

Independent auditors' report



México, D.F., April 14, 2014

To the Stockholders Meeting of Grupo Televisa, S.A.B.:

We have audited the accompanying consolidated financial statements of Grupo Televisa, S.A.B. (the "Company") and subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2013 and 2012, and the consolidated statements of income, of comprehensive income, of changes in stockholders' equity and of cash flows for the years ended December 31, 2013, 2012 and 2011, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

The management of the Company and subsidiaries is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with International Standard on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Grupo Televisa, S.A.B. and subsidiaries as at December 31, 2013 and 2012, and its financial performance and its cash flows for the years ended December 31, 2013, 2012 and 2011, in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers, S.C.

A handwritten signature in black ink, appearing to read "Jorge López de Cárdenas Melgar".

C.P.C. Jorge López de Cárdenas Melgar
Audit Partner

Consolidated statements of financial position

As of December 31, 2013 and 2012
(In thousands of Mexican Pesos)
(Notes 1, 2 and 3)

| | Notes | 2013 | 2012 |
|----------------------------------------------|-------|------------------------|------------------------|
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | 6 | Ps. 16,692,033 | Ps. 19,063,325 |
| Temporary investments | 6 | 3,722,976 | 5,317,296 |
| Trade notes and accounts receivable, net | 7 | 20,734,137 | 18,982,277 |
| Other accounts and notes receivable, net | | 2,405,871 | 2,475,533 |
| Derivative financial instruments | 14 | 3,447 | 2,373 |
| Due from affiliated companies | 19 | 1,353,641 | 1,436,892 |
| Transmission rights and programming | 8 | 4,970,603 | 4,462,348 |
| Inventories, net | | 1,718,366 | 1,508,581 |
| Other current assets | | 1,606,671 | 1,389,129 |
| Total current assets | | 53,207,745 | 54,637,754 |
| Non-current assets: | | | |
| Accounts receivable | | — | 334,775 |
| Derivative financial instruments | 14 | 4,941 | 12,627 |
| Transmission rights and programming | 8 | 9,064,845 | 6,435,609 |
| Investments in financial instruments | 9 | 38,016,402 | 20,867,624 |
| Investments in joint ventures and associates | 10 | 18,250,764 | 22,111,315 |
| Property, plant and equipment, net | 11 | 53,476,475 | 48,267,322 |
| Intangible assets, net | 12 | 11,382,311 | 11,126,791 |
| Deferred income taxes | 23 | 10,608,778 | 1,100,731 |
| Other assets | | 96,659 | 102,603 |
| Total non-current assets | | 140,901,175 | 110,359,397 |
| Total assets | | Ps. 194,108,920 | Ps. 164,997,151 |

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

| | Notes | 2013 | 2012 |
|-------------------------------------------------------|-------|-----------------|-----------------|
| LIABILITIES | | | |
| Current liabilities: | | | |
| Short-term debt and current portion of long-term debt | 13 | Ps. 312,715 | Ps. 375,000 |
| Current portion of finance lease obligations | 13 | 424,698 | 439,257 |
| Trade payables | | 10,719,484 | 8,594,138 |
| Customer deposits and advances | | 21,962,847 | 21,215,862 |
| Income taxes payable | | 642,385 | 512,593 |
| Other taxes payable | | 1,050,030 | 843,225 |
| Interest payable | | 796,229 | 741,819 |
| Employee benefits | | 857,903 | 783,459 |
| Due to affiliated companies | | 183,285 | 27,463 |
| Derivative financial instruments | 14 | — | 1,176 |
| Other accrued liabilities | | 3,333,491 | 2,642,619 |
| Total current liabilities | | 40,283,067 | 36,176,611 |
| Non-current liabilities: | | | |
| Long-term debt, net of current portion | 13 | 59,743,100 | 52,616,419 |
| Finance lease obligations, net of current portion | 13 | 4,494,549 | 4,531,893 |
| Derivative financial instruments | 14 | 335,336 | 351,586 |
| Customer deposits and advances | | 474,011 | 769,301 |
| Income taxes payable | 23 | 6,800,806 | 372,071 |
| Other long-term liabilities | | 3,318,808 | 1,605,815 |
| Post-employment benefits | 15 | 79,810 | 38,852 |
| Total non-current liabilities | | 75,246,420 | 60,285,937 |
| Total liabilities | | 115,529,487 | 96,462,548 |
| EQUITY | | | |
| Capital stock | 16 | 4,978,126 | 4,978,126 |
| Additional paid-in-capital | | 15,889,819 | 15,889,819 |
| Retained earnings | 17 | 56,897,886 | 51,073,399 |
| Accumulated other comprehensive income, net | 17 | 3,394,051 | 1,805,884 |
| Shares repurchased | 16 | (12,848,448) | (13,103,223) |
| Equity attributable to stockholders of the Company | | 68,311,434 | 60,644,005 |
| Non-controlling interests | 18 | 10,267,999 | 7,890,598 |
| Total equity | | 78,579,433 | 68,534,603 |
| Total liabilities and equity | | Ps. 194,108,920 | Ps. 164,997,151 |

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

Consolidated statements of income

For the Years ended December 31, 2013, 2012 and 2011
(In thousands of Mexican Pesos, except per CPO amounts)
(Notes 1, 2 and 3)

| | Notes | 2013 | 2012 | 2011 |
|----------------------------------------------------------------------|-------|-----------------------|----------------|----------------|
| Net sales | 25 | Ps. 73,790,711 | Ps. 69,290,409 | Ps. 62,581,541 |
| Cost of sales | 20 | 39,602,423 | 36,795,944 | 33,486,015 |
| Selling expenses | 20 | 7,280,649 | 6,251,773 | 5,500,628 |
| Administrative expenses | 20 | 8,086,154 | 7,452,707 | 6,727,561 |
| Income before other expense | 25 | 18,821,485 | 18,789,985 | 16,867,337 |
| Other expense, net | 21 | (83,150) | (650,432) | (593,661) |
| Operating income | | 18,738,335 | 18,139,553 | 16,273,676 |
| Finance expense | 22 | (5,086,972) | (4,522,185) | (5,787,493) |
| Finance income | 22 | 5,971,689 | 1,171,693 | 1,146,517 |
| Finance income (expense), net | | 884,717 | (3,350,492) | (4,640,976) |
| Share of loss of joint ventures and associates, net | 10 | (5,659,963) | (666,602) | (449,318) |
| Income before income taxes | | 13,963,089 | 14,122,459 | 11,183,382 |
| Income taxes | 23 | 3,728,962 | 4,053,291 | 3,226,067 |
| Net income | | Ps. 10,234,127 | Ps. 10,069,168 | Ps. 7,957,315 |
| Net income attributable to: | | | | |
| Stockholders of the Company | | Ps. 7,748,279 | Ps. 8,760,637 | Ps. 6,665,936 |
| Non-controlling interests | 18 | 2,485,848 | 1,308,531 | 1,291,379 |
| Net income | | Ps. 10,234,127 | Ps. 10,069,168 | Ps. 7,957,315 |
| Basic earnings per CPO attributable to stockholders of the Company | 24 | Ps. 2.71 | Ps. 3.08 | Ps. 2.37 |
| Diluted earnings per CPO attributable to stockholders of the Company | 24 | Ps. 2.50 | Ps. 2.83 | Ps. 2.24 |

Consolidated statements of comprehensive income

For the Years Ended December 31, 2013, 2012 and 2011
(In thousands of Mexican Pesos)
(Notes 1, 2 and 3)

| | Notes | 2013 | 2012 | 2011 |
|-----------------------------------------------------------------------------|-------|-----------------------|----------------|---------------|
| Net income | | Ps. 10,234,127 | Ps. 10,069,168 | Ps. 7,957,315 |
| Other comprehensive income (loss): | | | | |
| Items that will not be reclassified to income: | | | | |
| Remeasurement of post-employment benefit obligations | 15 | 133,863 | (75,065) | 2,218 |
| Items that may be subsequently reclassified to income: | | | | |
| Exchange differences on translating foreign operations | | 64,591 | (287,343) | 241,725 |
| Equity instruments | 9 | 254,662 | 212,948 | — |
| Cash flow hedges | | 17,025 | (141,098) | 150,016 |
| 1.5% Convertible debentures due 2025 issued by BMP | 9 | 592,810 | 1,202,489 | 545,136 |
| Convertible debentures issued by GSF: | | | | |
| (Loss) gain from changes in fair value | 9 | — | (1,628,675) | 695,675 |
| Reclassification to other finance expense | 9 | — | 933,000 | — |
| Convertible debt instruments issued by Ares | 9 | 100,333 | — | — |
| Long-term debt instrument issued by Ares | 9 | (54,184) | — | — |
| Available-for-sale investments | 9 | 987,671 | 377,863 | (402,187) |
| Share of other comprehensive income (loss) of joint ventures and associates | 10 | 105,259 | 50,606 | (37,314) |
| Other comprehensive income before income taxes | | 2,202,030 | 644,725 | 1,195,269 |
| Income taxes | 23 | (602,684) | (183,474) | (344,169) |
| Other comprehensive income | | 1,599,346 | 461,251 | 851,100 |
| Total comprehensive income | | Ps. 11,833,473 | Ps. 10,530,419 | Ps. 8,808,415 |
| Total comprehensive income attributable to: | | | | |
| Stockholders of the Company | | Ps. 9,336,446 | Ps. 9,243,319 | Ps. 7,442,603 |
| Non-controlling interests | 18 | 2,497,027 | 1,287,100 | 1,365,812 |
| Total comprehensive income | | Ps. 11,833,473 | Ps. 10,530,419 | Ps. 8,808,415 |

Consolidated statements of changes in equity

For the Years Ended December 31, 2013, 2012 and 2011
(In thousands of Mexican Pesos)
(Notes 1, 2 and 3)

| | Capital Stock Issued (Note 16) | Additional Paid-in Capital | Retained Earnings (Note 17) |
|----------------------------------------------------------------|--------------------------------------|-------------------------------|-----------------------------------|
| Balance at January 1, 2011 | Ps. 4,883,782 | Ps. 3,844,524 | Ps. 41,493,638 |
| Dividends | — | — | (1,023,012) |
| Shares issued | 120,787 | 10,379,213 | — |
| Shares repurchased | — | — | — |
| Sale of shares | — | — | (697,467) |
| Acquisition of a non-controlling interest in Cablemás (Note 3) | 36,239 | 1,666,082 | (1,595,796) |
| Stock-based compensation | — | — | 649,325 |
| Other adjustments to non-controlling interests | — | — | — |
| Comprehensive income | — | — | 6,665,936 |
| Balance at December 31, 2011 | 5,040,808 | 15,889,819 | 45,492,624 |
| Dividends | — | — | (1,002,692) |
| Share cancellation | (62,682) | — | (1,929,032) |
| Shares repurchased | — | — | — |
| Sale of shares | — | — | (876,775) |
| Stock-based compensation | — | — | 628,637 |
| Other adjustments to non-controlling interests | — | — | — |
| Comprehensive income | — | — | 8,760,637 |
| Balance at December 31, 2012 | 4,978,126 | 15,889,819 | 51,073,399 |
| Dividends | — | — | (2,168,384) |
| Adjustment for adoption of IAS 19, as amended (Note 1 (t)) | — | — | (101,814) |
| Shares repurchased | — | — | — |
| Sale of shares | — | — | (254,775) |
| Stock-based compensation | — | — | 601,181 |
| Other adjustments to non-controlling interests | — | — | — |
| Comprehensive income | — | — | 7,748,279 |
| Balance at December 31, 2013 | Ps. 4,978,126 | Ps. 15,889,819 | Ps. 56,897,886 |

| | Accumulated Other Comprehensive Income (Note 17) | Shares Repurchased (Note 16) | Equity Attributable to Stockholders of the Company | Non-controlling Interests (Note 18) | Total Equity | |
|-----|--------------------------------------------------------------|------------------------------------|-------------------------------------------------------------|-------------------------------------------|--------------|--------------|
| Ps. | 546,535 | Ps. (6,156,625) | Ps. 44,611,854 | Ps. 8,628,731 | Ps. | 53,240,585 |
| | — | — | (1,023,012) | (2,202,243) | | (3,225,255) |
| | — | — | 10,500,000 | (39,454) | | 10,460,546 |
| | — | (11,442,740) | (11,442,740) | — | | (11,442,740) |
| | — | 1,627,655 | 930,188 | — | | 930,188 |
| | — | — | 106,525 | (470,076) | | (363,551) |
| | — | — | 649,325 | — | | 649,325 |
| | — | — | — | 31,862 | | 31,862 |
| | 776,667 | — | 7,442,603 | 1,365,812 | | 8,808,415 |
| | 1,323,202 | (15,971,710) | 51,774,743 | 7,314,632 | | 59,089,375 |
| | — | — | (1,002,692) | (672,988) | | (1,675,680) |
| | — | 1,991,714 | — | — | | — |
| | — | (533,038) | (533,038) | — | | (533,038) |
| | — | 1,409,811 | 533,036 | — | | 533,036 |
| | — | — | 628,637 | — | | 628,637 |
| | — | — | — | (38,146) | | (38,146) |
| | 482,682 | — | 9,243,319 | 1,287,100 | | 10,530,419 |
| | 1,805,884 | (13,103,223) | 60,644,005 | 7,890,598 | | 68,534,603 |
| | — | — | (2,168,384) | (118,238) | | (2,286,622) |
| | — | — | (101,814) | (1,088) | | (102,902) |
| | — | (1,057,083) | (1,057,083) | — | | (1,057,083) |
| | — | 1,311,858 | 1,057,083 | — | | 1,057,083 |
| | — | — | 601,181 | — | | 601,181 |
| | — | — | — | (300) | | (300) |
| | 1,588,167 | — | 9,336,446 | 2,497,027 | | 11,833,473 |
| Ps. | 3,394,051 | Ps.(12,848,448) | Ps. 68,311,434 | Ps. 10,267,999 | Ps. | 78,579,433 |

Consolidated statements of cash flows

For the Years Ended December 31, 2013, 2012 and 2011

(In thousands of Mexican Pesos)

(Notes 1, 2 and 3)

| | 2013 | 2012 | 2011 |
|---------------------------------------------------------------------------------------------------|----------------|----------------|----------------|
| Operating Activities: | | | |
| Income before income taxes | Ps. 13,963,089 | Ps. 14,122,459 | Ps. 11,183,382 |
| Adjustments to reconcile income before income taxes to net cash provided by operating activities: | | | |
| Share of loss of joint ventures and associates | 5,659,963 | 666,602 | 449,318 |
| Depreciation and amortization | 9,846,366 | 8,474,240 | 7,361,552 |
| Write-off and other amortization of assets | 185,080 | 221,204 | 275,794 |
| Impairment of long-lived assets | 59,648 | — | — |
| Disposition of property, plant and equipment | 236,667 | 270,556 | 61,633 |
| Provision for doubtful accounts and write-off of receivables | 873,097 | 814,153 | 689,057 |
| Post-employment benefits | 143,133 | 183,523 | 93,561 |
| Interest income | (192,712) | (106,529) | (226,769) |
| Stock-based compensation | 601,181 | 628,637 | 649,325 |
| Derivative financial instruments | (4,841,734) | 152,909 | 899,410 |
| Gain on disposition of investments | — | (24,856) | — |
| Interest expense | 4,803,151 | 4,369,276 | 4,174,455 |
| Unrealized foreign exchange loss (gain), net | 128,619 | (540,302) | 952,440 |
| | 31,465,548 | 29,231,872 | 26,563,158 |
| Increase in trade notes and accounts receivable, net | (2,604,151) | (594,478) | (2,097,433) |
| Increase in transmission rights and programming | (3,133,650) | (599,758) | (1,355,910) |
| Decrease (increase) in due from affiliated companies, net | 154,301 | (1,057,783) | (134,595) |
| Increase in inventories | (238,760) | (27,207) | (113,275) |
| (Increase) decrease in other accounts and notes receivable and other current assets | (2,290,656) | (761,179) | 1,367,361 |
| Increase (decrease) in trade payable | 2,159,414 | 711,155 | (21,162) |
| Increase in customer deposits and advances | 448,725 | 608,647 | 2,269,052 |
| Increase (decrease) in other liabilities, taxes payable and deferred taxes | 2,639,723 | (834,293) | 112,785 |
| Increase in post-employment benefits | 404 | 414,230 | 36,235 |
| Income taxes paid | (4,794,693) | (4,535,143) | (3,622,589) |
| | (7,659,343) | (6,675,809) | (3,559,531) |
| Net cash provided by operating activities | 23,806,205 | 22,556,063 | 23,003,627 |
| Investing activities: | | | |
| Temporary investments, net | 1,604,322 | 170,396 | 5,238,418 |
| Due from affiliated companies, net | 9,882 | (18,140) | (64,800) |
| Held-to-maturity and available-for-sale investments | (517,199) | (274,958) | (313,853) |
| Disposition of held-to-maturity and available-for-sale investments | 263,737 | 308,643 | 580,793 |
| Investments in financial instruments | (9,492,744) | — | — |
| Investment in convertible debentures | — | — | (19,229,056) |
| Equity method and other investments | (1,588,925) | (452,023) | (1,907,471) |
| Disposition of equity method and other investments | — | 12,830 | 66,310 |
| Investments in property, plant and equipment | (14,870,672) | (11,428,422) | (9,668,501) |
| Disposition of property, plant and equipment | 169,218 | 336,278 | 529,970 |
| Investments in intangible assets | (824,072) | (822,027) | (464,156) |
| Net cash used in investing activities | (25,246,453) | (12,167,423) | (25,232,346) |
| Financing activities: | | | |
| Long-term Mexican banks | 493,383 | 239,400 | 9,700,000 |
| Issuance of Senior Notes due 2043 | 6,437,204 | — | — |
| Repayment of Senior Notes due 2011 | — | — | (898,776) |
| Prepayment of bank loan facility (Empresas Cablevisión) | — | — | (2,700,135) |
| Repayment of Mexican peso debt | (375,000) | (1,020,000) | (410,000) |
| Capital lease payments | (376,159) | (645,184) | (332,673) |
| Interest paid | (4,681,676) | (4,355,869) | (4,067,162) |
| Repurchase of capital stock | (1,057,083) | (533,036) | (942,740) |
| Sale of capital stock | 1,057,083 | 533,036 | 930,188 |
| Dividends paid | (2,168,384) | (1,002,692) | (1,023,012) |
| Non-controlling interests | (112,651) | (672,988) | (2,649,274) |
| Derivative financial instruments | (140,534) | (90,466) | (149,518) |
| Net cash used in financing activities | (923,817) | (7,547,799) | (2,543,102) |
| Effect of exchange rate changes on cash and cash equivalents | (7,227) | (53,440) | 105,214 |
| Net (decrease) increase in cash and cash equivalents | (2,371,292) | 2,787,401 | (4,666,607) |
| Cash and cash equivalents at beginning of year | 19,063,325 | 16,275,924 | 20,942,531 |
| Cash and cash equivalents at end of year | Ps. 16,692,033 | Ps. 19,063,325 | Ps. 16,275,924 |

Non-cash transactions:

The principal non-cash transactions in 2013 included an impairment adjustment to the Group's joint venture investment in GSF (see Note 3); a favorable change in fair value in the Group's investment in Convertible Debentures of BMP (see Note 9); and the acquisition of assets under lease agreements recognized as finance leases (see Notes 13 and 19). The principal non-cash transactions in 2012 and 2011 included the acquisition in 2012 of property and equipment and intangible assets under lease agreements recognized as finance leases (see Notes 11, 13 and 19); and the issuance of shares of the Company in 2011 as consideration for the acquisition of a non-controlling interest in Cablemás (see Notes 3 and 16).

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

Notes to consolidated financial statements

For the Years Ended December 31, 2013, 2012 and 2011

(In thousands of Mexican Pesos, except per CPO, per share, par value and exchange rate amounts)

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 Depositary Shares or GDSs, on the New York Stock Exchange, or NYSE, under the ticker symbol TV. The Company's principal executive offices are located at Avenida Vasco de Quiroga 2000, Colonia Santa Fe, 01210 México, D. F., México.

Grupo Televisa, S.A.B. together with its subsidiaries (collectively, the "Group") is the largest media company in the Spanish-speaking world based on its market capitalization and a major participant in the international entertainment business. It operates four broadcast channels in Mexico City and distributes its audiovisual content through different platforms in Mexico, produces and distributes 24 pay-TV brands for distribution in Mexico and the rest of the world, and exports its programs and formats to the United States through Univision Communications Inc. ("Univision") and to other television networks in over 50 countries. The Group is also an active participant in Mexico's telecommunications industry. It has a majority interest in Sky, a leading direct-to-home satellite television system operating in Mexico, the Dominican Republic and Central America, and in four cable and telecommunications businesses: Cablevisión, Cablemás, TVI, and Bestel, which offer pay-TV, video, voice and broadband services. The Group also has interests in magazine publishing and distribution, radio production and broadcasting, professional sports and live entertainment, feature-film production and distribution, the operation of a horizontal Internet portal, and gaming. In addition, the Group has a 50% equity stake in GSF Telecom Holdings, S.A.P.I. de C.V. ("GSF"), the controlling company of Grupo Iusacell, S.A. de C.V. ("Iusacell"), Mexico's third mobile telecom provider based on its subscribers. In the United States, the Group has equity and debentures that, upon conversion and subject to any necessary approval from the Federal Communications Commission in the United States, would represent approximately 38% on a fully-diluted, as-covered basis of the equity capital in Broadcasting Media Partners, Inc. ("BMP"), the controlling company of Univision, the leading media company serving the United States Hispanic market.

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

As required by regulations issued by the Mexican Banking and Securities Commission ("Comisión Nacional Bancaria y de Valores") for listed companies in Mexico, beginning on January 1, 2012, the Group discontinued using Mexican Financial Reporting Standards ("Mexican FRS") as issued by the Mexican Financial Reporting Standards Board ("Consejo Mexicano de Normas de Información Financiera" or "CINIF") and began using International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB") for financial reporting purposes. 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 of the Group as of December 31, 2013 and 2012, and for the years ended December 31, 2013, 2012 and 2011, are presented in accordance with IFRSs as issued by the IASB. Through December 31, 2011 the consolidated financial statements of the Group were reported in accordance with Mexican FRS.

The consolidated financial statements have been prepared on a historical cost basis, except by the measurement at fair value of temporary investments, derivative financial instruments, available-for-sale financial assets, and equity financial instruments 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 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 8, 2014, 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 financial statements.

Subsidiaries

Subsidiaries are all entities over which the Company has control. The Group controls an entity when this 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.

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 relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries

When the Company ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit 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, 2013, 2012 and 2011, the main subsidiaries of the Company were as follows:

| Entity | Company's Ownership Interest ⁽¹⁾ | Business Segment ⁽²⁾ |
|-------------------------------------------------------------------------------------------------------------|---------------------------------------------|---------------------------------|
| Grupo Telesistema, S.A. de C.V. and subsidiaries | 100% | Content |
| 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. ⁽⁴⁾ | 100% | Content |
| Editorial Televisa, S.A. de C.V. and subsidiaries | 100% | Publishing |
| Innova, S. de R.L. de C.V. and subsidiaries (collectively, "Sky") ⁽⁵⁾ | 58.7% | Sky |
| Empresas Cablevisión, S.A.B. de C.V. and subsidiaries (collectively, "Empresas Cablevisión") ⁽⁶⁾ | 51% | Cable and Telecom |
| The subsidiaries engaged in the Cablemás business (collectively, "Cablemás") ⁽⁷⁾ | 100% | Cable and Telecom |
| Televisión Internacional, S.A. de C.V. and subsidiaries (collectively, "TVI") ⁽⁸⁾ | 50% | Cable and Telecom |
| Cablestar, S.A. de C.V. and subsidiaries ⁽⁹⁾ | 66.1% | Cable and Telecom |
| Corporativo Vasco de Quiroga, S.A. de C.V. ⁽¹⁰⁾ | 100% | Cable and Telecom |
| Consorcio Nekeas, 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. and subsidiaries ⁽¹¹⁾ | 50% | Other Businesses |
| Televisa Juegos, S.A. de C.V. and subsidiaries | 100% | Other Businesses |

⁽¹⁾ Percentage of equity interest directly or indirectly held by the Company in the parent company of the consolidated entity.

⁽²⁾ See Note 25 for a description of each of the Group's business segments.

⁽³⁾ Televisa, S.A. de C.V. and G-Televisa-D, S.A. de C.V. are direct subsidiaries of Grupo Telesistema, S.A. de C.V.

⁽⁴⁾ Multimedia Telecom, S.A. de C.V. is an indirect subsidiary of Grupo Telesistema, S.A. de C.V. through which it owns 8% of the capital stock of BMP and maintains an investment in Convertible Debentures issued by BMP.

⁽⁵⁾ Innova, S. de R.L. de C.V. 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. Sky is a satellite television provider in Mexico, Central America and the Dominican Republic. Although the Company holds a majority of Sky's equity and designates a majority of the members of Sky's Board of Directors, the non-controlling interest has certain governance and veto rights in Sky, 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 the relevant activities.

⁽⁶⁾ Empresas Cablevisión, S.A.B. de C.V. is an indirect majority-owned subsidiary of the Company and a direct majority-owned subsidiary of Editora Factum, S.A. de C.V.

⁽⁷⁾ Cablemás, S.A. de C.V., the former holding company of the subsidiaries engaged in the Cablemás business, which includes the operation of cable and telecommunication networks covering 50 cities of Mexico, was merged into the Company on April 29, 2011. As a result of this merger, the Company became the direct holding company of the subsidiaries engaged in the Cablemás business (see Note 3).

⁽⁸⁾ TVI is an indirect subsidiary of the Company and a direct subsidiary of Cable TV Internacional, S.A. de C.V. The Company consolidates TVI because it appoints the majority of the members of the Board of Directors.

⁽⁹⁾ Cablestar, S.A. de C.V. is an indirect majority-owned subsidiary of Empresas Cablevisión, S.A.B. de C.V. and a direct majority-owned subsidiary of Milar, S.A. de C.V.

⁽¹⁰⁾ Corporativo Vasco de Quiroga, S.A. de C.V. is a direct subsidiary of the Company through which the Company owns 50% of the capital stock of GSF.

⁽¹¹⁾ Sistema Radiópolis, S.A. de C.V. ("Radiópolis") is an indirect 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.

The Group's Content, Sky and Cable and Telecom segments, as well as the Group's Radio business, which is reported in the Other Businesses segment, require concessions (licenses) granted by the Mexican Federal Government for a fixed term, subject to renewal in accordance with Mexican law. 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 (licenses) or permits granted by local regulatory authorities for a fixed term, subject to renewal in accordance with local laws. The concessions and licenses held by the Group are not subject to pricing regulations. At December 31, 2013, the expiration dates of the Group's concessions and permits were as follows:

| Segments | Expiration Dates |
|-------------------|---------------------------|
| Content | In 2021 |
| Sky | Various from 2015 to 2027 |
| Cable and Telecom | Various from 2014 to 2041 |
| Other Businesses: | |
| Radio | Various from 2015 to 2020 |
| Gaming | In 2030 |

(c) Investments in Joint Ventures and Associates

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. 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 ventures and associates 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.

As of December 31, 2013 and 2012, the Group had investments in joint ventures and associates, including a 50% joint interest in GSF and an 8% interest in BMP. GSF is the parent company of Iusacell, a provider of telecommunication services, primarily engaged in providing mobile services throughout Mexico; and BMP is the parent company of Univision, the premier Spanish-language media company in the United States (see Notes 3, 9 and 10).

The Group recognizes its share of losses of a joint venture or an associate 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 a joint venture or an associate 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 a joint venture or an associate equals or exceeds its interest in the investee, the Group discontinues recognizing its share of further losses. The interest in a joint venture or an associate 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 joint venture or associate.

(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 re-measured. 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 Non-Mexican subsidiaries' financial statements

The financial statements of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities are translated at the closing rate at the date of the statement of financial position; (b) income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and (c) all resulting translation differences are recognized in other comprehensive income or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Translation differences arising are recognized in other comprehensive income or loss.

Assets and liabilities of non-Mexican subsidiaries that use the Mexican Peso as a functional currency are translated into Mexican Pesos by utilizing the exchange rate of the statement of financial position date for monetary assets and liabilities, and historical exchange rates for nonmonetary items, with the related adjustment included in the consolidated statement of income as income or finance expense.

Beginning in the third quarter of 2011, the Group 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 BMP, which amounted to U.S.\$218.9 million (Ps.2,862,147) and U.S.\$197.7 million (Ps.2,539,814) as of December 31, 2013 and 2012, 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 Notes 3, 9 and 23).

(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/or other financial instruments, 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 the income statement, except the current maturities of non-current held-to-maturity securities which are measured at amortized cost.

As of December 31, 2013 and 2012, 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 0.12% for U.S. dollar deposits and 4.12% for Mexican peso deposits in 2013, and approximately 0.23% for U.S. dollar deposits and 4.56% for Mexican peso deposits in 2012.

(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.

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 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 costs estimated 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 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" and "other accounts and notes receivable" 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 statements 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.

(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 | 3-20 years |
| Satellite transponders | 15 years |
| Furniture and fixtures | 3-11 years |
| Transportation equipment | 4-8 years |
| Computer equipment | 3-5 years |
| Leasehold improvements | 2-20 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, publishing trademarks and television network concessions, are not amortized. 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 |

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 Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable 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 payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

(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.

(o) Customer Deposits and Advances

Customer deposit and advance agreements for television advertising services provide that customers receive preferential prices that are fixed for the contract period for television broadcast advertising time based on rates established by the Group. Such rates vary depending on when the advertisement is aired, including the season, hour, day, rating 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.

(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.
- 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.
- 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 telecommunications and data services are recognized in the period in which these services are provided. Telecommunications services include long distance and local telephony, as well as leasing and maintenance of telecommunications facilities.

- 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.

In the first quarter of 2013, the Group adopted the provisions of IAS 19, *Employee Benefits*, as amended, which became effective on January 1, 2013. The amended IAS 19 eliminated the corridor approach for the recognition of remeasurement of post-employment benefit obligations, and requires the calculation of finance costs on a net funding basis. Also, the amended IAS 19 requires the recognition of past service cost as an expense at the earlier of the following dates: (i) when the plan amendment or curtailment occurs; and (ii) when the entity recognizes related restructuring costs or termination benefits. As a result of the adoption of the amended IAS 19, the Group adjusted a consolidated unamortized past service cost balance and consolidated retained earnings as of January 1, 2013 in the aggregate amount of Ps.102,902 (see Note 15).

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 is within the scope of IAS 37 and 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 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 liability is provided on taxable temporary differences associated with investments in subsidiaries, joint ventures and associates, except for deferred income tax liability 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 asset is 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.

(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 accumulated other comprehensive income 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. 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, 2013 and 2012, 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) Stock-based Compensation

The share-based compensation expense is measured at fair value at the date the equity benefits are conditionally sold to officers and employees, and is recognized in consolidated stockholders' equity with charge to consolidated income (administrative expense) over the vesting period (see Note 16). The Group accrued a stock-based compensation expense of Ps.601,181 and Ps.628,637 for the years ended December 31, 2013 and 2012, 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 IFRS

New and amended standards adopted by the Group

The following standards have been adopted by the Group for the first time for the financial year beginning on or after January 1, 2013. The application of the following standards did not have significant impact on the Group's consolidated financial statements in accordance with IFRS: IAS 19 *Employee Benefits* (as amended in 2011); IAS 28 *Investments in Associates and Joint Ventures* (as amended in 2011); IFRS 10 *Consolidated Financial Statements*; IFRS 11 *Joint Arrangements*; IFRS 12 *Disclosures of Interests in Other Entities* and IFRS 13 *Fair Value Measurement*.

New and amended standards not yet adopted

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, 2014. Management has evaluated the potential impact of these pronouncements and concluded that they are not expected to have a significant impact on the Group's consolidated financial statements in accordance with IFRSs.

| New or Amended Standard | Content | Effective for Annual Periods Beginning On or After |
|-------------------------------|--------------------------------------------------------------|----------------------------------------------------|
| IAS 36 (amended in May 2013) | Recoverable Amount Disclosures for Non-Financial Assets | January 1, 2014 |
| IAS 39 (amended in June 2013) | Novation of Derivatives and Continuation of Hedge Accounting | January 1, 2014 |
| IFRS 9 | Financial Instruments | January 1, 2018 |
| IFRIC 21 | Leases | January 1, 2014 |
| Annual Improvements to IFRSs | 2010-2012 Cycle | July 1, 2014 |
| Annual Improvements to IFRSs | 2011-2013 Cycle | July 1, 2014 |
| IFRS 14 | Regulatory Deferral Accounts | January 1, 2016 |

IAS 36 *Impairment of Assets* (as amended in May 2013) removed certain disclosures of the recoverable amount of cash generating units, which had been included in IAS 36 *Impairment of Assets* by the issue of IFRS 13 *Fair Value Measurement*.

IAS 39 *Financial Instruments: Recognition and Measurement* (as amended in June 2013) allows hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met. In this context, a novation indicates that parties to a contract agree to replace their original counterparty with a new one.

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.

IFRIC 21 *Levies* was issued in May 2013 as an interpretation of IAS 37, *Provisions, contingent liabilities and contingent assets* ("IAS 37"), on the accounting for levies imposed by governments. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The interpretation clarifies that the obligating event that give rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

Annual Improvements to IFRSs 2010-2012 Cycle and *Annual Improvements to IFRSs 2011-2013 Cycle* were published in December 2013 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 2010-2012 Cycle | Subject of Amendment |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| IFRS 2 <i>Share-based Payment</i> IFRS 3 <i>Business Combinations</i> IFRS 8 <i>Operating Segments</i> | Definition of vesting condition Accounting for contingent consideration in a business combination Aggregation of operating segments. Reconciliation of the total of the reportable segments' assets to the entity's assets |
| IFRS 13 <i>Fair Value Measurement</i> IAS 16 <i>Property, Plant and Equipment</i> IAS 24 <i>Related Party Disclosures</i> IAS 38 <i>Intangible Assets</i> | Short-term receivables and payables Revaluation method – proportionate restatement of accumulated depreciation Key management personnel Revaluation method – proportionate restatement of accumulated amortization |
| Annual Improvements 2011-2013 Cycle | Subject of Amendment |
| IFRS 1 <i>First-time Adoption of IFRSs</i> IFRS 3 <i>Business Combinations</i> IFRS 13 <i>Fair Value Measurement</i> IAS 40 <i>Investment property</i> | Meaning of "effective IFRSs" Scope exceptions for joint ventures Scope of paragraph 52 (portfolio exception) Clarifying the interrelationship between IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property |

IFRS 14 *Regulatory Deferral Accounts* ("IFRS 14") enhances the comparability of financial reporting by entities that are engaged in rate-regulated activities. IFRS 14 was issued in January 2014 as an interim standard and does not provide any specific guidance for rate-regulated activities, which are subject to a comprehensive project being developed by the IASB. IFRS 14 is intended for first-time adopters of IFRSs, and an entity that already presents IFRS financial statements is not eligible to apply this standard.

3. Acquisitions, Investments and Dispositions

In July 2013, the Group made an investment in the amount of Ps.7,000,000 in convertible debt instruments which, subject to regulatory approvals, will allow the Group to acquire 95% of the equity interest of Tenedora Ares, S.A.P.I. de C.V. ("Ares"), owner of 51% of the equity interest of Grupo Cable TV, S.A. de C.V. ("Cablecom"), a telecommunications company that offers video, telephony, data and other telecom services in Mexico. In addition, Ares will have an option to acquire in the future, subject to regulatory approvals, the remaining 49% of the equity interest of Cablecom at a value of approximately 9.3 times earnings before interest, taxes, depreciation and amortization ("EBITDA") of Cablecom, as defined, of the 12-month period preceding the closing of such acquisition. In addition, as part of this transaction, the Group also invested in a long-term debt instrument issued by Ares in the amount of U.S.\$195 million (Ps.2,549,625) (see Notes 9, 14 and 19).

In December 2011, the Company agreed to exchange on a non-cash basis its 40.8% interest in Gestora de Inversiones Audiovisuales La Sexta, S.A. ("La Sexta"), a free-to-air television channel in Spain, for a 14.5% equity participation in Imagina Media Audiovisual, S. L. ("Imagina"), a significant provider of content and audiovisual services for the media and entertainment industry in Spain. All closing conditions applicable to this transaction were met on February 29, 2012, and the Company recognized a pre-tax gain of Ps.24,856 as a result of this transaction in the consolidated statement of income for the year ended December 31, 2012, and classified its investment in Imagina as an equity financial instrument, with changes in related fair value recognized as other comprehensive income or loss (see Notes 9 and 21).

In April 2011, the Company, Iusacell and GSF reached an agreement under which the Group made an investment intended to hold a 50% equity stake in GSF, which consisted of (i) U.S.\$37.5 million (Ps.442,001) in 1.093875% of the outstanding shares of common stock of GSF, which amount was paid in cash by the Group in April 2011; and (ii) U.S.\$1,565 million (Ps.19,229,056) in unsecured debentures issued by GSF that were mandatorily convertible into shares of common stock of GSF, subject to regulatory approval and other customary closing conditions. The debentures issued by GSF were divided into two tranches, the Series 1 Debentures and the Series 2 Debentures. The Series 1 Debentures were the 364,996 registered unsecured debentures of GSF, par value U.S.\$1,000 each, representing in the aggregate U.S.\$365 million (Ps.4,302,146), issued against the payment in cash made by the Group in April 2011. The Series 2 Debentures were the 1,200,000 registered unsecured debentures of GSF, par value U.S.\$1,000 each, representing in the aggregate U.S.\$1,200 million (Ps.14,926,910), issued against payments in cash made by the Group in the period from April through October 2011, in the aggregate amount of U.S.\$1,200 million (Ps.14,926,910). These debentures had a conversion date on or before December 2015, with an annual interest rate of 2%, which was receivable on a quarterly basis. In addition, the Company agreed to make an additional payment of U.S.\$400 million (Ps.5,230,000) to GSF if cumulative EBITDA of Iusacell, as defined, reaches U.S.\$3,472 million (Ps.45,396,400) at any time between 2011 and 2015. In June 2012, (i) the Mexican Antitrust Commission approved, subject to the acceptance of certain conditions, the conversion by the Group of the debentures issued by GSF into common stock of GSF; (ii) the Group accepted the conditions established by the Mexican Antitrust Commission and converted the debentures issued by GSF into common stock of GSF; and (iii) GSF became a jointly controlled entity of the Group with a 50% interest and the Group began to share equal governance rights with the other owner of GSF. As of June 30, 2012, the Group recognized at fair value its 50% interest in GSF in the amount of Ps.18,738,057, which included related intangible assets, and began to account for this joint venture by using the equity method. Before that date, this investment was accounted for as an equity financial instrument with changes in fair value recognized in other comprehensive income or loss. In connection with the conversion of debentures into common stock of GSF, the Group reclassified a cumulative net loss in fair value of Ps.933,000 recognized in other comprehensive income or loss through June 30, 2012, to other finance expense in the consolidated statement of income for the year ended December 31, 2012. During 2013, the Group made capital contributions in connection with its 50% interest in GSF in the aggregate amount of Ps.1,587,500 (see Notes 9, 10 and 22).

On March 31, 2011, the stockholders of Cablemás approved, among other matters, a capital increase in Cablemás, by which a wholly-owned subsidiary of the Company increased its equity interest in Cablemás from 58.3% to 90.8%. On April 29, 2011, the stockholders of the Company approved, among other matters: (i) the merger of Cablemás into the Company on that date, for which regulatory approvals were obtained in the first half of 2011; and (ii) an increase in the capital stock of the Company in connection with this merger, by which the Group's controlling interest in Cablemás increased from 90.8% to 100%. These transactions between stockholders, which were completed in October 2011, resulted in a net loss of Ps.1,595,796, which decreased retained earnings attributable to stockholders of the Company in the year ended December 31, 2011 (see Note 18).

On December 20, 2010, the Group, Univision, BMP and other parties affiliated with the investor groups that owned BMP entered into various agreements and completed certain transactions. As a result, the Group: (i) made an aggregate cash investment of U.S.\$1,255 million in BMP in the form of a capital contribution in the amount of U.S.\$130 million (Ps.1,613,892), representing 5% of the outstanding shares of common stock of BMP, and 1.5% Convertible Debentures of BMP due 2025 in the principal amount of U.S.\$1,125 million (Ps.13,904,222), which are convertible at the Company's option into additional shares equivalent to a 30% equity stake of BMP, subject to existing laws and regulations in the United States, and other conditions; (ii) acquired an option to purchase at fair value additional shares equivalent to a 5% equity stake of BMP, subject to existing laws and regulations in the United States, and other terms and conditions and (iii) sold to Univision its entire interest in TuTv, LLC ("TuTv"), which represented 50% of TuTv's capital stock, for an aggregate cash amount of U.S.\$55 million (Ps.681,725). In connection with this investment, (i) the Company entered into an amended Program License Agreement ("PLA") with Univision, 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 seven and one-half years after the Group has sold two-thirds of its initial investment in BMP, and which includes an increased percentage of royalties from Univision and (ii) the Group entered into a new program license agreement with Univision, the Mexico License Agreement ("MLA"), under which the Group has the right to broadcast certain Univision's content in Mexico for the same term as that of the PLA. In connection with its option to purchase at fair value additional shares equivalent to a 5% equity of BMP, in the fourth quarter of 2011 and third quarter of 2012, the Group entered into agreements to buy from existing BMP stockholders additional 219,125 shares and 97,389 shares, respectively, of common stock of BMP in the aggregate cash amount of U.S.\$49.1 million (Ps.669,392) and U.S.\$22.5 million (Ps.301,534), respectively. As a result of these acquisitions, the Group increased its equity stake in BMP to 7.1% and 8%, respectively (see Notes 9, 10 and 22).

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 following information includes "forward-looking statements" that involve risks and uncertainties. Actual results could differ from those presented.

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 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 2013 and 2012, 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, foreign currency exchange rates, and inflation rates. The objective in managing foreign currency and inflation 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, 2013, was as follows:

| | Foreign Currency Amounts (Thousands) | | Year-End Exchange Rate | | Mexican Pesos |
|---------------------|-----------------------------------------------|-----|---------------------------|-----|---------------|
| Assets: | | | | | |
| U.S. Dollars | 2,242,046 | Ps. | 13.0750 | Ps. | 29,314,751 |
| Euros | 30,228 | | 17.9846 | | 543,638 |
| Argentinean Pesos | 225,414 | | 2.0050 | | 451,955 |
| Chilean Pesos | 4,263,954 | | 0.0249 | | 106,172 |
| Colombian Pesos | 14,139,829 | | 0.0067 | | 94,737 |
| Other currencies | — | | — | | 326,788 |
| Liabilities: | | | | | |
| U.S. Dollars | 2,980,274 | Ps. | 13.0750 | Ps. | 38,967,082 |
| Euros | 10,974 | | 17.9846 | | 197,363 |
| Argentinean Pesos | 156,102 | | 2.0050 | | 312,985 |
| Chilean Pesos | 1,089,973 | | 0.0249 | | 27,140 |
| Colombian Pesos | 11,948,683 | | 0.0067 | | 80,056 |
| Other currencies | — | | — | | 83,433 |

As of April 8, 2014, the exchange rate was Ps.13.0315 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 also subject to the risk of foreign currency exchange rate fluctuations, resulting from the net monetary position in U.S. dollars of the Group's Mexican operations, as follows (in millions of U.S. dollars):

| | December 31, | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| | 2013 | 2012 |
| U.S. dollar-denominated monetary assets, primarily cash and cash equivalents, held-to-maturity investments, non-current investments, and convertible debentures ⁽¹⁾ | U.S.\$ 2,231.3 | U.S.\$ 2,285.5 |
| U.S. dollar-denominated monetary liabilities, primarily trade accounts payable, Senior debt securities and other notes payable ⁽²⁾ | (2,932.6) | (2,745.3) |
| Net liability position | U.S.\$ (701.3) | U.S.\$ (459.8) |

⁽¹⁾ In 2013 and 2012, include U.S. dollar equivalent amounts of U.S.\$ 35.2 million and U.S.\$108.4 million, respectively, related to other foreign currencies, primarily euros.

⁽²⁾ In 2013 and 2012, include U.S. dollar equivalent amounts of U.S.\$14.1 million and U.S.\$10.5 million, respectively, related to other foreign currencies, primarily euros.

At December 31, 2013, a hypothetical 10% appreciation / depreciation in the U.S. dollar to Mexican peso exchange rate would result in a gain/loss in earnings of Ps.916,913. At December 31, 2012, a hypothetical 10% appreciation / depreciation in the U.S. dollar to Mexican peso exchange rate would result in a gain/loss in earnings of Ps.590,821.

In December 2012 and 2011, the Group entered into foreign exchange option agreements to buy U.S.\$135.0 million and U.S.\$337.5 million, respectively, to hedge against a Mexican peso depreciation of 30% with various maturity dates until the end of 2015 and 2014, respectively. The fair value of these option contracts was an asset of Ps.6,122 and Ps.12,419 as of December 31, 2013 and 2012, respectively.

(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.

Based on various scenarios, the Group manages its cash flow interest rate risk by using cross-currency interest rate swap 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, 2013 and 2012. 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 conservative assumptions of expected near-term future changes in U.S. interest rates, Mexican interest rates, inflation rates and Mexican peso to U.S. dollar exchange rate of 10%. The results of the analyses do not purport to represent actual changes in fair value or losses in earnings that the Group will incur.

| | Fair Value at December 31, | |
|-------------------------------------------------------------------------|----------------------------|---------------|
| | 2013 | 2012 |
| Assets: | | |
| Temporary investments ⁽¹⁾ | Ps. 3,722,976 | Ps. 5,317,296 |
| 1.5% Convertible debentures due 2025 issued by BMP ⁽²⁾ | 7,675,036 | 6,990,427 |
| Embedded derivative BMP ⁽³⁾ | 14,761,677 | 9,611,873 |
| Convertible debt instruments issued by Ares ⁽⁴⁾ | 6,446,000 | — |
| Embedded derivative Ares ⁽¹⁹⁾ | 771,000 | — |
| Long-term debt instrument issued by Ares ⁽⁵⁾ | 2,521,999 | — |
| Long-term loan and interest receivable from GTAC ⁽⁶⁾ | 739,384 | 674,403 |
| Held-to-maturity investments ⁽⁷⁾ | 631,990 | 389,957 |
| Available-for-sale investments ⁽⁸⁾ | 4,015,105 | 2,986,933 |
| Shares of common stock of Imagina ⁽¹⁷⁾ | 1,169,002 | 867,581 |
| Derivative financial instruments ⁽¹⁸⁾ | 8,388 | 15,000 |
| Liabilities: | | |
| U.S. dollar-denominated debt: | | |
| Senior Notes due 2018 ⁽⁹⁾ | Ps. 7,305,656 | Ps. 7,565,438 |
| Senior Notes due 2025 ⁽¹⁰⁾ | 8,800,599 | 10,041,580 |
| Senior Notes due 2032 ⁽¹¹⁾ | 4,890,455 | 5,582,657 |
| Senior Notes due 2040 ⁽¹²⁾ | 8,386,462 | 9,981,058 |
| Peso-denominated debt: | | |
| Notes due 2020 ⁽¹⁴⁾ | 10,391,700 | 10,636,900 |
| Senior Notes due 2037 ⁽¹³⁾ | 4,377,420 | 5,191,110 |
| Senior Notes due 2043 ⁽¹⁵⁾ | 5,326,893 | — |
| Short-term and long-term notes payable to Mexican banks ⁽¹⁶⁾ | 14,413,969 | 14,535,200 |
| Derivative financial instruments ⁽¹⁸⁾ | 335,336 | 352,762 |

⁽¹⁾ At December 31, 2013, the Group's temporary investments consisted of highly liquid securities, including without limitation debt securities (primarily Mexican peso and U.S. dollar-denominated in 2013 and 2012). 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⁾ At December 31, 2013, these notes are recorded at fair value. Assuming an increase in the fair value of these notes of a hypothetical 10% increase in the fair value of these notes, the fair value would exceed the carrying value by approximately Ps.767,504 (U.S.\$58.7 million) at December 31, 2013.

⁽³⁾ At December 31, 2013, these notes are recorded at fair value. Assuming an increase in the fair value of these notes of a hypothetical 10% increase in the fair value of these notes, the fair value would exceed the carrying value by approximately Ps.1,476,168 (U.S.\$112.9 million) at December 31, 2013.

⁽⁴⁾ At December 31, 2013, these notes are recorded at fair value. Assuming an increase in the fair value of these notes of a hypothetical 10% increase in the fair value of these notes, the fair value would exceed the carrying value by approximately Ps.644,600 (U.S.\$49.3 million) at December 31, 2013.

⁽⁵⁾ At December 31, 2013, these notes are recorded at fair value. Assuming an increase in the fair value of these notes of a hypothetical 10% increase in the fair value of these notes, the fair value would exceed the carrying value by approximately Ps.252,200 (U.S.\$19.3 million) at December 31, 2013.

⁽⁶⁾ At December 31, 2013, fair value exceeded the carrying value of these notes by Ps.30,691 (U.S.\$2.3 million). Assuming an increase in the fair value of these notes of a hypothetical 10% increase in the fair value of these notes the fair value would exceed the carrying value by approximately Ps.104,629 (U.S.\$8.0 million) at December 31, 2013.

⁽⁷⁾ At December 31, 2013, fair value exceeded the carrying value of these notes by Ps.26 (U.S.\$0.0 million). Assuming an increase in the fair value of these notes of a hypothetical 10% increase in the quoted market price of these notes, the fair value would exceed the carrying value by approximately Ps.63,225 (U.S.\$4.8 million) at December 31, 2013.

⁽⁸⁾ At December 31, 2013, these investments are recorded at fair value. Assuming an increase in the fair value of these notes of a hypothetical 10% increase in the quoted market price of these notes, the fair value would exceed the carrying value by approximately Ps.401,511 (U.S.\$30.7 million) at December 31, 2013.

⁽⁹⁾ At December 31, 2013, fair value exceeded the carrying value of these notes by Ps.768,156 (U.S.\$58.8 million). Assuming an increase in the fair value of these notes of a hypothetical 10% increase in the quoted market price of these notes, the fair value would exceed the carrying value by approximately Ps.1,498,722 (U.S.\$114.6 million) at December 31, 2013.

⁽¹⁰⁾ At December 31, 2013, fair value exceeded the carrying value of these notes by Ps.955,599 (U.S.\$73.1 million). Assuming an increase in the fair value of these notes of a hypothetical 10% increase in the quoted market price of these notes, the fair value would exceed the carrying value by approximately Ps.1,835,659 (U.S.\$140.4 million) at December 31, 2013.

⁽¹¹⁾ At December 31, 2013, fair value exceeded the carrying value of these notes by Ps.967,955 (U.S.\$74.0 million). Assuming an increase in the fair value of these notes of a hypothetical 10% increase in the quoted market price of these notes, the fair value would exceed the carrying value by approximately Ps.1,457,001 (U.S.\$111.4 million) at December 31, 2013.

⁽¹²⁾ At December 31, 2013, fair value exceeded the carrying value of these notes by Ps.541,462 (U.S.\$41.4 million). Assuming an increase in the fair value of these notes of a hypothetical 10% increase in the quoted market price of these notes, the fair value would exceed the carrying value by approximately Ps.1,380,108 (U.S.\$105.6 million) at December 31, 2013.

⁽¹³⁾ At December 31, 2013, carrying value exceeded the fair value of these notes by Ps.122,580 (U.S.\$9.4 million). Assuming an increase in the fair value of these notes of a hypothetical 10% increase in the quoted market price of these notes, the fair value would exceed the carrying value by approximately Ps.315,162 (U.S.\$24.1 million) at December 31, 2013.

⁽¹⁴⁾ At December 31, 2013, fair value exceeded the carrying value of these notes by Ps.391,700 (U.S.\$30.0 million). Assuming an increase in the fair value of these notes of a hypothetical 10% increase in the quoted market price of these notes, the fair value would exceed the carrying value by approximately Ps.1,430,870 (U.S.\$109.4 million) at December 31, 2013.

⁽¹⁵⁾ At December 31, 2013, carrying value exceeded the fair value of these notes by Ps.1,173,107 (U.S.\$89.7 million). Assuming an increase in the fair value of these notes of a hypothetical 10% increase in the quoted market price of these notes, the carrying value would exceed the fair value by approximately Ps.640,418 (U.S.\$49.0 million) at December 31, 2013.

⁽¹⁶⁾ At December 31, 2013, fair value exceeded the carrying value of these notes by Ps.699,569 (U.S.\$53.5 million). At December 31, 2013, a hypothetical 10% increase in Mexican interest rates of these notes, the fair value would exceed the carrying value by approximately Ps.2,140,966 (U.S.\$163.7 million) at December 31, 2013.

⁽¹⁷⁾ At December 31, 2013, these shares are recorded at fair value. Assuming an increase in the fair value of these notes of a hypothetical 10% increase in the fair value of these notes, the fair value would exceed the carrying value by approximately Ps.116,900 (U.S.\$8.9 million) at December 31, 2013.

⁽¹⁸⁾ 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.

⁽¹⁹⁾ At December 31, 2013, these notes are recorded at fair value. Assuming an increase in the fair value of these notes of a hypothetical 10% increase in the fair value of these notes, the fair value would exceed the carrying value by approximately Ps.77,100 (U.S.\$5.9 million) at December 31, 2013.

(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, 2013 and 2012, the Group held cash and cash equivalents of Ps.16,692,033 and Ps.19,063,325, respectively, and temporary investments of Ps.3,722,976 and Ps.5,317,296, 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, 2014 to December 31, 2014 | 12-36 Months January 1, 2015 to December 31, 2016 | 36-60 Months January 1, 2017 to December 31, 2018 | Maturities Subsequent to December 31, 2018 | Total |
|-----------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------|---------------------------------------------------------|--------------------------------------------------|----------------|
| At December 31, 2013 | | | | | |
| Debt ⁽¹⁾ | Ps. 314,293 | Ps. 9,582,515 | Ps. 9,278,425 | Ps. 41,689,167 | Ps. 60,864,400 |
| Finance lease liabilities | 424,698 | 605,578 | 647,317 | 3,241,654 | 4,919,247 |
| Derivative financial instruments (interest rate swaps) | — | 133,184 | 203,614 | (1,462) | 335,336 |
| Trade and other payables | 1,484,716 | 1,938,870 | 795,118 | 342,137 | 4,560,841 |
| Interest on debt ⁽²⁾ | 3,521,590 | 8,128,689 | 6,785,739 | 38,490,977 | 56,926,995 |
| Interest on capital lease obligations | 310,310 | 547,933 | 565,041 | 1,207,587 | 2,630,871 |
| | Less Than 12 Months January 1, 2013 to December 31, 2013 | 12-36 Months January 1, 2014 to December 31, 2015 | 36-60 Months January 1, 2016 to December 31, 2017 | Maturities Subsequent to December 31, 2017 | Total |
| At December 31, 2012 | | | | | |
| Debt ⁽¹⁾ | Ps. 375,000 | Ps. 544,620 | Ps. 10,764,780 | Ps. 42,105,000 | Ps. 53,789,400 |
| Finance lease liabilities | 439,257 | 579,009 | 555,274 | 3,397,610 | 4,971,150 |
| Derivative financial instruments (interest rate swaps) | 1,176 | — | 132,075 | 219,511 | 352,762 |
| Trade and other payables | 1,374,217 | 785,371 | 347,181 | 248,968 | 2,755,737 |
| Interest on debt ⁽²⁾ | 3,092,753 | 7,599,347 | 6,359,931 | 29,393,902 | 46,445,933 |
| Interest on capital lease obligations | 313,541 | 588,826 | 529,550 | 1,343,278 | 2,775,195 |

⁽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, 2013 and 2012, based on contractual interest rate and exchange rates as of that date.

Certain of the Group's derivative financial instruments (coupon swaps) are in hedge relationships and are due to settle within 12 months of the statement of financial position date. These contracts require undiscounted contractual cash inflows of U.S.\$12.8 million and U.S.\$19.9 million in 2014 and 2013, respectively and undiscounted contractual cash outflows of Ps.165,316 and Ps.256,073 in 2014 and 2013, respectively.

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.

(b) Investments in Joint Ventures and Associates

Some of the Group's investments are structured as investments in joint ventures and associates (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 joint ventures and associates in the consolidated statement of income (see Note 10).

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

The Group periodically evaluates its investments in these joint ventures and associates for impairment, taking into consideration the performance of these ventures as compared to projections related to net sales, expenditures, strategic plans and future required cash contributions, among other factors. In doing so, 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 joint ventures and associates, future funding commitments and expectations as to the viability of the business. These conditions may change from year to year, and accordingly, 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 value in use 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 2013, the Group recorded impairments for goodwill and other indefinite-lived intangible assets related to its joint venture investment in capital stock of GSF, and its Publishing segment (see Notes 10 and 12).

There were no goodwill impairments recorded in 2012 and 2011.

(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.

6. Cash and Cash Equivalents and Temporary Investments

Cash and cash equivalents as of December 31, 2013 and 2012, consisted of:

| | 2013 | 2012 |
|---------------------------------------|----------------|----------------|
| Cash and bank accounts | Ps. 1,281,663 | Ps. 1,777,349 |
| Short-term investments ⁽¹⁾ | 15,410,370 | 17,285,976 |
| Total cash and cash equivalents | Ps. 16,692,033 | Ps. 19,063,325 |

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

Temporary investments as of December 31, 2013 and 2012, consisted of:

| | 2013 | 2012 |
|---------------------------------------------------------------|---------------|---------------|
| Short-term investments ⁽²⁾ | Ps. 12,202 | Ps. 43,435 |
| Other financial assets ⁽³⁾ | 3,675,632 | 5,153,058 |
| Current maturities of non-current held-to-maturity securities | 35,142 | 120,803 |
| Total temporary investments | Ps. 3,722,976 | Ps. 5,317,296 |

⁽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 and current held-to-maturity investments.

7. Trade Notes and Accounts Receivable, Net

Trade notes and accounts receivable as of December 31, 2013 and 2012, consisted of:

| | 2013 | 2012 |
|-----------------------------------------------------------------------------|----------------|----------------|
| Non-interest bearing notes received from customers as deposits and advances | Ps. 16,050,479 | Ps. 14,608,137 |
| Trade accounts receivable | 7,176,194 | 6,559,863 |
| Allowance for doubtful accounts | (2,492,536) | (2,185,723) |
| | Ps. 20,734,137 | Ps. 18,982,277 |

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

| | 2013 | 2012 |
|------------------|---------------|---------------|
| U.S. dollar | Ps. 1,524,245 | Ps. 1,714,614 |
| Other currencies | 561,990 | 512,573 |
| At December 31 | Ps. 2,086,235 | Ps. 2,227,187 |

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

| | 2013 | 2012 |
|--------------------------|-----------------|-----------------|
| At January 1 | Ps. (2,185,723) | Ps. (1,781,670) |
| Impairment provision | (789,895) | (781,949) |
| Write-off of receivables | 457,721 | 377,896 |
| Unused amounts reversed | 25,361 | — |
| At December 31 | Ps. (2,492,536) | Ps. (2,185,723) |

8. Transmission Rights and Programming

At December 31, 2013 and 2012, transmission rights and programming consisted of:

| | 2013 | 2012 |
|--------------------------------------------------------|-------------------|-------------------|
| Transmission rights | Ps. 8,947,399 | Ps. 6,609,643 |
| Programming | 5,088,049 | 4,288,314 |
| | 14,035,448 | 10,897,957 |
| Non-current portion of: | | |
| Transmission rights | 6,126,109 | 4,138,222 |
| Programming | 2,938,736 | 2,297,387 |
| | 9,064,845 | 6,435,609 |
| Current portion of transmission rights and programming | Ps. 4,970,603 | Ps. 4,462,348 |

9. Investments in Financial Instruments

At December 31, 2013 and 2012, the Group had the following investments in financial instruments:

| | 2013 | 2012 |
|-------------------------------------------------------------------|-----------------------|-----------------------|
| Available-for-sale financial assets: | | |
| 1.5% Convertible Debentures due 2025 issued by BMP ⁽¹⁾ | Ps. 7,675,036 | Ps. 6,990,427 |
| Embedded derivative – BMP ⁽¹⁾ | 14,761,677 | 9,611,873 |
| Convertible debt instruments issued by Ares ⁽²⁾ | 6,446,000 | — |
| Embedded derivative – Ares ⁽²⁾ | 771,000 | — |
| Long-term debt instrument issued by Ares ⁽²⁾ | 2,521,999 | — |
| Shares of common stock of Imagina ⁽³⁾ | 1,169,002 | 867,581 |
| Available-for-sale investments ⁽⁴⁾ | 4,015,105 | 2,986,933 |
| | 37,359,819 | 20,456,814 |
| Held-to-maturity investments ⁽⁵⁾ | 631,964 | 388,504 |
| Other | 24,619 | 22,306 |
| | Ps. 38,016,402 | Ps. 20,867,624 |

⁽¹⁾ As of December 31, 2013 and 2012, the Group held an investment in 1.5% Convertible Debentures due 2025 issued by BMP in the principal amount of U.S.\$1,125 million (Ps.14,709,375 and Ps.14,456,250, respectively). These Convertible Debentures are classified as available-for-sale financial assets with changes in fair value recognized in consolidated other comprehensive income or loss. The Group's option of converting these debentures into an equity stake of BMP is accounted for as an embedded derivative with changes in fair value recognized in consolidated income (see Notes 3, 14 and 19).

⁽²⁾ As of December 31, 2013, the Group held an investment in convertible debt instruments issued by Ares which, subject to regulatory approvals, will allow the Group to acquire 95% of the equity interest of Ares. These debt instruments have an initial maturity in 2018, which can be extended through 2023, with an annual interest of 4% capitalized into the principal amount on a semiannual basis. As of December 31, 2013, the Group also held an investment in a note payable due 2023 issued by Ares in the principal amount of U.S.\$195 million with an annual interest of the higher of 2.5% and the six-month LIBOR plus 190 basis points, which is payable at the maturity of the note. The debt financial instruments are classified as available-for-sale financial assets with changes in fair value recognized in consolidated other comprehensive income or loss. The eventual conversion of the debt instruments into an equity stake of Ares is accounted for as an embedded derivative with changes in fair value recognized in consolidated income (see Notes 3 and 14).

⁽³⁾ The Company's investment in 14.5% of the common stock of Imagina is accounted for as an available-for-sale equity financial asset with changes in fair value recognized in consolidated other comprehensive income or loss (see Notes 3 and 21).

⁽⁴⁾ 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)).

⁽⁵⁾ 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, 2013, are as follows: Ps.342,238 in 2015, Ps.193,913 in 2016 and Ps.95,813 thereafter. Held-to-maturity financial assets as of December 31, 2013 and 2012 are denominated primarily in Mexican pesos.

A roll forward of available-for-sale financial assets for the years ended December 31, 2013 and 2012 is presented as follows:

| | 2013 | 2012 |
|---------------------------------------------------|-----------------------|-----------------------|
| At January 1 | Ps. 20,456,814 | Ps. 38,946,680 |
| Foreign exchange differences | 350,506 | (1,472,690) |
| Acquisitions | 9,492,744 | 654,633 |
| Reclassification to investments in joint ventures | — | (18,738,057) |
| Interest income | 143,225 | — |
| Changes in other comprehensive income | 1,928,051 | 164,625 |
| Changes in other finance income | 4,988,479 | 901,623 |
| At December 31 | Ps. 37,359,819 | Ps. 20,456,814 |

10. Investments in Joint Ventures and Associates

At December 31, 2013 and 2012, the Group had the following investments in joint ventures and associates accounted for by the equity method:

| | Ownership as of December 31, 2013 | 2013 | 2012 |
|--------------------------------------------------------------------------------------------|-----------------------------------------|----------------|----------------|
| Joint ventures: | | | |
| GSF ⁽¹⁾ | 50% | Ps. 13,828,000 | Ps. 18,072,210 |
| GTAC ⁽²⁾ | 33.3% | 628,628 | 574,707 |
| Associates: | | | |
| BMP ⁽³⁾ | 8% | 2,844,519 | 2,539,814 |
| Ocesa Entretenimiento, S.A. de C.V. and subsidiaries (collectively, "OCEN") ⁽⁴⁾ | 40% | 878,160 | 842,328 |
| Other | | 71,457 | 82,256 |
| | | Ps. 18,250,764 | Ps. 22,111,315 |

⁽¹⁾ Effective in June 2012, the Group shares equal governance rights with the other owner of GSF, and began to account for this joint venture under the equity method. The investment in GSF includes intangible assets in the amount of Ps.5,172,851 and Ps.10,009,206 as of December 31, 2013 and 2012, respectively (see Note 3). Following the approvals of new industry regulations during 2013, and due to the lack of specific guidance, which is still being discussed by the Mexican congress, Management determined that it will take a longer period to realize the projected benefits of its investment, thus affecting its present value. As a result, the Company recorded an impairment of Ps.4,587,785 in its joint venture in the consolidated statement of income for the year ended December 31, 2013. The recoverable amount for GSF has been determined based on fair value calculations. 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. The key assumptions used for fair value calculations of the recoverable amount of GSF in 2013 and 2012 were as follows:

| | 2013 | 2012 |
|-----------------------|--------|--------|
| Long-term growth rate | 3.00% | 3.00% |
| Discount rate | 13.60% | 13.70% |

⁽²⁾ In 2010, Grupo de Comunicaciones de Alta Capacidad, S.A.P.I. de C.V. ("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%. GTAC started operations in the second half of 2011 and commercial services in the first quarter of 2012. 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, 2013 and 2012, GTAC had used a principal amount of Ps.618,683 and Ps.562,083, respectively, under this credit facility, with a related accrued interest receivable of Ps.114,491 and Ps.74,687, respectively. In the second half of 2013 GTAC paid interest to the Group in connection with this credit facility in the aggregate amount of Ps.84,577. In 2013, a subsidiary of the Company entered into a long-term credit facility agreement to provide additional financing to GTAC for up to U.S.\$6.1 million (Ps.80,046), with an annual interest of TIIE plus 200 basis points. As of December 31, 2013, GTAC had used a principal amount of U.S.\$5.9 million (Ps.77,359) under this additional credit facility, with a related accrued interest receivable of U.S.\$0.3 million (Ps.3,668). The net investment in GTAC as of December 31, 2013 and 2012, included amounts receivable in connection with these credit facilities to GTAC in the aggregate amount of Ps.708,693 and Ps.648,720, respectively (see Note 14).

⁽³⁾ The Group accounts for its 8% investment in common stock of BMP, the parent company of Univision, under the equity method due to the Group's ability to exercise significant influence over BMP's operations. The Group has determined it has the ability to exercise significant influence over the operating and financial policies of BMP because as of December 31, 2013 and 2012, the Group (i) owned 842,850 Class "C" shares of common stock of BMP, representing 8% of the outstanding total shares of BMP as of each of those dates; (ii) held 1.5% Convertible Debentures due 2025 issued by BMP with interest payable on a quarterly basis, which can be converted into additional 4,858,485 shares (subject to adjustment as provided in the debentures) of common stock of BMP equivalent to a 30% equity stake of BMP on a fully-diluted, as-converted basis, at the option of the Group, subject to certain conditions and regulations; (iii) owned an option to acquire at fair value additional shares of common stock of BMP representing 2% of the outstanding total shares of BMP as of each of those dates, subject to certain conditions and regulations; (iv) had three of 20 designated members of the Board of Directors of BMP; and (v) had entered into program license agreements with Univision, an indirect wholly-owned subsidiary of BMP, through the later of 2025 or seven and one-half years after the Group has sold two-thirds of its initial investment in BMP. On January 30, 2014, a group of institutional investors made a capital contribution in BMP. As a result of this transaction, the Group's equity stake in BMP was decreased from 8% to 7.8% (see Notes 3, 9, 14 and 19).

⁽⁴⁾ OCEN is a majority-owned subsidiary of Corporación Interamericana de Entretenimiento, S.A. de C.V., and is engaged in the live entertainment business in Mexico. In 2011, OCEN paid dividends to the Group in the aggregate amount of Ps.64,960. The investment in OCEN included a goodwill of Ps.359,613 as of December 31, 2013 and 2012 (see Note 19).

A roll forward of investment in joint ventures and associates for the years ended December 31, 2013 and 2012 is presented as follows:

| | 2013 | 2012 |
|------------------------------------|----------------|----------------|
| At January 1 | Ps. 22,111,315 | Ps. 3,936,085 |
| Equity method for the year | (661,569) | (653,939) |
| Equity method from prior years | (52,825) | (24,547) |
| Impairment adjustment | (4,587,785) | — |
| Amortization of GSF intangibles | (248,570) | — |
| Capital contributions to GSF | 1,587,500 | — |
| Long-term loans to GTAC, net | 65,608 | 112,102 |
| Reclassification of GSF investment | — | 18,738,057 |
| Other | 37,090 | 3,557 |
| At December 31 | Ps. 18,250,764 | Ps. 22,111,315 |

Amounts of consolidated cash and cash equivalents, other current assets, non-current assets, debt and finance lease obligations, trade payables, other non-current liabilities and equity related to GSF as of December 31, 2013 and 2012, as well as a reconciliation of this summarized financial information to the Group's carrying amount of its interest in this joint venture as of those dates, are set forth as follows:

| | 2013 | 2012 |
|-----------------------------------------------------------------|----------------|----------------|
| Assets: | | |
| Cash and cash equivalents | Ps. 1,011,899 | Ps. 752,021 |
| Other current assets | 7,997,528 | 7,498,174 |
| Total current assets | 9,009,427 | 8,250,195 |
| Non-current assets | 26,863,439 | 22,091,409 |
| Total assets | Ps. 35,872,866 | Ps. 30,341,604 |
| Liabilities: | | |
| Short-term debt and finance lease obligations | Ps. 2,267,161 | Ps. 1,139,115 |
| Trade payables | 8,721,489 | 7,374,844 |
| Total current liabilities | 10,988,650 | 8,513,959 |
| Long-term debt and finance lease obligations | 6,570,140 | 7,474,040 |
| Long-term trade payables | 3,629,005 | 338,875 |
| Other non-current liabilities | 620,322 | 1,134,344 |
| Total non-current liabilities | 10,819,467 | 8,947,259 |
| Total liabilities | 21,808,117 | 17,461,218 |
| Equity: | | |
| Attributable to stockholders of GSF | 17,310,297 | 16,126,007 |
| Non-controlling interests | (3,245,548) | (3,245,621) |
| Total equity | 14,064,749 | 12,880,386 |
| Total liabilities and equity | Ps. 35,872,866 | Ps. 30,341,604 |
| Share of equity attributable to controlling stockholders of GSF | Ps. 8,655,149 | Ps. 8,063,004 |
| Other concepts that are part of the investment: | | |
| Intangible assets | 5,172,851 | 10,009,206 |
| Total investment | Ps. 13,828,000 | Ps. 18,072,210 |

Amounts of consolidated net sales, depreciation and amortization, operating income, interest expense, income tax expense, net income or loss, and comprehensive income or loss related to GSF for the years ended December 31, 2013 and 2012, are set forth as follows:

| | 2013 | 2012 ^(a) |
|----------------------------------------------|----------------|---------------------|
| Net sales | Ps. 19,582,451 | Ps. 17,382,368 |
| Depreciation and amortization | 2,378,885 | 2,017,128 |
| Operating income (loss) | (1,093,673) | (1,787,456) |
| Interest expense | (1,149,683) | (1,363,627) |
| Income tax expense | 342,215 | 467,075 |
| Net (loss) income attributable to: | | |
| Controlling stockholders of GSF | (1,991,059) | (2,232,394) |
| Non-controlling interests | 73 | (79) |
| Comprehensive (loss) income attributable to: | | |
| Controlling stockholders of GSF | (1,990,710) | (2,227,826) |
| Non-controlling interests | 73 | (79) |

^(a) As discussed in Note 3, the Group started recognizing equity method in its investment in GSF in the second half of 2012. The net loss, other comprehensive income and comprehensive loss attributable to controlling stockholders of GSF for the six months ended December 31, 2012, amounted to Ps.(1,336,261), Ps.4,568 and Ps.(1,331,693), respectively.

Aggregate amounts of consolidated net income or loss, other comprehensive income or loss and total comprehensive income or loss related to the Group's interests in other joint ventures and associates for the years ended December 31, 2013, 2012 and 2011, are set forth as follows:

| | 2013 | 2012 | 2011 |
|-----------------------------------|-------------|------------|---------------|
| Net income (loss) | Ps. 246,276 | Ps. 1,505 | Ps. (500,816) |
| Other comprehensive income (loss) | 87,510 | 10,403 | (19,316) |
| Total comprehensive income (loss) | Ps. 333,786 | Ps. 11,908 | Ps. (520,132) |

The Group recognized its share of comprehensive loss of joint ventures and associates for the years ended December 31, 2013, 2012 and 2011, as follows:

| | 2013 | 2012 | 2011 |
|------------------------------------------------------------------------------|-----------------|---------------|---------------|
| Share of loss of joint ventures and associates, net | Ps. (5,659,963) | Ps. (666,602) | Ps. (449,318) |
| Share of other comprehensive income (loss) of joint ventures and associates: | | | |
| Foreign currency translation adjustments, net | 50,398 | (291,460) | 292,720 |
| Gain on equity accounts, net | 105,259 | 50,606 | (37,314) |
| | 155,657 | (240,854) | 255,406 |
| Share of total comprehensive loss of joint ventures and associates | Ps. (5,504,306) | Ps. (907,456) | Ps. (193,912) |

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, 2012 | Ps. 14,255,102 | Ps. 52,277,259 | Ps. 3,593,873 | Ps. 884,408 | Ps. 2,136,332 | Ps. 4,422,994 | Ps. 1,424,386 | Ps. 3,653,553 | Ps. 82,647,907 |
| Additions | 27,776 | 1,825,760 | — | 16,287 | 72,751 | 158,635 | 62,352 | 13,631,268 | 15,794,829 |
| Retirements | (253,085) | (5,647,233) | — | (106,991) | (74,934) | (410,043) | (164,706) | (1,319) | (6,658,311) |
| Transfers and reclassifications | 228,280 | 8,650,639 | 4,275,619 | (51,549) | 88,886 | 82,443 | 113,129 | (13,387,447) | — |
| Acquisition of subsidiaries | — | 18,384 | — | 1,513 | 1,241 | 752 | 4,872 | — | 26,762 |
| Effect of translation | (23,495) | (100,489) | — | (18,921) | (1,788) | (5,618) | (1,561) | 23 | (151,849) |
| December 31, 2012 | 14,234,578 | 57,024,320 | 7,869,492 | 724,747 | 2,222,488 | 4,249,163 | 1,438,472 | 3,896,078 | 91,659,338 |
| Additions | 26,829 | 2,484,622 | — | 21,261 | 68,877 | 213,679 | 36,617 | 12,018,787 | 14,870,672 |
| Retirements | (1,173,618) | (1,715,313) | — | (5,783) | (495,244) | (55,284) | (186) | (526,507) | (3,971,935) |
| Transfers and reclassifications | 242,804 | 8,580,462 | — | 95,456 | 107,199 | 929,427 | 52,999 | (10,008,347) | — |
| Acquisition of subsidiaries | 7,873 | 110,987 | — | 7,118 | 5,451 | 7,546 | 1,807 | — | 140,782 |
| Effect of translation | (24,280) | 23,487 | — | (17,515) | (1,562) | (3,477) | (798) | — | (24,145) |
| December 31, 2013 | Ps. 13,314,186 | Ps. 66,508,565 | Ps. 7,869,492 | Ps. 825,284 | Ps. 1,907,209 | Ps. 5,341,054 | Ps. 1,528,911 | Ps. 5,380,011 | Ps. 102,674,712 |
| Depreciation: | | | | | | | | | |
| January 1, 2012 | Ps. (4,688,112) | Ps. (30,083,670) | Ps. (1,962,701) | Ps. (531,811) | Ps. (977,116) | Ps. (3,008,686) | Ps. (520,925) | Ps. — | Ps. (41,773,021) |
| Depreciation of the year | (213,347) | (6,071,153) | (239,201) | (57,198) | (222,578) | (609,205) | (133,220) | — | (7,545,902) |
| Write-off of the year | — | (25,247) | — | — | — | — | — | — | (25,247) |
| Retirements | 89,953 | 5,178,719 | — | 102,268 | 66,965 | 386,262 | 47,210 | — | 5,871,377 |
| Transfers and reclassifications | 5,870 | (250,452) | — | (977) | 252 | 250,513 | (5,206) | — | — |
| Acquisition of subsidiaries | — | (7,379) | — | (605) | (267) | (288) | (2,036) | — | (10,575) |
| Effect of translation | 10,670 | 56,358 | — | 17,489 | 2,633 | 3,285 | 917 | — | 91,352 |
| December 31, 2012 | (4,794,966) | (31,202,824) | (2,201,902) | (470,834) | (1,130,111) | (2,978,119) | (613,260) | — | (43,392,016) |
| Depreciation of the year | (222,209) | (7,154,847) | (405,307) | (48,048) | (215,481) | (658,067) | (157,431) | — | (8,861,390) |
| Retirements | 1,156,200 | 1,486,930 | — | 5,104 | 445,879 | 53,398 | 8 | — | 3,147,519 |
| Acquisition of subsidiaries | (4,478) | (87,764) | — | (6,176) | (5,032) | (5,555) | (483) | — | (109,488) |
| Effect of translation | 9,653 | (12,305) | — | 15,738 | 610 | 2,662 | 780 | — | 17,138 |
| December 31, 2013 | Ps. (3,855,800) | Ps. (36,970,810) | Ps. (2,607,209) | Ps. (504,216) | Ps. (904,135) | Ps. (3,585,681) | Ps. (770,386) | Ps. — | Ps. (49,198,237) |
| Carrying value: | | | | | | | | | |
| At January 1, 2012 | Ps. 9,566,990 | Ps. 22,193,589 | Ps. 1,631,172 | Ps. 352,597 | Ps. 1,159,216 | Ps. 1,414,308 | Ps. 903,461 | Ps. 3,653,553 | Ps. 40,874,886 |
| At December 31, 2012 | Ps. 9,439,612 | Ps. 25,821,496 | Ps. 5,667,590 | Ps. 253,913 | Ps. 1,092,377 | Ps. 1,271,044 | Ps. 825,212 | Ps. 3,896,078 | Ps. 48,267,322 |
| At December 31, 2013 | Ps. 9,458,386 | Ps. 29,537,755 | Ps. 5,262,283 | Ps. 321,068 | Ps. 1,003,074 | Ps. 1,755,373 | Ps. 758,525 | Ps. 5,380,011 | Ps. 53,476,475 |

Depreciation charges are presented in Note 20.

In March 2010, Sky reached an agreement with a subsidiary of Intelsat to lease 24 transponders on Intelsat IS-21 satellite, mainly for signal reception and retransmission services over the satellite's estimated 15-year service life. IS-21 replaced Intelsat IS-9 as Sky's primary transmission satellite and started service in the fourth quarter of 2012. This lease agreement contemplates monthly payments of U.S.\$3.0 million to be paid by Sky beginning in the fourth quarter of 2012. In October 2012, the Group recognized this agreement as a finance lease obligation in the net amount of U.S.\$326.3 million (Ps.4,192,955).

12. Intangible Assets, Net

The analysis of the changes in intangible assets is as follows:

| Changes | Intangible Assets with Indefinite Useful Lives | | | Intangible Assets with Finite Useful Lives | | | Other Intangible Assets | Total |
|---------------------------------|------------------------------------------------|---------------|---------------|--------------------------------------------|------------------|---------------|-------------------------|-------|
| | Goodwill | Trademarks | Concessions | Licenses | Subscriber Lists | | | |
| Cost: | | | | | | | | |
| January 1, 2012 | Ps. 2,621,842 | Ps. 1,749,765 | Ps. 3,921,603 | Ps. 2,285,988 | Ps. 2,785,800 | Ps. 1,224,582 | Ps. 14,589,580 | |
| Additions | — | 10,000 | 15,432 | 561,867 | 175,261 | 882,662 | 1,645,222 | |
| Retirements | (310) | — | — | (624,227) | (281,000) | (28,467) | (934,004) | |
| Acquisition of subsidiaries | — | — | — | 6,534 | 10,386 | — | 16,920 | |
| Transfers and reclassifications | — | — | (43,856) | — | — | 43,856 | — | |
| Effect of translation | — | (509) | — | (139) | — | (3,515) | (4,163) | |
| December 31, 2012 | 2,621,532 | 1,759,256 | 3,893,179 | 2,230,023 | 2,690,447 | 2,119,118 | 15,313,555 | |
| Additions | — | — | — | 942,166 | 36,198 | 407,850 | 1,386,214 | |
| Retirements | — | — | — | (756) | — | (419,618) | (420,374) | |
| Acquisition of subsidiaries | 100,028 | — | — | — | — | — | 100,028 | |
| Impairment adjustments | (50,130) | (9,518) | — | — | — | — | (59,648) | |
| Effect of translation | — | (336) | — | (748) | 199 | 843 | (42) | |
| December 31, 2013 | Ps. 2,671,430 | Ps. 1,749,402 | Ps. 3,893,179 | Ps. 3,170,685 | Ps. 2,726,844 | Ps. 2,108,193 | Ps.16,319,733 | |
| Amortization: | | | | | | | | |
| January 1, 2012 | Ps. (49,900) | Ps. — | Ps. (270,638) | Ps. (1,533,088) | Ps. (1,582,533) | Ps. (479,490) | Ps. (3,915,649) | |
| Amortization of the year | — | — | — | (400,265) | (364,940) | (163,133) | (928,338) | |
| Other amortization of the year | — | — | — | — | — | (195,957) | (195,957) | |
| Retirements | — | — | — | 561,302 | 273,979 | 20,745 | 856,026 | |
| Acquisition of subsidiaries | — | — | — | (2,940) | (5,193) | — | (8,133) | |
| Transfers and reclassifications | — | — | 33,444 | — | — | (33,444) | — | |
| Effect of translation | — | — | — | 686 | — | 4,601 | 5,287 | |
| December 31, 2012 | (49,900) | — | (237,194) | (1,374,305) | (1,678,687) | (846,678) | (4,186,764) | |
| Amortization of the year | — | — | — | (453,195) | (344,769) | (187,012) | (984,976) | |
| Other amortization of the year | — | — | — | — | — | (185,080) | (185,080) | |
| Retirements | — | — | — | 483 | — | 419,210 | 419,693 | |
| Effect of translation | — | — | — | 522 | — | (817) | (295) | |
| December 31, 2013 | Ps. (49,900) | Ps. — | Ps. (237,194) | Ps. (1,826,495) | Ps.(2,023,456) | Ps. (800,377) | Ps.(4,937,422) | |
| Carrying value: | | | | | | | | |
| At January 1, 2012 | Ps. 2,571,942 | Ps. 1,749,765 | Ps. 3,650,965 | Ps. 752,900 | Ps. 1,203,267 | Ps. 745,092 | Ps. 10,673,931 | |
| At December 31, 2012 | Ps. 2,571,632 | Ps. 1,759,256 | Ps. 3,655,985 | Ps. 855,718 | Ps. 1,011,760 | Ps. 1,272,440 | Ps. 11,126,791 | |
| At December 31, 2013 | Ps. 2,621,530 | Ps. 1,749,402 | Ps. 3,655,985 | Ps. 1,344,190 | Ps. 703,388 | Ps. 1,307,816 | Ps.11,382,311 | |

Amortization charges are presented in Note 20.

The changes in the net carrying amount of goodwill and trademarks for the year ended December 31, 2013, were as follows:

| | Balance as of December 31, 2012 | Acquisitions | Foreign Currency Translation Adjustments | Impairment Adjustments | Balance as of December 31, 2013 |
|---------------------------------|------------------------------------|--------------|------------------------------------------------|---------------------------|------------------------------------|
| Goodwill: | | | | | |
| Content | Ps. 241,973 | Ps. — | Ps. — | Ps. — | Ps. 241,973 |
| Cable and Telecom | 1,859,048 | 100,028 | — | — | 1,959,076 |
| Publishing | 470,611 | — | — | (50,130) | 420,481 |
| | Ps. 2,571,632 | Ps. 100,028 | Ps. — | Ps. (50,130) | Ps. 2,621,530 |
| Trademarks (see Note 3): | | | | | |
| Publishing | Ps. 464,965 | Ps. — | Ps. (336) | Ps. (9,518) | Ps. 455,111 |
| Cable and Telecom | 1,284,291 | — | — | — | 1,284,291 |
| Other | 10,000 | — | — | — | 10,000 |
| | Ps. 1,759,256 | Ps. — | Ps. (336) | Ps. (9,518) | Ps. 1,749,402 |

During the fourth quarter of 2013, the Group monitored the market associated with its Publishing 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 implied fair value of the goodwill and trademarks in the reporting units with the related carrying value and recorded an aggregate Ps.59,648 pre-tax impairment charge in other expense, net, in the consolidated statement of income for the year ended December 31, 2013.

The key assumptions used for fair value calculations of Goodwill and intangible assets in 2013 were as follows:

| | Publishing | | Cable and Telecom | |
|-----------------------|------------|---------|-------------------|---------|
| | Minimum | Maximum | Minimum | Maximum |
| Long-term growth rate | 3.50% | 4.60% | 3.50% | 3.50% |
| Discount rate | 14.10% | 22.80% | 11.20% | 13.50% |

The key assumptions used for fair value calculations of Goodwill and intangible assets in 2012 were as follows:

| | Publishing | | Cable and Telecom | |
|-----------------------|------------|---------|-------------------|---------|
| | Minimum | Maximum | Minimum | Maximum |
| Long-term growth rate | 2.70% | 4.90% | 3.50% | 3.70% |
| Discount rate | 11.60% | 20.20% | 10.60% | 12.56% |

13. Debt and Finance Lease Obligations

Debt and finance lease obligations outstanding as of December 31, 2013 and 2012, were as follows:

| | 2013 | 2012 |
|-------------------------------------------------------------|----------------|----------------|
| U.S. dollar debt: | | |
| 6% Senior Notes due 2018 ⁽¹⁾ | Ps. 6,507,849 | Ps. 6,388,636 |
| 6.625% Senior Notes due 2025 ⁽¹⁾ | 7,414,019 | 7,240,710 |
| 8.50% Senior Notes due 2032 ⁽¹⁾ | 3,890,267 | 3,821,000 |
| 6.625% Senior Notes due 2040 ⁽¹⁾ | 7,679,931 | 7,538,562 |
| Total U.S. dollar debt | 25,492,066 | 24,988,908 |
| Mexican peso debt: | | |
| 7.38% Notes due 2020 ⁽²⁾ | 9,951,803 | 9,944,750 |
| 8.49% Senior Notes due 2037 ⁽¹⁾ | 4,483,022 | 4,482,297 |
| 7.25% Senior Notes due 2043 ⁽¹⁾ | 6,430,330 | — |
| Bank loans ⁽³⁾ | 8,589,233 | 8,586,064 |
| Bank loans (Sky) ⁽⁴⁾ | 3,500,000 | 3,500,000 |
| Bank loans (TVI) ⁽⁵⁾ | 1,609,361 | 1,489,400 |
| Total Mexican peso debt | 34,563,749 | 28,002,511 |
| Total debt ⁽⁸⁾ | 60,055,815 | 52,991,419 |
| Less: Short-term debt and current portion of long-term debt | 312,715 | 375,000 |
| Long-term debt, net of current portion | Ps. 59,743,100 | Ps. 52,616,419 |
| Finance lease obligations: | | |
| Satellite transponder lease obligation ⁽⁶⁾ | Ps. 4,077,561 | Ps. 4,132,365 |
| Other ⁽⁷⁾ | 841,686 | 838,785 |
| Total finance lease obligations | 4,919,247 | 4,971,150 |
| Less: Current portion | 424,698 | 439,257 |
| Finance lease obligations, net of current portion | Ps. 4,494,549 | Ps. 4,531,893 |

⁽¹⁾ The Senior Notes due 2018, 2025, 2032, 2037, 2040 and 2043, in the outstanding principal amount of U.S.\$500 million, U.S.\$600 million, U.S.\$300 million, Ps.4,500,000, U.S.\$600 million and Ps.6,500,000, respectively, are unsecured obligations of the Company, rank equally in right of payment with all existing and future unsecured and unsubordinated indebtedness of the Company, and are junior in right of payment to all of the existing and future liabilities of the Company's subsidiaries. Interest on the Senior Notes due 2018, 2025, 2032, 2037, 2040 and 2043, including additional amounts payable in respect of certain Mexican withholding taxes, is 6.31%, 6.97%, 8.94%, 8.93%, 6.97% and 7.62% per annum, respectively, and is payable semi-annually. These Senior Notes may not be redeemed prior to maturity, except (i) in the event of certain changes in law affecting the Mexican withholding tax treatment of certain payments on the securities, in which case the securities will be redeemable, as a whole but not in part, at the option of the Company; and (ii) in the event of a change of control, in which case the Company may be required to redeem the securities at 101% of their principal amount. Also, the Company may, at its own option, redeem the Senior Notes due 2018, 2025, 2037, 2040 and 2043, in whole or in part, at any time at a redemption price equal to the greater of the principal amount of these Senior Notes or the present value of future cash flows, at the redemption date, of principal and interest amounts of the Senior Notes discounted at a fixed rate of comparable U.S. or Mexican sovereign bonds. The Senior Notes due 2018, 2032, 2040 and 2043 were priced at 99.280%, 99.431%, 98.319% and 99.733%, respectively, for a yield to maturity of 6.097%, 8.553%, 6.755% and 7.27%, respectively. The Senior Notes due 2025 were issued in two aggregate principal amounts of U.S.\$400 million and U.S.\$200 million, and were priced at 98.081% and 98.632%, respectively, for a yield to maturity of 6.802% and 6.787%, respectively. The agreement of these Senior Notes contains covenants that limit the ability of the Company and certain restricted subsidiaries engaged in the Group's Content segment, to incur or assume liens, perform sale and leaseback transactions, and consummate certain mergers, consolidations and similar transactions. The Senior Notes due 2018, 2025, 2032, 2037 and 2040 are registered with the U.S. Securities and Exchange Commission ("SEC"). The Senior Notes due 2043 are registered with both the U.S. SEC and the Mexican Banking and Securities Commission ("Comisión Nacional Bancaria y de Valores").

⁽²⁾ In 2010, the Company issued 7.38% Notes ("Certificados Bursátiles") due 2020 through the Mexican Stock Exchange ("Bolsa Mexicana de Valores") in the aggregate principal amount of Ps.10,000,000. Interest on these Notes is payable semi-annually. The Company may, at its own option, redeem these Notes, 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 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 March 2011, the Company entered into long-term credit agreements with four Mexican banks in the aggregate principal amount of Ps.8,600,000, with an annual interest rate between 8.09% and 9.4%, payable on a monthly basis, and principal maturities between 2016 and 2021. The proceeds of these loans were used for general corporate purposes. Under the terms of these loan agreements, the Company is required to (a) maintain certain financial coverage ratios related to indebtedness and interest expense; and (b) comply with the restrictive covenant on spin-offs, mergers and similar transactions.
- (4) Includes in 2013 and 2012, two long-term loans entered into by Sky with Mexican banks in the principal amount of Ps.1,400,000 and Ps.2,100,000, with a maturity in 2016, bearing annual interest of TIIE plus 24 basis points and 8.74%, respectively, with interest payable on a monthly basis. This Sky long-term indebtedness is guaranteed by the Company. Under the terms of these loan agreements, Sky is required to maintain (a) certain financial coverage ratios related to indebtedness and interest expense; and (b) certain restrictive covenants on indebtedness, liens, asset sales, and certain mergers and consolidations.
- (5) Includes in 2013 and 2012, outstanding balances in the aggregate principal amount of Ps.1,614,400 and Ps. 1,489,000, respectively, in connection with certain credit agreements entered into by TVI with Mexican banks, with maturities between 2014 and 2019, bearing interest at an annual rate in the range of TIIE plus 1.70% to TIIE plus 2.50%, with interest payable on a monthly basis.
- (6) Starting from the fourth quarter of 2012, Sky is obligated to pay a monthly fee of U.S.\$3.0 million under a capital lease agreement entered into with Intelsat Global Sales & Marketing Ltd. ("Intelsat") in March 2010 for satellite signal reception and retransmission service from 24 KU-band transponders on satellite IS-21, which became operational in October 2012. The service term for IS-21 will end at the earlier of (a) the end of 15 years or (b) the date IS-21 is taken out of service. This line item also includes in 2012 the agreement to pay a monthly fee of U.S.\$1.7 million under a capital lease agreement entered into with Intelsat (formerly PanAmSat Corporation) in February 1999 for satellite signal reception and retransmission service from 12 KU-band transponders on satellite IS-9, which became operational in September 2000. The agreement provided that the service term for IS-9 was to end at the earlier of (a) the end of 15 years or (b) the date IS-9 is taken out of service. In 2010, Intelsat notified Sky that IS-9 experienced certain technical anomalies in its primary propulsion system, resulting in a shortened satellite life through 2012 instead of its original estimated life through 2015. Accordingly, Sky reduced the carrying value of the corresponding asset and the present value of the minimum payments in accordance with the related agreement and based on the remaining useful life of IS-9. The obligations of Sky under the IS-9 agreement were terminated in October 2012 (see Note 11).
- (7) Includes minimum lease payments of property and equipment and intangible assets under leases that qualify as capital leases. Also, includes in 2013 and 2012 a subsidiary of the Company entered a lease agreement with GTAC, a related party for the right to use certain capacity of a telecommunications network to 2029. This lease provides for annual payments to 2020 and 2021. The capital leases have terms which expire at various dates between 2014 and 2015.
- (8) Total debt is presented net of unamortized finance costs as of December 31, 2013 and 2012, in the aggregate amount of Ps.808,585 and Ps.797,981, respectively.

Maturities of Debt and Finance Lease Obligations

Debt maturities for the years subsequent to December 31, 2013, are as follows:

| | Nominal | Net of Unamortized Finance Costs |
|------------|----------------|----------------------------------------|
| 2014 | Ps. 314,293 | Ps. 312,715 |
| 2015 | 338,660 | 337,513 |
| 2016 | 9,243,855 | 9,238,658 |
| 2017 | 1,650,925 | 1,650,536 |
| 2018 | 7,627,500 | 7,592,800 |
| Thereafter | 41,689,167 | 40,923,593 |
| | Ps. 60,864,400 | Ps. 60,055,815 |

Future minimum payments under finance lease obligations for the years subsequent to December 31, 2013, are as follows:

| | |
|------------------------------------|---------------|
| 2014 | Ps. 735,008 |
| 2015 | 582,728 |
| 2016 | 570,783 |
| 2017 | 602,233 |
| 2018 | 610,125 |
| Thereafter | 4,449,241 |
| | 7,550,118 |
| Less: Amount representing interest | (2,630,871) |
| | Ps. 4,919,247 |

14. Financial Instruments

The Group's financial instruments presented in the consolidated statements of financial position included cash and cash equivalents, temporary investments, accounts and notes receivable, a long-term loan receivable from GTAC, convertible debentures issued by BMP with an option to convert these debentures into common stock of BMP, convertible debt instruments issued by Ares with an option to convert these instruments into common stock of Ares, 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 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 the 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, interest rate swap and share put option agreements is based on quotes obtained from financial institutions.

The carrying and estimated fair values of the Group's non-derivative financial instruments as of December 31, 2013 and 2012, were as follows:

| | 2013 | | 2012 | |
|-----------------------------------------------------------------|----------------|----------------|----------------|----------------|
| | Carrying Value | Fair Value | Carrying Value | Fair Value |
| Assets: | | | | |
| Temporary investments | Ps. 3,722,976 | Ps. 3,722,976 | Ps. 5,317,296 | Ps. 5,317,296 |
| Trade notes and accounts receivable, net | 20,734,137 | 20,734,137 | 18,982,277 | 18,982,277 |
| 1.5% Convertible Debentures due 2025 issued by BMP (see Note 9) | 7,675,036 | 7,675,036 | 6,990,427 | 6,990,427 |
| Embedded derivative BMP | 14,761,677 | 14,761,677 | 9,611,873 | 9,611,873 |
| Long-term loan and interest receivable from GTAC (see Note 10) | 708,693 | 739,384 | 636,770 | 674,403 |
| Held-to-maturity investments (see Note 9) | 631,964 | 631,990 | 388,504 | 389,957 |
| Shares of common stock of Imagina (see Note 9) | 1,169,002 | 1,169,002 | 867,581 | 867,581 |
| Available-for-sale investments (see Note 9) | 4,015,105 | 4,015,105 | 2,986,933 | 2,986,933 |
| Convertible debt instruments issued by Ares (see Note 9) | 6,446,000 | 6,446,000 | — | — |
| Embedded derivative Ares (see Note 9) | 771,000 | 771,000 | — | — |
| Long-term debt instrument issued by Ares (see Note 9) | 2,521,999 | 2,521,999 | — | — |
| Liabilities: | | | | |
| Senior Notes due 2018, 2025, 2032 and 2040 | Ps. 26,150,000 | Ps. 29,383,172 | Ps. 25,700,000 | Ps. 33,170,733 |
| Senior Notes due 2037 and 2043 | 11,000,000 | 9,704,313 | 4,500,000 | 5,191,110 |
| Notes due 2020 | 10,000,000 | 10,391,700 | 10,000,000 | 10,636,900 |
| Short-term loans and long-term notes payable to Mexican banks | 13,714,400 | 14,413,969 | 13,589,400 | 14,535,200 |
| Finance lease obligations | 4,919,247 | 4,830,631 | 4,971,150 | 4,886,123 |

The carrying values (based on estimated fair values), notional amounts, and maturity dates of the Group's derivative financial instruments as of December 31, 2013 and 2012, were as follows:

| 2013: | | Notional Amount | |
|---------------------------------------------------------------|---------------------------------|-----------------------------|------------------------------|
| Derivative Financial Instruments | Carrying Value | (U.S. Dollars in Thousands) | Maturity Date |
| Assets: | | | |
| Derivatives not recorded as accounting hedges: | | | |
| Options ^(c) | Ps. 6,122 | U.S.\$270,000 | 2014 and 2015 |
| Derivatives recorded as accounting hedges (cash flow hedges): | | | |
| Cross-currency interest rate swaps ^(a) | 2,266 | U.S.\$300,000/Ps.3,867,000 | March 2014 |
| Total assets | Ps. 8,388⁽¹⁾ | | |
| Liabilities: | | | |
| Derivatives not recorded as accounting hedges: | | | |
| Sky's interest rate swap ^(b) | Ps. 119,780 | Ps.1,400,000 | April 2016 |
| TVI's interest rate swap ^(e) | 11,942 | Ps.1,577,700 | February 2016 and April 2019 |
| Derivatives recorded as accounting hedges (cash flow hedges): | | | |
| Interest rate swap ^(d) | 203,614 | Ps.2,500,000 | March 2018 |
| Total liabilities | Ps. 335,336 | | |
| 2012: | | Notional Amount | |
| Derivative Financial Instruments | Carrying Value | (U.S. Dollars in Thousands) | Maturity Date |
| Assets: | | | |
| Derivatives not recorded as accounting hedges: | | | |
| Options ^(c) | Ps. 12,419 | U.S.\$405,000 | 2013, 2014 and 2015 |
| TVI's interest rate swap ^(e) | 1,443 | Ps.1,300,000 | February 2016 |
| Derivatives recorded as accounting hedges (cash flow hedges): | | | |
| Cross-currency interest rate swaps ^(a) | 1,138 | U.S.\$600,000/Ps.7,644,600 | January 2013 |
| Total assets | Ps. 15,000⁽¹⁾ | | |
| Liabilities: | | | |
| Derivatives not recorded as accounting hedges: | | | |
| Sky's interest rate swap ^(b) | Ps. 132,075 | Ps.1,400,000 | April 2016 |
| TVI's forward ^(f) | 1,176 | U.S.\$3,000/Ps.39,804 | January 2013 |
| Derivatives recorded as accounting hedges (cash flow hedges): | | | |
| Interest rate swap ^(d) | 219,511 | Ps.2,500,000 | March 2018 |
| Total liabilities | Ps. 352,762 | | |

⁽¹⁾ Includes derivative financial instruments of Ps.3,447 that were classified in current assets in the consolidated statement of financial position as of December 31, 2013.

^(a) In order to reduce the adverse effects of exchange rates on the Senior Notes due 2032 and 2040, during 2013 and 2012, the Company entered into cross-currency interest rate swap agreements with various financial institutions that allow the Company to hedge against Mexican peso depreciation on interest payments to be made in 2014, and 2013. Under these transactions, the Company receives semi-annual payments based on the aggregate notional amount U.S.\$300 million and U.S.\$600 million as of December 31, 2013 and 2012, respectively, at an average annual rate of 8.50% and 6.6250%, respectively, and the Company makes semi-annual payments based on an aggregate notional amount of Ps.3,867,000 and Ps.7,644,600 as of December 31, 2013 and 2012, respectively, at an average annual rate of 8.5028% and 6.5896%, respectively, without an exchange of the notional amount upon which the payments are based. As a result of the change in fair value of these transactions, in the years ended December 31, 2013 and 2012, the Company recorded a (loss) gain of Ps.(5,020) and Ps.41,336, respectively, relating to the interest rate swaps not recorded as accounting hedges, in consolidated finance expense, net (other finance expense), and as of December 31, 2013 and 2012, the Company has recorded in consolidated equity, as accumulated other comprehensive income or loss attributable to stockholders of the Company, a cumulative gain for changes in fair value of Ps.2,266 and Ps.1,138, respectively, relating to interest rate swaps recorded as accounting hedges.

- (b) In December 2006, Sky entered into a derivative transaction agreement from April 2009 through April 2016 to hedge the variable interest rate exposure resulting from a Mexican peso loan of a total principal amount of Ps.1,400,000. Under this transaction, Sky receives 28-day payments based on an aggregate notional amount of Ps.1,400,000 at an annual variable rate of TIE+24 basis points and makes 28-day payments based on the same notional amount at an annual fixed rate of 8.415%. The Group recorded the change in fair value of this transaction as interest expense in consolidated other finance expense, net (see Note 13).
- (c) In December 2012 and 2011, the Company entered into derivative agreements ("knock-out option calls") with two financial institutions to reduce the adverse effect of exchange rates on the Senior Notes due 2018, 2025, 2032 and 2040, and hedge against severe Mexican peso depreciation on interest payments to be made in the second half of 2012, 2013, 2014 and 2015. Under these transactions, the Company has the option to receive in 2012 and 2011 an aggregate amount of U.S.\$135.0 million in exchange for an aggregate amount of Ps.2,497,500, and U.S.\$337.5 million in exchange for aggregate amount of Ps.6,041,250, respectively, at maturity dates between July 2012, November 2014 and November 2015, only if the exchange rate of the Mexican peso during each agreement period is not above a limit agreed between the parties. If the exchange rate exceeds such limit at any time during the agreement period, the option is extinguished. The Company paid in 2012 and 2011 premiums for these agreements in the aggregate amount of U.S.\$0.9 million (Ps.11,489) and U.S.\$2.56 million (Ps.34,812), respectively. The Company recognized the change in fair value of this transaction as well as the related premium amortization in consolidated finance expense, net (other finance expense, net).
- (d) In March 2011, the Company entered into a derivative transaction agreement (interest rate swap) from March 2011 through March 2018 to hedge the variable interest rate exposure resulting from a Mexican peso loan of a total principal amount of Ps.2,500,000. Under this transaction, the Company receives 28-day payments based on an aggregate notional amount of Ps.2,500,000 through September 2016, Ps.1,875,000 through March 2017, Ps.1,250,000 through September 2017, and Ps.625,000 through March 2018, at an annual variable rate of TIE and makes 28-day payments based on the same notional amount at an annual fixed rate of 7.4325%. The Company recognized the change in fair value of this transaction in consolidated finance expense, net (other finance expense, net).
- (e) In 2013 and 2012, TVI entered into a derivative transaction agreement (interest rate swap) with two financial institutions from January 2012 through April 2019 to hedge the variable interest rate exposure resulting from a Mexican peso loan of a total principal amount of Ps.500,000 and Ps.1,300,000, respectively. Under this transaction, the Company receives 28-day payments based on an aggregate notional amount of Ps.500,000 and Ps.1,300,000 and payment based on the same notional at annual fixed rate of 5.2189% and 5.032%, respectively. As a result of the change in fair value of these transactions, in the year ended December 31, 2013 and 2012, TVI recorded a loss of Ps.23,588 and Ps.867, respectively, in consolidated other finance expense, net.
- (f) At December 31, 2012, TVI had foreign currency contracts in the aggregate notional amount of U.S.\$3.0 million to exchange U.S. dollars for Mexican pesos at an average rate of Ps.13.2680 per U.S. dollar in 2013.

Fair Value Measurement

Assets and Liabilities Measured at Fair Value on a Recurring Basis

All fair value adjustments as of December 31, 2013 and 2012 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 instruments.

Financial assets and liabilities measured at fair value as of December 31, 2013 and 2012:

| | Balance as of December 31, 2013 | 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. 3,722,976 | Ps. 3,722,976 | Ps. — | Ps. — |
| Available-for-sale financial assets: | | | | |
| Available-for-sale investments | 4,015,105 | — | 4,015,105 | — |
| 1.5 % Convertible Debentures due 2025 issued by BMP | 7,675,036 | — | — | 7,675,036 |
| Embedded derivative BMP | 14,761,677 | — | — | 14,761,677 |
| Shares of Common Stock of Imagina | 1,169,002 | — | — | 1,169,002 |
| Convertible debt instruments issued by Ares | 6,446,000 | — | — | 6,446,000 |
| Embedded derivative Ares | 771,000 | — | — | 771,000 |
| Long-term debt instrument issued by Ares | 2,521,999 | — | — | 2,521,999 |
| Derivative financial instruments | 8,388 | — | 8,388 | — |
| Total | Ps. 41,091,183 | Ps. 3,722,976 | Ps. 4,023,493 | Ps. 33,344,714 |
| Liabilities: | | | | |
| Derivative financial instruments | Ps. 335,336 | Ps. — | Ps. 335,336 | Ps. — |
| Total | Ps. 335,336 | Ps. — | Ps. 335,336 | Ps. — |
| | Balance as of December 31, 2012 | 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. 5,317,296 | Ps. 2,844,386 | Ps. 2,472,910 | Ps. — |
| Available-for-sale financial assets: | | | | |
| Available-for-sale investments | 2,986,933 | — | 2,986,933 | — |
| 1.5% Convertible Debentures due 2025 issued by BMP | 6,990,427 | — | — | 6,990,427 |
| Embedded derivative BMP | 9,611,873 | — | — | 9,611,873 |
| Shares of Common Stock of Imagina | 867,581 | — | — | 867,581 |
| Derivative financial instruments | 15,000 | — | 15,000 | — |
| Total | Ps. 25,789,110 | Ps. 2,844,386 | Ps. 5,474,843 | Ps. 17,469,881 |
| Liabilities: | | | | |
| Derivative financial instruments | Ps. 352,762 | Ps. — | Ps. 352,762 | Ps. — |
| Total | Ps. 352,762 | Ps. — | Ps. 352,762 | 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 year ended December 31, 2013:

| | Financial Assets |
|--------------------------------------------------------------------|------------------|
| Balance at beginning of year | Ps. 17,469,881 |
| Included in finance income | 5,441,710 |
| Included in other comprehensive income | 940,379 |
| Long-term debt instrument issued by Ares | 2,492,744 |
| Convertible debt instrument and Embedded derivative issued by Ares | 7,000,000 |
| Balance at the end of year | Ps. 33,344,714 |

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 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.

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

Available-for-Sale Financial Assets

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

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

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).

BMP Convertible Debentures due 2025

As described in Note 3, on December 20, 2010, the Company made a cash investments in the form of 1.5% Convertible Debentures due 2025 issued by BMP, the parent company of Univision, in the principal amount of U.S.\$1,125 million (Ps.13,904,222), which are convertible at the Company's option into additional shares currently equivalent to a 30% equity stake of BMP, subject to existing laws and regulations in the United States, and other conditions (see Notes 4 and 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 are based on historical data, various internal estimates and observable external sources when available, and are based on assumptions that are consistent with the strategic plans and estimates used to manage the underlying business. Since the described methodology is an internal model with significant unobservable inputs, the Convertible Debentures are classified in Level 3.

Ares Convertible and Long-term Debt Instruments

As described in Note 3, in July 2013, the Group made an investment in the amount of Ps.7,000,000 in convertible debt instruments which, subject to regulatory approvals, will allow the Group to acquire 95% of the equity interest of Ares, owner of 51% of the equity interest of Cablecom. In addition, as part of this transaction, the Group also invested in a long-term debt instrument issued by Ares in the amount of U.S.\$195 million (Ps.2,549,625).

The Group determined the fair value of the convertible debt instruments using the expected present value valuation methodology based on post-tax discontinued cash flows. The expected present value methodology requires management to make judgments and involves the use of significant estimates and assumptions. These estimates and assumptions include long-term growth rates, operating margins used to calculate projected future cash flow and risk-adjusted discount rates based on weighted average cost of capital within a range of 5.5% to 6.5%, among others. The Group's estimates for market growth are based on current conditions and reasonable forecasts, 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 debt instruments are classified in level 3.

Derivative Financial Instruments

Derivative financial instruments include swaps, forwards and options (see Notes 2 (v), 4 and 14).

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. 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 a 7.0% and 7.2% discount rate and 5.0% and 5.0% salary scale for 2013 and 2012, respectively. The Group used a 7.0% and 6.5% return on assets rate for 2013 and 2012, respectively. The Group used a 3.5% inflation rate for 2013 and 2012. The Group makes voluntary contributions from time to time to trusts for the pension and seniority premium plans which are generally deductible for tax purposes. As of December 31, 2013 and 2012, plan assets were invested in a portfolio that primarily consisted of debt and equity securities, including shares of the Company. Pension and seniority premium benefits are paid when they become due.

The reconciliation between defined benefit obligations and post-employment benefit liability (asset) in the consolidated statements of financial position as of December 31, 2013 and 2012, is presented as follows:

| | Pensions | | Seniority Premiums | | 2013 |
|----------------------------------------------------|----------|-----------|--------------------|-----------|-------------|
| Vested benefit obligations | Ps. | 452,160 | Ps. | 230,070 | Ps. 682,230 |
| Unvested benefit obligations | | 1,341,858 | | 71,424 | 1,413,282 |
| Defined benefit obligations | | 1,794,018 | | 301,494 | 2,095,512 |
| Fair value of plan assets | | 1,466,568 | | 549,134 | 2,015,702 |
| Underfunded (overfunded) status of the plan assets | | 327,450 | | (247,640) | 79,810 |
| Post-employment benefit liability (asset) | Ps. | 327,450 | Ps. | (247,640) | Ps. 79,810 |
| | | | | | |
| | Pensions | | Seniority Premiums | | 2012 |
| Vested benefit obligations | Ps. | 359,664 | Ps. | 238,488 | Ps. 598,152 |
| Unvested benefit obligations | | 1,344,893 | | 67,466 | 1,412,359 |
| Defined benefit obligations | | 1,704,557 | | 305,954 | 2,010,511 |
| Fair value of plan assets | | 1,348,334 | | 520,423 | 1,868,757 |
| Underfunded (overfunded) status of the plan assets | | 356,223 | | (214,469) | 141,754 |
| Prior service (cost) benefit for plan amendments | | (104,290) | | 1,388 | (102,902) |
| Post-employment benefit liability (asset) | Ps. | 251,933 | Ps. | (213,081) | Ps. 38,852 |

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

| | 2013 | | 2012 | |
|----------------------------------------|------|-----------|------|-----------|
| Service cost | Ps. | 129,855 | Ps. | 110,479 |
| Interest cost | | 124,877 | | 117,646 |
| Prior service cost for plan amendments | | 3,239 | | (13,692) |
| Interest of assets | | (114,838) | | (122,936) |
| Loss on curtailments and settlements | | — | | (332) |
| Business acquisition | | — | | 356 |
| Net cost | Ps. | 143,133 | Ps. | 91,521 |

The Group's defined benefit obligations, plan assets, funded status and balances in the consolidated statements of financial position as of December 31, 2013 and 2012, associated with post-employment benefits are presented as follows:

| | | Pensions | Seniority Premiums | 2013 | 2012 |
|------------------------------------------------------|-----|-----------|--------------------|-----------|---------------|
| Defined benefit obligations: | | | | | |
| Beginning of year | Ps. | 1,704,557 | Ps. | 305,954 | Ps. 1,769,448 |
| Service cost | | 98,803 | | 31,052 | 110,479 |
| Interest cost | | 106,219 | | 18,658 | 117,646 |
| Benefits paid | | (58,818) | | (20,065) | (59,636) |
| Remeasurement of post-employment benefit obligations | | (59,375) | | (34,712) | 72,549 |
| Past service cost | | 2,632 | | 607 | — |
| Business acquisition | | — | | — | 25 |
| End of year | | 1,794,018 | | 301,494 | 2,010,511 |
| Fair value of plan assets: | | | | | |
| Beginning of year | | 1,348,334 | | 520,423 | 1,798,158 |
| Remeasurement return on plan assets | | 82,213 | | 32,625 | 122,936 |
| Remeasurement of post-employment benefit obligations | | 34,605 | | 5,171 | (2,516) |
| Contributions | | 39,988 | | 3,663 | 400 |
| Benefits paid | | (38,572) | | (12,748) | (50,221) |
| End of year | | 1,466,568 | | 549,134 | 1,868,757 |
| Underfunded (overfunded) status of the plan assets | Ps. | 327,450 | Ps. | (247,640) | Ps. 141,754 |

The changes in the net post-employment liability (asset) in the consolidated statements of financial position as of December 31, 2013 and 2012, are as follows:

| | | Pensions | Seniority Premiums | 2013 | 2012 |
|----------------------------------------------------------------|-----|----------|--------------------|-----------|---------------|
| Beginning net post-employment liability (asset) | Ps. | 251,933 | Ps. | (213,081) | Ps. (105,090) |
| Adjustment for adoption of IAS 19, as amended (see Note 2 (t)) | | 104,290 | | (1,388) | — |
| Net periodic cost | | 125,441 | | 17,692 | 91,521 |
| Contributions | | (39,988) | | (3,663) | (400) |
| Remeasurement of post-employment benefits | | (93,980) | | (39,883) | 75,065 |
| Benefits paid | | (20,246) | | (7,317) | (22,244) |
| Ending net post-employment liability (asset) | Ps. | 327,450 | Ps. | (247,640) | Ps. 38,852 |

The post-employment benefits as of December 31, 2013 and 2012 and remeasurements adjustments for the years ended December 31, 2013 and 2012, are summarized as follows:

| | | 2013 | 2012 |
|-------------------------------------------|--|---------------|---------------|
| Pensions: | | | |
| Defined benefit obligations | | Ps. 1,794,018 | Ps. 1,704,557 |
| Plan assets | | 1,466,568 | 1,348,334 |
| Unfunded (overfunded) status of the plans | | 327,450 | 356,223 |
| Remeasurements adjustments ⁽¹⁾ | | (93,980) | 69,899 |
| Seniority premiums: | | | |
| Defined benefit obligations | | Ps. 301,494 | Ps. 305,954 |
| Plan assets | | 549,134 | 520,423 |
| Unfunded (overfunded) status of the plans | | (247,640) | (214,469) |
| Remeasurements adjustments ⁽¹⁾ | | (39,883) | 5,166 |

⁽¹⁾ On defined benefit obligations and plan assets.

If the discount rate of 7.0% used by the Group in 2013 decreased by 50 basis points, the impact on defined benefit obligation would be an increase of Ps.115,535 as of December 31, 2013.

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, 2013 and 2012, was as follows:

| | 2013 | 2012 |
|----------------------------------|--------|--------|
| Equity securities ⁽¹⁾ | 26.1% | 24.4% |
| Fixed rate instruments | 73.9% | 75.6% |
| Total | 100.0% | 100.0% |

⁽¹⁾ Included within plan assets at December 31, 2013 and 2012, are shares of the Company held by the trust with a fair value of Ps.247,082 and Ps.208,749, respectively.

The weighted average expected long-term rate of return of plan assets of 7.0% and 7.2% were used in determining net periodic pension cost in 2013 and 2012, respectively. The rate used in 2012 reflected an estimate of long-term future returns for the plan assets. This estimate was primarily a function of the asset classes (equities versus fixed income) in which the plan assets were invested and the analysis of past performance of these asset classes over a long period of time. 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, 2013 and 2012:

| | Balance as of December 31, 2013 | 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. 247,082 | Ps. 247,082 | Ps. — | Ps. — |
| Mutual funds (fixed rate instruments) ⁽²⁾ | 881,092 | 881,092 | — | — |
| Money market securities ⁽³⁾ | 609,758 | 609,758 | — | — |
| Other equity securities | 277,770 | 277,770 | — | — |
| Total investment assets | Ps. 2,015,702 | Ps. 2,015,702 | Ps. — | Ps. — |

| | Balance as of December 31, 2012 | 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. 208,749 | Ps. 208,749 | Ps. — | Ps. — |
| Mutual funds (fixed rate instruments) ⁽²⁾ | 858,260 | 858,260 | — | — |
| Money market securities ⁽³⁾ | 545,533 | 545,533 | — | — |
| Other equity securities | 256,215 | 176,809 | 79,406 | — |
| Total investment assets | Ps. 1,868,757 | Ps. 1,789,351 | Ps. 79,406 | 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 does not expect to make significant contributions to its plan assets in 2014.

16. Capital Stock, Stock Purchase Plan and Long-term Retention Plan

Capital Stock

The Company has four classes of capital stock: Series "A" Shares, Series "B" Shares, Series "D" Shares and Series "L" Shares, with no par value. The Series "A" Shares and Series "B" Shares are common shares. The Series "D" Shares are limited-voting and preferred dividend shares, with a preference upon liquidation. The Series "L" Shares are limited-voting shares.

The Company's shares are publicly traded in Mexico, primarily in the form of Ordinary Participation Certificates ("CPOs"), each CPO representing 117 shares comprised of 25 Series "A" Shares, 22 Series "B" Shares, 35 Series "D" Shares and 35 Series "L" Shares; and in the United States in the form of Global Depositary Shares ("GDS"), each 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.

In April 2011, the Company's stockholders approved, among other matters: (i) the merger of Cablemás, S.A. de C.V. into the Company, for which regulatory approvals were obtained in the first half of 2011; (ii) an increase in the capital stock of the Company in the aggregate amount of Ps.1,359,040, which consisted of 2,901.6 million shares in the form of 24.8 million CPOs, in connection with the merger of Cablemás, S.A. de C.V. into the Company, by which the Company increased its interest in the Cablemás business from 90.8% to 100% (see Note 3); and (iii) an additional issuance of 17,550 million shares of the capital stock of the Company in the form of 150 million CPOs, in the aggregate amount of Ps.10,500,000, which was paid in cash primarily by the special purpose trust of the Company's Long-Term Retention Plan in October 2011.

At December 31, 2013, shares of capital stock and CPOs consisted of (in millions):

| | Authorized and Issued ⁽¹⁾ | Repurchased by the Company ⁽²⁾ | Held by a Company's Trust ⁽³⁾ | Outstanding |
|--------------------------------|-----------------------------------------|----------------------------------------------|---------------------------------------------|-------------|
| Series "A" Shares | 123,273.9 | — | (9,076.4) | 114,197.5 |
| Series "B" Shares | 58,982.9 | — | (6,062.4) | 52,920.5 |
| Series "D" Shares | 90,086.5 | — | (5,895.0) | 84,191.5 |
| Series "L" Shares | 90,086.5 | — | (5,895.0) | 84,191.5 |
| Total | 362,429.8 | — | (26,928.8) | 335,501.0 |
| Shares in the form of CPOs | 301,145.5 | — | (19,706.1) | 281,439.4 |
| Shares not in the form of CPOs | 61,284.3 | — | (7,222.7) | 54,061.6 |
| Total | 362,429.8 | — | (26,928.8) | 335,501.0 |
| CPOs | 2,573.9 | — | (168.4) | 2,405.5 |

⁽¹⁾ As of December 31, 2013, the authorized and issued capital stock amounted to Ps.4,978,126 (nominal Ps.2,494,410).

⁽²⁾ In connection with a share repurchase program that was approved by the Company's stockholders and is exercised at the discretion of management. In April 2012, the Company's stockholders approved the cancellation of 4,563.5 million shares of capital stock in the form of 39.0 million CPOs which were repurchased by the Company under this program.

⁽³⁾ In connection with the Company's Stock Purchase Plan and Long-Term Retention Plan described below.

A reconciliation of the number of shares and CPOs outstanding for the years ended December 31, 2013 and 2012, 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, 2012 | 112,609.5 | 52,190.9 | 83,030.8 | 83,030.8 | 330,862.0 | 2,372.3 |
| Acquired by a Company's trust | (78.4) | (69.0) | (109.8) | (109.8) | (367.0) | (3.1) |
| Released by the stock plans | 1,026.2 | 568.3 | 904.2 | 904.2 | 3,402.9 | 25.8 |
| As of December 31, 2012 | 113,557.3 | 52,690.2 | 83,825.2 | 83,825.2 | 333,897.9 | 2,395.0 |
| Acquired by a Company's trust | (332.4) | (292.5) | (465.4) | (465.4) | (1,555.7) | (13.3) |
| Released by the stock plans | 972.6 | 522.8 | 831.7 | 831.7 | 3,158.8 | 23.8 |
| As of December 31, 2013 | 114,197.5 | 52,920.5 | 84,191.5 | 84,191.5 | 335,501.0 | 2,405.5 |

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, 2013, the restated tax value of the Company's common stock was Ps.41,271,124. 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).

Stock Purchase Plan

The Company has adopted a Stock Purchase Plan (the "Plan") that provides, in conjunction with the Long-term Retention Plan described below, for the conditional sales of up to 8% of the Company's capital stock to key Group employees. Pursuant to this Plan, as of December 31, 2013 and 2012, the Company had assigned approximately 125.7 million CPOs, at sale prices that range from Ps.11.21 to Ps.26.16 per CPO, subject to certain conditions, including vesting periods within five years from the time the awards are granted. The shares sold pursuant to the Plan, some of which have been registered pursuant to a registration statement on Form S-8 under the Securities Act of 1933 of the United States, as amended, can only be transferred to the plan participants when the conditions set forth in the Plan and the related agreements are satisfied.

In January 2013, 2012 and 2011, 2.7 million CPOs, 2.8 million CPOs and 2.7 million CPOs, respectively, were vested and transferred to participants to be paid pursuant to this Plan.

Long-Term Retention Plan

The Company has adopted a Long-Term Retention Plan (the "Retention Plan") which supplements the Company's existing Stock Purchase Plan described above, and provides for the conditional sale of the Company's capital stock to key Group employees. Pursuant to the Retention Plan, as of December 31, 2013 and 2012, the Company had assigned approximately 211.6 million CPOs and 173.8 million CPOs or CPOs equivalent, respectively, at sale prices that range from Ps.13.45 per CPO to Ps.60.65 per CPO, subject to certain conditions, including adjustments based on the Group's consolidated operating income and vesting periods between 2009 and 2016. In 2013 and 2012, 24.3 million CPOs and 26.3 million CPOs or CPOs equivalent, respectively, were vested and transferred to participants pursuant to this Retention Plan.

As of December 31, 2013, 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.

In connection with the Company's Plan and Retention Plan, the Group has determined the stock-based compensation expense (see Note 2 (x)) by using the Black-Scholes pricing model at the date on which the stock was conditionally sold to personnel under the Group's stock-based compensation plans, on the following arrangements and weighted-average assumptions:

| | Stock Purchase Plan | | Long-Term Retention Plan | | | |
|-------------------------------------------|---------------------|------------|--------------------------|------------|------------|------------|
| Arrangements: | | | | | | |
| Year of grant | 2004 | 2010 | 2010 | 2011 | 2012 | 2013 |
| Number of CPOs or CPOs equivalent granted | 32,918 | 8,300 | 24,869 | 25,000 | 25,000 | 39,000 |
| Contractual life | 1-3 years | 1-3 years | 3 years | 3 years | 3 years | 3 years |
| Assumptions: | | | | | | |
| Dividend yield | 3% | 0.64% | 0.48% | 0.65% | 0.66% | 0.54% |
| Expected volatility ⁽¹⁾ | 21.81% | 35% | 35% | 25% | 27% | 24% |
| Risk-free interest rate | 6.52% | 4.96% | 5% | 5.80% | 4.90% | 4.79% |
| Expected average life of awards | 2.62 years | 1.22 years | 2.93 years | 3.01 years | 2.99 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):

| | 2013 | | 2012 | |
|----------------------------------------|-------------------------|---------------------------------|-------------------------|---------------------------------|
| | CPOs or CPOs Equivalent | Weighted-Average Exercise Price | CPOs or CPOs Equivalent | Weighted-Average Exercise Price |
| Stock Purchase Plan: | | | | |
| Outstanding at beginning of year | 4,942 | 13.45 | 7,738 | 13.45 |
| Conditionally sold | — | — | — | — |
| Paid by employees | (4,942) | 13.45 | (2,796) | 13.45 |
| Forfeited | — | — | — | — |
| Outstanding at end of year | — | — | 4,942 | 13.45 |
| To be paid by employees at end of year | — | — | 2,203 | 13.45 |
| Long-Term Retention Plan: | | | | |
| Outstanding at beginning of year | 105,625 | 47.38 | 108,680 | 42.08 |
| Conditionally sold | 39,000 | 59.00 | 25,000 | 48.72 |
| Paid by employees | (35,502) | 34.65 | (27,634) | 27.75 |
| Forfeited | (1,050) | 41.06 | (421) | 48.16 |
| Outstanding at end of year | 108,073 | 52.17 | 105,625 | 47.38 |
| To be paid by employees at end of year | 20,099 | 38.48 | 31,342 | 43.24 |

As of December 31, 2013, the weighted-average remaining contractual life of the awards under the Stock Purchase Plan and Long-Term Retention Plan is 1.44 years.

As of December 31, 2012, the weighted-average remaining contractual life of the awards under the Stock Purchase Plan and Long-Term Retention Plan is 1.22 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, 2012 | Ps. | 2,139,007 | Ps. | 36,687,681 | Ps. | 6,665,936 | Ps. 45,492,624 |
| Appropriation of net income relating to 2011 | | — | | 6,665,936 | | (6,665,936) | — |
| Dividends paid relating to 2011 | | — | | (1,002,692) | | — | (1,002,692) |
| Sale of repurchase shares | | — | | (876,775) | | — | (876,775) |
| Stock-based compensation | | — | | 628,637 | | — | 628,637 |
| Share cancellation | | — | | (1,929,032) | | — | (1,929,032) |
| Net income for the year 2012 | | — | | — | | 8,760,637 | 8,760,637 |
| Balance at December 31, 2012 | Ps. | 2,139,007 | Ps. | 40,173,755 | Ps. | 8,760,637 | Ps. 51,073,399 |
| Appropriation of net income relating to 2012 | | — | | 8,760,637 | | (8,760,637) | — |
| Dividends paid relating to 2012 | | — | | (2,168,384) | | — | (2,168,384) |
| Sale of repurchase shares | | — | | (254,775) | | — | (254,775) |
| Stock-based compensation | | — | | 601,181 | | — | 601,181 |
| Adjustment for adoption of IAS 19, as amended (see Note 1 (t)) | | — | | (101,814) | | — | (101,814) |
| Net income for the year 2013 | | — | | — | | 7,748,279 | 7,748,279 |
| Balance at December 31, 2013 | Ps. | 2,139,007 | Ps. | 47,010,600 | Ps. | 7,748,279 | Ps. 56,897,886 |

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, 2013 and 2012, 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 2013, 2012 and 2011. This reserve is not available for dividends, but may be used to reduce a deficit or may be transferred to stated capital. Other appropriations of profits require the vote of the Company's stockholders.

In April 2013, 2012 and 2011, 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 2013, 2012 and 2011, in the aggregate amount of Ps.1,084,192, Ps.1,002,692 and Ps.1,023,012, respectively (see Note 16).

In December 2013, 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 December 2013 in the aggregate amount of Ps.1,084,192 (see Note 16).

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, 2013, cumulative earnings that have been subject to income tax and can be distributed by the Company free of Mexican income tax were approximately Ps.54,181,190.

(b) Accumulated Other Comprehensive Income:

| Changes | Available For-Sale Investments | Exchange Differences | Remeasurement of Post- employment Benefit Obligations | Cash Flow Hedges | Share of Equity Accounts | Income Tax | Total |
|-----------------------------------------|--------------------------------------|-------------------------|-------------------------------------------------------------------|----------------------|--------------------------------|------------------------|----------------------|
| Accumulated at January 1, 2011 | Ps. 698,257 | Ps. — | Ps. — | Ps. (152,379) | Ps. 147,309 | Ps. (146,652) | Ps. 546,535 |
| Changes in other comprehensive income | 838,624 | 217,152 | 1,777 | 75,104 | (37,314) | (318,676) | 776,667 |
| Accumulated at December 31, 2011 | 1,536,881 | 217,152 | 1,777 | (77,275) | 109,995 | (465,328) | 1,323,202 |
| Changes in other comprehensive income | 164,625 | (269,408) | (71,569) | (141,098) | 50,606 | (183,474) | (450,318) |
| Reclassifications | 933,000 | — | — | — | — | — | 933,000 |
| Accumulated at December 31, 2012 | 2,634,506 | (52,256) | (69,792) | (218,373) | 160,601 | (648,802) | 1,805,884 |
| Changes in other comprehensive income | 1,881,292 | 59,065 | 128,210 | 17,025 | 105,259 | (602,684) | 1,588,167 |
| Accumulated at December 31, 2013 | Ps. 4,515,798 | Ps. 6,809 | Ps. 58,418 | Ps. (201,348) | Ps. 265,860 | Ps. (1,251,486) | Ps. 3,394,051 |

18. Non-controlling Interests

Non-controlling interests as of December 31, 2013 and 2012, consisted of:

| | 2013 | 2012 |
|-------------------------------------------------------------------------------|-----------------------|----------------------|
| Capital stock ^{(1) (2)} | Ps. 1,330,520 | Ps. 1,330,426 |
| Additional paid-in capital ^{(1) (2)} | 3,137,163 | 3,137,342 |
| Legal reserve | 152,962 | 130,139 |
| Retained earnings from prior years ^{(2) (3) (4)} | 3,146,744 | 1,980,577 |
| Net income for the year | 2,485,848 | 1,308,531 |
| Accumulated other comprehensive income (loss): | | |
| Cumulative result from hedge derivative contracts, net of income taxes | — | — |
| Cumulative result from foreign currency translation | 12,164 | 6,638 |
| Remeasurement of post-employment benefit obligations on defined benefit plans | 2,598 | (3,055) |
| | Ps. 10,267,999 | Ps. 7,890,598 |

⁽¹⁾ In March 2011, the stockholders of Empresas Cablevisión, S.A.B. de C.V. made a capital contribution in cash to increase the capital stock of this Company's subsidiary in the aggregate amount of Ps.3,000,000, of which Ps.1,469,165 was contributed by non-controlling interests.

⁽²⁾ In March 2011, the stockholders of Cablemás, S.A. de C.V. approved a capital distribution and a payment of dividends in the amount of Ps.4,580,463 and Ps.3,200,451, respectively, of which Ps.1,910,000 and Ps.1,334,000, respectively, were paid to its non-controlling interests.

⁽³⁾ In 2012 and 2011, the holding companies of the Sky segment paid a dividend to its equity owners in the aggregate amount of Ps.1,350,000 and Ps.1,850,000, respectively, of which Ps.558,000 and Ps.764,667, respectively, were paid to its non-controlling interests.

⁽⁴⁾ In 2013, 2012 and 2011, the stockholders of Sistema Radiópolis, S.A. de C.V. approved the payment of dividends in the amount of Ps.135,000, Ps.135,000 and Ps.120,000, respectively, of which Ps.67,500, Ps.67,500 and Ps.60,000, respectively, were paid to its non-controlling interest.

Amounts of consolidated current assets, non-current assets, current liabilities and non-current liabilities of Sky and Empresas Cablevisión as of December 31, 2013 and 2012, are set forth as follows:

| | Sky | | Empresas Cablevisión | |
|--------------------------|----------------------|----------------------|-----------------------|-----------------------|
| | 2013 | 2012 | 2013 | 2012 |
| Assets: | | | | |
| Current assets | Ps. 6,277,815 | Ps. 4,332,539 | Ps. 2,663,597 | Ps. 3,236,431 |
| Non-current assets | 16,523,748 | 13,014,150 | 13,722,882 | 11,848,183 |
| Total assets | 22,801,563 | 17,346,689 | 16,386,479 | 15,084,614 |
| Liabilities: | | | | |
| Current liabilities | 5,611,050 | 4,102,980 | 3,144,039 | 2,942,166 |
| Non-current liabilities | 7,409,336 | 7,517,248 | 2,201,091 | 2,043,290 |
| Total liabilities | 13,020,386 | 11,620,228 | 5,345,130 | 4,985,456 |
| Net assets | Ps. 9,781,177 | Ps. 5,726,461 | Ps. 11,041,349 | Ps. 10,099,158 |

Amounts of consolidated net sales, net income or loss and total comprehensive income or loss of Sky and Empresas Cablevisión for the years ended December 31, 2013 and 2012, are set forth as follows:

| | Sky | | Empresas Cablevisión | |
|----------------------------|----------------|----------------|----------------------|---------------|
| | 2013 | 2012 | 2013 | 2012 |
| Net sales | Ps. 16,098,251 | Ps. 14,465,345 | Ps. 8,522,576 | Ps. 7,885,530 |
| Net income | 4,041,987 | 2,108,971 | 941,096 | 934,876 |
| Total comprehensive income | 4,054,716 | 1,996,458 | 941,096 | 934,368 |

As of December 31, 2013, the Group has a payable amount corresponding to dividends amounting Ps.5,587.

19. Transactions with Related Parties

The principal transactions carried out by the Group with affiliated companies, including equity investees, stockholders and entities in which stockholders have an equity interest, for the years ended December 31, were as follows:

| | 2013 | 2012 | 2011 |
|---------------------------------------------------------------------------|---------------|---------------|---------------|
| Revenues and interest income: | | | |
| Royalties (Univision) ^(a) | Ps. 3,522,746 | Ps. 3,261,522 | Ps. 2,823,483 |
| Programming production and transmission rights ^(b) | 280,537 | 247,155 | 80,241 |
| Telecom services ^(c) | 148,926 | 91,918 | — |
| Administrative services ^(d) | 59,568 | 48,692 | 124,357 |
| Advertising ^(e) | 432,123 | 194,647 | 16,104 |
| Interest income ^(f) | 265,096 | 225,867 | 231,668 |
| | Ps. 4,708,996 | Ps. 4,069,801 | Ps. 3,275,853 |
| Costs and expenses: | | | |
| Donations | Ps. 127,991 | Ps. 108,496 | Ps. 107,595 |
| Administrative services ^(d) | 17,849 | 1,117 | 20,043 |
| Technical services ^(g) | 112,823 | 61,158 | 67,773 |
| Programming production and transmission rights and Telecom ^(h) | 288,990 | 135,307 | 201,775 |
| | Ps. 547,653 | Ps. 306,078 | Ps. 397,186 |

^(a) The Group receives royalties from Univision for programming provided pursuant to a PLA, as amended. The amended PLA includes a provision for certain yearly minimum guaranteed advertising, with a value of U.S.\$72.6 million, U.S.\$71.5 million and U.S.\$69.9 million for the fiscal years 2013, 2012 and 2011, 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 2013, Univision and OCEN in 2012, and Univision, La Sexta and OCEN in 2011.

^(c) Services rendered to GSF and GTAC in 2013 and 2012. GSF, including Iusacell, became related parties to the Group in June 2012, with the conversion of debentures issued by GSF into capital stock of GSF (see Notes 3, 9, 10 and 26).

^(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. Includes technical assistance rendered to Univision in 2011.

^(e) Advertising services rendered to Iusacell, Univision, OCEN and Editorial Clío, Libros y Videos, S.A. de C.V. ("Editorial Clío") in 2013 and 2012 and OCEN and Editorial Clío in 2011.

^(f) Includes in 2013, 2012 and 2011 interest income from the Group's investment in convertible debentures issued by BMP in the aggregate amount of Ps.215,702, Ps.221,540 and Ps.215,959, respectively (see Notes 3 and 9).

^(g) In 2013, 2012 and 2011, Sky received services from a subsidiary of DirecTV Latin America for play-out, uplink and downlink of signals.

^(h) Received mainly from Iusacell and Univision in 2013 and 2012 and Barra Deportiva, S.A. de C.V. and Univision in 2011.

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 2013, 2012 and 2011 amounted to Ps.22,032, Ps.18,239 and Ps.17,291, respectively.
- (2) From time to time, a Mexican bank has made loans to the Group, on terms substantially similar to those offered by the bank to third parties. Some members of the Company's Board serve as Board members of this bank.
- (3) Two of the Company's directors are members of the Board of, as well as, in the case of one of them, 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 2013, 2012 and 2011, 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.59,733, Ps.59,936 and Ps.27,287, respectively.

- (6) During 2013, 2012 and 2011, a company in which a current director and executive of the Company is a stockholder, purchased unsold advertising from the Group for a total of Ps.350,172, Ps.365,908 and Ps.353,000, respectively.
- (7) During 2013, 2012 and 2011, 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.12,712, Ps.146,185 and Ps.11,908, 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 2013 amounted to Ps.8,856.

During 2013, 2012 and 2011, the Group paid to its directors, alternate directors and executive officers an aggregate compensation of Ps.547,264, Ps.521,687 and Ps.494,800, 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 executive officers. Projected benefit obligations related to the Group's directors, alternate directors and executive officers amounted to Ps.146,686, Ps.140,735 and Ps.123,700 as of December 31, 2013, 2012 and 2011, respectively. Contributions made by the Group to the pension and seniority premium plans on behalf of these directors and executive officers amounted to Ps.141,099, Ps.130,809 and Ps.97,100 as of December 31, 2013, 2012 and 2011, respectively. In addition, the Group has made conditional sales of the Company's CPOs to its directors and executive officers under the Stock Purchase Plan and the Long-term Retention Plan.

The balances of receivables between the Group and affiliates as of December 31, 2013 and 2012, were as follows:

| | 2013 | 2012 |
|--------------------------|---------------|---------------|
| Receivables: | | |
| BMP, including Univision | Ps. 385,086 | Ps. 715,719 |
| GSF, including Lusacell | 712,379 | 654,220 |
| Other | 256,176 | 66,953 |
| | Ps. 1,353,641 | Ps. 1,436,892 |

All significant account balances included in amounts due from affiliates bear interest. In 2013 and 2012, average interest rates of 6.2% and 6.8% 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, 2013 and 2012, included deposits and advances from affiliates and other related parties, in an aggregate amount of Ps.938,071 and Ps.674,906, respectively, which were primarily made by Lusacell, Grupo TV Promo, S.A. de C.V. and Univision in 2013 and 2012.

In the second half of 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 beginning in August 2012, subject to inflation restatement, as well as an annual maintenance charge, which amount is to be agreed with by the parties at the end of each year, and was determined in the amount of Ps.8,793 for 2012. In the fourth quarter of 2012, the Group recognized this amended lease agreement as a finance lease obligation in the net amount of Ps.625,711 (see Notes 10, 12 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. 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 and equipment, leases of real estate property, and amortization of intangibles.

The amount of depreciation and amortization included in cost of sales, selling expenses and administrative expenses, is as follows:

| | 2013 | 2012 | 2011 |
|-------------------------|---------------|---------------|---------------|
| Cost of sales | Ps. 7,328,817 | Ps. 6,150,592 | Ps. 5,353,306 |
| Selling expenses | 675,039 | 619,627 | 527,819 |
| Administrative expenses | 1,842,510 | 1,704,021 | 1,480,427 |
| | Ps. 9,846,366 | Ps. 8,474,240 | Ps. 7,361,552 |

Amortization of other intangible assets included in cost of sales amounted to Ps.185,080, Ps.195,957 and Ps.226,529, for the years ended December 31, 2013, 2012 and 2011, respectively.

Employee benefits, share-based compensation and post-employment benefits incurred by the Group for the years ended December 31, 2013, 2012 and 2011, were as follows:

| | 2013 | 2012 | 2011 |
|--------------------------|----------------|----------------|----------------|
| Employee benefits | Ps. 13,242,633 | Ps. 11,540,341 | Ps. 9,817,823 |
| Share-based compensation | 601,181 | 628,637 | 649,325 |
| Post-employment benefits | 143,133 | 91,521 | 69,762 |
| | Ps. 13,986,947 | Ps. 12,260,499 | Ps. 10,536,910 |

21. Other Expense, Net

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

| | 2013 | 2012 | 2011 |
|-------------------------------------------------------------|--------------|---------------|---------------|
| Gain on disposition of investment ⁽¹⁾ | Ps. — | Ps. 24,856 | Ps. — |
| Donations (see Note 19) | (136,225) | (118,532) | (122,238) |
| Financial advisory and professional services ⁽²⁾ | (167,888) | (296,046) | (137,227) |
| Loss on disposition of property and equipment | (92,873) | (358,221) | (222,181) |
| Other income from Univision ⁽³⁾ | 467,131 | — | — |
| Other, net | (153,295) | 97,511 | (112,015) |
| | Ps. (83,150) | Ps. (650,432) | Ps. (593,661) |

⁽¹⁾ In 2012 included a gain on disposition of a 40.8% interest in La Sexta in the amount of Ps.24,856 (see Notes 3 and 9).

⁽²⁾ Includes financial advisory services in connection with contemplated dispositions and strategic planning projects and professional services in connection with certain litigation and other matters (see Notes 3 and 19).

⁽³⁾ In 2013 this income is related to the release of certain rights with DirecTV held by the Group in the United States.

22. Finance Income (Expense)

Finance (expense) income for the years ended December 31, 2013, 2012 and 2011, included:

| | 2013 | 2012 | 2011 |
|-------------------------------------------|-----------------|-----------------|-----------------|
| Interest expense | Ps. (4,803,151) | Ps. (4,369,276) | Ps. (4,174,455) |
| Foreign exchange loss, net | (283,821) | — | (713,628) |
| Other finance expense, net ⁽¹⁾ | — | (152,909) | (899,410) |
| Finance expense | (5,086,972) | (4,522,185) | (5,787,493) |
| Interest income ⁽²⁾ | 1,129,955 | 1,044,321 | 1,146,517 |
| Foreign exchange gain, net | — | 127,372 | — |
| Other finance income, net ⁽¹⁾ | 4,841,734 | — | — |
| Finance income | 5,971,689 | 1,171,693 | 1,146,517 |
| Finance income (expense), net | Ps. 884,717 | Ps. (3,350,492) | Ps. (4,640,976) |

⁽¹⁾ Other finance income (expense), net, consisted primarily of (loss) or gain from derivative financial instruments. In 2013, 2012 and 2011 included changes in fair value from an embedded derivative in a host contract related to the Group's investment in convertible debentures issued by BMP in the amount of Ps.4,988,479, Ps.901,623 and Ps.(503,200), respectively. In 2012 also included a non-cash cumulative net loss of Ps.(933,000) from changes in fair value related to the Group's investment in debentures issued by GSF, which amount was reclassified from accumulated other comprehensive loss to consolidated income in connection with the conversion of debentures issued by GSF into shares of common stock of GSF in June 2012 (see Notes 3, 9, 10 and 14).

⁽²⁾ In 2013 included interest income from the Group's investments in financial instruments issued by Ares and BMP in the aggregate amount of Ps.358,927. In 2013, 2012 and 2011 included interest income from the Group's investments in convertible debentures issued by BMP and GSF in the aggregate amount of Ps.215,702, Ps.411,152 and Ps.435,281, respectively (see Notes 3, 9, 10 and 14).

23. Income Taxes

The income tax provision for the years ended December 31, was comprised of:

| | 2013 | 2012 | 2011 |
|---------------------------------------------------------------|-----------------|-----------------|-----------------|
| Income taxes, current ⁽¹⁾ | Ps. (6,496,684) | Ps. (4,833,347) | Ps. (4,309,129) |
| Deconsolidation income taxes – 2014 Tax Reform ⁽²⁾ | (7,360,403) | — | — |
| Income taxes, deferred | 10,128,125 | 780,056 | 1,083,062 |
| | Ps. (3,728,962) | Ps. (4,053,291) | Ps. (3,226,067) |

⁽¹⁾ In 2013, this line item includes income taxes computed by the Company on a tax consolidated basis for the year ended December 31, 2013, IETU (flat tax) for the year ended December 31, 2013, and amounts resulting from income taxes related to prior years, including the tax payment made in connection with the matter discussed in Note 26.

⁽²⁾ In 2013, this line item reflects the effects of the elimination of the tax consolidation regime resulting from the 2014 Tax Reform, which includes the recognition of an additional income tax liability in the aggregate amount of Ps.6,813,595.

The Mexican corporate income tax rate was 30% in 2013, 2012 and 2011. In accordance with the 2014 Tax Reform, the corporate income tax rate will be 30% in 2014 and thereafter.

2014 Tax Reform

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.

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.

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, 2013 and 2012, in connection with the 2010 Mexican Tax Reform, are as follows:

| | 2013 | 2012 |
|--------------------------------------------------|-------------|-------------|
| Tax losses of subsidiaries, net | Ps. 350,197 | Ps. 431,872 |
| Dividends distributed among the Group's entities | 81,029 | — |
| | 431,226 | 431,872 |
| Less: Current portion ^(a) | 260,285 | 59,801 |
| Non-current portion ^(b) | Ps. 170,941 | Ps. 372,071 |

^(a) Income tax provision accounted for as income taxes payable in the consolidated statement of financial position as of December 31, 2013 and 2012.

^(b) Income tax provision accounted for as long-term income taxes payable in the consolidated statement of financial position as of December 31, 2013 and 2012.

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

| | % 2013 | % 2012 | % 2011 |
|----------------------------------------------------------------|-----------|-----------|-----------|
| Statutory income tax rate | 30 | 30 | 30 |
| Differences in inflation adjustments for tax and book purposes | 2 | 4 | — |
| Unconsolidated income tax | — | 1 | (2) |
| Non-controlling interest | (1) | (1) | (1) |
| Asset tax | 1 | (8) | (3) |
| Intangible assets and transmission rights | (13) | — | — |
| Tax loss carryforwards | (59) | — | — |
| 2014 Tax Reform | 53 | — | — |
| Income tax effect from prior years | 12 | — | — |
| Foreign operations | — | (6) | (4) |
| Share of loss in joint ventures and associates, net | 1 | 1 | — |
| Effect of conversion of convertible bonds | — | 7 | — |
| Change in income tax rate | 1 | — | — |
| Flat rate business tax | — | 1 | 9 |
| Effective income tax rate | 27 | 29 | 29 |

As a result of the 2014 Tax Reform and the elimination of the tax consolidation regime effective on January 1, 2014, the Group recognized the benefits from tax loss carryforwards of certain companies in the Group as of December 31, 2013. The years of expiration of tax loss carryforwards as of December 31, 2013 are as follows:

| Year of expiration | Tax loss carryforwards |
|--------------------|---------------------------|
| 2014 | Ps. 311,507 |
| 2015 | 849,630 |
| 2016 | 984,524 |
| 2017 | 243,508 |
| 2018 | 2,455,875 |
| Thereafter | 21,608,436 |
| | Ps. 26,453,480 |

During 2013, 2012 and 2011, certain Mexican subsidiaries utilized unconsolidated operating tax loss carryforwards in the amounts of Ps.581,564, Ps.317,221 and Ps.1,414,092, respectively which included the operating tax loss carryforwards related to the non-controlling interest of Sky.

Unused tax loss carryforwards from subsidiaries in South America, the United States, and Europe amounted to Ps.1,246,961 as of December 31, 2013, and mature between 2014 and 2032.

The deferred income taxes as of December 31, 2013 and 2012, were principally derived from the following temporary differences:

| | 2013 | 2012 |
|-----------------------------------------------|----------------|---------------|
| Assets: | | |
| Accrued liabilities | Ps. 1,455,444 | Ps. 1,655,731 |
| Allowance for doubtful accounts | 753,090 | 612,003 |
| Customer advances | 2,480,552 | 2,294,882 |
| Intangible assets and transmission rights | 755,985 | — |
| Liabilities: | | |
| Investments | (1,147,683) | (647,368) |
| Property, plant and equipment, net | (1,727,736) | (2,166,293) |
| Derivative financial instruments | (366,225) | (559,086) |
| Intangible assets and transmission rights | — | (816,104) |
| Prepaid expenses and other items | (542,435) | (106,050) |
| Deferred income taxes of Mexican companies | 1,660,992 | 267,715 |
| Deferred income taxes of foreign subsidiaries | 165,832 | 169,047 |
| Asset tax | 845,910 | 903,484 |
| Flat rate business tax | — | (239,515) |
| Tax loss carryforwards | 7,936,044 | — |
| Deferred income tax asset, net | Ps. 10,608,778 | Ps. 1,100,731 |

The gross movement on the deferred income tax account is as follows:

| | 2013 | 2012 |
|-----------------------------------------------------------------|----------------|---------------|
| At January 1 | Ps. 1,100,731 | Ps. 451,885 |
| Income statement charge | 10,128,125 | 780,056 |
| Tax charge relating to components of other comprehensive income | (617,803) | (120,846) |
| Tax charged directly to equity | (2,275) | (10,364) |
| At December 31 | Ps. 10,608,778 | Ps. 1,100,731 |

The analysis of deferred tax assets and liabilities is as follows:

| | 2013 | 2012 |
|---------------------------------------------------------------|----------------|---------------|
| Deferred tax assets: | | |
| Deferred tax assets to be recovered after more than 12 months | Ps. 12,752,051 | Ps. 1,249,642 |
| Deferred tax assets to be recovered within 12 months | 3,563,016 | 3,105,976 |
| Deferred tax liabilities: | | |
| Deferred tax liabilities to be paid after more than 12 months | (4,640,993) | (1,817,807) |
| Deferred tax liabilities to be paid within 12 months | (1,065,296) | (1,437,080) |
| Deferred tax assets, net | Ps. 10,608,778 | Ps. 1,100,731 |

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

| | 2013 | | |
|--------------------------------------------------------|---------------|---------------------|---------------|
| | Before tax | Tax (charge) credit | After tax |
| Remeasurement of post-employment benefit obligations | Ps. 133,863 | Ps. — | Ps. 133,863 |
| Exchange differences on translating foreign operations | 64,591 | 15,119 | 79,710 |
| Equity instruments | 254,662 | (80,657) | 174,005 |
| Derivative financial instruments cash flow hedges | 17,025 | (717) | 16,308 |
| 1.5% Convertible debentures due 2025 issued by BMP | 592,810 | (212,804) | 380,006 |
| Convertible debt instruments issued by Ares | 100,333 | (30,100) | 70,233 |
| Long-term debt financial instrument issued by Ares | (54,184) | 16,255 | (37,929) |
| Available-for-sale investments | 987,671 | (309,780) | 677,891 |
| Share of income of joint ventures and associates | 105,259 | — | 105,259 |
| Other comprehensive income | Ps. 2,202,030 | (602,684) | Ps. 1,599,346 |
| Current tax | | 15,119 | |
| Deferred tax | | Ps. (617,803) | |

| | 2012 | | |
|--------------------------------------------------------|---------------|---------------------|--------------|
| | Before tax | Tax (charge) credit | After tax |
| Remeasurement of post-employment benefit obligations | Ps. (75,065) | Ps. — | Ps. (75,065) |
| Exchange differences on translating foreign operations | (287,343) | 82,483 | (204,860) |
| Equity instruments | 212,948 | (59,625) | 153,323 |
| Derivatives financial instruments cash flow hedges | (141,098) | 41,379 | (99,719) |
| 1.5% Convertible debentures due 2025 issued by BMP | 1,202,489 | (336,698) | 865,791 |
| Convertible debentures issued by GSF: | | | |
| Loss from changes in fair value | (1,628,675) | 456,029 | (1,172,646) |
| Reclassification accumulated result | 933,000 | (261,240) | 671,760 |
| Available-for-sale investments | 377,863 | (105,802) | 272,061 |
| Share of income of joint ventures and associates | 50,606 | — | 50,606 |
| Other comprehensive income | Ps. 644,725 | (183,474) | Ps. 461,251 |
| Current tax | | (62,628) | |
| Deferred tax | | Ps. (120,846) | |
| | 2011 | | |
| | Before tax | Tax (charge) credit | After tax |
| Remeasurement of post-employment benefit obligations | Ps. 2,218 | Ps. — | Ps. 2,218 |
| Exchange differences on translating foreign operations | 241,725 | (54,782) | 186,943 |
| Derivatives financial instruments cash flow hedges | 150,016 | (54,610) | 95,406 |
| 1.5% Convertible debentures due 2025 issued by BMP | 545,136 | (152,600) | 392,536 |
| Convertible debentures issued by GSF: | | | |
| Gain from changes in fair value | 695,675 | (194,789) | 500,886 |
| Available-for-sale investments | (402,187) | 112,612 | (289,575) |
| Share of loss of joint ventures and associates | (37,314) | — | (37,314) |
| Other comprehensive income | Ps. 1,195,269 | (344,169) | Ps. 851,100 |
| Current tax | | 90,329 | |
| Deferred tax | | Ps. (434,498) | |

IETU

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

24. Earnings per CPO/Share

At December 31, 2013 and 2012, 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):

| | 2013 | 2012 |
|--------------------------------------|-------------|-------------|
| Total Shares | 335,263,053 | 333,371,978 |
| CPOs | 2,404,309 | 2,392,401 |
| Shares not in the form of CPO units: | | |
| Series "A" Shares | 53,767,382 | 53,542,125 |
| 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, 2013, 2012 and 2011, are presented as follows:

| | 2013 | | 2012 | | 2011 | |
|--------------------------------------------------------|----------|---------------------------------------------|----------|---------------------------------------------|----------|---------------------------------------------|
| | 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. 2.71 | Ps. 0.02 | Ps. 3.08 | Ps. 0.03 | Ps. 2.37 | Ps. 0.02 |

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

| | 2013 | 2012 |
|--------------------------------------|-------------|-------------|
| 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, 2013, 2012 and 2011, are presented as follows:

| | 2013 | | | | 2012 | | | | 2011 | | | |
|--------------------------------------------------------|---------|------|---------------------------------------------|------|---------|------|---------------------------------------------|------|---------|------|---------------------------------------------|------|
| | 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. | 2.50 | Ps. | 0.02 | Ps. | 2.83 | Ps. | 0.02 | Ps. | 2.24 | Ps. | 0.02 |

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

At the beginning of 2012, the Group adjusted its segment reporting. Beginning in the first quarter of 2012, the business activities of Television Broadcasting, Pay Television Networks and Programming Exports, which were previously reported as separate reportable segments, and the Internet business, which was previously reported as part of the Other Businesses segment, are reported as a single segment, Content. The new 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 nationwide broadcasting of Channels 2, 4, 5 and 9 ("television networks"), as well as the sale of advertising time on programs provided to pay television companies in Mexico and 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.

Publishing

The Publishing segment primarily consists of publishing Spanish-language magazines in Mexico, the United States and Latin America. Publishing revenues include subscriptions, sales of advertising space and magazine sales to distributors.

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 and Telecom

The Cable and Telecom segment includes the operation of a cable and telecommunication system in the Mexico City metropolitan area (*Cablevisión*); 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 operation of cable and telecommunication networks covering 50 cities of Mexico (*Cablemás*); and the operation of cable and telecommunications networks covering Monterrey and suburban areas (*Cablevisión*). The cable and telecommunication 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, and publishing distribution.

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

| | Total Revenues | Intersegment Revenues | Consolidated Revenues | Segment Income (Loss) |
|-----------------------------------------|----------------|-----------------------|-----------------------|-------------------------------|
| 2013: | | | | |
| Content | Ps. 33,817,614 | Ps. 822,694 | Ps. 32,994,920 | Ps. 15,565,959 |
| Publishing | 3,218,296 | 58,346 | 3,159,950 | 328,901 |
| Sky | 16,098,262 | 24,143 | 16,074,119 | 7,340,525 |
| Cable and Telecom | 17,138,795 | 106,271 | 17,032,524 | 6,131,773 |
| Other Businesses | 4,855,068 | 325,870 | 4,529,198 | 493,146 |
| Segment totals | 75,128,035 | 1,337,324 | 73,790,711 | 29,860,304 |
| Reconciliation to consolidated amounts: | | | | |
| Eliminations and corporate expenses | (1,337,324) | (1,337,324) | — | (1,192,453) |
| Depreciation and amortization expense | — | — | — | (9,846,366) |
| Consolidated total before other expense | 73,790,711 | — | 73,790,711 | 18,821,485 ⁽¹⁾ |
| Other expense, net | — | — | — | (83,150) |
| Consolidated total | Ps. 73,790,711 | Ps. — | Ps. 73,790,711 | Ps. 18,738,335 ⁽²⁾ |
| | Total Revenues | Intersegment Revenues | Consolidated Revenues | Segment Income (Loss) |
| 2012: | | | | |
| Content | Ps. 32,884,119 | Ps. 762,072 | Ps. 32,122,047 | Ps. 15,411,148 |
| Publishing | 3,452,988 | 60,707 | 3,392,281 | 447,630 |
| Sky | 14,465,341 | 64,068 | 14,401,273 | 6,558,033 |
| Cable and Telecom | 15,570,433 | 66,160 | 15,504,273 | 5,812,785 |
| Other Businesses | 4,211,227 | 340,692 | 3,870,535 | 183,933 |
| Segment totals | 70,584,108 | 1,293,699 | 69,290,409 | 28,413,529 |
| Reconciliation to consolidated amounts: | | | | |
| Eliminations and corporate expenses | (1,293,699) | (1,293,699) | — | (1,149,304) |
| Depreciation and amortization expense | — | — | — | (8,474,240) |
| Consolidated total before other expense | 69,290,409 | — | 69,290,409 | 18,789,985 ⁽¹⁾ |
| Other expense, net | — | — | — | (650,432) |
| Consolidated total | Ps. 69,290,409 | Ps. — | Ps. 69,290,409 | Ps. 18,139,553 ⁽²⁾ |
| | Total Revenues | Intersegment Revenues | Consolidated Revenues | Segment Income (Loss) |
| 2011: | | | | |
| Content | Ps. 30,685,668 | Ps. 869,591 | Ps. 29,816,077 | Ps. 14,480,679 |
| Publishing | 3,191,788 | 67,865 | 3,123,923 | 454,729 |
| Sky | 12,479,158 | 39,665 | 12,439,493 | 5,789,759 |
| Cable and Telecom | 13,635,354 | 44,542 | 13,590,812 | 4,778,570 |
| Other Businesses | 3,825,268 | 214,032 | 3,611,236 | (132,316) |
| Segment totals | 63,817,236 | 1,235,695 | 62,581,541 | 25,371,421 |
| Reconciliation to consolidated amounts: | | | | |
| Eliminations and corporate expenses | (1,235,695) | (1,235,695) | — | (1,142,532) |
| Depreciation and amortization expense | — | — | — | (7,361,552) |
| Consolidated total before other expense | 62,581,541 | — | 62,581,541 | 16,867,337 ⁽¹⁾ |
| Other expense, net | — | — | — | (593,661) |
| Consolidated total | Ps. 62,581,541 | Ps. — | Ps. 62,581,541 | Ps. 16,273,676 ⁽²⁾ |

⁽¹⁾ Consolidated total represents income before other expense.

⁽²⁾ Consolidated total represents consolidated operating income.

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:

| | Segment Assets at Year-End | Segment Liabilities at Year-End | Additions to Property, Plant and Equipment |
|------------------------------------------------------|-------------------------------|------------------------------------|--------------------------------------------------|
| 2013: | | | |
| Continuing operations: | | | |
| Content | Ps. 70,710,221 | Ps. 38,646,427 | Ps. 1,897,619 |
| Publishing | 2,244,618 | 670,246 | 8,902 |
| Sky | 21,099,963 | 11,377,840 | 5,095,984 |
| Cable and Telecom | 34,127,143 | 8,031,719 | 7,633,784 |
| Other Businesses | 7,038,279 | 1,860,262 | 234,383 |
| Total | Ps. 135,220,224 | Ps. 60,586,494 | Ps. 14,870,672 |
| 2012: | | | |
| Continuing operations: | | | |
| Content | Ps. 64,858,049 | Ps. 29,195,783 | Ps. 1,490,228 |
| Publishing | 2,293,466 | 605,401 | 4,975 |
| Sky | 17,003,339 | 10,835,530 | 8,057,262 |
| Cable and Telecom | 29,282,141 | 6,582,298 | 5,994,469 |
| Other Businesses | 6,009,585 | 1,241,517 | 247,895 |
| Total | Ps. 119,446,580 | Ps. 48,460,529 | Ps. 15,794,829 |
| 2011: | | | |
| Continuing operations: | | | |
| Content | Ps. 64,112,762 | Ps. 28,914,363 | Ps. 1,599,715 |
| Publishing | 2,244,823 | 752,455 | 19,120 |
| Sky | 11,106,318 | 6,195,301 | 2,957,675 |
| Cable and Telecom | 24,064,577 | 5,524,980 | 5,146,232 |
| Other Businesses | 5,179,126 | 1,628,793 | 198,626 |
| Total | Ps. 106,707,606 | Ps. 43,015,892 | Ps. 9,921,368 |
| Segment assets reconcile to total assets as follows: | | | |
| | | 2013 | 2012 |
| Segment assets | | Ps. 135,220,224 | Ps. 119,446,580 |
| Investments attributable to: | | | |
| Content ⁽¹⁾ | | 41,736,174 | 24,249,662 |
| Cable and Telecom | | 14,530,992 | 18,729,277 |
| Goodwill attributable to: | | | |
| Content | | 644,046 | 644,046 |
| Publishing | | 343,512 | 393,642 |
| Cable and Telecom | | 1,633,972 | 1,533,944 |
| Total assets | | Ps. 194,108,920 | Ps. 164,997,151 |

⁽¹⁾ Includes goodwill attributable to equity investments of Ps.359,613 in 2013 and 2012 (see Note 10).

Equity method gain (loss) recognized in income for the years ended December 31, 2013, 2012 and 2011 attributable to equity investments in Content, was Ps.184,564, Ps.50,778 and Ps.(429,680), respectively.

Equity method loss recognized in income for the years ended December 31, 2013, 2012 and 2011 attributable to equity investments in Cable and Telecom, was Ps.5,840,571, Ps.717,380 and Ps.13,760, respectively.

Segment liabilities reconcile to total liabilities as follows:

| | 2013 | 2012 |
|-----------------------------------|----------------|----------------|
| Segment liabilities | Ps. 60,586,494 | Ps. 48,460,529 |
| Debt not attributable to segments | 54,942,993 | 48,002,019 |
| Total liabilities | Ps.115,529,487 | Ps. 96,462,548 |

Geographical segment information:

| | Total Net Sales | Segment Assets at Year-End | Additions to Property, Plant and Equipment |
|-----------------|-----------------|----------------------------|--------------------------------------------|
| 2013: | | | |
| Mexico | Ps. 63,747,899 | Ps.129,048,024 | Ps. 14,537,604 |
| Other countries | 10,042,812 | 6,172,200 | 333,068 |
| | Ps. 73,790,711 | Ps.135,220,224 | Ps. 14,870,672 |
| 2012: | | | |
| Mexico | Ps. 59,702,984 | Ps. 113,870,653 | Ps. 15,677,537 |
| Other countries | 9,587,425 | 5,575,927 | 117,292 |
| | Ps. 69,290,409 | Ps. 119,446,580 | Ps. 15,794,829 |
| 2011: | | | |
| Mexico | Ps. 54,325,223 | Ps. 102,651,933 | Ps. 9,797,397 |
| Other countries | 8,256,318 | 4,055,673 | 123,971 |
| | Ps. 62,581,541 | Ps. 106,707,606 | Ps. 9,921,368 |

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

Net sales from external customers are presented by sale source, as follows:

| | 2013 | 2012 | 2011 |
|-----------|----------------|----------------|----------------|
| Services | Ps. 57,255,507 | Ps. 54,182,419 | Ps. 49,645,995 |
| Royalties | 5,321,561 | 5,283,553 | 4,494,305 |
| Goods | 2,163,696 | 2,103,220 | 1,826,113 |
| Leases | 9,049,947 | 7,721,217 | 6,615,128 |
| Total | Ps. 73,790,711 | Ps. 69,290,409 | Ps. 62,581,541 |

26. Commitments and Contingencies

As of December 31, 2013, the Group had commitments for programming and transmission rights in the aggregate amount of U.S.\$123.2 million (Ps.1,610,709) and U.S.\$399.0 million (Ps.5,216,925), respectively.

At December 31, 2013, the Group had commitments in an aggregate amount of Ps.466,827, of which Ps.28,266 were commitments related to gaming operations, Ps.85,426 were commitments to acquire television technical equipment, Ps.114,718 were commitments for the acquisition of software and related services, and Ps.238,417 were construction commitments for building improvements and technical facilities.

In connection with a long-term credit facility, the Group will provide financing to GTAC in 2014 in the principal amount of Ps.30,312 (see Notes 3 and 10).

At December 31, 2013, the Group had the following aggregate minimum annual commitments for the use of satellite transponders:

| | Thousands of U.S. Dollars |
|---------------------|---------------------------|
| 2014 | U.S.\$ 10,903 |
| 2015 | 8,035 |
| 2016 | 3,758 |
| 2017 | 2,928 |
| 2018 and thereafter | — |
| | U.S.\$ 25,624 |

The Company has guaranteed the obligation of Sky for direct loans in an aggregate principal amount of Ps.3,500,000, which are reflected as long-term debt in the consolidated statement of financial position as of December 31, 2013 and 2012 (see Note 13).

In the third quarter of 2013, Sky entered into an agreement with DirecTV for the acquisition and launch of a satellite ("SM1"), which is expected to be in service in the fourth quarter of 2015. In 2013, Sky recognized investments made in connection with this agreement in the aggregate amount of U.S.\$68.7 million (Ps.898,413). As of December 31, 2013, Sky had commitments to invest in 2014 and 2015 in connection with the acquisition and launch of the SM1 satellite in the amounts of U.S.\$60.5 million (Ps.791,038) and U.S.\$41.8 million (Ps.546,535), respectively.

The Company has guaranteed 35% of the payment obligations of a subsidiary of GSF under a credit agreement with principal maturities between 2015 and 2020. As of December 31, 2013, this guarantee was in the amount (undiscounted) of U.S.\$22.7 million (Ps.296,969).

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

As of December 31, 2013, non-cancellable annual lease commitments (undiscounted) are as follows:

| | | |
|------------|-----|-----------|
| 2014 | Ps. | 500,150 |
| 2015 | | 453,036 |
| 2016 | | 418,940 |
| 2017 | | 408,445 |
| 2018 | | 419,539 |
| Thereafter | | 809,524 |
| | Ps. | 3,009,634 |

In connection with the Group's investment in GSF, the Company agreed to make an additional payment of U.S.\$400 million (Ps.5,230,000) to GSF if cumulative EBITDA of Iusacell, as defined, reaches U.S.\$3,472 million (Ps.45,396,400) at any time between 2011 and 2015 (see Notes 3 and 10).

In 2011, the Administrative Tax System, or SAT, of the Mexican Ministry of Finance, determined a tax assessment against Televisa, for alleged wrongful deductions of losses in the payment of its income tax for the year 2005. Televisa filed a claim before the Federal Tax Court contending such tax assessment. In April 2013, Televisa's complaint was ultimately resolved by withdrawal of such claim by Televisa and payment in the amount of Ps.343,254 to the SAT (see Note 23).

There are several other 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.

Telecom Reform

On June 12, 2013 a decree amending and supplementing certain articles of the Mexican Constitution in telecommunications matters (the "Telecom Reform") came into force. On March 24, 2014, the Mexican President sent to the Senate of the Mexican Federal Congress the "Initiative Decree" that amends, supplements and repeals certain provisions relating to television and broadcasting (the "Secondary Legislation"). 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 among other adverse effects, may result in additional costs to the Company's pay-TV subsidiaries.

On March 6, 2014, the Instituto Federal de Telecomunicaciones ("IFT") issued a decision (the "Preponderance 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 Company's broadcasting businesses, as well as their results of operations and financial condition.

The Telecom Reform, the Secondary Legislation, secondary regulations that the President or IFT may issue, and certain actions recently taken by IFT affect or may adversely affect the business, results of operations and financial position of certain of the Company's subsidiaries that provide services in the areas of broadcasting and telecommunications. The Company will continue to analyze and evaluate on an ongoing basis, the impact that the Telecom Reform, the Secondary Legislation, secondary regulations, and the actions taken and to be taken by IFT may have upon it and its subsidiaries.

On March 28, 2014, the Company together with the subsidiaries determined to be Preponderant Economic Agent, filed an amparo proceeding challenging the constitutionality of the Preponderance Decision. There can be no assurance that the outcome of such procedure would be favorable to the Company and its subsidiaries.

Issuance of Local Bonds

On April 8, 2014, the Company announced that it successfully priced local bonds (*Certificados Bursátiles*) for a principal amount of Ps.6,000,000 (the "Bonds") due 2021 with an interest rate of 0.35% plus the 28-day Interbank Equilibrium Interest Rate. The issuance of these Bonds will take place on April 10, 2014. The Bonds will be unsecured. The Company intends to use the net proceeds of the offering of the Bonds for general corporate purposes and working capital.

Investor information

Common stock data

CPOs (Certificados de Participación Ordinarios) of Grupo Televisa, S.A.B., comprise 117 shares each (25 Series A Shares, 22 Series B Shares, 35 Series D Shares and 35 Series L Shares), and are listed and admitted for trading on the Mexican Stock Exchange (Bolsa Mexicana de Valores, S.A.B. de C.V.), under the ticker symbol TLEVISA CPO. The GDRs (Global Depositary Receipts), each representing five CPOs, are listed on the New York Stock Exchange and trade under the ticker symbol TV.

Dividend policy

Decisions regarding the payment and amount of dividends are subject to approval by a majority of the Series A Shares and Series B Shares voting together, generally, by recommendation of the Board of Directors, as well as to the approval of a majority of the Series A Shares voting separately. On March 25, 2004, the Company's board of directors approved a dividend payment policy pursuant to which the Company shall pay an annual ordinary dividend of Ps.0.35 per CPO.

SEC filings

Televisa files and submits annual reports to the US Securities and Exchange Commission. This annual report contains both historical information and forward-looking statements. These forward-looking statements, as well as other forward-looking statements made by the company, or its representatives from time to time, whether orally or in writing, involve risks and uncertainties relating to the company's businesses, operations, and financial condition. A summary of these risks is included in the company's filings with the US Securities and Exchange Commission, and this summary as well as the other filings with and submissions to the US Securities and Exchange Commission are and will be available through the office of investor relations upon written request.

Investor relations

We ask that investors and analysts direct all inquiries to:

Grupo Televisa, S.A.B.
Av. Vasco de Quiroga 2000
C.P. 01210 México, D.F.
(5255) 5261-2445
ir@televisa.com.mx
www.televisa.com
www.televisair.com

Corporate headquarters

Grupo Televisa, S.A.B.
Av. Vasco de Quiroga 2000
C.P. 01210 México, D.F.
(5255) 5261-2000

Legal counsel

Mijares, Angoitia, Cortés y Fuentes, S.C.
Montes Urales 505, 3er piso
C.P. 11000 México, D.F.
(5255) 5201-7400

Fried, Frank, Harris, Shriver & Jacobson LLP

One New York Plaza
New York, New York 10004 U.S.A.
(212) 859-8000

Independent auditors

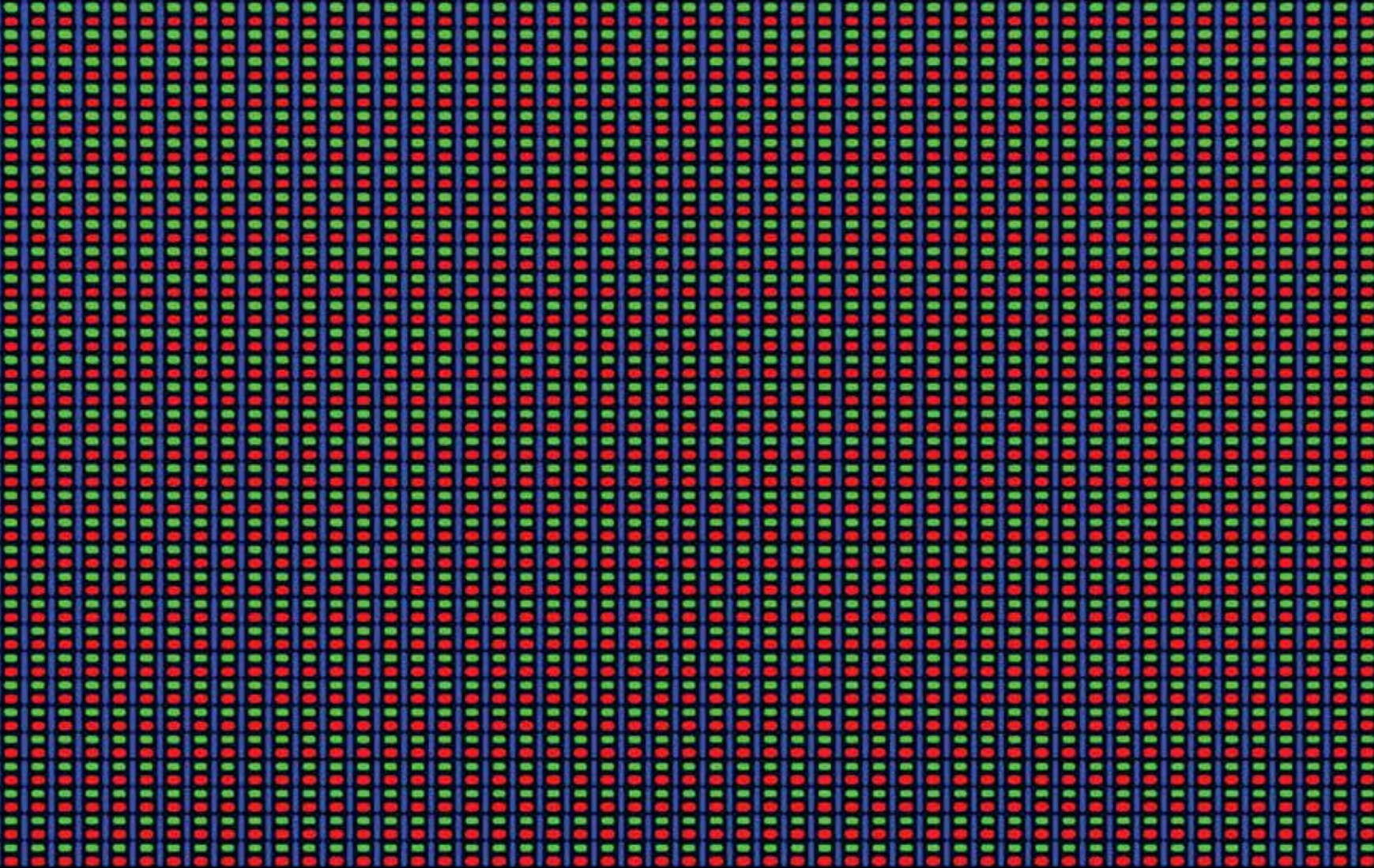
PricewaterhouseCoopers, S.C.
Mariano Escobedo 573
C.P. 11580 México, D.F.
(5255) 5263-6000

Depositary

The Bank of New York
BNY Mellon Shareowner Services
PO Box 358516
Pittsburgh, PA 15252-8516
(201) 680-6825



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