

GRUPO TELEVISIA, S.A.B.
Form 20-F
April 29, 2014

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, 2013

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)

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

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

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

Ordinary Participation Certificates

(Certificados de Participación Ordinarios) (CPOs)

CPOs, each representing twenty-five A Shares, twenty-two

New York Stock Exchange (for listing purposes only)

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

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

None.

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None.

The number of outstanding shares of each of the issuer's classes of capital

or common stock as of December 31, 2013 was:

114,197,514,865 A Shares

52,920,431,915 B Shares

84,191,538,006 L Shares

84,191,538,006 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

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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, 2013 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, 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, 2013 and 2012, the related consolidated statements of income, comprehensive income, changes in stockholders' equity and cash flows for the years ended December 31, 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, 2013, 2012 and 2011 and for the years ended December 31, 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 SEC, we only include selected financial data as of December 31, 2013, 2012 and 2011 and for the years ended December 31, 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, 2013, which was Ps.13.0750 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,			
	2013	2013	2012	2011
	(Millions of U.S. Dollars or millions of Pesos)(1)			
Income Statement Data:				
Net sales	U.S.\$ 5,644	Ps. 73,791	Ps. 69,290	Ps. 62,582
Operating income	1,433	18,738	18,140	16,274
Finance income (expense), net (2)	68	885	(3,350)	(4,641)
Net income	783	10,234	10,069	7,957
Net income attributable to stockholders of the Company	593	7,748	8,761	6,666
Net income attributable to non-controlling interests	190	2,486	1,308	1,291
Basic earnings per CPO attributable to stockholders of the Company (3)		2.71	3.08	2.37

	Year Ended December 31,			
	2013	2013	2012	2011
Diluted earnings per CPO attributable to stockholders of the Company (3)		2.50	2.83	2.24
Weighted-average number of shares outstanding (in millions)(3)(4)		335,263	333,372	329,463
Cash dividend per CPO(3)		0.70	0.35	0.35
Comprehensive Income Data:				
Total comprehensive income	U.S.\$ 905	Ps. 11,833	Ps. 10,530	Ps. 8,808
Total comprehensive income attributable to stockholders of the Company	714	9,336	9,243	7,442
Total comprehensive income attributable to non-controlling interests	191	2,497	1,287	1,366

	As of December 31,			
	2013	2013	2012	2011
Financial Position Data:				
Cash and cash equivalents	U.S.\$ 1,277	Ps. 16,692	Ps. 19,063	Ps. 16,276
Temporary investments	285	3,723	5,317	5,423
Total assets	14,846	194,109	164,997	153,300
Short-term debt and current portion of long-term debt (5)	24	313	375	1,170
Long-term debt, net of current portion(6)	4,569	59,743	52,616	54,795
Customer deposits and advances	1,716	22,437	21,985	21,386
Capital stock	381	4,978	4,978	5,041
Total equity (including non-controlling interests)	6,010	78,579	68,535	59,089
Shares outstanding (in millions)(4)		335,501	333,898	330,862

	Year Ended December 31,			
	2013	2013	2012	2011
Cash Flow Data:				
Net cash provided by operating activities	U.S.\$ 1,821	Ps. 23,806	Ps. 22,556	Ps. 23,004
Net cash used in investing activities	(1,931)	(25,246)	(12,167)	(25,232)
Net cash used in financing activities	(71)	(924)	(7,548)	(2,543)
(Decrease) increase in cash and cash equivalents	(181)	(2,371)	2,787	(4,667)
Other Financial Information:				
Capital expenditures(7)	U.S.\$ 1,158	Ps. 14,871	Ps. 11,428	Ps. 9,669
Other Data (unaudited):				
Magazine circulation (millions of copies)(8)		126	129	132
Number of employees (at year end)		32,000	28,600	26,300
Number of Sky subscribers (in thousands at year end)(9)		6,015	5,153	4,008
Number of Cablevisión RGUs (in thousands at year end)(10)		1,949	1,615	1,387
Number of Cablemás RGUs (in thousands at year end)(10)		2,238	2,016	1,818
Number of TVI RGUs (in thousands at year end)(10)		891	738	694

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 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, 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, 2013, there were approximately 2,405.5 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 54,060.9 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) See Note 13 to our consolidated year-end financial statements.
- (6) 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, and Televisión Internacional, S.A. de C.V., or TVI, (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 and TVI 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 30, 2009, at a general stockholders meeting, our stockholders approved a cash distribution to stockholders of up to Ps.5,204.6 million, which includes the payment of an extraordinary dividend of Ps.1.40 per CPO, which is in addition to our ordinary dividend of Ps.0.35 per CPO, for a total dividend of Ps.1.75 per CPO, equivalent to Ps.0.014957264957 per share. In addition to the dividend payment approved by our stockholders on April 30, 2009, and based on a proposal by our Board of Directors, on December 10, 2009, at a general stockholders meeting, our stockholders approved a cash distribution to stockholders of up to Ps.4.0 billion, which includes the payment of an extraordinary dividend of Ps.1.0 per CPO, which is in addition to our ordinary dividend of Ps.0.35 per CPO, for a total dividend of Ps.1.35 per CPO, equivalent to Ps.0.011538461538 per share. The dividend approved on December 10, 2009 was in lieu of the annual dividend for 2010 that would otherwise typically have been

paid in April 2010. Accordingly, we did not pay any dividends during 2010. 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 paid in April 2014. Accordingly, we do not currently intend to pay any dividends during 2014. All of the recommendations of the Board of Directors related to the payment and amount of dividends were voted on and approved at the applicable general stockholders meetings.

Exchange Rate Information

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

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

Period	High	Low	Average(1)	Period End
2009	15.4060	12.6318	13.4979	13.0576
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
October	13.2465	12.9665	12.9916	12.9995
November	13.2430	12.8710	13.0597	13.1110
December	13.2165	12.8505	13.0099	13.0980
2014 (through April 18, 2014)	13.5090	12.9500	13.1999	13.0425
January	13.4560	12.9965	13.2220	13.3585
February	13.5090	13.2035	13.2928	13.2255
March	13.3315	13.0560	13.1929	13.0560
April (through April 18, 2014)	13.1335	12.9500	13.0513	13.0425

(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 18, 2014 the noon buying rate was Ps.13.0425 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, 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 2011, increased by 3.9% in 2012 and increased by 1.1% in 2013. Mexican GDP growth fell short of Mexican government forecasts in 2013 and, according to Mexican government forecasts, Mexican GDP is expected to increase by approximately 3.9% in 2014. 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 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 19 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 3.8% in 2011, 3.6% in 2012, 4.0% in 2013 and is projected to be 4.0% in 2014. 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

Mexico historically has had, and may continue to have, high real and nominal interest rates. The interest rates on 28-day Mexican government treasury securities averaged 4.2%, 4.3% and 3.8% for 2011, 2012 and 2013, respectively. High interest rates in Mexico could increase our financing costs and thereby impair our financial condition, results of operations and cash flow.

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

On July 1, 2012, Presidential and Federal Congress elections were held in Mexico. The candidate of the *Partido Revolucionario Institucional*, or the PRI, Enrique Peña Nieto, won the Presidential elections and consequently, the PRI reclaimed the Mexican presidency after 12 years. After the 2012 elections, the Mexican Federal Congress is not controlled by any single political party. However, the PRI holds a significant position both in the Senate and in the *Cámara de Diputados*, or the Chamber of Representatives.

The new 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) have signed the *Pacto por México*, or Pact for Mexico. 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. 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 Legislation and Secondary Legislation to be Enacted, 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 *Ley Federal de Competencia Económica*, or Mexico's New Federal Antitrust Law, and related 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. See Information on the Company Business Overview Investments Cablemás.

In addition, the New Federal Antitrust Law and related regulations that have not yet been enacted, as well as the conditions and measures imposed by the *Instituto Federal de Telecomunicaciones*, or Federal Telecommunications Institute, or IFT, 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 for us 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 the 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 are being amended, the manner in which 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, relating to telecommunications, television, radio and antitrust, concessions for the use of spectrum will only be granted through public bid processes. Notwithstanding that the implementing legislation setting forth the terms and conditions for the renewal of concessions has not been finalized, a new Auction Program for Digital Television Broadcast Frequencies, or the Program, was approved by IFT to take place during 2014. The Program will grant 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 provides 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 interested in participating in the public auction must obtain a prior favorable antitrust opinion from IFT to be granted under to the New Federal Antitrust Law. We are prevented from participating in the bidding. The bidding rules were published by IFT on its internet site on March 9, 2014. See [The Reform and Addition of Various Provisions of the Mexican Constitution Related to Telecommunications, the Legislation and Secondary Legislation to be Enacted, 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. On July 18, 2013, analog broadcasting in Tijuana, Baja California was 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 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 Legislation and Secondary Legislation to be Enacted, 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. On March 24, 2014, the Mexican President sent to the Senate of the Mexican Federal Congress the Initiative Decree that contains the Federal Telecommunications and Broadcasting Act and the Mexican Public Broadcasting System Law, by amending, supplementing and repealing certain provisions relating to telecommunications and broadcasting (the Secondary Legislation). The Telecom Reform, the Secondary Legislation, any regulations related therewith to be issued by the President and IFT, as applicable, and certain actions recently taken by IFT, an institute with constitutional autonomy responsible for overseeing the broadcasting (radio and television) and telecommunications industries, including all aspects of economic competition, affect or could significantly and adversely affect our business, results of operations and financial condition. We are currently evaluating the Telecom Reform and the actions taken by IFT, including the guidelines and resolutions issued by IFT, in order to determine what actions, remedies or legal measures we may exercise, take or implement with respect to the Telecom Reform and with respect to the Secondary Legislation or secondary regulations, once these are issued by IFT or the President, as the case may be.

Similarly, the Secondary Legislation issued by the Mexican Federal Congress, the regulations that the President or IFT may issue, and the resolutions issued by IFT, from time to time, pursuant to the Telecom Reform may significantly 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 Telecom Reform 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 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 Telecom Reform, 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 licensees 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 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 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.

Advertising sales The Preponderant Economic Agent must deliver to IFT and publish the terms and conditions of its broadcast advertising services and fee structures, including commercials, packages, discount plans and any other commercial offerings. Under the Preponderance Decision, the Preponderant Economic Agent will also have to make publicly available its forms of contracts and terms of sale for each service. The Preponderant Economic Agent is also expressly prohibited from refusing to sell advertising and/or discriminating with respect to the advertising spaces being offered. If IFT believes that the Preponderant Economic Agent has failed to comply with the foregoing, IFT can order the Preponderant Economic Agent to make its advertising spaces available, which could affect the ability of the Preponderant Economic Agent to carry out its advertising sales plans in an efficient and competitive manner, affecting its results of operations. Also, this provision may affect the ability of the Preponderant Economic Agent to offer competitive rates to its customers. This provision, when applied, will give a competitive advantage to, among others, our broadcast television competitor, TV Azteca, and to new licensees 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, to be determined by IFT no later than May 31, 2014, 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, such as Mexican professional soccer league play-offs, FIFA World Cup finals, summer and winter Olympic Games events where Mexican athletes participate, the opening and closing ceremonies of the Olympic Games, Mexican national team football games, and Mexican Pacific Baseball League playoffs. This may

limit the ability of the Preponderant Economic Agent 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 activities such as cruising the internet, playing videogames or reading a book.

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. There can be no assurance that the outcome of such procedure will be favorable to us and our subsidiaries.

The Telecom Reform provides for a public bid or auction to grant licenses to establish at least two digital broadcast networks with national geographic coverage in Mexico. IFT unanimously approved the new Auction Program for Digital Television Broadcast Frequencies, to take place in 2014, that will provide the grant of digital television frequencies to be grouped to create at least two National Digital Networks with national geographic coverage. 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 are prevented from participating in the bidding.

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 Secondary Legislation 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 manner in which concessions relating to broadcasting and telecommunications will be renewed is uncertain, since it is not yet known how these extensions will be governed by the Secondary Legislation and how the rights acquired from such renewals will be regulated.

Overall, the Telecom Reform, the Secondary Legislation 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.

The Secondary Legislation and secondary regulations issued by the President or IFT, as applicable, once implemented, may also limit our ability to operate and compete and may impose new conditions to renew our concessions. Similarly, the Secondary Legislation and secondary regulations could impose additional restrictions on the time, type and content of our offerings. We may also be subject to potential liability for the content of third parties that we transmit. We will evaluate the scope and severity of the effects once the Secondary Legislation and secondary regulations are enacted or issued by the President or IFT, as applicable.

See [Information on the Company](#) [Business Overview](#) [Regulation](#) [Telecom Reform](#) .

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. 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 a trust, or 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, or the Azcárraga Trust. 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 most 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. See [Major Stockholders and Related Party Transactions](#) [The Major Stockholders](#) .

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 Terminated or Interrupted 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 licenses for radio and television stations as well as for telecommunications services.

Under Mexican law, we need concessions from the IFT (previously SCT) to broadcast our programming over our television and radio stations, cable and DTH satellite systems and to provide telephony 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 television concessions were renewed until 2021. The expiration dates for the concessions for our radio stations range from 2015 to 2020, after the recent renewal of three concessions. 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 2014 to 2042 and our DTH concessions expire in 2020 and 2026. The expiration dates for the concessions for our telephone services range from 2018 to 2038. Cablevisión obtained a telecommunications concession, which expires in 2029, and its concession to transmit an over-the-air ultra-high radioelectric frequency, or UHF, restricted television service through channel 46, which expired in November

2010 (the Channel 46 Concession). We filed for a renewal of the Channel 46 Concession and, in February 2010, the SCT notified Cablevisión that it would not be renewed; however, we are contesting the resolution of the SCT. 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. However, there is uncertainty as to how radio and television concessions will be renewed in the future, since the Supreme Court ruling has resulted in requiring the renewal of the concessions to be subject to a public bid process, with a right of preference over other participating bidders given to the incumbent concessionaire, in addition to the fact that the Telecom Reform does not establish the way in which concessions will be renewed; however, we expect that the Secondary Legislation will provide clear rules, consistent with previous rules, for the renewal of our concessions.

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 Legislation and Secondary Legislation to be Enacted, 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 concessionaires 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, S.A. de C.V., or 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 the two National Digital Networks proposed to be established pursuant to the Telecom Reform. See Risk Factors Related to Mexico The Reform and Addition of Various Provisions of the Mexican Constitution Related to Telecommunications, the Legislation and Secondary Legislation to be Enacted, and Other Recent Actions of IFT May Significantly and Adversely Affect the Business, Results of Operations and Financial Results of Some of Our Business Segments .

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

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

Our DTH satellite business faces competition from various competitors, including Dish Mexico, a DTH satellite pay-TV platform which launched its services in Mexico at the end of 2008, and Mega Cable Comunicaciones, S.A. de C.V., or Megacable. 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 beginning of 2009, TV Azteca began offering HiTV, a television service which consisted of the transmission of digital television channels through the technology known as Digital Terrestrial Television, or DTT, in Mexico City and its metropolitan area using the radioelectric spectrum in the mirror concessions granted to them pursuant to the decree issued by the SCT for the transition to digital television. Since the beginning of the provision of the referred service, HiTV offered approximately 22 channels and charged for the decoder box. In addition, the decoder box that TV Azteca used to allow viewers to access its HiTV channels also allowed the viewers access to our digital over-the-air networks without our permission.

At the end of 2012, Axtel launched a new product called Axtel TV, which, under its basic package, offers up to 101 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.

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.

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 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 2011, 2012 and 2013 we recognized 32.1% 32.2% and 33.5%, 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.

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. 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. and GSF Telecom Holdings, S.A.P.I. de C.V., May Affect Our Results of Operations and the Value of Our Investments in Those Companies

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 U.S. Federal Communications Commission, or 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.

In April 2011, we made a substantial investment for the acquisition of equity and convertible debentures issued by GSF Telecom Holdings, S.A.P.I. de C.V., or GSF, which indirectly owns 100% of the outstanding shares of Grupo Iusacell, S.A. de C.V., or Iusacell. Most of our investment in GSF was initially held in the form of debentures mandatorily convertible into shares of stock of GSF. We converted the GSF convertible debentures in June 2012 and since then, we hold a 50% equity stake in GSF. We do not consolidate the results of GSF and we share governance rights with the other owner of GSF.

The results of operations of GSF and Iusacell may affect the value of our investment in GSF and our results of operations. The business, financial condition and results of operations of Iusacell could be materially and adversely affected by risks including, but not limited to: (i) technology becoming obsolete, (ii) the inability to renew concessions and existing arrangements for roaming and other services, (iii) litigation being resolved against Iusacell, (iv) the dependence on revenues from subsidiaries to repay debt, (v) the loss of subscribers and (vi) changes in the regulatory environment. Our Iusacell investment faces competition in the telecommunications market that may require additional capital to break even. We expect to make additional investments in the next two years, which may be in excess of U.S.\$200 million in the form of equity or debt, or a combination thereof, of GSF, the parent company of Iusacell, in connection with our 50% interest in this jointly controlled entity.

There can be no assurance that the results of operations of BMP, GSF and their respective subsidiaries will be sufficient to maintain or increase the value of our investments in such companies, 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 will become effective on May 15, 2014 and comprehensive guidelines are currently under review by the Committee on Regulatory Reform, 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](#)).

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. The draft of the Health Law Guidelines provides that the time restrictions will be effective on January 1, 2015.

We cannot predict the impact or effect that the Health Law Amendment might have on the results of operations in the future, however, a decrease in the payment from advertisers of the aforementioned products could cause a decrease in television revenue.

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. The trust agreement governing the CPOs provides that a stockholder must bring any legal actions concerning the trust agreement in courts located in Mexico City. All parties to the trust agreement governing the CPOs, including the holders of CPOs, have agreed to submit these disputes 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 to the Mexican Constitution, 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 GDSs are not entitled to vote the A Shares, B Shares and D Shares underlying their securities. The L Shares underlying GDSs, the only series of our Shares that can be voted by non-Mexican holders of 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. 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.

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 Securities and Exchange Commission, or 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, project, predict, forecast, guideline, may, should, could, will and similar 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 GSF, the controlling company of Iusacell;

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, 2014 and our actual capital expenditures, investments in joint ventures and associates, and acquisitions for the years ended December 31, 2013, 2012 and 2011. For a discussion of how we intend to fund our projected capital expenditures, investments and acquisitions for 2014, 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)			
	2014 (Forecast)	2013 (Actual)	2012 (Actual)	2011 (Actual)
	(Millions of U.S. Dollars)			
Capital expenditures(2)	U.S.\$ 1,160.0	U.S.\$ 1,157.8	U.S.\$ 881.1	U.S.\$ 791.0
BMP(3)			22.5	49.1
GTAC(4)	10.3	10.5	7.8	6.6
Iusacell(5)		122.9		1,602.5
Other acquisitions and investments(6)		751.2	5.7	51.4
Total capital expenditures and investments	U.S.\$ 1,170.3	U.S.\$ 2,042.4	U.S.\$ 917.1	U.S.\$ 2,500.6

- (1) Amounts in respect of some of the capital expenditures, investments and acquisitions we made in 2013, 2012 and 2011 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.\$599.9 million in 2013, U.S.\$455.4 million in 2012 and U.S.\$406.1 million in 2011 for the expansion and improvement of our Telecommunications segment; U.S.\$397.7 million in 2013, U.S.\$292.1 million in 2012 and U.S.\$241.6 million in 2011 for the expansion and improvement of our Sky segment; U.S.\$13.3 million in 2013, U.S.\$16.9 million in 2012 and U.S.\$13.8 million in 2011 for our Gaming business; and U.S.\$146.9 million in 2013,

U.S.\$116.7 million in 2012 and U.S.\$129.5 million in 2011 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 2014 totaling U.S.\$1,160 million includes capital expenditures of U.S.\$600 million and U.S.\$400 million for the expansion and improvements of our Telecommunications and Sky segments, respectively, and the remaining U.S.\$160 million is for our Content segment and other businesses.

- (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%. 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%.

- (4) During 2014, 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.25.5 million (U.S.\$2 million) and 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). In 2011, we 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.87 million (U.S.\$6.6 million).
- (5) In 2013 we made additional capital contributions in connection with our 50% joint interest in GSF in the aggregate amount of Ps.1,587.5 million (U.S.\$122.9 million). In the second quarter of 2011, we made an investment of U.S.\$37.5 million in equity and U.S.\$1,565 million in mandatorily convertible debentures of GSF, the parent company of Iusacell, as described in the following sentences. The convertible debt of GSF was divided into two tranches, the Series 1 Debentures and the Series 2 Debentures. The Series 1 Debentures were the 364,996 registered unsecured debentures of GSF, par value U.S.\$1,000 each, representing in the aggregate U.S.\$365.0 million, issued against the payment we made in cash on April 7, 2011. The Series 2 Debentures were the 1,200,000 registered unsecured debentures of GSF, par value U.S.\$1,000 each, representing in the aggregate U.S.\$1,200.0 million, which we paid in cash in multiple installments from April through October 2011. In June 2012, we converted the debentures into common stock of GSF. As a result, we now hold a 50% equity stake in GSF. See Key Information Risk Factors Risk Factors Related to Our Business The Results of Operations of Broadcasting Media Partners, Inc. and GSF Telecom Holdings, S.A.P.I. de C.V., May Affect Our Results of Operations and the Value of Our Investments in Those Companies .
- (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, subject to regulatory approval, will allow us to acquire 95% of the equity interest of Tenedora Ares, S.A.P.I. de C.V. (Ares), owner of 51% of the equity interest of Grupo Cable TV, S.A. de C.V. (Cablecom), a telecommunications company that offers video, telephony and data services in Mexico. In addition, Ares has an option to acquire in the future, subject to regulatory approvals, the remaining 49% of the equity interest of Cablecom. 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 2011, we made other investments in the aggregate amount of Ps.713.6 million (U.S.\$51.4 million). In the first half of 2011, we agreed with the other stockholders of Cablemás the terms for us to acquire all of their equity interest in Cablemás for an aggregate amount of U.S.\$390.9 million (Ps.4,603.0 million), which was paid with cash and 24.8 million CPOs issued by us on April 29, 2011.

In 2013, 2012 and 2011, 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 2014 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 2014 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 2013, we exported 79,650 hours of programming to 75 countries, excluding the United States. In the United States, we have granted Univision the exclusive right to broadcast certain of our content 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 126 million magazines publishing 201 titles in approximately 21

countries.

We own 58.7% of Sky, a DTH satellite television provider in Mexico, Central America and the Dominican Republic. We are also a shareholder in two Mexican telecommunications companies, Cablevisión and Televisión Internacional, S.A. de C.V. and its subsidiaries, collectively TVI, and in 2011 we merged a third Mexican telecommunications company, Cablemás, into the Company. We own 100% of Cablemás, 51% of Cablevisión and 50% of TVI.

We also own Televisa.com as well as Esmas.com, one of the leading digital entertainment web portals in Latin America, a gaming business which includes casinos, a 50% stake in a radio company that as of December 31, 2013 reached 73% of the Mexican population, a feature film production and distribution company, a soccer team and a stadium in Mexico.

We also own 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 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 Antena 3 Television, or A3TV. The transaction consisted in a swap of La Sexta stock for equity participation of Imagina and involved no cash payments.

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.

In April 2011, we made a substantial investment for the acquisition of equity and convertible debentures issued by GSF, which indirectly owns 100% of the outstanding shares of Iusacell. We subsequently converted the convertible debentures into equity interests and, as a result, we now hold a 50% equity stake in GSF. Iusacell is a provider of telecommunications services primarily engaged in providing mobile services throughout Mexico.

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. 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. As part of the agreements, Telemundo provides us with Telemundo's original content, including its highly popular telenovelas currently broadcast on our Channel 9, on all of our digital platforms. Moreover, we also offer mobile wall papers and text messaging services based on Telemundo branded content to mobile phone subscribers in Mexico through our mobile business unit Esmas Móvil, the leading mobile premium content provider in Mexico. 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.

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 2012 and 2013 were 46.9% and 46.0%, 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 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 54%, 46% and 52% of total available national advertising time on our networks during prime time broadcasts in 2011, 2012 and 2013, respectively, and approximately 44%, 39% and 43% of total available national advertising time during all time periods in 2011, 2012 and 2013, 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 million subscribers, of which 3% were commercial subscribers as of December 31, 2013.

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. 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;

Providing aggressive HD offerings and continuously expanding our programming in HD; and

Continuing to leverage our strengths and capabilities to develop new business opportunities and expand through acquisitions.

Network Subscription. Through our 24 pay-TV brands and 46 national and international feeds, we reached more than 35 million subscribers throughout Latin America, the United States, Canada, Europe and Asia Pacific in 2013. 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. Barra Deportiva was incorporated in July 2009 and, at that time, we owned a 49% interest in that company. On December 20, 2011, we acquired the remaining 51% of Barra Deportiva, which, as a result, became a wholly-owned subsidiary of the Company. Our license agreement with Barra Deportiva is still in force after that transaction. One of our entertainment channels, Clásico TV, was rebranded as Distrito Comedia in October 2012. 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.

Telecommunications. We are a shareholder of several Mexican telecommunications companies. We have a controlling stake of Cablevisión and TVI. In 2011 we merged a telecommunications company, Cablemás, into the Company. With a subscriber base of 867,525 cable television, or video subscribers (all of which were digital subscribers), as of December 31, 2013 and 2.6 million homes passed as of December 31, 2013, Cablevisión, one of the telecommunications systems in Mexico City and surrounding areas in the state of Mexico in which we own a 51% interest, is an important telecommunications provider in Mexico City. As used in this annual report, homes passed refers to any residential homes or businesses that are connected to telecommunications systems, or that are prepared to be connected to telecommunications systems but are not currently connected or that require some type of investment in order for these 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;

maintaining our 100% digital service 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.

Cablevisión has introduced a variety of new multimedia communications 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, 2013, Cablevisión had 666,464 cable modem, or broadband subscribers compared to 509,137 at December 31, 2012. The growth we have experienced in Cablevisión has been driven primarily by the conversion of our system from analog to digital format. In July 2007, Cablevisión began to offer IP telephony services in certain areas of Mexico City, and as of December 31, 2013, it had 415,023 IP telephone lines in service, or voice subscribers. As of December 31, 2013, Cablevisión offers the service in every area in which its network is bidirectional.

Cablemás operates in 59 cities. As of December 31, 2013, the Cablemás cable network served 1,185,090 cable television, or video subscribers, 705,202 high-speed internet, or broadband subscribers and 347,609 IP-telephony lines, or voice subscribers, with 3.5 million homes passed.

On April 1, 2011, we announced an agreement reached with the minority stockholder of Cablemás to obtain the 41.7% equity interest in Cablemás that we did not own. The acquisition of that equity stake resulted from a series of capital distributions, the capitalization of certain debt and receivables, and the subsequent merger of Cablemás into the Company in exchange for 24.8 million CPOs which were issued in connection with that transaction. The execution of the merger agreement between Cablemás and the Company was authorized at our stockholders' meeting held on April 29, 2011, and regulatory approvals for the merger were obtained on February 24, 2011 and June 17, 2011.

In March 2006, our wholly-owned subsidiary, Corporativo Vasco de Quiroga, S.A. de C.V., or CVQ, acquired a 50% interest in TVI. TVI is a telecommunications company offering pay-TV, data and voice services in the metropolitan area of Monterrey and other areas in northern Mexico. As of December 31, 2013, TVI had 1.9 million homes passed, served 442,697 cable television, or video subscribers, 295,122 high-speed internet, or broadband subscribers and 153,295 telephone lines, or voice subscribers.

Our acquisition by CVQ of a 50% interest in TVI was authorized by the Mexican Antitrust Commission subject to compliance with certain conditions. Some of these conditions have already been met and others must continue to be complied with going forward. Such conditions include: (1) to make available, subject to certain conditions, our over-the-air channels to pay-TV operators on non-discriminatory terms (must offer) and (2) that our pay-TV platforms carry, upon request and subject to certain conditions, over-the-air channels operating in the same geographic zones where such pay-TV platforms provide their services (must carry). See Key Information Risk Factors Risk Factors Related to Mexico Mexican Antitrust Laws May Limit Our Ability to Expand Through Acquisitions or Joint Ventures .

We have actively participated and intend to continue actively participating in the telecommunications industry. We have made and will continue to make further investments and/or acquisitions controlling or non-controlling directly or indirectly, in telecommunications which may or may not include pay-TV services related assets, which have been and can be substantial in size, that complement our telecommunications strategy, either through debt, equity, or a combination thereof, and/or other financial instruments.

Expanding Our Publishing Business

With a total approximate circulation of 126 million magazines during 2013, 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 201 titles; 107 are wholly-owned and produced in-house and the 94 remaining titles are licensed 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 2013, we licensed 79,650 hours of programming in 75 countries throughout the world. We intend to continue exploring ways of expanding our international programming sales.

In November 2005, the government of Spain granted a concession for a nationwide free-to-air analog television channel and two nationwide free-to-air digital television channels to La Sexta, a consortium that included the Company. La Sexta began broadcasting in March 2006. On December 14, 2011, we agreed to exchange our 40.7680% equity interest in La Sexta 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 Antena 3 Television, or 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 A3TV, a publicly traded company on the Madrid Stock Exchange. A3TV is the second largest private television national network in Spain. Under the terms of the agreement, Imagina and other shareholders of La Sexta received a 7% equity stake in A3TV and on February 19, 2014, Atresmedia Corporación de Medios de Comunicación, S.A. (Atresmedia) signed a partial renewal of the merger agreement with Gestora de Inversiones Audiovisuales La Sexta S.A. and its shareholders. The agreement was renewed in respect to earn-out clauses giving the shareholders of La Sexta rights over a further 7% of the share capital of Atresmedia subject to the financial performance of the Atresmedia group in the years 2012 to 2016. Under the renewed agreement, the Company has brought forward and adjusted the final amount of the additional contribution payable to Gamp Audiovisual S.A. and Imagina Media Audiovisual, S.L, in the form of shares in Atresmedia, transferring to said companies shares equivalent to 2.079% and 1.631%, respectively, of its share capital, charged to treasury shares.

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 20.5% of the U.S. population by the year 2025. Hispanics are expected to account for U.S.\$1.5 trillion of U.S. consumer spending, or 11.2% of the U.S. total disposable income, by 2015, 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 2011, 2012 and 2013, Univision paid us U.S.\$224.9 million, U.S.\$247.6 million and U.S.\$273.2 million, respectively, in royalties. In December 2010, we completed a net cash investment of U.S.\$1.2 billion in Univision and certain other transactions related to that investment and to the Program License Agreement, or PLA, between Televisa, S.A. de C.V. and Univision. 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%. 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, 2013, we had 18 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. The sale and distribution of Genomma Lab s products was an integral part of the activities of TCP. As part of this alliance, in October 2009, TCP entered into, among others, an exclusive commercial supply agreement with Genomma Lab. However, on July 4, 2013, we entered into amendment agreements whereby we agreed to select only 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, which provides the Genomma Lab Selected Brands with significant advertising in the targeted markets corresponding to Genomma Lab s business model. This will enable Genomma Lab to expand the extensive success of the Genomma Lab Selected Brands beyond Mexico and Latin America by accessing a Hispanic market of approximately 52 million consumers with an estimated purchasing power of over U.S.\$1.2 trillion annually while leveraging Televisa s reach and name recognition in the Hispanic market. During 2011, 2012 and 2013, TCP sold and distributed Genomma Lab s products such as over-the-counter pharmaceutical and cosmetic products, and certain commemorative coins of Mexico s 200 years as an independent nation. As a result of the amendment agreements described above, TCP retained the exclusive distribution of the Genomma Lab Selected Brands.

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. The consortium, through GTAC, in which each of Telefónica, Editora Factum and Megacable has an equal equity participation, paid Ps.883.8 million as consideration for the concession plus additional payments in an aggregate amount of Ps.79.4 million for nine additional network segments, in accordance with the terms of the public bid. 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. GTAC established the first link for operations in June 2011, in accordance with the terms and conditions of its concession. By April 2012, GTAC brought to full operation 128 links and 141 nodes nationwide. The overall capacity per link is approximately 3.2 Tbps (80 optical channels x 40 Gbps each). By the end of 2012, 475 long distance high capacity services were active and two GTAC routes were completed (500 kilometers). By the end of 2013, GTAC had in operation 152 links and 148 nationwide nodes, and 615 services for customers were activated. In addition, four GTAC routes were completed (1,003 kilometers) and three third-party dark fiber IRU agreements were signed (692 kilometers). In order to achieve this, GTAC executed with its technological partner, Huawei Technologies Mexico, S.A. de C.V., a supply agreement for U.S.\$15.6 million. 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.

In April 2011, we entered into a transaction pursuant to which CVQ, our wholly-owned subsidiary, acquired (i) the trust beneficiary rights to 1.093875% of the outstanding shares of GSF, which indirectly owns 100% of the outstanding shares of Iusacell for an aggregate purchase price of approximately U.S.\$37.5 million; and (ii) Unsecured Convertible Debentures 2010 issued by GSF, or the GSF convertible debentures, which were mandatorily convertible into shares of stock of GSF, in an aggregate principal amount of approximately U.S.\$365 million of the Series 1 tranche thereof and U.S.\$1,200 million of the Series 2 tranche thereof, for an aggregate investment in the GSF convertible debentures of approximately U.S.\$1,565 million. The trust beneficiary rights and the Series 1 Debentures were paid in cash in April 2011, and the Series 2 Debentures were paid in cash in multiple installments during 2011. The trust beneficiary rights and the GSF convertible debentures were transferred to CVQ by México Media Investments S.L., or MMI, a single-stockholder corporation (*sociedad unipersonal*) organized in Spain.

We also agreed to make an additional payment of U.S.\$400 million to Iusacell if cumulative earnings before interest, taxes, depreciation and amortization, or EBITDA, of Iusacell reaches U.S.\$3,472 million any time from January 1, 2011 and up to December 31, 2015.

CVQ converted the GSF convertible debentures in June 2012 and as a result, CVQ owns 50% of the outstanding shares of stock of GSF and, indirectly, 50% of the outstanding shares of Iusacell. We do not consolidate the results of GSF and we share governance rights with the other owner of GSF. See [Key Information](#) [Risk Factors](#) [Risk Factors Related to Our Business](#) [The Results of Operations of Broadcasting Media Partners, Inc. and GSF Telecom Holdings, S.A.P.I. de C.V., May Affect Our Results of Operations and the Value of Our Investments in Those Companies](#) .

Iusacell is a provider of telecommunications services primarily engaged in the provision of mobile services throughout Mexico. As of December 31, 2013, Iusacell had 8,036,256 mobile wireless subscribers. In addition, Iusacell holds and operates concessions for the 800 MHz band, which allow it to provide wireless cellular services in five adjacent regions in Central and Southern Mexico, and for the 1900 MHz band, which allow it to provide PCS wireless services

nationwide. Iusacell also provides other telecommunications services, such as fixed-line telephony, broadband services and links leasing to corporate customers.

Iusacell offers mobile telephony services using the CDMA technology, which is the highest capacity digital technology available for the 800 MHz and 1900 MHz frequency bands. In 2007 and 2008, Iusacell upgraded its network in certain regions through the implementation of the EVDO-3G Rev A technology, which enables users to transfer data signals at high speeds of up to 3.1 megabits per second. In addition to its basic wireless mobile services, Iusacell also offers a broad range of other telecommunications services, including long distance telephony, wireless local telephony, and data transmission. In 2010, Iusacell completed the installation of a GSM/HSDPA+ network, which enables it to provide mobile telephony and high-speed data transmission services in Mexico's nine cellular/PCS regions. As a result, Iusacell became the only mobile provider in Mexico to operate both CDMA2000 and GSM/HSPA+ technology networks.

Within its primary line of business, which is the provision of mobile telephony services, Iusacell competes with other cellular telephony and personal communication service providers in each of the markets in which it operates. Iusacell competes nationwide with Radiomóvil Dipsa, S.A. de C.V., a subsidiary of América Móvil, S.A.B. de C.V., which operates under the brand name Telcel. Telcel holds spectrum concessions and provides services throughout Mexico, and is the largest wireless operator in the country. Iusacell also competes nationwide with Telefónica Móviles de México, S.A. de C.V., which is the second largest wireless operator in Mexico and offers wireless services under the brand name Movistar, and with Comunicaciones Nextel de Mexico, S.A. de C.V., which offers wireless services under the Nextel brand name.

On July 31, 2013, we invested Ps.7,000 million in convertible debt instruments which, subject to regulatory approvals, will allow us to acquire 95% of the equity interest in Ares, the indirect owner of 51% of the equity interest in Grupo Cable TV, S.A. de C.V., or Cablecom. As part of the transaction, we also invested U.S.\$195 million in a debt instrument issued by Ares. Cablecom is a telecommunications company that offers video, telephony and data services in Mexico. In addition, Ares will have an option to acquire in the future, subject to regulatory approvals, the remaining 49% of the equity interest of Cablecom at a value of approximately 9.3 times earnings before interest, taxes, depreciation and amortization (EBITDA) of the 12-month period preceding the closing of such acquisition. Cablecom provides data, video, telephony, value added services and virtual networks to corporate customers. Cablecom has close to 1.2 million revenue generating units, of which 70% are video services, with the balance being data and telephony services.

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), 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 the 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 the 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 the 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 the 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 the 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 the 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 tests that are currently under analysis. 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: Regulation on content, including the prohibition to acquire transmission rights for any territory within Mexico on an exclusive basis, relating to relevant content (*contenidos audiovisuales relevantes*), as determined from time to time by the IFT, 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; 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 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.

Additionally, the Telecom Reform (i) permits 100% foreign ownership in satellite and telecommunications services, eliminating the current restrictions, 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 established a committee comprising some of our high-level executive officers as well as independent consultants, 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, 2014 we were confirmed as a sustainable issuer for the period effective as of February 1, 2014 through January 31, 2015. The Sustainability Index currently includes 28 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 474 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 82 and 95 stations, respectively, outside of Mexico City. Televisora del Valle de Mexico, S.A. de C.V., or Televisora del Valle de Mexico, owns the concession for CNI Channel 40, a 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 *Organismo Promotor de Medios Audiovisuales*, or OPMA, which, we believe, has 13 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 29.9 million Mexican households have television sets, representing approximately 95% of all households in Mexico as of December 31, 2013. 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 2011, 2012 and 2013, we produced approximately 79,100 hours, 90,500 hours and 93,300 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 2011, we broadcast the 2011 Guadalajara Pan American Games. 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. We have also acquired the rights to broadcast the 2014 FIFA World Cup Brazil for the territory of Mexico and the rights to broadcast 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. Some of our local television stations also produce their own programming. These local stations operate 43 studios and 35 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 33%, 35% and 34% of the programming broadcast on our four television networks in 2011, 2012 and 2013, 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, 2013.

	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

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Channel 9	1	15		14	30
Subtotal	3	201	2	18	224
Border Stations					
Local (Stations) Affiliates		18		1	33
Total	3	219	2	1	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 27.0 million households, representing 98.4% 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 2011, 2012 and 2013.

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, 24 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 virtually all of it, other than Spanish-language movies, 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 25.2 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, 22 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 most innovative television channel in Mexico 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 20.2 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, 10 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 families as its audience. Its programs principally consist of movies, sports, sitcoms, game shows, telenovelas produced by third parties, news 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 5.9 million households, representing approximately 21.5% of television households in Mexico in 2013. 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 2011, 2012 and 2013, the local television stations owned by us produced 50,400 hours, 57,200 hours and 57,100 hours, respectively, of programming. Each of the local affiliates maintains its own sales department and sells advertising time during broadcasts of programs that it produces and/or licenses. Generally, we pay the affiliate stations that we do not wholly own a fixed percentage of advertising sales for network affiliation.

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 Australia. 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 2013, we had over 35 million subscribers worldwide.

In 2011, 2012 and 2013, we produced approximately 15,900 hours, 20,900 hours and 23,200 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 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* and *GoldenPremier 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 73,165 hours, 92,887 hours and 79,650 hours of programming in 2011, 2012 and 2013, respectively. See Univision and Operating and Financial Review and Prospects Results of Operations Total Segment Results Content . As of December 31, 2013, we had 247,961 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 internet portals; Esmas Móvil, our mobile value added service unit; and Tvolucion.com, our online video on demand streaming service. 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, and offers a variety of services, including search engines, chat forums, and news bulletins.

With a wide range of content channels, online and mobile services, and more than 344 million page views per month and more than 28 million monthly unique users in 2013, we believe that TIM has positioned itself as one of the leading digital entertainment portals in Mexico and Hispanic territories. Currently, 72% of TIM's page views come from Mexico and the rest comes from the U.S. and Latin America.

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 leading mobile premium content cell phone provider in Mexico. 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.

Since April 2004, Esmas.com has been offering premium content service to mobile phones while leveraging the cell phone networks in Mexico, the U.S. and Latin America. In 2013, Esmas Móvil sent more than 18.3 million premium messages to approximately 2.8 million mobile subscribers. Most of the content demanded by users consists of news and sports text alerts, interactive TV promotions, lotteries, 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.

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

We believe we are 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 126 million copies in 2013, we publish 201 titles that are distributed in 21 countries, including the United States, Mexico, Colombia, Chile, Venezuela, Puerto Rico, Argentina, Ecuador, 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; *Eres*, a monthly magazine for teenagers; 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*, *Good Housekeeping*, *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*, 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.

During 2011, we launched several Disney-Marvel comic magazines in Mexico and Argentina pursuant to a license agreement with Disney Consumer Products Latin America, Inc., and *Top Teens* in Argentina, a wholly owned teenager monthly magazine.

During 2012, we launched several DC Comics magazines in Mexico, pursuant to a license agreement with DC Entertainment's publishing branch, DC Comics.

During 2013, we stopped publishing *Furia Musical*, a wholly owned monthly musical magazine that principally promoted Mexican-regional music performers. During 2013, we also terminated our license agreement with Northern & Shell Luxembourg Branch, under which we published a Spanish-language edition of *OK! Magazine*, due to the low revenues of that publication.

In 2013, we launched *Grazia*, a women's bimonthly fashion magazine, pursuant to a license agreement with Mondadori International Business S.R.L. During 2013 we also launched *SOHO*, a men's bimonthly life and style magazine pursuant to a license agreement with Publicaciones Semana.

Telecommunications

Cablevisión

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 December 31, 2013, serving approximately 14.7 million subscribers.

Mexico City Telecommunications System. We own a 51% interest in Cablevisión, one of the most important telecommunications operators in Mexico City, which provides telecommunications services including pay-TV to subscribers in Mexico City and surrounding areas. As of December 31, 2013, Cablevisión had 867,525 cable television, or video subscribers, all of which were digital subscribers. CPOs, each representing two series A shares and one series B share of Cablevisión, are traded on the Mexican Stock Exchange, under the ticker symbol CABLE .

Digital Cable Television Services. Cablevisión was the first multi-system operator in Mexico to offer an on-screen interactive programming guide, video on demand, high definition channels as well as Motorola and TiVo® DVR services throughout Mexico City. Along with its digital pay-TV service, Cablevisión also offers high speed internet and a competitive digital telephone service. Through its world class network, Cablevisión is able to distribute high quality video content, unique video services, last generation interactivity with Cablevisión 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. Cablevisión s 100% digital video service offers six main programming packages which as of December 31, 2013, ranged in price from Ps.169.00 to Ps.699.00 (VAT included), and included up to 304 linear channels: 234 video channels (including 10 over-the-air channels, Fox, ESPN, CNN International, HBO, Disney Channel, TNT, and others), 56 audio channels and 2 pay-per-view channels.

Cablevisión Revenues. Cablevisión's revenues are generated from subscriptions for its pay-TV, broadband and telephony services 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. As of December 31, 2013, its current monthly pay-TV service fees range in price from Ps.169.00 to Ps.699.00. See Digital Cable Television Services. The Mexican government does not currently regulate the pay-TV rates Cablevisión charges for its basic and digital premium service packages, but there can be no assurance that the Mexican government will not regulate Cablevisión's rates in the future.

Telecommunications Initiatives. Cablevisión plans to continue offering the following multimedia communications services to its subscribers:

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

Broadband internet services; and

IP telephony services.

In May 2007, Cablevisión received a concession to offer fixed telephony services through its network. By the end of 2013, Cablevisión started offering fixed telephony services in every area in which its network is bidirectional, which represents 99.97% of its total network.

In order to provide these multimedia communications services, Cablevisión requires a network with bi-directional capability operating at a speed of at least 750 MHz and a digital set-top box. Cablevisión's cable network currently consists of more than 20,476 kilometers with 2.6 million homes passed in Mexico City and surrounding areas in the State of Mexico. As of December 31, 2013, 0.63% of Cablevisión's network runs at 450 MHz, approximately 0.33% of its network runs at 550 MHz, approximately 0.68% of its network runs at 750 MHz, approximately 4.82% runs at 870 MHz, approximately 93.54% of its network runs at 1 GHz, and approximately 99.97% of its network has bidirectional capability.

Cablemás

Cablemás Telecommunications System. Cablemás operates in 59 cities. As of December 31, 2013, Cablemás telecommunications network served 1,185,090 cable television, or video subscribers, 705,202 high-speed internet, or broadband subscribers and 347,609 IP-telephony lines, or voice subscribers, with 3.5 million homes passed.

As of December 31, 2013, Cablemás telecommunications network consisted of 20,703 kilometers of cable. Cablemás is in the final stage of converting its existing network into a broadband bidirectional network, operating from 550MHz to 860MHz with the ability to provide video, broadband and telephony services. As of December 31, 2013, 97.5% of Cablemás cable network had bidirectional capability, of which 99.8% was operating at or greater than 550 MHz and 96.1% was operating at or greater than 750 MHz.

Cablemás Revenues. Cablemás has experienced strong organic growth due to successful implementation of its business strategy, introduction of new products and services and wide acceptance of its offerings.

Cablemás overall strategy is to increase its penetration levels in each of its markets, through greater value-added services in pay TV, in its active participation in the consolidation of the telecommunications industry, and through the continued and successful roll-out of Triple-Play services. Cablemás considers itself one of the fastest growing

telecommunications companies in Mexico. Its installed network and its access to subscribers homes provide opportunities to achieve sales of inter-related services, including video, data (internet) and telephony, as demand for value-added packages develops.

Cablemás investments to increase its networks bandwidth and make them bidirectional have allowed it to provide additional products which have enhanced its product offerings. These include:

Digital signal, Video-on-Demand, and high-definition programming among others;

Broadband internet services; and

IP telephony services.

These additional products have allowed Cablemás to increase the average revenue generated per subscriber at no substantial incremental cost and at an economic advantage to consumers.

Cablemás Services. Since its beginning Cablemás has grown to offer cable television services, high-speed internet access and telephony services. As of December 31, 2013, Cablemás offers four types of video packages to its customers, which include: Minibasic (Ps.179), Modular (Ps.269), Basic (Ps.369) and Total (basic rate plus up to Ps.499). Cablemás packages include up to 226 video channels of which up to 39 are high definition. In addition, Cablemás offers high speed internet services ranging from 3 Mbps (Ps.188) to 100 Mbps (Ps.1,999) and telephony services, including up to 1,000 long distance minutes, unlimited local calls and 30 cell phone minute packages (Ps.239).

TVI. In March 2006, our subsidiary CVQ acquired a 50% interest in TVI, a telecommunications company offering pay-TV, data and voice services in the metropolitan area of Monterrey and other areas in northern Mexico.

As of December 31, 2013, TVI had approximately 1.9 million homes passed, served 442,697 cable television, or video subscribers, 295,122 high-speed internet, or broadband subscribers and 153,295 telephone lines, or voice subscribers.

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 reaches over 300 million Spanish-speaking people in approximately 20 countries, including Mexico, Colombia, Argentina, Ecuador, Peru and Panama. We also estimate that our 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 distribution operations in five countries. Our publications are also sold in the United States, the Caribbean and

elsewhere through independent distributors. In 2011, 2012 and 2013, 62.6%, 63.6% and 62.5%, 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 DVD s, calling cards, 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. We recently sold Necaxa, which currently plays in the Liga de Ascenso. 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 co-produced one feature film in 2011, we produced four feature films in 2012, three of which were co-produced with third parties, and we produced one feature film in 2013. 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 2011 we released our co-produced feature film *Así es la Suerte* and in 2012 we released three of our co-produced feature films: *Viaje de Generación*, *Casa de mi Padre* and *Girl in Progress* and in 2013 we released our co-produced feature film *Cinco de Mayo, La Batalla*. We also distribute our feature films outside of Mexico.

We distribute feature films produced by non-Mexican producers in Mexico. In 2011, 2012, 2013 and up to February 2014, we distributed 17, 23, 27 and three 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.

At December 31, 2013, we owned or had rights to 284 Spanish-language theatrical films, 144 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, 2013, we had 18 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' Chief Financial Officer. The election of Radiópolis' Chief Executive Officer requires a unanimous vote from the joint venture's board of directors.

Radiópolis owns and operates 17 radio stations in Mexico, including three AM and three FM radio stations in Mexico City, five AM and two FM radio stations in Guadalajara, one AM station in Monterrey, one FM radio station in Mexicali, one AM/FM combination station in San Luis Potosí and one AM/FM combination 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 Radiorama, S.A. de C.V., or Radiorama, one of Mexico's leading radio networks, which has added as of December 31, 2013, 30 affiliate stations (1 AM, 9 FM and 20 combination stations) to Radiópolis' existing network, expanding its total network, including owned and operated and affiliate stations, to 89 stations (including 49 combination stations). After giving effect to the transaction with Radiorama, we estimate that Radiópolis' radio stations reach 28 states in Mexico. Our programs aired through our radio stations network reach approximately 73 percent 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. Radiorama is currently restructuring the operation of its radio stations, which might impact the number of stations that will remain affiliated with Radiorama in the future.

According to Investigadores Internacionales Asociados, S.C., or INRA, in 2011, 2012 and 2013, XEW-AM ranked, on average, eleventh, eighteenth and fourteenth, respectively, among the 33 stations in the Mexico City metropolitan area AM market, XEQ-FM, ranked, on average, second, third and third, respectively, among the 30 stations in the Mexico City metropolitan area FM market, and XEBA ranked, on average, third, fifth and eighth, respectively, among the 25 stations in the Guadalajara City metropolitan FM market. INRA conducts daily door-to-door and automobile interviews in the Mexico City metropolitan area to determine radio listeners' preferences. Outside Mexico City, INRA conducts periodic surveys. We believe that no other independent surveys of this nature are routinely conducted in Mexico.

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.

The successful exclusive radio broadcasting of the 2013 Concacaf Soccer Games and Copa Libertadores placed Radiópolis among the highest rating sports-broadcasting radio stations in Mexico. Radiópolis acquired the right to radio-broadcast, on an exclusive basis, the 64 soccer games of the FIFA World Cup Brazil 2014.

During the last five years, Radiópolis has organized 20 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 pe