

GRUPO TELEVISIA, S.A.B.  
Form 20-F  
April 29, 2015

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON, D.C. 20549**

**FORM 20-F**

**.. REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

**OR**

**x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014**

**OR**

**.. TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**OR**

**.. SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**Date of event requiring this shell company report**

**FOR THE TRANSITION PERIOD FROM \_\_\_\_\_ TO \_\_\_\_\_**

**COMMISSION FILE NUMBER 1-12610**

**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, D.F.**

**Mexico**

**(Address of principal executive offices)**

**Joaquín Balcárcel Santa Cruz**

**Grupo Televisa, S.A.B.**

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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:**

<b>Title of each class</b>	<b>Name of each exchange on which registered</b>
<b>A Shares, without par value ( A Shares )</b>	<b>New York Stock Exchange (for listing purposes only)</b>
<b>B Shares, without par value ( B Shares )</b>	<b>New York Stock Exchange (for listing purposes only)</b>
<b>L Shares, without par value ( L Shares )</b>	<b>New York Stock Exchange (for listing purposes only)</b>
<b>Dividend Preferred Shares, without par value ( D Shares )</b>	<b>New York Stock Exchange (for listing purposes only)</b>
<b>Global Depositary Shares ( GDSs ), each representing five</b>	<b>New York Stock Exchange</b>
<b>Ordinary Participation Certificates</b>	
<b>(Certificados de Participación Ordinarios) ( CPOs )</b>	
<b>CPOs, each representing twenty-five A Shares, twenty-two</b>	<b>New York Stock Exchange (for listing purposes only)</b>
<b>B Shares, thirty-five L Shares and thirty-five D Shares</b>	

**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, 2014 was:

**115,036,546,966 A Shares**

**53,330,818,793 B Shares**

**84,844,426,221 L Shares**

**84,844,426,221 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

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

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, 2014 and (ii) references to Ps. or Pesos in this annual report are to Mexican Pesos and references to Dollars, U.S. Dollars, U 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.

## 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, 2014, 2013, 2012 and 2011 has been derived from our audited consolidated year-end financial statements, including the consolidated statements of financial position as of December 31, 2014 and 2013, the related consolidated statements of income, comprehensive income, changes in stockholders' equity and cash flows for the years ended December 31, 2014, 2013, 2012 and 2011, and the accompanying notes appearing elsewhere in this annual report. As required by regulations for listed companies in the United Mexican States, or Mexico, issued by the *Comisión Nacional Bancaria y de Valores*, or Mexican Banking and Securities Commission, beginning on January 1, 2012, we discontinued using Mexican Financial Reporting Standards, or Mexican FRS, as issued by the *Consejo Mexicano de Normas de Información Financiera*, or Mexican Financial Reporting Standards Board, and began using International Financial Reporting Standards, or IFRS, as issued by the International Accounting Standards Board, or IASB, for financial reporting purposes.

The financial information as of December 31, 2014, 2013, 2012 and 2011 and for the years ended December 31, 2014, 2013, 2012 and 2011, was prepared in accordance with IFRS as issued by the IASB. Through December 31, 2011, our consolidated financial information was reported previously in accordance with Mexican FRS. Accordingly, the financial information as of and for the year ended December 31, 2011 is not directly comparable to previously reported financial information as of and for the year ended on that date. This data should also be read together with *Operating and Financial Review and Prospects*. In preparing our opening IFRS statement of financial position as of January 1, 2011, we adjusted amounts previously reported in our consolidated financial statements prepared in accordance with Mexican FRS. Pursuant to an accommodation from the Securities and Exchange Commission, or SEC, we only include selected financial data as of December 31, 2014, 2013, 2012 and 2011 and for the years ended December 31, 2014, 2013, 2012 and 2011.

The exchange rate used in translating Pesos into U.S. Dollars for calculating the convenience translations included in the following tables 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 Banamex, as of December 31, 2014, which was Ps.14.7613 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 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.



	Year Ended December 31,				
	2014	2014	2013	2012	2011
	(Millions of U.S. Dollars or millions of Pesos)(1)				
<b>Income Statement Data:</b>					
Net sales	U.S.\$ 5,428	Ps. 80,118	Ps. 73,791	Ps. 69,290	Ps. 62,582
Operating income	945	13,956	18,738	18,140	16,274
Finance (expense) income, net (2)	(293)	(4,329)	885	(3,350)	(4,641)
Net income	451	6,660	10,234	10,069	7,957
Net income attributable to stockholders of the Company	365	5,387	7,748	8,761	6,666
Net income attributable to non-controlling interests	86	1,273	2,486	1,308	1,291
Basic earnings per CPO attributable to stockholders of the Company (3)		1.87	2.71	3.08	2.37

	Year Ended December 31,				
	2014	2014	2013	2012	2011
Diluted earnings per CPO attributable to stockholders of the Company (3)		1.74	2.50	2.83	2.24
Weighted-average number of shares outstanding (in millions)(3)(4)		337,551	335,263	333,372	329,463
Cash dividend per CPO(3)			0.70	0.35	0.35
<b>Comprehensive Income Data:</b>					
Total comprehensive income	U.S.\$ 608	Ps. 8,982	Ps. 11,833	Ps. 10,530	Ps. 8,808
Total comprehensive income attributable to stockholders of the Company	520	7,672	9,336	9,243	7,442
Total comprehensive income attributable to non-controlling interests	89	1,310	2,497	1,287	1,366

	As of December 31,				
	2014	2014	2013	2012	2011
<b>Financial Position Data:</b>					
Cash and cash equivalents	U.S.\$ 2,014	Ps. 29,729	Ps. 16,692	Ps. 19,063	Ps. 16,276
Temporary investments	324	4,789	3,723	5,317	5,423
Total assets	15,957	235,552	194,109	164,997	153,300
Short-term debt and current portion of long-term debt (5)	23	337	314	375	1,170
Interest payable(5)	66	975	796	742	793
Long-term debt, net of current portion(6)	5,464	80,661	59,743	52,616	54,795
Customer deposits and advances	1,384	20,435	22,437	21,985	21,386
Capital stock	337	4,978	4,978	4,978	5,041
Total equity (including non-controlling interests)	5,956	87,915	78,579	68,535	59,089
Shares outstanding (in millions)(4)		338,056	335,501	333,898	330,862

	Year Ended December 31,				
	2014	2014	2013	2012	2011
<b>Cash Flow Data:</b>					
Net cash provided by operating activities	U.S.\$ 1,928	Ps. 28,463	Ps. 23,806	Ps. 22,556	Ps. 23,004
Net cash used in investing activities	(1,541)	(22,740)	(25,246)	(12,167)	(25,232)
Net cash provided (used) in financing activities	490	7,231	(924)	(7,548)	(2,543)
Increase (decrease) in cash and cash equivalents	883	13,037	(2,371)	2,787	(4,667)
<b>Other Financial Information:</b>					
Capital expenditures(7)	U.S.\$ 1,276	Ps. 17,004	Ps. 14,871	Ps. 11,428	Ps. 9,669
<b>Other Data (unaudited):</b>					
Magazine circulation (millions of copies)(8)		117	126	129	132
Number of employees (at year end)		39,500	32,000	28,600	26,300
		6,638	6,015	5,153	4,008

Number of Sky subscribers (in thousands at year end)(9)				
Number of Pay Television RGUs (in thousands at year end)(10)	3,357	2,495	2,309	2,183
Number of Broadband Internet RGUs (in thousands at year end)(10)	2,289	1,667	1,306	1,066
Number of Digital Telephony RGUs (in thousands at year end)(10)	1,228	916	754	650

**Notes to Selected Consolidated Financial Information:**

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

- (2) Includes interest expense, interest income, foreign exchange loss or gain, net, and other finance expense or income, net. See Note 22 to our consolidated year-end financial statements.
- (3) For further analysis of net income per CPO (as well as corresponding amounts per A Share not traded as CPOs), see Note 24 to our consolidated year-end financial statements. In 2014, the Company's stockholders did not approve the payment of any dividends. In December 2013, April 2013, 2012 and 2011, our stockholders approved the payment of a dividend of Ps.0.35 per CPO, respectively.
- (4) As of December 31, 2014, 2013, 2012 and 2011 we had four classes of common stock: A Shares, B Shares, D Shares and L Shares. Our shares are publicly traded in Mexico, primarily in the form of CPOs, each CPO representing 117 shares comprised of 25 A Shares, 22 B Shares, 35 D Shares and 35 L Shares; and in the United States in the form of Global Depositary Shares, or GDSs, each GDS representing 5 CPOs. As of December 31, 2014, there were approximately 2,424.1 million CPOs issued and outstanding, each of which was represented by 25 A Shares, 22 B Shares, 35 D Shares and 35 L Shares, and an additional number of approximately 54,433.6 million A Shares, 0.2 million B Shares, 0.2 million D shares and 0.2 million 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 as the principal amount net of financing costs incurred. Interest payable is included in short-term debt and current portion of long-term debt in the consolidated statements of financial position as of December 31, 2014 and 2013, and was previously 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 as the principal amount net of financing costs incurred. 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 DTH Ventures .
- (10) An RGU is defined as an individual service subscriber who generates recurring revenue 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, and Grupo Cable TV, S.A. de C.V., or Cablecom, (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 and Cablecom 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 Telecommunications and Information on the Company Business Overview Telecommunications .

### Dividends

Decisions regarding the payment and amount of dividends are subject to approval by holders of a majority of the A Shares and B Shares voting together, generally, but not necessarily, on the recommendation of the Board of Directors, as well as a majority of the A Shares voting separately. Emilio Azcárraga Jean indirectly controls the voting of the majority of the 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 29, 2011, at a general stockholders meeting, our stockholders approved a cash distribution to stockholders of up to Ps.1,036.7 million, which represents the payment of our ordinary dividend of Ps.0.35 per CPO, equivalent to Ps.0.002991452991 per share. On April 27, 2012, at a general stockholders meeting, our stockholders approved a cash distribution to stockholders of up to Ps.1,097.8 million, which represents the payment of our ordinary dividend of Ps.0.35 per CPO, equivalent to Ps.0.002991452991 per share. 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. 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.

<b>Period</b>	<b>High</b>	<b>Low</b>	<b>Average(1)</b>	<b>Period End</b>
2010	13.1940	12.1556	12.6237	12.3825
2011	14.2542	11.5050	12.4270	13.9510
2012	14.3650	12.6250	13.1539	12.9635
2013	13.4330	11.9760	12.7584	13.0980
2014	14.7940	12.8455	13.3022	14.7500
October	13.5727	13.3940	13.4795	13.4825
November	13.9210	13.5360	13.6148	13.9210
December	14.7940	13.9355	14.5205	14.7500
2015 (through April 24, 2015)	15.5815	14.5640	15.0098	15.3825
January	15.0050	14.5640	14.6972	15.0050
February	15.1025	14.7480	14.9170	14.9390
March	15.5815	14.9330	15.2375	15.2450
April (through April 24, 2015)	15.4275	14.8025	15.1770	15.3825

(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 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 24, 2015 the noon buying rate was Ps. 15.3825 per U.S.\$1.00.

## **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 4.0% in 2012, increased by 1.4% in 2013 and increased by 2.1% in 2014. Mexican GDP growth fell short of Mexican government forecasts in 2014 and, according to Mexican government forecasts, Mexican GDP is expected to increase by approximately 3.0% in 2015. 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 and/or Asia, 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 in Other Emerging Market Countries or in the U.S. and Other Developed Economies May 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 emerging market countries and in the United States and other developed economies. Although economic conditions in other emerging market countries and in the United States and other developed economies may differ significantly from economic conditions in Mexico, 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, including our securities, or on our business.

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. Economic downturns in the United States often have a significant adverse effect on the Mexican economy and other economies globally, which in turn, could affect our financial condition and results of operations.



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 telecom 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 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**

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, and for more than 20 years has not restricted, 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.

### **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, although the rates have been lower for more than a decade. The annual rate of inflation, as measured by changes in the Mexican National Consumer Price Index, or NCPI, was 3.6% in 2012, 4.0% in 2013, 4.1% in 2014 and is projected to be 3.0% in 2015. 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 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, real and nominal interest rates. The interest rates on 28-day Mexican government treasury securities averaged 4.3%, 3.8% and 3.0% for 2012, 2013 and 2014, respectively. High interest rates in Mexico could increase our financing costs and thereby impair our financial condition, results of operations and cash flow.

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

The Mexican Federal Congress is not controlled by any single political party. However, the *Partido Revolucionario Institucional*, or the PRI, holds a significant position both in the Senate and in the *Cámara de Diputados*, or the Chamber of Representatives.

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 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 New 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 Mexican Antitrust Laws May Limit Our Ability to Expand Through Acquisitions or Joint Ventures, 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.

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.

## **Mexican Antitrust Laws May Limit Our Ability to Expand Through Acquisitions or Joint Ventures**

Mexico's New 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 New 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 CFCE, 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 CFCE, 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 CFCE, 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 CFCE, 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](#) .

See [Information on the Company](#) [Business Overview](#) [Regulation](#) [Mexican Antitrust Law](#) .

### **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, tax, social security, antitrust and telecom laws were recently amended 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.

As a result of the amendments to the Mexican Constitution and the new 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, a new [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 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 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.

Those who participated in the public auction had obtained a prior favorable antitrust opinion from IFT granted under the New Federal Antitrust Law. We were prevented from participating in the bidding. The bidding rules were published by IFT on its internet site on March 9, 2014. In March 2015, IFT issued its ruling announcing Grupo Radio Centro, S.A. de C.V., or Grupo Radio Centro and Cadena Tres I, S.A. de C.V., or Cadena Tres as winning bidders for two free to air broadcasting licenses with separate national coverage. However, since Radio Centro has 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. Cadena Tres has completed the process and has received its license. See [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 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, which intends to end analog broadcasting by 2015 (referred to in this annual report as the 2010 Decree).

The 2010 Decree modified the policy published by the SCT in July 2004, which established procedures and set forth other applicable provisions for the transition to digital television. According to the June 2013 Decree amending and supplementing certain provisions of Articles 6, 7, 27, 28, 73, 78, 94 and 105 of the Mexican Constitution in telecommunications matters, or the Telecom Reform, the transition to television and radio digital broadcasting will be completed by December 31, 2015. To date, analog broadcasting in several municipalities in the States of Baja California, Coahuila, Nuevo Leon, and Tamaulipas have been terminated and, in the coming months, analog broadcasting will be terminated in various states of Mexico on a staggered basis. Until the analog shutdown is completed, we cannot determine what impact, if any, the digital transition will have on us or our operations.

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, as amended in July 2009, provides that a company that obtains third party personnel services from personnel services providers and receives such personnel services on any of the company's premises 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, as amended, 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 December 2012, the Mexican Government enacted additional amendments to the Mexican tax laws. As a result of these amendments, the income tax rate was set at 30% in 2013.

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 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 will have to pay in the coming 10 years, starting in 2014, 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 will result 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 any 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 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 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.

Certain pay-TV concessionaries benefit from the free use of broadcast for retransmission to their subscribers. Consequently, our subsidiary that licenses to pay-TV concessionaires our broadcast 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. This may result in additional costs to our pay-TV subsidiaries.

On April 11, 2014, we, together with some of our subsidiaries, filed an *amparo* proceeding challenging the constitutionality of the Guidelines. On February 2015, certain amendments to the Guidelines were published in the Official Gazette, which among other provisions, require pay-TV concessionaires to retransmit the broadcast signals on all the commercial packages they offer to their subscribers and not only on their basic packages. On March 2015, the Company and the aforementioned subsidiaries, filed an extension to the original claims in the *amparo* proceeding, which is still under review by the relevant court. There can be no assurance that the outcome of such proceeding will be favorable to us and our subsidiaries.



On November 22, 2013, the Head of the Regulatory Policy Unit of IFT delivered to us and certain of our subsidiaries that hold concessions that provide broadcast television services a notice of initiation of an investigation to determine the existence of an *agente económico preponderante*, or preponderant economic agent, in the broadcasting sector and the imposition of necessary measures to prevent adverse effects on competition. 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 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. On December 19, 2014, an infrastructure offer with the terms and conditions to make our passive broadcasting infrastructure available to third-party concessionaires was published on our website. 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. 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 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 competitor, TV Azteca, S.A.B. de C.V., or TV Azteca, 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 cruising 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. 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 competitor, TV Azteca, and to new licensees of broadcast television spectrum.

On March 28, 2014, we, together with our subsidiaries determined to be the Preponderant Economic Agent, filed an *amparo* proceeding challenging the constitutionality of the Preponderance Decision. The resolution is still pending. There can be no assurance that the outcome of such procedure will be favorable to us and our subsidiaries.

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. On March 7, 2014, IFT published in the Official Gazette of the Federation a resolution whereby 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 and Cadena Tres as winning bidders for two free to air broadcasting licenses with separate national coverage. However, since Radio Centro has 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. Cadena Tres has completed the process and has received its license.

When the National Digital Networks are established, they 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, 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 President 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 and telecommunications sectors in which we participate, including pay-TV, broadband, telephone services, cable providers, DTH television, telephone operators and/or 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 multiservice 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.

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 investigative authority of the IFT 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 presumes the probable existence of substantial power in the market of pay television and audio services in Mexico, with respect to the Company and certain of its subsidiaries. As of this date, the Governing Board of the IFT, has not made a determination regarding the existence of such substantial power. All parties may offer evidence and arguments and the Company prepared and filed its proof and evidence to rebut the Opinion. After the completion of several procedural stages, the Governing Board of the IFT will issue a resolution. In the event such resolution is not favorable to the Company, the Company may file an *amparo* proceeding against such resolution. In the event the Governing Board of the IFT determines that the Company and certain of its subsidiaries have substantial power in the pay television and audio market in Mexico, the IFT may initiate another proceeding to impose certain measures, conditions, terms and restrictive covenants, that may materially and adversely affect the activities and business of the Company directly related to the provision of pay television and audio services. The Company may take legal action against such measures, conditions, terms and restrictive covenants; however, there can be no assurance that the outcome of such actions will be favorable to the Company.

Overall, the Telecom Reform, the LFTR and secondary regulations to be issued by the President 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.

The resolutions issued by IFT under the Telecom Reform significantly and adversely affect certain areas related to some of our activities, including broadcasting 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 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: A Shares, B Shares, D Shares, and L Shares. A trust for the benefit of Emilio Azcárraga Jean, or the Azcárraga Trust, currently holds 43.0% of the outstanding A shares, 0.1% of the outstanding B shares, 0.1% of the outstanding D shares and 0.1% of the outstanding 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 A Shares held through the Azcárraga Trust constitute a majority of the A Shares whose holders are entitled to vote because non-Mexican holders of CPOs and GDSs are not permitted to vote the underlying 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 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 .

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**As Controlling Stockholder, Emilio Azcárraga Jean Will Have 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 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 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 2015 to 2020. 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 Telecommunications concessions range from 2015 to 2044 and our DTH concessions expire in 2020 and 2026. The expiration dates for the concessions for our telephone services range from 2015 to 2044. Cablevisión obtained a telecommunications concession, which 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 Federal Congress enacted the LFTR, which provides that integrated multiservice 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 have to 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.

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 requires, 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.

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 the 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, 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 Cadena 3 and Multimedios, among others. See [Information on the Company Business Overview Television](#) [Television Industry in Mexico](#) and [Information on the Company Business Overview Television Content](#) .

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

We will also face additional competition in television broadcasting from at least Cadena Tres, which was granted a free to air broadcasting license with separate national coverage by IFT in March 2015. 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, 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, 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 new product called Axtel TV, which, under its basic package, offers up to 62 standard definition channels, optional virtual recording, in addition to internet and voice services.

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 makes the transition to digital television, it is likely that competition will also increase.

The telecommunications 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.



Our pay-TV companies face competition from IPTV or online television providers such as Netflix and Claro Video, as well as from other pay-TV operators such as Total Play, Megacable and other cable television companies, as well as from Dish Mexico and Sky.

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, and Grupo Caliente S.A. de C.V., or Grupo Caliente.

With respect to the lottery industry, our principal competitors are the governmental lotteries, Pronósticos Deportivos and Loteria Nacional.

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.

Our business for 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 and in the U.S. We also face competition in our other businesses. See [Information on the Company Business Overview Competition](#).

Our future success will be affected by changes in the broadcasting, advertising sales, 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 telecommunications business is highly competitive and capital intensive. 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 2012, 2013 and 2014 we recognized 32.2%, 33.5% and 33.9%, 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., or DIRECTV Holdings, and DIRECTV Latin America LLC, or DTVLA. 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. According to public information, DIRECTV announced on September 25, 2014 a proposed merger with AT&T Inc., which currently remains subject to regulatory review and

approval by the U.S. Department of Justice, or DOJ and the U.S. Federal Communications Commission, or FCC.

**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 ( SM1 ), which is expected to be in service during 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 or other privileged or confidential information, or unauthorized access to our digital content or any other type of intellectual property. Any such incident could cause damage to our reputation and may require us to expend substantial resources to remedy the situation and could therefore have a material adverse effect on our business and results of operations. In addition, there can be no assurance that any efforts we make to prevent or mitigate these incidents will be successful in avoiding harm to our business.

### **The Results of Operations of Broadcasting Media Partners, Inc. May Affect Our Results of Operations and the Value of Our Investment in That Company**

In December 2010, we made a substantial investment in 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 BMP. Most of our investment in BMP is currently held in the form of convertible debentures. Our conversion of the debentures into shares of common stock of BMP is subject to certain conditions. The value of the common stock of BMP could materially increase or decrease the carrying value of the convertible debentures, as they are measured at fair value. After the conversion, we will remain a minority equity holder of BMP. The results of operations of BMP and Univision may affect the value of our investment in BMP 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) possible strikes or other union job actions, (iv) changes in the rules and regulations of the FCC, (v) an increase in the cost of, and decrease in the supply or quality of, programming, (vi) an increase in the preference among Hispanics for English-language programming, (vii) competitive pressures from other broadcasters and other entertainment and news media and (viii) the impact of new technologies.

There can be no assurance that the results of operations of BMP 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 adversely affect our results of operations. See Risk Factors Related to Mexico Mexican Antitrust Laws May Limit Our Ability to Expand Through Acquisitions or Joint Ventures .

### **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 22bis 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.

Starting on July 2014, our advertising results were adversely affected by the Health Law Amendment. We cannot predict the impact or effect that such Amendment might continue to have on our results of operations in the future.

### **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 A Shares, B Shares or 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 A Shares, B Shares or D Shares. Non-Mexicans may hold A Shares, B Shares or 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 A Shares, B Shares, L Shares and 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 A Shares, B Shares and D Shares underlying their securities. The 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 L Shares and other actions which are adverse to the holders of the L Shares. For a brief description of the circumstances under which holders of L Shares are entitled to vote, see [Additional Information](#) [Bylaws](#) [Voting Rights](#) and [Stockholders Meetings](#) .

#### **Our Antitakeover Protections May Deter Potential Acquirors 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 depositary for the securities underlying the GDSs, ask GDS holders for voting instructions, the holders may instruct the depositary to exercise their voting rights, if any, pertaining to the deposited securities. The depositary 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 depositary how to vote the deposited securities underlying their GDSs, or that the depositary 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 depositary 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 depositary 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 depositary 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 depositary 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 depositary 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 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.

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## **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 , target , estimate , predict , forecast , guideline , may , should , could , will and similar words and expressions are intended 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 Interactive Media, or TIM;

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 arrangements with Netflix, Inc., or Netflix;

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 BMP, 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.

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 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 at Avenida Vasco de Quiroga, No. 2000, Colonia Santa Fe, 01210 México, D.F., México. Our telephone number at that address is (52) (55) 5261-2000.

**Capital Expenditures**

The table below sets forth our projected capital expenditures for the year ended December 31, 2015 and our actual capital expenditures, investments in joint ventures and associates, and acquisitions for the years ended December 31, 2014, 2013 and 2012. For a discussion of how we intend to fund our projected capital expenditures, investments and acquisitions for 2015 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 .

	Year Ended December 31,(1)			
	2015 (Forecast)	2014 (Actual)	2013 (Actual)	2012 (Actual)
	(Millions of U.S. Dollars)			
Capital expenditures(2)	U.S.\$ 1,400.0	U.S.\$ 1,275.8	U.S.\$ 1,157.8	U.S.\$ 881.1
BMP(3)				22.5
GTAC(4)	8.8	8.3	10.5	7.8
Iusacell(5)			122.9	
Cablecom (6)		447.6	742.6	
Other acquisitions and investments (7)	656.0	0.8	8.6	5.7
<b>Total capital expenditures and investments</b>	<b>U.S.\$ 2,064.8</b>	<b>U.S.\$ 1,732.5</b>	<b>U.S.\$ 2,042.4</b>	<b>U.S.\$ 917.1</b>

- (1) Amounts in respect of some of the capital expenditures, investments and acquisitions we made in 2014, 2013 and 2012 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) Reflects capital expenditures for property, plant and equipment, in all periods presented. Includes U.S.\$702.9 million in 2014, U.S.\$599.9 million in 2013 and U.S.\$455.4 million in 2012 for the expansion and improvement of our Telecommunications segment; U.S.\$388.8 million in 2014, U.S.\$397.7 million in 2013 and U.S.\$292.1 million in 2012 for the expansion and improvement of our Sky segment; U.S.\$4.5 million in 2014, U.S.\$13.3 million in 2013 and U.S.\$16.9 million in 2012 for our Gaming business; and U.S.\$179.6 million in 2014, U.S.\$146.9 million in 2013 and U.S.\$116.7 million in 2012 for our Content segment and other businesses. In the fourth quarter of 2012 we recognized a satellite transponder lease agreement as an addition to property, plant and equipment and a related finance lease obligation in the amount of U.S.\$326.3 million (Ps.4,203.0 million) in connection with the commencement of the service agreement for the use of transponders on Intelsat IS-21 satellite by our Sky business segment. The forecast amount for 2015 totaling U.S.\$ 1,400.0 million includes capital expenditures of U.S.\$900.0 million and U.S.\$370.0 million for the expansion and improvements of our Telecommunications and Sky segments, respectively, and the remaining U.S.\$130.0 million is for our Content and Other Businesses segments.
- (3) In August 2012, we made an additional investment of U.S.\$22.5 million in cash, by which we increased our interest in BMP from 7.1% to 8.0%.
- (4) During 2015 we expect to provide financing to GTAC in connection with long-term credit facilities and our 33.3% interest in GTAC in the principal amounts of Ps.130 million (U.S.\$8.8 million). In 2014, we provided financing to GTAC in connection with long-term credit facilities and our 33.3% interest in GTAC in the principal amounts of Ps.121.5 million (U.S.\$8.3 million). In 2013, we provided financing to GTAC, in connection with long-term credit facilities in the aggregate principal amount of Ps.56.6 million (U.S.\$4.6 million) and U.S.\$5.9 million. In 2012, we provided financing to GTAC, in connection with a long-term credit facility in the aggregate principal amount of Ps.103 million (U.S.\$7.8 million).
- (5) In 2013 we made additional capital contributions in connection with our 50% joint interest in GSF Telecom Holdings, S.A.P.I de C.V. ( GSF ) in the aggregate amount of Ps.1,587.5 million (U.S.\$122.9 million). In September 2014, our partner in GSF agreed to purchase our 50% joint interest in GSF for the purchase price of U.S.\$717 million. As a result of the transaction, we recognized a one-time non-cash loss on the disposal of our investment in GSF of approximately U.S.\$320 million, and a related account receivable of U.S.717 million. In December 2014 we obtained the regulatory approval for this transaction. In January 2015, we received proceeds of U.S.\$717 million in connection with the disposal of our investment in GSF. Part of the proceeds were used to acquire, through a series of transactions, 100% of the equity interest of Cablevisión Red, S.A. de C.V.

( Telecable ).

- (6) In 2013 we made an investment in the amount of Ps.7,000 million (U.S.\$547.6 million) in convertible debt instruments which, pursuant to applicable regulations, allowed us to acquire 95% of the equity interest of Ares, owner of 51% of the equity interest of Cablecom, a telecommunications company that offers video, telephony and data services in Mexico. As part of this transaction, we also invested in a long-term debt instrument issued by Ares in the amount of U.S.\$195 million. In 2014, we made an additional consideration in cash in the amount of Ps.5,908.0 million (U.S.\$447.6 million) in connection with the acquisition of all of the equity interest of Cablecom, which included the conversion of the convertible debt instruments and the capitalization of a long-term instrument issued by Ares.
- (7) In January 2015, we 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.\$656.0 million). Telecable is a telecommunications company that provides video, data and telephone services, primarily in six states of Mexico.

In 2014, 2013 and 2012, 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 2015 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, and/or borrowings. The amount of borrowings required to fund these cash needs in 2015 will depend upon the timing of cash payments from advertisers under our advertising sales plan.

## **Business Overview**

Grupo Televisa, S.A.B., is the largest media company in the Spanish-speaking world based on its market capitalization and a major participant in the international entertainment business. We operate four broadcast channels in Mexico City and complement our network geographic coverage through affiliated stations throughout the country. We produce pay-TV channels with national and international feeds, which reach subscribers throughout Latin America, the United States, Canada, Europe and Asia Pacific. We export our programs and formats to television networks around the world. In 2014, we exported 87,143 hours of programming to 83 countries, excluding the United States. In the United States, we have granted Univision the exclusive right to broadcast substantially all of the content we produce pursuant to a program license agreement.

We believe we are the most important Spanish-language magazine publisher in the world, as measured by circulation, with an annual circulation of approximately 117 million magazines publishing 182 titles in approximately 21 countries.

Televisa is also an active participant in Mexico's telecommunications industry. We own 58.7% of Sky, a DTH satellite television provider in Mexico, Central America and the Dominican Republic. Televisa also participates in Mexico's telecommunications industry in many regions of the country where it offers video, voice and broadband services. We own Cablemás, have a controlling stake in Cablevisión and TVI, and as part of the expansion of our telecommunications business, we acquired Cablecom in August 2014, and in January 2015 we acquired Telecable.

We also own Televisa.com as well as 15 other web portals of our brands and products and four main mobile apps with more than 20 million downloads, a gaming business which includes casinos, a 50% stake in a radio company that as of December 31, 2014 reached 73% of the Mexican population, a feature film production and distribution company, a soccer team and a stadium in Mexico, and an unconsolidated equity stake in Ocesa Entretenimiento, S.A. de C.V., or OCEN, one of the leading live entertainment companies in Mexico.

In February 2012, we exchanged our 40.7680% equity interest in Gestora de Inversiones Audiovisuales La Sexta, S.A. ( La Sexta ), a free-to-air television channel in Spain, for equity participations equivalent to 14.5% of the capital stock of Imagina, which at the time was the indirect owner of the majority equity interest in La Sexta. La Sexta has subsequently merged with Atresmedia Corporación de Medios de Comunicación, S.A. ( Atresmedia )-holder of Antena 3 Television, or A3TV-a publicly traded company on the Madrid Stock Exchange.

In December 2010, we made a substantial investment in BMP, the parent company of Univision, the leading Spanish-language media company in the United States. As a result, Televisa has equity and debentures that, upon conversion and subject to any necessary approval from the FCC, would represent approximately 38% on a fully diluted, as-converted basis of the equity capital in BMP.

## **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 telecommunications 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 telecommunications 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

telecommunications businesses. We will continue to strengthen our position and will continue making additional investments, which could be substantial in size, in the DTH and telecommunications industry in accordance with the consolidation of the telecommunications 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.

***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. In addition, we 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 April 2008, we began broadcasting more than 1,000 hours per year of NBC Universal's Telemundo's original programming on Channel 9. Currently and through December 2015, we pay Telemundo a fixed license fee for the broadcast of Telemundo's programming on our Channel 9 Network. Beginning January 2016, we will pay Telemundo a license fee based on a percentage of all revenues generated from sales related to Telemundo programming, unless we agree on something different. In addition, since 2010 we distribute, via Sky and Cablevisión, a new pay-TV channel in Mexico produced by Telemundo principally featuring Telemundo branded content. See *Television Programming - Foreign-Produced Programming*. As a result of the strategic alliance agreement entered into with Telemundo, we distribute Telemundo content in Mexico on an exclusive basis across multiple platforms including broadcast television, pay television and our emerging digital platforms. In October 2008, we entered into license agreements to distribute Telemundo's original content through digital and wireless platforms in Mexico.

***Improving Our Sales and Marketing Efforts.*** Over the past few years we have improved our television broadcasting advertising sales strategy in the following ways:

- (i) We have developed strategies for monetizing Televisa's greatest asset, its content by, for example, increasing special events prices;
- (ii) Although our sales force is organized in teams focusing on each of our divisions, we are working to create opportunities for our clients across our media assets;
- (iii) We are emphasizing a performance-based compensation policy for sales people such that a larger portion of total compensation comprises variable incentives tied to year-end results; and
- (iv) We are continuing to provide our customers with increased opportunities for custom made product placement and branded entertainment.

***Maintaining High Operating Segment Income Margins.*** Our content operating segment income margins for 2013 and 2014 were 46.0% and 44.6%, respectively. We intend to continue maintaining high operating segment income margins in our content businesses by increasing revenues and controlling costs and expenses.

***Advertising Sales Plan.*** Our sales force is organized into separate teams, each of which focuses on a particular segment of our business. We sell commercial time in two ways: upfront and scatter basis. Advertisers that elect the upfront option lock in prices 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 the lowest rates 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 lack of access to choice commercial time slots. All advertisers are billed for actual minutes used; the amount billed depends on the calendar quarter, channel, and hour in which the spot is transmitted. We previously billed most of our advertising customers on a cost-per-rating-point basis based on audience share and ratings as published by the Mexican company IBOPE AGB Mexico, or IBOPE. Due to a June 2012 leak of confidential data related to the location of IBOPE's people meters, we no longer use IBOPE's statistical data and we have been billing our advertising customers based on fixed pricing rather than on a cost-per-rating-point basis. 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 46%, 52% and 47% of total available national advertising time on our networks during prime time broadcasts in 2012, 2013 and 2014, respectively, and approximately 39%, 43% and 39% of total available national advertising time during all time periods in 2012, 2013 and 2014, respectively. See Operating and Financial Review and Prospects Results of Operations Total Segment Results Content .

### ***Continue Building Our DTH and Telecommunications 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 approximately 6.6 million subscribers, of which 2.6% were commercial subscribers as of December 31, 2014.

In the fourth quarter of 2012, IS-21, a new satellite of Intelsat, our primary satellite provider, started service, replacing Intelsat's IS-9 satellite. In the third quarter of 2013, Sky entered into an agreement with DirecTV for the acquisition and launch of a satellite ( SM1 ), which is expected to be in service during 2015. In the future, we may have to invest in additional satellite capacity. For a description of our satellites, see Property, Plant and Equipment Satellites .

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 and the Spanish Soccer League, including La Liga and La Copa del Rey, the FA Cup, the NFL Sunday Ticket, NBA Pass, MLB Extra Innings, the NHL, WTA, bullfighting from Spain, World Equestrian Games, marathons, Diamond League, Capital One Cup, Rolex World Cup Jumping and the largest coverage of the Mexican Baseball League (LMB), ATP & TT tournaments and the Basketball Euroleague;

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.

**Telecommunications.** We are a shareholder of several Mexican telecommunications companies. We have a controlling stake in Cablevisión and TVI. In 2011 we acquired Cablemás and in 2014 we acquired Cablecom.



Cablevisión operates in Mexico City and its metropolitan area, where it offers cable television, high speed internet and IP telephony services.

TVI offers cable television, data and voice services in the metropolitan area of Monterrey and other areas of northern Mexico.

Cablemás operates in 60 cities in Mexico where it offers cable television, high speed internet and telephony services.

Cablecom offers cable television, telephony, value added services and virtual networks to corporate customers around 16 states of Mexico.

With a consolidated subscriber base of 3,356,732 cable television, or video subscribers and 10,315 million homes passed as of December 31, 2014, these companies are important telecommunications providers in Mexico. As used in this annual report, 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 counts as a home passed when it can be connected to a telecommunications network without additional extensions to the main transmission lines. Our telecommunications 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 and bidirectional 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 telecommunications 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. As of December 31, 2014, our telecommunications companies had 2,288,709 cable modem, or broadband subscribers. We have growth in our subscriber base, driven primarily by the upgrading of our systems from analog to digital format. As of December 31, 2014, our telecommunications companies had 1,228,182 IP telephone lines in service, or voice subscribers.

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 indirect owner of 51% of the equity interest in Cablecom. 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.

In September 2014, our partner in GSF agreed to purchase our 50% equity participation in Iusacell at a cash price of U.S.\$717 million (Ps.9,461,532). As a result of this transaction, which was subject to customary closing conditions and required regulatory approvals, we discontinued recognizing our share of income or loss in GSF and recognized a

non-cash loss of Ps.4,168,468 in consolidated other expense and an account receivable for the agreed sale amount. As of December 31, 2014, the related account receivable amounted to U.S.\$717 million (Ps.10,583,852). In December 2014, we obtained regulatory approvals for this transaction. In January 2015, we received proceeds in the aggregate amount of U.S.\$717 million (Ps. 10,632,393) in connection with our disposal of our investment in GSF, of which U.S.\$697 million was in cash and U.S.\$20 million was held in escrow for certain contingent litigation costs.

***Continue Expanding the Portfolio of Channel Offerings in Mexico and Abroad***

***Network Subscription.*** Through our 25 pay-TV brands and 51 national and international feeds, we reached more than 40 million subscribers throughout Latin America, the United States, Canada, Europe and Asia Pacific in 2014. Our pay-TV channels include, among others, three music, six movie, seven variety and entertainment channels and two sports channels. Both of our sports channels offer 24-hour-a-day programming 365 days a year. The sports content of Televisa Deportes Network, or TDN, is provided pursuant to a license agreement with Barra Deportiva, S.A. de C.V., or Barra Deportiva. Effective as of February 13, 2015, Barra Deportiva merged into Televisa, S.A. de C.V., and therefore, ceased to exist and all of its rights and obligations were transferred to Televisa, S.A. de C.V. as of such date. One of our entertainment channels, Clásico TV, was rebranded as Distrito Comedia in October 2012. In April 2014 one of our music channels, Ritmoson Latino, was rebranded as Ritmoson.

Beginning with the first quarter of 2012, the results of our former Pay Television Networks segment (currently identified as Networks Subscription) are included in our new Content segment, which also includes the results of our former Television Broadcasting and Programming Exports segments and our Internet business.

### ***Transforming Our Publishing Business***

Despite the new challenges facing the industry, we believe we continue to be among the leaders of the publishing business and maintained a total approximate circulation of 117 million magazines during 2014. 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 182 titles; with 74 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 21 countries, including Mexico, the United States and countries throughout Latin America.

We believe that Editorial Televisa leads at least 18 of the 21 markets in which we compete in terms of readership.

### ***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 2014, we licensed 87,143 hours of programming in 83 countries throughout the world. We intend to continue exploring ways of expanding our international programming sales.

As of 2012, we became a shareholder 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 owner of the Spanish Soccer League distribution rights worldwide. Through Globomedia, part of the Grupo Arbol Companies, it is also a leading producer of series, dramas and comedies in Spain. 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 which included commercial agreements between the parties to explore collaboration in content production projects. Additionally, the transaction granted us certain rights of first refusal to acquire formats and audiovisual content, as well as transmission rights for sport events in certain territories. As part of the transaction, we appointed two directors to Imagina's board, which, as of today, is composed of 12 members.

Also, on December 14, 2011, in a separate transaction, La Sexta agreed to merge with Atresmedia-holder of A3TV-a publicly traded company on the Madrid Stock Exchange. As of today, Imagina holds 7% of the voting rights in Atresmedia.

The U.S.-Hispanic population, estimated to be 52 million, or approximately 17% of the U.S. population, according to U.S. Census estimates published in the 2012 Current Population Survey, Annual Social and Economic Supplement, 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. Hispanics are expected to account for U.S.\$1.6 trillion of U.S. consumer spending, or 10.6% of the U.S. total disposable income, by 2018, outpacing the expected growth in total U.S. consumer expenditures.

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 Spanish-language media company in the United States. In exchange for this programming, during 2012, 2013 and 2014, Univision paid us U.S.\$247.6 million, U.S.\$273.2 million and U.S.\$313.7 million respectively, in royalties. For a description of our arrangements with Univision, see Univision .

Under a license agreement with Netflix, effective as of July 12, 2011, we make available to certain video-on-demand subscribers of Netflix, on a non-exclusive basis, around 3,000 hours annually of telenovelas, series, and other general entertainment programming from our library for the territories of Mexico, Latin America and the Caribbean. As part of the agreement, current content will be made available to Netflix not earlier than one year after its broadcast through free-to-air television. This agreement increases our availability of programming in Latin America and the Caribbean, where Netflix launched subscription streaming at the end of 2011 and is an important first step of our plan to monetize our library of over 50,000 hours of content via digital distribution.

### ***Developing New Businesses and Expanding through Acquisitions***

We plan to continue growing our gaming business, which consists of casinos and a national lottery. As of December 31, 2014, we had 17 casinos in operation, under the brand name *Play City*. In accordance with our permit, we plan to continue opening casinos. In addition, during 2007 we launched *Multijuegos*, an online lottery with access to a nationwide network of approximately 9,000 points of sale through electronic terminals, including point-of-sale terminals at *Cadena Comercial Oxxo, S.A. de C.V.* and *Oxxo Express, S.A. de C.V.*, or *Oxxo*, the principal chain of convenience stores in Mexico. The casinos and *Multijuegos* 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.

In August 2009, we entered into a strategic alliance agreement with *Genomma Lab Internacional, S.A.B. de C.V.*, or *Genomma Lab*, to sell and distribute personal care and over the counter pharmaceuticals in the United States and Puerto Rico. The strategic alliance operates through *Televisa Consumer Products USA*, or *TCP*, a company owned 51% by *Televisa* and 49% by *Genomma Lab*. As part of this alliance, in October 2009, *TCP* entered into, among others, an exclusive commercial supply agreement with *Genomma Lab* under which, as of July 4, 2013, we selected three brands of *Genomma Lab*, which we refer to as *Genomma Lab Selected Brands*, for distribution through *TCP* in exchange of a revenue share. We make available our different media platforms in the United States and Puerto Rico to *TCP*. During 2012, 2013 and 2014, *TCP* sold and distributed *Genomma Lab*'s products such as over-the-counter pharmaceutical and cosmetic products.

In March 2010, *Grupo de Telecomunicaciones Mexicanas, S.A. de C.V.*, or *Telefónica*, *Editora Factum, S.A. de C.V.*, or *Editora Factum*, a wholly-owned subsidiary of the Company, and *Mega Cable, S.A. de C.V.*, or *Megacable*, agreed to jointly participate, through a consortium, in the public bid for a pair of dark fiber wires held by the *Comisión Federal de Electricidad*, or Mexican Federal Electricity Commission, or *CFE*. In June 2010, the *SCT* granted the consortium 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 dense wavelength division multiplexing, or *DWDM*, technology. In June 2010, one of our subsidiaries entered into a long-term credit facility agreement to provide financing to *GTAC* for 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 2013, one of our subsidiaries entered into a long-term credit facility agreement to provide additional financing to *GTAC* for up to Ps.80.0 million. By the end of 2014, *GTAC* had in operation 152 links and 148 nationwide nodes, and the services for customers grew to 1024, of which 90% have a capacity of 10 Gbps. The overall capacity per link is approximately 8 Tbps (80 optical channels x 100 Gbps each). In addition, *GTAC* maintains four of its own routes (1,555 kilometers), three third-party dark fiber *IRU* (887 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.

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 indirect owner of 51% of the equity interest in *Cablecom*. 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. Cablecom is a telecommunications company that offers video, telephony and data services in Mexico.

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 telecommunications company that provides video, data and telephony services in Mexico, primarily in the states of Guanajuato, Jalisco, Aguascalientes, Queretaro, Tamaulipas, and Colima, among others. Telecable has approximately 650,000 RGUs.

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. 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, and could be substantial in size. We are constantly seeking investment opportunities that complement our telecommunications 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, which can be substantial in size.

***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 economico 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, IFT on March 7, 2014 notified América Móvil, S.A.B. de C.V., or América Móvil, of a resolution which determined that América Móvil and its operating subsidiaries Radiomóvil Dipsa, S.A de C.V., or Telcel, and Teléfonos de México, S.A.B. de C.V., or Telmex, 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, among which, América Móvil reported publicly the following:

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.

According to public records, América Móvil and its subsidiaries filed on April 1, 2014 an injunction (*amparo*) proceeding against IFT's resolution. The resolution is still pending.

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 telecommunications business.

As part of our expansion of our telecommunication 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). We notified IFT of both transactions according to transitory Article 9 of the LFTR. The LFTR establishes that IFT shall initiate an investigation to determine the possible existence of substantial market power in any of the relevant markets of the telecommunications and broadcasting sectors. If substantial market power is determined, IFT may impose the necessary measures. On April 28, 2015, IFT published in the Official Gazette of the Federation the preliminary assessment on the Cablecom Acquisition whereby it determined the existence of substantial market power of the Company and its subsidiaries in the restricted television and audio services in several municipalities of Mexico. The Company is preparing its pleadings and evidence against the preliminary assessment.

Pursuant to transitory Article 39 of the LFTR, on March 17, 2015, IFT delivered a preliminary assessment to determine the existence of substantial power in the restricted television and audio services in several municipalities of Mexico. The Company filed its pleadings and evidence against the preliminary assessment on April 22, 2015. See Regulation Mexican Antitrust.

Additionally, the Telecom Reform (i) 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 (ii) 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 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 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 have named a sustainability officer in addition to establishing a committee which comprises some of our high-level executive officers as well as independent consultants and which will reinforce our efforts related to sustainability. 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 February 1, 2015 we were confirmed as a sustainable issuer for the period effective as of February 3, 2015 through January 29, 2016. The Sustainability Index currently includes 34 issuers, which have been selected based on their commitment to corporate governance, social responsibility and environmental management.

### **Television**

#### ***Television Industry in Mexico***

**General.** There are twelve television stations operating in Mexico City and approximately 476 other television stations elsewhere in Mexico. Most of the stations outside of Mexico City retransmit programming originating from the Mexico City stations. We own and operate four of the 12 television stations in Mexico City, Channels 2, 4, 5 and 9. Some of these stations are affiliated with 221 repeater stations and 33 local stations outside of Mexico City. See Content . We also own a station that has a digital subchannel that transmits in the English language on the California border. Our major competitor, TV Azteca, owns and operates Channels 7 and 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, a ultra-high radioelectric frequency, or UHF, channel that broadcasts throughout the Mexico City metropolitan area. The Mexican government currently operates four stations in Mexico City, Channel 11, which has 12 repeater stations, Channel 21 in Mexico City (transmitting only DTV), Channel 22, and Channel 30, an anchor station of *Sistema Pública de Radiodifusión del Estado Mexicano*, which, we believe, has 16 repeater stations outside Mexico City. There are three local television stations affiliated with Channel 28, outside of Mexico City. There are also 15 independent stations outside of Mexico City which are unaffiliated with any other stations. See Content .

We estimate that approximately 28.1 million Mexican households have television sets, representing approximately 91% of all households in Mexico as of December 31, 2014. We believe that approximately 95.4% of all households in Mexico City and the surrounding area have television sets.

**Ratings and Audience Share.** We previously included television ratings and audience share information in our annual reports based on data supplied by IBOPE. Due to a June 2012 leak of confidential data related to the location of IBOPE's people meters, we no longer use IBOPE's measurements. No IBOPE statistical data in respect of periods after June 12, 2012 has been included in our public reports and we have been billing our advertising customers based on fixed pricing rather than on a cost-per-rating-point basis.

#### ***Programming***

**Programming We Produce.** We produce a significant part of the Spanish-language television programming in the world. In 2012, 2013 and 2014, we produced approximately 90,500 hours, 93,300 hours and 94,600 hours, respectively, of programming for broadcast on our network stations and through our cable operations and DTH satellite ventures, including programming produced by our local stations.

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 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 2012, we broadcast the 2012 London Olympic Games. In 2013, we broadcast FIFA World Cup Under 20 Turkey 2013, FIFA World Cup Under 17 UAE, Copa FIFA Confederaciones Brasil 2013, and Qualification Matches for FIFA World

Cup Brazil 2014. In 2014, we broadcast FIFA World Cup Brazil 2014, FIFA Women's World Cup Under 17 Costa Rica 2014, and FIFA Women's World Cup Under 20 Canada 2014. We have secured the rights to broadcast at least the 2018 FIFA World Cup Russia and the 2022 FIFA World Cup Qatar for Mexico and other territories in Latin America.

Our programming is produced primarily at our 30 studios in Mexico City. We also operate 18 fully equipped remote control units (OB VANS). Some of our local television stations also produce their own programming. These local stations operate 47 studios and 34 fully equipped remote control units. See [Content](#) [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%, 34% and 35.5% of the programming broadcast on our four television networks in 2012, 2013 and 2014, 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 remainder aired on Channel 9.

**Talent Promotion.** We operate Centro de Educación Artística, a school in Mexico City, to develop and train actors and technicians. 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.

### Content

At the beginning of 2012, we adjusted our segment reporting structure. Beginning with the first quarter of 2012, the results of our Television Broadcasting, Pay Television Networks and Programming Exports businesses, which were previously reported as separate segments, and the Internet business, which was previously reported as part of the Other Businesses segment, are reported as a single segment, Content.

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, 2014.

	Wholly Owned Mexico City Anchor Stations	Wholly Owned Affiliates	Majority Owned Affiliates	Minority Owned Affiliates	Independent Affiliates	Total Stations
Channel 2	1	123	2		1	127
Channel 5	1	63			3	67
Channel 9	1	15			14	30
Subtotal	3	201	2		18	224
Border Stations						
Local (Stations) Affiliates		18		1	14	33
Total	3	219	2	1	32	257

**Channel 2 Network.** Channel 2, which is known as *El Canal de las Estrellas* , or *The Channel of 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 127 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 approximately 27.6 million households, representing 98.1% 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 2012, 2013 and 2014.

According to the *Política Nacional para la Introducción de los Servicios de Televisión Digital Terrestre* or the National Policy for the Introduction of Terrestrial Digital Television Services in Mexico dictated by the SCT, in May 2005, Mexico City's Channel 2 obtained a license to transmit DTV services on Channel 48 as its second channel throughout the transition period from analog to digital television. Also, 36 repeaters of the Channel 2 Network located outside of Mexico City and along the border with the United States have obtained similar licenses. Since December 2005, these DTV stations have been in place and fully operational.

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 100 to 140 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 66 repeater stations located throughout parts of Mexico. We estimate that the Channel 5 Network reaches approximately 25.7 million households, representing approximately 91.5% 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.

According to the National Policy for the Introduction of Terrestrial Digital Television Services in Mexico dictated by the SCT, in September 2005, Mexico City's Channel 5 obtained a license to transmit digital television, or DTV, services in Channel 50 as its second channel during the transition period. Also, 34 repeaters of the Channel 5 Network have obtained a similar license. Since December 2005, these DTV stations have been in place and fully operational.

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, 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 29 repeater stations, approximately 37% of which are located in central Mexico. We estimate that Channel 9 reaches approximately 20.7 million households, representing approximately 73.7% of households with television sets in Mexico.

According to the National Policy for the Introduction of Terrestrial Digital Television Services in Mexico dictated by the SCT, in October 2006, Mexico City's Channel 9 obtained a license to transmit DTV services in Channel 44 as its second channel during the transition period. In addition, 12 repeaters of the Channel 9 Network have obtained a similar license. Since January 2007, this DTV station has been operational.

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 6.0 million households, representing approximately 21.3 of television households in Mexico in 2014. 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.



According to the National Policy for the Introduction of Terrestrial Digital Television Services in Mexico dictated by the SCT, in September 2005, Mexico City's Channel 4 obtained a license to transmit DTV services in Channel 49 as its second channel during the analog to digital transition period. Since December 2005, this DTV station has been fully operational.

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 33 local television stations affiliated with our networks, of which 18 stations are wholly owned, one station is minority owned and 14 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 2012, 2013 and 2014, the local television stations owned by us produced 57,200 hours, 57,100 hours and 57,300 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.

According to the National Policy for the Introduction of Terrestrial Digital Television Services in Mexico dictated by the SCT, 15 of the 18 wholly owned local stations have obtained licenses to transmit DTV services in their service area during the transition period. These 15 DTV stations are in place and fully operational.

**Border Stations.** We currently own XETV, or the Border Station, a Tijuana based television station which operates under a concession from the SCT from Mexico on the Mexico/U.S. border and broadcasts English-language programs pursuant to a permit granted by The Ministry of the Interior, which is renewed annually. The Border Station is affiliated with the Tijuana/San Diego market, under an affiliation agreement with The CW Network LLC, or CW Network. CW Network was formed as a joint venture between Warner Bros. Entertainment and CBS Corporation. The Border Station broadcasts under renewable permits issued by the FCC to the station and to CW Network, which authorize electronic cross-border programming transmissions. The Border Station is operated through a station operating agreement with Bay City Television, a U.S. corporation indirectly owned by us. The Border Station's FCC cross-border permit was renewed on July 9, 2013 for a five-year term expiring on July 9, 2018. CW Network's cross-border FCC permit became effective on February 14, 2014 for a five-year term expiring on February 14, 2019.

**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, Asia, Europe, the United States, Canada and Africa. These channels include programming such as general entertainment, telenovelas, movies 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. As of December 2014, we had over 40 million subscribers worldwide.

In 2012, 2013 and 2014, we produced approximately 20,900 hours, 23,200 hours and 24,500 hours, respectively, of programming and videos, for broadcast on our pay-TV channels. The names and brands of our standard definition channels include: *Telehit*, *Ritmoson* (formerly *Ritmoson Latino*), *Bandamax*, *De Película*, *De Película Clásico*, *Unicable*, *Golden*, *Golden Edge*, *Golden Latinoamérica*, *TLNovelas*, *Tiin*, *Canal de las Estrellas Latinoamérica*, *Canal de las Estrellas Europa*, *Canal 2 Delay-2hrs*, *Canal de las Estrellas Delay-1hr*, *Distrito Comedia* (formerly *Clásico TV*), *TDN* and *UTDN* (formerly *TDN2.0*). The brands of our high definition channels include: *Golden HD*, *Telehit HD*, *TDN HD*, *De Película HD*, *Unicable HD*, *GoldenPremier HD* and *UFC Network 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 92,887 hours, 79,650 hours and 87,143 hours of programming in 2012, 2013 and 2014, respectively. See Univision and Operating and Financial Review and Prospects Results of Operations Total Segment Results Content . As of

December 31, 2014, we had 253,408 half-hours of television programming in our library available for licensing. Beginning with the first quarter of 2012, the results of our former Programming Exports segment (currently identified as Licensing and Syndication) are included in our new Content segment, which also includes the results of our former Television Broadcasting and Pay Television Networks segments and our Internet business.

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

**SVOD Licensing.** Under a license agreement with Netflix, effective as of July 12, 2011, we make available to certain video-on-demand subscribers of Netflix, on a non-exclusive basis, around 3,000 hours annually of telenovelas, series, and other general entertainment programming from our library for the territories of Mexico, Latin America and the Caribbean. As part of the agreement, current content will be made available to Netflix not earlier than one year after its broadcast through free-to-air television. This agreement increases our availability of programming in Latin America and the Caribbean, where Netflix launched subscription streaming at the end of 2011 and is an important first step of our plan to monetize our library of over 50,000 hours of content via digital distribution.

**Televisa Interactive Media.** TIM is the Company's online and wireless content division. This venture includes Esmas and Televisa.com, our Spanish-language horizontal websites and online and supported video streaming; and Esmas Móvil, our mobile value added service unit. TIM leverages the Company's and third party 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. Through mobile devices, TIM became the second screen experience for the Company's television content.

With a wide range of content channels, online and mobile services, and more than 261.2 million page views per month and more than 28.9 million monthly unique users in 2014, we believe that TIM has positioned itself as one of the leading digital entertainment and information online content providers in Mexico and Hispanic territories. Currently, 71.7% of TIM's page views come from Mexico and the rest comes from the U.S. and Latin America.

In 2014, Esmas Móvil sent more than 9.7 million premium messages to approximately one million mobile subscribers. Most of the content demanded by users consists of news and sports text alerts, interactive TV promotions, wallpapers games and music. We believe that due to the Mexican public's affinity for the high quality and wide range of our programming content, TIM has become one of the leading premium content mobile service providers in Mexico and in Latin America.

TIM has created a mobile application division, Televisa Mobile, which is responsible for the developing of more than eight mobile content applications in nine operating systems with more than 18 million downloads and seven mobile gaming applications in nine operating systems with more than 1.5 million downloads.

In October 2008, we entered into 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 broadcast on our Channel 9, on all of our digital platforms including Esmas.com. Moreover, Televisa also offers mobile wall papers, ring tones and text messaging services based on Telemundo branded content to mobile phone subscribers in Mexico through our mobile business unit Esmas Móvil. 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.

Beginning with the first quarter of 2012, the results of our Internet business, which was previously reported as part of the Other Businesses segment, are included in our new Content segment, which also includes the results of our former Television Broadcasting, Pay Television Networks and Programming Exports segments.

## **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 117 million copies in 2014, we publish 182 titles that are distributed in 21 countries, including the United States, Mexico, Colombia, Chile, Venezuela, 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; *Caras*, a monthly leading lifestyle and socialite magazine; and *Conozca Más*, a monthly science and culture magazine. Our other main publications in Latin America and the United States include *Vanidades*, *TV y Novelas U.S.A.* and *Caras*.

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.; *Marie Claire*, pursuant to a license agreement with Marie Claire Album; *Men's Health*, *Women's Health* and *Runner's World*, pursuant to a license agreement with Rodale Press, Inc.; *Sport Life* and *Automóvil Panamericano*, as well as other special editions of popular automotive magazines, through a joint venture with Motorpress Iberica, S.A.; *Muy Interesante* and *Padres e Hijos* pursuant to a joint venture with GyJ España Ediciones, S.L.C. en C.; and *Disney Princesas*, *Disney Winnie Pooh*, *Disney Hadas*, *Disney Cars*, *Disney Toy Story* and *Disney Junior* among others, pursuant to a license agreement with Disney Consumer Products Latin America, Inc. and WDC, México, S. de R.L. de C.V. 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 Society. In addition, we publish several comics pursuant to license agreements with Marvel Characters, B.V. and DC Entertainment.

In December 2014, we decided to close operations in our subsidiary in Puerto Rico (Editorial Televisa Puerto Rico) where we were publishing two local titles (*TvyNovelas Puerto Rico* and *Caras Puerto Rico*).

In December 2014, we decided to close operations in our subsidiary in Ecuador (Vanipubli Ecuatoriana, S.A.) where we were publishing eight local titles (*Caras Ecuador*, *Cosmopolitan*, *Men's Health*, *Condorito*, *National Geographic*, *Ser Padres*, *Tu* and *Vanidades*).

## **Telecommunications**

***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. See [Digital Cable Television Services](#) . According to IFT, there were approximately 1,500 pay-TV concessions in Mexico as of September 30, 2014, serving approximately 15.7 million subscribers.

***Digital Cable Television Services.*** Our telecommunications 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 telecommunications 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, last generation 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 telecommunications 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. See [Digital Cable Television Services](#) .

The LFTR dictates that a telecommunication company can freely set its fees (including the ones regarding pay-TV services) that it will charge for the provision of its services to its subscribers. However, this does not apply to the incumbent agent or any other economic agent declared with substantial market power, so in the future our telecommunications companies may not be able to freely set the fees to be charged.

***Telecommunications Initiatives.*** Our telecommunications companies plan to continue offering the following telecommunications services to their subscribers:

Enhanced programming services, including video on demand, subscription video on demand, high definition;

Broadband internet services; and

IP telephony services.

**Bestel.** Currently, Cablevisión and the Company hold 69.2% and 30.8% of the equity of Bestel, 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 27,000 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 Distribution.** We estimate that we distribute approximately 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 21 countries, including Mexico, Colombia, Peru and Panama. We also estimate that such distribution network reaches over 25,000 points of sale in Mexico and over 75,000 points of sale outside of Mexico. We also own publishing operations in five countries. Our publications are also sold in the United States, the Caribbean and elsewhere through independent distributors. In 2012, 2013 and 2014, 63.6%, 62.5% and 63.4%, 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 [Television Programming](#), [Telecommunications Digital Cable Television Services](#), [Telecommunications Video-on-Demand and Pay-Per-View Channels](#), [Radio Stations](#) and [DTH Ventures](#).

**Soccer.** We own America, 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 a seating capacity of approximately 100,000 people. Azteca Stadium has hosted two World Cup Soccer Championships. In addition, América and the Mexican National Soccer team generally play their home games at this stadium.

**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 produced four feature films in 2012, three of which were co-produced with third parties; we produced one feature film in 2013 and we produced two feature films in 2014, one of which was co-produced with a third party. We have previously established co-production arrangements with Mexican film production companies, as well as with major international companies such as Miravista, Warner Bros., Plural Entertainment and Lions Gate Films. We will continue to consider entering into co-production arrangements with third parties in the future, although no assurance can be given in this regard.

We distribute our films to Mexican movie theaters and later release them on video for broadcast on cable and network television. In 2012 we released three of our co-produced feature films: *Viaje de Generación*, *Casa de mi Padre* and *Girl in Progress*, in 2013 we released our co-produced feature film *Cinco de Mayo, La Batalla* and in 2014 we released our co-produced feature film *Cácese Quien Pueda*, and our produced film *Pánico 5 Bravo*. We also distribute our feature films outside of Mexico.

We distribute feature films produced by non-Mexican producers in Mexico. In 2012, 2013, 2014 and up to February 2015, we distributed 23, 27, 14 and four feature films, respectively, including several U.S. box office hits. We also distribute independently produced non-Mexican and Mexican films in Mexico, the United States and Latin America.





In 2013, we partially financed and distributed the feature film entitled *Instructions Not Included* featuring Eugenio Derbez (a Mexican actor known for his work in our programs), which became the highest grossing Spanish language film in the United States. In Mexico, the film also broke audience and box office records becoming the second highest film in Mexico in terms of number of viewers. In 2014, we distributed the featured films entitled *Cásese Quien Pueda* and *Cantinflas*, which became the fourth and ninth highest grossing Mexican films in Mexico, respectively.

At December 31, 2014, we owned or had rights to 308 Spanish-language theatrical films, 150 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 and DTH services.

**Gaming Business.** In 2006, we launched our gaming business which consists of casinos and a national lottery. As of December 31, 2014, we had 17 casinos in operation, under the brand name *Play City*. In accordance with our Gaming Permit, we plan to continue opening casinos. In addition, during 2007 we launched *Multijuegos*, an online lottery with access to a nationwide network of approximately 9,000 points of sale through electronic terminals, including point-of-sale terminals at OXXO stores. The casinos and *Multijuegos* 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.

**Radio Stations.** Our radio business, *Sistema Radiópolis, S.A. de C.V.*, or *Radiópolis*, is operated under a joint venture with *Grupo Prisa, S.A.*, 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*'s Chief Financial Officer. The election of *Radiópolis*'s 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. In June 2004, *Radiópolis* entered into an agreement with *Radorama, S.A. de C.V.*, or *Radorama*, one of Mexico's leading radio networks and in August 2014, *Radiópolis* entered into an agreement with *Mercadotecnia en Medios de Comunicación, S.A. de C.V.*, or *MMC*, a subsidiary of *Radorama*, which resulted in addition of 23 affiliate stations to the *Radiópolis* network. Including owned and affiliated stations, *Radiópolis* has 98 stations. After giving effect to the transaction with *Radorama* and *MMC*, we estimate that *Radiópolis*'s radio stations reach 28 states in Mexico. Our programs aired through our radio stations network reach approximately 75% 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. *Radorama* is currently restructuring the operation of its radio stations, which might impact the number of stations that will remain affiliated with *Radorama* in the future.

According to *Investigadores Internacionales Asociados, S.C.*, or *INRA*, in 2012, 2013 and 2014, XEW-AM ranked, on average, eighteenth, fourteenth and ninth, respectively, among the 33 stations in the Mexico City metropolitan area AM market, XEQ-FM, ranked, on average, third, third and second respectively, among the 30 stations in the Mexico City metropolitan area FM market, and XEBA ranked, on average fifth, eighth and fourth respectively, among the 25 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), TD W (Sports), Ke Buena (Mexican music), 40 Principales (Pop music) and XEQ Radio (Spanish ballads). W Radio, Ke Buena and 40 Principales formats are also broadcast through the internet.

Radiópolis acquired the right to radio-broadcast, on an exclusive basis, the 64 soccer games of the FIFA World Cup. The successful and exclusive radio broadcasting of the FIFA World Cup Brazil 2014, soccer leagues and tournaments placed Radiópolis among the highest rating sports-broadcasting radio stations in Mexico.

During the last five years, Radiópolis has organized 24 massive live musical events with leading artists in both musical formats, gathering an attendance of approximately 160,000 people in aggregate for the last two events, which were performed at the Estadio Azteca 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 Business Strategy Maintaining our Leading Position in the Mexican Television Market Advertising Sales Plan. In addition, we use some of our available radio advertising time to satisfy our legal obligation to the 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 also promotes the largest racing series in the country (NASCAR Mexico).

During 2012, 2013 and 2014, OCEN promoted 4,541, 5,380 and 3,654 events, respectively, and during 2014, it managed 14 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 2014, 21.6 million entrance tickets were sold by OCEN's subsidiary Ticketmaster, compared to 21.9 million in 2013.

**La Sexta and Imagina.** On December 14, 2011, we agreed to exchange our 40.7680% equity interest in La Sexta, a free-to-air analog television channel, for equity participations equivalent to 14.5% of the capital stock of Imagina, which at the time was the indirect owner of the majority equity interest in La Sexta. La Sexta has subsequently merged with A3TV, as discussed below. The transaction consisted in a swap of La Sexta stock for equity participations of Imagina and involved no cash payments. As a result of the transaction, we became a shareholder 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 owner of the Spanish Soccer League distribution rights worldwide. Through Globomedia, part of the Grupo Arbol Companies, it is also a leading producer of series, dramas and comedies in Spain. Imagina is also a provider of satellite transmission services as well as on location production and post-production services for third parties.

The terms of the agreement improve the potential for synergies between us and Imagina and opportunities to create value. The transaction also includes commercial agreements between the parties to explore collaboration in content production projects. Additionally, the transaction grants us certain rights of first refusal to acquire formats and audiovisual content, as well as transmission rights for sport events in certain territories. As part of the transaction, we named two directors of Imagina's board, which is now composed of 12 members.

Also, on December 14, 2011, in a separate transaction, La Sexta agreed to merge with Atresmedia-holder of A3TV-a publicly traded company on the Madrid Stock Exchange.

**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, and Megacable agreed to jointly participate, through a consortium, 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 the consortium 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 2013, one of our subsidiaries entered into a long-term credit facility agreement to provide additional financing to GTAC in an amount up to Ps.80.0 million. By the end of 2014, GTAC had in operation 152 links and 148 nationwide nodes, and the services for customers grew to 1024, of which 90% have a capacity of 10 Gbps. The overall capacity per link is approximately 8 Tbps (80 optical channels x 100 Gbps each). In addition, GTAC maintains four of its own routes (1,555 kilometers), three third-party dark fiber IRU (887 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.

**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. 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. Cablecom is a telecommunications company that offers video, telephony and data services in Mexico.

**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 telecommunications company that provides video, data and telephony services in Mexico, primarily in the states of Guanajuato, Jalisco, Aguascalientes, Queretaro, Tamaulipas, and Colima, among others. Telecable has approximately 650,000 RGUs.

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

## **DTH Ventures**

**Background.** We own a 58.7% interest in Innova, a DTH company with services in Mexico, Central America, and the Dominican Republic. 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 .

We have also been developing channels exclusively for pay-TV broadcast. Through our relationship with DIRECTV, we expect that our DTH satellite service will continue to negotiate favorable terms for programming rights with both third parties in Mexico and with international suppliers from the United States, Europe and Latin America and elsewhere.

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).

**Sky.** 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. As of December 31, 2012, 2013 and 2014, Innova's DTH satellite pay-TV service had approximately 5,153,445, 6,015,475 and 6,638,032 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 1,870

points of sale. In addition to the above, Innova also experienced growth during 2012, 2013 and 2014 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 2014, Sky offered exclusive content, which included the Mexican Soccer League and the Spanish Soccer League, including La Liga and La Copa de Rey, the FA Cup, the NFL Sunday Tickets, NBA Pass, MLB Extra Innings, the NHL, WTA, World Equestrian Games, marathons, Diamond league, Capital One Cup, Rolex World Cup Jumping and the largest coverage of the Mexican Baseball League (LMB), ATP & TT tournaments, soccer tournaments and Basketball Euroleague. 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 2014, the Sky HD Package comprised 42 channels, as well as nine 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.

In 2012, Sky also broadened its product offering by launching Access, a new lower-priced package that is highly attractive to customers with lower budgets,

As of December 31, 2014, 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.149, Fun Ps.279, Fox+ Ps.439, HBO/Max Ps.449 and Universe Ps.649. Monthly fees for each programming package do not reflect a monthly rental fee in the amount of Ps.164 for the decoder necessary to receive the service (or Ps.150 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.

Sky devotes 19 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.

In order to more effectively compete against cable operators in the Mexican pay-TV market, in 2010, SKY launched two new set-top boxes for HD programming: SKY+ HD, a personal video recorder, or PVR, set-top box that allows up to 400 hours of standard definition, or SD, programming or 100 hours of HD programming recorded on its 500 GB drive, and SKY HD, a set-top box designed to view both HD and SD programming. Both set-top boxes come with our new and enhanced programming guide and new functionalities.

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.

In June 2012, Sky launched Blue to Go, an internet service for customers in the Mexico City area.

**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. At the end of 2008, Dish Mexico, a new competitor in the DTH market, launched its services in Mexico. Since 2010, there is a fiber to the home, or FTTH, pay-TV service called Total Play, which offers more than 260 channels, Video on Demand, HD and other



applications. This service also includes bundle discounts for their interactive TV, internet and voice services. At the end of 2012, Axtel launched a new product called Axtel TV, which offers up to 91 standard definition channels, 12 HD channels, 50 audio channels, and 50 hours of virtual recording, in addition to internet and voice services.

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## Univision

We have a number of arrangements with Univision, the leading Spanish-language media company in the United States, which owns and operates the Univision Network, the most-watched Spanish-language television network in the United States, UniMás Network, and Galavision satellite/cable television networks, and the Univision.com website and other Univision-branded online experiences. UniMás Network was the result of the transformation of Univision's former Telefutera network, which is part of Univision's expansion and investment efforts that in 2012 included the launch of three new networks—Univision Deportes, Univision tlnovelas and FORO TV as well as a digital video network called UVideos.

On December 20, 2010, Univision, we, Univision's parent company, and other parties affiliated with the investor groups that own Univision's parent company 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 BMP, the parent company of Univision, in exchange for an initial 5% equity stake in BMP, and U.S.\$1,125 million aggregate principal amount of 1.5% Convertible Debentures of BMP due 2025 which are convertible at our option into additional shares currently equivalent to approximately 30% equity stake of BMP, subject to existing laws and regulations in the United States and other conditions, (2) acquired an option to purchase at fair value an additional 5% equity stake in BMP, subject to existing laws and regulations in the United States, and other terms and conditions, and (3) sold to Univision our 50% equity interest in TuTv, previously our 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 for a term that commenced on January 1, 2011 and ends on the later of 2025 or seven and one-half years after we have sold two-thirds of our initial investment in BMP, (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 new PLA and (3) four representatives of the Company joined Univision's Board of Directors, which was increased to 22 members.

In connection with this transaction, we and Univision terminated the prior program license agreement as of December 31, 2010.

As part of our investment in Univision, on December 2010 we agreed, together with the Univision Sponsor group, to an incentive fee with Saban Capital Group that may result in Televisa reducing its stake in Univision by approximately 3% of the outstanding shares of Univision (on a fully diluted basis) or an equivalent amount in cash.

Under the new PLA, we have 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 use our online, network and pay-television programming on current and future Spanish-language television networks (with certain exceptions), including the Univision, UniMás and Galavision 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 new PLA to broadcast in the United States Mexican First Division soccer league games for which we own or control the United States rights, beginning with select teams in 2011 and expanding in 2015 to all teams to which we own or control United States rights.

Under the terms of the new PLA, Univision's royalty payments to us increased, effective as of January 1, 2011, from 9.36% of television revenue, excluding certain major soccer events, to 11.91% of substantially all of Univision's audiovisual and online revenues through December 2017, at which time royalty payments to us will increase to 16.22%. Additionally, we will receive an incremental 2% in royalty payments on any Univision audiovisual revenues

above U.S.\$1.65 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. 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 new 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 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, our broadcast rights over 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. This sales agency agreement included limitations on Univision acting as sales agent with respect to certain programming in Venezuela and certain other territories, but following the termination and amendment of certain of Venevision's agreements with Univision, we believe that these limitations no longer apply.

In December 2011, we made an additional investment of U.S.\$49.1 million in cash in common stock of BMP, the parent company of Univision, by which we increased our interest in BMP 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 BMP by which we increased our interest in BMP from 7.1% to 8.0%. On January 30, 2014, a group of institutional investors made a capital contribution to BMP. As a result of this transaction, our equity stake in BMP decreased from 8.0% to 7.8%.

On March 19, 2013, Univision and DirecTV LLC and DirecTV Puerto Rico, Ltd. (the DirecTV Entities) announced a comprehensive multi-year agreement that includes carriage of, among other programming services, the network feeds for Univision, UniMás, Galavisión, Univision Deportes Network, Univision tlnovelas and ForoTV (the Distribution Agreement) whereby the parties thereto included, as part of the agreement, the release by us of certain carriage rights that we held with the DirecTV Entities for the United States. As consideration for the release by us of certain carriage rights held by us, Univision agreed to pay us an amount equal to U.S.\$30.0 million and to provide us, at no cost, with 15% of all unsold advertising inventory for our promotion of our businesses in the Univision Deportes Network and in another advertising supported programming service that will be distributed by the DirecTV Entities pursuant to the Distribution Agreement and by other distribution platforms pursuant to the respective distribution agreements. As a result of the execution of the Distribution Agreement, we expect an increase in Univision's revenues, and therefore in the corresponding royalties pursuant to the PLA.

## **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) 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, and DTH satellite services. Our content also competes with other forms of entertainment and leisure time activities. We generally compete with 199 channels throughout Mexico, including the channels of our major competitor, TV Azteca, which owns and operates Channels 7 and 13 in Mexico City, which we believe are affiliated with 177 stations outside of Mexico City. TV Azteca owns the concession for Channel 40, or Proyecto 40, a UHF channel that broadcasts 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 32 repeater stations, and Channel 22, which has 16 repeater stations in Mexico, which are operated by the Mexican government, as well as Cadena Tres that will operate as a concession holder to broadcast on a national digital network. Our television stations are the leading television stations in their respective markets. See [Television Content](#) .

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.

### ***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.

### ***Telecommunications***

Cablevisión, Cablemás, TVI, Cablecom and Telecable face competition from several media and telecommunications companies throughout Mexico, including internet service providers, such as Telmex, Axtel and cable companies, DTH services such as Sky and Dish, and other telecommunications and telephone companies such as Telmex and Axtel in fixed services, and Telcel, Nextel and Telefónica in mobile services, among others.

### ***Radio***

The radio broadcast business is highly competitive in Mexico. 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. de C.V., which owns or operates approximately 118 radio stations throughout Mexico, 11 of which are located in Mexico City, Grupo Acir, S.A. de C.V., which owns or operates approximately 80 radio stations in Mexico, six of which are located in Mexico City, 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 and in the U.S. See [Other Businesses Feature Film Production and Distribution](#) . Our films also compete with other forms of entertainment and leisure time activities.

### ***DTH Satellite Services***

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, and other DTH concessions such as Dish Mexico, which as of the third quarter of 2014 had approximately 2 million subscribers, according to IFT. Currently, Dish offers not only low-priced packages, but also

high-end products such as High Definition Packages. Innova also faces competition from unauthorized C-band and Ku-band television signals provided by third parties without authorization of the Mexican government. 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 telecommunications players entering into video services would require us to make significant capital expenditures in new technologies and additional transponder capacity.

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 260 channels, Video on Demand, HD and other applications. This service also includes bundle discounts for their interactive TV, internet and voice services. In the end of 2012, Axtel launched a new product called Axtel TV, which offers up to 91 standard definition channels, 12 HD channels, 50 audio channels, and 50 hours of virtual recording in addition to internet and voice services.

### ***Gaming Business***

Our principal competitors in the gaming industry are, with respect to casinos, Codere, CIE and Grupo Caliente, and, with respect to Multijuegos, the governmental lotteries of Pronósticos and Lotería Nacional.

### **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, which broadcasts CW Network television programming in the San Diego television market, 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.** Pursuant to the transitory articles of the June 2013 Telecom Reform, the Mexican Federal Congress amended the applicable legal framework to implement the relevant provisions of the Mexican Constitution, and issued the LFTR on July 14, 2014. 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 and telecommunications services.

As a result of the amendments to the Mexican Constitution relating to telecommunications, television, radio and antitrust, as well as the Telecommunications and Broadcasting Federal Law, concessions for the commercial use of spectrum are now only 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 the outcome of any action by IFT in this regard.

Pursuant to the Telecommunications and Broadcasting Federal Law, concessionaires will now only have one integrated multiservice concession to provide telecommunication and, possibly broadcasting services. Integrated multiservice 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 multiservice 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 certain concessions to create 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 this 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 Cadena Tres as winning bidders for two free to air broadcasting licenses with separate national coverage. However, since Radio Centro has 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. Cadena Tres has completed the process and has received its license.

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 our concessions have been renewed. See [Information on the Company Business Overview 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. After several amendments proposed by the government, in 2014 the latest Constitutional amendment established that the shutdown of the analogical transmissions should occur by December 31, 2015, unless the penetration on the digital receiver levels is under 90% of low-income households. 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 benefits and options for the Company 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.

Television programming is subject to various regulations, including prohibitions on foul language and programming which is offensive or is against the national security or against public order. Under the LFTR, the Mexican Ministry of the Interior is responsible for reviewing most television programming and classifying the age group for which the programming is acceptable for viewing. Currently, programs classified for adults may be broadcast only after 10:00 p.m.; programs classified for teenagers over 15 years old may be broadcast only after 9:00 p.m.; programs classified for teenagers under 15 years old may be broadcast only after 8:00 p.m.; and programs classified for all age groups may be shown at any time.

**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.

**Networks.** There are no Mexican regulations regarding the ownership and operation of a television network apart from the regulations applicable to operating a television station as described above and the ownership restrictions described below.

**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 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 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 a person who is authorized to act as an Ombudsman for all of its concessionaire members who decide to retain him. In addition, concessionaires must provide (i) programming that is subtitled and dubbed in Spanish; (ii) sign language for the hearing impaired in at least one of their most-watched nationwide news programs; (iii) electronic, online and telephone programming guides and (iv) a closed caption system for channels that have over 50% national coverage between the hours of 6:00 a.m. and 12 midnight. Except for the closed caption system, which does not have to be put in place until August 12, 2017, these obligations had become effective within the 90 days following the date in which the LFTR was implemented and in full force and effect.

**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 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 2020. See [Television](#) , [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 .

### **Cable Television**

**Concessions.** Cable television operators now apply for a public telecommunications network 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 public telecommunications network 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*), and in October 2010, the SCT granted Cablevisión authorization to provide the aforementioned services in 13 additional municipalities of the State of Mexico. In addition, in May 2007, the SCT granted Cablevisión a 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 55 concessions, which cover 17 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 allows Cablemás to install and operate a public telecommunications network. The expiration dates for Cablemás' concessions range from 2015 to 2044.

TVI and its affiliates operate under ten concessions, which cover four Mexican states. Through these concessions, TVI provides cable television services, bidirectional data transmission and internet and telephony services. Each concession granted by the SCT allows TVI to install and operate a public telecommunications network. The expiration dates for TVI's concessions range from 2015 to 2041.

Cablecom and its affiliates operate under 55 concessions, which cover 19 Mexican states. Through these concessions, Cablecom provides cable television services, bidirectional data transmission and internet and telephony services. Each concession granted by the SCT allows Cablecom to install and operate a public telecommunications network. The expiration dates for Cablecom's concessions range from 2025 to 2038.

Telecable operates under 35 concessions, which cover 11 Mexican states. Through these concessions, Telecable provides cable television services, bidirectional data transmission and internet and telephony services. Each concession granted by the SCT allows Telecable to install and operate a public telecommunications network. The

expiration dates for Telecable's concessions range from 2016 to 2043.

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 (previously SCT).



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, cable television operators must also set aside a specified number of their channels, which number is based on the total number of channels they transmit, to transmit programming provided by the Mexican government.

**Restrictions on Advertising.** Mexican law restricts the type of advertising which 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 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.*** 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 and IS-21 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 (previously SCT) 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.

***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 New Federal Antitrust Law became effective on July 7, 2014. Additionally, on November 8, 2014, the CFC issued the Regulations to the Antitrust Law applicable to the CFC and on January 13, 2015 the IFT issued the Regulations to the Antitrust Law applicable to the IFT. It should be noted that the IFT is entitled to review antitrust matters related to the telecommunications and broadcasting sectors, while the CFC is in charge of all other antitrust matters. Under these amendments, the review process of mergers and acquisitions by IFT or CFCE, as applicable, was modified to, among other things, require the authorization of IFT or CFCE before mergers and acquisitions 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 New 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; and
- (ii) the acquirer is not an actual or potential competitor of target; and
- (iii) any of the following circumstances are met:
  - (x) the acquirer is a new participant in the relevant market;
  - (y) the acquirer does not have control over target before or after the transaction; or
  - (z) the acquirer has control over target before the transaction.

IFT or CFCE, as applicable, must resolve within 5 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 New Antitrust Law provides that the following reportable transactions, among others, are exempt from being reviewed by IFT or CFCE:

- (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 CFCE.
- (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.
- (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 Preponderant Economic Agent 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 have to 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 telecommunications market, it may impose the necessary measures to protect and encourage free competition and concurrency in such market.

As we have notified IFT of our acquisitions of Cablecom and Telecable, 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.

Moreover, as provided by transitory article 39 of the LFTR, IFT has initiated an investigation to determine the possible existence of substantial market power in the telecommunications and broadcasting sectors. As a result of this investigation, IFT may impose measures on one or more economic agents holding substantial market power. The result of such investigation could also materially adversely affect our business strategy, financial condition and results of operations.

Other relevant amendments provided in the New Antitrust Law, are the following:

- a) Creation of the *Autoridad Investigadora*, or Prosecutor Authority, in charge of investigating 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 (i.e. requesting written evidence, testimonies, perform verification visits, etc.).
- c) Significantly increased monetary fines for the commission of illegal conduct.
- d) IFT or CFCE, 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.

- e) IFT or CFCE, 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 CFCE, 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 amendments 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 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, estate 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 Business Strategy Maintaining Our Leading Position in the Mexican Television Market 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.

At this time, the 2007 Constitutional Amendment has not had an impact upon the results of our radio and television businesses, however we cannot predict what impact, if any, the 2007 Constitutional Amendment may have on our operating results in the future. A decrease in paid advertising of the nature described above could lead to a decrease in our television or radio revenues.

### ***Telecom Reform and Broadcasting Regulations***



On June 12, 2013, the Telecom Reform came into force. The Telecom Reform, the LFTR secondary regulations to be 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 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: CFCE (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, CFCE'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 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 monopolica* ); and (vii) determine the payment to be made to the government for the granting of concessions.

As a result of the amendments to the Mexican Constitution, relating to telecommunications, television, radio and antitrust, concessions for the use of spectrum will only be granted through public bid processes. In accordance with the Program, 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.

Those who participated in the public auction had obtained a prior favorable antitrust opinion from IFT granted under the New Federal Antitrust Law. We were prevented from participating in the bidding. The bidding rules were published by IFT on its internet site on March 9, 2014. In March 2015, IFT issued its ruling announcing Grupo Radio Centro and Cadena Tres as winning bidders for two free to air broadcasting licenses with separate national coverage. However, since Radio Centro has 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. Cadena Tres has completed the process and has received its license. 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.

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 is currently scheduled to be completed on December 31, 2015. By the completion date, frequencies released as a consequence of such digitalization will be 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](#) .

Pursuant to the transitory articles of the Telecom Reform, the Mexican Federal Congress made amendments to the applicable legal framework, and published the LFTR on July 14, 2014, which became effective on August 13, 2014. The LFTR provides several amendments to previous legislation, and could positively or adversely affect the activities and businesses of our Company, as well as our results of operations and financial condition.

The LFTR establishes a renewal procedure that will result in the granting of a renewal of an integrated multiservice concession (not involving a radio-electric spectrum or orbital resources which require a concession to exploit such spectrum) in order to provide telecommunications and possibly, broadcasting services. The integrated multiservice concession will be awarded for renewable 30 year terms. Renewal of integrated multiservice 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.

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).

Lastly, transitory article 39 of the LFTR establishes that IFT shall initiate an investigation to determine the possible existence of substantial market power in any of the relevant markets of the telecommunications and broadcasting sectors. If substantial market power is determined, IFT shall impose the necessary measures. Consequently, on September 11, 2014, IFT published in the Official Gazette of the Federation that it began such an investigation, which has now concluded. On March 17, 2015, IFT delivered a preliminary assessment to determine the existence of substantial power in the restricted television and audio services in Mexico. The Company has filed its pleadings and evidence against the preliminary assessment. In case it is confirmed, IFT may impose measures, terms, conditions and restrictive obligations that may materially and adversely affect the activities and businesses of our restricted television businesses, as well as our results of operations and financial condition.

### Significant Subsidiaries

The table below sets forth our significant subsidiaries as of December 31, 2014.

Name of Significant Subsidiary	Jurisdiction of Organization or Incorporation	Percentage Ownership <sup>(1)</sup>
Corporativo Vasco de Quiroga, S.A. de C.V. <sup>(4)(5)</sup>	Mexico	100.0%
Consortio Nekeas, S.A. de C.V. <sup>(2)(5)(17)</sup>	Mexico	100.0%
Editora Factum, S.A. de C.V. <sup>(3)(5)</sup>	Mexico	100.0%
Empresas Cablevisión, S.A.B. de C.V. <sup>(3)(6)</sup>	Mexico	51.0%
Editorial Televisa, S.A. de C.V. <sup>(2)(3)(7)</sup>	Mexico	100.0%
Factum Más, S.A. de C.V. <sup>(3)(8)</sup>	Mexico	100.0%
Sky DTH, S. de R.L. de C.V. <sup>(3)(8)</sup>	Mexico	100.0%
Innova Holdings, S. de R.L. de C.V. <sup>(3)(8)</sup>	Mexico	58.7%
Innova, S. de R.L. de C.V. (Innova) <sup>(9)</sup>	Mexico	58.7%
Grupo Distribuidoras Intermex, S.A. de C.V. <sup>(2)(3)(10)</sup>	Mexico	100.0%
Grupo Telesistema, S.A. de C.V. <sup>(11)</sup>	Mexico	100.0%
G.Televisa-D, S.A. de C.V. <sup>(3)(12)</sup>	Mexico	100.0%
Grupo Xquenda, Ltd. <sup>(13)</sup>	Switzerland	100.0%
Multimedia Telecom, S.A. de C.V. <sup>(13)</sup>	Mexico	100.0%
Televisa, S.A. de C.V. <sup>(14)</sup>	Mexico	100.0%
Televisión Independiente de México, S.A. de C.V. <sup>(3)</sup>	Mexico	100.0%
Sistema Radiópolis, S.A. de C.V. <sup>(2)(3)(15)</sup>	Mexico	50.0%
Televisa Juegos, S.A. de C.V. <sup>(2)(3)(16)</sup>	Mexico	100.0%

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

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

(3) 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.

- (4) Direct subsidiary through which we acquired Cablecom, a telecommunications company, in the third quarter of 2014.
- (5) One of three direct subsidiaries through which we own equity interests in and conduct the operations of our Telecommunications segment.
- (6) One of the indirect subsidiaries through which we conduct the operations of our Telecommunications segment.
- (7) Direct subsidiary through which we conduct the operations of our Publishing business.
- (8) One of three subsidiaries through which we own our equity interest in Innova.
- (9) Indirect subsidiary through which we conduct the operations of our Sky segment. We currently own a 58.7% interest in Innova.
- (10) Direct subsidiary through which we conduct the operations of our Publishing Distribution business.
- (11) Direct subsidiary through which we conduct the operations of our Content segment.
- (12) Indirect subsidiary through which we conduct certain operations of our Content segment.
- (13) Direct and Indirect subsidiaries through which we own 7.8% of the capital stock of BMP and maintain our investment in Convertible Debentures issued by BMP. In January 2014, Mexvisa, Ltd. transferred the ownership of Multimedia Telecom, S.A. de C.V. to Grupo Xquenda, Ltd. as a result of a company restructuring.

- (14) Indirect subsidiary through which we conduct the operations of our Content segment.
- (15) Direct subsidiary through which we conduct the operations of our Radio business.
- (16) Direct subsidiary through which we conduct the operations of our Gaming business.
- (17) On January 8, 2015, this subsidiary was merged into TTelecom H, S.A.P.I. de C.V., a direct subsidiary through which we acquired Telecable, a telecommunications company.

### 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 47 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 100,000 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 5.5 million square feet of space, of which over 3.8 million square feet are located in Mexico City and the surrounding areas, and approximately 1.7 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 439,766 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	4	Madrid, Spain(2)
		San Diego, California(1)
		Zug, Switzerland(1)
Publishing activities		
Owned properties	7	Miami, Florida(1)
		Santiago, Chile(1)
		Guayaquil, Ecuador(1)
		Caracas, Venezuela(1)
		Buenos Aires, Argentina(2)
		Bogota, Colombia(1)
Leased properties	11	Beverly Hills, California(1)



	Miami, Florida(1)
	New York, New York(1)
	Medellín, Colombia(1)
	Bogota, Colombia(2)
	San Juan, Puerto Rico(1)
	Chicago, Illinois(1)
	Pearland, Texas(1)
	Guayaquil, Ecuador(2)

Operations	Number of Properties	Location
Publishing distribution and other activities		
Owned properties	2	Lima, Peru(1) Barranquilla, Colombia(1)
Leased properties	10	Quito, Ecuador(2) Guayaquil, Ecuador(1) Buenos Aires, Argentina(2) Panamá, Panamá(2) Santiago, Chile(1) Lima, Peru(2)
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 eight 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; AMC-9, 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; and IS-16, 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.

In 1996, PanAmSat (now Intelsat), our primary satellite service provider, agreed to provide U.S. transponder service on three to five PAS-3R Ku-band transponders, at least three of which were intended to be for the delivery of DTH satellite services to Spain. Under the PAS-3R transponder contract, as amended, we were required to pay for five transponders at an annual fee for each transponder of U.S.\$3.1 million. We currently have available transponder capacity on two 36 MHz C-band transponders on Galaxy 16 (formerly, Galaxy IVR), which reaches Mexico, the United States and Canada, due to an exchange with three of the five 54 MHz Ku-band transponders on PAS-3R described above. Until April 2010, for each of the 36 MHz C-band transponders we paid an annual fee of approximately U.S.\$3.7 million. Subsequent to April 2010, the annual fee for the 36 MHz C-band transponders is approximately U.S.\$1.3 million.

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 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 manufactured by Orbital Sciences Corporation and was successfully launched in February 2010 and started operations in April 2010.

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 same transponder on the IS-905 satellite until August 31, 2015, for the distribution of our content in Europe.

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 February 2015, we renewed the contract until August 31, 2018. The new contract includes the full service migration to the new satellite, Satmex 8, which started operations in April 2013. On March 31, 2013, Solidaridad II satellite reached the end of its useful life and we migrated operations to Satmex 5 satellite.

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 the third quarter of 2013, Sky entered into an agreement with DirecTV for the acquisition and launch of a satellite ( SM1 ), which is expected to be in service during 2015. See Note 26 to our consolidated year-end financial statements.

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.

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 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 part of our transmission lines network and business interruption insurance for our DTH business in case of loss of satellite transmission.

## **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, 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 International Financial Reporting Standards ( IFRS ) as issued by the International Accounting Standards Board ( IASB ) for financial reporting purposes.

	Year Ended December 31,		
	2014	2013	2012
	(Millions of Pesos)(1)		
Net sales	Ps. 80,118.4	Ps. 73,790.7	Ps. 69,290.4
Cost of sales	42,908.7	39,602.4	36,795.9
Selling expenses	8,561.9	7,280.6	6,251.7
Administrative expenses	9,409.7	8,086.2	7,452.8
Other expense, net	5,281.7	83.1	650.4
Operating income	13,956.4	18,738.4	18,139.6
Finance (expense) income, net	(4,328.9)	884.7	(3,350.5)
Share of income (loss) of joint ventures and associates, net	13.2	(5,659.9)	(666.6)
Income taxes	2,980.9	3,729.0	4,053.4
Net income	6,659.8	10,234.2	10,069.1
Net income attributable to non-controlling interests	1,272.9	2,485.9	1,308.5
Net income attributable to stockholders of the Company	Ps. 5,386.9	Ps. 7,748.3	Ps. 8,760.6

- (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, 2014, 2013 and 2012 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, 2014, 2013 and 2012 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,		
	2014	2013	2012
	(Millions of Pesos) (1)		
Net sales	Ps. 80,118.4	Ps. 73,790.7	Ps. 69,290.4
Cost of sales(2)	34,376.8	32,273.6	30,645.4
Selling expenses(2)	7,822.0	6,605.6	5,632.1
Administrative expenses(2)	5,639.9	5,051.1	4,599.4
<b>Operating segment income</b>	<b>32,279.7</b>	<b>29,860.4</b>	<b>28,413.5</b>
Corporate expenses	1,478.5	1,192.5	1,149.3
Depreciation and amortization	11,563.1	9,846.4	8,474.2
Other expense, net	5,281.7	83.1	650.4
<b>Operating income</b>	<b>Ps. 13,956.4</b>	<b>Ps. 18,738.4</b>	<b>Ps. 18,139.6</b>

- (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, 2014, 2013 and 2012 included in this annual report due to differences in rounding.
- (2) Excluding corporate expenses and depreciation and amortization.

**New Segment Presentation in 2014**

Beginning in 2014, we adjusted our segment reporting. The Publishing business, which was previously presented as a separate reportable segment, was classified into the Other Businesses segment in the first quarter of 2014, since its operations were no longer significant to our consolidated financial statements taken as a whole. Therefore we have recast the segment information for the years ended December 31, 2013 and 2012 to reflect those adjustments.

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

	<b>Year Ended December 31,(1)</b>		
	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>Segment Net Sales</b>			
Content	42.8%	45.0%	46.6%
Sky	21.5	21.4	20.5
Telecommunications	25.7	22.8	22.0
Other Businesses	10.0	10.8	10.9
Total segment net sales	100.0%	100.0%	100.0%
Intersegment operations	(1.7)	(1.8)	(1.8)
Total consolidated net sales	98.3%	98.2%	98.2%

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

	<b>Year Ended December 31,(1)</b>		
	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>Net Sales</b>			
Cost of sales(2)	42.9%	43.7%	44.2%
Selling expenses(2)	9.8	9.0	8.1
Administrative expenses(2)	8.9	8.5	8.3
Depreciation and amortization	14.4	13.3	12.2
Other expense, net	6.6	0.1	1.0
Consolidated operating income	17.4	25.4	26.2
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.





## 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, 2014, 2013 and 2012. 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, 2014, we classified our operations into four business segments: Content, Sky, Telecommunications, and Other Businesses.

	Year Ended December 31,		
	2014	2013	2012
(Millions of Pesos)(1)			
<b>Segment Net Sales</b>			
Content	Ps. 34,868.1	Ps. 33,817.6	Ps. 32,884.1
Sky	17,498.6	16,098.3	14,465.3
Telecommunications	20,937.3	17,138.8	15,570.4
Other Businesses	8,204.0	8,073.3	7,664.3
<b>Total Segment Net Sales</b>	<b>81,508.0</b>	<b>75,128.0</b>	<b>70,584.1</b>
<b>Intersegment Operations</b>	<b>(1,389.6)</b>	<b>(1,337.3)</b>	<b>(1,293.7)</b>
<b>Total Consolidated Net Sales</b>	<b>Ps. 80,118.4</b>	<b>Ps. 73,790.7</b>	<b>Ps. 69,290.4</b>
<b>Operating Segment Income</b>			
Content	Ps. 15,534.3	Ps. 15,566.0	Ps. 15,411.1
Sky	8,211.3	7,340.5	6,558.0
Telecommunications	7,882.9	6,131.8	5,812.8
Other Businesses	651.2	822.1	631.6
<b>Total Operating Segment Income(2)</b>	<b>32,279.7</b>	<b>29,860.4</b>	<b>28,413.5</b>
<b>Corporate Expenses(2)</b>	<b>(1,478.5)</b>	<b>(1,192.5)</b>	<b>(1,149.3)</b>
<b>Depreciation and Amortization(2)</b>	<b>(11,563.1)</b>	<b>(9,846.4)</b>	<b>(8,474.2)</b>
<b>Other Expense, net</b>	<b>(5,281.7)</b>	<b>(83.1)</b>	<b>(650.4)</b>
<b>Total Consolidated Operating Income(3)</b>	<b>Ps. 13,956.4</b>	<b>Ps. 18,738.4</b>	<b>Ps. 18,139.6</b>

- (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) The total operating segment income data set forth in this annual report do not include corporate expenses or depreciation and amortization in any period presented, but are presented herein to facilitate the discussion of segment results.
- (3) Total consolidated operating income reflects corporate expenses, depreciation and amortization, and other expense, net, in the periods 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 2014, 2013 and 2012, we recognized 30.0%, 29.1% and 28.6%, 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 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, 2014**

### **Compared to the Year Ended December 31, 2013**

#### **Total Segment Results**

##### *Net Sales*

Net sales increased by Ps.6,327.7 million, or 8.6%, to Ps.80,118.4 million for the year ended December 31, 2014 from Ps.73,790.7 million for the year ended December 31, 2013. This increase was attributable to revenue growth across all our business segments, principally in our Sky and Telecommunications segments, including the consolidation of Cablecom, a cable company, starting September 1, 2014.

##### *Cost of Sales*

Cost of sales increased by Ps.2,103.2 million, or 6.5%, to Ps.34,376.8 million for the year ended December 31, 2014 from Ps.32,273.6 million for the year ended December 31, 2013. This increase was due to higher costs in all our business segments, principally in our Content and Telecommunications segments reflecting the consolidation of Cablecom.

##### *Selling Expenses*

Selling expenses increased by Ps.1,216.4 million, or 18.4%, to Ps.7,822.0 million for the year ended December 31, 2014 from Ps.6,605.6 million for the year ended December 31, 2013. This increase was attributable to higher selling expenses primarily in our Sky and Telecommunications segments due to the consolidation of Cablecom.

##### *Administrative and Corporate Expenses*

Administrative and corporate expenses increased by Ps.874.8 million, or 14.0%, to Ps.7,118.4 million for the year ended December 31, 2014 from Ps.6,243.6 million for the year ended December 31, 2013. The growth reflects an increase in administrative expenses principally in our Telecommunications segment due to the consolidation of Cablecom. This increase includes an increase of 24.0% in corporate expenses.

Corporate expense increased by Ps.286.0 million, to Ps.1,478.5 million in 2014, from Ps.1,192.5 million in 2013. The increase reflected primarily a higher share-based compensation expense.

Share-based compensation expense in 2014 and 2013 amounted to Ps.844.8 million and Ps.605.1 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.239.7 million reflected primarily a higher number of our CPOs conditionally sold to officers and employees in our Telecommunications segment, as well as the increase in the market price of our CPO from last year.

##### *Content*

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

Advertising,

Network Subscription Revenue, 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 nationwide 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.

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 2014 with 2013:

	<b>Year Ended December 31,</b>		
	<b>2014</b>	<b>2013</b>	<b>Change</b>
	<b>(Millions of Pesos)</b>		<b>(%)</b>
<b>Net Sales</b>			
Advertising	Ps. 25,465.7	Ps. 24,864.5	2.4%
Network Subscription Revenue	2,854.4	3,263.6	(12.5)
Licensing and Syndication	6,548.0	5,689.5	15.1
<b>Total Net Sales</b>	<b>Ps. 34,868.1</b>	<b>Ps. 33,817.6</b>	<b>3.1%</b>
<b>Operating Segment Income</b>	<b>Ps. 15,534.3</b>	<b>Ps. 15,566.0</b>	<b>(0.2)%</b>

Content net sales, representing 42.8% and 45.0% of our total segment net sales for the years ended December 31, 2014 and 2013, respectively, increased by Ps.1,050.5 million, or 3.1%, to Ps.34,868.1 million for the year ended December 31, 2014 from Ps.33,817.6 million for the year ended December 31, 2013.

Advertising revenue increased by 2.4%. These results were adversely affected by new regulation effective July 2014 that restricts television advertising for high-caloric foods and beverages during certain time slots. For the full year, advertising on pay-TV networks represented 6.0% of our total advertising revenues.

Network Subscription Revenue decreased by 12.5%. These results reflect forgone revenue as a result of the implementation of the must-offer regulation that came into effect with the constitutional reform in matters of telecommunications. The must-offer regulation, that came into effect in September 2013, requires us to allow the retransmission free of charge and on a non-discriminatory basis of free-to-air television signals to pay-TV concession holders that operate in the same area of geographic coverage, subject to certain conditions being met, among others, that the retransmission is made without modifications, including advertising, and with the same quality of the broadcast signal, except in certain specific cases provided in the regulations. This effect was partially offset by the addition of pay-TV subscribers in Mexico and abroad.

The increase in Licensing and Syndication revenue of 15.1% is explained by: (i) an increase of 14.8% in royalties from Univision, from U.S.\$273.2 million in 2013 to U.S.\$313.7 million in 2014; and (ii) a positive translation effect on foreign-currency denominated revenues.

Content operating segment income decreased by Ps.31.7 million, or 0.2%, to Ps.15,534.3 million for the year ended December 31, 2014 from Ps.15,566.0 million for the year ended December 31, 2013. The margin was 44.6%. The

drop in the margin of 140 basis points from 2013 is mainly explained by lower Network Subscription Revenue as a result of the must-offer regulation.

*Advertising Rates and Sales*

We sell commercial time in two ways: upfront and on a scatter basis. Advertisers that elect the upfront option lock in prices 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 the lowest rates for their commercial time, are given the highest priority in schedule placement, 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 lack of access to choice commercial time slots. We previously billed most of our advertising customers on a cost-per-rating-point basis based on audience share and ratings as published by IBOPE. Due to a June 2012 leak of confidential data related to the location of IBOPE's people meters, we no longer use IBOPE's statistical data, and we have been billing our advertising customers based on fixed pricing rather than on a cost-per-rating-point basis. Advertising revenues are recognized at the time the advertising services are rendered (i.e., the advertising is broadcast). Upon broadcast of the corresponding advertising, advertisers are charged based on the price tariff previously agreed with them. Any upfront payments are recorded as liabilities until such time as the revenue is recognized. We are not committed with advertisers to achieve a certain rating upon broadcast nor do we charge on estimates but rather on actual agreed prices. Therefore, we do not have to account for any deficiency or provide any price adjustment.

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 in certain programs as a result of high demand for advertising during certain hours.

During 2014 and 2013, we increased our nominal advertising rates. During prime time broadcasts, we sold an aggregate of 1,110 hours of advertising time in 2014 and 1,229 hours in 2013. During sign-on to sign-off hours, we sold 2,392 hours of advertising time in 2014 and 2,640 hours in 2013. 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, 2014 and 2013, we had received Ps.16,695.9 million and Ps.18,874.1 million, respectively, of advertising deposits for television advertising time during 2015 and 2014, respectively, representing approximately U.S.\$1,131.1 million and U.S.\$1,443.5 million, respectively, at the applicable year-end exchange rates. Approximately 59.3% and 60.4% of these deposits as of December 31, 2014 and 2013, 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 was 4.5 months at December 31, 2014 and 4.9 months at December 31, 2013.

### **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 21.5% and 21.4% of our total segment net sales for the years ended December 31, 2014 and 2013, respectively, increased by Ps.1,400.3 million, or 8.7%, to Ps.17,498.6 million for the year ended December 31, 2014 from Ps.16,098.3 million for the year ended December 31, 2013. The increase was driven by solid growth in the subscriber base of 622,557, which is explained by the continued success of Sky's low-cost offering. As of December 31, 2014, the number of net active subscribers increased to 6,638,032 (including 174,986 commercial subscribers), compared with 6,015,475 (including 168,063 commercial subscribers) as of December 31, 2013. Sky closed 2014 with 192,358 subscribers in Central America and the Dominican Republic.

Sky operating segment income increased by Ps.870.8 million, or 11.9%, to Ps.8,211.3 million for the year ended December 31, 2014 from Ps.7,340.5 million for the year ended December 31, 2013. The increase in the margin of 130 basis points from last year reflects: (i) an increase in sales; and (ii) cost of sales expenses that expanded at a slower



pace. This effect was partially compensated by higher marketing expenses.

***Telecommunications***

Telecommunications net sales are derived from the provision of 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. 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 and, starting September 1, 2014, Cablecom. 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.

Telecommunications net sales, representing 25.7% and 22.8% of our total segment net sales for the years ended December 31, 2014 and 2013, respectively, increased by Ps.3,798.5 million, or 22.2%, to Ps.20,937.3 million for the year ended December 31, 2014 from Ps.17,138.8 million for the year ended December 31, 2013. This increase includes the consolidation, starting September 1, 2014, of Ps.1,369.7 million revenues from Cablecom. Excluding Cablecom, full year sales experienced a growth of 14.2%.

Also excluding the acquisition of Cablecom, Voice and Data revenue generating units, or RGUs, grew 18.2% and 21.2% compared with last year, respectively, while Video RGUs grew by 4.3%.

Telecommunications operating segment income increased by Ps.1,751.1 million, or 28.6%, to Ps.7,882.9 million for the year ended December 31, 2014 from Ps.6,131.8 million for the year ended December 31, 2013. These results primarily reflected the consolidation of Cablecom, which contributed with Ps.638.1 million to operating segment income, continued growth in the cable platforms and Bestel, and the benefit from lower programming costs as a result of the must-offer regulation. These favorable variances were partially offset by the increase in maintenance costs, personnel costs, and advertising spending during the year. Excluding Cablecom, full year operating segment income increased by 18.2%.

The following table sets forth the breakdown of RGUs per service type for our Telecommunications segment as of December 31, 2014 and 2013.

	2014	2013
<b>Video</b>	<b>3,356,732</b>	<b>2,495,312</b>
<b>Broadband (data)</b>	<b>2,288,709</b>	<b>1,666,788</b>
<b>Voice</b>	<b>1,228,182</b>	<b>915,927</b>
<b>RGUs</b>	<b>6,873,623</b>	<b>5,078,027</b>

#### ***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 and publishing distribution. Beginning in 2014, we adjusted our segment reporting. The Publishing business, which was previously presented as a separate reportable segment, was classified into the Other Businesses segment in the first quarter of 2014, since its operations were no longer significant to our consolidated financial statements taken as a whole.

Other Businesses net sales, represented 10.0% and 10.8% of our total segment net sales for the years ended December 31, 2014 and 2013, respectively, increased by Ps.130.7 million, or 1.6%, to Ps.8,204.0 million for the year ended December 31, 2014 from Ps.8,073.3 million for the year ended December 31, 2013. Businesses that performed well include feature-film distribution, gaming, and radio. The feature-film distribution business distributed hits such as *The Hunger Games: Mockingjay* and *Cásese Quien Pueda*. The gaming business benefited from higher revenues from our electronic gaming machines, while the radio business saw an increase in advertising revenues.

Other Businesses operating segment income decreased by Ps.170.9 million, or 20.8%, to Ps.651.2 million for the year ended December 31, 2014 from Ps.822.1 million for the year ended December 31, 2013. This decrease reflects: (i) a

decrease in the operating segment income of our publishing business; (ii) an increase in the operating segment income of gaming, soccer, radio, and feature-film distribution businesses; and (iii) a smaller operating segment loss in our publishing distribution business.

## Depreciation and Amortization

Depreciation and amortization expense increased by Ps.1,716.7 million, or 17.4%, to Ps.11,563.1 million for the year ended December 31, 2014 from Ps.9,846.4 million for the year ended December 31, 2013. This change primarily reflected an increase in such expense in our Sky and Telecommunications segments (Cablecom's depreciation and amortization expense amounted to Ps.488.9 million).

## Other Expense, Net

Other expense, net, increased by Ps.5,198.6 million, to Ps.5,281.7 million for the year ended December 31, 2014, compared with Ps.83.1 million for the year ended December 31, 2013. This increase primarily reflected a one-time non-cash loss on disposition of our investment in GSF, our 50% joint venture in Iusacell, in connection with a transaction agreement entered into by us and the other owner of GSF in September 2014.

Other expense, net, for the year ended December 31, 2014 primarily included financial advisory and professional services, 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 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.5,213.6 million to Ps.4,328.9 million for the year ended December 31, 2014 from finance income, net of Ps.884.7 million for the year ended December 31, 2013. This increase primarily reflected (i) a Ps.748.3 million increase in interest expense, due primarily to a higher average principal amount of debt and finance lease obligations in 2014; (ii) a Ps.1,107.4 million increase in foreign exchange loss resulting primarily from the effect of a 12.9% depreciation of the Mexican peso against the U.S. dollar on our average net unhedged U.S. dollar liability position in 2014 compared with a 1.8% depreciation and a lower U.S. dollar liability position in 2013; and (iii) a Ps.3,555.6 million decrease in other finance income, net, resulting primarily from a lower finance income resulting from a change in fair value of the embedded derivative related to our option to convert debentures issued by

the controlling company of Univision ( BMP ) into an equity stake of BMP. These unfavorable variances were partially offset by a Ps.197.7 million increase in interest income explained primarily by a higher average amount of cash equivalents and temporary investments in 2014.

**Share of Loss of Joint Ventures and Associates, 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 joint ventures and associates 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 joint ventures and associates.

Share of income of joint ventures and associates, net, increased Ps.5,673.1 million to Ps.13.2 million for the year ended December 31, 2014 from share of loss of joint ventures and associates, net, of Ps.5,659.9 million for the year ended December 31, 2013. This increase primarily reflected mainly the absence of an impairment adjustment made in 2013 to our investment in GSF, as well as a lower loss of GSF as we discontinued recognizing our share of loss of this joint venture in September 2014, in connection with a transaction agreement to dispose of our investment in GSF, which was completed in January 2015.

### **Income Taxes**

Income taxes decreased by Ps.748.1 million, or 20.1%, to Ps.2,980.9 million for the year ended December 31, 2014 from Ps.3,729.0 million for the year ended December 31, 2013. This decrease primarily reflected a lower income tax base.

The Mexican corporate income tax rate was 30% in each of the years 2014, 2013 and 2012. 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.

In December 2009, the Mexican government enacted certain amendments and changes to the Mexican Income Tax Law that became effective as of January 1, 2010 (the 2010 Mexican Tax Reform ). These amendments and changes included, among other, the following provisions: (i) under certain circumstances, the deferred income tax benefit derived from tax consolidation of a parent company and its subsidiaries is limited to a period of five years; therefore, the resulting deferred income tax has to be paid starting in the sixth year following the fiscal year in which the deferred income tax benefit was received; and (ii) the payment of this tax has to be made in installments of 25% in the first and second year, 20% in the third year and 15% in the fourth and fifth year.

Through December 31, 2013, Mexican companies were subject to paying the greater of the Flat Rate Business Tax ( *Impuesto Empresarial a Tasa Única* or IETU ) or the income tax. As part of the 2014 Tax Reform, the IETU was eliminated for Mexican companies beginning on January 1, 2014. The IETU was calculated by applying a tax rate of 17.5%. Although the IETU was defined as a minimum tax, it had a wider taxable base as some of the tax deductions allowed for income tax purposes were not allowed for the IETU. Through December 31, 2013, we primarily paid regular income tax on a tax consolidated basis.

### **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 Telecommunications and Sky segments, as well as our Radio business.

Net income attributable to non-controlling interests decreased by Ps.1,213.0 million, or 48.8%, to Ps.1,272.9 million for the year ended December 31, 2014 from Ps.2,485.9 million for the year ended December 31, 2013. This decrease primarily reflected a lower portion of net income attributable to non-controlling interests in our Sky and Telecommunications segments.

**Net Income Attributable to Stockholders of the Company**

We generated net income attributable to stockholders of the Company in the amount of Ps.5,386.9 million for the year ended December 31, 2014, as compared to Ps.7,748.3 million for the year ended December 31, 2013. The net decrease of Ps.2,361.4 million reflected:

a Ps.4,782.0 million decrease in operating income; and

a Ps.5,213.6 million increase in finance expense, net.

These changes were partially offset by:

a Ps.5,673.1 million decrease in share of losses of jointly controlled entities and associates, net;

a Ps.748.1 million decrease in income taxes; and

a Ps.1,213.0 million decrease in net income attributable to non-controlling interests.

**Results of Operations for the Year Ended December 31, 2013**

**Compared to the Year Ended December 31, 2012**

**Total Segment Results**

*Net Sales*

Net sales increased by Ps.4,500.3 million, or 6.5%, to Ps.73,790.7 million for the year ended December 31, 2013 from Ps.69,290.4 million for the year ended December 31, 2012. This increase was primarily attributable to strong revenue growth in our Sky and Telecommunications segments, and was partially offset by a revenue decrease in our Publishing business.

*Cost of Sales*

Cost of sales increased by Ps.1,628.2 million, or 5.3%, to Ps.32,273.6 million for the year ended December 31, 2013 from Ps.30,645.4 million for the year ended December 31, 2012. This increase was due to higher costs principally in our Content, Sky and Telecommunications segments; these increases were partially offset by a decrease in cost in our Publishing business.

*Selling Expenses*

Selling expenses increased by Ps.973.5 million, or 17.3%, to Ps.6,605.6 million for the year ended December 31, 2013 from Ps.5,632.1 million for the year ended December 31, 2012. This increase was attributable to higher selling expenses primarily in our Sky, Telecommunications and Content segments.

*Administrative and Corporate Expenses*

Administrative and corporate expenses increased by Ps.494.9 million, or 8.6%, to Ps.6,243.6 million for the year ended December 31, 2013 from Ps.5,748.7 million for the year ended December 31, 2012. The growth reflects an increase in administrative expenses principally in our Telecommunications and Sky segments. These increases include an increase of Ps.43.2 million, or 3.8%, in corporate expenses.

*Content*

The following table presents net sales and operating segment income in our Content segment, and the percentage of change when comparing 2013 with 2012:



	Year Ended December 31,		Change (%)
	2013 (Millions of Pesos)	2012	
<b>Net Sales</b>			
Advertising	Ps. 24,864.5	Ps. 23,935.9	3.9%
Network Subscription Revenue	3,263.6	3,189.2	2.3
Licensing and Syndication	5,689.5	5,759.0	(1.2)
<b>Total Net Sales</b>	<b>Ps. 33,817.6</b>	<b>Ps. 32,884.1</b>	<b>2.8%</b>
<b>Operating Segment Income</b>	<b>Ps. 15,566.0</b>	<b>Ps. 15,411.1</b>	<b>1.0%</b>

Content net sales increased by Ps.933.5 million, or 2.8%, to Ps.33,817.6 million for the year ended December 31, 2013 from Ps.32,884.1 million for the year ended December 31, 2012.

Advertising revenue increased by 3.9%. These results reflect higher advertising revenues in our television networks and pay-TV networks.

Network Subscription Revenue grew by 2.3% mainly as a result of the sustained addition of pay-TV subscribers in Mexico and, to a lesser extent, in other countries. We closed 2013 with 35.7 million subscribers, an increase of 7.5% from 2012. This effect was partially offset by the must-offer ruling that came into effect with the Telecom Reform and to a lesser extent a negative translation effect on foreign-currency-denominated sales. Among other measures, the Telecom Reform requires us to permit the retransmission of our broadcast signals and to allow such retransmission (without requiring our prior consent) 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 us, including advertising, and with the same quality of the broadcast signal without requiring our consent.

The decrease in Licensing and Syndication revenue of 1.2% is attributable to a decrease in sales to the rest of the world and lower coproduction revenues, and a negative translation effect on foreign-currency-denominated revenues. These negative effects were partially offset by an increase of 10.3% in royalties from Univision, from U.S.\$247.6 million in 2012 to U.S.\$273.2 million in 2013.

Content operating segment income increased by Ps.154.9 million, or 1.0%, to Ps.15,566.0 million for the year ended December 31, 2013 from Ps.15,411.1 million for the year ended December 31, 2012. The margin was 46.0%. These results reflect higher revenues, which were partially offset by the decrease in Licensing and Syndication revenue, the increase in production costs of special events, an increase in operating expenses related to higher employee costs and agency commissions, and a negative translation effect.

### ***Sky***

Sky net sales increased by Ps.1,633.0 million, or 11.3%, to Ps.16,098.3 million for the year ended December 31, 2013 from Ps.14,465.3 million for the year ended December 31, 2012. The increase was driven by significant growth in the subscriber base of 862,030, which is attributable to the continued success of Sky's low-cost offering, the attractiveness of Sky's traditional pay-TV packages, and the increase in advertising revenues. As of December 31, 2013, the number of net active subscribers increased to 6,015,475 (including 168,063 commercial subscribers), compared with 5,153,445 (including 164,669 commercial subscribers) as of December 31, 2012. Sky closed 2013 with 203,076 subscribers in Central America and the Dominican Republic.

Sky operating segment income increased by Ps.782.5 million, or 11.9%, to Ps.7,340.5 million for the year ended December 31, 2013 from Ps.6,558.0 million for the year ended December 31, 2012. This increase reflects an increase in sales and lower programming costs. These effects were partially offset by higher costs and expenses inherent in the growth of the subscriber base, mainly in the lower-cost packages, and higher programming expenses related to special events.

### ***Telecommunications***

Telecommunications net sales increased by Ps.1,568.4 million, or 10.1%, to Ps.17,138.8 million for the year ended December 31, 2013 from Ps.15,570.4 million for the year ended December 31, 2012. In the aggregate, the three telecommunications operations added 708,827 revenue generating units (RGUs) during 2013 as a result of the success of our competitive packages. Voice and data RGUs continued to be the main drivers of growth, increasing 21.4% and 27.6%, respectively, compared with 2012, while video RGUs increased by 8.1%.

Telecommunications operating segment income increased by Ps.319.0 million, or 5.5%, to Ps.6,131.8 million for the year ended December 31, 2013 from Ps.5,812.8 million for the year ended December 31, 2012. These results primarily reflect continued growth in the cable platforms, partially offset by the lower margin of Bestel and the increase in maintenance costs, personnel costs, and advertising spending during 2013.

The following table sets forth the breakdown of RGUs as of December 31, 2013 and 2012:

	2013	2012
<b>Video</b>	<b>2,495,312</b>	<b>2,308,794</b>
<b>Broadband (data)</b>	<b>1,666,788</b>	<b>1,306,104</b>
<b>Voice</b>	<b>915,927</b>	<b>754,302</b>
<b>RGUs</b>	<b>5,078,027</b>	<b>4,369,200</b>

### ***Other Businesses***

Other Businesses net sales increased by Ps.409.0 million, or 5.3%, to Ps.8,073.3 million for the year ended December 31, 2013 from Ps.7,664.3 million for the year ended December 31, 2012. Businesses that performed well include feature-film distribution, soccer, radio, and gaming. The soccer business benefited from player related transactions, while the radio business saw an increase in advertising revenues. The feature-film distribution business distributed hits such as *The Hunger Games: Catching Fire* and *Instructions Not Included*. These increases were partially offset by a decrease in the sales of our publishing business.

Other Businesses operating segment income increased by Ps.190.5 million, or 30.2%, to Ps.822.1 million for the year ended December 31, 2013 from Ps.631.6 million for the year ended December 31, 2012. This increase reflects: (i) increases in the operating segment income of feature-film distribution, radio, and gaming; (ii) a shift from loss to income in our soccer business; (iii) a reduced operating segment loss in our publishing distribution business; and (iv) these effects were partially offset by a decrease in the operating segment income of our publishing business.

### ***Depreciation and Amortization***

Depreciation and amortization expense increased by Ps.1,372.2 million, or 16.2%, to Ps.9,846.4 million for the year ended December 31, 2013 from Ps.8,474.2 million for the year ended December 31, 2012. This change primarily reflected an increase in such expense in our Sky and Telecommunications segments.

### ***Other Expense, Net***

Other expense, net, decreased by Ps.567.3 million, or 87.2%, to Ps.83.1 million for the year ended December 31, 2013, compared with Ps.650.4 million for the year ended December 31, 2012. This decrease primarily reflected other income from Univision in the amount of U.S.\$30 million related to the release of certain carriage rights with DirecTV held by us in the United States, as well as a lower loss on disposition of property and equipment, and a reduction in expense related to financial advisory and professional services.

Other expense, net, for the year ended December 31, 2013 primarily included donations, financial advisory and professional services, and loss on disposition of property and equipment, which was partially offset by other income from Univision.

### ***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 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 income, net, increased by Ps.4,235.2 million to Ps.884.7 million for the year ended December 31, 2013 from a finance expense of Ps.3,350.5 million for the year ended December 31, 2012. This increase primarily reflected (i) a Ps.4,994.6 million increase in other finance income, net, resulting primarily from a non-cash gain in fair value of our option to convert our investment in debentures issued by BMP, the controlling company of Univision, into shares of capital stock of BMP; and (ii) a Ps.85.7 million increase in interest income to Ps.1,130 million for the year ended December 31, 2013 from Ps.1,044.3 million for the year ended December 31, 2012, primarily attributable to a higher average amount of cash, cash equivalents and temporary investments during 2013. These favorable effects were partially offset by (i) a Ps.433.9 million increase in interest expense to Ps.4,803.2 million for the year ended December 31, 2013 from Ps.4,369.3 million for the year ended December 31, 2012, primarily due to a higher average principal amount of debt and finance lease obligations in 2013; and (ii) a Ps.411.2 million increase in foreign exchange loss to Ps.283.8 million in foreign exchange loss, net for the year ended December 31, 2013 from Ps.127.4 million in foreign exchange gain, net for the year ended December 31, 2012, resulting primarily from the effect of a 1.8% depreciation of the Peso against the U.S. dollar on our average net unhedged U.S. dollar liability position in 2013, compared to a 8.1% appreciation and a lower average net U.S. dollar liability position in 2012.

#### **Share of Loss of Joint Ventures and Associates, 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 joint ventures and associates 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 joint ventures and associates.

Share of loss of joint ventures and associates, net, increased by Ps.4,993.3 million to Ps.5,659.9 million for the year ended December 31, 2013 from Ps.666.6 million for the year ended December 31, 2012. This increase primarily reflected a non-cash impairment adjustment to our net investment in GSF, the 50% joint venture in Iusacell, as we determined that it will take a longer period to realize the projected benefits of our investment in GSF based on new industry regulations during 2013 and fair value calculations. This effect was partially offset by an increase in our share of income of BMP, the controlling company of Univision.

#### **Income Taxes**

Income taxes decreased by Ps.324.4 million, or 8%, to Ps.3,729.0 million for the year ended December 31, 2013 from Ps.4,053.4 million for the year ended December 31, 2012. This decrease primarily reflected a lower effective income tax rate.

The Mexican corporate income tax rate was 30% in each of the years 2013 and 2012. In accordance with the 2014 Tax Reform (as defined below), the corporate income tax rate remained 30% in 2014 and 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.

In December 2009, the Mexican government enacted certain amendments and changes to the Mexican Income Tax Law that became effective as of January 1, 2010 (the 2010 Mexican Tax Reform ). These amendments and changes included, among other, the following provisions: (i) under certain circumstances, the deferred income tax benefit derived from tax consolidation of a parent company and its subsidiaries is limited to a period of five years; therefore, the resulting deferred income tax has to be paid starting in the sixth year following the fiscal year in which the deferred income tax benefit was received; and (ii) the payment of this tax has to be made in installments of 25% in the first and second year, 20% in the third year and 15% in the fourth and fifth year.

Through December 31, 2013, Mexican companies were subject to paying the greater of the Flat Rate Business Tax ( *Impuesto Empresarial a Tasa Única* or IETU ) or the income tax. As part of the 2014 Tax Reform, the IETU was eliminated for Mexican companies beginning on January 1, 2014. The IETU was calculated by applying a tax rate of 17.5%. Although the IETU was defined as a minimum tax, it had a wider taxable base as some of the tax deductions allowed for income tax purposes were not allowed for the IETU. Through December 31, 2013, we primarily paid regular income tax on a tax consolidated basis.

### **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 Telecommunications and Sky segments, as well as our Radio business.

Net income attributable to non-controlling interests increased by Ps.1,177.4 million, or 90%, to Ps.2,485.9 million for the year ended December 31, 2013, from Ps.1,308.5 million from the year ended December 31, 2012. This increase primarily reflected a higher portion of net income attributable to non-controlling interests in our Telecommunications and Sky segments. This increase resulted primarily from the recognition of deferred income tax assets, which included a benefit from tax loss carryforwards related to these segments in connection with the recently enacted 2014 Tax Reform.

### **Net Income Attributable to Stockholders of the Company**

We generated net income attributable to stockholders of the Company in the amount of Ps.7,748.3 million for the year ended December 31, 2013, as compared to Ps.8,760.6 million for the year ended December 31, 2012. The net decrease of Ps.1,012.3 million reflected:

a Ps.4,993.3 million increase in share of loss of joint ventures and associates, net; and

a Ps.1,177.4 million increase in net income attributable to non-controlling interests.

These changes were partially offset by:

a Ps.598.8 million increase in operating income;

a Ps.4,235.2 million decrease in finance expense, net; and

a Ps.324.4 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.

	<b>Year Ended December 31,</b>		
	<b>2014</b>	<b>2013</b>	<b>2012</b>
Depreciation (appreciation) of the Peso as compared to the U.S. Dollar(1)	12.9%	1.8%	(8.1%)
Mexican inflation rate(2)	4.1	4.0	3.6
U.S. inflation rate	0.8	1.5	1.7
Increase in Mexican GDP(3)	2.1	1.4	4.0

- (1) Based on changes in the Interbank Rates, as reported by Banamex, at the end of each period, which were as follows: Ps.13.9785 per U.S. Dollar as of December 31, 2011; Ps.12.85 per U.S. Dollar as of December 31, 2012; Ps.13.0750 per U.S. Dollar as of December 31, 2013 and Ps. 14.7613 as of December 31, 2014.
- (2) Based on changes in the NCPI from the previous period, as reported by the Mexican Central Bank, which were as follows: 103.5 in 2011; 107.2 in 2012; 111.5 in 2013 and 116.1 in 2014.
- (3) As reported by the *Instituto Nacional de Estadística, Geografía e Informática*, or INEGI, and, in the case of GDP information for 2014, as estimated by 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 2014, 2013 and 2012:

	<b>Year Ended December 31,</b>		
	<b>2014</b>	<b>2013</b>	<b>2012</b>
	<b>(Millions of U.S. Dollars)</b>		
Revenues	U.S.\$ 956	U.S.\$ 934	U.S.\$ 887
Operating costs and expenses	707	647	592

On a consolidated basis, in 2014, 2013 and 2012, 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 vulnerable 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 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 9 to our consolidated year-end financial statements.

**IFRS**

IFRS As required by regulations issued by the Mexican Banking and Securities Commission for listed companies in Mexico, beginning on January 1, 2012, we discontinued using Mexican FRS as issued by the Mexican Financial Reporting Standards Board and began using IFRS as issued by the IASB for financial reporting purposes.

Our consolidated financial information as of December 31, 2014 and 2013 and for the years ended December 31, 2014, 2013 and 2012, 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, 2016. Management is in the process of assessing the potential impact of these pronouncements on our consolidated financial statements.

<b>New or Amended Standard</b>	<b>Title of the Standard</b>	<b>Effective for Annual Periods Beginning On or After</b>
Annual Improvements	Annual Improvements to IFRSs 2012-2014 Cycle	January 1, 2016
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations	January 1, 2016
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortization	January 1, 2016
Amendments to IAS 27	Equity Method in Separate Financial Statements	January 1, 2016
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint venture	January 1, 2016
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception	January 1, 2016
Amendments to IAS 1	Disclosure Initiative	January 1, 2016
IFRS 15	Revenue from Contracts with Customers	January 1, 2017
IFRS 9	Financial Instruments	January 1, 2018

Annual Improvements to IFRSs 2012-2014 Cycle were published in September 2014 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:

**Annual Improvements 2012-2014 Cycle**

**Subject of Amendment**  
Changes in methods of disposal

IFRS 5 Non-current Assets Held for Sale and Discontinued  
Operations

IFRS 7 Financial Instruments: Disclosures

Servicing contracts and applicability of the  
amendments to IFRS 7 to condensed interim financial  
statements

IAS 19 Employee Benefits

Discount rate: regional market issue

IAS 34 Interim Financial Reporting

Disclosure of information elsewhere in the interim  
financial report

Amendments to IFRS 11 *Accounting for Acquisitions of Interests in Joint Ventures* were issued in May 2014 and add new guidance on how to account for the acquisition of an interest in a joint operation in which the activity constitutes a business, as defined in IFRS 3 Business Combinations. Under these amendments, the acquirer of a joint operation that constitutes a business shall apply all of the principles on business combinations accounting in IFRS 3, and other IFRSs, that do not conflict with the guidance in this IFRS and disclose the information that is required in those IFRSs in relation to business combinations.

Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortization* were issued in May 2014 and clarify that the use of revenue-based methods to calculate depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the assets. These amendments also clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.

Amendments to IAS 27 *Equity Method in Separate Financial Statements* were issued in August 2014 and will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in the separate financial statements.

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 acknowledged 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 involve assets that do not constitute a business, even if these assets are housed in a subsidiary.

Amendments to IFRS 10, IFRS 12 and IAS 28 *Investment Entities: Applying the Consolidation Exception* were issued in December 2014, and introduce clarifications to the requirements when accounting for investment entities. These amendments clarify which subsidiaries of an investment entity are consolidated in accordance with IFRS 10 Consolidated Financial Statements, instead of being measured at fair value through income.

Amendments to IAS 1 *Disclosure Initiative* were issued in December 2014 and clarify that companies should use professional judgment in determining what information to disclose in the financial statements, and where and in what order information is presented in the financial disclosures.

IFRS 15 *Revenue from Contracts with Customers* ( IFRS 15 ) was issued in May 2014. IFRS 15 and 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. IFRS 15 is effective on January 1, 2017, with early adoption permitted. We are expected to be impacted to some extent by the significant increase in required disclosures. We are currently in the process of assessing the changes that are beyond disclosures, and the effect of the adoption of this standard regarding technology systems, processes, and internal controls to capture new data and address changes in financial reporting.

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. 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. Some amendments to IFRS 9 and IFRS 7 *Financial Instruments: Disclosures* ( IFRS 7 ) were issued in December 2011. These amendments to IFRS 9 modify the mandatory effective date of this

standard and the relief from restating prior periods, and also add transition disclosures to IFRS 7 that are required to be applied when IFRS 9 is first applied.

## **Critical Accounting Policies**

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 joint ventures and associates, the evaluation of definite lived and indefinite lived long-lived assets, deferred income taxes, and fair value measurements. 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 its 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).

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 purchase programming from, and 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 acquired from third parties, we estimate the expected future benefit period based on the anticipated number of showings 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. 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, 2014, the balance of such programming would decrease in the amount of Ps.216,547 with a corresponding increase in programming amortization expense.

### **(b) Investments in Joint Ventures and Associates**

Some of our investments are structured as investments in joint ventures and associates (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 joint ventures and associates 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 joint ventures and associates, and we may in the future make additional capital contributions and loans to at least some of our joint ventures. In the past, 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 joint ventures and associates 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 joint ventures and associates, 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 its 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 2014 and 2013, we recorded impairments for goodwill and other indefinite-lived intangible assets related to our Publishing business, which is classified into the Other Businesses segment. During 2013, we recorded impairments for goodwill and other indefinite-lived intangible assets related to our joint venture investment in capital stock of GSF (see Notes 10 and 12 to our consolidated year-end financial statements). There were no impairments for goodwill and other indefinite-lived intangible assets recorded in 2012. Other than in the Publishing business, we believe that additional reasonable changes in assumptions would not trigger any additional impairment charges.

### **(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 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 (1), 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 our 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).

**Financial assets and liabilities measured at fair value as of December 31, 2014, 2013 and 2012 (in thousands of Pesos):**

	<b>Balance as of December 31, 2014</b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Internal Models with Significant Observable Inputs (Level 2)</b>	<b>Internal Models with Significant Unobservable Inputs (Level 3)</b>
<b>Assets:</b>				
Temporary investments	Ps. 4,788,585	Ps. 4,788,585	Ps.	Ps.
<b>Available-for-sale financial assets:</b>				
Available-for-sale investments	5,511,768		5,511,768	
1.5% Convertible Debentures due 2025 issued by BMP	10,421,478			10,421,478
Embedded derivative BMP	17,447,857			17,447,857
Shares of Common Stock of Imagina	836,037			836,037
Derivative financial instruments	2,894		2,894	
<b>Total</b>	<b>Ps. 39,008,619</b>	<b>Ps. 4,788,585</b>	<b>Ps. 5,514,662</b>	<b>Ps. 28,705,372</b>
<b>Liabilities:</b>				
Derivative financial instruments	Ps. 335,102	Ps.	Ps. 335,102	Ps.
<b>Total</b>	<b>Ps. 335,102</b>	<b>Ps.</b>	<b>Ps. 335,102</b>	<b>Ps.</b>

	<b>Balance as of December 31, 2013</b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Internal Models with Significant Observable Inputs (Level 2)</b>	<b>Internal Models with Significant Unobservable Inputs (Level 3)</b>
<b>Assets:</b>				
Temporary investments	Ps. 3,722,976	Ps. 3,722,976	Ps.	Ps.
<b>Available-for-sale financial assets:</b>				
Available-for-sale investments	4,015,105		4,015,105	

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1.5% Convertible Debentures due 2025 issued by BMP	7,675,036			7,675,036
Embedded derivative BMP	14,761,677			14,761,677
Shares of Common Stock of Imagina	1,169,002			1,169,002
Convertible debt instruments issued by Ares	6,446,000			6,446,000
Embedded derivative Ares	771,000			771,000
Long-term debt instrument issued by Ares	2,521,999			2,521,999
Derivative financial instruments	8,388		8,388	
<b>Total</b>	<b>Ps. 41,091,183</b>	<b>Ps. 3,722,976</b>	<b>Ps. 4,023,493</b>	<b>Ps. 33,344,714</b>
<b>Liabilities:</b>				
Derivative financial instruments	Ps. 335,336	Ps.	Ps. 335,336	Ps.
<b>Total</b>	<b>Ps. 335,336</b>	<b>Ps.</b>	<b>Ps. 335,336</b>	<b>Ps.</b>

	<b>Balance as of December 31, 2012</b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Internal Models with Significant Observable Inputs (Level 2)</b>	<b>Internal Models with Significant Unobservable Inputs (Level 3)</b>
<b>Assets:</b>				
Temporary investments	Ps. 5,317,296	Ps. 2,844,386	Ps. 2,472,910	Ps.
<b>Available-for-sale financial assets:</b>				
Available-for-sale investments	2,986,933		2,986,933	
1.5% Convertible Debentures due 2025 issued by BMP	6,990,427			6,990,427
Embedded derivative BMP	9,611,873			9,611,873
Shares of Common Stock of Imagina	867,581			867,581
Derivative financial instruments	15,000		15,000	
<b>Total</b>	<b>Ps. 25,789,110</b>	<b>Ps. 2,844,386</b>	<b>Ps. 5,474,843</b>	<b>Ps. 17,469,881</b>
<b>Liabilities:</b>				
Derivative financial instruments	Ps. 352,762	Ps.	Ps. 352,762	Ps.
<b>Total</b>	<b>Ps. 352,762</b>	<b>Ps.</b>	<b>Ps. 352,762</b>	<b>Ps.</b>

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, 2014 and 2013.

	<b>2014</b>	<b>2013</b>
Balance at beginning of year	Ps. 33,344,714	Ps. 17,469,881
Included in finance income or expense	3,082,374	5,441,710
Included in other comprehensive income	2,454,884	940,379
Acquisition of Cablecom	(10,176,600)	
Long-term debt instrument issued by Ares		2,492,744
Convertible debt instrument and Embedded derivative issued by Ares		7,000,000
<b>Balance at the end of year</b>	<b>Ps. 28,705,372</b>	<b>Ps. 33,344,714</b>

### ***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.

For positions that are not traded in active markets or are subject to transfer restrictions, valuations are adjusted to reflect illiquidity and/or non-transferability. Such adjustments are generally based on available market evidence. Such instruments are classified in Level 2.

***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 and 2013, we have made judgments and used several estimates and assumptions for determining the fair value calculations of the BMP Convertible Debentures due 2025, the BMP embedded derivative, the Ares convertible debt instruments, the Ares 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 the applicable redemption date (see Notes 4 and 9 to our consolidated year-end financial statements).

#### ***BMP Convertible Debentures due 2025***

On December 20, 2010, we made a cash investment in the form of 1.5% Convertible Debentures due 2025 issued by BMP, the parent company of Univision, in the principal amount of U.S.\$1,125 million (Ps.16,606.5 million), which are convertible at our option into additional shares currently equivalent to approximately 30% equity stake of BMP, subject to existing laws and regulations in the United States and other conditions. Our option of converting these debentures into an equity stake of BMP is 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).

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 are based on assumptions that are consistent with the strategic plans and estimates used to manage the underlying business. Since the described methodology is an internal model with significant unobservable inputs, the Convertible Debentures are classified in Level 3.

In the case of the embedded derivative in the BMP 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 BMP stock's spot price at valuation date and the stock's expected volatility. The BMP 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 BMP 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 BMP embedded derivative is classified as Level 3.

Unobservable inputs that contributed to a significantly higher fair value measurement of our investment in BMP as of December 31, 2013, included better financial performance primarily in consolidated revenue and net income for the year ended December 31, 2013 compared to the prior year, as well as higher credit ratings. Other assumptions used as of December 31, 2014 and 2013 included BMP stock's spot price of U.S.\$402 and U.S.\$350, respectively, and BMP stock's expected volatility of 24% and 26%, respectively.





***Ares Convertible and Long-term Debt Instruments***

In July 2013, we made an investment in the amount of Ps.7,000 million in convertible debt instruments which, in August 2014 we converted into 95% of the equity interest of Ares, the indirect owner of 51% of the equity interest of Cablecom. In addition, as part of this transaction, we also invested in a long-term debt instrument issued by Ares in the amount of U.S.\$195 million (Ps.2,549.6 million). Additionally, in August 2014 we acquired the remaining 5% of the equity interest in Ares and we made an investment in the amount of Ps.8,550 million which, pursuant to applicable regulations, allowed us to acquire, directly and indirectly, the remaining 49% of the equity interest of Cablecom.

We determined the fair value of the convertible debt instruments as of December 31, 2013 using the expected present value valuation methodology based on post-tax discontinued cash flow. The expected present value methodology requires management to make judgments and involves the use of significant estimates and assumptions. These estimates and assumptions include long-term growth rates, operating margins used to calculate projected future cash flow and risk-adjusted discount rates based on weighted average cost of capital within a range of 5.5% to 6.5% among others. Our estimates for market growth were based on current conditions and reasonable forecasts, various internal estimates and observable external sources when available, and were based on assumptions that were consistent with the strategic plans and estimates used to manage the underlying business. Since the described methodology is an internal model with significant unobservable input, the convertible debt instruments were classified in level 3 as of December 31, 2013.

***Imagina Equity Financial Instrument***

The significant unobservable inputs related to the fair value measurement of our investment in Imagina's common stock for the year ended December 31, 2014 and 2013, were (a) a discount rate of 9.59% and 13.65%, respectively, and (b) an exit multiple of 9.71 times and 10.05 times, respectively.

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

For the year ended December 31, 2013, there were no gains or losses for the period included in consolidated net income that were attributable to the change in unrealized gains or losses relating to our assets categorized within Level 3 held at the end of those years.

The Corporate Finance Department of the Company 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, 2014 and 2013 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:

**Potential Impact on  
Consolidated Income  
Statement**

**Potential Impact on  
Consolidated Equity**

Financial Assets Level 3	Main Assumptions		Most Favorable Assumptions	Least Favorable Assumptions	Most Favorable Assumptions	Least Favorable Assumptions
	Used	Sensitivity	2014	2014	2014	2014
BMP Convertible						
Debtures due 2025	Discount rate	-/+1	Ps.	Ps.	Ps. 1,066,694	Ps. (958,700)
Embedded derivate BMP	Volatility	+/-10%	356,675	(342,412)		
Shares of common stock of	Exit multiple/					
Imagina	discount rate	+/-10%			151,551	(148,966)
<b>Total</b>			Ps. 356,675	Ps. (342,412)	Ps. 1,218,245	Ps. (1,107,666)

	Main Assumptions Used	Sensitivity	Potential Impact on Consolidated Income Statement		Potential Impact on Total Equity		
			Most Favorable Assumptions 2013	Least Favorable Assumptions 2013	Most Favorable Assumptions 2013	Least Favorable Assumptions 2013	
<b>Financial Assets Level 3</b>							
BMP Convertible Debentures due 2025	Discount rate	-/+1	Ps.	Ps.	Ps.	836,964	Ps. (745,036)
Ares Convertible and Long-term Debt Instruments	Discount rate	-/+1				270,000	(258,000)
Embedded derivate BMP	Volatility	+/-10%	259,728	(225,823)			
Embedded derivate Ares	Stock s spot price	+/-2.5%	156,118	(156,118)			
Shares of common stock of Imagina	Exit multiple/ discount rate	+/-10%				104,311	(67,977)
<b>Total</b>			Ps. 415,846	Ps. (381,941)	Ps. 1,211,275		Ps. (1,071,013)

### *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 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, 2014, 2013 and 2012, we had received Ps.16,695.9 million, Ps. 18,874.1 million and Ps. 18,153.1 million, respectively, of advertising deposits for television advertising during 2015, 2014 and 2013, respectively, representing U.S.\$1.1 billion, U.S.\$1.4 billion and U.S.\$1.4 billion, respectively, at the applicable year-end exchange rates. The deposits as of December 31, 2014, represented a 11.5% decrease, as compared to year-end 2013, and the deposits as of December 31, 2013, represented a 4.0% increase, as compared to year-end 2012. Approximately 59.3%, 60.4% and 62.9% of the advance payment deposits as of December 31, 2014, 2013 and 2012, 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, 2014, 2013 and 2012, was 4.5 months, 4.9 months and 4.6 months, respectively.

During the year ended December 31, 2014, we had a net increase in cash and cash equivalents of Ps.13,037.3 million, as compared to a net decrease in cash and cash equivalents of Ps.2,371.3 million during the year ended December 31, 2013.

Net cash provided by operating activities for the year ended December 31, 2014, amounted to Ps.28,462.9 million. Adjustments to reconcile income before income taxes to net cash provided by operating activities primarily included: depreciation and amortization of Ps.11,563.1 million; net unrealized foreign exchange loss of Ps.2,133.5 million; interest expense of Ps.5,551.5 million; other amortization of Ps.213.2 million; gain in derivative financial instruments of Ps.1,286.0 million; interest income of Ps.417.8 million; equity in gain of affiliates of Ps.13.2 million; and loss on disposition of investments of Ps.4,168.5 million. Income taxes paid for the year ended December 31, 2014 amounted to Ps.4,117.4 million.

Net cash used for investing activities for the year ended December 31, 2014, amounted to Ps.22,739.5 million, and was primarily used for investments in property, plant and equipment of Ps.17,004.4 million; held-to-maturity and available-for-sale investments of Ps.372.1 million; equity method and other investments of Ps.5,487.3 million; investments in goodwill and other intangible assets of Ps.794.5 million; and temporary investments of Ps.75.0 million, which effect was partially offset by a disposition of held-to-maturity and available-for-sale investments of Ps.513.1 million; and disposition of property, plant and equipment of Ps.480.6 million.

Net cash provided for financing activities for the year ended December 31, 2014, amounted to Ps.7,230.8 million, and was primarily provided by the issuance of Senior Notes due 2021 in the amount of Ps.5,988.7 million; issuance of Senior Notes due 2045 in the amount of Ps.12,400.1 million and credit agreements with certain Mexican banks in the amount of Ps.2,078.4 million; which effect was partially offset by cash used by interest paid of Ps.5,200.7 million; prepayment and repayment of debt and lease payments of Ps.7,283.0 million; derivative financial instruments of Ps.284.4 million; and dividends to non-controlling interest of Ps.468.2 million.

We expect to fund our operating cash needs during 2015, 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 2015 through available cash from operations, cash on hand and/or borrowings. The amount of borrowings required to fund these cash needs in 2015 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, 2013, we had a net decrease in cash and cash equivalents of Ps.2,371.3 million, as compared to a net increase in cash and cash equivalents of Ps.2,787.4 million during the year ended December 31, 2012.

Net cash provided by operating activities for the year ended December 31, 2013, amounted to Ps.23,806.2 million. Adjustments to reconcile income before income taxes to net cash provided by operating activities primarily included: depreciation and amortization of Ps.9,846.4 million; net unrealized foreign exchange loss of Ps.128.6 million; interest expense of Ps.4,803.2 million; other amortization of Ps.185.1 million; gain in derivative financial instruments of

Ps.4,841.7 million; and equity in losses of affiliates of Ps.5,660.0 million. Income taxes paid for the year ended December 31, 2013 amounted to Ps.4,794.7 million.

Net cash used for investing activities for the year ended December 31, 2013, amounted to Ps.25,246.5 million, and was primarily used for investments in property, plant and equipment of Ps.14,870.7 million; held-to-maturity and available-for-sale investments of Ps.517.2 million; equity method and other investments of Ps.1,588.9 million; investments in financial instruments of Ps.9,492.7

million; and investments in goodwill and other intangible assets of Ps.824.1 million; which effect was partially offset by cash provided by temporary investments of Ps.1,604.3 million; a disposition of held-to-maturity and available-for-sale investments of Ps.263.7 million; and disposition of property, plant and equipment of Ps.169.2 million.

Net cash used for financing activities for the year ended December 31, 2013, amounted to Ps.923.8 million, and was primarily used for dividends and repurchase of capital stock of Ps.2,168.4 million; interest paid of Ps.4,681.7 million; repayment of debt and lease payments of Ps.751.2 million; derivative financial instruments of Ps.140.5 million; and dividends to non-controlling interest of Ps.112.7 million; which effect was partially offset by cash provided by the issuance of 7.25% Senior Notes due 2043 in the amount of Ps.6,437.2 million and credit agreements with certain Mexican banks in the amount of Ps.493.4 million.

During the year ended December 31, 2012, we had a net increase in cash and cash equivalents of Ps.2,787.4 million, as compared to a net decrease in cash and cash equivalents of Ps.4,666.6 million during the year ended December 31, 2011.

Net cash provided by operating activities for the year ended December 31, 2012, amounted to Ps.22,556.1 million. Adjustments to reconcile income before income taxes to net cash provided by operating activities primarily included: depreciation and amortization of Ps.8,474.2 million; net unrealized foreign exchange gain of Ps.540.3 million; interest expense of Ps.4,369.3 million; other depreciation and amortization of Ps.221.2 million; and equity in losses of affiliates of Ps.666.6 million. Income taxes paid for the year ended December 31, 2012 amounted to Ps.4,535.1 million.

Net cash used for investing activities for the year ended December 31, 2012, amounted to Ps.12,167.4 million, and was primarily used for investments in property, plant and equipment of Ps.11,428.2 million; held-to-maturity and available-for-sale investments of Ps.275.0 million; equity method and other investments of Ps.452.0 million; and investments in goodwill and other intangible assets of Ps.822.0 million; which effect was partially offset by cash provided by temporary investments of Ps.170.4 million; a disposition of held-to-maturity and available-for-sale investments of Ps.308.6 million; disposition of property, plant and equipment of Ps.336.3 million; and disposition of equity method and other investments of Ps.12.8 million.

Net cash used for financing activities for the year ended December 31, 2012, amounted to Ps.7,547.8 million, and was primarily used for dividends and repurchase of capital stock of Ps.1,002.7 million; interest paid of Ps.4,355.9 million; prepayment and repayment of debt and lease payments of Ps.1,665.2 million; derivative financial instruments of Ps.90.5 million; and dividends to non-controlling interest of Ps.673.0 million; which effect was partially offset by cash provided by the credit agreements with certain Mexican banks in the amount of Ps.239.4 million.

### ***Capital Expenditures, Acquisitions and Investments, Distributions and Other Sources of Liquidity***

During 2015, we:

expect to make aggregate capital expenditures for property, plant and equipment totaling U.S.\$1,400.0 million, of which U.S.\$900.0 million and U.S.\$370.0 million are for the expansion and improvements of our Telecommunications and Sky segments, respectively, and the remaining U.S.\$130.0 million is for our Content and Other Businesses segments;



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.130.0 million (U.S.\$8.8 million); and

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.\$656.0 million).

During 2014, we:

made aggregate capital expenditures for property, plant and equipment approximately U.S.\$1,275.8 million, of which U.S.\$702.9 million and U.S.\$388.8 million are for the expansion and improvements of our Telecommunications and Sky segments, respectively, and the remaining U.S.\$184.1 million is for our Content segment and other segments;

made an investment in the amount of Ps.5,908.0 million to purchase, pursuant to applicable regulations, all of the equity interest of Cablecom; 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. 121.5 million.

During 2013, we:

made aggregate capital expenditures for property, plant and equipment totaling U.S.\$1,157.8 million, of which U.S.\$599.9 million and U.S.\$397.7 million were for the expansion and improvements of our Telecommunications and Sky segments, respectively, and the remaining U.S.\$160.2 million was for our Content segment and other segments;

made additional capital contributions in connection with our 50% joint interest in GSF in the aggregate amount of Ps.1,587.5 million;

made an investment in the amount of Ps.7,000 million (U.S.\$547.6 million) in convertible debt instruments which, subject to regulatory approval, will allow us to acquire 95% of the equity interest of Ares, owner of 51% of the equity interest of Cablecom, a telecommunications company that offers video, telephony and data services in Mexico. As part of this transaction, we also invested in a long-term debt instrument issued by Ares in the amount of U.S.\$195 million; 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.56.6 million and U.S.\$5.9 million.

During 2012, we:

made aggregate capital expenditures for property, plant and equipment totaling U.S.\$881.1 million, of which U.S.\$455.4 million and U.S.\$292.1 million were for the expansion and improvements of our Telecommunications and Sky segments, respectively, and the remaining U.S.\$133.6 million was for our Content segment and other segments;

recognized a satellite transponder lease agreement as an addition to property, plant and equipment and a related finance lease obligation in the amount of U.S.\$326.3 million (Ps.4,203.0 million) in connection with the commencement of the service agreement for the use of transponders on Intelsat IS-21 satellite by our Sky business segment;

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.103.0 million (U.S.\$7.8 million);

made investments of U.S.\$22.5 million in cash in common stock of BMP, the parent company of Univision, by which we increased our interest in BMP from 7.1% to 8.0%; and

made other investments in the aggregate principal amount of U.S.\$5.7 million.

**Refinancings.** In March 2011, we entered into long-term credit agreements with four Mexican Banks for an aggregate principal amount of Ps.8,600 million, with maturities between 2016 and 2021. We used the net proceeds for general corporate purposes. In May 2013, we concluded the offering of Ps.6,500 million aggregate principal amount of 7.25% Senior Notes due 2043 registered with both the SEC and the Mexican Banking and Securities Commission. We used the net proceeds for general corporate purposes. In April 2014, we concluded the offering of Ps.6,000 million aggregate principal amount of local bonds (*Certificados Bursátiles*) due 2021 with an interest rate of 0.35% plus the 28-day Interbank Equilibrium Interest Rate. We intend to use the net proceeds of the offering for general corporate purposes.

**Indebtedness.** As of December 31, 2014, our consolidated long-term portion of debt amounted to Ps.80,660.5 million, and our consolidated current portion of debt was Ps.1,312.1. As of December 31, 2013, our consolidated long-term portion of debt amounted to Ps.59,743.1 million and our consolidated current portion of debt was Ps.1,110.4 million. The consolidated debt is presented net of unamortized finance costs as of December 31, 2014 and 2013, in the aggregate amount of Ps.1,268.9 million and Ps.808.6 million, respectively, and interest payable in the aggregate amount of Ps.974.9 and Ps.797.7 in 2014 and 2013, respectively. 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 net outstanding indebtedness as of December 31, 2014, net of unamortized finance costs and interest payable (in millions of Pesos):

Description of Debt	Debt Outstanding(1)			
	December 31, 2014 Actual	Interest Rate(2)	Denomination	Maturity of Debt
6% Senior Notes(2)	Ps. 7,409.4	6.0%	U.S. Dollars	2018
8.5% Senior Notes(2)	4,512.9	8.5%	U.S. Dollars	2032
6.625% Senior Notes(2)	8,630.3	6.625%	U.S. Dollars	2025
8.49% Senior Notes(2)	4,518.8	8.49%	Pesos	2037
6.625% Senior Notes(2)	8,968.6	6.625%	U.S. Dollars	2040
7.25% Senior Notes(2)	6,492.9	7.25%	Pesos	2043
5.000% Senior Notes (2)	14,353.5	5.000%	U.S. Dollars	2045
7.38% Notes(3)	10,100.3	7.38%	Pesos	2020
TIIE+ 0.35 Notes (3)	5,994.8	3.65%	Pesos	2021
Santander loan (4)	1,780.5	3.602%	Pesos	2016
Banamex loan(4)	1,601.3	9.0725%	Pesos	2021
HSBC loan(4)	2,497.3	4.4816%	Pesos	2018
Santander loan (5)	1,403.7	3.5417%	Pesos	2016
Banamex loan (5)	2,110.2	8.74%	Pesos	2016
Banco Mercantil del Norte loan (6)	810.5	5.1828%	Pesos	2016
HSBC loan (6)	455.9	4.9965%	Pesos	2019
HSBC loan (6)	298.7	4.6762%	Pesos	2019
Other debt (6)	33.0	5.8050%	Pesos	2017
<b>Total debt</b>	<b>81,972.6</b>			<b>15.5 years(7)</b>
Less: Short-term debt and current maturities of long-term debt	1,312.1			2015
<b>Total long-term debt</b>	<b>Ps. 80,660.5</b>			
<b>Finance lease obligations:</b>				
Satellite transponder lease obligations (8)	Ps. 4,401.4	7.30%	U.S. Dollars	2027
Other (9)	908.1	9.962%	Various	2015 to 2022
<b>Total finance lease obligations</b>	<b>5,309.5</b>			
Less: Current portion	502.1			2015
<b>Finance lease obligations, net of current portion</b>	<b>Ps. 4,807.4</b>			

- (1) U.S. Dollar-denominated debt is translated into Pesos at an exchange rate of Ps.14.7613 per U.S. Dollar, the Interbank Rate, as reported by Banamex, as of December 31, 2014.
- (2) The Senior Notes due 2018, 2025, 2032, 2037, 2040, 2043 and 2045, in the outstanding principal amount of U.S.\$500 million, U.S.\$600 million, U.S.\$300 million, Ps.4,500 million, U.S.\$600 million, Ps.6,500 million and U.S.\$1,000 million, respectively, 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

2018, 2025, 2032, 2037, 2040, 2043 and 2045, including additional amounts payable in respect of certain Mexican withholding taxes, is 6.31%, 6.97%, 8.94%, 8.93%, 6.97%, 7.62% and 5.26% 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 2018, 2025, 2037, 2040 and 2043, 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 2018, 2032, 2040, 2043 and 2045 were priced at 99.280%, 99.431%, 98.319%, 99.733% and 96.534%, respectively, for a yield to maturity of 6.097%, 8.553%, 6.755%, 7.27% and 5.227%, respectively. The Senior Notes due 2025 were issued in two aggregate principal amounts of U.S.\$400 million 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 2018, 2025, 2032, 2037, 2040 and 2045 are registered with the SEC. The Senior Notes due 2043 are registered with both the SEC and the Mexican Banking and Securities Commission.

(3) In 2010 and April 2014, the Company issued Notes ( Certificados Bursátiles ) due 2020 and 2021, respectively, through the Mexican Stock Exchange ( Bolsa Mexicana de Valores ) in the aggregate principal amount of Ps.10,000 million and Ps.6,000

- million, respectively. Interest on the Notes due 2020 is 7.38% per annum and is payable semi-annually. Interest on the Notes due 2021 is the Equilibrium Interbank Interest Rate ( Tasa de Interés Interbancaria de Equilibrio or TIIE ) plus 0.35% per annum and is payable every 28 days. The Company may, at its own option, redeem the Notes due 2020, 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, 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 2014, includes long-term credit agreements entered into by the Company with two Mexican banks in the aggregate principal amount of Ps.4,100 million, with principal maturities between 2016 and 2021, and an annual interest rate payable on a monthly basis of 28-day TIIE plus 117.5 basis points for a principal amount of Ps.2,500 million, and a range between 8.77% and 9.4% for an aggregate principal amount of Ps.1,600 million. In September 2014, the Company prepaid long-term credits in the aggregate principal amount of Ps.4,500 million, which were originally due in 2016. 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 related to spin-offs, mergers and similar transactions. In 2014, also includes a long-term bank loan entered into by the Company with a Mexican bank in September 2014, in the principal amount of Ps. \$1,782 million, with a maturity in 2016, and an annual interest rate payable on a monthly basis of 28-day TIIE plus 15 basis points in 2014, a range between 30 and 70 basis points in 2015, and a range between 70 and 80 basis points in 2016.
- (5) Includes two long-term loans entered into by Sky with Mexican banks in the principal amount of Ps.1,400 million and Ps.2,100 million, with a maturity in 2016, bearing annual interest of TIIE plus 24 basis points and 8.74%, respectively, with interest payable on a monthly basis. This Sky long-term indebtedness is guaranteed by the Company. Under the terms of these loan agreements, Sky is required to (a) maintain certain financial coverage ratios related to indebtedness and interest expense; and (b) comply with certain restrictive covenants on indebtedness, liens, asset sales, and certain mergers and consolidations.
- (6) Include outstanding balance in the aggregate principal amount of Ps.1,600.6 million, in connection with certain credit agreements entered into by TVI with Mexican banks, with maturities between 2015 and 2019, bearing interest at an annual rate in the range of TIIE plus 1.40% to TIIE plus 2.50%, with interest 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.
- (7) Actual weighted average maturity of long-term debt as of December 31, 2014.
- (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. This line item also includes in 2012 the agreement to pay a monthly fee of U.S.\$1.7 million under a capital lease agreement entered into with Intelsat (formerly PanAmSat Corporation) in February 1999 for satellite signal reception and retransmission service from 12 KU-band transponders on satellite IS-9, which became operational in September 2000. The agreement provided that the service term for IS-9 was to end at the earlier of (a) the end of 15 years or (b) the date IS-9 is taken out of service. In 2010, Intelsat notified Sky that IS-9 experienced certain technical anomalies in its primary propulsion system, resulting in a shortened satellite life through 2012 instead of its original estimated life through 2015. Accordingly, Sky reduced the carrying value of the corresponding asset and the present value of the minimum payments in accordance with the related agreement and based on the remaining useful life of IS-9. The obligations of Sky under the IS-9 agreement were terminated in October 2012.

- (9) Includes minimum lease payments of property and equipment and intangible assets under leases that qualify as capital leases. Also, includes a subsidiary of the Company that entered into a lease agreement with GTAC, a related party for the right to use certain capacity of a telecommunications network to 2029. This lease provides for annual payments to 2020 and 2021. The capital leases have terms which expire at various dates between 2015 and 2019.

**Interest Expense.** Interest expense for the years ended December 31, 2014, 2013 and 2012 was Ps.5,551.5, Ps. 4,803.1 million and Ps. 4,369.3 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)					
	2014		2013		2012	
Interest payable in U.S. Dollars	U.S.\$	193.7	U.S.\$	160.6	U.S.\$	141.5
Amounts currently payable under Mexican withholding taxes(2)		8.6		6.9		6.9
Total interest payable in U.S. Dollars	U.S.\$	202.3	U.S.\$	167.5	U.S.\$	148.4
Peso equivalent of interest payable in U.S. Dollars	Ps.	2,690.2	Ps.	2,152.7	Ps.	1,955.0
Interest payable in Pesos		2,861.3		2,650.4		2,414.3
Total interest expense	Ps.	5,551.5	Ps.	4,803.1	Ps.	4,369.3

(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.



**Contractual Obligations on the Balance Sheet**

The following table summarizes our contractual obligations on the balance sheet as of December 31, 2014 (these amounts do not include future interest payments):

	Total	Payments Due by Period			Maturities Subsequent to December 31, 2019
		Less Than 12 Months January 1, 2015 to December 31, 2015	12-36 Months January 1, 2016 to December 31, 2017	36-60 Months January 1, 2018 to December 31, 2019	
(Thousands of U.S. Dollars)					
6.0% Senior Notes due 2018	U.S.\$ 500,000	U.S.\$	U.S.\$	U.S.\$ 500,000	U.S.\$
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	304,851				304,851
6.625% Senior Notes due 2040	600,000				600,000
7.38% Notes due 2020	677,447				677,447
7.25% Senior Notes due 2043	440,341				440,341
5.000% Senior Notes due 2045	1,000,000				1,000,000
TIIE+0.35 Notes	406,468				406,468
Santander loan due 2016	120,721		120,721		
Banamex loan due 2021	108,391		21,678	48,776	37,937
HSBC loan due 2018	169,362		127,021	42,341	
Santander loan due 2016	94,843		94,843		
Banamex loan due 2016	142,264		142,264		
Banco Mercantil del Norte loan due 2016	54,937	18,072	36,865		
HSBC loan due 2019	30,937	4,403	8,807	17,727	
HSBC loan due 2019	20,323			20,323	
Other debt	2,236	501	1,735		

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Long-term debt	5,573,121	22,976	553,934	629,167	4,367,044
Accrued Interest	66,045	66,045			
Satellite transponder obligation	298,173	14,719	32,856	38,005	212,593
Other capital lease obligations	61,520	19,300	19,145	14,617	8,458
Transmission rights(1)	294,592	136,562	108,083	46,752	3,195
Total contractual obligations	U.S.\$ 6,293,451	U.S.\$ 259,602	U.S.\$ 714,018	U.S.\$ 728,541	U.S.\$ 4,591,290

- (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 for in our consolidated balance sheet within trade accounts payable (current liabilities) and other long-term liabilities.

**Contractual Obligations off the Balance Sheet**

The following table summarizes our contractual obligations off the balance sheet as of December 31, 2014:

	Total	Payments Due by Period			Maturities Subsequent to December 31, 2019
		Less Than 12 Months January 1, 2015 to December 31, 2015	12-36 Months January 1, 2016 to December 31, 2017	36-60 Months January 1, 2018 to December 31, 2019	
		(Thousands of U.S. Dollars)			
Interest on debt(1)	U.S.\$ 5,620,538	U.S.\$ 297,051	U.S.\$ 685,582	U.S.\$ 602,025	U.S.\$ 4,035,880
Interest on capital lease obligations	175,147	18,104	44,516	45,841	66,686
Lease commitments(2)	208,280	37,777	64,534	57,961	48,008
Programming(3)	83,584	30,621	24,649	19,314	9,000
Transmission rights(3)	399,000	76,020	95,930	74,450	152,600
Agreement with DirecTV(4)	12,300	12,300			
Capital expenditures commitments	36,000	36,000			
Satellite transponder commitments(5)	27,504	11,785	14,856	863	
Committed financing to GTAC(6)	8,807	8,807			
<b>Total contractual obligations</b>	<b>U.S.\$ 6,571,160</b>	<b>U.S.\$ 528,465</b>	<b>U.S.\$ 930,067</b>	<b>U.S.\$ 800,454</b>	<b>U.S.\$ 4,312,174</b>

- (1) Interest to be paid in future years on outstanding debt as of December 31, 2014, 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) In the third quarter of 2013, Sky entered into an agreement with DirecTV for the acquisition and launch of a satellite ( SM1 ), which is expected to be in service during 2015. See Note 26 to our consolidated year-end financial statements.
- (5) Reflects our minimum commitments for the use of satellite transponders under operating lease contracts.
- (6) In connection with a long-term credit facility, we have agreed to provide financing to GTAC in 2015 in the aggregate principal amount of Ps.130 million (U.S.\$8.8 million).

**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 29, 2015 annual stockholders meeting.

<b>Name and Date of Birth</b>	<b>Principal Occupation</b>	<b>Business Experience</b>	<b>First Elected</b>
Emilio Fernando Azcárraga Jean (02/21/68)	Chairman of the Board, President and Chief Executive Officer and Chairman of the Executive Committee of Grupo Televisa	Member of the Boards of Banco Nacional de México and Univision	December 1990
<i>In alphabetical order:</i>			
Alfonso de Angoitia Noriega (01/17/62)	Executive Vice President, Member of the Executive Office of the Chairman and Member of the Executive Committee of Grupo Televisa	Member of the Board of Univision, Grupo Financiero Banorte, Alternate Member of the Board of Formento Económico Mexico SAB de CV and Former Chief Financial Officer of Grupo Televisa	April 1997
Alberto Baillères González (08/22/31)	Chairman of the Boards of Grupo Bal, Industrias Peñoles, Fresnillo PLC, Grupo Palacio de Hierro, Grupo Nacional Provincial and Grupo Profuturo, Director of Valores Mexicanos Casa de Bolsa, Chairman of the Government Board of Instituto Tecnológico Autónomo de México and Associate Founder and Chairman of the Board of Fundación Alberto Baillères	Director of Grupo Dine, Grupo Kuo, Grupo Financiero BBVA Bancomer, BBVA Bancomer, Fomento Económico Mexicano and J.P. Morgan International Council U.S.A. President of the Board of Trustees of Asociación Mexicana de Cultura, A.C. and Fundación de Estudios Financieros. Member of the Consejo Mexicano de Hombres de Negocios and the Fundación para las Letras Mexicanos, A.C.	April 2004
Julio Barba Hurtado	Legal Advisor to the Company, Secretary of the	Former Legal Advisor to the Board of the	December 1990

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(05/20/33)	Audit & Corporate Practices Committee and Member of the Executive Committee of the Company	Company and Former Assistant Secretary of the Board of the Company	
José Antonio Bastón Patiño (04/13/68)	President of Television and Contents and Member of the Executive Committee of Grupo Televisa	Former Corporate Vice President of Television and Vice President of Operations of Grupo Televisa, Member of the Board of Univision and former General Director of Programming of Grupo Televisa	April 1998

<b>Name and Date of Birth</b>	<b>Principal Occupation</b>	<b>Business Experience</b>	<b>First Elected</b>
Francisco José Chévez Robelo (07/03/29)	Chairman of the Audit and Corporate Practices Committee of Grupo Televisa, Member of the Board of Directors and Chairman of the Audit and Corporate Practices Committee of Empresas Cablevisión	Retired Partner of Chévez, Ruíz, Zamarripa y Cía., S.C., Member of the Board of Directors and Chairman of the Audit and Corporate Practices Committee of Empresas Cablevisión, Member of the Board of Apuestas Internacionales, S.A. de C.V. Member of the Board of Directors of Raspafacil, S.A. de C.V. and Former Managing Partner of Arthur Andersen & Co.	April 2003
Jon Feltheimer (09/02/51)	Chief Executive Officer of Lions Gate Entertainment Corp.	Former President of Columbia TriStar Television Group and former Executive Vice President of Sony Pictures Entertainment	April 2015
José Antonio Fernández Carbajal (02/15/54)	Executive Chairman of the Board of Fomento Económico Mexicano and Chairman of the Board of Coca-Cola FEMSA	Chairman of the Board of Directors of ITESM, Fundación Femsa and Chairman Emeritus of the US-Mexico Foundation, Vice-Chairman of the Supervising Board and member of the Preparatory Committee, Selection and Appointment Committee and Chairman of the Americas Committee of Heineken N.V., Co-Chairman of the Advisory Board of the Woodrow Wilson Center, México Chapter Co. and Member of the Board of Industrias Peñoles and Heineken Holding N.V.	April 2007
José Luis Fernández Fernández (05/18/59)	Managing Partner of Chévez, Ruíz, Zamarripa y Cía., S.C.	Member of the Board of Directors of Apuestas Internacionales, Sport City Universidad, Club	April 2002

Member of the Audit and Corporate Practices Committee of Grupo Televisa	de Golf Los Encinos, Grupo Pochteca, Mexichem, Global Assurance Brokers Agente de Seguros y de Fianzas, Arca Continental Corporativo, S. de R.L. de C.V., Genomma Lab Internacional, Unifin Financiera S.A.P.I. de C.V. and Controladora Vuela Compañía de Aviación and Alternate Member of the Board of Directors of Raspafacil
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<b>Name and Date of Birth</b>	<b>Principal Occupation</b>	<b>Business Experience</b>	<b>First Elected</b>
Salvi Rafael Folch Viadero (08/16/67)	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	April 2002
Bernardo Gómez Martínez (07/24/67)	Executive Vice President, Member of the Executive Office of the Chairman and Member of the Executive Committee of Grupo Televisa	Former Deputy Director of the Chairman of Grupo Televisa and former President of the Mexican Chamber of Television and Radio Broadcasters	April 1999
Roberto Hernández Ramírez (03/24/42)	Chairman of the Board of Banco Nacional de México	Member of the Board of Grupo Financiero Banamex, Accival, the Nature Conservancy and World Monuments Fund	April 1992
Enrique Krauze Kleinbort (09/17/47)	Director and Partner of Editorial Clío Libros, y Videos, and of Editorial Vuelta	Member and Chairman of the Board of Quadrant and President of the Board of Directors of Productora Contadero	April 1996
Jorge Agustín Lutteroth Echegoyen (01/24/53)	Vice President and Corporate Controller of Grupo Televisa	Former Senior Partner of Coopers & Lybrand, and Despacho Roberto Casas Alatríste, S.C., and former Controller of Televisa Corporation	April 2015
David M. Zaslav (01/15/60)	President, Chief Executive Officer and common stock Director of Discovery Communications, Inc.	Member of the Boards of Sirius XM Radio, Inc., Univision Communications Inc., the National Cable & Telecommunications Association, The Cable Center, Center for Communication and Skills for America's Future and Mt. Sinai Medical Center	April 2015





<b>Name and Date of Birth</b>	<b>Principal Occupation</b>	<b>Business Experience</b>	<b>First Elected</b>
Lorenzo Alejandro Mendoza Giménez (10/05/65)	Chief Executive Officer, Member of the Board and President of the Executive Committee of Empresas Polar	Former Member of the Boards of AES La Electricidad de Caracas, CANTV-Verizon and BBVA Banco Provincial, and Member of the Board of Grupo GEPP, 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, Board of Trustees of Universidad Metropolitana, Board of Trustees of the Advance Business Institute (IESA), Latin America Conservation Council (LACC). He is an Ashoka Fellow and Member of the World Economic Forum, which in 2005 named him to the Young American Global Agenda Council, Global Shapers Community and the Latin American Conservation Council	April 2009
Fernando Senderos Mestre (03/03/50)	Chairman of the Board and Chief Executive Officer of Grupo Kuo, Chairman of the Board of Dine and Chairman of the Board of Desc	Member of the Boards of Kimberly-Clark de México, Industrias Peñoles and Grupo Nacional Provincial	April 1992
Enrique Francisco José Senior Hernández (08/03/43)	Managing Director of Allen & Company, LLC	Member of the Boards of Univision, Coca-Cola FEMSA, Cinemark and FEMSA	April 2001
Michael Thomas Fries (02/06/63)	President, Chief Executive Officer and Director of Liberty Global plc.	Telecom Governor and Steering Committee Member of the World Economic Forum, Member of World Presidents Organization,	April 2015

Trustee or Board Member  
of CableLabs®, The  
Cable Center, Museum of  
Contemporary Art  
Denver, the Denver  
Biennial of the Americas,  
the Alliance for Choice in  
Education, and Teach for  
America

Name and Date of Birth	Principal Occupation	Business Experience	First Elected
Eduardo Tricio Haro (08/05/63)	Owner of Eduardo Tricio Haro Company	Chairman of the Board of Elopak, Grupo Aeroméxico Fundación Lala, Grupo Aeroméxico, Grupo Lala, Member of the Boards of Grupo Financiero Banamex, Banxico, Mexichem, Corporación Aura Solar, Energía Cinco Estrellas, Grupo Industrial Saltillo, Teléfonos de México, Grupo Porres, Mitsul de México, Consejo Mexicano de de Negocios, Centro Cultural Arocena Laguna, Instituto Tecnológico de Estudios Superiores de Monterrey-Campus México, Universidad de Cantabria España and Bolsa Mexicana de Valores. Board member of various foundations and philanthropic organizations such as Hospital Infantil de México Federico Gómez , Instituto Nacional de Cancerología, Instituto Nacional de Ciencias Medicas y Nutrición Salvador Zubiran, the Woodrow Wilson Institute, Mexicanos Primero, The Latin American Conservation Council of the Native Conservancy and the U.S. Mexico Foundation, among others	May 2012

**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,	April 2002
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Alternate Director of  
Coca Cola FEMSA and  
former Member of the  
Boards of Convera  
Corporation

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  
Televisora de Navojoa,  
Vice President of the  
Board of Directors of  
Televisora Peninsular and  
Chairman of the Board of  
Directors of Unisat  
Mexicana

April 2002

Name and Date of Birth	Principal Occupation	Business Experience	First Elected
Joaquín Balcárcel Santa Cruz (01/04/69)	Vice President Legal and General Counsel of Grupo Televisa	Former Vice President and General Counsel of Television Division, former Legal Director of Grupo Televisa	March 2000
Leopoldo Gómez González Blanco (04/06/59)	News Vice President of Grupo Televisa	Former Director of Information to the Presidency of Grupo Televisa	April 2003
Alberto Javier Montiel Castellanos (11/22/45)	Director of Montiel Font y Asociados, S.C. and Member of the Audit and Corporate Practices Committees of Grupo Televisa and Empresas Cablevisión	Former Tax Vice President of Grupo Televisa and former Tax Director of Wal-Mart de México	April 2002
Raúl Morales Medrano (05/12/70)	Partner of Chévez, Ruiz, Zamarripa y Cia., S.A.	Former Senior Manager of Chévez, Ruiz, Zamarripa y Cia., S.C. and Member of the Audit and Corporate Practices Committee of Empresas Cablevisión	April 2002
Guadalupe Phillips Margain (02/07/71)	Vice President of Finance and Risk of Grupo Televisa	Former Director of Finance and Risk of Grupo Televisa, Former Chief Financial Officer of Empresas Cablevisión and Member of the Board of Directors of Evercore Casa de Bolsa	April 2012

### Our Board of Directors

**General.** The management of our business is vested in our Board of Directors. Our bylaws currently provide for a Board of Directors of 20 members, at least 25% of which must be independent directors under Mexican law (as described below), with the same number of alternate directors. The Mexican Securities Market Law provides that the following persons, among others, do not qualify as independent:

our principals, employees or managers, as well as the statutory auditors, or *comisarios*, of our subsidiaries, including those individuals who have occupied any of the described positions within a period of 12 months preceding the appointment;

individuals who have significant influence over our decision making processes;

controlling stockholders, in our case, the beneficiary of the Azcárraga Trust;

partners or employees of any company which provides advisory services to us or any company that is part of the same economic group as we are and that receives 10% or more of its income from us;

significant clients, suppliers, debtors or creditors, or members of the Board or executive officers of any such entities; or

spouses, family relatives up to the fourth degree, or cohabitants of any of the aforementioned individuals. Our bylaws prohibit the appointment of individuals to our Board of Directors who: (i) are members of the board of directors or other management boards of a company (other than the Company or its subsidiaries) that has one or more concessions to operate telecommunications networks in Mexico; or (ii) directly or indirectly, are shareholders or partners of companies (other than the

Company or its subsidiaries), that have one or more concessions to operate telecommunications networks in Mexico, with the exception of ownership stakes that do not allow such individuals to appoint one or more members of the management board or any other operation or decision making board.

**Election of Directors.** A majority of the members of our Board of Directors must be Mexican nationals and must be elected by Mexican stockholders. At our annual stockholders meeting held on April 29, 2015 and at our annual meetings thereafter, a majority of the holders of the A Shares voting together elected, or will have the right to elect, eleven of our directors and corresponding alternates and a majority of the holders of the B Shares voting together elected, or will have the right to elect, five of our directors and corresponding alternates. At our special stockholders meetings, a majority of the holders of the L Shares and D Shares will each continue to have the right to elect two of our directors and alternate directors, each of which must be an independent director. Ten percent holders of A Shares, B Shares, L Shares or D Shares will be entitled to nominate a director and corresponding alternates. Each alternate director may vote in the absence of a corresponding director. Directors and alternate directors are elected for one-year terms by our stockholders at each annual stockholders meeting, and each serves for up to a 30-day term once the one-year appointment has expired or upon resignation; in this case, the Board of Directors is entitled to appoint provisional directors without the approval of the stockholders meeting. All of the current and alternate members of the Board of Directors were elected by our stockholders at our 2015 annual stockholders special and general meetings, which were held on April 29, 2015.

**Quorum; Voting.** In order to have a quorum for a meeting of the Board of Directors, generally at least 50% of the directors or their corresponding alternates must be present. However, in the case of a meeting of the Board of Directors to consider certain proposed acquisitions of our capital stock, at least 75% of the directors or their corresponding alternates must be present. In the event of a deadlock of our Board, our Chairman will have the deciding vote.

**Meetings; Actions Requiring Board Approval.** Our bylaws provide that our Board must meet at least quarterly, and that our Chairman, 25% of the Board members, our Secretary or alternate Secretary or the Chairman of the Audit and Corporate Practices Committee may call for a Board meeting.

Pursuant to the Mexican Securities Market Law and our bylaws, our Board of Directors must approve, among other matters:

our general strategy;

with input from the Audit and Corporate Practices Committee, on an individual basis: (i) any transactions with related parties, subject to certain limited exceptions; (ii) the appointment of our Chief Executive Officer, his compensation and removal for justified causes; (iii) our financial statements; (iv) unusual or non-recurrent transactions and any transactions or series of related transactions during any calendar year that involve (a) the acquisition or sale of assets with a value equal to or exceeding 5% of our consolidated assets, or (b) the giving of collateral or guarantees or the assumption of liabilities, equal to or exceeding 5% of our consolidated assets; (v) agreements with our external auditors; and (vi) accounting policies within IFRS;

creation of special committees and granting them the power and authority, provided that the committees will not have the authority, which by law or under our bylaws is expressly reserved for the stockholders or the Board;



matters related to antitakeover provisions provided for in our bylaws; and

the exercise of our general powers in order to comply with our corporate purpose.

***Duty of Care and Duty of Loyalty.*** The Mexican Securities Market Law imposes a duty of care and a duty of loyalty on directors. The duty of care requires our directors to act in good faith and in the best interests of the Company. In carrying out this duty, our directors are required to obtain the necessary information from the Chief Executive Officer, the executive officers, the external auditors or any other person to act in the best interests of the Company. Our directors are liable for damages and losses caused to us and our subsidiaries as a result of violating their duty of care.

The duty of loyalty requires our directors to preserve the confidentiality of information received in connection with the performance of their duties and to abstain from discussing or voting on matters in which they have a conflict of interest. In addition,

the duty of loyalty is breached if a stockholder or group of stockholders is knowingly favored or if, without the express approval of the Board of Directors, a director takes advantage of a corporate opportunity. The duty of loyalty is also breached, among other things, by (i) failing to disclose to the Audit and Corporate Practices Committee or the external auditors any irregularities that the director encounters in the performance of his or her duties; or (ii) disclosing information that is false or misleading or omitting to record any transaction in our records that could affect our financial statements. Directors are liable for damages and losses caused to us and our subsidiaries for violations of this duty of loyalty. This liability also extends to damages and losses caused as a result of benefits obtained by the director or directors or third parties, as a result of actions of such directors.

Our directors may be subject to criminal penalties of up to 12 years imprisonment for certain illegal acts involving willful misconduct that result in losses to us. Such acts include the alteration of financial statements and records.

Liability actions for damages and losses resulting from the violation of the duty of care or the duty of loyalty may be exercised solely for our benefit and may be brought by us, or by stockholders representing 5% or more of our capital stock, and criminal actions only may be brought by the Mexican Ministry of Finance, after consulting with the Mexican National Banking and Securities Commission. As a safe harbor for directors, the liabilities specified above (including criminal liability) will not be applicable if the director acting in good faith (i) complied with applicable law, (ii) made the decision based upon information provided by our executive officers or third-party experts, the capacity and credibility of which could not be subject to reasonable doubt, (iii) selected the most adequate alternative in good faith or if the negative effects of such decision could not have been foreseeable, and (iv) complied with stockholders resolutions provided the resolutions do not violate applicable law.

The members of the board are liable to our stockholders only for the loss of net worth suffered as a consequence of disloyal acts carried out in excess of their authority or in violation of our bylaws.

In accordance with the Mexican Securities Market Law, supervision of our management is entrusted to our Board of Directors, which shall act through an Audit and Corporate Practices Committee for such purposes, and to our external auditor. The Audit and Corporate Practices Committee (together with the Board of Directors) replaces the statutory auditor (*comisario*) that previously had been required by the Mexican Companies Law.

***Audit and Corporate Practices Committee.*** The Audit and Corporate Practices Committee is currently composed of three independent members: Francisco José Chévez Robelo, the Chairman, Alberto Montiel Castellanos and José Luís Fernández Fernández. The Chairman of this Committee was confirmed in our latest annual stockholders meeting held on April 29, 2015. The other members were confirmed at our Board of Directors meeting held on April 23, 2015. The Chairman of the Audit and Corporate Practices Committee is appointed at our stockholders meeting, and our Board of Directors appoints the remaining members.

The Audit and Corporate Practices Committee is responsible for, among other things: (i) supervising our external auditors and analyzing their reports, (ii) analyzing and supervising the preparation of our financial statements, (iii) informing the Board of Directors of our internal controls and their adequacy, (iv) requesting reports of our Board of Directors and executive officers whenever it deems appropriate, (v) informing the Board of any irregularities that it may encounter, (vi) receiving and analyzing recommendations and observations made by the stockholders, directors, executive officers, our external auditors or any third party and taking the necessary actions, (vii) calling stockholders meetings, (viii) supervising the activities of our Chief Executive Officer, (ix) providing an annual report to the Board of Directors, (x) providing opinions to our Board of Directors, (xi) requesting and obtaining opinions from independent third parties and (xii) assisting the Board in the preparation of annual reports and other reporting obligations.

The Chairman of the Audit and Corporate Practices Committee shall prepare an annual report to our Board of Directors with respect to the findings of the Audit and Corporate Practices Committee, which shall include, among

other things (i) the status of the internal controls and internal audits and any deviations and deficiencies thereof, taking into consideration the reports of external auditors and independent experts, (ii) the results of any preventive and corrective measures taken based on results of investigations in respect of non-compliance of operating and accounting policies, (iii) the evaluation of external auditors, (iv) the main results from the review of our financial statements and those of our subsidiaries, (v) the description and effects of changes to accounting policies, (vi) the measures adopted as result of observations of stockholders, directors, executive officers and third parties relating to

accounting, internal controls, and internal or external audits, (vii) compliance with stockholders and directors resolutions, (viii) observations with respect to relevant directors and officers, (ix) the transactions entered into with related parties and (x) the remunerations paid to directors and officers.

**Committees of Our Board of Directors.** Our Board of Directors has an Executive Committee. Each member is appointed for a one-year term at each annual general stockholders meeting. Our bylaws provide that the Executive Committee may generally exercise the powers of the Board of Directors, except those expressly reserved for the Board in our bylaws or by applicable law. The Executive Committee currently consists of Emilio Azcárraga Jean, Alfonso de Angoitia Noriega, Bernardo Gómez Martínez, José Antonio Bastón Patiño and Julio Barba Hurtado.

### Executive Officers

The following table sets forth the names of our executive officers, their dates of birth, their current position, their prior business experience and the years in which they were appointed to their current positions:

<b>Name and Date of Birth</b>	<b>Principal Position</b>	<b>Business Experience</b>	<b>First Appointed</b>
Emilio Fernando Azcárraga Jean (02/21/68)	Chairman of the Board, President and Chief Executive Officer and Chairman of the Executive Committee of Grupo Televisa	Member of the Boards of Banco Nacional de México and Univision	March 1997
<i>In alphabetical order:</i>			
Alfonso de Angoitia Noriega (01/17/62)	Executive Vice President, Member of the Executive Office of the Chairman and Member of the Executive Committee of Grupo Televisa	Member of the Board of Univision, Grupo Financiero Banorte, Alternate Member of the Board of Formento Económico Mexico SAB de CV and Former Chief Financial Officer of Grupo Televisa	January 2004
José Antonio Bastón Patiño (04/13/68)	President of Television and Contents and Member of the Executive Committee of Grupo Televisa	Former Corporate Vice President of Television and Vice President of Operations, Member of the Board of Univision and Former General Director of Programming of Grupo Televisa	November 2008
Salvi Rafael Folch Viadero (08/16/67)	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	January 2004

the National Banking and  
Securities Commission

Bernardo Gómez Martínez  
(07/24/67)

Executive Vice President,  
Member of the Executive  
Office of the Chairman and  
Member of the Executive  
Committee of Grupo Televisa

Former Deputy Director of  
the Chairman of Grupo  
Televisa and former  
President of the Mexican  
Chamber of Television and  
Radio Broadcasters

January 2004

### **Compensation of Directors and Officers**

For the year ended December 31, 2014, we paid our directors, alternate directors and officers for services in all capacities aggregate compensation of approximately Ps.648.1 million (U.S.\$43.9 million using the Interbank Rate, as reported by Banamex, as of December 31, 2014). This compensation included certain amounts related to the use of assets and services of the Company, as well as travel expenses reimbursed to directors and officers. See Use of Certain Assets and Services below.

As of December 31, 2014, we have made Ps.149.0 million in contributions to our pension and seniority premium plans on behalf of our directors, alternate directors and officers. Projected benefit obligations as of December 31, 2014 were approximately Ps. 169.1 million.

Certain of our officers are entitled to receive performance bonuses. The amount and rules applicable vary among the different divisions and/or officers. The amounts payable under the performance bonus depend on the results achieved, and include certain qualitative and/or quantitative objectives that can be related to revenues and/or EBITDA, budgets, market share and others.

We have entered into certain Compensation and Retention Agreements with several executive officers. Such agreements have a five year term and were signed in late 2014. The conditions applicable to such contracts were approved by the Board of Directors and include, among other conditions, salary, an annual retention bonus and a performance bonus. In order to be entitled to the performance bonus, certain qualitative and quantitative targets must be met, including parameters related to the growth of revenues and EBITDA. If targets are not met, the amounts to be paid decline, and if targets are exceeded, the bonus can reach up to 120% of the target bonus. The target bonus is set at approximately two times the fixed component established in the relevant agreements.

We have established a deferred compensation plan for certain officers of our Telecommunications Division, which will be payable in the event that certain revenue and EBITDA targets of a five-year plan are met. Such compensation may be payable in 2020 through a combination of cash and/or stock awards granted under the Long Term Retention Plan. In the event that the established targets in the plan are met, the annual cost during the five years of the deferred compensation plan will amount on average to approximately \$25 million dollars.

In addition, we have granted our executive officers and directors rights to purchase CPOs under the Stock Purchase Plan and the Long-Term Retention Plan. See [Stock Purchase Plan and Long-Term Retention Plan](#) below.

### **Use of Certain Assets and Services**

We maintain an overall security program for Mr. Azcárraga, other top executives, their families, in some cases, and for other specific employees and service providers, as permitted under our *Política de Seguridad*, or Security Policy, due to business-related security concerns. We refer to the individuals described above as Key Personnel. Our security program includes the use of our personnel, assets and services to accomplish security objectives.

In accordance with this program, we require, under certain circumstances, that certain authorized Key Personnel use aircrafts, either owned or leased by us, for non-business, as well as business travel for our benefit rather than as a personal benefit. The use of such aircrafts is carried out in accordance with, among others, our *Política de Seguridad* policy, which establishes guidelines under which authorized Key Personnel may use such aircrafts for personal purposes. If the use of such aircrafts for personal purposes exceeds the specified number of hours, the relevant Key Personnel must reimburse us for the cost of operating the aircrafts during the excess time of use. The aggregate amount of compensation set forth in [Compensation of Directors and Officers](#) does include the cost to us of providing this service.

In addition, certain Key Personnel are provided with security systems and equipment for their residences and/or automobiles and with security advice and personal protection services at their residences. The use of these security services is provided in accordance with our *Política de Seguridad* policy. The cost of these systems and services are incurred as a result of business-related concerns and are not considered for their personal benefit. As a result, the Company has not included such cost in [Compensation of Directors and Officers](#).

Further, certain Key Personnel are provided with advisory services, including legal, tax and accounting services, through approved company providers.

### **Stock Purchase Plan and Long-Term Retention Plan**

The stock purchase plan has been implemented in several stages since 1999, through a series of conditional sales to plan participants of CPOs. At our general extraordinary and ordinary stockholders meeting held on April 30, 2002, our stockholders authorized the creation and implementation of a Long-Term Retention Plan, as well as the creation of one or more special purpose trusts to implement the Long-Term Retention Plan. Pursuant to our Long-Term Retention Plan, we have granted eligible participants, who consist of unionized and non-unionized employees, including key personnel ( Plan Participants ), awards as conditional sales, restricted stock, stock options or other similar arrangement. As of October 2010, our stock purchase plan and our Long-Term Retention Plan were consolidated under a single special purpose trust. Pursuant to the resolutions adopted by our stockholders, we have not, and do not intend to, register shares under the Securities Act that are allocated to the Long-Term Retention Plan.

The CPOs, CPO equivalents and underlying shares that are part of the stock purchase plan will be held by the special purpose trust and will be voted with the majority of the CPOs, CPO equivalents and underlying shares are represented at the relevant meeting until these securities are transferred to Plan Participants or otherwise sold in the open market. In accordance with the stock purchase plan, our President and the technical committee of the special purpose trust have broad discretion to make decisions related to the stock purchase plan, including the ability to accelerate vesting terms, to grant, release or transfer CPOs and/or CPO equivalents, subject to conditional sale agreements, to Plan Participants in connection with sales for purposes of making the payment of the related purchase price, and to implement amendments to the stock purchase plan, among others.

The price at which the conditional sales of the CPOs will be made to beneficiaries is based on the lowest of (i) the closing price on March 31 of the year in which the CPOs are awarded, and (ii) the average price of the CPOs during the first three months of the year in which the CPOs are awarded. The resulting price shall be reduced by dividends, a liquidity discount and by the growth of the consolidated or relevant segment Operating Income Before Depreciation and Amortization, or OIBDA, (including OIBDA affected by acquisitions) between the date of award and the vesting date, among others.

At our annual general ordinary stockholders meeting held on April 2, 2013, our stockholders approved that the number of CPOs that may be granted annually under the Long-Term Retention Plan shall be up to 1.5% of the capital of the Company. As of December 31, 2014, approximately 90.3 million CPOs that were transferred to Plan Participants were sold in the open market during 2012, 2013 and 2014. Additional sales will continue to take place during or after 2015.

In April 2007, the Board of Directors, with the input from the Audit and Corporate Practices Committee, reviewed the compensation of our Chief Executive Officer and determined to include our Chief Executive Officer in the Long-Term Retention Plan of the Company as well as in any other plan to be granted by the Company to its employees in the future. See Compensation of Directors and Officers .

Also, as of March 31, 2015, the special purpose trust created to implement the Long-Term Retention Plan owned approximately 222.8 million CPOs or CPO equivalents. This figure is net of approximately 29.1, 27.0 and 24.7 million CPOs or CPO equivalents vested respectively in 2012, 2013 and 2014. Of such 222.8 million CPOs or CPO equivalents approximately 74% are in the form of CPOs and the remaining 26% are in the form of A, B, D and L Shares. As of March 31, 2015, approximately 101.4 million CPOs or CPO equivalents have been reserved and will become vested between 2015 and 2017 at prices ranging from Ps.48.72 to Ps.71.68 per CPO which may be reduced by dividends, a liquidity discount and the growth of the consolidated or relevant segment OIBDA (including OIBDA affected by acquisitions) between the date of award and the vesting date, among others.

### **Share Ownership of Directors and Officers**

Share ownership of our directors, alternate directors and executive officers is set forth in the table under Major Stockholders and Related Party Transactions . Except as set forth in such table, none of our directors, alternate directors or executive officers is currently the beneficial owner of more than 1% of any class of our capital stock or conditional sale agreements or options representing the right to purchase more than 1% of any class of our capital stock.

### **Employees and Labor Relations**

The following table sets forth the number of employees and a breakdown of employees by main category of activity and geographic location as of the end of each year in the three-year period ended December 31, 2013:



	<b>Year Ended December 31,</b>		
	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Total number of employees</b>	28,599	32,047	39,615
<b>Category of activity:</b>			
Employees	28,558	31,975	39,545
Executives	41	72	70
<b>Geographic location:</b>			
Mexico	27,250	30,723	38,443
Latin America (other than Mexico)	1,021	978	850
U.S.	328	346	322

As of December 31, 2012, 2013 and 2014, approximately 42%, 45% and 43% of our employees, respectively, were represented by unions. We believe that our relations with our employees are good. Under Mexican law, the agreements between us and most of our television, radio and cable television union employees are subject to renegotiation on an annual basis in January of each year. We also have union contracts with artists, musicians and other employees, which are also renegotiated on an annual basis.

**Item 7. Major Stockholders and Related Party Transactions**

The following table sets forth information about the beneficial ownership of our capital stock by our directors, alternate directors, executive officers and each person who is known by us to own more than 5% of the currently outstanding A Shares, B Shares, L Shares or D Shares as of March 31, 2015. Except as set forth below, we are not aware of any holder of more than 5% of any class of our Shares.

Identity of Owner	Shares Beneficially Owned(1)(2)								Aggregate Percentage of Outstanding Shares Beneficially Owned
	A Shares		B Shares		D Shares		L Shares		
	Number	Percentage of Class	Number	Percentage of Class	Number	Percentage of Class	Number	Percentage of Class	
Azcárraga Trust(3)	52,991,825,705	43.0%	67,814,604	0.1%	107,886,870	0.1%	107,886,870	0.1%	14.7%
William H. Gates III(5)	5,754,450,375	4.7%	5,063,916,330	8.6%	8,056,230,525	8.9%	8,056,230,525	8.9%	7.4%
BlackRock, Inc.(4)	5,309,900,475	4.3%	4,672,418	7.9%	7,433,860,665	8.3%	7,433,860,665	8.3%	6.9%
First Eagle Investment Management, LLC(6)	4,073,719,625	3.3%	3,584,873,270	6.1%	5,703,207,475	6.3%	5,703,207,475	6.3%	5.3%

- 1) Unless otherwise indicated, the information presented in this section is based on the number of shares authorized, issued and outstanding as of March 31, 2015. The number of shares issued and outstanding for legal purposes as of March 31, 2015 was 64,347,348,050 series A Shares, 56,625,666,284 series B Shares, 90,086,287,270 series D Shares and 90,086,287,270 series L Shares, in the form of CPOs, and an additional 58,926,613,375 series A Shares, 2,357,207,692 series B Shares, 238,595 series D Shares and 238,595 series L Shares not in the form of CPOs. For financial reporting purposes under IFRS only, the number of shares authorized, issued and outstanding as of March 31, 2015 was 60,241,291,275 series A Shares, 53,012,336,322 series B Shares, 84,337,807,785 series D Shares and 84,337,807,785 series L Shares in the form of CPOs, and an additional 54,433,555,766 series A Shares, 186,537 series B Shares, 238,541 series D Shares and 238,541 series L Shares not in the form of CPOs. The number of shares authorized, issued and outstanding for financial reporting purposes under IFRS as of March 31, 2015 does not include 164,242,271 CPOs and an additional 4,493,057,609 series A Shares, 2,357,021,155 series B Shares, 54 series D Shares and 54 series L Shares not in the form of CPOs acquired by the special purpose trust we created to implement our long-term retention plan. See Note 16 to our consolidated year-end financial statements
- (2) Except through the Azcárraga Trust, none of our directors and executive officers currently beneficially owns more than 1% of our outstanding A Shares, B Shares, D Shares or L Shares. See [Directors, Senior Management and Employees Share Ownership of Directors and Officers](#) . This information is based on information provided by directors and executive officers.
- (3) For a description of the Azcárraga Trust, see [The Major Stockholders](#) below.
- (4) Based solely on information included in the report on Schedule 13G by BlackRock, Inc., as of December 31, 2014.
- (5) Based solely on information included in (i) the report on Schedule 13D filed on March 19, 2010 by Cascade Investment, L.L.C. with respect to holdings by Cascade Investment, L.L.C., and (ii) the report on Form 13F filed on December 31, 2014 by the Bill and Melinda Gates Foundation Trust with respect to holdings by the Bill and Melinda Gates Foundation Trust. Includes 3,644,562,500 A Shares, 3,207,215,000 B Shares, 5,102,387,500 D Shares and 5,102,387,500 L Shares beneficially owned by Cascade Investment, L.L.C., over which William H.

Gates III has sole voting and dispositive power, and 2,109,887,875 A Shares, 1,856,701,330 B Shares, 2,953,843,025 D Shares and 2,953,843,025 L Shares beneficially owned by the Bill and Melinda Gates Foundation Trust, over which William H. Gates III and Melinda French Gates have shared voting and dispositive power.

- (6) Based solely on information included in the report on Schedule 13F by First Eagle Investment Management, LLC, as of December 31, 2014.

### **The Major Stockholders**

Until June 17, 2009, approximately 45.6% of the outstanding A Shares, 2.7% of the outstanding B Shares, 2.8% of the outstanding D Shares and 2.8% of the outstanding L Shares of the Company were held through the Stockholder Trust, including shares in the form of CPOs. On June 17, 2009, the Stockholder Trust was terminated and the shares and CPOs which were formerly held through such trust were delivered to the corresponding beneficiaries. The largest beneficiary of the Stockholder Trust was a trust for the benefit of Emilio Azcárraga Jean. Such trust currently holds 43.0% of the outstanding A shares, 0.1% of the outstanding B shares, 0.1% of the outstanding D shares and 0.1% of the outstanding L shares of the Company. As a result, Emilio Azcárraga Jean controlled until June 17, 2009, the voting of the shares held through the Stockholder Trust, and currently controls the vote of such shares through the Azcárraga Trust. The A Shares held through the Azcárraga Trust constitute a majority of the A Shares whose holders are entitled to vote because non-Mexican holders of CPOs and GDSs are not permitted to vote the underlying 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 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.

Pursuant to our bylaws, holders of B shares are entitled to elect five out of 20 members of our Board of Directors.

Because the Azcárraga Trust only holds a limited number of B Shares, there can be no assurance that individuals nominated by the Azcárraga Trust appointees will be elected to our Board.

We believe that as of March 31, 2015, approximately 315.5 GDSs were held of record by 97 persons with U.S. addresses. Those GDSs represent 32% of the outstanding A Shares, 58% of the outstanding B Shares, 61.3% of the outstanding D Shares and 61.3% of the outstanding L Shares of the Company. Before giving effect to the 2004 recapitalization, substantially all of the outstanding A Shares not held through CPOs were owned by Televisión and a special purpose trust created for our Long-Term Retention Plan, as described under Major Stockholders and Related Party Transactions and Directors, Senior Management and Employees Stock Purchase Plan and Long-Term Retention Plan. For more information regarding our 2004 recapitalization, please refer to our Form 6-K filed with the SEC on March 25, 2004.

### **Related Party Transactions**

**Transactions and Arrangements with Univision.** In December 2010, the Company and Univision announced the completion of certain agreements among related parties by which, among other transactions, the Company made an investment in BMP, the parent company of Univision, and the PLA between Televisa and Univision was amended and extended through the later of 2025 or seven and one-half years after the Company has sold two-thirds of its initial investment in BMP, Univision became a related party to the Company as of December 2010 as a result of these transactions. For a description of our arrangements with Univision, see Information on the Company Business Overview Univision.

**Transactions and Arrangements with Iusacell.** Iusacell purchased advertising services from us in connection with the promotion of its products and services in 2014. In January 2015, we concluded the sale of our equity interest in Iusacell to Grupo Salinas for the purchase price of US\$717 million.

**Transactions and Arrangements With Our Directors and Officers.** We own 15% of the equity of Centros de Conocimiento Tecnológico, or CCT, a company that owns and operates technological schools in Mexico and in which Claudio X. González Laporte and Carlos Fernández González, two of our former directors, own a minority interest.

During 2014, we entered into contracts leasing office space directly or indirectly from certain of our directors and officers. These leases have aggregate annual lease payments for 2015 equal to approximately Ps. 24,591,775 million. We believe that the terms of these leases are comparable to terms that we would have entered into with third parties for similar leases.

Certain of our executive officers have in the past, and from time to time in the future may, purchase debt securities issued by us and/or our subsidiaries from third parties in negotiated transactions. Certain of our executive officers and directors participate in our stock purchase plan and Long-Term Retention Plan. See Directors, Senior Management and Employees Stock Purchase Plan and Long-Term Retention Plan.

### **Transactions and Arrangements With Affiliates and Related Parties of Our Directors, Officers and Major Stockholders**

**Consulting Services.** Instituto de Investigaciones Sociales, S.C., a consulting firm which is controlled by Ariana Azcárraga De Surmont, the sister of Emilio Azcárraga Jean, has from time to time during 2014 provided consulting services and research in connection with the effects of our programming, especially telenovelas, on our viewing audience. Instituto de Investigaciones Sociales, S.C. provided us with such services in 2014, and we expect to continue these arrangements through 2015.



**Loans from Banamex.** In 2006, Banamex and Innova entered into a loan agreement with a maturity date of 2016 and in 2010 Banamex and TVI entered into a revolving credit facility which was paid by TVI in March 2011. In March 2011, the Company entered into long-term credit arrangements with Banamex, with maturities between 2018 and 2021. These loans were made on terms substantially similar to those offered by Banamex to third parties. Emilio Azcárraga Jean, our Chief Executive Officer, President and Chairman of the Board, is a member of the Board of Banamex. One of our directors, Roberto Hernández Ramírez, is the Honorary Chairman of the Board of Banamex. Mr. Hernández was also a member of the Board of, and the beneficial owner of less than 1% of the outstanding capital stock of, Citigroup, Inc., the entity that indirectly controls Banamex. For a description of amounts outstanding under, and the terms of, our existing credit facilities with Banamex, see Operating and Financial Review and Prospects Results of Operations Liquidity, Foreign Exchange and Capital Resources Indebtedness .

**Advertising Services.** Several members of our current Board serve as members of the Boards and/or are stockholders of other companies. See Directors, Senior Management and Employees . Some of these companies, including Banamex, BBVA Bancomer, FEMSA, Grupo Nacional Provincial, Heineken and Lala, among others, purchased advertising services from us in connection with the promotion of their respective products and services from time to time in 2014, and we expect that this will continue to be the case in the future. The companies described above pay rates applicable to third party advertisers. Similarly, one of our former directors, Alejandro Quintero Iñiguez, is a stockholder of Grupo TV Promo, S.A. de C.V., or Grupo TV Promo, which is a company that renders services of publicity, promotion and advertisement to third parties. Grupo TV Promo and its subsidiaries act as licensees of the Company for the use and exploitation of certain images and/or trademarks of shows and novelas produced by the Company; and produce promotional campaigns and events for the Company and for some of the Company's clients. Grupo TV Promo has purchased, and we expect it will continue to purchase, advertising services from us, some of which are referred to the aforementioned promotional campaigns. This company pays rates applicable to third party advertisers that purchase advertising services on pay-TV networks and free-to-air television channels, and pays rates applicable to third party advertisers that purchase unsold advertising services, which are lower than rates paid by advertisers purchasing advertising in advance or at regular rates. During 2014, Grupo TV Promo purchased unsold advertising on free-to-air television channels and on pay-TV networks of Televisa for a total of Ps. 300 million and Ps. 29.9 million, respectively.

**Online Lottery Services.** In March 2012, Multijuegos, our online lottery, entered into an agreement with Cadena Comercial Oxxo, S.A. de C.V. and OXXO Express, S.A. de C.V., or OXXO, the principal chain of convenience stores in Mexico, both controlled subsidiaries of Fomento Economico Mexicano, S.A.B., or FEMSA, to sell online lottery tickets through point-of-sale terminals at the OXXO stores. José Antonio Fernández Carbajal, Executive Chairman of the Board of FEMSA, is a member of our Board.

**Legal and Advisory Services.** During 2014, Mijares, Angoitia, Cortés y Fuentes, S.C., a Mexican law firm, provided us with legal and advisory services, and we expect that this will continue to be the case in the future. Ricardo Maldonado Yáñez, a partner from the law firm of Mijares, Angoitia, Cortés y Fuentes, S.C., serves also as Secretary of our Board of Directors and Secretary to the Executive Committee of our Board of Directors. We believe that the fees we paid for these services were comparable to those that we would have paid another law firm for similar services.

In August 2009, we entered into an agreement with Allen & Company to provide the Company with advisory services related to investment opportunities outside of Mexico. In February 2010, we entered into an agreement with Allen & Company to provide the Company with advisory services related to an investment opportunity in the wireless telecommunications segment in Mexico. In 2011 and 2012, we entered into agreements with Allen & Company to provide the Company with advisory services related to an investment in the television segment outside of Mexico. Two of our directors are directors of Allen & Company as well. These agreements were entered into on an arm's length basis. We believe that the amounts paid and to be paid under these agreements to Allen & Company are comparable to those paid to third parties for these types of services.

For further information about our related party transactions, see Note 19 to our consolidated year-end financial statements.

**Item 8. Financial Information**

See Financial Statements and pages F-1 through F-77, which are incorporated in this Item 8 by reference.

**Item 9. The Offer and Listing****Trading History of CPOs and GDSs**

Since December 1993, the GDSs have been traded on the New York Stock Exchange, or NYSE, and the CPOs have been traded on the Mexican Stock Exchange. In September 2007, we removed JPMorgan Chase Bank, N.A. as the depository for the GDSs and appointed The Bank of New York Mellon pursuant to a new deposit agreement.

The table below shows, for the periods indicated, the high and low market prices in nominal Pesos for the CPOs on the Mexican Stock Exchange.

	<b>Nominal Pesos per CPO(1)</b>	
	<b>High</b>	<b>Low</b>
2010	65.09	45.19
2011	65.01	46.61
2012	68.63	50.60
2013	80.07	59.14
First Quarter	73.45	63.99
Second Quarter	67.65	59.14
Third Quarter	74.07	62.24
Fourth Quarter	80.07	72.40
2014	104.73	74.24
First Quarter	87.07	74.24
Second Quarter	91.15	84.32
Third Quarter	98.44	88.76
Fourth Quarter	104.73	89.18
October	97.32	89.18
November	102.35	95.04
December	104.73	94.09
2015 (through April 27, 2015)	112.71	93.86
First Quarter	106.93	93.86
January	100.02	93.86
February	104.71	98.02
March	106.93	99.98
Second Quarter (through April 27, 2015)	112.71	103.77
April (through April 27, 2015)	112.71	103.77

(1) Source: Mexican Stock Exchange.



The table below shows, for the periods indicated, the high and low market prices in U.S. Dollars for the GDSs on the NYSE, giving effect to the March 22, 2006 1:4 GDS ratio change in all cases.

	U.S. Dollars per GDS(1)	
	High	Low
2010	26.51	17.41
2011	26.50	17.70
2012	26.77	18.75
2013	30.68	22.31
First Quarter	29.18	25.70
Second Quarter	28.03	22.31
Third Quarter	29.16	23.98
Fourth Quarter	30.68	27.39
2014	37.35	27.84
First Quarter	33.29	27.84
Second Quarter	34.95	32.11
Third Quarter	37.32	33.64
Fourth Quarter	37.35	31.88
October	36.14	32.84
November	37.35	34.99
December	36.61	31.88
2015 (through April 27, 2015)	36.70	32.00
First Quarter	35.06	32.00
January	34.17	32.00
February	35.06	32.93
March	34.74	33.01
Second Quarter (through April 27, 2015)	36.70	34.19
April (through April 27, 2015)	36.70	34.19

(1) Source: NYSE.

Trading prices of the CPOs and the GDSs will be influenced by our results of operations, financial condition, cash requirements, future prospects and by economic, financial and other factors and market conditions. See Key Information Risk Factors Risk Factors Related to Mexico Economic and Political Developments in Mexico May Adversely Affect Our Business . There can be no assurance that prices of the CPOs and the GDSs will, in future, be within the ranges set forth above. We believe that as of March 31, 2015, approximately 315.5 million of GDSs were held of record by 97 persons with U.S. addresses.

### Trading on the Mexican Stock Exchange

#### Overview

The Mexican Stock Exchange, located in Mexico City, is the only stock exchange in Mexico. Operating continuously since 1907, the Mexican Stock Exchange is organized as a *sociedad anónima bursátil de capital variable*, or publicly-traded corporation with variable capital. Securities trading on the Mexican Stock Exchange occurs from 8:30 a.m. to 3:00 p.m., Mexico City time, each business day. Since January 1999, all trading on the Mexican Stock Exchange has been effected electronically. The Mexican Stock Exchange may impose a number of measures to promote an orderly and transparent trading price of securities, including the operation of a system of automatic

suspension of trading in shares of a particular issuer when price fluctuation exceeds certain limits. The Mexican Stock Exchange may also suspend trading in shares of a particular issuer as a result of the disclosure of a material event, or when the changes in the volume traded or share price are not consistent with either the historic performance or information publicly available. The Mexican Stock Exchange may resume trading in the shares when it deems that the material events have been adequately disclosed to public investors or when it deems that the issuer has adequately explained the reasons for the changes in the volume traded or prevailing share price. Under current regulations, in certain cases when the relevant securities are simultaneously traded on a stock exchange outside of Mexico, the Mexican Stock Exchange may consider the measures adopted by the other stock exchange in order to suspend and/or resume trading in the issuer's shares.

Settlement is effected two business days after a share transaction on the Mexican Stock Exchange. Deferred settlement, even by mutual agreement, is not permitted without the approval of the CNBV. Most securities traded on the Mexican Stock Exchange, including the CPOs, are on deposit with S.D. Indeval, Institución para el Depósito de Valores, S.A. de C.V., or Indeval, a privately owned securities depository that acts as a clearinghouse, depository and custodian, as well as a settlement, transfer and registration agent for Mexican Stock Exchange transactions, eliminating the need for physical transfer of securities.

Although the Mexican Securities Market Law provides for the existence of an over-the-counter market, no such market for securities in Mexico has been developed.

### **Market Regulation and Registration Standards**

In 1946, the *Comisión Nacional de Valores*, or the National Securities Commission, commonly known as the CNV, was established to regulate stock market activity. In 1995, the CNV and the *Comisión Nacional Bancaria*, or the National Banking Commission, were merged to form the CNBV. The Mexican Securities Market Law, which took effect in 1975, introduced important structural changes to the Mexican financial system, including the organization of brokerage firms as corporations with variable capital, or *sociedades anónimas de capital variable*. The Mexican Securities Market Law sets standards for authorizing companies to operate as brokerage firms, which authorization is granted at the discretion of the CNBV. In addition to setting standards for brokerage firms, the Mexican Securities Market Law empowers the CNBV, among other things, to regulate the public offering and trading of securities and to impose sanctions for the illegal use of insider information. The CNBV regulates the Mexican securities market, the Mexican Stock Exchange and brokerage firms through a board of governors composed of thirteen members, five of which are appointed by the Ministry of Finance.

In June 2001, the Mexican Securities Market Law required issuers to increase the protections offered to minority stockholders and to impose corporate governance controls on Mexican listed companies in line with international standards. The Mexican Securities Market Law then in effect expressly permitted Mexican listed companies, with prior authorization from the CNBV, to include in their bylaws anti-takeover defenses such as stockholder rights plans, or poison pills. We amended our bylaws to include certain of these protections at our general extraordinary stockholders meeting, which was held on April 30, 2002. See [Additional Information Bylaws Other Provisions Appraisal Rights and Other Minority Protections](#) and [Additional Information Bylaws Antitakeover Protections](#).

To offer securities to the public in Mexico, an issuer must meet specific qualitative and quantitative requirements, and generally only securities for which an application for registration in the National Registry of Securities, or NRS, maintained by the CNBV has been approved by the CNBV may be listed on the Mexican Stock Exchange. This approval does not imply any kind of certification or assurance related to the merits or the quality of the securities or the solvency of the issuer.

In March 2003, the CNBV issued general rules, or General CNBV Rules, applicable to issuers and other securities market participants. The General CNBV Rules, which repealed several previously enacted *circulares*, or rules, of the CNBV, now provide a single set of rules governing issuers and issuer activity, among other things.

The General CNBV Rules have mandated that the Mexican Stock Exchange adopt minimum requirements for issuers to be registered with the CNBV and have their securities listed on the Mexican Stock Exchange. To be registered, issuers will be required to have, among other things:

a minimum number of years of operating history;

a minimum financial condition;

a minimum number of shares or CPOs to be publicly offered to public investors;

a minimum price for the securities to be offered;

a minimum of 15% of the capital stock placed among public investors;

a minimum of 200 holders of shares or of shares represented by CPOs, who are deemed to be public investors under the General CNBV Rules, upon the completion of the offering;

the following distribution of the securities offered pursuant to an offering in Mexico: (i) at least 50% of the total number of securities offered must be placed among investors who acquire less than 5% of the total number of securities offered; and (ii) no investor may acquire more than 40% of the total number of securities offered; and

complied with certain corporate governance requirements.

To maintain its registration, an issuer will be required to have, among other things:

a minimum of 12% of the capital stock held by public investors;

a minimum of 100 holders of shares or of shares represented by CPOs who are deemed to be public investors under the General CNBV Rules; and

complied with certain corporate governance requirements.

The CNBV has the authority to waive some of these requirements in some circumstances. Also, some of these requirements are applicable for each series of shares of the relevant issuer.

The Mexican Stock Exchange reviews annually compliance with the foregoing and other requirements, some of which may be further reviewed on a quarterly or semi-annual basis. The Mexican Stock Exchange must inform the CNBV of the results of its review and this information must, in turn, be disclosed to investors. If an issuer fails to comply with any of the foregoing requirements, the Mexican Stock Exchange will request that the issuer propose a plan to cure the violation. If the issuer fails to propose such plan, if the plan is not satisfactory to the Mexican Stock Exchange or if the issuer does not make substantial progress with respect to the corrective measures, trading of the relevant series of shares on the Mexican Stock Exchange will be temporarily suspended until the situation is corrected. In addition, if the issuer fails to propose the plan or ceases to follow such plan once proposed, the CNBV may suspend or cancel the registration of the shares. In such event, the issuer must evidence the mechanisms to protect the rights of public investors and market in general.

Issuers of listed securities are required to file unaudited quarterly financial statements and audited annual financial statements as well as various periodic reports with the CNBV and the Mexican Stock Exchange. Issuers of listed securities must prepare and disclose their financial information by a Mexican Stock Exchange-approved system known as EMISNET and to the CNBV through the *Sistema de Transferencia de Información sobre Valores*, or STIV-2. Immediately upon its receipt, the Mexican Stock Exchange makes that information available to the public.

The General CNBV Rules and the internal regulations of the Mexican Stock Exchange require issuers of listed securities to file through EMISNET and STIV-2 information on the occurrence of material events affecting the relevant issuer. Material events include, but are not limited to:

the entering into or termination of joint venture agreements or agreements with key suppliers;

the creation of new lines of businesses or services;

significant deviations in expected or projected operating performance;

the restructuring or payment of significant indebtedness;

material litigation or labor conflicts;

changes in dividend policy;

the commencement of any insolvency, suspension or bankruptcy proceedings;

changes in the directors; and

any other event that may have a material adverse effect on the results, financial condition or operations of the relevant issuer.

If there is unusual price volatility of the securities listed, the issuer would be obliged to immediately inform the CNBV and the Mexican Stock Exchange of the causes of such volatility or, if the issuer is unaware of such causes, make a statement to that effect, in order for the Mexican Stock Exchange to immediately convey that information to the public. In addition, the Mexican Stock Exchange must immediately request that issuers disclose any information relating to relevant material events, when it deems the information currently disclosed to be insufficient, as well as instruct issuers to clarify such information when it deems the information to be confusing. The Mexican Stock Exchange may request issuers to confirm or deny any material events that have been disclosed to the public by third parties when it deems that the material event may affect or influence the securities being traded. The Mexican Stock Exchange must immediately inform the CNBV of any requests made to issuers. The CNBV may also make any of these requests directly to issuers. An issuer may delay the disclosure of material events under some circumstances, including where the information being offered is not related to transactions that have been completed.

The CNBV and the Mexican Stock Exchange may suspend the dealing in securities of an issuer:

if the issuer does not adequately disclose a material event; or

upon price or volume volatility or changes in the offer or demand in respect of the relevant securities, which are not consistent with the historic performance of the securities and could not be explained solely by the information made publicly available under the General CNBV Rules.

The Mexican Stock Exchange must immediately inform the CNBV and the general public of any such suspension. An issuer may request that the CNBV or the Mexican Stock Exchange resume trading, provided it demonstrates that the causes triggering the suspension have been resolved and that it is in full compliance with the periodic reporting requirements under the applicable law. If its request has been granted, the Mexican Stock Exchange will determine the appropriate mechanism to resume trading in its securities. If trading of an issuer is suspended for more than 20 business days and the issuer is authorized to resume trading without conducting a public offering, the issuer must disclose through EMISNET and STIV-2, before trading resumes, a description of the causes that resulted in the suspension and reasons why it is now authorized to resume trading.

Likewise, if the securities of an issuer are traded on both the Mexican Stock Exchange and a foreign securities market, that issuer must file with the CNBV and the Mexican Stock Exchange on a simultaneous basis the information that it is required to file pursuant to the laws and regulations of the relevant other jurisdiction.

Pursuant to the Mexican Securities Market Law, stockholders of issuers listed on the Mexican Stock Exchange must disclose any transactions through or outside of the Mexican Stock Exchange that result in exceeding 10% ownership stake of an issuer's capital stock. These stockholders must also inform the CNBV of the results of these transactions the day after their completion. See Additional Information Mexican Securities Market Law .

Additionally, related parties of an issuer who increase or decrease their ownership stake, in one or more transactions, by 5% or more, shall disclose such transactions. The Mexican Securities Market Law also requires stockholders holding 10% or more of the capital stock of companies listed in the registry to notify the CNBV of any ownership changes in shares of the company. Moreover, recent amendments to the CNBV regulations for issuers, require issuers to disclose to the CNBV on an annual basis on or before June 30 of each year: (i) the name and ownership percentage of any Board members and relevant officers that maintain 1% or more of the capital stock of an issuer, (ii) the names and ownership percentage of any other individual or entity that maintains 5% or more of the capital stock of an issuer (regardless of whether such stockholder is an officer or director) and (iii) the names and ownership percentage of the 10 (ten) stockholders with the largest direct ownership stake in an issuer (regardless of the ownership percentage or whether such stockholder is an officer, director, related party or private investor with no relationship to the issuer). Based on the foregoing, Mexican Securities Regulations require that (i) Board members and relevant officers that maintain 1% or more of the capital stock of an issuer and (ii) any other individual or entity that maintains 5% or more of the capital stock of an entity, provide this information to the relevant issuer on or before May 15 of each year.

## **Item 10. Additional Information**

### **Mexican Securities Market Law**

On April 25, 2002, the CNBV issued general rules to regulate public tender offers and the obligation to disclose share acquisitions above certain thresholds, as well as share acquisitions of the capital stock of public companies by related parties. Subject to certain exceptions, any acquisition of shares of a public company which increases the acquiror's

ownership to 10% or more, but not more than 30%, of the company's outstanding capital stock must be disclosed to the CNBV and the Mexican Stock Exchange by no later than the day following the acquisition. Any acquisition of shares by a related party that increases such party's ownership interest in a public company by 5% or more of the company's outstanding capital stock must also be disclosed to the CNBV and the Mexican



Stock Exchange by no later than the day following the acquisition. In addition, any intended acquisition of shares of a public company which increases the potential acquiror's ownership to 30% or more, but not more than 50%, of the company's voting shares requires the potential acquiror to make a tender offer for the greater of (i) the percentage of the capital stock intended to be acquired or (ii) 10% of the outstanding capital stock. Finally, any intended acquisition of shares of a public company which increases the potential acquiror's ownership to more than 50% of the company's voting shares requires the potential acquiror to make a tender offer for 100% of the outstanding capital stock. Bylaw provisions regarding mandatory tender offers in the case of these acquisitions may differ from the requirements summarized above, provided that they are more protective to minority stockholders than those afforded by law. See Bylaws - Antitakeover Protections .

On December 30, 2005, a new Mexican Securities Market Law was enacted and published in the Official Gazette of the Federation. The new Securities Market Law became effective on June 28, 2006 and in some cases allowed an additional period of 180 days (late December 2006) for issuers to incorporate in their bylaws the new corporate governance and other requirements derived from the new law. The new Mexican Securities Market Law changed the Mexican securities laws in various material respects. In particular the new law (i) clarifies the rules for tender offers, dividing them in voluntary and mandatory, (ii) clarifies standards for disclosure of holdings applicable to stockholders of public companies, (iii) expands and strengthens the role of the board of directors of public companies, (iv) determines with precision the standards applicable to the board of directors and the duties of the board, each director, its secretary, the general director and executive officers (introducing concepts such as the duty of care, duty of loyalty and safe harbors), (v) replaces the statutory auditor (comisario) and its duties with the audit committee, the corporate practices committee and the external auditors, (vi) clearly defines the role of the general director and executive officers and their responsibilities, (vii) improves rights of minorities, and (viii) improves the definition of applicable sanctions for violations to the Mexican Securities Market Law, including the payment of punitive damages and criminal penalties.

The new Mexican Securities Market Law does not substantially modify the reporting obligations of issuers of equity securities listed in the Mexican Stock Exchange. The new Mexican Securities Market Law reinforces insider trading restrictions and specifically includes, within such restrictions, trading in options and derivatives the underlying security of which is issued by such entity. Among other changes, the new Mexican Securities Market Law provides for a course of action available to anyone who traded (as a counterparty) with someone in possession of privileged information to seek the appropriate indemnification.

Pursuant to the new Mexican Securities Market Law:

members of a listed issuer's board of directors,

stockholders controlling 10% or more of a listed issuer's outstanding share capital,

advisors,

groups controlling 25% or more of a listed issuer's outstanding share capital, and

other insiders

must inform the CNBV of any transactions undertaken with securities of a listed issuer.

In addition, under the new Mexican Securities Market Law insiders must abstain from purchasing or selling securities of the issuer within 90 days from the last sale or purchase, respectively.

The new Mexican Securities Market Law has, in some respects, modified the rules governing tender offers conducted in Mexico. Under the new law, tender offers may be voluntary or mandatory. All tender offers must be open for at least 20 business days and purchases thereunder are required to be made pro-rata to all tendering stockholders. Any intended purchase resulting in a 30% or greater holding requires the tender to be made for the greater of 10% of the company's capital stock or the share capital intended to be acquired; if the purchase is aimed at obtaining control, the tender must be made for 100% of the outstanding shares. In calculating the intended purchase amount, convertible securities, warrants and derivatives the underlying security of which are such shares must be considered. The new law also permits the payment of certain amounts to controlling stockholders over and above the offering price if these amounts are fully disclosed, approved by the board of directors and paid in connection with non-compete or similar obligations. The new law also introduces exceptions to the mandatory tender offer requirements and specifically provides for the consequences, to

a purchaser, of not complying with these tender offer rules (lack of voting rights, possible annulment of purchases, etc.) and other rights available to prior stockholders of the issuer.

The new Mexican Securities Market Law ratifies that public companies may insert provisions in their bylaws pursuant to which the acquisition of control of the company, by the company's stockholders or third parties, may be prevented, if such provisions (i) are approved by stockholders without the negative vote of stockholders representing 5% or more of the outstanding shares, (ii) do not exclude any stockholder or group of stockholders, and (iii) do not restrict, in an absolute manner, the change of control.

### **Bylaws**

Set forth below is a brief summary of some significant provisions of our bylaws and Mexican law. This description does not purport to be complete, and is qualified by reference in its entirety to our bylaws, which have been filed as an exhibit to this annual report, and Mexican law. For a description of the provisions of our bylaws relating to our Board of Directors, Executive Committee, and Audit and Corporate Practices Committee, see Directors, Senior Management and Employees .

### **Organization and Register**

Televisa is a *sociedad anónima bursátil*, or limited liability stock corporation, organized under the laws of Mexico in accordance with the Mexican Companies Law. Televisa was incorporated under Public Deed Number 30,200, dated December 19, 1990, granted before Notary Public Number 73 of Mexico City, D.F., and registered with the Public Registry of Commerce of Mexico City, under Commercial Page (*folio mercantil*) Number 142,164. We have a general corporate purpose, the specifics of which can be found in Article Four of our bylaws.

Our stock registry is maintained by Indeval, and in accordance with Mexican law, we only recognize those holders listed in our stock registry as our stockholders. Our stockholders may hold their share in the form of physical certificates or through book-entries with institutions that have accounts with Indeval. The CPO Trustee is the holder of record for Shares represented by CPOs. Accounts may be maintained at Indeval by brokers, banks and other entities approved by the CNBV.

### **Voting Rights and Stockholders Meetings**

*Holders of A Shares.* Holders of A Shares have the right to vote on all matters subject to stockholder approval at any general stockholders' meeting and have the right, voting as a class, to appoint eleven members of our Board of Directors and the corresponding alternate directors. In addition to requiring approval by a majority of all Shares entitled to vote together on a particular corporate matter, certain corporate matters must be approved by a majority of the holders of A Shares voting separately. These matters include mergers, dividend payments, spin-offs, changes in corporate purpose, changes of nationality and amendments to the anti-takeover provisions of our bylaws.

*Holders of B Shares.* Holders of B Shares have the right to vote on all matters subject to stockholder approval at any general stockholders' meeting and have the right, voting as a class, to appoint five members of our Board of Directors and the corresponding alternate directors. The five directors and corresponding alternate directors elected by the holders of the B Shares will be elected at a stockholders' meeting that must be held within the first four months after the end of each year.

*Holders of D Shares and L Shares.* Holders of D Shares, voting as a class, are entitled to vote at special meetings to elect two of the members of our Board of Directors and the corresponding alternate directors, each of which must be an independent director. In addition, holders of D Shares are entitled to vote on the following matters at extraordinary general meetings:

our transformation from one type of company to another;

any merger (even if we are the surviving entity);

extension of our existence beyond our prescribed duration;

our dissolution before our prescribed duration (which is currently 99 years from January 30, 2007);

a change in our corporate purpose;

a change in our nationality; and

the cancellation from registration of the D Shares or the securities which represent the D Shares with the securities or special section of the NRS and with any other Mexican or foreign stock exchange in which such shares or securities are registered.

Holders of L Shares, voting as a class, are entitled to vote at special meetings to elect two of the members of our Board of Directors and the corresponding alternate directors, each of which must be an independent director. Holders of L Shares are also entitled to vote at extraordinary general meetings on the following matters:

our transformation from one type of company to another;

any merger in which we are not the surviving entity; and

the cancellation from registration of the L Shares or the securities that represent the L Shares with the special section of the NRS.

The two directors and corresponding alternate directors elected by each of the holders of the D Shares and the L Shares are elected annually at a special meeting of those holders. Special meetings of holders of D Shares and L Shares must also be held to approve the cancellation from registration of the D Shares or L Shares or the securities representing any of such shares with the NRS, as the case may be, and in the case of D Shares, with any other Mexican or foreign stock exchange in which such shares or securities are registered. All other matters on which holders of L Shares or D Shares are entitled to vote must be considered at an extraordinary general meeting. Holders of L Shares and D Shares are not entitled to attend or to address meetings of stockholders at which they are not entitled to vote. Under Mexican law, holders of L Shares and D Shares are entitled to exercise certain minority protections. See Other Provisions Appraisal Rights and Other Minority Protections .

*Other Rights of Stockholders.* Under Mexican law, holders of shares of any series are also entitled to vote as a class in a special meeting governed by the same rules that apply to extraordinary general meetings, as described below, on any action that would prejudice the rights of holders of shares of such series, but not rights of holders of shares of other series, and a holder of shares of such series would be entitled to judicial relief against any such action taken without such a vote. Generally, the determination of whether a particular stockholder action requires a class vote on these grounds could initially be made by the Board of Directors or other party calling for stockholder action. In some cases, under the Mexican Securities Market Law and the Mexican Companies Law, the Board of Directors, the Audit Committee, the Corporate Practices Committee, or a Mexican court on behalf of those stockholders representing 10% of our capital stock could call a special meeting. A negative determination would be subject to judicial challenge by an affected stockholder, and the necessity for a class vote would ultimately be determined by a court. There are no other procedures for determining whether a particular proposed stockholder action requires a class vote, and Mexican law does not provide extensive guidance on the criteria to be applied in making such a determination.

General stockholders meetings may be ordinary general meetings or extraordinary general meetings. Extraordinary general meetings are those called to consider specific matters specified in Article 182 of the Mexican Companies Law and our bylaws, including, among others, amendments to our bylaws, our dissolution, liquidation or split-up, our merger and transformation from one form of company to another, increases and reductions in our capital stock, the approval of certain acquisitions of shares, including a change of control, as set forth in the antitakeover provisions in our bylaws and any action for civil liabilities against the members of our Board of Directors, its Secretary, or members of our Audit and Corporate Practices Committee. In addition, our bylaws require an extraordinary general meeting to

consider the cancellation of registration of the D Shares or L Shares or the securities representing these Shares with the NRS, as the case may be, and in the case of D Shares, with any other Mexican or foreign stock exchange in which such Shares or securities are registered. General meetings called to consider all other matters are ordinary meetings which are held at least once each year within four months following the end of each fiscal year. Stockholders may be represented at any stockholders meeting by completing a form of proxy provided by us, which proxy is available within fifteen days prior to such meeting, and designating a representative to vote on their behalf. The form of proxy must comply with certain content requirements as set forth in the Mexican Securities Market Law and in our bylaws.

*Holders of CPOs.* Holders of CPOs who are Mexican nationals or Mexican corporations whose bylaws exclude foreign ownership of their shares are entitled to exercise voting rights with respect to the A Shares, B Shares, D Shares and L Shares

underlying their CPOs. The CPO Trustee will vote such shares as directed by Mexican holders of CPOs, which must provide evidence of Mexican nationality. Non-Mexican holders of CPOs may only vote the L Shares held in the CPO Trust and are not entitled to exercise any voting rights with respect to the A Shares, B Shares and D Shares held in the CPO Trust. Voting rights in respect of these A Shares, B Shares and D Shares may only be exercised by the CPO Trustee. A Shares, B Shares and D Shares underlying the CPOs of non-Mexican holders or holders that do not give timely instructions as to voting of such Shares, (a) will be voted at special meetings of A Shares, B Shares or D Shares, as the case may be, as instructed by the CPO Trust's Technical Committee (which consists of members of the Board of Directors and/or Executive Committee, who must be Mexican nationals), and (b) will be voted at any general meeting where such series has the right to vote in the same manner as the majority of the outstanding A Shares held by Mexican nationals or Mexican corporations (directly, or through the CPO Trust, as the case may be) are voted at the relevant meeting. L Shares underlying the CPOs of any holders that do not give timely instructions as to the voting of such Shares will be voted, at special meetings of L Shares and at general extraordinary meetings where L Shares have voting rights, as instructed by the Technical Committee of the CPO Trust. The CPO Trustee must receive voting instructions five business days prior to the stockholders' meeting. Holders of CPOs that are Mexican nationals or Mexican corporations whose bylaws exclude foreign ownership of their Shares also must provide evidence of nationality, such as a copy of a valid Mexican passport or birth certificate, for individuals, or a copy of the bylaws, for corporations.

As described in *Major Stockholders and Related Party Transactions*, A Shares held through the Azcárraga Trust constitute a majority of the A Shares whose holders are entitled to vote them, because non-Mexican holders of CPOs and GDSs are not permitted to vote the underlying A Shares. Accordingly, the vote of A Shares held through the Azcárraga Trust generally will determine how the A Shares underlying our CPOs are voted.

*Holder of GDRs.* Global Depositary Receipts, or GDRs, evidencing GDSs are issued by The Bank of New York Mellon, the Depositary, pursuant to the Deposit Agreement we entered into with the Depositary and all holders from time to time of GDSs. Each GDR evidences a specified number of GDSs. A GDR may represent any number of GDSs. Only persons in whose names GDRs are registered on the books of the Depositary will be treated by us and the Depositary as owners and holders of GDRs. Each GDS represents the right to receive five CPOs which will be credited to the account of Banco Inbursa, S.A., the Custodian, maintained with Indeval for such purpose. Each CPO represents financial interests in, and limited voting rights with respect to, 25 A Shares, 22 B Shares, 35 L Shares and 35 D Shares held pursuant to the CPO Trust.

The Depositary will mail information on stockholders' meetings to all holders of GDRs. At least six business days prior to the relevant stockholders' meeting, GDR holders may instruct the Depositary as to the exercise of the voting rights, if any, pertaining to the CPOs represented by their GDSs, and the underlying Shares. Since the CPO Trustee must also receive voting instructions five business days prior to the stockholders' meeting, the Depositary may be unable to vote the CPOs and underlying Shares in accordance with any written instructions. Holders that are Mexican nationals or Mexican corporations whose bylaws exclude foreign ownership of their Shares are entitled to exercise voting rights with respect to the A Shares, B Shares, D Shares and L Shares underlying the CPOs represented by their GDSs. Such Mexican holders also must provide evidence of nationality, such as a copy of a valid Mexican passport or birth certificate, for individuals, or a copy of the bylaws, for corporations.

Non-Mexican holders may exercise voting rights only with respect to L Shares underlying the CPOs represented by their GDSs. They may not direct the CPO Trustee as to how to vote the A Shares, B Shares or D Shares represented by CPOs or attend stockholders' meetings. Under the terms of the CPO Trust Agreement, the CPO Trustee will vote the A Shares, B Shares, D Shares and L Shares represented by CPOs held by non-Mexican holders (including holders of GDRs) as described under *Holder of CPOs*. If the Depositary does not timely receive instructions from a Mexican or Non-Mexican holder of GDRs as to the exercise of voting rights relating to the A Shares, B Shares, D Shares or L Shares underlying the CPOs, as the case may be, in the relevant stockholders' meeting then, if requested in writing by us, the Depositary will give a discretionary proxy to a person designated by us to vote the Shares. If no such written

request is made by us, the Depositary 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 stockholders meeting and, as a result, the underlying shares will be voted in the same manner described under Holders of CPOs with respect to shares for which timely instructions as to voting are not given.



If the Depositary does not timely receive instructions from a Mexican or non-Mexican holder of GDRs as to the exercise of voting rights relating to the underlying CPOs in the relevant CPO holders' meeting, the Depositary 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 Depositary 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.

Under the terms of the CPO Trust, beginning in December 2008, 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 those Shares and deliver to the holder any proceeds derived from the sale.

*Limitation on Appointment of Directors.* Our bylaws prohibit the appointment of individuals to our Board of Directors: who (i) are members of the board of directors or other management boards of a company (other than the Company or its subsidiaries) that has one or more concessions to operate telecommunication networks in Mexico; or (ii) directly or indirectly, are shareholders or partners of companies (other than the Company or its subsidiaries), that have one or more concessions to operate telecommunication networks in Mexico, with the exception of ownership stakes that do not allow such individuals to appoint one or more members of the management board or any other operation or decision making board.

### **Dividend Rights**

At our annual ordinary general stockholders' meeting, our Board of Directors is required to submit our financial statements from the previous fiscal year to the holders of our A Shares and B Shares. Once our stockholders approve these financial statements, they must then allocate our net profits for the previous fiscal year. Under Mexican law, at least 5% of our net profits must be allocated to a legal reserve, until the amount of this reserve equals 20% of our paid-in capital stock. Thereafter, our stockholders may allocate our net profits to any special reserve, including a reserve for share repurchases. After this allocation, the remainder of our net profits will be available for distribution as dividends. The vote of the majority of the A Shares and B Shares is necessary to approve dividend payments. As described below, in the event that dividends are declared, holders of D Shares will have preferential rights to dividends as compared to holders of A Shares, B Shares and L Shares. Holders of A Shares, B Shares and L Shares have the same financial or economic rights, including the participation in any of our profits.

### **Preferential Rights of D Shares**

Holders of D Shares are entitled to receive a preferred annual dividend in the amount of Ps.0.00034412306528 per D Share before any dividends are payable in respect of A Shares, B Shares and L Shares. If we pay any dividends in addition to the D Share fixed preferred dividend, then such dividends shall be allocated as follows:

first, to the payment of dividends with respect to the A Shares, the B Shares and the L Shares, in an equal amount per share, up to the amount of the D Share fixed preferred dividend; and

second, to the payment of dividends with respect to the A Shares, B Shares, D Shares and L Shares, such that the dividend per share is equal.

Upon any dissolution or liquidation of our company, holders of D Shares are entitled to a liquidation preference equal to:

accrued but unpaid dividends in respect of their D Shares; plus

the theoretical value of their D Shares as set forth in our bylaws. See [Other Provisions](#) [Dissolution or Liquidation](#) .

### **Limitation on Capital Increases**

Our bylaws provide that, in the event shares of a given series are issued as a result of a capital increase (in respect of a cash capital contribution), each holder of shares of that series will have a preferential right to subscribe to new shares of that series, in proportion to the number of such holder's existing Shares of that series. In addition, primary issuances of A Shares, B Shares, D Shares and L Shares in the form of CPOs may be limited under the Mexican Securities Market Law. As a result of grandfathering provisions, our existing CPO structure will not be affected by the amendments to the law. However, in the case of primary issuances

of additional A Shares, B Shares, L Shares and D Shares in the form of CPOs, any new L Shares and D Shares may be required to be converted into A Shares or other voting stock within a term specified by the CNBV, which in no event shall exceed five years. Moreover, under the Mexican Securities Market Law, the aggregate amount of shares of an issuer with limited or non-voting rights may not exceed 25% of the total shares held by public investors. The vote of the holders of a majority of the A Shares is necessary to approve capital increases.

### **Preemptive Rights**

In the event of a capital increase, a holder of existing shares of a given series has a preferential right to subscribe to a sufficient number of shares of the same series in order to maintain the holder's existing proportionate holdings of shares of that series. Stockholders must exercise their preemptive rights within the time period fixed by our stockholders at the meeting approving the issuance of additional shares. This period must continue for at least fifteen days following the publication of notice of the issuance in the Official Gazette of the Federation and in a newspaper of general circulation in Mexico City. Under Mexican law, stockholders cannot waive their preemptive rights in advance or be represented by an instrument that is negotiable separately from the corresponding share.

U.S. holders of GDSs may exercise preemptive rights only if we register any newly issued shares under the Securities Act, as amended, or qualify for an exemption from registration. We intend to evaluate at the time of any offering of preemptive rights the costs and potential liabilities associated with registering additional shares. In addition, if our stockholders' meeting approves the issuance of shares of a particular series, holders of shares of other series may be offered shares of that particular series.

### **Limitations on Share Ownership**

Through our bylaws and the trust governing the CPOs, we have limited the ownership of our A Shares and B Shares to Mexican individuals, Mexican companies the charters of which contain a foreign exclusion clause, credit institutions acting as trustees (such as the CPO Trustee) in accordance with the Foreign Investment Law and the Foreign Investment Law Regulations, and trusts or stock purchase, investment and retirement plans for Mexican employees. A holder that acquires A Shares or B Shares in violation of the restrictions in our bylaws regarding non-Mexican ownership will have none of the rights of a stockholder with respect to those A Shares or B Shares. The D Shares are subject to the same restrictions on ownership as the A Shares and B Shares. However, the foregoing limitations do not affect the ability of non-Mexican investors to hold A Shares, B Shares, D Shares and L Shares through CPOs, or L Shares directly. The sum of the total outstanding number of A Shares and B Shares is required to exceed at all times the sum of the total outstanding L Shares and D Shares.

Non-Mexican states and governments are prohibited under our bylaws and the LFTR from owning Shares of Televisa and are, therefore, prohibited from being the beneficial or record owners of A Shares, B Shares, D Shares, L Shares, CPOs and GDSs. We have been advised by our Mexican counsel, Mijares, Angoitia, Cortés y Fuentes, S.C., that ownership of A Shares, B Shares, D Shares, L Shares, CPOs and GDSs by pension or retirement funds organized for the benefit of employees of non-Mexican state, municipal or other governmental agencies will not be considered as ownership by non-Mexican states or governments for the purpose of our bylaws or the LFTR.

The LFTR eliminated the restrictions on foreign investment in telecommunications services and satellite communication and increased the maximum permitted foreign-ownership in broadcasting (television and radio) to 49%.

We may restrict transfers or, to the extent permitted under applicable law, cause the mandatory sale or disposition of CPOs and GDRs where such transfer or ownership, as the case may be, might result in ownership of CPOs or GDRs exceeding the limits under applicable law or our bylaws, the CPO Trust Agreement or the CPO indenture.

Non-Mexican states and governments are prohibited under our bylaws and the LFTR from owning our Shares and are,

therefore, prohibited from being beneficial or record owners of GDRs.

## Other Provisions

*Forfeiture of Shares.* As required by Mexican law, our bylaws provide that for L Shares and CPOs, our non-Mexican stockholders formally agree with the Foreign Affairs Ministry:

to be considered as Mexicans with respect to the L Shares and CPOs that they acquire or hold, as well as to the property, rights, concessions, participations or interests owned by us or to the rights and obligations derived from any agreements we have with the Mexican government; and

not to invoke the protection of their own governments with respect to their ownership of L Shares and CPOs. Failure to comply is subject to a penalty of forfeiture of such a stockholder's capital interests in favor of Mexico. In the opinion of Mijares, Angoitia, Cortés y Fuentes, S.C., our Mexican counsel, under this provision a non-Mexican stockholder is deemed to have agreed not to invoke the protection of its own government by asking such government to interpose a diplomatic claim against the Mexican government with respect to the stockholder's rights as a stockholder, but is not deemed to have waived any other rights it may have, including any rights under the U.S. securities laws, with respect to its investment in Televisa. If the stockholder should invoke governmental protection in violation of this agreement, its shares could be forfeited to the Mexican government.

*Exclusive Jurisdiction.* Our bylaws provide that legal action relating to the execution, interpretation or performance of the bylaws shall be brought only in federal courts located in Mexico City.

*Duration.* Our corporate existence under our bylaws continues until 2106.

*Dissolution or Liquidation.* Upon any dissolution or liquidation of our company, our stockholders will appoint one or more liquidators at an extraordinary general stockholders' meeting to wind up our affairs. The approval of holders of the majority of the A Shares is necessary to appoint or remove any liquidator. Upon a dissolution or liquidation, holders of D Shares will be entitled to both accrued but unpaid dividends in respect of their D Shares, plus the theoretical value of their D Shares (as set forth in our bylaws). The theoretical value of our D Shares is Ps.0.00688246130560 per share. Thereafter, a payment per share will be made to each of the holders of A Shares, B Shares and L Shares equivalent to the payment received by each of the holders of D Shares. The remainder will be distributed equally among all stockholders in proportion to their number of Shares and amount paid.

*Redemption.* Our bylaws provide that we may redeem our Shares with distributable profits without reducing our capital stock by way of a stockholder resolution at an extraordinary stockholders' meeting. In accordance with Mexican law and our bylaws:

any redemption shall be made on a pro-rata basis among all of our stockholders;

to the extent that a redemption is effected through a public tender offer on the Mexican Stock Exchange, the stockholders' resolution approving the redemption may empower our Board to specify the number of shares to be redeemed and appoint the related intermediary or purchase agent; and

any redeemed shares must be cancelled.

*Share Repurchases.* As provided by Mexican law, our bylaws allow us to repurchase our Shares on the Mexican Stock Exchange at then prevailing market prices. The amount of capital stock allocated to share repurchases and the amount of the corresponding reserve created for this purpose is determined annually by our stockholders at an ordinary general stockholders meeting. The aggregate amount of resources allocated to share repurchases in any given year cannot exceed the total amount of our net profits in any given year, including retained earnings. Share repurchases must be charged to either our net worth if the repurchased Shares remain in our possession or our capital stock if the repurchased Shares are converted into treasury shares, in which case our capital stock is reduced automatically in an amount equal to the theoretical value of any repurchased Shares, if any. Any surplus is charged to the reserve for share repurchases. If the purchase price of the Shares is less than the theoretical value of the repurchased Shares, our capital stock account will be affected by an amount equal to the theoretical value of the repurchased Shares. Under Mexican law, we are not required to create a special reserve for the repurchase of shares, nor do we need the approval of our Board to effect share repurchases. In addition, any repurchased Shares cannot be represented at any stockholders meeting.

*Conflicts of Interest.* Under Mexican Law, any stockholder that votes on a transaction in which his, her or its interests conflict with our interests may be liable for damages, but only if the transaction would not have been approved without his, her or its vote. In addition, any member of the Board of Directors that votes on a transaction in which his, her or its interests conflict with our interests may be liable for damages. The Securities Market Law *also imposes a duty of care and a duty of loyalty on directors as described in*

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*Directors, Senior Management and Employees Our Board of Directors Duty of Care and Duty of Loyalty . In addition, pursuant to the Mexican Securities Market Law, the Board of Directors, with input from the Audit and Corporate Practices Committee, must review and approve transactions and arrangements with related parties. See Directors, Senior Management and Employees Our Board of Directors Meetings; Actions Requiring Board Approval .*

*Appraisal Rights and Other Minority Protections.* Whenever our stockholders approve a change in our corporate purpose or jurisdiction of organization or our transformation from one type of company to another, any stockholder entitled to vote that did not vote in favor of these matters has the right to receive payment for its A Shares, B Shares, D Shares or L Shares in an amount calculated in accordance with Mexican law. However, stockholders must exercise their appraisal rights within fifteen days after the stockholders meeting at which the matter was approved. Because the holders of L Shares and D Shares may only vote in limited circumstances, appraisal rights are generally not available to them. See *Voting Rights and Stockholders Meetings .*

Because the CPO Trustee must vote at a general stockholders meeting, the A Shares, B Shares and D Shares held by non-Mexicans through the CPO Trust will be voted in the same manner as the majority of the A Shares held by Mexican nationals (directly, or through the CPO Trust, as the case may be). As a result, the A Shares, B Shares and D Shares underlying CPOs held by non-Mexicans will not be voted against any change that triggers the appraisal rights of the holders of these Shares. Therefore, these appraisal rights will not be available to holders of CPOs (or GDRs) with respect to A Shares, B Shares or D Shares. The CPO Trustee will exercise such other corporate rights at special stockholders meetings with respect to the underlying A Shares, B Shares and D Shares as may be directed by the Technical Committee of the CPO Trust.

The Mexican Securities Market Law and our bylaws include provisions that permit:

holders of at least 10% of our outstanding capital stock to request our Chairman of the Board or of the Audit and Corporate Practices Committee to call a stockholders meeting in which they are entitled to vote;

subject to the satisfaction of certain requirements under Mexican law, holders of at least 5% of our outstanding capital stock to bring an action for civil liabilities against our directors;

holders of at least 10% of our Shares that are entitled to vote and are represented at a stockholders meeting to request postponement of resolutions with respect to any matter on which they were not sufficiently informed; and

subject to the satisfaction of certain requirements under Mexican law, holders of at least 20% of our outstanding capital stock to contest and suspend any stockholder resolution.

See *Key Information Risk Factors Risk Factors Related to Our Securities The Protections Afforded to Minority Stockholders in Mexico Are Different From Those in the U.S. .* In addition, in accordance with the Mexican Securities Market Law, we are also subject to certain corporate governance requirements, including the requirement to maintain an audit committee and a corporate practices committee, and to elect independent directors. The protections afforded to minority stockholders under Mexican law are generally different from those in the U.S. and many other jurisdictions. Substantive Mexican law concerning fiduciary duties of directors has not been the subject of extensive judicial interpretation in Mexico, unlike many states in the U.S. where duties of care and loyalty elaborated by judicial decisions help to shape the rights of minority stockholders. Furthermore, despite the fact that recent amendments to

the Mexican Federal Code of Civil Procedures have provided for certain types of class actions, these actions are limited to subject matters related to the use of goods or the provision of public or private services, as well as environmental matters. Therefore, Mexican civil procedure does not contemplate class actions or stockholder derivative actions, which permit stockholders in U.S. courts to bring actions on behalf of other stockholders or to enforce rights of the corporation itself. Stockholders in Mexico also cannot challenge corporate actions taken at stockholders' meetings unless they meet stringent procedural requirements. See [Voting Rights and Stockholders Meetings](#) . As a result of these factors, it is generally more difficult for our minority stockholders to enforce rights against us or our directors or Major Stockholders than it is for stockholders of a corporation established under the laws of a state of the U.S. In addition, under U.S. securities laws, as a foreign private issuer we are exempt from certain rules that apply to domestic U.S. issuers with equity securities registered under the Securities Exchange Act of 1934, as amended, or the Exchange Act, including the proxy solicitation rules. We are also exempt from many of the corporate governance requirements of the New York Stock Exchange.



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## Antitakeover Protections

*General.* Our bylaws provide that, subject to certain exceptions, (i) any person, entity or group of persons and/or entities that intends to acquire beneficial ownership of ordinary Shares (as defined below) which, when coupled with ordinary Shares previously beneficially owned by such persons or their affiliates, represent 10% or more of our outstanding ordinary Shares, (ii) any competitor, or group including one or more competitors, that intends to acquire beneficial ownership of ordinary Shares which, when coupled with Shares previously beneficially owned by such competitor, group or their affiliates, represent 5% or more of our outstanding capital stock, (iii) any person, entity or group of persons and/or entities that wishes to acquire beneficial ownership of ordinary Shares representing 10% or more of our outstanding ordinary Shares, and (iv) any competitor, or group including one or more competitors, that intends to acquire beneficial ownership of ordinary Shares representing 5% or more of our capital stock, must obtain the prior approval of our Board of Directors and/or of our stockholders, as the case may be, subject to certain exceptions summarized below. Holders that acquire Shares in violation of these requirements will not be registered in our stock registry. Accordingly, these holders will not be able to vote such Shares or receive any dividends, distributions or other rights in respect of these Shares. In addition, pursuant to our bylaws, these holders will be obligated to pay us a penalty in an amount equal to the market value of the Shares so acquired. Pursuant to our bylaws, Shares are defined as the shares (of any class or series) representing our capital stock, and any instruments or securities that represent such shares or that grant any right with respect to or are convertible into those shares, expressly including CPOs; our A Shares and B Shares are our ordinary Shares.

Pursuant to our bylaws, a competitor is generally defined as any person or entity dedicated, directly or indirectly, to any of the following businesses or activities: television production and broadcasting, pay-TV production, program licensing, direct-to-home satellite services, publishing (newspaper and/or magazine), publishing distribution, music recording, cable television, the transmission of programming and/or other content by any other means known or to be known, radio broadcasting and production, the promotion of professional sports and other entertainment events, paging services, production, feature film/motion picture production and distribution, dubbing and/or the operation of an Internet portal. A competitor is also defined to include any person, entity and/or group that is engaged in any type of business or activity in which we may be engaged from time to time and from which we derive 5% or more of our consolidated income.

*Board Notices, Meetings, Quorum Requirements and Approvals.* To obtain the prior approval of our Board, a potential acquiror must properly deliver a written notice that states, among other things: (i) the number and class/type of our Shares it beneficially owns, (ii) the percentage of Shares it beneficially owns with respect to both our outstanding capital stock and the respective class/type of our Shares, (iii) the number and class/type of Shares it intends to acquire, (iv) the number and class/type of Shares it intends to grant or share a common interest or right, (v) its identity, or in the case of an acquiror which is a corporation, trust or legal entity, its stockholders or beneficiaries as well as the identity and nationality of each person effectively controlling such corporation, trust or legal entity, (vi) its ability to acquire our Shares in accordance with our bylaws and Mexican law, (vii) its source of financing the intended acquisition, (viii) if it has obtained any financing from one of its related parties for the payment of the Shares, (ix) the purpose of the intended acquisition, (x) if it intends to acquire additional common Shares in the future, which coupled with the current intended acquisition of common Shares and the common Shares previously beneficially owned by the potential acquiror, would result in ownership of 20% or more of our common Shares, (xi) if it intends to acquire control of us in the future, (xii) if the acquiror is our competitor or if it has any direct or indirect economic interest in or family relationship with one of our competitors and (xiii) the identity of the financial institution, if any, that will act as the underwriter or broker in connection with any tender offer.

Either the Chairman, the Secretary or the Alternate Secretary of our Board of Directors must call a Board meeting within 10 calendar days following the receipt of the written notice and the Board meeting must be held within 45 calendar days following the call. Action by written consent is not permitted. With the exception of acquisitions that must be approved by the general extraordinary stockholders meeting as described below in Stockholder Notices,

Meetings, Quorum Requirements and Approvals, in order to proceed with any acquisition of Shares that require Board authorization as set forth in our bylaws, such acquisition must be approved by at least the majority of the members of our Board present at a meeting at which at least 75% of the members of our Board are present. Such acquisitions must be acted upon by our Board within 60 calendar days following the receipt of the written notice described above, unless the Board determines that it does not have sufficient information upon which to base its decision. In such case, the Board shall deliver a written request to the potential acquiror for any additional information that it deems necessary to make its determination. The 60 calendar days referred to above will commence following the receipt of the additional information from the potential acquiror to render its decision.

*Stockholder Notices, Meetings, Quorum Requirements and Approvals.* In the event (i) of a proposed acquisition of Shares that would result in a change of control, (ii) that our Board cannot hold a Board meeting for any reason, (iii) of a proposed acquisition by a competitor and having certain characteristics, or (iv) that the Board determines that the proposed acquisition must be approved by our stockholders at a general extraordinary stockholders meeting, among others, then the proposed acquisition must be approved by the holders of at least 75% of our outstanding common Shares at a general extraordinary stockholders meeting (both in the case of first and subsequent calls) at which the holders of at least 85% of our outstanding common Shares are present. In addition, any proposed merger, spin-off, or capital increase or decrease which results in a change of control must also be approved by the holders of at least 75% of our outstanding common Shares at a general extraordinary stockholders meeting (both in the case of first and subsequent calls) at which the holders of at least 85% of our outstanding common Shares are present. Pursuant to our bylaws, a change of control is defined as the occurrence of any of the following: (i) the acquisition or transfer of ownership of a majority of our outstanding common Shares, (ii) the ability of a person, entity or group, other than the person who currently has the ability to, directly or indirectly, elect a majority of the members of our Board of Directors, to elect a majority of the members of our Board of Directors or (iii) the ability of a person, entity or group, other than the person who currently has the ability to, directly or indirectly, determine our administrative decisions or policies, to determine our administrative decisions or policies. In the event that the general extraordinary stockholders meeting must approve the proposed acquisition, either the Chairman, the Secretary or the Alternate Secretary of our Board of Directors must publish a call for a general extraordinary stockholders meeting in the Official Gazette of the Federation and two other newspapers of general circulation in Mexico City at least 30 calendar days prior to such meeting (both in the case of first and subsequent calls). Once the call for the general extraordinary stockholders meeting has been published, all information related to the agenda for the meeting must be available for review by the holders of common Shares at the offices of our Secretary.

*Mandatory Tender Offers in the Case of Certain Acquisitions.* If either our Board of Directors or our stockholders at a general extraordinary stockholders meeting, as the case may be, authorize an acquisition of common Shares which increases the acquiror's ownership to 20% or more, but not more than 50%, of our outstanding common Shares, without such acquisition resulting in a change of control, then the acquiror must effect its acquisition by way of a cash tender offer for a specified number of Shares equal to the greater of (x) the percentage of common Shares intended to be acquired or (y) 10% of our outstanding capital stock. In the event that our stockholders approve an acquisition that would result in a change of control, the acquiror must effect its acquisition by way of a cash tender offer for 100% of our total outstanding capital stock at a price which cannot be lower than the highest of the following: (i) the book value of the common Shares and CPOs as reported on the last quarterly income statement approved by the Board of Directors, (ii) the highest closing price of the common Shares, on any stock exchange during any of the three hundred-sixty-five (365) days preceding the date of the stockholders' resolution approving the acquisition; or (iii) the highest price paid for any Shares, at any time by the acquiror. All tender offers must be made in Mexico and the U.S. within 60 days following the date on which the acquisition was approved by our Board of Directors or stockholders meeting, as the case may be. All holders must be paid the same price for their common Shares. The provisions of our bylaws summarized above regarding mandatory tender offers in the case of certain acquisitions are generally more stringent than those provided for under the Mexican Securities Market Law. In accordance with the Mexican Securities Market Law, bylaw provisions regarding mandatory tender offers in the case of certain acquisitions may differ from the requirements set forth in such law, provided that those provisions are more protective to minority stockholders than those afforded by law. In these cases, the relevant bylaw provisions, and not the relevant provisions of the Mexican Securities Market Law, will apply to certain acquisitions specified therein.

*Exceptions.* The provisions of our bylaws summarized above will not apply to (i) transfers of common Shares and/or CPOs by operation of the laws of inheritance, (ii) acquisitions of common Shares and/or CPOs by any person who, directly or indirectly, is entitled to appoint the greatest number of members to our Board of Directors, as well as by (A) entities controlled by such person, (B) affiliates of such person, (C) the estate of such person, (D) certain family members of such person, and (E) such person, when such person acquires any common Shares and/or CPOs from any entity, affiliate, person or family member referred to in (A), (B) and (D) above, and (iii) acquisitions or transfers of

common Shares and/or CPOs by us, our subsidiaries or affiliates, or any trust created by us or any of our subsidiaries.

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*Amendments to the Antitakeover Provisions.* Any amendments to these antitakeover provisions must be authorized by the CNBV and registered before the Public Registry of Commerce at our corporate domicile.

### **Enforceability of Civil Liabilities**

We are organized under the laws of Mexico. Substantially all of our directors, executive officers and controlling persons reside outside of 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 experts named in this annual report also reside outside of the U.S. As a result, it may not be possible for you to effect service of process within the U.S. 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. See [Key Information Risk Factors Risks Factors Related to Our Securities It May Be Difficult to Enforce Civil Liabilities Against Us or Our Directors, Executive Officers and Controlling Persons](#) .

### **Material Contracts**

We have been granted a number of concessions by the Mexican government that authorizes us to broadcast our programming over our television and radio stations and our cable and DTH systems. These concessions are described under [Information on the Company Business Overview Regulation](#) . If we are unable to renew, or if the Mexican government revokes, any of the concessions for our significant television stations, our business would be materially adversely affected. 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](#) .

We operate our DTH satellite service in Mexico and Central America through a partnership with DIRECTV. See [Information on the Company Business Overview DTH Ventures](#) .

In April 2014, we issued Ps.6,000 million aggregate principal amount of 28-day TIIIE plus 0.35% local bonds (*Certificados Bursátiles*) due 2021. In May 2014, we issued U.S.\$1,000 million aggregate principal amount of 5.0% Senior Notes due 2045. In September 2014 and January 2015, we entered into long-term credit agreements with one Mexican bank in principal amounts of Ps.1,782 million and Ps.500 million, respectively, with principal maturities in 2016 and an annual interest rate of 28-day TIIIE plus a step up spread ranging from 0% to 0.8%. Finally, in connection with the long-term credit agreements with four Mexican banks entered in March 2011, in September 2014, we prepaid long-term credits with two Mexican banks for an aggregate principal amount of Ps.4,500 million, which were originally due in 2016. For a description of the material terms of the amended indentures related to our 8.5% Senior Notes due 2032, our 6.625% Senior Notes due 2025, our 8.49% Senior Notes due 2037, our 6.0% Senior Notes due 2018, our 6.625% Senior Notes due 2040, our 7.38% local bonds (*Certificados Bursátiles*) due 2020, our Ps.4,100 million long-term credit agreements with two Mexican banks with principal maturities between 2016 and 2021, our 7.25% Senior Notes due 2043, our 28-day TIIIE plus 0.35% local bonds (*Certificados Bursátiles*) due 2021, our 5.0% Senior Notes due 2045 and our Ps.2,282 million long-term credit agreements with one Mexican bank due 2016, as well as the description of the material terms for the Company's subsidiaries debt and finance lease obligations see [Operating and Financial Review and Prospects Results of Operations Liquidity, Foreign Exchange and Capital Resources Refinancings and Operating and Financial Review and Prospects Results of Operations Liquidity, Foreign Exchange and Capital Resources Indebtedness](#) .

Our transactions and arrangements with related parties are described under [Major Stockholders and Related Party Transactions Related Party Transactions](#) .

For a description of our material transactions and arrangements with Univision, see Information on the Company Business Overview Univision .

## Legal Proceedings

There are several legal actions and claims pending against us which are filed in the ordinary course of business. In our opinion, none of these actions and claims is expected to have a material adverse effect on our financial statements as a whole; however, we are unable to predict the outcome of any of these legal actions and claims.

## Exchange Controls

For a description of exchange controls and exchange rate information, see [Key Information](#) [Exchange Rate Information](#) .

## Taxation

### U.S. Taxes

**General.** The following is a summary of the anticipated material U.S. federal income tax consequences of the purchase, ownership and disposition of GDSs, CPOs and the A Shares, B Shares, L Shares and D Shares underlying the CPOs (referred to herein as the [Underlying Shares](#) ), in each case, except as otherwise noted, by U.S. Holders (as defined below). This discussion does not address all aspects of U.S. federal income taxation that may be relevant to a particular beneficial owner of GDSs, CPOs or Underlying Shares based on the beneficial owner's particular circumstances. For example, with respect to U.S. Holders, the following discussion does not address the U.S. federal income tax consequences to a U.S. Holder:

that owns, directly, indirectly or through attribution, 2% or more of the total voting power or value of our outstanding Underlying Shares (including through ownership of GDSs and CPOs);

that is a dealer in securities, insurance company, financial institution, tax-exempt organization, U.S. expatriate, broker-dealer or trader in securities; or

whose functional currency is not the U.S. Dollar.

Also, this discussion does not consider:

the tax consequences to the stockholders, partners or beneficiaries of a U.S. Holder; or

special tax rules that may apply to a U.S. Holder that holds GDSs, CPOs or Underlying Shares as part of a straddle, hedge, conversion transaction, synthetic security or other integrated investment.

In addition, the following discussion does not address any aspect of state, local or non-U.S. tax laws other than Mexican tax laws. Further, this discussion generally applies only to U.S. Holders that hold the CPOs, GDSs or Underlying Shares as capital assets within the meaning of Section 1221 of the U.S. Internal Revenue Code of 1986, as amended (referred to herein as the [Code](#) ).

The discussion set forth below is based on the U.S. federal income tax laws as in force on the date of this annual report, including:

the Code, applicable U.S. Treasury regulations and judicial and administrative interpretations, and

the convention between the Government of the United States of America and the Government of the United Mexican States for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, including the applicable protocols, collectively referred to herein as the U.S.-Mexico Tax Treaty, and

is subject to changes to those laws and the U.S.-Mexico Tax Treaty subsequent to the date of this annual report, which changes could be made on a retroactive basis, and

is also based, in part, on the representations of the Depositary with respect to the GDSs and on the assumption that each obligation in the Deposit Agreement relating to the GDSs and any related agreements will be performed in accordance with their terms.

As used in this section, the term U.S. Holder means a beneficial owner of CPOs, GDSs or Underlying Shares that is, for U.S. federal income tax purposes:

a citizen or individual resident of the United States;



a corporation (or entity treated as a corporation for such purposes) created or organized in or under the laws of the United States, or any State thereof or the District of Columbia;

an estate the income of which is included in gross income for U.S. federal income tax purposes regardless of source; or

a trust, if either (x) it is subject to the primary supervision of a court within the United States and one or more United States persons has the authority to control all substantial decisions of the trust or (y) it has a valid election in effect under applicable U.S. Treasury regulations to be treated as a United States person .

If a partnership (or an entity or arrangement classified as a partnership for U.S. federal income tax purposes) holds CPOs, GDSs or Underlying Shares, the U.S. federal income tax treatment of a partner in the partnership generally will depend on the status of the partner, the activities of the partnership and certain determinations made at the partner level. Partnerships holding CPOs, GDSs or Underlying Shares, and partners in such partnerships, should consult their own tax advisors regarding the U.S. federal income tax consequences of purchasing, owning and disposing of CPOs, GDSs or Underlying Shares.

An individual may be treated as a resident of the United States in any calendar year for U.S. federal income tax purposes by being present in the United States on at least 31 days in that calendar year and for an aggregate of at least 183 days during a three-year period ending at the close of that year. For purposes of this calculation, all of the days present in the current year, one-third of the days present in the immediately preceding year and one-sixth of the days present in the second preceding year would be counted. Residents are taxed for U.S. federal income tax purposes as if they were U.S. citizens.

The application of the U.S.-Mexico Tax Treaty to U.S. Holders is conditioned upon, among other things, the assumptions that the U.S. Holder:

is not a resident of Mexico for purposes of the U.S.-Mexico Tax Treaty;

is an individual who has a substantial presence (within the meaning of the U.S.-Mexico Tax Treaty) in the United States;

is entitled to the benefits of the U.S.-Mexico Tax Treaty under the limitation on benefits provision contained in Article 17 of the U.S.-Mexico Tax Treaty; and

does not have a fixed place of business or a permanent establishment in Mexico with which its ownership of CPOs, GDSs or Underlying Shares is effectively connected.

For U.S. federal income tax purposes, U.S. Holders of GDSs and CPOs will be treated as the beneficial owners of the Underlying Shares represented by the GDSs and CPOs.

**Dividends.** The U.S. Dollar value of any distribution paid by us, including the amount of any Mexican taxes withheld from such distribution, will be included in the gross income of a U.S. Holder as a dividend, treated as ordinary income, to the extent that the distribution is paid out of our current and/or accumulated earnings and profits, as determined under U.S. federal income tax principles. U.S. Holders will not be entitled to claim a dividends received

deduction for dividends received from us. Distributions that are treated as dividends received from us by a non-corporate U.S. Holder who meets certain eligibility requirements will qualify for U.S. federal income taxation at a preferential rate of 20% (or lower) if we are a qualified foreign corporation. We generally will be a qualified foreign corporation if either (i) we are eligible for benefits under the U.S.-Mexico Tax Treaty or (ii) the Underlying Shares or GDSs are listed on an established securities market in the United States. As we are eligible for benefits under the U.S.-Mexico Tax Treaty and the GDSs are listed on the New York Stock Exchange, we presently are a qualified foreign corporation, and we generally expect to be a qualified foreign corporation in future taxable years, but no assurance can be given that a change in circumstances will not affect our treatment as a qualified foreign corporation in any future taxable years. A non-corporate U.S. Holder will not be eligible for the reduced rate (a) if the U.S. Holder has not held the Underlying Shares, CPOs or GDSs for at least 61 days of the 121-day period beginning on the date which is 60 days before the ex-dividend date, (b) to the extent the U.S. Holder is under an obligation to make related payments on substantially similar or related property or (c) with respect to any portion of a dividend that is taken into account as investment income under Section 163(d)(4)(B) of the Code. Any days during which a U.S. Holder has diminished the U.S. Holder's risk of loss with respect to the Underlying Shares, CPOs or GDSs (for example, by holding an option to sell such Underlying Shares, CPOs or GDSs) are not counted towards meeting the 61-day holding period. Special rules apply in determining the foreign tax credit limitation with respect to dividends subject to U.S. federal income taxation at the reduced rate. U.S. Holders should consult their own tax advisors concerning whether dividends received by them qualify for the reduced rate. In addition, a 3.8% tax may apply to certain investment income recognized by a U.S. Holder. See Medicare Tax below.

To the extent, if any, that the amount of a distribution exceeds our current and/or accumulated earnings and profits, the distribution will first reduce the U.S. Holder's adjusted tax basis in its Underlying Shares, CPOs or GDSs and, to the extent the distribution exceeds the U.S. Holder's adjusted tax basis, it will be treated as gain from the sale of the U.S. Holder's Underlying Shares, CPOs or GDSs. We do not maintain calculations of our earnings and profits under U.S. federal income tax principles. Therefore, a U.S. Holder should expect that a distribution paid by us will be treated as a dividend, even if that distribution would otherwise be treated as reducing such U.S. Holder's adjusted tax basis in its Underlying Shares, CPOs or GDSs or as gain from the sale of the U.S. Holder's Underlying Shares, CPOs or GDSs under the rules described above.

The U.S. Dollar value of any distributions paid in Pesos, including the amount of any Mexican taxes withheld, will be calculated by reference to the interbank exchange rate in effect on the date of receipt by the U.S. Holder or, with respect to the GDSs, The Bank of New York Mellon, in its capacity as Depositary, regardless of whether the payment is in fact converted into U.S. Dollars. U.S. Holders should consult their own tax advisors regarding the treatment of any foreign currency gain or loss on any distributions paid in Pesos that are not converted into U.S. Dollars on the day the Pesos are received. For U.S. foreign tax credit purposes, dividends distributed by us on CPOs, GDSs or Underlying Shares generally will constitute foreign source passive income or, in the case of some U.S. Holders, foreign source general category income.

In general, pro rata distributions of additional shares with respect to the Underlying Shares that are part of a pro rata distribution to all of our stockholders generally (including U.S. Holders of GDSs) will not be subject to U.S. federal income tax.

A beneficial owner of CPOs, GDSs or Underlying Shares that is not a U.S. Holder and is not a partnership (or an entity or arrangement classified as a partnership for U.S. federal income tax purposes) will not be subject to U.S. federal income or withholding tax on a dividend paid with respect to the CPOs, GDSs or the Underlying Shares, unless the dividend is effectively connected with the conduct by the beneficial owner of a trade or business in the United States.

**Capital Gains.** Gain or loss recognized by a U.S. Holder on a taxable sale or exchange of CPOs, GDSs or Underlying Shares will be subject to U.S. federal income taxation as capital gain or loss in an amount equal to the difference between the amount realized on the sale or exchange and the U.S. Holder's adjusted tax basis in the CPOs, GDSs or Underlying Shares. Such capital gain or loss generally will be long-term capital gain or loss if the CPOs, GDSs or Underlying Shares have been held for more than one year at the time of disposition. Long-term capital gain of non-corporate U.S. Holders, including individual U.S. Holders, is subject to U.S. federal income tax at preferential rates. In addition, a 3.8% tax may apply to certain investment income recognized by a U.S. Holder on a sale or exchange of CPOs, GDSs or Underlying Shares. See Medicare Tax below. The deductibility of capital losses is subject to significant limitations.

Such capital gains generally will be U.S. source income, unless the gains are subject to Mexican taxation, in which case such gains generally will be treated as arising in Mexico under the U.S.-Mexico Tax Treaty. If capital gains are subject to Mexican taxation under the U.S.-Mexico Tax Treaty, a U.S. Holder generally may elect to treat such gains as foreign source income for U.S. foreign tax credit limitation purposes. However, any such Mexican taxes may not be used to offset U.S. federal income tax on any other item of income, and foreign taxes on any other item of income cannot be used to offset U.S. federal income tax on such gains. U.S. Holders should consult their tax advisors.

Capital losses recognized on the sale or exchange of CPOs, GDSs or Underlying Shares generally will offset U.S. source income. Deposits and withdrawals of CPOs for GDSs and of Underlying Shares for CPOs by U.S. Holders will not be subject to U.S. federal income tax.



A beneficial owner of CPOs, GDSs or Underlying Shares that is not a U.S. Holder and is not a partnership (or an entity or arrangement classified as a partnership for U.S. federal income tax purposes) generally will not be subject to U.S. federal income tax on gain recognized on a sale or exchange of CPOs, GDSs or Underlying Shares unless:

the gain is effectively connected with the beneficial owner's conduct of a trade or business in the United States; or

the beneficial owner is an individual who holds CPOs, GDSs or Underlying Shares as a capital asset, is present in the United States for 183 days or more in the taxable year of the sale or exchange and meets other requirements.

**Medicare Tax.** A U.S. Holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, will generally be subject to a 3.8% tax on the lesser of (i) the U.S. Holder's net investment income for a taxable year and (ii) the excess of the U.S. Holder's modified adjusted gross income for such taxable year over \$200,000 (\$250,000 in the case of joint filers). For these purposes, net investment income will generally include dividends paid with respect to CPOs, GDSs or Underlying Shares and net gain attributable to the disposition of CPOs, GDSs or Underlying Shares (in each case, unless such CPOs, GDSs or Underlying Shares are held in connection with certain trades or businesses), but will be reduced by any deductions properly allocable to such income or net gain.

**U.S. Backup Withholding.** A U.S. Holder may be subject to U.S. information reporting and U.S. backup withholding on dividends paid on Underlying Shares, and on proceeds from the sale or other disposition of CPOs, GDSs or Underlying Shares, unless the U.S. Holder:

comes within an exempt category; or

provides the applicable withholding agent with the U.S. Holder's taxpayer identification number, certifies as to no loss of exemption from backup withholding tax and otherwise complies with the applicable requirements of the backup withholding rules.

The amount of any backup withholding will be allowed as a credit against the U.S. Holder's U.S. federal income tax liability and may entitle such holder to a refund, provided, however, that certain required information is timely furnished to the U.S. Internal Revenue Service. A beneficial owner of CPOs, GDSs or Underlying Shares that is not a U.S. Holder may be required to comply with certification and identification procedures in order to establish its exemption from backup withholding.

**Certain Reporting Requirements.** U.S. Holders that are individuals (and to the extent specified in applicable U.S. Treasury regulations, certain U.S. Holders that are entities and certain individuals that are not U.S. Holders) and hold specified foreign financial assets (as defined in section 6038D of the Code) are required to file a report on IRS Form 8938 with information relating to such assets for each taxable year in which the aggregate value of all such assets exceeds \$75,000 at any time during the taxable year or \$50,000 on the last day of the taxable year (or such higher dollar amount as prescribed by applicable U.S. Treasury regulations). Specified foreign financial assets would include, among other assets, GDSs, CPOs and Underlying Shares that are not held through an account maintained with a U.S. financial institution (as defined). Substantial penalties apply to any failure to timely file IRS Form 8938, unless the failure is shown to be due to reasonable cause and not due to willful neglect. Additionally, in the event a U.S. Holder that is required to file IRS Form 8938 does not file such form, the statute of limitations on the assessment

and collection of U.S. federal income taxes of such U.S. Holder for the related tax year may not close until three years after the date that the required information is filed. Beneficial owners of GDSs, CPOs or Underlying Shares should consult their own tax advisors regarding their reporting obligations with respect to specified foreign financial assets .

### **Federal Mexican Taxation**

**General.** The following is a general summary of the main tax consequences under the Mexican Income Tax Law, Federal Tax Code and rules as currently in effect (the Mexican Tax Legislation ), all of which are subject to change or interpretation, and under the U.S.-Mexico Tax Treaty, of the purchase, ownership and disposition of CPOs, GDSs or underlying A Shares, B Shares, D Shares and L Shares by a person that is not a resident of Mexico for tax purposes, as defined below.

U.S. Holders should consult with their own tax advisors as to their entitlement to benefits afforded by the U.S.-Mexico Tax Treaty. Mexico has also entered into and is negotiating with various countries regarding other tax treaties that may have an effect on the tax treatment of CPOs, GDSs or underlying A Shares, B Shares, D Shares and L Shares. Holders should consult with their tax advisors as to their entitlement to the benefits afforded by these treaties.

This discussion does not constitute, and shall not be considered as, legal or tax advice to holders.

According to the Mexican Tax Legislation:

an individual is a Mexican tax resident if the individual has established his permanent home in Mexico. When an individual, in addition to his permanent home in Mexico, has a permanent home in another country, the individual will be a Mexican tax resident if his center of vital interests is located in Mexico. This will be deemed to occur if, among other circumstances, either (i) more than 50% of the total income obtained by the individual in the calendar year is Mexican source or (ii) when the individual's center of professional activities is located in Mexico. Mexican nationals who filed a change of tax residence to a country or jurisdiction that does not have a comprehensive exchange of information agreement with Mexico in which her/his income is subject to a preferred tax regime pursuant to the provisions of the Mexican Income Tax Law, will be considered Mexican residents for tax purposes during the year of filing of the notice of such residence change and during the following three years. Unless otherwise proven, a Mexican national is considered a Mexican tax resident;

a legal entity is considered a Mexican tax resident if it maintains the main administration of its head office, business, or the effective location of its management in Mexico.

a foreign person with a permanent establishment in Mexico will be required to pay taxes in Mexico in accordance with the Mexican Tax Legislation for income attributable to such permanent establishment; and

a foreign person without a permanent establishment in Mexico will be required to pay taxes in Mexico in respect of revenues proceeding from sources of wealth located in national territory.

**Dividends.** Beginning in 2014, dividends, either in cash or in any other form, coming from our previously taxed net earnings account, or *cuenta de utilidad fiscal neta*, generated up to 2013 and paid with respect to the shares underlying the CPOs, including those CPOs represented by GDSs, will not be subject to Mexican withholding tax. On the other hand, the dividends coming from our previously taxed net earnings account generated during or after 2014 will be subject to a 10% Mexican withholding tax. We must first utilize the previously taxed net earnings account generated up to 2013 and when this account no longer has a balance, we must utilize the previously taxed net earnings account generated during or after 2014. The latter dividends will be subject to the 10% Mexican withholding tax.

However, under the U.S.-Mexico Tax Treaty, any U.S. Holder that is eligible to claim the benefits of the U.S.-Mexico Tax Treaty may be exempt from or subject to a lower withholding tax rate on dividends paid with respect to the shares underlying the CPOs, including those CPOs represented by GDSs. The U.S. Holder may be subject to a lower withholding tax rate (5%) under the U.S.-Mexico Tax Treaty if the U.S. Holder is a company that owns directly at least 10% of our voting outstanding shares.

On the other hand, the U.S. Holder may be exempt from withholding tax under the U.S.-Mexico Tax Treaty if the U.S. Holder is either (a) a company that has owned shares representing 80 percent or more of our voting outstanding shares for a 12-month period ending on the date the dividend is declared and that (1) prior to October 1, 1998 owned, directly or indirectly, shares representing 80 percent or more of our voting outstanding shares; or (2) is entitled to the benefits of the U.S.-Mexico Tax Treaty under clauses (i) or (ii) of subparagraph d) of paragraph 1 of Article 17 (Limitation on Benefits); or (3) is entitled to the benefits of the U.S.-Mexico Tax Treaty with respect to the dividends under subparagraph g) of paragraph 1 of Article 17; or (4) has received a determination from the relevant competent authority pursuant to paragraph 2 of Article 17; or (b) a trust, company, or other organization constituted and operated exclusively to administer or provide benefits under one or more plans established to provide pension, retirement or other employee benefits and its income is generally exempt from tax in the United States, provided that such dividends are not derived from the carrying on of a business, directly or indirectly, by such trust, company or organization.



Dividends paid to other Holders that are eligible to receive benefits pursuant to other income tax treaties to which Mexico is a party may be exempt from or subject to a lower withholding tax rate in whole or in part. Non-U.S. Holders should consult their own tax advisors as to their possible eligibility under such other income tax treaties. Appropriate tax residence certifications must be obtained by Holders eligible for tax treaty benefits.

When dividends are paid from our previously taxed net earnings account we will not be required to pay any Mexican corporate income tax on the dividends. During 2014, if dividends are not paid from our previously taxed net earnings account we will be required to pay a 30% Mexican corporate income tax ( CIT ) on the grossed-up dividends with the factor 1.4286.

**Sales or Other Dispositions.** Deposits and withdrawals of CPOs for GDSs and of underlying A Shares, B Shares, D Shares and L Shares for CPOs will not give rise to Mexican tax or transfer duties.

Beginning on January 1, 2014, the gains on the sale or other disposition of CPOs, GDSs or underlying A Shares, B Shares, D Shares and L Shares will be subject to a 10% Mexican withholding tax if the sale is carried out through the Mexican Stock Exchange. This withholding tax will not apply if the Holder is a tax resident of a country that has in effect a Tax Treaty with Mexico, as is the case with the United States; in order to obtain this benefit the Holder must deliver to the withholding agent a letter stating, under oath, (i) that the Holder is resident for purposes of the specific Tax Treaty and (ii) the Holder's tax identification number.

Sales or other dispositions of CPOs, GDSs or underlying A Shares, B Shares, D Shares and L Shares made in other circumstances also would be subject to Mexican income tax. However, under the U.S.-Mexico Tax Treaty, any U.S. Holder that is eligible to claim the benefits of the U.S.-Mexico Tax Treaty may be exempt from Mexican tax on gains realized on a sale or other disposition of CPOs and shares underlying the CPOs in a transaction that is not carried out through the Mexican Stock Exchange. The U.S. Holder will be exempt under the U.S.-Mexico Tax Treaty if the U.S. Holder did not own directly or indirectly 25% or more of the our outstanding shares within the 12-month period preceding such sale or disposition. Gains realized by other Holders that are eligible to receive benefits pursuant to other income tax treaties to which Mexico is a party may be exempt from Mexican income tax in whole or in part. Non-U.S. Holders should consult their own tax advisors as to their possible eligibility under such other income tax treaties. Appropriate tax residence certifications must be obtained by Holders eligible for tax treaty benefits.

**Other Mexican Taxes.** There are no estate, gift, or succession taxes applicable to the ownership, transfer or disposition of CPOs, GDSs or underlying A Shares, B Shares, D Shares and L Shares. However, a gratuitous transfer of CPOs, GDSs or underlying A Shares, B Shares, D Shares and L Shares may, in some circumstances, result in the imposition of a Mexican federal tax upon the recipient. There are no Mexican stamp, issuer, registration or similar taxes or duties payable by holders of GDSs, CPOs, or underlying A Shares, B Shares, D Shares and L Shares.

### **Documents on Display**

For further information with respect to us and our CPOs and GDSs, we refer you to the filings we have made with the SEC. Statements contained in this annual report concerning the contents of any contract or any other document are not necessarily complete. If a contract or document has been filed as an exhibit to any filing we have made with the SEC, we refer you to the copy of the contract or document that has been filed. Each statement in this annual report relating to a contract or document filed as an exhibit to any filing we have made with the SEC is qualified in its entirety by the filed exhibit.

The Company is subject to the informational requirements of the Exchange Act and in accordance therewith files reports and other information with the SEC. Reports and other information filed by the Company with the SEC can be inspected and copied at the public reference facilities maintained by the SEC at its Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549.

You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. Such materials can also be inspected at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005. Any filings we make electronically will be available to the public over the Internet at the SEC's website at [www.sec.gov](http://www.sec.gov).

We furnish The Bank of New York Mellon, the depositary for our GDSs, with annual reports in English. These reports contain audited consolidated financial statements that, starting with the annual report for year ended December 31, 2012, have been prepared in accordance with IFRS. The historical financial statements included in these reports have been examined and reported on, with an opinion expressed by, an independent registered public accounting firm. The depositary is required to mail our annual reports to all holders of record of our GDSs. The Deposit Agreement for the GDSs also requires us to furnish the depositary with English translations of all notices of stockholders' meetings and other reports and communications that we send to holders of our CPOs. The depositary is required to mail these notices, reports and communications to holders of record of our GDSs.

As a foreign private issuer, we are not required to furnish proxy statements to holders of our CPOs or GDSs in the United States.

### **Item 11. Quantitative and Qualitative Disclosures About Market Risk** **Market Risk Disclosures**

Market risk is the exposure to an adverse change in the value of financial instruments caused by market factors including changes in equity prices, interest rates, foreign currency exchange rates, commodity prices and inflation rates. The following information includes forward-looking statements that involve risks and uncertainties. Actual results could differ from those presented.

***Risk Management.*** We are exposed to market risks arising from changes in equity prices, interest rates, foreign currency exchange rates and inflation rates, in both the Mexican and U.S. markets. Our risk management activities are monitored by our Risk Management Committee and reported to our Executive Committee.

We monitor our exposure to interest rate risk by: (i) evaluating differences between interest rates on our outstanding debt and short-term investments and market interest rates on similar financial instruments; (ii) reviewing our cash flow needs and financial ratios (indebtedness and interest coverage); (iii) assessing current and forecasted trends in the relevant markets; and (iv) evaluating peer group and industry practices. This approach allows us to establish the interest rate mix between variable and fixed rate debt.

Foreign currency exchange risk is monitored by assessing our net monetary liability position in U.S. Dollars and our forecasted cash flow needs for anticipated U.S. Dollar investments and servicing our U.S. Dollar-denominated debt. Equity price risk is assessed by evaluating the long-term value of our investment in both domestic and foreign affiliates, versus comparable investments in the marketplace. We classify our equity investments in affiliates, both domestic and foreign, as long-term assets.

In compliance with the procedures and controls established by our Risk Management Committee, in 2012, 2013 and 2014, we entered into certain derivative transactions with certain financial institutions in order to manage our exposure to market risks resulting from changes in interest rates, foreign currency exchange rates, and inflation rates. Our objective in managing foreign currency and inflation fluctuations is to reduce earnings and cash flow volatility. See Notes 2(v), 4 and 14 to our consolidated year-end financial statements.

#### ***Foreign Currency Exchange Rate Risk and Interest Rate Risk***

In January and February 2011, we entered into cross-currency interest rate swaps (coupon swaps) agreements to hedge in its entirety the interest payments for the Senior Notes due 2018, 2025, 2032 and 2040 from the second semester of 2011 to the first semester of 2012. In February 2012, we entered into (coupon swaps) agreements to hedge in its entirety the interest payments for the Senior Notes due 2025, 2032 and 2040 for the second semester of 2012. In September

2012, we entered into a coupon swap agreement to hedge in its entirety the interest payment for the Senior Notes due 2040 for the first semester of 2013. Finally, in December 2013, we entered into a coupon swap agreement to hedge, in its entirety, the interest payment for the Senior Notes due 2032 for the first semester of 2014. As of March 31, 2015, there are no outstanding coupon swaps agreements. The net fair value of the cross-currency interest rate swap agreements was a (liability) asset of U.S.\$0.2 million as of December 31, 2013. The increase in the potential loss in fair value for such instruments from a hypothetical 10% adverse change in quoted Peso exchange rate would be approximately U.S.\$1.4 million as of December 31, 2013.

Between December 2011 and December 2012, we entered into foreign exchange option agreements to buy U.S.\$472.5 million to hedge against a Peso depreciation of 30% with various expiration dates until the end of 2015. The fair value of these option contracts was a (liability) asset of U.S.\$ 0.2 million as of March 31, 2015, U.S.\$0.2 million as of December 31, 2014 and U.S.\$0.5 million as of December 31, 2013. We are long these option contracts, so our maximum potential loss in fair value for these instruments from a hypothetical adverse change in quoted Peso exchange rate at any time is the premium paid of U.S.\$3.5 million.

During March 2011, in connection with the amortizable variable rate loan with HSBC due 2018, we entered into interest rate swap agreements on a notional amount of Ps.2,500.0 million. These agreements involve the exchange of interest payments based on a variable interest rate for amounts based on fixed rates. These agreements allowed us to fix the coupon payments for a period of seven years at an interest rate of 8.6075%.

As of March 31, 2015, the net fair value of the interest rate swap was a (liability) asset of Ps. (163.0) million, Ps.(175.0) million as of December 31, 2014 and Ps.(203.6) million as of December 31, 2013. The potential loss in fair value for such instruments from a hypothetical 50 bps adverse change in market interest rates would be approximately Ps. 28.3 million as of March 31, 2015, Ps.31.3 million as of December 31, 2014 and Ps.43.1 million as of December 31, 2013. This sensitivity analysis assumes a downward parallel shift in the Mexican Interest Rate Swaps Yield Curve.

During April 2014 and March 2015, in connection with the Certificados Bursátiles (CEBURES) issued by Televisa due 2021, we entered into interest rate swap agreements on a notional amount of Ps.3,000.0 million and Ps.3,000.0 million, respectively. These agreements involve the exchange of interest payments based on a variable interest rate for amounts based on fixed rates. These agreements allowed us to fix the coupon payments for a period of seven years at an interest rate of 6.2851%.

As of March 31, 2015, the net fair value of the interest rate swap was a (liability) asset of Ps.(124.9) million and Ps.(69.8) million as of December 31, 2014. The potential loss in fair value for such instruments from a hypothetical 50 bps adverse change in market interest rates would be approximately Ps.163.9 million as of March 31, 2015 and Ps.84.4 million as of December 31, 2014. This sensitivity analysis assumes a downward parallel shift in the Mexican Interest Rate Swaps Yield Curve.

In connection with Sky's variable rate bank loans guaranteed by Televisa, in December 2006, we entered into forward starting interest rate swap agreements on a notional amount of Ps.1,400.0 million. These agreements involve the exchange of amounts based on a variable interest rate for an amount based on fixed rates, without exchange of the notional amount upon which the payments are based. These agreements allowed us to fix the coupon payments for a period of seven years at an interest rate of 8.415% starting in April 2009.

The net fair value of the interest rate swap was a (liability) asset of Ps. (66.6) million as of March 31, 2015, Ps.(79.9) million as of December 31, 2014 and Ps.(119.8) million as of December 31, 2013. The potential loss in fair value for such instruments from a hypothetical 50 bps adverse change in market interest rates would be approximately Ps. 7.9 million as of March 31, 2015, Ps.9.6 million as of December 31, 2014 and Ps.16.6 million as of December 31, 2013. This sensitivity analysis assumes a downward parallel shift in the Mexican Interest Rate Swaps Yield Curve.

In connection with TVI's variable rate bank loan with Banorte due 2016, in January and April 2012 TVI entered into interest rate swap agreements on a notional amount of Ps.500.0 million and Ps.800.0 million, respectively. These agreements involve the exchange of interest payments based on a variable interest rate for amounts based on fixed rates. These agreements allowed us to fix the coupon payments for a period of four years at an interest rate of 6.9315%.

The net fair value of the interest rate swap was a (liability) asset of Ps.(7.8) million as of March 31, 2015, Ps.(10.1) million as of December 31, 2014 and Ps.(13.4) million as of December 31, 2013. The potential loss in fair value for such instruments from a hypothetical 50 bps adverse change in market interest rates would be approximately Ps. 3.1 million as of March 31, 2015, Ps.4.1 million as of December 31, 2014 and Ps.8.9 million as of December 31, 2013. This sensitivity analysis assumes a downward parallel shift in the Mexican Interest Rate Swaps Yield Curve.

In connection with TVI's variable rate bank loans with HSBC due 2019, in the second semester of 2013 and in the second semester of 2014 TVI entered into interest rate swap agreements on notional amounts of Ps.500.0 million and Ps.300.0 million, respectively. These agreements involve the exchange of interest payments based on a variable interest rate for amounts based on fixed rates. These agreements allowed us to fix the coupon payments for a period of five years at an interest rate of 6.7015%.

The net fair value of the interest rate swap was a (liability) asset of Ps.(5.4) million as of March 31, 2015, Ps.(0.3) million as of December 31, 2014 and Ps.1.5 million as of December 31, 2013. The potential loss in fair value for such instruments from a hypothetical 50 bps adverse change in market interest rates would be approximately Ps. 12.0 million as of March 31, 2015, Ps.12.8 million as of December 31, 2014 and Ps.8.5 million as of December 31, 2013. This sensitivity analysis assumes a downward parallel shift in the Mexican Interest Rate Swaps Yield Curve.

### *Sensitivity and Fair Value Analyses*

The sensitivity analyses that follow are intended to present the hypothetical change in fair value or loss in earnings due to changes in interest rates, inflation rates, foreign currency exchange rates and debt and equity market prices as they affect our financial instruments at December 31, 2014 and 2013. These analyses address market risk only and do not present other risks that we face in the ordinary course of business, including country risk and credit risk. The hypothetical changes reflect our view of changes that are reasonably possible over a one-year period. For purposes of the following sensitivity analyses, we have made conservative assumptions of expected near-term future changes in U.S. interest rates, Mexican interest rates, inflation rates and Peso to U.S. Dollar exchange rates of 10%. The results of the analyses do not purport to represent actual changes in fair value or losses in earnings that we will incur.

<b>December 31, 2014</b>	<b>Carrying value(3)</b>	<b>Fair value(4)</b>	<b>Increase (decrease) of fair value over carrying value</b>	<b>Increase (decrease) of fair value over carrying value assuming a hypothetical 10% increase in fair value</b>
<b>Assets:</b>				
Temporary investments (1)	Ps. 4,788.6	Ps 4,788.6	Ps.	Ps.
1.5% Convertible debentures due 2025 issued by BMP	10,421.5	10,421.5		1,042.1
Embedded derivative BMP	17,447.9	17,447.9		1,744.8
Long-term loan and interest receivable from GTAC	677.3	675.2	(2.1)	65.4
Held-to-maturity investments	461.0	460.2	(0.8)	45.2
Available-for-sale investments	5,511.8	5,511.8		551.2
Shares of common stock of Imagina	836.0	836.0		83.6
Derivative financial instruments (2)	2.9	2.9		
<b>Liabilities:</b>				
<b>U.S. dollar-denominated debt:</b>				
Senior Notes due 2018	7,380.6	8,192.6	812.0	1,631.2

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Senior Notes due 2025	8,856.8	10,940.7	2,083.9	3,178.0
Senior Notes due 2032	4,428.4	6,097.6	1,669.2	2,279.0
Senior Notes due 2040	8,856.8	10,994.2	2,137.4	3,236.8
Senior Notes due 2045	14,761.3	15,015.8	254.5	1,756.1
<b>Peso-denominated debt:</b>				
Notes due 2020	10,000.0	10,469.0	469.0	1,515.9
Senior Notes due 2037	4,500.0	4,778.6	278.6	756.5
Senior Notes due 2043	6,500.0	5,505.2	(994.8)	(444.2)
Senior Notes due 2021	6,000.0	6,012.3	12.3	613.5
Short-term and long-term notes payable to Mexican Banks	10,982.6	11,413.2	430.6	1,571.9
Derivative financial instruments (2)	335.1	335.1		



December 31, 2013	Carrying value(3)	Fair value(4)	Increase (decrease) of fair value over carrying value	Increase (decrease) of fair value over carrying value assuming a hypothetical 10% increase in fair value
<b>Assets:</b>				
Temporary investments (1)	Ps. 3,723.0	Ps. 3,723.0	Ps.	Ps.
Convertible Debentures due 2025 issued by BMP	7,675.0	7,675.0		767.5
Embedded derivative BMP	14,761.7	14,761.7		1,476.2
Convertible debt instruments issued by Ares	6,446.0	6,446.0		644.6
Embedded derivative Ares	771.0	771.0		77.1
Long-term debt instrument issued by Ares	2,522.0	2,522.0		252.2
Long-term loan and interest receivable from GTAC	708.7	739.4	30.4	104.6
Held-to-maturity investments	632.0	632.0		63.2
Available-for-sale investments	4,015.1	4,015.1		401.5
Shares of common stock of Imagina	1,169.0	1,169.0		116.9
Derivative financial instruments (2)	8.4	8.4		
<b>Liabilities:</b>				
<b>U.S. dollar-denominated debt:</b>				
Senior Notes due 2018	6,537.5	7,305.7	768.2	1,498.7
Senior Notes due 2025	7,845.0	8,800.6	955.6	1,835.7
Senior Notes due 2032	3,922.5	4,890.5	968.0	1,457.0
Senior Notes due 2040	7,845.0	8,386.5	541.5	1,380.1
<b>Peso-denominated debt:</b>				
Notes due 2020	10,000.0	10,391.7	391.7	1,430.9
Senior Notes due 2037	4,500.0	4,377.4	(122.6)	315.2
Senior Notes due 2043	6,500.0	5,326.9	(1,173.1)	(640.4)
Short-term and long-term notes payable to Mexican Banks	13,714.4	14,414.0	699.6	2,141.0
Derivative financial instruments (2)	335.3	335.3		

- (1) At December 31, 2014 and 2013, the Group's temporary investments consisted of highly liquid securities, including without limitation debt securities and equity instruments held for trading (primarily denominated in Mexican pesos and U.S. dollars). Given the short-term nature of these investments, an increase in U.S. and/or Mexican interest rates would not significantly decrease the fair value of these investments.
- (2) Given the nature of these derivative instruments, an increase of 10% in the interest and/or exchange rates would not have a significant impact on the fair value of these financial instruments.

- (3) The carrying value of debt is stated in this table at its principal amount.
- (4) The fair value of the Senior Notes and Notes due by the Group are within level 1 of the fair value hierarchy as there is a quoted market price for them.

The fair value of the finance lease obligations are within level 2 of the fair value hierarchy and has been estimated based on cash flows discounted using borrowing rates that are currently available to the Group for bank loans with similar terms. The fair value of held-to-maturity securities are within level 1 of the fair value hierarchy, and were based on market interest rate to the listed securities.

We are also subject to the risk of foreign currency exchange rate fluctuations, resulting from the net monetary position in U.S. Dollars of our Mexican operations, as follows:

	<b>Year Ended December 31,</b>	
	<b>2014</b>	<b>2013</b>
	<b>(In millions of U.S. Dollars)</b>	
U.S. Dollar-denominated monetary assets, primarily cash and cash equivalents, held-to-maturity investments, non-current investments and convertible debentures(1)	U.S.\$ 2,767.8	U.S.\$ 2,231.3
U.S. Dollar-denominated monetary liabilities, primarily trade accounts payable, senior debt securities and other notes payable(2)	(3,922.3)	(2,932.6)
<b>Net liability position</b>	<b>U.S.\$ (1,154.5)</b>	<b>U.S.\$ (701.3)</b>

(1) In 2014 and 2013, include U.S. Dollar equivalent amounts of U.S.\$65.8 million and U.S.\$35.2 million and, respectively, related to other foreign currencies, primarily Euros.

(2) In 2014 and 2013, include U.S. Dollar equivalent amounts of U.S.\$1.0 million and U.S.\$14.1 million, respectively, related to other foreign currencies, primarily Euros.

At December 31, 2014, a hypothetical 10% appreciation / depreciation in the U.S. Dollar to Peso exchange rate would result in a gain / loss in earnings of Ps.1,704.2 million. At December 31, 2013, a hypothetical 10% appreciation / depreciation in the U.S. Dollar to Peso exchange rate would result in a gain / loss in earnings of Ps.916.9 million.

In December 2012 and 2011, we entered into foreign exchange option agreements to buy U.S.\$135.0 million and U.S.\$337.5 million, respectively, to hedge against a Peso depreciation of 30% with various maturity dates until the end of 2015 and 2014, respectively. The fair value of these option contracts was an asset of Ps.2.9 million and Ps.6.1 million as of December 31, 2014 and 2013, respectively.

## **Item 12. Description of Securities Other than Equity Securities**

### **Global Depositary Shares**

The Bank of New York Mellon, the depositary for the securities underlying our GDSs, collects its fees for delivery and surrender of GDSs directly from investors depositing shares or surrendering GDSs for the purpose of withdrawal or from intermediaries acting for them. The depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depositary may collect its annual fee for depositary services by deductions from cash distributions or by directly billing investors or by charging the book-entry system accounts of participants acting for them. The depositary may generally refuse to provide fee-attracting services until its fees for those services are paid.

The following table summarizes the fees and charges that a GDS holder may be required to pay, directly or indirectly, to the depositary pursuant to the terms of the Deposit Agreement, which was filed with the SEC as an exhibit to our Registration Statement on Form F-6 filed on September 17, 2007:

<b>Fee</b>	<b>Depositary Service</b>
U.S.\$5.00 (or less) per 100 GDSs (or portion of 100 GDSs)	Issuance of GDSs, including issuances resulting from a distribution of shares or rights or other property
	Cancellation of GDSs for the purpose of withdrawal, including if the deposit agreement terminates
U.S.\$0.02 (or less) per GDS	Any cash distribution to GDS registered holders
A fee equivalent to the fee that would be payable if securities distributed to holders had been CPOs and the CPOs had been deposited for issuance of GDSs	Distribution of securities distributed to holders of deposited securities which are distributed by the depositary to GDS registered holders
U.S.\$0.02 (or less) per GDS per calendar year	Depositary services
Registration or transfer fees	Transfer and registration of CPOs on our CPO register to or from the name of the depositary or its agent when holders deposit or withdraw CPOs
Expenses of the depositary	Cable, telex and facsimile transmissions (when expressly provided in the deposit agreement)
	Converting foreign currency to U.S. dollars
Taxes and other governmental charges the depositary or the custodian have to pay on any GDS or share underlying an GDS, for example, stock transfer taxes, stamp duty or withholding taxes	As necessary
Any charges incurred by the depositary or its agents for servicing the deposited securities	As necessary

Note that the actual amounts charged by the depositary may differ from those set out in the table above, but may not exceed these levels.

The Bank of New York Mellon, as depositary, pays us an agreed amount as reimbursement for certain expenses we incur related to our being a publicly-listed entity in the United States, including, but not limited to, internal and out-of-pocket investor relations expenses, corporate finance and accounting expenses, legal expenses, annual NYSE listing fees, Sarbanes-Oxley compliance, travel expenses related to presentations to rating agencies and investors, road show presentations, or any other similar or related expenses. There are limits on the amount of expenses for which the depositary will reimburse us, but the amount of reimbursement available to us is not necessarily tied to the amount of fees the depositary collects from investors. In 2014, we received a reimbursement of U.S.\$1.5 million.

## Part II

### Item 13. Defaults, Dividend Arrearages and Delinquencies

Not applicable.

**Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds**

Not applicable.

**Item 15. Controls and Procedures**

**Evaluation of Disclosure Controls and Procedures**

Based on the evaluation as of December 31, 2014, the Chief Executive Officer and the Chief Financial Officer of the Company have concluded that the Company's disclosure controls and procedures (as defined in the Exchange Act Rules 13a-15(e) and 15d-15(e)) are effective to ensure that the information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms and that such information is accumulated and communicated to management, including our Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

## **Management's Annual Report on Internal Control Over Financial Reporting**

The Company's management, including our Chief Executive Officer and Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting and for the assessment of the effectiveness of internal control over financial reporting as defined in Rule 13a-15(f) of the Exchange Act.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2014. In making this assessment, management used the criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Based on this assessment, management has concluded that the Company's internal control over financial reporting was effective as of December 31, 2014.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management has excluded Cablecom from its assessment of internal control over financial reporting as of December 31, 2014 as the acquisition of Cablecom occurring during 2014. As a result, our independent registered public accounting firm has also excluded Cablecom from the audit of effectiveness of internal control over financial reporting. As of December 31, 2014, we owned 100% of Cablecom's outstanding shares. Cablecom's total assets and total revenues represent 9% and 2%, respectively, of the related consolidated total assets and consolidated revenues as of and for the year ended December 31, 2014. See Notes 3 and 25 to our consolidated year-end financial statements.

PricewaterhouseCoopers, S.C., an independent registered public accounting firm, has audited the effectiveness of the Company's internal control over financial reporting as of December 31, 2014, as stated in their report which is included herein.

## **Changes in Internal Control Over Financial Reporting**

There has been no change in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended) that occurred during the year ended December 31, 2014 that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

### **Item 16.A. Audit Committee Financial Expert**

Our board of directors has determined that Mr. Francisco José Chévez Robelo is our audit committee financial expert. Mr. Francisco José Chévez Robelo is independent and meets the requisite qualifications as defined in Item 16A of Form 20-F.

### **Item 16.B. Code of Ethics**

We have adopted a written code of ethics that applies to all of our employees, including our principal executive officer, principal financial officer and principal accounting officer.

You may request a copy of our code of ethics, at no cost, by writing to or telephoning us as follows:

Grupo Televisa, S.A.B.

Avenida Vasco de Quiroga, No. 2000

Colonia Santa Fe, 01210 México, D.F., México.

Telephone: (52) (55) 5261-2000.

In addition, the English version of the code of ethics can be found at [www.televisa.com/inversionistas-ingles](http://www.televisa.com/inversionistas-ingles) and the Spanish version at [www.televisa.com/inversionistas-espanol](http://www.televisa.com/inversionistas-espanol).

**Item 16.C. Principal Accountant Fees and Services**

PricewaterhouseCoopers, S.C. acted as our independent registered public accounting firm for the fiscal years ended December 31, 2014 and 2013.

The chart below sets forth the total amount billed by our independent registered public accounting firm for services performed in the years 2014 and 2013, and breaks down these amounts by category of service:

	<b>2014</b>	<b>2013</b>
	<b>(in millions of Pesos)</b>	
Audit Fees	Ps. 99.1	Ps. 89.1
Audit-Related Fees	7.8	6.6
Tax Fees	7.0	4.4
Other Fees	1.6	
<b>Total</b>	<b>Ps. 115.5</b>	<b>Ps. 100.1</b>

**Audit Fees** are the aggregate fees billed by our Independent Registered Public Accounting Firm for the audit of our consolidated annual financial statements, services related to regulatory financial filings with the SEC and attestation services that are provided in connection with statutory and regulatory filings or engagements.

**Audit-Related Fees** are fees charged by our Independent Registered Public Accounting Firm for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and are not reported under **Audit Fees**. This category comprises fees billed for independent accountant review of our interim financial statements in connection with the offering of our debt securities, advisory services associated with our financial reporting, and due diligence reviews in connection with potential acquisitions and business combinations.

**Tax Fees** are fees for professional services rendered by the Company's Independent Registered Public Accounting Firm for tax compliance in connection with our subsidiaries and interests in the United States, as well as tax advice on actual or contemplated transactions.

**Other Fees** are fees charged by our Independent Registered Public Accounting Firm in connection with services rendered other than audit, audit-related and tax services.

We have procedures for the review and pre-approval of any services performed by PricewaterhouseCoopers, S.C. The procedures require that all proposed engagements of PricewaterhouseCoopers, S.C. for audit and non-audit services are submitted to the audit committee for approval prior to the beginning of any such services.

**Audit Committee Pre-approval Policies and Procedures**

Our audit committee is responsible, among other things, for the appointment, compensation and oversight of our external auditors. To assure the independence of our Independent Registered Public Accounting Firm, our audit committee pre-approves annually a catalog of specific audit and non-audit services in the categories Audit Services, Audit-Related Services, Tax-Related Services, and Other Services that may be performed by our auditors, as well as the budgeted fee levels for each of these categories. All other permitted services must receive a specific approval from our audit committee. Our external auditor periodically provides a report to our audit committee in order for our audit committee to review the services that our external auditor is providing, as well as the status and cost of those services.



During 2013 and 2014, none of the services provided to us by our external auditors were approved by our audit committee pursuant to the de minimis exception to the pre-approval requirement provided by paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

**Item 16.D. Exemptions from the Listing Standards for Audit Committees**

Not applicable.

**Item 16.E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers**

The following table sets forth, for the periods indicated, information regarding purchases of any of our equity securities registered pursuant to Section 12 of the Exchange Act made by us or on our behalf or by or on behalf of any affiliated purchaser (as that term is defined in Rule 10b-18(a)(3) under the Exchange Act):

**Purchases of Equity Securities by the Company**

<b>Purchase Date</b>	<b>Total Number of CPOs Purchased</b>	<b>Average Price Paid per CPO(1)</b>	<b>Total Number of CPOs Purchased as part of Publicly Announced Plans or Programs(2)</b>	<b>Maximum Number (or Appropriate Peso Value) of CPOs that May Yet Be Purchased Under the Plans or Programs(2)</b>
January 1 to January 31		Ps.	264,891,400	Ps. 20,000,000,000
February 1 to February 28			264,891,400	20,000,000,000
March 1 to March 31			264,891,400	20,000,000,000
April 1 to April 30			264,891,400	20,000,000,000
May 1 to May 31			264,891,400	20,000,000,000
June 1 to June 30			264,891,400	20,000,000,000
July 1 to July 31			264,891,400	20,000,000,000
August 1 to August 31			264,891,400	20,000,000,000
September 1 to September 30			264,891,400	20,000,000,000
October 1 to October 31			264,891,400	20,000,000,000
November 1 to November 30			264,891,400	20,000,000,000
December 1 to December 31			264,891,400	20,000,000,000
<b>Total</b>				

- (1) The values have not been restated in constant Pesos and therefore represent nominal historical figures.
- (2) Our share repurchase program was announced in September 2002 and does not have an expiration date. Since 2011 we have not repurchased any securities in the open market. The total amount of our share repurchase program is currently limited to Ps.20,000,000,000, as updated in accordance with a resolution that our stockholders approved in a general meeting of our stockholders held on April 29, 2014.

**Purchases of Equity Securities by Special Purpose Trust****Formed in Connection with Long-Term Retention Plan(1)**

<b>Purchase Date</b>	<b>Total Number of CPOs Purchased(2)</b>	<b>Average Price Paid per CPO(3)</b>	<b>Total Number of CPOs Purchased as part of</b>	<b>Maximum Number (or Appropriate Peso Value) of CPOs that May Yet Be</b>
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			<b>Publicly Announced Plans or Programs</b>	<b>Purchased Under the Plans or Programs</b>
January 1 to January 31	135,000	Ps. 75.4290	188,624,322	
February 1 to February 28			188,624,322	
March 1 to March 31			188,624,322	
April 1 to April 30			188,624,322	
May 1 to May 31			188,624,322	
June 1 to June 30			188,624,322	
July 1 to July 31			188,624,322	
August 1 to August 31			188,624,322	
September 1 to September 30			188,624,322	
October 1 to October 31	36,600	91.1556	188,660,922	
November 1 to November 30	1,373,227	95.8619	190,034,149	
December 1 to December 31	1,300,000	98,4576	191,334,149	
<b>Total</b>	<b>2,844,827</b>	<b>Ps. 96.0178</b>		

- (1) See Directors, Senior Management and Employees Stock Purchase Plan and Long-Term Retention Plan for a description of the implementation, limits and other terms of our Long-Term Retention Plan.
- (2) Represents open-market purchases by the special purpose trust formed in connection with our Long-Term Retention Plan.
- (3) The values have not been restated in constant Pesos and therefore represent nominal historical figures.

**Item 16.F. Change in Registrant's Certifying Accountant**

Not applicable.

**Item 16.G. Corporate Governance**

As a foreign private issuer with shares listed on the NYSE, we are subject to different corporate governance requirements than a U.S. company under the NYSE listing standards. With certain exceptions, foreign private issuers are permitted to follow home country practice standards. Pursuant to Rule 303.A11 of the NYSE listed company manual, we are required to provide a summary of the significant ways in which our corporate governance practices differ from those required for U.S. companies under the NYSE listing standards.

We are a Mexican corporation with shares, in the form of CPOs listed on the *Bolsa Mexicana de Valores*, or Mexican Stock Exchange. Our corporate governance practices are governed by our bylaws, the Mexican Securities Market Law, and the regulations issued by the CNBV and the Mexican Stock Exchange. Although compliance is not mandatory, we also substantially comply with the Mexican Code of Best Corporate Practices (*Código de Mejores Prácticas Corporativas*), which was created in January 1999 by a group of Mexican business leaders and was endorsed by the CNBV. See [Additional Information Bylaws](#) for a more detailed description of our corporate governance practices.

The table below sets forth a description of the significant differences between corporate governance practices required for U.S. companies under the NYSE listing standards and the Mexican corporate governance standards that govern our practices.

<b>NYSE rules</b>	<b>Mexican rules</b>
Listed companies must have a majority of independent directors.	The Mexican Securities Market Law requires that listed companies have at least 25% of independent directors. Our stockholders meeting is required to make a determination as to the independence of the directors. The definition of independence under the Mexican Securities Market Law differs in some aspects from the one applicable to U.S. issuers under the NYSE standard and prohibits, among other relationships, an independent director from being an employee or officer of the company or a stockholder that may have influence over our officers, relevant clients and contractors, as well as certain relationships between the independent director and family members of the independent director. In addition, our bylaws broaden the definition of independent director. Our bylaws provide for an executive committee of our board of directors. The executive committee is currently composed of six members, and there are no applicable Mexican rules that require any of the members to be independent. The executive committee may generally exercise the powers of our board of directors, subject to certain exceptions. Our Chief Executive Officer is a member of our board of directors and the executive committee.
Listed companies must have a nominating/corporate governance committee composed entirely of independent directors.	Listed companies are required to have a corporate practices committee.

Listed companies must have a compensation committee composed entirely of independent directors.

The Mexican Code of Best Corporate Practices recommends listed companies to have a compensation committee. While these rules are not legally binding, companies failing to comply with the Mexican Code of Best Business Practices recommendation must disclose publicly why their practices differ from those recommended by the Mexican Code of Best Business Practices.

Listed companies must have an audit committee with a minimum of three members and must be independent.

The Mexican Securities Market Law requires that listed companies must have an audit committee. The Chairman and the majority of the members must be independent.

Non-management directors must meet at regularly scheduled executive sessions without management.

Our non-management directors are not required to meet at executive sessions. The Mexican Code of Best Corporate Practices does not expressly recommend executive sessions.

Listed companies must require shareholder approval for equity compensation plans, subject to limited exemptions.

Listed companies must adopt and disclose a code of business conduct and ethics for directors, officers and employees, and promptly disclose any waivers of the code for directors or executive officers.

Companies listed on the Mexican Stock Exchange are required to obtain shareholder approval for equity compensation plans, provided that such plans are subject to certain conditions.

Companies listed on the Mexican Stock Exchange are not required to adopt a code of ethics. However, we have adopted a code of ethics which is available free of charge through our offices. See Code of Ethics for directions on how to obtain a copy of our code of ethics. Waivers involving any of our executive officers or directors will be made only by our Board of Directors or a designated committee of the Board.

**Item 16.H. Mine Safety Disclosure**

Not applicable.

**Part III**

**Item 17. Financial Statements**

We have responded to Item 18 in lieu of Item 17.

**Item 18. Financial Statements**

See pages F-1 through F-77, which are incorporated in this Item 18 by reference.

**Item 19. Exhibits**

Documents filed as exhibits to this annual report appear on the following

(a) Exhibits.

**EXHIBIT INDEX**

<b>Exhibit Number</b>	<b>Description of Exhibits</b>
1.1	English translation of Amended and Restated Bylaws (Estatutos Sociales) of the Registrant, dated as of April 30, 2009 (previously filed with the Securities and Exchange Commission as Exhibit 1.1 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2008, and incorporated herein by reference).
2.1	Indenture relating to Senior Debt Securities, dated as of August 8, 2000, between the Registrant, as Issuer, and The Bank of New York, as Trustee (previously filed with the Securities and Exchange

Commission as Exhibit 4.1 to the Registrant's Registration Statement on Form F-4 (File number 333-12738), as amended, and incorporated herein by reference).

- 2.2 Third Supplemental Indenture relating to the 8% Senior Notes due 2011, dated as of September 13, 2001, between the Registrant, as Issuer, and The Bank of New York and Banque Internationale à Luxembourg, S.A. (previously filed with the Securities and Exchange Commission as Exhibit 4.4 to the Registrant's Registration Statement on Form F-4 (File number 333-14200) (the 2001 Form F-4) and incorporated herein by reference).
- 2.3 Fourth Supplemental Indenture relating to the 8.5% Senior Exchange Notes due 2032 between the Registrant, as Issuer, and The Bank of New York and Dexia Banque Internationale à Luxembourg (previously filed with the Securities Exchange Commission as Exhibit 4.5 to the Registrant's Registration Statement on Form F-4 (the 2002 Form F-4) and incorporated herein by reference).
- 2.4 Fifth Supplemental Indenture relating to the 8% Senior Notes due 2011 between Registrant, as Issuer, and The Bank of New York and Dexia Banque Internationale à Luxembourg (previously filed with the Securities and Exchange Commission as Exhibit 4.5 to the 2001 Form F-4 and incorporated herein by reference).

Exhibit Number	Description of Exhibits
2.5	Sixth Supplemental Indenture relating to the 8.5% Senior Notes due 2032 between Registrant, as Issuer, and The Bank of New York and Dexia Banque Internationale à Luxembourg (previously filed with the Securities and Exchange Commission as Exhibit 4.7 to the 2002 Form F-4 and incorporated herein by reference).
2.6	Seventh Supplemental Indenture relating to the 6 5/8% Senior Notes due 2025 between Registrant, as Issuer, and The Bank of New York and Dexia Banque Internationale à Luxembourg, dated March 18, 2005 (previously filed with the Securities and Exchange Commission as Exhibit 2.8 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2004 (the 2004 Form 20-F) and incorporated herein by reference).
2.7	Eighth Supplemental Indenture relating to the 6 5/8% Senior Notes due 2025 between Registrant, as Issuer, and The Bank of New York and Dexia Banque Internationale à Luxembourg, dated May 26, 2005 (previously filed with the Securities and Exchange Commission as Exhibit 2.9 to the 2004 Form 20-F and incorporated herein by reference).
2.8	Ninth Supplemental Indenture relating to the 6 5/8% Senior Notes due 2025 between Registrant, as Issuer, The Bank of New York and Dexia Banque Internationale à Luxembourg, dated September 6, 2005 (previously filed with the Securities and Exchange Commission as Exhibit 2.8 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2005 (the 2005 Form 20-F) and incorporated herein by reference).
2.9	Tenth Supplemental Indenture related to the 8.49% Senior Notes due 2037 between Registrant, as Issuer, The Bank of New York and The Bank of New York (Luxembourg) S.A., dated as of May 9, 2007 (previously filed with the Securities and Exchange Commission as Exhibit 2.9 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2006, and incorporated herein by reference).
2.10	Eleventh Supplemental Indenture relating to the 8.49% Senior Exchange Notes due 2037 between Registrant, as Issuer, The Bank of New York and The Bank of New York (Luxembourg) S.A., dated as August 24, 2007 (previously filed with the Securities and Exchange Commission as Exhibit 4.12 to the Registrant's Registration Statement on Form F-4 (File number 333-144460), as amended, and incorporated herein by reference).
2.11	Twelfth Supplemental Indenture related to the 6.0% Senior Notes due 2018 between Registrant, as Issuer, The Bank of New York and The Bank of New York (Luxembourg) S.A., dated as of May 12, 2008 (previously filed with the Securities and Exchange Commission as Exhibit 2.11 to the Form 20-F for the year ended December 31, 2007 (the 2007 Form 20-F) and incorporated herein by reference).
2.12	Form of Deposit Agreement between the Registrant, The Bank of New York, as depositary and all holders and beneficial owners of the Global Depositary Shares, evidenced by Global Depositary Receipts (previously filed with the Securities and Exchange Commission as an Exhibit to the Registrant's Registration Statement on Form F-6 (File number 333-146130) and incorporated herein by reference).
2.13	Thirteenth Supplemental Indenture relating to the 6.0% Senior Exchange Notes due 2018 between Registrant, as Issuer, The Bank of New York Mellon and The Bank of New York (Luxembourg) S.A., dated as of August 21, 2008 (previously filed with the Securities and Exchange Commission as Exhibit 4.14 to the Registrant's Registration Statement on Form F-4 (File number 333-144460), as amended, and incorporated herein by reference).
2.14	Fourteenth Supplemental Indenture relating to the 6.625% Senior Notes due 2040 between Registrant, as Issuer, The Bank of New York Mellon and The Bank of New York (Luxembourg) S.A., dated as of November 30, 2009 (previously filed with the Securities and Exchange Commission as Exhibit 4.15 to the



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Registrant's Registration Statement on Form F-4 (File number 333-164595), as amended, and incorporated herein by reference).

- 2.15 Fifteenth Supplemental Indenture relating to the 6.625% Senior Exchange Notes due 2040 between Registrant, as Issuer, The Bank of New York Mellon and The Bank of New York (Luxembourg) S.A., dated as of March 22, 2010 (previously filed with the Securities and Exchange Commission as Exhibit 2.15 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2009 and incorporated herein by reference).

Exhibit Number	Description of Exhibits
2.16	Sixteenth Supplemental Indenture relating to the 7.25% Peso Denominated Senior Notes due 2043 among the Registrant, The Bank of New York Mellon, as Trustee, Registrar, Paying Agent and Transfer Agent, the Bank of New York Mellon, London Branch, as London Paying Agent and the Bank of New York Mellon (Luxembourg) S.A., as Luxembourg Paying Agent and Transfer Agent, dated as of May 14, 2013 (previously filed with the Securities and Exchange Commission as Exhibit 4.1 to the Registrant's Form 6-K filed on May 14, 2013 and incorporated herein by reference).
2.17	Seventeenth Supplemental Indenture relating to the 5.000% Senior Notes due 2045 among the Registrant, The Bank of New York Mellon, as Trustee, Registrar, Paying Agent and Transfer Agent and the Bank of New York Mellon (Luxembourg) S.A., as Luxembourg Paying Agent and Transfer Agent, dated as of May 13, 2014 (previously filed with the Securities and Exchange Commission as Exhibit 4.1 to the Registrant's Form 6-K filed on May 13, 2014 and incorporated herein by reference).
4.1	Form of Indemnity Agreement between the Registrant and its directors and executive officers (previously filed with the Securities and Exchange Commission as Exhibit 10.1 to the Registrant's Registration Statement on Form F-4 (File number 33-69636), as amended, and incorporated herein by reference).
4.2	Amended and Restated Collateral Trust Agreement, dated as of June 13, 1997, as amended, among PanAmSat Corporation, Hughes Communications, Inc., Satellite Company, LLC, the Registrant and IBJ Schroder Bank and Trust Company (previously filed with the Securities and Exchange Commission as an Exhibit to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2001 and incorporated herein by reference).
4.3	Amended and Restated Bylaws (Estatutos Sociales) of Innova, S. de R.L. de C.V. ( Innova ) dated as of December 22, 1998 (previously filed with the Securities and Exchange Commission as an Exhibit to Innova's Annual Report on Form 20-F for the year ended December 31, 2004 and incorporated herein by reference).
4.4	Administration Trust Agreement relating to Trust No. 80375, dated as of March 23, 2004, by and among Nacional Financiera, S.N.C., as trustee of Trust No. 80370, Banco Inbursa, S.A., as trustee of Trust No. F/0553, Banco Nacional de México, S.A., as trustee of Trust No. 14520-1, Nacional Financiera, S.N.C., as trustee of Trust No. 80375, Emilio Azcárraga Jean, Promotora Inbursa, S.A. de C.V., the Registrant and Grupo Televisión, S.A. de C.V. (as previously filed with the Securities and Exchange Commission as an Exhibit to Schedules 13D or 13D/A in respect of various parties to the Trust Agreement (File number 005-60431) and incorporated herein by reference).
4.5	English translation of Ps.2,100.0 million credit agreement, dated as of March 10, 2006, by and among Innova, the Registrant and Banamex (previously filed with the Securities and Exchange Commission as Exhibit 4.7 to the 2005 Form 20-F and incorporated herein by reference).
4.6	English summary of Ps.1,400.0 million credit agreement, dated as of April 7, 2006, by and among Innova, the Registrant and Banco Santander Serfin, S.A. (the April 2006 Credit Agreement ) and the April 2006 Credit Agreement (in Spanish) (previously filed with the Securities and Exchange Commission as Exhibit 4.7 to the 2005 Form 20-F and incorporated herein by reference).
4.7	Third Amended and Restated Program License Agreement, dated as of January 22, 2009, by and between Televisa, S.A. de C.V., as successor in interest to Televisa Internacional, S.A. de C.V. and Univision Communications Inc. (previously filed with the Securities and Exchange Commission on February 2, 2009 (File number 001-12610) and incorporated herein by reference).
4.8	Full-Time Transponder Service Agreement, dated as of November , 2007, by and among Intelsat Corporation, Intelsat LLC, Corporación de Radio y Televisión del Norte de México, S. de R. L. de C.V.

and SKY Brasil Serviços Ltda (previously filed with the Securities and Exchange Commission as Exhibit 4.16 to the 2007 Form 20-F and incorporated herein by reference).

Exhibit Number	Description of Exhibits
4.9	Investment Agreement, dated as of December 20, 2010 (the Investment Agreement ), by and among the Registrant, Televisa, S.A. de C.V., Univision Communications Inc., Broadcasting Media Partners, Inc., and UCI s direct and indirect licensee subsidiaries named therein (previously filed with the Securities and Exchange Commission as Exhibit 4.19 to the Registrant s Annual Report on Form 20-F for the year ended December 31, 2010 and incorporated herein by reference).
4.10	Amendment, dated as of February 28, 2011, to the Investment Agreement, dated as of December 20, 2010, by and among Broadcasting Media Partners, Inc., BMPI Services II, LLC, Univision Communications Inc., the Registrant and Pay-TV Venture, Inc. (previously filed with the Securities and Exchange Commission as Exhibit 4.20 to the Registrant s Annual Report on Form 20-F for the year ended December 31, 2010 and incorporated herein by reference).
4.11	\$1,125 million aggregate principal amount of 1.5% Convertible Debentures due 2025 issued by Broadcasting Media Partners, Inc. pursuant to the Investment Agreement, dated as of December 20, 2010 (previously filed with the Securities and Exchange Commission as Exhibit 4.21 to the Registrant s Annual Report on Form 20-F for the year ended December 31, 2010 and incorporated herein by reference).
4.12	Amended and Restated Certificate of Incorporation of Broadcasting Media Partners, Inc. (previously filed with the Securities and Exchange Commission as Exhibit 4.22 to the Registrant s Annual Report on Form 20-F for the year ended December 31, 2010 and incorporated herein by reference).
4.13	Amended and Restated Bylaws of Broadcasting Media Partners, Inc. dated as of December 20, 2010 (previously filed with the Securities and Exchange Commission as Exhibit 4.23 to the Registrant s Annual Report on Form 20-F for the year ended December 31, 2010 and incorporated herein by reference).
4.14*	Amended and Restated Stockholders Agreement, dated as of December 20, 2010, by and among Broadcasting Media Partners, Inc., Broadcast Media Partners Holdings, Inc., Univision Communications Inc., and certain stockholders of Broadcasting Media Partners, Inc. (previously filed with the Securities and Exchange Commission as Exhibit 4.24 to the Registrant s Annual Report on Form 20-F for the year ended December 31, 2010 and incorporated herein by reference).
4.15	Amendment, dated as of February 28, 2011, to the Amended and Restated Stockholders Agreement, dated as of December 20, 2010, by and among Broadcasting Media Partners, Inc., Broadcast Media Partners Holdings, Inc., Univision Communications Inc., and certain stockholders of Broadcasting Media Partners, Inc. (previously filed with the Securities and Exchange Commission as Exhibit 4.25 to the Registrant s Annual Report on Form 20-F for the year ended December 31, 2010 and incorporated herein by reference).
4.16*	Amended and Restated Principal Investor Agreement, dated as of December 20, 2010, by and among Broadcasting Media Partners, Inc., Broadcast Media Partners Holdings, Inc., Univision Communications Inc., the Registrant and certain investors (previously filed with the Securities and Exchange Commission as Exhibit 4.26 to the Registrant s Annual Report on Form 20-F for the year ended December 31, 2010 and incorporated herein by reference).
4.17*	Amended and Restated 2011 Program License Agreement, dated as of February 28, 2011, by and among Televisa, S.A. de C.V. and Univision Communications Inc. (previously filed with the Securities and Exchange Commission as Exhibit 4.27 to the Registrant s Annual Report on Form 20-F for the year ended December 31, 2010 and incorporated herein by reference).
4.18	Amendment to International Program Rights Agreement, dated as of December 20, 2010, by and among Univision Communications Inc. and the Registrant (previously filed with the Securities and Exchange Commission as Exhibit 4.28 to the Registrant s Annual Report on Form 20-F for the year ended

December 31, 2010 and incorporated herein by reference).

Exhibit Number	Description of Exhibits
4.19*	Amended and Restated 2011 Mexico License Agreement, dated as of February 28, 2011, by and among Univision Communications Inc. and Videoserpel, Ltd. (previously filed with the Securities and Exchange Commission as Exhibit 4.29 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2010 and incorporated herein by reference).
4.20	Letter Agreement, dated as of February 28, 2011, by and among Televisa, S.A. de C.V., the Registrant and Univision Communications Inc. (previously filed with the Securities and Exchange Commission as Exhibit 4.30 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2010 and incorporated herein by reference).
4.21*	Purchase and Assignment and Assumption Agreement, dated as of December 20, 2010, by and among Pay-TV Venture, Inc., TuTv LLC and Univision Communications Inc., solely for purposes of Section 1.4, Televisa, S.A. de C.V., as successor to Visat, S.A. de C.V. and Televisa Internacional, S.A. de C.V., and, solely for purposes of Section 1.5, the Registrant (previously filed with the Securities and Exchange Commission as Exhibit 4.31 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2010 and incorporated herein by reference).
4.22	English summary of Shareholders' and Share Purchase Agreement, dated as of December 16, 2010 (and amended on April 7, 2011), by and among Grupo Salinas Telecom, S.A. de C.V., Mexico Media Investments, S.L., Sociedad Unipersonal, GSF Telecom Holdings, S.A.P.I. de C.V., Orilizo Holding B.V. and Grupo Iusacell, S.A. de C.V. and Assignment Agreement with respect to the Shareholders' and Share Purchase Agreement, dated as of April 7, 2011, by and among Mexico Media Investments S.L., Sociedad Unipersonal, as assignor and Corporativo Vasco de Quiroga, S.A. de C.V., as assignee, with the consent of Grupo Salinas Telecom, S.A. de C.V., GSF Telecom Holdings, S.A.P.I. de C.V., Orilizo Holding B.V. and Grupo Iusacell, S.A. de C.V. (previously filed with the Securities and Exchange Commission as Exhibit 4.32 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2010 and incorporated herein by reference).
4.23	English summary of Irrevocable Guaranty Trust Agreement, dated as of December 16, 2010 (and amended on December 16, 2010 and April 7, 2011), by and among Grupo Salinas Telecom, S.A. de C.V., México Media Investments, S.L., GSF Telecom Holdings, S.A.P.I. de C.V. and Banco Invex, S.A., Institución de Banca Múltiple, Invex Grupo Financiero and Assignment Agreement with respect to the Irrevocable Guaranty Trust Agreement, dated as of April 7, 2011, by and among Mexico Media Investments S.L., Sociedad Unipersonal, as assignor and Corporativo Vasco de Quiroga, S.A. de C.V., as assignee, with the consent of Grupo Salinas Telecom, S.A. de C.V., GSF Telecom Holdings, S.A.P.I. de C.V. and Banco Invex, S.A., Institución de Banca Múltiple, Invex Grupo Financiero (previously filed with the Securities and Exchange Commission as Exhibit 4.33 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2010 and incorporated herein by reference).
4.24	English Summary of Amendment and Restatement of the Indenture, dated April 7, 2011, relating to the issuance of the Series 1 and Series 2 Debentures by GSF Telecom Holdings, Sociedad Anónima Promotora de Inversión de Capital Variable with the consent of Deutsche Bank México, Sociedad Anónima, Institución de Banca Múltiple, División Fiduciaria and Assignment Agreement with respect to the Series 1 and Series 2 Debentures, dated April 7, 2011, by and among Mexico Media Investments S.L., Sociedad Unipersonal, as assignor and Corporativo Vasco de Quiroga, S.A. de C.V., as assignee, with the consent of GSF Telecom Holdings, S.A.P.I. de C.V. and Deutsche Bank México, S.A., Institución de Banca Múltiple, División Fiduciaria (previously filed with the Securities and Exchange Commission as Exhibit 4.34 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2010 and incorporated herein by reference).



Exhibit Number	Description of Exhibits
4.25	English summary of Ps.400 million credit agreement, dated as of March 23, 2011, between the Registrant and Banco Nacional de Mexico, S.A. integrante del Grupo Financiero Banamex (previously filed with the Securities and Exchange Commission as Exhibit 4.35 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2010 and incorporated herein by reference).
4.26	English summary of Ps.800 million credit agreement, dated as of March 23, 2011, between the Registrant and Banco Nacional de Mexico, S.A. integrante del Grupo Financiero Banamex (previously filed with the Securities and Exchange Commission as Exhibit 4.36 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2010 and incorporated herein by reference).
4.27	English summary of Ps.400 million credit agreement, dated as of March 23, 2011, between the Registrant and Banco Nacional de Mexico, S.A. integrante del Grupo Financiero Banamex (previously filed with the Securities and Exchange Commission as Exhibit 4.37 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2010 and incorporated herein by reference).
4.28	English summary of Ps.2,500 million credit agreement, dated as of March 30, 2011, between the Registrant and BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer (previously filed with the Securities and Exchange Commission as Exhibit 4.38 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2010 and incorporated herein by reference).
4.29	English summary of Ps.2,500 million credit agreement, dated as of March 28, 2011, between the Registrant and HSBC México, S.A., Institución de Banca Múltiple, Grupo Financiero HSBC (previously filed with the Securities and Exchange Commission as Exhibit 4.39 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2010 and incorporated herein by reference).
4.30	English summary of Ps.2,000 million credit agreement, dated as of March 30, 2011, between the Registrant and Banco Santander (México), S.A., Institución de Banca Múltiple, Grupo Financiero Santander (previously filed with the Securities and Exchange Commission as Exhibit 4.40 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2010 and incorporated herein by reference).
4.31	English summary of indenture, dated July 31, 2013, related to the issuance of Ps.7,000 million convertible debentures, by Tenedora Ares, S.A.P.I de C.V., together with Banco Invex, Sociedad Anónima, Institución de Banca Múltiple, Invex Grupo Financiero, Fiduciario, in its capacity as common representative for the holders of the debentures (previously filed with the Securities and Exchange Commission as Exhibit 4.30 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2013 and incorporated herein by reference).
4.32	English summary of call and put option agreement, dated July 31, 2013, by and among Tenedora Ares, S.A.P.I. de C.V., Thomas Stanley Heather Rodríguez, Vamole Inversiones 2013, S.L. Sociedad Unipersonal and Arretis, S.A.P.I. de C.V. (previously filed with the Securities and Exchange Commission as Exhibit 4.32 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2013 and incorporated herein by reference).
4.33	English summary of conversion of debentures, dated August 13, 2014, by and between Arretis, S.A.P.I. de C.V and Tenedora Ares, S.A.P.I. de C.V.
4.34	English summary of share purchase agreement, dated August 13, 2014, by and among Vamole Inversiones 2013, S.L., Sociedad Unipersonal, Thomas Stanley Heather Rodríguez, Arretis, S.A.P.I. de C.V. and San Ángel Telecom, S.A. de C.V.



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- 4.35 English summary of share purchase agreement, dated August 13, 2014, by and among Dafel Investments B.V., Mexico Media Investments, S.L., Sociedad Unipersonal, Cable TV Investments, S.L., Sociedad Unipersonal, Tenedora Ares, S.A.P.I. de C.V. and San Ángel Telecom, S.A. de C.V.
- 4.36 English summary of share purchase agreement, dated July 9, 2014, by and among Invex Grupo Financiero, as trustee of Trust F/1017 and Grupo Salinas Telecom, S.A. de C.V., with the acknowledgement of GSF Telecom Holdings, S.A.P.I. de C.V. and Corporativo Vasco de Quiroga, S.A. de C.V.
- 4.37 English summary of merger agreement, dated January 8, 2015, by and among Consorcio Nekeas, S.A. de C.V., Galavisión DTH, S. de R.L. de C.V. and Inmobiliaria Hevi, S.A. de C.V.
- 4.38 English summary of stock purchase agreement, dated January 8, 2015, by and among Marla del Carmen Ordóñez Valverde, Axel Eduardo Vielma Ordóñez, Héctor Vielma Ordóñez, José Francisco Vielma Ordóñez, Luis Edmundo Vielma Ordóñez and Corporativo Vasco de Quiroga, S.A. de C.V.
- 8.1 List of Subsidiaries of Registrant.
- 12.1 CEO Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated April 29, 2015.
- 12.2 CFO Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated April 29, 2015.
- 13.1 CEO Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, dated April 29, 2015.
- 13.2 CFO Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, dated April 29, 2015.
- 23.1 Consent of PricewaterhouseCoopers, S.C.

\* Portions of this exhibit have been omitted and filed separately with the Securities and Exchange Commission purs