GRUPO TELEVISA, S.A.B.
Form 6-K
February 26, 2014

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

FORM 6-K

REPORT OF FOREIGN ISSUER PURSUANT TO RULES 13a-16 or 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of February, 2014

GRUPO TELEVISA, S.A.B.

(Translation of registrant's name into English)

Av. Vasco de Quiroga No. 2000, Colonia Santa Fe 01210 Mexico, D.F.
(Address of principal executive offices)

(Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.)

Form 20-F	x	Form 40-F

(Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1).)

Yes	No	x

(Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7).)

Yes	No	x

MEXICAN STOCK EXCHANGE

STOCK EXCHANGE CODE: TLEVISA QUARTER: 04 YEAR: 2013
GRUPO TELEVISA, S.A.B.

STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2013 AND DECEMBER 31, 2012
(THOUSANDS OF MEXICAN PESOS)
CONSOLIDATED
Final Printing

REF	ACCOUNT / SUBACCOUNT	CURRENT YEAR AMOUNT	END OF PREVIOUS YEAR AMOUNT
10000000	TOTAL ASSETS	194,506,765	164,997,151
11000000	CURRENT ASSETS	53,474,394	54,637,754
11010000	CASH AND CASH EQUIVALENTS	16,692,033	19,063,325
11020000	SHORT-TERM INVESTMENTS	3,722,976	5,317,296
11020010	FINANCIALINSTRUMENTS AVAILABLE FOR SALE	0	0
11020020	FINANCIAL INSTRUMENTS FOR NEGOTIATION	0	0
11020030	FINANCIAL INSTRUMENTS HELD TO MATURITY	3,722,976	5,317,296
11030000	CUSTOMER (NET)	20,734,137	18,982,277
11030010	CUSTOMER	23,226,673	21,168,000
11030020	ALLOWANCE FOR DOUBTFUL ACCOUNTS	-2,492,536	-2,185,723
11040000	OTHER ACCOUNTS RECEIVABLE (NET)	3,759,512	3,912,425
11040010	OTHER ACCOUNTS RECEIVABLE	3,995,953	4,049,003
11040020	ALLOWANCE FOR DOUBTFUL ACCOUNTS	-236,441	-136,578
11050000	INVENTORIES	2,001,875	1,508,581
11051000	BIOLOGICAL ASSETS CURRENT	0	0
11060000	OTHER CURRENT ASSETS	6,563,861	5,853,850
11060010	ADVANCE PAYMENTS	1,469,241	1,173,095
11060020	DERIVATIVE FINANCIAL INSTRUMENTS	3,447	2,373
11060030	ASSETS AVAILABLE FOR SALE	0	0
11060040	DISCONTINUED OPERATIONS	0	0
11060050	RIGHTS AND LICENSING	0	0
11060060	OTHER	5,091,173	4,678,382
12000000	NON-CURRENT ASSETS	141,032,371	110,359,397

12010000	ACCOUNTS RECEIVABLE (NET)		0	334,775
12020000	INVESTMENTS		56,267,166	42,978,939
12020010		INVESTMENTS IN ASSOCIATES AND JOINT VENTURES	18,250,764	22,111,315
12020020		HELD-TO-MATURITY DEBT SECURITIES	631,965	388,504
12020030		OTHER AVAILABLE- FOR- SALE INVESTMENTS	34,837,820	20,456,814
12020040		OTHER	2,546,617	22,306
12030000	PROPERTY, PLANT AND EQUIPMENT (NET)		53,476,475	48,267,322
12030010		BUILDINGS	14,843,097	15,673,050
12030020		MACHINERY AND INDUSTRIAL EQUIPMENT	74,378,057	64,893,812
12030030		OTHER EQUIPMENT	8,073,547	7,196,398
12030040		ACCUMULATED DEPRECIATION	-49,198,237	-43,392,016
12030050		CONSTRUCTION IN PROGRESS	5,380,011	3,896,078
12040000	INVESTMENT PROPERTIES		0	0
12050000	NON-CURRENT BIOLOGICAL ASSETS		0	0
12060000	INTANGIBLE ASSETS (NET)		11,382,311	11,126,791
12060010		GOODWILL	2,621,530	2,571,632
12060020		TRADEMARKS	1,749,402	1,759,256
12060030		RIGHTS AND LICENSING	1,344,190	855,718
12060031		CONCESSIONS	3,655,985	3,655,985
12060040		OTHER	2,011,204	2,284,200
12070000	DEFERRED TAX ASSETS		11,006,623	1,100,731
12080000	OTHER NON-CURRENT ASSETS		8,899,796	6,550,839
12080001		ADVANCE PAYMENTS	0	0
12080010		DERIVATIVE FINANCIAL INSTRUMENTS	4,941	12,627
12080020		EMPLOYEE BENEFITS	0	0
12080021		ASSETS AVAILABLE FOR SALE	0	0
12080030		DISCONTINUED OPERATIONS	0	0
12080040		DEFERRED ASSETS (NET)	0	0
12080050		OTHER	8,894,855	6,538,212
20000000	TOTAL LIABILITIES		115,598,513	96,531,574
21000000	CURRENT LIABILITIES		40,172,837	36,245,637
21010000	BANK LOANS		312,715	225,000
21020000	STOCK MARKET LOANS		0	0
21030000	OTHER INTEREST BEARING LIABILITIES		424,698	589,257
21040000	SUPPLIERS		10,186,005	8,594,138
21050000	TAXES PAYABLE		1,513,159	1,355,818

21050010	INCOME TAXES PAYABLE	463,129	512,593
21050020	OTHER TAXES PAYABLE	1,050,030	843,225
21060000	OTHER CURRENT LIABILITIES	27,736,260	25,481,424
21060010	INTEREST PAYABLE	796,229	741,819
21060020	DERIVATIVE FINANCIAL INSTRUMENTS	0	1,176
21060030	DEFERRED INCOME	21,962,847	21,215,862
21060050	EMPLOYEE BENEFITS	353,412	301,800
21060060	PROVISIONS	174,678	213,793
21060061	LIABILITIES RELATED TO CURRENT AVAILABLE FOR SALE ASSETS	0	0
21060070	DISCONTINUED OPERATIONS	0	0
21060080	OTHER	4,449,094	3,006,974
22000000	NON-CURRENT LIABILITIES	75,425,676	60,285,937
22010000	BANK LOANS	13,385,879	13,200,464
22020000	STOCK MARKET LOANS	46,357,221	39,415,955
22030000	OTHER INTEREST BEARING LIABILITIES	4,494,549	4,531,893
22040000	DEFERRED TAX LIABILITIES	0	0
22050000	OTHER NON-CURRENT LIABILITIES	11,188,027	3,137,625
22050010	DERIVATIVE FINANCIAL INSTRUMENTS	335,336	351,586
22050020	DEFERRED INCOME	474,011	769,301
22050040	EMPLOYEE BENEFITS	79,810	38,852
22050050	PROVISIONS	59,614	59,793
22050051	LIABILITIES RELATED TO NON-CURRENT AVAILABLE FOR SALE ASSETS	0	0
22050060	DISCONTINUED OPERATIONS	0	0
22050070	OTHER	10,239,256	1,918,093
30000000	STOCKHOLDERS' EQUITY	78,908,252	68,465,577
30010000	CONTROLLING INTEREST	68,674,766	60,609,492
30030000	SOCIAL CAPITAL	4,978,126	4,978,126
30040000	SHARES REPURCHASED	-12,617,293	-13,103,223
30050000	PREMIUM ON ISSUANCE OF SHARES	15,889,819	15,889,819
30060000	CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES	0	0
30070000	OTHER CAPITAL CONTRIBUTED	0	0
30080000	RETAINED EARNINGS (ACCUMULATED LOSSES)	56,632,218	51,038,886
30080010	LEGAL RESERVE	2,139,007	2,139,007
30080020	OTHER RESERVES	0	0

30080030	RETAINED EARNINGS	51,062,827	44,572,388
30080040	NET INCOME FOR THE YEAR	7,748,279	8,760,637
30080050	OTHER	-4,317,895	-4,433,146
30090000	OTHER ACCUMULATED COMPREHENSIVE RESULTS (NET OF TAX)	3,791,896	1,805,884
30090010	EARNINGS PER PROPERTY REASSESSMENT	0	0
30090020	ACTUARIAL EARNINGS (LOSS) FOR LABOR OBLIGATIONS	58,418	-69,792
30090030	RESULT FOR FOREIGN CURRENCY CONVERSION	49,629	-24,555
30090040	CHANGES IN THE VALUATION OF AVAILABLE FOR SALE FINANCIAL ASSETS	1,163,122	485,231
30090050	CHANGES IN THE VALUATION OF DERIVATIVE FINANCIAL INSTRUMENTS	-140,944	-157,252
30090060	CHANGES IN FAIR VALUE OF OTHER ASSETS	2,395,811	1,411,651
30090070	PARTICIPATION IN OTHER COMPREHENSIVE INCOME OF ASSOCIATES AND JOINT VENTURES	265,860	160,601
30090080	OTHER COMPREHENSIVE RESULT	0	0
30020000	NON-CONTROLLING INTEREST	10,233,486	7,856,085

DATA INFORMATION
AS OF DECEMBER 31, 2013 AND DECEMBER 31, 2012
(THOUSANDS OF MEXICAN PESOS)
CONSOLIDATED
Final Printing

REF	CONCEPTS	CURRENT YEAR	END OF PREVIOUS YEAR
		AMOUNT	AMOUNT
91000010	FOREIGN CURRENCY LIABILITIES SHORT-TERM	6,772,104	5,325,977
91000020	FOREIGN CURRENCY LIABILITIES LONG-TERM	32,170,424	30,263,345
91000030	CAPITAL STOCK NOMINAL	2,494,410	2,494,410
91000040	RESTATEMENT OF CAPITAL STOCK	2,483,716	2,483,716
91000050	PENSIONS AND SENIORITY PREMIUMS	2,009,430	1,905,699
91000060	NUMBER OF EXECUTIVES (*)	72	41
91000070	NUMBER OF EMPLOYEES (*)	31,975	28,558
91000080	NUMBER OF WORKERS (*)	0	0
91000090	NUMBER OF OUTSTANDING SHARES (*)	335,501,022,792	333,897,940,506
91000100	NUMBER OF REPURCHASED SHARES (*)	26,928,864,339	28,531,946,625
91000110	RESTRICTED CASH (1)	0	0
91000120	DEBT OF NON-CONSOLIDATED COMPANIES GUARANTEED	0	0

(1) THIS CONCEPT MUST BE COMPLETED WHEN GUARANTEES HAVE BEEN PROVIDED AFFECTING CASH AND CASH EQUIVALENTS
(*) DATA IN UNITS

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE TWELVE AND THREE MONTHS ENDED DECEMBER 31, 2013 AND 2012
(THOUSANDS OF MEXICAN PESOS)
CONSOLIDATED
Final Printing

REF	ACCOUNT / SUBACCOUNT	CURRENT YEAR		PREVIOUS YEAR	
		CUMULATIVE	QUARTER	CUMULATIVE	QUARTER
40010000	NET INCOME	73,790,711	21,443,064	69,290,409	19,792,456
40010010	SERVICES	57,255,507	17,007,067	54,182,419	15,590,586
40010020	SALE OF GOODS	2,163,696	585,975	2,103,220	573,507
40010030	INTEREST	0	0	0	0
40010040	ROYALTIES	5,321,561	1,431,519	5,283,553	1,576,049
40010050	DIVIDENDS	0	0	0	0
40010060	LEASE	9,049,947	2,418,503	7,721,217	2,052,314
40010061	CONSTRUCTION	0	0	0	0
40010070	OTHER	0	0	0	0
40020000	COST OF SALES	39,602,423	11,487,240	36,795,944	10,528,793
40021000	GROSS PROFIT (LOSS)	34,188,288	9,955,824	32,494,465	9,263,663
40030000	GENERAL EXPENSES	15,366,803	4,392,726	13,704,480	3,722,882
40040000	INCOME (LOSS) BEFORE OTHER INCOME AND EXPENSES, NET	18,821,485	5,563,098	18,789,985	5,540,781
40050000	OTHER INCOME AND (EXPENSE), NET	-83,150	-243,976	-650,432	-217,151
40060000	OPERATING INCOME (LOSS)	18,738,335	5,319,122	18,139,553	5,323,630
40070000	FINANCE INCOME	5,971,689	5,358,070	1,951,784	1,124,728
40070010	INTEREST INCOME	1,129,955	338,276	1,044,321	323,290
40070020	FOREIGN EXCHANGE GAIN, NET	0	20,500	127,372	113,800
40070030	DERIVATIVES GAIN, NET	4,841,734	4,999,294	780,091	687,638
40070040	EARNINGS FROM CHANGES IN FAIR VALUE OF FINANCIAL INSTRUMENTS	0	0	0	0
40070050	OTHER	0	0	0	0
40080000	FINANCE EXPENSE	5,086,972	1,299,339	5,302,276	1,142,389
40080010	INTEREST EXPENSE	4,803,151	1,299,339	4,369,276	1,142,389
40080020	FOREIGN EXCHANGE LOSS, NET	283,821	0	0	0
40080030	DERIVATIVES LOSS, NET	0	0	0	0
40080050	LOSS FROM CHANGES IN FAIR VALUE OF FINANCIAL INSTRUMENTS	0	0	933,000	0
40080060	OTHER	0	0	0	0
40090000	FINANCE INCOME (EXPENSE) NET	884,717	4,058,731	-3,350,492	-17,661
40100000		-5,659,963	-4,736,774	-666,602	-432,772

	PARTICIPATION IN THE RESULTS OF ASSOCIATES AND JOINT VENTURES				
40110000	INCOME (LOSS) BEFORE INCOME TAXES	13,963,089	4,641,079	14,122,459	4,873,197
40120000	INCOME TAXES	3,728,962	783,508	4,053,291	1,768,043
40120010	INCOME TAX, CURRENT	13,857,087	9,425,916	4,833,347	1,629,804
40120020	INCOME TAX, DEFERRED	-10,128,125	-8,642,408	-780,056	138,239
40130000	INCOME (LOSS) FROM CONTINUING OPERATIONS	10,234,127	3,857,571	10,069,168	3,105,154
40140000	INCOME (LOSS) FROM DISCONTINUED OPERATIONS, NET	0	0	0	0
40150000	NET INCOME (LOSS)	10,234,127	3,857,571	10,069,168	3,105,154
40160000	NET INCOME (LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTEREST	2,485,848	1,393,741	1,308,531	107,077
40170000	NET INCOME (LOSS) ATTRIBUTABLE TO CONTROLLING INTEREST	7,748,279	2,463,830	8,760,637	2,998,077
40180000	NET INCOME (LOSS) PER BASIC SHARE	2.71	0.86	3.08	1.05
40190000	NET INCOME (LOSS) PER DILUTED SHARE	2.50	0.80	2.83	0.97

STATEMENTS OF COMPREHENSIVE INCOME
OTHER COMPREHENSIVE INCOME (NET OF INCOME TAXES)
FOR THE TWELVE AND THREE MONTHS ENDED DECEMBER 31, 2013 AND 2012
(THOUSANDS OF MEXICAN PESOS)
CONSOLIDATED
Final Printing

REF	ACCOUNT / SUBACCOUNT	CURRENT YEAR		PREVIOUS YEAR	
		CUMULATIVE	QUARTER	CUMULATIVE	QUARTER
40200000	NET INCOME (LOSS)	10,234,127	3,857,571	10,069,168	3,105,154
	ITEMS NOT TO BE RECLASSIFIED INTO RESULTS				
40210000	EARNINGS PER PROPERTY REASSESSMENT	0	0	0	0
40220000	ACTUARIAL EARNINGS (LOSS) FOR LABOR OBLIGATIONS	133,863	133,863	-75,065	-75,065
40220100	PARTICIPATION IN RESULTS FOR REVALUATION OF PROPERTIES OF ASSOCIATES AND JOINT VENTURES	0	0	0	0
	ITEMS THAT MAY BE SUBSEQUENTLY RECLASSIFIED INTO RESULTS				
40230000	RESULT FOR FOREIGN CURRENCY CONVERSION	79,710	-7,340	-204,861	50,364
40240000	CHANGES IN THE VALUATION OF AVAILABLE FOR SALE FINANCIAL ASSETS	677,891	244,165	272,061	224,544
40250000	CHANGES IN THE VALUATION OF DERIVATIVE FINANCIAL INSTRUMENTS	16,308	19,012	-99,719	9,678
40260000	CHANGES IN FAIR VALUE OF OTHER ASSETS	984,160	1,202,780	518,229	57,755
40270000	PARTICIPATION IN OTHER COMPREHENSIVE INCOME OF ASSOCIATES AND JOINT VENTURES	105,259	-5,467	50,606	4,545
40280000	OTHER COMPREHENSIVE INCOME	0	0	0	0
40290000	TOTAL OTHER COMPREHENSIVE INCOME	1,997,191	1,587,013	461,251	271,821
40300000	COMPREHENSIVE INCOME (LOSS)	12,231,318	5,444,584	10,530,860	3,376,975
40320000	COMPREHENSIVE (LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTEREST	2,497,027	1,402,149	1,287,541	115,639
40310000	COMPREHENSIVE (LOSS) ATTRIBUTABLE TO	9,734,291	4,042,435	9,243,319	3,261,336

CONTROLLING INTEREST

STATEMENTS OF COMPREHENSIVE INCOME
DATA INFORMATION
FOR THE TWELVE AND THREE MONTHS ENDED DECEMBER 31, 2013 AND 2012
(THOUSANDS OF MEXICAN PESOS)
CONSOLIDATED

Final Printing

REF	ACCOUNT / SUBACCOUNT	CURRENT YEAR		PREVIOUS YEAR	
		CUMULATIVE	QUARTER	CUMULATIVE	QUARTER
92000010	OPERATING DEPRECIATION AND AMORTIZATION	9,846,366	2,568,278	8,474,240	2,299,614
92000020	EMPLOYEES' PROFIT SHARING, CURRENT	41,792	28,954	39,663	29,100

STATEMENTS OF COMPREHENSIVE INCOME
DATA INFORMATION (TWELVE MONTHS)
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013 AND 2012
(THOUSANDS OF MEXICAN PESOS)
CONSOLIDATED

Final Printing

REF	ACCOUNT / SUBACCOUNT	YEAR CURRENT	YEAR PREVIOUS
92000030	NET INCOME (**)	73,790,711	69,290,409
92000040	OPERATING INCOME (LOSS) (**)	18,738,335	18,139,553
92000050	CONTROLLING INTEREST NET INCOME (LOSS) (**)	7,748,279	8,760,637
92000060	NET INCOME (LOSS) (**)	10,234,127	10,069,168
92000070	OPERATING DEPRECIATION AND AMORTIZATION (**)	9,846,366	8,474,240

(**) INFORMATION FOR THE LAST TWELVE MONTHS

STATEMENTS OF CASH FLOWS (INDIRECT METHOD)
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013 AND 2012
(THOUSANDS OF MEXICAN PESOS)

CONSOLIDATED
Final Printing

REF	ACCOUNT / SUBACCOUNT	CURRENT YEAR AMOUNT	PREVIOUS YEAR AMOUNT
OPERATING ACTIVITIES			
50010000	INCOME (LOSS) BEFORE INCOME TAXES	13,963,089	14,122,459
50020000	+ (-) ITEMS NOT REQUIRING CASH	1,016,228	997,676
50020010	+ ESTIMATES FOR THE PERIOD	873,097	814,153
50020020	+ PROVISIONS FOR THE PERIOD	0	0
50020030	+ (-) OTHER UNREALIZED ITEMS	143,131	183,523
50030000	+ (-) ITEMS RELATED TO INVESTING ACTIVITIES	15,433,784	11,078,672
50030010	+ DEPRECIATION AND AMORTIZATION FOR THE PERIOD	9,846,366	8,474,240
50030020	(-) + GAIN OR LOSS ON SALE OF PROPERTY, PLANT AND EQUIPMENT	236,667	270,556
50030030	+ (-) LOSS (REVERSION) IMPAIRMENT	59,648	0
50030040	(-) + EQUITY IN RESULTS OF AFFILIATES AND JOINT VENTURES	5,659,963	666,602
50030050	(-) DIVIDENDS RECEIVED	0	0
50030060	(-) INTEREST INCOME	(192,712)	(106,529)
50030070	(-) FOREIGN EXCHANGE FLUCTUATION	(361,228)	1,577,455
50030080	(-) + OTHER ITEMS	185,080	196,348
50040000	+ (-) ITEMS RELATED TO FINANCING ACTIVITIES	1,052,445	3,033,065
50040010	(+) ACCRUED INTEREST	4,803,151	4,369,276
50040020	(+) FOREIGN EXCHANGE FLUCTUATION	489,847	(2,117,757)
50040030	(+) FINANCIAL OPERATIONS OF DERIVATIVES	(4,841,734)	152,909
50040040	+ (-) OTHER ITEMS	601,181	628,637
50050000	CASH FLOW BEFORE INCOME TAX	31,465,546	29,231,872
50060000	CASH FLOWS PROVIDED OR USED IN OPERATION	(7,659,341)	(6,675,809)
50060010	+ (-) DECREASE (INCREASE) IN CUSTOMERS	(2,604,151)	(594,478)
50060020	+ (-) DECREASE (INCREASE) IN INVENTORIES	(3,372,410)	(626,965)
50060030	+ (-) DECREASE (INCREASE) IN OTHER ACCOUNTS RECEIVABLES AND OTHER ASSETS	(2,136,355)	(1,818,962)
50060040	+ (-) INCREASE (DECREASE) IN SUPPLIERS	1,625,935	711,155
50060050	+ (-) INCREASE (DECREASE) IN OTHER LIABILITIES	3,622,333	188,584

50060060	+ (-) INCOME TAXES PAID OR RETURNED	(4,794,693)	(4,535,143)
50070000	NET CASH FLOWS FROM OPERATING ACTIVITIES	23,806,205	22,556,063
INVESTING ACTIVITIES			
50080000	NET CASH FLOWS FROM INVESTING ACTIVITIES	(25,246,453)	(12,167,423)
50080010	(-) PERMANENT INVESTMENTS IN SHARES	(1,588,925)	(452,023)
50080020	+ DISPOSITION OF PERMANENT INVESTMENT IN SHARES	0	0
50080030	(-) INVESTMENT IN PROPERTY, PLANT AND EQUIPMENT	(14,870,672)	(11,428,422)
50080040	+ SALE OF PROPERTY, PLANT AND EQUIPMENT	169,218	336,278
50080050	(-) TEMPORARY INVESTMENTS	(517,199)	(274,958)
50080060	+ DISPOSITION OF TEMPORARY INVESTMENTS	1,868,059	479,039
50080070	(-) INVESTMENT IN INTANGIBLE ASSETS	(824,072)	(822,027)
50080080	+ DISPOSITION OF INTANGIBLE ASSETS	0	0
50080090	(-) BUSINESS ACQUISITIONS	0	0
50080100	+ BUSINESS DISPOSITIONS	0	0
50080110	+ DIVIDEND RECEIVED	0	12,830
50080120	+ INTEREST RECEIVED	0	0
50080130	+ (-) DECREASE (INCREASE) IN ADVANCES AND LOANS TO THIRD PARTIES	0	0
50080140	+ (-) OTHER ITEMS	(9,482,862)	(18,140)
FINANCING ACTIVITIES			
50090000	NET CASH FLOWS FROM FINANCING ACTIVITIES	(923,817)	(7,547,799)
50090010	+ BANK FINANCING	493,383	239,400
50090020	+ STOCK MARKET FINANCING	6,437,204	0
50090030	+ OTHER FINANCING	0	0
50090040	(-) BANK FINANCING AMORTIZATION	(375,000)	(1,020,000)
50090050	(-) STOCK MARKET FINANCING AMORTIZATION	0	0
50090060	(-) OTHER FINANCING AMORTIZATION	(376,159)	(645,184)
50090070	+ (-) INCREASE (DECREASE) IN CAPITAL STOCK	0	0
50090080	(-) DIVIDENDS PAID	(2,168,384)	(1,002,692)
50090090	+ PREMIUM ON ISSUANCE OF SHARES	0	0
50090100	+ CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES	0	0
50090110	(-) INTEREST EXPENSE	(4,681,676)	(4,355,869)
50090120	(-) REPURCHASE OF SHARES	0	0
50090130	+ (-) OTHER ITEMS	(253,185)	(763,454)
50100000	NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(2,364,065)	2,840,841

50110000	CHANGES IN THE VALUE OF CASH AND CASH EQUIVALENTS	(7,227)	(53,440)
50120000	CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	19,063,325	16,275,924
50130000	CASH AND CASH EQUIVALENTS AT END OF PERIOD	16,692,033	19,063,325

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(THOUSANDS OF MEXICAN PESOS)

CONSOLIDATED

Final Printing

CONCEPTS	CAPITAL STOCK	SHARES REPURCHASED	ADDITIONAL PAID-IN CAPITAL	CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES	OTHER CAPITAL CONTRIBUTED	RETAINED EA ACCUMULAT RESERVES	R E (ACC I
BALANCE AT JANUARY 1, 2012	5,040,808	-15,971,710	15,889,819	0	0	2,139,007	
RETROSPECTIVE ADJUSTMENT	0	0	0	0	0	0	
APPLICATION OF OTHER COMPREHENSIVE INCOME TO RETAINED EARNINGS	0	0	0	0	0	0	
ESTABLISHMENT OF RESERVES	0	0	0	0	0	0	
DIVIDENDS DECLARED	0	0	0	0	0	0	
(DECREASE) INCREASE OF CAPITAL	-62,682	1,991,714	0	0	0	0	
REPURCHASE OF SHARES	0	-533,038	0	0	0	0	
(DECREASE) INCREASE IN ADDITIONAL PAID-IN CAPITAL	0	0	0	0	0	0	
(DECREASE) INCREASE IN NON-CONTROLLING INTEREST	0	0	0	0	0	0	

OTHER	0	1,409,811	0	0	0	0
COMPREHENSIVE INCOME	0	0	0	0	0	0
BALANCE AT DECEMBER 31, 2012	4,978,126	-13,103,223	15,889,819	0	0	2,139,007
BALANCE AT JANUARY 1, 2013	4,978,126	-13,103,223	15,889,819	0	0	2,139,007
RETROSPECTIVE ADJUSTMENT	0	0	0	0	0	0
APPLICATION OF OTHER COMPREHENSIVE INCOME TO RETAINED EARNINGS	0	0	0	0	0	0
ESTABLISHMENT OF RESERVES	0	0	0	0	0	0
DIVIDENDS DECLARED	0	0	0	0	0	0
(DECREASE) INCREASE OF CAPITAL	0	0	0	0	0	0
REPURCHASE OF SHARES	0	-1,057,083	0	0	0	0
(DECREASE) INCREASE IN ADDITIONAL PAID-IN CAPITAL	0	0	0	0	0	0
(DECREASE) INCREASE IN NON-CONTROLLING INTEREST	0	0	0	0	0	0
OTHER	0	1,543,013	0	0	0	0
	0	0	0	0	0	0

COMPREHENSIVE INCOME						
BALANCE AT DECEMBER 31, 2013	4,978,126	-12,617,293	15,889,819	0	0	2,139,007

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

CONSOLIDATED

Final Printing

MEXICO CITY, D.F., FEBRUARY 20, 2014—GRUPO TELEVISA, S.A.B. (NYSE:TV; BMV: TLEVISA CPO; "TELEVISA" OR "THE COMPANY"), TODAY ANNOUNCED RESULTS FOR FOURTH QUARTER AND FULL YEAR 2013. THE RESULTS HAVE BEEN PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS").

THE FOLLOWING INFORMATION FROM THE CONDENSED CONSOLIDATED STATEMENTS OF INCOME FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012 IS PRESENTED IN MILLIONS OF MEXICAN PESOS, AS WELL AS THE PERCENTAGE CHANGE WHEN COMPARING 2013 WITH 2012:

NET SALES

NET SALES INCREASED BY 6.5% TO PS.73,790.7 MILLION IN 2013 COMPARED WITH PS. 69,290.4 MILLION IN 2012. THIS INCREASE WAS ATTRIBUTABLE TO STRONG REVENUE GROWTH IN CABLE, TELECOM, AND SKY SEGMENTS. OPERATING SEGMENT INCOME INCREASED 5.1%, REACHING PS.29,860.4 MILLION WITH A MARGIN OF 39.7% IN 2013 COMPARED WITH PS.28,413.5 MILLION WITH A MARGIN OF 40.3% IN 2012.

NET INCOME ATTRIBUTABLE TO STOCKHOLDERS OF THE COMPANY

NET INCOME ATTRIBUTABLE TO STOCKHOLDERS OF THE COMPANY DECREASED TO PS.7,748.3 MILLION, OR 11.6%, IN 2013 COMPARED WITH PS.8,760.6 MILLION IN 2012. THE NET DECREASE OF PS.1,012.3 MILLION REFLECTED:

I) A PS.4,993.3 MILLION INCREASE IN SHARE OF LOSS OF JOINT VENTURES AND ASSOCIATES, NET, PRIMARILY AS A RESULT OF A NON-CASH IMPAIRMENT ADJUSTMENT TO OUR NET INVESTMENT IN GSF, OUR 50% JOINT VENTURE IN THE IUSACELL TELECOM BUSINESS.

II) A PS.1,177.4 MILLION INCREASE IN NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS, RESULTING PRIMARILY FROM THE RECOGNITION IN SKY AND OUR CABLE AND TELECOM SEGMENTS OF DEFERRED INCOME TAX ASSETS, WHICH INCLUDED A BENEFIT FROM TAX LOSS CARRYFORWARDS RELATED TO THESE SEGMENTS IN CONNECTION WITH THE RECENTLY ENACTED 2014 TAX REFORM.

THESE UNFAVORABLE VARIANCES WERE PARTIALLY OFFSET BY I) A PS.4,235.2 MILLION INCREASE IN FINANCE INCOME, NET, RESULTING PRIMARILY FROM A NON-CASH GAIN IN FAIR VALUE OF OUR OPTION TO CONVERT OUR INVESTMENT IN DEBENTURES ISSUED BY BMP, THE CONTROLLING COMPANY OF UNIVISION, INTO SHARES OF CAPITAL STOCK OF BMP; II) A PS.567.3 MILLION DECREASE IN OTHER EXPENSE, NET; AND III) A PS.324.4 MILLION DECREASE IN INCOME TAXES.

FOURTH QUARTER RESULTS AND FULL YEAR RESULTS BY BUSINESS SEGMENT

THE FOLLOWING INFORMATION PRESENTS FOURTH QUARTER CONSOLIDATED RESULTS ENDED DECEMBER 31, 2013 AND 2012 AND FULL YEAR CONSOLIDATED RESULTS ENDED DECEMBER 31, 2013 AND 2012 FOR EACH OF OUR BUSINESS SEGMENTS. CONSOLIDATED RESULTS FOR THE

FOURTH QUARTER 2013 AND 2012 AND FULL YEAR 2013 AND 2012 ARE PRESENTED IN MILLIONS OF MEXICAN PESOS:

CONTENT

FOURTH QUARTER SALES INCREASED 2.1% TO PS.10,433.8 MILLION COMPARED WITH PS.10,218.7 MILLION IN FOURTH QUARTER 2012.

FULL YEAR SALES INCREASED 2.8% TO PS.33,817.6 MILLION COMPARED WITH PS.32,884.1 MILLION IN 2012.

ADVERTISING

FOURTH QUARTER ADVERTISING REVENUE INCREASED 7.8% TO PS.8,318.7 MILLION COMPARED WITH PS.7,716.2 MILLION IN FOURTH QUARTER 2012. FULL YEAR ADVERTISING REVENUE INCREASED BY 3.9% TO PS.24,864.5 MILLION COMPARED WITH PS.23,935.9 MILLION IN 2012. THESE RESULTS REFLECT STRONGER ADVERTISING REVENUES IN OUR BROADCASTING CHANNELS AND PAY-TV NETWORKS.

NETWORK SUBSCRIPTION REVENUE

FOURTH QUARTER NETWORK SUBSCRIPTION REVENUE DECREASED BY 22.1% TO PS.638.6 MILLION COMPARED TO PS.819.4 MILLION IN FOURTH-QUARTER 2012. THESE RESULTS REFLECT FORGONE REVENUE AS A RESULT OF THE IMPLEMENTATION OF THE MUST-OFFER RULING THAT CAME INTO EFFECT WITH THE CONSTITUTIONAL REFORM IN TELECOMMUNICATIONS MATTERS. AMONG OTHER MEASURES, THIS REFORM REQUIRES US TO ALLOW THE RETRANSMISSION FREE OF CHARGE AND ON A NON-DISCRIMINATORY BASIS OF FREE-TO-AIR TELEVISION SIGNALS TO PAY-TV LICENSEES THAT OPERATE IN THE SAME AREA OF GEOGRAPHIC COVERAGE, SUBJECT TO CERTAIN CONDITIONS BEING MET.

FULL-YEAR NETWORK SUBSCRIPTION REVENUE GREW BY 2.3% TO PS.3,263.6 MILLION COMPARED WITH PS.3,189.2 MILLION IN 2012, MAINLY AS A RESULT OF THE SUSTAINED ADDITION OF PAY-TV SUBSCRIBERS IN MEXICO AND, TO A LESSER EXTENT, ABROAD. WE CLOSED 2013 WITH 35.7 MILLION SUBSCRIBERS, AN INCREASE OF 7.5% FROM 2012. THIS EFFECT WAS PARTIALLY OFFSET BY THE MUST-OFFER RULING REFERRED TO ABOVE AND TO A LESSER EXTENT A NEGATIVE TRANSLATION EFFECT ON FOREIGN-CURRENCY-DENOMINATED SALES.

LICENSING AND SYNDICATION

FOURTH QUARTER LICENSING AND SYNDICATION REVENUE DECREASED BY 12.3% TO PS.1,476.5 MILLION COMPARED TO PS.1,683.1 MILLION IN FOURTH-QUARTER 2012. THE DECREASE IS MOSTLY EXPLAINED BY UNUSUALLY STRONG SALES TO LATIN AMERICA AND COPRODUCTION REVENUES IN FOURTH QUARTER 2012, AND THE RESULTING DIFFICULT COMPARISON TO THE CURRENT PERIOD. ROYALTIES FROM UNIVISION INCREASED 8.7% FROM US$68.0 MILLION IN FOURTH QUARTER 2012 TO US$74.0 MILLION IN FOURTH QUARTER 2013.

THE FULL-YEAR DECREASE IN LICENSING AND SYNDICATION REVENUE OF 1.2% TO PS.5,689.5 MILLION COMPARED WITH PS.5,759.0 MILLION IN 2012 IS EXPLAINED BY I) A DECREASE IN SALES TO THE REST OF THE WORLD AND LOWER COPRODUCTION REVENUES; AND II) A NEGATIVE TRANSLATION EFFECT ON FOREIGN CURRENCY-DENOMINATED REVENUES. THIS NEGATIVE EFFECT WAS PARTIALLY OFFSET BY AN INCREASE OF 10.3% IN ROYALTIES FROM UNIVISION, FROM

US$247.6 MILLION IN 2012 TO US$273.2 MILLION IN 2013.

FOURTH QUARTER OPERATING SEGMENT INCOME DECREASED 2.1% TO PS.4,705.4 MILLION COMPARED WITH PS.4,807.8 MILLION IN FOURTH QUARTER 2012; THE MARGIN WAS 45.1%. THESE RESULTS REFLECT HIGHER REVENUES THAT WERE OFFSET BY THE EFFECTS OF THE MUST-OFFER RULING.

FULL-YEAR OPERATING SEGMENT INCOME INCREASED 1.0% TO PS.15,566.0 MILLION COMPARED WITH PS.15,411.1 MILLION IN 2012. THE MARGIN WAS 46.0%. THESE RESULTS REFLECT HIGHER REVENUES, WHICH WERE PARTIALLY OFFSET BY THE DECREASE IN NETWORK SUBSCRIPTION REVENUE, THE INCREASE IN PRODUCTION COSTS OF SPECIAL EVENTS, AN INCREASE IN OPERATING EXPENSES RELATED TO HIGHER EMPLOYEE COSTS AND AGENCY COMMISSIONS, AND A NEGATIVE TRANSLATION EFFECT.

PUBLISHING

FOURTH-QUARTER SALES DECREASED 7.3% TO PS.927.7 MILLION COMPARED WITH PS.1,000.3 MILLION IN FOURTH QUARTER 2012.

FULL-YEAR SALES DECREASED 6.8% TO PS.3,218.3 MILLION COMPARED WITH PS.3,453.0 MILLION IN 2012. THE DECREASE IS EXPLAINED BY LOWER CIRCULATION AND ADVERTISING REVENUES IN MEXICO AND THE REST OF THE WORLD AND A NEGATIVE TRANSLATION EFFECT ON FOREIGN CURRENCY-DENOMINATED SALES. IN 2013 MEXICO-DERIVED REVENUES REPRESENTED 39.2% COMPARED WITH 38.7% IN 2012.

FOURTH QUARTER OPERATING SEGMENT INCOME INCREASED 6.5% TO PS.144.4 MILLION COMPARED WITH PS.135.6 MILLION IN FOURTH QUARTER 2012, AND THE MARGIN WAS 15.6%.

FULL-YEAR OPERATING SEGMENT INCOME DECREASED 26.5% TO PS.328.9 MILLION COMPARED WITH PS.447.6 MILLION IN 2012, AND THE MARGIN WAS 10.2%. THIS DECREASE REFLECTS LOWER SALES AND HIGHER MARKETING EXPENSES. THIS EFFECT WAS PARTIALLY OFFSET BY I) A DECREASE IN PAPER, PRINTING AND EDITING COSTS; AND II) A POSITIVE TRANSLATION EFFECT ON FOREIGN CURRENCY-DENOMINATED COSTS AND EXPENSES.

SKY

FOURTH QUARTER SALES INCREASED BY 9.7% TO PS.4,180.7 MILLION COMPARED WITH PS.3,810.5 MILLION IN FOURTH QUARTER 2012. DURING THE QUARTER, SKY ADDED A TOTAL OF 136,550 SUBSCRIBERS, MAINLY IN MEXICO.

FULL-YEAR SALES INCREASED 11.3% TO PS.16,098.3 MILLION COMPARED WITH PS.14,465.3 MILLION IN 2012. THE ANNUAL INCREASE WAS DRIVEN BY SOLID GROWTH IN THE SUBSCRIBER BASE OF MORE THAN 862,000, WHICH IS EXPLAINED BY THE CONTINUED SUCCESS OF SKY'S LOW-COST OFFERING, THE ATTRACTIVENESS OF SKY'S TRADITIONAL PAY-TV PACKAGES AND THE INCREASE IN ADVERTISING REVENUES. AS OF DECEMBER 31, 2013, THE NUMBER OF NET ACTIVE SUBSCRIBERS INCREASED TO 6,015,475 (INCLUDING 168,063 COMMERCIAL SUBSCRIBERS), COMPARED WITH 5,153,445 (INCLUDING 164,669 COMMERCIAL SUBSCRIBERS) AS OF DECEMBER 31, 2012. SKY CLOSED THE YEAR WITH 203,076 SUBSCRIBERS IN CENTRAL AMERICA AND THE DOMINICAN REPUBLIC.

FOURTH QUARTER OPERATING SEGMENT INCOME INCREASED 11.4% TO PS.1,787.3 MILLION COMPARED WITH PS.1,604.4 MILLION IN FOURTH QUARTER 2012, AND THE MARGIN WAS 42.8%. THIS INCREASE REFLECTS LOWER PROGRAMMING COSTS, PARTIALLY OFFSET BY THE AMORTIZATION OF COSTS RELATED WITH THE 24 EXCLUSIVE MATCHES OF THE 2014 SOCCER WORLD CUP.

FULL-YEAR OPERATING SEGMENT INCOME INCREASED 11.9% TO PS.7,340.5 MILLION COMPARED WITH PS.6,558.0 MILLION IN 2012, AND THE MARGIN WAS 45.6%. THIS INCREASE REFLECTS AN INCREASE IN SALES, AND LOWER PROGRAMMING COSTS. THIS EFFECT WAS PARTIALLY COMPENSATED BY HIGHER COSTS AND EXPENSES INHERENT TO THE GROWTH IN THE SUBSCRIBER BASE, MAINLY IN THE LOWER-COST PACKAGES, AND HIGHER PROGRAMMING EXPENSES RELATED TO SPECIAL EVENTS.

CABLE AND TELECOM

FOURTH QUARTER SALES INCREASED 13.9% TO PS.4,599.4 MILLION COMPARED WITH PS.4,037.0 MILLION IN FOURTH QUARTER 2012, AND WAS DRIVEN BY GROWTH IN ALL OF OUR CABLE PLATFORMS.

FULL-YEAR SALES INCREASED 10.1% TO PS.17,138.8 MILLION COMPARED WITH PS.15,570.4 MILLION IN 2012. IN THE AGGREGATE, THE THREE CABLE OPERATIONS ADDED 709 THOUSAND REVENUE GENERATING UNITS ("RGUS") DURING THE YEAR AS A RESULT OF THE SUCCESS OF OUR COMPETITIVE PACKAGES. VOICE AND DATA RGUS CONTINUED TO BE THE MAIN DRIVERS OF GROWTH, INCREASING 21.4% AND 27.6% COMPARED WITH 2012, RESPECTIVELY, WHILE VIDEO RGUS EXPANDED BY 8.1%.

YEAR-OVER-YEAR, CABLEVISIÓN, CABLEMÁS, TVI AND BESTEL NET SALES INCREASED 12.6%, 12.9%, 9.6%, AND 0.4% RESPECTIVELY.

THE FOLLOWING INFORMATION SETS FORTH THE BREAKDOWN OF SUBSCRIBERS FOR EACH OF OUR THREE CABLE SUBSIDIARIES AS OF DECEMBER 31, 2013:

THE SUBSCRIBER BASE OF CABLEVISIÓN OF VIDEO, BROADBAND AND VOICE AS OF DECEMBER 31, 2013 AMOUNTED TO 867,525, 666,464 AND 415,023 SUBSCRIBERS, RESPECTIVELY.

THE SUBSCRIBER BASE OF CABLEMÁS OF VIDEO, BROADBAND AND VOICE AS OF DECEMBER 31, 2013 AMOUNTED TO 1,185,090, 705,202 AND 347,609 SUBSCRIBERS, RESPECTIVELY.

THE SUBSCRIBER BASE OF TVI OF VIDEO, BROADBAND AND VOICE AS OF DECEMBER 31, 2013 AMOUNTED TO 442,697, 295,122 AND 153,295 SUBSCRIBERS, RESPECTIVELY.

THE RGUS OF CABLEVISIÓN, CABLEMÁS AND TVI AS OF DECEMBER 31, 2013 AMOUNTED TO 1,949,012, 2,237,901 AND 891,114, RESPECTIVELY.

FOURTH QUARTER OPERATING SEGMENT INCOME INCREASED 4.9% TO PS.1,656.2 MILLION COMPARED WITH PS.1,579.1 MILLION IN FOURTH QUARTER 2012, AND THE MARGIN WAS 36.0%. THESE RESULTS REFLECT CONTINUED GROWTH IN THE CABLE PLATFORMS, AND LOWER PROGRAMMING COSTS, PARTIALLY COMPENSATED BY A LOWER MARGIN IN BESTEL WHEN COMPARED TO LAST YEAR, AND HIGHER PERSONNEL COSTS AND SELLING EXPENSES IN OUR CABLE PLATFORMS. THE LOWER MARGIN IN BESTEL IS EXPLAINED BY THE LARGER CONTRIBUTION OF LONG DISTANCE REVENUE, WHICH HAS BECOME A BIGGER PORTION OF ITS REVENUE MIX.

FULL-YEAR OPERATING SEGMENT INCOME INCREASED 5.5% TO PS.6,131.8 MILLION COMPARED WITH PS.5,812.8 MILLION IN 2012, AND THE MARGIN WAS 35.8%. THESE RESULTS PRIMARILY REFLECT CONTINUED GROWTH IN THE CABLE PLATFORMS. THESE FAVORABLE VARIANCES WERE PARTIALLY OFFSET BY THE LOWER MARGIN OF BESTEL AND THE INCREASE IN MAINTENANCE COSTS, PERSONNEL COSTS, AND ADVERTISING SPENDING DURING THE YEAR.

THE FOLLOWING INFORMATION SET FORTH THE BREAKDOWN OF REVENUES AND OPERATING SEGMENT INCOME, EXCLUDING CONSOLIDATION ADJUSTMENTS, FOR OUR FOUR CABLE AND TELECOM SUBSIDIARIES FOR 2013 AND 2012:

THE REVENUES FOR 2013 OF CABLEVISIÓN, CABLEMÁS, TVI AND BESTEL AMOUNTED TO PS.5,678.1 MILLION, PS.6,139.5 MILLION, PS.2,713.2 MILLION AND PS.3,051.4 MILLION, RESPECTIVELY.

THE REVENUES FOR 2012 OF CABLEVISIÓN, CABLEMÁS, TVI AND BESTEL AMOUNTED TO PS.5,041.1 MILLION, PS.5,439.7 MILLION, PS.2,474.6 MILLION AND PS.3,039.8 MILLION, RESPECTIVELY.

THE OPERATING SEGMENT INCOME FOR 2013 OF CABLEVISIÓN, CABLEMÁS, TVI AND BESTEL AMOUNTED TO PS.2,266.2 MILLION, PS.2,108.9 MILLION, PS.1,177.6 MILLION AND PS.820.7 MILLION, RESPECTIVELY.

THE OPERATING SEGMENT INCOME FOR 2012 OF CABLEVISIÓN, CABLEMÁS, TVI AND BESTEL AMOUNTED TO PS.2,033.8 MILLION, PS.2,007.6 MILLION, PS.1,065.6 MILLION AND PS.955.6 MILLION, RESPECTIVELY.

THESE RESULTS DO NOT INCLUDE CONSOLIDATION ADJUSTMENTS IN REVENUES OF PS.443.4 MILLION AND PS.424.8 MILLION IN 2013 AND 2012, RESPECTIVELY, NOR PS.241.6 MILLION AND PS.249.8 MILLION IN 2013 AND 2012, RESPECTIVELY, IN OPERATING SEGMENT INCOME, WHICH ARE INCLUDED IN THE CONSOLIDATED RESULTS OF CABLE AND TELECOM.

OTHER BUSINESSES

FOURTH QUARTER SALES INCREASED 55.3% TO PS.1,647.1 MILLION COMPARED WITH PS.1,060.5 MILLION IN FOURTH QUARTER 2012, DRIVEN MAINLY BY OUR FEATURE-FILM DISTRIBUTION AND SOCCER BUSINESSES.

FULL YEAR SALES INCREASED 15.3% TO PS.4,855.0 MILLION COMPARED WITH PS.4,211.3 MILLION IN 2012. BUSINESSES THAT PERFORMED WELL INCLUDE FEATURE-FILM DISTRIBUTION, SOCCER, RADIO, AND GAMING. THE SOCCER BUSINESS BENEFITED FROM PLAYER RELATED TRANSACTIONS, WHILE THE RADIO BUSINESS SAW AN INCREASE IN ADVERTISING REVENUES. FINALLY, THE FEATURE-FILM DISTRIBUTION BUSINESS DISTRIBUTED HITS SUCH AS “THE HUNGER GAMES: CATCHING FIRE” AND “INSTRUCTIONS NOT INCLUDED”.

FOURTH QUARTER OPERATING SEGMENT INCOME REACHED PS.196.5 MILLION COMPARED WITH PS.15.3 MILLION IN FOURTH QUARTER 2012.

FULL YEAR OPERATING SEGMENT INCOME REACHED PS.493.2 MILLION COMPARED WITH PS.184.0 MILLION IN 2012, REFLECTING I) INCREASES IN THE OPERATING SEGMENT INCOME OF FEATURE-FILM DISTRIBUTION, RADIO, AND GAMING; II) A SHIFT FROM LOSS TO INCOME IN OUR SOCCER BUSINESS; AND III) A SMALLER OPERATING SEGMENT LOSS IN OUR PUBLISHING DISTRIBUTION BUSINESS.

INTERSEGMENT OPERATIONS

INTERSEGMENT OPERATIONS FOR THE FOURTH QUARTER 2013 AND 2012 AMOUNTED TO PS.345.6 MILLION AND PS.334.5 MILLION, RESPECTIVELY.

INTERSEGMENT OPERATIONS FOR 2013 AND 2012 AMOUNTED TO PS.1,337.3 MILLION AND PS.1,293.7 MILLION, RESPECTIVELY.

CORPORATE EXPENSES

CORPORATE EXPENSES INCREASED 18.8% TO PS.358.4 MILLION IN FOURTH QUARTER 2013 COMPARED TO PS.301.8 MILLION IN FOURTH QUARTER 2012. THESE EXPENSES INCLUDE SHARE-BASED COMPENSATION EXPENSE, WHICH IS MEASURED AT FAIR VALUE AT THE TIME THE EQUITY BENEFITS ARE CONDITIONALLY SOLD TO OFFICERS AND EMPLOYEES, AND IS RECOGNIZED OVER THE VESTING PERIOD.

CORPORATE EXPENSES FOR THE FULL YEAR 2013 INCREASED 3.8% TO PS.1,192.5 MILLION COMPARED TO PS.1,149.3 IN 2012.

OTHER EXPENSE, NET

OTHER EXPENSE, NET, DECREASED BY PS.567.3 MILLION, OR 87.2%, TO PS.83.1 MILLION IN 2013, FROM PS.650.4 MILLION IN 2012. THIS DECREASE REFLECTED PRIMARILY OTHER INCOME FROM UNIVISION IN THE AMOUNT OF US$30 MILLION RELATED TO THE RELEASE OF CERTAIN CARRIAGE RIGHTS WITH DIRECTV HELD BY US IN THE UNITED STATES, AS WELL AS A LOWER LOSS ON DISPOSITION OF PROPERTY AND EQUIPMENT, AND A REDUCTION IN EXPENSE RELATED TO FINANCIAL ADVISORY AND PROFESSIONAL SERVICES.

OTHER EXPENSE, NET, IN 2013, INCLUDED PRIMARILY DONATIONS, FINANCIAL ADVISORY AND PROFESSIONAL SERVICES, AND LOSS ON DISPOSITION OF PROPERTY AND EQUIPMENT, WHICH WAS PARTIALLY OFFSET BY OTHER INCOME FROM UNIVISION.

NON-OPERATING RESULTS

FINANCE INCOME OR EXPENSE, NET

THE FOLLOWING INFORMATION SETS FORTH THE FINANCE INCOME (EXPENSE), NET, STATED IN MILLIONS OF MEXICAN PESOS FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012:

FINANCE INCOME, NET, INCREASED BY PS.4,235.2 MILLION TO PS.884.7 MILLION IN 2013 FROM A FINANCE EXPENSE OF PS.3,350.5 MILLION IN 2012. THIS INCREASE REFLECTED PRIMARILY I) A PS.4,994.6 MILLION INCREASE IN OTHER FINANCE INCOME, NET, TO PS.4,841.7 MILLION IN 2013 COMPARED WITH PS.152.9 MILLION IN OTHER FINANCE EXPENSE, NET IN 2012, RESULTING PRIMARILY FROM A NON-CASH GAIN IN FAIR VALUE OF OUR OPTION TO CONVERT OUR INVESTMENT IN DEBENTURES ISSUED BY BMP, THE CONTROLLING COMPANY OF UNIVISION, INTO SHARES OF CAPITAL STOCK OF BMP; AND II) A PS.85.7 MILLION INCREASE IN INTEREST INCOME TO PS.1,130.0 MILLION IN 2013 COMPARED WITH PS.1,044.3 MILLION IN 2012, EXPLAINED PRIMARILY BY A HIGHER AVERAGE AMOUNT OF CASH, CASH EQUIVALENTS AND TEMPORARY INVESTMENTS DURING 2013. THESE FAVORABLE VARIANCES WERE OFFSET BY I) A PS.433.9 MILLION INCREASE IN INTEREST EXPENSE TO PS.4,803.2 MILLION IN 2013 COMPARED WITH

PS.4,369.3 MILLION IN 2012, DUE PRIMARILY TO A HIGHER AVERAGE PRINCIPAL AMOUNT OF DEBT AND FINANCE LEASE OBLIGATIONS IN 2013; AND II) A PS.411.2 MILLION INCREASE IN FOREIGN EXCHANGE LOSS TO PS.283.8 MILLION IN FOREIGN EXCHANGES LOSS, NET IN 2013 COMPARED WITH PS.127.4 MILLION IN FOREIGN EXCHANGE GAIN, NET IN 2012, RESULTING PRIMARILY FROM THE EFFECT OF A 1.7% DEPRECIATION OF THE MEXICAN PESO AGAINST THE U.S. DOLLAR ON OUR AVERAGE NET UNHEDGED U.S. DOLLAR LIABILITY POSITION IN 2013 COMPARED WITH A 8.1% APPRECIATION AND A LOWER AVERAGE NET U.S. DOLLAR LIABILITY POSITION IN 2012.

SHARE OF LOSS OF JOINT VENTURES AND ASSOCIATES, NET

SHARE OF LOSS OF JOINT VENTURES AND ASSOCIATES, NET, INCREASED BY PS.4,993.3 MILLION, TO PS.5,659.9 MILLION IN 2013 FROM PS.666.6 MILLION IN 2012. THIS INCREASE REFLECTED PRIMARILY A NON-CASH IMPAIRMENT ADJUSTMENT TO OUR NET INVESTMENT IN GSF, OUR 50% JOINT VENTURE IN THE IUSACELL TELECOM BUSINESS. THIS EFFECT WAS PARTIALLY OFFSET BY AN INCREASE IN OUR SHARE OF INCOME OF BMP, THE CONTROLLING COMPANY OF UNIVISION.

INCOME TAXES

INCOME TAXES DECREASED BY PS.324.4 MILLION, OR 8%, TO PS.3,729.0 MILLION IN 2013 COMPARED WITH PS.4,053.4 MILLION IN 2012. THIS DECREASE REFLECTED PRIMARILY A LOWER EFFECTIVE INCOME TAX RATE.

NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS

NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS INCREASED BY PS.1,177.4 MILLION, OR 90%, TO PS.2,485.9 MILLION IN 2013, COMPARED WITH PS.1,308.5 MILLION IN 2012. THIS INCREASE REFLECTED PRIMARILY A HIGHER PORTION OF NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS IN OUR SKY AND CABLE AND TELECOM SEGMENTS. THIS INCREASE RESULTED PRIMARILY FROM THE RECOGNITION OF DEFERRED INCOME TAX ASSETS, WHICH INCLUDED A BENEFIT FROM TAX LOSS CARRY-FORWARDS RELATED TO THESE SEGMENTS IN CONNECTION WITH THE RECENTLY ENACTED 2014 TAX REFORM.

OTHER RELEVANT INFORMATION

CAPITAL EXPENDITURES AND INVESTMENTS

DURING 2013, WE INVESTED APPROXIMATELY US$1,157.8 MILLION IN PROPERTY, PLANT AND EQUIPMENT AS CAPITAL EXPENDITURES. THESE CAPITAL EXPENDITURES INCLUDED APPROXIMATELY US$599.9 MILLION FOR OUR CABLE AND TELECOM SEGMENT, US$397.7 MILLION FOR OUR SKY SEGMENT, AND US$160.2 MILLION FOR OUR CONTENT SEGMENT AND OTHER BUSINESSES.

OUR INVESTMENT IN PROPERTY, PLANT AND EQUIPMENT IN OUR CABLE AND TELECOM SEGMENT DURING 2013 INCLUDED APPROXIMATELY US$187.9 MILLION FOR CABLEVISIÓN, US$245.5 MILLION FOR CABLEMÁS, US$112.8 MILLION FOR TVI, AND US$53.7 MILLION FOR BESTEL.

DURING 2013, WE MADE ADDITIONAL CAPITAL CONTRIBUTIONS IN CONNECTION WITH OUR 50% JOINT INTEREST IN GSF IN THE AGGREGATE AMOUNT OF PS.1,587.5 MILLION.

ALSO, DURING THIRD QUARTER 2013, WE MADE AN INVESTMENT IN THE AMOUNT OF PS.7,000 MILLION IN CONVERTIBLE DEBT INSTRUMENTS WHICH, SUBJECT TO REGULATORY APPROVAL,

WILL ALLOW US TO ACQUIRE 95% OF THE EQUITY INTEREST OF TENEDORA ARES, S.A.P.I. DE C.V. ("ARES"), OWNER OF 51% OF THE EQUITY INTEREST OF GRUPO CABLE TV, S.A. DE C.V. ("CABLECOM"), A TELECOMMUNICATIONS COMPANY THAT OFFERS VIDEO, TELEPHONY AND DATA SERVICES IN MEXICO. IN ADDITION, ARES HAS AN OPTION TO ACQUIRE IN THE FUTURE, SUBJECT TO REGULATORY APPROVALS, THE REMAINING 49% OF THE EQUITY INTEREST OF CABLECOM. AS PART OF THIS TRANSACTION, WE INVESTED IN A LONG-TERM DEBT INSTRUMENT ISSUED BY ARES IN THE AMOUNT OF US$195 MILLION.

DEBT AND FINANCE LEASE OBLIGATIONS

THE FOLLOWING INFORMATION SETS FORTH OUR TOTAL DEBT AND FINANCE LEASE OBLIGATIONS AS OF DECEMBER 31, 2013 AND 2012. AMOUNTS ARE STATED IN MILLIONS OF MEXICAN PESOS:

THE TOTAL CONSOLIDATED DEBT AMOUNTED TO PS.60,055.8 MILLION AND PS.52,991.4 MILLION AS OF DECEMBER 31, 2013 AND DECEMBER 31, 2012, RESPECTIVELY, WHICH INCLUDED A CURRENT PORTION OF LONG-TERM DEBT IN THE AMOUNT OF PS.312.7 MILLION AND PS.375.0 MILLION, RESPECTIVELY.

ADDITIONALLY, WE HAD FINANCE LEASE OBLIGATIONS IN THE AMOUNT OF PS.4,919.3 MILLION AND PS.4,971.1 MILLION AS OF DECEMBER 31, 2013 AND DECEMBER 31, 2012, RESPECTIVELY, WHICH INCLUDED A CURRENT PORTION OF PS.424.7 MILLION AND PS.439.2 MILLION, RESPECTIVELY.

AS OF DECEMBER 31, 2013, OUR CONSOLIDATED NET DEBT POSITION (TOTAL DEBT LESS CASH AND CASH EQUIVALENTS, TEMPORARY INVESTMENTS, AND NON-CURRENT HELD-TO-MATURITY AND AVAILABLE-FOR-SALE INVESTMENTS) WAS PS.34,993.7 MILLION. THE AGGREGATE AMOUNT OF NON-CURRENT HELD-TO-MATURITY AND AVAILABLE-FOR-SALE INVESTMENTS AS OF DECEMBER 31, 2013 AMOUNTED TO PS.4,647.1 MILLION.

SHARES OUTSTANDING

AS OF DECEMBER 31, 2013 AND 2012, OUR SHARES OUTSTANDING AMOUNTED TO 335,501.0 MILLION AND 333,897.9 MILLION SHARES, RESPECTIVELY, AND OUR CPO EQUIVALENTS OUTSTANDING AMOUNTED TO 2,867.5 MILLION AND 2,853.8 MILLION CPO EQUIVALENTS, RESPECTIVELY. NOT ALL OF OUR SHARES ARE IN THE FORM OF CPOS. THE NUMBER OF CPO EQUIVALENTS IS CALCULATED BY DIVIDING THE NUMBER OF SHARES OUTSTANDING BY 117.

AS OF DECEMBER 31, 2013 AND 2012, THE GDS (GLOBAL DEPOSITARY SHARES) EQUIVALENTS OUTSTANDING AMOUNTED TO 573.5 MILLION AND 570.8 MILLION GDS EQUIVALENTS, RESPECTIVELY. THE NUMBER OF GDS EQUIVALENTS IS CALCULATED BY DIVIDING THE NUMBER OF CPO EQUIVALENTS BY FIVE.

ABOUT TELEVISA

TELEVISA 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, PRODUCES AND DISTRIBUTES 17 PAY-TV BRANDS FOR DISTRIBUTION IN MEXICO AND THE REST OF THE WORLD, AND EXPORTS ITS PROGRAMS AND FORMATS TO THE U.S. THROUGH UNIVISION AND TO OTHER TELEVISION NETWORKS IN OVER 50 COUNTRIES. TELEVISA IS ALSO A MAJOR PARTICIPANT IN MEXICO´S TELECOMMUNICATIONS INDUSTRY. IT HAS A CONTROLLING INTEREST IN SKY, MEXICO'S LEADING

DIRECT-TO-HOME SATELLITE TELEVISION SYSTEM AND IN FOUR CABLE AND TELECOMMUNICATIONS COMPANIES: CABLEVISIÓN, CABLEMÁS, TVI, AND BESTEL. THROUGH ITS CABLE INVESTMENTS, TELEVISA OFFERS VIDEO, VOICE, AND BROADBAND SERVICES. IN ADDITION, TELEVISA HAS A 50 PERCENT EQUITY STAKE IN GRUPO IUSACELL S.A. DE C.V., MEXICO'S THIRD LARGEST MOBILE TELECOM PROVIDER. TELEVISA 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 THE UNITED STATES, TELEVISA HAS EQUITY AND DEBENTURES THAT, UPON CONVERSION AND ANY NECESSARY APPROVAL OF THE FCC, WOULD REPRESENT APPROXIMATELY 37% ON A FULLY DILUTED BASIS OF THE EQUITY CAPITAL IN UNIVISION COMMUNICATIONS INC. ("UNIVISION"). UNIVISION IS THE LEADING MEDIA COMPANY SERVING THE HISPANIC MARKET. (SOURCE: GRUPO TELEVISA)

DISCLAIMER

THIS ANNEX CONTAINS FORWARD-LOOKING STATEMENTS REGARDING THE COMPANY'S RESULTS AND PROSPECTS. ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THESE STATEMENTS. THE FORWARD-LOOKING STATEMENTS IN THIS ANNEX SHOULD BE READ IN CONJUNCTION WITH THE FACTORS DESCRIBED IN "ITEM 3. KEY INFORMATION – FORWARD-LOOKING STATEMENTS" IN THE COMPANY'S ANNUAL REPORT ON FORM 20-F, WHICH, AMONG OTHERS, COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE CONTAINED IN FORWARD-LOOKING STATEMENTS MADE IN THIS ANNEX AND IN ORAL STATEMENTS MADE BY AUTHORIZED OFFICERS OF THE COMPANY. READERS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THEIR DATES. THE COMPANY UNDERTAKES NO OBLIGATION TO PUBLICLY UPDATE OR REVISE ANY FORWARD-LOOKING STATEMENTS, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHERWISE.

THE FINANCIAL INSTITUTIONS THAT PERFORM FINANCIAL ANALYSIS ON THE SECURITIES OF GRUPO TELEVISA, S.A.B. ARE AS FOLLOWS:

INSTITUTION:
- BBVA BANCOMER
- CREDIT SUISSE
- GBM CASA DE BOLSA
- GOLDMAN SACHS
- HSBC
- ITAÚ SECURITIES
- JPMORGAN
- MAXIM GROUP
- MERRILL LYNCH
- MORGAN STANLEY
- NEW STREET
- SANTANDER
- SCOTIABANK
- UBS

FINANCIAL STATEMENT NOTES

CONSOLIDATED

Final Printing

GRUPO TELEVISA, S.A.B. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(IN THOUSANDS OF MEXICAN PESOS, EXCEPT PER CPO AND PER SHARE AMOUNTS)

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES:

THESE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF GRUPO TELEVISA, S.A.B. (THE "COMPANY") AND SUBSIDIARIES (COLLECTIVELY, THE "GROUP"), FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012, ARE UNAUDITED, AND HAVE BEEN PREPARED BY USING THE GUIDELINES PROVIDED BY THE INTERNATIONAL ACCOUNTING STANDARD 34, INTERIM FINANCIAL REPORTING. IN THE OPINION OF MANAGEMENT, ALL ADJUSTMENTS NECESSARY FOR A FAIR PRESENTATION OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS HAVE BEEN INCLUDED THEREIN.

THESE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS SHOULD BE READ IN CONJUNCTION WITH THE GROUP'S AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND NOTES THERETO FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011, WHICH HAVE BEEN PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ISSUED BY THE INTERNATIONAL ACCOUNTING STANDARDS BOARD, AND INCLUDE, AMONG OTHER DISCLOSURES, THE GROUP'S MOST SIGNIFICANT ACCOUNTING POLICIES, WHICH WERE APPLIED ON A CONSISTENT BASIS AS OF DECEMBER 31, 2013, EXCEPT FOR THE MATTER DISCUSSED IN THE FOLLOWING PARAGRAPH.

IN THE FIRST QUARTER OF 2013, THE GROUP ADOPTED THE PROVISIONS OF THE INTERNATIONAL ACCOUNTING STANDARD (“IAS”) 19, EMPLOYEE BENEFITS, AS AMENDED IN 2011, WHICH BECAME EFFECTIVE ON JANUARY 1, 2013. THE AMENDED IAS 19 ELIMINATED THE CORRIDOR APPROACH FOR THE RECOGNITION OF ACTUARIAL GAINS AND LOSSES, 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 AMENDEMENT 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 IN THE AGGREGATE AMOUNT OF PS.102,902 IN CONSOLIDATED RETAINED EARNINGS AS OF JANUARY 1, 2013.

THESE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS WERE AUTHORIZED FOR ISSUANCE ON FEBRUARY 18, 2014 BY THE GROUP’S CHIEF FINANCIAL OFFICER.

2. PROPERTY, PLANT AND EQUIPMENT:

PROPERTY, PLANT AND EQUIPMENT AS OF DECEMBER 31, 2013 AND 2012 CONSISTED OF:

	2013	2012

BUILDINGS	Ps.8,411,136	Ps.8,345,913
BUILDING IMPROVEMENTS	305,402	1,332,400
TECHNICAL EQUIPMENT	66,508,565	57,024,320
SATELLITE TRANSPONDERS	7,869,492	7,869,492
FURNITURE AND FIXTURES	825,284	724,747
TRANSPORTATION EQUIPMENT	1,907,209	2,222,488
COMPUTER EQUIPMENT	5,341,054	4,249,163
LEASEHOLD IMPROVEMENTS	1,528,911	1,438,472
	92,697,053	83,206,995
ACCUMULATED DEPRECIATION	(49,198,237)	(43,392,016)
	43,498,816	39,814,979
LAND	4,597,648	4,556,265
CONSTRUCTION AND PROJECTS IN PROGRESS	5,380,011	3,896,078
	Ps.53,476,475	Ps.48,267,322

DEPRECIATION CHARGED TO INCOME FOR THE YEAR ENDED DECEMBER 31, 2013 AND 2012 WAS PS.8,861,390 AND PS.7,571,149, RESPECTIVELY.

DURING THE YEAR ENDED DECEMBER 31, 2013, THE GROUP INVESTED PS.14,870,672 IN PROPERTY, PLANT AND EQUIPMENT AS CAPITAL EXPENDITURES.

3. 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 (A)	Ps.	6,507,849	Ps.	6,388,636
6.625% SENIOR NOTES DUE 2025 (A)		7,414,019		7,240,710
8.50% SENIOR NOTES DUE 2032 (A)		3,890,267		3,821,000
6.625% SENIOR NOTES DUE 2040 (A)		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 (B)		9,951,803		9,944,750
8.49% SENIOR NOTES DUE 2037 (A)		4,483,022		4,482,297
7.25% SENIOR NOTES DUE 2043 (A)		6,430,330		-
BANK LOANS		8,589,233		8,586,064
BANK LOANS (SKY)		3,500,000		3,500,000
BANK LOANS (TVI)		1,609,361		1,489,400
TOTAL MEXICAN PESO DEBT		34,563,749		28,002,511
TOTAL DEBT (C)		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	$	52,616,419
FINANCE LEASE OBLIGATIONS:				
SATELLITE TRANSPONDER LEASE OBLIGATION	Ps.	4,077,561	Ps.	4,132,365
OTHER		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

(A) THESE SENIOR NOTES 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 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. THE SENIOR NOTES DUE 2043 ARE REGISTERED WITH BOTH THE U.S. SECURITIES AND EXCHANGE COMMISSION AND THE MEXICAN BANKING AND SECURITIES COMMISSION ("COMISIÓN NACIONAL BANCARIA Y DE VALORES").

(B) INTEREST ON THESE NOTES ("CERTIFICADOS BURSÁTILES") 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 DESIGNATED 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.

(C) 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.

4. CONTINGENCIES:

THERE ARE SEVERAL LEGAL ACTIONS AND CLAIMS PENDING AGAINST THE GROUP WHICH ARE FILED IN THE ORDINARY COURSE OF BUSINESS. IN THE OPINION OF THE COMPANY'S MANAGEMENT, NONE OF THESE ACTIONS AND CLAIMS IS EXPECTED TO HAVE A MATERIAL

ADVERSE EFFECT ON THE GROUP'S FINANCIAL STATEMENTS AS A WHOLE; HOWEVER, THE COMPANY´S MANAGEMENT IS UNABLE TO PREDICT THE OUTCOME OF ANY OF THESE LEGAL ACTIONS AND CLAIMS.

5. EQUITY:

THE EQUITY ATTRIBUTABLE TO STOCKHOLDERS OF THE COMPANY AS OF DECEMBER 31, 2013 AND 2012, IS PRESENTED AS FOLLOWS:

	2013	2012
NOMINAL CAPITAL STOCK	Ps.2,494,410	Ps.2,494,410
CUMULATIVE INFLATION ADJUSTMENT (A)	2,483,716	2,483,716
TOTAL CAPITAL STOCK	Ps.4,978,126	Ps.4,978,126
ADDITIONAL PAID-IN CAPITAL	15,889,819	15,889,819
RETAINED EARNINGS	48,883,939	42,278,249
ACCUMULATED OTHER COMPREHENSIVE INCOME, NET	3,791,896	1,805,884
SHARES REPURCHASED	(12,617,293)	(13,103,223)
NET INCOME FOR THE YEAR	7,748,279	8,760,637
EQUITY ATTRIBUTABLE TO STOCKHOLDERS OF THE COMPANY	Ps.68,674,766	Ps.60,609,492

(A) ADJUSTMENT TO RECOGNIZE THE EFFECTS OF INFLATION IN CAPITAL STOCK THROUGH DECEMBER 31, 1997, DETERMINED BY APPLYING THE CHANGE IN THE MEXICAN NATIONAL CONSUMER PRICE INDEX BETWEEN THE DATES CAPITAL STOCK WAS CONTRIBUTED AND DECEMBER 31, 1997, THE DATE THROUGH WHICH THE MEXICAN ECONOMY WAS CONSIDERED HYPERINFLATIONARY UNDER THE GUIDELINES OF THE IFRS.

ON APRIL 27, 2012, THE COMPANY'S STOCKHOLDERS APPROVED (I) THE PAYMENT OF A DIVIDEND OF PS.0.35 PER CPO AND PS.0.002991452991 PER SHARE OF SERIES "A", "B", "D" AND "L", NOT IN THE FORM OF A CPO, WHICH WAS PAID IN CASH IN MAY 2012 IN THE AGGREGATE AMOUNT OF PS.1,002,692; AND (II) THE CANCELLATION OF 4,563.5 MILLION SHARES OF CAPITAL STOCK IN THE FORM OF 39 MILLION CPOS, WHICH WERE REPURCHASED BY THE COMPANY IN 2009, 2010 AND 2011.

ON APRIL 2, 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", NOT IN THE FORM OF A CPO, WHICH WAS PAID IN CASH IN MAY 2013 IN THE AGGREGATE AMOUNT OF PS.1,084,192.

ON DECEMBER 9, 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", NOT IN THE FORM OF A CPO, WHICH WAS PAID IN CASH IN DECEMBER 2013 IN THE AGGREGATE AMOUNT OF PS.1,084,192.

AS OF DECEMBER 31, 2013, THE NUMBER OF SHARES ISSUED, REPURCHASED AND OUTSTANDING IS PRESENTED AS FOLLOWS:

ISSUED	REPURCHASED AND HELD BY A COMPANY'S TRUST	OUTSTANDING
123,273,961,425	9,076,446,560	114,197,514,865

SERIES "A" SHARES			
SERIES "B" SHARES	58,982,873,976	6,062,442,061	52,920,431,915
SERIES "D" SHARES	90,086,525,865	5,894,987,859	84,191,538,006
SERIES "L" SHARES	90,086,525,865	5,894,987,859	84,191,538,006
	362,429,887,131	26,928,864,339	335,501,022,792

AS OF DECEMBER 31, 2013, THE COMPANY'S SHARES REPURCHASED BY THE COMPANY AND THE COMPANY'S SHARES HELD BY A SPECIAL TRUST IN CONNECTION WITH THE COMPANY'S STOCK PURCHASE PLAN AND THE LONG-TERM RETENTION PLAN ARE PRESENTED AS A CHARGE TO THE EQUITY ATTRIBUTABLE TO STOCKHOLDERS OF THE COMPANY, AS FOLLOWS:

	SERIES "A", "B", "D", AND "L" SHARES				
	IN THE FORM OF CPOS	NOT IN THE FORM OF CPOS	TOTAL		NET COST
REPURCHASE PROGRAM (1)	-	-	-	PS.	-
HELD BY A COMPANY TRUST (2)	19,706,102,091	7,222,762,248	26,928,864,339	10,919,470	
ADVANCES FOR ACQUISITION OF SHARES (3)	-	-	-		1,697,823
	19,706,102,091	7,222,762,248	26,928,864,339	PS.	12,617,293

(1) DURING THE YEAR ENDED DECEMBER 31, 2013 THE COMPANY DID NOT REPURCHASE ANY SHARES IN THE FORM OF CPOS. IN ACCORDANCE WITH THE MEXICAN SECURITIES LAW, ANY AMOUNT OF SHARES REPURCHASED AND HELD BY THE COMPANY IS RECOGNIZED AS A CHARGE TO EQUITY ATTRIBUTABLE TO STOCKHOLDERS OF THE COMPANY, AND ANY CANCELLATION OF SHARES REPURCHASED IS RECOGNIZED AS A REDUCTION OF THE COMPANY'S CAPITAL STOCK ISSUED FOR AN AMOUNT PROPORTIONATE TO THE SHARES CANCELLED.

(2) IN JANUARY 2013, THE COMPANY RELEASED 320,443,695 SHARES IN THE FORM OF 2,738,835 CPOS, IN THE AMOUNT OF PS.34,920, IN CONNECTION WITH THE STOCK PURCHASE PLAN. ADDITIONALLY, DURING THE YEAR ENDED DECEMBER 31, 2013, THE LONG-TERM RETENTION PLAN ACQUIRED 1,555,582,509 SHARES OF THE COMPANY, IN THE FORM OF 13,295,577 CPOS, IN THE AMOUNT OF PS.860,272 AND RELEASED 2,459,691,702 SHARES IN THE FORM OF 21,023,006 CPOS, AND 378,529,398 SERIES "A", SHARES IN THE AGGREGATE AMOUNT OF PS.801,737 IN CONNECTION WITH THE LONG-TERM RETENTION PLAN.

(3) IN CONNECTION WITH THE COMPANY'S STOCK PURCHASE PLAN AND THE LONG-TERM RETENTION PLAN.

THE GROUP ACCRUED IN EQUITY ATTRIBUTABLE TO STOCKHOLDERS OF THE COMPANY A SHARE-BASED COMPENSATION EXPENSE OF PS.601,181 FOR THE YEAR ENDED DECEMBER 31, 2013,

WHICH AMOUNT WAS REFLECTED IN CONSOLIDATED OPERATING INCOME AS ADMINISTRATIVE EXPENSE.

6. FINANCE INCOME (EXPENSE), NET:

FINANCE INCOME (EXPENSE) FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012, INCLUDED:

	2013	2012
INTEREST EXPENSE	Ps. (4,803,151)	Ps. (4,369,276)
FOREIGN EXCHANGE LOSS, NET	(283,821)	-
OTHER FINANCE EXPENSE, NET (1)	-	(152,909)
FINANCE EXPENSE	(5,086,972)	(4,522,185)
INTEREST INCOME (2)	1,129,955	1,044,321
FOREIGN EXCHANGE GAIN, NET	-	127,372
OTHER FINANCE INCOME, NET (1)	4,841,734	-
FINANCE INCOME	5,971,689	1,171,693
FINANCE INCOME (EXPENSE), NET	Ps. 884,717	Ps. (3,350,492)

(1) OTHER FINANCE INCOME OR EXPENSE, NET, INCLUDED IN 2013 AND 2012 A GAIN 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 AND PS.901,623, RESPECTIVELY. IN 2012, IT INCLUDED A NON-CASH CHARGE IN THE AMOUNT OF PS.933,000 RELATED TO THE RECLASSIFICATION OF A CUMULATIVE CHANGE IN FAIR VALUE OF AN EQUITY FINANCIAL INSTRUMENT, WHICH WAS RECOGNIZED IN OTHER COMPREHENSIVE INCOME, NET, IN CONNECTION WITH THE GROUP'S CONVERSION OF DEBENTURES ISSUED BY GSF TELECOM HOLDINGS, S.A.P.I. DE C.V. ("GSF") THE PARENT COMPANY OF IUSACELL, S.A. DE C.V. ("IUSACELL"), INTO SHARES OF COMMON STOCK OF GSF. IN 2013 AND 2012, THIS LINE ITEM ALSO INCLUDED THE GAIN OR LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS.

(2) IN THE YEAR ENDED DECEMBER 31, 2013, THIS LINE ITEM INCLUDED INTEREST INCOME FROM THE GROUP'S INVESTMENT IN CONVERTIBLE DEBENTURES ISSUED BY BMP IN THE AMOUNT OF PS.215,702. IN THE YEAR ENDED DECEMBER 31, 2012, THIS LINE ITEM INCLUDED INTEREST INCOME FROM THE GROUP'S INVESTMENTS IN CONVERTIBLE DEBENTURES ISSUED BY BMP AND GSF IN THE AGGREGATE AMOUNT OF PS.411,152. THE DEBENTURES ISSUED BY GSF WERE CONVERTED BY THE GROUP INTO SHARES OF CAPITAL STOCK OF GSF IN JUNE 2012.

7. DEFERRED TAXES:

IN THE LAST QUARTER OF 2013, THE MEXICAN CONGRESS APPROVED A NEW TAX REFORM (THE "2014 TAX REFORM"), WHICH BECAME EFFECTIVE AS OF JANUARY 1, 2014. AMONG THE TAX REFORMS APPROVED BY THE MEXICAN CONGRESS, ONE OF THE MOST RELEVANT CHANGES IS THE ELIMINATION OF THE CONSOLIDATION REGIME. THROUGH DECEMBER 31, 2013, THE COMPANY WAS ALLOWED TO CONSOLIDATE, FOR INCOME TAX PURPOSES, INCOME OR LOSS OF ITS MEXICAN SUBSIDIARIES UP TO 100% OF ITS SHARE OWNERSHIP IN SUCH SUBSIDIARIES.

AS A RESULT OF THIS CHANGE, THE COMPANY (I) ACCOUNTED FOR AN ADDITIONAL INCOME TAX LIABILITY AS OF DECEMBER 31, 2013 FOR THE EFFECTS OF ELIMINATING THE INCOME TAX CONSOLIDATION AS OF THAT DATE IN THE AGGREGATE AMOUNT OF PS.6,813,595.; (II) RECOGNIZED A BENEFIT FROM TAX LOSS CARRYFORWARDS OF THE MEXICAN COMPANIES IN THE GROUP AS OF DECEMBER 31, 2013 IN THE AGGREGATE AMOUNT OF PS.7,936,044; AND (III) ADJUSTED THE

CARRYING AMOUNT OF DEFERRED INCOME TAXES FROM TEMPORARY DIFFERENCES BY RECOGNIZING SUCH DIFFERENCES ON A SEPARATE COMPANY BASIS AND USING THE ENACTED CORPORATE INCOME TAX RATE AS OF DECEMBER 31, 2013.

IN ACCORDANCE WITH THE 2014 TAX REFORM, THE MEXICAN CORPORATE INCOME TAX IN 2014 AND THEREAFTER WILL BE 30%.

THE DEFERRED INCOME TAX ASSET, NET, AS OF DECEMBER 31, 2013 AND 2012, WAS DERIVED FROM:

	2013	2012
ASSETS:		
ACCRUED LIABILITIES	Ps. 690,094	Ps. 538,771
ALLOWANCE FOR DOUBTFUL ACCOUNTS	753,090	711,084
CUSTOMER ADVANCES	2,480,552	1,156,540
OTHER ITEMS	402,924	874,274
LIABILITIES:		
INVENTORIES	(813,577)	(114,416)
PROPERTY, PLANT AND EQUIPMENT, NET	(962,386)	(722,688)
PREPAID EXPENSES AND TAX INTANGIBLE ASSET	(475,186)	(2,175,850)
DEFERRED INCOME TAX OF MEXICAN COMPANIES	2,075,511	267,715
DEFERRED INCOME TAX OF FOREIGN SUBSIDIARIES	165,832	169,047
ASSETS TAX	829,236	903,484
FLATE RATE BUSINESS TAX	-	(239,515)
TAX LOSS CARRYFORWARDS	7,936,044	-
DEFERRED INCOME TAX ASSET, NET	Ps. 11,006,623	Ps. 1,100,731

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. 431,226	Ps. 431,872
LESS: CURRENT PORTION	81,029	59,801
NON-CURRENT PORTION	Ps. 350,197	Ps. 372,071

THE EFFECTS OF INCOME TAX PAYABLE AS OF DECEMBER 31, 2013, IN CONNECTION WITH THE ELIMINATION OF THE INCOME TAX CONSOLIDATION REGIME AMOUNTED TO AN AGGREGATE AMOUNT OF PS.6,813,595, WHICH WAS CLASSIFIED AS CURRENT AND NON-CURRENT LIABILITIES IN THE AMOUNTS OF PS.183,729 AND PS.6,629,866, RESPECTIVELY.

IN THE PERIOD FROM JANUARY 1 TO DECEMBER 31, 2013, THE GROUP MADE PAYMENTS TO THE MEXICAN TAX AUTHORITIES FOR INCOME TAXES PRIMARILY IN CONNECTION WITH (I) CURRENT INCOME TAXES COMPUTED ON A TAX CONSOLIDATED BASIS FOR THE ELEVEN MONTHS ENDED NOVEMBER 30, 2013 AND THE YEAR ENDED DECEMBER 31, 2012; (II) IETU (FLAT TAX) FOR THE ELEVEN MONTHS ENDED NOVEMBER 30, 2013 AND THE YEAR ENDED DECEMBER 31, 2012; AND (III) AMOUNTS PAID BY THE GROUP CORRESPONDING TO INCOME TAXES RELATED TO PRIOR YEARS.

8. INFORMATION BY SEGMENTS AND SEASONALITY:

INFORMATION BY SEGMENTS FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012 IS PRESENTED AS FOLLOWS:

	TOTAL REVENUES	INTERSEGMENT REVENUES	CONSOLIDATED REVENUES	SEGMENT PROFIT (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 INCOME	73,790,711	-	73,790,711	18,821,485 (1)		
OTHER INCOME, NET	-	-	-	(83,150)		
CONSOLIDATED TOTAL	Ps. 73,790,711	Ps. -	Ps. 73,790,711	Ps. 18,738,335 (2)		
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	531	18.4 %	618	22.0 %
Other income (expense):						
	19	0.7 %	14 0.5 %			

Other income (expense), net						
Total other income (expense), net	19	0.7	%	14	0.5	%
Income from continuing operations before income tax expense	550	19.1	%	632	22.5	%
Income tax expense	186	6.5	%	26	0.9	%
Net income	364	12.6	%	606	21.6	%
Other comprehensive income, net of tax:						
Foreign currency translation adjustments	11	0.4	%	4	0.1	%
Comprehensive income	$ 375	13.0	%	$ 610	21.7	%

Results of Operations for the three months ended March 31, 2017, as compared to the three months ended March 31, 2016

Revenue, net by Market is as follows:

	Three months ended March 31,								
	2017			2016					
	Amount	% of Net Revenue		Amount	% of Net Revenue		Change	% Change	
	(in thousands, except percentages)								
Automotive	$ 700	24.3	%	$ 806	28.7	%	$ (106)	(13.1)	%
Industrial	647	22.4	%	495	17.6	%	152	30.6	%
Medical	348	12.1	%	301	10.7	%	47	15.7	%
Consumer	449	15.6	%	242	8.6	%	207	85.3	%
Standard	740	25.6	%	961	34.4	%	(221)	(23.0)	%
Revenue, net	$ 2,884	100.0	%	$ 2,805	100.0	%	$ 79	2.8	%

We sell our custom products into the following markets: automotive, industrial, medical and consumer. We sell our standard products in many different markets which are often unknown to us at the time of sale. Each market has different product design cycles. Products with longer design cycles often have much longer product life-cycles. Automotive, industrial, and medical products generally have longer design and life-cycles than consumer products. We currently have products with life-cycles that have exceeded twenty years and are ongoing.

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The moderate increase in net revenues was driven by increased sales of our custom products in the industrial, medical and consumer markets, partially offset by decreased sales of our custom products into the automotive market. We also had a significant decrease in sales of our standard products. The overall growth in our custom product sales was driven by increased sales to our current customers for use in ongoing product lines. The decrease in custom automotive market sales was driven primarily by the timing of orders from our current customers in these markets. Some of our larger customers purchase product in bulk quantities and absorption of these products can straddle several financial reporting periods. The timing of orders from our customers is not always predictable and can be concentrated in varying periods during the year to coincide with their project and building plans.

Some of our more recent custom product success for new product lines in the automotive and medical markets will not be realized until late 2017 or early 2018. However, as these revenues materialize, revenues from current product lines that reach the end of their life cycle will likely offset some of this expected growth.

	Three months ended March 31,									
	2017			2016						
	Amount	% of Net Revenue		Amount	% of Net Revenue		Change		% Change	
	(in thousands, except percentages)									
Cost of revenue	$ 1,148	39.8	%	$ 1,134	40.4	%	$	14	1.2	%

Our cost of revenue is impacted by various factors including product mix, volume, material costs, manufacturing efficiencies, facilities costs, compensation costs and any provisions for excess and obsolete inventories. Cost of revenues was flat compared with the same period in the prior year despite our increase in revenues. Cost of revenues decreased as a percentage of revenues primarily due to efficiencies gained, including improved utilization of fixed costs and other production overhead costs, as revenues increased.

	Three months ended March 31,									
	2017			2016						
	Amount	% of Net Revenue		Amount	% of Net Revenue		Change		% Change	
	(in thousands, except percentages)									
Engineering, research and development	$ 178	6.2	%	$ 141	5.0	%	$	37	26.2	%

Engineering and R&D expenses consist primarily of compensation expenses for employees engaged in research, design and development activities. Our R&D team focuses both on internal design development, as well as design development aimed at addressing customer design challenges, in order to develop our HMI solutions.

Our engineering and R&D costs increased as compared with the same period in the prior year primarily due to the investment in our Singapore R&D center and an increase in our engineering and R&D staffing worldwide in order to enhance our technology and product offerings. We intend to continue to grow the global R&D center in Singapore substantially over the next three-to-five years, including expanding our R&D team, expanding the size of the facility, and investing in additional tools and equipment. On February 24, 2016, we entered into a five-year lease agreement for a new R&D facility in Singapore and moved into the new facility in July 2016.

	Three months ended March 31,						
	2017		2016				
	Amount	% of Net Revenue	Amount	% of Net Revenue	Change	% Change
	(in thousands, except percentages)					
Selling, general and administrative	$ 1,027	35.6 %	$ 912	32.6 %	$ 115	12.6 %

Selling, general and administrative expenses ("SG&A") consist primarily of compensation expenses, legal and other professional fees, facilities expenses and communication expenses. SG&A expenses increased as compared with the same period in the prior year driven by increased costs related to realigning our sales and marketing strategy. We added a Vice President of Sales and Marketing in August 2016 and have made other sales related resource investments in order to focus efforts on reaching a larger share of the markets we serve.

	Three months ended March 31,					
	2017		2016			
	Amount	% of Pre-tax Income	Amount	% of Pre-tax Income	Change	% Change
	(in thousands, except percentages)					
Income tax expense	$ 186	33.8 %	$ 26	4.1 %	$ 160	615.4 %

Tax expense for the three months ended March 31, 2017 reflects statutory tax rates in the jurisdictions that we operate adjusted for normal book/tax differences. Tax expense for the three months ended March 31, 2016 was substantially reduced by net operating loss (“NOL”) carryovers for which no prior benefit was taken. Because of the change of ownership provisions of the Tax Reform Act of 1986, use of a portion of our domestic NOL and tax credit carryforwards is limited in future periods. Further, a portion of the carryforwards may expire before being applied to reduce future income tax liabilities. As a result, we had recorded a valuation allowance against all of our net deferred tax assets. During the fourth quarter of 2016, we determined, given our current earnings and anticipated future earnings, that sufficient evidence existed to reach a conclusion that the valuation allowance will no longer be needed.

Liquidity and Capital Resources

Cash requirements for working capital and capital expenditures have been funded from cash balances on hand and cash generated from operations. As of March 31, 2017, we had cash and cash equivalents of $6.4 million, working capital of $9.0 million and no indebtedness. Cash and cash equivalents consist of cash and money market funds. We did not have any short-term or long-term investments as of March 31, 2017. Of the $6.4 million of cash balances on hand, $946 thousand was held by foreign subsidiaries. If these funds are needed for our operations in the U.S., we have several methods to repatriate without significant tax effects, including repayment of intercompany loans or distributions of previously taxed income. Other distributions may require us to incur U.S. or foreign taxes to repatriate these funds. However, our intent is to permanently reinvest these funds outside the U.S. and our current plans do not demonstrate a need to repatriate cash to fund our U.S. operations.

We believe that our existing cash and cash equivalents balance will be sufficient to maintain our operations considering our current financial condition, obligations, and other expected cash flows for at least the next twelve months following the date these consolidated financial statements were available for issuance. We are proactively pursuing acquisition opportunities. It is possible our cash requirements for one or more acquisition opportunities could exceed our cash balance at the time of closing. If we require additional cash, we may attempt to raise additional capital through equity, equity-linked or debt financing arrangements. If we raise additional funds by issuing equity or equity-linked securities, the ownership of our existing stockholders will be diluted. If we raise additional financing by the incurrence of indebtedness, we will be subject to fixed payment obligations and could also be subject to restrictive covenants, such as limitations on our ability to incur additional debt, and other operating restrictions that could adversely impact our ability to conduct our business. If we are unable to raise additional needed funds, we may also take measures to reduce expenses to offset any shortfall.

There can be no assurances that we will be able to raise additional needed capital on acceptable terms or at all, and the failure to do so could adversely affect our ability to achieve our business objectives. In addition, if our future operating performance is below our expectations, our liquidity and ability to operate our business could be adversely affected.

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Cash Flow Analysis

Our cash flows from operating, investing and financing activities are summarized as follows:

	Three months ended March 31,	
	2017	2016
	(in thousands)	
Net cash provided by operating activities	$ 388	$ 185
Net cash used in investing activities	$ (35)	$ (9)
Net cash provided by financing activities	$ —	$ —

Net Cash Provided by Operating Activities

For the three months ended March 31, 2017, the $388 thousand in net cash provided by operating activities was primarily attributable to net income of $364 thousand, adjusted for non-cash charges of $69 thousand. The net decrease in cash due to changes in operating assets and liabilities of $45 thousand was primarily due to the timing of shipments and payments during the period, as discussed below.

For the three months ended March 31, 2016, the $185 thousand in net cash provided by operating activities was primarily attributable to net income of $606 thousand and adjustments for non-cash charges of $53 thousand. This was offset by a net decrease due to changes in operating assets and liabilities of $474 thousand.

Accounts receivable slightly decreased from $1.7 million at December 31, 2016 to $1.6 million at March 31, 2017 due to the timing of shipments and payments at year-end. Inventories increased from $1.3 million at December 31, 2016 to $1.4 million at March 31, 2017. Inventory balances will fluctuate at the end of any accounting period depending on the timing of materials purchases and product shipments. Accounts payable, accrued payables, accrued expenses, and other accrued liabilities decreased from $762 thousand at December 31, 2016 to $693 thousand at March 31, 2017 primarily due to the timing of payment for purchases of materials and other services provided.

Net Cash Used in Investing Activities

Net cash used in investing activities was $35 thousand for the three months ended March 31, 2017, compared to $9 thousand for the three months ended March 31, 2016. The increase was primarily related to capital expenditures for the expansion of our global R&D center in Singapore.

Net Cash Provided by Financing Activities

There were no financing activities for the three months ended March 31, 2017 or 2016, respectively.

Off-Balance Sheet Arrangements

At March 31, 2017 and December 31, 2016, we did not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. As such, we are not exposed to any financing, liquidity, market or credit risk that could arise if we had engaged in such relationships.

Contractual Obligations and Commercial Commitments

Indemnification Agreements

In the ordinary course of business, we enter into agreements of varying scope and terms pursuant to which we agree to indemnify customers, vendors, lessors, business partners and other parties with respect to certain matters, including, but not limited to, losses arising out of breach of such agreements, services to be provided by us or from intellectual property infringement claims made by third parties. In addition, we have entered into indemnification agreements with directors and certain officers and employees that will require us, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors, officers or employees. No demands have been made upon

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us to provide indemnification under such agreements and there are no claims that we are aware of that could have a material effect on our consolidated financial position and results of operations.

Operating Leases

We lease various office and manufacturing facilities, including our corporate headquarters in Westlake Village, California, under operating lease agreements that expire through 2021. The terms of the lease agreements provide for rental payments on a graduated basis. We recognize rent expense on a straight-line basis over the lease periods.

Commitments

As of March 31, 2017, our principal commitments consisted of obligations under the operating leases for our office and manufacturing facilities. The following table summarizes our future minimum payments under these arrangements:

	Remaining 2017	2018	2019	2020	Thereafter	Total
	(in thousands)					
Operating Leases	$ 157	$ 189	$ 183	$ 120	$ 68	$ 717

Item 3.Quantitative and Qualitative Disclosures About Market Risk

Not Applicable.

Item 4.Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The phrase “disclosure controls and procedures” refers to controls and procedures designed to ensure that information required to be disclosed in our reports filed or submitted under the Securities Exchange Act of 1934, as amended, or the Exchange Act, such as this Quarterly Report on Form 10-Q, is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the U.S. Securities and Exchange Commission, or SEC. Disclosure controls and procedures are also designed to ensure that such information is accumulated and communicated to our management, including our chief executive officer, or CEO, and chief financial officer, or CFO, as appropriate to allow timely decision regarding required disclosure.

Our management, with the participation of our CEO and CFO, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), as of March 31, 2017, the end of the period covered by this Quarterly Report on Form 10-Q. Based on such evaluation, our CEO and CFO had concluded that as of March 31, 2017, our disclosure controls and procedures were designed at a reasonable assurance level and were effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the SEC, and that such information is accumulated and communicated to our management, including our CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Controls over Financial Reporting

There was no change in our internal control over financial reporting during the period ended March 31, 2017 that materially affected, or is reasonable likely to materially affect, our internal control over financial reporting.

PART II: OTHER INFORMATION

Item 1A.Risk Factors

This Quarterly Report on Form 10-Q contains forward-looking statements, which are subject to a variety of risks and uncertainties. Other actual results could differ materially from those anticipated in those forward-looking statements as a result of various factors, including those set forth in the risk factors relating to our business and common stock contained in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2016. There have been no material changes to such risk factors during the nine months ended March 31, 2017.

Item 5.Other Information

Effective as of May 8, 2017, Steven N. Bronson, our Chairman of the Board, Chief Executive Officer, President and Secretary, was appointed as our Chief Financial Officer, with such position previously being vacant.

Item 6.Exhibits

Exhibit Number	Exhibit Description	Incorporated by Reference Form	File Number	Exhibit	Filing Date	Filed Herewith
3.1	Articles of Incorporation of the Registrant	10	000-21858	3.1	February 17, 2016	
3.2	Bylaws of the Registrant	10	000-21858	3.2	February 17, 2016	
31.1	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
32.1*	Certification of Principal Executive Officer and Principal Financial Officer					X

	Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	
101.INS	XBRL Instance Document	X
101.SCH	XBRL Taxonomy Extension Schema Document	X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document	X
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document	X
101.LAB	XBRL Taxonomy Extension Label Linkbase Document	X
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document	X

*The information in this exhibit is furnished and deemed not filed with the Securities and Exchange Commission for purposes of section 18 of the Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of Interlink Electronics, Inc. under the Securities Act of 1933, as amended, or the Exchange Act of 1934, as amended, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: May 10, 2017	Interlink Electronics, Inc. (Registrant)
	By: /s/ Steven N. Bronson Steven N. Bronson Chief Executive Officer, President and Chief Financial Officer (Principal Financial and Accounting Officer)