and Measurement of Share-based Payment Transactions</i>	January 1, 2018
IFRS 16	<i>Leases</i>	January 1, 2019
Amendments to IFRS 4 (2)	<i>Financial Instruments with IFRS 4 Insurance Contracts</i>	No earlier than 2020
IFRS 17 (2)	<i>Insurance Contracts</i>	January 1, 2021
IFRIC 23 (1)	<i>Uncertainty over Income Tax Treatments</i>	January 1, 2019
Practice Statement 2	<i>Making Materiality Judgements</i>	September 14, 2017
Annual Improvements (1)	<i>Annual Improvements to IFRS Standards 2015-2017 Cycle</i>	January 1, 2019

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Amendments to IAS 28 (1)	<i>Long-term Interests in Associates and Joint Ventures</i>	January 1, 2019
Amendments to IFRS 9 (1)	<i>Prepayment Features with Negative Compensation</i>	January 1, 2019
Amendments to IAS 19 (1)	<i>Plan Amendment, Curtailment or Settlement</i>	January 1, 2019

(1) This new or amended standard is not expected to have a significant impact on our consolidated financial statements.

(2) This new or amended standard is not expected to be applicable to our consolidated financial statements.

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Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* were issued in September 2014 and address and acknowledge inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involved a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involved assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015, the IASB postponed the effective date of these amendments indefinitely pending the outcome of its research project on the equity method of accounting.

IFRS 15 *Revenue from Contracts with Customers* (IFRS 15) was issued in May 2014, and amended in September 2015 and April 2016, and is effective for annual periods beginning on or after January 1, 2018. IFRS 15 provides a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. This standard contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognized. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. Upon adoption, IFRS 15 can be applied either on a fully retrospective basis, requiring the restatement of the comparative periods presented in the consolidated financial statements, or with the cumulative retrospective impact of IFRS 15 applied as an adjustment to equity on the date of adoption; when the latter approach is applied it is necessary to disclose the impact of IFRS 15 on each line item in the consolidated financial statements in the reporting period. See Note 27 for a discussion of the impact of adopting IFRS 15 in our consolidated financial statements as of January 1, 2018.

IFRS 15 was adopted by us beginning on January 1, 2018, and its effects were reported in our financial information for the first quarter of 2018, in the filing made with the Mexican Stock Exchange and the Mexican Securities and Exchange Commission on April 26, 2018. The guidelines provided by IFRS 15 did not have a material effect on our consolidated financial statements as of March 31, 2018.

Amendments to IFRS 15 *Clarifications to IFRS 15 Revenue from Contracts with Customers* were issued in April 2016. These amendments clarify how to: (i) identify a performance obligation (the promise to transfer a good or a service to a customer) in a contract; (ii) determine whether a company is a principal (the provider of a good or service) or an agent (responsible for arranging for the good or service to be provided); and (iii) determine whether the revenue from granting a license should be recognized at a point in time or over time. In addition to the clarifications, these amendments include two additional reliefs to reduce cost and complexity for a company when it first applies IFRS 15. The amendments have the same effective date as IFRS 15.

IFRS 9 *Financial Instruments* (IFRS 9) addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010, with some amendments issued in 2011. It replaces the parts of IAS 39 *Financial Instruments: Recognition and Measurement* (IAS 39) that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured at amortized cost and those measured at fair value. The determination is made at initial recognition. The basis of classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the financial asset. The guidance in IAS 39 on impairment of financial assets and hedge accounting continues to apply. For financial liabilities, this standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. See Note 27 for a discussion of the impact of adopting IFRS 9 in our consolidated financial statements as of January 1, 2018.

IFRS 9 was adopted by us beginning on January 1, 2018, and its effects were reported in our financial information for the first quarter of 2018, in the filing made with the Mexican Stock Exchange and the Mexican Banking and Securities Commission on April 26, 2018. The guidelines

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provided by IFRS 9 did not have a material effect on the consolidated financial statements of the Company as of March 31, 2018.

Amendments to IAS 40 *Investment Property* were issued in December 2016 and clarify the requirements on transfers to, or from, investment property.

IFRIC 22 *Foreign Currency Transactions and Advance Consideration* was issued in December 2016 and addresses the exchange rate to use in transactions that involve advance consideration paid or received in a foreign currency.

Amendments to IFRS 2 *Classification and Measurement of Share-based Payment Transactions* were issued in June 2016 and clarify how to account for certain types of share-based payment transactions.

IFRS 16 *Leases* (IFRS 16) was issued in January 2016 and replaces IAS 17 *Leases*. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The major change introduced by

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IFRS 16 is that leases will be brought onto the companies' statements of financial position, increasing the visibility of their assets and liabilities. IFRS 16 removes the classification of leases as either operating leases or finance leases for the lessee, treating all long-term leases as finance leases. Short-term leases (less than 12 months) and leases of low-value assets are exempt from the requirements. Early application of IFRS 16 is permitted as long as the IFRS 15 *Revenue from Contracts with Customers* is also applied. We will adopt IFRS 16 in the first quarter of 2019. Our management continues to evaluate the impact that IFRS 16 will have on our consolidated financial statements and disclosures. While our management is not yet in a position to assess the full impact of the application of the new standard, we expect that the impact of recording lease liabilities and the corresponding right-to-use assets will increase our consolidated total assets and liabilities primarily in connection with its non-cancellable lease and payment commitments for the use of real estate property and satellite transponders (see Note 26 to our consolidated year-end financial statements), with a minimal effect on its consolidated equity. Our management has already started with the analysis and assessment of any changes to be made in our accounting policies for long-term lease agreements as a lessee, as well as the design and implementation of effective controls over financial reporting in our different business segments, in connection with the measurement and disclosures required by IFRS 16.

Amendments to IFRS 4 *Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts* were issued in September 2016 and address concerns arising from implementing the new financial instruments Standard, IFRS 9, before implementing the replacement Standard that the Board is developing for IFRS 4. These concerns include temporary volatility in reported results.

IFRS 17 *Insurance Contracts* (IFRS 17) was issued in May 2017 and supersedes IFRS 4 *Insurance Contracts* (IFRS 4), which has given companies dispensation to carry on accounting for insurance contracts using national accounting standards, resulting in a multitude of different approaches. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosures of insurance contracts issued. It also requires similar principles to be applied to reinsurance contracts with discretionary participation features issued. IFRS 17 solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner. Under the provisions of IFRS 17, insurance obligations will be accounted for using current values instead of historical cost. IFRS 17 is effective on January 1, 2021, and earlier application is permitted.

IFRIC 23 *Uncertainty over Income Tax Treatments* (IFRIC 23) clarifies how to apply the recognition and measurement requirements in IAS 12 *Income Taxes* when there is uncertainty over income tax treatments. When there is uncertainty over income tax treatments, IFRIC 23 addresses (a) whether an entity considers uncertain tax treatments separately; (b) the assumptions an entity makes about the examination of tax treatments; (c) how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, including an entity's consideration of whether it is probable that a taxation authority will accept an uncertain tax treatment; and (d) how an entity considers changes in facts and circumstances.

Practice Statement IFRS 2 *Making Materiality Judgements* was issued in September 2017. This Practice Statement provides guidance on how to use judgement when selecting information to provide in financial statements prepared applying IFRSs. It is a non-mandatory standard companies are permitted to apply to financial statements prepared any time after September 14, 2017.

Annual Improvements to IFRSs 2015-2017 Cycle were published in December 2017 and set out amendments to certain IFRSs. These amendments result from proposals made during the IASB's Annual Improvements process, which provides a vehicle for making non-urgent but necessary amendments to IFRSs. The IFRSs amended and the topics addressed by these amendments are as follows:

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Standard	Subject of Amendment
IFRS 3 <i>Business Combinations</i>	Previously held interest in a joint operation.
IFRS 11 <i>Joint Arrangements</i>	Previously held interest in a joint operation.
IAS 12 <i>Income Taxes</i>	Income tax consequences of payments on financial instruments classified as equity.
IAS 23 <i>Borrowing Costs</i>	Borrowing costs eligible for capitalization.

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Amendments to IAS 28 *Long-term Interests in Associates and Joint Ventures* were issued in October 2017. The amendments clarify that a company applies IFRS 9 *Financial Instruments* to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture. An entity shall apply these amendments retrospectively for annual reporting periods beginning on or after January 1, 2019, with certain exceptions. Earlier application is permitted.

Amendments to IFRS 9 *Prepayment Features with Negative Compensation* were issued in October 2017. These amendments enable entities to measure at amortized cost some prepayable financial assets with so-called negative compensation. An entity shall apply these amendments retrospectively for annual reporting periods beginning on or after January 1, 2019, with certain exceptions. Earlier application is permitted.

Amendments to IAS 19 *Employee Benefits* (IAS 19) were issued in February 2018. When a change to a defined benefit plan (amendment, curtailment or settlement) takes place, IAS 19 requires a company to remeasure its net defined benefit liability or asset. These amendments require a company to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. Until now, IAS 19 did not specify how to determine these expenses for the period after the change to the plan. By requiring the use of updated assumptions, the amendments are expected to provide useful information to users of financial statements. An entity shall apply these amendments to plan amendments, curtailments or settlements occurring on or after the beginning of the first annual reporting period that begins on or after January 1, 2019. Earlier application is permitted.

Critical Accounting Estimates and Assumptions

We have identified certain key accounting policies upon which our consolidated financial condition and results of operations are dependent. The application of these key accounting policies often involves complex considerations and assumptions and the making of subjective judgments or decisions on the part of our management. In the opinion of our management, our most critical accounting policies under IFRS are those related to the accounting for programming, investments in associates and joint ventures, goodwill and other indefinite lived intangible assets, long-lived assets, deferred income taxes, financial assets and liabilities measured at fair value and exchange of Convertible Debentures due 2025 issued by UHI for warrants issued by UHI. For a full description of these and other accounting policies, see Note 2 to our consolidated year-end financial statements.

(a) Accounting for Programming

We produce a significant portion of programming for initial broadcast over our television networks in Mexico, our primary market. Following the initial broadcast of this programming, we then license some of this programming for broadcast in secondary markets, such as Mexico, the United States, Latin America, Asia, Europe and Africa. Under IFRS, in order to properly capitalize and subsequently amortize production costs related to this programming, we must estimate the expected future benefit period over which a given program will generate revenues (generally, over a five-year period). We then amortize the production costs related to a given program over the expected future benefit period. Under this policy, we generally expense approximately 70% of the production costs related to a given program in our initial broadcast run and defer and expense the remaining production costs over the remainder of the expected future benefit period (see Note 2 (g) to our consolidated year-end financial statements).

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We estimate the expected future benefit periods based on past historical revenue patterns for similar types of programming and any potential future events, such as new outlets through which we can exploit or distribute its programming, including our consolidated subsidiaries and equity investees. To the extent that a given future expected benefit period is shorter than the estimate, we may have to accelerate capitalized production costs sooner than anticipated. Conversely, to the extent that a given future expected benefit period is longer than the estimate, we may have to extend the amortization schedule for the remaining capitalized production costs.

We also enter into license arrangements with various third party programming producers and providers, pursuant to which we receive the rights to broadcast programming produced by third parties over our television networks in Mexico. In the case of programming licensed from third parties, we estimate the expected future benefit period based upon the term of the license. In addition, we may purchase programming from third parties from time to time. In this case, we estimate the expected future benefit period based on the anticipated number of showings in

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Mexico. To the extent that a given future expected benefit period is shorter than the estimate, we may have to accelerate the purchase price or the license fee sooner than anticipated. Conversely, to the extent that a given future expected benefit period is longer than the estimate, we may have to extend the amortization schedule for the remaining portion of the purchase price or the license fee.

Assuming a hypothetical 10% decrease in expected future revenue from our programming as of December 31, 2017, the balance of such programming would decrease in the amount of Ps.222,330 with a corresponding increase in programming amortization expense.

(b) *Investments in Associates and Joint Ventures*

Some of our investments are structured as investments in associates and joint ventures (see Notes 2 (c) and 10 to our consolidated year-end financial statements). As a result, the results of operations attributable to these investments are not consolidated with the results of our various segments for financial reporting purposes, but are reported as share of income or loss of associates and joint ventures in the consolidated statement of income (see Note 10 to our consolidated year-end financial statements).

In the past, we have made significant capital contributions and loans to our associates and joint ventures, and we may in the future make additional capital contributions and loans to at least some of our joint ventures. In the past, some of these ventures have generated, and they may continue to generate, operating losses and negative cash flows as they continue to build and expand their respective businesses.

We periodically evaluate our investments in these associates and joint ventures for impairment, taking into consideration the performance of these ventures as compared to projections related to net sales, expenditures, strategic plans and future required cash contributions, among other factors. In doing so, we evaluate whether any declines in value are other than temporary. We have taken impairment charges in the past for some of these investments. Given the dynamic environments in which these businesses operate, as well as changing macroeconomic conditions, there can be no assurance that our future evaluations will not result in recognizing additional impairment charges for these investments.

Once the carrying balance of a given investment is reduced to zero, we evaluate whether we should suspend the equity method of accounting, taking into consideration both quantitative and qualitative factors, such as long-term loans guarantees we have provided to these associates and joint ventures, future funding commitments and expectations as to the viability of the business. These conditions may change from year to year, and accordingly, we periodically evaluate whether to continue to account for our various investments under the equity method.

(c) *Goodwill and Other Indefinite-lived Intangible Assets*

Goodwill and other intangible assets with indefinite useful lives are reviewed for impairment at least annually. When an impairment test is performed, the recoverable amount is assessed by reference to the higher of the net present value of the expected future cash flows (value in use) of the relevant cash generating unit and the fair value less cost to sell.

The recoverable amount of cash generating units has been determined based on fair value less costs to disposal calculations. These calculations require the use of estimates, including management's expectations of future revenue growth, operating costs, profit margins and operating cash flows for each cash-generating unit.

During 2017 and 2016, we recorded impairment adjustments for other indefinite-lived intangible assets (trademarks) related to our Publishing business. Other than in the Publishing business, we believe that additional reasonable changes in assumptions would not trigger any additional impairment charges. See Note 2 (b) and (k) to our consolidated year-end financial statements for disclosure regarding concession intangible assets.

(d) ***Long-lived Assets***

We present certain long-lived assets other than goodwill and indefinite-lived intangible assets in our consolidated statement of financial position. Long-lived assets are tested for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may no longer be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Recoverability is analyzed based on projected cash flows. Estimates of future cash flows involve considerable management judgment. These estimates are based on historical data, future revenue growth, anticipated market conditions, management plans, and

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assumptions regarding projected rates of inflation and currency fluctuations, among other factors. If these assumptions are not correct, we would have to recognize a write-off or write-down or accelerate the amortization schedule related to the carrying value of these assets (see Notes 2 (I), 12 and 21 to our consolidated year-end financial statements). We have not recorded any significant impairment charges over the past few years.

(e) ***Deferred Income Taxes***

We record our deferred tax assets based on the likelihood that these assets are realized in the future. This likelihood is assessed by taking into consideration the future taxable income. In the event we were to determine that we would be able to realize its deferred tax assets in the future in excess of the net recorded amount, an adjustment to the deferred tax asset would increase income in the period such determination was made. Should we determine that we would not be able to realize all or part of our net deferred tax asset in the future, an adjustment to the deferred tax asset would be charged to income in the period such determination was made.

(f) ***Financial Assets and Liabilities Measured at Fair Value***

We have a significant amount of financial assets and liabilities which are measured at fair value on a recurring basis. The degree of management's judgment involved in determining the fair value of a financial asset and liability varies depending upon the availability of quoted market prices. When observable quoted market prices exist, that is the fair value estimate we use. To the extent such quoted market prices do not exist, management uses other means to determine fair value (see Notes 4 and 14 to our consolidated year-end financial statements).

(g) ***Exchange of Convertible Debentures due 2025 issued by UHI for Warrants issued by UHI***

Significant judgment was applied in assessing the qualitative factors mentioned in IAS 39 *Financial Instruments: Recognition and Measurement* to determine that the changes in cash flows, the different risks and rewards and contractual terms between the exchanged Convertible Debentures due 2025 issued by UHI and the received Warrants issued by UHI resulted in the derecognition of the Convertible Debentures.

Our management applied significant judgment to determine the classification of the Warrants issued by UHI. These Warrants did not comply with the definition of a derivative financial instrument because the initial investment that we paid to acquire the original instrument (Convertible Debentures) was significant and a derivative requires no initial investment or one that is smaller than would be required for a contract with similar response to changes in market factors; therefore, we classified the Warrants issued by UHI as available-for-sale financial assets with changes in fair value recognized in other comprehensive income or loss in consolidated equity. Significant judgment was applied by our management in assessing that the characteristics of the Warrants are closer to an equity instrument in accordance with the IAS 32 *Financial Instruments: Presentation* (see Notes 3, 9, 10 and 14 to our consolidated year-end financial statements).

Table of Contents**Financial assets and liabilities measured at fair value as of December 31, 2017, 2016 and 2015 (in thousands of Pesos):**

	Balance as of December 31, 2017		Quoted Prices in Active Markets for Identical Assets (Level 1)		Internal Models with Significant Observable Inputs (Level 2)		Internal Models with Significant Unobservable Inputs (Level 3)	
Assets:								
Temporary investments	Ps.	6,013,678	Ps.	6,013,678	Ps.		Ps.	
Available-for-sale financial assets:								
Available-for-sale investments		7,297,577				7,297,577		
Warrants issued by UHI		36,395,183						36,395,183
Derivative financial instruments		2,263,874				2,263,874		
Total	Ps.	51,970,312	Ps.	6,013,678	Ps.	9,561,451	Ps.	36,395,183

	Balance as of December 31, 2016		Quoted Prices in Active Markets for Identical Assets (Level 1)		Internal Models with Significant Observable Inputs (Level 2)		Internal Models with Significant Unobservable Inputs (Level 3)	
Assets:								
Temporary investments	Ps.	5,498,219	Ps.	5,498,219	Ps.		Ps.	
Available-for-sale financial assets:								
Available-for-sale investments		6,456,392				6,456,392		
Warrants issued by UHI		38,298,606						38,298,606
Derivative financial instruments		647,770				647,770		
Total	Ps.	50,900,987	Ps.	5,498,219	Ps.	7,104,162	Ps.	38,298,606
Liabilities:								
Derivative financial instruments	Ps.	5,508	Ps.		Ps.	5,508	Ps.	
Total	Ps.	5,508	Ps.		Ps.	5,508	Ps.	

	Balance as of December 31, 2015		Quoted Prices in Active Markets for Identical Assets (Level 1)		Internal Models with Significant Observable Inputs (Level 2)		Internal Models with Significant Unobservable Inputs (Level 3)	
Assets:								
Temporary investments	Ps.	5,330,448	Ps.	5,330,448	Ps.		Ps.	
Available-for-sale financial assets:								
Available-for-sale investments		5,873,243				5,873,243		
Warrants issued by UHI		35,042,577						35,042,577
Total	Ps.	46,246,268	Ps.	5,330,448	Ps.	5,873,243	Ps.	35,042,577
Liabilities:								
Derivative financial instruments	Ps.	227,062	Ps.		Ps.	227,062	Ps.	
Total	Ps.	227,062	Ps.		Ps.	227,062	Ps.	

The table below presents the reconciliation for all assets and liabilities measured at fair value using internal models with significant unobservable inputs (Level 3) during the years ended December 31, 2017, 2016 and 2015.

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		2017		2016		2015
Balance at beginning of year	Ps.	38,298,606	Ps.	35,042,577	Ps.	28,705,372
Included in finance income or expense						4,275,122
Included in other comprehensive income		(1,903,423)		3,256,029		4,027,621
Additional investment in Imagina						341,710
Exchange of Convertible Debentures, reclassification of investment in Imagina and partial exercise of Warrants						(32,889,675)
Warrants						30,582,427
Balance at the end of year	Ps.	36,395,183	Ps.	38,298,606	Ps.	35,042,577

Temporary Investments

Temporary investments include highly liquid securities, including without limitation debt with a maturity of three months, or over, and up to one year at the date of the consolidated statement of financial position, stock and other financial instruments, or a combination thereof, denominated principally in U.S. Dollars and Pesos (see Notes 2(f) and 6 to our consolidated year-end financial statements).

Temporary investments are generally valued using quoted market prices or alternative pricing sources with reasonable levels of price transparency. The types of instruments valued based on quoted market prices in active markets include mostly fixed short-term deposits, equities and corporate fixed income securities denominated in U.S. Dollars and Pesos. Such instruments are classified in Level 1 or Level 2 depending on the observability of the significant inputs.

Available-for-Sale Financial Assets

Investments in debt securities or with readily determinable fair values, not classified as held-to-maturity are classified as available-for-sale and are recorded at fair value with unrealized gains and losses included in consolidated stockholders' equity as accumulated other comprehensive result.

Available-for-sale financial assets are generally valued using quoted market prices or alternative pricing sources with reasonable levels of price transparency. Such instruments are classified in Level 1, Level 2, and Level 3 depending on the observability of the significant inputs.

As of December 31, 2014, we have made judgments and used several estimates and assumptions for determining the fair value calculations of the UHI Convertible Debentures due 2025, the UHI embedded derivative, and the shares of common stock of Imagina. These estimates and assumptions include, among others, expected long-term growth rates and operating margins, which are used to calculate projected future cash flows. We also utilize risk-adjusted discount rates to determine weighted average cost of capital. All of our estimates are based on historical data, internal estimates and observable external sources when available, and are consistent with the strategic plans of the underlying business.

Available-for-Sale Investments-Open Ended Fund

We have an investment in an open ended fund that has as a primary objective to achieve capital appreciation by using a broad range of strategies through investments and transactions in telecom, media and other sectors across global markets, including Latin America and other emerging markets. Shares may be redeemed on a quarterly basis at the net asset value per share as of such redemption date (see Notes 4 and 9 to our consolidated year-end financial statements).

UHI Convertible Debentures due 2025

On December 20, 2010, we made a cash investment in the form of Convertible Debentures due 2025 issued by UHI (formerly known as BMP), the parent company of Univision, in the principal amount of U.S.\$1,125 million (Ps.16,606.5 million), which were convertible at our option into additional shares equivalent to approximately 30% equity stake of UHI, subject to existing laws and regulations in the United States and other conditions. Our option of converting these debentures into an equity stake of UHI was accounted for as an embedded derivative with changes in fair value recognized in consolidated income (see Notes 4 and 9 to our consolidated year-end financial statements).

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We determined the fair value of the Convertible Debentures using the income approach based on post-tax discounted cash flows. The income approach requires management to make judgments and involves the use of significant estimates and assumptions. These estimates and assumptions include long-term growth rates and operating margins used to calculate projected future cash flows, risk-adjusted discount rates based on weighted average cost of capital within a range of 8% to 10%, among others. Our estimates for market growth are based on historical data, various internal estimates and observable external sources when available, and were based on assumptions that are consistent with the strategic plans and estimates used to manage the underlying business. Since the described methodology was an internal model with significant unobservable inputs, the Convertible Debentures were classified in Level 3.

In the case of the embedded derivative in the UHI Convertible Debentures, we used recognized industry standard option pricing models (OPM). The OPM requires management to make judgments and involves the use of significant estimates and assumptions. These estimates and assumptions include the UHI stock s spot price at valuation date and the stocks expected volatility. The UHI stock s spot price at valuation date was obtained by using a discounted projected cash flow model that used the inputs described in the paragraph above. The UHI stock s volatility was obtained from publicly available information about comparable companies stock through determining an average of such companies annual volatility. Since the described methodology is an internal model with significant unobservable inputs, the UHI embedded derivative was classified as Level 3.

Unobservable inputs that contributed to a significantly higher fair value measurement of our investment in UHI as of December 31, 2014, included better financial performance primarily in consolidated revenue and net income for the year ended December 31, 2014 compared to the prior year, as well as higher credit ratings. Other assumptions used as of December 31, 2014 included UHI stock s spot price of U.S.\$402, and UHI stock s expected volatility of 24%.

UHI Warrants

In July 2015, we exchanged our investment in U.S.\$1,125 million principal amount of Convertible Debentures due 2025 issued by UHI for Warrants that are exercisable for UHI s common stock.

We determined the fair value of its investment in Warrants using the Black-Scholes pricing model (BSPM). The BSPM involves the use of significant estimates and assumptions. These estimates and assumptions include the UHI stock s spot price at valuation date and the stock s expected volatility. UHI stock s price at valuation date was obtained by using a discounted projected cash flow model. UHI stock s volatility was obtained from publicly available information of comparable companies stock through determining an average of such companies annual volatility. Since the described methodology was an internal model with significant unobservable inputs, the UHI Warrants are classified as Level 3.

Unobservable inputs used as of December 31, 2017, 2016 and 2015 included UHI stock s spot price of U.S.\$402 per share, U.S.\$404 per share and U.S.\$443 per share, respectively, and UHI stock s expected volatility of 32%, 32% and 29%, respectively.

Disclosures for Each Class of Assets and Liabilities Subject to Recurring Fair Value Measurements Categorized Within Level 3

Our Corporate Finance Department has established rules for a proper portfolio asset classification according to the fair value hierarchy defined by the IFRSs. On a monthly basis, any new assets recognized in the portfolio are classified according to this criterion. Subsequently, there is a quarterly review of the portfolio in order to analyze the need for a change in classification of any of these assets.

Sensitivity analysis is performed on our investments with significant unobservable inputs (Level 3) in order to obtain a reasonable range of possible alternative valuations. This analysis is carried out by our Corporate Finance Department.

As of December 31, 2017, 2016 and 2015 the effect on consolidated income and consolidated equity of changing the main assumptions used for the measurement of Level 3 financial instruments for other reasonably possible models, taking the highest or lowest value of the range reasonably possible, would be as follows:

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Financial Assets Level 3	Main Assumptions Used	Sensitivity	Potential Impact on Consolidated Income Statement		Potential Impact on Consolidated Equity			
			Most Favorable Assumptions	Least Favorable Assumptions	Most Favorable Assumptions	Least Favorable Assumptions		
			2017	2017	2017	2017		
Warrants issued by UHI	Price per Share	+/-10%	Ps.	Ps.	Ps.	3,639,595	Ps.	(3,639,595)
Total			Ps.	Ps.	Ps.	3,639,595	Ps.	(3,639,595)

Financial Assets Level 3	Main Assumptions Used	Sensitivity	Potential Impact on Consolidated Income Statement		Potential Impact on Consolidated Equity			
			Most Favorable Assumptions	Least Favorable Assumptions	Most Favorable Assumptions	Least Favorable Assumptions		
			2016	2016	2016	2016		
Warrants issued by UHI	Price per Share	+/-10%	Ps.	Ps.	Ps.	3,829,937	Ps.	(3,829,937)
Total			Ps.	Ps.	Ps.	3,829,937	Ps.	(3,829,937)

Financial Assets Level 3	Main Assumptions Used	Sensitivity	Potential Impact on Consolidated Income Statement		Potential Impact on Consolidated Equity			
			Most Favorable Assumptions	Least Favorable Assumptions	Most Favorable Assumptions	Least Favorable Assumptions		
			2015	2015	2015	2015		
Warrants issued by UHI	Price per Share	+/-10%	Ps.	Ps.	Ps.	3,504,321	Ps.	(3,504,321)

Derivative Financial Instruments

Derivative financial instruments include swaps, forwards and options (see Notes 2(v), 4 and 14 to our consolidated year-end financial statements).

Our derivative portfolio is entirely over-the-counter (OTC). Our derivatives are valued using industry standard valuation models; projecting future cash flows discounted to present value, using market-based observable inputs including interest rate curves, foreign exchange rates, and forward and spot prices for currencies.

When appropriate, valuations are adjusted for various factors such as liquidity, bid/offer spreads and credit spreads considerations. Such adjustments are generally based on available market evidence. In the absence of such evidence, management's best estimate is used. All derivatives are classified in Level 2.

Assets and Liabilities Measured at Fair Value on a Non-Recurring Basis

The majority of our non-financial instruments, which include goodwill, intangible assets, inventories, transmission rights and programming and property, plant and equipment, are not required to be carried at fair value on a recurring basis. However, if certain triggering events occur (or at least annually in the fourth quarter for goodwill and indefinite-lived intangible assets) such that a non-financial instrument is required to be evaluated for impairment, a resulting asset impairment would require that the non-financial instrument be recorded at the lower of carrying amount or its fair value.

The impairment test for goodwill involves a comparison of the estimated fair value of each of our reporting units to its carrying amount, including goodwill. We determine the fair value of a reporting unit using a combination of a discounted cash flow analysis and a market-based approach, which utilize significant unobservable inputs (Level 3) within the fair value hierarchy. The impairment test for intangible assets not subject to amortization involves a comparison of the estimated fair value of the intangible asset with its carrying value. We determine the fair value of the intangible asset using a discounted cash flow analysis, which utilizes significant unobservable inputs (Level 3) within the fair value hierarchy. Determining fair value requires the exercise of significant judgment, including judgment about appropriate discount rates, perpetual growth rates, the amount and timing of

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expected future cash flows for a period of time that comprises five years, as well as relevant comparable company earnings multiples for the market-based approach.

Once an asset has been impaired, it is not remeasured at fair value on a recurring basis; however, it is still subject to fair value measurements to test for recoverability of the carrying amount.

Liquidity, Foreign Exchange and Capital Resources

Liquidity. We generally rely on a combination of operating revenues, borrowings and net proceeds from dispositions to fund our working capital needs, capital expenditures, acquisitions and investments. Historically, we have received, and we expect to continue to receive, most of our advertising revenues in the form of upfront advertising deposits in the fourth quarter of a given year, which we in turn have used, and expect to continue to use, to fund our cash requirements during the rest of the quarter in which the deposits were received and for the first three quarters of the following year. As of December 31, 2017, 2016 and 2015, we had received Ps.16,072.3 million, Ps.18,335.2 million and Ps. 16,829.8 million, respectively, of advertising deposits and advances for advertising time on all of our Content platforms and in our other segments during 2018, 2017 and 2016, respectively, representing U.S.\$0.8 billion, U.S.\$ 0.9 billion and U.S.\$ 1.0 billion, respectively, at the applicable year-end exchange rates. The deposits as of December 31, 2017, represented a 12.3% decrease, as compared to year-end 2016, and the deposits as of December 31, 2016, represented a 8.9% increase, as compared to year-end 2015. Approximately 90.0%, 71.6% and 69.4% of the advance payment deposits as of December 31, 2017, 2016 and 2015, respectively, were in the form of short-term, non-interest bearing notes, with the remaining deposits in each of those years consisting of cash deposits. The weighted average maturity of these notes at December 31, 2017, 2016 and 2015, was 4.7 months, 3.8 months and 3.4 months, respectively.

During the year ended December 31, 2017, we had a net decrease in cash and cash equivalents of Ps.8,811.1 million, as compared to a net decrease in cash and cash equivalents of Ps.1,851.0 million during the year ended December 31, 2016.

Net cash provided by operating activities for the year ended December 31, 2017, amounted to Ps.25,099.7 million. Adjustments to reconcile income before income taxes to net cash provided by operating activities primarily included: depreciation and amortization of Ps.18,536.3 million; net unrealized foreign exchange gain of Ps.2,396.3 million; interest expense of Ps.9,087.2 million; other amortization of Ps.504.7 million; provisions for related party transactions of Ps.308.8 million; loss on disposition of property and equipment of Ps.947.7 million; income in other finance expense, net of Ps.903.2 million; interest income of Ps.885.5 million; loss on disposition of investments of Ps.295.2 million; and equity in gain of affiliates of Ps.1,913.3 million. Income taxes paid for the year ended December 31, 2017 amounted to Ps.6,420.0 million.

Net cash used for investing activities for the year ended December 31, 2017, amounted to Ps.17,331.1 million, and was primarily used for investments in property, plant and equipment of Ps.16,759.6 million; held-to-maturity and available-for-sale investments of Ps.262.4 million; equity method and other investments of Ps.147.1 million; and investments in other intangible assets of Ps.1,777.6 million; which effect was

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partially offset by a disposition of held-to-maturity and available-for-sale investments of Ps.310.6 million; dividends received of Ps.136.0 million; temporary investments of Ps.271.8 million; and disposition of property, plant and equipment of Ps.911.5 million.

Net cash used for financing activities for the year ended December 31, 2017, amounted to Ps.16,469.3 million, and was primarily used for dividends and repurchase of capital stock of Ps.1,084.2 million; interest paid of Ps.8,860.9 million; prepayment and repayment of debt and lease payments of Ps.11,822.4 million; prepayment of other notes payable of Ps.1,292.4 million; derivative financial instruments of Ps.486.7 million; dividends paid to non-controlling interest of Ps.489.0 million; contributions to the trust for the Long-term Retention Plan of Ps.2,500.0 million; and repurchases of CPOs under a share repurchase program of Ps.383.8 million, which effect was primarily offset by cash provided by credit agreements with certain Mexican banks in the amount of Ps.5,973.0 million and issuance of Senior Notes due 2027 in the amount of Ps.4,477.0 million.

We expect to fund our operating cash needs during 2018, other than cash needs in connection with any potential investments and acquisitions, through a combination of cash from operations and cash on hand. We intend to finance our potential investments or acquisitions in 2018 through available cash from operations, cash on hand, equity securities and/or the incurrence of debt, or a combination thereof. The amount of borrowings required to

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fund these cash needs in 2018 will depend upon the timing of such transactions and the timing of cash payments from advertisers under our advertising sales plan.

During the year ended December 31, 2016, we had a net decrease in cash and cash equivalents of Ps.1,851.0 million, as compared to a net increase in cash and cash equivalents of Ps.19,667.8 million during the year ended December 31, 2015.

Net cash provided by operating activities for the year ended December 31, 2016, amounted to Ps.36,656.9 million. Adjustments to reconcile income before income taxes to net cash provided by operating activities primarily included: depreciation and amortization of Ps.16,979.8 million; net unrealized foreign exchange loss of Ps.6,707.8 million; interest expense of Ps.8,497.9 million; other amortization of Ps.352.7 million; provisions for related party transactions of Ps.340.2 million; loss on disposition of property and equipment of Ps.1,448.3 million; loss in other finance income, net of Ps.43.4 million; interest income of Ps.458.5 million; and equity in gain of affiliates of Ps.1,139.6 million. Income taxes paid for the year ended December 31, 2016 amounted to Ps.7,268.9 million.

Net cash used for investing activities for the year ended December 31, 2016, amounted to Ps.29,000.4 million, and was primarily used for investments in property, plant and equipment of Ps.27,941.6 million; held-to-maturity and available-for-sale investments of Ps.302.6 million; equity method and other investments of Ps.231.0 million; and investments in goodwill and other intangible assets of Ps.2,472.1 million, which effect was partially offset by a disposition of held-to-maturity and available-for-sale investments of Ps.74.1 million; temporary investments of Ps.254.4 million; dividends received of Ps. 47.2 million; and disposition of property, plant and equipment of Ps.1,571.2 million.

Net cash used for financing activities for the year ended December 31, 2016, amounted to Ps.9,990.9 million, and was primarily used for dividends and repurchase of capital stock of Ps.1,084.2 million; interest paid of Ps.7,633.0 million; prepayment and repayment of debt and lease payments of Ps.3,951.7 million; derivative financial instruments of Ps.123.5 million; dividends paid to non-controlling interest of Ps.547.6 million; and acquisition of a non-controlling interest of Ps.2,379.4 million; which effect was primarily offset by cash provided the credit agreements with certain Mexican bank in the amount of Ps.5,728.5 million.

During the year ended December 31, 2015, we had a net increase in cash and cash equivalents of Ps.19,667.8 million, as compared to a net increase in cash and cash equivalents of Ps.13,037.3 million during the year ended December 31, 2014.

Net cash provided by operating activities for the year ended December 31, 2015, amounted to Ps.31,285.6 million. Adjustments to reconcile income before income taxes to net cash provided by operating activities primarily included: depreciation and amortization of Ps.14,660.9 million; net unrealized foreign exchange loss of Ps.4,032.9 million; interest expense of Ps.6,239.4 million; other amortization of Ps.304.9 million; provisions for related party transactions of Ps.1,024.5 million; gain in reclassifications from accumulated other comprehensive income of Ps.5,262.6 million; gain in other finance income net of Ps.917.7 million; interest income of Ps.378.7 million; equity in gain of affiliates of Ps.35.4 million; income from UHI of Ps. 2,195.0 million; and gain on disposition of investments of Ps.76.3 million. Income taxes paid for the year ended December 31, 2015 amounted to Ps.7,823.7 million.

Net cash used for investing activities for the year ended December 31, 2015, amounted to Ps.23,781.6 million, and was primarily used for investments in property, plant and equipment of Ps.25,524.1 million; held-to-maturity and available-for-sale investments of Ps.89.6 million; equity method and other investments of Ps.10,088.9 million; and investments in goodwill and other intangible assets of Ps.1,553.8 million; which effect was partially offset by an income from UHI of Ps. 2,195.0 million; disposition of investment in GSF of Ps. 10,335.8 million; and temporary investments of Ps.16.1 million.

Net cash provided for financing activities for the year ended December 31, 2015, amounted to Ps.12,032.9 million, and was primarily provided by the issuance of Senior Notes due 2026 in the amount of Ps.4,903.7 million; issuance of Senior Notes due 2046 in the amount of Ps.14,716.6 million; issuance of Notes due 2022 in the amount of Ps.4,988.7 million; and credit agreements with certain Mexican banks in the amount of Ps.2,487.9 million; which effect was primarily used for dividends and repurchase of capital stock of Ps.1,084.2 million; interest paid of Ps.5,938.7 million; prepayment and repayment of debt and lease payments of Ps.7,194.1 million; derivative financial

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instruments of Ps.372.0 million; and dividends paid and reduction of capital of non-controlling interest of Ps.475.1 million.

Capital Expenditures, Acquisitions and Investments, Distributions and Other Sources of Liquidity

During 2018, we:

- expect to make aggregate capital expenditures for property, plant and equipment totaling approximately U.S.\$950.0 million, of which approximately U.S.\$550.0 million and approximately U.S.\$250.0 million are for the expansion and improvements of our Cable and Sky segments, respectively, and the remaining amount is for our Content and Other Businesses segments; and
- expect to provide financing to GTAC in connection with long-term credit facilities and our 33.3% interest in GTAC in the aggregate principal amount of Ps.178.6 million (U.S.\$9.5 million).

During 2017, we:

- made aggregate capital expenditures for property, plant and equipment totaling approximately U.S.\$884.7 million, of which approximately U.S.\$559.7 million and U.S.\$211.4 million were for the expansion and improvements of our Cable and Sky segments, respectively, and the remaining U.S.\$113.6 million for our Content and Other Businesses segments; and
- provided financing to GTAC in connection with long-term credit facilities and our 33.3% interest in GTAC in the aggregate principal amount of Ps.222.8 million (U.S.\$11.1 million).

During 2016, we:

- made aggregate capital expenditures for property, plant and equipment totaling approximately U.S.\$1,490.9 million, of which approximately U.S.\$984.2 million and U.S.\$346.6 million were for the expansion and improvements of our Cable and Sky segments, respectively, and the remaining U.S.\$160.1 million for our Content and Other

Businesses segments;

- provided financing to GTAC in connection with long-term credit facilities and our 33.3% interest in GTAC in the aggregate principal amount of Ps.140.9 million (U.S.\$7.8 million);
- acquired the remaining 50% equity interest of TVI in the aggregate amount of Ps.6,750.0 million (U.S.\$384.8 million), including the assumption of long-term liabilities in the aggregate amount of Ps.4,750.0 million (U.S.\$269.0 million), with maturities between 2017 and 2020, and a cash payment of Ps.2,000.0 million (U.S.\$115.8 million); and
- acquired through TVI the remaining 50% equity interest of Cable Sistema de Victoria, S.A. de C.V. in the aggregate amount of Ps.379.4 million (U.S.\$18.2 million).

During 2015, we:

- made aggregate capital expenditures for property, plant and equipment totaling U.S.\$1,605.4 million, of which U.S.\$1,077.2 million and U.S.\$361.6 million are for the expansion and improvements of our Cable and Sky segments, respectively, and the remaining U.S.\$166.6 million is for our Content segment and other segments;
- acquired, through a series of transactions, all of the equity interest of Telecable for an aggregate consideration of Ps.10,001.8 million (U.S.\$667.7 million). Telecable is a cable company that provides video, data and telephone services primarily in six states of Mexico;

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- provided financing to GTAC in connection with a long-term credit facility and our 33.3% interest in GTAC in the aggregate principal amount of Ps.101.9 million; and
- acquired additional shares of Imagina for the aggregate cash amount of Ps.341.7 million and increased our equity stake in Imagina from 14.5% to 19.9 %.

Refinancings. In May 2015, we concluded the offering of Ps.5,000 million aggregate principal amount of local bonds (*Certificados Bursátiles*) due 2022 with an interest rate of 0.35% plus the 28-day Interbank Equilibrium Interest Rate. We used the net proceeds of the offering for general corporate purposes and working capital. In November 2015, we concluded the offering of U.S. \$300 million aggregate amount of 4.625% Senior Notes due 2026 and U.S. \$900 million aggregate principal amount of 6.125% Senior Notes due 2046. We used the net proceeds for general corporate purposes including capital expenditures associated with the continued growth of our Cable segment. In October 2017, we concluded the offering of Ps.4,500 million aggregate principal amount of local bonds (*Certificados Bursátiles*) due 2027 with an interest rate of 8.79%. We used the net proceeds of the offering for general corporate purposes and working capital. In December 2017, we redeemed in full the U.S. \$500 million aggregate principal amount of our 6.0% Senior Notes due 2018.

In March 2016, (i) our Sky segment entered into long-term debt agreements with two Mexican banks in the aggregate principal amount of Ps.5,500 million, with maturities between 2021 and 2023, and interest payable on a monthly basis at an annual rate in the range of 7.0% and 7.13%, and prepaid an intercompany long-term loan in the principal amount of Ps.3,500 million; and (ii) we prepaid a portion of our Mexican peso outstanding long-term loans with original maturities between 2016 and 2017 in the aggregate principal amount of Ps.3,532 million.

In November and December 2017, we entered into long-term debt agreements with three Mexican banks in the aggregate principal amount of Ps.6,000 million, with maturities between 2022 and 2023, and interest payable on a monthly basis at an annual rate of 28-day TIIE plus a range between 125 and 130 basis points.

Indebtedness. As of December 31, 2017, our consolidated long-term portion of debt amounted to Ps.121,993.1 million and our consolidated current portion of debt was Ps.2,103.9 million. As of December 31, 2016, our consolidated long-term portion of debt amounted to Ps.126,146.7 million and our consolidated current portion of debt was Ps.2,678.2 million. The consolidated debt is presented net of unamortized finance costs as of December 31, 2017 and 2016, in the aggregate amount of Ps.1,250.7 million and Ps.1,290.6 million, respectively, and interest payable in the aggregate amount of Ps.1,796.8 million and Ps.1,827.3 million in 2017 and 2016, respectively.

In March 2018, the Company entered into a revolving credit facility with a syndicate of banks led by HSBC, for U.S.\$583 million payable in Mexican pesos, for a three-year term. The funds may be used for the repayment of existing indebtedness and other general corporate purposes as may be authorized by the Board of Directors of the Company. As of this date, the Company has not drawn down on this facility. We may from time to time incur additional indebtedness or repurchase, redeem or repay outstanding indebtedness.

The following table sets forth a description of our outstanding indebtedness as of December 31, 2017, net of unamortized finance costs and interest payable (in millions of Pesos):

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Description of Debt	Debt Outstanding(1)			
	December 31, 2017 Actual	Interest Rate(2)	Denomination	Maturity of Debt
8.5% Senior Notes (2)	6,039.9	8.5%	U.S. Dollars	2032
6.625% Senior Notes (2)	11,767.2	6.625%	U.S. Dollars	2025
8.49% Senior Notes (2)	4,517.8	8.49%	Pesos	2037
6.625% Senior Notes (2)	12,044.6	6.625%	U.S. Dollars	2040
7.25% Senior Notes (2)	6,480.4	7.25%	Pesos	2043
5.0% Senior Notes (2)	19,383.7	5.0%	U.S. Dollars	2045
4.625% Senior Notes (2)	5,986.1	4.625%	U.S. Dollars	2026
6.125% Senior Notes (2)	18,053.5	6.125%	U.S. Dollars	2046
7.38% Notes (3)	10,107.1	7.38%	Pesos	2020
8.79% Notes (3)	4,568.0	8.79%	Pesos	2027
TIIE+ 0.35% Notes (3)	6,015.0	7.78%	Pesos	2021
TIIE+ 0.35% Notes (3)	5,006.4	7.81%	Pesos	2022
Scotiabank loan (4)	2,485.0	8.6925%	Pesos	2023
HSBC loan (4)	1,992.5	8.92%	Pesos	2022
Santander loan (4)	1,493.0	8.871%	Pesos	2022
Santander loan (5)	249.6	8.651%	Pesos	2020
Santander loan (5)	252.1	8.651%	Pesos	2019
Banorte loan (5)	1,578.1	8.3796%	Pesos	2022
HSBC loan (5)	261.0	8.64%	Pesos	2019
HSBC loan (5)	301.1	8.651%	Pesos	2019
HSBC loan (6)	2,514.9	7.13%	Pesos	2023
Scotiabank loan (6)	3,000.0	7.0%	Pesos	2023
Total debt	124,097.0			15.9 years(7)
Less: Current maturities of long-term debt	2,103.9			2018
Total long-term debt	Ps. 121,993.1			
Finance lease obligations:				
Satellite transponder lease obligations (8)	Ps. 4,938.1	7.30%	U.S. Dollars	2027
Other (9)	684.7	6.73%	Various	2018 to 2024
Total finance lease obligations	5,622.8			
Less: Current portion	580.9			2018
Finance lease obligations, net of current portion	Ps. 5,041.9			
Other notes payable:				
Other notes payable (10)	Ps. 3,684.0	3.0%	Pesos	2020
Less: Current portion	1,178.4			2018
Other notes payable, net of current portion	Ps. 2,505.6			

(1) U.S. Dollar-denominated debt is translated into Pesos at an exchange rate of Ps.19.7051 per U.S. Dollar, the Interbank Rate, as reported by CitiBanamex, as of December 31, 2017.

(2) The Senior Notes due between 2025 and 2046, in the aggregate outstanding principal amount of U.S.\$3,700 million and Ps.11,000 million are unsecured obligations of the Company, rank equally in right of payment with all existing and future unsecured and unsubordinated indebtedness of the Company, and are junior in right of payment to all of the existing and future liabilities of the Company's subsidiaries. Interest on the Senior Notes due 2025, 2026, 2032, 2037, 2040, 2043, 2045 and 2046, including additional amounts payable in respect of certain Mexican withholding taxes, is 6.97%, 4.86%, 8.94%, 8.93%, 6.97%, 7.62%, 5.26% and 6.44% per annum, respectively, and is payable semi-annually. These Senior Notes may not be redeemed prior to maturity, except (i) in the event of certain changes in law affecting the Mexican withholding tax treatment of certain payments on the securities, in which case

the securities will be redeemable, as a whole but not in part, at the option of the Company; and (ii) in the event of a change of control, in which case the Company may be required to redeem the securities at 101% of their principal amount. Also, the Company may, at its own option, redeem the Senior Notes due 2025, 2026, 2037, 2040, 2043 and 2046, in whole or in part, at any time at a redemption price equal to the greater of the principal amount of these Senior Notes or the present value of future cash flows, at the redemption date, of principal and interest amounts of the Senior Notes discounted at a fixed rate of comparable U.S. or Mexican sovereign bonds. The Senior Notes due 2026, 2032, 2040, 2043, 2045 and 2046 were priced at 99.385%, 99.431%, 98.319%, 99.733%, 96.534% and 99.677%, respectively, for a yield to maturity of 4.7%, 8.553%, 6.755%, 7.27%, 5.227% and 6.147%, respectively. The Senior Notes due 2025 were issued in two aggregate principal amounts of U.S.\$400 million

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and U.S.\$200 million, and were priced at 98.081% and 98.632%, respectively, for a yield to maturity of 6.802% and 6.787%, respectively. The agreement of these Senior Notes contains covenants that limit the ability of the Company and certain restricted subsidiaries engaged in the Group's Content segment, to incur or assume liens, perform sale and leaseback transactions, and consummate certain mergers, consolidations and similar transactions. The Senior Notes due 2025, 2026, 2032, 2037, 2040, 2045 and 2046 are registered with the SEC. The Senior Notes due 2043 are registered with both the U.S. Securities and Exchange Commission (SEC) and the Mexican Banking and Securities Commission (Comisión Nacional Bancaria y de Valores). In December 2017, the Company prepaid the principal outstanding amount of U.S.\$500 million Senior Notes due 2018 at an aggregate redemption price of Ps.9,841.7 million (U.S.\$511.7 million), which included related fees and accrued and unpaid interest at the redemption date (see Note 22).

(3) In 2010, April 2014, May 2015 and October 2017, the Company issued Notes (Certificados Bursátiles) due 2020, 2021, 2022 and 2027, respectively, through the Mexican Stock Exchange (Bolsa Mexicana de Valores) in the aggregate principal amount of Ps.10,000 million, Ps.6,000 million, Ps.5,000 million and Ps.4,500 million, respectively. Interest on the Notes due 2020 is 7.38% per annum and is payable semi-annually. Interest on the Notes due 2021 and 2022 is the Equilibrium Interbank Interest Rate (Tasa de Interés Interbancaria de Equilibrio or TIIE) plus 35 basis points per annum and is payable every 28 days. Interest on the Notes due 2027 is 8.79% per annum and is payable semi-annually. The Company may, at its own option, redeem the Notes due 2020 and 2027, in whole or in part, at any semi-annual interest payment date at a redemption price equal to the greater of the principal amount of the outstanding Notes and the present value of future cash flows, at the redemption date, of principal and interest amounts of the Notes discounted at a fixed rate of comparable Mexican sovereign bonds. The Company may, at its own option, redeem the Notes due 2021 and 2022, in whole or in part, at any date at a redemption price equal to the greater of the principal amount of the outstanding Notes and an average price calculated from prices to be provided at the redemption date by two Mexican financial pricing companies. The agreement of these Notes contains covenants that limit the ability of the Company and certain restricted subsidiaries appointed by the Company's Board of Directors, and engaged in the Group's Content segment, to incur or assume liens, perform sale and leaseback transactions, and consummate certain mergers, consolidations and similar transactions.

(4) In November and December 2017, the Company entered into long-term credit agreements with three Mexican banks in the aggregate principal amount of Ps.6,000 million, and an annual interest rate payable on a monthly basis of 28-day TIIE plus a range between 125 and 130 basis points and principal maturities between 2022 and 2023. The proceeds of these loans were used primarily for the prepayment in full of Senior Notes due 2018. Under the terms of these credit agreements, the Company is required to: (a) maintain certain financial coverage ratios related to indebtedness and interest expense; and (b) comply with the restrictive covenant on spin-offs, mergers and similar transactions. In connection with a long-term credit agreement with a Mexican bank entered in March 2011, the Company prepaid the remaining aggregate amount of Ps.629,311, which included accrued and unpaid interest.

(5) Include outstanding balance in the aggregate principal amount of Ps.2,642.0 million, in connection with certain credit agreements entered into by TVI with Mexican banks, with maturities between 2018 and 2022, bearing interest at an annual rate of TIIE plus a range between 100 and 125 basis points which is payable on a monthly basis. Under the terms of the credit agreements, TVI is required to comply with certain restrictive covenants and financial coverage ratios.

(6) In June 2015, Sky prepaid two long-term loans in the principal amount of Ps.1,400 million and Ps.2,100 million, with an original maturity in 2016, and annual interest of THIE plus 24 basis points and 8.74%, respectively, which was payable on a monthly basis. The aggregate amount paid by Sky amounted to Ps.3,651.7 million, which included related accrued interest, the settlement of a related derivative contract, and fees. This prepayment was funded primarily by a long-term loan made by the Company in the principal amount of Ps.3,500 million, with a maturity in 2022, and an annual interest rate of 7.38%, which is payable on a monthly basis. In March 2016, Sky: (i) entered into long-term debt agreements with two Mexican banks in the aggregate principal amount of Ps.5,500 million, with maturities in 2021 and 2023, and interest payable on a monthly basis and an annual rate in the range of 7.0% and 7.13%; and (ii) prepaid to the Company an outstanding amount in connection with a long-term loan in the principal amount of Ps.3,500 million.

(7) Actual weighted average maturity of long-term debt as of December 31, 2016.

(8) Starting from the fourth quarter of 2012, Sky is obligated to pay a monthly fee of U.S.\$3.0 million under a capital lease agreement entered into with Intelsat Global Sales & Marketing Ltd. (Intelsat) in March 2010 for satellite signal reception and retransmission service from 24 KU-band transponders on satellite IS-21, which became operational in October 2012. The service term for IS-21 will end at the earlier of (a) the end of 15 years or (b) the date IS-21 is taken out of service.

(9) Includes minimum lease payments of property and equipment under leases that qualify as finance leases. Includes Ps.571.4 million in connection with a lease agreement entered into by a subsidiary of the Company and GTAC for the right to use certain capacity of a telecommunications network to 2029. This lease agreement provides for annual payments through 2024. Other capital leases have terms that expire at various dates between 2018 and 2020.

(10) Notes payable issued by the Company in connection with the acquisition of a non-controlling interest in TVI. As of December 31, 2017, cash payments to be made between 2018 and 2020 related to these notes payable amounted to an aggregate of Ps.3,808.4 million including interest of Ps.316.4 million. Accrued interest for this transaction amounted to Ps.192.1 million for the year ended December 31, 2017. This was regarded as a Level 2 debt that was fair valued using a discount cash flow approach, which discounts the contractual cash flows using discount rates derived from observable market price of other quotes debt instruments.

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Interest Expense. Interest expense for the years ended December 31, 2017, 2016 and 2015 was Ps.9,245.7 million, Ps.8,497.9 million and Ps.6,239.4 million, respectively.

The following table sets forth our interest expense for the years indicated (in millions of U.S. Dollars and millions of Pesos):

	Year Ended December 31,(1)					
	2017		2016		2015	
Interest payable in U.S. Dollars	U.S.\$	287.6	U.S.\$	281.1	U.S.\$	216.3
Amounts currently payable under Mexican withholding taxes(2)		13.1		13.1		9.8
Total interest payable in U.S. Dollars	U.S.\$	300.7	U.S.\$	294.2	U.S.\$	226.1
Peso equivalent of interest payable in U.S. Dollars	Ps.	5,691.8	Ps.	5,461.4	Ps.	3,588.2
Interest payable in Pesos		3,553.9		3,036.5		2,651.2
Total interest expense	Ps.	9,245.7	Ps.	8,497.9	Ps.	6,239.4

(1) U.S. Dollars are translated into Pesos at the rate prevailing when interest was recognized as an expense for each period.

(2) See Additional Information Taxation Federal Mexican Taxation .

Contractual Obligations and Commercial Commitments

Our contractual obligations and commercial commitments consist primarily of long-term debt, as described above, satellite transponder obligations and transmission rights obligations.

Table of Contents***Contractual Obligations on the Balance Sheet***

The following table summarizes our contractual obligations on the balance sheet as of December 31, 2017 (these amounts do not include future interest payments):

	Total	Payments Due by Period			
		Less Than 12 Months January 1, 2018 to December 31, 2018	12-36 Months January 1, 2019 to December 31, 2020	36-60 Months January 1, 2021 to December 31, 2022	Maturities Subsequent to December 31, 2022
(Thousands of U.S. Dollars)					
6.625% Senior Notes due 2025	600,000				600,000
8.5% Senior Notes due 2032	300,000				300,000
8.49% Senior Notes due 2037	228,367				228,367
6.625% Senior Notes due 2040	600,000				600,000
7.38% Notes due 2020	507,483		507,483		
8.79% Notes due 2027	228,367				228,367
7.25% Senior Notes due 2043	329,864				329,864
5.0% Senior Notes due 2045	1,000,000				1,000,000
4.625% Senior Notes due 2026	300,000				300,000
6.125% Senior Notes due 2046	900,000				900,000
TIIE+0.35% Notes due 2021	304,490			304,490	
TIIE+0.35% Notes due 2022	253,741			253,741	
Scotiabank loan due 2023	126,871				126,871
HSBC loan due 2022	101,497			101,497	
Santander loan due 2022	76,122			76,122	
Santander loan due 2020	12,687		12,687		
Santander loan due 2019	12,687		12,687		
Banorte loan due 2022	80,201	12,306	24,612	43,283	
HSBC loan due 2019	13,279	3,299	9,980		
HSBC loan due 2019	15,224		15,224		
HSBC loan due 2023	126,871			95,153	31,718
Scotiabank loan due 2023	152,245			133,214	19,031
Long-term debt	6,269,996	15,605	582,673	1,007,500	4,664,218
Accrued Interest	91,187	91,187			
Satellite transponder obligation	250,597	18,311	40,872	47,278	144,136
Other capital lease obligations	34,749	11,168	17,901	3,609	2,071
Other notes payable	186,960	59,804	127,156		
Transmission rights(1)	219,821	127,972	72,762	16,821	2,266

Total contractual obligations	U.S.\$	7,053,310	U.S.\$	324,047	U.S.\$	841,364	U.S.\$	1,075,208	U.S.\$	4,812,691
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(1) This liability reflects our transmission rights obligations related to programming acquired or licensed from third party producers and suppliers, and special events, which are reflected in our consolidated balance sheet within trade accounts payable (current liabilities) and other long-term liabilities.

Table of Contents*Contractual Obligations off the Balance Sheet*

The following table summarizes our contractual obligations off the balance sheet as of December 31, 2017:

	Total	Payments Due by Period			
		Less Than 12 Months January 1, 2018 to December 31, 2018	12-36 Months January 1, 2019 to December 31, 2020	36-60 Months January 1, 2021 to December 31, 2022	Maturities Subsequent to December 31, 2022
(Thousands of U.S. Dollars)					
Interest on debt(1)	U.S.\$ 6,425,329	U.S.\$ 347,573	U.S.\$ 860,024	U.S.\$ 705,910	U.S.\$ 4,511,822
Interest on finance lease obligations	107,866	21,343	34,086	25,190	27,247
Interest on other notes payable	6,310	284	2,109	3,917	
Lease commitments(2)	162,013	32,507	58,319	43,796	27,391
Programming(3)	115,006	38,551	60,509	15,946	
Transmission rights(3)	835,130	25,750	147,400	87,200	574,780
Capital expenditures commitments	93,943	93,943			
Satellite transponder commitments(4)	19,673	7,391	8,522	3,760	
Committed financing to GTAC(5)	9,500	9,500			
Total contractual obligations	U.S.\$ 7,774,770	U.S.\$ 576,842	U.S.\$ 1,170,969	U.S.\$ 885,719	U.S.\$ 5,141,240

(1) Interest to be paid in future years on outstanding debt as of December 31, 2017, was estimated based on contractual interest rates and exchange rates as of that date.

(2) Reflects our minimum non-cancellable lease commitments for facilities under operating lease contracts, which are primarily related to our gaming business, under operating leases expiring through 2047. See Note 26 to our consolidated year-end financial statements.

(3) These line items reflect our obligations related to programming to be acquired or licensed from third party producers and suppliers, and transmission rights for special events to be acquired from a third party.

(4) Reflects our minimum commitments for the use of satellite transponders under operating lease contracts.

(5) In connection with a long-term credit facility, we have agreed to provide financing to GTAC in 2018 in the aggregate principal amount of Ps.178.6 million (U.S.\$9.5 million).

Table of Contents**Item 6. Directors, Senior Management and Employees****Board of Directors**

The following table sets forth the names of our current directors and their alternates, their dates of birth, their principal occupation, their business experience, including other directorships, and their years of service as directors or alternate directors. Each of the following directors and alternate directors were elected or ratified for a one-year term by our stockholders at our April 27, 2018 annual stockholders meeting.

Name and Date of Birth	Principal Occupation	Business Experience	First Elected
Emilio Fernando Azcárraga Jean (02/21/68)	Executive Chairman of the Board and Chairman of the Executive Committee of Grupo Televisa. Chairman of the Board and Chairman of the Executive Committee of Empresas Cablevisión.	Former President and Chief Executive Officer of Grupo Televisa. Member of the Boards of Grupo Financiero Banamex, Univision and Innova, S. de R.L. de C.V..	December 1990
<i>In alphabetical order:</i>			
Alfonso de Angoitia Noriega (01/17/62)	Co-Chief Executive Officer and Member of the Executive Committee of Grupo Televisa. Member of the Board and Member of the Executive Committee of Empresas Cablevisión.	Member of the Boards of Univision, Innova, S. de R.L. de C.V., Liberty Latin America, Grupo Financiero Banorte and Fomento Económico Mexicano (FEMSA) and Former Executive Vice President and Chief Financial Officer of Grupo Televisa.	April 1997
Alberto Baillères González (08/22/31)	Chairman of the Boards of Directors of Grupo Bal, Industrias Peñoles, Fresnillo PLC, Grupo Palacio de Hierro, Grupo Nacional Provincial, Grupo Profuturo, Controladora Petrobal, Energía Eléctrica BAL, and Tane. Chairman of the Board of Trustees of Instituto Tecnológico Autónomo de México (ITAM) and Founder and President of Fundación Alberto Baillères.	Member of the Boards of Directors of Dine, Grupo Kuo, Grupo Financiero BBVA Bancomer, BBVA Bancomer, Fomento Económico Mexicano and member of the Mexican Council of Business.	April 2005
José Antonio Bastón Patiño (04/13/68)	Member of the Board of Empresas Cablevisión. Member of the Board of	Former President of Television and Content and Vice President of Operations	April 1999

Innova, S. de R.L. de C.V.
Private Investor.

of Grupo Televisa, former
Corporate Vice President of
Television. Former Member
of the Board of Univision
and former General Director
of Programming of Grupo
Televisa. Former President
of Televisa International.

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Name and Date of Birth	Principal Occupation	Business Experience	First Elected
Francisco José Chevez Robelo (07/03/29)	Chairman of the Audit Committee of Grupo Televisa, Member of the Board of Directors and Chairman of the Audit and Corporate Practices Committee of Empresas Cablevisión.	Co-founder and retired Partner of Chévez, Ruíz, Zamarripa y Cía., S.C., Member of the Board of Directors of Apuestas Internacionales and Raspafacil and Former Managing Partner of Arthur Andersen & Co. (México City).	April 2003
Jon Feltheimer (09/02/51)	Chief Executive Officer of Lionsgate.	Former President of Columbia TriStar Television Group, former Executive Vice President of Sony Pictures Entertainment. Member of the Boards of Lionsgate, Pop Media Group, Celestial Tiger Entertainment Telltale Incorporated, Pantelion and Pilgrim Media Group.	April 2015

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Name and Date of Birth	Principal Occupation	Business Experience	First Elected
José Luis Fernández Fernández (05/18/59)	Managing Partner of Chévez, Ruíz, Zamarripa y Cía., S.C., Member of the Audit Committee of Grupo Televisa, Chairman of the Corporate Practices Committee of Grupo Televisa.	Member of the Board of Directors of Arca Continental Corporativo, Unifin Financiera, Controladora Vuela Compañía de Aviación, Grupo Financiero Banamex, Banco Nacional de México, Apuestas Internacionales and Raspafacil. Alternate Member of the Board and Alternate Member of the Audit and Corporate Practices Committee of Empresas Cablevisión.	April 2002
Salvi Rafael Folch Viadero (08/16/67)	Chief Executive Officer of Grupo Televisa s Cable Division.	Former Chief Financial Officer of Grupo Televisa. Former Vice President of Financial Planning of Grupo Televisa. Former Chief Executive Officer and Chief Financial Officer of Comercio Más, S.A. de C.V. and former Vice Chairman of Banking Supervision of the National Banking and Securities Commission. Alternate Member of the Board of Directors and Alternate Member of the Executive Committee of Empresas Cablevisión.	April 2002
Michael Thomas Fries (02/06/63)	President and Chief Executive Officer of Liberty Global, plc.	Vice Chairman of the Board of Liberty Global, Executive Chairman of the Board of Liberty Latin America, Member of the Board of Lionsgate, Trustee of the Board of Cable Television Labs, The Cable Center, Chairman of the Board of Museum of Contemporary Art Denver and the Biennial of the Americas, Digital Communications Governor and Steering Committee Member of the World Economic Forum, Member of Young Presidents Organization.	April 2015

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Name and Date of Birth	Principal Occupation	Business Experience	First Elected
Marcos Eduardo Galperin (10/31/71)	Chairman, President, Chief Executive Officer, Co-Founder, and Director of Mercadolibre, Inc. Member of the Boards of Directors of Endeavor, Fundación Universidad de San Andrés, Globant, S.A. and Onapsis.	Former Futures and Options Associate of YPF S.A.	April 2017
Guillermo García Naranjo Álvarez (07/02/56)	Chairman of the Board of Directors of Consejo Mexicano de Normas de Información Financiera and Member of the Audit Committee of Grupo Televisa.	Former Chief Executive Officer and Former Audit Partner of KPMG Cárdenas Dosal, SC.	April 2018
Bernardo Gómez Martínez (07/24/67)	Co-Chief Executive Officer and Member of the Executive Committee of Grupo Televisa. Member of the Board and Member of the Executive Committee of Empresas Cablevisión.	Member of the Board of Univision, and Innova, S. de R.L. de C.V., Former Executive Vice President and Deputy Director of the President of Grupo Televisa and Former President of the Mexican Chamber of Television and Radio Broadcasters.	April 1999
Carlos Hank González (09/01/71)	Chairman of the Board of Directors of Grupo Financiero Banorte and Banco Mercantil del Norte.	Vice President of the Board of Directors of Gruma; Former General Manager of Grupo Financiero Interacciones, Interacciones Casa de Bolsa and Grupo Hermes; Former Deputy General Manager of Grupo Financiero Banorte. Member of the Board of Directors of Bolsa Mexicana de Valores.	April 2017
Roberto Hernández Ramírez (03/24/42)	Honorary Chairman of the Board of Banco Nacional de México, Member of the Corporate Practices Committee of Grupo Televisa.	Honorary Member of the Board of Grupo Financiero Banamex Accival.	April 1992
Enrique Krauze Kleinbort (09/16/47)	Chief Executive Officer, Director and Partner of Editorial Clío, Libros y Videos and Editorial Vuelta.	Member of the Mexican History Academy and the National Academy.	April 1996

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Name and Date of Birth	Principal Occupation	Business Experience	First Elected
Lorenzo Alejandro Mendoza Giménez (10/05/65)	Chief Executive Officer, Member of the Board of Directors and Chairman of the Executive Committee of Empresas Polar.	Former Member of the Boards of AES La Electricidad de Caracas, CANTV-Verizon and BBVA Banco Provincial. Member of the Board of Grupo GEPP, Member of the MIT Sloan Board, the Latin American Georgetown University, Dean's Council of Harvard Kennedy School, Grupo of Fifty (G-50), the Latin American Business Council, the Board of Trustees of Universidad Metropolitana, the Board of Trustees of Instituto de Estudios Superiores de Administración (IESA), the Latin America Conservation Council (LACC). Ashoka Fellow and Member of the World Economic Forum (named a Global Young leader in 2005).	April 2009
Fernando Senderos Mestre (03/03/50)	Chairman of the Board and Chief Executive Officer of Grupo Kuo, Chairman of the Executive Committee of Grupo Kuo, Chairman of the Board of Dine and Chairman of the Board of Grupo DESC.	Member of the Boards of Kimberly-Clark de México, Industrias Peñoles and Grupo Nacional Provincial. Member of the Mexican Council of Businessmen and Member of the Foundation for Mexican Letters.	April 1992
Enrique Francisco José Senior Hernández (08/03/43)	Managing Director of Allen & Company LLC, Member of the Corporate Practices Committee of Grupo Televisa.	Member of the Boards of Directors of Univision, Coca-Cola FEMSA, Cinemark and FEMSA.	April 2001

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Name and Date of Birth	Principal Occupation	Business Experience	First Elected
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Eduardo Tricio Haro (08/05/63)	Chairman of Grupo Lala and Chairman of Executive Committee of Aeromexico.	Chairman of the Board of Grupo Lala and Fundación Lala, Member of the Boards of Grupo Aeroméxico, Grupo Financiero Banamex, Mexichem, Corporación Aura Solar, Centro Cultural Arocena Laguna, Hospital Infantil de México Federico Gómez and Instituto Tecnológico de Estudios Superiores de Monterrey, Vice President of Consejo Mexicano de Hombres de Negocios. Board Member of the National Cancer Institute, the National Institute of Medical Sciences and Nutrition Salvador Zubirán , Mexicanos Primero and the Latin American Conservation Council of the Nature Conservancy.	April 2012
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David M. Zaslav (01/15/60)	President, Chief Executive Officer and Director of Discovery, Inc.	Member of the Boards of Sirius XM Radio, Inc., Lionsgate Entertainment Corp., the National Cable & Telecommunications Association, The Cable Center, Center for Communications, Mt. Sinai Medical Center, the USC Shoah Foundation, Skills for America's Future, the Partnership for New York City and the Paley Center for Media.	April 2015
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Alternate Directors:*In alphabetical order:*

Herbert A. Allen III (06/08/67)	President of Allen & Company LLC.	Former Executive Vice President and Managing Director of Allen & Company Incorporated, Alternate Director of Coca Cola FEMSA and former Member of the Board of Convera Corporation.	April 2002
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Name and Date of Birth	Principal Occupation	Business Experience	First Elected
Félix José Araujo Ramírez (03/20/51)	Vice President of Digital Television and Broadcasting.	Former Chief Executive Officer of Telesistema Mexicano. President of the Board of Directors of Televisión Independiente de México and Televimex.	April 2002
Joaquín Balcárcel Santa Cruz (01/04/69)	Chief of Staff of the Executive Chairman of the Board of Directors of Grupo Televisa.	Former Vice President - Legal and General Counsel of Grupo Televisa. Former Vice President and General Counsel of Television Division. Former Legal Director of Grupo Televisa.	April 2000
Julio Barba Hurtado (05/20/33)	Legal Advisor to the Company, Secretary of the Audit Committee of Grupo Televisa and Secretary of the Audit and Corporate Practices Committee of Empresas Cablevisión.	Former Legal Advisor to the Board of Grupo Televisa; Chairman of the Board of Directors of Coisa Consultores Industriales; Alternate member of the Board of Directors of Editorial Televisa Colombia.	December 1990
Leopoldo Gómez González Blanco (04/06/59)	Vice President News of Grupo Televisa.	Former Director of Information to the Presidency of Grupo Televisa.	April 2003
Jorge Agustín Lutteroth Echegoyen (01/24/53)	Vice President and Corporate Controller of Grupo		