

Dear Shareholders:

As I look back at 2016, I realize how much we achieved during the year. In our advertising sales business, in pay-TV, and in our growing presence in Mexico's fixed voice and data markets.

Our new advertising sales strategy started to pay off

The restructuring of our advertising sales strategy in mid-2015 was challenging to our business, but also necessary. Among other measures, we re-organized the leadership of the team and restructured our rate card. We significantly changed the way in which we had been running this business for more than 20 years.

From the beginning, we implemented the restructuring of this business with conviction and discipline. We took the right step. Our 2016 results showed us that Televisa's free-to-air channels continue to be the most efficient way for our customers to run their advertising campaigns and reach their marketing goals.

Univision posted strong financial results and royalties reached U.S.\$324.6 million dollars

Univision continued to serve Hispanic audiences like no other company. In the most recent broadcast season, and for the 24th consecutive year, Univision's flagship network finished as the number one network in the United States among Hispanics. Univision delivers the most ratings among Hispanics in many fronts; it is the number one newscast, the number one cable entertainment network, and the number one cable sports network.

During 2016, Univision reported, for the first time ever, revenues in excess of U.S.\$3 billion dollars. As a result, royalties to Televisa reached U.S.\$324.6 million dollars in the year. This is twice the amount of royalties received by Televisa just six years ago.

Sky reached 8 million pay-TV subscribers

During the year, Sky added more than 742 thousand subscribers, reaching 8 million customers. Since 2010, when it launched its pre-paid VeTV package, Sky has added 5 million subscribers. The growth in revenue and profitability has also been outstanding. Over the last ten years Sky revenue and operating segment income have expanded at a compounded annual growth rate of 11% and 10%, respectively.

Local loop unbundling has been mandated in Mexico for the preponderant economic agent in the telecommunications sector. Sky, having one of the most respected brands in Mexico and the operational scale necessary to launch new services, is very well positioned to benefit from this. The recent changes to the Mexican regulation with regards to local loop unbundling have to be put to the test, but the chances that Sky launches triple-play services in an effective and profitable manner increase every day.



Emilio Azcárraga Jean
Chairman of the Board, President and
Chief Executive Officer of Grupo Televisa



For the second consecutive year, all our three core businesses posted operating segment income margins in excess of 40%.

Profitability in our cable assets continued to benefit from integration

In our cable division, 2016 was marked by relevant improvements in the capacity of our network and by many integration initiatives to combine the operations of our five cable companies.

During 2016, we invested close to U.S.\$1 billion dollars in this segment, and a very relevant portion of it was directed at rebuilding the network in the majority of the markets we serve. Today, close to 80% of our network has been updated to meet the standards of the cable industry, and we are now able to offer up to 100 megabits of speed in those markets.

The integration of our various cable operations, a process which began in 2015, intensified in 2016. This process was not easy. The inevitable interruptions in the delivery of our services contributed to the increase in churn of customers during the year, but the benefit of integration was clearly shown in the increase in profitability. During 2016, margins reached a record, expanding by 380 basis points from 2014.

Our cable division continued to gain share in voice and data services

During the year, our cable assets continued to gain share in fixed voice and data by offering better services on attractive terms for the customer. Our share of fixed voice services increased to approximately 10%, and our share of fixed data services reached approximately 21%.

The opportunity for us continues to be significant. According to the OECD, Mexico is the country with the lowest penetration of data services among the 35 countries of the OECD, and according to the Mexico's Federal Institute of Telecommunications ("IFT"), about half of those data service customers have a DSL connection.

The opportunity for our cable segment rests not only in the growing adoption of these services, particularly data, but also as DSL data customers seek faster speeds and migrate to cable operators.

We have made very important upgrades to the network, so we have plenty of room to grow. Today, we have approximately 2.1 million voice customers, 3.4 million data customers, and 4.2 million video customers. That is a fraction of the close to 13 million homes that we reach with our cable companies.



2016 was also marked by increased competition and growing macroeconomic uncertainty

During 2016, competition intensified across all our businesses. The new free-to-air network launched in the Fall of 2016 capturing a share of Mexico's broadcast audience, and is competing aggressively for a greater share of the market.

Also, the IFT reported that the other direct-to-home operator in the country added close to 1.4 million pay TV customers during the year, a growth of 45%.

In addition, the incumbent telephony company discounted the price of its basic double play telecom offering by over 60%, from \$999 at the time we launched our flagship offer, to \$389 pesos today.

In addition to increased competition, the Mexican economy slowed down towards the end of the year. Expectations for GDP growth were close to 3% at the beginning of 2016, but actual growth was lower, at 2.3%. Higher economic uncertainty was clearly felt by Sky and Cable in the pace of net additions during the fourth quarter.

Also, the peso depreciated even further after an already steep decline in 2015. It has now come down from \$14.76 pesos per U.S. dollar at year-end 2014, to \$17.22 at year-end 2015, to \$20.64 pesos per U.S. dollar at the end of 2016. In this environment, it has been very important and valuable for us to have close to U.S.\$1 billion dollars in revenues that are either U.S. dollar-denominated or dollar-linked, and over U.S.\$4 billion dollars in U.S. dollar-denominated assets.

We continued to thrive in a challenging environment

In spite of increased competition, a slower economy and a weaker peso, during 2016 we were able to post a growth in consolidated revenues and in operating segment income of 9.4% and 9.0%, respectively.

Over the last ten years, Grupo Televisa has delivered solid growth every year, posting an average growth in consolidated revenue of 9.4%. During 2017, we expect consolidated revenue will approach the 100 billion pesos mark, three times as much as in 2005.

During this period of time, the growth in revenues has been accompanied by growth in profitability. For the second consecutive year, all our three core businesses, Content, Sky, and Cable, posted operating segment income margins in excess of 40%.

Enthusiastic about our future

We are excited about the years to come with many opportunities ahead for us. Our cash flow profile is improving, our upfront advertising sales are a very good start for the year, and our relationship with Univision keeps evolving every day.

Capital expenditures, for the first time in many years, will come down in 2017. The reduction in capital expenditures is possible thanks to the conclusion of the main rebuilding phase in the majority of our cable systems. This will be followed in 2018 by the step-up in the royalties we get from Univision. Our current share of Univision's audiovisual revenues will grow from 11.84% today to 16.45% in 2018. There is no incremental cost to us resulting from the increase in the royalties, so their contribution to free cash flow is very relevant. Both of these events will positively change the trajectory of cash flows for Televisa.

In addition, last December we concluded the negotiation of the 2017 upfront advertising sales with a growth in customer deposits of 8.9%. The growth in full-year advertising revenues will continue to be closely linked to the growth in the economy, and our quarterly results are likely to be volatile. The result of the 2017 upfront sales, however, is a very good and encouraging start.

Finally, during 2017 we plan to produce content in a more coordinated manner with Univision. In addition to producing content that will better capture the hearts and minds of audiences in both markets, we will look for synergies in the production of content by both companies. Mexico and the U.S. Hispanic market together represent a combined audience of over 175 million viewers and by far the most important region for Televisa's content. While results will not be immediate, we believe that this initiative will allow both companies to compete more effectively in their respective markets.

Thank you

We have set for ourselves very aggressive goals for the coming year, from improving the ratings of our content and expanding its reach globally, to continuing increasing the number of our video, voice and data customers. The opportunity for us is immense, and we look forward to sharing with you many more successes in the years to come.

Over the last two years we have made some very important changes to our Board and senior management team. I am very lucky to count on their expertise, passion and support. I want to express my gratitude to them and to all the employees of Grupo Televisa for their continued dedication, and to our customers and audiences for their patronage.

On behalf of all of us at Grupo Televisa, I thank you, our shareholders, for the trust that you place in us.

Sincerely,

Emilio Azcárraga Jean

Chairman of the Board, President and Chief Executive Officer of Grupo Televisa