

GRUPO TELEVISIA, S.A.B.
Form 20-F
April 30, 2018
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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**
- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**
- 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 City

Mexico

(Address of principal executive offices)

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

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

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

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(Certificados de Participación Ordinarios)

(CPOs)

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

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

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

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

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

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

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

Yes No

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

Yes No

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

Yes No

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

Yes No

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Emerging Growth Company

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

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

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

U.S. GAAP

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

Other

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

Item 17 Item 18

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

Yes No

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

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

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

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Part I

Item 1. Identity of Directors, Senior Management and Advisers

Not applicable.

Item 2. Offer Statistics and Expected Timetable

Not applicable.

Item 3. Key Information

Selected Financial Data

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

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

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

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

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

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

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

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

Notes to Selected Consolidated Financial Information:

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

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

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

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

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

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

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

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

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

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

Dividends

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

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

Exchange Rate Information

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

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

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

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

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

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

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

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

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Risk Factors

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

Risk Factors Related to Mexico

Economic and Political Developments in Mexico May Adversely Affect Our Business

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

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

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

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

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

Operations

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

High Interest Rates in Mexico Could Increase Our Financing Costs

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

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

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

strong congressional opposition to the Mexican president.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- *Prohibition on acquiring certain exclusive content* The Preponderant Economic Agent may not acquire transmission rights, on an exclusive basis, for any location within Mexico with respect to certain relevant content, determined by IFT in the Ruling whereby IFT identifies the relevant audiovisual contents in terms and for the purposes of the fourth measure and the second transitory article of the fourth attachment of the Telecommunication Preponderance Decision and the Broadcasting Preponderance Decision, or the Relevant Content Ruling, which list may be updated every two years by IFT. Relevant content is defined as programs with a high expected level of regional or national audience and with unique characteristics that in the past have generated high levels of national or regional audiences. The Relevant Content Ruling identified certain programs that would be considered relevant content, namely, Mexican national soccer team games, the opening and closing ceremonies of the Olympic Games, the opening and closing ceremonies and semifinals and finals of the FIFA World Cup, and the finals of the Mexican Soccer League. This Ruling applies to broadcasting Preponderant Economic Agents and may limit the ability of Preponderant Economic Agents to negotiate and have access to this content and could affect its ability to acquire content in the medium and long term, which could significantly and adversely affect its revenues and results of operations from the sale of advertising, as well as the quality of the programming offered for its audiences. These audiences may move to other broadcast television transmissions or other technological platforms that transmit such content, or to other leisure activities such as browsing the internet or playing videogames, among others.

- *Over-the-air channels* When the Preponderant Economic Agent offers any of its over-the-air channels, or channels that have at least 50% of the programming that is broadcast daily between 6:00 a.m. and midnight on such channels, to its affiliates, subsidiaries, related parties or third parties, for distribution through a different technological platform than over-the-air broadcast television, the Preponderant Economic Agent must offer these channels to any other person that asks for distribution over the same platform as the Preponderant Economic Agent has offered, on the same terms and conditions. Also, if the Preponderant Economic Agent offers a package of two or more of these channels, it must also offer them in an unpackaged form upon request. This may significantly affect our ability to commercialize our programming, including programming that is not produced for broadcast television, which could affect our revenues and results of operations. Likewise, our ability to make more efficient use of other technological platforms could be significantly affected.

- *Prohibition on participating in buyers clubs or syndicates to acquire audiovisual content, without IFT's prior approval* The Preponderant Economic Agent may not enter into or remain a member of any buyers club or syndicates of audiovisual content unless it has received the prior approval of IFT. A buyers club is defined as any arrangement between two or more economic agents to jointly acquire broadcast rights to audiovisual content in order to obtain better contractual terms. This may result in the Preponderant Economic Agent not having exclusive access to certain audiovisual content and consequently its audiences may move to other broadcast television transmissions or other technological platforms that transmit such content. It may also result in its acquisition costs significantly increasing, which can affect business strategy, financial condition and results of operations. This provision, when applied, will award a competitive advantage to, among others, our broadcast television competitors, TV

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Risk Factors Related to Our Major Stockholders

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

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

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

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

Risk Factors Related to Our Business

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Risk Factors Related to Our Securities

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

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

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

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

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

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

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

Non-Mexican Holders of Our Securities Have Limited Voting Rights

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Forward-Looking Statements

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

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

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

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- statements concerning our current and future plans regarding our investment in and other arrangements with Imagina Media Audiovisual S.L., or Imagina;
- statements concerning our current and future plans regarding our investment in Grupo de Telecomunicaciones de Alta Capacidad, S.A.P.I. de C.V., or GTAC;
- statements concerning our current and future plans regarding our gaming business;
- statements concerning our future plans, including capital expenditures, regarding the pay-TV, broadband and/or telephony services provided by our subsidiaries;
- statements concerning our transactions with Univision and our current and future plans regarding our investment in common stock and the warrants exercisable for common stock of UHI, the parent company of Univision;
- statements concerning our current and future plans regarding our investment in Tenedora Ares, S.A.P.I. de C.V., or Ares;
- statements concerning our current and future plans, including capital expenditures, regarding our investment in Innova and our transactions and relationship with DIRECTV;
- statements concerning our transactions with NBC Universal's Telemundo Communications Group, or Telemundo;
- statements about our future economic performance or statements concerning general economic, political or social conditions in Mexico or other countries in which we operate or have investments; and
- statements or assumptions underlying these statements.

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

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

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

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

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

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

Capital Expenditures

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

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

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

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

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

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

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

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Business Overview

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

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

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

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

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

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

Business Strategy

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

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

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

Maintaining Our Leading Position in the Mexican Television Market

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

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

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

Continue Building Our DTH and Cable Platforms

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

The key components of our DTH strategy include:

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

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

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

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

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

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

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

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

Continue Expanding the Portfolio of Channel Offerings in Mexico and Abroad

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

Transforming Our Publishing Business

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

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

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

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

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

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

Developing New Businesses and Expanding through Acquisitions

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

Some of our recent acquisitions and investments include:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Commitment to Sustainability

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

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

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

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

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

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

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

internal and external impact.

Commitment to Social Responsibility

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

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

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

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

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

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

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

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

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

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

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

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

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

Our Operations

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

Content

Television Industry in Mexico

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

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

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

Programming

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sky

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

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

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

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

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

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

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

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

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

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

Cable

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

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

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

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

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

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

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

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

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

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

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

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

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

Other Businesses

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Investments

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

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

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

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

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

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

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

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

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Univision

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Technical Assistance Agreement

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

FCC Matters

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

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

Competition

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

Content

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

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

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

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

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

Sky

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

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

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

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

Cable

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

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

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

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

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

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Other Businesses

Publishing

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

Radio

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

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

Feature Film Production and Distribution

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

Gaming Business

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

Regulation

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

Television

Mexican Television Regulations

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Radio

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

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

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

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

Cable Television

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Non-Mexican Ownership of Public Telecommunications Networks

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

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

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

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

Satellite Communications

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

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

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

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

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

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

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

Mexican Gaming Regulations

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

Mexican Antitrust Law

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Mexican Electoral Amendment

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

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

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

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

Telecom Reform and Broadcasting Regulations

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Significant Subsidiaries

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Property, Plant and Equipment

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

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

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

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

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

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

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

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

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

until June 2019 for the replacement of two transponders

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

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

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

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

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

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

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

Item 5. Operating and Financial Review and Prospects.

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

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

Preparation of Financial Statements

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

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

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

Results of Operations

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

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

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

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

(2) Excluding corporate expenses and depreciation and amortization.

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

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

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

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

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

(2) Excluding depreciation and amortization.

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

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

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

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

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

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

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

Seasonality

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

Preponderant Economic Agent Status

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

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

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

Total Segment Results

Net Sales

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

Cost of Sales

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

Selling Expenses

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

Administrative and Corporate Expenses

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

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

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

Content

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Advertising Rates and Sales

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

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

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

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

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

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

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

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

Sky

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

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

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

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

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

Cable

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

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

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

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

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

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

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

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Other Businesses

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

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

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

Depreciation and Amortization

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

Other Expense, Net

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

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

Non-operating Results

Finance Income or Expense, Net

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

- interest expense;

- interest income;

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

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

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

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

Share of Income of Associates and Joint Ventures, Net

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

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

Income Taxes

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

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

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

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

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

Net Income Attributable to Non-controlling Interests

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

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

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Net Income Attributable to Stockholders of the Company

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

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

These changes were partially offset by:

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

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

Total Segment Results

Net Sales

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

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

Cost of Sales

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

Selling Expenses

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

Administrative and Corporate Expenses

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

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

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

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

Content

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

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

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

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

Advertising customer deposits for 2017 grew by 8.9%.

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

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

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

2015.

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

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

Sky

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

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

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

Cable

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

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

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

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

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

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

Other Businesses

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

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

Depreciation and Amortization

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

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

Other Expense, Net

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

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

Non-operating Results

Finance Income or Expense, Net

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

- interest expense;

- interest income;

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

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

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

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

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Share of Income of Associates and Joint Ventures, Net

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

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

Income Taxes

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

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

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

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

Net Income Attributable to Non-controlling Interests

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

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

Net Income Attributable to Stockholders of the Company

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

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

These changes were partially offset by:

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

Effects of Depreciation and Inflation

The following table sets forth, for the periods indicated:

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

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

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

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

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

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

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

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

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

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

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

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

IFRS

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

New and Amended IFRSs

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Critical Accounting Estimates and Assumptions

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

(a) Accounting for Programming

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

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

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

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

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

(b) *Investments in Associates and Joint Ventures*

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

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

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

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

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

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

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

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

(d) *Long-lived Assets*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Temporary Investments

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

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

Available-for-Sale Financial Assets

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

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

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

Available-for-Sale Investments-Open Ended Fund

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

UHI Convertible Debentures due 2025

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

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

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

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

UHI Warrants

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

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

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

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

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

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

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

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

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

Financial Assets Level 3	Main Assumptions Used	Sensitivity	Potential Impact on Consolidated Income Statement		Potential Impact on Consolidated Equity			
			Most Favorable Assumptions	Least Favorable Assumptions	Most Favorable Assumptions	Least Favorable Assumptions		
			2015	2015	2015	2015		
Warrants issued by UHI	Price per Share	+/-10%	Ps.	Ps.	Ps.	3,504,321	Ps.	(3,504,321)

Derivative Financial Instruments

Derivative financial instruments include swaps, forwards and options (see Notes 2(v), 4 and 14 to our consolidated year-end financial statements).

Our derivative portfolio is entirely over-the-counter (OTC). Our derivatives are valued using industry standard valuation models; projecting future cash flows discounted to present value, using market-based observable inputs including interest rate curves, foreign exchange rates, and forward and spot prices for currencies.

When appropriate, valuations are adjusted for various factors such as liquidity, bid/offer spreads and credit spreads considerations. Such adjustments are generally based on available market evidence. In the absence of such evidence, management's best estimate is used. All derivatives are classified in Level 2.

Assets and Liabilities Measured at Fair Value on a Non-Recurring Basis

The majority of our non-financial instruments, which include goodwill, intangible assets, inventories, transmission rights and programming and property, plant and equipment, are not required to be carried at fair value on a recurring basis. However, if certain triggering events occur (or at least annually in the fourth quarter for goodwill and indefinite-lived intangible assets) such that a non-financial instrument is required to be evaluated for impairment, a resulting asset impairment would require that the non-financial instrument be recorded at the lower of carrying amount or its fair value.

The impairment test for goodwill involves a comparison of the estimated fair value of each of our reporting units to its carrying amount, including goodwill. We determine the fair value of a reporting unit using a combination of a discounted cash flow analysis and a market-based approach, which utilize significant unobservable inputs (Level 3) within the fair value hierarchy. The impairment test for intangible assets not subject to amortization involves a comparison of the estimated fair value of the intangible asset with its carrying value. We determine the fair value of the intangible asset using a discounted cash flow analysis, which utilizes significant unobservable inputs (Level 3) within the fair value hierarchy. Determining fair value requires the exercise of significant judgment, including judgment about appropriate discount rates, perpetual growth rates, the amount and timing of

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expected future cash flows for a period of time that comprises five years, as well as relevant comparable company earnings multiples for the market-based approach.

Once an asset has been impaired, it is not remeasured at fair value on a recurring basis; however, it is still subject to fair value measurements to test for recoverability of the carrying amount.

Liquidity, Foreign Exchange and Capital Resources

Liquidity. We generally rely on a combination of operating revenues, borrowings and net proceeds from dispositions to fund our working capital needs, capital expenditures, acquisitions and investments. Historically, we have received, and we expect to continue to receive, most of our advertising revenues in the form of upfront advertising deposits in the fourth quarter of a given year, which we in turn have used, and expect to continue to use, to fund our cash requirements during the rest of the quarter in which the deposits were received and for the first three quarters of the following year. As of December 31, 2017, 2016 and 2015, we had received Ps.16,072.3 million, Ps.18,335.2 million and Ps. 16,829.8 million, respectively, of advertising deposits and advances for advertising time on all of our Content platforms and in our other segments during 2018, 2017 and 2016, respectively, representing U.S.\$0.8 billion, U.S.\$ 0.9 billion and U.S.\$ 1.0 billion, respectively, at the applicable year-end exchange rates. The deposits as of December 31, 2017, represented a 12.3% decrease, as compared to year-end 2016, and the deposits as of December 31, 2016, represented a 8.9% increase, as compared to year-end 2015. Approximately 90.0%, 71.6% and 69.4% of the advance payment deposits as of December 31, 2017, 2016 and 2015, respectively, were in the form of short-term, non-interest bearing notes, with the remaining deposits in each of those years consisting of cash deposits. The weighted average maturity of these notes at December 31, 2017, 2016 and 2015, was 4.7 months, 3.8 months and 3.4 months, respectively.

During the year ended December 31, 2017, we had a net decrease in cash and cash equivalents of Ps.8,811.1 million, as compared to a net decrease in cash and cash equivalents of Ps.1,851.0 million during the year ended December 31, 2016.

Net cash provided by operating activities for the year ended December 31, 2017, amounted to Ps.25,099.7 million. Adjustments to reconcile income before income taxes to net cash provided by operating activities primarily included: depreciation and amortization of Ps.18,536.3 million; net unrealized foreign exchange gain of Ps.2,396.3 million; interest expense of Ps.9,087.2 million; other amortization of Ps.504.7 million; provisions for related party transactions of Ps.308.8 million; loss on disposition of property and equipment of Ps.947.7 million; income in other finance expense, net of Ps.903.2 million; interest income of Ps.885.5 million; loss on disposition of investments of Ps.295.2 million; and equity in gain of affiliates of Ps.1,913.3 million. Income taxes paid for the year ended December 31, 2017 amounted to Ps.6,420.0 million.

Net cash used for investing activities for the year ended December 31, 2017, amounted to Ps.17,331.1 million, and was primarily used for investments in property, plant and equipment of Ps.16,759.6 million; held-to-maturity and available-for-sale investments of Ps.262.4 million; equity method and other investments of Ps.147.1 million; and investments in other intangible assets of Ps.1,777.6 million; which effect was

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partially offset by a disposition of held-to-maturity and available-for-sale investments of Ps.310.6 million; dividends received of Ps.136.0 million; temporary investments of Ps.271.8 million; and disposition of property, plant and equipment of Ps.911.5 million.

Net cash used for financing activities for the year ended December 31, 2017, amounted to Ps.16,469.3 million, and was primarily used for dividends and repurchase of capital stock of Ps.1,084.2 million; interest paid of Ps.8,860.9 million; prepayment and repayment of debt and lease payments of Ps.11,822.4 million; prepayment of other notes payable of Ps.1,292.4 million; derivative financial instruments of Ps.486.7 million; dividends paid to non-controlling interest of Ps.489.0 million; contributions to the trust for the Long-term Retention Plan of Ps.2,500.0 million; and repurchases of CPOs under a share repurchase program of Ps.383.8 million, which effect was primarily offset by cash provided by credit agreements with certain Mexican banks in the amount of Ps.5,973.0 million and issuance of Senior Notes due 2027 in the amount of Ps.4,477.0 million.

We expect to fund our operating cash needs during 2018, other than cash needs in connection with any potential investments and acquisitions, through a combination of cash from operations and cash on hand. We intend to finance our potential investments or acquisitions in 2018 through available cash from operations, cash on hand, equity securities and/or the incurrence of debt, or a combination thereof. The amount of borrowings required to

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fund these cash needs in 2018 will depend upon the timing of such transactions and the timing of cash payments from advertisers under our advertising sales plan.

During the year ended December 31, 2016, we had a net decrease in cash and cash equivalents of Ps.1,851.0 million, as compared to a net increase in cash and cash equivalents of Ps.19,667.8 million during the year ended December 31, 2015.

Net cash provided by operating activities for the year ended December 31, 2016, amounted to Ps.36,656.9 million. Adjustments to reconcile income before income taxes to net cash provided by operating activities primarily included: depreciation and amortization of Ps.16,979.8 million; net unrealized foreign exchange loss of Ps.6,707.8 million; interest expense of Ps.8,497.9 million; other amortization of Ps.352.7 million; provisions for related party transactions of Ps.340.2 million; loss on disposition of property and equipment of Ps.1,448.3 million; loss in other finance income, net of Ps.43.4 million; interest income of Ps.458.5 million; and equity in gain of affiliates of Ps.1,139.6 million. Income taxes paid for the year ended December 31, 2016 amounted to Ps.7,268.9 million.

Net cash used for investing activities for the year ended December 31, 2016, amounted to Ps.29,000.4 million, and was primarily used for investments in property, plant and equipment of Ps.27,941.6 million; held-to-maturity and available-for-sale investments of Ps.302.6 million; equity method and other investments of Ps.231.0 million; and investments in goodwill and other intangible assets of Ps.2,472.1 million, which effect was partially offset by a disposition of held-to-maturity and available-for-sale investments of Ps.74.1 million; temporary investments of Ps.254.4 million; dividends received of Ps. 47.2 million; and disposition of property, plant and equipment of Ps.1,571.2 million.

Net cash used for financing activities for the year ended December 31, 2016, amounted to Ps.9,990.9 million, and was primarily used for dividends and repurchase of capital stock of Ps.1,084.2 million; interest paid of Ps.7,633.0 million; prepayment and repayment of debt and lease payments of Ps.3,951.7 million; derivative financial instruments of Ps.123.5 million; dividends paid to non-controlling interest of Ps.547.6 million; and acquisition of a non-controlling interest of Ps.2,379.4 million; which effect was primarily offset by cash provided the credit agreements with certain Mexican bank in the amount of Ps.5,728.5 million.

During the year ended December 31, 2015, we had a net increase in cash and cash equivalents of Ps.19,667.8 million, as compared to a net increase in cash and cash equivalents of Ps.13,037.3 million during the year ended December 31, 2014.

Net cash provided by operating activities for the year ended December 31, 2015, amounted to Ps.31,285.6 million. Adjustments to reconcile income before income taxes to net cash provided by operating activities primarily included: depreciation and amortization of Ps.14,660.9 million; net unrealized foreign exchange loss of Ps.4,032.9 million; interest expense of Ps.6,239.4 million; other amortization of Ps.304.9 million; provisions for related party transactions of Ps.1,024.5 million; gain in reclassifications from accumulated other comprehensive income of Ps.5,262.6 million; gain in other finance income net of Ps.917.7 million; interest income of Ps.378.7 million; equity in gain of affiliates of Ps.35.4 million; income from UHI of Ps. 2,195.0 million; and gain on disposition of investments of Ps.76.3 million. Income taxes paid for the year ended December 31, 2015 amounted to Ps.7,823.7 million.

Net cash used for investing activities for the year ended December 31, 2015, amounted to Ps.23,781.6 million, and was primarily used for investments in property, plant and equipment of Ps.25,524.1 million; held-to-maturity and available-for-sale investments of Ps.89.6 million; equity method and other investments of Ps.10,088.9 million; and investments in goodwill and other intangible assets of Ps.1,553.8 million; which effect was partially offset by an income from UHI of Ps. 2,195.0 million; disposition of investment in GSF of Ps. 10,335.8 million; and temporary investments of Ps.16.1 million.

Net cash provided for financing activities for the year ended December 31, 2015, amounted to Ps.12,032.9 million, and was primarily provided by the issuance of Senior Notes due 2026 in the amount of Ps.4,903.7 million; issuance of Senior Notes due 2046 in the amount of Ps.14,716.6 million; issuance of Notes due 2022 in the amount of Ps.4,988.7 million; and credit agreements with certain Mexican banks in the amount of Ps.2,487.9 million; which effect was primarily used for dividends and repurchase of capital stock of Ps.1,084.2 million; interest paid of Ps.5,938.7 million; prepayment and repayment of debt and lease payments of Ps.7,194.1 million; derivative financial

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instruments of Ps.372.0 million; and dividends paid and reduction of capital of non-controlling interest of Ps.475.1 million.

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

During 2018, we:

- expect to make aggregate capital expenditures for property, plant and equipment totaling approximately U.S.\$950.0 million, of which approximately U.S.\$550.0 million and approximately U.S.\$250.0 million are for the expansion and improvements of our Cable and Sky segments, respectively, and the remaining amount is for our Content and Other Businesses segments; and
- expect to provide financing to GTAC in connection with long-term credit facilities and our 33.3% interest in GTAC in the aggregate principal amount of Ps.178.6 million (U.S.\$9.5 million).

During 2017, we:

- made aggregate capital expenditures for property, plant and equipment totaling approximately U.S.\$884.7 million, of which approximately U.S.\$559.7 million and U.S.\$211.4 million were for the expansion and improvements of our Cable and Sky segments, respectively, and the remaining U.S.\$113.6 million for our Content and Other Businesses segments; and
- provided financing to GTAC in connection with long-term credit facilities and our 33.3% interest in GTAC in the aggregate principal amount of Ps.222.8 million (U.S.\$11.1 million).

During 2016, we:

- made aggregate capital expenditures for property, plant and equipment totaling approximately U.S.\$1,490.9 million, of which approximately U.S.\$984.2 million and U.S.\$346.6 million were for the expansion and improvements of our Cable and Sky segments, respectively, and the remaining U.S.\$160.1 million for our Content and Other

Businesses segments;

- provided financing to GTAC in connection with long-term credit facilities and our 33.3% interest in GTAC in the aggregate principal amount of Ps.140.9 million (U.S.\$7.8 million);
- acquired the remaining 50% equity interest of TVI in the aggregate amount of Ps.6,750.0 million (U.S.\$384.8 million), including the assumption of long-term liabilities in the aggregate amount of Ps.4,750.0 million (U.S.\$269.0 million), with maturities between 2017 and 2020, and a cash payment of Ps.2,000.0 million (U.S.\$115.8 million); and
- acquired through TVI the remaining 50% equity interest of Cable Sistema de Victoria, S.A. de C.V. in the aggregate amount of Ps.379.4 million (U.S.\$18.2 million).

During 2015, we:

- made aggregate capital expenditures for property, plant and equipment totaling U.S.\$1,605.4 million, of which U.S.\$1,077.2 million and U.S.\$361.6 million are for the expansion and improvements of our Cable and Sky segments, respectively, and the remaining U.S.\$166.6 million is for our Content segment and other segments;
- acquired, through a series of transactions, all of the equity interest of Telecable for an aggregate consideration of Ps.10,001.8 million (U.S.\$667.7 million). Telecable is a cable company that provides video, data and telephone services primarily in six states of Mexico;

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- provided financing to GTAC in connection with a long-term credit facility and our 33.3% interest in GTAC in the aggregate principal amount of Ps.101.9 million; and
- acquired additional shares of Imagina for the aggregate cash amount of Ps.341.7 million and increased our equity stake in Imagina from 14.5% to 19.9 %.

Refinancings. In May 2015, we concluded the offering of Ps.5,000 million aggregate principal amount of local bonds (*Certificados Bursátiles*) due 2022 with an interest rate of 0.35% plus the 28-day Interbank Equilibrium Interest Rate. We used the net proceeds of the offering for general corporate purposes and working capital. In November 2015, we concluded the offering of U.S. \$300 million aggregate amount of 4.625% Senior Notes due 2026 and U.S. \$900 million aggregate principal amount of 6.125% Senior Notes due 2046. We used the net proceeds for general corporate purposes including capital expenditures associated with the continued growth of our Cable segment. In October 2017, we concluded the offering of Ps.4,500 million aggregate principal amount of local bonds (*Certificados Bursátiles*) due 2027 with an interest rate of 8.79%. We used the net proceeds of the offering for general corporate purposes and working capital. In December 2017, we redeemed in full the U.S. \$500 million aggregate principal amount of our 6.0% Senior Notes due 2018.

In March 2016, (i) our Sky segment entered into long-term debt agreements with two Mexican banks in the aggregate principal amount of Ps.5,500 million, with maturities between 2021 and 2023, and interest payable on a monthly basis at an annual rate in the range of 7.0% and 7.13%, and prepaid an intercompany long-term loan in the principal amount of Ps.3,500 million; and (ii) we prepaid a portion of our Mexican peso outstanding long-term loans with original maturities between 2016 and 2017 in the aggregate principal amount of Ps.3,532 million.

In November and December 2017, we entered into long-term debt agreements with three Mexican banks in the aggregate principal amount of Ps.6,000 million, with maturities between 2022 and 2023, and interest payable on a monthly basis at an annual rate of 28-day TIIE plus a range between 125 and 130 basis points.

Indebtedness. As of December 31, 2017, our consolidated long-term portion of debt amounted to Ps.121,993.1 million and our consolidated current portion of debt was Ps.2,103.9 million. As of December 31, 2016, our consolidated long-term portion of debt amounted to Ps.126,146.7 million and our consolidated current portion of debt was Ps.2,678.2 million. The consolidated debt is presented net of unamortized finance costs as of December 31, 2017 and 2016, in the aggregate amount of Ps.1,250.7 million and Ps.1,290.6 million, respectively, and interest payable in the aggregate amount of Ps.1,796.8 million and Ps.1,827.3 million in 2017 and 2016, respectively.

In March 2018, the Company entered into a revolving credit facility with a syndicate of banks led by HSBC, for U.S.\$583 million payable in Mexican pesos, for a three-year term. The funds may be used for the repayment of existing indebtedness and other general corporate purposes as may be authorized by the Board of Directors of the Company. As of this date, the Company has not drawn down on this facility. We may from time to time incur additional indebtedness or repurchase, redeem or repay outstanding indebtedness.

The following table sets forth a description of our outstanding indebtedness as of December 31, 2017, net of unamortized finance costs and interest payable (in millions of Pesos):

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Description of Debt	Debt Outstanding(1)			
	December 31, 2017 Actual	Interest Rate(2)	Denomination	Maturity of Debt
8.5% Senior Notes (2)	6,039.9	8.5%	U.S. Dollars	2032
6.625% Senior Notes (2)	11,767.2	6.625%	U.S. Dollars	2025
8.49% Senior Notes (2)	4,517.8	8.49%	Pesos	2037
6.625% Senior Notes (2)	12,044.6	6.625%	U.S. Dollars	2040
7.25% Senior Notes (2)	6,480.4	7.25%	Pesos	2043
5.0% Senior Notes (2)	19,383.7	5.0%	U.S. Dollars	2045
4.625% Senior Notes (2)	5,986.1	4.625%	U.S. Dollars	2026
6.125% Senior Notes (2)	18,053.5	6.125%	U.S. Dollars	2046
7.38% Notes (3)	10,107.1	7.38%	Pesos	2020
8.79% Notes (3)	4,568.0	8.79%	Pesos	2027
TIIE+ 0.35% Notes (3)	6,015.0	7.78%	Pesos	2021
TIIE+ 0.35% Notes (3)	5,006.4	7.81%	Pesos	2022
Scotiabank loan (4)	2,485.0	8.6925%	Pesos	2023
HSBC loan (4)	1,992.5	8.92%	Pesos	2022
Santander loan (4)	1,493.0	8.871%	Pesos	2022
Santander loan (5)	249.6	8.651%	Pesos	2020
Santander loan (5)	252.1	8.651%	Pesos	2019
Banorte loan (5)	1,578.1	8.3796%	Pesos	2022
HSBC loan (5)	261.0	8.64%	Pesos	2019
HSBC loan (5)	301.1	8.651%	Pesos	2019
HSBC loan (6)	2,514.9	7.13%	Pesos	2023
Scotiabank loan (6)	3,000.0	7.0%	Pesos	2023
Total debt	124,097.0			15.9 years(7)
Less: Current maturities of long-term debt	2,103.9			2018
Total long-term debt	Ps. 121,993.1			
Finance lease obligations:				
Satellite transponder lease obligations (8)	Ps. 4,938.1	7.30%	U.S. Dollars	2027
Other (9)	684.7	6.73%	Various	2018 to 2024
Total finance lease obligations	5,622.8			
Less: Current portion	580.9			2018
Finance lease obligations, net of current portion	Ps. 5,041.9			
Other notes payable:				
Other notes payable (10)	Ps. 3,684.0	3.0%	Pesos	2020
Less: Current portion	1,178.4			2018
Other notes payable, net of current portion	Ps. 2,505.6			

(1) U.S. Dollar-denominated debt is translated into Pesos at an exchange rate of Ps.19.7051 per U.S. Dollar, the Interbank Rate, as reported by CitiBanamex, as of December 31, 2017.

(2) The Senior Notes due between 2025 and 2046, in the aggregate outstanding principal amount of U.S.\$3,700 million and Ps.11,000 million are unsecured obligations of the Company, rank equally in right of payment with all existing and future unsecured and unsubordinated indebtedness of the Company, and are junior in right of payment to all of the existing and future liabilities of the Company's subsidiaries. Interest on the Senior Notes due 2025, 2026, 2032, 2037, 2040, 2043, 2045 and 2046, including additional amounts payable in respect of certain Mexican withholding taxes, is 6.97%, 4.86%, 8.94%, 8.93%, 6.97%, 7.62%, 5.26% and 6.44% per annum, respectively, and is payable semi-annually. These Senior Notes may not be redeemed prior to maturity, except (i) in the event of certain changes in law affecting the Mexican withholding tax treatment of certain payments on the securities, in which case

the securities will be redeemable, as a whole but not in part, at the option of the Company; and (ii) in the event of a change of control, in which case the Company may be required to redeem the securities at 101% of their principal amount. Also, the Company may, at its own option, redeem the Senior Notes due 2025, 2026, 2037, 2040, 2043 and 2046, in whole or in part, at any time at a redemption price equal to the greater of the principal amount of these Senior Notes or the present value of future cash flows, at the redemption date, of principal and interest amounts of the Senior Notes discounted at a fixed rate of comparable U.S. or Mexican sovereign bonds. The Senior Notes due 2026, 2032, 2040, 2043, 2045 and 2046 were priced at 99.385%, 99.431%, 98.319%, 99.733%, 96.534% and 99.677%, respectively, for a yield to maturity of 4.7%, 8.553%, 6.755%, 7.27%, 5.227% and 6.147%, respectively. The Senior Notes due 2025 were issued in two aggregate principal amounts of U.S.\$400 million

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and U.S.\$200 million, and were priced at 98.081% and 98.632%, respectively, for a yield to maturity of 6.802% and 6.787%, respectively. The agreement of these Senior Notes contains covenants that limit the ability of the Company and certain restricted subsidiaries engaged in the Group's Content segment, to incur or assume liens, perform sale and leaseback transactions, and consummate certain mergers, consolidations and similar transactions. The Senior Notes due 2025, 2026, 2032, 2037, 2040, 2045 and 2046 are registered with the SEC. The Senior Notes due 2043 are registered with both the U.S. Securities and Exchange Commission (SEC) and the Mexican Banking and Securities Commission (Comisión Nacional Bancaria y de Valores). In December 2017, the Company prepaid the principal outstanding amount of U.S.\$500 million Senior Notes due 2018 at an aggregate redemption price of Ps.9,841.7 million (U.S.\$511.7 million), which included related fees and accrued and unpaid interest at the redemption date (see Note 22).

(3) In 2010, April 2014, May 2015 and October 2017, the Company issued Notes (Certificados Bursátiles) due 2020, 2021, 2022 and 2027, respectively, through the Mexican Stock Exchange (Bolsa Mexicana de Valores) in the aggregate principal amount of Ps.10,000 million, Ps.6,000 million, Ps.5,000 million and Ps.4,500 million, respectively. Interest on the Notes due 2020 is 7.38% per annum and is payable semi-annually. Interest on the Notes due 2021 and 2022 is the Equilibrium Interbank Interest Rate (Tasa de Interés Interbancaria de Equilibrio or TIIE) plus 35 basis points per annum and is payable every 28 days. Interest on the Notes due 2027 is 8.79% per annum and is payable semi-annually. The Company may, at its own option, redeem the Notes due 2020 and 2027, in whole or in part, at any semi-annual interest payment date at a redemption price equal to the greater of the principal amount of the outstanding Notes and the present value of future cash flows, at the redemption date, of principal and interest amounts of the Notes discounted at a fixed rate of comparable Mexican sovereign bonds. The Company may, at its own option, redeem the Notes due 2021 and 2022, in whole or in part, at any date at a redemption price equal to the greater of the principal amount of the outstanding Notes and an average price calculated from prices to be provided at the redemption date by two Mexican financial pricing companies. The agreement of these Notes contains covenants that limit the ability of the Company and certain restricted subsidiaries appointed by the Company's Board of Directors, and engaged in the Group's Content segment, to incur or assume liens, perform sale and leaseback transactions, and consummate certain mergers, consolidations and similar transactions.

(4) In November and December 2017, the Company entered into long-term credit agreements with three Mexican banks in the aggregate principal amount of Ps.6,000 million, and an annual interest rate payable on a monthly basis of 28-day TIIE plus a range between 125 and 130 basis points and principal maturities between 2022 and 2023. The proceeds of these loans were used primarily for the prepayment in full of Senior Notes due 2018. Under the terms of these credit agreements, the Company is required to: (a) maintain certain financial coverage ratios related to indebtedness and interest expense; and (b) comply with the restrictive covenant on spin-offs, mergers and similar transactions. In connection with a long-term credit agreement with a Mexican bank entered in March 2011, the Company prepaid the remaining aggregate amount of Ps.629,311, which included accrued and unpaid interest.

(5) Include outstanding balance in the aggregate principal amount of Ps.2,642.0 million, in connection with certain credit agreements entered into by TVI with Mexican banks, with maturities between 2018 and 2022, bearing interest at an annual rate of TIIE plus a range between 100 and 125 basis points which is payable on a monthly basis. Under the terms of the credit agreements, TVI is required to comply with certain restrictive covenants and financial coverage ratios.

(6) In June 2015, Sky prepaid two long-term loans in the principal amount of Ps.1,400 million and Ps.2,100 million, with an original maturity in 2016, and annual interest of THIE plus 24 basis points and 8.74%, respectively, which was payable on a monthly basis. The aggregate amount paid by Sky amounted to Ps.3,651.7 million, which included related accrued interest, the settlement of a related derivative contract, and fees. This prepayment was funded primarily by a long-term loan made by the Company in the principal amount of Ps.3,500 million, with a maturity in 2022, and an annual interest rate of 7.38%, which is payable on a monthly basis. In March 2016, Sky: (i) entered into long-term debt agreements with two Mexican banks in the aggregate principal amount of Ps.5,500 million, with maturities in 2021 and 2023, and interest payable on a monthly basis and an annual rate in the range of 7.0% and 7.13%; and (ii) prepaid to the Company an outstanding amount in connection with a long-term loan in the principal amount of Ps.3,500 million.

(7) Actual weighted average maturity of long-term debt as of December 31, 2016.

(8) Starting from the fourth quarter of 2012, Sky is obligated to pay a monthly fee of U.S.\$3.0 million under a capital lease agreement entered into with Intelsat Global Sales & Marketing Ltd. (Intelsat) in March 2010 for satellite signal reception and retransmission service from 24 KU-band transponders on satellite IS-21, which became operational in October 2012. The service term for IS-21 will end at the earlier of (a) the end of 15 years or (b) the date IS-21 is taken out of service.

(9) Includes minimum lease payments of property and equipment under leases that qualify as finance leases. Includes Ps.571.4 million in connection with a lease agreement entered into by a subsidiary of the Company and GTAC for the right to use certain capacity of a telecommunications network to 2029. This lease agreement provides for annual payments through 2024. Other capital leases have terms that expire at various dates between 2018 and 2020.

(10) Notes payable issued by the Company in connection with the acquisition of a non-controlling interest in TVI. As of December 31, 2017, cash payments to be made between 2018 and 2020 related to these notes payable amounted to an aggregate of Ps.3,808.4 million including interest of Ps.316.4 million. Accrued interest for this transaction amounted to Ps.192.1 million for the year ended December 31, 2017. This was regarded as a Level 2 debt that was fair valued using a discount cash flow approach, which discounts the contractual cash flows using discount rates derived from observable market price of other quotes debt instruments.

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Interest Expense. Interest expense for the years ended December 31, 2017, 2016 and 2015 was Ps.9,245.7 million, Ps.8,497.9 million and Ps.6,239.4 million, respectively.

The following table sets forth our interest expense for the years indicated (in millions of U.S. Dollars and millions of Pesos):

	Year Ended December 31,(1)					
	2017		2016		2015	
Interest payable in U.S. Dollars	U.S.\$	287.6	U.S.\$	281.1	U.S.\$	216.3
Amounts currently payable under Mexican withholding taxes(2)		13.1		13.1		9.8
Total interest payable in U.S. Dollars	U.S.\$	300.7	U.S.\$	294.2	U.S.\$	226.1
Peso equivalent of interest payable in U.S. Dollars	Ps.	5,691.8	Ps.	5,461.4	Ps.	3,588.2
Interest payable in Pesos		3,553.9		3,036.5		2,651.2
Total interest expense	Ps.	9,245.7	Ps.	8,497.9	Ps.	6,239.4

(1) U.S. Dollars are translated into Pesos at the rate prevailing when interest was recognized as an expense for each period.

(2) See Additional Information Taxation Federal Mexican Taxation .

Contractual Obligations and Commercial Commitments

Our contractual obligations and commercial commitments consist primarily of long-term debt, as described above, satellite transponder obligations and transmission rights obligations.

Table of Contents***Contractual Obligations on the Balance Sheet***

The following table summarizes our contractual obligations on the balance sheet as of December 31, 2017 (these amounts do not include future interest payments):

	Total	Payments Due by Period			
		Less Than 12 Months January 1, 2018 to December 31, 2018	12-36 Months January 1, 2019 to December 31, 2020	36-60 Months January 1, 2021 to December 31, 2022	Maturities Subsequent to December 31, 2022
(Thousands of U.S. Dollars)					
6.625% Senior Notes due 2025	600,000				600,000
8.5% Senior Notes due 2032	300,000				300,000
8.49% Senior Notes due 2037	228,367				228,367
6.625% Senior Notes due 2040	600,000				600,000
7.38% Notes due 2020	507,483		507,483		
8.79% Notes due 2027	228,367				228,367
7.25% Senior Notes due 2043	329,864				329,864
5.0% Senior Notes due 2045	1,000,000				1,000,000
4.625% Senior Notes due 2026	300,000				300,000
6.125% Senior Notes due 2046	900,000				900,000
TIIE+0.35% Notes due 2021	304,490			304,490	
TIIE+0.35% Notes due 2022	253,741			253,741	
Scotiabank loan due 2023	126,871				126,871
HSBC loan due 2022	101,497			101,497	
Santander loan due 2022	76,122			76,122	
Santander loan due 2020	12,687		12,687		
Santander loan due 2019	12,687		12,687		
Banorte loan due 2022	80,201	12,306	24,612	43,283	
HSBC loan due 2019	13,279	3,299	9,980		
HSBC loan due 2019	15,224		15,224		
HSBC loan due 2023	126,871			95,153	31,718
Scotiabank loan due 2023	152,245			133,214	19,031
Long-term debt	6,269,996	15,605	582,673	1,007,500	4,664,218
Accrued Interest	91,187	91,187			
Satellite transponder obligation	250,597	18,311	40,872	47,278	144,136
Other capital lease obligations	34,749	11,168	17,901	3,609	2,071
Other notes payable	186,960	59,804	127,156		
Transmission rights(1)	219,821	127,972	72,762	16,821	2,266

Total contractual obligations	U.S.\$	7,053,310	U.S.\$	324,047	U.S.\$	841,364	U.S.\$	1,075,208	U.S.\$	4,812,691
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(1) This liability reflects our transmission rights obligations related to programming acquired or licensed from third party producers and suppliers, and special events, which are reflected in our consolidated balance sheet within trade accounts payable (current liabilities) and other long-term liabilities.

Table of Contents*Contractual Obligations off the Balance Sheet*

The following table summarizes our contractual obligations off the balance sheet as of December 31, 2017:

	Total	Payments Due by Period			
		Less Than 12 Months January 1, 2018 to December 31, 2018	12-36 Months January 1, 2019 to December 31, 2020	36-60 Months January 1, 2021 to December 31, 2022	Maturities Subsequent to December 31, 2022
(Thousands of U.S. Dollars)					
Interest on debt(1)	U.S.\$ 6,425,329	U.S.\$ 347,573	U.S.\$ 860,024	U.S.\$ 705,910	U.S.\$ 4,511,822
Interest on finance lease obligations	107,866	21,343	34,086	25,190	27,247
Interest on other notes payable	6,310	284	2,109	3,917	
Lease commitments(2)	162,013	32,507	58,319	43,796	27,391
Programming(3)	115,006	38,551	60,509	15,946	
Transmission rights(3)	835,130	25,750	147,400	87,200	574,780
Capital expenditures commitments	93,943	93,943			
Satellite transponder commitments(4)	19,673	7,391	8,522	3,760	
Committed financing to GTAC(5)	9,500	9,500			
Total contractual obligations	U.S.\$ 7,774,770	U.S.\$ 576,842	U.S.\$ 1,170,969	U.S.\$ 885,719	U.S.\$ 5,141,240

(1) Interest to be paid in future years on outstanding debt as of December 31, 2017, was estimated based on contractual interest rates and exchange rates as of that date.

(2) Reflects our minimum non-cancellable lease commitments for facilities under operating lease contracts, which are primarily related to our gaming business, under operating leases expiring through 2047. See Note 26 to our consolidated year-end financial statements.

(3) These line items reflect our obligations related to programming to be acquired or licensed from third party producers and suppliers, and transmission rights for special events to be acquired from a third party.

(4) Reflects our minimum commitments for the use of satellite transponders under operating lease contracts.

(5) In connection with a long-term credit facility, we have agreed to provide financing to GTAC in 2018 in the aggregate principal amount of Ps.178.6 million (U.S.\$9.5 million).

Table of Contents**Item 6. Directors, Senior Management and Employees****Board of Directors**

The following table sets forth the names of our current directors and their alternates, their dates of birth, their principal occupation, their business experience, including other directorships, and their years of service as directors or alternate directors. Each of the following directors and alternate directors were elected or ratified for a one-year term by our stockholders at our April 27, 2018 annual stockholders meeting.

Name and Date of Birth	Principal Occupation	Business Experience	First Elected
Emilio Fernando Azcárraga Jean (02/21/68)	Executive Chairman of the Board and Chairman of the Executive Committee of Grupo Televisa. Chairman of the Board and Chairman of the Executive Committee of Empresas Cablevisión.	Former President and Chief Executive Officer of Grupo Televisa. Member of the Boards of Grupo Financiero Banamex, Univision and Innova, S. de R.L. de C.V..	December 1990
<i>In alphabetical order:</i>			
Alfonso de Angoitia Noriega (01/17/62)	Co-Chief Executive Officer and Member of the Executive Committee of Grupo Televisa. Member of the Board and Member of the Executive Committee of Empresas Cablevisión.	Member of the Boards of Univision, Innova, S. de R.L. de C.V., Liberty Latin America, Grupo Financiero Banorte and Fomento Económico Mexicano (FEMSA) and Former Executive Vice President and Chief Financial Officer of Grupo Televisa.	April 1997
Alberto Baillères González (08/22/31)	Chairman of the Boards of Directors of Grupo Bal, Industrias Peñoles, Fresnillo PLC, Grupo Palacio de Hierro, Grupo Nacional Provincial, Grupo Profuturo, Controladora Petrobal, Energía Eléctrica BAL, and Tane. Chairman of the Board of Trustees of Instituto Tecnológico Autónomo de México (ITAM) and Founder and President of Fundación Alberto Baillères.	Member of the Boards of Directors of Dine, Grupo Kuo, Grupo Financiero BBVA Bancomer, BBVA Bancomer, Fomento Económico Mexicano and member of the Mexican Council of Business.	April 2005
José Antonio Bastón Patiño (04/13/68)	Member of the Board of Empresas Cablevisión. Member of the Board of	Former President of Television and Content and Vice President of Operations	April 1999

Innova, S. de R.L. de C.V.
Private Investor.

of Grupo Televisa, former
Corporate Vice President of
Television. Former Member
of the Board of Univision
and former General Director
of Programming of Grupo
Televisa. Former President
of Televisa International.

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Name and Date of Birth	Principal Occupation	Business Experience	First Elected
Francisco José Chevez Robelo (07/03/29)	Chairman of the Audit Committee of Grupo Televisa, Member of the Board of Directors and Chairman of the Audit and Corporate Practices Committee of Empresas Cablevisión.	Co-founder and retired Partner of Chévez, Ruíz, Zamarripa y Cía., S.C., Member of the Board of Directors of Apuestas Internacionales and Raspafacil and Former Managing Partner of Arthur Andersen & Co. (México City).	April 2003
Jon Feltheimer (09/02/51)	Chief Executive Officer of Lionsgate.	Former President of Columbia TriStar Television Group, former Executive Vice President of Sony Pictures Entertainment. Member of the Boards of Lionsgate, Pop Media Group, Celestial Tiger Entertainment Telltale Incorporated, Pantelion and Pilgrim Media Group.	April 2015

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Name and Date of Birth	Principal Occupation	Business Experience	First Elected
José Luis Fernández Fernández (05/18/59)	Managing Partner of Chévez, Ruíz, Zamarripa y Cía., S.C., Member of the Audit Committee of Grupo Televisa, Chairman of the Corporate Practices Committee of Grupo Televisa.	Member of the Board of Directors of Arca Continental Corporativo, Unifin Financiera, Controladora Vuela Compañía de Aviación, Grupo Financiero Banamex, Banco Nacional de México, Apuestas Internacionales and Raspafacil. Alternate Member of the Board and Alternate Member of the Audit and Corporate Practices Committee of Empresas Cablevisión.	April 2002
Salvi Rafael Folch Viadero (08/16/67)	Chief Executive Officer of Grupo Televisa s Cable Division.	Former Chief Financial Officer of Grupo Televisa. Former Vice President of Financial Planning of Grupo Televisa. Former Chief Executive Officer and Chief Financial Officer of Comercio Más, S.A. de C.V. and former Vice Chairman of Banking Supervision of the National Banking and Securities Commission. Alternate Member of the Board of Directors and Alternate Member of the Executive Committee of Empresas Cablevisión.	April 2002
Michael Thomas Fries (02/06/63)	President and Chief Executive Officer of Liberty Global, plc.	Vice Chairman of the Board of Liberty Global, Executive Chairman of the Board of Liberty Latin America, Member of the Board of Lionsgate, Trustee of the Board of Cable Television Labs, The Cable Center, Chairman of the Board of Museum of Contemporary Art Denver and the Biennial of the Americas, Digital Communications Governor and Steering Committee Member of the World Economic Forum, Member of Young Presidents Organization.	April 2015

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Name and Date of Birth	Principal Occupation	Business Experience	First Elected
Marcos Eduardo Galperin (10/31/71)	Chairman, President, Chief Executive Officer, Co-Founder, and Director of Mercadolibre, Inc. Member of the Boards of Directors of Endeavor, Fundación Universidad de San Andrés, Globant, S.A. and Onapsis.	Former Futures and Options Associate of YPF S.A.	April 2017
Guillermo García Naranjo Álvarez (07/02/56)	Chairman of the Board of Directors of Consejo Mexicano de Normas de Información Financiera and Member of the Audit Committee of Grupo Televisa.	Former Chief Executive Officer and Former Audit Partner of KPMG Cárdenas Dosal, SC.	April 2018
Bernardo Gómez Martínez (07/24/67)	Co-Chief Executive Officer and Member of the Executive Committee of Grupo Televisa. Member of the Board and Member of the Executive Committee of Empresas Cablevisión.	Member of the Board of Univision, and Innova, S. de R.L. de C.V., Former Executive Vice President and Deputy Director of the President of Grupo Televisa and Former President of the Mexican Chamber of Television and Radio Broadcasters.	April 1999
Carlos Hank González (09/01/71)	Chairman of the Board of Directors of Grupo Financiero Banorte and Banco Mercantil del Norte.	Vice President of the Board of Directors of Gruma; Former General Manager of Grupo Financiero Interacciones, Interacciones Casa de Bolsa and Grupo Hermes; Former Deputy General Manager of Grupo Financiero Banorte. Member of the Board of Directors of Bolsa Mexicana de Valores.	April 2017
Roberto Hernández Ramírez (03/24/42)	Honorary Chairman of the Board of Banco Nacional de México, Member of the Corporate Practices Committee of Grupo Televisa.	Honorary Member of the Board of Grupo Financiero Banamex Accival.	April 1992
Enrique Krauze Kleinbort (09/16/47)	Chief Executive Officer, Director and Partner of Editorial Clío, Libros y Videos and Editorial Vuelta.	Member of the Mexican History Academy and the National Academy.	April 1996

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Name and Date of Birth	Principal Occupation	Business Experience	First Elected
Lorenzo Alejandro Mendoza Giménez (10/05/65)	Chief Executive Officer, Member of the Board of Directors and Chairman of the Executive Committee of Empresas Polar.	Former Member of the Boards of AES La Electricidad de Caracas, CANTV-Verizon and BBVA Banco Provincial. Member of the Board of Grupo GEPP, Member of the MIT Sloan Board, the Latin American Georgetown University, Dean's Council of Harvard Kennedy School, Grupo of Fifty (G-50), the Latin American Business Council, the Board of Trustees of Universidad Metropolitana, the Board of Trustees of Instituto de Estudios Superiores de Administración (IESA), the Latin America Conservation Council (LACC). Ashoka Fellow and Member of the World Economic Forum (named a Global Young leader in 2005).	April 2009
Fernando Senderos Mestre (03/03/50)	Chairman of the Board and Chief Executive Officer of Grupo Kuo, Chairman of the Executive Committee of Grupo Kuo, Chairman of the Board of Dine and Chairman of the Board of Grupo DESC.	Member of the Boards of Kimberly-Clark de México, Industrias Peñoles and Grupo Nacional Provincial. Member of the Mexican Council of Businessmen and Member of the Foundation for Mexican Letters.	April 1992
Enrique Francisco José Senior Hernández (08/03/43)	Managing Director of Allen & Company LLC, Member of the Corporate Practices Committee of Grupo Televisa.	Member of the Boards of Directors of Univision, Coca-Cola FEMSA, Cinemark and FEMSA.	April 2001

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Name and Date of Birth	Principal Occupation	Business Experience	First Elected
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Eduardo Tricio Haro (08/05/63)	Chairman of Grupo Lala and Chairman of Executive Committee of Aeromexico.	Chairman of the Board of Grupo Lala and Fundación Lala, Member of the Boards of Grupo Aeroméxico, Grupo Financiero Banamex, Mexichem, Corporación Aura Solar, Centro Cultural Arocena Laguna, Hospital Infantil de México Federico Gómez and Instituto Tecnológico de Estudios Superiores de Monterrey, Vice President of Consejo Mexicano de Hombres de Negocios. Board Member of the National Cancer Institute, the National Institute of Medical Sciences and Nutrition Salvador Zubirán , Mexicanos Primero and the Latin American Conservation Council of the Nature Conservancy.	April 2012
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David M. Zaslav (01/15/60)	President, Chief Executive Officer and Director of Discovery, Inc.	Member of the Boards of Sirius XM Radio, Inc., Lionsgate Entertainment Corp., the National Cable & Telecommunications Association, The Cable Center, Center for Communications, Mt. Sinai Medical Center, the USC Shoah Foundation, Skills for America's Future, the Partnership for New York City and the Paley Center for Media.	April 2015
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Alternate Directors:*In alphabetical order:*

Herbert A. Allen III (06/08/67)	President of Allen & Company LLC.	Former Executive Vice President and Managing Director of Allen & Company Incorporated, Alternate Director of Coca Cola FEMSA and former Member of the Board of Convera Corporation.	April 2002
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Name and Date of Birth	Principal Occupation	Business Experience	First Elected
Félix José Araujo Ramírez (03/20/51)	Vice President of Digital Television and Broadcasting.	Former Chief Executive Officer of Telesistema Mexicano. President of the Board of Directors of Televisión Independiente de México and Televimex.	April 2002
Joaquín Balcárcel Santa Cruz (01/04/69)	Chief of Staff of the Executive Chairman of the Board of Directors of Grupo Televisa.	Former Vice President - Legal and General Counsel of Grupo Televisa. Former Vice President and General Counsel of Television Division. Former Legal Director of Grupo Televisa.	April 2000
Julio Barba Hurtado (05/20/33)	Legal Advisor to the Company, Secretary of the Audit Committee of Grupo Televisa and Secretary of the Audit and Corporate Practices Committee of Empresas Cablevisión.	Former Legal Advisor to the Board of Grupo Televisa; Chairman of the Board of Directors of Coisa Consultores Industriales; Alternate member of the Board of Directors of Editorial Televisa Colombia.	December 1990
Leopoldo Gómez González Blanco (04/06/59)	Vice President News of Grupo Televisa.	Former Director of Information to the Presidency of Grupo Televisa.	April 2003
Jorge Agustín Lutteroth Echegoyen (01/24/53)	Vice President and Corporate Controller of Grupo Televisa.	Former Senior Partner of Coopers & Lybrand, Despacho Roberto Casas Alariste, S.C., and former Controller of Televisa Corporation. Alternate Member of the Board of Empresas Cablevisión.	April 2000
Alberto Javier Montiel Castellanos (11/22/45)	Director of Montiel Font y Asociados, S.C. and Member of the Audit Committee of Grupo Televisa and Member of Board and the Audit and Corporate Practices Committee.	Member of the Board and Audit Committee of Blazki, Advisor to the Association of Graduates of the Faculty of Accounting and Administration of the Universidad Nacional Autónoma de México and Former Tax Vice President of Grupo Televisa and former Tax Director of Wal-Mart de México.	April 2002

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Name and Date of Birth	Principal Occupation	Business Experience	First Elected
Raúl Morales Medrano (05/12/70)	Partner of Chévez, Ruiz, Zamarripa y Cia., S.C.	Member of the Audit and Corporate Practices Committee and Alternate Member of the Board of Directors of Empresas Cablevisión.	April 2002
Guadalupe Phillips Margain (02/07/71)	Chief Executive Officer of Empresas ICA, S.A.B. de C.V.	Former Chief Restructuring Officer of Empresas ICA, S.A.B. de C.V., Former Vice President of Finance and Risk of Grupo Televisa, Former Chief Financial Officer of Empresas Cablevisión and Member of the Board of Innova, S. de R.L. de C.V. and Alternate Member of the Board of Grupo Financiero Banorte.	April 2012

Our Board of Directors

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

- our principals, employees or managers, as well as the statutory auditors, or *comisarios*, of our subsidiaries, including those individuals who have occupied any of the described positions within a period of 12 months preceding the appointment;
- individuals who have significant influence over our decision making processes;
- controlling stockholders, in our case, the beneficiary of the Azcárraga Trust;
- partners or employees of any company which provides advisory services to us or any company that is part of the same economic group as we are and that receives 10% or more of its income from us;

- significant clients, suppliers, debtors or creditors, or members of the Board or executive officers of any such entities; or
- spouses, family relatives up to the fourth degree, or cohabitants of any of the aforementioned individuals.

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

Election of Directors. A majority of the members of our Board of Directors must be Mexican nationals and must be elected by Mexican stockholders. All of the members and alternate members of the Board of Directors were elected and/or ratified in their positions by our 2018 annual stockholders special and general meetings, which were held on April 27, 2018. A majority of the holders of the Series A Shares voting together elected, eleven of our directors and corresponding alternates and a majority of the holders of the Series B Shares voting together elected, five of our directors and corresponding alternates. At our special stockholders meetings, a majority of the holders of the Series L Shares and Series D Shares will each continue to have the right to elect two of our directors and alternate directors, each of which must be an independent director. Each alternate director may vote in the absence of a corresponding director. Directors and alternate directors are elected for one-year terms by our stockholders at each annual stockholders meeting, and each serves for up to a 30-day term once the one-year appointment has expired or

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upon resignation; in this case, the Board of Directors is entitled to appoint provisional directors without the approval of the stockholders meeting.

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

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

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

- our general strategy;

- with input from the Audit Committee, on an individual basis: (i) our financial statements; (ii) unusual or non-recurrent transactions and any transactions or series of related transactions during any calendar year that involve (a) the acquisition or sale of assets with a value equal to or exceeding 5% of our consolidated assets, or (b) the giving of collateral or guarantees or the assumption of liabilities, equal to or exceeding 5% of our consolidated assets; (iii) agreements with our external auditors; and (iv) accounting policies within IFRS;

- with input from the Corporate Practices Committee, on an individual basis: (i) any transactions with related parties, subject to certain limited exceptions and (ii) the appointment of our Co-Chief Executive Officers and his compensation;

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

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

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

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

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

Our directors may be subject to criminal penalties of up to 12 years imprisonment for certain illegal acts involving willful misconduct that result in losses to us. Such acts include the alteration of financial statements and records.

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Liability actions for damages and losses resulting from the violation of the duty of care or the duty of loyalty may be exercised solely for our benefit and may be brought by us, or by stockholders representing 5% or more of our capital stock, and criminal actions only may be brought by the Mexican Ministry of Finance, after consulting with the Mexican National Banking and Securities Commission. As a safe harbor for directors, the liabilities specified above (including criminal liability) will not be applicable if the director acting in good faith: (i) complied with applicable law, (ii) made the decision based upon information provided by our executive officers or third-party experts, the capacity and credibility of which could not be subject to reasonable doubt, (iii) selected the most adequate alternative in good faith or if the negative effects of such decision could not have been foreseeable, and (iv) complied with stockholders' resolutions provided the resolutions do not violate applicable law.

The members of the board are liable to our stockholders only for the loss of net worth suffered as a consequence of disloyal acts carried out in excess of their authority or in violation of our bylaws.

In accordance with the Mexican Securities Market Law, supervision of our management is entrusted to our Board of Directors, which shall act through the Audit and the Corporate Practices Committees for such purposes, and to our external auditor.

Audit Committee. The Audit Committee is currently composed of four independent members: Francisco José Chevez Robelo, the Chairman, Alberto Javier Montiel Castellanos, José Luis Fernández Fernández and Guillermo García Naranjo Álvarez. The Chairman of the Audit Committee was ratified at our annual stockholders' meeting held on April 27, 2018, and our Board of Directors appointed the remaining members.

The Audit Committee is responsible for, among other things: (i) evaluating the performance of our external auditors and analyzing their reports, (ii) discussing our financial statements with the persons in charge of their preparation, and based on such discussions, recommending their approval to the Board of Directors, (iii) informing the Board of Directors of the status of our internal controls and their adequacy, (iv) requesting reports of executive officers whenever it deems appropriate, (v) informing the Board of any irregularities that it may encounter as part of the performance of its duties, (vi) receiving and analyzing recommendations and observations made by the stockholders, directors, executive officers, our external auditors or any third party and taking the necessary actions, (vii) calling stockholders' meetings when requested, (viii) providing opinions to our Board of Directors with respect to specific matters required under the Mexican Securities Market Law, (ix) requesting and obtaining opinions from independent third parties, as it deems convenient, in connection with the performance of its duties and (x) assisting the Board in the preparation of annual reports rendered by the Board to the shareholders and other reporting obligations.

The Chairman of the Audit Committee shall prepare an annual report to our Board of Directors with respect to the activities of the Audit Committee, which shall include, among other things: (i) the status of the internal controls and internal audits and any deviations and deficiencies thereof, taking into consideration the reports of external auditors and independent experts, (ii) the results of any preventive and corrective measures taken based on results of investigations in respect of non-compliance of operating and accounting policies, (iii) the evaluation of external auditors, (iv) the main results from the review of our financial statements and those of our subsidiaries, (v) the description and effects of changes to

accounting policies, (vi) the measures adopted as result of observations of stockholders, directors, executive officers and third parties relating to accounting, internal controls, and internal or external audits, and (vii) compliance with stockholders and directors resolutions.

Corporate Practices Committee. The Corporate Practices Committee is currently composed of the following independent members: José Luis Fernández Fernández, the Chairman, Roberto Hernández Ramírez and Enrique Senior Hernández. The Chairman of the Corporate Practices Committee was ratified at our annual stockholders meeting held on April 27, 2018, and our Board of Directors appointed the remaining members.

The Corporate Practices Committee is responsible for, among other things: (i) reviewing and approving corporate goals and objectives relevant to the compensation of the Co-Chief Executive Officers, and evaluating the Co-Chief Executive Officers performance in light of those goals and objectives, (ii) reviewing and approving the annual base salaries and annual incentive opportunities of the executive officers, evaluating the executive officers performance and recommending executive officer compensation policies and guidelines to our Board of Directors, (iii) reviewing all other incentive awards and opportunities (cash-based and equity-based), any employment agreements, any change in control agreements and change in control provisions affecting compensation and benefits

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and any special or supplemental compensation and benefits for the executive officers and individuals who formerly served as executive officers, and (iv) reviewing and recommending transactions entered into with related parties.

The Chairman of the Corporate Practices Committee shall prepare an annual report to the Board of Directors with respect to the activities of the Corporate Practices Committee, which shall include, among other things: (i) observations with respect to the performance of executive officers, (ii) related party transactions entered into during the course of the fiscal year, and (iii) the compensation packages of the executive officers.

Executive Committee of Our Board of Directors. Our Board of Directors has an Executive Committee. Each member is appointed for a one-year term at each annual general stockholders meeting. Our bylaws provide that the Executive Committee may generally exercise the powers of the Board of Directors, except those expressly reserved for the Board in our bylaws or by applicable law. The Executive Committee currently consists of Emilio Azcárraga Jean, Alfonso de Angoitia Noriega and Bernardo Gómez Martínez.

Table of Contents**Executive Officers**

The following table sets forth the names of our executive officers, their dates of birth, their current position, their prior business experience and the years in which they were appointed to their current positions:

Emilio Fernando Azcárraga Jean (02/21/68)	Executive Chairman of the Board, and Chairman of the Executive Committee of Grupo Televisa. Chairman of the Board and Chairman of the Executive Committee of Empresas Cablevisión.	Former President and Chief Executive Officer of Grupo Televisa.(1) Member of the Boards of Grupo Financiero Banamex, Univision and Innova, S. de R.L. de C.V.	March 1997
Alfonso de Angoitia Noriega (01/17/62)	Current Co-Chief Executive Officer and Member of the Executive Committee of Grupo Televisa. Member of the Board of Directors and Member of the Executive Committee of Empresas Cablevisión.	Member of the Boards of Univision, Innova, S. de R.L. de C.V., Liberty Latin America, Grupo Financiero Banorte and Fomento Económico Mexicano (FEMSA) and Former Executive Vice President and Chief Financial Officer of Grupo Televisa.	January 2004
Bernardo Gómez Martínez (07/24/67)	Co-Chief Executive Officer(1) and, Member of the Executive Committee of Grupo Televisa. Member of the Board and Member of the Executive Committee of Empresas Cablevisión.	Member of the Board of Univision and Innova, S. de R.L. de C.V., Former Executive Vice President and Deputy Director of the President of Grupo Televisa and Former President of the Mexican Chamber of Television and Radio Broadcasters.	January 2004
Carlos Ferreiro Rivas (11/19/68).	Corporate Vice President of Finance of Grupo Televisa.	Former Chief Financial Officer of Grupo Televisa s Cable Division, Former Chief Financial Officer of Sky, Chief Financial Officer of GSF Telecom and Alternate Member of the Board and Alternate Member of the Executive Committee of Empresas Cablevision and Member of the Board of Innova, S. de R.L. de C.V.	October 2017

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José Antonio Lara del Olmo (09/02/70)	Corporate Vice President of Administration of Grupo Televisa.	Former Chief Accounting and Tax Officer of Grupo Televisa, Former Vice President of Tax Planning of Grupo Televisa and Alternate Member of the Board of Innova, S. de R.L. de C.V.	October 2017
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(1) Emilio Fernando Azcárraga Jean served as Chief Executive Officer of Grupo Televisa until December 31, 2017. Effective January 1, 2018, the Board of Directors appointed Bernardo Gómez Martínez and Alfonso de Angoitia Noriega as co-Chief Executive Officers of Grupo Televisa.

Compensation of Directors and Officers

For the year ended December 31, 2017, we paid our directors, alternate directors and officers for services in all capacities aggregate compensation of approximately Ps.892.8 million (U.S.\$45.3 million using the Interbank Rate, as reported by CitiBanamex, as of December 31, 2017). This compensation included certain amounts related to the use of assets and services of the Company, as well as travel expenses reimbursed to directors and officers. See Use of Certain Assets and Services below.

On April 27, 2018, at our general stockholders meeting, our stockholders approved a remuneration of U.S.\$15,000 to be paid to the members of our Board of Directors, the Secretary of the Board of Directors and the members of the Audit and Corporate Practices Committees, for each meeting of the Board and/or the Audit and Corporate Practices Committees to which they attend (except for Board members traveling from outside of Mexico to attend Board meetings, who will receive U.S.\$25,000 for each Board meeting they attend).

As of December 31, 2017, we have made Ps.115.5 million in contributions to our pension and seniority premium plans on behalf of our directors, alternate directors and officers. Projected benefit obligations as of December 31, 2017 were approximately Ps.164.0 million.

Certain of our officers are entitled to receive performance bonuses. The amount and rules applicable vary among the different divisions and/or officers. The amounts payable under the performance bonus depend on the results achieved, and include certain qualitative and/or quantitative objectives that can be related to revenues and/or EBITDA, budgets, market share and others.

We have entered into certain Compensation and Retention Agreements with several executive officers. Such agreements have a five year term and were signed in late 2014. The conditions applicable to such contracts were approved by the Board of Directors and include, among other conditions, salary, an annual retention bonus and a performance bonus. In order to be entitled to the performance bonus, certain qualitative and quantitative targets must be met, including parameters related to the growth of revenues and EBITDA. If targets are not met, the amounts to be paid decline, and if targets are exceeded, the bonus can reach up to 120% of the target bonus. The target bonus is set at approximately two times the fixed component established in the relevant agreements.

We have established a deferred compensation plan for certain officers of our Cable Division, which will be payable in the event that certain revenue and EBITDA targets of a five-year plan are met. Such compensation may be payable in 2020 and/or 2021 through a combination of cash and/or stock awards granted under the Long Term Retention Plan. In the event that the established targets in the plan are met, the annual cost during the five years of the deferred compensation plan will amount on average to approximately \$25 million dollars.

In addition, we have granted our executive officers and directors rights to purchase CPOs under the Stock Purchase Plan and the Long-Term Retention Plan. See Stock Purchase Plan and Long-Term Retention Plan below.

Use of Certain Assets and Services

We maintain an overall security program for Mr. Azcárraga and for certain executive officers, as well as, in some cases, for their families, and for other specific employees and service providers, as permitted under our *Política de Seguridad*, or Security Policy, due to business-related security concerns. We refer to the individuals

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described above as Key Personnel. Our security program includes the use of our personnel, assets and services to accomplish security objectives.

In accordance with this program, we require, under certain circumstances, that certain authorized Key Personnel use aircrafts, either owned or leased by us, for non-business, as well as business travel for our benefit rather than as a personal benefit. The use of such aircrafts is carried out in accordance with, among others, our *Política de Seguridad* policy, which establishes guidelines under which authorized Key Personnel may use such aircrafts for personal purposes. If the use of such aircrafts for personal purposes exceeds the specified number of hours, the relevant Key Personnel must reimburse us for the cost of operating the aircrafts during the excess time of use. The aggregate amount of compensation set forth in Compensation of Directors and Officers does include the cost to us of providing this service.

In addition, certain Key Personnel are provided with security systems and equipment for their residences and/or automobiles and with security advice and personal protection services at their residences. The use of these security services is provided in accordance with our *Política de Seguridad* policy. The cost of these systems and services are incurred as a result of business-related concerns and are not considered for their personal benefit. As a result, the Company has not included such cost in Compensation of Directors and Officers .

Further, certain Key Personnel are provided with advisory services, including legal, tax and accounting services, through approved company providers.

Stock Purchase Plan and Long-Term Retention Plan

The stock purchase plan has been implemented in several stages since 1999, through a series of conditional sales to plan participants of CPOs. At our general extraordinary and ordinary stockholders meeting held on April 30, 2002, our stockholders authorized the creation and implementation of a Long-Term Retention Plan, as well as the creation of one or more special purpose trusts to implement the Long-Term Retention Plan. Pursuant to our Long-Term Retention Plan, we have granted eligible participants, who consist of unionized and non-unionized employees, including key personnel (Plan Participants), awards as conditional sales. As of October 2010, our stock purchase plan and our Long-Term Retention Plan were consolidated under a single special purpose trust. Pursuant to the resolutions adopted by our stockholders, we have not, and do not intend to, register shares under the Securities Act that are allocated to the Long-Term Retention Plan.

The CPOs, CPO equivalents and underlying shares that are part of the stock purchase plan will be held by the special purpose trust and will be voted with the majority of the CPOs, CPO equivalents and underlying shares are represented at the relevant meeting until these securities are transferred to Plan Participants or otherwise sold in the open market. In accordance with the stock purchase plan, our President and the technical committee of the special purpose trust have broad discretion to make decisions related to the stock purchase plan, including the ability to accelerate vesting terms, to grant, release or transfer CPOs and/or CPO equivalents, subject to conditional sale agreements, to Plan Participants in connection with sales for purposes of making the payment of the related purchase price, and to implement amendments to the stock purchase plan, among others.

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The price at which the conditional sales of the CPOs will be made to beneficiaries is based on the lowest of (i) the closing price on March 31 of the year in which the CPOs are awarded, and (ii) the average price of the CPOs during the first three months of the year in which the CPOs are awarded. The resulting price shall be reduced by dividends, a liquidity discount and by the growth of the consolidated or relevant segment Operating Income Before Depreciation and Amortization, or OIBDA, (including OIBDA affected by acquisitions) between the date of award and the vesting date, among others.

At our annual general ordinary stockholders meeting held on April 2, 2013, our stockholders approved that the number of CPOs that may be granted annually under the Long-Term Retention Plan shall be up to 1.5% of the capital of the Company. As of December 31, 2017, approximately 78.1 million CPOs or CPO equivalents that were transferred to Plan Participants were sold in the open market during 2015, 2016 and 2017. Additional sales will continue to take place during or after 2018.

In April 2007, the Board of Directors, with input from the then Audit and Corporate Practices Committee, reviewed the compensation of our former Chief Executive Officer and determined to include our former Chief

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Executive Officer in the Long-Term Retention Plan of the Company as well as in any other plan to be granted by the Company to its employees in the future. See Compensation of Directors and Officers .

Also, as of March 31, 2018, the special purpose trust created to implement the Long-Term Retention Plan owned approximately 185.4 million CPOs or CPO equivalents. This figure is net of approximately 24.3 million, 37.0 million and 42.5 million CPOs or CPO equivalents vested in 2015, 2016 and 2017, respectively. Of such 185.4 million CPOs or CPO equivalents, approximately 73% are in the form of CPOs and the remaining 27% are in the form of A, B, D and Series L Shares. As of March 31, 2018, approximately 103.4 million CPOs or CPO equivalents have been reserved and will become vested between 2018 and 2020 at prices ranging from Ps.84.92 to Ps.90.59 per CPO which may be reduced by dividends, a liquidity discount and the growth of the consolidated or relevant segment OIBDA (including OIBDA affected by acquisitions) between the date of award and the vesting date, among others.

As we have done in the past, we may consider further capital increases, among other alternatives, to continue replenishing the Long-Term Retention Plan. Any such capital increases would be subject to the appropriate corporate approvals, including stockholders preemptive rights as well as the authorization by our stockholders at the stockholders meeting.

Share Ownership of Directors and Officers

Share ownership of our directors, alternate directors and executive officers is set forth in the table under Major Stockholders and Related Party Transactions . Except as set forth in such table, none of our directors, alternate directors or executive officers is currently the beneficial owner of more than 1% of any class of our capital stock or conditional sale agreements or options representing the right to purchase more than 1% of any class of our capital stock.

Employees and Labor Relations

The following table sets forth the number of employees and a breakdown of employees by main category of activity and geographic location as of the end of each year in the three-year period ended December 31, 2017:

	Year Ended December 31,		
	2015	2016	2017
Total number of employees	43,964	42,288	39,988
Category of activity:			
Employees	43,887	42,216	39,915
Executives	77	72	73
Geographic location:			
Mexico	42,941	41,394	39,733
Latin America (other than Mexico)	728	597	157

U.S.	283	287	88
Europe	12	10	10

As of December 31, 2015, 2016 and 2017, approximately 45%, 37% and 40% of our employees, respectively, were represented by unions. We believe that our relations with our employees are good. Under Mexican law, the agreements between us and most of our television, radio and cable television union employees are subject to renegotiation on an annual basis in January of each year. We also have union contracts with artists, musicians and other employees, which are also renegotiated on an annual basis.

Item 7. Major Stockholders and Related Party Transactions

The following table sets forth information about the beneficial ownership of our capital stock by our directors, alternate directors, executive officers and each person who is known by us to own more than 5% of the currently outstanding Series A Shares, Series B Shares, Series L Shares or Series D Shares as of March 31, 2018. Except as set forth below, we are not aware of any holder of more than 5% of any class of our Shares.

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Identity of Owner	Shares Beneficially Owned ⁽¹⁾⁽²⁾								Aggregate Percentage of Outstanding Shares Beneficially Owned
	Series A Shares	Series B Shares	Series D Shares	Series L Shares	Series A Shares	Series B Shares	Series D Shares	Series L Shares	
	Number	Percentage of Class	Number	Percentage of Class	Number	Percentage of Class	Number	Percentage of Class	
Azcárraga Trust ⁽³⁾	52,991,825,705	43.1%	67,814,604	0.1%	107,886,870	0.1%	107,886,870	0.1%	14.8%
Harris Associates, L.P. ⁽⁴⁾	7,441,788,375	6.1%	6,548,773,770	11.2%	10,418,503,725	11.6%	10,418,503,725	11.6%	9.7%
William H. Gates III ⁽⁵⁾	5,934,363,375	4.8%	5,222,239,770	8.9%	8,308,108,725	9.3%	8,308,108,725	9.3%	7.7%
Dodge & Cox ⁽⁶⁾	5,916,746,875	4.8%	5,206,737,250	8.9%	8,283,445,625	9.2%	8,283,445,625	9.2%	7.7%

(1) Unless otherwise indicated, the information presented in this section is based on the number of shares authorized, issued and outstanding as of March 31, 2018. The number of shares issued and outstanding for legal purposes as of March 31, 2018 was 63,965,700,550 Series A Shares, 56,289,816,484 Series B Shares, 89,551,980,770 Series D Shares and 89,551,980,770 Series L Shares, in the form of CPOs, and an additional 58,926,613,375 Series A Shares, 2,357,207,692 Series B Shares, 238,595 Series D Shares and 238,595 Series L Shares not in the form of CPOs. For financial reporting purposes under IFRS only, the number of shares authorized, issued and outstanding as of March 31, 2018 was 60,566,249,425 Series A Shares, 53,298,299,494 Series B Shares, 84,792,749,195 Series D Shares and 84,792,749,195 Series L Shares in the form of CPOs, and an additional 55,497,232,367 Series A Shares, 186,537 Series B Shares, 238,541 Series D Shares and 238,541 Series L Shares not in the form of CPOs. The number of shares authorized, issued and outstanding for financial reporting purposes under IFRS as of March 31, 2018 does not include 135,978,045 CPOs and an additional 3,429,381,008 Series A Shares, 2,357,021,155 Series B Shares, 54 Series D Shares and 54 Series L Shares not in the form of CPOs acquired by the special purpose trust we created to implement our long-term retention plan. See Note 16 to our consolidated year-end financial statements.

(2) Except through the Azcárraga Trust, none of our directors and executive officers currently beneficially owns more than 1% of our outstanding Series A Shares, Series B Shares, Series D Shares or Series L Shares. See Directors, Senior Management and Employees Share Ownership of Directors and Officers. This information is based on information provided by directors and executive officers.

(3) For a description of the Azcárraga Trust, see The Major Stockholders below.

(4) Based solely on information included in the report on Schedule 13G by Harris Associates L.P. as of February 28, 2018.

(5) Based solely on information included in (i) the Schedule V Report of participation in the capital stock of issuers of the *Comisión Nacional Bancaria y de Valores*, commonly known as the CNBV regulations for issuers as of April 28, 2016 by Cascade Investment, L.L.C. with respect to holdings by Cascade Investment, L.L.C., and (ii) the report on Form 13F filed on December 31, 2017 by the Bill and Melinda Gates Foundation Trust.

(6) Based solely on information included in the report on Schedule 13G/A by Dodge & Cox, as of December 31, 2017.

The Major Stockholders

The Azcárraga Trust, a trust for the benefit of Emilio Azcárraga Jean, currently holds 43.1% of the outstanding Series A Shares, 0.1% of the outstanding Series B shares, 0.1% of the outstanding Series D Shares and 0.1% of the outstanding Series L Shares of the Company. As a result, Emilio Azcárraga Jean currently controls the vote of such shares through the Azcárraga Trust. The Series A Shares held through the Azcárraga Trust constitute a majority of the Series A Shares whose holders are entitled to vote because non-Mexican holders of CPOs and GDSs are not permitted to vote the underlying Series A Shares in accordance with the trust agreement governing the CPOs and the Company's bylaws. Accordingly, and so long as non-Mexicans own more than a minimal number of Series A Shares, Emilio Azcárraga Jean will have the ability to direct the election of 11 out of 20 members of our Board of Directors, as well as prevent certain actions by the stockholders, including dividend payments, mergers, spin-offs, changes in corporate purpose, changes of nationality and amendments to the anti-takeover provisions of our bylaws.

Pursuant to our bylaws, holders of Series B Shares are entitled to elect five out of 20 members of our Board of Directors.

Because the Azcárraga Trust only holds a limited number of Series B Shares, there can be no assurance that individuals nominated by the Azcárraga Trust appointees will be elected to our Board.

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We believe that as of March 31, 2018, approximately 332.8 million of GDSs were held of record by 81 persons with U.S. addresses. Those GDSs represent 33.8% of the outstanding Series A Shares, 62.4% of the outstanding Series B Shares, 65.0% of the outstanding Series D Shares and 65.0% of the outstanding Series L Shares of the Company. Before giving effect to the 2004 recapitalization, substantially all of the outstanding Series A Shares not held through CPOs were owned by Televisión and a special purpose trust created for our Long-Term Retention Plan, as described under Major Stockholders and Related Party Transactions and Directors, Senior Management and Employees Stock Purchase Plan and Long-Term Retention Plan . For more information regarding our 2004 recapitalization, please refer to our Form 6-K filed with the SEC on March 25, 2004.

Related Party Transactions

Transactions and Arrangements with Univision. In December 2010, the Company and Univision announced the completion of certain agreements among related parties by which, among other transactions, the Company made an investment in BMP (now known as Univision Holdings, Inc., or UHI) the parent company of Univision, and the PLA between Televisa and Univision was amended and extended through the later of 2025 (or 2030 upon consummation of a qualified public equity offering of UHI, pursuant to an amendment of the PLA entered into in 2015) or seven and one-half years after the Company has sold two-thirds of its initial investment in UHI. Univision became a related party to the Company as of December 2010 as a result of these transactions. For a description of our arrangements with Univision, see Information on the Company Business Overview Univision .

Transactions and Arrangements With Our Directors and Officers. We own 15% of the equity of Centros de Conocimiento Tecnológico, or CCT, a company that owns and operates technological schools in Mexico and in which Claudio X. González Laporte and Carlos Fernández González, two of our former directors, own a minority interest.

During 2017, we entered into contracts leasing office space directly or indirectly from certain of our directors and officers. These leases have aggregate annual lease payments for 2018 equal to approximately Ps.28.06 million. We believe that the terms of these leases are comparable to terms that we would have entered into with third parties for similar leases.

Certain of our executive officers have in the past, and from time to time in the future may, purchase debt securities issued by us and/or our subsidiaries from third parties in negotiated transactions. Certain of our executive officers and directors participate in our stock purchase plan and Long-Term Retention Plan. See Directors, Senior Management and Employees Stock Purchase Plan and Long-Term Retention Plan .

Transactions and Arrangements With Affiliates and Related Parties of Our Directors, Officers and Major Stockholders

Consulting Services. Instituto de Investigaciones Sociales, S.C., a consulting firm which is controlled by Ariana Azcárraga De Surmont, the sister of Emilio Azcárraga Jean, has from time to time during 2017 provided consulting services and research in connection with the effects of our programming, especially telenovelas, on our viewing audience. Instituto de Investigaciones Sociales, S.C. provided us with such services in 2017, and we expect to continue these arrangements through 2018.

Loans from CitiBanamex. In 2006, CitiBanamex and Innova entered into a loan agreement with a maturity date of 2016 which was prepaid in 2015, and in 2010 CitiBanamex and TVI entered into a revolving credit facility which was paid by TVI in March 2011. In March 2011, the Company entered into long-term credit arrangements with CitiBanamex, with maturities between 2018 and 2021 which were prepaid in 2015. These loans were made on terms substantially similar to those offered by CitiBanamex to third parties. Emilio Azcárraga Jean, our Executive Chairman of the Board, is a member of the Board of CitiBanamex. One of our directors, Roberto Hernández Ramírez, is the Honorary Chairman of the Board of CitiBanamex. Mr. Hernández was also a member of the Board of, and the beneficial owner of less than 1% of the outstanding capital stock of, Citigroup, Inc., the entity that indirectly controls CitiBanamex. For a description of amounts outstanding under, and the terms of, our existing credit facilities with CitiBanamex, see Operating and Financial Review and Prospects Results of Operations Liquidity, Foreign Exchange and Capital Resources Indebtedness .

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Loans from Banorte. In 2015, Banorte and TVI entered into a loan agreement with a maturity date of 2022. This loan was made on terms substantially similar to those offered by Banorte to third parties. Alfonso de Angoitia Noriega, our Executive Vice President, Member of the Board, Guadalupe Phillips Margain, former Vice President of Finance and Risk of Grupo Televisa, Alternate Member of the Board, and Carlos Hank González, Member of the Board of the Company, are members and Carlos Hank González is President of the Board of Banorte. For a description of amounts outstanding under, and the terms of, our existing credit facilities with Banorte, see Operating and Financial Review and Prospects Results of Operations Liquidity, Foreign Exchange and Capital Resources Indebtedness .

Advertising Services. Several members of our current Board serve as members of the Boards and/or are stockholders of other companies. See Directors, Senior Management and Employees . Some of these companies, including CitiBanamex, BBVA Bancomer, FEMSA, Grupo Nacional Provincial, Heineken, Lala and Grupo Axo, among others, purchased advertising services from us in connection with the promotion of their respective products and services from time to time in 2017, and we expect that this will continue to be the case in the future.

Online Lottery Services. Multijuegos, our online lottery business, which operations have been suspended by the Company, entered into an agreement in March 2012 with Cadena Comercial Oxxo, S.A. de C.V. and OXXO Express, S.A. de C.V. (OXXO) the principal chain of convenience stores in Mexico, both controlled subsidiaries of Fomento Económico Mexicano, S.A.B., or FEMSA (the Executive Chairman of the Board is José Antonio Fernández Carbajal, was a member of our Board until April 27, 2018), to sell online lottery tickets through point-of-sale terminals at the OXXO stores.

Legal and Advisory Services. During 2017, Mijares, Angoitia, Cortés y Fuentes, S.C., a Mexican law firm, provided us with legal and advisory services, and we expect that this will continue to be the case in the future. Ricardo Maldonado Yáñez, a partner from the law firm of Mijares, Angoitia, Cortés y Fuentes, S.C., serves also as Secretary of our Board of Directors and Secretary to the Executive Committee of our Board of Directors. We believe that the fees we paid for these services were comparable to those that we would have paid another law firm for similar services.

In 2011 and 2012, we entered into agreements with Allen & Company to provide the Company with advisory services related to an investment in the television segment outside of Mexico, and have continued to engage Allen & Company with other advisory services over the past years related to strategic investments of the Company. Two of our directors are directors of Allen & Company as well. These agreements were entered into on an arm's length basis. We believe that the amounts paid and to be paid under these agreements to Allen & Company are comparable to those paid to third parties for these types of services.

For further information about our related party transactions, see Note 19 to our consolidated year-end financial statements.

Item 8. Financial Information

See Financial Statements and pages F-1 through F-85, which are incorporated in this Item 8 by reference.

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Item 9. The Offer and Listing

Trading History of CPOs and GDSs

Since December 1993, the GDSs have been traded on the New York Stock Exchange, or NYSE, and the CPOs have been traded on the Mexican Stock Exchange. In September 2007, we removed JPMorgan Chase Bank, N.A. as the depository for the GDSs and appointed The Bank of New York Mellon pursuant to a new deposit agreement.

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The table below shows, for the periods indicated, the high and low market prices in nominal Pesos for the CPOs on the Mexican Stock Exchange.

	Nominal Pesos per CPO(1)	
	High	Low
2013	80.07	59.14
2014	104.73	74.24
2015	122.93	87.33
2016	102.85	81.94
First Quarter	100.17	88.48
Second Quarter	100.53	90.41
Third Quarter	102.85	93.00
Fourth Quarter	101.01	81.94
2017	106.25	64.97
First Quarter	106.25	85.22
Second Quarter	98.42	86.69
Third Quarter	97.39	87.65
Fourth Quarter	91.51	64.97
October	91.51	83.93
November	82.63	64.97
December	74.66	68.37
2018 (through April 25, 2018)	78.00	54.05
First Quarter	78.00	54.05
January	78.00	72.67
February	76.95	64.51
March	64.04	54.05
Second Quarter (through April 25, 2018)	66.55	59.00
April (through April 25, 2018)	66.55	59.00

(1) Source: Mexican Stock Exchange.

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The table below shows, for the periods indicated, the high and low market prices in U.S. Dollars for the GDSs on the NYSE, giving effect to the March 22, 2006 1:4 GDS ratio change in all cases.

	U.S. Dollars per GDS(1)	
	High	Low
2013	30.68	22.31
2014	37.35	27.84
2015	39.71	25.71
2016	29.23	19.89
First Quarter	28.28	23.51
Second Quarter	29.23	23.91
Third Quarter	27.75	24.38
Fourth Quarter	26.64	19.89
2017	27.27	17.52
First Quarter	26.79	19.94
Second Quarter	26.24	23.78
Third Quarter	27.27	24.47
Fourth Quarter	24.64	17.52
October	24.64	21.89
November	21.62	17.52
December	19.23	18.30
2018 (through April 25, 2018)	21.04	14.56
First Quarter	21.04	14.56
January	21.04	18.81
February	20.95	17.01
March	17.04	14.56
Second Quarter (through April 25, 2018)	18.19	16.07
April (through April 25, 2018)	18.19	16.07

(1) Source: NYSE.

Trading prices of the CPOs and the GDSs will be influenced by our results of operations, financial condition, cash requirements, future prospects and by economic, financial and other factors and market conditions. See Key Information Risk Factors Risk Factors Related to Mexico Economic and Political Developments in Mexico May Adversely Affect Our Business . There can be no assurance that prices of the CPOs and the GDSs will, in future, be within the ranges set forth above. We believe that as of March 31, 2018, approximately 332.8 million GDSs were held of record by 81 persons with U.S. addresses.

Trading on the Mexican Stock Exchange

Overview

The Mexican Stock Exchange, located in Mexico City, is the only stock exchange in Mexico. Operating continuously since 1907, the Mexican Stock Exchange is organized as a *sociedad anónima bursátil de capital variable*, or publicly-traded corporation with variable capital. Securities trading on the Mexican Stock Exchange occurs from 8:30 a.m. to 3:00 p.m., Mexico City time, each business day. All trading on the Mexican Stock Exchange is effected electronically. The Mexican Stock Exchange may impose a number of measures to promote an orderly and transparent trading price of securities, including the operation of a system of automatic suspension of trading in shares of a particular issuer when price fluctuation exceeds certain limits. The Mexican Stock Exchange may also suspend trading in shares of a particular issuer as a result of the disclosure of a material event, or when the changes in the volume traded or share price are not consistent with either the historic performance or information publicly available. The Mexican Stock Exchange may resume trading in the shares when it deems that the material events have been adequately disclosed to public investors or when it deems that the issuer has adequately explained the reasons for the changes in the volume traded or prevailing share price. Under current regulations, in certain cases when the relevant securities are simultaneously traded on a stock exchange outside of Mexico, the Mexican Stock Exchange may consider the measures adopted by the other stock exchange in order to suspend and/or resume trading in the issuer's shares.

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Settlement is effected two business days after a share transaction on the Mexican Stock Exchange. Deferred settlement, even by mutual agreement, is not permitted without the approval of the CNBV. Most securities traded on the Mexican Stock Exchange, including the CPOs, are on deposit with S.D. Indeval, Institución para el Depósito de Valores, S.A. de C.V., or Indeval, a privately owned securities depository that acts as a clearinghouse, depository and custodian, as well as a settlement, transfer and registration agent for Mexican Stock Exchange transactions, eliminating the need for physical transfer of securities.

Although the Mexican Securities Market Law provides for the existence of an over-the-counter market, no such market for securities in Mexico has been developed.

The Bolsa Institucional de Valores, or the BIVA, is a new Mexican stock exchange scheduled to launch operations in 2018, following the receipt of Mexican regulatory approvals. Once operational, it is expected that the BIVA will become the second stock exchange in Mexico and will compete with the existing Mexican Stock Exchange, commonly known as Mexican Bolsa. According to rules recently published by the CNBV, the securities of companies that trade on the Mexican Stock Exchange may also trade on the BIVA. Under CNBV rules, the BIVA and the Mexican Stock Exchange may suspend trading on a series of securities upon the occurrence of unusual trading activity. Furthermore, the suspension of trading of a series of securities on one exchange will automatically trigger the suspension of their trading on the other exchange.

Market Regulation and Registration Standards

To offer securities to the public in Mexico, an issuer must meet specific qualitative and quantitative requirements, and generally only securities for which an application for registration in the National Registry of Securities, or NRS, maintained by the CNBV has been approved by the CNBV may be listed on the Mexican Stock Exchange. This approval does not imply any kind of certification or assurance related to the merits or the quality of the securities or the solvency of the issuer.

The CNBV has also issued general rules, or General CNBV Rules, applicable to issuers and other securities market participants that govern issuers and issuer activity, among other things.

The General CNBV Rules have mandated that the Mexican Stock Exchange adopt minimum requirements for issuers to be registered with the CNBV and have their securities listed on the Mexican Stock Exchange. Pursuant to the internal rules of the Mexican Stock Exchange, in order to be registered, issuers will be required to have, among other things:

- a minimum number of years of operating history;

- a minimum financial condition;

- a minimum number of shares or CPOs to be publicly offered to public investors;
- a minimum price for the securities to be offered;
- a minimum of 15% of the capital stock placed among public investors (which percentage may be lowered under certain circumstances);
- a minimum of 100 holders of shares or of shares represented by CPOs, who are deemed to be public investors under the General CNBV Rules, upon the completion of the offering; and
- complied with certain corporate governance requirements.

To maintain its registration, an issuer will be required to have, among other things:

- a minimum of 12% of the capital stock held by public investors;
- a minimum of 100 holders of shares or of shares represented by CPOs who are deemed to be public investors under the General CNBV Rules; and
- complied with certain corporate governance requirements.

The CNBV has the authority to waive some of these requirements in some circumstances. Also, some of these requirements are applicable for each series of shares of the relevant issuer.

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The Mexican Stock Exchange reviews annually compliance with the foregoing and other requirements, some of which may be further reviewed on a quarterly or semi-annual basis. The Mexican Stock Exchange must inform the CNBV of the results of its review and this information must, in turn, be disclosed to investors. If an issuer fails to comply with any of the foregoing requirements, the Mexican Stock Exchange will request that the issuer propose a plan to cure the violation. If the issuer fails to propose such plan, if the plan is not satisfactory to the Mexican Stock Exchange or if the issuer does not make substantial progress with respect to the corrective measures, trading of the relevant series of shares on the Mexican Stock Exchange will be temporarily suspended until the situation is corrected. In addition, if the issuer fails to propose the plan or ceases to follow such plan once proposed, the CNBV may suspend or cancel the registration of the shares. In such event, the issuer must evidence the mechanisms to protect the rights of public investors and market in general.

Issuers of listed securities are required to file unaudited quarterly financial statements and audited annual financial statements as well as various periodic reports with the CNBV and the Mexican Stock Exchange. Issuers of listed securities must prepare and disclose their financial information by a Mexican Stock Exchange-approved system known as EMISNET and to the CNBV through the *Sistema de Transferencia de Información sobre Valores*, or STIV-2. Immediately upon its receipt, the Mexican Stock Exchange makes that information available to the public.

The General CNBV Rules and the internal regulations of the Mexican Stock Exchange require issuers of listed securities to file through EMISNET and STIV-2 information on the occurrence of material events affecting the relevant issuer. Material events include, but are not limited to:

- the entering into or termination of joint venture agreements or agreements with key suppliers;
- the creation of new lines of businesses or services;
- significant deviations in expected or projected operating performance;
- the restructuring or payment of significant indebtedness;
- material litigation or labor conflicts;
- changes in dividend policy;
- the commencement of any insolvency, suspension or bankruptcy proceedings;

- changes in the directors; and
- any other event that may have a material adverse effect on the results, financial condition or operations of the relevant issuer.

If there is unusual price volatility of the securities listed, the issuer would be obliged to immediately inform the CNBV and the Mexican Stock Exchange of the causes of such volatility or, if the issuer is unaware of such causes, make a statement to that effect, in order for the Mexican Stock Exchange to immediately convey that information to the public. In addition, the Mexican Stock Exchange must immediately request that issuers disclose any information relating to relevant material events, when it deems the information currently disclosed to be insufficient, as well as instruct issuers to clarify such information when it deems the information to be confusing. The Mexican Stock Exchange may request issuers to confirm or deny any material events that have been disclosed to the public by third parties when it deems that the material event may affect or influence the securities being traded. The Mexican Stock Exchange must immediately inform the CNBV of any requests made to issuers. The CNBV may also make any of these requests directly to issuers. An issuer may delay the disclosure of material events under some circumstances, including where the information being offered is not related to transactions that have been completed.

The CNBV and the Mexican Stock Exchange may suspend the dealing in securities of an issuer:

- if the issuer does not adequately disclose a material event; or
- upon price or volume volatility or changes in the offer or demand in respect of the relevant securities, which are not consistent with the historic performance of the securities and could not be explained solely by the information made publicly available under the General CNBV Rules.

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The Mexican Stock Exchange must immediately inform the CNBV and the general public of any such suspension. An issuer may request that the CNBV or the Mexican Stock Exchange resume trading, provided it demonstrates that the causes triggering the suspension have been resolved and that it is in full compliance with the periodic reporting requirements under the applicable law. If its request has been granted, the Mexican Stock Exchange will determine the appropriate mechanism to resume trading in its securities. If trading of an issuer is suspended for more than 20 business days and the issuer is authorized to resume trading without conducting a public offering, the issuer must disclose through EMISNET and STIV-2, before trading resumes, a description of the causes that resulted in the suspension and reasons why it is now authorized to resume trading.

Likewise, if the securities of an issuer are traded on both the Mexican Stock Exchange and a foreign securities market, that issuer must file with the CNBV and the Mexican Stock Exchange on a simultaneous basis the information that it is required to file pursuant to the laws and regulations of the relevant other jurisdiction.

Pursuant to the Mexican Securities Market Law, stockholders of issuers listed on the Mexican Stock Exchange must disclose any transactions, through or outside of the Mexican Stock Exchange that result in a 10% or more ownership stake of an issuer's capital stock. These stockholders must also inform the CNBV of the results of these transactions the day after their completion. See **Additional Information Mexican Securities Market Law**.

Additionally, related parties of an issuer who increase or decrease their ownership stake, in one or more transactions, by 5% or more, shall disclose such transactions. The Mexican Securities Market Law also requires stockholders holding 10% or more of the capital stock of companies listed in the registry to notify the CNBV of certain ownership changes in shares of the company. Moreover, recent amendments to the CNBV regulations for issuers, require issuers to disclose to the CNBV on an annual basis on or before June 30 of each year: (i) the name and ownership percentage of any Board members and relevant officers that maintain 1% or more of the capital stock of an issuer, (ii) the names and ownership percentage of any other individual or entity that maintains 5% or more of the capital stock of an issuer (regardless of whether such stockholder is an officer or director) and (iii) the names and ownership percentage of the 10 (ten) stockholders with the largest direct ownership stake in an issuer (regardless of the ownership percentage or whether such stockholder is an officer, director, related party or private investor with no relationship to the issuer). Based on the foregoing, Mexican Securities Regulations require that (i) Board members and relevant officers that own 1% or more of the capital stock of an issuer, (ii) any other individual or entity that owns 5% or more of the capital stock of an entity, and (iii) individuals that own 1% of the capital stock of an entity, provide this information to the relevant issuer on or before May 15 of each year.

Item 10. Additional Information

Mexican Securities Market Law

On December 30, 2005, a new Mexican Securities Market Law was enacted and published in the Official Gazette of the Federation. The new Securities Market Law became effective on June 28, 2006 and in some cases allowed an additional period of 180 days (late December 2006) for

issuers to incorporate in their bylaws the new corporate governance and other requirements derived from the new law.

Under the Mexican Securities Market Law insiders must abstain from purchasing or selling securities of the issuer within 90 days from the last sale or purchase, respectively.

In addition, under the Mexican Securities Market Law, tender offers may be voluntary or mandatory. All tender offers must be open for at least 20 business days and purchases thereunder are required to be made pro-rata to all tendering stockholders. Any intended purchase resulting in a 30% or greater holding requires the tender to be made for the greater of 10% of the company's capital stock or the share capital intended to be acquired; if the purchase is aimed at obtaining control, the tender must be made for 100% of the outstanding shares. In calculating the intended purchase amount, convertible securities, warrants and derivatives the underlying security of which are such shares must be considered. The law also permits the payment of certain amounts to controlling stockholders over and above the offering price if these amounts are fully disclosed, approved by the board of directors and paid in connection with non-compete or similar obligations. The law also contemplates exceptions to the mandatory tender offer requirements and specifically provides for the consequences, to a purchaser, of not complying with these tender offer rules (lack of voting rights, possible annulment of purchases, etc.) and other rights available to prior stockholders of the issuer.

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The Mexican Securities Market Law permits public companies to insert provisions in their bylaws pursuant to which the acquisition of control of the company, by the company's stockholders or third parties, may be prevented, if such provisions (i) are approved by stockholders without the negative vote of stockholders representing 5% or more of the outstanding shares, (ii) do not exclude any stockholder or group of stockholders, and (iii) do not restrict, in an absolute manner, the change of control.

Bylaws

Set forth below is a brief summary of some relevant provisions of our bylaws and Mexican law. This description does not purport to be complete, and is qualified by reference in its entirety to our bylaws, which have been filed as an exhibit to this annual report, and Mexican law. For a description of the provisions of our bylaws relating to our Board of Directors, Executive Committee, Audit Committee and Corporate Practices Committee, see Directors, Senior Management and Employees .

Organization and Register

Televisa is a *sociedad anónima bursátil*, or limited liability stock corporation, organized under the laws of Mexico in accordance with the Mexican Companies Law. Televisa was incorporated under Public Deed Number 30,200, dated December 19, 1990, granted before Notary Public Number 73 of Mexico City, D.F., and registered with the Public Registry of Commerce of Mexico City, under Commercial Page (*folio mercantil*) Number 142,164. We have a general corporate purpose, the specifics of which can be found in Article Four of our bylaws.

Our stock registry is maintained by Indeval, and in accordance with Mexican law, we only recognize those holders listed in our stock registry as our stockholders. Our stockholders may hold their share in the form of physical certificates or through book-entries with institutions that have accounts with Indeval. The CPO Trustee is the holder of record for Shares represented by CPOs. Accounts may be maintained at Indeval by brokers, banks and other entities approved by the CNBV.

Voting Rights and Stockholders Meetings

Holders of Series A Shares. Holders of Series A Shares have the right to vote on all matters subject to stockholder approval at any general stockholders meeting and have the right, voting as a class, to appoint eleven members of our Board of Directors and the corresponding alternate directors. In addition to requiring approval by a majority of all Shares entitled to vote together on a particular corporate matter, certain corporate matters must be approved by a majority of the holders of Series A Shares voting separately. These matters include mergers, dividend payments, spin-offs, changes in corporate purpose, changes of nationality and amendments to the anti-takeover provisions of our bylaws.

Holders of Series B Shares. Holders of Series B Shares have the right to vote on all matters subject to stockholder approval at any general stockholders meeting and have the right, voting as a class, to appoint five members of our Board of Directors and the corresponding alternate directors. The five directors and corresponding alternate directors elected by the holders of the Series B Shares will be elected at a stockholders meeting that must be held within the first four months after the end of each year.

Holders of Series D Shares and Series L Shares. Holders of Series D Shares, voting as a class, are entitled to vote at special meetings to elect two of the members of our Board of Directors and the corresponding alternate directors, each of which must be an independent director. In addition, holders of Series D Shares are entitled to vote on the following matters at extraordinary general meetings:

- our transformation from one type of company to another;
- any merger (even if we are the surviving entity);
- extension of our existence beyond our prescribed duration;
- our dissolution before our prescribed duration (which is currently 99 years from January 30, 2007);
- a change in our corporate purpose;
- a change in our nationality; and

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- the cancellation from registration of the Series D Shares or the securities which represent the Series D Shares with the securities or special section of the NRS and with any other Mexican or foreign stock exchange in which such shares or securities are registered.

Holders of Series L Shares, voting as a class, are entitled to vote at special meetings to elect two of the members of our Board of Directors and the corresponding alternate directors, each of which must be an independent director. Holders of Series L Shares are also entitled to vote at extraordinary general meetings on the following matters:

- our transformation from one type of company to another;
- any merger in which we are not the surviving entity; and
- the cancellation from registration of the Series L Shares or the securities that represent the Series L Shares with the special section of the NRS.

The two directors and corresponding alternate directors elected by each of the holders of the Series D Shares and the Series L Shares are elected annually at a special meeting of those holders. Special meetings of holders of Series D Shares and Series L Shares must also be held to approve the cancellation from registration of the Series D Shares or Series L Shares or the securities representing any of such shares with the NRS, as the case may be, and in the case of Series D Shares, with any other Mexican or foreign stock exchange in which such shares or securities are registered. All other matters on which holders of Series L Shares or Series D Shares are entitled to vote must be considered at an extraordinary general meeting. Holders of Series L Shares and Series D Shares are not entitled to attend or to address meetings of stockholders at which they are not entitled to vote. Under Mexican law, holders of Series L Shares and Series D Shares are entitled to exercise certain minority protections. See Other Provisions Appraisal Rights and Other Minority Protections .

Minority shareholders holding at least ten percent of the capital stock represented by Series A Shares, will be entitled to appoint one director and its corresponding alternate for each such ten percent. Minority shareholders holding at least ten percent of the capital stock represented by Series B Shares, will be entitled to appoint one director and its corresponding alternate for each such ten percent. Minority shareholders holding at least ten percent of the capital stock represented by Series D Shares or Series L Shares, will be entitled to appoint one directors and its corresponding alternate for each such ten percent. Any such appointments by minority shareholders will be counted towards the number of directors that the holders of each such Series is entitled to appoint.

Other Rights of Stockholders. Under Mexican law, holders of shares of any series are also entitled to vote as a class in a special meeting governed by the same rules that apply to extraordinary general meetings, as described below, on any action that would prejudice the rights of holders of shares of such series, but not rights of holders of shares of other

series, and a holder of shares of such series would be entitled to judicial relief against any such action taken without such a vote. Generally, the determination of whether a particular stockholder action requires a class vote on these grounds could initially be made by the Board of Directors or other party calling for stockholder action. In some cases, under the Mexican Securities Market Law and the Mexican Companies Law, the Board of Directors, the Audit Committee, the Corporate Practices Committee, or a Mexican court on behalf of those stockholders representing 10% of our capital stock could call a special meeting. A negative determination would be subject to judicial challenge by an affected stockholder, and the necessity for a class vote would ultimately be determined by a court. There are no other procedures for determining whether a particular proposed stockholder action requires a class vote, and Mexican law does not provide extensive guidance on the criteria to be applied in making such a determination.

General stockholders' meetings may be ordinary general meetings or extraordinary general meetings. Extraordinary general meetings are those called to consider specific matters specified in Article 182 of the Mexican Companies Law and our bylaws, including, among others, amendments to our bylaws, our dissolution, liquidation or split-up, our merger and transformation from one form of company to another, increases and reductions in our capital stock, the approval of certain acquisitions of shares, including a change of control, as set forth in the antitakeover provisions in our bylaws and any action for civil liabilities against the members of our Board of Directors, its Secretary, or members of our Audit Committee or Corporate Practices Committee. In addition, our bylaws require an extraordinary general meeting to consider the cancellation of registration of the Series D Shares or Series L Shares or the securities representing these Shares with the NRS, as the case may be, and in the case of Series D Shares, with any other Mexican or foreign stock exchange in which such Shares or securities are

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registered. General meetings called to consider all other matters are ordinary meetings which are held at least once each year within four months following the end of each fiscal year. Stockholders may be represented at any stockholders' meeting by completing a form of proxy provided by us, which proxy is available within fifteen days prior to such meeting, and designating a representative to vote on their behalf. The form of proxy must comply with certain content requirements as set forth in the Mexican Securities Market Law and in our bylaws.

Holder of CPOs. Holders of CPOs who are Mexican nationals or Mexican corporations whose bylaws exclude foreign ownership of their shares are entitled to exercise voting rights with respect to the Series A Shares, Series B Shares, Series D Shares and Series L Shares underlying their CPOs. The CPO Trustee will vote such shares as directed by Mexican holders of CPOs, which must provide evidence of Mexican nationality. Non-Mexican holders of CPOs may only vote the Series L Shares held in the CPO Trust and are not entitled to exercise any voting rights with respect to the Series A Shares, Series B Shares and Series D Shares held in the CPO Trust. Voting rights in respect of these Series A Shares, Series B Shares and Series D Shares may only be exercised by the CPO Trustee. Series A Shares, Series B Shares and Series D Shares underlying the CPOs of non-Mexican holders or holders that do not give timely instructions as to voting of such Shares, (a) will be voted at special meetings of Series A Shares, Series B Shares or Series D Shares, as the case may be, as instructed by the CPO Trust's Technical Committee (which consists of members of the Board of Directors and/or Executive Committee, who must be Mexican nationals), and (b) will be voted at any general meeting where such series has the right to vote in the same manner as the majority of the outstanding Series A Shares held by Mexican nationals or Mexican corporations (directly, or through the CPO Trust, as the case may be) are voted at the relevant meeting. Series L Shares underlying the CPOs of any holders that do not give timely instructions as to the voting of such Shares will be voted, at special meetings of Series L Shares and at general extraordinary meetings where Series L Shares have voting rights, as instructed by the Technical Committee of the CPO Trust. The CPO Trustee must receive voting instructions five business days prior to the stockholders' meeting. Holders of CPOs that are Mexican nationals or Mexican corporations whose bylaws exclude foreign ownership of their Shares also must provide evidence of nationality, such as a copy of a valid Mexican passport or birth certificate, for individuals, or a copy of the bylaws, for corporations.

As described in Major Stockholders and Related Party Transactions, Series A Shares held through the Azcárraga Trust constitute a majority of the Series A Shares whose holders are entitled to vote them, because non-Mexican holders of CPOs and GDSs are not permitted to vote the underlying Series A Shares. Accordingly, the vote of Series A Shares held through the Azcárraga Trust generally will determine how the Series A Shares underlying our CPOs are voted.

Holder of GDRs. Global Depositary Receipts, or GDRs, evidencing GDSs are issued by The Bank of New York Mellon, the Depositary, pursuant to the Deposit Agreement we entered into with the Depositary and all holders from time to time of GDSs. Each GDR evidences a specified number of GDSs. A GDR may represent any number of GDSs. Only persons in whose names GDRs are registered on the books of the Depositary will be treated by us and the Depositary as owners and holders of GDRs. Each GDS represents the right to receive five CPOs which will be credited to the account of Banco Inbursa, S.A., the Custodian, maintained with Indeval for such purpose. Each CPO represents financial interests in, and limited voting rights with respect to, 25 Series A Shares, 22 Series B Shares, 35 Series L Shares and 35 Series D Shares held pursuant to the CPO Trust.

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The Depositary will mail information on stockholders' meetings to all holders of GDRs. At least six business days prior to the relevant stockholders' meeting, GDR holders may instruct the Depositary as to the exercise of the voting rights, if any, pertaining to the CPOs represented by their GDSs, and the underlying Shares. Since the CPO Trustee must also receive voting instructions five business days prior to the stockholders' meeting, the Depositary may be unable to vote the CPOs and underlying Shares in accordance with any written instructions.

Holders that are Mexican nationals or Mexican corporations whose bylaws exclude foreign ownership of their Shares are entitled to exercise voting rights with respect to the Series A Shares, Series B Shares, Series D Shares and Series L Shares underlying CPOs represented by their GDSs. Such Mexican holders also must provide evidence of nationality, such as a copy of a valid Mexican passport or birth certificate, for individuals, or a copy of the bylaws, for corporations.

Non-Mexican holders may exercise voting rights only with respect to Series L Shares underlying the CPOs represented by their GDSs. They may not direct the CPO Trustee as to how to vote the Series A Shares, Series B Shares or Series D Shares represented by CPOs or attend stockholders' meetings. Under the terms of the

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CPO Trust Agreement, the CPO Trustee will vote the Series A Shares, Series B Shares, Series D Shares and Series L Shares represented by CPOs held by non-Mexican holders (including holders of GDRs) as described under Holders of CPOs . If the Depositary does not timely receive instructions from a Mexican or Non-Mexican holder of GDRs as to the exercise of voting rights relating to the Series A Shares, Series B Shares, Series D Shares or Series L Shares underlying the CPOs, as the case may be, in the relevant stockholders meeting then, if requested in writing by us, the Depositary will give a discretionary proxy to a person designated by us to vote the Shares. If no such written request is made by us, the Depositary will not represent or vote, attempt to represent or vote any right that attaches to, or instruct the CPO Trustee to represent or vote, the Shares underlying the CPOs in the relevant stockholders meeting and, as a result, the underlying shares will be voted in the same manner described under Holders of CPOs with respect to shares for which timely instructions as to voting are not given.

If the Depositary does not timely receive instructions from a Mexican or non-Mexican holder of GDRs as to the exercise of voting rights relating to the underlying CPOs in the relevant CPO holders meeting, the Depositary and the Custodian will take such actions as are necessary to cause such CPOs to be counted for purposes of satisfying applicable quorum requirements and, unless we in our sole discretion have given prior written notice to the Depositary and the Custodian to the contrary, vote them in the same manner as the majority of the CPOs are voted at the relevant CPOs holders meeting.

Under the terms of the CPO Trust, beginning in December 2008, a non-Mexican holder of CPOs or GDSs may instruct the CPO Trustee to request that we issue and deliver certificates representing each of the Shares underlying its CPOs so that the CPO Trustee may sell, to a third party entitled to hold the Shares, all of those Shares and deliver to the holder any proceeds derived from the sale.

Limitation on Appointment of Directors. Our bylaws prohibit the appointment of individuals to our Board of Directors: who (i) are members of the board of directors or other management boards of a company (other than the Company or its subsidiaries) that has one or more concessions to operate telecommunication networks in Mexico; or (ii) directly or indirectly, are shareholders or partners of companies (other than the Company or its subsidiaries), that have one or more concessions to operate telecommunication networks in Mexico, with the exception of ownership stakes that do not allow such individuals to appoint one or more members of the management board or any other operation or decision making board.

Dividend Rights

At our annual ordinary general stockholders meeting, our Board of Directors is required to submit our financial statements from the previous fiscal year to the holders of our Series A Shares and Series B Shares. Once our stockholders approve these financial statements, they must then allocate our net profits for the previous fiscal year. Under Mexican law, at least 5% of our net profits must be allocated to a legal reserve, until the amount of this reserve equals 20% of our paid-in capital stock. Thereafter, our stockholders may allocate our net profits to any special reserve, including a reserve for share repurchases. After this allocation, the remainder of our net profits will be available for distribution as dividends. The vote of the majority of the Series A Shares and Series B Shares is necessary to approve dividend payments. As described below, in the event that dividends are declared, holders of Series D Shares will have preferential rights to dividends as compared to holders of Series A Shares, Series B Shares and Series L Shares. Holders of Series A Shares, Series B Shares and Series L Shares have the same financial or economic rights, including the participation in any of our profits.

Preferential Rights of Series D Shares

Holders of Series D Shares are entitled to receive a preferred annual dividend in the amount of Ps.0.00034412306528 per Series D Share before any dividends are payable in respect of Series A Shares, Series B Shares and Series L Shares. If we pay any dividends in addition to the Series D Share fixed preferred dividend, then such dividends shall be allocated as follows:

- first, to the payment of dividends with respect to the Series A Shares, the Series B Shares and the Series L Shares, in an equal amount per share, up to the amount of the Series D Share fixed preferred dividend; and
- second, to the payment of dividends with respect to the Series A Shares, Series B Shares, Series D Shares and Series L Shares, such that the dividend per share is equal.

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Upon any dissolution or liquidation of our company, holders of Series D Shares are entitled to a liquidation preference equal to:

- accrued but unpaid dividends in respect of their Series D Shares; plus
- the theoretical value of their Series D Shares as set forth in our bylaws. See Other Provisions Dissolution or Liquidation .

Limitation on Capital Increases

Our bylaws provide that, in the event shares of a given series are issued as a result of a capital increase (in respect of a cash capital contribution), each holder of shares of that series will have a preferential right to subscribe to new shares of that series, in proportion to the number of such holder s existing Shares of that series. In addition, primary issuances of Series A Shares, Series B Shares, Series D Shares and Series L Shares in the form of CPOs may be limited under the Mexican Securities Market Law. As a result of grandfathering provisions, our existing CPO structure will not be affected by such limitations. However, in the case of primary issuances of additional Series A Shares, Series B Shares, Series L Shares and Series D Shares in the form of CPOs, any new Series L Shares and Series D Shares may be required to be converted into Series A Shares or other voting stock within a term specified by the CNBV, which in no event shall exceed five years. Moreover, under the Mexican Securities Market Law, the aggregate amount of shares of an issuer with limited or non-voting rights may not exceed 25% of the total shares held by public investors. The vote of the holders of a majority of the Series A Shares is necessary to approve capital increases.

Preemptive Rights

In the event of a capital increase, a holder of existing shares of a given series has a preferential right to subscribe to a sufficient number of shares of the same series in order to maintain the holder s existing proportionate holdings of shares of that series. Stockholders must exercise their preemptive rights within the time period fixed by our stockholders at the meeting approving the issuance of additional shares. This period must continue for at least fifteen days following the publication of notice of the issuance in the Official Gazette of the Federation and in a newspaper of general circulation in Mexico City. Under Mexican law, stockholders cannot waive their preemptive rights in advance or be represented by an instrument that is negotiable separately from the corresponding share.

U.S. holders of GDSs may exercise preemptive rights only if we register any newly issued shares under the Securities Act, as amended, or qualify for an exemption from registration. We intend to evaluate at the time of any offering of preemptive rights the costs and potential liabilities associated with registering additional shares. In addition, if our stockholders meeting approves the issuance of shares of a particular series, holders of shares of other series may be offered shares of that particular series.

Limitations on Share Ownership

Through our bylaws and the trust governing the CPOs, we have limited the ownership of our Series A Shares and Series B Shares to Mexican individuals, Mexican companies whose charters contain a foreign exclusion clause, credit institutions acting as trustees (such as the CPO Trustee) in accordance with the Foreign Investment Law and the Foreign Investment Law Regulations, and trusts or stock purchase, investment and retirement plans for Mexican employees. A holder that acquires Series A Shares or Series B Shares in violation of the restrictions in our bylaws regarding non-Mexican ownership will have none of the rights of a stockholder with respect to those Series A Shares or Series B Shares. The Series D Shares are subject to the same restrictions on ownership as the Series A Shares and Series B Shares. However, the foregoing limitations do not affect the ability of non-Mexican investors to hold Series A Shares, Series B Shares, Series D Shares and Series L Shares through CPOs, or Series L Shares directly. The sum of the total outstanding number of Series A Shares and Series B Shares is required to exceed at all times the sum of the total outstanding Series L Shares and Series D Shares.

Non-Mexican states and governments are prohibited under our bylaws and the LFTR from owning Shares of Televisa and are, therefore, prohibited from being the beneficial or record owners of Series A Shares, Series B Shares, Series D Shares, Series L Shares, CPOs and GDSs. We have been advised by our Mexican counsel, Mijares, Angoitia, Cortés y Fuentes, S.C., that ownership of Series A Shares, Series B Shares, Series D Shares, Series L Shares, CPOs and GDSs by pension or retirement funds organized for the benefit of employees of

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non-Mexican state, municipal or other governmental agencies will not be considered as ownership by non-Mexican states or governments for the purpose of our bylaws or the LFTR.

The LFTR eliminated the restrictions on foreign investment in telecommunications services and satellite communication and increased the maximum permitted foreign-ownership in broadcasting (television and radio) to 49%.

We may restrict transfers or, to the extent permitted under applicable law, cause the mandatory sale or disposition of CPOs and GDRs where such transfer or ownership, as the case may be, might result in ownership of CPOs or GDRs exceeding the limits under applicable law or our bylaws, the CPO Trust Agreement or the CPO indenture. Non-Mexican states and governments are prohibited under our bylaws and the LFTR from owning our Shares and are, therefore, prohibited from being beneficial or record owners of GDRs.

Other Provisions

Forfeiture of Shares. As required by Mexican law, our bylaws provide that for Series L Shares and CPOs, our non-Mexican stockholders formally agree with the Foreign Affairs Ministry:

- to be considered as Mexicans with respect to the Series L Shares and CPOs that they acquire or hold, as well as to the property, rights, concessions, participations or interests owned by us or to the rights and obligations derived from any agreements we have with the Mexican government; and
- not to invoke the protection of their own governments with respect to their ownership of Series L Shares and CPOs.

Failure to comply is subject to a penalty of forfeiture of such a stockholder's capital interests in favor of Mexico. In the opinion of Mijares, Angoitia, Cortés y Fuentes, S.C., our Mexican counsel, under this provision a non-Mexican stockholder is deemed to have agreed not to invoke the protection of its own government by asking such government to interpose a diplomatic claim against the Mexican government with respect to the stockholder's rights as a stockholder, but is not deemed to have waived any other rights it may have, including any rights under the U.S. securities laws, with respect to its investment in Televisa. If the stockholder should invoke governmental protection in violation of this agreement, its shares could be forfeited to the Mexican government.

Exclusive Jurisdiction. Our bylaws provide that legal action relating to the execution, interpretation or performance of the bylaws shall be brought only in federal courts located in Mexico City.

Duration. Our corporate existence under our bylaws continues until 2106.

Dissolution or Liquidation. Upon any dissolution or liquidation of our company, our stockholders will appoint one or more liquidators at an extraordinary general stockholders meeting to wind up our affairs. The approval of holders of the majority of the Series A Shares is necessary to appoint or remove any liquidator. Upon a dissolution or liquidation, holders of Series D Shares will be entitled to both accrued but unpaid dividends in respect of their Series D Shares, plus the theoretical value of their Series D Shares (as set forth in our bylaws). The theoretical value of our Series D Shares is Ps.0.00688246130560 per share. Thereafter, a payment per share will be made to each of the holders of Series A Shares, Series B Shares and Series L Shares equivalent to the payment received by each of the holders of Series D Shares. The remainder will be distributed equally among all stockholders in proportion to their number of Shares and amount paid.

Redemption. Our bylaws provide that we may redeem our Shares with distributable profits without reducing our capital stock by way of a stockholder resolution at an extraordinary stockholders meeting. In accordance with Mexican law and our bylaws:

- any redemption shall be made on a pro-rata basis among all of our stockholders;

- to the extent that a redemption is effected through a public tender offer on the Mexican Stock Exchange, the stockholders resolution approving the redemption may empower our Board to specify the number of shares to be redeemed and appoint the related intermediary or purchase agent; and

- any redeemed shares must be cancelled.

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Share Repurchases. As provided by Mexican law, our bylaws allow us to repurchase our Shares on the Mexican Stock Exchange at then prevailing market prices. The amount of capital stock allocated to share repurchases and the amount of the corresponding reserve created for this purpose is determined annually by our stockholders at an ordinary general stockholders meeting. The aggregate amount of resources allocated to share repurchases in any given year cannot exceed the total amount of our net profits in any given year, including retained earnings. Share repurchases must be charged to either our net worth if the repurchased Shares remain in our possession or our capital stock if the repurchased Shares are converted into treasury shares, in which case our capital stock is reduced automatically in an amount equal to the theoretical value of any repurchased Shares, if any. Any surplus is charged to the reserve for share repurchases. If the purchase price of the Shares is less than the theoretical value of the repurchased Shares, our capital stock account will be affected by an amount equal to the theoretical value of the repurchased Shares. Under Mexican law, we are not required to create a special reserve for the repurchase of shares, nor do we need the approval of our Board to effect share repurchases. In addition, any repurchased Shares cannot be represented at any stockholders meeting.

Conflicts of Interest. Under Mexican Law, any stockholder that votes on a transaction in which his, her or its interests conflict with our interests may be liable for damages, but only if the transaction would not have been approved without his, her or its vote. In addition, any member of the Board of Directors that votes on a transaction in which his, her or its interests conflict with our interests may be liable for damages. The Securities Market Law also imposes a duty of care and a duty of loyalty on directors as described in *Directors, Senior Management and Employees Our Board of Directors Duty of Care and Duty of Loyalty* . In addition, pursuant to the Mexican Securities Market Law, the Board of Directors, with input from the Corporate Practices Committee, must review and approve transactions and arrangements with related parties. See *Directors, Senior Management and Employees Our Board of Directors Meetings; Actions Requiring Board Approval* .

Appraisal Rights and Other Minority Protections. Whenever our stockholders approve a change in our corporate purpose or jurisdiction of organization or our transformation from one type of company to another, any stockholder entitled to vote that did not vote in favor of these matters has the right to receive payment for its Series A Shares, Series B Shares, Series D Shares or Series L Shares in an amount calculated in accordance with Mexican law. However, stockholders must exercise their appraisal rights within fifteen days after the stockholders meeting at which the matter was approved. Because the holders of Series L Shares and Series D Shares may only vote in limited circumstances, appraisal rights are generally not available to them. See *Voting Rights and Stockholders Meetings* .

Because the CPO Trustee must vote at a general stockholders meeting, the Series A Shares, Series B Shares and Series D Shares held by non-Mexicans through the CPO Trust will be voted in the same manner as the majority of the Series A Shares held by Mexican nationals (directly, or through the CPO Trust, as the case may be). As a result, the Series A Shares, Series B Shares and Series D Shares underlying CPOs held by non-Mexicans will not be voted against any change that triggers the appraisal rights of the holders of these Shares. Therefore, these appraisal rights will not be available to holders of CPOs (or GDRs) with respect to Series A Shares, Series B Shares or Series D Shares. The CPO Trustee will exercise such other corporate rights at special stockholders meetings with respect to the underlying Series A Shares, Series B Shares and Series D Shares as may be directed by the Technical Committee of the CPO Trust.

The Mexican Securities Market Law and our bylaws include provisions that permit:

- holders of at least 10% of our outstanding capital stock to request our Chairman of the Board or of the Audit Committee or Corporate Practices Committee to call a stockholders meeting in which they are entitled to vote;
- subject to the satisfaction of certain requirements under Mexican law, holders of at least 5% of our outstanding capital stock to bring an action for civil liabilities against our directors;
- holders of at least 10% of our Shares that are entitled to vote and are represented at a stockholders meeting to request postponement of resolutions with respect to any matter on which they were not sufficiently informed; and
- subject to the satisfaction of certain requirements under Mexican law, holders of at least 20% of our outstanding capital stock to contest and suspend any stockholder resolution.

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See Key Information Risk Factors Risk Factors Related to Our Securities The Protections Afforded to Minority Stockholders in Mexico Are Different From Those in the U.S. . In addition, in accordance with the Mexican Securities Market Law, we are also subject to certain corporate governance requirements, including the requirement to maintain an audit committee and a corporate practices committee, and to elect independent directors. The protections afforded to minority stockholders under Mexican law are generally different from those in the U.S. and many other jurisdictions. Substantive Mexican law concerning fiduciary duties of directors has not been the subject of extensive judicial interpretation in Mexico, unlike many states in the U.S. where duties of care and loyalty elaborated by judicial decisions help to shape the rights of minority stockholders. Furthermore, despite the fact that recent amendments to the Mexican Federal Code of Civil Procedures have provided for certain types of class actions, these actions are limited to subject matters related to the use of goods or the provision of public or private services, as well as environmental matters. Therefore, Mexican civil procedure does not contemplate class actions or stockholder derivative actions, which permit stockholders in U.S. courts to bring actions on behalf of other stockholders or to enforce rights of the corporation itself. Stockholders in Mexico also cannot challenge corporate actions taken at stockholders' meetings unless they meet stringent procedural requirements. See Voting Rights and Stockholders' Meetings . As a result of these factors, it is generally more difficult for our minority stockholders to enforce rights against us or our directors or Major Stockholders than it is for stockholders of a corporation established under the laws of a state of the U.S. In addition, under U.S. securities laws, as a foreign private issuer we are exempt from certain rules that apply to domestic U.S. issuers with equity securities registered under the Securities Exchange Act of 1934, as amended, or the Exchange Act, including the proxy solicitation rules. We are also exempt from many of the corporate governance requirements of the New York Stock Exchange.

Antitakeover Protections

General. Our bylaws provide that, subject to certain exceptions: (i) any person, entity or group of persons and/or entities that intends to acquire beneficial ownership of ordinary Shares (as defined below) which, when coupled with ordinary Shares previously beneficially owned by such persons or their affiliates, represent 10% or more of our outstanding ordinary Shares; (ii) any competitor, or group including one or more competitors, that intends to acquire beneficial ownership of ordinary Shares which, when coupled with Shares previously beneficially owned by such competitor, group or their affiliates, represent 5% or more of our outstanding capital stock; (iii) any person, entity or group of persons and/or entities that wishes to acquire beneficial ownership of ordinary Shares representing 10% or more of our outstanding ordinary Shares; and (iv) any competitor, or group including one or more competitors, that intends to acquire beneficial ownership of ordinary Shares representing 5% or more of our capital stock, must obtain the prior approval of our Board of Directors and/or of our stockholders, as the case may be, subject to certain exceptions summarized below. Holders that acquire Shares in violation of these requirements will not be registered in our stock registry. Accordingly, these holders will not be able to vote such Shares or receive any dividends, distributions or other rights in respect of these Shares. In addition, pursuant to our bylaws, these holders will be obligated to pay us a penalty in an amount equal to the market value of the Shares so acquired. Pursuant to our bylaws, Shares are defined as the shares (of any class or series) representing our capital stock, and any instruments or securities that represent such shares or that grant any right with respect to or are convertible into those shares, expressly including CPOs; our Series A Shares and Series B Shares are our ordinary Shares.

Pursuant to our bylaws, a competitor is generally defined as any person or entity dedicated, directly or indirectly, to any of the following businesses or activities: television production and broadcasting, pay-TV production, program licensing, direct-to-home satellite services, publishing (newspaper and/or magazine), publishing distribution, music recording, cable television, the transmission of programming and/or other content by any other means known or to be known, radio broadcasting and production, the promotion of professional sports and other entertainment events, paging services, production, feature film/motion picture production and distribution, dubbing and/or the operation of an Internet portal. A competitor is also defined to include any person, entity and/or group that is engaged in any type of business or activity in which we may be engaged from time to time and from which we derive 5% or more of our consolidated income.

Board Notices, Meetings, Quorum Requirements and Approvals. To obtain the prior approval of our Board, a potential acquiror must properly deliver a written notice that states, among other things: (i) the number and class/type of our Shares it beneficially owns; (ii) the percentage of Shares it beneficially owns with respect to both our outstanding capital stock and the respective class/type of our Shares; (iii) the number and class/type of Shares it intends to acquire; (iv) the number and class/type of Shares it intends to grant or share a common interest or right; (v) its identity, or in the case of an acquiror which is a corporation, trust or legal entity, its stockholders or

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beneficiaries as well as the identity and nationality of each person effectively controlling such corporation, trust or legal entity; (vi) its ability to acquire our Shares in accordance with our bylaws and Mexican law, (vii) its source of financing the intended acquisition; (viii) if it has obtained any financing from one of its related parties for the payment of the Shares; (ix) the purpose of the intended acquisition; (x) if it intends to acquire additional common Shares in the future; which coupled with the current intended acquisition of common Shares and the common Shares previously beneficially owned by the potential acquiror, would result in ownership of 20% or more of our common Shares; (xi) if it intends to acquire control of us in the future; (xii) if the acquiror is our competitor or if it has any direct or indirect economic interest in or family relationship with one of our competitors; and (xiii) the identity of the financial institution, if any, that will act as the underwriter or broker in connection with any tender offer.

Either the Chairman, the Secretary or the Alternate Secretary of our Board of Directors must call a Board meeting within 10 calendar days following the receipt of the written notice and the Board meeting must be held within 45 calendar days following the call. Action by written consent is not permitted. With the exception of acquisitions that must be approved by the general extraordinary stockholders meeting as described below in *Stockholder Notices, Meetings, Quorum Requirements and Approvals*, in order to proceed with any acquisition of Shares that require Board authorization as set forth in our bylaws, such acquisition must be approved by at least the majority of the members of our Board present at a meeting at which at least 75% of the members of our Board are present. Such acquisitions must be acted upon by our Board within 60 calendar days following the receipt of the written notice described above, unless the Board determines that it does not have sufficient information upon which to base its decision. In such case, the Board shall deliver a written request to the potential acquiror for any additional information that it deems necessary to make its determination. The 60 calendar days referred to above will commence following the receipt of the additional information from the potential acquiror to render its decision.

Stockholder Notices, Meetings, Quorum Requirements and Approvals. In the event: (i) of a proposed acquisition of Shares that would result in a change of control, ; (ii) that our Board cannot hold a Board meeting for any reason; (iii) of a proposed acquisition by a competitor and having certain characteristics; or (iv) that the Board determines that the proposed acquisition must be approved by our stockholders at a general extraordinary stockholders meeting, among others, then the proposed acquisition must be approved by the holders of at least 75% of our outstanding common Shares at a general extraordinary stockholders meeting (both in the case of first and subsequent calls) at which the holders of at least 85% of our outstanding common Shares are present. In addition, any proposed merger, spin-off, or capital increase or decrease which results in a change of control must also be approved by the holders of at least 75% of our outstanding common Shares at a general extraordinary stockholders meeting (both in the case of first and subsequent calls) at which the holders of at least 85% of our outstanding common Shares are present. Pursuant to our bylaws, a change of control is defined as the occurrence of any of the following: (i) the acquisition or transfer of ownership of a majority of our outstanding common Shares; (ii) the ability of a person, entity or group, other than the person who currently has the ability to, directly or indirectly, elect a majority of the members of our Board of Directors, to elect a majority of the members of our Board of Directors; or (iii) the ability of a person, entity or group, other than the person who currently has the ability to, directly or indirectly, determine our administrative decisions or policies, to determine our administrative decisions or policies. In the event that the general extraordinary stockholders meeting must approve the proposed acquisition, either the Chairman, the Secretary or the Alternate Secretary of our Board of Directors must publish a call for a general extraordinary stockholders meeting in the Official Gazette of the Federation and two other newspapers of general circulation in Mexico City at least 30 calendar days prior to such meeting (both in the case of first and subsequent calls). Once the call for the general extraordinary stockholders meeting has been published, all information related to the agenda for the meeting must be available for review by the holders of common Shares at the offices of our Secretary.

Mandatory Tender Offers in the Case of Certain Acquisitions. If either our Board of Directors or our stockholders at a general extraordinary stockholders meeting, as the case may be, authorize an acquisition of common Shares which increases the acquiror's ownership to 20% or more, but not more than 50%, of our outstanding common Shares, without such acquisition resulting in a change of control, then the acquiror must effect its acquisition by way of a cash tender offer for a specified number of Shares equal to the greater of (x) the percentage of common Shares intended to be acquired or (y) 10% of our outstanding capital stock. In the event that our stockholders approve an acquisition that would result in a change of control, the acquiror must effect its acquisition by way of a cash tender offer for 100% of our total outstanding capital stock at a price which cannot be lower than the highest of the following: (i) the book value of the common Shares and CPOs as reported on the last

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quarterly income statement approved by the Board of Directors, (ii) the highest closing price of the common Shares, on any stock exchange during any of the three hundred-sixty-five (365) days preceding the date of the stockholders' resolution approving the acquisition; or (iii) the highest price paid for any Shares, at any time by the acquiror. All tender offers must be made in Mexico and the U.S. within 60 days following the date on which the acquisition was approved by our Board of Directors or stockholders' meeting, as the case may be. All holders must be paid the same price for their common Shares. The provisions of our bylaws summarized above regarding mandatory tender offers in the case of certain acquisitions are generally more stringent than those provided for under the Mexican Securities Market Law. In accordance with the Mexican Securities Market Law, bylaw provisions regarding mandatory tender offers in the case of certain acquisitions may differ from the requirements set forth in such law, provided that those provisions are more protective to minority stockholders than those afforded by law. In these cases, the relevant bylaw provisions, and not the relevant provisions of the Mexican Securities Market Law, will apply to certain acquisitions specified therein.

Exceptions. The provisions of our bylaws summarized above will not apply to (i) transfers of common Shares and/or CPOs by operation of the laws of inheritance, (ii) acquisitions of common Shares and/or CPOs by any person who, directly or indirectly, is entitled to appoint the greatest number of members to our Board of Directors, as well as by (A) entities controlled by such person, (B) affiliates of such person, (C) the estate of such person, (D) certain family members of such person, and (E) such person, when such person acquires any common Shares and/or CPOs from any entity, affiliate, person or family member referred to in (A), (B) and (D) above, and (iii) acquisitions or transfers of common Shares and/or CPOs by us, our subsidiaries or affiliates, or any trust created by us or any of our subsidiaries.

Amendments to the Antitakeover Provisions. Any amendments to these antitakeover provisions must be authorized by the CNBV and registered before the Public Registry of Commerce at our corporate domicile.

Enforceability of Civil Liabilities

We are organized under the laws of Mexico. Substantially all of our directors, executive officers and controlling persons reside outside of the U.S., all or a significant portion of the assets of our directors, executive officers and controlling persons, and substantially all of our assets, are located outside of the U.S. and some of the experts named in this annual report also reside outside of the U.S. As a result, it may not be possible for you to effect service of process within the U.S. upon these persons or to enforce against them or us in U.S. courts judgments predicated upon the civil liability provisions of the federal securities laws of the U.S. We have been advised by our Mexican counsel, Mijares, Angoitia, Cortés y Fuentes, S.C., that there is doubt as to the enforceability, in original actions in Mexican courts, of liabilities predicated solely on U.S. federal securities laws and as to the enforceability in Mexican courts of judgments of U.S. courts obtained in actions predicated upon the civil liability provisions of U.S. federal securities laws. See *Key Information* *Risk Factors* *Risks Factors Related to Our Securities* *It May Be Difficult to Enforce Civil Liabilities Against Us or Our Directors, Executive Officers and Controlling Persons* .

Material Contracts

We have been granted a number of concessions by the Mexican government that authorizes us to broadcast our programming over our television and radio stations and our cable and DTH systems. These concessions are described under *Information on the Company* *Business Overview* *Regulation* . If we are unable to renew, or if the Mexican government revokes, any

of the concessions for our significant television stations, our business would be materially adversely affected. See [Key Information](#) [Risk Factors](#) [Risk Factors Related to Our Business](#) [The Operation of Our Business May Be Adversely Affected if the Mexican Government Does Not Renew or Revokes Our Broadcast or Other Concessions](#) .

We operate our DTH satellite service in Mexico and Central America through a partnership with DIRECTV. See [Information on the Company](#) [Business Overview](#) [Our Operations](#) [Sky](#) .

In May 2015, we issued Ps.5,000 million aggregate principal amount of 28-day TIEE plus 0.35% local bonds (*Certificados Bursátiles*) due 2022. In November 2015, we issued U.S.\$300 million aggregate principal amount of 4.625% Senior Notes due 2026 and U.S.\$900 million aggregate principal amount of 6.125% Senior Notes due 2046. In October 2017, we issued Ps.4,500 million aggregate principal amount of 8.79% local bonds (*Certificados Bursátiles*) due 2027. For a description of the material terms of the amended indentures related to our 6.625% Senior

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Notes due 2025, our 4.625% Senior Notes due 2026, our 8.5% Senior Notes due 2032, our 8.49% Senior Notes due 2037, our 6.625% Senior Notes due 2040, our 7.38% local bonds (*Certificados Bursátiles*) due 2020, our 7.25% Senior Notes due 2043, our 28-day TIE plus 0.35% local bonds (*Certificados Bursátiles*) due 2021 and 2022, our 5.0% Senior Notes due 2045, our 6.125% Senior Notes due 2046 and our 8.79% local bonds due 2027, as well as the description of the material terms for the Company's subsidiaries debt and finance lease obligations see Operating and Financial Review and Prospects Results of Operations Liquidity, Foreign Exchange and Capital Resources Refinancings and Operating and Financial Review and Prospects Results of Operations Liquidity, Foreign Exchange and Capital Resources Indebtedness .

Our transactions and arrangements with related parties are described under Major Stockholders and Related Party Transactions Related Party Transactions .

For a description of our material transactions and arrangements with Univision, see Information on the Company Business Overview Univision .

Legal Proceedings

On March 5, 2018, a purported stockholder class action lawsuit was filed in the United States District Court for the Southern District of New York alleging securities law violations in connection with allegedly misleading statements and/or omissions in Televisa's public disclosures. The lawsuit alleges that Televisa and two of its executives failed to disclose alleged involvement in bribery activities relating to certain executives of Fédération Internationale de Football Association (FIFA), and wrongfully failed to disclose weaknesses in Televisa's internal control over its financial reporting as of December 31, 2016. Televisa believes that the lawsuit, and the material allegations and claims therein, are without merit and intends to vigorously defend against the lawsuit. With regard to plaintiff's allegations regarding FIFA, outside counsel long previously investigated the circumstances surrounding Televisa's acquisition of the Latin American media rights for the 2026 and 2030 FIFA World Cups and uncovered no credible evidence that would form the basis for liability for Televisa or for any executive, employee, agent or subsidiary thereof. In particular, Televisa itself made no payment to any FIFA person and in no way knew of, or condoned, any payment by any third party to any FIFA person. Televisa also notes that no proceedings have been initiated against it by any governmental agency.

There are several legal actions and claims pending against us which are filed in the ordinary course of business. In our opinion, none of these actions and claims is expected to have a material adverse effect on our financial statements as a whole; however, we are unable to predict the outcome of any of these legal actions and claims.

Exchange Controls

For a description of exchange controls and exchange rate information, see Key Information Exchange Rate Information .

Taxation

U.S. Taxes

General. The following is a summary of the anticipated material U.S. federal income tax consequences of the purchase, ownership and disposition of GDSs, CPOs and the Series A Shares, Series B Shares, Series L Shares and Series D Shares underlying the CPOs (referred to herein as the Underlying Shares), in each case, except as otherwise noted, by U.S. Holders (as defined below). This discussion does not address all aspects of U.S. federal income taxation that may be relevant to a particular beneficial owner of GDSs, CPOs or Underlying Shares based on the beneficial owner's particular circumstances. For example, with respect to U.S. Holders, the following discussion does not address the U.S. federal income tax consequences to a U.S. Holder:

- that owns, directly, indirectly or through attribution, 2% or more of the total voting power or value of our outstanding Underlying Shares (including through ownership of GDSs and CPOs);
- that is a dealer in securities, insurance company, financial institution, tax-exempt organization, U.S. expatriate, broker-dealer or trader in securities;

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- that is an accrual method taxpayer required to accelerate the recognition of any item of gross income for U.S. federal income tax purposes as a result of such income being recognized on an applicable financial statement; or
- whose functional currency is not the U.S. Dollar.

Also, this discussion does not consider:

- the tax consequences to the stockholders, partners or beneficiaries of a U.S. Holder; or
- special tax rules that may apply to a U.S. Holder that holds GDSs, CPOs or Underlying Shares as part of a straddle, hedge, conversion transaction, synthetic security or other integrated investment.

In addition, the following discussion does not address any aspect of state, local or non-U.S. tax laws other than Mexican tax laws. Further, this discussion generally applies only to U.S. Holders that hold the CPOs, GDSs or Underlying Shares as capital assets within the meaning of Section 1221 of the U.S. Internal Revenue Code of 1986, as amended (referred to herein as the Code).

The discussion set forth below is based on the U.S. federal income tax laws as in force on the date of this annual report, including:

- the Code, applicable U.S. Treasury regulations and judicial and administrative interpretations; and
- the convention between the Government of the United States of America and the Government of the United Mexican States for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, including the applicable protocols, collectively referred to herein as the U.S.-Mexico Tax Treaty.

The discussion is subject to changes to those laws and the U.S.-Mexico Tax Treaty subsequent to the date of this annual report, which changes could be made on a retroactive basis, and is also based, in part, on the representations of the Depositary with respect to the GDSs and on the assumption that each obligation in the Deposit Agreement relating to the GDSs and any related agreements will be performed in accordance with their terms.

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As used in this section, the term "U.S. Holder" means a beneficial owner of CPOs, GDSs or Underlying Shares that is, for U.S. federal income tax purposes:

- a citizen or individual resident of the United States;
- a corporation (or entity treated as a corporation for such purposes) created or organized in or under the laws of the United States, or any State thereof or the District of Columbia;
- an estate the income of which is included in gross income for U.S. federal income tax purposes regardless of source; or
- a trust, if either (x) it is subject to the primary supervision of a court within the United States and one or more United States persons has the authority to control all substantial decisions of the trust or (y) it has a valid election in effect under applicable U.S. Treasury regulations to be treated as a United States person .

If a partnership (or an entity or arrangement classified as a partnership for U.S. federal income tax purposes) holds CPOs, GDSs or Underlying Shares, the U.S. federal income tax treatment of a partner in the partnership generally will depend on the status of the partner, the activities of the partnership and certain determinations made at the partner level. Partnerships holding CPOs, GDSs or Underlying Shares, and partners in such partnerships, should consult their own tax advisors regarding the U.S. federal income tax consequences of purchasing, owning and disposing of CPOs, GDSs or Underlying Shares.

An individual may be treated as a resident of the United States in any calendar year for U.S. federal income tax purposes by being present in the United States on at least 31 days in that calendar year and for an aggregate of at least 183 days during a three-year period ending at the close of that year. For purposes of this calculation, all of the days present in the current year, one-third of the days present in the immediately preceding year and one-sixth of the days present in the second preceding year would be counted. Residents are taxed for U.S. federal income purposes as if they were U.S. citizens.

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The application of the U.S.-Mexico Tax Treaty to U.S. Holders is conditioned upon, among other things, the assumptions that the U.S. Holder:

- is not a resident of Mexico for purposes of the U.S.-Mexico Tax Treaty;
- is an individual who has a substantial presence (within the meaning of the U.S.-Mexico Tax Treaty) in the United States;
- is entitled to the benefits of the U.S.-Mexico Tax Treaty under the limitation on benefits provision contained in Article 17 of the U.S.-Mexico Tax Treaty; and
- does not have a fixed place of business or a permanent establishment in Mexico with which its ownership of CPOs, GDSs or Underlying Shares is effectively connected.

For U.S. federal income tax purposes, U.S. Holders of GDSs and CPOs will be treated as the beneficial owners of the Underlying Shares represented by the GDSs and CPOs.

Dividends. The U.S. Dollar value of any distribution paid by us, including the amount of any Mexican taxes withheld from such distribution, will be included in the gross income of a U.S. Holder as a dividend, treated as ordinary income, to the extent that the distribution is paid out of our current and/or accumulated earnings and profits, as determined under U.S. federal income tax principles. U.S. Holders will not be entitled to claim a dividends received deduction for dividends received from us. Distributions that are treated as dividends received from us by a non-corporate U.S. Holder who meets certain eligibility requirements will qualify for U.S. federal income taxation at a preferential rate of 20% (or lower) if we are a qualified foreign corporation. We generally will be a qualified foreign corporation if either (i) we are eligible for benefits under the U.S.-Mexico Tax Treaty or (ii) the Underlying Shares or GDSs are listed on an established securities market in the United States. As we are eligible for benefits under the U.S.-Mexico Tax Treaty and the GDSs are listed on the New York Stock Exchange, we presently are a qualified foreign corporation, and we generally expect to be a qualified foreign corporation in future taxable years, but no assurance can be given that a change in circumstances will not affect our treatment as a qualified foreign corporation in any future taxable years. A non-corporate U.S. Holder will not be eligible for the reduced rate (a) if the U.S. Holder has not held the Underlying Shares, CPOs or GDSs for at least 61 days of the 121-day period beginning on the date which is 60 days before the ex-dividend date, (b) to the extent the U.S. Holder is under an obligation to make related payments on substantially similar or related property or (c) with respect to any portion of a dividend that is taken into account as investment income under Section 163(d)(4)(B) of the Code. Any days during which a U.S. Holder has diminished the U.S. Holder's risk of loss with respect to the Underlying Shares, CPOs or GDSs (for example, by holding an option to sell such Underlying Shares, CPOs or GDSs) are not counted towards meeting the 61-day holding period. Special rules apply in determining the foreign tax credit limitation with respect to dividends

subject to U.S. federal income taxation at the reduced rate. U.S. Holders should consult their own tax advisors concerning whether dividends received by them qualify for the reduced rate. In addition, a 3.8% tax may apply to certain investment income recognized by a U.S. Holder. See Medicare Tax below.

To the extent, if any, that the amount of a distribution exceeds our current and/or accumulated earnings and profits, the distribution will first reduce the U.S. Holder's adjusted tax basis in its Underlying Shares, CPOs or GDSs and, to the extent the distribution exceeds the U.S. Holder's adjusted tax basis, it will be treated as gain from the sale of the U.S. Holder's Underlying Shares, CPOs or GDSs. We do not maintain calculations of our earnings and profits under U.S. federal income tax principles. Therefore, a U.S. Holder should expect that a distribution paid by us will be treated as a dividend, even if that distribution would otherwise be treated as reducing such U.S. Holder's adjusted tax basis in its Underlying Shares, CPOs or GDSs or as gain from the sale of the U.S. Holder's Underlying Shares, CPOs or GDSs under the rules described above.

The U.S. Dollar value of any distributions paid in Pesos, including the amount of any Mexican taxes withheld, will be calculated by reference to the interbank exchange rate in effect on the date of receipt by the U.S. Holder or, with respect to the GDSs, The Bank of New York Mellon, in its capacity as Depository, regardless of whether the payment is in fact converted into U.S. Dollars. U.S. Holders should consult their own tax advisors regarding the

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treatment of any foreign currency gain or loss on any distributions paid in Pesos that are not converted into U.S. Dollars on the day the Pesos are received. For U.S. foreign tax credit purposes, dividends distributed by us on CPOs, GDSs or Underlying Shares generally will constitute foreign source passive income or, in the case of some U.S. Holders, foreign source general category income .

In general, pro rata distributions of additional shares with respect to the Underlying Shares that are part of a pro rata distribution to all of our stockholders generally (including U.S. Holders of GDSs) will not be subject to U.S. federal income tax.

A beneficial owner of CPOs, GDSs or Underlying Shares that is not a U.S. Holder and is not a partnership (or an entity or arrangement classified as a partnership for U.S. federal income tax purposes) will not be subject to U.S. federal income or withholding tax on a dividend paid with respect to the CPOs, GDSs or the Underlying Shares, unless the dividend is effectively connected with the conduct by the beneficial owner of a trade or business in the United States.

Capital Gains. Gain or loss recognized by a U.S. Holder on a taxable sale or exchange of CPOs, GDSs or Underlying Shares will be subject to U.S. federal income taxation as capital gain or loss in an amount equal to the difference between the amount realized on the sale or exchange and the U.S. Holder's adjusted tax basis in the CPOs, GDSs or Underlying Shares. Such capital gain or loss generally will be long-term capital gain or loss if the CPOs, GDSs or Underlying Shares have been held for more than one year at the time of disposition. Long-term capital gain of non-corporate U.S. Holders, including individual U.S. Holders, is subject to U.S. federal income tax at a preferential rate of 20% (or lower). In addition, a 3.8% tax may apply to certain investment income recognized by a U.S. Holder on a sale or exchange of CPOs, GDSs or Underlying Shares. See Medicare Tax below. The deductibility of capital losses is subject to significant limitations.

Such capital gains generally will be U.S. source income, unless the gains are subject to Mexican taxation, in which case such gains generally will be treated as arising in Mexico under the U.S.-Mexico Tax Treaty. If capital gains are subject to Mexican taxation under the U.S.-Mexico Tax Treaty, a U.S. Holder generally may elect to treat such gains as foreign source income for U.S. foreign tax credit limitation purposes. However, any such Mexican taxes may not be used to offset U.S. federal income tax on any other item of income, and foreign taxes on any other item of income cannot be used to offset U.S. federal income tax on such gains. U.S. Holders should consult their tax advisors.

Capital losses recognized on the sale or exchange of CPOs, GDSs or Underlying Shares generally will offset U.S. source income. Deposits and withdrawals of CPOs for GDSs and of Underlying Shares for CPOs by U.S. Holders will not be subject to U.S. federal income tax.

A beneficial owner of CPOs, GDSs or Underlying Shares that is not a U.S. Holder and is not a partnership (or an entity or arrangement classified as a partnership for U.S. federal income tax purposes) generally will not be subject to U.S. federal income tax on gain recognized on a sale or exchange of CPOs, GDSs or Underlying Shares unless:

- the gain is effectively connected with the beneficial owner's conduct of a trade or business in the United States; or

- the beneficial owner is an individual who holds CPOs, GDSs or Underlying Shares as a capital asset, is present in the United States for 183 days or more in the taxable year of the sale or exchange and meets other requirements.

Medicare Tax. A U.S. Holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, will generally be subject to a 3.8% tax on the lesser of (i) the U.S. Holder's net investment income for a taxable year and (ii) the excess of the U.S. Holder's modified adjusted gross income for such taxable year over U.S.\$200,000 (U.S.\$250,000 in the case of joint filers). For these purposes, net investment income will generally include dividends paid with respect to CPOs, GDSs or Underlying Shares and net gain attributable to the disposition of CPOs, GDSs or Underlying Shares (in each case, unless such CPOs, GDSs or Underlying Shares are held in connection with certain trades or businesses), but will be reduced by any deductions properly allocable to such income or net gain.

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U.S. Backup Withholding. A U.S. Holder may be subject to U.S. information reporting and U.S. backup withholding on dividends paid on Underlying Shares, and on proceeds from the sale or other disposition of CPOs, GDSs or Underlying Shares, unless the U.S. Holder:

- comes within an exempt category and, if required, certifies its exempt status; or
- provides the applicable withholding agent with the U.S. Holder's taxpayer identification number, certifies as to no loss of exemption from backup withholding tax and otherwise complies with the applicable requirements of the backup withholding rules.

The amount of any backup withholding will be allowed as a credit against the U.S. Holder's U.S. federal income tax liability and may entitle such holder to a refund, provided, however, that certain required information is timely furnished to the U.S. Internal Revenue Service (IRS). A beneficial owner of CPOs, GDSs or Underlying Shares that is not a U.S. Holder may be required to comply with certification and identification procedures in order to establish its exemption from backup withholding.

Certain Reporting Requirements. U.S. Holders that are individuals (and to the extent specified in applicable U.S. Treasury regulations, certain U.S. Holders that are entities and certain individuals that are not U.S. Holders) and hold specified foreign financial assets (as defined in section 6038D of the Code) are required to file a report on IRS Form 8938 with information relating to such assets for each taxable year in which the aggregate value of all such assets exceeds U.S.\$75,000 at any time during the taxable year or U.S.\$50,000 on the last day of the taxable year (or such higher dollar amount as prescribed by applicable U.S. Treasury regulations). Specified foreign financial assets would include, among other assets, GDSs, CPOs and Underlying Shares that are not held through an account maintained with a U.S. financial institution (as defined). Substantial penalties apply to any failure to timely file IRS Form 8938, unless the failure is shown to be due to reasonable cause and not due to willful neglect. Additionally, in the event a U.S. Holder that is required to file IRS Form 8938 does not file such form, the statute of limitations on the assessment and collection of U.S. federal income taxes of such U.S. Holder for the related tax year may not close until three years after the date that the required information is filed. Beneficial owners of GDSs, CPOs or Underlying Shares should consult their own tax advisors regarding their reporting obligations with respect to specified foreign financial assets

Federal Mexican Taxation

General. The following is a general summary of the main tax consequences under the Mexican Income Tax Law, Federal Tax Code and rules as currently in effect (the Mexican Tax Legislation), all of which are subject to change or interpretation, and under the U.S.-Mexico Tax Treaty, of the purchase, ownership and disposition of CPOs, GDSs or underlying Series A Shares, Series B Shares, Series D Shares and Series L Shares by a person that is not a resident Mexico for tax purposes, as defined below.

U.S. Holders should consult with their own tax advisors as to their entitlement to benefits afforded by the U.S.-Mexico Tax Treaty. Mexico has also entered into and is negotiating with various countries regarding other tax treaties that may have an effect on the tax treatment of CPOs, GDSs or underlying Series A Shares, Series B Shares, Series D Shares and Series L Shares. Holders should consult with their tax advisors as to their entitlement to the benefits afforded by these treaties.

This discussion does not constitute, and shall not be considered as, legal or tax advice to holders.

According to the Mexican Tax Legislation:

- an individual is a Mexican tax resident if the individual has established his permanent home in Mexico. When an individual, in addition to his permanent home in Mexico, has a permanent home in another country, the individual will be a Mexican tax resident if his center of vital interests is located in Mexico. This will be deemed to occur if, among other circumstances, either (i) more than 50% of the total income obtained by the individual in the calendar year is Mexican source or (ii) when the individual's center of professional activities is located in Mexico. Mexican nationals who filed a change of tax residence to a country or jurisdiction that does not have a comprehensive exchange of information agreement with Mexico in which her/his income is subject to a preferred tax regime pursuant to the provisions of the Mexican Income Tax Law, will be considered Mexican residents for tax purposes during the year of filing

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of the notice of such residence change and during the following three years. Unless otherwise proven, a Mexican national is considered a Mexican tax resident;

- a legal entity is considered a Mexican tax resident if it maintains the main administration of its head office, business, or the effective location of its management in Mexico.
- a foreign person with a permanent establishment in Mexico will be required to pay taxes in Mexico in accordance with the Mexican Tax Legislation for income attributable to such permanent establishment; and
- a foreign person without a permanent establishment in Mexico will be required to pay taxes in Mexico in respect of revenues proceeding from sources of wealth located in national territory.

Dividends. Beginning in 2014, dividends, either in cash or in any other form, coming from our previously taxed net earnings account, or *cuenta de utilidad fiscal neta*, generated up to 2013 and paid with respect to the shares underlying the CPOs, including those CPOs represented by GDSs, will not be subject to Mexican withholding tax. On the other hand, the dividends coming from our previously taxed net earnings account generated during or after 2014 will be subject to a 10% Mexican withholding tax. We must first utilize the previously taxed net earnings account generated up to 2013 and when this account no longer has a balance, we must utilize the previously taxed net earnings account generated during or after 2014. The latter dividends will be subject to the 10% Mexican withholding tax.

However, under the U.S.-Mexico Tax Treaty, any U.S. Holder that is eligible to claim the benefits of the U.S.-Mexico Tax Treaty may be exempt from or subject to a lower withholding tax rate on dividends paid with respect to the shares underlying the CPOs, including those CPOs represented by GDSs. The U.S. Holder may be subject to a lower withholding tax rate (5%) under the U.S.-Mexico Tax Treaty if the U.S. Holder is a company that owns directly at least 10% of our voting outstanding shares.

On the other hand, the U.S. Holder may be exempt from withholding tax under the U.S.-Mexico Tax Treaty if the U.S. Holder is either (a) a company that has owned shares representing 80 percent or more of our voting outstanding shares for a 12-month period ending on the date the dividend is declared and that (1) prior to October 1, 1998 owned, directly or indirectly, shares representing 80 percent or more of our voting outstanding shares; or (2) is entitled to the benefits of the U.S.-Mexico Tax Treaty under clauses (i) or (ii) of subparagraph d) of paragraph 1 of Article 17 (Limitation on Benefits); or (3) is entitled to the benefits of the U.S.-Mexico Tax Treaty with respect to the dividends under subparagraph g) of paragraph 1 of Article 17; or (4) has received a determination from the relevant competent authority pursuant to paragraph 2 of Article 17; or (b) a trust, company, or other organization constituted and operated exclusively to administer or provide benefits under one or more plans established to provide pension, retirement or other employee benefits and its income is generally exempt from tax in the United States, provided that such dividends are not derived from the carrying on of a business, directly or indirectly, by such trust, company or organization.

Dividends paid to other Holders that are eligible to receive benefits pursuant to other income tax treaties to which Mexico is a party may be exempt from or subject to a lower withholding tax rate in whole or in part. Non-U.S. Holders should consult their own tax advisors as to their possible eligibility under such other income tax treaties. Appropriate tax residence certifications must be obtained by Holders eligible for tax treaty benefits.

When dividends are paid from our previously taxed net earnings account we will not be required to pay any Mexican corporate income tax on the dividends. During 2017, if dividends are not paid from our previously taxed net earnings account we will be required to pay a 30% Mexican corporate income tax (CIT) on the grossed-up dividends with the factor 1.4286.

Sales or Other Dispositions. Deposits and withdrawals of CPOs for GDSs and of underlying Series A Shares, Series B Shares, Series D Shares and Series L Shares for CPOs will not give rise to Mexican tax or transfer duties.

Beginning on January 1, 2014, the gains on the sale or other disposition of CPOs, GDSs or underlying Series A Shares, Series B Shares, Series D Shares and Series L Shares will be subject to a 10% Mexican withholding tax if the sale is carried out through the Mexican Stock Exchange. This withholding tax will not apply if the Holder is a tax resident of a country that has in effect a Tax Treaty with Mexico, as is the case with the United

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States; in order to obtain this benefit the Holder must deliver to the withholding agent a letter stating, under oath, (i) that the Holder is resident for purposes of the specific Tax Treaty and (ii) the Holder's tax identification number.

Sales or other dispositions of CPOs, GDSs or underlying Series A Shares, Series B Shares, Series D Shares and Series L Shares made in other circumstances also would be subject to Mexican income tax. However, under the U.S.-Mexico Tax Treaty, any U.S. Holder that is eligible to claim the benefits of the U.S.-Mexico Tax Treaty may be exempt from Mexican tax on gains realized on a sale or other disposition of CPOs and shares underlying the CPOs in a transaction that is not carried out through the Mexican Stock Exchange. The U.S. Holder will be exempt under the U.S.-Mexico Tax Treaty if the U.S. Holder did not own directly or indirectly 25% or more of the our outstanding shares within the 12-month period preceding such sale or disposition. Gains realized by other Holders that are eligible to receive benefits pursuant to other income tax treaties to which Mexico is a party may be exempt from Mexican income tax in whole or in part. Non-U.S. Holders should consult their own tax advisors as to their possible eligibility under such other income tax treaties. Appropriate tax residence certifications must be obtained by Holders eligible for tax treaty benefits.

Other Mexican Taxes. There are no estate, gift, or succession taxes applicable to the ownership, transfer or disposition of CPOs, GDSs or underlying Series A Shares, Series B Shares, Series D Shares and Series L Shares. However, a gratuitous transfer of CPOs, GDSs or underlying Series A Shares, Series B Shares, Series D Shares and Series L Shares may, in some circumstances, result in the imposition of a Mexican federal tax upon the recipient. There are no Mexican stamp, issuer, registration or similar taxes or duties payable by holders of GDSs, CPOs, or underlying Series A Shares, Series B Shares, Series D Shares and Series L Shares.

Documents on Display

For further information with respect to us and our CPOs and GDSs, we refer you to the filings we have made with the SEC. Statements contained in this annual report concerning the contents of any contract or any other document are not necessarily complete. If a contract or document has been filed as an exhibit to any filing we have made with the SEC, we refer you to the copy of the contract or document that has been filed. Each statement in this annual report relating to a contract or document filed as an exhibit to any filing we have made with the SEC is qualified in its entirety by the filed exhibit.

The Company is subject to the informational requirements of the Exchange Act and in accordance therewith files reports and other information with the SEC. Reports and other information filed by the Company with the SEC can be inspected and copied at the public reference facilities maintained by the SEC at its Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549.

You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. Such materials can also be inspected at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005. Any filings we make electronically will be available to the public over the Internet at the SEC's website at www.sec.gov.

We furnish The Bank of New York Mellon, the depositary for our GDSs, with annual reports in English. These reports contain audited consolidated financial statements that, starting with the annual report for year ended December 31, 2012, have been prepared in accordance with IFRS. The historical financial statements included in these reports have been examined and reported on, with an opinion expressed by, an independent registered public accounting firm. The depositary is required to mail our annual reports to all holders of record of our GDSs. The Deposit Agreement for the GDSs also requires us to furnish the depositary with English translations of all notices of stockholders' meetings and other reports and communications that we send to holders of our CPOs. The depositary is required to mail these notices, reports and communications to holders of record of our GDSs.

As a foreign private issuer, we are not required to furnish proxy statements to holders of our CPOs or GDSs in the United States.

Item 11. Quantitative and Qualitative Disclosures About Market Risk

Market Risk Disclosures

Market risk is the exposure to an adverse change in the value of financial instruments caused by market factors including changes in equity prices, interest rates, foreign currency exchange rates, commodity prices and inflation

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rates. The following information includes forward-looking statements that involve risks and uncertainties. Actual results could differ from those presented.

Risk Management. We are exposed to market risks arising from changes in equity prices, interest rates, foreign currency exchange rates and inflation rates, in both the Mexican and U.S. markets. Our risk management activities are monitored by our Risk Management Committee and reported to our Executive Committee.

We monitor our exposure to interest rate risk by: (i) evaluating differences between interest rates on our outstanding debt and short-term investments and market interest rates on similar financial instruments; (ii) reviewing our cash flow needs and financial ratios (indebtedness and interest coverage); (iii) assessing current and forecasted trends in the relevant markets; and (iv) evaluating peer group and industry practices. This approach allows us to establish the interest rate mix between variable and fixed rate debt.

Foreign currency exchange risk is monitored by assessing our net monetary liability position in U.S. Dollars and our forecasted cash flow needs for anticipated U.S. Dollar investments and servicing our U.S. Dollar-denominated debt. Equity price risk is assessed by evaluating the long-term value of our investment in both domestic and foreign affiliates, versus comparable investments in the marketplace. We classify our equity investments in affiliates, both domestic and foreign, as long-term assets.

In compliance with the procedures and controls established by our Risk Management Committee, in 2015, 2016 and 2017, we entered into certain derivative transactions with certain financial institutions in order to manage our exposure to market risks resulting from changes in interest rates, foreign currency exchange rates, and inflation rates. Our objective in managing foreign currency and inflation fluctuations is to reduce earnings and cash flow volatility. See Notes 2(v), 4 and 14 to our consolidated year-end financial statements.

Foreign Currency Exchange Rate Risk and Interest Rate Risk

During December 2006, in connection with Sky's variable rate bank loans guaranteed by Televisa, we entered into forward starting interest rate swap agreements on a notional amount of Ps.1,400.0 million. These agreements involve the exchange of amounts based on a variable interest rate for an amount based on fixed rates, without exchange of the notional amount upon which the payments are based. These agreements allowed us to fix the coupon payments for a period of seven years at an interest rate of 8.415% starting in April 2009. In June 2015, the variable rate bank loan was prepaid and this agreement was early terminated.

During March 2011, in connection with the amortizable variable rate loan with HSBC due 2018, we entered into interest rate swap agreements on a notional amount of Ps.2,500.0 million. These agreements involve the exchange of interest payments based on a variable interest rate for amounts based on fixed rates. These agreements allowed us to fix the coupon payments for a period of seven years at an interest rate of 8.6075%. In March 2016, the variable rate bank loan was partially prepaid and this agreement was partially unwind in the equivalent

amount. In December 2017, the bank loan was fully prepaid and the interest rate swap was unwind.

During January and April 2012, in connection with TVI's variable rate bank loan with Banorte due 2016, TVI entered into interest rate swap agreements on a notional amount of Ps.500.0 million and Ps.800.0 million, respectively. These agreements involve the exchange of interest payments based on a variable interest rate for amounts based on fixed rates. These agreements allowed us to fix the coupon payments for a period of four years at an interest rate of 6.9315%. In May 2015, the variable rate bank loan was prepaid but this agreement continued because a new variable rate bank loan with Banorte due 2022 was agreed and it covered the same exposure until February 2016. In October 2016, Televisa entered as a guarantor on the bank loan due 2022 with Banorte, and as a consequence, the interest rate payable decreased 30 bps as of October 2016. In August 2015 and March 2017, TVI entered into interest rate swap agreements on a notional amount of Ps.250.0 million and Ps.750.0 million, respectively. These agreements also involved the exchange of interest payments based on a variable interest rate for amounts based on fixed rates. These agreements allowed us to fix the coupon payments at an interest rate of 7.8469%. On April 5, 2017, TVI entered into an interest rate swap agreement on a notional amount of Ps.742.0 million that allowed us to fix all coupon payments at an interest rate of 8.0250%.

The net fair value of the interest rate swap was an asset of Ps.17.1 million as of March 31, 2018, Ps.35.9 million as of December 31, 2017 and Ps.15.1 million as of December 31, 2016. The potential loss in fair value for such instruments from a hypothetical 50 bps adverse change in market interest rates would be approximately Ps.18.5 million as of March 31, 2018, Ps.19.7 million as of December 31, 2017 and Ps.3.8 million as of December 31, 2016. This sensitivity analysis assumes a downward parallel shift in the Mexican interest rate swaps yield curve.

During the second semester of 2013 and the second semester of 2014, in connection with TVI's variable rate bank loans with HSBC due 2019, TVI entered into interest rate swap agreements on notional amounts of Ps.500.0 million and Ps.300.0 million, respectively. These agreements involve the exchange of interest payments based on a variable interest rate for amounts based on fixed rates. In December 2016, Televisa entered as a guarantor on the bank loans with HSBC, and as a consequence, the interest rate payable decreased by 30 bps as of December 2016. These agreements allowed us to fix the coupon payments for a period of five years at an interest rate of 6.3640%.

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The net fair value of the interest rate swap was an asset of Ps.17.2 million as of March 31, 2018, Ps.22.3 million as of December 31, 2017 and Ps.28.0 million as of December 31, 2016. The potential loss in fair value for such instruments from a hypothetical 50 bps adverse change in market interest rates would be approximately Ps.3.0 million as of March 31, 2018, Ps.5.6 million as of December 31, 2017 and Ps.6.2 million as of December 31, 2016. This sensitivity analysis assumes a downward parallel shift in the Mexican interest rate swaps yield curve.

During April 2014 and March 2015, in connection with the local bonds (*Certificados Bursátiles*) issued by Televisa due 2021, we entered into interest rate swap agreements on a notional amount of Ps.3,000.0 million and Ps.3,000.0 million, respectively. These agreements involve the exchange of interest payments based on a variable interest rate for amounts based on fixed rates. These agreements allowed us to fix the coupon payments for a period of seven years at an interest rate of 6.2851%.

As of March 31, 2018, the net fair value of the interest rate swap was an asset of Ps.250.6 million, Ps.345.0 million as of December 31, 2017 and Ps.351.8 million as of December 31, 2016. The potential loss in fair value for such instruments from a hypothetical 50 bps adverse change in market interest rates would be approximately Ps.81.0 million as of March 31, 2018, Ps.84.9 million as of December 31, 2017 and Ps.109.5 million as of December 31, 2016. This sensitivity analysis assumes a downward parallel shift in the Mexican interest rate swaps yield curve.

During June 2015, the first quarter of 2016 and the first quarter of 2017, in connection with the local bonds (*Certificados Bursátiles*) issued by Televisa due 2022, we entered into interest rate swap agreements on a notional amount of Ps.1,000.0 million, Ps.1,500 million and Ps.2,500 million respectively. These agreements involve the exchange of interest payments based on a variable interest rate for amounts based on fixed rates. These agreements allowed us to fix the coupon payments at an interest rate of 6.9216%.

As of March 31, 2018, the net fair value of the interest rate swap was an asset of Ps.148.1 million, Ps.241.6 million as of December 31, 2017 and Ps.224.0 million as of December 31, 2016. The potential loss in fair value for such instruments from a hypothetical 50 bps adverse change in market interest rates would be approximately Ps.87.8 million as of March 31, 2018 and Ps.90.0 million as of December 31, 2017. This sensitivity analysis assumes a downward parallel shift in the Mexican interest rate swaps yield curve.

During the second semester of 2015, in connection with two of TVI's variable rate bank loans with Santander due 2019 and 2020, TVI entered into interest rate swap agreements on notional amounts of Ps.250.0 million each. These agreements involve the exchange of interest payments based on a variable interest rate for amounts based on fixed rates. In September 2016, Televisa entered as a guarantor on the bank loans with Santander, and as a consequence, the interest rate payable decreased 10 bps as of September 2016. These agreements allowed us to fix the coupon payments at an interest rate of 6.3975% and 6.68%, respectively.

The net fair value of the interest rate swap was an asset of Ps.20.1 million as of March 31, 2018, Ps.26.0 million as of December 31, 2017 and Ps.29.0 million as of December 31, 2016. The potential loss in fair value for such instruments from a hypothetical 50 bps adverse change in market interest rates would be approximately Ps.4.2 million as of March 31, 2018 and Ps.4.6 million as of December 31, 2017. This sensitivity analysis assumes a downward parallel shift in the Mexican interest rate swaps yield curve.

During 2017, in connection with all the Senior Notes issued by Televisa in U.S. Dollars, we entered into forward exchange rate agreements on a notional amount of U.S. \$239.0 million. These agreements allowed us to fix the exchange rate of coupon payments due in 2018 on an average of Ps.19.71 per U.S. \$1.00. During the first quarter of 2018, we entered into forward exchange rate agreements on a notional amount of U.S. \$112.0 million. These agreements allowed us to fix the exchange rate of coupon payments due in the first half of 2019 on an average of Ps. 19.50 per U.S. \$1.00.

As of March 31, 2018, the notional amount outstanding for these agreements was U.S. \$249.0 million that allowed us to fix the exchange rate on an average of Ps. 19.55 per U.S. \$1.00. The net fair value of the forward exchange rate agreements was a liability of Ps. 152.2 million as of March 31, 2018 and an asset of Ps. 112.2 million as of December 31, 2017.

In July 2017, the Company entered into a foreign exchange derivative transaction agreements on a notional amount of U.S. \$779.3 million primarily for capital expenditures expected to be made during 2018. As of March 31, 2018, the net fair value of these agreements was an asset of Ps.158.7 million and Ps.795.0 million as of December 31, 2017.

In July 2017, we entered into a forward exchange rate agreements for an amount of U.S. \$230.4 million, as of March 31, 2018 the notional amount outstanding was U.S. \$172.8 million maturing during 2018 primarily for capital expenditures expected to be made during 2018. These agreements allowed us to fix the exchange rate on an average of Ps.18.68 per U.S. \$1.00. As of March 31, 2018, the net fair value of the forward exchange rate agreements was a liability of Ps. 2.8 million and an asset of Ps. 397.0 million as of December, 31, 2017.

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In July 2017, Empresas Cablevision entered into a foreign exchange derivative transaction agreements on a notional amount of U.S. \$115.0 million primarily for capital expenditures expected to be made during 2018. As of March 31, 2018, the net fair value of these agreements was an asset of Ps.21.1 million and Ps. 110.1 million as of December, 31, 2017.

In July 2017, TVI entered into a foreign exchange derivative transaction agreements on a notional amount of U.S. \$96.3 million primarily for capital expenditures expected to be made during 2018. As of March 31, 2018, the net fair value of these agreements was an asset of Ps.21.9 million and Ps. 100.7 million as of December, 31, 2017.

During the last quarter of 2017, in connection with the variable rate bank loan with HSBC due 2022, the Company entered into interest rate swap agreements on notional amounts of Ps.2,000.0 million. These agreements involve the exchange of interest payments based on a variable interest rate for amounts based on fixed rates. These agreements allowed us to fix the coupon payments for a period of five years at an interest rate of 8.6275%

The net fair value of the interest rate swap was an asset of Ps.4.6 million as of March 31, 2018 and Ps.43.2 million as of December 31, 2017. The potential loss in fair value for such instruments from a hypothetical 50 bps adverse change in market interest rates would be approximately Ps.38.8 million as of March 31, 2018 and Ps.39.6 million as of December 31, 2017. This sensitivity analysis assumes a downward parallel shift in the Mexican interest rate swaps yield curve.

During the last quarter of 2017, in connection with the variable rate bank loan with Santander due 2022, the Company entered into interest rate swap agreements on notional amounts of Ps.1,500.0 million. These agreements involve the exchange of interest payments based on a variable interest rate for amounts based on fixed rates. These agreements allowed us to fix the coupon payments for a period of five years at an interest rate of 8.6%

The net fair value of the interest rate swap was an asset of Ps.2.2 million as of March 31, 2018 and Ps.31.9 million as of December 31, 2017. The potential loss in fair value for such instruments from a hypothetical 50 bps adverse change in market interest rates would be approximately Ps.29.6 million as of March 31, 2018 and Ps.30.1 million as of December 31, 2017. This sensitivity analysis assumes a downward parallel shift in the Mexican interest rate swaps yield curve.

During the last quarter of 2017 and the first quarter of 2018, in connection with the variable rate bank loan with Scotiabank due 2023, the Company entered into interest rate swap agreements on notional amounts of Ps.1,000.0 million and Ps.1,500.0 million respectively. These agreements involve the exchange of interest payments based on a variable interest rate for amounts based on fixed rates. These agreements allowed us to fix the coupon payments for a period of five years at an interest rate of 9.0485%

The net fair value of the interest rate swap was a liability of Ps. 36.0 million as of March 31, 2018 and an asset of Ps.3.1 million as of December 31, 2017. The potential loss in fair value for such instruments from a hypothetical 50 bps adverse change in market interest rates would be approximately Ps.52.0 million as of March 31, 2018 and Ps.53.0 million as of December 31, 2017. This sensitivity analysis assumes a downward parallel shift in the Mexican interest rate swaps yield curve.

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The sensitivity analyses that follow are intended to present the hypothetical change in fair value or loss in earnings due to changes in interest rates, inflation rates, foreign currency exchange rates and debt and equity market prices as they affect our financial instruments at December 31, 2017 and 2016. These analyses address market risk only and do not present other risks that we face in the ordinary course of business, including country risk and credit risk. The hypothetical changes reflect our view of changes that are reasonably possible over a one-year period. For purposes of the following sensitivity analyses, we have made conservative assumptions of expected near-term future changes in U.S. interest rates, Mexican interest rates, inflation rates and Peso to U.S. Dollar exchange rates of 10%. The results of the analyses do not purport to represent actual changes in fair value or losses in earnings that we will incur.

December 31, 2017	Carrying value(3)		Fair value(4)		Increase (decrease) of fair value over carrying value	Increase (decrease) of fair value over carrying value assuming a hypothetical 10% increase in fair value
Assets:						
Temporary investments (1)	Ps.	6,013.7	Ps.	6,013.7	Ps.	Ps.
Warrants issued by UHI		36,395.2		36,395.2		3,639.5
Long-term loan and interest receivable from GTAC		929.5		937.1	7.6	101.3
Held-to-maturity investments		287.6		284.4	(3.2)	25.3
Available-for-sale investments		7,297.6		7,297.6		729.8
Derivative financial instruments (2)		2,263.9		2,263.9		
Liabilities:						
U.S. dollar-denominated debt:						
Senior Notes due 2025		11,823.1		14,065.8	2,242.7	3,649.3
Senior Notes due 2026		5,911.5		6,278.1	366.6	994.4
Senior Notes due 2032		5,911.5		7,985.9	2,074.4	2,873.0
Senior Notes due 2040		11,823.1		14,583.5	2,760.4	4,218.8
Senior Notes due 2045		19,705.1		20,068.9	363.8	2,370.6
Senior Notes due 2046		17,734.6		21,016.7	3,282.1	5,383.8
Peso-denominated debt:						
Notes due 2020		10,000.0		9,702.3	(297.7)	672.5
Notes due 2021		6,000.0		6,090.9	90.9	700.0
Notes due 2022		5,000.0		5,063.3	63.3	569.6
Notes due 2027		4,500.0		4,442.9	(57.1)	387.2
Senior Notes due 2037		4,500.0		4,085.7	(414.3)	(5.7)
Senior Notes due 2043		6,500.0		5,085.9	(1,414.1)	(905.5)
Long-term notes payable to Mexican Banks		14,142.1		13,917.2	(224.9)	1,166.9
Finance lease obligations		5,622.7		5,360.8	(261.9)	274.2
Other notes payables		3,684.1		3,319.4	(364.6)	(32.7)

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December 31, 2016	Carrying value(3)		Fair value(4)		Increase (decrease) of fair value over carrying value	Increase (decrease) of fair value over carrying value assuming a hypothetical 10% increase in fair value
Assets:						
Temporary investments (1)	Ps.	5,498.2	Ps.	5,498.2	Ps.	Ps.
Warrants issued by UHI		38,298.6		38,298.6		3,829.9
Long-term loan and interest receivable from GTAC		881.7		889.1	7.3	96.2
Held-to-maturity investments		335.8		334.8	(1.0)	32.5
Available-for-sale investments		6,456.4		6,456.4		645.6
Derivative financial instruments (2)		647.8		647.8		
Liabilities:						
U.S. dollar-denominated debt:						
Senior Notes due 2018		10,317.8		10,858.0	540.2	1,626.0
Senior Notes due 2025		12,381.4		14,151.2	1,769.8	3,184.9
Senior Notes due 2026		6,190.7		6,230.0	39.3	662.3
Senior Notes due 2032		6,190.7		7,566.9	1,376.2	2,132.9
Senior Notes due 2040		12,381.4		13,039.8	658.4	1,962.4
Senior Notes due 2045		20,635.6		17,713.4	(2,922.2)	(1,150.9)
Senior Notes due 2046		18,572.0		18,580.0	8.0	1,866.0
Peso-denominated debt:						
Notes due 2020		10,000.0		9,791.7	(208.3)	770.8
Notes due 2021		6,000.0		5,954.0	(46.0)	549.4
Notes due 2022		5,000.0		4,942.2	(57.8)	436.5
Senior Notes due 2037		4,500.0		4,031.6	(468.5)	(65.3)
Senior Notes due 2043		6,500.0		4,712.5	(1,787.5)	(1,316.3)
Long-term notes payable to Mexican Banks		9,618.7		9,331.3	(287.4)	645.8
Finance lease obligations		6,391.8		5,763.9	(627.9)	(51.5)
Other notes payables		4,853.0		4,144.0	(709.0)	(294.6)
Derivative financial instruments (2)		5.5		5.5		

(1) At December 31, 2017 and 2016, the Group's temporary investments consisted of highly liquid securities, including without limitation debt securities and equity instruments held for trading (primarily denominated in Mexican pesos and U.S. dollars). Given the short-term nature of these investments, an increase in U.S. and/or Mexican interest rates would not significantly decrease the fair value of these investments.

(2) Given the nature of these derivative instruments, an increase of 10% in the interest and/or exchange rates would not have a significant impact on the fair value of these financial instruments.

(3) The carrying value of debt is stated in this table at its principal amount.

(4) The fair value of the Senior Notes and Notes due by the Group are within Level 1 of the fair value hierarchy as there is a quoted market price for them. The fair value of the finance lease obligations are within Level 2 of the fair value hierarchy and has been estimated based on cash flows discounted using an estimated weighted average cost of capital. The fair value of held-to-maturity securities are within Level 1 of the fair value hierarchy, and were based on market interest rates to the listed securities.

We are also subject to the risk of foreign currency exchange rate fluctuations, resulting from the net monetary position in U.S. Dollars of our Mexican operations, as follows:

	Year Ended December 31,			
	2017		2016	
	(In millions of U.S. Dollars)			
U.S. Dollar-denominated and U.S. Dollar-equivalent monetary assets, primarily cash and cash equivalents, held-to-maturity and available-for-sale non-current investments(1)	U.S.\$	1,485.2	U.S.\$	1,899.1
U.S. Dollar-denominated and U.S. Dollar-equivalent monetary liabilities, primarily trade accounts payable, Senior debt securities, finance lease obligations, and other liabilities(2)(3)		(4,411.5)		(5,087.6)
Net liability position	U.S.\$	(2,926.3)	U.S.\$	(3,188.5)

(1) In 2017 and 2016, include U.S. Dollar equivalent amounts of U.S.\$31.8 million and U.S.\$16.4 million, respectively, related to other foreign currencies, primarily Euros.

(2) In 2017 and 2016, include U.S. Dollar equivalent amounts of U.S.\$5.8 million and U.S.\$7.7 million, respectively, related to other foreign currencies, primarily Euros.

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(3) In 2017 and 2016, monetary liabilities included U.S.\$2,440.3 million (Ps.48,086.9 million) and U.S.\$2,386.6 million (Ps.49,249.6 million), respectively, related to long-term debt designed as a hedging instrument of the Group's investments in UHI and the initial investment in Open Ended Fund (see Note 13 to our consolidated year-end financial statements).

At December 31, 2017, a hypothetical 10% appreciation/depreciation in the U.S. dollar to Mexican peso exchange rate would result in a foreign exchange gain/loss, net of hedge, of Ps.957.5 million. At December 31, 2016, a hypothetical 10% appreciation/depreciation in the U.S. dollar to Mexican peso exchange rate would result in a foreign exchange gain/loss, net of hedge, of Ps.1,654.6 million.

Item 12. Description of Securities Other than Equity Securities

Global Depositary Shares

The Bank of New York Mellon, the depositary for the securities underlying our GDSs, collects its fees for delivery and surrender of GDSs directly from investors depositing shares or surrendering GDSs for the purpose of withdrawal or from intermediaries acting for them. The depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depositary may collect its annual fee for depositary services by deductions from cash distributions or by directly billing investors or by charging the book-entry system accounts of participants acting for them. The depositary may generally refuse to provide fee-attracting services until its fees for those services are paid.

The following table summarizes the fees and charges that a GDS holder may be required to pay, directly or indirectly, to the depositary pursuant to the terms of the Deposit Agreement, which was filed with the SEC as an exhibit to our Registration Statement on Form F-6 filed on September 17, 2007:

Fee	Depositary Service
U.S.\$5.00 (or less) per 100 GDSs (or portion of 100 GDSs)	<ul style="list-style-type: none"> • Issuance of GDSs, including issuances resulting from a distribution of shares or rights or other property • Cancellation of GDSs for the purpose of withdrawal, including if the deposit agreement terminates
U.S.\$0.02 (or less) per GDS A fee equivalent to the fee that would be payable if securities distributed to holders had been CPOs and the CPOs had been deposited for issuance of GDSs	<ul style="list-style-type: none"> • Any cash distribution to GDS registered holders • Distribution of securities distributed to holders of deposited securities which are distributed by the depositary to GDS registered holders
U.S.\$0.02 (or less) per GDS per calendar year Registration or transfer fees	<ul style="list-style-type: none"> • Depositary services • Transfer and registration of CPOs on our CPO register to or from the name of the depositary or its agent when holders deposit or withdraw CPOs
Expenses of the depositary	

	<ul style="list-style-type: none">• Cable and facsimile transmissions (when expressly provided in the deposit agreement)
Taxes and other governmental charges the depository or the custodian have to pay on any GDS or share underlying an GDS, for example, stock transfer taxes, stamp duty or withholding taxes	<ul style="list-style-type: none">• Converting foreign currency to U.S. dollars• As necessary
Any charges incurred by the depository or its agents for servicing the deposited securities	<ul style="list-style-type: none">• As necessary

Note that the actual amounts charged by the depository may differ from those set out in the table above, but may not exceed these levels.

The Bank of New York Mellon, as depository, pays us an agreed amount as reimbursement for certain expenses we incur related to our being a publicly-listed entity in the United States, including, but not limited to, internal and

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out-of-pocket investor relations expenses, corporate finance and accounting expenses, legal expenses, annual NYSE listing fees, Sarbanes-Oxley compliance, travel expenses related to presentations to rating agencies and investors, road show presentations, or any other similar or related expenses. There are limits on the amount of expenses for which the depositary will reimburse us, but the amount of reimbursement available to us is not necessarily tied to the amount of fees the depositary collects from investors. In 2017, we received a reimbursement of U.S.\$0.25 million.

Part II

Item 13. Defaults, Dividend Arrearages and Delinquencies

Not applicable.

Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds

Not applicable.

Item 15. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our Co-Chief Executive Officers and the Principal Financial Officer of the Company have evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined under Exchange Act Rules 13a-15(e) and 15d-15(e)) as of the end of the period covered by this 2017 Annual Report on Form 20-F. Based upon this evaluation, our Co-chief Executive Officers and the Principal Financial Officer have concluded that as of December 31, 2017, due to material weaknesses identified in our internal control over financial reporting, as further described below, our disclosure controls and procedures were not effective to provide reasonable assurance that the information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including our Co-Chief Executive Officers and the Principal Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Notwithstanding the material weaknesses described below, we have concluded that the consolidated financial statements included in this annual report fairly present, in all material respects, our financial position, results of operations and cash flows as of and for the period ended December 31, 2017.

Management's Annual Report on Internal Control Over Financial Reporting

The Company's management, is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) of the Exchange Act.

Internal control over financial reporting has inherent limitations. Internal control over financial reporting is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusion or improper management override. Because of such limitations, there is a risk that material misstatements will not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2017. In making this assessment, management used the criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

The Company did not appropriately design, maintain or monitor certain controls in response to the risk of material misstatement. The deficiencies in risk assessment contributed to the following material weaknesses: (i) the Company did not design and maintain effective controls over certain information technology controls that are relevant to the preparation of the consolidated financial statements. Specifically, the Company did not design and maintain: a) user access controls to appropriately segregate duties and adequately restrict user and privileged access to certain financial applications, data and programs to the appropriate Company personnel, and b) effective controls over program change for certain financial systems, including effective controls to monitor developers' access to production and testing of program changes. These deficiencies, when aggregated, could impact maintaining adequate segregation of duties as well as the effectiveness of IT-dependent controls (such as automated controls that address the risk of material misstatement to one or more assertions, along with the IT controls and underlying data that support the effectiveness of system-generated data and reports); (ii) the Company did not design and maintain effective controls over segregation of duties within the accounting system, including certain individuals with the ability to gain access to prepare and post journal entries across substantially all key accounts of the Company without an independent review performed by someone other than the preparer; and (iii) the Company had ineffective controls with respect to the accounting for certain revenue and related accounts receivable, including maintaining effective controls to prevent or detect errors related to the recording of customer revenue transactions in our cable companies and content division.

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Specifically, we had insufficient controls related to the accuracy of recorded revenue transactions, the assessment of the allowance for doubtful accounts and the preparation, analysis and review of certain revenue and related account reconciliations.

While these material weaknesses did not result in any material misstatement of our historical consolidated financial statements, these material weaknesses could result in a misstatement of the account balances or disclosures that would result in a material misstatement to the annual consolidated financial statements that would not be prevented or detected.

Because of the material weaknesses described above, management concluded that the Company did not maintain effective internal control over financial reporting as of December 31, 2017.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2017 has been audited by PricewaterhouseCoopers, S.C., an independent registered public accounting firm, as stated in their report which appears herein.

Remediation Plan and Activities

In response to the identified material weaknesses, our management, with oversight from our audit committee, has developed a program to remediate the combination of deficiencies comprising these material weaknesses. Accordingly, we have already commenced the implementation of our remediation program for the material weaknesses affecting our internal control over financial reporting, at the corporate level and at the business segments on which we identified such weaknesses, including the enhancement and strengthening of existing internal controls, as well as the design and adoption of new compensating internal controls.

Our program includes activities designed for the achievement of control objectives to be performed in the financial reporting cycle at all levels of the Company, at various stages within business processes, and over the technology environment. These control activities are preventive and detective in nature and encompass a range of supplementary automated and manual activities such as authorizations and approvals, verifications, reconciliations, and business performance reviews, as well as an appropriate segregation of duties.

As of the date of this filing, we have already implemented, or are in the process of implementing, the aforementioned control activities as part of our remediation program, including the modification of related existing internal controls.

We believe that the foregoing actions will support the improvement of our internal control over financial reporting, and through our efforts to identify, design and implement the necessary control activities, will be effective in remediating the material weaknesses described above. We will continue to devote significant time and attention to these remediation efforts. As we continue to evaluate and work to improve our internal control over financial reporting, management may determine to take additional measures to address the material weaknesses or determine to modify the remediation plan described above.

Changes in Internal Control Over Financial Reporting

Except for the material weaknesses and remediation activities described above, there has been no change in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended) that occurred during the year ended December 31, 2017 that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

Item 16.A. Audit Committee Financial Expert

Our board of directors has determined that Mr. Francisco José Chevez Robelo is our audit committee financial expert. Mr. Francisco José Chevez Robelo is independent and meets the requisite qualifications as defined in Item 16A of Form 20-F.

Item 16.B. Code of Ethics

We have adopted a written code of ethics that applies to all of our employees, including our principal executive officer, principal financial officer and principal accounting officer.

You may request a copy of our code of ethics, at no cost, by writing to or telephoning us as follows:

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Grupo Televisa, S.A.B.
Avenida Vasco de Quiroga, No. 2000

Colonia Santa Fe, 01210 Mexico City, Mexico.
Telephone: (52) (55) 5261-2000.

In addition, the English version of the code of ethics can be found at www.televisa.com/inversionistas-ingles and the Spanish version at www.televisa.com/inversionistas-espanol.

Item 16.C. Principal Accountant Fees and Services

PricewaterhouseCoopers, S.C. acted as our independent registered public accounting firm for the fiscal years ended December 31, 2017 and 2016.

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The chart below sets forth the total amount billed by our independent registered public accounting firm for services performed in the years 2017 and 2016, and breaks down these amounts by category of service:

	2017	2016
	(in millions of Pesos)	
Audit Fees	Ps. 123.5	Ps. 98.6
Audit-Related Fees	5.3	25.3
Tax Fees	7.2	8.3
Other Fees	5.3	4.2
Total	Ps. 141.3	Ps. 136.4

Audit Fees are the aggregate fees billed by our Independent Registered Public Accounting Firm for the audit of our consolidated annual financial statements, services related to regulatory financial filings with the SEC and attestation services that are provided in connection with statutory and regulatory filings or engagements.

Audit-Related Fees are fees charged by our Independent Registered Public Accounting Firm for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and are not reported under **Audit Fees**. This category comprises fees billed for independent accountant review of our interim financial statements in connection with the offering of our debt securities, advisory services associated with our financial reporting, and due diligence reviews in connection with potential acquisitions and business combinations.

Tax Fees are fees for professional services rendered by the Company's Independent Registered Public Accounting Firm for tax compliance in connection with our subsidiaries and interests in the United States, as well as tax advice on actual or contemplated transactions.

Other Fees are fees charged by our Independent Registered Public Accounting Firm in connection with services rendered other than audit, audit-related and tax services.

We have procedures for the review and pre-approval of any services performed by PricewaterhouseCoopers, S.C. The procedures require that all proposed engagements of PricewaterhouseCoopers, S.C. for audit and non-audit services are submitted to the audit committee for approval prior to the beginning of any such services.

Audit Committee Pre-approval Policies and Procedures

Our audit committee is responsible, among other things, for the appointment, compensation and oversight of our external auditors. To assure the independence of our Independent Registered Public Accounting Firm, our audit committee pre-approves annually a catalog of specific audit and non-audit services in the categories Audit Services, Audit-Related Services, Tax-Related Services, and Other Services that may be performed by our auditors, as well as the budgeted fee levels for each of these categories. All other permitted services must receive a specific approval from our audit committee. Our external auditor periodically provides a report to our audit committee in order for our audit committee to review the

services that our external auditor is providing, as well as the status and cost of those services.

During 2016 and 2017, none of the services provided to us by our external auditors were approved by our audit committee pursuant to the de minimis exception to the pre-approval requirement provided by paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

Item 16.D. Exemptions from the Listing Standards for Audit Committees

Not applicable.

Table of Contents**Item 16.E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers**

The following table sets forth, for the periods indicated, information regarding purchases of any of our equity securities registered pursuant to Section 12 of the Exchange Act made by us or on our behalf or by or on behalf of any affiliated purchaser (as that term is defined in Rule 10b-18(a)(3) under the Exchange Act):

Purchases of Equity Securities by the Company

Purchase Date	Total Number of CPOs Purchased	Average Price Paid per CPO(1)	Total Number of CPOs Purchased as part of Publicly Announced Plans or Programs(2)	Maximum Number (or Appropriate Peso Value) of CPOs that May Yet Be Purchased Under the Plans or Programs(2)	
				Ps.	
January 1 to January 31		Ps. 0.0000	264,891,400	Ps.	20,000,000,000
February 1 to February 28		0.0000	264,891,400		20,000,000,000
March 1 to March 31		0.0000	264,891,400		20,000,000,000
April 1 to April 30		0.0000	264,891,400		20,000,000,000
May 1 to May 31		0.0000	264,891,400		20,000,000,000
June 1 to June 30		0.0000	264,891,400		20,000,000,000
July 1 to July 31		0.0000	264,891,400		20,000,000,000
August 1 to August 31		0.0000	264,891,400		20,000,000,000
September 1 to September 30		0.0000	264,891,400		20,000,000,000
October 1 to October 31		0.0000	264,891,400		20,000,000,000
November 1 to November 30	3,209,000	70.7856	268,100,400		19,772,849,078
December 1 to December 31	2,206,900	70.9850	270,307,300		19,616,192,289
Total	5,415,900				

(1) The values have not been restated in constant Pesos and therefore represent nominal historical figures.

(2) Our share repurchase program was announced in September 2002 and does not have an expiration date. On November 13, 2017, we announced our intention to reactivate our share repurchase program. Accordingly, we may, from time to time, at management's discretion, seek to acquire shares of the Company's common stock subject to legal, market and other business conditions at the time of purchase. The total amount of our share repurchase program is currently limited to Ps.20,000,000,000, as updated in accordance with a resolution that our stockholders approved in a general meeting of our stockholders held on April 28, 2017.

Purchases of Equity Securities by Special Purpose Trust
Formed in Connection with Long-Term Retention Plan(1)

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Purchase Date	Total Number of CPOs Purchased(2)	Average Price Paid per CPO(3)	Total Number of CPOs Purchased as part of Publicly Announced Plans or Programs	Maximum Number (or Appropriate Peso Value) of CPOs that May Yet Be Purchased Under the Plans or Programs
January 1 to January 31	260,000	Ps. 88.4299	225,376,809	
February 1 to February 28	373,043	99.5838	225,749,852	
March 1 to March 31	1,911,051	99.8254	227,660,903	
April 1 to April 30	500,000	93.9702	228,160,903	
May 1 to May 31	1,831,465	92.1435	229,992,368	
June 1 to June 30	1,367,934	88.4722	231,360,302	
July 1 to July 31	1,350,000	92.9397	232,710,302	
August 1 to August 31	2,101,980	92.7962	234,812,282	
September 1 to September 30	902,573	88.9774	235,714,855	
October 1 to October 31	604,765	85.9539	236,319,620	
November 1 to November 30	9,396,800	73.5876	245,716,420	
December 1 to December 31	7,325,670	72.1134	253,042,090	
Total	27,925,281	Ps. 80.9396		

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(1) See Directors, Senior Management and Employees Stock Purchase Plan and Long-Term Retention Plan for a description of the implementation, limits and other terms of our Long-Term Retention Plan.

(2) Represents open-market purchases by the special purpose trust formed in connection with our Long-Term Retention Plan.

(3) The values have not been restated in constant Pesos and therefore represent nominal historical figures.

Item 16.F. Change in Registrant's Certifying Accountant

Not applicable.

Item 16.G. Corporate Governance

As a foreign private issuer with shares listed on the NYSE, we are subject to different corporate governance requirements than a U.S. company under the NYSE listing standards. With certain exceptions, foreign private issuers are permitted to follow home country practice standards. Pursuant to Rule 303.A11 of the NYSE listed company manual, we are required to provide a summary of the significant ways in which our corporate governance practices differ from those required for U.S. companies under the NYSE listing standards.

We are a Mexican corporation with shares, in the form of CPOs listed on the *Bolsa Mexicana de Valores*, or Mexican Stock Exchange. Our corporate governance practices are governed by our bylaws, the Mexican Securities Market Law, and the regulations issued by the CNBV and the Mexican Stock Exchange. Although compliance is not mandatory, we also substantially comply with the Mexican Code of Best Corporate Practices (*Código de Mejores Prácticas Corporativas*), which was created in January 1999 by a group of Mexican business leaders and was endorsed by the CNBV. See Additional Information Bylaws for a more detailed description of our corporate governance practices.

The table below sets forth a description of the significant differences between corporate governance practices required for U.S. companies under the NYSE listing standards and the Mexican corporate governance standards that govern our practices.

NYSE rules

Listed companies must have a majority of independent directors.

Mexican rules

The Mexican Securities Market Law requires that listed companies have at least 25% of independent directors. Our stockholder's meeting is required to assess the independence of the directors. The definition of independent under the Mexican Securities Market Law differs in some aspects from the one applicable to U.S. issuers under the NYSE standard

and prohibits, among other relationships, an independent director from being an employee or officer of the company or a stockholder that may have influence over our officers, relevant clients and contractors, as well as certain relationships between the independent director and family members of the independent director. In addition, our bylaws broaden the definition of independent director. Our bylaws provide for an executive committee of our board of directors. The executive committee is currently composed of three members, and there are no applicable Mexican rules that require any of the members to be independent. The executive committee may generally exercise the powers of our board of directors, subject to certain exceptions. Our Co-Chief Executive Officers are members of our board of directors and the executive committee.

Listed companies must have a nominating/corporate governance committee composed entirely of independent directors.

The Mexican Securities Law requires that listed companies must have a corporate practices committee. The Chairman and the members must be independent.

Listed companies must have a compensation committee composed entirely of independent directors.

The Mexican Code of Best Corporate Practices recommends listed companies to have a compensation committee. While these rules are not legally binding, companies failing to comply with the Mexican

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	Code of Best Business Practices recommendation must disclose publicly why their practices differ from those recommended by the Mexican Code of Best Business Practices.
Listed companies must have an audit committee with a minimum of three members and must be independent.	The Mexican Securities Market Law requires that listed companies must have an audit committee. The Chairman and the members must be independent.
Non-management directors must meet at regularly scheduled executive sessions without management.	Our non-management directors are not required to meet at executive sessions. The Mexican Code of Best Corporate Practices does not expressly recommend executive sessions.
Listed companies must require shareholder approval for equity compensation plans, subject to limited exemptions.	Companies listed on the Mexican Stock Exchange are required to obtain shareholder approval for equity compensation plans, provided that such plans are subject to certain conditions.
Listed companies must adopt and disclose a code of business conduct and ethics for directors, officers and employees, and promptly disclose any waivers of the code for directors or executive officers.	Companies listed on the Mexican Stock Exchange are not required to adopt a code of ethics. However, we have adopted a code of ethics which is available free of charge through our offices. See Code of Ethics for directions on how to obtain a copy of our code of ethics. Waivers involving any of our executive officers or directors will be made only by our Board of Directors or a designated committee of the Board.

Item 16.H. Mine Safety Disclosure

Not applicable.

Part III

Item 17. Financial Statements

We have responded to Item 18 in lieu of Item 17.

Item 18. Financial Statements

See pages F-1 through F-85, which are incorporated in this Item 18 by reference.

Item 19. Exhibits

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Documents filed as exhibits to this annual report appear on the following

(a) Exhibits.

EXHIBIT INDEX

Exhibit Number	Description of Exhibits
1.1	<u>English translation of Amended and Restated Bylaws (Estatutos Sociales) of the Registrant, dated as of April 30, 2009 (previously filed with the Securities and Exchange Commission as Exhibit 1.1 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2008, and incorporated herein by reference).</u>
2.1	Indenture relating to Senior Debt Securities, dated as of August 8, 2000, between the Registrant, as Issuer, and The Bank of New York, as Trustee (previously filed with the Securities and Exchange Commission as Exhibit 4.1 to the Registrant's Registration Statement on Form F-4 (File number 333-12738), as amended, and incorporated herein by reference).
2.2	Fourth Supplemental Indenture relating to the 8.5% Senior Exchange Notes due 2032 between the Registrant, as Issuer, and The Bank of New York and Dexia Banque Internationale à Luxembourg (previously filed with the Securities Exchange Commission as Exhibit 4.5 to the Registrant's Registration Statement on Form F-4 (the 2002 Form F-4) and incorporated herein by reference).

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Exhibit Number	Description of Exhibits
2.3	<u>Sixth Supplemental Indenture relating to the 8.5% Senior Notes due 2032 between Registrant, as Issuer, and The Bank of New York and Dexia Banque Internationale à Luxembourg (previously filed with the Securities and Exchange Commission as Exhibit 4.7 to the 2002 Form F-4 and incorporated herein by reference).</u>
2.4	<u>Seventh Supplemental Indenture relating to the 6 5/8% Senior Notes due 2025 between Registrant, as Issuer, and The Bank of New York and Dexia Banque Internationale à Luxembourg, dated March 18, 2005 (previously filed with the Securities and Exchange Commission as Exhibit 2.8 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2004 (the 2004 Form 20-F) and incorporated herein by reference).</u>
2.5	<u>Eighth Supplemental Indenture relating to the 6 5/8% Senior Notes due 2025 between Registrant, as Issuer, and The Bank of New York and Dexia Banque Internationale à Luxembourg, dated May 26, 2005 (previously filed with the Securities and Exchange Commission as Exhibit 2.9 to the 2004 Form 20-F and incorporated herein by reference).</u>
2.6	<u>Ninth Supplemental Indenture relating to the 6 5/8% Senior Notes due 2025 between Registrant, as Issuer, The Bank of New York and Dexia Banque Internationale à Luxembourg, dated September 6, 2005 (previously filed with the Securities and Exchange Commission as Exhibit 2.8 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2005 (the 2005 Form 20-F) and incorporated herein by reference).</u>
2.7	<u>Tenth Supplemental Indenture related to the 8.49% Senior Notes due 2037 between Registrant, as Issuer, The Bank of New York and The Bank of New York (Luxembourg) S.A., dated as of May 9, 2007 (previously filed with the Securities and Exchange Commission as Exhibit 2.9 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2006, and incorporated herein by reference).</u>
2.8	<u>Eleventh Supplemental Indenture relating to the 8.49% Senior Exchange Notes due 2037 between Registrant, as Issuer, The Bank of New York and The Bank of New York (Luxembourg) S.A., dated as August 24, 2007 (previously filed with the Securities and Exchange Commission as Exhibit 4.12 to the Registrant's Registration Statement on Form F-4 (File number 333-144460), as amended, and incorporated herein by reference).</u>
2.9	<u>Form of Deposit Agreement between the Registrant, The Bank of New York, as depositary and all holders and beneficial owners of the Global Depositary Shares, evidenced by Global Depositary Receipts (previously filed with the Securities and Exchange Commission as an Exhibit to the Registrant's Registration Statement on Form F-6 (File number 333-146130) and incorporated herein by reference).</u>
2.10	<u>Fourteenth Supplemental Indenture relating to the 6.625% Senior Notes due 2040 between Registrant, as Issuer, The Bank of New York Mellon and The Bank of New York (Luxembourg) S.A., dated as of November 30, 2009 (previously filed with the Securities and Exchange Commission as Exhibit 4.15 to the Registrant's Registration Statement on Form F-4 (File number 333-164595), as amended, and incorporated herein by reference).</u>
2.11	<u>Fifteenth Supplemental Indenture relating to the 6.625% Senior Exchange Notes due 2040 between Registrant, as Issuer, The Bank of New York Mellon and The Bank of New York (Luxembourg) S.A., dated as of March 22, 2010 (previously filed with the Securities and Exchange Commission as Exhibit 2.15 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2009 and incorporated herein by reference).</u>
2.12	<u>Sixteenth Supplemental Indenture relating to the 7.25% Peso Denominated Senior Notes due 2043 among the Registrant, The Bank of New York Mellon, as Trustee, Registrar, Paying Agent and Transfer Agent, the Bank of New York Mellon, London Branch, as London Paying Agent and the Bank of New York Mellon (Luxembourg) S.A., as Luxembourg Paying Agent and Transfer Agent, dated as of May 14, 2013 (previously filed with the Securities and Exchange Commission as Exhibit 4.1 to the Registrant's Form 6-K filed on May 14, 2013 and incorporated herein by reference).</u>

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Exhibit Number	Description of Exhibits
2.13	<u>Seventeenth Supplemental Indenture relating to the 5.000% Senior Notes due 2045 among the Registrant, The Bank of New York Mellon, as Trustee, Registrar, Paying Agent and Transfer Agent and the Bank of New York Mellon (Luxembourg) S.A., as Luxembourg Paying Agent and Transfer Agent, dated as of May 13, 2014 (previously filed with the Securities and Exchange Commission as Exhibit 4.1 to the Registrant's Form 6-K filed on May 13, 2014 and incorporated herein by reference).</u>
2.14	<u>Eighteenth Supplemental Indenture relating to the 4.625% Senior Notes due 2026 among the Registrant, The Bank of New York Mellon, as Trustee, Registrar, Paying Agent and Transfer Agent and the Bank of New York Mellon (Luxembourg) S.A., as Luxembourg Paying Agent and Transfer Agent, dated as of November 24, 2015 (previously filed with the Securities and Exchange Commission as Exhibit 4.1 to the Registrant's Form 6-K filed on November 24, 2015 and incorporated herein by reference).</u>
2.15	<u>Nineteenth Supplemental Indenture relating to the 6.125% Senior Notes due 2046 among the Registrant, The Bank of New York Mellon, as Trustee, Registrar, Paying Agent and Transfer Agent and the Bank of New York Mellon (Luxembourg) S.A., as Luxembourg Paying Agent and Transfer Agent, dated as of November 24, 2015 (previously filed with the Securities and Exchange Commission as Exhibit 4.2 to the Registrant's Form 6-K filed on November 24, 2015 and incorporated herein by reference).</u>
4.1	Form of Indemnity Agreement between the Registrant and its directors and executive officers (previously filed with the Securities and Exchange Commission as Exhibit 10.1 to the Registrant's Registration Statement on Form F-4 (File number 33-69636), as amended, and incorporated herein by reference).
4.2	Amended and Restated Collateral Trust Agreement, dated as of June 13, 1997, as amended, among PanAmSat Corporation, Hughes Communications, Inc., Satellite Company, LLC, the Registrant and IBJ Schroder Bank and Trust Company (previously filed with the Securities and Exchange Commission as an Exhibit to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2001 and incorporated herein by reference).
4.3	Amended and Restated Bylaws (Estatutos Sociales) of Innova, S. de R.L. de C.V. (Innova) dated as of December 22, 1998 (previously filed with the Securities and Exchange Commission as an Exhibit to Innova's Annual Report on Form 20-F for the year ended December 31, 2004 and incorporated herein by reference).
4.4	<u>Administration Trust Agreement relating to Trust No. 80375, dated as of March 23, 2004, by and among Nacional Financiera, S.N.C., as trustee of Trust No. 80370, Banco Inbursa, S.A., as trustee of Trust No. F/0553, Banco Nacional de México, S.A., as trustee of Trust No. 14520-1, Nacional Financiera, S.N.C., as trustee of Trust No. 80375, Emilio Azcárraga Jean, Promotora Inbursa, S.A. de C.V., the Registrant and Grupo Televisión, S.A. de C.V. (as previously filed with the Securities and Exchange Commission as an Exhibit to Schedules 13D or 13D/A in respect of various parties to the Trust Agreement (File number 005-60431) and incorporated herein by reference).</u>
4.5	<u>Third Amended and Restated Program License Agreement, dated as of January 22, 2009, by and between Televisa, S.A. de C.V., as successor in interest to Televisa Internacional, S.A. de C.V. and Univision Communications Inc. (previously filed with the Securities and Exchange Commission on February 2, 2009 (File number 001-12610) and incorporated herein by reference).</u>
4.6	<u>Full-Time Transponder Service Agreement, dated as of November _____, 2007, by and among Intelsat Corporation, Intelsat LLC, Corporación de Radio y Televisión del Norte de México, S. de R. L. de C.V. and SKY Brasil Serviços Ltda (previously filed with the Securities and Exchange Commission as Exhibit 4.16 to the 2007 Form 20-F and incorporated herein by reference).</u>
4.7	<u>Investment Agreement, dated as of December 20, 2010 (the Investment Agreement), by and among the Registrant, Televisa, S.A. de C.V., Univision Communications Inc., Broadcasting Media Partners, Inc., and UCI's direct and indirect licensee subsidiaries named therein (previously filed with the Securities and Exchange Commission as Exhibit 4.19 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2010 and incorporated herein by reference).</u>

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Exhibit Number	Description of Exhibits
4.8	<u>Amendment, dated as of February 28, 2011, to the Investment Agreement, dated as of December 20, 2010, by and among Broadcasting Media Partners, Inc., BMPI Services II, LLC, Univision Communications Inc., the Registrant and Pay-TV Venture, Inc. (previously filed with the Securities and Exchange Commission as Exhibit 4.20 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2010 and incorporated herein by reference).</u>
4.9	<u>\$1,125 million aggregate principal amount of 1.5% Convertible Debentures due 2025 issued by Broadcasting Media Partners, Inc. pursuant to the Investment Agreement, dated as of December 20, 2010 (previously filed with the Securities and Exchange Commission as Exhibit 4.21 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2010 and incorporated herein by reference).</u>
4.10	<u>Amended and Restated Certificate of Incorporation of Broadcasting Media Partners, Inc. (previously filed with the Securities and Exchange Commission as Exhibit 4.22 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2010 and incorporated herein by reference).</u>
4.11	<u>Amended and Restated Bylaws of Broadcasting Media Partners, Inc. dated as of December 20, 2010 (previously filed with the Securities and Exchange Commission as Exhibit 4.23 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2010 and incorporated herein by reference).</u>
4.12*	<u>Amended and Restated Stockholders Agreement, dated as of December 20, 2010, by and among Broadcasting Media Partners, Inc., Broadcast Media Partners Holdings, Inc., Univision Communications Inc., and certain stockholders of Broadcasting Media Partners, Inc. (previously filed with the Securities and Exchange Commission as Exhibit 4.24 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2010 and incorporated herein by reference).</u>
4.13	<u>Amendment, dated as of February 28, 2011, to the Amended and Restated Stockholders Agreement, dated as of December 20, 2010, by and among Broadcasting Media Partners, Inc., Broadcast Media Partners Holdings, Inc., Univision Communications Inc., and certain stockholders of Broadcasting Media Partners, Inc. (previously filed with the Securities and Exchange Commission as Exhibit 4.25 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2010 and incorporated herein by reference).</u>
4.14*	<u>Amended and Restated Principal Investor Agreement, dated as of December 20, 2010, by and among Broadcasting Media Partners, Inc., Broadcast Media Partners Holdings, Inc., Univision Communications Inc., the Registrant and certain investors (previously filed with the Securities and Exchange Commission as Exhibit 4.26 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2010 and incorporated herein by reference).</u>
4.15*	<u>Amended and Restated 2011 Program License Agreement, dated as of February 28, 2011, by and among Televisa, S.A. de C.V. and Univision Communications Inc. (previously filed with the Securities and Exchange Commission as Exhibit 4.27 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2010 and incorporated herein by reference).</u>
4.16*	<u>Second Amended and Restated 2011 Program License Agreement, dated as of July 1, 2015, by and among Televisa, S.A. de C.V. and Univision Communications Inc (previously filed with the Securities and Exchange Commission as Exhibit 4.18 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2015 and incorporated herein by reference).</u>
4.17	<u>Amendment to International Program Rights Agreement, dated as of December 20, 2010, by and among Univision Communications Inc. and the Registrant (previously filed with the Securities and Exchange Commission as Exhibit 4.28 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2010 and incorporated herein by reference).</u>
4.18*	<u>Amended and Restated 2011 Mexico License Agreement, dated as of February 28, 2011, by and among Univision Communications Inc. and Videoserpel, Ltd. (previously filed with the Securities and Exchange Commission as Exhibit 4.29 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2010 and incorporated herein by reference).</u>

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Exhibit Number	Description of Exhibits
4.19*	<u>Amendment to Amended and Restated 2011 Mexico License Agreement, dated as of July 1, 2015, by and among Univision Communications Inc. and Mountrigi Management Group Limited (f/k/a Videoserpel, Ltd.) (previously filed with the Securities and Exchange Commission as Exhibit 4.21 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2015 and incorporated herein by reference).</u>
4.20	<u>Letter Agreement, dated as of February 28, 2011, by and among Televisa, S.A. de C.V., the Registrant and Univision Communications Inc. (previously filed with the Securities and Exchange Commission as Exhibit 4.30 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2010 and incorporated herein by reference).</u>
4.21*	<u>Purchase and Assignment and Assumption Agreement, dated as of December 20, 2010, by and among Pay-TV Venture, Inc., TuTv LLC and Univision Communications Inc., solely for purposes of Section 1.4, Televisa, S.A. de C.V., as successor to Visat, S.A. de C.V. and Televisa Internacional, S.A. de C.V., and, solely for purposes of Section 1.5, the Registrant (previously filed with the Securities and Exchange Commission as Exhibit 4.31 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2010 and incorporated herein by reference).</u>
4.22	<u>English summary of Irrevocable Guaranty Trust Agreement, dated as of December 16, 2010 (and amended on December 16, 2010 and April 7, 2011), by and among Grupo Salinas Telecom, S.A. de C.V., México Media Investments, S.L., GSF Telecom Holdings, S.A.P.I. de C.V. and Banco Invex, S.A., Institución de Banca Múltiple, Invex Grupo Financiero and Assignment Agreement with respect to the Irrevocable Guaranty Trust Agreement, dated as of April 7, 2011, by and among Mexico Media Investments S.L., Sociedad Unipersonal, as assignor and Corporativo Vasco de Quiroga, S.A. de C.V., as assignee, with the consent of Grupo Salinas Telecom, S.A. de C.V., GSF Telecom Holdings, S.A.P.I. de C.V. and Banco Invex, S.A., Institución de Banca Múltiple, Invex Grupo Financiero (previously filed with the Securities and Exchange Commission as Exhibit 4.33 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2010 and incorporated herein by reference).</u>
4.23	<u>English summary of Amendment and Restatement of the Indenture, dated April 7, 2011, relating to the issuance of the Series 1 and Series 2 Debentures by GSF Telecom Holdings, Sociedad Anónima Promotora de Inversión de Capital Variable with the consent of Deutsche Bank México, Sociedad Anónima, Institución de Banca Múltiple, División Fiduciaria and Assignment Agreement with respect to the Series 1 and Series 2 Debentures, dated April 7, 2011, by and among Mexico Media Investments S.L., Sociedad Unipersonal, as assignor and Corporativo Vasco de Quiroga, S.A. de C.V., as assignee, with the consent of GSF Telecom Holdings, S.A.P.I. de C.V. and Deutsche Bank México, S.A., Institución de Banca Múltiple, División Fiduciaria (previously filed with the Securities and Exchange Commission as Exhibit 4.34 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2010 and incorporated herein by reference).</u>
4.24	<u>English summary of Ps.2,500 million credit agreement, dated as of March 28, 2011, between the Registrant and HSBC México, S.A., Institución de Banca Múltiple, Grupo Financiero HSBC (previously filed with the Securities and Exchange Commission as Exhibit 4.39 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2010 and incorporated herein by reference).</u>
4.25	<u>English summary of indenture, dated July 31, 2013, related to the issuance of Ps.7,000 million convertible debentures, by Tenedora Ares, S.A.P.I. de C.V., together with Banco Invex, Sociedad Anónima, Institución de Banca Múltiple, Invex Grupo Financiero, Fiduciario, in its capacity as common representative for the holders of the debentures (previously filed with the Securities and Exchange Commission as Exhibit 4.30 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2013 and incorporated herein by reference).</u>
4.26	<u>English summary of call and put option agreement, dated July 31, 2013, by and among Tenedora Ares, S.A.P.I. de C.V., Thomas Stanley Heather Rodríguez, Vamole Inversiones 2013, S.L. Sociedad Unipersonal and Arretis, S.A.P.I. de C.V. (previously filed with the Securities and Exchange Commission as Exhibit 4.32 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2013 and incorporated herein by reference).</u>

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Exhibit Number	Description of Exhibits
4.27	<u>English summary of conversion of debentures, dated August 13, 2014, by and between Arretis, S.A.P.I. de C.V and Tenedora Ares, S.A.P.I. de C.V. (previously filed with the Securities and Exchange Commission as Exhibit 4.33 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2014 and incorporated herein by reference).</u>
4.28	<u>English summary of share purchase agreement, dated August 13, 2014, by and among Vamole Inversiones 2013, S.L., Sociedad Unipersonal, Thomas Stanley Heather Rodriguez, Arretis, S.A.P.I. de C.V. and San Ángel Telecom, S.A. de C.V. (previously filed with the Securities and Exchange Commission as Exhibit 4.34 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2014 and incorporated herein by reference).</u>
4.29	<u>English summary of share purchase agreement, dated August 13, 2014, by and among Dafel Investments B.V., Mexico Media Investments, S.L., Sociedad Unipersonal, Cable TV Investments, S.L., Sociedad Unipersonal, Tenedora Ares, S.A.P.I. de C.V. and San Ángel Telecom, S.A. de C.V. (previously filed with the Securities and Exchange Commission as Exhibit 4.35 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2014 and incorporated herein by reference).</u>
4.30	<u>English summary of share purchase agreement, dated July 9, 2014, by and among Inxev Grupo Financiero, as trustee of Trust F/1017 and Grupo Salinas Telecom, S.A. de C.V., with the acknowledgement of GSF Telecom Holdings, S.A.P.I. de C.V. and Corporativo Vasco de Quiroga, S.A. de C.V. (previously filed with the Securities and Exchange Commission as Exhibit 4.36 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2014 and incorporated herein by reference).</u>
4.31	<u>English summary of merger agreement, dated January 8, 2015, by and among Consorcio Nekeas, S.A. de C.V., Galavisión DTH, S. de R.L. de C.V. and Inmobiliaria Hevi, S.A. de C.V. (previously filed with the Securities and Exchange Commission as Exhibit 4.37 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2014 and incorporated herein by reference).</u>
4.32	<u>English summary of stock purchase agreement, dated January 8, 2015, by and among Mara del Carmen Ordóñez Valverde, Axel Eduardo Vielma Ordóñez, Héctor Vielma Ordóñez, José Francisco Vielma Ordóñez, Luis Edmundo Vielma Ordóñez and Corporativo Vasco de Quiroga, S.A. de C.V. (previously filed with the Securities and Exchange Commission as Exhibit 4.38 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2014 and incorporated herein by reference).</u>
4.33	<u>English summary of merger agreement, dated March 4, 2016, by and among Corporativo Vasco de Quiroga, S.A. de C.V. and Grupo TVI Telecom, S.A. de C.V. (previously filed with the Securities and Exchange Commission as Exhibit 4.41 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2015 and incorporated herein by reference)</u>
8.1	<u>List of Subsidiaries of Registrant.</u>
12.1	<u>Co-CEO Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated April 30, 2018.</u>
12.2	<u>Co-CEO Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated April 30, 2018.</u>
12.3	<u>Principal Financial Officer Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated April 30, 2018.</u>
13.1	<u>Co-CEO Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, dated April 30, 2018.</u>
13.2	<u>Co-CEO Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, dated April 30, 2018.</u>
13.3	<u>Principal Financial Officer Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, dated April 30, 2018.</u>
23.1	<u>Consent of PricewaterhouseCoopers, S.C.</u>

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Exhibit Number	Description of Exhibits
101	The following materials from the Company's Annual Report on Form 20-F for the fiscal year ended December 31, 2017, formatted in eXtensible Business Reporting Language (XBRL): (i) Consolidated Statements of Financial Position as of December 31, 2017 and 2016; (ii) Consolidated Statements of Income for the Years Ended December 31, 2017, 2016 and 2015; (iii) Consolidated Statements of Comprehensive Income for the Years Ended December 31, 2017, 2016 and 2015; (iv) Consolidated Statements of Changes in Equity for the Years ended December 31, 2017, 2016 and 2015; (v) Consolidated Statements of Cash Flows for the Years Ended December 31, 2017, 2016 and 2015; and (vi) Notes to Consolidated Financial Statements for the Years Ended December 31, 2017, 2016 and 2015.

* Portions of this exhibit have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

Instruments defining the rights of holders of certain issues of long-term debt of the Registrant and its consolidated subsidiaries have not been filed as exhibits to this Form 20-F because the authorized principal amount of any one of such issues does not exceed 10% of the total assets of the Registrant and its subsidiaries on a consolidated basis. The Registrant agrees to furnish a copy of each such instrument to the Securities and Exchange Commission upon request.

(b) Financial Statement Schedules

All financial statement schedules relating to the Registrant are omitted because they are not required or because the required information, if material, is contained in the audited year-end financial statements or notes thereto.

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SIGNATURE

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

GRUPO TELEVISIA, S.A.B.

By: /s/ Carlos Ferreiro Rivas
Name: Carlos Ferreiro Rivas
Title: Vice President of Finance

By: /s/ José Antonio Lara Del Olmo
Name: José Antonio Lara Del Olmo
Title: Vice President of Administration

Date: April 30, 2018

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GRUPO TELEVISA, S. A. B. AND SUBSIDIARIES

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DECEMBER 31, 2017 AND 2016

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Grupo Televisa, S. A. B.:

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated statements of financial position of Grupo Televisa, S. A. B. and its subsidiaries (the Company) as of December 31, 2017 and 2016, and the related consolidated statements of income, of comprehensive income, of changes in equity and of cash flows for each of the three years in the period ended December 31, 2017, including the related notes (collectively referred to as the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and 2016, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2017 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board. Also in our opinion, the Company did not maintain, in all material respects, effective internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the COSO because material weaknesses in internal control over financial reporting exists as of that date related to deficiencies in risk assessment as the Company did not appropriately design, maintain or monitor certain controls in response to the risk of material misstatement, which contributed to material weaknesses in internal control over financial reporting as the Company (i) did not design and maintain effective controls over certain information technology controls, (ii) did not design and maintain effective controls over segregation of duties within the accounting system, including review and approval of manual journal entries, and (iii) had ineffective controls with respect to the accounting for certain revenue and related accounts receivable at certain divisions.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. The material weaknesses referred to above are described in Management's Annual Report on Internal Control over Financial Reporting appearing under Item 15. We considered these material weaknesses in determining the nature, timing, and extent of audit tests applied in our audit of the December 31, 2017 consolidated financial statements, and our opinion regarding the effectiveness of the Company's internal control over financial reporting does not affect our opinion on those consolidated financial statements.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in management's report referred to above. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over

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financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial

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statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PricewaterhouseCoopers, S. C.

/s/ L.C.C. Alberto Del Castillo Velasco Vilchis

Audit Partner

Mexico City

April 30, 2018

We have served as the Company's auditor since 1993.

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As of December 31, 2017 and 2016
(In thousands of Mexican pesos)
(Notes 1, 2 and 3)

	Notes	2017	2016
ASSETS			
Current assets:			
Cash and cash equivalents	6	Ps. 38,734,949	Ps. 47,546,083
Temporary investments	6	6,013,678	5,498,219
Trade notes and accounts receivable, net	7	24,727,073	24,906,452
Other accounts and notes receivable, net		4,944,026	5,884,907
Derivative financial instruments	14	1,515,041	
Due from related parties	19	860,220	905,572
Transmission rights and programming	8	5,890,866	6,533,173
Inventories		1,492,947	1,899,078
Other current assets		2,865,903	2,588,014
Total current assets		87,044,703	95,761,498
Non-current assets:			
Derivative financial instruments	14	748,833	647,770
Transmission rights and programming	8	8,158,521	7,975,296
Investments in financial instruments	9	43,996,852	45,136,751
Investments in associates and joint ventures	10	14,110,752	12,092,254
Property, plant and equipment, net	11	85,719,810	86,783,572
Intangible assets, net	12	35,886,434	37,734,771
Deferred income tax assets	23	21,355,044	22,729,580
Other assets		199,152	192,658
Total non-current assets		210,175,398	213,292,652
Total assets		Ps. 297,220,101	Ps. 309,054,150

The accompanying notes are an integral part of these consolidated financial statements.

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LIABILITIES					
Current liabilities:					
Current portion of long-term debt and interest payable	13	Ps.	2,103,870	Ps.	2,678,255
Current portion of finance lease obligations	13		580,884		575,576
Current portion of other notes payable	13		1,178,435		1,202,344
Trade accounts payable and accrued expenses			19,959,795		22,878,015
Customer deposits and advances			18,798,347		21,709,431
Income taxes payable	23		2,524,349		2,012,536
Other taxes payable			1,172,496		1,479,071
Employee benefits			963,377		1,078,729
Due to related parties	19		991,469		1,088,226
Other current liabilities			2,491,795		2,723,880
Total current liabilities			50,764,817		57,426,063
Non-current liabilities:					
Long-term debt, net of current portion	13		121,993,128		126,146,663
Finance lease obligations, net of current portion	13		5,041,890		5,816,250
Other notes payable, net of current portion	13		2,505,625		3,650,681
Derivative financial instruments	14				5,508
Income taxes payable	23		4,730,620		6,386,877
Deferred income tax liabilities	23		9,037,513		10,349,135
Post-employment benefits	15		716,095		520,473
Other long-term liabilities			2,773,499		2,468,100
Total non-current liabilities			146,798,370		155,343,687
Total liabilities			197,563,187		212,769,750
EQUITY					
Capital stock	16		4,978,126		4,978,126
Additional paid-in-capital			15,889,819		15,889,819
Retained earnings	17		74,983,656		70,395,669
Accumulated other comprehensive income, net	17		4,599,147		3,961,784
Shares repurchased	16		(14,788,984)		(11,433,482)
Equity attributable to stockholders of the Company			85,661,764		83,791,916
Non-controlling interests	18		13,995,150		12,492,484
Total equity			99,656,914		96,284,400
Total liabilities and equity		Ps.	297,220,101	Ps.	309,054,150

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents**Consolidated Statements of Income**

For the Years Ended December 31, 2017, 2016 and 2015

(In thousands of Mexican pesos, except per CPO amounts)
(Notes 1, 2 and 3)

	Notes	2017		2016		2015	
Net sales	25	Ps.	94,274,235	Ps.	96,287,363	Ps.	88,051,829
Cost of sales	20		53,534,553		52,377,790		47,226,544
Selling expenses	20		10,554,113		10,900,695		9,716,244
Administrative expenses	20		13,556,033		13,273,397		12,035,439
Income before other expense	25		16,629,536		19,735,481		19,073,602
Other expense, net	21		2,386,334		3,137,384		328,477
Operating income			14,243,202		16,598,097		18,745,125
Finance expense	22		(9,245,671)		(11,031,585)		(8,665,398)
Finance income	22		3,940,838		1,499,473		8,542,542
Finance expense, net			(5,304,833)		(9,532,112)		(122,856)
Share of income of associates and joint ventures, net	10		1,913,273		1,139,604		35,399
Income before income taxes			10,851,642		8,205,589		18,657,668
Income taxes	23		4,274,120		2,872,235		6,332,218
Net income		Ps.	6,577,522	Ps.	5,333,354	Ps.	12,325,450
Net income attributable to:							
Stockholders of the Company		Ps.	4,524,496	Ps.	3,721,406	Ps.	10,899,135
Non-controlling interests	18		2,053,026		1,611,948		1,426,315
Net income		Ps.	6,577,522	Ps.	5,333,354	Ps.	12,325,450
Basic earnings per CPO attributable to stockholders of the Company	24	Ps.	1.54	Ps.	1.28	Ps.	3.77
Diluted earnings per CPO attributable to stockholders of the Company	24	Ps.	1.46	Ps.	1.20	Ps.	3.52

The accompanying notes are an integral part of these consolidated financial statements.

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Consolidated Statements of Comprehensive Income
For the Years Ended December 31, 2017, 2016 and 2015

(In thousands of Mexican pesos)
(Notes 1, 2 and 3)

	Notes	2017		2016		2015	
		Ps.		Ps.		Ps.	
Net income		6,577,522		5,333,354		12,325,450	
Other comprehensive income (loss):							
Items that will not be reclassified to income:							
Remeasurement of post-employment benefit obligations	15	(283,106)		(255,713)		(166,044)	
Items that may be subsequently reclassified to income:							
Exchange differences on translating foreign operations		334,097		767,165		498,954	
Equity instruments issued by Imagina:							
Changes in fair value	9					405,132	
Reclassification to other finance income	9					(544,402)	
Cash flow hedges		231,758		789,208		25,838	
Convertible debentures due 2025 issued by UHI:							
Changes in fair value	9					319,307	
Reclassification to other finance income	9					(4,718,175)	
Warrants issued by UHI, net of hedge	9	(280,447)		(3,635,399)		3,303,182	
Available-for-sale investments	9	1,008,675		(32,379)		(80,371)	
Share of other comprehensive (loss) income of associates and joint ventures	10	(60,340)		(42,832)		19,705	
Other comprehensive income (loss) before income taxes		950,637		(2,409,950)		(936,874)	
Income taxes	23	(366,036)		1,220,400		593,337	
Other comprehensive income (loss)		584,601		(1,189,550)		(343,537)	
Total comprehensive income		Ps. 7,162,123		Ps. 4,143,804		Ps. 11,981,913	
Total comprehensive income attributable to:							
Stockholders of the Company		Ps. 5,161,859		Ps. 2,425,636		Ps. 10,477,626	
Non-controlling interests	18	2,000,264		1,718,168		1,504,287	
Total comprehensive income		Ps. 7,162,123		Ps. 4,143,804		Ps. 11,981,913	

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents**Consolidated Statements of Changes in Equity**

For the Years Ended December 31, 2017, 2016 and 2015

(In thousands of Mexican pesos)
(Notes 1, 2 and 3)

	Capital Stock Issued (Note 16)	Additional Paid-in Capital	Retained Earnings (Note 17)	Accumulated Other Comprehensive Income (Note 17)	Shares Repurchased (Note 16)	Equity Attributable to Stockholders of the Company	Non-controlling Interests (Note 18)	Total Equity
Balance at January 1, 2015	Ps. 4,978,126	Ps. 15,889,819	Ps. 62,905,444	Ps. 5,679,063	Ps. (12,647,475)	Ps. 76,804,977	Ps. 11,110,104	Ps. 87,915,081
Reduction of capital of non-controlling interests							(95,500)	(95,500)
Dividends			(1,084,192)			(1,084,192)	(379,639)	(1,463,831)
Shares repurchased					(733,831)	(733,831)		(733,831)
Sale of shares			(765,227)		1,499,058	733,831		733,831
Stock-based compensation			1,184,524			1,184,524		1,184,524
Other adjustments to non-controlling interests							(410)	(410)
Comprehensive income			10,899,135	(421,509)		10,477,626	1,504,287	11,981,913
Balance at December 31, 2015	4,978,126	15,889,819	73,139,684	5,257,554	(11,882,248)	87,382,935	12,138,842	99,521,777
Acquisition of non-controlling interests in TVI (see Note 3)			(6,324,997)			(6,324,997)	(804,427)	(7,129,424)
Dividends			(1,084,192)			(1,084,192)	(560,417)	(1,644,609)
Shares repurchased					(1,720,807)	(1,720,807)		(1,720,807)
Sale of shares			(448,766)		2,169,573	1,720,807		1,720,807
Stock-based compensation			1,392,534			1,392,534		1,392,534
Other adjustments to non-controlling interests							318	318
Comprehensive income			3,721,406	(1,295,770)		2,425,636	1,718,168	4,143,804
Balance at December 31, 2016	4,978,126	15,889,819	70,395,669	3,961,784	(11,433,482) (2,500,000)	83,791,916 (2,500,000)	12,492,484	96,284,400 (2,500,000)

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Funding for acquisition of shares under the Long-term Retention Plan								
Dividends	(1,084,192)		(1,084,192)	(497,617)	(1,581,809)			
Repurchase of CPOs		(383,808)	(383,808)		(383,808)			
Other costs for sale of shares		(792,348)	(792,348)		(792,348)			
Shares repurchased		(2,301,918)	(2,301,918)		(2,301,918)			
Sale of shares	(320,654)	2,622,572	2,301,918		2,301,918			
Stock-based compensation	1,468,337		1,468,337		1,468,337			
Other adjustments to non-controlling interests						19		19
Comprehensive income	4,524,496	637,363	5,161,859	2,000,264	7,162,123			
Balance at December 31, 2017	Ps. 4,978,126	Ps. 15,889,819	Ps. 74,983,656	Ps. 4,599,147	Ps. (14,788,984)	Ps. 85,661,764	Ps. 13,995,150	Ps. 99,656,914

The accompanying notes are an integral part of these consolidated financial statements.

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Consolidated Statements of Cash Flows
For the Years Ended December 31, 2017, 2016 and 2015

(In thousands of Mexican pesos)
(Notes 1, 2 and 3)

	2017		2016		2015	
Operating Activities:						
Income before income taxes	Ps.	10,851,642	Ps.	8,205,589	Ps.	18,657,668
Adjustments to reconcile income before income taxes to net cash provided by operating activities:						
Share of income of associates and joint ventures		(1,913,273)		(1,139,604)		(35,399)
Depreciation and amortization		18,536,274		16,979,833		14,660,929
Other amortization of assets		504,674		352,654		304,860
Impairment of long-lived assets		89,597		6,851		131,065
Disposition of property and equipment		947,699		1,448,295		688,706
Disposition of other intangible assets		280,013				
Provision for doubtful accounts and write-off receivables		1,245,334		1,985,445		1,644,904
Post-employment benefits		158,905		(53,344)		38,334
Interest income		(885,516)		(458,528)		(378,736)
Income from UHI						(2,194,981)
Share-based compensation expense		1,489,884		1,410,492		1,199,489
Reclassifications from accumulated other comprehensive income						(5,262,577)
Expense on Senior Notes prepayment		158,496				
Provisions for related party transactions		308,814		340,202		1,024,484
Other finance (income) loss, net		(903,204)		43,370		(917,682)
Loss (gain) on disposition of investments		295,194		312		(76,296)
Interest expense		9,087,175		8,497,919		6,239,387
Unrealized foreign exchange (gain) loss, net		(2,396,317)		6,707,831		4,032,871
		37,855,391		44,327,317		39,757,026
Increase in trade notes and accounts receivable		(1,064,810)		(4,649,477)		(2,120,569)
Decrease (increase) in transmission rights and programming		478,565		163,014		(535,487)
Decrease (increase) in due from related parties, net		135,730		(432,736)		527,515
Decrease (increase) in inventories		360,563		(262,016)		1,705,238
Increase in other accounts and notes receivable and other current assets		47,406		(914,527)		(877,316)
(Decrease) increase in trade accounts payable and accrued expenses		(2,696,279)		5,255,698		63,873
(Decrease) increase in customer deposits and advances		(2,878,358)		688,097		459,215
(Decrease) increase in other liabilities and taxes payable		(385,451)		(204,722)		192,113
Decrease in post-employment benefits		(333,026)		(44,819)		(62,373)
Income taxes paid		(6,419,995)		(7,268,938)		(7,823,659)
		(12,755,655)		(7,670,426)		(8,471,450)
Net cash provided by operating activities		25,099,736		36,656,891		31,285,576
Investing activities:						
Temporary investments		271,839		254,437		16,083
Income from UHI						2,194,981
Held-to-maturity and available-for-sale investments		(262,401)		(302,631)		(89,552)
Disposition of held-to-maturity and available-for-sale investments		310,629		74,086		362,416
Acquisition of Telecable, net of acquired cash and cash equivalents						(9,731,391)

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Investment in associates and other investments	(147,110)	(231,004)	(92,141)
Disposition of investment	(14,357)		76,335
Dividends received	136,000	47,200	
Additional investment in Imagina			(341,710)
Disposition of investment in GSF			10,335,813
Investments in property, plant and equipment	(16,759,566)	(27,941,585)	(25,524,145)
Disposition of property, plant and equipment	911,471	1,571,211	565,552
Investments in intangible assets	(1,777,590)	(2,472,124)	(1,553,801)
Net cash used in investing activities	(17,331,085)	(29,000,410)	(23,781,560)
Financing activities:			
Long-term Mexican banks	5,973,000	5,728,498	2,487,936
Issuance of Notes due 2027	4,476,958		

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	2017	2016	2015
Issuance of Notes due 2022			4,988,747
Issuance of Senior Notes due 2026			4,903,744
Issuance of Senior Notes due 2046			14,716,640
Repayment of Mexican peso debt	(851,659)	(73,850)	(883,340)
Prepayment of Mexican peso debt	(625,000)	(3,548,750)	(5,905,601)
Prepayment of Senior Notes due 2018	(9,775,996)		
Payments of finance lease obligations	(569,711)	(329,064)	(405,151)
Prepayment of other notes payable	(1,292,438)		
Interest paid	(8,860,881)	(7,633,026)	(5,938,679)
Funding for acquisition of shares of the Long-term Retention Plan	(2,500,000)		
Repurchases of CPOs under a share repurchase program	(383,808)		
Repurchase of capital stock	(2,301,918)	(1,720,807)	(733,831)
Sale of capital stock	2,301,918	1,720,807	733,831
Dividends paid	(1,084,192)	(1,084,192)	(1,084,192)
Dividends paid and reduction of capital of non-controlling interests	(488,961)	(547,618)	(475,139)
Acquisition of a non-controlling interest		(2,379,424)	
Derivative financial instruments	(486,650)	(123,486)	(372,040)
Net cash (used in) provided by financing activities	(16,469,338)	(9,990,912)	12,032,925
Effect of exchange rate changes on cash and cash equivalents	(110,447)	483,388	130,835
Net (decrease) increase in cash and cash equivalents	(8,811,134)	(1,851,043)	19,667,776
Cash and cash equivalents at beginning of year	47,546,083	49,397,126	29,729,350
Cash and cash equivalents at end of year	Ps. 38,734,949	Ps. 47,546,083	Ps. 49,397,126

Non-cash transactions:

The principal non-cash transactions in 2016 included the issuance of other notes payable in the aggregate discounted amount of Ps.4,750,000 (undiscounted amount of Ps.5,106,250) in connection with the acquisition of a non-controlling interest in TVI (see Notes 3 and 12). The principal non-cash transactions in 2015 included a cumulative gain from changes in fair value, which was reclassified from accumulated other comprehensive income in consolidated equity to other finance income, net, in connection with the exchange of Convertible Debentures issued by UHI for Warrants that are exercisable for shares of common stock of UHI (see Note 22), and impairment adjustments related to the Group's Publishing business (see Note 12).

The accompanying notes are an integral part of these consolidated financial statements.

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Notes to Consolidated Financial Statements

For the Years Ended December 31, 2017, 2016 and 2015

(In thousands of Mexican pesos, except per CPO, per share and exchange rate amounts, unless otherwise indicated)

1. Corporate Information

Grupo Televisa, S.A.B. (the Company) is a limited liability public stock corporation (Sociedad Anónima Bursátil or S.A.B.), incorporated under the laws of Mexico. Pursuant to the terms of the Company's bylaws (Estatutos Sociales), its corporate existence continues through 2106. The shares of the Company are listed and traded in the form of Certificados de Participación Ordinarios or CPOs on the Mexican Stock Exchange (Bolsa Mexicana de Valores) under the ticker symbol TLEVISA CPO, and in the form of Global Depository Shares or GDSs, on the New York Stock Exchange, or NYSE, under the ticker symbol TV. The Company's principal executive offices are located at Av. Vasco de Quiroga No. 2000, Colonia Santa Fe, 01210, Mexico City, Mexico.

Grupo Televisa, S.A.B., together with its subsidiaries (collectively, the Group), is a leading media company in the Spanish-speaking world, an important cable operator in Mexico, and an operator of a leading direct-to-home satellite pay television system in Mexico. The Group distributes the content it produces through several broadcast channels in Mexico and in over 50 countries through 26 pay-tv brands and television networks, cable operators and over-the-top or OTT services. In the United States, the Group's audiovisual content is distributed through Univision Communications Inc. (Univision) the leading media company serving the Hispanic market. Univision broadcasts the Group's audiovisual content through multiple platforms in exchange for a royalty payment. In addition, the Group has equity and Warrants that upon their exercise would represent approximately 36% on a fully-diluted, as-converted basis of the equity capital in Univision Holdings, Inc. or UHI, the controlling company of Univision. The Group's cable business offers integrated services, including video, high-speed data and voice services to residential and commercial customers as well as managed services to domestic and international carriers through five cable multiple system operators in Mexico. The Group owns a majority interest in Sky, a leading direct-to-home satellite pay television system in Mexico, operating also in the Dominican Republic and Central America. The Group also has interests in magazine publishing and distribution, radio production and broadcasting, professional sports and live entertainment, feature- film production and distribution, and gaming.

2. Accounting Policies

The principal accounting policies followed by the Group and used in the preparation of these consolidated financial statements are summarized below.

(a) Basis of Presentation

The consolidated financial statements of the Group as of December 31, 2017 and 2016, and for the years ended December 31, 2017, 2016 and 2015, are presented in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB). IFRSs comprise: (i) International Financial Reporting Standards (IFRS); (ii) International Accounting Standards (IAS); (iii) IFRS Interpretations Committee (IFRIC) Interpretations; and (iv) Standing Interpretations Committee (SIC) Interpretations.

The consolidated financial statements have been prepared on a historical cost basis, except for the measurement at fair value of temporary investments, derivative financial instruments, available-for-sale financial assets, equity financial instruments, and share-based payments, as described below.

The preparation of consolidated financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Changes in assumptions may have a significant impact on the consolidated financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate. The areas involving a higher degree of judgment or complexity, or areas where estimates and assumptions are significant to the Group's financial statements are disclosed in Note 5 to these consolidated financial statements.

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These consolidated financial statements were authorized for issuance on April 6, 2018, by the Group's Principal Financial Officer.

(b) Consolidation

The financial statements of the Group are prepared on a consolidated basis and include the assets, liabilities and results of operations of all companies in which the Company has a controlling interest (subsidiaries). All intercompany balances and transactions have been eliminated from the consolidated financial statements.

Subsidiaries

Subsidiaries are all entities over which the Company has control. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The existence and effects of potential voting rights that are currently exercisable or convertible are considered when assessing whether or not the Company controls another entity. The subsidiaries are consolidated from the date on which control is obtained by the Company and cease to consolidate from the date on which said control is lost.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in income or loss.

Changes in Ownership Interests in Subsidiaries Without Change of Control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions—that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the interest acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals of non-controlling interests are also recorded in equity.

Loss of Control of a Subsidiary

When the Company ceases to have control of a subsidiary, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognized in income or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This means that amounts previously recognized in other comprehensive income are reclassified to income or loss.

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At December 31, 2017, 2016 and 2015, the main direct and indirect subsidiaries of the Company were as follows:

Entity	Company's Ownership Interest (1)	Business Segment (2)
Grupo Telesistema, S.A. de C.V. and subsidiaries	100%	Content and Other Businesses
Televisa, S.A. de C.V. (Televisa) (3)	100%	Content
G.Televisa-D, S.A. de C.V. (3)	100%	Content
Multimedia Telecom, S.A. de C.V. (Multimedia Telecom) and subsidiary (4)	100%	Content
Innova, S. de R.L. de C.V. (Innova) and subsidiaries (collectively, Sky) (5)	58.7%	Sky
Corporativo Vasco de Quiroga, S.A. de C.V. (CVQ) and subsidiaries (6)	100%	Cable and Sky
Empresas Cablevisión, S.A.B. de C.V. and subsidiaries (collectively, Empresas Cablevisión) (7)	51%	Cable
Subsidiaries engaged in the Cablemás business (collectively, Cablemás) (8)	100%	Cable
Televisión Internacional, S.A. de C.V. and subsidiaries (collectively, TVI) (9)	100%	Cable
Cablestar, S.A. de C.V. and subsidiaries (collectively, Bestel) (10)	66.1%	Cable
Arretis, S.A.P.I. de C.V. and subsidiaries (collectively, Cablecom) (11)	100%	Cable
Subsidiaries engaged in the Telecable business (collectively, Telecable) (12)	100%	Cable
Editorial Televisa, S.A. de C.V. and subsidiaries	100%	Other Businesses
Grupo Distribuidoras Intermex, S.A. de C.V. and subsidiaries	100%	Other Businesses
Sistema Radiópolis, S.A. de C.V. (Radiópolis) and subsidiaries (13)	50%	Other Businesses
Televisa Juegos, S.A. de C.V. and subsidiaries	100%	Other Businesses
Villacezán, S.A. de C.V. (Villacezán) and subsidiaries (14)	100%	Other Businesses

(1) Percentage of equity interest directly or indirectly held by the Company.

(2) See Note 25 for a description of each of the Group's business segments.

(3) Televisa and G.Televisa-D, S.A. de C.V. are direct subsidiaries of Grupo Telesistema, S.A. de C.V.

(4) Multimedia Telecom and its direct subsidiary, Comunicaciones Tieren, S.A. de C.V. (Tieren), are wholly-owned subsidiaries of the Company through which it owns shares of the capital stock of UHI and maintains an investment in Warrants that are exercisable for shares of common stock of UHI. As of December 31, 2017 and 2016, Multimedia Telecom and Tieren have investments representing 95.3% and 4.7%, respectively, of the Group's aggregate investment in shares of common stock and Warrants issued by UHI (see Notes 9, 10 and 19).

(5) Innova is an indirect majority-owned subsidiary of the Company and a direct majority-owned subsidiary of Innova Holdings, S. de R.L. de C.V. (Innova Holdings). Sky is a satellite television provider in Mexico, Central America and the Dominican Republic. Although the Company holds a majority of Innova's equity and designates a majority of the members of Innova's Board of Directors, the non-controlling interest has certain governance and veto

rights in Innova, including the right to block certain transactions between the companies in the Group and Sky. These veto rights are protective in nature and do not affect decisions about relevant business activities of Innova.

(6) CVQ is a direct subsidiary of the Company and the parent company of Empresas Cablevisión, Cablemás, TVI, Bestel, Cablecom, Telecable and Innova. In September 2016, Factum Más Telecom, S.A. de C.V., a former direct subsidiary of the Company and the parent company of Innova Holdings and Innova was merged into CVQ. At the consolidated level, this merger had no effect (see Note 3).

(7) Empresas Cablevisión, S.A.B. de C.V. is a direct majority-owned subsidiary of CVQ. Through April 2015, Empresas Cablevisión, S.A.B. de C.V. was directly owned by Editora Factum, S.A. de C.V., a direct subsidiary of the Company that was merged into CVQ in May 2015. At the consolidated level, the merger had no effect.

(8) The Cablemás subsidiaries are directly and indirectly owned by CVQ. In January 2015, some Cablemás subsidiaries were directly owned by the Company, and some other subsidiaries were directly owned by TTelecom H, S.A.P.I. de C.V. (TTelecom), a former direct subsidiary of the Company, which was merged into CVQ in July 2015. The Cablemás subsidiaries directly owned by the Company were acquired by a direct subsidiary of CVQ in the second half of 2015. In June 2016, three former subsidiaries of Grupo Cable TV, S.A. de C.V. were merged into a Cablemás subsidiary. At the consolidated level, the mergers had no effect.

(9) Televisión Internacional, S.A. de C.V. is a direct subsidiary of CVQ. Through February 2016, the Company had a 50% ownership interest in TVI, and consolidated this subsidiary because it appointed the majority of the members of the Board of Directors of TVI. In March 2016, the Company acquired the remaining 50% non-controlling interest in TVI (see Note 3).

(10) Cablestar, S.A. de C.V. is an indirect majority-owned subsidiary of CVQ and Empresas Cablevisión, S.A.B. de C.V.

(11) Through the third quarter of 2016, Grupo Cable TV, S.A. de C.V. (Grupo Cable TV) was an indirect subsidiary of CVQ. In June 2016, three former subsidiaries of Grupo Cable TV were merged into a Cablemás subsidiary. In the fourth quarter of 2016, Grupo Cable TV merged into Arretis, S.A.P.I. de C.V., a direct subsidiary of CVQ. At the consolidated level, the mergers had no effect.

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(12) The Telecable subsidiaries are directly owned by CVQ as a result of the merger of TTelecom into CVQ in July 2015. TTelecom was a wholly-owned subsidiary of the Company through which the Company acquired Telecable in January 2015 (see Note 3).

(13) Radiópolis is a direct subsidiary of the Company. The Company controls Radiópolis as it has the right to appoint the majority of the members of the Board of Directors of Radiópolis.

(14) Villacezán is an indirect subsidiary of Grupo Telesistema, S.A. de C.V. Certain subsidiaries of the Company in the Other Businesses segment, owned by TTelecom, were acquired by Villacezán in the third quarter of 2015, following the merger described above of TTelecom into CVQ.

The Group's Content, Sky and Cable segments, as well as the Group's Radio business, which is reported in the Other Businesses segment, require governmental concessions and special authorizations for the provision of broadcasting and telecommunications services in Mexico. Such concessions are granted by the Mexican Institute of Telecommunications (Instituto Federal de Telecomunicaciones or IFT) for a fixed term, subject to renewal in accordance with the Mexican Telecommunications and Broadcasting Law (Ley Federal de Telecomunicaciones y Radiodifusión or LFTR).

Renewal of concessions for the Content segment (Broadcasting) and the Radio business require, among others: (i) to request such renewal to IFT prior to the last fifth period of the fixed term of the related concession; (ii) to be in compliance with the concession holder's obligations under the LFTR, other applicable regulations, and the concession title; (iii) a declaration by IFT that there is no public interest in recovering the spectrum granted under the related concession; and (iv) the acceptance by the concession holder of any new conditions for renewing the concession as set forth by IFT, including the payment of a related fee. IFT shall resolve within the year following the presentation of the request, if there is public interest in recovering the spectrum granted under the related concession, in which case it will notify its determination and proceed with the termination of the concession at the end of its fixed term. If IFT determines that there is no public interest in recovering the spectrum, it will grant the requested extension within 180 business days, provided that the concessionaire accepts, in advance, the new conditions set by IFT, which will include the payment of the fee referred to above. Such fee will be determined by IFT for the relevant concessions, considering the following elements: (i) the frequency band; (ii) the amount of spectrum; (iii) coverage of the frequency band; (iv) domestic and international benchmark regarding the market value of frequency bands; and (v) upon request of IFT, an opinion issued by the Ministry of Finance and Public Credit of IFT's proposal for calculation of fee.

Renewal of concessions for the Sky and Cable segments require, among others: (i) to request its renewal to IFT prior to the last fifth period of the fixed term of the related concession; (ii) to be in compliance with the concession holder's obligations under the LFTR, other applicable regulations, and the concession title; and (iii) the acceptance by the concession holder of any new conditions for renewing the concession as set forth by IFT. IFT shall resolve any request for renewal of the telecommunications concessions within 180 business days of its request. Failure to respond within such period of time shall be interpreted as if the request for renewal has been granted.

The regulations of the broadcasting and the telecommunications concessions (including satellite pay TV) establish that at the end of the concession, the frequency bands or spectrum attached to the services provided in the concessions shall return to the Mexican government. In addition, at the end of the concession, the Mexican government will have the preferential right to acquire infrastructure, equipment and other goods directly used in the provision of the concession. If the Mexican government were to exercise its right to acquire infrastructure, equipment

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and other goods, it would be required to pay a price that is equivalent to a formula that is similar to the fair value. To the knowledge of the Company's management, no spectrum granted for broadcasting services in Mexico has been recovered by the Mexican government in at least the past three decades for public interest reasons. However, the Company's management is unable to predict the outcome of any action by IFT in this regard. In addition, these assets, by themselves, would not be enough to immediately begin broadcasting or offering satellite pay TV services or telecommunications services, as no content producing assets or other equipment necessary to operate the business would be included.

Also, the Group's Gaming business, which is reported in the Other Businesses segment, requires a permit granted by the Mexican Federal Government for a fixed term, subject to renewal in accordance with Mexican law. Additionally, the Group's Sky businesses in Central America and the Dominican Republic require concessions or permits granted by local regulatory authorities for a fixed term, subject to renewal in accordance with local laws.

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The accounting guidelines provided by IFRIC 12 *Service Concession Arrangements* are not applicable to the Group due primarily to the following factors: (i) the Mexican government does not substantially control the Group's infrastructure, what services are provided with the infrastructure and the price at which such services are offered; (ii) the Group's broadcasting service does not constitute a public service as per the definition in IFRIC 12; and (iii) the Group is unable to divide its infrastructure among the public (telephony and possibly Internet services) and non-public (pay TV) service components.

At December 31, 2017, the expiration dates of the Group's concessions and permits were as follows:

Segments	Expiration Dates
Content (broadcasting concessions)	In 2021
Sky	Various from 2018 to 2027
Cable	Various from 2018 to 2046
Other Businesses:	
Radio (1)	Various from 2019 to 2037
Gaming	In 2030

(1) Concessions for six Radio stations in the cities of San Luis Potosí, Guadalajara and Monterrey expired in 2015 and 2016, and were renewed in 2017 by the IFT. Concessions for nine Radio stations in the cities of Mexico City, Guadalajara and Veracruz expired in 2016, and were renewed by the IFT that year. The costs paid by the Group for renewal of these concessions in 2017 and 2016 amounted to an aggregate of Ps.37,848 and Ps.111,636, respectively. In addition, IFT granted in 2017 two new concessions to the Group in Ensenada and Puerto Vallarta. The cost paid by the Group for obtaining these concessions amounted to an aggregate of Ps.\$85,486. The amounts for renewal and obtaining new concessions were recognized in consolidated other intangible assets, and will be amortized in a period of 20 years by using the straight-line method (see Note 12).

The concessions or permits held by the Group are not subject to any significant pricing regulations in the ordinary course of business.

(c) Investments in Associates and Joint Ventures

Associates are those entities over which the Group has significant influence but not control, generally those entities with a shareholding of between 20% and 50% of the voting rights. Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. Joint ventures are those joint arrangements where the Group exercises joint control with other stockholder or more stockholders without exercising control individually, and have rights to the net assets of the joint arrangements. Investments in associates and joint ventures are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the net assets of the investee after the date of acquisition.

The Group's investments in associates include an equity interest in UHI represented by approximately 10% of the outstanding total shares of UHI as of December 31, 2017 and 2016 (see Notes 3, 9 and 10).

The Group recognizes its share of losses of an associate or a joint venture up to the amount of its initial investment, subsequent capital contributions and long-term loans, or beyond that when guaranteed commitments have been made by the Group in respect of obligations incurred by investees, but not in excess of such guarantees. If an associate or a joint venture for which the Group had recognized a share of losses up to the amount of its guarantees generates net income in the future, the Group would not recognize its share of this net income until the Group first recognizes its share of previously unrecognized losses.

If the Group's share of losses of an associate or a joint venture equals or exceeds its interest in the investee, the Group discontinues recognizing its share of further losses. The interest in an associate or a joint venture is the carrying amount of the investment in the investee under the equity method together with any other long-term investment that, in substance, form part of the Group's net investment in the investee. After the Group's interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

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(d) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's executive officers (chief operating decision makers) who are responsible for allocating resources and assessing performance for each of the Group's operating segments.

(e) Foreign Currency Translation

Functional and Presentation Currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The presentation and functional currency of the Group's consolidated financial statements is the Mexican peso, which is used for compliance with its legal and tax obligations.

Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or measurement where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement as part of finance income or expense, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analyzed between exchange differences resulting from changes in the amortized cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortized cost are recognized in income or loss, and other changes in carrying amount are recognized in other comprehensive income or loss.

Translation of Foreign Operations

The financial statements of the Group's foreign entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows: (a) assets and liabilities are translated at the closing rate at the date of the statement of financial position; (b) income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and (c) all resulting translation differences are recognized in other comprehensive income or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Translation differences arising are recognized in other comprehensive income or loss.

Assets and liabilities of non-Mexican subsidiaries that use the Mexican Peso as a functional currency are translated into Mexican Pesos by utilizing the exchange rate of the statement of financial position date for monetary assets and liabilities, and historical exchange rates for non-monetary items, with the related adjustment included in the consolidated statement of income as finance income or expense.

The Group has designated as an effective hedge of foreign exchange exposure, a portion of the outstanding principal amount of its U.S. dollar denominated long-term debt in connection with its net investment in shares of common stock of UHI, which amounted to U.S.\$413.3 million (Ps.8,144,843) and U.S.\$350.7 million (Ps.7,236,587) as of December 31, 2017 and 2016, respectively. Consequently, any foreign exchange gain or loss attributable to this designated hedging long-term debt is credited or charged directly to other comprehensive income or loss as a cumulative result from foreign currency translation (see Note 10).

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The Group has designated a portion of its U.S. dollar denominated long-term debt as a fair value hedge of foreign exchange exposure related to its investment in UHI Warrants and the initial investment in Open Ended Fund. A portion of the outstanding principal amount of its U.S. dollar denominated long-term debt (hedging instrument, disclosed in the line Long-term debt, net of current portion of the consolidated statement of financial position) is hedging its investment in Warrants exercisable for common stock of UHI and the initial investment in Open Ended Fund (hedged items), which amounted to Ps.36,395,183 (U.S.\$1,847.0 million) and Ps.3,546,918 (U.S.\$180.0 million) and Ps.38,298,606 (U.S.\$1,855.9 million) and Ps.3,817,586 (U.S.\$180.0 million) as of December 31, 2017 and 2016, respectively. The other changes in fair value of the Warrants are recognized in other comprehensive income or loss. Consequently, any foreign currency gain or loss attributable to these designated hedged Warrants is recognized within foreign exchange gain or loss in the consolidated statement of income, along with the recognition in the same line item of any foreign exchange gain or loss of the designated hedging instrument long-term debt (see Notes 9, 13 and 17).

(f) Cash and Cash Equivalents and Temporary Investments

Cash and cash equivalents consist of cash on hand and all highly liquid investments with an original maturity of three months or less at the date of acquisition. Cash is stated at nominal value and cash equivalents are measured at fair value, and the changes in the fair value are recognized in the income statement.

Temporary investments consist of short-term investments in securities, including without limitation debt with a maturity of over three months and up to one year at the date of acquisition, stock and other financial instruments, or a combination thereof, as well as current maturities of noncurrent held-to-maturity securities. Temporary investments are measured at fair value with changes in fair value recognized in finance income in the consolidated income statement, except the current maturities of non-current held-to-maturity securities which are measured at amortized cost.

As of December 31, 2017 and 2016, cash equivalents and temporary investments primarily consisted of fixed short-term deposits and corporate fixed income securities denominated in U.S. dollars and Mexican pesos, with an average yield of approximately 0.87% for U.S. dollar deposits and 6.72% for Mexican peso deposits in 2017, and approximately 0.36% for U.S. dollar deposits and 4.06% for Mexican peso deposits in 2016.

(g) Transmission Rights and Programming

Programming is comprised of programs, literary works, production talent advances and films.

Transmission rights and literary works are valued at the lesser of acquisition cost and net realizable value. Programs and films are valued at the lesser of production cost, which consists of direct production costs and production overhead, and net realizable value. Payments for production talent advances are initially capitalized and subsequently included as direct or indirect costs of program production. Transmission rights are recognized from the point of which the legally enforceable license period begins. Until the license term commences and the programming rights are available, payments made are recognized as prepayments.

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The Group's policy is to capitalize the production costs of programs which benefit more than one annual period and amortize them over the expected period of future program revenues based on the Company's historical revenue patterns for similar productions.

Transmission rights, programs, literary works, production talent advances and films are recorded at acquisition or production cost. Cost of sales is calculated for the month in which such transmission rights, programs, literary works, production talent advances and films are matched with related revenues.

Transmission rights are amortized over the lives of the contracts. Transmission rights in perpetuity are amortized on a straight-line basis over the period of the expected benefit as determined by past experience, but not exceeding 25 years.

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(h) Inventories

Inventories of paper, magazines, materials and supplies for maintenance of technical equipment are recorded at the lower of cost or its net realization value. The net realization value is the estimated selling price in the normal course of business, less estimated costs to conduct the sale. Cost is determined using the average cost method.

(i) Financial Assets

The Group classifies its financial assets in the following categories: loans and receivables, held-to-maturity investments, financial assets at fair value through income or loss and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognized at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, with changes in carrying value recognized in the income statement in the line which most appropriately reflects the nature of the item or transaction. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables are presented as trade notes and accounts receivable, other accounts and notes receivable and due from related parties in the consolidated statement of financial position (see Note 7).

Held-to-maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest rate method, less impairment, if any. Any gain or loss arising from these investments is included in finance income or loss in the consolidated statement of income. Held-to-maturity investments are included in investments in financial instruments, except for those with maturities less than 12 months from the end of the reporting period, which are classified as temporary investments (see Note 9).

Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through income or loss, and include debt securities and equity instruments. Debt securities in this

category are those that are intended to be held for an indefinite period of time and that may be sold in response to needs for liquidity or in response to changes in the market conditions. Equity instruments in this category are those of companies in which the Group does not exercise joint control nor significant influence, but intent to hold for an indefinite term, and are neither classified as held for trading nor designated at fair value through income. After initial measurement, available-for-sale assets are measured at fair value with unrealized gains or losses recognized as other comprehensive income or loss until the investment is derecognized or the investment is determined to be impaired, at which time the cumulative gain or loss is recognized in the consolidated statement of income either in other finance income or expense (debt securities) or other income or expense (equity instruments). Interest earned whilst holding available-for-sale financial assets is reported as interest income using the effective interest rate method (see Notes 9 and 14).

Financial Assets at Fair Value through Income

Financial assets at fair value through income are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorized as held

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for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

Impairment of Financial Assets

The Group assesses at each statement of financial position date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective and other-than-temporary evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset. If it is determined that a financial asset or group of financial assets have sustained a decline other than temporary in their value a charge is recognized in income in the related period.

For financial assets classified as held-to-maturity the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate.

Impairment of Financial Assets Recognized at Amortized Cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets measured at amortized cost is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a loss event) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Offsetting of Financial Instruments

Financial assets are offset against financial liabilities and the net amount reported in the consolidated statement of financial position if, and only when the Group: (i) currently has a legally enforceable right to set off the recognized amounts; and (ii) intends either to settle on a net basis, or to realize the assets and settle the liability simultaneously.

(j) Property, Plant and Equipment

Property, plant and equipment are recorded at acquisition cost.

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Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to income or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation of property, plant and equipment is based upon the carrying value of the assets in use and is computed using the straight-line method over the estimated useful lives of the asset, as follows:

	Estimated useful lives
Buildings	20-65 years
Building improvements	5-20 years
Technical equipment	3-30 years
Satellite transponders	15 years
Furniture and fixtures	3-15 years
Transportation equipment	4-8 years
Computer equipment	3-6 years
Leasehold improvements	5-30 years

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The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within other income or expense in the consolidated income statement.

(k) Intangible Assets

Intangible assets are recognized at acquisition cost. Intangible assets acquired through business combinations are recorded at fair value at the date of acquisition. Intangible assets with indefinite useful lives, which include goodwill, trademarks and concessions, are not amortized, and subsequently recognized at cost less accumulated impairment losses. Intangible assets with finite useful lives are amortized on a straight-line basis over their estimated useful lives, as follows:

	Estimated useful lives
Trademarks	4 years
Licenses	3-14 years
Subscriber lists	4-10 years
Other intangible assets	3-20 years

Trademarks

The Group determines its trademarks to have an indefinite life when they are expected to generate net cash inflows for the Group indefinitely. Additionally, the Group considers that there are no legal, regulatory or contractual provisions that limit the useful lives of trademarks.

In the third quarter of 2015, the Company's management evaluated trademarks in its Cable segment to determine whether events and circumstances continue to support an indefinite useful life for these intangible assets. As a result of such evaluation, the Company identified certain businesses and locations that began migrating from a current trademark to an internally developed trademark between 2015 and 2016, in connection with enhanced service packages offered to current and new subscribers, and estimated that this migration process will take approximately four years. Accordingly, beginning in the third quarter of 2015, the Group changed the useful life assessment from indefinite to finite for acquired trademarks in certain businesses and locations in its Cable segment, and began to amortize on a straight line basis the related carrying value of these trademarks when the migration to the new trademark started using an estimated useful life of four years. The Group has not capitalized any amounts associated with internally developed trademarks.

Concessions

The Group defined concessions to have an indefinite life due to the fact that the Group has a history of renewing its concessions upon expiration, has maintained the concessions granted by the Mexican government, and has no foreseeable limit to the period over which the assets are expected to generate net cash inflows. In addition, the Group is committed to continue to invest for the long term to extend the period over which the broadcasting and telecommunications concessions are expected to continue to provide economic benefits.

Any fees paid by the Group to regulatory authorities for concessions acquired or renewed are determined to have finite useful lives and are amortized on a straight-line basis over the fixed term of the related concession.

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Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units (CGUs), or groups of CGUs, that are expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognized as an expense and may be subsequently reversed under certain circumstances.

(l) Impairment of Long-lived Assets

The Group reviews for impairment the carrying amounts of its long-lived assets, tangible and intangible, including goodwill (see Note 12), at least once a year, or whenever events or changes in business circumstances indicate that these carrying amounts may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. To determine whether an impairment exists, the carrying value of the reporting unit is compared with its recoverable amount. Fair value estimates are based on quoted market values in active markets, if available. If quoted market prices are not available, the estimate of fair value is based on various valuation techniques, including discounted value of estimated future cash flows, market multiples or third-party appraisal valuations.

(m) Trade Accounts Payable and Accrued Expenses

Trade accounts payable and accrued expenses are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade accounts payable and accrued expenses are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade accounts payable and accrued expenses are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Trade accounts payable and accrued expenses are presented as a single item of consolidated current liabilities in the consolidated statements of financial position as of December 31, 2017 and 2016.

(n) Debt

Debt is recognized initially at fair value, net of transaction costs incurred. Debt is subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the debt using the effective interest method.

Fees paid on the establishment of debt facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

Current portion of long-term debt and interest payable are presented as a single line item of consolidated current liabilities in the consolidated statements of financial position as of December 31, 2017 and 2016.

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Debt early redemption costs are recognized as finance expense in the consolidated statement of income.

(o) ***Customer Deposits and Advances***

Customer deposit and advance agreements for advertising services provide that customers receive prices that are fixed for the contract period for advertising time in the Group's platforms based on rates established by the Group. Such rates vary depending on when the advertisement is made, including the season, hour, day and type of programming.

(p) ***Provisions***

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provisions due to passage of time is recognized as interest expense.

(q) ***Equity***

The capital stock and other equity accounts include the effect of restatement through December 31, 1997, determined by applying the change in the Mexican National Consumer Price Index between the dates capital was contributed or net results were generated and December 31, 1997, the date through which the Mexican economy was considered hyperinflationary under the guidelines of the IFRSs. The restatement represented the amount required to maintain the contributions and accumulated results in Mexican Pesos in purchasing power as of December 31, 1997.

Where any company in the Group purchases shares of the Company's capital stock (shares repurchased), the consideration paid, including any directly attributable incremental costs is deducted from equity attributable to stockholders of the Company until the shares are cancelled, reissued, or sold. Where such shares repurchased are subsequently reissued or sold, any consideration received, net of any directly attributable incremental transaction costs, is included in equity attributable to stockholders of the Company.

(r) ***Revenue Recognition***

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Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for services provided. The Group recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The Group derives the majority of its revenues from media and entertainment-related business activities both in Mexico and internationally. Revenues are recognized when the service is provided and collection is probable. A summary of revenue recognition policies by significant activity is as follows:

- Advertising revenues, including deposits and advances from customers for future advertising, are recognized at the time the advertising services are rendered.
- Revenues from program services for network subscription and licensed and syndicated television programs are recognized when the programs are sold and become available for broadcast.
- Sky program service revenues, including advances from customers for future direct-to-home (DTH) program services, are recognized at the time the service is provided.

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- Cable television, internet and telephone subscription, and pay-per-view and installation fees are recognized in the period in which the services are rendered.

- Revenues from other telecommunications and data services are recognized in the period in which these services are provided. Other telecommunications services include long distance and local telephony, as well as leasing and maintenance of telecommunications facilities.

- Revenues from magazine subscriptions are initially deferred and recognized proportionately as products are delivered to subscribers. Revenues from the sales of magazines are recognized on the date of circulation of delivered merchandise, net of a provision for estimated returns.

- Revenues from publishing distribution are recognized upon distribution of the products.

- Revenues from attendance to soccer games, including revenues from advance ticket sales for soccer games and other promotional events, are recognized on the date of the relevant event.

- Motion picture production and distribution revenues are recognized as the films are exhibited.

- Gaming revenues consist of the net win from gaming activities, which is the difference between amounts wagered and amounts paid to winning patrons.

In respect to sales of multiple products or services, the Group evaluates whether it has fair value evidence for each deliverable in the transaction. For example, the Group sells cable television, internet and telephone subscription to subscribers in a bundled package at a rate lower than if the subscriber purchases each product on an individual basis. Subscription revenues received from such subscribers are allocated to each product in a pro-rata manner based on the fair value of each of the respective services.

(s) ***Interest Income***

Interest income is recognized using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognized using the original effective

interest rate.

(t) ***Employee Benefits***

Pension and Seniority Premium Obligations

Plans exist for pensions and seniority premiums (post-employment benefits), for most of the Group's employees funded through irrevocable trusts. Increases or decreases in the consolidated liability or asset for post-employment benefits are based upon actuarial calculations. Contributions to the trusts are determined in accordance with actuarial estimates of funding requirements. Payments of post-employment benefits are made by the trust administrators. The defined benefit obligation is calculated annually using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Remeasurement of post-employment benefit obligations related to experience adjustments and changes in actuarial assumptions of post-employment benefits are recognized in the period in which they are incurred as part of other comprehensive income or loss in consolidated equity.

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Profit Sharing

The employees' profit sharing required to be paid under certain circumstances in Mexico, is recognized as a direct benefit to employees in the consolidated statements of income in the period in which it is incurred.

Termination Benefits

Termination benefits, which mainly represent severance payments by law, are recorded in the consolidated statement of income. The Group recognizes termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that involves the payment of termination benefits.

(u) Income Taxes

The income tax expense for the period comprises current and deferred income tax. Income tax is recognized in the consolidated statement of income, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the income tax is also recognized in other comprehensive income.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction (other than in a business combination) that at the time of the transaction affects neither accounting nor taxable income or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences and tax loss carryforwards can be utilized. For this purpose, the Group takes into consideration all available positive and negative evidence, including factors such as market conditions, industry analysis, projected taxable income, carryforward periods, current tax structure, potential changes or adjustments in tax structure, and future reversals of existing temporary differences.

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Deferred income tax liabilities are provided on taxable temporary differences associated with investments in subsidiaries, joint ventures and associates, except for deferred income tax liabilities where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets are provided on deductible temporary differences associated with investments in subsidiaries, joint ventures and associates, to the extent that it is probable that there will be sufficient taxable income against which to utilize the benefit of the temporary difference and it is expected to reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

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(v) ***Derivative Financial Instruments***

The Group recognizes derivative financial instruments as either assets or liabilities in the consolidated statements of financial position and measures such instruments at fair value. The accounting for changes in the fair value of a derivative financial instrument depends on the intended use of the derivative financial instrument and the resulting designation. For a derivative financial instrument designated as a cash flow hedge, the effective portion of such derivative's gain or loss is initially reported as a component of other comprehensive income or loss and subsequently reclassified into income when the hedged exposure affects income. The ineffective portion of the gain or loss is reported in income immediately. For a derivative financial instrument designated as a fair value hedge, the gain or loss is recognized in income in the period of change together with the offsetting loss or gain on the hedged item attributed to the risk being hedged. When a hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument that has been recognized in other comprehensive income remains in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to income or loss. For derivative financial instruments that are not designated as accounting hedges, changes in fair value are recognized in income in the period of change. During the years ended December 31, 2017, 2016 and 2015, certain derivative financial instruments qualified for hedge accounting (see Note 14).

(w) ***Comprehensive Income***

Comprehensive income for the period includes the net income for the period presented in the consolidated statement of income plus other comprehensive income for the period reflected in the consolidated statement of comprehensive income.

(x) ***Share-based Payment Agreements***

Key officers and employees of certain subsidiaries of the Company have entered into agreements for the conditional sale of Company's shares under the Company's Long-Term Retention Plan. The share-based compensation expense is measured at fair value at the date the equity benefits are conditionally sold to these officers and employees, and is recognized as a charge to consolidated income (administrative expense) over the vesting period (see Note 16). The Group recognized a share-based compensation expense of Ps.1,489,884, Ps.1,410,492 and Ps.1,199,489 for the years ended December 31, 2017, 2016 and 2015, respectively, of which Ps.1,468,337, Ps.1,392,534 and Ps.1,184,524 was credited in consolidated stockholders' equity for those years, respectively.

(y) ***Leases***

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and whether the arrangement conveys the right to use the asset.

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Leases of property, plant and equipment other assets where the Group holds substantially all the risks and rewards of ownership are classified as finance leases. Finance lease assets are capitalized at the commencement of the lease term at the lower of the present value of the minimum lease payments or the fair value of the lease asset. The obligations relating to finance leases, net of finance charges in respect of future periods, are recognized as liabilities. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

Leases where a significant portion of the risks and rewards are held by the lessor are classified as operating leases. Rentals are charged to the income statement on a straight line basis over the period of the lease.

Leasehold improvements are depreciated at the lesser of its useful life or contract term.

Table of Contents(z) *New and Amended IFRSs*

Below is a list of the new and amended standards that have been issued by the IASB and are effective for annual periods starting on or after January 1, 2018. The Company's management does not expect the pronouncements effective for annual periods beginning on January 1, 2018 to have a material impact on the Group's consolidated financial statements (see Note 27). The Company's management is in the process of assessing the potential impact those pronouncements effective for annual periods beginning on or after January 1, 2019 will have on the Group's consolidated financial statements. Some amendments and improvements to certain IFRs became effective on January 1, 2017, and they did not have any significant impact on the Group's consolidated financial statements.

New or Amended Standard	Title of the Standard	Effective for Annual Periods Beginning On or After
Amendments to IFRS 10 and IAS 28 (1)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Postponed
IFRS 15	<i>Revenue from Contracts with Customers</i>	January 1, 2018
Amendments to IFRS 15	<i>Effective Date of IFRS 15</i>	January 1, 2018
Amendments to IFRS 15	<i>Clarifications to IFRS 15 Revenue from Contracts with Customers</i>	January 1, 2018
IFRS 9	<i>Financial Instruments</i>	January 1, 2018
Amendments to IAS 40 (2)	<i>Transfers of Investment Property</i>	January 1, 2018
IFRIC 22 (1)	<i>Foreign Currency Transactions and Advance Consideration</i>	January 1, 2018
Amendments to IFRS 2 (1)	<i>Classification and Measurement of Share-based Payment Transactions</i>	January 1, 2018
IFRS 16	<i>Leases</i>	January 1, 2019
Amendments to IFRS 4 (2)	<i>Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts</i>	No earlier than 2020
IFRS 17 (2)	<i>Insurance Contracts</i>	January 1, 2021
IFRIC 23 (1)	<i>Uncertainty over Income Tax Treatments</i>	January 1, 2019
Practice Statement 2	<i>Making Materiality Judgements</i>	September 14, 2017
Annual Improvements (1)	<i>Annual Improvements to IFRS Standards 2015-2017 Cycle</i>	January 1, 2019
Amendments to IAS 28 (1)	<i>Long-term Interests in Associates and Joint Ventures</i>	January 1, 2019
Amendments to IFRS 9 (1)	<i>Prepayment Features with Negative Compensation</i>	January 1, 2019
Amendments to IAS 19 (1)	<i>Plan Amendment, Curtailment or Settlement</i>	January 1, 2019

(1) This new or amended standard is not expected to have a significant impact on the Group's consolidated financial statements.

(2) This new or amended standard is not expected to be applicable to the Group's consolidated financial statements.

Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* were issued in September 2014 and address and acknowledge inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with

the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involved a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involved assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015, the IASB postponed the effective date of these amendments indefinitely pending the outcome of its research project on the equity method of accounting.

IFRS 15 *Revenue from Contracts with Customers* (IFRS 15) was issued in May 2014, and amended in September 2015 and April 2016, and is effective for annual periods beginning on or after January 1, 2018. IFRS 15 provides a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. This standard contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognized. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. Upon adoption, IFRS 15 can be applied either on a fully retrospective basis, requiring the restatement of the comparative periods presented in the consolidated financial statements, or with the cumulative retrospective impact of IFRS 15 applied as an adjustment to equity on the date of adoption; when the latter approach is applied it is necessary to disclose the impact of IFRS 15 on each line item in the

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consolidated financial statements in the reporting period. See Note 27 for a discussion of the impact of adopting IFRS 15 in the Group's consolidated financial statements as of January 1, 2018.

Amendments to IFRS 15 *Clarifications to IFRS 15 Revenue from Contracts with Customers* were issued in April 2016. These amendments clarify how to: (i) identify a performance obligation (the promise to transfer a good or a service to a customer) in a contract; (ii) determine whether a company is a principal (the provider of a good or service) or an agent (responsible for arranging for the good or service to be provided); and (iii) determine whether the revenue from granting a license should be recognized at a point in time or over time. In addition to the clarifications, these amendments include two additional reliefs to reduce cost and complexity for a company when it first applies IFRS 15. The amendments have the same effective date as IFRS 15.

IFRS 9 *Financial Instruments* (IFRS 9) addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010 with some amendments issued in 2011. It replaces the parts of IAS 39 *Financial Instruments: Recognition and Measurement* (IAS 39) that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured at amortized cost and those measured at fair value. The determination is made at initial recognition. The basis of classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the financial asset. The guidance in IAS 39 on impairment of financial assets and hedge accounting continues to apply. For financial liabilities, this standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. See Note 27 for a discussion of the impact of adopting IFRS 9 on the Group's consolidated financial statements as of January 1, 2018.

Amendments to IAS 40 *Investment Property* were issued in December 2016 and clarify the requirements on transfers to, or from, investment property.

IFRIC 22 *Foreign Currency Transactions and Advance Consideration* was issued in December 2016 and addresses the exchange rate to use in transactions that involve advance consideration paid or received in a foreign currency.

Amendments to IFRS 2 *Classification and Measurement of Share-based Payment Transactions* were issued in June 2016 and clarify how to account for certain types of share-based payment transactions.

IFRS 16 *Leases* (IFRS 16) was issued in January 2016 and replaces IAS 17 *Leases*. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The major change introduced by IFRS 16 is that leases will be brought onto the companies' statements of financial position, increasing the visibility of their assets and liabilities. IFRS 16 removes the classification of leases as either operating leases or finance leases for the lessee, treating all long-term leases as finance leases. Short-term leases (less than 12 months) and leases of low-value assets are exempt from the requirements. Early application of IFRS 16 is permitted as long as the IFRS 15 *Revenue from Contracts with Customers* is also applied. The Group will adopt IFRS 16 in the first quarter of 2019. The Company's management continues to evaluate the impact that IFRS 16 will have on the Group's consolidated financial statements and disclosures. While the Company's management is not yet in a position to assess the full impact of the application of the new standard, the Group expects that the impact of recording lease liabilities and the corresponding right-to-use assets will increase the Group's consolidated total assets and liabilities primarily in connection with its non-cancellable lease and payment commitments for the use of real estate property and satellite transponders (see Note 26), with a minimal effect on its consolidated equity. The Company's management has already started with the analysis and assessment of any changes to be made in the Group's accounting policies for long-term lease agreements as a lessee, as well as the design and implementation of effective controls over

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financial reporting in the different business segments of the Group, in connection with the measurement and disclosures required by IFRS 16.

Amendments to IFRS 4 *Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts* were issued in September 2016 and address concerns arising from implementing the new financial instruments Standard, IFRS 9, before implementing the replacement Standard that the Board is developing for IFRS 4. These concerns include temporary volatility in reported results.

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IFRS 17 *Insurance Contracts* (IFRS 17) was issued in May 2017 and supersedes IFRS 4 *Insurance Contracts* (IFRS 4), which has given companies dispensation to carry on accounting for insurance contracts using national accounting standards, resulting in a multitude of different approaches. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosures of insurance contracts issued. It also requires similar principles to be applied to reinsurance contracts with discretionary participation features issued. IFRS 17 solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner. Under the provisions of IFRS 17, insurance obligations will be accounted for using current values instead of historical cost. IFRS 17 is effective on January 1, 2021, and earlier application is permitted.

IFRIC 23 *Uncertainty over Income Tax Treatments* (IFRIC 23) clarifies how to apply the recognition and measurement requirements in IAS 12 *Income Taxes* when there is uncertainty over income tax treatments. When there is uncertainty over income tax treatments, IFRIC 23 addresses: (a) whether an entity considers uncertain tax treatments separately; (b) the assumptions an entity makes about the examination of tax treatments; (c) how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, including an entity's consideration of whether it is probable that a taxation authority will accept an uncertain tax treatment; and (d) how an entity considers changes in facts and circumstances.

Practice Statement IFRS 2 *Making Materiality Judgements* was issued in September 2017. This Practice Statement provides guidance on how to use judgement when selecting information to provide in financial statements prepared applying IFRSs. It is a non-mandatory standard companies are permitted to apply to financial statements prepared any time after September 14, 2017.

Annual Improvements to IFRs 2015-2017 Cycle were published in December 2017 and set out amendments to certain IFRSs. These amendments result from proposals made during the IASB's Annual Improvements process, which provides a vehicle for making non-urgent but necessary amendments to IFRSs. The IFRSs amended and the topics addressed by these amendments are as follows:

Standard	Subject of Amendment
IFRS 3 <i>Business Combinations</i>	Previously held interest in a joint operation.
IFRS 11 <i>Joint Arrangements</i>	Previously held interest in a joint operation.
IAS 12 <i>Income Taxes</i>	Income tax consequences of payments on financial instruments classified as equity.
IAS 23 <i>Borrowing Costs</i>	Borrowing costs eligible for capitalization.

Amendments to IAS 28 *Long-term Interests in Associates and Joint Ventures* were issued in October 2017. The amendments clarify that a company applies IFRS 9 *Financial Instruments* to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture. An entity shall apply these amendments retrospectively for annual reporting periods beginning on or after January 1, 2019, with certain exceptions. Earlier application is permitted.

Amendments to IFRS 9 *Prepayment Features with Negative Compensation* were issued in October 2017. These amendments enable entities to measure at amortized cost some prepayable financial assets with so-called negative compensation. An entity shall apply these amendments retrospectively for annual reporting periods beginning on or after January 1, 2019, with certain exceptions. Earlier application is permitted.

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Amendments to IAS 19 *Employee Benefits* (IAS 19) were issued in February 2018. When a change to a defined benefit plan (amendment, curtailment or settlement) takes place, IAS 19 requires a company to remeasure its net defined benefit liability or asset. These amendments require a company to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. Until now, IAS 19 did not specify how to determine these expenses for the period after the change to the plan. By requiring the use of updated assumptions, the amendments are expected to provide useful information to users of financial statements. An entity shall apply these amendments to plan amendments, curtailments or settlements occurring on or after the beginning of the first annual reporting period that begins on or after January 1, 2019. Earlier application is permitted.

Table of Contents**3. Acquisitions, Investments and Dispositions**

In January 2015, the Group received proceeds in the aggregate amount of U.S.\$717 million (Ps.10,632,393) in connection with the disposal in 2014 of its investment in GSF Telecom Holdings, S.A.P.I. de C.V., a CVQ's former joint venture, of which U.S.\$697 million (Ps.10,335,813) were in cash and U.S.\$20 million (Ps.296,580) were held in escrow for certain contingent litigation costs. As of December 31, 2015, the amount held in escrow was U.S.\$11.9 million (Ps.204,954), and this amount was released and used during 2016 (see Note 2 (b)).

In January 2015, the Group acquired, through a series of transactions, all of the equity interest of Telecable for an aggregate cash consideration of Ps.10,001,838. Telecable is a cable business that provides video, data and telephone services in Mexico, primarily in the states of Guanajuato, Jalisco, Aguascalientes, Querétaro, Tamaulipas and Colima. The Group began to consolidate the net assets and results of operations of Telecable in its consolidated financial statements in the first quarter of 2015. The Group completed a final purchase price allocation for this transaction in the fourth quarter of 2015. Through the acquisition of Telecable, the Group continues with its strategy to establish a cable company with national coverage that delivers more and better services through state of the art technology and internationally competitive prices for the benefit of end users. The following table summarizes the allocation of the purchase price to the tangible and identifiable intangible assets acquired and liabilities assumed at the acquisition date. The excess of the purchase price over those fair values and the related deferred income tax liability was allocated to goodwill in the Cable segment.

	January 1, 2015
Cash and cash equivalents	Ps. 270,447
Trade and other receivables	57,687
Other current assets	34,118
Total current assets	362,252
Property, plant and equipment, net	1,724,757
Goodwill	4,885,331
Concessions	4,373,855
List of subscribers	1,233,808
Trademarks	218,578
Other intangible assets	16,240
Other non-current assets	4,582
Total assets	12,819,403
Trade and other payables	135,920
Other current liabilities	78,753
Total current liabilities	214,673
Long-term debt	505,425
Deferred income tax liability	2,090,269
Other non-current liabilities	7,198
Total non-current liabilities	2,602,892
Total liabilities	2,817,565
Total net assets	Ps. 10,001,838

In July 2015, UHI, the controlling company of Univision, and the Company announced that together with major shareholders of UHI, they had entered into a Memorandum of Understanding (MOU) and that certain subsidiaries of UHI and the Company entered into an agreement to amend their existing Program Licensing Agreement (the PLA). Under the PLA amendment, the terms of the existing strategic relationship between UHI and the Group have been amended among other things, (i) to extend the term of the PLA from its current expiration date of at least 2025 to at least 2030 upon consummation of a qualified public equity offering of UHI by July 1, 2019; and (ii) to adjust the royalty computation of the PLA by making certain additional revenue subject to royalties in exchange for certain adjustments to the royalty rate. Under the terms of the MOU, UHI, the Group and the major shareholders of UHI agreed to (i) upon a qualifying initial public offering of UHI, an equity

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capitalization of UHI by which, among other considerations, the Group will hold common stock with approximately 22% of the voting rights of UHI common stock, and the right for the Group to designate a minimum number of directors to UHI's Board of Directors; and (ii)

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the exchange of U.S.\$1,125 million (Ps.17,634,375) principal amount of Convertible Debentures issued by UHI for Warrants that are exercisable for UHI's common stock, and a cash payment by UHI in the amount of U.S.\$135.1 million (Ps.2,194,981) for such exchange. In July 2015, the Group exercised a portion of these Warrants to increase its equity stake in UHI from 7.8% to 10% (see Notes 9, 10, 14, 19 and 22).

In July 2015, the Company acquired additional shares of Imagina Media Audiovisual, S.L. (together with its subsidiaries, Imagina), a communications company in Spain, in the aggregate cash amount of 19.2 million (Ps.341,710) in connection with a reorganization of stockholders of this investee by which the Company increased its equity stake in Imagina from 14.5% to 19.9%. In February 2018, the Company announced an agreement to sell its 19.9% stake in Imagina. The closing of this transaction is subject to the fulfillment of certain conditions and regulatory approvals, which is expected to take place in the second half of 2018. Upon closing of the transaction, the Company expects to receive total proceeds in the amount of 284 million (Ps.6,827,798) (see Note 10).

In March 2016, the Group announced the acquisition of the remaining 50% equity interest of TVI in the aggregate fair value amount of Ps.6,750,000, including a cash payment of Ps.2,000,000 and the assumption of long-term liabilities in the aggregate amount of Ps.4,750,000 (undiscounted amount of Ps.5,106,250) with maturities between 2017 and 2020 (see Note 13). Until this transaction was completed, a non-controlling interest participated as a shareholder of CVQ, a direct subsidiary of the Company. In August 2016, the Company completed this transaction by acquiring the non-controlling interest in CVQ. This transaction complied with the guidelines and timetable established by the authorization by the IFT. With the ownership of the 100% of the equity interest of TVI, the Group is better positioned to exploit efficiencies and economies of scale among all its cable operations throughout Mexico and continue to expand upon its offerings of video, voice and data services. The effect of this transaction in the equity attributable to stockholders of the Company as of December 31, 2016, was as follows:

		Acquisition of a Non- controlling Interest
Carrying value of the non-controlling interest in TVI	Ps.	768,703
Consideration for the acquisition of a non-controlling interest in TVI		(6,750,000)
Decrease in retained earnings attributable to stockholders of the Company (1)	Ps.	(5,981,297)

In the fourth quarter of 2016, TVI acquired through cash transactions a remaining 50% equity interest of Cable Sistema de Victoria, S.A. de C.V. (CSV), an indirect subsidiary of TVI, for an amount of Ps.379,424. The effect of this transaction in the equity attributable to stockholders of the Company as of December 31, 2016, was as follows:

		Acquisition of a Non- controlling Interest
Carrying value of the non-controlling interest in CSV	Ps.	35,724
Consideration for the acquisition of a non-controlling interest in CSV		(379,424)
Decrease in retained earnings attributable to stockholders of the Company (1)	Ps.	(343,700)

(1) Changes in ownership interest are treated as equity transactions, if control is maintained. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognized in equity attributed to stockholders of the Company.

In March 2017, the Group entered into a joint venture agreement with Periódico Digital Sendero, S.A.P.I. de C.V. (PDS), an internet company that operates an online news website in Mexico City, and acquired a 50% equity interest in this joint venture for an aggregate cash amount of Ps.120,000. In September 2017, the Group made an additional cash contribution in the amount of Ps.42,500 in connection with its 50% equity interest in this joint venture (see Note 10).

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4. Financial Risk Management

(a) Market Risk

Market risk is the exposure to an adverse change in the value of financial instruments caused by market factors including changes in equity prices, interest rates, foreign currency exchange rates, commodity prices and inflation rates.

The Group is exposed to market risks arising from changes in equity prices, interest rates, foreign currency exchange rates and inflation rates, in both the Mexican and U.S. markets. Risk management activities are monitored by the Risk Management Committee on a quarterly basis and reported to the Executive Committee.

(i) Foreign Exchange Risk

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the U.S. dollar and the Mexican peso. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

Foreign currency exchange risk is monitored by assessing the net monetary liability position in U.S. dollars and the forecasted cash flow needs for anticipated U.S. dollar investments and servicing the Group's U.S. dollar-denominated debt.

Management has set up a policy to require Group companies to manage their foreign exchange risk against their functional currency. To manage their foreign exchange risk arising from future commercial transactions and recognized assets and liabilities, entities in the Group use forward contracts. In compliance with the procedures and controls established by the Risk Management Committee, in 2017 and 2016, the Group entered into certain derivative transactions with certain financial institutions in order to manage its exposure to market risks resulting from changes in interest rates and foreign currency exchange rates. The objective in managing foreign currency fluctuations is to reduce earnings and cash flow volatility.

Foreign Currency Position

The foreign currency position of monetary items of the Group at December 31, 2017, was as follows:

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	Foreign Currency Amounts (Thousands)		Year-End Exchange Rate		Mexican Pesos
Assets:					
U.S. dollars	1,506,177	Ps.	19.7051	Ps.	29,679,368
Euros	25,934		23.6256		612,706
Argentinean pesos	10,660		1.0566		11,263
Chilean pesos	3,718,631		0.0320		118,996
Colombian pesos	4,765,350		0.0066		31,451
Other currencies					309,325
Liabilities:					
U.S. dollars (1)	4,437,506	Ps.	19.7051	Ps.	87,441,499
Euros	3,311		23.6256		78,224
Argentinean pesos	536		1.0566		566
Chilean pesos	1,864,214		0.0320		59,655
Colombian pesos	9,963,833		0.0066		65,761
Other currencies					163,215

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The foreign currency position of monetary items of the Group at December 31, 2016, was as follows:

	Foreign Currency Amounts (Thousands)		Year-End Exchange Rate		Mexican Pesos
Assets:					
U.S. dollars	1,947,999	Ps.	20.6356	Ps.	40,198,128
Euros	16,739		21.7260		363,672
Argentinean pesos	193,558		1.2986		251,354
Chilean pesos	3,226,447		0.0309		99,697
Colombian pesos	13,722,537		0.0068		93,313
Other currencies					96,381
Liabilities:					
U.S. dollars (1)	5,129,395	Ps.	20.6356	Ps.	105,848,143
Euros	8,228		21.7260		178,762
Argentinean pesos	164,674		1.2986		213,846
Chilean pesos	1,441,423		0.0309		44,540
Colombian pesos	11,757,686		0.0068		79,952
Other currencies					208,345

(1) As of December 31, 2017 and 2016, monetary liabilities include U.S.\$2,440.3 million (Ps.48,086,947) and U.S.\$2,386.6 million (Ps.49,249,604), respectively, related to long-term debt designated as hedging instrument of the Group's investment in UHI.

As of April 6, 2018, the exchange rate was Ps.18.3333 per U.S. dollar, which represents the interbank free market exchange rate on that date as reported by Banco Nacional de México, S.A.

The Group is subject to the risk of foreign currency exchange rate fluctuations, resulting primarily from the net monetary position in U.S. dollars and U.S. dollar equivalent amounts of the Group's Mexican operations, as follows (in millions of U.S. dollars):

	December 31,	
	2017	2016
U.S. dollar-denominated and U.S. dollar-equivalent monetary assets, primarily cash and cash equivalents, held-to-maturity and available-for-sale non-current investments (1)	U.S.\$ 1,485.2	U.S.\$ 1,899.1
U.S. dollar-denominated and U.S. dollar-equivalent monetary liabilities, primarily trade accounts payable, Senior debt securities, finance lease obligations, and other liabilities (2) (3)	(4,411.5)	(5,087.6)
Net liability position	U.S.\$ (2,926.3)	U.S.\$ (3,188.5)

(1) As of December 31, 2017 and 2016, this line includes U.S. dollar equivalent amounts of U.S.\$31.8 million and U.S.\$16.4 million, respectively, related to other foreign currencies, primarily Euros.

(2) As of December 31, 2017 and 2016, this line includes U.S. dollar equivalent amounts of U.S.\$5.9 million and U.S.\$7.7 million, respectively, related to other foreign currencies, primarily Euros.

(3) As of December 31, 2017 and 2016, monetary liabilities include U.S.\$2,440.3 million (Ps.48,086,944) and U.S.\$2,386.6 million (Ps.49,249,604), respectively, related to long-term debt designated as a hedging instrument of the Group's investments in UHI and the initial investment in Open Ended Fund (see Note 13).

At December 31, 2017, a hypothetical 10% appreciation/depreciation in the U.S. dollar to Mexican peso exchange rate would result in a foreign exchange gain/loss, net of hedge, of Ps.957,507. At December 31, 2016, a hypothetical 10% appreciation/depreciation in the U.S. dollar to Mexican peso exchange rate would result in a foreign exchange gain/loss, net of hedge, of Ps.1,654,620.

Table of Contents**(ii) Cash Flow Interest Rate Risk**

The Group monitors the exposure to interest rate risk by: (i) evaluating differences between interest rates on its outstanding debt and short-term investments and market interest rates on similar financial instruments; (ii) reviewing its cash flow needs and financial ratios (indebtedness and interest coverage); (iii) assessing current and forecasted trends in the relevant markets; and (iv) evaluating peer Group and industry practices. This approach allows the Group to determine the interest rate mix between variable and fixed rate debt.

The Group's interest rate risk arises from long-term debt. Debt issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Debt issued at fixed rates expose the Group to fair value interest rate risk. During recent years the Group has maintained most of its debt in fixed rate instruments (see Note 13).

Based on various scenarios, the Group manages its cash flow interest rate risk by using cross-currency interest rate swaps, exchange rate agreements and floating-to-fixed interest rate swaps. Cross-currency interest rate swap agreements allow the Group to hedge against Mexican peso depreciation on the interest payments for medium-term periods. Interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates.

Sensitivity and Fair Value Analyses

The sensitivity analyses that follow are intended to present the hypothetical change in fair value or loss in earnings due to changes in interest rates, inflation rates, foreign currency exchange rates and debt and equity market prices as they affect the Group's financial instruments at December 31, 2017 and 2016. These analyses address market risk only and do not take into consideration other risks that the Group faces in the ordinary course of business, including country risk and credit risk. The hypothetical changes reflect management view of changes that are reasonably possible over a one-year period. For purposes of the following sensitivity analyses, the Group has made assumptions of a hypothetical change in fair value of 10% for expected near-term future changes in U.S. interest rates, Mexican interest rates, inflation rates and Mexican peso to U.S. dollar exchange rate. The results of the analyses do not purport to represent actual changes in fair value or losses in earnings that the Group will incur.

December 31, 2017	Carrying Value (3)	Fair Value (4)	Increase (Decrease) of Fair Value Over Carrying Value	Increase (Decrease) of Fair Value Over Carrying Value Assuming a Hypothetical 10% Increase in Fair Value
Assets:				
Temporary investments (1)	Ps. 6,013,678	Ps. 6,013,678	Ps.	Ps.
Warrants issued by UHI	36,395,183	36,395,183		3,639,518
Long-term loan and interest receivable from GTAC	929,516	937,137	7,621	101,335
Held-to-maturity investments	287,605	284,443	(3,162)	25,282
Available-for-sale investments	7,297,577	7,297,577		729,758
Derivative financial instruments (2)	2,263,874	2,263,874		

Liabilities:

U.S. dollar-denominated debt:

Senior Notes due 2025	11,823,060	14,065,776	2,242,716	3,649,294
Senior Notes due 2026	5,911,530	6,278,104	366,574	994,384
Senior Notes due 2032	5,911,530	7,985,945	2,074,415	2,873,010
Senior Notes due 2040	11,823,060	14,583,508	2,760,448	4,218,799
Senior Notes due 2045	19,705,100	20,068,856	363,756	2,370,642
Senior Notes due 2046	17,734,590	21,016,731	3,282,141	5,383,814

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December 31, 2017	Carrying Value (3)	Fair Value (4)	Increase (Decrease) of Fair Value Over Carrying Value	Increase (Decrease) of Fair Value Over Carrying Value Assuming a Hypothetical 10% Increase in Fair Value
Peso-denominated debt:				
Notes due 2020	10,000,000	9,702,300	(297,700)	672,530
Notes due 2021	6,000,000	6,090,900	90,900	699,990
Notes due 2022	5,000,000	5,063,300	63,300	569,630
Notes due 2027	4,500,000	4,442,940	(57,060)	387,234
Senior Notes due 2037	4,500,000	4,085,685	(414,315)	(5,746)
Senior Notes due 2043	6,500,000	5,085,925	(1,414,075)	(905,482)
Notes payable to Mexican banks	14,142,027	13,917,175	(224,852)	1,166,866
Finance lease obligations	5,622,774	5,360,933	(261,841)	274,252
Other notes payable	3,684,060	3,319,414	(364,646)	(32,705)

Assets:

Temporary investments (1)	Ps. 5,498,219	Ps. 5,498,219	Ps.	Ps.
Warrants issued by UHI	38,298,606	38,298,606		3,829,861
Long-term loan and interest receivable from GTAC	881,740	889,054	7,314	96,219
Held-to-maturity investments	335,833	334,807	(1,026)	32,455
Available-for-sale investments	6,456,392	6,456,392		645,639
Derivative financial instruments (2)	647,770	647,770		

Liabilities:

U.S. dollar-denominated debt:				
Senior Notes due 2018	10,317,800	10,858,040	540,240	1,626,044
Senior Notes due 2025	12,381,360	14,151,151	1,769,791	3,184,906
Senior Notes due 2026	6,190,680	6,229,991	39,311	662,310
Senior Notes due 2032	6,190,680	7,566,868	1,376,188	2,132,875
Senior Notes due 2040	12,381,360	13,039,801	658,441	1,962,421
Senior Notes due 2045	20,635,600	17,713,393	(2,922,207)	(1,150,868)
Senior Notes due 2046	18,572,040	18,580,026	7,986	1,865,989
Peso-denominated debt:				
Notes due 2020	10,000,000	9,791,680	(208,320)	770,848
Notes due 2021	6,000,000	5,953,980	(46,020)	549,378
Notes due 2022	5,000,000	4,942,230	(57,770)	436,453
Senior Notes due 2037	4,500,000	4,031,550	(468,450)	(65,295)
Senior Notes due 2043	6,500,000	4,712,500	(1,787,500)	(1,316,250)
Notes payable to Mexican banks	9,618,686	9,331,330	(287,356)	645,777
Finance lease obligations	6,391,826	5,763,903	(627,923)	(51,533)
Other notes payable	4,853,025	4,143,984	(709,041)	(294,643)
Derivative financial instruments (2)	5,508	5,508		

- (1) At December 31, 2017 and 2016, the Group's temporary investments consisted of highly liquid securities, including without limitation debt securities and equity instruments held for trading (primarily denominated in Mexican pesos and U.S. dollars). Given the short-term nature of these investments, an increase in U.S. and/or Mexican interest rates would not significantly decrease the fair value of these investments.
- (2) Given the nature of these derivative instruments, an increase of 10% in the interest and/or exchange rates would not have a significant impact on the fair value of these financial instruments.
- (3) The carrying value of debt is stated in this table at its principal amount.
- (4) The fair value of the Senior Notes and Notes due by the Group are within Level 1 of the fair value hierarchy as there is a quoted market price for them. The fair value of the finance lease obligations are within Level 2 of the fair value hierarchy and has been estimated based on cash flows discounted using an estimated weighted average cost of capital. The fair value of held-to-maturity securities are within Level 1 of the fair value hierarchy, and were based on market interest rates to the listed securities.

(iii) ***Price Risk***

The Group is exposed to equity securities price risk because of investments held by the Group and classified in the consolidated statements of financial position as either available-for-sale or held-for-trading investments. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group. The Group is not exposed to commodity price risk.

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(b) Credit Risk

Credit risk is managed on a Group basis, except for credit risk relating to accounts receivable balances. Each local entity is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of AA in local scale for domestic institutions and BBB in global scale for foreign institutions are accepted. If customers are independently rated, these ratings are used. If there is no independent rating, the Group's risk control function assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Company's management. See Note 7 for further disclosure on credit risk.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by the counterparties.

The Group historically has not had significant credit losses arising from customers.

(c) Liquidity Risk

Cash flow forecasting is performed in the operating entities of the Group and aggregated by corporate management. Corporate management monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal statement of financial position ratio targets and, if applicable external regulatory or legal requirements.

Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Group treasury. Group treasury invests surplus cash in interest bearing current accounts, time deposits, money market deposits and marketable securities, choosing investments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above-mentioned forecasts. At December 31, 2017 and 2016, the Group held cash and cash equivalents of Ps.38,734,949 and Ps.47,546,083, respectively, and temporary investments of Ps.6,013,678 and Ps.5,498,219, respectively, that are expected to readily generate cash inflows for managing liquidity risk (see Note 6).

The table below analyses the Group's non-derivative and derivative financial liabilities as well as related contractual interest on debt and finance lease obligations into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

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	Less Than 12 Months January 1, 2018 to December 31, 2018		12-36 Months January 1, 2019 to December 31, 2020		36-60 Months January 1, 2021 to December 31, 2022		Maturities Subsequent to December 31, 2022		Total	
At December 31, 2017										
Debt (1)	Ps.	307,489	Ps.	11,481,645	Ps.	19,852,893	Ps.	91,908,870	Ps.	123,550,897
Finance lease obligations		580,884		1,158,144		1,002,726		2,881,020		5,622,774
Other notes payable		1,178,435		2,505,625						3,684,060
Trade and other liabilities		28,103,281		5,527,223		1,912,825		780,166		36,323,495
Interest on debt (2)		6,848,965		16,946,850		13,910,021		88,905,897		126,611,733
Interest on finance lease obligations		420,572		671,660		496,371		536,910		2,125,513
Interest on other notes payable		5,585		41,562		77,188				124,335

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	Months		12-36 Months		36-60 Months		Maturities			
	January 1,		January 1,		January 1,		Subsequent			
	2017 to		2018 to		2020 to		December 31,			
	December 31,		December 31,		December 31,		2021		Total	
	2017		2019		2021					
At December 31, 2016										
Debt (1)	Ps.	851,659	Ps.	12,239,445	Ps.	18,484,978	Ps.	96,712,124	Ps.	128,288,206
Finance lease obligations		575,576		1,145,475		1,128,587		3,542,188		6,391,826
Derivative financial instruments (interest rate swaps)				5,508						5,508
Other notes payable		1,202,344		2,433,493		1,217,188				4,853,025
Trade and other liabilities		31,260,457		5,079,927		2,859,396		1,436,127		40,635,907
Interest on debt (2)		6,610,591		15,606,658		13,876,591		96,353,123		132,446,963
Interest on finance lease obligations		454,950		768,813		622,667		804,501		2,650,931
Interest on other notes payable		127,656		119,632		5,937				253,225

(1) The amounts of debt are disclosed on a principal amount basis (see Note 13).

(2) Interest to be paid in future years on outstanding debt as of December 31, 2017 and 2016, based on contractual interest rate and exchange rates as of that date.

Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for stockholders and benefits for other stakeholders and to maintain an optimal capital structure in order to minimize the cost of capital.

5. Critical Accounting Estimates and Assumptions

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. By definition, the resulting accounting estimates will seldom equal the related actual results. The estimates and assumptions that have a risk of causing a material adjustment to the carrying amounts of consolidated assets and liabilities within the next financial year are addressed below.

(a) ***Accounting for Programming***

The Group produces a significant portion of programming for initial broadcast over its television networks in Mexico, its primary market. Following the initial broadcast of this programming, the Group then licenses some of this programming for broadcast in secondary markets, such as Mexico, the United States, Latin America, Asia, Europe and Africa. Under IFRS, in order to properly capitalize and subsequently amortize production costs related to this programming, the Group must estimate the expected future benefit period over which a given program will generate revenues (generally, over a five-year period). The Group then amortizes the production costs related to a given program over the expected future benefit period. Under this policy, the Group generally expenses approximately 70% of the production costs related to a given program in its initial broadcast run and defers and expenses the remaining production costs over the remainder of the expected future benefit period (see Note 2 (g)).

The Group estimates the expected future benefit periods based on past historical revenue patterns for similar types of programming and any potential future events, such as new outlets through which the Group can exploit or distribute

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its programming, including its consolidated subsidiaries and equity investees. To the extent that a given future expected benefit period is shorter than the estimate, the Group may have to accelerate capitalized production costs sooner than anticipated. Conversely, to the extent that a given future expected benefit period is longer than the estimate, the Group may have to extend the amortization schedule for the remaining capitalized production costs.

The Group also enters into license arrangements with various third party programming producers and providers, pursuant to which it receives the rights to broadcast programming produced by third parties over its television networks in Mexico. For programming licensed from third parties, the Group estimates the expected future benefit period based upon the term of the license. In addition, the Group may purchase programming from third parties, from time to time. In this case, the Group estimates the expected future benefit period based on the anticipated number of showings in Mexico. To the extent that a given future expected benefit period is shorter than the estimate, the Group may have to accelerate the purchase price or the license fee sooner than anticipated. Conversely, to the extent that a given future expected benefit period is longer than the estimate, the Group may have to extend the amortization schedule for the remaining portion of the purchase price or the license fee.

Assuming a hypothetical 10% decrease in expected future revenue from the Group's programming as of December 31, 2017, the balance of such programming would decrease in the amount of Ps.222,330, with a corresponding increase in programming amortization expense.

(b) *Investments in Associates and Joint Ventures*

Some of the Group's investments are structured as investments in associates and joint ventures (see Notes 2 (c) and 10). As a result, the results of operations attributable to these investments are not consolidated with the results of the Group's various segments for financial reporting purposes, but are reported as share of income or loss of associates and joint ventures in the consolidated statement of income (see Note 10).

In the past, the Group has made significant capital contributions and loans to its associates and joint ventures, and it may in the future make additional capital contributions and loans to at least some of its joint ventures. In the past, some of these ventures have generated, and they may continue to generate, operating losses and negative cash flows as they continue to build and expand their respective businesses.

The Group periodically evaluates its investments in these associates and joint ventures for impairment, taking into consideration the performance of these ventures as compared to projections related to net sales, expenditures, strategic plans and future required cash contributions, among other factors. In doing so, the Group evaluates whether any declines in value are other than temporary. The Group has taken impairment charges in the past for some of these investments. Given the dynamic environments in which these businesses operate, as well as changing macroeconomic conditions, there can be no assurance that the Group's future evaluations will not result in recognizing additional impairment charges for these investments.

Once the carrying balance of a given investment is reduced to zero, the Group evaluates whether it should suspend the equity method of accounting, taking into consideration both quantitative and qualitative factors, such as long-term loans guarantees it has provided to these associates and joint ventures, future funding commitments and expectations as to the viability of the business. These conditions may change from year to year, and accordingly, the Group periodically evaluates whether to continue to account for its various investments under the equity method.

(c) ***Goodwill and Other Indefinite-lived Intangible Assets***

Goodwill and other intangible assets with indefinite useful lives are reviewed for impairment at least annually. When an impairment test is performed, the recoverable amount is assessed by reference to the higher of the net present value of the expected future cash flows (value in use) of the relevant cash generating unit and the fair value less cost to sell.

The recoverable amount of cash generating units has been determined based on fair value less costs to disposal calculations. These calculations require the use of estimates, including management's expectations of future revenue growth, operating costs, profit margins and operating cash flows for each cash-generating unit.

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During 2017 and 2016, the Group recorded impairment adjustments for other indefinite-lived intangible assets (trademarks) related to its Publishing business. Other than in the Publishing business, the Company believes that additional reasonable changes in assumptions would not trigger any additional impairment charges. See Note 2 (b) and (k) for disclosure regarding concession intangible assets.

(d) Long-lived Assets

The Group presents certain long-lived assets other than goodwill and indefinite-lived intangible assets in its consolidated statement of financial position. Long-lived assets are tested for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may no longer be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Recoverability is analyzed based on projected cash flows. Estimates of future cash flows involve considerable management judgment. These estimates are based on historical data, future revenue growth, anticipated market conditions, management plans, and assumptions regarding projected rates of inflation and currency fluctuations, among other factors. If these assumptions are not correct, the Group would have to recognize a write-off or write-down or accelerate the amortization schedule related to the carrying value of these assets (see Notes 2 (l), 12 and 21). The Group has not recorded any significant impairment charges over the past few years.

(e) Deferred Income Taxes

The Group records its deferred tax assets based on the likelihood that these assets are realized in the future. This likelihood is assessed by taking into consideration the future taxable income. In the event the Group were to determine that it would be able to realize its deferred tax assets in the future in excess of the net recorded amount, an adjustment to the deferred tax asset would increase income in the period such determination was made. Should the Group determine that it would not be able to realize all or part of its net deferred tax asset in the future, an adjustment to the deferred tax asset would be charged to income in the period such determination was made.

(f) Financial Assets and Liabilities Measured at Fair Value

The Group has a significant amount of financial assets and liabilities which are measured at fair value on a recurring basis. The degree of management's judgment involved in determining the fair value of a financial asset and liability varies depending upon the availability of quoted market prices. When observable quoted market prices exist, that is the fair value estimate the Group uses. To the extent such quoted market prices do not exist, management uses other means to determine fair value (see Notes 4 and 14).

(g) Exchange of Convertible Debentures due 2025 issued by UHI for Warrants issued by UHI

Significant judgment was applied in assessing the qualitative factors mentioned in IAS 39 *Financial Instruments: Recognition and Measurement*, to determine that the changes in cash flows, the different risks and rewards and contractual terms between the exchanged Convertible Debentures due 2025 issued by UHI and the received Warrants issued by UHI resulted in the derecognition of the Convertible

Debentures.

The Company's management applied significant judgment to determine the classification of the Warrants issued by UHI. These Warrants did not comply with the definition of a derivative financial instrument because the initial investment that the Group paid to acquire the original instrument (Convertible Debentures) was significant and a derivative requires no initial investment or one that is smaller than would be required for a contract with similar response to changes in market factors; therefore, the Group classified the Warrants issued by UHI as available-for-sale financial assets with changes in fair value recognized in other comprehensive income or loss in consolidated equity. Significant judgment was applied by the Company's management in assessing that the characteristics of the Warrants are closer to an equity instrument in accordance with the IAS 32 *Financial Instruments: Presentation* (see Notes 3, 9, 10 and 14).

Table of Contents**6. Cash and Cash Equivalents and Temporary Investments**

Cash and cash equivalents as of December 31, 2017 and 2016, consisted of:

		2017		2016
Cash and bank accounts	Ps.	1,761,260	Ps.	1,550,698
Short-term investments (1)		36,973,689		45,995,385
Total cash and cash equivalents	Ps.	38,734,949	Ps.	47,546,083

(1) Highly-liquid investments with an original maturity of three months or less at the date of acquisition.

Temporary investments as of December 31, 2017 and 2016, consisted of:

		2017		2016
Short-term investments (2)	Ps.	47,649	Ps.	44,816
Other financial assets (3)		5,942,500		5,258,432
Current maturities of non-current held-to-maturity securities		23,529		194,971
Total temporary investments	Ps.	6,013,678	Ps.	5,498,219

(2) Short-term investments with a maturity of over three months and up to one year at the date of acquisition.

(3) Other financial assets include equity instruments held for trading (publicly traded instruments). The fair value is based on quoted market prices. In connection with these equity instruments, the Group recognized in consolidated finance income a fair value gain of Ps.787,298, Ps.395,462 and Ps.503,797, for the years ended December 31, 2017, 2016 and 2015, respectively.

7. Trade Notes and Accounts Receivable, Net

Trade notes and accounts receivable as of December 31, 2017 and 2016, consisted of:

		2017		2016
Non-interest bearing notes received from customers as deposits and advances mainly in connection with annual (upfront basis) and from time to time (scatter basis)	Ps.	17,309,800	Ps.	18,716,562

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prepayments (see Note 2 (o))			
Trade accounts receivable		11,074,352	10,056,382
Allowance for doubtful accounts		(3,657,079)	(3,866,492)
	Ps.	24,727,073	Ps. 24,906,452

As of December 31, 2017 and 2016, the aging analysis of the trade notes and accounts receivable that were past due is as follows:

		2017		2016
1 to 90 days	Ps.	3,830,620	Ps.	5,421,772
91 to 180 days		1,019,717		1,303,596
More than 180 days		4,295,611		3,233,269

The carrying amounts of the Group's trade notes and account receivables denominated in other than peso currencies are as follows:

		2017		2016
U.S. dollar	Ps.	2,103,300	Ps.	3,508,188
Other currencies		210,621		325,116
At December 31	Ps.	2,313,921	Ps.	3,833,304

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Movements on the Group allowance for doubtful accounts of trade notes and account receivables are as follows:

	2017		2016	
At January 1	Ps.	(3,866,492)	Ps.	(3,679,505)
Impairment provision		(2,007,316)		(2,461,596)
Write-off of receivables		1,331,319		1,440,582
Unused amounts reversed		885,410		834,027
At December 31	Ps.	(3,657,079)	Ps.	(3,866,492)

The maximum exposure to credit risk of the trade notes and accounts receivable as of December 31, 2017 and 2016 is the carrying value of each class of receivables mentioned above.

8. Transmission Rights and Programming

At December 31, 2017 and 2016, transmission rights and programming consisted of:

	2017		2016	
Transmission rights	Ps.	8,210,722	Ps.	8,309,497
Programming		5,838,665		6,198,972
		14,049,387		14,508,469
Non-current portion of:				
Transmission rights		4,809,998		4,511,791
Programming		3,348,523		3,463,505
		8,158,521		7,975,296
Current portion of transmission rights and programming	Ps.	5,890,866	Ps.	6,533,173

Amortization of transmission rights and programming charged to consolidated cost of sales for the years ended December 31, 2017, 2016 and 2015 amounted to Ps.15,296,563, Ps.14,591,858 and Ps.13,216,319, respectively (see Note 20).

9. Investments in Financial Instruments

At December 31, 2017 and 2016, the Group had the following investments in financial instruments:

	2017		2016	
Available-for-sale financial assets:				
Warrants issued by UHI (1)	Ps.	36,395,183	Ps.	38,298,606
Available-for-sale investments (2)		7,297,577		6,456,392

	43,692,760		44,754,998
Held-to-maturity investments (3)	287,605		335,833
Other	16,487		45,920
	Ps. 43,996,852	Ps.	45,136,751

(1) Through July 2015, the Group held an investment in Convertible Debentures due 2025 issued by UHI in the principal amount of U.S.\$1,125 million, with an annual interest rate of 1.5% receivable on a quarterly basis, which were convertible at the Company's option into additional shares equivalent to approximately 30% equity stake of UHI, subject to existing laws and regulations in the United States, and other conditions. These Convertible Debentures were classified as available-for-sale financial assets with changes in fair value recognized in other comprehensive income or loss in consolidated equity. The Group's option of converting these debentures into an equity stake of UHI was accounted for as an embedded derivative with changes in fair value recognized in consolidated income (see Notes 14 and 19). In July 2015, the Group exchanged its investment in these Convertible Debentures for an investment in Warrants that are exercisable for UHI's common stock, which were subject to the U.S. Federal Communications Commission (FCC)'s restrictions on foreign ownership, in whole or in part, at an exercise price of U.S.\$0.01 per Warrant share, considering that the original value of U.S.\$1,125 million invested by the Group in Convertible Debentures is part of the Group's investment in Warrants. The Warrants do not entitle the holder to any voting rights or other rights as a stockholder of UHI. The Warrants shall expire and no longer be exercisable after the tenth anniversary of the date of issuance (the Expiration Date); provided, however, the Expiration Date shall automatically be extended for nine successive ten-year periods unless the Group provides written notice to UHI of its election not to so extend the Expiration Date. The Warrants do not bear interest. The fair value of these Warrants at the date of exchange was U.S.\$1,951 million (Ps.30,582,427). The Group reclassified Ps.4,718,175 from accumulated other comprehensive income in consolidated equity to other finance income in the consolidated statement of income for the year ended December 31, 2015, as a result of derecognizing the Convertible Debentures. In July 2015, the Group exercised a portion of these Warrants in the amount of U.S.\$107.4 million (Ps.1,695,524) to increase its equity stake in UHI from 7.8% to approximately 10%. In January 2017, in a Declaratory Ruling, the FCC approved an increase in the authorized aggregate foreign ownership of UHI's issued and outstanding shares of common stock from 25% to 49%, and authorized the Group to hold up to 40% of the voting interest and 49% of the equity interest of UHI. Through December 31, 2017, these Warrants were classified as available-for-sale financial assets with changes in fair value recognized in accumulated other comprehensive income or loss in consolidated equity (see Note 3, 10 and 14).

(2) The Group has an investment in an Open Ended Fund that has as a primary objective to achieve capital appreciation by using a broad range of strategies through investments and transactions in telecom, media and other sectors across global markets, including Latin America and

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other emerging markets. Shares may be redeemed on a quarterly basis at the Net Asset Value (NAV) per share as of such redemption date. The fair value of this fund is determined by using the NAV per share. The NAV per share is calculated by determining the value of the fund assets and subtracting all of the fund liabilities and dividing the result by the total number of issued shares (see Note 2 (i)).

(3) Held-to-maturity investments represent corporate fixed income securities with long-term maturities. These investments are stated at amortized cost. Maturities of these investments subsequent to December 31, 2017, are as follows: Ps.137,699 in 2019, Ps.62,207 in 2020 and Ps.87,699 thereafter. Held- to-maturity financial assets as of December 31, 2017 and 2016 are denominated primarily in Mexican pesos.

A roll forward of available-for-sale financial assets for the years ended December 31, 2017 and 2016 is presented as follows:

		Warrants Issued by UHI		Available-for- sale Investments		Total
At January 1, 2017	Ps.	38,298,606	Ps.	6,456,392	Ps.	44,754,998
Change in fair value in other comprehensive income (1)		(1,903,423)		841,185		(1,062,238)
At December 31, 2017	Ps.	36,395,183	Ps.	7,297,577	Ps.	43,692,760

		Warrants Issued by UHI		Available-for- sale Investments		Total
At January 1, 2016	Ps.	35,042,577	Ps.	5,873,243	Ps.	40,915,820
Change in fair value in other comprehensive income (1)		3,256,029		583,149		3,839,178
At December 31, 2016	Ps.	38,298,606	Ps.	6,456,392	Ps.	44,754,998

(1) The foreign exchange loss in 2017 derived from the hedged Warrants issued by UHI and the initial investment in Open Ended Fund was hedged by foreign exchange gain in the consolidated statement of income for the year ended December 31, 2017, in the amount of Ps.1,622,976 and Ps.167,490, respectively. The foreign exchange gain in 2016 derived from the hedged Warrants issued by UHI and the initial investment in Open Ended Fund was hedged by foreign exchange loss in the consolidated statement of income for the year ended December 31, 2016, in the amount of Ps.6,891,428 and Ps.615,528, respectively (see Notes 13 and 22).

The maximum exposure to credit risk of the investments in financial instruments as of December 31, 2017 and 2016 is the carrying value of the financial assets mentioned above.

10. Investments in Associates and Joint Ventures

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At December 31, 2017 and 2016, the Group had the following investments in associates and joint ventures accounted for by the equity method:

	Ownership as of December 31, 2017	2017	2016
Associates:			
UHI (1)	10.0% Ps.	8,144,843	Ps. 7,236,587
Imagina (2)	19.9%	3,845,823	2,962,102
Ocesa Entretenimiento, S.A. de C.V. and subsidiaries (collectively, OCEN)			
(3)	40.0%	1,059,391	998,117
Other		101,058	100,060
Joint ventures:			
Grupo de Telecomunicaciones de Alta Capacidad, S.A.P.I. de C.V. (GTAC)			
(4)	33.3%	720,806	728,504
Periódico Digital Sendero, S.A.P.I. de C.V. and subsidiary (collectively, PDS) (5)	50.0%	180,159	
The Second Screen Company Latam, S.L. (The Second Screen)	50.0%	58,672	57,662
Televisa CJ Grand, S.A. de C.V. (Televisa CJ Grand)	50.0%		9,222
		Ps. 14,110,752	Ps. 12,092,254

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(1) The Group accounts for its investment in common stock of UHI, the parent company of Univision, under the equity method due to the Group's ability to exercise significant influence, as defined under IFRS, over UHI's operations. The Group has the ability to exercise significant influence over the operating and financial policies of UHI because the Group (i) as of December 31, 2017 and 2016, owned 1,110,382 Class C shares of common stock of UHI, representing approximately 10% of the outstanding total shares of UHI as of each of those dates; (ii) as of December 31, 2017 and 2016, held Warrants exercisable for common stock of UHI equivalent to approximately 26% equity stake of UHI on a fully-diluted, as-converted basis, subject to certain conditions, laws and regulations; (iii) as of December 31, 2017 and 2016, had three officers and one director of the Company designated as members of the Board of Directors of UHI, which was composed of 18 directors of 22 available board seats; and (iv) was party to a PLA, as amended, with Univision, an indirect wholly-owned subsidiary of UHI, pursuant to which Univision has the right to broadcast certain Televisa content in the United States (Program License Agreement), and to another program license agreement pursuant to which the Group has the right to broadcast certain Univision's content in Mexico (Mexican License Agreement), in each case through the later of 2025 (2030 upon consummation of a qualified public equity offering of UHI by July 1, 2019) or 7.5 years after the Group has sold two-thirds of its initial investment in UHI made in December 2010 (see Notes 3, 9, 14, 19 and 22).

(2) Through June 2015, the Company's investment in common stock of Imagina, a Spanish media and communications company, was accounted for as an available-for-sale equity financial asset with changes in fair value recognized in consolidated other comprehensive income or loss. In July 2015, the Company acquired additional shares of Imagina for the aggregate cash amount of 19.2 million (Ps.341,710) and increased its equity stake in Imagina from 14.5% to 19.9%. As a result of this transaction, beginning in the third quarter of 2015, the Group (i) holds two of 10 seats on the Board of Directors of Imagina; (ii) began to account for this investment under the equity method due to its ability to exercise significant influence over the operating and financial policies of Imagina; (iii) recognized its investment in Imagina as an associate through the fair value as deemed cost at the transaction date; and (iv) reclassified a cumulative gain of Ps.544,402, related to changes in fair value of the investment in Imagina from accumulated other comprehensive income in consolidated equity to consolidated other finance income for the year ended December 31, 2015 (see Note 3).

(3) OCEN is a majority-owned subsidiary of Corporación Interamericana de Entretenimiento, S.A.B. de C.V., and is engaged in the live entertainment business in Mexico. In 2017 and 2016, the stockholders of OCEN approved the payment of a dividend in the amount of Ps.340,000 and Ps.215,000, respectively, of which Ps.136,000 and Ps.86,000, were paid to the Group. As of December 31, 2017 and 2016, the investment in OCEN included goodwill of Ps.359,613 (see Note 19).

(4) GTAC was granted a 20-year contract for the lease of a pair of dark fiber wires held by the Mexican Federal Electricity Commission and a concession to operate a public telecommunications network in Mexico with an expiration date in 2030. GTAC is a joint venture in which a subsidiary of the Company, a subsidiary of Grupo de Telecomunicaciones Mexicanas, S.A. de C.V. and a subsidiary of Megacable, S.A. de C.V. have an equal equity participation of 33.3%. In June 2010, a subsidiary of the Company entered into a long-term credit facility agreement to provide financing to GTAC for up to Ps.688,217, with an annual interest rate of the Mexican Interbank Interest Rate (Tasa de Interés Interbancaria de Equilibrio or TIIE) plus 200 basis points. Under the terms of this agreement,

principal and interest are payable at dates agreed by the parties, between 2013 and 2021. As of December 31, 2017 and 2016, GTAC had used a principal amount of Ps.688,183, under this credit facility. During 2017, GTAC paid principal and interest to the Group in connection with this credit facility in the aggregate amount of Ps.203,945. During 2016, GTAC did not pay any amount of principal nor interest to the Group in connection with this credit facility. Also, a subsidiary of the Company entered into supplementary long-term loans to provide additional financing to GTAC for an aggregate principal amount of Ps.582,735, with an annual interest of THIE plus 200 basis points computed on a monthly basis and payable on an annual basis or at dates agreed by the parties. Under the terms of these supplementary loans, principal amounts can be prepaid at dates agreed by the parties before their maturities between 2023 and 2027. During 2017, GTAC paid principal and interest to the Group in connection with these supplementary loans in the aggregate amount of Ps.47,885. During 2016, GTAC did not pay any amount of principal nor interest in connection with these supplementary loans. The net investment in GTAC as of December 31, 2017 and 2016, included amounts receivable in connection with this long-term credit facility and supplementary loans to GTAC in the aggregate amount of Ps.929,516 and Ps.881,740, respectively (see Note 14).

(5) The Group accounts for its investment in PDS under the equity method, due to its 50% interest in this joint venture. In September 2017, PDS acquired substantially all of the equity interest in Now New Media, S.A.P.I. de C.V., an online news website in Mexico City, in the aggregate amount of Ps.81,749. As of December 31, 2017, the Group's investment in PDS included intangible assets and goodwill in the aggregate amount of Ps.113,837 (see Note 3).

A roll forward of investments in associates and joint ventures for the years ended December 31, 2017 and 2016 is presented as follows:

	2017		2016	
At January 1	Ps.	12,092,254	Ps.	9,271,901
Share of income of associates and joint ventures, net		1,913,273		1,139,604
Dividends from OCEN		(136,000)		(86,000)
Long-term loans granted to GTAC, net		222,846		140,871
Foreign currency translation adjustments		52,796		1,518,962
GTAC paid principal and interest		(251,830)		
Investment in other associates		28,597		21,105
Investment in PDS		162,500		
Investment in The Second Screen				54,228
Other		26,316		31,583
At December 31	Ps.	14,110,752	Ps.	12,092,254

Combined condensed balance sheet information related to the Group's share in associates and joint ventures as of December 31, 2017 and 2016, including adjustments made by the Group when using the equity method, such as fair value adjustments made at the time of acquisition, is set forth below:

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	2017		2016	
Current assets	Ps.	9,904,652	Ps.	8,176,984
Non-current assets		31,093,027		34,464,469
Total assets		40,997,679		42,641,453
Current liabilities		6,855,976		6,030,712
Non-current liabilities		19,942,993		24,647,420
Total liabilities		26,798,969		30,678,132
Total net assets	Ps.	14,198,710	Ps.	11,963,321

The Group recognized its share of comprehensive income (loss) of associates and joint ventures for the years ended December 31, 2017, 2016 and 2015, as follows:

	2017		2016		2015	
Share of income of associates and joint ventures, net	Ps.	1,913,273	Ps.	1,139,604	Ps.	35,399
Share of other comprehensive (loss) income of associates and joint ventures:						
Foreign currency translation adjustments, net		(9,587)		6,633		(358)
Other comprehensive (loss) income, net		(50,753)		(49,465)		20,063
		(60,340)		(42,832)		19,705
Share of comprehensive income of associates and joint ventures	Ps.	1,852,933	Ps.	1,096,772	Ps.	55,104

11. Property, Plant and Equipment, Net

The analysis of the changes in property, plant and equipment is as follows:

Changes	Buildings and Land	Technical Equipment	Satellite Transponders	Furniture and Fixtures	Transportation Equipment	Computer Equipment	Leasehold Improvements	Construction in Progress	Total
Cost:									
January 1, 2016	Ps. 13,623,298	Ps. 97,721,490	Ps. 10,301,713	Ps. 966,928	Ps. 2,631,076	Ps. 6,642,536	Ps. 2,170,607	Ps. 9,938,991	Ps. 143,996,639
Additions	21,891	11,045,371		52,354	214,944	472,600	193,435	15,940,990	27,941,585
Retirements	(37,422)	(10,757,033)		(131,709)	(83,285)	(1,085,679)	(20,222)	(1,840,427)	(13,955,777)
Transfers and reclassifications	449,458	7,205,753		101,588	140,415	901,561	195,869	(8,994,644)	
Effect of translation	56,176	504,787		6,086	4,292	24,829	3,139	8,821	608,130
December 31, 2016	14,113,401	105,720,368	10,301,713	995,247	2,907,442	6,955,847	2,542,828	15,053,731	158,590,577
Additions	18,845	8,854,150		11,477	192,193	177,150	26,269	7,479,482	16,759,566
Retirements	(185,685)	(3,641,319)		(55,690)	(339,594)	(339,090)	(5,751)	(525,532)	(5,092,661)
Transfers and reclassifications	503,454	6,703,287		178,858	71,188	878,888	183,257	(8,518,932)	
Effect of translation	(16,886)	(170,432)		(8,253)	(1,121)	(6,882)	704	(3,683)	(206,553)
December 31, 2017	Ps. 14,433,129	Ps. 117,466,054	Ps. 10,301,713	Ps. 1,121,639	Ps. 2,830,108	Ps. 7,665,913	Ps. 2,747,307	Ps. 13,485,066	Ps. 170,050,929
Depreciation:									
January 1, 2016	Ps. (4,192,571)	Ps. (52,738,617)	Ps. (3,485,385)	Ps. (561,650)	Ps. (1,200,762)	Ps. (4,668,315)	Ps. (1,060,062)		Ps. (67,907,362)
	(290,645)	(11,958,803)	(567,455)	(84,869)	(300,168)	(917,426)	(334,783)		(14,454,149)

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Depreciation of the year								
Retirements	12,281	9,630,932	127,736	69,011	1,083,071	13,240		10,936,271
Reclassifications		11,545				(11,545)		
Effect of translation	(16,647)	(336,050)	(5,325)	(3,541)	(17,152)	(3,050)		(381,765)
December 31, 2016	(4,487,582)	(55,390,993)	(4,052,840)	(524,108)	(1,435,460)	(4,519,822)	(1,396,200)	(71,807,005)
Depreciation of the year	(256,412)	(13,271,239)	(567,454)	(94,728)	(313,280)	(1,017,204)	(351,717)	(15,872,034)
Retirements	42,398	2,480,771	52,503	274,734	326,857	5,198		3,182,461
Reclassifications			137			(137)		
Effect of translation	6,729	146,440	7,699	857	4,182	(448)		165,459
December 31, 2017	Ps. (4,694,867)	Ps. (66,035,021)	Ps. (4,620,294)	Ps. (558,497)	Ps. (1,473,149)	Ps. (5,206,124)	Ps. (1,743,167)	Ps. (84,331,119)
Carrying value:								
At January 1, 2016	Ps. 9,430,727	Ps. 44,982,873	Ps. 6,816,328	Ps. 405,278	Ps. 1,430,314	Ps. 1,974,221	Ps. 1,110,545	Ps. 9,938,991
At December 31, 2016	Ps. 9,625,819	Ps. 50,329,375	Ps. 6,248,873	Ps. 471,139	Ps. 1,471,982	Ps. 2,436,025	Ps. 1,146,628	Ps. 15,053,731
At December 31, 2017	Ps. 9,738,262	Ps. 51,431,033	Ps. 5,681,419	Ps. 563,142	Ps. 1,356,959	Ps. 2,459,789	Ps. 1,004,140	Ps. 13,485,066

Depreciation charges are presented in Note 20.

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In the third quarter of 2013, Sky entered into an agreement with DirecTV for the acquisition and launch of a satellite (SM1), which started service in the third quarter of 2015. In 2015, Sky made a final payment in connection with the acquisition and launch of the SM1 satellite in the aggregate amount of Ps.307,950 (U.S.\$20.2 million).

Property, plant and equipment include the following assets under finance leases as of December 31:

	2017		2016	
Satellite transponders	Ps.	6,065,509	Ps.	6,065,509
Accumulated depreciation		(3,286,356)		(3,001,315)
	Ps.	2,779,153	Ps.	3,064,194
Technical equipment	Ps.	1,677,260	Ps.	1,781,812
Accumulated depreciation		(686,555)		(722,676)
	Ps.	990,705	Ps.	1,059,136

Property, plant and equipment include the following technical equipment leased to subscribers in the Sky and Cable segments as of December 31:

	2017		2016	
Subscriber leased set-top equipment	Ps.	27,804,259	Ps.	24,328,849
Accumulated depreciation		(17,086,983)		(13,452,535)
	Ps.	10,717,276	Ps.	10,876,314

Table of Contents**12. Intangible Assets, Net**

The analysis of the changes in intangible assets is as follows:

Changes	Intangible Assets with Indefinite Useful Lives				Intangible Assets with Finite Useful Lives				Other Intangible Assets	Total
	Goodwill	Trademarks	Concessions	Trademarks	Concessions	Licenses	Subscriber Lists			
Cost:										
January 1, 2016	112,626	Ps. 782,958	Ps. 5,19,572	Ps. 1,891,306		Ps. 5,366,912	Ps. 6,207,405	Ps. 3,014,421	Ps. 47,095,200	
Additions						2,112,768		676,322	2,789,090	
Retirements						(1,026,954)		(68,138)	(1,095,092)	
Impairment adjustments		(6,851)							(6,851)	
Transfers and reclassifications						(761)		761		
Effect of translation		165				52,485	(210)	46,134	98,574	
December 31, 2016	14,112,626	776,272	5,719,572	1,891,306		6,504,450	6,207,195	3,669,500	48,880,921	
Additions						1,222,802		558,766	1,781,568	
Retirements			(71,157)			(257,513)		(274,815)	(603,485)	
Impairment adjustments		(89,597)							(89,597)	
Transfers and reclassifications			(553,505)		553,505					
Effect of translation		(371)				930	(3,320)	(12,759)	(15,520)	
December 31, 2017	112,626	Ps. 615,147	Ps. 6,067	Ps. 1,891,306	Ps. 553,505	Ps. 7,470,669	Ps. 6,203,875	Ps. 3,940,692	Ps. 49,953,887	
Amortization:										
January 1, 2016				(151,305)		(3,489,143)	(3,520,650)	(1,827,777)	(8,988,875)	
Amortization of the year				(472,827)		(979,238)	(960,716)	(112,903)	(2,525,684)	
Other amortization of the year(1)								(352,654)	(352,654)	
Retirements						710,199		67,926	778,125	
Effect of translation						(40,820)		(16,242)	(57,062)	
December 31, 2016				(624,132)		(3,799,002)	(4,481,366)	(2,241,650)	(11,146,150)	
Amortization of the year				(472,827)	(110,701)	(1,116,080)	(926,676)	(37,956)	(2,664,240)	
Other amortization of the year								(504,674)	(504,674)	
Retirements						236,111		3,351	239,462	
Reclassifications						4,673		(4,673)		
Effect of translation						1,337	3,320	3,492	8,149	
December 31, 2017				(1,096,959)	(110,701)	(4,672,961)	(5,404,722)	(2,782,110)	(14,067,453)	
Carrying value:										
At January 1, 2016	112,626	Ps. 782,958	Ps. 5,19,572	Ps. 1,740,001		Ps. 1,877,769	Ps. 2,686,755	Ps. 1,186,644	Ps. 38,106,325	

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At December 31,											
2016	112,626	Ps. 776,272	19,572	Ps. 1,267,174	Ps.	2,705,448	Ps. 1,725,829	Ps.	1,427,850	Ps.	37,734,771
At December 31,											
2017	112,626	Ps. 615,147	66,067	Ps. 794,347	Ps. 442,804	Ps. 2,797,708	Ps. 799,153	Ps.	1,158,582	Ps.	35,886,434

(1) Other amortization of the year relates primarily to amortization of soccer player rights, which is included in consolidated cost of sales.

All of the amortization charges are presented in Note 20.

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The changes in the net carrying amount of goodwill and indefinite-lived trademarks and concessions for the year ended December 31, 2017 and 2016, were as follows:

	Balance as of January 1, 2017		Acquisitions	Retirements	Foreign Currency Translation Adjustments	Impairment Adjustments	Transfers	Balance as of December 31, 2017	
Goodwill									
Content	Ps.	241,973	Ps.	Ps.	Ps.	Ps.	Ps.	Ps.	241,973
Cable		13,793,684							13,793,684
Other Businesses		76,969							76,969
	Ps.	14,112,626	Ps.	Ps.	Ps.	Ps.	Ps.	Ps.	14,112,626

Indefinite-lived trademarks (see Note 3):									
Cable	Ps.	368,603	Ps.	Ps.	Ps.	Ps.	Ps.	Ps.	368,603
Other Businesses		407,669		(71,157)	(371)	(89,597)			246,544
	Ps.	776,272	Ps.	(71,157)	(371)	(89,597)	Ps.	Ps.	615,147

Indefinite-lived concessions (see Note 3):									
Content	Ps.	553,505	Ps.	Ps.	Ps.	Ps.	Ps.	(553,505)	Ps.
Cable		15,070,025							15,070,025
Sky		96,042							96,042
	Ps.	15,719,572	Ps.	Ps.	Ps.	Ps.	Ps.	(553,505)	Ps.

	Balance as of January 1, 2016		Acquisitions	Retirements	Foreign Currency Translation Adjustments	Impairment Adjustments	Transfers	Balance as of December 31, 2016	
Goodwill									
Content	Ps.	241,973	Ps.	Ps.	Ps.	Ps.	Ps.	Ps.	241,973
Cable		13,793,684							13,793,684
Other Businesses		76,969							76,969
	Ps.	14,112,626	Ps.	Ps.	Ps.	Ps.	Ps.	Ps.	14,112,626

Indefinite-lived trademarks (see Note 3):									
Cable	Ps.	368,603	Ps.	Ps.	Ps.	Ps.	Ps.	Ps.	368,603
Other Businesses		414,355			165	(6,851)			407,669
	Ps.	782,958	Ps.	Ps.	Ps.	(6,851)	Ps.	Ps.	776,272

Indefinite-lived concessions (see Note 3):									
Content	Ps.	553,505	Ps.	Ps.	Ps.	Ps.	Ps.	Ps.	553,505
Cable		15,070,025							15,070,025
Sky		96,042							96,042
	Ps.	15,719,572	Ps.	Ps.	Ps.	Ps.	Ps.	Ps.	15,719,572

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During the fourth quarter of 2017 and 2016, the Group monitored the market associated with its Publishing business, which is classified into the Other Businesses segment, which has experienced a general slow-down in Latin America. Accordingly, the Group reduced its cash flow expectations for some of its foreign operations. As a result, the Group compared the fair value of the intangible assets in the reporting units with the related carrying value and recorded an aggregate pre-tax impairment charge in connection with trademarks of Ps.89,597 and Ps.6,851, respectively, in other expense, net, in the consolidated statements of income for the years ended December 31, 2017 and 2016.

The key assumptions used for fair value calculations of goodwill and intangible assets in 2017 were as follows (see Note 14):

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	Other Business		Cable	
	Minimum	Maximum	Minimum	Maximum
Long-term growth rate	2.30%	3.70%	2.40%	2.40%
Discount rate	12.30%	14.80%	10.00%	12.50%

The key assumptions used for fair value calculations of goodwill and intangible assets in 2016 were as follows (see Note 14):

	Other Business		Cable	
	Minimum	Maximum	Minimum	Maximum
Long-term growth rate	3.20%	4.70%	2.90%	2.90%
Discount rate	12.70%	17.30%	9.60%	11.60%

As described in Note 2 (k), beginning in the third quarter of 2015, the Company's management estimated the remaining useful life of four years for acquired trademarks in specific locations of Mexico in connection with the migration to an internally developed trademark in the Group's Cable segment. Amortization of trademarks with a finite useful life amounted to Ps.472,827 for the years ended December 31, 2017 and 2016, in both years. Assuming a useful life of four years, amortization of these trademarks in future years is estimated in the following amounts:

	Year ended December 31,	
2018	Ps.	472,827
2019		321,520

During the fourth quarter of 2017, the Company's management reviewed the useful life of certain Group's television concessions accounted for as intangible assets in conjunction with an expected payment to be made for renewal in 2021, which amount will be determined by the IFT before the renewal date. Based on such review, the Group classified these concessions as intangible assets with a finite useful life and began to amortize the related net carrying amount of \$553,505 in a period ending in 2021. Amortization of these concessions with a finite useful life amounted to Ps.110,701 for the year ended December 31, 2017. Assuming a remaining useful life of five years, amortization of these concessions in future years is estimated in the following amounts:

	Year ended December 31,	
2018	Ps.	110,701
2019		110,701
2020		110,701
2021		110,701

Table of Contents**13. Debt, Finance Lease Obligations and Other Notes Payable**

Debt, finance lease obligations and other notes payable outstanding as of December 31, 2017 and 2016, were as follows:

	2017		2016		Effective Interest Rate		2016 Total	
	Principal	Finance Costs	Subtotal	Interest Payable	Total			
U.S. dollar debt:								
6% Senior Notes due 2018 (1)	Ps.	Ps.	Ps.	Ps.	Ps.		Ps.	10,380,514
6.625% Senior Notes due 2025 (1)	11,823,060	(277,743)	11,545,317	221,929	11,767,246	7.10%		12,297,715
4.625% Senior Notes due 2026 (1)	5,911,530	(39,327)	5,872,203	113,920	5,986,123	5.025%		6,265,685
8.50% Senior Notes due 2032 (1)	5,911,530	(25,169)	5,886,361	153,536	6,039,897	9.01%		6,324,531
6.625% Senior Notes due 2040 (1)	11,823,060	(139,592)	11,683,468	361,178	12,044,646	7.05%		12,613,632
5% Senior Notes due 2045 (1)	19,705,100	(463,707)	19,241,393	142,315	19,383,708	5.39%		20,304,015
6.125% Senior Notes due 2046 (1)	17,734,590	(133,647)	17,600,943	452,602	18,053,545	6.495%		18,907,580
Total U.S. dollar debt	72,908,870	(1,079,185)	71,829,685	1,445,480	73,275,165			87,093,672
Mexican peso debt:								
7.38% Notes due 2020 (2)	10,000,000	(19,984)	9,980,016	127,100	10,107,116	7.433%		10,106,213
TIIE + 0.35% Notes due 2021 (2)	6,000,000	(6,896)	5,993,104	21,902	6,015,006	7.81%		6,006,902
TIIE + 0.35% Notes due 2022 (2)	5,000,000	(7,612)	4,992,388	13,957	5,006,345	7.84%		5,000,632
8.79% Notes due 2027 (2)	4,500,000	(23,199)	4,476,801	91,196	4,567,997	8.84%		
8.49% Senior Notes due 2037 (1)	4,500,000	(14,078)	4,485,922	31,837	4,517,759	8.94%		4,517,035
7.25% Senior Notes due 2043 (1)	6,500,000	(60,197)	6,439,803	40,580	6,480,383	7.92%		6,484,560
Bank loans (Sky) (4)	6,000,000	(35,646)	5,964,354	6,096	5,970,450	8.93%		1,249,631
Bank loans (Sky) (4)	5,500,000		5,500,000	14,854	5,514,854	7.11%		5,500,000
Bank loans (TVI) (5)	2,642,027	(3,949)	2,638,078	3,845	2,641,923	8.54%		2,866,273
Total Mexican peso debt	50,642,027	(171,561)	50,470,466	351,367	50,821,833			41,731,246
Total debt (6)	123,550,897	(1,250,746)	122,300,151	1,796,847	124,096,998			128,824,918
Less: Current portion of long-term debt	307,489	(466)	307,023	1,796,847	2,103,870			2,678,255
Long-term debt, net of current portion	Ps. 123,243,408	Ps. (1,250,280)	Ps. 121,993,128	Ps.	Ps. 121,993,128		Ps.	126,146,663
Finance lease obligations:								
Satellite transponder lease obligation (7)	Ps. 4,938,049	Ps.	Ps. 4,938,049	Ps.	Ps. 4,938,049	7.30%	Ps.	5,522,565
Other (8)	684,725		684,725		684,725	6.73%		869,261
Total finance lease obligations	5,622,774		5,622,774		5,622,774			6,391,826
Less: Current portion	580,884		580,884		580,884			575,576
Finance lease obligations, net of current portion	Ps. 5,041,890	Ps.	Ps. 5,041,890	Ps.	Ps. 5,041,890		Ps.	5,816,250

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Other notes payable:

Total other notes payable (9)	Ps.	3,684,060	Ps.	Ps.	3,684,060	Ps.	Ps.	3,684,060	3.00%	Ps.	4,853,025
Less: Current portion		1,178,435			1,178,435			1,178,435			1,202,344
Other notes payable, net of current portion	Ps.	2,505,625	Ps.	Ps.	2,505,625	Ps.	Ps.	2,505,625		Ps.	3,650,681

(1) The Senior Notes due between 2025 and 2046, in the aggregate outstanding principal amount of U.S.\$3,700 million and Ps.11,000,000, are unsecured obligations of the Company, rank equally in right of payment with all existing and future unsecured and unsubordinated indebtedness of the Company, and are junior in right of payment to all of the existing and future liabilities of the Company's subsidiaries. Interest on the Senior Notes due 2025, 2026, 2032, 2037, 2040, 2043, 2045 and 2046, including additional amounts payable in respect of certain Mexican withholding taxes, is 6.97%, 4.86%, 8.94%, 8.93%, 6.97%, 7.62%, 5.26% and 6.44% per annum, respectively, and is payable semi-annually. These Senior Notes may not be redeemed prior to maturity, except (i) in the event of certain changes in law affecting the Mexican withholding tax treatment of certain payments on the securities, in which case the securities will be redeemable, in whole or in part, at the option of the Company; and (ii) in the event of a change of control, in which case the Company may be required to redeem the securities at 101% of their principal amount. Also, the Company may, at its own option, redeem the Senior Notes due 2025, 2026, 2037, 2040, 2043 and 2046, in whole or in part, at any time at a redemption price equal to the greater of the principal amount of these Senior Notes or the present value of future cash flows, at the redemption date, of principal and interest amounts of the Senior Notes discounted at a fixed rate of comparable U.S. or Mexican sovereign bonds. The Senior Notes due 2026, 2032, 2040, 2043, 2045 and 2046 were priced at 99.385%, 99.431%, 98.319%, 99.733%, 96.534%, and 99.677%, respectively, for a yield to maturity of 4.70%, 8.553%, 6.755%, 7.27%, 5.227% and 6.147%, respectively. The Senior Notes due 2025 were issued in two aggregate principal amounts of U.S.\$400 million and U.S.\$200 million, and were priced at 98.081% and 98.632%, respectively, for a yield to maturity of 6.802% and 6.787%, respectively. The agreement of these Senior Notes contains covenants that limit the ability of the Company and certain restricted subsidiaries engaged in the Group's Content segment, to incur or assume liens, perform sale and leaseback transactions, and consummate certain mergers, consolidations and similar transactions. The Senior Notes due 2025, 2026, 2032, 2037, 2040, 2045 and 2046 are registered with the U.S. Securities and Exchange Commission (SEC). The Senior Notes due 2043 are registered with both the SEC and the Mexican Banking and Securities Commission (Comisión Nacional Bancaria y de Valores). In December 2017, the Company prepaid the principal outstanding amount of U.S.\$500 million Senior Notes due 2018 at an aggregate redemption price of Ps.9,841,716 (U.S.\$511.7 million), which included related fees and accrued and unpaid interest at the redemption date (see Note 22).

(2) In 2010, 2014, 2015 and October 2017, the Company issued Notes (Certificados Bursátiles) due 2020, 2021, 2022 and 2027, respectively, through the Mexican Stock Exchange (Bolsa Mexicana de Valores) in the aggregate principal amount of Ps.10,000,000, Ps.6,000,000, Ps.5,000,000 and Ps.4,500,000, respectively. Interest on the Notes due 2020 is 7.38% per annum and is payable semi-annually. Interest on the Notes due 2021 and 2022 is the Equilibrium Interbank Interest Rate (Tasa de Interés Interbancaria de Equilibrio or TIIE) plus 35 basis points per annum and is payable every 28 days. Interest on the Notes due 2027 is 8.79% per annum and is payable semi-annually. The Company may, at its own option, redeem the Notes due 2020 and 2027, in whole or in part, at any semi-annual interest payment date at a redemption price equal to the greater of the principal amount of the outstanding Notes and the present value of future cash flows, at the

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redemption date, of principal and interest amounts of the Notes discounted at a fixed rate of comparable Mexican sovereign bonds. The Company may, at its own option, redeem the Notes due 2021 and 2022, in whole or in part, at any date at a redemption price equal to the greater of the principal amount of the outstanding Notes and an average price calculated from prices to be provided at the redemption date by two Mexican financial pricing companies. The agreement of these Notes contains covenants that limit the ability of the Company and certain restricted subsidiaries appointed by the Company's Board of Directors, and engaged in the Group's Content segment, to incur or assume liens, perform sale and leaseback transactions, and consummate certain mergers, consolidations and similar transactions.

(3) In November and December 2017, the Company entered into long-term credit agreements with three Mexican banks, in the aggregate principal amount of Ps.6,000,000, and an annual interest rate payable on a monthly basis of 28-day THIE plus a range between 125 and 130 basis points, and principal maturities between 2022 and 2023. The proceeds of these loans were used primarily for the prepayment in full of the Senior Notes due 2018. Under the terms of these loan agreements, the Company is required to (a) maintain certain financial coverage ratios related to indebtedness and interest expense; and (b) comply with the restrictive covenant on spin-offs, mergers and similar transactions. In 2016 includes a long-term credit agreement entered into by the Company with a Mexican bank in the principal amount of Ps.1,250,000 with principal maturities between 2017 and 2018, and an annual interest rate payable on a monthly basis of 28-day THIE plus 117.5 basis points. The Company prepaid the remaining principal amount of this credit agreement in fourth quarter of 2017, in the aggregate amount of Ps.629,311, which included accrued and unpaid interest. In 2015, included (i) a long-term bank loan entered into by the Company with a Mexican bank in the principal amount of Ps.1,782,000, with a maturity in 2016, and an annual interest rate payable on a monthly basis of 28-day THIE plus 15 basis points in 2014, a range between 30 and 70 basis points in 2015, and a range between 70 and 80 basis points in 2016; and (ii) a credit agreement entered into by the Company with a Mexican bank in the aggregate principal amount of Ps.500,000, with a maturity in 2016, and an annual interest rate payable on a monthly basis of 28-day THIE plus a range between 0 and 30 basis points in 2015, and a range between 30 and 80 basis points in 2016. The proceeds of this credit agreement were used by the Group to prepay long-term debt previously entered into by Telecable and related accrued interest in the aggregate amount of Ps.507,632 (see Note 3). In June 2015, the Company prepaid long-term bank loans in the aggregate amount of Ps.1,600,000, with original principal maturities between 2017 and 2021, and an annual interest rate payable on a monthly basis of a range between 8.77% and 9.4%. The aggregate amount paid by the Company amounted to Ps.1,814,312, which included related accrued interest and fees. In September 2014, the Company prepaid long-term credits in the aggregate principal amount of Ps.4,500,000, which were originally due in 2016. As described below, the Company used funds received from Sky to prepay a portion of its Mexican peso outstanding long-term loans with original maturities between 2016 and 2017 in the aggregate principal amount of Ps.3,532,000. Total cash used for these prepayments amounted to Ps.3,568,838, which included the partial settlement of a derivative contract which the Company contracted to cover the rate risk in this loan and accrued interest.

(4) In June 2015, Sky prepaid two long-term loans in the principal amount of Ps.1,400,000 and Ps.2,100,000, with an original maturity in 2016, and annual interest of THIE plus 24 basis points and 8.74%, respectively, which was payable on a monthly basis. The aggregate amount paid by Sky amounted to Ps.3,651,712, which included related accrued interest, the settlement of a related derivative contract, and fees. This prepayment was funded primarily by a long-term loan made by the Company in the principal amount of Ps.3,500,000, with a maturity in 2022, and an annual interest rate of 7.38%, which is payable on a monthly basis. In March 2016, Sky (i) entered into long-term debt agreements with two Mexican banks in the aggregate principal amount of Ps.5,500,000, with maturities in 2021 and 2023, and interest payable on a monthly basis and an annual rate in the range of 7.0% and 7.13%; and (ii) prepaid to the Company an outstanding amount in connection with a long-term loan in the principal amount of Ps.3,500,000.

(5) In 2017 and 2016, included outstanding balances in the aggregate principal amount of Ps.2,642,027 and Ps.2,868,686, respectively, in connection with certain credit agreements entered into by TVI with Mexican banks, with maturities between 2017 and 2022, bearing interest at an annual rate of THIE plus a range between 100 and 125 basis points, which is payable on a monthly basis. Under the terms of these credit agreements, TVI is required to comply with certain restrictive covenants and financial coverage ratios.

(6) Total debt as of December 31, 2016, is presented net of unamortized finance costs in the aggregate amount of Ps.1,290,595, and interest payable in the aggregate amount of Ps.1,827,307.

(7) Starting from the fourth quarter of 2012, Sky is obligated to pay a monthly fee of U.S.\$3.0 million under a capital lease agreement entered into with Intelsat Global Sales & Marketing Ltd. (Intelsat) in March 2010 for satellite signal reception and retransmission service from 24 KU-band transponders on satellite IS-21, which became operational in October 2012. The service term for IS-21 will end at the earlier of (a) the end of 15 years or (b) the date IS-21 is taken out of service (see Note 11).

(8) Includes minimum lease payments of property and equipment under leases that qualify as finance leases. In 2017 and 2016, includes Ps.571,420 and Ps.683,474, respectively, in connection with a lease agreement entered into by a subsidiary of the Company and GTAC, for the right to use certain capacity of a telecommunications network through 2029 (see Note 19). This lease agreement provides for annual payments through 2024. Other finance leases have terms which expire at various dates between 2017 and 2020.

(9) Notes payable issued by the Company in connection with the acquisition in 2016 of a non-controlling interest in TVI. In 2017 and 2016, cash payments to be made between 2017 and 2020 related to these notes payable amounted to an aggregate of Ps.3,808,395 and Ps.5,106,250, respectively, including interest of Ps.316,395 and Ps.356,250, respectively (see Note 3). Accumulated accrued interest for this transaction amounted to Ps.192,060 and Ps.103,025, as of December 31, 2017 and 2016, respectively. This was regarded as a Level 2 debt which was fair valued using a discount cash flow approach, which discounts the contractual cash flows using discount rates derived from observable market price of other quotes debt instruments. In March 2017, the Group prepaid a portion of the outstanding other notes payable with original maturities in August 2017 and 2018, for an aggregate amount of Ps.1,292,438, which included accrued interest at the payment date.

As of December 31, 2017, the Group has complied with the covenants contained in the debt agreements.

As of December 31, 2017 and 2016, the outstanding principal amounts of Senior Notes of the Company that have been designated as hedging instruments of the Group's investments in UHI and the initial investment in Open Ended Fund (hedged items) were as follows (see Notes 2 (e) and 4):

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Hedged Items	December 31, 2017				December 31, 2016			
	Millions of U.S. dollars		Thousands of Mexican pesos		Millions of U.S. dollars		Thousands of Mexican pesos	
Investment in shares of UHI (net investment hedge)	U.S.\$	413.3	Ps.	8,144,843	U.S.\$	350.7	Ps.	7,236,587
Warrants issued by UHI (foreign currency fair value hedge)		1,847.0		36,395,183		1,855.9		38,298,606
Open Ended Fund (foreign currency fair value hedge)		180.0		3,546,918		180.0		3,817,586
Total	U.S.\$	2,440.3	Ps.	48,086,944	U.S.\$	2,386.6	Ps.	49,352,779

The foreign exchange gain (loss) derived from the Company's long-term debt designed as a hedge that was recognized in other comprehensive income or loss and offset by the foreign currency translation gain or loss derived from the hedged net investment in shares of UHI amounted to Ps.260,133 and Ps.(1,189,430) for the years ended December 31, 2017 and 2016, respectively. The foreign exchange (loss) gain derived from the hedged Warrants issued by UHI and the initial investment in Open Ended Fund that was recognized in the consolidated statement of income and offset by the foreign exchange gain or loss derived from the Company's long-term debt designated as an effective hedge amounted to Ps.(1,622,976) and Ps.(167,490), respectively, for the year ended December 31, 2017, and Ps.6,891,428 and Ps.615,528, respectively, for the year ended December 31, 2016 (see Notes 9 and 22).

Maturities of Debt and Finance Lease Obligations

Debt maturities for the years subsequent to December 31, 2017, are as follows:

	Nominal		Unamortized Finance Costs	
2018	Ps.	307,489	Ps.	(466)
2019		989,156		(1,537)
2020		10,492,489		(20,700)
2021		7,992,489		(7,246)
2022		11,860,404		(29,139)
Thereafter		91,908,870		(1,191,658)
	Ps.	123,550,897	Ps.	(1,250,746)

Future minimum payments under finance lease obligations for the years subsequent to December 31, 2017, are as follows:

2018	Ps.	1,001,456
2019		910,797
2020		919,007
2021		762,952
2022		736,144
Thereafter		3,417,931
		7,748,287
Less: Amount representing interest		2,125,513
	Ps.	5,622,774

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A reconciliation of long-term debt and finance lease obligations arising from financing activities in the Group's consolidated statement of cash flows for the year ended December 31, 2017, is as follows:

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	Balance as of		Cash Flow		Non-Cash Changes		Balance as of			
	January 1, 2017		New Debt	Payments	Foreign Exchange Income	Interest	December 31, 2017			
Debt	Ps.	128,288,206	Ps.	10,500,000	Ps.	(11,094,159)	Ps.	(4,143,150)	Ps.	123,550,897
Satellite transponder lease obligations		5,522,565				(351,335)		(233,181)		4,938,049
Finance lease obligations		869,261				(218,376)		33,840		684,725
Total debt and lease obligations	Ps.	134,680,032		10,500,000		(11,663,870)	Ps.	(4,376,331)	Ps.	129,173,671
Finance cost				(50,042)						
Expense on Senior Notes prepayment						(158,496)				
Cash in financing activities			Ps.	10,449,958	Ps.	(11,822,366)				

In March 2018, the Company executed a revolving credit facility with a syndicate of banks, for up to an amount equivalent to U.S.\$583 million payable in Mexican pesos, for a three-year term. The funds may be used for the repayment of existing indebtedness and such other general corporate purposes as may be authorized by the Board of Directors of the Company.

14. Financial Instruments

The Group's financial instruments presented in the consolidated statements of financial position included cash and cash equivalents, temporary investments, accounts and notes receivable, a long-term loan receivable from GTAC, Warrants that are exercisable for UHI's common stock, debt securities classified as held-to-maturity investments, investments in securities in the form of an open-ended fund classified as available-for-sale investments, accounts payable, debt, finance lease obligations, other notes payable, and derivative financial instruments. For cash and cash equivalents, temporary investments, accounts receivable, accounts payable, and short-term notes payable due to banks and other financial institutions, the carrying amounts approximate fair value due to the short maturity of these instruments. The fair value of the Group's long-term debt securities are based on quoted market prices.

The fair value of long-term loans that the Group borrowed from leading Mexican banks (see Note 13) has been estimated using the borrowing rates currently available to the Group for bank loans with similar terms and average maturities. The fair value of held-to-maturity securities, available-for-sale investments, and currency option and interest rate swap agreements were determined by using valuation techniques that maximize the use of observable market data.

The carrying and estimated fair values of the Group's non-derivative financial instruments as of December 31, 2017 and 2016, were as follows:

Assets:	2017		2016					
	Carrying Value	Fair Value	Carrying Value	Fair Value				
Cash and cash equivalents	Ps.	38,734,949	Ps.	38,734,949	Ps.	47,546,083	Ps.	47,546,083

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Temporary investments	6,013,678	6,013,678	5,498,219	5,498,219
Trade notes and accounts receivable, net	24,727,073	24,727,073	24,906,452	24,906,452
Warrants issued by UHI (see Note 9)	36,395,183	36,395,183	38,298,606	38,298,606
Long-term loan and interest receivable from GTAC (see Note 10)	929,516	937,137	881,740	889,054
Held-to-maturity investments (see Note 9)	287,605	284,443	335,833	334,807
Available-for-sale investments (see Note 9)	7,297,577	7,297,577	6,456,392	6,456,392

Liabilities:

Senior Notes due 2018, 2025, 2032 and 2040	Ps.	29,557,650	Ps.	36,635,229	Ps.	41,271,200	Ps.	45,615,860
Senior Notes due 2045		19,705,100		20,068,856		20,635,600		17,713,393
Senior Notes due 2037 and 2043		11,000,000		9,171,610		11,000,000		8,744,050
Senior Notes due 2026 and 2046		23,646,120		27,294,835		24,762,720		24,810,017
Notes due 2020		10,000,000		9,702,300		10,000,000		9,791,680
Notes due 2021		6,000,000		6,090,900		6,000,000		5,953,980
Notes due 2022		5,000,000		5,063,300		5,000,000		4,942,230
Notes due 2027		4,500,000		4,442,940				
Short and long-term notes payable to Mexican banks		14,142,027		13,917,175		9,618,686		9,331,330
Finance lease obligations		5,622,774		5,360,933		6,391,826		5,763,903
Other notes payable		3,684,060		3,319,414		4,853,025		4,143,984

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The carrying values (based on estimated fair values), notional amounts, and maturity dates of the Group's derivative financial instruments as of December 31, 2017 and 2016, were as follows:

December 31, 2017:					
Derivative Financial Instruments	Carrying Value		Notional Amount		Maturity Date
Assets:					
Derivatives not recorded as accounting hedges:					
TVI's options (a)	Ps.	100,700	U.S.\$	96,250	December 2018
Empresas Cablevisión options (b)		110,137	U.S.\$	115,000	December 2018
Options (c)		795,010	U.S.\$	779,250	December 2018
Forward (d)		397,037	U.S.\$	230,400	January 2018 through December 2018
Derivatives recorded as accounting hedges (cash flow hedges):					
TVI's interest rate swap (e)		61,997	Ps.	1,296,783	April 2019 through May 2022
TVI's interest rate swap (f)		22,112	Ps.	1,370,868	April 2022
Interest rate swap (g)		344,958	Ps.	6,000,000	April 2021
Interest rate swap (h)		241,561	Ps.	5,000,000	May 2022
Interest rate swap (i)		43,222	Ps.	2,000,000	October 2022
Interest rate swap (j)		31,906	Ps.	1,500,000	October 2022
Interest rate swap (k)		3,077	Ps.	1,000,000	February 2023
Forward (l)		112,157	U.S.\$	224,000	January 2018 through November 2018
Total assets	Ps.	2,263,874			

December 31, 2016:					
Derivative Financial Instruments	Carrying Value		Notional Amount		Maturity Date
Assets:					
Derivatives not recorded as accounting hedges:					
TVI's interest rate swap (e)	Ps.	72,003	Ps.	1,376,667	April 2019 through May 2022
Derivatives recorded as accounting hedges (cash flow hedges):					
Interest rate swap (g)		351,773	Ps.	6,000,000	April 2021
Interest rate swap (h)		223,994	Ps.	2,500,000	May 2022
Total assets	Ps.	647,770			
Liabilities:					
Derivatives recorded as accounting hedges (cash flow hedges):					
Interest rate swap (m)	Ps.	5,508	Ps.	1,250,000	September 2017 through March 2018
Total liabilities	Ps.	5,508			

(a) In July 2017, TVI entered into a derivative transaction agreement (Call and Put options) of a total principal amount of U.S.\$96.3 million. As a result of the change in fair value of these agreements, in the year ended December 31, 2017, TVI recorded a gain of Ps.70,409 in consolidated other finance income or expense.

(b) In July 2017, Empresas Cablevision entered into a derivative transaction agreement (Call and Put options) of a total principal amount of U.S.\$115.0 million. As a result of the change in fair value of these agreements, in the year ended December 31, 2017, Empresas Cablevision recorded a gain of Ps.80,464 in consolidated other finance income or expense.

(c) In July 2017, the Company entered into a derivative transaction agreement (Call and Put options) of a total principal amount of U.S.\$779.3 million. As a result of the change in fair value of these agreements, in the year ended December 31, 2017, the Company recorded a gain of Ps.558,280, in consolidated other finance income or expense.

(d) As of December 31, 2017, the Company had foreign currency contracts (forward) in the aggregate notional amount of U.S.\$230.4 million at an average rate of Ps.18.5439. As a result of the change in fair value of these agreements, in the year ended December 31, 2017, the Company recorded a gain of Ps.397,037, in consolidated other finance income or expense.

(e) TVI has entered into several derivative transaction agreements (interest rate swaps) with two financial institutions from August 2013 through May 2022 to hedge the variable interest rate exposure resulting from Mexican peso loans of a total principal amount of Ps.1,296,783 and Ps.1,376,667, as of December 31, 2017 and 2016, respectively. Under these agreements, the Company receives monthly payments based on aggregate notional amounts of Ps.1,296,783 and Ps.1,376,667 and makes payments based on the same notional at annual fixed rate of in the range of 4.850% and 5.585%. TVI has recognized the change in fair value of this transaction as an accounting hedge, and recorded a gain of Ps.3,024 in other comprehensive income or loss as of December 31, 2017. In the years ended as of December 31, 2017, 2016 and 2015, TVI recorded a gain (loss) of Ps.10,204, Ps.64,877 and Ps.(28,659), respectively, in consolidated other finance income or expense.

(f) In March and April 2017, TVI entered into several derivative transaction agreements (interest rate swaps) with two financial institutions through April 2022 to hedge the variable interest rate exposure resulting from Mexican peso loan of a total principal amount of Ps.1,370,868.

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Under these agreements, the Company receives monthly payments based on aggregate notional amount of Ps.1,370,868 at an annual variable rate of 28-days TIIE and makes monthly payments based on the same notional amount at an annual fixed rate of 7.2663%. The Company has recognized the change in fair value of this transaction as an accounting hedge, and recorded a gain of Ps.22,112 in other comprehensive income or loss as of December 31, 2017. TVI recorded a loss of Ps.459 for this transaction agreement in consolidated other finance income or expense.

(g) The Company has entered into a derivative transaction agreement (interest rate swap) through April 2021 to hedge the variable interest rate exposure resulting from TIIE plus 0.35% Notes due 2021. Under this transaction, the Company receives 28-day TIIE payments based on a principal amount of Ps.6,000,000 and makes 28-day payments based on the same notional amount at an annual fixed rate of 5.9351%. The Company has recognized the change in fair value of this transaction as an accounting hedge, and recorded a cumulative gain (loss) of Ps.344,958 and Ps.351,773 in other comprehensive income or loss as of December 31, 2017 and 2016, respectively. In the years ended December 31, 2017 and 2016, the Company recorded a gain (loss) of Ps.58,278 and Ps.(102,641), respectively, for this transaction agreement in consolidated other finance income of expense.

(h) In February and March 2017, January and February 2016, and June 2015, the Company entered into derivative transaction agreements (interest rate swaps) through May 2022 to hedge the variable interest rate exposure resulting from TIIE plus 0.35% Notes due 2022. Under these transactions, the Company receives 28-day TIIE payments based on a principal amount of Ps.5,000,000 and Ps.2,500,000 as of December 31, 2017 and 2016, respectively, and makes 28-day payments based on the same notional amount at an annual weighted average fixed rate of 6.5716% and 5.6148%, respectively. The Company has recognized the change in fair value of this transaction as an accounting hedge, and recorded a cumulative gain of Ps.241,561 and Ps.223,994 in other comprehensive income or loss as of December 31, 2017 and 2016, respectively. In the years ended December 31, 2017 and 2016, the Company recorded a gain (loss) of Ps.26,457 and Ps.(29,059), respectively, for this transaction agreement in consolidated other finance income or expense.

(i) In November 2017, the Company entered into a derivative transaction agreement (interest rate swap) through October 2022 to hedge the variable interest rate exposure resulting from a Mexican peso loan of a total principal amount of Ps.2,000,000. Under this transaction, the Company receives monthly payments based on an aggregate notional amount of Ps.2,000,000, at an annual variable rate of 28 days of TIIE and makes monthly payments based on the same notional amount at an annual fixed rate of 7.3275%. The Company has recognized the change in fair value of this transaction as an accounting hedge, and recorded a cumulative gain of Ps.43,222 in other comprehensive income or loss as of December 31, 2017.

(j) In November and December 2017, the Company entered into a derivative transaction agreement (interest rate swap) through October 2022 to hedge the variable interest rate exposure resulting from a Mexican peso loan of a total principal amount of Ps.1,500,000. Under this transaction, the Company receives monthly payments based on an aggregate notional amount of Ps.1,500,000, at an annual variable rate of 28 days of TIIE and makes monthly payments based on the same notional amount at an annual fixed rate of 7.35%. The Company has recognized the change in fair value of this transaction as an accounting hedge, and recorded a cumulative gain of Ps.31,906, in other comprehensive income or loss as of December 31, 2017.

(k) In December 2017, the Company entered into a derivative transaction agreement (interest rate swap) through February 2023 to hedge the variable interest rate exposure resulting from a Mexican peso loan of a total principal amount of Ps.1,000,000. Under this transaction, the Company receives monthly payments based on an aggregate notional amount of Ps.1,000,000, at an annual variable rate of 28 days of TIE and makes monthly payments based on the same notional amount at an annual fixed rate of 7.795%. The Company has recognized the change in fair value of this transaction as an accounting hedge, and recorded a cumulative gain of Ps.3,077 in other comprehensive income or loss as of December 31, 2017.

(l) In March, April, May and June 2017, the Company entered into derivative contracts of foreign currency forward to fix the exchange rate for the purchase of U.S.\$224.0 million at an average exchange rate of Ps.19.6907. The Company has recognized the change in fair value of this transaction as an accounting hedge, and recorded a cumulative gain of Ps.112,157 for this transaction agreement in other comprehensive income or loss as of December 31, 2017. In 2017, the Company recorded a loss of Ps.292,326 in consolidated other finance income or expense.

(m) The Company has entered into a derivative transaction agreement (interest rate swap) through March 2018 to hedge the variable interest rate exposure resulting from a Mexican peso loan of a total principal amount of Ps.1,250,000 as of December 31, 2016. Under this transaction, the Company receives monthly payments based on an aggregate notional amount of Ps.2,500,000 through March 2016, Ps.1,250,000 through September 2017, and Ps.625,000 through March 2018, at an annual variable rate of TIE and makes monthly payments based on the same notional amount at an annual fixed rate of 7.4325%. The Company has recognized the change in fair value of this transaction in other comprehensive income or loss, and in consolidated other finance income or expense at the time of the interest payments. The Company has recognized the change in fair value of this transaction as an accounting hedge, and recorded a cumulative loss of Ps.5,508 in other comprehensive income or loss as of December 31, 2016. In the years ended December 31, 2017 and 2016, the Company recorded a loss of Ps.5,140 and Ps.79,999, respectively, for this transaction agreement in consolidated other finance expense (see Note 13).

Fair Value Measurement

Assets and Liabilities Measured at Fair Value on a Recurring Basis

All fair value adjustments as of December 31, 2017 and 2016 represent assets or liabilities measured at fair value on a recurring basis. In determining fair value, the Group's financial instruments are separated into three categories: temporary investments, available-for-sale investments and derivative financial instruments.

Financial assets and liabilities measured at fair value as of December 31, 2017 and 2016:

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	Balance as of December 31, 2017		Quoted Prices in Active Markets for Identical Assets (Level 1)		Internal Models with Significant Observable Inputs (Level 2)		Internal Models with Significant Unobservable Inputs (Level 3)	
Assets:								
Temporary investments	Ps.	6,013,678	Ps.	6,013,678	Ps.		Ps.	
Available for sale financial assets:								
Available for sale investments		7,297,577				7,297,577		
Warrants issued by UHI		36,395,183						36,395,183
Derivative financial instruments		2,263,874				2,263,874		
Total	Ps.	51,970,312	Ps.	6,013,678	Ps.	9,561,451	Ps.	36,395,183

	Balance as of December 31, 2016		Quoted Prices in Active Markets for Identical Assets (Level 1)		Internal Models with Significant Observable Inputs (Level 2)		Internal Models with Significant Unobservable Inputs (Level 3)	
Assets:								
Temporary investments	Ps.	5,498,219	Ps.	5,498,219	Ps.		Ps.	
Available for sale financial assets:								
Available for sale investments		6,456,392				6,456,392		
Warrants issued by UHI		38,298,606						38,298,606
Derivative financial instruments		647,770				647,770		
Total	Ps.	50,900,987	Ps.	5,498,219	Ps.	7,104,162	Ps.	38,298,606

Liabilities:								
Derivative financial Instruments	Ps.	5,508	Ps.		Ps.	5,508	Ps.	
Total	Ps.	5,508	Ps.		Ps.	5,508	Ps.	

The table below presents the reconciliation for all assets and liabilities measured at fair value using internal models with significant unobservable inputs (Level 3) during the years ended December 31, 2017 and 2016:

	2017		2016	
Balance at beginning of year:	Ps.	38,298,606	Ps.	35,042,577
Included in other comprehensive income		(1,903,423)		3,256,029
Balance at the end of year	Ps.	36,395,183	Ps.	38,298,606

Temporary Investments

Temporary investments include highly liquid securities, including without limitation debt with a maturity of three months, or over, and up to one year at the consolidated statement of financial position date, stock and other financial instruments, or a combination thereof, denominated principally in U.S. dollars and Mexican pesos (see Notes 2 (f) and 6).

Temporary investments are generally valued using quoted market prices or alternative pricing sources with reasonable levels of price transparency. The types of instruments valued based on quoted market prices in active markets include mostly fixed short-term deposits, equities

and corporate fixed income securities denominated in U.S. dollars and Mexican pesos. Such instruments are classified in Level 1 or Level 2 depending on the observability of the significant inputs.

Available-for-Sale Financial Assets

Investments in debt securities or with readily determinable fair values, not classified as held-to-maturity are classified as available-for-sale, and are recorded at fair value with unrealized gains and losses included in consolidated stockholders' equity as accumulated other comprehensive result.

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Available-for-sale financial assets are generally valued using quoted market prices or alternative pricing sources with reasonable levels of price transparency. Such instruments are classified in Level 1, Level 2, and Level 3 depending on the observability of the significant inputs.

As of December 31, 2014, the Group has made judgments and used several estimates and assumptions for determining the fair value calculations of the UHI Convertible Debentures due 2025, the UHI embedded derivative and the shares of common stock of Imagina. These estimates and assumptions include, among others, expected long-term growth rates and operating margins, which are used to calculate projected future cash flows. The Group also utilizes risk-adjusted discount rates to determine weighted average cost of capital. All of our estimates are based on historical data, internal estimates and observable external sources when available, and are consistent with the strategic plans of the underlying business.

Available-for-Sale Investments Open Ended Fund

The Group has an investment in an open ended fund that has as a primary objective to achieve capital appreciation by using a broad range of strategies through investments and transactions in telecom, media and other sectors across global markets, including Latin America and other emerging markets. Shares may be redeemed on a quarterly basis at the NAV per share as of such redemption date (see Notes 4 and 9).

UHI Convertible Debentures due 2025

As described in Note 9, through July 2015, the Group held an investment in Convertible Debentures due 2025 issued by UHI, the parent company of Univision, in the principal amount of U.S.\$1,125 million (Ps.16,606,463), which were convertible at the Company's option into additional shares equivalent to approximately 30% equity stake of UHI, subject to existing laws and regulations in the United States, and other conditions. The Group's option of converting these debentures into an equity stake of UHI was accounted for as an embedded derivative with changes in fair value recognized in consolidated income.

The Group determined the fair value of the Convertible Debentures using the income approach based on post-tax discounted cash flows. The income approach requires management to make judgments and involves the use of significant estimates and assumptions. These estimates and assumptions include long-term growth rates and operating margins used to calculate projected future cash flows, risk-adjusted discount rates based on weighted average cost of capital within a range of 8% to 10%, among others. The Group's estimates for market growth were based on historical data, various internal estimates and observable external sources when available, and are based on assumptions that are consistent with the strategic plans and estimates used to manage the underlying business. Since the described methodology is an internal model with significant unobservable inputs, the Convertible Debentures were classified in Level 3.

In the case of the embedded derivative in the UHI Convertible Debentures, the Group used recognized industry standard option pricing models (OPM). The OPM requires management to make judgments and involves the use of significant estimates and assumptions. These estimates and assumptions include UHI stock's spot price at valuation date and the stock's expected volatility. UHI stock's spot price at valuation date was obtained by using a discounted projected cash flow model that used the inputs described in the paragraph above. UHI stock's volatility was obtained from publicly available information about comparable companies' stock through determining an average of such companies' annual volatility. Since the described methodology is an internal model with significant unobservable inputs, the UHI embedded derivative was classified as Level 3.

UHI Warrants

As described in Note 3, in July 2015, the Group exchanged its investment in U.S.\$1,125 million principal amount of Convertible Debentures due 2025 issued by UHI for Warrants that are exercisable for UHI's common stock.

The Group determined the fair value of its investment in Warrants using the Black-Scholes pricing model (BSPM). The BSPM involves the use of significant estimates and assumptions. These estimates and assumptions include the

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UHI stock's spot price at valuation date and the stock's expected volatility. UHI stock's price at valuation date was obtained by using a discounted projected cash flow model. UHI stock's volatility was obtained from publicly available information of comparable companies' stock through determining an average of such companies' annual volatility. Since the described methodology was an internal model with significant unobservable inputs, the UHI Warrants are classified as Level 3.

Unobservable inputs used as of December 31, 2017 and 2016, included UHI stock's spot price of U.S.\$402 and U.S.\$404 per share, respectively, and UHI stock's expected volatility of 32%, in both years.

Disclosures for Each Class of Assets and Liabilities Subject to Recurring Fair Value Measurements Categorized Within Level 3

The Corporate Finance Department of the Company has established rules for a proper portfolio asset classification according to the fair value hierarchy defined by the IFRSs. On a monthly basis, any new assets recognized in the portfolio are classified according to this criterion. Subsequently, there is a quarterly review of the portfolio in order to analyze the need for a change in classification of any of these assets.

Sensitivity analysis is performed on the Group's investments with significant unobservable inputs (Level 3) in order to obtain a reasonable range of possible alternative valuations. This analysis is carried out by the Corporate Finance Department of the Company.

As of December 31, 2017 and 2016, the effect on consolidated income and consolidated equity of changing the main assumptions used for the measurement of Level 3 financial instruments for other reasonably possible models, taking the highest or lowest value of the range reasonably possible, would be as follows:

Financial Assets Level 3	Main Assumptions Used	Sensitivity	Potential Impact on Consolidated Income Statement		Potential Impact on Consolidated Equity				
			Most Favorable Assumptions 2017	Least Favorable Assumptions 2017	Most Favorable Assumptions 2017	Least Favorable Assumptions 2017			
Warrants issued by UHI	Price per Share	+/- 10%	Ps.	Ps.	Ps.	Ps.	3,639,595	Ps.	(3,639,595)
Total			Ps.	Ps.	Ps.		3,639,595	Ps.	(3,639,595)

Financial Assets Level 3	Main Assumptions Used	Sensitivity	Potential Impact on Consolidated Income Statement		Potential Impact on Consolidated Equity				
			Most Favorable Assumptions 2016	Least Favorable Assumptions 2016	Most Favorable Assumptions 2016	Least Favorable Assumptions 2016			
Warrants issued by UHI	Price per Share	+/- 10%	Ps.	Ps.	Ps.	Ps.	3,829,937	Ps.	(3,829,937)
Total			Ps.	Ps.	Ps.		3,829,937	Ps.	(3,829,937)

Derivative Financial Instruments

Derivative financial instruments include swaps, forwards and options (see Notes 2 (v) and 4).

The Group's derivative portfolio is entirely over-the-counter (OTC). The Group's derivatives are valued using industry standard valuation models; projecting future cash flows discounted to present value, using market-based observable inputs including interest rate curves, foreign exchange rates, and forward and spot prices for currencies.

When appropriate, valuations are adjusted for various factors such as liquidity, bid/offer spreads and credit spreads considerations. Such adjustments are generally based on available market evidence. In the absence of such evidence, management's best estimate is used. All derivatives are classified in Level 2.

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Assets and Liabilities Measured at Fair Value on a Non-Recurring Basis

The majority of the Group's non-financial instruments, which include goodwill, intangible assets, inventories, transmission rights and programming and property, plant and equipment, are not required to be carried at fair value on a recurring basis. However, if certain triggering events occur (or at least annually in the fourth quarter for goodwill and indefinite-lived intangible assets) such that a non-financial instrument is required to be evaluated for impairment, a resulting asset impairment would require that the non-financial instrument be recorded at the lower of carrying amount or its fair value.

The impairment test for goodwill involves a comparison of the estimated fair value of each of the Group's reporting units to its carrying amount, including goodwill. The Group determines the fair value of a reporting unit using a combination of a discounted cash flow analysis and a market-based approach, which utilize significant unobservable inputs (Level 3) within the fair value hierarchy. The impairment test for intangible assets not subject to amortization involves a comparison of the estimated fair value of the intangible asset with its carrying value. The Group determines the fair value of the intangible asset using a discounted cash flow analysis, which utilizes significant unobservable inputs (Level 3) within the fair value hierarchy. Determining fair value requires the exercise of significant judgment, including judgment about appropriate discount rates, perpetual growth rates, the amount and timing of expected future cash flows for a period of time that comprise five years, as well as relevant comparable company earnings multiples for the market-based approach.

Once an asset has been impaired, it is not remeasured at fair value on a recurring basis; however, it is still subject to fair value measurements to test for recoverability of the carrying amount.

15. Post-employment Benefits

Certain companies in the Group have collective bargaining contracts which include defined benefit pension plans and other retirement benefits for substantially all of their employees. Additionally, the Group has defined benefit pension plans for certain eligible executives and employees. All pension benefits are based on salary and years of service rendered.

Under the provisions of the Mexican labor law, seniority premiums are payable based on salary and years of service to employees who resign or are terminated prior to reaching retirement age. Some companies in the Group have seniority premium benefits which are greater than the legal requirement. After retirement age employees are no longer eligible for seniority premiums.

Post-employment benefits are actuarially determined by using nominal assumptions and attributing the present value of all future expected benefits proportionately over each year from date of hire to age 65.

The Group used actuarial assumptions to determine the present value of defined benefit obligations, as follows:

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	2017	2016
Discount rate	7.6%	6.7%
Salary scale	5%	5%
Inflation rate	3.5%	3.5%

Had the discount rate of 7.6% used by the Group in 2017 been decreased by 50 basis points, the impact on defined benefit obligation would have been an increase of Ps.2,552,709 as of December 31, 2017.

Had the discount rate of 6.7% used by the Group in 2016 been decreased by 50 basis points, the impact on defined benefit obligation would have been an increase of Ps.2,630,659 as of December 31, 2016.

The reconciliation between defined benefit obligations and post-employment benefit liability (asset) in the consolidated statements of financial position as of December 31, 2017 and 2016, is presented as follows:

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	Pensions		Seniority Premiums		2017
Vested benefit obligations	Ps.	394,788	Ps.	324,400	Ps. 719,188
Unvested benefit obligations		1,579,238		120,727	1,699,965
Defined benefit obligations		1,974,026		445,127	2,419,153
Fair value of plan assets		1,240,732		462,326	1,703,058
Underfunded (overfunded) status of the plan assets		733,294		(17,199)	716,095
Post-employment benefit liability (asset)	Ps.	733,294	Ps.	(17,199)	Ps. 716,095

	Pensions		Seniority Premiums		2016
Vested benefit obligations	Ps.	332,024	Ps.	321,391	Ps. 653,415
Unvested benefit obligations		1,734,605		126,215	1,860,820
Defined benefit obligations		2,066,629		447,606	2,514,235
Fair value of plan assets		1,381,896		611,866	1,993,762
Underfunded (overfunded) status of the plan assets		684,733		(164,260)	520,473
Post-employment benefit liability (asset)	Ps.	684,733	Ps.	(164,260)	Ps. 520,473

The components of net periodic pensions and seniority premiums cost for the years ended December 31, consisted of the following:

	2017		2016	
Service cost	Ps.	132,055	Ps.	125,952
Interest cost		149,100		144,465
Prior service cost for plan amendments		2,405		(195,396)
Interest of assets		(124,655)		(128,365)
Net cost	Ps.	158,905	Ps.	(53,344)

The Group's defined benefit obligations, plan assets, funded status and balances in the consolidated statements of financial position as of December 31, 2017 and 2016, associated with post-employment benefits are presented as follows:

	Pensions		Seniority Premiums		2017	2016
Defined benefit obligations:						
Beginning of year	Ps.	2,066,629	Ps.	447,606	Ps. 2,514,235	Ps. 2,471,725
Service cost		83,246		48,809	132,055	125,952
Interest cost		120,737		28,363	149,100	144,465
Benefits paid		(307,645)		(261,845)	(569,490)	(244,560)
Remeasurement of post-employment benefit obligations		11,059		179,789	190,848	212,049
Past service cost				2,405	2,405	(195,396)
End of year		1,974,026		445,127	2,419,153	2,514,235
Fair value of plan assets:						
Beginning of year		1,381,896		611,866	1,993,762	2,064,546
Remeasurement return on plan assets		85,430		39,225	124,655	128,365
Remeasurement of post-employment benefit obligations		(73,870)		(19,939)	(93,809)	(70,471)
Benefits paid		(152,724)		(168,826)	(321,550)	(128,678)

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End of year		1,240,732		462,326		1,703,058		1,993,762
Unfunded (overfunded) status of the plan assets	Ps.	733,294	Ps.	(17,199)	Ps.	716,095	Ps.	520,473

The changes in the net post-employment liability (asset) in the consolidated statements of financial position as of December 31, 2017 and 2016, are as follows:

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	Pensions		Seniority Premiums		2017		2016	
Beginning of net post-employment liability (asset)	Ps.	684,733	Ps.	(164,260)	Ps.	520,473	Ps.	407,179
Net periodic cost		118,553		40,352		158,905		(53,344)
Remeasurement of post-employment benefits		84,929		199,728		284,657		282,520
Benefits paid		(154,921)		(93,019)		(247,940)		(115,882)
Ending net post-employment liability (asset)	Ps.	733,294	Ps.	(17,199)	Ps.	716,095	Ps.	520,473

The post-employment benefits as of December 31, 2017 and 2016 and remeasurements adjustments for the years ended December 31, 2017 and 2016, are summarized as follows:

	2017		2016	
Pensions:				
Defined benefit obligations		Ps. 1,974,026	Ps.	2,066,629
Plan assets		1,240,732		1,381,896
Unfunded status of plans		733,294		684,733
Remeasurements adjustments(1)		84,929		181,161
Seniority premiums:				
Defined benefit obligations		Ps. 445,127	Ps.	447,606
Plan assets		462,326		611,866
Unfunded status of plans		(17,199)		(164,260)
Remeasurements adjustments(1)		199,728		101,359

(1) On defined benefit obligations and plan assets.

Pensions and Seniority Premiums Plan Assets

The plan assets are invested according to specific investment guidelines determined by the technical committees of the pension plan and seniority premiums trusts and in accordance with actuarial computations of funding requirements. These investment guidelines require a minimum investment of 30% of the plan assets in fixed rate instruments, or mutual funds comprised of fixed rate instruments. The plan assets that are invested in mutual funds are all rated AA or AAA by at least one of the main rating agencies. These mutual funds vary in liquidity characteristics ranging from one day to one month. The investment goals of the plan assets are to preserve principal, diversify the portfolio, maintain a high degree of liquidity and credit quality, and deliver competitive returns subject to prevailing market conditions. Currently, the plan assets do not engage in the use of financial derivative instruments. The Group's target allocation in the foreseeable future is to maintain approximately 20% in equity securities and 80% in fixed rate instruments.

The weighted average asset allocation by asset category as of December 31, 2017 and 2016, was as follows:

	2017	2016
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Equity securities(1)	29.6%	28.2%
Fixed rate instruments	70.4%	71.8%
Total	100.0%	100.0%

(1) Included within plan assets at December 31, 2017 and 2016, are shares of the Company held by the trust with a fair value of Ps.227,004 and Ps.265,599, respectively.

The weighted average expected long-term rate of return of plan assets of 7.6% and 6.7% were used in determining net periodic pension cost in 2017 and 2016, respectively. The rate used reflected an estimate of long-term future returns for the plan assets. This estimate was primarily a function of the asset classes (equities versus fixed income) in which the plan assets were invested and the analysis of past performance of these asset classes over a long period of time.

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This analysis included expected long-term inflation and the risk premiums associated with equity investments and fixed income investments.

The following table summarizes the Group's plan assets measured at fair value on a recurring basis as of December 31, 2017 and 2016:

	Balance as of December 31, 2017		Quoted Prices in Active Markets for Identical Assets (Level 1)		Internal Models with Significant Observable Inputs (Level 2)		Internal Models with Significant Unobservable Inputs (Level 3)	
Common Stocks(1)	Ps.	227,004	Ps.	227,004	Ps.		Ps.	
Mutual funds (fixed rate instruments)(2)		300,549		300,549				
Money market securities(3)		912,626		912,626				
Other equity securities		262,879		262,879				
Total investment assets	Ps.	1,703,058	Ps.	1,703,058	Ps.		Ps.	

	Balance as of December 31, 2016		Quoted Prices in Active Markets for Identical Assets (Level 1)		Internal Models with Significant Observable Inputs (Level 2)		Internal Models with Significant Unobservable Inputs (Level 3)	
Common Stocks(1)	Ps.	265,599	Ps.	265,599	Ps.		Ps.	
Mutual funds (fixed rate instruments)(2)		434,323		434,323				
Money market securities(3)		1,013,674		1,013,674				
Other equity securities		280,166		280,166				
Total investment assets	Ps.	1,993,762	Ps.	1,993,762	Ps.		Ps.	

(1) Common stocks are valued at the closing price reported on the active market on which the individual securities are traded. All common stock included in this line item relate to the Company's CPOs.

(2) Mutual funds consist of fixed rate instruments. These are valued at the net asset value provided by the administrator of the fund.

(3) Money market securities consist of government debt securities, which are valued based on observable prices from the new issue market, benchmark quotes, secondary trading and dealer quotes.

The Group did not make contributions to its plan assets in 2017 and 2016, and does not expect to make significant contributions to its plan assets in 2018.

The weighted average durations of the defined benefit plans as of December 31, 2017 and 2016, were as follows:

	2017	2016
Seniority Premiums	7.9 years	14.5 years
Pensions	9.7 years	12.3 years

16. Capital Stock and Long-term Retention Plan

Capital Stock

The Company has four classes of capital stock: Series A Shares, Series B Shares, Series D Shares and Series L Shares, with no par value. The Series A Shares and Series B Shares are common shares. The Series D Shares are limited-voting and preferred dividend shares, with a preference upon liquidation. The Series L Shares are limited-voting shares.

The Company's shares are publicly traded in Mexico, primarily in the form of Ordinary Participation Certificates (CPOs), each CPO representing 117 shares comprised of 25 Series A Shares, 22 Series B Shares, 35 Series D Shares and 35 Series L Shares; and in the United States in the form of Global Depositary Shares (GDS), each

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GDS representing five CPOs. Non-Mexican holders of CPOs do not have voting rights with respect to the Series A, Series B and Series D Shares.

At December 31, 2017, shares of capital stock and CPOs consisted of (in millions):

	Authorized and Issued (1)	Repurchased by the Company (2)	Held by a Company's Trust (3)	Outstanding
Series A Shares	123,273.9	(135.3)	(6,350.9)	116,787.7
Series B Shares	58,982.9	(119.1)	(4,928.0)	53,935.8
Series D Shares	90,086.5	(189.6)	(4,090.1)	85,806.8
Series L Shares	90,086.5	(189.6)	(4,090.1)	85,806.8
Total	362,429.8	(633.6)	(19,459.1)	342,337.1
Shares in the form of CPOs	301,145.5	(633.6)	(13,672.7)	286,839.2
Shares not in the form of CPOs	61,284.3		(5,786.4)	55,497.9
Total	362,429.8	(633.6)	(19,459.1)	342,337.1
CPOs	2,573.9	(5.4)	(116.9)	2,451.6

(1) As of December 31, 2017, the authorized and issued capital stock amounted to Ps.4,978,126 (nominal Ps.2,494,410).

(2) In 2017, the Company repurchased 633.6 million shares, in the form of 5.4 million CPOs, in the amount of Ps.383,808 in connection with a share repurchased program that was approved by the Company's stockholders.

(3) In connection with the Company's Long-Term Retention Plan described below.

A reconciliation of the number of shares and CPOs outstanding for the years ended December 31, 2017 and 2016, is presented as follows (in millions):

	Series A Shares	Series B Shares	Series D Shares	Series L Shares	Shares Outstanding	CPOs Outstanding
As of January 1, 2016	115,409.0	53,340.3	84,859.5	84,859.5	338,468.3	2,424.6
Acquired (1)	(325.9)	(286.8)	(456.2)	(456.2)	(1,525.1)	(13.1)
Released (1)	1,200.2	747.3	1,188.8	1,188.8	4,325.1	34.0
As of December 31, 2016	116,283.3	53,800.8	85,592.1	85,592.1	341,268.3	2,445.5
Acquired (2)	(135.3)	(119.1)	(189.6)	(189.6)	(633.6)	(5.4)
Acquired (1)	(698.1)	(614.4)	(977.4)	(977.4)	(3,267.3)	(27.9)
Released (1)	1,337.8	868.5	1,381.7	1,381.7	4,969.7	39.4
As of December 31, 2017	116,787.7	53,935.8	85,806.8	85,806.8	342,337.1	2,451.6

-
- (1) By a Company's trust in connection with the Company's Long-Term Retention Plan described below.

 - (2) In connection with a share repurchase program.

Under the Company's bylaws, the Company's Board of Directors consists of 20 members, of which the holders of Series A Shares, Series B Shares, Series D Shares and Series L Shares, each voting as a class, are entitled to elect eleven members, five members, two members and two members, respectively.

Holders of Series D Shares are entitled to receive a preferred dividend equal to 5% of the nominal capital attributable to those Shares (nominal Ps.0.00034412306528 per share) before any dividends are payable in respect of Series A Shares, Series B Shares or Series L Shares. Holders of Series A Shares, Series B Shares and Series L Shares are entitled to receive the same dividends as holders of Series D Shares if stockholders declare dividends in addition to the preferred dividend that holders of Series D Shares are entitled to. If the Company is liquidated, Series D Shares are entitled to a liquidation preference equal to the nominal capital attributable to those Shares nominal

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Ps.0.00688246130560 per share before any distribution is made in respect of Series A Shares, Series B Shares and Series L Shares.

At December 31, 2017, the restated for inflation tax value of the Company's common stock was Ps.48,411,273. In the event of any capital reduction in excess of the tax value of the Company's common stock, such excess will be treated as dividends for income tax purposes (see Note 17).

Long-Term Retention Plan

The Company has adopted a Long-Term Retention Plan for the conditional sale of the Company's capital stock to key Group officers and employees under a special purpose trust.

At the Company's annual general ordinary stockholders' meeting held on April 2, 2013, the Company's stockholders approved that the number of CPOs that may be granted annually under the Long-Term Retention Plan shall be up to 1.5% of the capital of the Company. As of December 31, 2017, approximately 78.1 million CPOs or CPO equivalents that were transferred to Plan Participants were sold in the open market during 2015, 2016 and 2017. Additional sales will continue to take place during or after 2018.

The special purpose trust created to implement the Long-Term Retention Plan as of December 31, 2017 had approximately 166.3 million CPOs or CPO equivalents. This figure is net of approximately 24.3, 37.0 and 42.5 million CPOs or CPO equivalents vested in 2015, 2016 and 2017, respectively. Of the 166.3 million CPOs or CPO equivalents approximately 70% are in the form of CPOs and the remaining 30% are in the form of Series A, Series B, Series D and Series L Shares. As of December 31, 2017, approximately 103.6 million CPOs or CPO equivalents have been reserved and will become vested between 2018 and 2020 at prices ranging from Ps.84.92 to Ps.90.59 per CPO which may be reduced by dividends, a liquidity discount and the growth of the consolidated or relevant segment Operating Income Before Depreciation and Amortization, or OIBDA (including OIBDA affected by acquisitions) between the date of award and the vesting date, among others. In November and December 2017, the Company made cash contributions in the aggregate amount of Ps.2,500,000 to the trust held for the Company's Long-Term Retention Plan.

As of December 31, 2017, the designated Retention Plan trust owned approximately 2.6 million CPOs or CPO equivalents, which have been reserved to a group of employees, and may be sold at a price at least of Ps.36.52 per CPO, subject to certain conditions, in vesting periods between 2018 and 2023.

The Group has determined its share-based compensation expense (see Note 2 (x)) by using the BSPM at the date on which the stock was conditionally sold to personnel under the Company's Long-Term Retention Plan, on the following arrangements and weighted-average assumptions:

Long-Term Retention Plan					
Arrangements:					
Year of grant	2013	2014	2015	2016	2017

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Number of CPOs or CPOs equivalent granted	39,000	39,000	39,000	39,000	37,000
Contractual life	3 years	3 years	3 years	3 years	3 years
Assumptions:					
Dividend yield	0.54%	0.39%	0.33%	0.38%	0.38%
Expected volatility (1)	24%	19.07%	26.92%	27.60%	24.58%
Risk-free interest rate	4.79%	4.68%	4.61%	4.83%	7.04%
Expected average life of awards	3.00 years	3.00 years	3.00 years	3.00 years	2.96 years

(1) Volatility was determined by reference to historically observed prices of the Company's CPOs.

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A summary of the stock conditionally sold to employees as of December 31, is presented below (in Mexican pesos and thousands of CPOs):

	2017		2016	
	CPOs or CPOs Equivalent	Weighted- Average Exercise Price	CPOs or CPOs Equivalent	Weighted- Average Exercise Price
Long-Term Retention Plan:				
Outstanding at beginning of year	146,293	75.85	144,250	66.60
Conditionally sold	37,000	85.70	39,000	85.10
Paid by employees	(21,962)	44.89	(32,855)	36.84
Forfeited	(3,416)	86.40	(4,102)	83.16
Outstanding at end of year	157,915	79.75	146,293	75.85
To be paid by employees at end of year	54,274	66.75	33,693	46.28

As of December 31, 2017 and 2016, the weighted-average remaining contractual life of the stock conditionally sold to employees under the Long-Term Retention Plan is 1.28 years.

17. Retained Earnings and Accumulated Other Comprehensive Income

(a) Retained Earnings:

	Legal Reserve		Unappropriated Earnings		Net Income for the Year		Retained Earnings	
	Ps.		Ps.		Ps.		Ps.	
Balance at January 1, 2016		2,139,007		60,101,542		10,899,135		73,139,684
Appropriation of net income relating to 2015				10,899,135		(10,899,135)		
Dividends paid relating to 2015				(1,084,192)				(1,084,192)
Sale of repurchased shares				(448,766)				(448,766)
Net result on acquisition of a non controlling interest in TVI (see Note 3)				(6,324,997)				(6,324,997)
Share based compensation				1,392,534				1,392,534
Net income for the year 2016						3,721,406		3,721,406
Balance at December 31, 2016		2,139,007		64,535,256		3,721,406		70,395,669
Appropriation of net income relating to 2016				3,721,406		(3,721,406)		
Dividends paid relating to 2016				(1,084,192)				(1,084,192)
Sale of repurchased shares				(320,654)				(320,654)
Share based compensation				1,468,337				1,468,337
Net income for the year 2017						4,524,496		4,524,496
Balance at December 31, 2017	Ps.	2,139,007	Ps.	68,320,153	Ps.	4,524,496	Ps.	74,983,656

In accordance with Mexican law, the legal reserve must be increased by 5% of annual net profits until it reaches 20% of the capital stock amount. As of December 31, 2017 and 2016, the Company's legal reserve amounted to Ps.2,139,007 and Ps.2,139,007, respectively and was classified into retained earnings in consolidated equity. As the legal reserve reached 20% of the capital stock amount, no additional increases were required in 2017, 2016 and 2015. This reserve is not available for dividends, but may be used to reduce a deficit or may be transferred to

stated capital. Other appropriations of profits require the vote of the Company's stockholders.

In April 2015, the Company's stockholders approved the payment of a dividend of Ps.0.35 per CPO and Ps.0.002991452991 per share of Series A, B, D and L Shares, not in the form of a CPO, which was paid in cash in June 2015 in the aggregate amount of Ps.1,084,192 (see Note 16).

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In April 2016, the Company's stockholders approved the payment of a dividend of Ps.0.35 per CPO and Ps.0.002991452991 per share of Series A, B, D and L Shares, not in the form of a CPO, which was paid in cash in May 2016 in the aggregate amount of Ps.1,084,192 (see Note 16).

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In February 2018, the Company's Board of Directors approved a proposal for a dividend of Ps.0.35 per CPO payable in the second quarter of 2018, subject to approval of the Company's stockholders.

Dividends, either in cash or in other forms, paid by the Mexican companies in the Group will be subject to income tax if the dividends are paid from earnings that have not been subject to Mexican income tax computed on an individual company basis under the provisions of the Mexican Income Tax Law. In this case, dividends will be taxable by multiplying such dividends by a 1.4286 factor and applying to the resulting amount the income tax rate of 30%. This income tax will be paid by the company paying the dividends.

In addition, the entities that distribute dividends to its stockholders who are individuals or foreign residents must withhold 10% thereof for income tax purposes, which will be paid in Mexico. The foregoing will not be applicable when distributed dividends arise from the taxed net earnings account computed on an individual company basis generated through December 31, 2013.

As of December 31, 2017, cumulative earnings that have been subject to income tax and can be distributed by the Company free of Mexican income tax amounted to Ps.65,634,839.

(b) Accumulated Other Comprehensive Income:

Changes	Available For-Sale Investments	Warrants Issued by UHI	Exchange Differences	Remeasurement of Post-employment Benefit Obligations	Cash Flow Hedges	Share of Equity Accounts	Income Tax	Total
Accumulated at January 1, 2015	Ps. 7,392,871	Ps.	Ps. 185,963	Ps. 35,422	Ps. (244,787)	Ps. 291,524	Ps. (1,981,930)	Ps. 5,679,063
Changes in other comprehensive income	644,068	3,303,182	417,205	(162,267)	25,838	19,705	(985,437)	3,262,294
Reclassifications	(5,262,577)						1,578,774	(3,683,803)
Accumulated at December 31, 2015	2,774,362	3,303,182	603,168	(126,845)	(218,949)	311,229	(1,388,593)	5,257,554
Changes in other comprehensive	(32,379)	(3,635,399)	660,181	(254,949)	789,208	(42,832)	1,220,400	(1,295,770)

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income									
Accumulated at December 31, 2016	2,741,983	(332,217)	1,263,349	(381,794)	570,259	268,397	(168,193)	3,961,784	
Changes in other comprehensive income	1,008,675	(280,447)	387,698	(283,945)	231,758	(60,340)	(366,036)	637,363	
Accumulated at December 31, 2017	Ps. 3,750,658	Ps. (612,664)	Ps. 1,651,047	Ps. (665,739)	Ps. 802,017	Ps. 208,057	Ps. (534,229)	Ps. 4,599,147	

18. Non-controlling Interests

Non-controlling interests as of December 31, 2017 and 2016, consisted of:

		2017		2016
Capital stock	Ps.	1,166,114	Ps.	1,167,078
Additional paid-in capital		3,010,618		3,019,912
Legal reserve		166,694		167,006
Retained earnings from prior years (1)(2)		7,415,129		6,290,209
Net income for the year		2,053,026		1,611,948
Accumulated other comprehensive income (loss):				
Cumulative result from foreign currency translation		189,401		243,002
Remeasurement of post-employment benefit obligations on defined benefit plans		(5,832)		(6,671)
	Ps.	13,995,150	Ps.	12,492,484

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(1) In 2017, 2016 and 2015, the holding companies of the Sky segment paid a dividend to its equity owners in the aggregate amount of Ps.1,000,000, Ps.1,000,000 and Ps.750,000, respectively, of which Ps.413,334, Ps.413,334 and Ps.309,985, respectively, were paid to its non-controlling interest.

(2) In 2017, 2016 and 2015, the stockholders of Radiópolis approved the payment of a dividend in the amount of Ps.90,000, Ps.194,000 and Ps.80,000, respectively, of which Ps.45,000, Ps.97,000 and Ps.40,000, respectively, were paid to its non-controlling interest.

Amounts of consolidated current assets, non-current assets, current liabilities and non-current liabilities of Sky and Empresas Cablevisión as of December 31, 2017 and 2016, are set forth as follows:

	Sky				Empresas Cablevisión			
	2017		2016		2017		2016	
Assets:								
Current assets	Ps.	9,844,640	Ps.	7,504,087	Ps.	4,198,306	Ps.	3,592,938
Non-current assets		19,753,797		21,459,228		18,220,182		18,536,621
Total assets		29,598,437		28,963,315		22,418,488		22,129,559
Liabilities:								
Current liabilities		3,527,575		4,079,308		4,502,789		5,123,098
Non-current liabilities		10,092,917		10,686,582		2,684,242		3,380,785
Total liabilities		13,620,492		14,765,890		7,187,031		8,503,883
Net assets	Ps.	15,977,945	Ps.	14,197,425	Ps.	15,231,457	Ps.	13,625,676

Amounts of consolidated net sales, net income and total comprehensive income of Sky and Empresas Cablevisión for the years ended December 31, 2017 and 2016, are set forth as follows:

	Sky				Empresas Cablevisión			
	2017		2016		2017		2016	
Net sales	Ps.	22,196,629	Ps.	21,941,247	Ps.	12,527,621	Ps.	12,400,266
Non-income		2,904,155		2,401,792		1,596,633		806,751
Total comprehensive income		2,780,519		2,652,008		1,595,548		806,751

As of December 31, 2017, the Group did not have dividends payable.

Amounts of consolidated summarized cash flows of Sky and Empresas Cablevisión for the years ended December 31, 2017 and 2016, are set forth as follows:

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	Sky		Empresas Cablevisión			
	2017	2016	2017	2016	2017	2016
Cash flows from operating activities	Ps. 8,054,919	Ps. 8,470,718	Ps. 3,983,104	Ps. 4,299,732		
Cash flows from investing activities	(3,999,060)	(6,472,268)	(2,504,986)	(3,887,367)		
Cash flows from financing activities	(2,094,281)	(66,747)	(789,194)	(150,712)		
Net increase in cash and cash equivalents	Ps. 1,961,578	Ps. 1,931,703	Ps. 688,924	Ps. 261,653		

19. Transactions with Related Parties

The principal transactions carried out by the Group with affiliated companies, including equity investees, stockholders and entities in which stockholders have an equity interest, for the years ended December 31, 2017, 2016 and 2015 were as follows:

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	2017		2016		2015	
Revenues, other income and interest income:						
Royalties (Univision) (a)	Ps.	5,930,238	Ps.	6,124,679	Ps.	4,986,562
Programming production and transmission rights (b)		1,102,470		745,717		462,410
Telecom services (c)				5,593		5,288
Administrative services (d)		86,649		24,753		43,117
Advertising (e)		58,637		78,675		100,024
Other income (f)						1,038,314
Interest income (g)		80,397		49,511		178,810
Other finance income (h)						2,194,981
	Ps.	7,258,391	Ps.	7,028,928	Ps.	9,009,506
Costs and expenses						
Donations	Ps.	143,470	Ps.	197,122	Ps.	127,641
Administrative services (d)		15,816		31,335		31,142
Technical services (i)		67,752		104,030		156,704
Programming production, transmission rights and telecom (j)		490,698		479,251		403,500
	Ps.	717,736	Ps.	811,738	Ps.	718,987

(a) The Group receives royalties from Univision for programming provided pursuant to an amended PLA, pursuant to which Univision has the right to broadcast certain Televisa content in the United States for a term that commenced on January 1, 2011 and ends on the later of 2025 (or 2030 upon consummation of a qualified public equity offering of UHI by July 1, 2019) or 7.5 after the Group has sold two-thirds of its initial investment in UHI made in December 2010. The amended PLA includes a provision for certain yearly minimum guaranteed advertising, with a value of U.S.\$44.8 million (Ps.849,557), U.S.\$43.9 million (Ps.817,249) and U.S.\$69.2 million (Ps.1,104,875) for the fiscal years 2017, 2016 and 2015, respectively, to be provided by Univision, at no cost, for the promotion of the Group's businesses (see Notes 3, 9 and 10).

(b) Services rendered to Univision and Televisa CJ Grand in 2017, 2016 and 2015.

(c) Services rendered to Univision and GTAC in 2016 and 2015.

(d) The Group receives revenue from and is charged by affiliates for various services, such as equipment rental, security and other services, at rates which are negotiated. The Group provides management services to affiliates, which reimburse the Group for the incurred payroll and related expenses.

(e) Advertising services rendered to OCEN, Univision and Editorial Clío, Libros y Videos, S.A. de C.V. (Editorial Clío) in 2017, 2016 and 2015, and Televisa CJ Grand in 2017 and 2016.

(f) Includes in 2015 an exceptional income from Univision in the amount of U.S.\$67.6 million (Ps.1,038,314), as a result of the early termination of a technical assistance agreement with Univision, which cash proceeds were

received by the Group in April 2015.

(g) In 2015 includes interest income from the Group's investment in convertible debentures issued by UHI in the aggregate amount of Ps.142,010 (see Note 9).

(h) In July 2015, the Group recognized in consolidated other finance income, net, a cash amount of U.S.\$135.1 million (Ps.2,194,981) paid by UHI as a payment for the exchange of the Group's former investment in Convertible Debentures issued by UHI for Warrants that are exercisable for UHI's common stock (see Notes 3 and 9).

(i) In 2017, 2016 and 2015, Sky received services from a subsidiary of DirecTV Latin America for play-out, uplink and downlink of signals.

(j) Paid mainly to Univision in 2017, 2016 and 2015. The Group pays royalties to Univision for programming provided pursuant to a Mexico License Agreement, under which the Group has the right to broadcast certain Univision's content in Mexico for the same term as that of the PLA. It also includes payments to GTAC in 2017, 2016 and 2015 (see Notes 3, 9 and 10).

Other transactions with related parties carried out by the Group in the normal course of business include the following:

(1) A consulting firm controlled by a relative of one of the Company's directors, has provided consulting services and research in connection with the effects of the Group's programming on its viewing audience. Total fees for such services during 2017, 2016 and 2015 amounted to Ps.2,581, Ps.16,291 and Ps.21,526, respectively.

(2) From time to time, two Mexican banks have made loans to the Group, on terms substantially similar to those offered by the banks to third parties. Some members of the Company's Board serve as Board members of these banks.

(3) Several other current members of the Company's Board serve as members of the Boards and/or are stockholders of other companies, some of which purchased advertising services from the Group in connection with the promotion of their respective products and services, paying rates applicable to third-party advertisers for these advertising services.

(4) During 2017, 2016 and 2015, a professional services firm in which the current Secretary of the Company's Board maintains an interest provided legal advisory services to the Group in connection with various corporate matters. Total fees for such services amounted to Ps.33,316, Ps.39,996 and Ps.59,281, respectively.

(5) During 2017, 2016 and 2015, a professional services firm in which two current directors of the Company maintain an interest provided finance advisory services to the Group in connection with various corporate matters. Total fees for such services amounted to Ps.97,272, Ps.19,300 and Ps.16,034, respectively.

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(6) A current member of the Company's Board serves as a member of the Board of a Mexican company, which controls the principal chain of convenience stores in Mexico. Such company entered into an agreement with the Group to sell online lottery tickets from the Group's gaming business in its convenience stores. Total fees for such services during 2017, 2016 and 2015 amounted to Ps.2,391, Ps.5,766 and Ps.9,270, respectively. This agreement concluded in November 2017.

(7) In 2017 and 2016, the Group entered into contracts leasing office space directly or indirectly from certain of our directors and officers for an aggregate annual amount of approximately Ps.26,963 and Ps.26,538, respectively. Management believes that the terms of these leases are comparable to terms that the Group would have entered into with third parties for similar leases.

(8) In 2016, the Group acquired a remaining non-controlling interest in TVI from a related party (see Note 3).

During 2017, 2016 and 2015, the Group paid to its directors, alternate directors and officers an aggregate compensation of Ps.892,769, Ps.832,905 and Ps.750,208, respectively, for services in all capacities. This compensation included certain amounts related to the use of assets and services of the Group, as well as travel expenses reimbursed to directors and officers. Projected benefit obligations related to the Group's directors, alternate directors and officers amounted to Ps.164,018, Ps.177,864 and Ps.173,020 as of December 31, 2017, 2016 and 2015, respectively. Cumulative contributions made by the Group to the pension and seniority premium plans on behalf of these directors and officers amounted to Ps.115,467, Ps.140,958 and Ps.144,517 as of December 31, 2017, 2016 and 2015, respectively. In addition, the Group has made conditional sales of the Company's CPOs to its directors and officers under the Long-term Retention Plan.

In 2015, the Group established a deferred compensation plan for certain officers of its Cable segment, which will be payable in the event that certain revenue and EBITDA targets (as defined) of a five-year plan are met. The present value of this long-term employee benefit obligation as of December 31, 2017 and 2016 amounted to Ps.807,031 and Ps.504,230, respectively, and the related service cost for the years ended December 31, 2017, 2016 and 2015, amounted to Ps.302,801, Ps.340,202 and Ps.164,028, respectively.

The balances of receivables and payables between the Group and related parties as of December 31, 2017 and 2016, were as follows:

	2017		2016	
Current receivables				
UHI, including Univision (1)	Ps.	657,601	Ps.	684,159
Operadora de Centros de Espectáculos, S.A. de C.V.		41,080		77,044
Editorial Clío		23,045		28,091
Televisa CJ Grand		77,991		77,089
Other		60,503		39,189
	Ps.	860,220	Ps.	905,572
Current payables:				
UHI, including Univision (1)	Ps.	964,959	Ps.	1,031,367
DirecTV Group, Inc.		6,713		24,342

Other		19,797		32,517
	Ps.	991,469	Ps.	1,088,226

(1) As of December 31, 2017 and 2016, the Group recognized a provision in the amount of Ps.964,959 and Ps.1,031,367, respectively, associated with a consulting arrangement entered into by the Group, UHI and an entity controlled by the chairman of the Board of Directors of UHI, by which upon consummation of a qualified initial public offering of the shares of UHI or an alternative exit plan for the main current investors in UHI, the Group would pay the entity a portion of a defined appreciation in excess of certain preferred returns and performance thresholds of UHI. In March 2018, UHI announced that it has determined not to utilize the registration statement initially filed on July 2, 2015 for an initial public offering in the United States. Since the existing obligations contemplate other scenarios under which payment may be required, and such scenarios remain probable, the Company has maintained this payment reserved. As of December 31, 2017 and 2016, receivables from UHI related primarily to the PLA amounted to Ps.657,601 and Ps.684,159, respectively.

All significant account balances included in amounts due from affiliates bear interest. In 2017 and 2016, average interest rates of 9.1% and 6.6% were charged, respectively. Advances and receivables are short-term in nature; however, these accounts do not have specific due dates.

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Customer deposits and advances as of December 31, 2017 and 2016, included deposits and advances from affiliates and other related parties, in an aggregate amount of Ps.296,604 and Ps.717,662, respectively, which were primarily made by UHI, including Univision.

In 2012, a subsidiary of the Company entered into an amended lease contract with GTAC for the right to use certain capacity in a telecommunication network. This amended lease agreement contemplates annual payments to GTAC in the amount of Ps.41,400 through 2029, with an annual interest rate of the lower of TIEE plus 122 basis points or 6% (see Notes 10, 11 and 13).

20. Cost of Sales, Selling Expenses and Administrative Expenses

Cost of sales represents primarily the production cost of programming, acquired programming and transmission rights at the moment of broadcasting or at the time the produced programs are sold and became available for broadcast (see Note 8). Such cost of sales also includes benefits to employees and post-employment benefits, network maintenance and interconnections, satellite links, paper and printing, depreciation of property, plant and equipment, leases of real estate property, and amortization of intangible assets.

Selling expenses and administrative expenses include primarily benefits to employees, sale commissions, postemployment benefits, share-based compensation to employees, depreciation of property, plant and equipment, leases of real estate property, and amortization of intangibles.

The amounts of depreciation, amortization and other amortization included in cost of sales, selling expenses and administrative expenses for the years ended December 31, 2017, 2016 and 2015, were as follows:

		2017		2016		2015
Cost of sales	Ps.	13,329,335	Ps.	11,903,806	Ps.	10,336,861
Selling expenses		1,270,529		1,183,230		951,572
Administrative expenses		4,441,084		4,244,038		3,652,356
	Ps.	19,040,948	Ps.	17,331,074	Ps.	14,940,789

Short-term employee benefits, share-based compensation and post-employment benefits incurred by the Group for the years ended December 31, 2017, 2016 and 2015, were as follows:

		2017		2016		2015
Short-term employee benefits	Ps.	16,124,608	Ps.	15,438,218	Ps.	17,245,568
Share-based compensation		1,489,884		1,410,492		1,199,489
Post-employment benefits		158,905		53,344		38,334
	Ps.	17,773,397	Ps.	16,902,054	Ps.	18,483,391

21. Other Expense, Net

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Other expense (income) for the years ended December 31, 2017, 2016 and 2015 is analyzed as follows:

	2017		2016		2015
Loss (gain) on disposition of investment (1)	Ps. 295,194	Ps.	312	Ps.	(65,599)
Donations (see Note 19)	159,605		195,005		148,159
Financial, legal and accounting advisory and professional services (2)	269,385		833,618		485,594
Loss on disposition of property and equipment (3)	118,817		810,825		366,545
Impairment adjustments (4)	89,597		6,851		131,065
Other income from Univision (5)					(1,038,314)
Deferred compensation (see Note 19)	302,801		340,202		164,028
Dismissal severance expense (6)	984,816		912,173		342,382
Other, net	166,119		38,398		(205,383)
	Ps. 2,386,334	Ps.	3,137,384	Ps.	328,477

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- (1) In 2017, included a loss on disposition of a publishing business in Argentina, which was classified in the Group's Other Business segment.
- (2) Includes primarily legal, financial advisory and professional services in connection with certain litigation and other matters (see Notes 3 and 19).
- (3) In 2016, includes costs incurred in connection with the cancellation of a contract for a new satellite in the Group's Sky segment in the amount of Ps.259,340.
- (4) The Group recognized impairment adjustments in connection with trademarks in 2017 and 2016, and goodwill and trademarks in 2015 in its Publishing business (see Note 12).
- (5) In 2015, this income was related to cash received from Univision in the amount of U.S.\$67.6 million (Ps.1,038,314), as a result of the early termination of a technical assistance agreement with Univision.
- (6) In 2017 and 2016, includes a severance expense in connection with the dismissal of personnel in the Group's Content, Cable and Other Businesses segments, as a part of a cost reduction plan.

22. Finance Expense, Net

Finance (expense) income, net, for the years ended December 31, 2017, 2016 and 2015, included:

		2017		2016		2015
Interest expense (1)	Ps.	(9,245,671)	Ps.	(8,497,919)	Ps.	(6,239,387)
Foreign exchange loss, net (2)				(2,490,296)		(2,426,011)
Other finance expense, net (3)				(43,370)		
Finance expense		(9,245,671)		(11,031,585)		(8,665,398)
Interest income (4)		2,268,711		1,499,473		1,027,758
Foreign exchange gain, net (2)		768,923				
Other finance income, net (3)		903,204				7,514,784
Finance income		3,940,838		1,499,473		8,542,542
Finance expense, net	Ps.	(5,304,833)	Ps.	(9,532,112)	Ps.	(122,856)

(1) In 2017, interest expense include fees for the prepayment in full of the Senior Notes due 2018, in the amount of Ps.158,496 (see Note 13).

(2) In 2017, 2016 and 2015, foreign exchange gain or loss, net, included (i) foreign exchange gain or loss resulted primarily from the appreciation or depreciation of the Mexican peso against the U.S. dollar on the Group's U.S. dollar-denominated monetary liability position, excluding long-term debt designated as hedging instrument of the Group's investments in UHI and Open Ended Fund, during the years ended December 31, 2017, 2016 and 2015; and (ii) foreign exchange gain or loss resulted primarily from the appreciation or depreciation of the Mexican peso against the U.S. dollar on the Group's U.S. dollar-denominated monetary asset position during the years ended December 31, 2017, 2016 and 2015 (see Notes 4 and 13). The exchange rate of the Mexican peso against the U.S. dollar as of December 31, 2017, 2016 and 2015 was of Ps.19.7051, Ps.20.6356 and Ps.17.2160, respectively.

(3) In 2017, 2016 and 2015, other finance income or expense, net, included gain or loss from derivative financial instruments. In 2015, other finance income, net, included changes in fair value from an embedded derivative in a host contract related to the Group's former investment in Convertible Debentures issued by UHI in the amount of Ps.409,196, as well as gain or loss from derivative financial instruments. In 2015 also included reclassifications in the aggregate amount of Ps.5,262,577 from accumulated other comprehensive income in consolidated equity in connection with cumulative gains related to changes in fair value of the Group's former available-for-sale investments in Convertible Debentures (Ps.4,718,175) and Imagina (Ps.544,402); and a cash amount of U.S.\$135.1 million (Ps.2,194,981) received for the exchange of Convertible Debentures issued by UHI for Warrants that are exercisable for UHI's common stock (see Notes 3, 9, 10 and 14).

(4) In 2017, 2016 and 2015, included primarily gains from cash equivalents and instruments held for trading. In 2015, included interest income from the Group's investment in Convertible Debentures issued by UHI in the amount of Ps.142,010. (see Notes 3, 6, 9, 10 and 14).

23. Income Taxes

The income tax provision for the years ended December 31, 2017, 2016 and 2015 was comprised of:

	2017		2016		2015	
Income taxes, current (1)	Ps.	5,382,865	Ps.	6,724,071	Ps.	7,380,430
Income taxes, deferred		(1,108,745)		(3,851,836)		(1,048,212)
	Ps.	4,274,120	Ps.	2,872,235	Ps.	6,332,218

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(1) The current income tax of Mexican companies payable in Mexico represented 93%, 93% and 94% of total current income taxes in 2017, 2016 and 2015, respectively.

The Mexican corporate income tax rate was 30% in 2017, 2016 and 2015. In accordance with the 2014 Tax Reform, the corporate income tax rate will be 30% in 2018 and thereafter.

2014 Tax Reform

In the last quarter of 2013, the Mexican Congress approved a new Tax Reform (the 2014 Tax Reform), which became effective as of January 1, 2014. Among the tax reforms approved by the Mexican Congress, one of the most relevant changes was the elimination of the tax consolidation regime allowed for Mexican controlling companies through December 31, 2013. As a result of this change, beginning on January 1, 2014, the Company is no longer allowed to consolidate income or loss of its Mexican subsidiaries for income tax purposes and (i) accounted for an additional income tax liability for the elimination of the tax consolidation regime in the aggregate amount of Ps.6,813,595 as of December 31, 2013; (ii) recognized a benefit from tax loss carryforwards of Mexican companies in the Group in the aggregate amount of Ps.7,936,044 as of December 31, 2013; and (iii) adjusted the carrying amount of deferred income taxes from temporary differences by recognizing such effects on a separate company basis by using the enacted corporate income tax rate as of December 31, 2013.

The income tax payable as of December 31, 2017 and 2016, in connection with the 2014 Mexican Tax Reform, are as follows:

	2017		2016	
Tax losses of subsidiaries, net	Ps.	6,582,543	Ps.	7,575,347
Less: Current portion (a)		1,851,923		1,188,470
Non-current portion (b)	Ps.	4,730,620	Ps.	6,386,877

(a) Accounted for as current income taxes payable in the consolidated statement of financial position as of December 31, 2017 and 2016.

(b) Accounted for as non-current income taxes payable in the consolidated statement of financial position as of December 31, 2017 and 2016.

Maturities of income tax payable, in connection with the 2014 Mexican Tax Reform, are as follows:

2018	Ps.	1,851,923
2019		1,733,977

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2020	1,364,183
2021	942,553
2022	578,437
2023	111,470
	Ps. 6,582,543

The following items represent the principal differences between income taxes computed at the statutory rate and the Group's provision for income taxes.

	%	%	%
	2017	2016	2015
Statutory income tax rate	30	30	30
Differences between accounting and tax bases, primarily tax inflation gain that is not recognized for accounting purposes	10	1	4
Asset tax		5	
Tax loss carryforwards	(2)	(20)	(10)
2014 Tax Reform	1	19	1
Foreign operations	5	4	(2)
Disposition of investment			10
Share of income in associates and joint ventures, net	(5)	(4)	
Exchange of Convertible Debentures for Warrants of UHI			1
Effective income tax rate	39	35	34

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The Group has recognized the benefits from tax loss carryforwards of Mexican companies in the Group as of December 31, 2017 and 2016. The years of expiration of tax loss carryforwards as of December 31, 2017 are as follows:

Year of Expiration	Tax Loss Carryforwards For Which Deferred Taxes Were Recognized
2018	Ps. 55,400
2019	819,597
2020	232,925
2021	7,210,423
2022	10,626,630
Thereafter	22,418,325
	Ps. 41,363,300

As of December 31, 2017, tax loss carryforwards of Mexican companies in the Group for which deferred tax assets were not recognized amounted to Ps.2,283,423, and will expire between 2019 and 2027.

During 2017, 2016 and 2015, certain Mexican subsidiaries utilized operating tax loss carryforwards in the amounts of Ps.5,806,602, Ps.1,236,444 and Ps.2,931,218, respectively.

In addition to the tax loss carryforwards of Mexican companies in the Group referred as of December 31, 2017, the Group has recognized the benefit from tax loss carryforwards derived from the disposal in 2014 of its investment in GSF in the amount of Ps.13,996,133 (see Note 3). As of December 31, 2017, tax loss carryforwards derived from this disposal for which deferred taxes were recognized amounted to Ps.10,497,100, and will expire in 2025.

As of December 31, 2017, tax loss carryforwards of subsidiaries in South America, the United States, and Europe amounted to Ps.2,925,562, and will expire between 2018 and 2036.

The deferred income taxes as of December 31, 2017 and 2016, were principally derived from the following temporary differences and tax loss carryforwards:

Assets:	2017	2016
Accrued liabilities	Ps. 3,388,289	Ps. 3,208,863
Allowance for doubtful accounts	1,115,990	1,160,708
Customer advances	2,230,958	2,761,196
Property, plant and equipment, net	1,159,085	
Tax loss carryforwards:		
Operating	10,596,342	11,448,996

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Capital	1,812,648	2,380,620
Liabilities:		
Investments (1)	(3,968,176)	(4,471,232)
Property, plant and equipment, net		(305,654)
Derivative financial instruments	(355,051)	
Intangible assets and transmission rights	(2,646,267)	(2,898,572)
Prepaid expenses and other items	(1,274,056)	(1,184,163)
Deferred income taxes of Mexican companies	12,059,762	12,100,762
Deferred income tax assets of foreign subsidiaries	257,769	279,683
Deferred income tax assets, net	Ps. 12,317,531	Ps. 12,380,445

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(1) Net of the benefit from tax loss carryforwards derived from the disposal in 2014 of the Group's investment in GSF, in the amount of Ps.3,149,130 and Ps.2,914,499 in 2017 and 2016, respectively.

The deferred tax assets are in tax jurisdictions in which the Group considers that based on financial projections of its cash flows, results of operations and synergies between subsidiaries, will generate taxable income in subsequent periods.

The gross rollforward of deferred income tax assets, net, is as follows:

	2017	2016
At January 1	Ps. 12,380,445	Ps. 7,665,038
Income statement credit	1,108,745	3,851,836
Other comprehensive income and equity (charge) credit	(1,080,344)	863,571
Loss on disposition of a Publishing business	(91,315)	
At December 31	Ps. 12,317,531	Ps. 12,380,445

The rollforward of deferred income tax assets and liabilities for the year 2017, was as follows:

	At January 1, 2017	Credit (Charge) to Income Statement	Credit (Charge) to Other Comprehensive Income and Equity	At December 31, 2017
Assets:				
Accrued liabilities	Ps. 3,208,863	Ps. 179,426	Ps.	Ps. 3,388,289
Allowance for doubtful accounts	1,160,708	(44,718)		1,115,990
Customer advances	2,761,196	(530,238)		2,230,958
Property, plant and equipment, net		1,159,085		1,159,085
Tax loss carryforwards	13,829,616	(628,278)	(792,348)	12,408,990
Deferred income tax assets of foreign subsidiaries	279,683	(21,914)		257,769
Liabilities:				
Investments	(4,471,232)	721,525	(218,469)	(3,968,176)
Property, plant and equipment, net	(305,654)	305,654		
Derivative financial instruments		(355,051)		(355,051)
Intangible assets and transmission rights	(2,898,572)	252,305		(2,646,267)
Prepaid expenses and other items	(1,184,163)	(20,366)	(69,527)	(1,274,056)
Deferred income tax assets, net	Ps. 12,380,445	Ps. 1,017,430	Ps. (1,080,344)	Ps. 12,317,531

The rollforward of deferred income tax assets and liabilities for the year 2016, was as follows:

At January 1, 2016

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			Credit (Charge) to Income Statement		Credit (Charge) to Other Comprehensive Income		At December 31. 2016
Assets:							
Accrued liabilities	Ps.	2,656,354	Ps.	552,509	Ps.	Ps.	3,208,863
Allowance for doubtful accounts		1,187,427		(26,719)			1,160,708
Customer advances		2,598,037		163,159			2,761,196
Tax loss carryforwards		10,196,480		3,633,136			13,829,616
Deferred income tax assets of foreign subsidiaries		195,348		84,335			279,683
Asset tax		402,880		(402,880)			
Liabilities:							
Investments		(3,504,137)		(2,067,429)		1,100,334	(4,471,232)
Property, plant and equipment, net		(954,678)		649,024			(305,654)
Derivative financial instruments		(1,801)		1,801			
Intangible assets and transmission rights		(3,922,230)		1,023,658			(2,898,572)
Prepaid expenses and other items		(1,188,642)		241,242		(236,763)	(1,184,163)
Deferred income tax assets, net	Ps.	7,665,038	Ps.	3,851,836	Ps.	863,571	Ps. 12,380,445

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The tax (charge) credit relating to components of other comprehensive income is as follows:

	2017			
	Before Tax	Tax (Charge)	Credit	After Tax
Remeasurement of post-employment benefit obligations	Ps. (283,106)	Ps.		Ps. (283,106)
Exchange differences on translating foreign operations	334,097	(78,040)		256,057
Derivative financial instruments cash flow hedges	231,758	(69,527)		162,231
Warrants exercisable for common stock of UHI	(280,447)	84,134		(196,313)
Available-for-sale investments	1,008,675	(302,603)		706,072
Share of loss of associates and joint ventures	(60,340)			(60,340)
Other comprehensive income	Ps. 950,637	Ps. (366,036)	Ps.	584,601
Current tax		Ps. (78,040)		
Deferred tax		(287,996)		
		Ps. (366,036)		

	2016			
	Before Tax	Tax (Charge)	Credit	After Tax
Remeasurement of post-employment benefit obligations	Ps. (255,713)	Ps.		Ps. (255,713)
Exchange differences on translating foreign operations	767,165	356,829		1,123,994
Derivative financial instruments cash flow hedges	789,208	(236,763)		552,445
Warrants exercisable for common stock of UHI	(3,635,399)	1,090,620		(2,544,779)
Available-for-sale investments	(32,379)	9,714		(22,665)
Share of loss of associates and joint ventures	(42,832)			(42,832)
Other comprehensive loss	Ps. (2,409,950)	Ps. 1,220,400	Ps.	(1,189,550)
Current tax		Ps. 356,829		
Deferred tax		863,571		
		Ps. 1,220,400		

	2015			
	Before Tax	Tax (Charge)	Credit	After Tax
Remeasurement of post-employment benefit obligations	Ps. (166,044)	Ps.		Ps. (166,044)
Exchange differences on translating foreign operations	498,954	206,520		705,474
Equity instruments	405,132	(121,541)		283,591
Cumulative gain in fair value from equity instruments reclassified to other finance income	(544,402)	163,321		(381,081)
Derivative financial instruments cash flow hedges	25,838	(7,751)		18,087
Convertible Debentures due 2025 issued by UHI	319,307	(95,821)		223,486
Cumulative gain in fair value from Convertible Debentures issued by UHI reclassified to other finance income	(4,718,175)	1,415,453		(3,302,722)
Warrants exercisable for common stock of UHI	3,303,182	(990,955)		2,312,227
Available-for-sale investments	(80,371)	24,111		(56,260)
Share of income of associates and joint ventures	19,705			19,705
Other comprehensive loss	Ps. (936,874)	Ps. 593,337	Ps.	(343,537)
Current tax		Ps. 206,520		
Deferred tax		386,817		
		Ps. 593,337		

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The Group does not recognize deferred income tax liabilities related to its investments in associates and joint ventures, as the Group is able to control the timing of the reversal of temporary differences arising from these investments. As of December 31, 2017 and 2016, the deferred tax liabilities in connection with the Group's investments in associates and joint ventures amounted to an aggregate of Ps.1,383,713 and Ps.1,252,044, respectively.

24. Earnings per CPO/Share

At December 31, 2017 and 2016, the weighted average of outstanding total shares, CPOs and Series A, Series B, Series D and Series L Shares (not in the form of CPO units), was as follows (in thousands):

	2017	2016
Total Shares	344,032,527	341,017,197
CPOs	2,466,848	2,444,082
Shares not in the form of CPO units:		
Series A Shares	55,410,684	55,058,962
Series B Shares	187	187
Series D Shares	239	239
Series L Shares	239	239

Basic earnings per CPO and per each Series A, Series B, Series D and Series L Share (not in the form of a CPO unit) for the years ended December 31, 2017, 2016 and 2015, are presented as follows:

	2017		2016		2015	
	Per CPO	Per Share(*)	Per CPO	Per Share(*)	Per CPO	Per Share(*)
Net income attributable to stockholders of the Company	Ps. 1.54	Ps. 0.01	Ps. 1.28	Ps. 0.01	Ps. 3.77	Ps. 0.03

(*) Series A, B, D and L Shares not in the form of CPO units.

Diluted earnings per CPO and per Share attributable to stockholders of the Company:

	2017	2016
Total Shares	362,373,163	362,429,887
CPOs	2,573,409	2,573,894
Shares not in the form of CPO units:		
Series A Shares	58,926,613	58,926,613
Series B Shares	2,357,208	2,357,208
Series D Shares	239	239

Series L Shares	239	239
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Diluted earnings per CPO and per each Series A, Series B, Series D and Series L Share (not in the form of a CPO unit) for the years ended December 31, 2017, 2016 and 2015, are presented as follows:

	2017				2016				2015			
	Per CPO		Per Share(*)		Per CPO		Per Share(*)		Per CPO		Per Share(*)	
Net income attributable to stockholders of the Company	Ps.	1.46	Ps.	0.01	Ps.	1.20	Ps.	0.01	Ps.	3.52	Ps.	0.03

(*) Series A, B, D and L Shares not in the form of CPO units.

25. Segment Information

Reportable segments are those that are based on the Group's method of internal reporting.

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The Group is organized on the basis of services and products. The Group's segments are strategic business units that offer different entertainment services and products. The Group's reportable segments are as follows:

Content

The Content segment categorizes the Group's sources of content revenue as follows: (a) Advertising; (b) Network Subscription Revenue; and (c) Licensing and Syndication. Given the cost structure of the Group's Content business, operating segment income is reported as a single line item.

The Advertising revenue is derived primarily from the sale of advertising time on the Group's television broadcast operations, which include the production of television programming and broadcasting of Channels 2, 4, 5 and 9 (television networks), as well as the sale of advertising time on programs provided to pay television companies in Mexico and advertising revenue in the Group's Internet business and the production of television programming and broadcasting for local television stations in Mexico and the United States. The broadcasting of television networks is performed by television repeater stations in Mexico which are wholly-owned, majority-owned or minority-owned by the Group or otherwise affiliated with the Group's networks.

The Network Subscription revenue is derived from domestic and international programming services provided to independent cable television systems in Mexico and the Group's direct-to-home (DTH) satellite and cable television businesses. These programming services for cable and pay-per-view television companies are provided in Mexico, other countries in Latin America, the United States and Europe. The programming services consist of both programming produced by the Group and programming produced by others.

The Licensing and Syndication revenue is derived from international program licensing and syndication fees. The Group's television programming is licensed and syndicated to customers abroad, including Univision.

Sky

The Sky segment includes DTH broadcast satellite pay television services in Mexico, Central America and the Dominican Republic. Sky revenues are primarily derived from program services, installation fees and equipment rental to subscribers, and national advertising sales.

Cable

The Cable segment includes the operation of cable multiple systems covering the Mexico City metropolitan area, Monterrey and suburban areas, and over 200 other cities of Mexico; and the operation of telecommunication facilities through a fiber-optic network that covers the most important cities and economic regions of Mexico and the cities of San Antonio and San Diego in the United States (Bestel).

The cable multiple system businesses derive revenues from cable subscribers, principally from basic and premium television services subscription, pay-per-view fees, installation fees, Internet services subscription and telephone services subscription as well as from local and national advertising sales.

The telecommunication facilities business derives revenues from providing data and long-distance services solutions to carriers and other telecommunications service providers through its fiber-optic network.

Other Businesses

The Other Businesses segment includes the Group's domestic operations in sports and show business promotion, soccer, feature film production and distribution, gaming, radio, publishing and publishing distribution.

The table below presents information by segment and a reconciliation to consolidated total for the years ended December 31, 2017, 2016 and 2015:

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	Total Revenues		Intersegment Revenues		Consolidated Revenues		Segment Income	
2017:								
Content	Ps.	33,997,220	Ps.	2,445,233	Ps.	31,551,987	Ps.	12,825,259
Sky		22,196,629		127,129		22,069,500		10,106,623
Cable		33,048,310		225,755		32,822,555		14,034,796
Other Businesses		8,376,270		546,077		7,830,193		490,106
Segment totals		97,618,429		3,344,194		94,274,235		37,456,784
Reconciliation to consolidated amounts:								
Eliminations and corporate expenses		(3,344,194)		(3,344,194)				(2,290,974)
Depreciation and amortization expense								(18,536,274)
Consolidated net sales and income before other expense		94,274,235				94,274,235		16,629,536(1)
Other expense, net								(2,386,334)
Consolidated net sales and operating income	Ps.	94,274,235	Ps.		Ps.	94,274,235	Ps.	14,243,202(2)

	Total Revenues		Intersegment Revenues		Consolidated Revenues		Segment Income	
2016:								
Content	Ps.	36,686,676	Ps.	2,314,419	Ps.	34,372,257	Ps.	14,748,037
Sky		21,941,247		70,954		21,870,293		9,898,516
Cable		31,891,616		162,364		31,729,252		13,236,117
Other Businesses		8,828,248		512,687		8,315,561		1,040,571
Segment totals		99,347,787		3,060,424		96,287,363		38,923,241
Reconciliation to consolidated amounts:								
Eliminations and corporate expenses		(3,060,424)		(3,060,424)				(2,207,927)
Depreciation and amortization expense								(16,979,833)
Consolidated net sales and income before other expense		96,287,363				96,287,363		19,735,481(1)
Other expense, net								(3,137,384)
Consolidated net sales and operating income	Ps.	96,287,363	Ps.		Ps.	96,287,363	Ps.	16,598,097(2)

	Total Revenues		Intersegment Revenues		Consolidated Revenues		Segment Income	
2015:								
Content	Ps.	34,332,572	Ps.	1,462,004	Ps.	32,870,568	Ps.	14,564,225
Sky		19,253,526		107,197		19,146,329		8,972,258
Cable(3)		28,488,313		148,887		28,339,426		11,405,556
Other Businesses		8,124,337		428,831		7,695,506		753,340
Segment totals		90,198,748		2,146,919		88,051,829		35,695,379
Reconciliation to consolidated amounts:								
Eliminations and corporate expenses		(2,146,919)		(2,146,919)				(1,960,848)
Depreciation and amortization expense								(14,660,929)
Consolidated net sales and income before other expense		88,051,829				88,051,829		19,073,602(1)
Other expense, net								(328,477)
Consolidated net sales and operating income	Ps.	88,051,829	Ps.		Ps.	88,051,829	Ps.	18,745,125(2)

(1) This amount represents income before other expense, net.

- (2) This amount represents consolidated operating income.
- (3) In 2015, Telecable contributed total revenues and segment income to the Group's Cable segment for the year ended December 31, 2015, in the amount of Ps.2,106,706 and Ps.1,022,994, respectively, as the Group began to consolidate the Telecable results of operations beginning in January 2015 (see Note 3).

Table of Contents*Accounting Policies*

The accounting policies of the segments are the same as those described in the Group's summary of significant accounting policies (see Note 2). The Group evaluates the performance of its segments and allocates resources to them based on operating income before depreciation and amortization.

Intersegment Revenue

Intersegment revenue consists of revenues derived from each of the segments principal activities as provided to other segments.

The Group accounts for intersegment revenues as if the revenues were from third parties, that is, at current market prices.

Allocation of Corporate Expenses

Non-allocated corporate expenses primarily include share-based compensation expense for certain key officers and employees in connection with the Company's Long-term Retention Plan, as well as other general expenses that because of their nature and characteristics are not subject to be allocated within the Group's business segments.

The table below presents segment information about assets, liabilities, and additions to property, plant and equipment as of and for the years ended December 31, 2017, 2016 and 2015:

	Segment Assets at Year-End		Segment Liabilities at Year-End		Additions to Property, Plant and Equipment	
2017:						
Continuing operations:						
Content	Ps.	96,867,918	Ps.	44,129,769	Ps.	1,627,250
Sky		27,977,530		13,333,944		4,020,282
Cable		89,803,959		22,675,417		10,615,147
Other Businesses		10,350,464		3,261,984		496,887
Total	Ps.	224,999,871	Ps.	83,401,114	Ps.	16,759,566
2016:						
Continuing operations:						
Content	Ps.	112,639,928	Ps.	50,758,643	Ps.	2,677,448
Sky		28,359,148		14,227,757		6,297,131
Cable		86,194,625		25,624,966		18,450,446

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Other Businesses		10,518,818		3,529,459		516,560
Total	Ps.	237,712,519	Ps.	94,140,825	Ps.	27,941,585

2015:						
Continuing operations:						
Content	Ps.	113,461,639	Ps.	43,668,182	Ps.	2,641,189
Sky		25,199,299		9,190,384		5,561,502
Cable		66,971,510		18,222,294		17,166,959
Other Businesses		11,375,305		3,169,793		333,419
Total	Ps.	217,007,753	Ps.	74,250,653	Ps.	25,703,069

Segment assets reconcile to total assets as of December 31, 2017 and 2016, as follows:

		2017		2016
Segment assets	Ps.	224,999,871	Ps.	237,712,519
Investments attributable to:				
Content (1)		57,206,369		56,500,230
Cable		721,076		728,775
Other Businesses		180,159		
Goodwill attributable to:				
Content		241,973		241,973
Cable		13,793,684		13,793,684
Other Businesses		76,969		76,969
Total assets	Ps.	297,220,101	Ps.	309,054,150

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(1) Includes goodwill attributable to equity investments of Ps.359,613 in 2017 and 2016 (see Note 10).

Equity method gain recognized in income for the years ended December 31, 2017, 2016 and 2015 attributable to equity investments in Content, was Ps.1,957,544, Ps.1,189,517 and Ps.50,498, respectively.

Equity method loss recognized in income for the years ended December 31, 2017, 2016 and 2015 attributable to equity investments in Cable, was Ps.61,930, Ps.49,913 and Ps.15,099, respectively.

Segment liabilities reconcile to total liabilities as of December 31, 2017 and 2016, as follows:

		2017		2016
Segment liabilities	Ps.	83,401,114	Ps.	94,140,825
Debt not allocated to segments		114,162,073		118,628,925
Total liabilities	Ps.	197,563,187	Ps.	212,769,750

Geographical segment information:

		Total Net Sales		Segment Assets at Year-End		Additions to Property, Plant and Equipment
2017:						
Mexico	Ps.	81,308,749	Ps.	219,206,662	Ps.	16,709,852
Other countries		12,965,486		5,793,209		49,714
	Ps.	94,274,235	Ps.	224,999,871	Ps.	16,759,566
2016:						
Mexico	Ps.	82,340,312	Ps.	229,472,576	Ps.	27,836,033
Other countries		13,947,051		8,239,943		105,552
	Ps.	96,287,363	Ps.	237,712,519	Ps.	27,941,585
2015:						
Mexico	Ps.	75,926,603	Ps.	208,022,938	Ps.	25,290,033
Other countries		12,125,226		8,984,815		413,036
	Ps.	88,051,829	Ps.	217,007,753	Ps.	25,703,069

Net sales are attributed to geographical segment based on the location of customers.

Disaggregation of Total Revenues

The table below present total revenues for each reportable segment disaggregated by major service/product lines and primary geographical market for the years ended December 31, 2017, 2016 and 2015:

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	Domestic		Export		Abroad		Total
2017:							
Content:							
Advertising	Ps.	20,366,184	Ps.	262,734	Ps.	90,164	Ps. 20,719,082
Network Subscription Revenue		2,704,998		1,353,090			4,058,088
Licensing and Syndication		949,440		8,270,610			9,220,050
Sky:							
DTH Broadcast Satellite TV (a)		19,810,392				1,534,681	21,345,073
Advertising		651,689					651,689
Pay-Per-View		199,867					199,867
Cable:							
Digital TV Service (a)		12,978,715					12,978,715
Advertising		817,330					817,330
Broadband Services (a)		11,357,448					11,357,448
Telephony (a)		2,944,263					2,944,263
Other Services		522,003					522,003
Telecommunications Networks		4,173,146				255,405	4,428,551
Other Businesses:							
Gaming		2,852,013					2,852,013
Soccer, Sports and Show Business Promotion		1,447,731		118,424			1,566,155
Publishing - Magazines		460,045				366,897	826,942
Publishing - Advertising		614,478				454,886	1,069,364
Publishing Distribution		286,500				62,177	348,677
Radio - Advertising		851,140					851,140
Feature Film Production and Distribution		647,730		45,250		168,999	861,979
Segment total		84,635,112		10,050,108		2,933,209	97,618,429
Intersegment eliminations		(3,326,363)				(17,831)	(3,344,194)
Consolidated total revenues	Ps.	81,308,749	Ps.	10,050,108	Ps.	2,915,378	Ps. 94,274,235

	Domestic		Export		Abroad		Total
2016:							
Content:							
Advertising	Ps.	22,636,449	Ps.	376,106	Ps.	210,638	Ps. 23,223,193
Network Subscription Revenue		3,079,041		1,320,300			4,399,341
Licensing and Syndication		711,468		8,352,674			9,064,142
Sky:							
DTH Broadcast Satellite TV (a)		19,627,851				1,637,774	21,265,625
Advertising		412,512					412,512
Pay-Per-View		263,110					263,110
Cable:							
Digital TV Service (a)		13,051,572					13,051,572
Advertising		678,816					678,816
Broadband Services (a)		9,709,197					9,709,197
Telephony (a)		3,103,765					3,103,765
Other Services		561,386					561,386
Telecommunications Networks		4,409,366				377,514	4,786,880
Other Businesses:							
Gaming		2,653,990					2,653,990
Soccer, Sports and Show Business Promotion		1,581,705		220,319			1,802,024

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Publishing - Magazines	535,478		480,101	1,015,579
Publishing - Advertising	769,009		691,501	1,460,510
Publishing Distribution	318,924		81,645	400,569
Radio - Advertising	814,176			814,176
Feature Film Production and Distribution	463,761	50,762	166,877	681,400
Segment total	85,381,576	10,320,161	3,646,050	99,347,787
Intersegment eliminations	(3,041,264)		(19,160)	(3,060,424)
Consolidated total revenues	Ps. 82,340,312	Ps. 10,320,161	Ps. 3,626,890	Ps. 96,287,363

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	Domestic		Export		Abroad		Total
2015:							
Content:							
Advertising	Ps.	22,503,689	Ps.	344,215	Ps.	181,418	Ps. 23,029,322
Network Subscription Revenue		2,526,170		1,069,210			3,595,380
Licensing and Syndication		751,686		6,956,184			7,707,870
Sky:							
DTH Broadcast Satellite TV(a)		17,419,980				1,310,710	18,730,690
Advertising		319,585					319,585
Pay-Per-View		203,251					203,251
Cable:							
Digital TV Service (a)		12,203,074					12,203,074
Advertising		606,612					606,612
Broadband Services (a)		7,617,723					7,617,723
Telephony (a)		3,202,670					3,202,670
Other Services		441,967					441,967
Telecommunications Networks		3,989,715				426,552	4,416,267
Other Businesses:							
Gaming		2,367,190					2,367,190
Soccer, Sports and Show Business Promotion		1,132,314		129,374			1,261,688
Publishing - Magazines		533,520				606,144	1,139,664
Publishing - Advertising		665,296				809,882	1,475,178
Publishing Distribution		228,345				89,987	318,332
Radio - Advertising		786,735					786,735
Feature Film Production and Distribution		558,738		22,295		194,517	775,550
Segment total		78,058,260		8,521,278		3,619,210	90,198,748
Intersegment eliminations		(2,131,657)				(15,262)	(2,146,919)
Consolidated total revenues	Ps.	75,926,603	Ps.	8,521,278	Ps.	3,603,948	Ps. 88,051,829

(a) DTH Broadcast Satellite TV revenues include revenue from leasing set-top equipment to subscribers in the Sky segment in the amount of Ps.9,894,292, Ps.9,266,056 and Ps.8,226,584, for the years ended December 31, 2017, 2016 and 2015, respectively, Digital TV Service revenues include revenue from leasing set-top equipment to subscribers in the Cable segment in the amount of Ps.3,062,826, Ps.3,072,701 and Ps.2,674,947, for the years ended December 31, 2017, 2016 and 2015, respectively. Revenue from leasing set-top equipment to subscribers is recognized when services are rendered to such subscribers. Set-top equipment is part of the Group's property and equipment and is leased to subscribers through operating lease contracts.

Net sales from external customers for the years ended December 31, 2017, 2016 and 2015 are presented by sale source, as follows:

	2017		2016		2015	
Services	Ps.	70,408,764	Ps.	72,915,848	Ps.	67,452,100
Royalties		8,533,751		8,526,197		7,097,435
Goods		2,133,122		2,317,315		2,415,371
Leases (1)		13,198,598		12,528,003		11,086,923
Total	Ps.	94,274,235	Ps.	96,287,363	Ps.	88,051,829

(1) This line includes primarily revenue from leasing set-top equipment to subscribers in the Sky and Cable segments, which is recognized when services are rendered to such subscribers. Set-top equipment is part of the Group's property and equipment and is leased to subscribers through operating lease contracts.

26. Commitments and Contingencies

Commitments

As of December 31, 2017, the Group had commitments for programming and transmission rights, mainly related to special events, in the aggregate amount of U.S.\$115.0 million (Ps.2,266,205) and U.S.\$835 million (Ps.16,456,320), respectively, with various payment commitments between 2018 and 2030.

At December 31, 2017, the Group had commitments in an aggregate amount of Ps.1,851,150, of which Ps.127,685 were commitments related to gaming operations, Ps.66,381 were commitments to acquire television technical

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equipment, Ps.274,309 were commitments for the acquisition of software and related services, and Ps.1,382,775 were construction commitments for building improvements and technical facilities.

In connection with a long-term credit facility, the Group expects to provide financing to GTAC in 2018 in the principal amount of Ps.178,600 (see Note 10).

At December 31, 2017, the Group had the following aggregate minimum annual commitments for the use of satellite transponders:

	Thousands of U.S. dollars
2018	U.S.\$ 7,391
2019	4,423
2020	4,099
2021 and thereafter	3,760
	U.S.\$ 19,673

The Group leases facilities, primarily for its Gaming business, under operating leases expiring through 2047.

As of December 31, 2017, non-cancellable annual lease commitments (undiscounted) are as follows:

2018	Ps.	640,551
2019		606,847
2020		542,344
2021		507,932
2022		355,072
Thereafter		539,733
	Ps.	3,192,479

On March 6, 2014, the IFT issued a decision whereby it determined that the Company, together with certain subsidiaries with concessions to provide broadcast television, 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 may adversely affect the activities and businesses of the Group's broadcasting businesses, as well as their results of operations and financial condition. Among these measures, terms, conditions and restrictive obligations are included the following:

Infrastructure sharing - The Preponderant Economic Agent must make its passive broadcasting infrastructure (as defined in the preponderance decision) available to third-party concessionaries of broadcast television (as defined in the preponderance decision) for commercial purposes in a non discriminatory and non-exclusive manner.

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Advertising sales - The Preponderant Economic Agent must deliver to IFT and publish the terms and conditions of certain broadcast advertising services and fee structures, including commercials, packages, discount plans and any other commercial offerings.

Prohibition on acquiring certain exclusive content - The Preponderant Economic Agent may not acquire transmission rights, on an exclusive basis, for any location within Mexico with respect to certain relevant content, determined by IFT.

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 in certain time on such channels, to its affiliates, subsidiaries, related parties and third parties, for distribution through a different technological platform than over-

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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.

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.

There are currently no judgments or orders that would require the Group to divest any of the assets as a result of being declared a Preponderant Economic Agent in the broadcasting sector.

On March 9, 2017, as part of a biennial review of the broadcasting sector preponderance rules, the IFT has issued a ruling that amends some of the existing preponderance rules in broadcasting and includes some additional obligations on the Company and some of its subsidiaries (the New Preponderance Measures). The New Preponderance Measures maintain most of the measures previously issued by IFT on March 6, 2014, but with certain modifications and additions, which include, among others, the following:

Sharing of infrastructure - In addition to the previously imposed obligations regarding the sharing of passive infrastructure, the New Preponderance Measures have included the service of signal emissions in the event that no passive infrastructure exists on the relevant requested site. In addition, the New Preponderance Measures strengthen the supervision of the services provided by the Group and the tariffs arrangements made with its clients, and include certain rules relating to the publicity of its tariffs. A new electronic management system is also included as part of the new measures which will facilitate the access to certain information by users of the Group's infrastructure as well as by IFT.

Prohibition to acquire certain exclusive content for broadcasting - This measure has been modified by enabling the Group to acquire relevant content under certain circumstances, as long as it obtains the right to sublicense such transmission rights to other broadcasters of over-the-air television in Mexico on non-discriminatory terms.

Advertising services - IFT modified this measure mainly by including specific requirements to the Group in its provision of over-the-air advertising services, particularly, to telecommunications companies. Such requirements include, among others: a) publishing and delivering to IFT specific information regarding tariffs, discount plans, contracting and sales terms and conditions, contract forms and other relevant practices; and b) terms and conditions that prohibit discrimination or refusal to deal, conditioned sales and other conditions that inhibit competition. The Group began the process of providing very detailed information to IFT on a recurrent basis of over the air advertising services related to telecommunications companies.

Accounting separation - The Group began the process of implementing the accounting separation methodologies under the criteria defined by IFT, published in the Official Gazette of the Federation on December 29, 2017.

The Company will continue to assess the extent and impact of the various measures, terms, conditions and restrictive obligations in connection with its designation by IFT as Preponderant Economic Agent, including the New Preponderance Measures, and will analyze carefully any

actions and/or remedies (legal, business and otherwise) that the Company should take and/or implement regarding these matters.

Contingencies

In March 2015, the investigative authority of the IFT issued a preliminary opinion that presumed the probable existence of substantial power in the market of restricted television and audio services in Mexico, with respect to the Company and certain of its subsidiaries. The opinion was issued pursuant to Transitory Article 39 of the LFTR. On September 30, 2015, the Governing Board of the IFT determined that the Group did not have substantial power in such market (IFT Resolution). Although this resolution was final at the administrative level, certain third parties filed amparo proceedings challenging the constitutionality of the IFT Resolution. On January 19, 2017, as a result of an injunction filed by a competitor, a Circuit Court ordered IFT to revoke the IFT Resolution and issue a new

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resolution. In summary, the Court determined that in IFT's original examination, IFT took into consideration elements of information outside the relevant period of time under review, which should have been exclusively the period between January 2009 and August 2014. On March 2, 2017, the IFT announced that the Company, together with some of its subsidiaries, had been declared by the Governing Board of the IFT in a resolution dated February 24, 2017 (the "New Resolution"), to be an economic agent with substantial power in the market of restricted television and audio services in Mexico, based on data relevant up to 2014. The Company considered that the reversal of the previous IFT Resolution, which determined that the Group did not have substantial power in such market, was unconstitutional and did not comply with the guidelines ordered by the Circuit Court. The New Resolution was challenged by the Company and some of its subsidiaries in several proceedings; one of these legal actions was resolved by the Supreme Court sustaining that IFT exceeded the guidelines ordered by the Circuit Court as stated by the Company; as a result, a Federal Court required the IFT to overrule the New Resolution and issue another one under the guidelines ordered by the Supreme Court.

On March 28, 2018, the Company announced that it was notified by the IFT of a resolution by which this authority indicates that it does not have elements to determine that the Company has substantial power in the market of restricted television and audio services. In compliance with the guidelines issued by the Mexican Supreme Court of Justice in a resolution dated February 7, 2018, this new resolution leaves without effect IFT's prior determination of substantial power of February 24, 2017. With this resolution, any proceeding initiated by IFT under this file, to impose asymmetric measures on the Company and its subsidiaries related to the determination of substantial power is left without effect, and the measures directly provided for such purposes in current regulations are not to be applied.

There are several legal actions and claims pending against the Group, which are filed in the ordinary course of business. In the opinion of the Company's management, none of these actions and claims is expected to have a material adverse effect on the Group's financial statements as a whole; however, the Company's management is unable to predict the outcome of any of these legal actions and claims.

27. Initial Adoption of IFRS 15 and IFRS 9

In the first quarter of 2018, the Group adopted IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments, which are applicable for annual periods beginning on January 1, 2018 (see Note 2 (z)). Although the Company's management does not expect a material impact for the adoption of these new standards in the Group's consolidated financial statements for the year ended December 31, 2018, the Company's evaluation of the impact could change if the Company enters into new revenue contracts with customers or new financial instruments agreements in the future, or interpretations of the guidance contained in these new standards further evolve.

IFRS 15

In connection with the initial adoption of IFRS 15 in the first quarter of 2018, the Company's management (i) reviewed significant revenue streams and identified certain effects on the Group's revenue recognition in the Sky and Cable segments; (ii) used the retrospective cumulative method, which consists in recognizing any cumulative adjustment resulting from the new standard at the date of initial adoption in consolidated equity; and (iii) the comparative information for the years ended December 31, 2017 and 2016, will not be restated and will continue to be reported under the financial reporting standards in effect in those periods. Based on the Group's existing customer contracts and relationships, the implementation of the new standard did not have a material impact on the Group's consolidated financial statements upon adoption. While not expected to be material, the more significant effects to the Group's revenue recognition are described as follows:

Content

The Group recognizes customer deposits and advance agreements for advertising services in the consolidated statement of financial position when these agreements are executed either with a consideration in cash paid by customers or with short-term non-interest bearing notes received from customers in connection with annual (upfront basis) and from time to time (scatter basis) prepayments (see Note 7). In connection with the initial adoption of IFRS 15, customer deposits and advances agreements are presented by the Group as a contract liability in the

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consolidated statement of financial position when a customer pays consideration, or the Group has a right to an amount of consideration that is unconditional, before the Group transfers services to the customer. Under the guidelines of IFRS 15, a contract liability is a Group's obligation to transfer services or goods to a customer for which the Group has received consideration, or an amount of consideration is due, from the customer. The Company's management has consistently recognized that an amount of consideration is due, for legal and finance purposes, when a short-term non-interest bearing note is received from a customer in connection with a deposit or advance agreement entered into with the customer for advertising services to be rendered by the Group in the short term. Accordingly, there was no effect in the recognition of a contract liability for deposits and advances agreements with customers in the Group's consolidated statement of financial position at the adoption date of IFRS 15.

Sky

Through December 31, 2017, equipment installation revenues and commissions for obtaining contracts with customers in this segment were accounted for as they were incurred. Beginning on January 1, 2018, in accordance with the new standard, certain equipment installation revenues and incremental costs for obtaining contracts with customers, primarily commissions, are recognized as assets in the Group's consolidated statement of financial position and amortized in the expected life of contracts with customers.

Cable

Through December 31, 2017, commissions for obtaining contracts with customers in this segment were accounted for as they were incurred. Beginning on January 1, 2018, in accordance with the new standard, incremental costs for obtaining contracts with customers, primarily commissions, are recognized as assets in the Group's consolidated statement of financial position and amortized in the expected life of contracts with customers.

In the telecommunications business of this segment, as required by the new standard, the Company's management reviewed the terms and conditions of the most significant contracts on an individual basis, and concluded that the effects of IFRS 15 were not significant at the adoption date.

The Group's management continues its assessment of potential changes to its disclosures under the new standard, which are expected to be increased in its consolidated financial statements for annual periods beginning on and after January 1, 2018.

UHI

UHI, an associate of the Company, is adopting the new revenue standard in the first quarter of 2018. The adoption of the new revenue standard is not expected to have a material impact on UHI's consolidated financial statements, principally because UHI has not had significant changes in the way it records advertising revenue, subscription revenue, and a significant portion of its content licensing revenue. However, it is possible that UHI's evaluation of the impact of the new guidance on certain transactions could change if there are additional interpretations of the new revenue guidance that are different from the UHI's conclusions.

IFRS 9

In connection with the initial adoption of IFRS 9 in the first quarter of 2018, and based on the Group's existing financial instruments, related contracts and hedge relationships as of December 31, 2017, the implementation of the new standard did not have a material impact on the Group's consolidated financial statements upon adoption.

In connection with the classification and measurement of the Group's relevant available-for-sale financial assets as of December 31, 2017, the Company's management is still analyzing whether they will continue to be recognized at fair value in the consolidated statement of financial position with changes in fair value recognized as other comprehensive income or loss.

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With respect to recognition of impairment of financial assets, specifically those related to accounts receivable, the Group adopted the simplified approach allowed by IFRS 9.

Although the Company's management does not expect significant changes in the measurement of financial instruments, the Group will be concluding the process of determining the adoption impact of this standard in the first quarter of 2018.