

GRUPO TELEVISIA, S.A.B.
Form 20-F/A
February 15, 2018

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

FORM 20-F/A

(Amendment No.1)

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)

Joaquín Balcárcel Santa Cruz

Grupo Televisa, S.A.B.

Av. Vasco de Quiroga No. 2000

Colonia Santa Fe

01210 Mexico City

Mexico

Telephone: (011-52) (55) 5261-2433

Facsimile: (011-52) (55) 5261-2465

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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 Ordinary Participation Certificates (Certificados de Participación Ordinarios) (CPOs)		New York Stock Exchange

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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, 2016 was:

116,283,293,967 Series A Shares
53,800,800,745 Series B Shares
85,592,124,781 Series L Shares
85,592,124,781 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

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

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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

Explanatory Note

Grupo Televisa, S.A.B. (the Company, we, us, or our) is filing this Amendment No. 1 on Form 20-F/A (this Amendment to its Annual Report on Form 20-F for the fiscal year ended December 31, 2016, which was originally filed on April 28, 2017 (the Original Filing), to (i) amend and restate Item 15 of Part II, Controls and Procedures, with respect to our conclusions regarding the effectiveness of our disclosure controls and procedures and our internal control over financial reporting; and (ii) amend and restate the related audit report of PricewaterhouseCoopers, S.C. s (PwC), as a result of material weaknesses in our internal control over financial reporting identified subsequent to the issuance of our Original Filing included in both Item 8 of Part II, Financial Information, and Item 18 of Part III, Financial Statements. There have been no adjustments or changes to the financial statements included in Items 8 and 18. In addition, we are filing this Amendment to amend and restate Item 3 of Part I, Key Information, with the only change being the addition of a related risk factor with respect to the material weaknesses.

As required by Rule 12b-15 under the Securities Exchange Act of 1934, as amended (the Exchange Act), the certifications required by Rule 13a-14(a) under the Exchange Act are also being filed as exhibits to this Amendment. This Amendment should be read in conjunction with the Original Filing, which continues to speak as of the date of the Original Filing. Except as specifically noted above, this Amendment does not modify or update disclosures in the Original Filing. Accordingly, this Amendment does not reflect events occurring after the filing of the Original Filing or modify or update any related or other disclosures.

Part I

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, 2016, 2015, 2014, 2013 and 2012 has been derived from our audited consolidated year-end financial statements, including the consolidated statements of financial position as of December 31, 2016 and 2015, the related consolidated statements of income, comprehensive income, changes in stockholders' equity and cash flows for the years ended December 31, 2016, 2015 and 2014, and the accompanying notes appearing elsewhere in this annual report.

The selected consolidated financial information as of December 31, 2016, 2015, 2014, 2013 and 2012 and for the years ended December 31, 2016, 2015, 2014, 2013 and 2012, 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, 2016, which was Ps.20.6356 per U.S. Dollar. This annual report contains translations of certain Peso amounts into U.S. Dollars at specified rates solely for the convenience of the reader. The exchange rate translations contained in this annual report should not be construed as representations that the Peso amounts actually represent the U.S. Dollar amounts presented or that they could be converted into U.S. Dollars at the rate indicated.

	2016		2016		2015		Year Ended December 31, 2014		2013		2012	
	U.S.\$	Ps.	U.S.\$	Ps.	U.S.\$	Ps.	U.S.\$	Ps.	U.S.\$	Ps.	U.S.\$	Ps.
Income Statement Data:												
Net sales	4,666	96,287	88,052	80,118	73,791	69,290						
Operating income	804	16,598	18,745	13,956	18,738	18,140						
Finance (expense) income, net (2)	(462)	(9,532)	(123)	(4,329)	885	(3,350)						
Net income	258	5,333	12,325	6,660	10,234	10,069						
Net income attributable to stockholders of the Company	180	3,721	10,899	5,387	7,748	8,761						
Net income attributable to non-controlling interests	78	1,612	1,426	1,273	2,486	1,308						
Basic earnings per CPO attributable to stockholders of the Company (3)		1.28	3.77	1.87	2.71	3.08						

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Diluted earnings per CPO attributable to stockholders of the Company (3)				1.20		3.52		1.74		2.50		2.83
Weighted-average number of shares outstanding (in millions)(3)(4)				341,017		338,291		337,551		335,263		333,372
Cash dividend per CPO(3)				0.35		0.35				0.70		0.35
Comprehensive Income Data:												
Total comprehensive income attributable to stockholders of the Company	U.S.\$	201	Ps.	4,144	Ps.	11,982	Ps.	8,982	Ps.	11,833	Ps.	10,530
Total comprehensive income attributable to non-controlling interests				118		2,426		10,478		7,672		9,336
				83		1,718		1,504		1,310		2,497
												1,287

* This item is amended and restated, with the only change being the addition of a risk factor relating to the material weaknesses.

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	2016		2016		2015		As of December 31, 2014		2013		2012	
Financial Position Data:												
Cash and cash equivalents	U.S.\$	2,304	Ps.	47,546	Ps.	49,397	Ps.	29,729	Ps.	16,692	Ps.	19,063
Temporary investments		266		5,498		5,330		4,789		3,723		5,317
Total assets		14,977		309,054		281,474		235,552		194,109		164,997
Short-term debt and current portion of long-term debt (5)		41		851		2,980		337		314		375
Interest payable(5)		89		1,827		1,184		975		796		742
Long-term debt, net of current portion(6)		6,113		126,147		107,431		80,661		59,743		52,616
Customer deposits and advances		1,052		21,709		20,985		20,435		22,437		21,985
Capital stock		241		4,978		4,978		4,978		4,978		4,978
Total equity (including non-controlling interests)		4,666		96,284		99,522		87,915		78,579		68,535
Shares outstanding (in millions)(4)				341,268		338,468		338,056		335,501		333,898

	2016		2016		2015		As of December 31, 2014		2013		2012	
Cash Flow Data:												
Net cash provided by operating activities	U.S.\$	1,776	Ps.	36,657	Ps.	31,286	Ps.	28,463	Ps.	23,806	Ps.	22,556
Net cash used in investing activities		(1,405)		(29,000)		(23,782)		(22,740)		(25,246)		(12,167)
Net cash (used in) provided by financing activities		(484)		(9,991)		12,033		7,231		(924)		(7,548)
(Decrease) increase in cash and cash equivalents		(90)		(1,851)		19,668		13,037		(2,371)		2,787
Other Financial Information:												
Capital expenditures(7)	U.S.\$	1,491	Ps.	27,942	Ps.	25,524	Ps.	17,004	Ps.	14,871	Ps.	11,428
Other Data (unaudited):												
Magazine circulation (millions of copies)(8)				90		103		117		126		129
Number of employees (at year end)				42,200		43,900		39,500		32,000		28,600
Number of Sky subscribers (in thousands at year end)(9)				8,027		7,284		6,638		6,015		5,153
Number of Pay Television RGUs (in thousands at year end)(10)				4,206		4,061		3,357		2,495		2,309
Number of Broadband Internet RGUs (in thousands at year end)(10)				3,412		3,067		2,289		1,667		1,306
Number of Digital Telephony RGUs (in thousands at year end)(10)				2,113		1,891		1,228		916		754

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 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 and 2012, our stockholders approved the payment of a dividend of Ps.0.35 per CPO, respectively.

(4) As of December 31, 2016, 2015, 2014, 2013 and 2012 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, 2016, there were approximately 2,445.5 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 55,146.3 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, 2016 and 2015, 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 27, 2012, at a general stockholders meeting, our stockholders approved a cash distribution to stockholders of up to Ps.1,097.8 million, which represents the payment of our ordinary dividend of Ps.0.35 per CPO, equivalent to Ps.0.002991452991 per share. On April 2, 2013, at a general stockholders meeting, our stockholders approved a cash distribution to stockholders of up to Ps.1,084.2 million, which represents the payment of our ordinary dividend of Ps.0.35 per CPO, equivalent to Ps.0.002991452991 per share. In addition to the dividend payment approved by our stockholders on April 2, 2013, and based on a proposal by our Board of Directors, on December 9, 2013, at a general stockholders meeting, our stockholders approved a cash distribution to stockholders of up to Ps.1,084.2 million, which represents the payment of our ordinary dividend of Ps.0.35 per CPO, equivalent to Ps.0.002991452991 per share. The dividend approved on December 9, 2013 was in lieu of the annual dividend for 2014 that would otherwise typically have been approved in April 2014. On April 29, 2015, at our general stockholders meeting, our stockholders approved a cash distribution to stockholders of up to Ps.1,084.2 million, which represents the payment of our ordinary dividend of Ps.0.35 per CPO, equivalent to Ps.0.002991452991 per share. 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, 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
2012	14.3650	12.6250	13.1539	12.9635
2013	13.4330	11.9760	12.7584	13.0980
2014	14.7940	12.8455	13.3022	14.7500
2015	17.3580	14.5640	15.8735	17.1950
2016	20.8415	17.1900	18.6674	20.6170
October	19.3350	18.4850	18.8912	18.7900
November	20.8415	18.4350	20.0086	20.4565
December	20.7375	20.2230	20.4992	20.6170
2017 (through April 21, 2017)	21.8910	18.4780	19.9488	18.8425
January	21.8910	20.7530	21.3911	20.8355
February	20.8155	19.7350	20.3008	19.9975
March	19.9265	18.6650	19.2800	18.8290
April (through April 21, 2017)	18.8680	18.4780	18.7015	18.8425

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

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

In the past, the Mexican economy has had balance of payment deficits and decreases in foreign exchange reserves. While the Mexican government does not currently restrict the ability of Mexican or foreign persons or entities to convert Pesos to U.S. Dollars, we cannot assure you that the Mexican government will not institute restrictive exchange control policies in the future, as has occurred from time to time in the past. To the extent that the Mexican government institutes restrictive exchange control policies in the future, our ability to transfer or to convert Pesos into U.S. Dollars and other currencies for the purpose of making timely payments of interest and principal of indebtedness, as well as to obtain foreign programming and other goods, would be adversely affected. See Risk Factors Risk Factors Related to Mexico Currency Fluctuations or the Devaluation and Depreciation of the Peso Could Limit the Ability of Our Company and Others to Convert Pesos into U.S. Dollars or Other Currencies, Which Could Adversely Affect Our Business, Financial Condition or Results of Operations .

On April 21, 2017 the noon buying rate was Ps. 18.8425 per U.S.\$1.00.

Risk Factors

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

Risk Factors Related to Mexico

Economic and Political Developments in Mexico May Adversely Affect Our Business

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

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

Mexico has historically experienced uneven periods of economic growth. Mexican gross domestic product, or GDP, increased by 2.3% in 2014, increased by 2.6% in 2015 and increased by 2.3% in 2016. Mexican GDP growth fell short of Mexican government forecasts in 2016 and, according to Mexican government forecasts, Mexican GDP is expected to increase in a range between 1% - 2% in 2017. 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, China or other 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.

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 NAFTA and increased economic activity between the two countries. Adverse economic conditions in the United States, the termination or renegotiation of NAFTA or other related events could have a significant adverse effect on the Mexican economy. 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). It is likely 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 Brexit, there were significant devaluations of the British pound. In the days following Brexit, 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, 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 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 results of the United States presidential election in November 2016 and public decisions and announcements of the new administration that began in January 2017 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.

The United States Presidential Election Took Place in November 2016. Any Renegotiation of Trade Agreements or Other Changes in Foreign Policy by the New 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

The new presidential administration in the United States could renegotiate the terms of trade agreements between the United States and Mexico, such as the North American Free Trade Agreement, or NAFTA. The Mexican government has mentioned its willingness to renegotiate or withdraw from NAFTA. The actions described above by either government, or both, could significantly 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 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, although the rates have been lower for the past years. The annual rate of inflation, as measured by changes in the Mexican National Consumer Price Index, or NCPI, was 4.1% in 2014, 2.1% in 2015, 3.4% in 2016 and is projected to be 5.6% in 2017. 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%, 3.0% and 4.2% for 2014, 2015 and 2016, 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 Federal Congress is not controlled by any single political party. However, the *Partido Revolucionario Institucional*, or the PRI, holds a significant position both in the Senate and in the *Cámara de Diputados*, or the Chamber of Representatives. Mexican congressional elections held in June 2015 in the Lower House resulted in a majority for the PRI but it still lacks an absolute majority, which could result in government gridlock and political uncertainty regarding further reforms and secondary legislation to modernize key sectors of the Mexican economy.

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 .

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 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 portion of the spectrum which was going to be assigned to Grupo Radio Centro is in an auction process. The new bid is for 148 channels of Digital Terrestrial Television, and we may be permitted to participate in certain geographical areas only.

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

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

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

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

Elimination of the tax consolidation regime: As a consequence of this reform, we will have to pay in the coming 10 years, starting in 2014, income tax that was deferred in prior years in an aggregate amount of Ps.6,813 million.

Limitation of the deduction of non-taxable employee benefits: As a result of the tax reform, employee benefits that are exempt from income tax are deductible only up to 53%. This reform 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 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, concessionaires of broadcast services have been required to permit pay-TV concessionaires to retransmit broadcast signals, free of charge and on a non-discriminatory basis, within the same geographic coverage area simultaneously and without modifications, including advertising, and with the same quality of the broadcast signal, except in certain specific cases provided in the Telecom Reform. Also, since September 10, 2013, our pay-TV concessionaires are required to retransmit broadcast signals of free television concessionaires, free of charge and on a non-discriminatory basis, subject to certain exceptions and additional requirements provided for in the Telecom Reform.

Certain pay-TV 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 April 11, 2014, we, together with some of our subsidiaries, filed an *amparo* proceeding challenging the constitutionality of the Guidelines. On February 2015, certain amendments to the Guidelines were published in the Official Gazette, which among other provisions, require pay-TV concessionaires to retransmit the broadcast signals on all the commercial packages they offer to their subscribers and not only on their basic packages. On March 2015, the Company and the aforementioned subsidiaries, filed an extension to the original claims in the *amparo* proceeding, which was resolved maintaining the terms of the Guidelines.

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. 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 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, (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 system.
- **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 makes such rights available for its sublicensing to other broadcasters 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 will also have to provide very detailed information to IFT on a recurrent basis of over the air advertising services related to telecommunications companies.
- **Accounting separation** The Preponderant Economic Agent will have to implement accounting separation methodologies that will be further regulated and defined based on certain criteria to be determined by IFT.

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 procedure.

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 procedure.

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, 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/or other participants as a result of the elimination on the restrictions on foreign investment in telecommunications services and satellite communication and the increase in the maximum permitted foreign-ownership in broadcasting (television and radio) to 49%.

The LFTR provides that integrated multiservice concessions will be renewed for terms equal to the maximum terms for which they could be granted, namely, up to 30 years. To request the renewal of a concession, a concession holder must (i) file its request with IFT one year prior to the beginning of the fifth period of the term of the concession; (ii) comply with its obligations established in the applicable laws and in the

concession title; and (iii) accept the new conditions that IFT may impose. In such cases, IFT will issue its ruling within 180 days following the date the concession holder files the renewal request. If IFT does not issue its ruling within 180 days the renewal will be automatically granted.

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

On March 13, 2015, the 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 March 1, 2017, determining that the Company and some of its subsidiaries have substantial power in the market of restricted television and audio services. IFT will begin a new proceeding by which it may or may not determine the imposition of certain measures on the Company with respect to the relevant market. The Company will be heard in this proceeding. The *New Resolution* was challenged by the Company and some of its subsidiaries by an *amparo* proceeding filed on March 23, 2017. The Company considers the reversal of the *Original Ruling* to be unconstitutional and does not comply with the guidelines of the Circuit Court. Even though the Company is vigorously defending its stance, it is not possible to determine the outcome of this proceeding.

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.

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.

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 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 43.0% 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 Will Have the Ability to Limit Our Ability to Raise Capital, Which Would Require Us to Seek Other Financing Arrangements

Emilio Azcárraga Jean has the voting power to prevent us from raising money through equity offerings. Mr. Azcárraga Jean has informed us that if we conduct a primary sale of our equity, he would consider exercising his pre-emptive rights to purchase a sufficient number of additional 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 2015 to 2036. 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 2020 and 2026. The expiration dates for the concessions for our telephone services range from 2017 to 2046. Cablevisión obtained a telecommunications concession, which expires in 2029. Before the Telecom Reform in 2013, the SCT typically renewed the concessions of those concessionaires that complied with the applicable renewal procedures under Mexican law and with their obligations under the concession. In July 2014, the Mexican Federal Congress enacted the LFTR, which provides that integrated multiservice concessions will be renewed for terms equal to the maximum terms for which they could be granted, namely, up to 30 years.

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

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

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

We face competition in all of our businesses, including broadcasting, advertising sales, 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, 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 48 standard definition channels, optional virtual recording, in addition to internet and voice services.

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

Our pay-TV companies face competition from IPTV or OTT providers such as Netflix and Claro Video, 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.

Our business for production and distribution of feature films is a highly competitive business in Mexico. The various producers compete for the services of recognized talent and for film rights to scripts and other literary property. We compete with other feature film producers, Mexican and non-Mexican, and distributors in the distribution of films in Mexico, 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, and Grupo Caliente S.A. de C.V., or Grupo Caliente.

With respect to the lottery industry, our principal competitors are the governmental lotteries, Pronósticos Deportivos para la Asistencia Pública and Lotería Nacional.

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 cable business is highly competitive and capital intensive. Our business may require substantial capital to pursue additional acquisitions and capital expenditures which may result in additional incurrence of leverage, issuance of additional capital or a combination thereof.

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

Our business reflects seasonal patterns of advertising expenditures, which is common in the television broadcast industry, as well as cyclical patterns in periodic events such as the FIFA World Cup and the Olympic Games. We typically recognize a disproportionately large percentage of our Content advertising net sales in the fourth quarter in connection with the holiday shopping season. For example, in 2014, 2015 and 2016 we recognized 33.9%, 33.4% and 34.4%, respectively, of our net sales in the fourth quarter of the year. Accordingly, a significant reduction in fourth quarter advertising revenue could adversely affect our business, financial condition and results of operations.

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

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

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

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

The size of the business interruption impact for Innova in the case of a satellite loss exceeds the insurance we have acquired to cover this risk. In order to reduce the possibility of financial consequences resulting from an unforeseen loss of transmission, Innova entered into an agreement to launch a backup satellite jointly with Sky Brasil Servicos Ltda., or Sky Brasil, which was launched in the first quarter of 2010. In the third quarter of 2013, Sky entered into an agreement with DirecTV for the acquisition and launch of a satellite (SM1), which 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 or other privileged or confidential information, or unauthorized access to our digital content or any other type of intellectual property. It is not uncommon for a company such as ours to be subjected to continuous attempted cyber attacks or other malicious efforts to cause a cyber incident. Any such incident could cause damage to our reputation and may require us to expend substantial resources to remedy the situation and could therefore have a material adverse effect on our business and results of operations. Within the past year, we have 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. We continue to work closely with our outside advisors to deny and prevent unauthorized access, and maintain and improve cybersecurity resilience. Nevertheless, because of the nature of the threats, there can be no assurance that our 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 (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 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 22bis and 79 of the Regulations of the General Health Law on Advertising" (the "Health Law Guidelines") were published in the Official Gazette of the Federation on April 15, 2014 and became effective on July 7, 2014 for the advertisement of the following products:

snacks, flavored drinks, candies, chocolates, or foods similar to chocolates and became effective for the remaining products on January 1, 2015.

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

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

Subsequent to the issuance of our Original Filing, we identified material weaknesses in our internal controls over financial reporting, which were previously disclosed in the Company's Form 6-K filed January 26, 2018. 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 Amendment, the process of designing, implementing and validating remedial measures related to the material weaknesses noted above have 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, we may be unable to report our future results of operations accurately and 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 Item 15 Controls and Procedures.

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

- estimates and projections of financial results, cash flows, capital expenditures, dividends, capital structure, financial position or other financial items or ratios;
- statements of our plans, objectives or goals, including those relating to anticipated trends, competition, regulation and rates;

- statements concerning our current and future plans regarding our online and wireless content division, Televisa Digital;
- 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.

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

- economic and political developments and conditions and government policies in Mexico or elsewhere;
- uncertainty in global financial markets;
- currency fluctuations or the depreciation of the Peso;
- changes in inflation rates;
- changes in interest rates;
- the impact of existing laws and regulations, changes thereto or the imposition of new laws and regulations affecting our businesses, activities and investments;
- the risk that our concessions may not be renewed;

- the risk of loss of transmission or loss of the use of satellite transponders or incidents affecting our network and information systems or other technologies;
- changes in customer demand; and
- effects of competition.

We caution you that the foregoing list of factors is not exhaustive and that other risks and uncertainties may cause actual results to differ materially from those in forward-looking statements. You should evaluate any statements made by us in light of these important factors and you are cautioned not to place undue reliance on any forward-looking statements. Forward-looking statements speak only as of the date they are made, and we do not undertake any obligation to update them in light of new information, future developments or other factors.

Item 8. Financial Information

See Financial Statements and pages F-1 through F-68, which are incorporated in this Item 8 by reference.

Part II

Item 15. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Based on the previous evaluation as of December 31, 2016, included in our Annual Report on Form 20-F filed on April 28, 2017, our Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures (as defined in the Exchange Act Rules 13a-15(e) and 15d-15(e)) were effective to ensure that the information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms and that such information is accumulated and communicated to management, including our Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. However, subsequent to that evaluation, due to the

material weaknesses in internal control over financial reporting described below, our Co-Chief Executive Officers and principal financial officer have now concluded that our disclosure controls and procedures were not effective as of December 31, 2016.

Notwithstanding the material weaknesses described below, our management has concluded that the Company's consolidated financial statements for the periods covered by and included in this Annual Report on Form 20-F/A are fairly stated in all material respects in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, without any need for adjustment.

Management's Annual Report on Internal Control Over Financial Reporting (Restated)

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

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2016. 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).

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.

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.

Subsequent to the issuance of the Original Filing and as previously disclosed, the Company's management, has identified the following control deficiencies which constituted material weaknesses in our internal control over financial reporting as of December 31, 2016.

Risk Assessment

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, which were previously disclosed by the Company on January 26, 2018:

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1. The Company did not design and maintain effective controls over certain information technology (IT) systems that are relevant to the preparation of the consolidated financial statements. Specifically, the Company did not design and maintain: (i) 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 (ii) effective controls over program changes 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).

2. The Company did not design and maintain effective controls over segregation of duties within the accounting systems, 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.

3. 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. 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 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.

In Management's Annual Report on Internal Control Over Financial Reporting included in our original Annual Report on Form 20-F for the year ended December 31, 2016, our management previously concluded that we maintained effective internal control over financial reporting as of December 31, 2016. Management has subsequently concluded that the material weaknesses described above existed as of December 31, 2016. As a result, management has concluded that the Company did not maintain effective internal control over financial reporting as of December 31, 2016 based on the criteria established in Internal Control - Integrated Framework (2013) issued by the COSO. Accordingly, management has restated its report on internal control over financial reporting.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2016 has been audited by PricewaterhouseCoopers, S.C., an independent registered public accounting firm, as stated in their report which appears herein.

Changes in Internal Control Over Financial Reporting

Except for the material weaknesses described above and the remediation activities described below, we have not identified changes in our internal controls 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, 2016 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

Remediation Plan and Activities

Once we identified the material weaknesses described under Management's Annual Report on Internal Control Over Financial Reporting (Restated), we 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.

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-68, which are incorporated in this Item 18 by reference.

Item 19. Exhibits

Documents filed as exhibits to this annual report appear on the following

(a) Exhibits.

EXHIBIT INDEX

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).
2.3	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

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as Exhibit 4.7 to the 2002 Form F-4 and incorporated herein by reference).

- 2.4 Seventh Supplemental Indenture relating to the 6 5/8% Senior Notes due 2025 between Registrant, as Issuer, and The Bank of New York and Dexia Banque Internationale à Luxembourg, dated March 18, 2005 (previously filed with the Securities and Exchange Commission as Exhibit 2.8 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2004 (the 2004 Form 20-F) and incorporated herein by reference).
- 2.5 Eighth Supplemental Indenture relating to the 6 5/8% Senior Notes due 2025 between Registrant, as Issuer, and The Bank of New York and Dexia Banque Internationale à Luxembourg, dated May 26, 2005 (previously filed with the Securities and Exchange Commission as Exhibit 2.9 to the 2004 Form 20-F and incorporated herein by reference).
- 2.6 Ninth Supplemental Indenture relating to the 6 5/8% Senior Notes due 2025 between Registrant, as Issuer, The Bank of New York and Dexia Banque Internationale à Luxembourg, dated September 6, 2005 (previously filed with the Securities and Exchange Commission as Exhibit 2.8 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2005 (the 2005 Form 20-F) and incorporated herein by reference).
- 2.7 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).

Exhibit Number	Description of Exhibits
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>Twelfth Supplemental Indenture related to the 6.0% Senior Notes due 2018 between Registrant, as Issuer, The Bank of New York and The Bank of New York (Luxembourg) S.A., dated as of May 12, 2008 (previously filed with the Securities and Exchange Commission as Exhibit 2.11 to the Form 20-F for the year ended December 31, 2007 (the 2007 Form 20-F) and incorporated herein by reference).</u>
2.10	<u>Form of Deposit Agreement between the Registrant, The Bank of New York, as depository and all holders and beneficial owners of the Global Depository Shares, evidenced by Global Depository 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>
2.11	<u>Thirteenth Supplemental Indenture relating to the 6.0% Senior Exchange Notes due 2018 between Registrant, as Issuer, The Bank of New York Mellon and The Bank of New York (Luxembourg) S.A., dated as of August 21, 2008 (previously filed with the Securities and Exchange Commission as Exhibit 4.14 to the Registrant's Registration Statement on Form F-4 (File number 333-144460), as amended, and incorporated herein by reference).</u>
2.12	<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>
2.13	<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>
2.14	<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>
2.15	<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>
2.16	<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>

Exhibit Number	Description of Exhibits
2.17	<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	<u>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).</u>
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 20, 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>
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>

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Exhibit Number	Description of Exhibits
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>
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>

Exhibit Number	Description of Exhibits
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 Shareholders' and Share Purchase Agreement, dated as of December 16, 2010 (and amended on April 7, 2011), by and among Grupo Salinas Telecom, S.A. de C.V., Mexico Media Investments, S.L., Sociedad Unipersonal, GSF Telecom Holdings, S.A.P.I. de C.V., Orilizo Holding B.V. and Grupo Iusacell, S.A. de C.V. and Assignment Agreement with respect to the Shareholders' and Share Purchase Agreement, dated as of April 7, 2011, by and among Mexico Media Investments S.L., Sociedad Unipersonal, as assignor and Corporativo Vasco de Quiroga, S.A. de C.V., as assignee, with the consent of Grupo Salinas Telecom, S.A. de C.V., GSF Telecom Holdings, S.A.P.I. de C.V., Orilizo Holding B.V. and Grupo Iusacell, S.A. de C.V. (previously filed with the Securities and Exchange Commission as Exhibit 4.32 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2010 and incorporated herein by reference).</u>
4.23	<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>
4.24	<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>
4.25	<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>
4.26	<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>

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Exhibit Number	Description of Exhibits
4.27	<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>
4.28	<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>
4.29	<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>
4.30	<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>
4.31	<u>English summary of share purchase agreement, dated July 9, 2014, by and among Invex Grupo Financiero, as trustee of Trust F/1017 and Grupo Salinas Telecom, S.A. de C.V., with the acknowledgement of GSF Telecom Holdings, S.A.P.I. de C.V. and Corporativo Vasco de Quiroga, S.A. de C.V. (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>
4.32	<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>
4.33	<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>
4.34	<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 February 14, 2018.</u>
12.2	<u>Co-CEO Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated February 14, 2018.</u>
12.3	<u>Principal Financial Officer Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated February 14, 2018.</u>
13.1	<u>Co-CEO Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, dated February 14, 2018.</u>
13.2	<u>Co-CEO Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, dated February 14, 2018.</u>

Exhibit Number	Description of Exhibits
13.3	<u>Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, dated February 14, 2018.</u>
23.1	<u>Consent of PricewaterhouseCoopers, S.C.</u>

* Portions of this exhibit have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

Previously filed.

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.

SIGNATURE

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F/A 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: February 14, 2018

GRUPO TELEVISIA, S. A. B. AND SUBSIDIARIES

INDEX TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF

DECEMBER 31, 2016 AND 2015

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Grupo Televisa, S. A. B.:

In our opinion, the accompanying consolidated statements of financial position and the related consolidated statements of income, comprehensive income, changes in equity and cash flows present fairly, in all material respects, the financial position of Grupo Televisa, S.A.B. and its subsidiaries (the Company) as of December 31, 2016 and 2015, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2016 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board. Management and we previously concluded that the Company maintained effective internal control over financial reporting as of December 31, 2016. However, management has subsequently determined as described in Item 15, that material weaknesses in internal control over financial reporting related to deficiencies in risk assessment existed, as 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 additional material weaknesses as described in Item 15, as the Company did not appropriately design and maintain effective controls over certain information technology general 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. Accordingly, management's report has been restated and our present opinion on internal control over financial reporting, as presented herein, is different from that expressed in our previous report. Also in our opinion, the Company did not maintain, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) because as described in Item 15, material weaknesses in internal control over financial reporting related to deficiencies in risk assessment existed, as 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 additional material weaknesses as described in Item 15, as the Company did not design and maintain effective controls over certain information technology general 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. 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 2016 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. The Company's management is responsible for these 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 these financial statements and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. 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.

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 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.

/s/ PricewaterhouseCoopers, S.C.

/s/ L.C.C. Alberto Del Castillo Velasco Vilchis

Audit Partner

Mexico City

April 28, 2017, except with respect to our opinion on internal control over financial reporting insofar as it relates to the effects of the matters described in the penultimate paragraph of Management's Annual Report on Internal Control Over Financial Reporting, as to which the date is February 14, 2018

Consolidated Statements of Financial Position

As of December 31, 2016 and 2015

(In thousands of Mexican pesos)

(Notes 1, 2 and 3)

	Notes	2016	2015
ASSETS			
Current assets:			
Cash and cash equivalents	6	Ps. 47,546,083	Ps. 49,397,126
Temporary investments	6	5,498,219	5,330,448
Trade notes and accounts receivable, net	7	24,906,452	21,702,128
Other accounts and notes receivable, net		5,884,907	4,296,068
Due from related parties	19	905,572	98,388
Transmission rights and programming	8	6,533,173	5,389,133
Inventories		1,899,078	1,628,276
Other current assets		2,588,014	2,096,509
Total current assets		95,761,498	89,938,076
Non-current assets:			
Derivative financial instruments	14	647,770	
Transmission rights and programming	8	7,975,296	9,139,149
Investments in financial instruments	9	45,136,751	41,081,474
Investments in associates and joint ventures	10	12,092,254	9,271,901
Property, plant and equipment, net	11	86,783,572	76,089,277
Intangible assets, net	12	37,734,771	38,106,325
Deferred income tax assets	23	22,729,580	17,665,086
Other assets		192,658	182,466
Total non-current assets		213,292,652	191,535,678
Total assets		Ps. 309,054,150	Ps. 281,473,754

The accompanying notes are an integral part of these consolidated financial statements.

	Notes	2016	2015
LIABILITIES			
Current liabilities:			
Current portion of long-term debt and interest payable	13	Ps. 2,678,255	Ps. 4,164,068
Current portion of finance lease obligations	13	575,576	511,556
Current portion of other notes payable	13	1,202,344	
Derivative financial instruments	14		1,402
Trade accounts payable and accrued expenses		22,878,015	17,361,484
Customer deposits and advances		21,709,431	20,470,380
Income taxes payable		2,012,536	1,632,795
Other taxes payable		1,479,071	1,246,041
Employee benefits		1,078,729	1,034,446
Due to related parties	19	1,088,226	443,035
Other current liabilities		2,723,880	2,112,843
Total current liabilities		57,426,063	48,978,050
Non-current liabilities:			
Long-term debt, net of current portion	13	126,146,663	107,430,764
Finance lease obligations, net of current portion	13	5,816,250	5,293,559
Other notes payable, net of current portion	13	3,650,681	
Derivative financial instruments	14	5,508	225,660
Customer deposits and advances			514,531
Income taxes payable	23	6,386,877	6,338,078
Deferred income tax liabilities	23	10,349,135	10,000,048
Post-employment benefits	15	520,473	407,179
Other long-term liabilities		2,468,100	2,764,108
Total non-current liabilities		155,343,687	132,973,927
Total liabilities		212,769,750	181,951,977
EQUITY			
Capital stock	16	4,978,126	4,978,126
Additional paid-in-capital		15,889,819	15,889,819
Retained earnings	17	70,395,669	73,139,684
Accumulated other comprehensive income, net	17	3,961,784	5,257,554
Shares repurchased	16	(11,433,482)	(11,882,248)
Equity attributable to stockholders of the Company		83,791,916	87,382,935
Non-controlling interests	18	12,492,484	12,138,842
Total equity		96,284,400	99,521,777
Total liabilities and equity		Ps. 309,054,150	Ps. 281,473,754

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Income

For the Years Ended December 31, 2016, 2015 and 2014

(In thousands of Mexican pesos, except per CPO amounts)

(Notes 1, 2 and 3)

	Notes		2016		2015		2014
Net sales	25	Ps.	96,287,363	Ps.	88,051,829	Ps.	80,118,352
Cost of sales	20		52,377,790		47,226,544		42,908,647
Selling expenses	20		10,900,695		9,716,244		8,561,911
Administrative expenses	20		13,273,397		12,035,439		9,409,697
Income before other expense	25		19,735,481		19,073,602		19,238,097
Other expense, net	21		3,137,384		328,477		5,281,690
Operating income			16,598,097		18,745,125		13,956,407
Finance expense	22		(11,031,585)		(8,665,398)		(6,942,630)
Finance income	22		1,499,473		8,542,542		2,613,705
Finance expense, net			(9,532,112)		(122,856)		(4,328,925)
Share of income of associates and joint ventures, net	10		1,139,604		35,399		13,173
Income before income taxes			8,205,589		18,657,668		9,640,655
Income taxes	23		2,872,235		6,332,218		2,980,883
Net income		Ps.	5,333,354	Ps.	12,325,450	Ps.	6,659,772
Net income attributable to:							
Stockholders of the Company		Ps.	3,721,406	Ps.	10,899,135	Ps.	5,386,905
Non-controlling interests	18		1,611,948		1,426,315		1,272,867
Net income		Ps.	5,333,354	Ps.	12,325,450	Ps.	6,659,772
Basic earnings per CPO attributable to stockholders of the Company							
	24	Ps.	1.28	Ps.	3.77	Ps.	1.87
Diluted earnings per CPO attributable to stockholders of the Company							
	24	Ps.	1.20	Ps.	3.52	Ps.	1.74

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Comprehensive Income

For the Years Ended December 31, 2016, 2015 and 2014

(In thousands of Mexican pesos)

(Notes 1, 2 and 3)

	Notes	2016	2015	2014
		Ps.	Ps.	Ps.
Net income		5,333,354	12,325,450	6,659,772
Other comprehensive income (loss):				
Items that will not be reclassified to income:				
Remeasurement of post-employment benefit obligations	15	(255,713)	(166,044)	(27,811)
Items that may be subsequently reclassified to income:				
Exchange differences on translating foreign operations		767,165	498,954	221,260
Equity instruments issued by Imagina:				
Changes in fair value	9		405,132	(328,340)
Reclassification to other finance income	9		(544,402)	
Cash flow hedges		789,208	25,838	(43,439)
Convertible debentures due 2025 issued by UHI:				
Changes in fair value	9		319,307	2,058,432
Reclassification to other finance income	9		(4,718,175)	
Warrants issued by UHI, net of hedge	9	(3,635,399)	3,303,182	
Debt instruments issued by Ares:				
Convertible debt instruments	9			670,375
Long-term debt instrument	9			54,417
Reclassification to other finance income	22			(770,941)
Available-for-sale investments	9	(32,379)	(80,371)	1,193,130
Share of other comprehensive (loss) income of associates and joint ventures	10	(42,832)	19,705	25,664
Other comprehensive (loss) income before income taxes		(2,409,950)	(936,874)	3,052,747
Income taxes	23	1,220,400	593,337	(730,444)
Other comprehensive (loss) income		(1,189,550)	(343,537)	2,322,303
Total comprehensive income		Ps. 4,143,804	Ps. 11,981,913	Ps. 8,982,075
Total comprehensive income attributable to:				
Stockholders of the Company		Ps. 2,425,636	Ps. 10,477,626	Ps. 7,671,917
Non-controlling interests	18	1,718,168	1,504,287	1,310,158
Total comprehensive income		Ps. 4,143,804	Ps. 11,981,913	Ps. 8,982,075

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Changes in Equity

For the Years Ended December 31, 2016, 2015 and 2014

(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, 2014	Ps. 4,978,126	Ps. 15,889,819	Ps. 56,897,886	Ps. 3,394,051	Ps. (12,848,448)	Ps. 68,311,434	Ps. 10,267,999	Ps. 78,579,433
Dividends							(468,248)	(468,248)
Shares repurchased					(1,064,602)	(1,064,602)		(1,064,602)
Sale of shares			(200,973)		1,265,575	1,064,602		1,064,602
Stock-based compensation			821,626			821,626		821,626
Other adjustments to non-controlling interests							195	195
Comprehensive income			5,386,905	2,285,012		7,671,917	1,310,158	8,982,075
Balance at December 31, 2014	4,978,126	15,889,819	62,905,444	5,679,063	(12,647,475)	76,804,977	11,110,104	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)

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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
Comprehensive income	3,721,406	(1,295,770)		2,425,636	1,718,168
Balance at December 31, 2016					
	Ps. 4,978,126	Ps. 15,889,819	Ps. 70,395,669	Ps. 3,961,784	Ps. (11,433,482)
				Ps. 83,791,916	Ps. 12,492,484
					Ps. 96,284,400

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2016, 2015 and 2014
(In thousands of Mexican pesos)
(Notes 1, 2 and 3)

	2016		2015		2014	
Operating Activities:						
Income before income taxes	Ps.	8,205,589	Ps.	18,657,668	Ps.	9,640,655
Adjustments to reconcile income before income taxes to net cash provided by operating activities:						
Share of income of associates and joint ventures		(1,139,604)		(35,399)		(13,173)
Depreciation and amortization		16,979,833		14,660,929		11,563,085
Other amortization of assets		352,654		304,860		213,216
Impairment of long-lived assets		6,851		131,065		253,279
Disposition of property and equipment		1,448,295		688,706		715,786
Provision for doubtful accounts and write-off receivables		1,985,445		1,644,904		1,040,954
Post-employment benefits		(53,344)		38,334		157,511
Interest income		(458,528)		(378,736)		(417,777)
Income from UHI				(2,194,981)		
Share-based compensation expense		1,410,492		1,199,489		844,788
Reclassifications from accumulated other comprehensive income				(5,262,577)		
Provisions for related party transactions		340,202		1,024,484		
Other finance loss (income), net		43,370		(917,682)		(1,286,014)
Loss (gain) on disposition of investments		312		(76,296)		4,168,468
Interest expense		8,497,919		6,239,387		5,551,461
Unrealized foreign exchange loss, net		6,707,831		4,032,871		2,133,505
		44,327,317		39,757,026		34,565,744
Increase in trade notes and accounts receivable		(4,649,477)		(2,120,569)		(1,213,774)
Decrease (increase) in transmission rights and programming		163,014		(535,487)		250,554
(Increase) decrease in due from related parties, net		(432,736)		527,515		387,812
(Increase) decrease in inventories		(262,016)		1,705,238		(1,495,275)
Increase in other accounts and notes receivable and other current assets		(914,527)		(877,316)		(612,564)
Increase in trade accounts payable and accrued expenses		5,255,698		63,873		4,795,769
Increase (decrease) in customer deposits and advances		688,097		459,215		(2,112,156)
(Decrease) increase in other liabilities, taxes payable and deferred taxes		(204,722)		192,113		(2,086,330)
(Decrease) increase in post-employment benefits		(44,819)		(62,373)		100,516
Income taxes paid		(7,268,938)		(7,823,659)		(4,117,357)
		(7,670,426)		(8,471,450)		(6,102,805)
Net cash provided by operating activities		36,656,891		31,285,576		28,462,939
Investing activities:						
Temporary investments		254,437		16,083		(74,977)
Income from UHI				2,194,981		
Held-to-maturity and available-for-sale investments		(302,631)		(89,552)		(372,140)
Disposition of held-to-maturity and available-for-sale investments		74,086		362,416		513,134
Acquisition of Cablecom, net of acquired cash and cash equivalents						(5,536,649)
Acquisition of Telecable, net of acquired cash and cash equivalents				(9,731,391)		
Investment in associates and other investments		(183,804)		(92,141)		49,356
Disposition of investment				76,335		
Additional investment in Imagina				(341,710)		
Disposition of investment in GSF				10,335,813		
Investments in property, plant and equipment		(27,941,585)		(25,524,145)		(17,004,358)

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Disposition of property, plant and equipment	1,571,211	565,552	480,601
Investments in intangible assets	(2,472,124)	(1,553,801)	(794,476)
Net cash used in investing activities	(29,000,410)	(23,781,560)	(22,739,509)
Financing activities:			
Long-term Mexican banks	5,728,498	2,487,936	2,078,433
Issuance of Notes due 2021			5,988,651

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	2016	2015	2014
Issuance of Notes due 2022		4,988,747	
Issuance of Senior Notes due 2045			12,400,063
Issuance of Senior Notes due 2026		4,903,744	
Issuance of Senior Notes due 2046		14,716,640	
Repayment of Mexican peso debt	(73,850)	(883,340)	(313,793)
Prepayment of Mexican peso debt	(3,548,750)	(5,905,601)	(6,522,250)
Payments of finance lease obligations	(329,064)	(405,151)	(446,944)
Interest paid	(7,633,026)	(5,938,679)	(5,200,696)
Repurchase of capital stock	(1,720,807)	(733,831)	(1,064,602)
Sale of capital stock	1,720,807	733,831	1,064,602
Dividends paid	(1,084,192)	(1,084,192)	
Dividends paid to and reduction of capital of non-controlling interests	(547,618)	(475,139)	(468,248)
Acquisition of a non-controlling interest	(2,379,424)		
Derivative financial instruments	(123,486)	(372,040)	(284,367)
Net cash (used in) provided by financing activities	(9,990,912)	12,032,925	7,230,849
Effect of exchange rate changes on cash and cash equivalents	483,388	130,835	83,038
Net (decrease) increase in cash and cash equivalents	(1,851,043)	19,667,776	13,037,317
Cash and cash equivalents at beginning of year	49,397,126	29,729,350	16,692,033
Cash and cash equivalents at end of year	Ps. 47,546,083	Ps. 49,397,126	Ps. 29,729,350

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 principal non-cash transactions in 2014 included the loss on disposition of the Group's joint venture investment in GSF (see Note 3); a favorable change in fair value in the Group's embedded derivative in Convertible Debentures issued by UHI (see Note 9); and an impairment adjustment related to the Group's publishing business (see Note 12).

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2016, 2015 and 2014

(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 in Mexico City at Avenida Vasco de Quiroga 2000, Colonia Santa Fe, 01210 Ciudad de México, México.

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 which 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, 2016 and 2015, and for the years ended December 31, 2016, 2015 and 2014, 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.

These consolidated financial statements were authorized for issuance on April 4, 2017, by the Group's Chief 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.

At December 31, 2016, 2015 and 2014, the main direct and indirect subsidiaries of the Company were as follows:

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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%	Sky and Cable
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

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- (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, 2016 and 2015, 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. Through September 2014, CVQ. maintained an investment in GSF Telecom Holdings, S.A.P.I. de C.V. (GSF), whose disposition was completed in January 2015 (see Note 3).
 - (7) Empresas Cablevisión, S.A.B. de C.V. is 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 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. As of December 31, 2014, some Cablemás subsidiaries were directly owned by the Company, and some other were directly owned by Consorcio Nekeas, S.A. de C.V. (Nekeas), a former wholly-owned direct subsidiary of the Company. In January 2015, Nekeas was merged into TTelecom H, S.A.P.I. de C.V. (TTelecom), a former direct subsidiary of the Company, and in July 2015, TTelecom was merged into CVQ. 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) Grupo Cable TV, S.A. de C.V. was an indirect subsidiary of CVQ and was acquired by the Group in 2014 (see Note 3). In June 2016, three former subsidiaries of Grupo Cable TV, S.A. de C.V. were merged into a Cablemás subsidiary. In the fourth quarter of 2016, Grupo Cable TV, S.A. de C.V. merged into Arretis, S.A.P.I. de C.V., a direct subsidiary of CVQ. At the consolidated level, the mergers had no effect.

(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 Nekeas as of December 31, 2014, were acquired by Villacezán in the third quarter of 2015, following the mergers described above of Nekeas into TTelecom and 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 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; (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. Renewal of concessions for the Sky and Cable segments require, among others: (i) to request its 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; 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 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.

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, 2016, 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 2018 to 2036
Gaming	In 2030

(1) Concessions for six Radio stations in the cities of San Luis Potosí, Guadalajara and Monterrey expired in 2015 and 2016. Renewal applications for these concessions were timely filed, but are still pending as certain related matters of the applicable regulations are being reviewed by the IFT. The Group's management expects that concessions for these stations will be renewed or granted by the IFT without affecting the continuance of these Radio operations. 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 cost paid by the Group for renewal of these concessions amounted to an aggregate of Ps.111,636, which was 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 10% of the outstanding total shares of UHI as of December 31, 2016 and 2015 (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.

(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

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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.\$350.7 million (Ps.7,236,587) and U.S.\$330.5 million (Ps.5,685,748) as of December 31, 2016 and 2015, 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).

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.38,298,606 (U.S.\$1,855.9 million) and Ps.3,817,586 (U.S.\$180.0 million) and Ps.35,042,577 (U.S.\$2,035.5 million) and Ps.3,184,960 (U.S.\$180.0 million) as of December 31, 2016 and 2015, 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, 2016 and 2015, 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 0.36% for U.S. dollar deposits and 4.06% for Mexican peso deposits in 2016, and approximately 0.15% for U.S. dollar deposits and 3.09% for Mexican peso deposits in 2015.

(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.

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.

(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, 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 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.

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

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
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.

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, 2016 and 2015.

(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, 2016 and 2015.

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

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.

- 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.

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 with respect to situations in which applicable tax regulation is subject to interpretation. It 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.

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. In the last quarter of 2013, the Mexican Congress enacted 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 (see Note 23).

(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, 2016, 2015 and 2014, 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.1,410,492, Ps.1,199,489 and Ps.844,788 for the years ended December 31, 2016, 2015 and 2014, respectively, of which Ps.1,392,534, Ps.1,184,524 and Ps.821,626 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.

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.

(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, 2017. Management is in the process of assessing the potential impact of these pronouncements on the

Group's consolidated financial statements. Some amendments and improvements to certain IFRSs became effective on January 1, 2016, 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
Amendments to IAS 7 (1)	<i>Disclosure Initiative</i>	January 1, 2017
Amendments to IAS 12 (1)	<i>Recognition of Deferred Tax Assets for Unrealized Losses</i>	January 1, 2017
Annual Improvements (1)	<i>Annual Improvements 2014-2016 Cycle</i>	January 1, 2017
IFRS 15	<i>Revenue from Contracts with Customers</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

(1) This new or amended standard is not expected to have any 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 acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involved a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involve assets that do not constitute a business, even if these assets are housed in a subsidiary. 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.

Amendments to IAS 7 *Disclosure Initiative* were issued in January 2016 and clarify that companies should provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

Amendments to IAS 12 *Recognition of Deferred Tax Assets for Unrealized Losses* were issued in January 2016 and clarify the requirements on recognition of deferred tax assets for unrealized losses, to address diversity in practice. Earlier application is permitted.

IFRS 15 *Revenue from Contracts with Customers* (IFRS 15) was issued in May 2014. 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. IFRS 15 is effective on January 1, 2018, with early adoption permitted. When IFRS 15 is adopted, it 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. The Group is expected to be impacted to some extent by the significant increase in required disclosures. The Company's management is currently in the process of assessing the changes that are beyond disclosures, and the effect of the adoption of this standard regarding technology systems, processes, and internal controls to capture new data and address changes in financial reporting. The Group has initially reviewed a majority of its revenue arrangements and expects its review to be completed in the third quarter of 2017.

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. It replaces the parts of IAS 39 *Financial Instruments*:

Recognition and Measurement (IAS 39) that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured at amortized cost and those measured at fair value. The determination is made at initial recognition. The basis of classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the financial asset. The guidance in IAS 39 on impairment of financial assets and hedge accounting continues to apply. For financial liabilities, this standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. Some amendments to IFRS 9 and IFRS 7 *Financial Instruments: Disclosures* (IFRS 7) were issued in December 2011. These amendments to IFRS 9 modify the mandatory effective date of this standard and the relief from restating prior periods, and also add transition disclosures to IFRS 7 that are required to be applied when IFRS 9 is first applied. The Company's management is currently evaluating the impact IFRS 9 will have on its consolidated financial statements and disclosures.

Annual Improvements to IFRSs 2014-2016 Cycle were published in December 2016 and set out amendments to certain IFRSs. These amendments result from proposals made during the IASB's Annual Improvements process, which provides a vehicle for making non-urgent but necessary amendments to IFRSs. The IFRSs amended and the topics addressed by these amendments are as follows:

Annual Improvements 2014-2016 Cycle	Subject of Amendment
IFRS 12 <i>Disclosure of Interests in Other Entities</i>	Clarification of the scope of the Standard.
IFRS 1 <i>First-time Adoption of International Financial Reporting Standards</i>	Deletion of short-term exemptions for first-time adopters.
IAS 28 <i>Investments in Associates and Joint Ventures</i>	Measuring an associate or joint venture at fair value.

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 Company's management is currently evaluating the impact IFRS 16 will have on its consolidated financial statements and disclosures. While the Group 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 the lease liabilities and the corresponding right-to-use assets will increase its consolidated total assets and

liabilities primarily in connection with its non-cancellable lease commitments and payment commitments for the use of satellite transponders (see Note 26), with a minimal effect on its consolidated equity.

Amendments to IFRS 4 *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.

3. Acquisitions, Investments and Dispositions

In August 2014, the Group acquired, pursuant to applicable regulations, all of the equity interest of Cablecom through the conversion of the debt instruments issued by Tenedora Ares, S.A.P.I. de C.V. (Ares) in the amount of Ps.7,297,292, including accrued interest at the acquisition date, and an additional consideration of Ps.8,550,369, comprised of (i) the capitalization of an outstanding long-term debt issued by Ares in the amount of U.S.\$200.2 million (Ps.2,642,367), including accrued interest at the acquisition date; and (ii) cash in the amount of Ps.5,908,002. The total fair value consideration for this acquisition amounted to Ps.15,847,661, and the Group recognized goodwill, other intangible assets and related deferred income tax liability based on a final purchase price allocation at the acquisition date. The Group began to consolidate the net assets of Cablecom in its consolidated statement of financial position as of August 31, 2014, and therefore, the Group's consolidated statement of income for the year ended December 31, 2014, included results of operations of Cablecom for the four months ended on that date. Through the acquisition of Cablecom, the Group increased its presence in the telecommunications Mexican market, not only by maintaining customers of Cablecom at the date of the acquisition, but also by increasing the number of users of Cablecom services in connection with new market strategies (see Note 25). 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.

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	August 31, 2014
Cash and cash equivalents	Ps. 371,353
Trade and other receivables	269,868
Other current assets	169,841
Total current assets	811,062
Property, plant and equipment, net	2,762,363
Goodwill	6,913,684
Concessions	7,650,430
Other intangible assets, net	3,635,767
Other non-current assets	161,169
Total assets	21,934,475
Trade and other payables	528,177
Short-term debt and current portion of long-term debt	443,475
Other current liabilities	94,309
Total current liabilities	1,065,961
Long-term debt	1,454,046
Post-employment benefits	61,823
Deferred income tax liabilities	3,491,066
Other non-current liabilities	13,918
Total non-current liabilities	5,020,853
Total liabilities	6,086,814
Total net assets	Ps. 15,847,661

In September 2014, the Group's partner in GSF Telecom Holdings, S.A.P.I. de C.V. (GSF), a telecommunications services company primarily engaged in providing mobile services throughout Mexico, agreed to purchase the Group's 50% equity participation in this telecom business at a cash price of U.S.\$717 million (Ps.9,461,532). As a result of this transaction, which was subject to customary closing conditions and required regulatory approvals, the Group discontinued recognizing its share of income or loss of GSF, and recognized a non-cash loss of Ps.4,168,468 in consolidated other expense and an account receivable for the agreed sale amount. As of December 31, 2014, the related account receivable amounted to U.S.\$717 million (Ps.10,583,852). In December 2014, the required regulatory approvals for this transaction were obtained. 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, 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 21).

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

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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

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	January 1, 2015
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; 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 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) 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) 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% (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.

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 2016 and 2015, 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, 2016, was as follows:

Foreign Currency Amounts	Year-End Exchange Rate	Mexican Pesos
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(Thousands)

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

The foreign currency position of monetary items of the Group at December 31, 2015, was as follows:

	Foreign Currency Amounts (Thousands)		Year-End Exchange Rate		Mexican Pesos
Assets:					
U.S. dollars	2,461,885	Ps.	17.2160	Ps.	42,383,812
Euros	21,027		18.7258		393,747
Argentinean pesos	245,087		1.3259		324,961
Chilean pesos	3,619,630		0.0243		87,957
Colombian pesos	14,734,815		0.0054		79,568

	Foreign Currency Amounts (Thousands)		Year-End Exchange Rate		Mexican Pesos
Other currencies					122,270
Liabilities:					
U.S. dollars (1)	4,966,594	Ps.	17.2160	Ps.	85,504,882
Euros	1,331		18.7258		24,924
Argentinean pesos	171,019		1.3259		226,754
Chilean pesos	1,388,950		0.0243		33,751
Colombian pesos	14,683,704		0.0054		79,292
Other currencies					150,867

(1) As of December 31, 2016 and 2015, monetary liabilities include U.S.\$2,386,633 thousands (Ps.49,249,604) and U.S.\$2,545,955 thousands (Ps.43,831,161), respectively, related to long-term debt designated as hedging instrument of the Group's investment in UHI.

As of April 4, 2017, the exchange rate was Ps.18.8250 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,	
	2016	2015
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.\$ 1,899.1	U.S.\$ 2,426.3
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)	(5,087.6)	(4,922.5)
Net liability position	U.S.\$ (3,188.5)	U.S.\$ (2,496.2)

(1) As of December 31, 2016 and 2015, this line includes U.S. dollar equivalent amounts of U.S.\$16.4 million and U.S.\$15.5 million, respectively, related to other foreign currencies, primarily Euros.

(2) As of December 31, 2016 and 2015, this line includes U.S. dollar equivalent amounts of U.S.\$7.7 million and U.S.\$3.8 million, respectively, related to other foreign currencies, primarily Euros.

(3) As of December 31, 2016 and 2015, monetary liabilities include U.S.\$2,386.6 million (Ps.49,249,604) and U.S.\$2,546.0 million (Ps.43,831,161), 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, 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. At December 31, 2015, 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.85,589.

(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, 2016 and 2015. 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, 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. 5,498,219	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		
December 31, 2015	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

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Assets:

Temporary investments (1)	Ps.	5,330,448	Ps.	5,330,448	Ps.	Ps.
Warrants issued by UHI		35,042,577		35,042,577		3,504,258
Long-term loan and interest receivable from GTAC		684,259		687,506	3,247	71,998
Held-to-maturity investments		134,034		133,824	(210)	13,172
Available-for-sale investments		5,873,243		5,873,243		587,324

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December 31, 2015	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
Liabilities:				
U.S. dollar-denominated debt:				
Senior Notes due 2018	8,608,000	9,287,343	679,343	1,608,078
Senior Notes due 2025	10,329,600	11,773,265	1,443,665	2,620,991
Senior Notes due 2026	5,164,800	5,177,609	12,809	530,570
Senior Notes due 2032	5,164,800	6,268,621	1,103,821	1,730,683
Senior Notes due 2040	10,329,600	10,861,368	531,768	1,617,905
Senior Notes due 2045	17,216,000	14,860,851	(2,355,149)	(869,064)
Senior Notes due 2046	15,494,400	15,472,398	(22,002)	1,525,238
Peso-denominated debt:				
Notes due 2020	10,000,000	10,437,500	437,500	1,481,250
Notes due 2021	6,000,000	5,996,640	(3,360)	596,304
Notes due 2022	5,000,000	4,957,300	(42,700)	453,030
Senior Notes due 2037	4,500,000	4,355,550	(144,450)	291,105
Senior Notes due 2043	6,500,000	5,265,000	(1,235,000)	(708,500)
Notes payable to Mexican banks	7,491,287	7,561,954	70,667	826,863
Finance lease obligations	5,805,115	5,179,052	(626,063)	(108,158)
Derivative financial instruments (2)	227,062	227,062		

(1) At December 31, 2016 and 2015, 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.

(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, 2016 and 2015, the Group held cash and cash equivalents of Ps.47,546,083 and Ps.49,397,126, respectively, and temporary investments of Ps.5,498,219 and Ps.5,330,448, 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.

	Less Than 12 Months January 1, 2017 to December 31, 2017	12-36 Months January 1, 2018 to December 31, 2019	36-60 Months January 1, 2020 to December 31, 2021	Maturities Subsequent to December 31, 2021	Total
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

	Less Than 12 Months January 1, 2016 to December 31, 2016	12-36 Months January 1, 2017 to December 31, 2018	36-60 Months January 1, 2019 to December 31, 2020	Maturities Subsequent to December 31, 2020	Total
At December 31, 2015					
Debt (1)	Ps. 2,981,675	Ps. 10,975,074	Ps. 11,412,045	Ps. 86,429,693	Ps. 111,798,487
Finance lease obligations	511,556	945,665	996,850	3,351,044	5,805,115
Derivative financial instruments (interest rate swaps)	1,402	116,108	5,849	103,703	227,062

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Trade and other liabilities	23,830,644	4,216,911	3,015,304	2,277,150	33,340,009
Interest on debt (2)	6,017,494	13,755,508	12,838,750	88,291,439	120,903,191
Interest on finance lease obligations	376,495	672,020	583,615	890,602	2,522,732

(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, 2016 and 2015, 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 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 purchases programming from, and 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. In the case of programming acquired from third parties, the Group estimates the expected future benefit period based on the anticipated number of showings in Mexico. In the case of programming licensed from third parties, the Group estimates the expected future benefit period based upon the term of the license. To the extent that a given future expected benefit period is shorter than the estimate, 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, 2016, the balance of such programming would decrease in the amount of Ps.242,811 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.

During 2016 and 2015, the Group recorded impairments for other indefinite-lived intangible assets and goodwill related to its Publishing business, which is classified into the Other Businesses segment. 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).

6. Cash and Cash Equivalents and Temporary Investments

Cash and cash equivalents as of December 31, 2016 and 2015, consisted of:

		2016		2015
Cash and bank accounts	Ps.	1,550,698	Ps.	1,565,594
Short-term investments (1)		45,995,385		47,831,532
Total cash and cash equivalents	Ps.	47,546,083	Ps.	49,397,126

(1) Highly-liquid investments with an original maturity of three months or less at the date of acquisition.

Temporary investments as of December 31, 2016 and 2015, consisted of:

		2016		2015
Short-term investments (2)	Ps.	44,816	Ps.	110,832
Other financial assets (3)		5,258,432		4,862,970
Current maturities of non-current held-to-maturity securities		194,971		356,646
Total temporary investments	Ps.	5,498,219	Ps.	5,330,448

(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.395,462, Ps.503,797 and Ps.636,305 for the years ended December 31, 2016, 2015 and 2014, respectively.

7. Trade Notes and Accounts Receivable, Net

Trade notes and accounts receivable as of December 31, 2016 and 2015, consisted of:

		2016		2015
Non-interest bearing notes received from customers as deposits and advances in connection with annual (upfront basis) and from time to time (scatter basis) prepayments	Ps.	18,716,562	Ps.	16,967,783
Trade accounts receivable		10,056,382		8,413,850
Allowance for doubtful accounts		(3,866,492)		(3,679,505)

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Ps. 24,906,452 Ps. 21,702,128

As of December 31, 2016 and 2015, the aging analysis of the trade notes and accounts receivable that were past due is as follows:

	2016	2015
1 to 90 days	Ps. 5,421,772	Ps. 4,182,936
91 to 180 days	1,303,596	1,224,896
More than 180 days	3,233,269	2,821,110

The carrying amounts of the Group's trade notes and account receivables denominated in other than peso, currencies are as follows:

	2016	2015
U.S. dollar	Ps. 3,508,188	Ps. 2,006,250
Other currencies	325,116	462,740
At December 31	Ps. 3,833,304	Ps. 2,468,990

Movements on the Group allowance for doubtful accounts of trade notes and account receivables are as follows:

	2016	2015
At January 1	Ps. (3,679,505)	Ps. (3,028,444)
Impairment provision	(2,461,596)	(2,005,704)
Write off of receivables	1,440,582	969,018
Unused amounts reversed	834,027	385,625
At December 31	Ps. (3,866,492)	Ps. (3,679,505)

The maximum exposure to credit risk of the trade notes and accounts receivable as of December 31, 2016 and 2015 is the carrying value of each class of receivables mentioned above.

8. Transmission Rights and Programming

At December 31, 2016 and 2015, transmission rights and programming consisted of:

		2016		2015
Transmission rights	Ps.	8,309,497	Ps.	9,195,354
Programming		6,198,972		5,332,928
		14,508,469		14,528,282
Non-current portion of:				
Transmission rights		4,511,791		5,775,508
Programming		3,463,505		3,363,641
		7,975,296		9,139,149
Current portion of transmission rights and programming	Ps.	6,533,173	Ps.	5,389,133

Amortization of transmission rights and programming charged to consolidated cost of sales for the years ended December 31, 2016, 2015 and 2014 amounted to Ps.14,591,858, Ps.13,216,319 and Ps.12,898,031, respectively (see Note 20).

9. Investments in Financial Instruments

At December 31, 2016 and 2015, the Group had the following investments in financial instruments:

		2016		2015
Available-for-sale financial assets:				
Warrants issued by UHI (1)	Ps.	38,298,606	Ps.	35,042,577
Available-for-sale investments (2)		6,456,392		5,873,243
		44,754,998		40,915,820
Held-to-maturity investments (3)		335,833		134,034
Other		45,920		31,620
	Ps.	45,136,751	Ps.	41,081,474

(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 (Ps.17,634,375), 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 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 10%. These Warrants are classified as available-for-sale financial assets with changes in fair value recognized in accumulated other comprehensive income or loss in consolidated equity. Changes in fair value recognized in other comprehensive income will be reclassified to the statement of income within other finance income, net, in the period the Warrants are exercised, in whole or in part (see Notes 3, 10 and 14). 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.

(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 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, 2016, are as follows: Ps.284,884 in 2018, Ps.20,272 in 2019 and Ps.30,677 thereafter. Held-to-maturity financial assets as of December 31, 2016 and 2015 are denominated primarily in Mexican pesos.

A roll forward of available-for-sale financial assets for the years ended December 31, 2016 and 2015 is presented as follows:

	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

	Convertible Debentures Issued by UHI		Warrants Issued by UHI		Imagina	Available-for- sale Investments		Total
At January 1, 2015	Ps.	27,869,335	Ps.		Ps. 836,037	Ps.	5,511,768	Ps. 34,217,140
Change in fair value in other comprehensive income (1)		319,307		6,155,675	405,132		361,475	7,241,589
Change in fair value in other finance income		409,196		956,676				1,365,872
Additional investment					341,710			341,710
Exchange of Convertible Debentures		(29,625,750)		29,625,750				
Reclassification to investment in associate					(1,568,401)			(1,568,401)
Partial exercise of Warrants				(1,695,524)				(1,695,524)
Foreign exchange gain		1,027,912			(14,478)			1,013,434
At December 31, 2015	Ps.		Ps.	35,042,577	Ps.	Ps.	5,873,243	Ps. 40,915,820

(1) The foreign exchange gain derived from the hedged Warrants issued by UHI and the initial investment in Open Ended Fund was recognized as a hedge of foreign exchange loss in the consolidated statement of income in the amount of Ps.6,891,428 and Ps.615,528 and Ps.2,852,493 and Ps.441,846 for the years ended December 31, 2016 and 2015, respectively (see Notes 13 and 22).

The maximum exposure to credit risk of the investments in financial instruments as of December 31, 2016 and 2015 is the carrying value of the financial assets mentioned above.

10. Investments in Associates and Joint Ventures

At December 31, 2016 and 2015, the Group had the following investments in associates and joint ventures accounted for by the equity method:

	Ownership as of December 31,		
	2016	2016	2015
Associates:			
UHI (1)	10.0%	Ps. 7,236,587	Ps. 5,685,748
Imagina (2)	19.9%	2,962,102	1,921,590
Ocesa Entretenimiento, S.A. de C.V. and subsidiaries (collectively, OCEN) (3)	40.0%	998,117	938,995
Other		100,060	83,220
Joint ventures:			
Grupo de Telecomunicaciones de Alta Capacidad, S.A.P.I. de C.V. (GTAC) (4)	33.3%	728,504	574,480
The Second Screen Company Latam, S.L. (The Second Screen)	50.0%	57,662	
Televisa CJ Grand, S.A. de C.V. (Televisa CJ Grand)	50.0%	9,222	67,868
		Ps. 12,092,254	Ps. 9,271,901

(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, 2016 and 2015, 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, 2016 and 2015, 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, 2016 and 2015, 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) or 90 months 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 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. As of December 31, 2016 and 2015, 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, 2016 and 2015, GTAC had used a principal amount of Ps.688,183 and Ps.661,183, respectively, under this credit facility. During 2016, GTAC did not pay any amount of principal nor interest to the Group in connection with this credit facility. During 2015, GTAC paid principal and interest to the Group in connection with this credit facility in the aggregate amount of Ps.99,018. 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.359,890, with an annual interest of TIIE 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 2026. During 2016, GTAC did not pay any amount of principal nor interest in connection with these supplementary loans. During 2015, GTAC paid principal and interest to the Group in connection with these supplementary loans in the aggregate amount of Ps.21,520. The net investment in GTAC as of December 31, 2016 and 2015, included amounts receivable in connection with this long-term credit facility and supplementary loans to GTAC in the aggregate amount of Ps.881,740 and Ps.684,259, respectively (see Note 14).

A roll forward of investments in associates and joint ventures for the years ended December 31, 2016 and 2015 is presented as follows:

	2016	2015
At January 1	Ps. 9,271,901	Ps. 5,032,447
Share of income of associates and joint ventures, net	1,139,604	35,399
Dividends from OCEN	(86,000)	
Long-term loans granted to GTAC, net	140,871	101,881
Foreign currency translation adjustments	1,518,962	796,002
Investment in Imagina (Note 3)		1,568,401
Increase in equity stake of UHI (Note 3)		1,695,524
Investment in other associates	21,105	
Investment in The Second Screen	54,228	
Investment in Televisa CJ Grand		108,750
Other	31,583	(66,503)
At December 31	Ps. 12,092,254	Ps. 9,271,901

Combined condensed balance sheet information related to the Group's share in associates and joint ventures as of December 31, 2016 and 2015, 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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		2016		2015
Current assets	Ps.	8,176,984	Ps.	5,706,514
Non-current assets		32,757,841		27,734,944
Total assets		40,934,825		33,441,458
Current liabilities		6,030,712		4,213,243
Non-current liabilities		24,647,420		21,680,400
Total liabilities		30,678,132		25,893,643
Total net assets	Ps.	10,256,693	Ps.	7,547,815

The Group recognized its share of comprehensive income (loss) of associates and joint ventures for the years ended December 31, 2016, 2015 and 2014, as follows:

		2016		2015		2014
Share of income of associates and joint ventures, net	Ps.	1,139,604	Ps.	35,399	Ps.	13,173
Share of other comprehensive (loss) income of associates and joint ventures:						
Foreign currency translation adjustments, net		6,633		(358)		255
Other comprehensive (loss) income, net		(49,465)		20,063		25,409
		(42,832)		19,705		25,664
Share of comprehensive income of associates and joint ventures	Ps.	1,096,772	Ps.	55,104	Ps.	38,837

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, 2015	Ps. 13,432,343	Ps. 79,921,698	Ps. 7,869,492	Ps. 907,006	Ps. 2,054,309	Ps. 5,962,735	Ps. 1,641,527	Ps. 7,759,966	Ps. 119,549,076
Additions	76,395	9,577,748		50,763	233,468	272,705	15,967	15,476,023	25,703,069
Retirements	(29,324)	(2,397,427)		(31,992)	(102,657)	(139,145)	(6,786)	(615,800)	(3,323,131)
Transfers and reclassifications	141,431	8,702,081	2,432,221	35,260	393,423	491,674	512,279	(12,708,369)	
Acquisition of Telecable	88	1,619,472		15,120	51,121	31,440	7,516		1,724,757
Effect of translation	2,365	297,918		(9,229)	1,412	23,127	104	27,171	342,868
December 31, 2015	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	Ps. 14,113,401	Ps. 105,720,368	Ps. 10,301,713	Ps. 995,247	Ps. 2,907,442	Ps. 6,955,847	Ps. 2,542,828	Ps. 15,053,731	Ps. 158,590,577
Depreciation:									
January 1, 2015	Ps. (3,984,431)	Ps. (44,056,739)	Ps. (3,012,516)	Ps. (519,101)	Ps. (984,666)	Ps. (4,147,858)	Ps. (834,257)		Ps. (57,539,568)
Depreciation of the year	(247,959)	(10,039,099)	(472,869)	(86,525)	(280,799)	(804,061)	(207,428)		(12,138,740)
Retirements	10,542	1,834,022		31,024	66,739	123,216	3,330		2,068,873
Reclassifications	30,352	(179,837)		5,425	436	165,231	(21,607)		
Effect of translation	(1,075)	(296,964)		7,527	(2,472)	(4,843)	(100)		(297,927)
December 31, 2015	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)
Depreciation of the year	(290,645)	(11,958,803)	(567,455)	(84,869)	(300,168)	(917,426)	(334,783)		(14,454,149)
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	Ps. (4,487,582)	Ps. (55,390,993)	Ps. (4,052,840)	Ps. (524,108)	Ps. (1,435,460)	Ps. (4,519,822)	Ps. (1,396,200)		Ps. (71,807,005)
Carrying value:									
At January 1, 2015	Ps. 9,447,912	Ps. 35,864,959	Ps. 4,856,976	Ps. 387,905	Ps. 1,069,643	Ps. 1,814,877	Ps. 807,270	Ps. 7,759,966	Ps. 62,009,508
At December 31, 2015	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	Ps. 76,089,277
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	Ps. 86,783,572

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 and 2014, Sky made investments in connection with the acquisition and launch of the SM1 satellite in the aggregate amount of Ps.307,950 (U.S.\$20.2 million) and Ps.1,201,906 (U.S.\$88.8 million), respectively.

Property, plant and equipment include the following assets under finance leases as of December 31:

	2016		2015	
Satellite transponders	Ps.	6,065,509	Ps.	6,065,509
Accumulated depreciation		(3,001,315)		(2,716,274)
	Ps.	3,064,194	Ps.	3,349,235
Technical equipment	Ps.	1,781,812	Ps.	1,613,024
Accumulated depreciation		(722,676)		(575,044)
	Ps.	1,059,136	Ps.	1,037,980

Property, plant and equipment include the following technical equipment leased to our subscribers in the Sky and Cable segments as of December 31:

	2016		2015	
Subscriber leased set-top equipment	Ps.	24,328,849	Ps.	20,138,481
Accumulated depreciation		(13,452,535)		(10,632,773)
	Ps.	10,876,314	Ps.	9,505,708

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				Total
	Goodwill	Trademarks	Concessions	Trademarks	Licenses	Subscriber Lists	Other Intangible Assets		
Cost:									
January 1, 2015	Ps. 9,322,773	Ps. 2,501,227	Ps. 11,345,717	Ps.	Ps. 4,575,490	Ps. 4,973,885	Ps. 2,290,663	Ps.	Ps. 35,009,755
Additions					922,818		712,305		1,635,123
Retirements		(10,000)			(158,216)	(288)	(14,810)		(183,314)
Acquisition of Telecable	4,885,331	99,398	4,373,855	119,180		1,233,808	16,240		10,727,812
Impairment adjustments	(95,478)	(35,587)							(131,065)
Transfers and reclassifications		(1,772,126)		1,772,126					
Effect of translation		46			26,820		10,023		36,889
December 31, 2015	14,112,626	782,958	15,719,572	1,891,306	5,366,912	6,207,405	3,014,421		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	Ps. 14,112,626	Ps. 776,272	Ps. 15,719,572	Ps. 1,891,306	Ps. 6,504,450	Ps. 6,207,195	Ps. 3,669,500	Ps.	Ps. 48,880,921
Amortization:									
January 1, 2015	Ps.	Ps.	Ps.	Ps.	Ps. (2,576,795)	Ps. (2,492,101)	Ps. (1,162,445)	Ps.	Ps. (6,231,341)
Amortization of the year				(151,305)	(940,084)	(1,028,837)	(401,963)		(2,522,189)
Other amortization of the year (1)					(15,000)		(279,860)		(294,860)
Retirements					56,503	288	34,280		91,071
Effect of translation					(13,767)		(17,789)		(31,556)
December 31, 2015				(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	Ps.	Ps.	Ps.	Ps. (624,132)	Ps. (3,799,002)	Ps. (4,481,366)	Ps. (2,241,650)	Ps.	Ps. (11,146,150)
Carrying value:									
At January 1, 2015	Ps. 9,322,773	Ps. 2,501,227	Ps. 11,345,717	Ps.	Ps. 1,998,695	Ps. 2,481,784	Ps. 1,128,218	Ps.	Ps. 28,778,414
At December 31, 2015	Ps. 14,112,626	Ps. 782,958	Ps. 15,719,572	Ps. 1,740,001	Ps. 1,877,769	Ps. 2,686,755	Ps. 1,186,644	Ps.	Ps. 38,106,325

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At December 31,
 2016 Ps. 14,112,626 Ps. 776,272 Ps. 15,719,572 Ps. 1,267,174 Ps. 2,705,448 Ps. 1,725,829 Ps. 1,427,850 Ps. 37,734,771

(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.

The changes in the net carrying amount of goodwill, indefinite-lived trademarks and concessions for the year ended December 31, 2016 and 2015, were as follows:

	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. 165	Ps. (6,851)	Ps.	Ps. 776,272
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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	Balance as of January 1, 2015		Acquisitions	Retirements	Foreign Currency Translation Adjustments	Impairment Adjustments	Transfers	Balance as of December 31, 2015	
Goodwill:									
Content	Ps.	241,973	Ps.	Ps.	Ps.	Ps.	Ps.	Ps.	241,973
Cable		8,908,353	4,885,331						13,793,684
Other Businesses		172,447				(95,478)			76,969
	Ps.	9,322,773	Ps. 4,885,331	Ps.	Ps.	(95,478)	Ps.	Ps.	14,112,626
Indefinite-lived trademarks (see Note 3):									
Cable	Ps.	2,041,331	Ps. 99,398	Ps.	Ps.	Ps.	Ps. (1,772,126)	Ps.	368,603
Other Businesses		459,896		(10,000)	46	(35,587)			414,355
	Ps.	2,501,227	Ps. 99,398	Ps. (10,000)	Ps. 46	Ps. (35,587)	Ps. (1,772,126)	Ps.	782,958
Concessions (see Note 3):									
Content	Ps.	553,505	Ps.	Ps.	Ps.	Ps.	Ps.	Ps.	553,505
Cable		10,696,170	4,373,855						15,070,025
Sky		96,042							96,042
	Ps.	11,345,717	Ps. 4,373,855	Ps.	Ps.	Ps.	Ps.	Ps.	15,719,572

During the fourth quarter of 2016 and 2015, 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 of Ps.6,851 (trademarks) and Ps.131,065 (goodwill and trademarks), respectively, in other expense, net, in the consolidated statements of income for the years ended December 31, 2016 and 2015.

The key assumptions used for fair value calculations of goodwill and intangible assets in 2016 were as follows (see Note 14):

	Other Businesses		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%

The key assumptions used for fair value calculations of goodwill and intangible assets in 2015 were as follows (see Note 14):

	Other Businesses		Cable	
	Minimum	Maximum	Minimum	Maximum
Long-term growth rate	3.20%	4.70%	3.50%	3.80%
Discount rate	12.70%	17.30%	11.50%	12.40%

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 and Ps.151,305 for the years ended December 31, 2016 and 2015, respectively. Assuming a useful life of four years, amortization of these trademarks in future years are estimated in the following amounts:

	Year ended December 31,
2017	Ps. 472,827
2018	472,827
2019	321,520

13. Debt, Finance Lease Obligations and Other Notes Payable

Debt, finance lease obligations and other notes payable outstanding as of December 31, 2016 and 2015, were as follows:

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	Principal		2016 Interest Payable		Finance Costs		Total		Effective Interest Rate	2015 Total	
U.S. dollar debt:											
6% Senior Notes due 2018 (1)	Ps.	10,317,800	Ps.	72,225	Ps.	(9,511)	Ps.	10,380,514	6.41%	Ps.	8,652,032
6.625% Senior Notes due 2025 (1)		12,381,360		232,408		(316,053)		12,297,715	7.10%		10,169,133
4.625% Senior Notes due 2026 (1)		6,190,680		119,300		(44,295)		6,265,685	5.025%		5,077,309
8.50% Senior Notes due 2032 (1)		6,190,680		160,786		(26,935)		6,324,531	9.01%		5,270,241
6.625% Senior Notes due 2040 (1)		12,381,360		378,233		(145,961)		12,613,632	7.05%		10,492,825
5% Senior Notes due 2045 (1)		20,635,600		149,035		(480,620)		20,304,015	5.39%		16,842,804
6.125% Senior Notes due 2046 (1)		18,572,040		473,974		(138,434)		18,907,580	6.495%		15,508,198
Total U.S. dollar debt		86,669,520		1,585,961		(1,161,809)		87,093,672			72,012,542
Mexican peso debt:											
7.38% Notes due 2020 (2)		10,000,000		133,250		(27,037)		10,106,213	7.433%		10,099,160
TIIE + 0.35% Notes due 2021(2)		6,000,000		15,867		(8,965)		6,006,902	5.9845%		5,997,623
TIIE + 0.35% Notes due 2022 (2)		5,000,000		9,967		(9,335)		5,000,632	6.895%		4,994,189
8.49% Senior Notes due 2037 (1)		4,500,000		31,838		(14,803)		4,517,035	8.9436%		4,517,371
7.25% Senior Notes due 2043 (1)		6,500,000		47,125		(62,565)		6,484,560	7.9118%		6,490,046
Bank loans (3)		1,250,000		234		(603)		1,249,631	7.3173%		4,778,905
Bank loans (Sky) (4)		5,500,000						5,500,000	7.11%		
Bank loans (TVI) (5)		2,868,686		3,065		(5,478)		2,866,273	6.639%		2,704,996
Total Mexican peso debt		41,618,686		241,346		(128,786)		41,731,246			39,582,290
Total debt (6)		128,288,206		1,827,307		(1,290,595)		128,824,918			111,594,832
Less: Current portion of long-term debt		851,659		1,827,307		(711)		2,678,255			4,164,068
Long-term debt, net of current portion	Ps.	127,436,547	Ps.		Ps.	(1,289,884)	Ps.	126,146,663		Ps.	107,430,764
Finance lease obligations:											
Satellite transponder lease obligation (7)	Ps.	5,522,565	Ps.		Ps.		Ps.	5,522,565	7.30%	Ps.	4,879,940
Other (8)		869,261						869,261	6.93%		925,175
Total finance lease obligations		6,391,826						6,391,826			5,805,115
Less: Current portion		575,576						575,576			511,556
Finance lease obligations, net of current portion	Ps.	5,816,250	Ps.		Ps.		Ps.	5,816,250		Ps.	5,293,559
Other notes payable:											
Total other notes payable (9)	Ps.	4,853,025	Ps.		Ps.		Ps.	4,853,025	3.0%	Ps.	
Less: Current portion		1,202,344						1,202,344			
Other notes payable, net of current portion	Ps.	3,650,681	Ps.		Ps.		Ps.	3,650,681		Ps.	

(1) The Senior Notes due between 2018 and 2046, in the aggregate outstanding principal amount of U.S.\$4,200 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 2018, 2025, 2026, 2032, 2037, 2040, 2043, 2045 and 2046, including additional amounts payable in respect of certain Mexican withholding taxes, is 6.31%, 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 2018, 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 2018, 2026, 2032, 2040, 2043, 2045 and 2046 were priced at 99.280%, 99.385%, 99.431%, 98.319%, 99.733%, 96.534%, and

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99.677%, respectively, for a yield to maturity of 6.097%, 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 2018, 2025, 2026, 2032, 2037, 2040, 2045 and 2046 are registered with the U.S. Securities and Exchange Commission (SEC).

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The Senior Notes due 2043 are registered with both the SEC and the Mexican Banking and Securities Commission (Comisión Nacional Bancaria y de Valores).

(2) In 2010, 2014 and May 2015, the Company issued Notes (Certificados Bursátiles) due 2020, 2021 and 2022, respectively, through the Mexican Stock Exchange (Bolsa Mexicana de Valores) in the aggregate principal amount of Ps.10,000,000, Ps.6,000,000 and Ps.5,000,000, 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. The Company may, at its own option, redeem the Notes due 2020, in whole or in part, at any semi-annual interest payment date at a redemption price equal to the greater of the principal amount of the outstanding Notes and the present value of future cash flows, at the redemption date, of principal and interest amounts of the Notes discounted at a fixed rate of comparable Mexican sovereign bonds. The Company may, at its own option, redeem the Notes due 2021 and 2022, 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 2016 and 2015, includes a long-term credit agreement entered into by the Company with a Mexican bank in the principal amount of Ps.1,250,000 and Ps.2,500,000, respectively, with principal maturities between 2016 and 2018, and an annual interest rate payable on a monthly basis of 28-day TIIE plus 117.5 basis points. Under the terms of this credit agreement, 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 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 TIIE plus 15 basis points in 2014, a range between 30 and 70 basis points in 2015, and a range between 70 and 80 basis points in 2016; 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 TIIE 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 TIIE 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 2016 and 2015, included outstanding balances in the aggregate principal amount of Ps.2,868,686 and Ps.2,709,287, 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 TIIE 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, 2015, is presented net of unamortized finance costs in the aggregate amount of Ps.1,387,876, and interest payable in the aggregate amount of Ps.1,184,221.

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(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 2016 and 2015, includes Ps.683,474 and Ps.705,806, 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 2020 and 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 of a non-controlling interest in TVI. As of December 31, 2016, cash payments to be made between 2017 and 2020 related to these notes payable amounted to an aggregate of Ps.5,106,250 including interest of Ps.356,250 (see Note 3). Accrued interest for this transaction amounted to Ps.103,025 for the year ended December 31, 2016. 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.

As of December 31, 2016, the Group has complied with the covenants contained in the debt agreements.

As of December 31, 2016 and 2015, 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):

	December 31, 2016				December 31, 2015			
	Millions of U.S. dollars		Thousands of Mexican pesos		Millions of U.S. dollars		Thousands of Mexican pesos	
Hedged Items								
Investment in shares of UHI (net investment hedge)	U.S.\$	350.7	Ps.	7,236,587	U.S.\$	330.5	Ps.	5,685,748
Warrants issued by UHI (foreign currency fair value hedge)		1,855.9		38,298,606		2,035.5		35,042,577
Open Ended Fund (foreign currency fair value hedge)		180.0		3,817,586		180.0		3,184,960
Total	U.S.\$	2,386.6	Ps.	49,352,779	U.S.\$	2,546.0	Ps.	43,913,285

The foreign exchange loss derived from the Company's long-term debt that was recognized in other comprehensive income or loss and offset by the foreign currency translation gain derived from the hedge net investment in shares of UHI amounted to Ps.1,189,430 and Ps.688,399 for the year ended December 31, 2016 and 2015, respectively. The foreign exchange 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 loss derived from the Company's long-term debt amounted to Ps.6,891,428 and Ps.615,528 and Ps.2,852,493 and Ps.441,846 for the year ended December 31, 2016 and 2015, respectively (see Notes 9 and 22).

Maturities of Debt and Finance Lease Obligations

Debt maturities for the years subsequent to December 31, 2016, are as follows:

	Nominal		Unamortized Finance Costs	
2017	Ps.	851,659	Ps.	(711)
2018		11,250,289		(10,350)
2019		989,156		(2,218)
2020		10,492,489		(27,990)
2021		7,992,489		(9,352)
Thereafter		96,712,124		(1,239,974)
	Ps.	128,288,206	Ps.	(1,290,595)

Future minimum payments under finance lease obligations for the years subsequent to December 31, 2016, are as follows:

2017	Ps.	1,030,526
2018		965,249
2019		949,039
2020		954,805
2021		796,449
Thereafter		4,346,689
		9,042,757
Less: Amount representing interest		2,650,931
	Ps.	6,391,826

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, 2016 and 2015, were as follows:

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	2016		2015	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Assets:				
Cash and cash equivalents	Ps. 47,546,083	Ps. 47,546,083	Ps. 49,397,126	Ps. 49,397,126
Temporary investments	5,498,219	5,498,219	5,330,448	5,330,448
Trade notes and accounts receivable, net	24,906,452	24,906,452	21,702,128	21,702,128
Warrants issued by UHI (see Note 9)	38,298,606	38,298,606	35,042,577	35,042,577
Long-term loan and interest receivable from GTAC (see Note 10)	881,740	889,054	684,259	687,506
Held-to-maturity investments (see Note 9)	335,833	334,807	134,034	133,824
Available-for-sale investments (see Note 9)	6,456,392	6,456,392	5,873,243	5,873,243
Liabilities:				
Senior Notes due 2018, 2025, 2032 and 2040	Ps. 41,271,200	Ps. 45,615,860	Ps. 34,432,000	Ps. 38,190,597
Senior Notes due 2045	20,635,600	17,713,393	17,216,000	14,860,851
Senior Notes due 2037 and 2043	11,000,000	8,744,050	11,000,000	9,620,550
Senior Notes due 2026 and 2046	24,762,720	24,810,017	20,659,200	20,650,007
Notes due 2020	10,000,000	9,791,680	10,000,000	10,437,500
Notes due 2021	6,000,000	5,953,980	6,000,000	5,996,640
Notes due 2022	5,000,000	4,942,230	5,000,000	4,957,300
Long-term notes payable to Mexican banks	9,618,686	9,331,330	7,491,287	7,561,955
Finance lease obligations	6,391,826	5,763,903	5,805,115	5,179,052
Other notes payable	4,853,025	4,143,984		

The carrying values (based on estimated fair values), notional amounts, and maturity dates of the Group's derivative financial instruments as of December 31, 2016 and 2015, were as follows:

December 31, 2016: Derivative Financial Instruments	Carrying Value	Notional Amount	Maturity Date
Assets:			
Derivatives not recorded as accounting hedges:			
TVI's interest rate swap (a)	Ps. 72,003	Ps. 1,376,667	April 2019 through May 2022
Derivatives recorded as accounting hedges (cash flow hedges):			
Interest rate swap (b)	351,773	Ps. 6,000,000	April 2021
Interest rate swap (c)	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 (d)	Ps. 5,508	Ps. 1,250,000	September 2017 through March 2018
Total liabilities	Ps. 5,508		

December 31, 2015: Derivative Financial Instruments	Carrying Value	Notional Amount	Maturity Date
Liabilities:			
Derivatives not recorded as accounting hedges:			
TVI's interest rate swap (a)	Ps. 8,113	Ps. 1,985,847	February 2016 through May 2022
Derivatives recorded as accounting hedges (cash flow hedges):			
Interest rate swap (d)	116,108	Ps. 2,500,000	September 2016 and March 2018
Interest rate swap (b)	99,567	Ps. 6,000,000	April 2021
Interest rate swap (c)	3,274	Ps. 1,000,000	May 2022
Total liabilities	Ps. 227,062		

(a) 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.1,376,667 and Ps.1,985,847, as of December 31, 2016 and 2015, respectively. Under these agreements, the Company receives monthly payments based on aggregate notional amounts of Ps.1,376,667 and Ps.1,985,847 and makes payments based on the same notional at annual fixed rate of in the range of 4.850% and 5.585%. As a result of the change in fair value of these agreements, in the years ended December 31, 2016, 2015 and 2014, TVI recorded a gain (loss) of Ps.64,877, Ps.(28,659) and Ps.(22,147), respectively, in consolidated other finance income or expense.

(b) The Company has entered into a derivative transaction agreement (interest rate swap) through April 2021 to hedge the variable interest rate exposure resulting from THIE plus 0.35% Notes due 2021. Under this transaction, the Company receives 28-day THIE 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 a gain (loss) of Ps.351,773 and Ps.(99,567) in other comprehensive income or loss as of December 31, 2016 and 2015, respectively. In the years ended December 31, 2016 and 2015, the Company recorded a loss of Ps.102,641 and Ps.136,198, respectively, for this transaction agreement in consolidated other finance expense.

(c) In 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 THIE plus 0.35% Notes due 2022. Under these transactions, the Company receives 28-day THIE payments based on a

principal amount of Ps.2,500,000 and Ps.1,000,000 as of December 31, 2016 and 2015, respectively, and makes 28-day payments based on the same notional amount at an annual weighted average fixed rate of 5.6148%. The Company has recognized the change in fair value of this transaction as an accounting hedge, and recorded a cumulative gain (loss) of Ps.223,994 and Ps.(3,274) in other comprehensive income or loss as of December 31, 2016 and 2015, respectively. In the years ended December 31, 2016 and 2015, the Company recorded a loss of Ps.29,059 and Ps.12,097, respectively, for this transaction agreement in consolidated other finance expense. During the first quarter of 2017, the Company entered into additional derivative transaction agreements (interest rate swaps) through May 2022 for an additional principal and notional amount of Ps.2,500,000 at an annual average fixed rate of 7.5283%.

(d) 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 and Ps.2,500,000 as of December 31, 2016 and 2015, respectively. 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 THIE 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 and Ps.116,108 in other comprehensive income or loss as of December 31, 2016 and 2015, respectively. In the years ended December 31, 2016 and 2015, the Company recorded a loss of Ps.79,999 and Ps.104,621, 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, 2016 and 2015 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, 2016 and 2015:

	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

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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, 2016 and 2015:

		2016		2015
Balance at beginning of year	Ps.	35,042,577	Ps.	28,705,372
Included in finance income or expense				4,275,122
Included in other comprehensive income		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.	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 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.

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

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As described in Note 9, in December 2010, the Company made a cash investment in the form of 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 (see Note 9).

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 stocks 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.

Unobservable inputs that contributed to a significantly higher fair value measurement of the Group's 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

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 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, 2016 and 2015 included UHI stock's spot price of U.S.\$404 and U.S.\$443 per share, respectively, and UHI stock's expected volatility of 32% and 29%, respectively.

Imagina Equity Financial Instrument

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

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.

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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, 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:

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.	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 2015	Least Favorable Assumptions 2015	Most Favorable Assumptions 2015	Least Favorable Assumptions 2015		
Warrants issued by UHI	Price per Share	+/-10%	Ps.	Ps.	Ps.	3,504,321	Ps.	(3,504,321)
Total			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) 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.

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.

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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:

	2016	2015
Discount rate	6.7%	6.9%
Salary scale	5%	5%
Inflation rate	3.5%	3.5%

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.2,468,653 as of December 31, 2016.

Had the discount rate of 6.9% used by the Group in 2015 been decreased by 50 basis points, the impact on defined benefit obligation would have been an increase of Ps.2,588,549 as of December 31, 2015.

The reconciliation between defined benefit obligations and post-employment benefit liability (asset) in the consolidated statements of financial position as of December 31, 2016 and 2015, is presented as follows:

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	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

	Pensions		Seniority Premiums		2015
Vested benefit obligations	Ps.	486,556	Ps.	301,829	Ps. 788,385
Unvested benefit obligations		1,575,326		108,014	1,683,340
Defined benefit obligations		2,061,882		409,843	2,471,725
Fair value of plan assets		1,468,234		596,312	2,064,546
Underfunded (overfunded) status of the plan assets		593,648		(186,469)	407,179
Post-employment benefit liability (asset)	Ps.	593,648	Ps.	(186,469)	Ps. 407,179

The components of net periodic pension and seniority premium cost for the years ended December 31, consisted of the following:

	2016	2015
Service cost	Ps. 125,952	Ps. 137,121
Interest cost	144,465	150,384
Prior service cost for plan amendments	(195,396)	(109,976)
Interest of assets	(128,365)	(139,195)
Net cost	Ps. (53,344)	Ps. 38,334

The Group's defined benefit obligations, plan assets, funded status and balances in the consolidated statements of financial position as of December 31, 2016 and 2015, associated with post-employment benefits are presented as follows:

	Pensions		Seniority Premiums		2016	2015
Defined benefit obligations:						
Beginning of year	Ps.	2,061,882	Ps.	409,843	Ps. 2,471,725	Ps. 2,416,216
Service cost		81,634		44,318	125,952	137,121
Interest cost		117,779		26,686	144,465	150,384
Benefits paid		(141,096)		(103,464)	(244,560)	(177,824)
Remeasurement of post-employment benefit obligations		133,708		78,341	212,049	48,606
Past service cost		(187,278)		(8,118)	(195,396)	(109,976)
Business acquisition						7,198
End of year		2,066,629		447,606	2,514,235	2,471,725
Fair value of plan assets:						
Beginning of year		1,468,234		596,312	2,064,546	2,129,057
Remeasurement return on plan assets		89,793		38,572	128,365	139,195
Remeasurement of post-employment benefit obligations		(47,453)		(23,018)	(70,471)	(120,526)
Benefits paid		(128,678)			(128,678)	(83,180)
End of year		1,381,896		611,866	1,993,762	2,064,546
Underfunded (overfunded) status of the plan assets	Ps.	684,733	Ps.	(164,260)	Ps. 520,473	Ps. 407,179

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The changes in the net post-employment liability (asset) in the consolidated statements of financial position as of December 31, 2016 and 2015, are as follows:

	Pensions		Seniority Premiums		2016		2015	
Beginning net post-employment liability (asset)	Ps.	593,648	Ps.	(186,469)	Ps.	407,179	Ps.	287,159
Net periodic cost		(77,658)		24,314		(53,344)		38,334
Remeasurement of post-employment benefits		181,161		101,359		282,520		169,132
Benefits paid		(12,418)		(103,464)		(115,882)		(94,644)
Business acquisition								7,198
Ending net post-employment liability (asset)	Ps.	684,733	Ps.	(164,260)	Ps.	520,473	Ps.	407,179

The post-employment benefits as of December 31, 2016 and 2015 and remeasurements adjustments for the years ended December 31, 2016 and 2015, are summarized as follows:

	2016	2015
Pensions:		
Defined benefit obligations	Ps. 2,066,629	Ps. 2,061,882
Plan assets	1,381,896	1,468,234
Unfunded status of the plans	684,733	593,648
Remeasurements adjustments (1)	181,161	98,262
Seniority premiums:		
Defined benefit obligations	Ps. 447,606	Ps. 409,843
Plan assets	611,866	596,312
Overfunded status of the plans	(164,260)	(186,469)
Remeasurements adjustments (1)	101,359	70,870

(1) On defined benefit obligations and plan assets.

Pension and Seniority Premium 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, 2016 and 2015, was as follows:

	2016	2015
Equity securities (1)	28.2%	27.6%
Fixed rate instruments	71.8%	72.4%
Total	100.0%	100.0%

(1) Included within plan assets at December 31, 2016 and 2015, are shares of the Company held by the trust with a fair value of Ps.265,599 and Ps.291,138, respectively.

The weighted average expected long-term rate of return of plan assets of 6.7% and 6.9% were used in determining net periodic pension cost in 2016 and 2015, 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

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asset classes over a long period of time. 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, 2016 and 2015:

	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.

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	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)
Common stocks (1)	Ps. 291,138	Ps. 291,138	Ps.	Ps.
Mutual funds (fixed rate instruments) (2)	812,695	812,695		
Money market securities (3)	691,044	691,044		
Other equity securities	269,669	269,669		
Total investment assets	Ps. 2,064,546	Ps. 2,064,546	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 2016 and 2015 and does not expect to make significant contributions to its plan assets in 2017.

The weighted average durations of the defined benefit plans as of December 31, 2016 and 2015, were as follows:

	2016	2015
Seniority Premiums	14.5 years	14.1 years
Pensions	12.3 years	18.8 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.

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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 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, 2016, shares of capital stock and CPOs consisted of (in millions):

	Authorized and Issued (1)	Held by a Company's Trust (2)	Outstanding
Series A Shares	123,273.9	(6,990.6)	116,283.3
Series B Shares	58,982.9	(5,182.1)	53,800.8
Series D Shares	90,086.5	(4,494.4)	85,592.1
Series L Shares	90,086.5	(4,494.4)	85,592.1
Total	362,429.8	(21,161.5)	341,268.3
Shares in the form of CPOs	301,145.5	(15,024.1)	286,121.4
Shares not in the form of CPOs	61,284.3	(6,137.4)	55,146.9
Total	362,429.8	(21,161.5)	341,268.3
CPOs	2,573.9	(128.4)	2,445.5

(1) As of December 31, 2016, the authorized and issued capital stock amounted to Ps.4,978,126 (nominal Ps.2,494,410).

(2) 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, 2016 and 2015, 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, 2015	115,036.5	53,330.9	84,844.4	84,844.4	338,056.2	2,424.1
Acquired (1)	(518.7)	(456.5)	(726.2)	(726.2)	(2,427.6)	(20.7)
Released (1)	891.2	465.9	741.3	741.3	2,839.7	21.2
As of December 31, 2015	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

(1) By a Company's trust in connection with the Company's Long-Term Retention Plan described below.

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 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, 2016, the restated for inflation tax value of the Company's common stock was Ps.45,343,957. 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 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, 2016, approximately 72.4 million CPOs or CPO equivalents that were transferred to Plan Participants were sold in the open market during 2014, 2015 and 2016. Additional sales will continue to take place during or after 2017.

The special purpose trust created to implement the Long-Term Retention Plan as of December 31, 2016 had approximately 180.9 million CPOs or CPO equivalents. This figure is net of approximately 24.7, 24.3 and 37.0 million CPOs or CPO equivalents vested in 2014, 2015 and 2016, respectively. Of the 180.9 million CPOs or CPO equivalents approximately 71% are in the form of CPOs and the remaining 29% are in the form

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of Series A, Series B, Series D and Series L Shares. As of December 31, 2016, approximately 112.6 million CPOs or CPO equivalents have been reserved and will become vested between 2017 and 2019 at prices ranging from Ps.71.68 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.

As of December 31, 2016, the designated Retention Plan trust owned approximately 2.6 million CPOs or CPOs 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	2012	2013	2014	2015	2016
Number of CPOs or CPOs equivalent granted	25,000	39,000	39,000	39,000	39,000
Contractual life	3 years	3 years	3 years	3 years	3 years
Assumptions:					
Dividend yield	0.66%	0.54%	0.39%	0.33%	0.38%
Expected volatility (1)	27%	24%	19.07%	26.92%	27.60%
Risk-free interest rate	4.90%	4.79%	4.68%	4.61%	4.83%
Expected average life of awards	2.99 years	3.00 years	3.00 years	3.00 years	3.00 years

(1) Volatility was determined by reference to historically observed prices of the Company's CPOs.

A summary of the stock awards for employees as of December 31, is presented below (in Mexican pesos and thousands of CPOs):

	CPOs or CPOs Equivalent	2016 Weighted-Average Exercise Price	CPOs or CPOs Equivalent	2015 Weighted-Average Exercise Price
Long-Term Retention Plan:				
Outstanding at beginning of year	144,250	66.60	129,941	51.98
Conditionally sold	39,000	85.10	39,000	90.59
Paid by employees	(32,855)	36.84	(23,271)	34.38
Forfeited	(4,102)	83.16	(1,420)	57.47
Outstanding at end of year	146,293	75.85	144,250	66.60
To be paid by employees at end of year	33,693	46.28	29,578	40.43

As of December 31, 2016 and 2015, the weighted-average remaining contractual life of the awards 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
Balance at January 1, 2015	Ps. 2,139,007	Ps. 55,379,532	Ps. 5,386,905	Ps. 62,905,444
Appropriation of net income relating to 2014		5,386,905	(5,386,905)	
Dividends paid relating to 2014		(1,084,192)		(1,084,192)
Sale of repurchased shares		(765,227)		(765,227)
Share-based compensation		1,184,524		1,184,524
Net income for the year 2015			10,899,135	10,899,135
Balance at December 31, 2015	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	Ps. 2,139,007	Ps. 64,535,256	Ps. 3,721,406	Ps. 70,395,669

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, 2016 and 2015, 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 2016, 2015 and 2014. 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.

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In 2014, the Company's stockholders did not approve any dividend payment, as the dividend approved by the Company's stockholders in December 2013, which was paid in cash in December 2013 in the aggregate amount of Ps.1,084,192 (Ps.0.35 per CPO and Ps.0.002991452991 per share of Series A, B, D and L, not in the form of a CPO), was in lieu of the annual dividend for 2014 that would otherwise typically have been approved in April 2014.

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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).

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).

In February 2017, the Company's Board of Directors approved a proposal for a dividend of Ps.0.35 per CPO payable in the second quarter of 2017, 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 2014 Tax Reform sets forth that 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, 2016, cumulative earnings that have been subject to income tax and can be distributed by the Company free of Mexican income tax amounted to Ps.58,321,735.

(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, 2014	Ps. 4,515,798	Ps.	Ps. 6,809	Ps. 58,418	Ps. (201,348)	Ps. 265,860	Ps. (1,251,486)	Ps. 3,394,051
Changes in other comprehensive income	3,648,014		179,154	(22,996)	(43,439)	25,664	(730,444)	3,055,953
Reclassifications	(770,941)							(770,941)
Accumulated at December 31, 2014	7,392,871		185,963	35,422	(244,787)	291,524	(1,981,930)	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 income		(32,379)	(3,635,399)	660,181	(254,949)	789,208	(42,832)	1,220,400	(1,295,770)
Accumulated at December 31, 2016	Ps.	2,741,983	Ps.(332,217)	Ps. 1,263,349	Ps. (381,794)	Ps. 570,259	Ps. 268,397	Ps. (168,193)	Ps. 3,961,784

18. Non-controlling Interests

Non-controlling interests as of December 31, 2016 and 2015, consisted of:

		2016		2015
Capital stock	Ps.	1,167,078	Ps.	1,209,629
Additional paid-in capital		3,019,912		3,137,163
Legal reserve		167,006		180,017
Retained earnings from prior years (1) (2)		6,290,209		6,055,693
Net income for the year		1,611,948		1,426,315
Accumulated other comprehensive income (loss):				
Cumulative result from foreign currency translation		243,002		136,019
Remeasurement of post-employment benefit obligations on defined benefit plans		(6,671)		(5,994)
	Ps.	12,492,484	Ps.	12,138,842

(1) In 2016, 2015 and 2014, the holding companies of the Sky segment paid a dividend to its equity owners in the aggregate amount of Ps.1,000,000, Ps.750,000 and Ps.850,000, respectively, of which Ps.413,334, Ps.309,985 and Ps.351,334, respectively, were paid to its non-controlling interest.

(2) In 2016, 2015 and 2014, the stockholders of Radiópolis approved the payment of a dividend in the amount of Ps.194,000, Ps.80,000 and Ps.145,000, respectively, of which Ps.97,000, Ps.40,000 and Ps.72,500, 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, 2016 and 2015, are set forth as follows:

	Sky		Empresas Cablevisión	
	2016	2015	2016	2015
Assets:				
Current assets	Ps. 7,504,087	Ps. 6,142,504	Ps. 3,592,938	Ps. 2,901,939
Non-current assets	21,459,228	19,245,681	18,536,621	17,380,310
Total assets	28,963,315	25,388,185	22,129,559	20,282,249
Liabilities:				
Current liabilities	4,079,308	4,721,786	5,123,098	4,677,388
Non-current liabilities	10,686,582	8,120,983	3,380,785	2,785,676
Total liabilities	14,765,890	12,842,769	8,503,883	7,463,064
Net assets	Ps. 14,197,425	Ps. 12,545,416	Ps. 13,625,676	Ps. 12,819,185

Amounts of consolidated net sales, net income and total comprehensive income of Sky and Empresas Cablevisión for the years ended December 31, 2016 and 2015, are set forth as follows:

	Sky		Empresas Cablevisión	
	2016	2015	2016	2015
Net sales	Ps. 21,941,247	Ps. 19,245,108	Ps. 12,400,266	Ps. 11,064,540
Net income	2,401,792	2,005,446	806,751	949,049
Total comprehensive income	2,652,008	2,192,936	806,751	948,587

As of December 31, 2016, the Group did not have dividends payable.

Amounts of consolidated summarized cash flows of Sky and Empresas Cablevisión for the years ended December 31, 2016 and 2015, are set forth as follows:

	Sky		Empresas Cablevisión	
	2016	2015	2016	2015
Cash flows from operating activities	Ps. 8,470,718	Ps. 5,078,328	Ps. 4,299,732	Ps. 4,389,942
Cash flows from investing activities	(6,472,268)	(5,766,871)	(3,887,367)	(5,020,724)
Cash flows from financing activities	(66,747)	(1,771,267)	(150,712)	(49,456)
Net increase (decrease) in cash and cash equivalents	Ps. 1,931,703	Ps. (2,459,810)	Ps. 261,653	Ps. (680,238)

19. Transactions with Related Parties

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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, 2016, 2015 and 2014 were as follows:

	2016		2015		2014	
Revenues, other income and interest income:						
Royalties (Univision) (a)	Ps.	6,124,679	Ps.	4,986,562	Ps.	4,212,075
Programming production and transmission rights (b)		745,717		462,410		367,180
Telecom services (c)		5,593		5,288		196,392
Administrative services (d)		24,753		43,117		38,825
Advertising (e)		78,675		100,024		438,681
Other income (f)				1,038,314		
Interest income (g)		49,511		178,810		274,940
Other finance income (h)				2,194,981		
	Ps.	7,028,928	Ps.	9,009,506	Ps.	5,528,093
Costs and expenses:						
Donations	Ps.	197,122	Ps.	127,641	Ps.	126,297
Administrative services (d)		31,335		31,142		41,502
Technical services (i)		104,030		156,704		76,510

	2016		2015		2014
Programming production, transmission rights and telecom (j)	479,251		403,500		308,907
	Ps. 811,738	Ps.	718,987	Ps.	553,216

- (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) or seven and one-half years 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.\$43.9 million (Ps.817,249), U.S.\$69.2 million (Ps.1,104,875) and U.S.\$73.5 million (Ps.988,032) for the fiscal years 2016, 2015 and 2014, 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 in 2016, 2015 and 2014, and Televisa CJ Grand in 2016 and 2015.
- (c) Services rendered to Univision in 2016, 2015 and 2014; GTAC in 2016, 2015 and 2014, and GSF in 2014. In September 2014, the investment in GSF, including Iusacell, was sold (see Note 3).
- (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 Univision, OCEN and Editorial Clío, Libros y Videos, S.A. de C.V. (Editorial Clío) in 2016, 2015 and 2014, Televisa CJ Grand in 2016, and GSF in 2014.
- (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 and 2014 includes interest income from the Group's investment in convertible debentures issued by UHI in the aggregate amount of Ps.142,010 and Ps.228,278, respectively (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 2016, 2015 and 2014, Sky received services from a subsidiary of DirecTV Latin America for play-out, uplink and downlink of signals.
- (j) Paid mainly to Univision in 2016, 2015 and 2014. 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 2016 and 2015 and GSF in 2014 (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 2016, 2015 and 2014 amounted to Ps.16,291, Ps.21,526 and Ps.22,469, 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) Through April 2014, one of the Company's directors was member of the Board of, as well as a stockholder of, a Mexican company, which is a producer, distributor and exporter of beer in Mexico. Such company purchases advertising services from the Group in connection with the promotion of its products from time to time, paying rates applicable to third-party advertisers for these advertising services.
- (4) 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.
- (5) During 2016, 2015 and 2014, 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.39,996, Ps.59,281 and Ps.57,968, respectively.
- (6) During 2014, a company related to a former director and executive of the Company, purchased unsold advertising from the Group for a total of Ps.313,682, respectively.
- (7) During 2016, 2015 and 2014, 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.19,300, Ps.16,034 and Ps.154,336, respectively.
- (8) 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 2016, 2015 and 2014 amounted to Ps.5,766, Ps.9,270 and Ps.13,736, respectively.
- (9) During 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.26,538. 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.
- (10) In 2016, the Group acquired a remaining non-controlling interest in TVI from a related party (see Note 3).

During 2016, 2015 and 2014, the Group paid to its directors, alternate directors and officers an aggregate compensation of Ps.832,905, Ps.750,208 and Ps.648,055, 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.177,864, Ps.173,020 and Ps.169,135 as of December 31, 2016, 2015 and 2014, respectively. Cumulative contributions made by the Group to the pension and seniority premium plans on behalf of these directors and officers amounted to Ps.140,958, Ps.144,517 and Ps.149,033 as of December 31, 2016, 2015 and 2014, 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, 2016 and 2015 amounted to Ps.540,230 and Ps.164,028, respectively, and the related service cost for the years ended on those dates amounted to Ps.340,202 and Ps.164,028, respectively.

The balances of receivables and payables between the Group and related parties as of December 31, 2016 and 2015, were as follows:

	2016		2015	
Current receivables:				
UHI, including Univision (1)	Ps.	684,159	Ps.	
Operadora de Centros de Espectáculos, S.A. de C.V.		77,044		54,827
Editorial Clío		28,091		20,644
Televisa CJ Grand		77,089		5,768
Other		39,189		17,149
	Ps.	905,572	Ps.	98,388
Current payables:				
UHI, including Univision (1)	Ps.	1,031,367	Ps.	367,545
DirecTV Group, Inc.		24,342		47,788
Other		32,517		27,702
	Ps.	1,088,226	Ps.	443,035

(1) As of December 31, 2016 and 2015, the Group recognized a provision in the amount of Ps.1,031,367 and Ps.860,456, 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 a qualified initial public offering of the shares of UHI the Group would pay the entity a portion of a defined appreciation in excess of certain preferred returns and performance thresholds of UHI. As of December 31, 2016 and 2015, receivables from UHI related primarily to the PLA amounted to Ps.684,159 and Ps.492,911, respectively.

All significant account balances included in amounts due from affiliates bear interest. In 2016 and 2015, average interest rates of 6.6% and 5.0% were charged, respectively. Advances and receivables are short-term in nature; however, these accounts do not have specific due dates.

Customer deposits and advances as of December 31, 2016 and 2015, included deposits and advances from affiliates and other related parties, in an aggregate amount of Ps.717,662 and Ps.663,823, 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, 2016, 2015 and 2014, were as follows:

		2016		2015		2014
Cost of sales	Ps.	11,903,806	Ps.	10,336,861	Ps.	8,740,067
Selling expenses		1,183,230		951,572		739,909
Administrative expenses		4,244,038		3,652,356		2,291,325
	Ps.	17,331,074	Ps.	14,940,789	Ps.	11,771,301

Short-term employee benefits, share-based compensation and post-employment benefits incurred by the Group for the years ended December 31, 2016, 2015 and 2014, were as follows:

	2016		2015		2014	
Short-term employee benefits	Ps.	15,438,218	Ps.	17,245,568	Ps.	14,728,298
Share-based compensation		1,410,492		1,199,489		844,788
Post-employment benefits		53,344		38,334		157,511
	Ps.	16,902,054	Ps.	18,483,391	Ps.	15,730,597

21. Other Expense, Net

Other expense (income) for the years ended December 31, 2016, 2015 and 2014 is analyzed as follows:

	2016		2015		2014	
Loss (gain) on disposition of investment (1)	Ps.	312	Ps.	(65,599)	Ps.	4,168,468
Donations (see Note 19)		195,005		148,159		130,846
Financial, legal and accounting advisory and professional services (2)		833,618		485,594		265,124
Loss on disposition of property and equipment (3)		810,825		366,545		281,795
Impairment adjustments (4)		6,851		131,065		253,279
Other income from Univision (5)				(1,038,314)		
Deferred compensation (see Note 19)		340,202		164,028		
Dismissal severance expense (6)		912,173		342,382		58,824
Other, net		38,398		(205,383)		123,354
	Ps.	3,137,384	Ps.	328,477	Ps.	5,281,690

(1) In 2014 included a loss on disposition of the Group's 50% joint interest in GSF (see Note 3).

(2) Includes primarily legal and accounting 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) In 2016, 2015 and 2014 the Group recognized impairment adjustments in connection with goodwill and trademarks 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 2016, includes primarily a severance expense in connection with dismissal personnel in the Group's Content, Cable and Other Businesses segments, as a part of a cost reduction plan.

22. Finance (Expense) Income, Net

Finance (expense) income, net, for the years ended December 31, 2016, 2015 and 2014, included:

	2016	2015	2014
Interest expense	Ps. (8,497,919)	Ps. (6,239,387)	Ps. (5,551,461)
Foreign exchange loss, net (1)	(2,490,296)	(2,426,011)	(1,391,169)
Other finance expense, net (3)	(43,370)		
Finance expense	(11,031,585)	(8,665,398)	(6,942,630)
Interest income (2)	1,499,473	1,027,758	1,327,691
Other finance income, net (3)		7,514,784	1,286,014
Finance income	1,499,473	8,542,542	2,613,705
Finance expense, net	Ps. (9,532,112)	Ps. (122,856)	Ps. (4,328,925)

(1) In 2016, 2015 and 2014, foreign exchange loss, net, included (i) foreign exchange loss resulted primarily from the 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, 2016, 2015 and 2014; and (ii) foreign exchange gain resulted primarily from the 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, 2016, 2015 and 2014 (see Notes 4 and 13). The exchange rate of the Mexican peso against the U.S. dollar as of December 31, 2016, 2015 and 2014 was of Ps.20.6356, Ps.17.2160 and Ps.14.7613, respectively.

(2) In 2016, 2015 and 2014, 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. In 2014, also included interest income from the Group's investments in financial

instruments issued by UHI and Ares in the aggregate amount of Ps.450,270 (see Notes 3, 6, 9, 10 and 14).

(3) In 2016, 2015 and 2014, other finance income or expense, net, included gain or loss from derivative financial instruments. In 2015 and 2014 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 and Ps.1,477,103, respectively, 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. In 2014 also included a Ps.770,941 reclassification from accumulated other comprehensive income in consolidated equity in connection with the acquisition of Cablecom in 2014, which was offset by fair value adjustments of the embedded derivative in convertible debt issued by Ares (see Notes 3, 9, 10 and 14).

23. Income Taxes

The income tax provision for the years ended December 31, 2016, 2015 and 2014 was comprised of:

	2016		2015		2014	
Income taxes, current (1)	Ps.	6,724,071	Ps.	7,380,430	Ps.	5,043,053
Income taxes, deferred		(3,851,836)		(1,048,212)		(2,062,170)
	Ps.	2,872,235	Ps.	6,332,218	Ps.	2,980,883

(1) The current income tax of Mexican companies payable in Mexico represents 93%, 94% and 92% of total current income taxes in 2016, 2015 and 2014, respectively.

The Mexican corporate income tax rate was 30% in 2016, 2015 and 2014. In accordance with the 2014 Tax Reform, the corporate income tax rate will be 30% in 2017 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.

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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, of which Ps.6,629,865 was classified as non-current liabilities as of that date; (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 effects of income tax payable as of December 31, 2016 and 2015, in connection with the 2014 Mexican Tax Reform, are as follows:

	2016		2015	
Tax losses of subsidiaries, net	Ps.	7,575,347	Ps.	6,679,444
Dividends distributed among the Group's entities				6,227
		7,575,347		6,685,671
Less: Current portion (a)		1,188,470		372,752
Non-current portion (b)	Ps.	6,386,877	Ps.	6,312,919

(a) Income tax provision accounted for as income taxes payable in the consolidated statement of financial position as of December 31, 2016 and 2015.

(b) Income tax provision accounted for as long-term income taxes payable in the consolidated statement of financial position as of December 31, 2016 and 2015.

2010 Tax Reform

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

The effects of income tax payable as of December 31, 2016 and 2015, in connection with the 2010 Mexican Tax Reform, are as follows:

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	2016		2015
Tax losses of subsidiaries, net	Ps. 15,332	Ps.	73,617
Dividends distributed among the Group's entities			
	15,332		73,617
Less: Current portion (a)	15,332		48,458
Non-current portion (b)	Ps.	Ps.	25,159

(a) Income tax provision accounted for as income taxes payable in the consolidated statement of financial position as of December 31, 2016 and 2015.

(b) Income tax provision accounted for as long-term income taxes payable in the consolidated statement of financial position as of December 31, 2016 and 2015.

Maturities of income tax payable, in connection with the 2014 and 2010 Mexican Tax Reforms, are as follows:

2017	Ps.	1,203,802
2018		1,801,141
2019		1,679,733
2020		1,319,750
2021		917,445
Thereafter		668,808
	Ps.	7,590,679

The following items represent the principal differences between income taxes computed at the statutory rate and the Group's provision for income taxes.

	% 2016	% 2015	% 2014
Statutory income tax rate	30	30	30
Differences in inflation adjustments for tax and book purposes	1	4	3
Asset tax	5		3
Tax loss carryforwards	(20)	(10)	(2)
2014 Tax Reform	19	1	3
Income tax effect from prior years			4
Foreign operations	4	(2)	1
Disposition of investment		10	(11)
Share of loss in joint ventures and associates, net	(4)		
Exchange of Convertible Debentures for Warrants of UHI		1	
Effective income tax rate	35	34	31

The Group has recognized the benefits from tax loss carryforwards of Mexican companies in the Group as of December 31, 2016 and 2015. The years of expiration of tax loss carryforwards as of December 31, 2016 are as follows:

Year of Expiration		Tax Loss Carryforwards For Which Deferred Taxes Were Recognized
2017	Ps.	166,577
2018		2,026,448
2019		1,823,523
2020		361,725
2021		7,039,851
Thereafter		34,680,596
	Ps.	46,098,720

As of December 31, 2016, tax loss carryforwards of Mexican companies in the Group for which deferred tax assets were not recognized amounted to Ps.121,239, and will expire between 2022 and 2026.

During 2016, 2015 and 2014, certain Mexican subsidiaries utilized operating tax loss carryforwards in the amounts of Ps.1,236,444, Ps.2,931,218 and Ps.4,618,251, respectively.

In addition to the tax loss carryforwards of Mexican companies in the Group referred as of December 31, 2016, 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.13,019,257 (see Note 3). As of December 31, 2016, tax loss carryforwards derived from this disposal for which deferred taxes were recognized amounted to Ps.9,714,998, and will expire in 2025.

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As of December 31, 2016, tax loss carryforwards of subsidiaries in South America, the United States, and Europe amounted to Ps.2,839,684, and will expire between 2017 and 2036.

The deferred income taxes as of December 31, 2016 and 2015, were principally derived from the following temporary differences and tax loss carryforwards:

	2016		2015	
Assets:				
Accrued liabilities	Ps.	3,208,863	Ps.	2,656,354
Allowance for doubtful accounts		1,160,708		1,187,427
Customer advances		2,761,196		2,598,037
Tax loss carryforwards:				
Operating		11,448,996		9,024,060
Capital		2,380,620		1,172,420
Liabilities:				
Investments (1)		(4,471,232)		(3,504,137)
Property, plant and equipment, net		(305,654)		(954,678)
Derivative financial instruments				(1,801)
Intangible assets and transmission rights		(2,898,572)		(3,922,230)
Prepaid expenses and other items		(1,184,163)		(1,188,642)
Deferred income taxes of Mexican companies		12,100,762		7,066,810
Deferred income tax assets of foreign subsidiaries		279,683		195,348
Asset tax				402,880
Deferred income tax assets, net	Ps.	12,380,445	Ps.	7,665,038

(1) Net of the benefit from tax loss carryforwards derived from the disposal of the Group's investment in GSF, in the amount of Ps.2,914,499 in 2016 and 2015.

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 movement on the deferred income tax account is as follows:

	2016		2015	
At January 1	Ps.	7,665,038	Ps.	8,317,268
Income statement charge		3,851,836		1,048,212
Tax change relating to components of other comprehensive income		863,571		386,817
Tax recognized as part of business combinations				(2,087,259)
At December 31	Ps.	12,380,445	Ps.	7,665,038

The movement in deferred income tax assets and liabilities during the year 2016 is as follows:

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	At January 1, 2016		Charged (Credited) to Income		Charged (Credit) 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
Prepaid expenses and other items								
Tax loss carryforwards		10,196,480		3,633,136				13,829,616
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 of foreign subsidiaries		195,348		84,335				279,683
Asset tax		402,880		(402,880)				
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 movement in deferred income tax assets and liabilities during the year 2015 is as follows:

	At January 1, 2015		Charged (Credited) to Income		Charged (Credit) to Other Comprehensive Income		Business Combinations		At December 31, 2015	
Assets:										
Accrued liabilities	Ps.	1,284,458	Ps.	1,328,869	Ps.		Ps.	43,027	Ps.	2,656,354
Allowance for doubtful accounts		917,269		234,277				35,881		1,187,427
Customer advances		2,186,836		386,827				24,374		2,598,037
Prepaid expenses and other items		297,836		(297,836)						
Tax loss carryforwards		6,754,354		3,442,126						10,196,480
Liabilities:										
Investments		(443,538)		(3,455,167)		394,568				(3,504,137)
Property, plant and equipment, net		(202,002)		(323,705)				(428,971)		(954,678)
Derivative financial instruments		(152,491)		150,690						(1,801)
Intangible assets and transmission rights		(2,961,129)		791,643				(1,752,744)		(3,922,230)
Prepaid expenses and other items				(1,172,065)		(7,751)		(8,826)		(1,188,642)
Deferred income tax assets of foreign subsidiaries		200,410		(5,062)						195,348
Asset tax		435,265		(32,385)						402,880
Deferred income tax assets, net	Ps.	8,317,268	Ps.	1,048,212	Ps.	386,817	Ps.	(2,087,259)	Ps.	7,665,038

The tax (charge) credit relating to components of other comprehensive income is as follows:

	Before Tax		2016 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 income of associates and joint ventures		(42,832)				(42,832)
Other comprehensive income	Ps.	(2,409,950)	Ps.	1,220,400	Ps.	(1,189,550)
Current tax				356,829		
Deferred tax				863,571		
				Ps.	1,220,400	

	Before Tax		2015 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
		(4,718,175)		1,415,453		(3,302,722)

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Cumulative gain in fair value from Convertible Debentures issued by UHI reclassified to other finance income				
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 income	Ps. (936,874)	Ps. 593,337		Ps. (343,537)
Current tax		Ps. 206,520		
Deferred tax		Ps. 386,817		
		Ps. 593,337		

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	Before Tax		2014 Tax (Charge) Credit		After Tax	
Remeasurement of post-employment benefit obligations	Ps.	(27,811)	Ps.		Ps.	(27,811)
Exchange differences on translating foreign operations		221,260		119,646		340,906
Equity instruments		(328,340)		98,502		(229,838)
Derivative financial instruments cash flow hedges		(43,439)		13,032		(30,407)
Convertible Debentures due 2025 issued by UHI		2,058,432		(617,530)		1,440,902
Convertible debt instruments issued by Ares		670,375		(201,112)		469,263
Long-term debt financial instrument issued by Ares		54,417		(16,325)		38,092
Reclassification to other finance income		(770,941)		231,282		(539,659)
Available-for-sale investments		1,193,130		(357,939)		835,191
Share of income of associates and joint ventures		25,664				25,664
Other comprehensive income	Ps.	3,052,747	Ps.	(730,444)	Ps.	2,322,303
Current tax			Ps.	119,646		
Deferred tax				(850,090)		
			Ps.	(730,444)		

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, 2016 and 2015, the deferred tax liabilities in connection with the Group's investments in associates and joint ventures amounted to an aggregate of Ps.1,252,044 and Ps.520,946, respectively.

24. Earnings per CPO/Share

At December 31, 2016 and 2015, 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):

	2016	2015
Total Shares	341,017,197	338,290,942
CPOs	2,444,082	2,423,881
Shares not in the form of CPO units:		
Series A Shares	55,058,962	54,662,750
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, 2016, 2015 and 2014, are presented as follows:

2016			2015			2014				
Per CPO	Per Each Series A, B, D and L Share		Per CPO	Per Each Series A, B, D and L Share		Per CPO	Per Each Series A, B, D and L Share			
Ps.	1.28	Ps.	0.01	Ps.	3.77	Ps.	0.03	Ps.	1.87	
									Ps.	0.02

Net income attributable to stockholders of the Company

Diluted earnings per CPO and per Share attributable to stockholders of the Company:

	2016	2015
Total Shares	362,429,887	362,429,887
CPOs	2,573,894	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

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, 2016, 2015 and 2014, are presented as follows:

	2016				2015				2014			
	Per CPO		Per Each Series A, B, D and L Share		Per CPO		Per Each Series A, B, D and L Share		Per CPO		Per Each Series A, B, D and L Share	
Net income attributable to stockholders of the Company	Ps.	1.20	Ps.	0.01	Ps.	3.52	Ps.	0.03	Ps.	1.74	Ps.	0.01

25. Segment Information

Reportable segments are those that are based on the Group's method of internal reporting.

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.

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The table below presents information by segment and a reconciliation to consolidated total for the years ended December 31, 2016, 2015 and 2014:

	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)

	Total Revenues		Intersegment Revenues		Consolidated Revenues		Segment Income	
2014:								
Content	Ps.	34,868,080	Ps.	1,039,950	Ps.	33,828,130	Ps.	15,534,269
Sky		17,498,586		13,982		17,484,604		8,211,269
Cable (4)		20,937,250		116,258		20,820,992		7,882,911
Other Businesses		8,204,060		219,434		7,984,626		651,267
Segment totals		81,507,976		1,389,624		80,118,352		32,279,716
Reconciliation to consolidated amounts:								
Eliminations and corporate expenses		(1,389,624)		(1,389,624)				(1,478,534)
Depreciation and amortization expense								(11,563,085)
Consolidated net sales and income before other expense		80,118,352				80,118,352		19,238,097(1)
Other expense, net								(5,281,690)
Consolidated net sales and operating income	Ps.	80,118,352	Ps.		Ps.	80,118,352	Ps.	13,956,407(2)

Consolidated net sales and operating
income

- (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).

- (4) In 2014, Cablecom contributed total revenues and segment income to the Group's Cable segment for the four months ended December 31, 2014, in the amount of Ps.1,369,753 and Ps.638,196, respectively, as the Group began to consolidate the Cablecom results of operations beginning in September 2014 (see Note 3). Had Cablecom been consolidated from January 1, 2014, total revenues and segment income of the Group's Cable segment for the year ended December 31, 2014 would have increased in Ps.2,593,323 and Ps.1,223,277, respectively.

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 include payroll for certain executives, related employee benefits and other general than 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, 2016, 2015 and 2014:

	Segment Assets at Year-End		Segment Liabilities at Year-End		Additions to Property, Plant and Equipment
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
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
2014:					
Continuing operations:					
Content	Ps.	89,251,814	Ps.	42,386,661	Ps. 2,319,616
Sky		23,016,509		12,012,642	5,154,341
Cable		64,397,382		14,166,918	9,487,903
Other Businesses		9,821,144		3,173,595	160,456
Total	Ps.	186,486,849	Ps.	71,739,816	Ps. 17,122,316

Segment assets reconcile to total assets as of December 31, 2016 and 2015, as follows:

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	2016		2015
Segment assets	Ps. 237,712,519	Ps.	217,007,753
Investments attributable to:			
Content (1)	56,500,230		49,778,624
Cable	728,775		574,751
Goodwill attributable to:			
Content	241,973		318,942
Cable	13,793,684		13,793,684
Other Businesses	76,969		
Total assets	Ps. 309,054,150	Ps.	281,473,754

(1) Includes goodwill attributable to equity investments of Ps.359,613 in 2016 and 2015 (see Note 10).

Equity method gain recognized in income for the years ended December 31, 2016, 2015 and 2014 attributable to equity investments in Content, was Ps.1,189,517, Ps.50,498 and Ps.238,684, respectively.

Equity method loss recognized in income for the years ended December 31, 2016, 2015 and 2014 attributable to equity investments in Cable, was Ps.49,913, Ps.15,099 and Ps.225,511, respectively.

Segment liabilities reconcile to total liabilities as of December 31, 2016 and 2015, as follows:

		2016		2015
Segment liabilities	Ps.	94,140,825	Ps.	74,250,653
Debt not allocated to segments		118,628,925		107,701,324
Total liabilities	Ps.	212,769,750	Ps.	181,951,977

Geographical segment information:

	Total Net Sales		Segment Assets at Year-End		Additions to Property, Plant and Equipment	
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
2014:						
Mexico	Ps.	69,163,347	Ps.	178,704,058	Ps.	16,578,044
Other countries		10,955,005		7,782,791		544,272
	Ps.	80,118,352	Ps.	186,486,849	Ps.	17,122,316

Net sales are attributed to geographical segment based on the location of customers.

Net sales from external customers for the years ended December 31, 2016, 2015 and 2014 are presented by sale source, as follows:

		2016		2015		2014
Services	Ps.	72,915,848	Ps.	67,452,100	Ps.	61,764,168
Royalties		8,526,197		7,097,435		6,058,932
Goods		2,317,315		2,415,371		2,204,680
Leases (1)		12,528,003		11,086,923		10,090,572
Total	Ps.	96,287,363	Ps.	88,051,829	Ps.	80,118,352

(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, 2016, the Group had commitments for programming and transmission rights, mainly related to special events, in the aggregate amount of U.S.\$74.1 million (Ps.1,529,098) and U.S.\$888 million (Ps.18,325,032), respectively, with various payment commitments between 2017 and 2030.

At December 31, 2016, the Group had commitments in an aggregate amount of Ps.1,884,611, of which Ps.72,989 were commitments related to gaming operations, Ps.38,253 were commitments to acquire television technical equipment, Ps.197,282 were commitments for the acquisition of software and related services, and Ps.1,576,087 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 2017 in the principal amount of Ps.260,149 (see Note 10).

At December 31, 2016, the Group had the following aggregate minimum annual commitments for the use of satellite transponders:

	Thousands of U.S. dollars	
2017	U.S.\$	10,260
2018		4,295
2019		642
2020		
2021 and thereafter	U.S.\$	15,197

The Group leases facilities, primarily for its Gaming business, under operating leases expiring through 2047.

As of December 31, 2016, non-cancellable annual lease commitments (undiscounted) are as follows:

2017	Ps.	732,643
2018		652,629
2019		487,290
2020		464,686
2021		443,783
Thereafter		659,596
	Ps.	3,440,627

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) available to third-party concessionaries of broadcast television (as defined) for commercial purposes in a non-discriminatory and non-exclusive manner.

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-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. 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 makes available such rights for its sublicensing to other broadcasters 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 will also have to provide very detailed information to IFT on a recurrent basis of over the air advertising services related to telecommunications companies.

Accounting separation The Group will have to implement accounting separation methodologies that will be further regulated and defined based on certain criteria to be determined by IFT.

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. 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 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, has been declared by the Governing Board of the IFT 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. As a consequence of the new resolution notified to the Company, IFT will begin a new proceeding by which it may or may not determine the imposition of certain measures on the Company in respect to the relevant market. The Company will be heard in this proceeding. The Company considers that the reversal of the IFT Resolution is unconstitutional and does not comply with the guidelines of the Circuit Court and, therefore, it will pursue all options in its defense. Even though the Company will vigorously defend its stance, it is not possible to determine the outcome.

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.