# UNIVISION COMMUNICATIONS INC. AND SUBSIDIARIES
# 2014 First Quarter Reporting Package

## UNIVISION COMMUNICATIONS INC. AND SUBSIDIARIES

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## Review Report of Independent Auditor

The Board of Directors
Univision Communications Inc. and subsidiaries

We have reviewed the consolidated financial information of Univision Communications Inc. and subsidiaries, which comprise the consolidated balance sheet as of March 31, 2014, the related consolidated statements of operations, comprehensive income, changes in stockholder's deficit and cash flows for the three-month periods ended March 31, 2014 and 2013.

### Management's Responsibility for the Financial Information

Management is responsible for the preparation and fair presentation of the interim financial information in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control sufficient to provide a reasonable basis for the preparation and fair presentation of interim financial information in conformity with U.S. generally accepted accounting principles.

### Auditor's Responsibility

Our responsibility is to conduct our review in accordance with auditing standards generally accepted in the United States applicable to review of interim financial information. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the United States, the objective of which is the expression of an opinion regarding the financial information. Accordingly, we do not express such an opinion.

### Conclusion

Based on our review, we are not aware of any material modifications that should be made to the consolidated financial information referred to above for it to be in conformity with U.S. generally accepted accounting principles.

### Report on Consolidated Balance Sheet as of December 31, 2013

We have previously audited, in accordance with auditing standards generally accepted in the United States, the consolidated balance sheet of Univision Communications Inc. and subsidiaries as of December 31, 2013, and the related consolidated statements of operations, comprehensive income, changes in stockholder's deficit, and cash flows for the year then ended (not presented herein); and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated February 13, 2014. In our opinion, the accompanying consolidated balance sheet of Univision Communications Inc. and subsidiaries as of December 31, 2013, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

/s/ Ernst & Young LLP

New York, New York
April 28, 2014

**UNIVISION COMMUNICATIONS INC. AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEETS**
**(In thousands, except share and per-share data)**

| | March 31, 2014 | December 31, 2013 |
|---|---|---|
| | (Unaudited) | |
| **ASSETS** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 78,300 | $ 43,300 |
| Accounts receivable, less allowance for doubtful accounts of $5,700 in 2014 and $6,100 in 2013 | 567,200 | 638,300 |
| Program rights and prepayments | 158,500 | 143,400 |
| Deferred tax assets | 99,700 | 99,700 |
| Prepaid expenses and other | 60,300 | 52,100 |
| Total current assets | 964,000 | 976,800 |
| Property and equipment, net | 799,100 | 812,700 |
| Intangible assets, net | 3,780,000 | 3,795,000 |
| Goodwill | 4,591,800 | 4,591,800 |
| Deferred financing costs | 81,500 | 86,700 |
| Program rights and prepayments | 89,900 | 59,500 |
| Investments | 87,500 | 88,500 |
| Other assets | 67,600 | 81,000 |
| Total assets | $ 10,461,400 | $ 10,492,000 |
| **LIABILITIES AND STOCKHOLDER'S DEFICIT** | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | $ 169,700 | $ 241,100 |
| Deferred revenue | 81,600 | 76,000 |
| Accrued interest | 98,800 | 58,200 |
| Accrued license fees | 38,000 | 38,800 |
| Program rights obligations | 26,200 | 22,800 |
| Current portion of long-term debt and capital lease obligations | 218,300 | 214,000 |
| Total current liabilities | 632,600 | 650,900 |
| Long-term debt and capital lease obligations | 9,207,700 | 9,338,500 |
| Deferred tax liabilities | 627,300 | 625,500 |
| Deferred revenue | 618,600 | 635,700 |
| Other long-term liabilities | 136,800 | 131,000 |
| Total liabilities | 11,223,000 | 11,381,600 |
| Stockholder's deficit: | | |
| Common stock, $0.01 par value; 100,000 shares authorized in 2014 and 2013; 1,000 shares issued and outstanding at March 31, 2014 and December 31, 2013 | — | — |
| Additional paid-in-capital | 5,299,500 | 5,176,400 |
| Accumulated deficit | (6,027,800) | (6,034,000) |
| Accumulated other comprehensive loss | (34,400) | (33,300) |
| Total Univision Communications Inc. stockholder's deficit | (762,700) | (890,900) |
| Non-controlling interest | 1,100 | 1,300 |
| Total stockholder's deficit | (761,600) | (889,600) |
| Total liabilities and stockholder's deficit | $ 10,461,400 | $ 10,492,000 |

See Notes to Consolidated Financial Statements.

## UNIVISION COMMUNICATIONS INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF OPERATIONS
**(Unaudited and in thousands)**

| | Three Months Ended March 31, | |
|---|---|---|
| | 2014 | 2013 |
| Net revenue | $ 621,100 | $ 562,000 |
| Direct operating expenses | 212,400 | 188,900 |
| Selling, general and administrative expenses | 170,800 | 167,000 |
| Impairment loss | — | 2,500 |
| Restructuring, severance and related charges | 3,300 | 2,200 |
| Depreciation and amortization | 39,300 | 37,200 |
| Operating income | 195,300 | 164,200 |
| Other expense (income): | | |
| Interest expense | 143,400 | 149,900 |
| Interest income | (1,400) | — |
| Interest rate swap expense | 700 | 300 |
| Amortization of deferred financing costs | 3,800 | 2,600 |
| Loss on extinguishment of debt | 17,200 | 3,600 |
| Loss on equity method investments | 20,500 | 800 |
| Other | 1,400 | 200 |
| Income before income taxes | 9,700 | 6,800 |
| Provision (benefit) for income taxes | 3,700 | (2,200) |
| Net income | 6,000 | 9,000 |
| Net loss attributable to non-controlling interest | (200) | — |
| Net income attributable to Univision Communications Inc. | $ 6,200 | $ 9,000 |

See Notes to Consolidated Financial Statements.

## UNIVISION COMMUNICATIONS INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

**(Unaudited and in thousands)**

| | Three Months Ended March 31, | |
|---|---|---|
| | **2014** | **2013** |
| Net income | $ 6,000 | $ 9,000 |
| Other comprehensive (loss) income, net of tax: | | |
| Unrealized (loss) gain on hedging activities | (13,300) | 3,600 |
| Amortization of unrealized loss on hedging activities | 3,000 | 4,300 |
| Unrealized gain on available for sale securities | 9,100 | — |
| Currency translation adjustment | 100 | 400 |
| Other comprehensive (loss) income | (1,100) | 8,300 |
| Comprehensive income | 4,900 | 17,300 |
| Comprehensive loss attributable to the non-controlling interest | (200) | — |
| Comprehensive income attributable to Univision Communications Inc. | $ 5,100 | $ 17,300 |

See Notes to Consolidated Financial Statements.

## UNIVISION COMMUNICATIONS INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDER'S DEFICIT
## (Unaudited and in thousands)

| | Univision Communications Inc. Shareholder's | | | | | | |
|---|---|---|---|---|---|---|---|
| | Common Stock | Additional Paid-in-Capital | Accumulated Deficit | Accumulated Other Comprehensive Loss | Total | Non-controlling Interest | Total Equity |
| Balance, December 31, 2012 | $ — | $ 5,185,500 | $ (6,240,000) | $ (109,100) | $ (1,163,600) | $ — | $ (1,163,600) |
| Net income | — | — | 9,000 | — | 9,000 | — | 9,000 |
| Other comprehensive income | — | — | — | 8,300 | 8,300 | — | 8,300 |
| Dividend to BMPI | — | (4,200) | — | — | (4,200) | — | (4,200) |
| Share-based compensation | — | 2,000 | — | — | 2,000 | — | 2,000 |
| Balance, March 31, 2013 | $ — | $ 5,183,300 | $ (6,231,000) | $ (100,800) | $ (1,148,500) | $ — | $ (1,148,500) |
| Balance, December 31, 2013 | $ — | $ 5,176,400 | $ (6,034,000) | $ (33,300) | $ (890,900) | $ 1,300 | $ (889,600) |
| Net income (loss) | — | — | 6,200 | — | 6,200 | (200) | 6,000 |
| Other comprehensive loss | — | — | — | (1,100) | (1,100) | — | (1,100) |
| Capital contribution from BMPI, net of costs | — | 124,400 | — | — | 124,400 | — | 124,400 |
| Dividend to BMPI | — | (4,200) | — | — | (4,200) | — | (4,200) |
| Share-based compensation | — | 2,900 | — | — | 2,900 | — | 2,900 |
| Balance, March 31, 2014 | $ — | $ 5,299,500 | $ (6,027,800) | $ (34,400) | $ (762,700) | $ 1,100 | $ (761,600) |

See Notes to Consolidated Financial Statements.

## UNIVISION COMMUNICATIONS INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS
**(Unaudited and in thousands)**

| | Three Months Ended March 31, | |
|---|---|---|
| | **2014** | **2013** |
| Cash flows from operating activities: | | |
| Net income | $ 6,000 | $ 9,000 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation | 24,700 | 22,600 |
| Amortization of intangible assets | 14,600 | 14,600 |
| Amortization of deferred financing costs | 3,800 | 2,600 |
| Deferred income taxes | 2,600 | (1,800) |
| Non-cash deferred advertising revenue | (15,000) | (14,900) |
| Non-cash PIK interest income | (1,400) | — |
| Non-cash interest rate swap activity | 1,500 | 100 |
| Loss on equity method investments | 20,500 | 800 |
| Impairment loss | 1,300 | 2,500 |
| Loss on extinguishment of debt | 400 | 3,600 |
| Share-based compensation | 2,900 | 2,000 |
| Other non-cash items | 700 | 1,000 |
| Changes in assets and liabilities: | | |
| Accounts receivable, net | 69,600 | 32,500 |
| Program rights and prepayments | (45,500) | (47,000) |
| Prepaid expenses and other | (8,300) | (5,400) |
| Accounts payable and accrued liabilities | (47,000) | (24,100) |
| Accrued interest | 40,700 | 30,700 |
| Accrued license fees | (900) | (600) |
| Program rights obligations | 3,300 | (3,800) |
| Deferred revenue | 3,600 | 5,900 |
| Other long-term liabilities | (1,900) | (7,800) |
| Other | 1,600 | 1,500 |
| Net cash provided by operating activities | 77,800 | 24,000 |
| Cash flows from investing activities: | | |
| Proceeds from sale of fixed assets and other | 900 | — |
| Investments in equity method investees | (4,300) | (11,300) |
| Acquisition of launch rights | — | (81,300) |
| Capital expenditures | (35,400) | (50,700) |
| Net cash used in investing activities | (38,800) | (143,300) |
| Cash flows from financing activities: | | |
| Proceeds from issuance of long-term debt | 3,376,700 | 1,083,000 |
| Proceeds from issuance of short-term debt | 167,000 | 287,000 |
| Payments of refinancing fees | (200) | (26,300) |
| Payments of long-term debt and capital leases | (3,507,200) | (1,042,300) |
| Payments of short-term debt | (162,000) | (167,000) |
| Dividend to BMPI | (4,200) | (4,200) |
| Capital contribution from BMPI, net of costs | 124,400 | — |
| Non-controlling interest contribution | 1,500 | — |
| Net cash (used in) provided by financing activities | (4,000) | 130,200 |
| Net increase in cash and cash equivalents | 35,000 | 10,900 |
| Cash and cash equivalents, beginning of period | 43,300 | 35,500 |
| Cash and cash equivalents, end of period | $ 78,300 | $ 46,400 |

See Notes to Consolidated Financial Statements.

## 1. Summary of Significant Accounting Policies

*Nature of operations*—Univision Communications Inc., together with its subsidiaries (the "Company" or "Univision"), is the leading media company serving Hispanic America and has operations in three business segments: television, radio and digital. The Company is wholly owned by Broadcast Media Partners Holdings, Inc. ("Broadcast Holdings") which is itself owned by Broadcasting Media Partners, Inc. ("Broadcasting Partners" or "BMPI") an entity controlled by Madison Dearborn Partners, LLC, Providence Equity Partners Inc., Saban Capital Group, Inc., TPG Capital, Thomas H. Lee Partners, L.P. (collectively, the "Original Sponsors") and their respective affiliates and Grupo Televisa S.A.B. and its affiliates ("Televisa").

The Company's television operations include Univision Network; UniMás (formerly TeleFutura); Univision Cable Networks, including Galavisión, Univision tlnovelas, Univision Deportes, ForoTV, De Película, De Película Clásico, Bandamax, Ritmoson and Telehit; and the Company's owned and/or operated television stations. Univision Radio includes the Company's owned and/or operated radio stations. The Company's digital division includes a network of online and mobile applications and products including Univision.com; UVideos, a bilingual digital video network; Uforia, a Hispanic digital music service; and Univision Partner Group, a specialized advertising and publisher network.

*Basis of presentation*—The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles ("GAAP") in the United States for interim financial statements. The interim financial statements are unaudited, but include all adjustments, which are of a normal recurring nature, that management considers necessary to fairly present the financial position and the results of operations for such periods. Results of operations of interim periods are not necessarily indicative of results for a full year. These financial statements should be read in conjunction with the audited consolidated financial statements in the Company's 2013 Year End Reporting Package.

*Principles of consolidation*—The consolidated financial statements include the accounts and operations of the Company and its majority owned and controlled subsidiaries. The Company has consolidated the special purpose entities associated with its accounts receivable facility, as the Company has determined that they are variable interest entities for which the Company is the primary beneficiary. This determination was based on the fact that these special purpose entities lack sufficient equity to finance their activities without additional support from the Company and, additionally, that the Company retains the risks and rewards of their activities. All intercompany accounts and transactions have been eliminated.

The Company accounts for investments over which it has significant influence but not a controlling financial interest using the equity method of accounting. Accordingly, the Company's share of the earnings and losses of these companies is included in loss on equity method investments in the accompanying consolidated statements of operations of the Company. For certain equity method investments, the Company's share of earnings and losses is based on contractual liquidation rights. For investments in which the Company does not have significant influence, the cost method of accounting is used. Under the cost method of accounting, the Company does not record its share in the earnings and losses of the companies in which it has an investment. Investments are reviewed for impairment when events or circumstances indicate that there may be a decline in fair value that is other than temporary.

*Use of estimates*—The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses, including impairments, during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the useful lives of fixed assets; allowances for doubtful accounts; the valuation of derivatives, deferred tax assets, program rights and prepayments, fixed assets, intangibles, goodwill and share-based compensation; and reserves for income tax uncertainties and other contingencies.

*Fair Value Measurements*—The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.
- Level 2 Inputs: Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 Inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.

*Revenue recognition*—Net revenue is comprised of gross revenues from the Company's television and radio broadcast, cable and digital businesses, including advertising revenue, subscriber fees, content licensing revenue, sales commissions on national advertising aired on Univision and UniMás affiliated television stations, less agency commissions and volume and prompt payment discounts. The Company's television and radio advertising revenues are recognized when advertising spots are aired and performance guarantees, if any, are achieved. The achievement of performance guarantees is based on audience ratings from an independent research company. Subscriber fees received from cable systems and satellite operators are recognized as revenue in the period that services are provided. The digital business recognizes primarily long-form video and display advertising, digital content licensing, and sponsorship advertisement revenue. Long-form video and display advertising revenue is recognized as "impressions" are delivered and sponsorship revenue is recognized ratably over the contract period. "Impressions" are defined as the number of times that an advertisement appears in pages viewed by users of the Company's Internet properties. If the number of "impressions" is guaranteed, revenue is recognized when the guaranteed "impressions" are delivered. For the licensing of digital content, the Company recognizes revenue when the content is delivered, all related obligations have been satisfied and all other revenue recognition criteria have been met. All revenue is recognized only when collection of the resulting receivable is reasonably assured.

The Company has certain contractual commitments, with Televisa and others, to provide a future annual guaranteed amount of advertising and promotion time. The obligation associated with each of these commitments was recorded as deferred revenue at an amount equal to the fair value of the advertising and promotion time as of the date of the agreements providing for these commitments. Deferred revenue is earned and revenue is recognized as the related advertising and promotion time is provided. For the three months ended March 31, 2014 and 2013, the Company recognized revenue of $15.1 million and $21.6 million, respectively, related to these commitments.

*Program and sports rights for television broadcast*—The accounting for program rights and prepayments requires judgment, particularly in the process of estimating a program's total revenues to be earned and total costs to be incurred ("ultimate revenues"). These judgments are used in determining the amortization of, and any necessary impairment of, capitalized costs. Estimated ultimate revenues are based on factors such as historical performance of similar programs, the program's cost, actual and forecasted ratings and the genre of the program. The valuation is classified as a Level 3 measurement as key inputs used to value program and sports rights include ratings and undiscounted cash flows.

Costs incurred to acquire television programs are capitalized when (i) the cost of the programming is reasonably determined, (ii) the programming has been accepted in accordance with the terms of the agreement, (iii) the programming is available for its first showing or telecast and (iv) the license period has commenced. Costs incurred in connection with the production of or purchase of rights to programs that are available and ready to be broadcast within one year are classified as current assets, while costs of those programs to be broadcast beyond a one-year period are considered non-current. The costs are amortized over the program's life, which is the period in which an economic benefit is expected to be generated. Program costs are charged to operating expense as the programs are broadcast. Program rights for multi-year sports programming arrangements are amortized based on the estimated relative value of each year in the arrangement. Program rights for movies and novelas are amortized based on the estimated relative value of each broadcast of the program. The estimated values of programming are based on our projection of ultimate revenues over the license period.

Program rights on the Company's balance sheet are subject to regular recoverability assessments where ultimate revenue estimates are reviewed and updated, as necessary. If planned usage patterns or estimated relative values by year were to change significantly, amortization of the Company's rights costs may be accelerated or slowed.

*New accounting pronouncements*—In February 2013, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2013-04, which amended Accounting Standards Codification ("ASC") 405, *Liabilities*. The amendments provide guidance for the recognition, measurement, and disclosure of obligations resulting from joint and several liability arrangements for which the total amount of the obligation (within the scope of this guidance) is fixed at the reporting date. Examples of obligations within the scope of ASU 2013-04 include debt arrangements, other contractual obligations, and settled litigation and judicial rulings. The Company adopted ASU 2013-04 during the first quarter of 2014. The adoption of ASU 2013-04 did not have a significant impact on the Company's consolidated financial statements or disclosures.

*Subsequent events*—The Company evaluates subsequent events and the evidence they provide about conditions existing at the date of the balance sheet as well as conditions that arose after the balance sheet date but before the financial statements are issued. The effects of conditions that existed at the date of the balance sheet date are recognized in the financial statements. Events and conditions arising after the balance sheet date but before the financial statements are issued are evaluated to determine if disclosure is required to keep the financial statements from being misleading. To the extent such events and conditions exist, disclosures are made regarding the nature of events and the estimated financial effects for those events and conditions. For purposes of preparing the accompanying consolidated financial statements and the following notes to these financial statements, the Company evaluated subsequent events through April 28, 2014, the date the financial statements were issued.

## 2. Property and Equipment

Property and equipment consists of the following:

| | March 31, 2014 | December 31, 2013 |
|---|---|---|
| Land and improvements | $ 146,100 | $ 149,500 |
| Buildings and improvements | 374,300 | 371,200 |
| Broadcast equipment | 378,400 | 371,100 |
| Furniture, computer and other equipment | 213,200 | 224,500 |
| Land, building, transponder equipment and vehicles financed with capital leases | 93,700 | 93,700 |
| | 1,205,700 | 1,210,000 |
| Accumulated depreciation | (406,600) | (397,300) |
| | $ 799,100 | $ 812,700 |

As of December 31, 2013, the Company classified $0.3 million of land and buildings in the television segment as held for sale, which was included in prepaid expenses and other on the consolidated balance sheet. The carrying value reflected the estimated selling price based on market data, which was a Level 2 input. All of the properties have been sold as of March 31, 2014.

## 3. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consist of the following:

| | March 31, 2014 | December 31, 2013 |
|---|---|---|
| Accounts payable and accrued liabilities | $ 126,900 | $ 158,900 |
| Accrued compensation | 42,800 | 82,200 |
| | $ 169,700 | $ 241,100 |

*Restructuring, Severance and Related Charges*

During the three months ended March 31, 2014, the Company incurred restructuring, severance and related charges in the amount of $3.3 million. This amount includes a $3.6 million charge related to broader-based cost-saving restructuring initiatives, partially offset by a $0.3 million benefit related to an adjustment of severance charges for individual employees. The severance benefit of $0.3 million is related to miscellaneous severance agreements with employees in the television and radio segments. The restructuring charge of $3.6 million consists of the following:

| | Employee Termination Benefits | Contract Termination Costs | Other Qualifying Restructuring Costs | Total |
|---|---|---|---|---|
| Television | $ 1,600 | $ 400 | $ — | $ 2,000 |
| Radio | 1,300 | — | — | 1,300 |
| Digital | (400) | 700 | — | 300 |
| Consolidated | $ 2,500 | $ 1,100 | $ — | $ 3,600 |

All balances related to restructuring employee termination benefits are expected to be paid within twelve months from March 31, 2014. Balances related to restructuring lease obligations will be settled over the remaining lease term.

During the three months ended March 31, 2013, the Company incurred restructuring, severance and related charges in the amount of $2.2 million. Of this amount, $0.2 million related to severance charges for individual employees and $2.0 million related to broader-based cost-saving restructuring initiatives. The severance charge of $0.2 million is related to miscellaneous severance agreements with employees in the television segment. The net restructuring charge of $2.0 million includes a charge of $3.6 million related to the restructuring plan that was initiated in 2012 and a reversal of $1.6 million in the television segment related to the elimination of a lease obligation from restructuring activities that were initiated in 2009. The net restructuring charge consists of the following:

| | Employee Termination Benefits | Contract Termination Costs | Other Qualifying Restructuring Costs | Total |
|---|---|---|---|---|
| Television | $ 300 | $ (1,300) | $ 200 | $ (800) |
| Radio | 100 | 1,200 | 100 | 1,400 |
| Digital | 1,400 | — | — | 1,400 |
| Consolidated | $ 1,800 | $ (100) | $ 300 | $ 2,000 |

The following table presents the activity in the restructuring liabilities during the three months ended March 31, 2014. The restructuring recorded in 2014 is a continuation of the restructuring plan that was initiated in 2012.

| | Restructuring Plan Initiated in 2012 | | | |
|---|---|---|---|---|
| | Employee Termination Benefits | Contract Termination Costs | Other Qualifying Restructuring Costs | Total |
| Accrued restructuring as of December 31, 2013 | $ 12,900 | $ 5,100 | $ 300 | $ 18,300 |
| Restructuring expense | 3,500 | 1,100 | — | 4,600 |
| Reversals | (1,000) | — | — | (1,000) |
| Cash payments | (6,900) | (900) | (200) | (8,000) |
| Transfers | — | — | — | — |
| Accrued restructuring as of March 31, 2014 | $ 8,500 | $ 5,300 | $ 100 | $ 13,900 |

Of the $13.9 million accrued as of March 31, 2014 related to the restructuring plan initiated in 2012, $10.4 million is included in current liabilities and $3.5 million is included in non-current liabilities. The Company has paid substantially all of its liability related to restructuring activities initiated prior to 2012.

Of the $18.3 million accrued as of December 31, 2013 related to the restructuring plan initiated in 2012, $14.6 million is included in current liabilities and $3.7 million is included in non-current liabilities.

## 4. Financial Instruments and Fair Value Measures

The carrying amounts of certain financial instruments, including cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities approximate their fair value.

*Interest Rate Swaps*— Currently, the Company uses interest rate swaps to manage its interest rate risk. The interest rate swap asset of $16.7 million and the interest rate swap liability of $37.1 million as of March 31, 2014 and the interest rate swap asset of $27.2 million and the interest rate swap liability of $29.5 million as of December 31, 2013 were measured at fair value primarily using significant other observable inputs (Level 2). In adjusting the fair value of its derivative contracts for the effect of nonperformance risk, the Company has considered the impact of netting and any applicable credit enhancements, such as collateral postings, thresholds, mutual puts, and guarantees.

The majority of inputs into the valuations of the Company's interest rate derivatives include market-observable data such as interest rate curves, volatilities, and information derived from, or corroborated by market-observable data. Additionally, a specific unobservable input used by the Company in determining the fair value of its interest rate derivatives is an estimation of current credit spreads to appropriately reflect both its own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements. The inputs utilized for the Company's own credit spread are based on implied spreads from its privately placed debt securities with an established trading market. For counterparties with publicly available credit information, the credit spreads over the London Interbank Offered Rate ("LIBOR") used in the calculations represent implied credit default swap spreads obtained from a third party credit data provider. Once these spreads have been obtained, they are used in the fair value calculation to determine the credit valuation adjustment ("CVA") component of the derivative valuation. The Company made an accounting policy election to measure the credit risk of its derivative financial instruments that are subject to master netting agreements on a net basis by counterparty portfolio.

The CVAs associated with the Company's derivatives utilize Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by its counterparties. If the CVA is a significant component of the derivative valuation, the Company will classify the fair value of the derivative as a Level 3 measurement. If required, any transfer between Level 2 and Level 3 will occur at the end of the reporting period. At March 31, 2014 and December 31, 2013, the Company has assessed the significance of the impact of the CVAs on the overall valuation of its derivative positions and has determined that the CVAs are not significant to the overall valuation of its derivatives. As a result, the Company has determined that its derivative valuations in their entirety are classified as Level 2 measurements.

*Available-for-Sale Securities*—The Company's available-for-sale securities relate to its investment in a convertible note with an equity method investee. The convertible note is recorded at fair value through adjustments to other comprehensive income (loss). The fair value of the convertible note is classified as a Level 3 measurement due to the significance of unobservable inputs which utilize company-specific information. See Note 5. *Investments*.

*Fair Value of Debt Instruments*—The carrying value and fair value of the Company's debt instruments as of March 31, 2014 and December 31, 2013 are set out in the following tables. The fair values of the credit facilities are based on market prices (Level 1). The fair values of the senior notes are based on industry curves based on credit rating (Level 2). The accounts receivable facility carrying value approximates fair value (Level 1).

| | As of March 31, 2014 | |
|---|---|---|
| | **Carrying Value** | **Fair Value** |
| Bank senior secured revolving credit facility maturing in 2018 | $ 47,000 | $ 46,900 |
| Incremental bank senior secured term loan facility maturing in 2020 | 1,237,500 | 1,236,000 |
| Replacement bank senior secured term loan facility maturing in 2020 | 3,353,700 | 3,349,500 |
| Senior secured notes—6.875% due 2019 | 1,196,600 | 1,290,100 |
| Senior secured notes—7.875% due 2020 | 750,000 | 831,100 |
| Senior notes—8.5% due 2021 | 819,200 | 908,300 |
| Senior secured notes—6.75% due 2022 | 1,121,700 | 1,237,800 |
| Senior secured notes—5.125% due 2023 | 700,000 | 716,600 |
| Accounts receivable facility maturing in 2018 | 120,000 | 120,000 |
| | $ 9,345,700 | $ 9,736,300 |

| | As of December 31, 2013 | |
|---|---|---|
| | Carrying Value | Fair Value |
| Bank senior secured revolving credit facility maturing in 2018 | $ 2,000 | $ 2,000 |
| Bank senior secured term loan facility maturing in 2020 | 3,361,500 | 3,386,700 |
| Incremental bank senior secured term loan facility maturing in 2020 | 1,240,600 | 1,248,400 |
| Senior secured notes—6.875% due 2019 | 1,196,500 | 1,284,700 |
| Senior secured notes—7.875% due 2020 | 750,000 | 829,700 |
| Senior notes—8.5% due 2021 | 819,300 | 904,800 |
| Senior secured notes—6.75% due 2022 | 1,240,600 | 1,365,800 |
| Senior secured notes—5.125% due 2023 | 700,000 | 703,100 |
| Accounts receivable facility maturing in 2018 | 160,000 | 160,000 |
| | $ 9,470,500 | $ 9,885,200 |

## 5. Investments

The carrying value of the Company's investments is as follows:

| | March 31, 2014 | December 31, 2013 |
|---|---|---|
| Investments in equity method investees | $ 84,200 | $ 83,900 |
| Cost method investments | 3,300 | 4,600 |
| | $ 87,500 | $ 88,500 |

Equity method investments primarily includes the Company's investment in Fusion Media Network, LLC ("Fusion"), a joint venture with ABC News which provides news, information and lifestyle programming primarily in English, and the Company's investment in El Rey Holdings LLC ("El Rey") which owns and operates, among other assets, the El Rey television network, an English-language general entertainment cable network.

Fusion (formerly known as Univision ABC News Network, LLC) was formed in July 2012 and provides programming on both linear and interactive platforms. The Fusion linear network launched in October 2013. The Company holds a 50% non-controlling interest in the joint venture, which is accounted for as an equity method investment. During the three months ended March 31, 2014 and 2013, the Company contributed $4.3 million and $11.2 million, respectively, to the investment in Fusion. During the three months ended March 31, 2014 and 2013, the Company recognized a loss of $5.3 million and $1.0 million, respectively, related to its share of Fusion's net losses. As of March 31, 2014 and December 31, 2013, the investment balance was $6.6 million and $7.6 million, respectively.

El Rey was formed in May 2013, and the El Rey television network launched in December 2013. On May 14, 2013, Univision invested approximately $2.6 million for a 4.99% equity and voting interest in El Rey. Additionally, Univision invested approximately $72.4 million in the form of a convertible note subject to restrictions on transfer. The convertible note is a twelve year note that bears interest at 7.5%. Interest is added to principal as it accrues. Only the original principal amount of the note is convertible into equity, none of the additional principal will be convertible into equity. A portion of the initial principal of the note may be converted into equity after two years and the entire initial principal may be converted following four years after the launch of the network; provided that the maximum voting interest for Univision's combined equity interest cannot exceed 49% for the first six years after the network's launch. At any time during the two years following the network's launch date, at Univision's election or at the direction of the Board of El Rey (including agreement from the Univision board member) that the additional capital is required, El Rey can borrow an additional $25.0 million of convertible debt from Univision on the same terms as the initial convertible note. In connection with a $100.0 million borrowing base credit facility El Rey and certain of its subsidiaries entered into in April 2014, the Board of El Rey has predetermined, and Univision has agreed, that if the proceeds of the additional convertible debt are part of the borrowing base, upon a default under such credit facility, the additional capital will be required and Univision will be obligated to fund the additional $25.0 million of convertible debt. For a period following December 1, 2020 Univision has a right to call, and the initial majority equity owners have the right to put, in each case at fair market value, a portion of such owners' equity interest in El Rey. For a period following December 1, 2023 Univision has a similar right to call, and such owners have a similar right to put, all of such owners' equity interest in El Rey. Univision provides certain distribution, advertising sales and back office/technical services to El Rey for fees generally based on incremental costs incurred by Univision in providing such services, including compensation costs for certain dedicated Univision employees performing such services, an allocation of certain Univision facilities costs and a use fee during the useful life of certain Univision assets used by El Rey in connection with the provision of the services. Univision also receives an

annual $3.0 million management fee which is recorded as a component of net revenue. Univision has also agreed to provide certain English-language soccer programming in exchange for a license fee and promotional support to the El Rey television network. Univision accounts for its convertible debt as an available-for-sale security with gains and losses recorded as a component of other comprehensive income/(loss) to the extent that the change is not other than temporary. Univision accounts for its equity investment under the equity method of accounting due to the fact that although Univision has less than a 20% interest, it exerts significant influence over El Rey. Univision's share of earnings and losses is recorded based on contractual liquidation rights and not on relative equity ownership. To the extent that Univision's share of El Rey's losses exceeds Univision's equity investment, the Company reduces the carrying value of its investment in El Rey's convertible note. As a result, the carrying value of Univision's equity investment in El Rey does not equal Univision's proportionate ownership in El Rey's net assets.

The El Rey convertible note is a debt security which is classified as an available-for-sale security. As an available-for-sale security, the Company adjusts the convertible note to its fair value with adjustments to other comprehensive income (loss). During the three months ended March 31, 2014, the Company recorded unrealized gains of approximately $15.2 million to other comprehensive income (loss) to adjust the convertible note to its fair value of $72.4 million. During the three months ended March 31, 2014, the Company accrued interest income of $1.4 million related to the convertible note. The fair value of El Rey's convertible note is classified as a Level 3 measurement due to the significance of unobservable inputs which utilize company-specific information. The Company uses both an income approach associated with the note's fixed income component and the Black-Scholes model to value the conversion feature. Key inputs to the Black-Scholes model include the underlying security value, strike price, volatility, time-to-maturity and risk-free rate. During the three months ended March 31, 2014, the Company recognized a loss of $15.2 million related to its share of El Rey's net losses. As of March 31, 2014 and December 31, 2013, the investment balance was $77.1 million and $75.8 million, respectively.

During the three months ended March 31, 2014, the Company recognized an impairment loss of $1.3 million in other non-operating expense related to the impairment of a cost method investment in the television segment, as the Company determined that the investment incurred an other than temporary decline in fair value.

## 6. Related Party Transactions

*Original Sponsors*

*Management Fee Agreement*

The Company has a management agreement with Broadcasting Partners and the Original Sponsors under which certain affiliates of the Original Sponsors provide the Company with management, consulting and advisory services for a quarterly aggregate service fee of 1.3% of operating income before depreciation and amortization, subject to certain adjustments, as well as reimbursement of out-of-pocket expenses. The management fee for the three months ended March 31, 2014 and 2013 was $3.3 million and $2.9 million, respectively. The out-of-pocket expenses for the three months ended March 31, 2014 and 2013 were $0.4 million and $0.6 million, respectively. The management fee and out-of-pocket expenses are included in selling, general and administrative expenses on the statements of operations. In addition, certain affiliates of the Original Sponsors will receive under this agreement an aggregate fee in connection with certain extraordinary transactions involving the Company, including certain change of control transactions, equal to 1% (minus the percentage paid to Televisa for such transaction as described below under "Technical Assistance Agreement") of the gross transaction value. The management agreement has a 10 year evergreen term. In the event of an initial public offering or a change of control transaction, this agreement will terminate (unless otherwise determined by a majority of the Original Sponsors and Televisa taken together) and the Company will have to pay to certain affiliates of the Original Sponsors (i) unpaid service fees and expenses if any and (ii) the net present values of the service fees that would have been payable to the Original Sponsors from the date of termination until the expiration date then in effect immediately prior to such termination based on an agreed assumed growth rate. No transaction fee was payable in connection with the refinancing transactions described in Note 7. *Debt*.

*Other Agreements and Transactions*

Broadcasting Partners has a consulting arrangement with an entity controlled by the Chairman of the Board of Directors. No compensation expense was recognized during the three months ended March 31, 2014 or 2013.

The Original Sponsors are private investment firms that have investments in companies that do business with Univision. No individual Original Sponsor has a controlling ownership interest in Univision. The Original Sponsors have controlling ownership interests or ownership interests with significant influence with companies that do business with Univision.

*Televisa Related Transactions*

On December 20, 2010, Televisa invested $1,255.0 million in Broadcasting Partners, sold its 50% interest in TuTV (now known as Univision Emerging Networks LLC), the Company's 50/50 joint venture with Televisa, to the Company for $55.0 million and completed the other transactions contemplated by an investment agreement with Broadcasting Partners and the other parties thereto (collectively the "Televisa transactions"). With the closing of the Televisa transactions, Televisa became a related party to Univision as of such date. In connection with the Televisa transactions, the Company entered into the following agreements with Televisa:

*Program License Agreement ("PLA")*

Pursuant to the program license agreement (the "PLA") and a predecessor program license agreement (the "Prior PLA") between Televisa and the Company, the Company committed to provide future advertising and promotion time at no charge to Televisa with a cumulative historical fair value of $970.0 million. These commitments extend through 2025, the earliest fixed date for termination of the PLA. The advertising revenues from Televisa will be recognized into revenues through 2025 as the Company provides the advertising to satisfy the commitments. The book value remaining under these commitments as of March 31, 2014 and December 31, 2013 was $652.4 million and $667.4 million, respectively, based on the fair value of the Company's advertising commitments at the dates the Prior PLA and PLA were entered into. For the three months ended March 31, 2014 and 2013, the Company recognized revenue of $15.0 million and $14.9 million, respectively, based on the fair value of the Company's advertising commitments at the dates the Prior PLA and PLA were entered into. The Company is contractually obligated to provide approximately $73.5 million of such advertising to Televisa in 2014. The amount will increase for each year thereafter and through 2025 by a factor that approximates the annual consumer price index.

In December 2013, the PLA was amended to (i) allow the Company to sublicense English language rights to the Televisa owned or controlled U.S. rights to Mexican First Division soccer league games and (ii) include revenue received from licensing English language rights to Mexican soccer in the revenues subject to the royalty under the PLA starting January 2013.

During the three months ended March 31, 2014 and 2013, of the Company's total licenses fees of $79.4 million and $70.6 million, respectively, the license fee to Televisa related to the PLA was $58.8 million and $50.9 million, respectively. As of March 31, 2014 and December 31, 2013, of the Company's total accrued license fees of $38.0 million and $38.8 million, respectively, the Company had accrued license fees to Televisa related to the PLA of $30.2 million and $31.1 million, respectively.

*Technical Assistance Agreement*

In connection with its investment in Broadcasting Partners, Televisa entered into an agreement with Broadcasting Partners and the Company under which Televisa provides the Company with technical assistance related to the Company's business for a quarterly fee of 0.7% of operating income before depreciation and amortization, subject to certain adjustments, as well as reimbursement of out-of-pocket expenses. The fees for the three months ended March 31, 2014 and 2013 were $1.8 million and $1.6 million, respectively. In addition, Televisa will receive under this agreement a fee in connection with certain extraordinary transactions involving the Company, including certain change of control transactions, equal to 0.35%, subject to certain adjustments, of the gross transaction value. The technical assistance agreement has a 10 year evergreen term. Upon the termination of the Sponsor Management Agreement, this agreement will terminate and the Company will have to pay to Televisa (i) unpaid service fees and expenses if any and (ii) the net present values of the service fees that would have been payable to Televisa from the date of termination until the expiration date then in effect immediately prior to such termination based on an agreed assumed growth rate. No transaction fee was payable in connection with the refinancing transactions described in Note 7. *Debt*.

*Launch Rights*

In March 2013, the Company paid approximately $81.0 million to Televisa and its chairman, a director of BMPI, in an arrangement that resulted in the Company obtaining for its benefit certain launch rights to be provided by a multiple system operator that distributes the Company's networks on its carriage platform. The Company has recorded an intangible asset for the launch rights and will amortize the asset over its estimated economic life of approximately 20 years. During the three months ended March 31, 2014 and 2013, the Company recognized amortization expense of $1.0 million and $0.2 million, respectively. As of March 31, 2014 and December 31, 2013, the net asset value was $77.0 million and $78.1 million, respectively.

*Broadcasting Partners*

On January 30, 2014, a group of institutional investors invested $125.0 million in Broadcasting Partners in exchange for approximately 1.5% of the fully diluted equity pursuant to an Investment Agreement dated January 30, 2014 with Broadcasting

Partners and the other parties named therein. Broadcasting Partners contributed $124.4 million, net of offering costs, to the Company. The Company used this contribution to repurchase a portion of its 6.75% senior secured notes due 2022. See Note 7. *Debt*.

During the three months ended March 31, 2014 and 2013, the Company issued dividends of $4.2 million to Broadcasting Partners primarily to cover its interest obligation on the convertible debt issued to Televisa and also to fund the repurchase of shares.

*Fusion*

The Company holds a 50% non-controlling interest in Fusion which was formed in July 2012. In connection with its investment in Fusion, the Company provides certain facilities support and capital assets, engineering and operations support, field acquisition/newsgathering and business services (the "support services"). In return, the Company receives reimbursement of certain costs. During the three months ended March 31, 2014 and 2013, the Company recognized $3.2 million and $0.3 million, respectively, related to the support services. As of March 31, 2014 and December 31, 2013, the Company has a receivable of $3.6 million and $6.9 million, respectively, due from Fusion. The Company has recorded a liability of $30.5 million and $31.6 million as of March 31, 2014 and December 31, 2013, respectively, related to advance payments associated with the future use of certain facilities and capital assets. In addition, the Company licenses certain content and other intellectual property to Fusion on a royalty-free basis and the Company is reimbursed for third-party costs in connection with the use of such content.

*El Rey*

On May 14, 2013, the Company obtained a 4.99% equity and voting interest in El Rey and invested in a convertible note. In connection with its investment in El Rey, the Company provides certain distribution, advertising sales and back office/technical services, as well as provides certain soccer programming and promotional support. In return, the Company receives reimbursement of certain costs and a program license fee. In addition, the Company receives an annual management fee. During the three months ended March 31, 2014, the Company recognized $0.8 million for the management fee. As of March 31, 2014 and December 31, 2013, the Company has a receivable of $1.7 million and $1.5 million, respectively, related to these management fees and costs.

## 7. Debt

Long-term debt consists of the following as of:

| | March 31, 2014 | December 31, 2013 |
|---|---|---|
| Bank senior secured revolving credit facility maturing in 2018 | $ 47,000 | $ 2,000 |
| Bank senior secured term loan facility maturing in 2020 | — | 3,361,500 |
| Incremental bank senior secured term loan facility maturing in 2020 | 1,237,500 | 1,240,600 |
| Replacement bank senior secured term loan facility maturing in 2020 | 3,353,700 | — |
| Senior secured notes—6.875% due 2019 | 1,196,600 | 1,196,500 |
| Senior secured notes—7.875% due 2020 | 750,000 | 750,000 |
| Senior notes—8.5% due 2021 | 819,200 | 819,300 |
| Senior secured notes—6.75% due 2022 | 1,121,700 | 1,240,600 |
| Senior secured notes—5.125% due 2023 | 700,000 | 700,000 |
| Accounts receivable facility maturing in 2018 | 120,000 | 160,000 |
| Capital lease obligations | 80,300 | 82,000 |
| | 9,426,000 | 9,552,500 |
| Less current portion | (218,300) | (214,000) |
| Long-term debt and capital lease obligations | $ 9,207,700 | $ 9,338,500 |

**Recent Financing Transactions**

*January 2014 Amendment to the Senior Secured Credit Facilities*

On January 23, 2014, the Company entered into an amendment (the "January 2014 Amendment") to its bank credit agreement governing the Company's senior secured revolving credit facility and senior secured term loan facility, which are referred to collectively as the "Senior Secured Credit Facilities." The January 2014 Amendment, among other things, facilitated the incurrence of replacement term loans in an aggregate principal amount of approximately $3,376.7 million (comprising (x) new replacement term loans in an aggregate principal amount of approximately $288.4 million and (y) converted replacement term loans in an aggregate principal amount of approximately $3,088.3 million) to refinance and/or modify the interest rate with respect to certain existing term

loans due 2020. The replacement term loans mature on March 1, 2020 and bear interest, at the Company's option, either at the alternate base rate plus an applicable margin of 2.0% per annum or an adjusted LIBO Rate (with an interest rate floor of 1.0%) plus an applicable margin of 3.0% per annum.

*June 2013 Amendment to the Accounts Receivable Sale Facility*

On June 28, 2013, the Company entered into an amendment to its accounts receivable sale facility (as amended, the "Facility"). The amendment, among other things, increased the borrowing capacity from $300.0 million to $400.0 million and extended the maturity date of the Facility from June 4, 2016 to June 28, 2018 (or, if earlier, the ninetieth (90th) day prior to the scheduled maturity of any indebtedness in an aggregate principal amount greater than or equal to $250,000,000 outstanding under the Company's Credit Agreement (as defined in the receivables purchase agreement relating to the Facility (as amended, the "Receivables Purchase Agreement")). The amendment also lowered the interest rate on the borrowings under the Facility to a LIBOR rate (without a floor) plus a margin of 2.25% per annum.

*May 2013 Amendment to the Senior Secured Credit Facilities*

On May 29, 2013, the Company entered into an amendment (the "May 2013 Amendment") to its bank credit agreement governing the Company's Senior Secured Credit Facilities. The May 2013 Amendment, among other things, (a) increased the commitments under the existing revolving credit facility from $487.6 million to $550.0 million and paid an upfront fee with respect to such new commitments under the existing revolving credit facility in an amount equal to 0.50% thereof; (b) increased the aggregate principal amount of term loans outstanding under the existing term loan facility by an aggregate principal amount of $400.0 million; and (c) facilitated the incurrence of $850.0 million of additional indebtedness to extend (by way of refinancing indebtedness) the maturity dates of the Company's existing outstanding term loans due 2017, on terms and conditions substantially similar to the Company's existing term loans due 2020 discussed below. The increased and newly extended term loans mature on March 1, 2020 and bear interest, at the Company's option, either at the alternate base rate plus an applicable margin of 2.0% per annum or an adjusted LIBO Rate (with an interest floor of 1.0%) plus an applicable margin of 3.0% per annum. The increased revolving commitments were issued at and subject to the same terms as the new revolving credit commitments from the February 2013 Amendment discussed below. The May 2013 Amendment also included certain other non-economic modifications to the Senior Secured Credit Facilities.

*May 2013 Offering of the 2023 Senior Secured Notes*

On May 21, 2013, the Company issued $700.0 million aggregate principal amount of the 5.125% senior secured notes due 2023 (the "2023 senior secured notes"). The net proceeds from the sale of the 2023 senior secured notes were used to repay all of the remaining $153.1 million of the Company's senior secured term loans due 2014 and $534.9 million of the Company's senior secured term loans due 2017, plus, in each case, accrued and unpaid interest thereon plus any fees and expenses related thereto. See "Debt Instruments—Senior Secured Notes – 5.125% due 2023" below.

*February 2013 Amendment to the Senior Secured Credit Facilities*

On February 28, 2013, the Company entered into an amendment (the "February 2013 Amendment") to its credit agreement governing the Company's Senior Secured Credit Facilities. The February 2013 Amendment, among other things, extended the maturity dates of all or a portion of its existing term loans having maturity dates in 2014 and 2017 and its existing revolving credit commitments having maturity dates in 2014 and 2016. Such extensions were achieved through a combination of rollovers (or cashless conversions) of its existing term loans and/or its existing revolving credit commitments and with the proceeds of new term loans and new revolving credit commitments made by one or more new or existing lenders. The newly extended term loans were issued at 99.5% of par value, mature on March 1, 2020 and bear interest, at the Company's option, either at the alternate base rate plus an applicable margin of 2.5% per annum or an adjusted LIBO Rate (with an interest rate floor of 1.25%) plus an applicable margin of 3.5% per annum, in each case, subject to step-downs in the margin similar to those applicable to its existing term loan facility. The new revolving credit commitments were subject to an upfront fee of 0.50% of the amount of such facility, mature on March 1, 2018, are subject to an unused line fee consistent with that previously applicable to the existing revolving credit facility and bear interest, at the Company's option, either at the alternate base rate plus an applicable margin of 2.5% per annum or an adjusted LIBO Rate (with no interest rate floor) plus an applicable margin of 3.5% per annum, in each case, subject to step-downs in the margin similar to those applicable to its previous revolving credit facility. The February 2013 Amendment also included certain other non-economic modifications to the Senior Secured Credit Facilities.

*Loss on Extinguishment of Debt*

For the three months ended March 31, 2014 and 2013, the Company recorded a loss on extinguishment of debt of $17.2 million and $3.6 million, respectively, as a result of refinancing its debt. The loss includes a premium, fees, the write-off of certain unamortized deferred financing costs and the write-off of certain unamortized discount and premium related to instruments that were repaid.

**Debt Instruments**

*Senior Secured Credit Facilities*

*Bank senior secured revolving credit facility* – The February 2013 Amendment established a new revolving credit facility of $487.6 million that will mature on March 1, 2018, replacing the existing revolving credit facility discussed below under "—Extinguished Debt Instruments." The size of the new revolving credit facility can be increased upon receipt of additional commitments therefor up to $550.0 million without otherwise impacting the amount available for revolving credit commitment increases under the Senior Secured Credit Facilities' incremental facility provisions. The applicable margin payable as interest thereon is either 2.5% per annum with respect to revolving loans bearing interest at the alternate base rate or 3.5% per annum with respect to revolving loans bearing interest at an adjusted LIBO Rate, in each case, with no interest rate floor (subject to agreed-upon step-downs in such margins upon the achievement of certain leverage ratios). In May 2013, the Company achieved a step-down in the applicable margin of 0.25%.

The May 2013 Amendment increased the amount of commitments under the revolving credit facility that will mature on March 1, 2018 to $550.0 million. The applicable margin payable as interest thereon following the May 2013 Amendment is the same as the new applicable margin payable on the new revolving credit facility from the February 2013 Amendment described above.

At March 31, 2014, there were $47.0 million in loans outstanding on the revolving credit facility. At March 31, 2014, after giving effect to borrowings and outstanding letters of credit, the Company has $493.0 million available on the revolving credit facility.

*Bank senior secured term loan facility maturing in 2020* – The February 2013 Amendment established a new term loan facility maturing on March 1, 2020. The May 2013 Amendment then increased the aggregate principal amount outstanding under the term loan facility established by the February 2013 Amendment by $400 million and facilitated the incurrence of $850 million of additional indebtedness by extending (by way of refinancing indebtedness) the maturity dates of the Company's existing outstanding term loans due 2017 until March 1, 2020. The new term loans under the increased term loan facility and the refinanced term loans bear interest, at the Company's option, either at the alternate base rate plus an applicable margin of 2.0% per annum or an adjusted LIBO Rate (with an interest rate floor of 1.0%) plus an applicable margin of 3.0% per annum. Commencing June 28, 2013, the Company has been required to make a quarterly payment of 0.25% of the aggregate principal amount of this facility. As of March 31, 2014, the total aggregate principal amount was $1,237.5 million.

The January 2014 Amendment, among other things, facilitated the incurrence of replacement term loans in an aggregate principal amount of approximately $3,376.7 million (comprising (x) new replacement term loans in an aggregate principal amount of approximately $288.4 million and (y) converted replacement term loans in an aggregate principal amount of approximately $3,088.3 million) to refinance and/or modify the interest rate with respect to certain existing term loans due 2020. The replacement term loans mature on March 1, 2020 and bear interest, at the Company's option, either at the alternate base rate plus an applicable margin of 2.0% per annum or an adjusted LIBO Rate (with an interest rate floor of 1.0%) plus an applicable margin of 3.0% per annum. Commencing March 31, 2014, the Company has been required to make a quarterly payment of 0.25% of the aggregate principal amount of this facility. As of March 31, 2014, the total aggregate principal amount was $3,368.3 million and the remaining unamortized original issue discount (which had been associated with the term loans that were modified) was $14.6 million. The original issue discount is amortized over the term of the replacement term loans.

For the three months ended March 31, 2014, the effective interest rate related to the Company's senior secured term loans in total was 4.63%, including the impact of the interest rate swaps, and 4.10% excluding the impact of the interest rate swaps.

The credit agreement governing the Senior Secured Credit Facilities also provides that the Company may increase its revolving credit facilities and/or term loan facilities by up to $750.0 million if certain conditions are met (including the receipt of commitments therefor). Additionally, the Company is permitted to further refinance (whether by repayment, conversion or extension) the Company's Senior Secured Credit Facilities (including the extended credit facilities) with certain permitted additional first-lien, second-lien, senior and/or subordinated indebtedness, in each case, if certain conditions are met.

*Senior Secured Notes – 6.875% due 2019*

The 6.875% senior secured notes due 2019 (the "2019 senior secured notes") are eight year notes. The Company issued $600.0 million aggregate principal amount of the initial 2019 senior secured notes on May 9, 2011 pursuant to an indenture dated as of May 9, 2011. On February 7, 2012, the Company issued $600.0 million aggregate principal amount of the additional 2019 senior secured notes under the same indenture. The 2019 senior secured notes offered in May 2011 and February 2012 are treated as a single series and have the same terms. The 2019 senior secured notes mature on May 15, 2019 and pay interest on May 15 and November 15 of each year. Interest on the 2019 senior secured notes accrues at a fixed rate of 6.875% per annum and is payable in cash. At March 31, 2014, the outstanding principal balance of the 2019 senior secured notes was $1,200.0 million and the remaining unamortized original issue discount was $3.4 million. The 2019 senior secured notes are secured by a first priority lien (subject to permitted liens) on substantially all assets that currently secure the Company's Senior Secured Credit Facilities.

On and after May 15, 2015, the 2019 senior secured notes may be redeemed, at the Company's option, in whole or in part, at any time and from time to time at the redemption prices set forth below. The 2019 senior secured notes will be redeemable at the applicable redemption price (expressed as percentages of principal amount of the 2019 senior secured notes to be redeemed) plus accrued and unpaid interest thereon to the applicable redemption date if redeemed during the twelve month period beginning on May 15 of each of the following years: 2015 (103.438%), 2016 (101.719%), 2017 and thereafter (100.0%). In addition, until May 15, 2014, the Company may redeem up to 35% of the outstanding 2019 senior secured notes with the net proceeds it raises in one or more equity offerings at a redemption price equal to 106.875% of the aggregate principal amount thereof, plus accrued and unpaid interest thereon, if any, to the applicable redemption date. The Company also may redeem any of the 2019 senior secured notes at any time prior to May 15, 2015 at a price equal to 100% of the principal amount plus a make-whole premium and accrued interest. If the Company undergoes a change of control, it may be required to offer to purchase the 2019 senior secured notes from holders at a purchase price equal to 101% of the principal amount plus accrued interest. Subject to certain exceptions and customary reinvestment rights, the Company is required to offer to repay 2019 senior secured notes at par with the proceeds of certain assets sales.

*Senior Secured Notes—7.875% due 2020*

The 7.875% senior secured notes due 2020 (the "2020 senior secured notes") are ten year notes maturing November 1, 2020 and paying interest on May 1 and November 1 of each year. Interest on the 2020 senior secured notes accrues at a fixed rate of 7.875% per annum and is payable in cash. The 2020 senior secured notes were issued on October 26, 2010. At March 31, 2014, the outstanding principal balance of the 2020 senior secured notes was $750.0 million. The 2020 senior secured notes are secured by a first priority lien (subject to permitted liens) on substantially all assets that currently secure the Company's Senior Secured Credit Facilities.

On or after November 1, 2015, the 2020 senior secured notes may be redeemed, at the Company's option, in whole or in part, at any time and from time to time at the redemption prices set forth below. The 2020 senior secured notes will be redeemable at the applicable redemption price (expressed as percentages of principal amount of the 2020 senior notes to be redeemed) plus accrued and unpaid interest thereon to the applicable redemption date if redeemed during the twelve month period beginning on November 1 of each of the following years: 2015 (103.938%), 2016 (102.625%), 2017 (101.313%), 2018 and thereafter (100.0%). In addition, until November 1, 2013, the Company could have redeemed up to 35% of the outstanding 2020 senior secured notes with any net proceeds it raised in one or more equity offerings at a redemption price equal to 107.875% of the aggregate principal amount thereof, plus accrued and unpaid interest thereon, if any, to the applicable redemption date. The Company also may redeem any of the 2020 senior secured notes at any time prior to November 1, 2015 at a price equal to 100% of the principal amount plus a make-whole premium and accrued interest. If the Company undergoes a change of control, it may be required to offer to purchase the 2020 senior secured notes from holders at a purchase price equal to 101% of the principal amount plus accrued interest. Subject to certain exceptions and customary reinvestment rights, the Company is required to offer to repay 2020 senior secured notes at par with the proceeds of certain assets sales.

*Senior Notes—8.5% due 2021*

The 8.5% senior notes due 2021 (the "2021 senior notes") are ten year notes. The Company issued $500.0 million aggregate principal amount of the initial 2021 senior notes on November 23, 2010 pursuant to an indenture dated as of November 23, 2010. On January 13, 2011, the Company issued an additional $315.0 million aggregate principal amount of the additional 2021 senior notes under the same indenture. The initial 2021 senior notes and the additional 2021 senior notes are treated as a single series and have the same terms. They mature on May 15, 2021 and pay interest on May 15 and November 15 of each year. Interest on the 2021 senior notes accrues at a fixed rate of 8.5% per annum and is payable in cash. At March 31, 2014, the outstanding principal balance of the 2021 senior notes was $815.0 million and the remaining unamortized premium was $4.2 million.

On or after November 15, 2015, the 2021 senior notes may be redeemed, at the Company's option, in whole or in part, at any time and from time to time at the redemption prices set forth below. The 2021 senior notes will be redeemable at the applicable redemption price (expressed as percentages of principal amount of the 2021 senior notes to be redeemed) plus accrued interest and unpaid interest thereon to the applicable redemption date if redeemed during the twelve-month period beginning on November 15 of each of the following years: 2015 (104.250%), 2016 (102.833%), 2017 (101.417%), 2018 and thereafter (100.0%). In addition, until November 15, 2013, the Company could have redeemed up to 35% of the outstanding 2021 senior notes with any net proceeds it raised in one or more equity offerings at a redemption price equal to 108.500% of the aggregate principal amount thereof, plus accrued and unpaid interest thereon, if any, to the applicable redemption date. The Company also may redeem any of the 2021 senior notes at any time prior to November 15, 2015 at a price equal to 100% of the principal amount plus a make-whole premium and accrued interest. If the Company undergoes a change of control, it may be required to offer to purchase the 2021 senior notes from holders at a purchase price equal to 101% of the principal amount plus accrued interest. Subject to certain exceptions and customary reinvestment rights, the Company is required to offer to repay 2021 senior notes at par with the proceeds of certain assets sales.

*Senior Secured Notes – 6.75% due 2022*

The 6.75% senior secured notes due 2022 (the "2022 senior secured notes") are ten year notes. The Company issued $625.0 million aggregate principal amount of the initial 2022 senior secured notes on August 29, 2012 pursuant to an indenture dated as of August 29, 2012. On September 19, 2012, the Company issued $600.0 million aggregate principal amount of the additional 2022 senior secured notes under the same indenture. The initial 2022 senior secured notes and the additional 2022 senior secured notes are treated as a single series and have the same terms. The 2022 senior secured notes mature on September 15, 2022 and pay interest on March 15 and September 15 of each year. Interest on the 2022 senior secured notes accrues at a fixed rate of 6.75% per annum and is payable in cash. On March 20, 2014 the Company redeemed $117.1 million aggregate principal amount of the 2022 senior secured notes at a redemption price equal to 106.750% of the aggregate principal amount of the 2022 senior secured notes redeemed, plus accrued and unpaid interest thereon, pursuant to the Equity Claw (as defined below). At March 31, 2014, the outstanding principal balance of the 2022 senior secured notes was $1,107.9 million and the remaining unamortized premium was $13.8 million. The 2022 senior secured notes are secured by a first priority lien (subject to permitted liens) on substantially all assets that currently secure the Company's Senior Secured Credit Facilities.

On and after September 15, 2017, the 2022 senior secured notes may be redeemed, at the Company's option, in whole or in part, at any time and from time to time at the redemption prices set forth below. The 2022 senior secured notes will be redeemable at the applicable redemption price (expressed as percentages of principal amount of the 2022 senior secured notes to be redeemed) plus accrued and unpaid interest thereon to the applicable redemption date if redeemed during the twelve month period beginning on September 15 of each of the following years: 2017 (103.375%), 2018 (102.250%), 2019 (101.125%), 2020 and thereafter (100.0%). In addition, until September 15, 2015, the Company may redeem up to 40% of the outstanding 2022 senior secured notes with the net proceeds it raises in one or more equity offerings at a redemption price equal to 106.750% of the aggregate principal amount thereof, plus accrued and unpaid interest thereon, if any, to the applicable redemption date (the "Equity Claw"). The Company also may redeem any of the 2022 senior secured notes at any time prior to September 15, 2017 at a price equal to 100% of the principal amount plus a make-whole premium and accrued interest. If the Company undergoes a change of control, it may be required to offer to purchase the 2022 senior secured notes from holders at a purchase price equal to 101% of the principal amount plus accrued interest. Subject to certain exceptions and customary reinvestment rights, the Company is required to offer to repay 2022 senior secured notes at par with the proceeds of certain assets sales.

*Senior Secured Notes – 5.125% due 2023*

The 2023 senior secured notes are ten year notes. The Company issued $700.0 million aggregate principal amount of the 2023 senior secured notes on May 21, 2013 pursuant to an indenture dated as of May 21, 2013. The 2023 senior secured notes mature on May 15, 2023 and pay interest on May 15 and November 15 of each year. Interest on the 2023 senior secured notes accrues at a fixed rate of 5.125% per annum and is payable in cash. At March 31, 2014, the outstanding principal balance of the 2023 senior secured notes was $700.0 million. The 2023 senior secured notes are secured by a first priority lien (subject to permitted liens) on substantially all assets that currently secure the Company's Senior Secured Credit Facilities.

On and after May 15, 2018, the 2023 senior secured notes may be redeemed, at the Company's option, in whole or in part, at any time and from time to time at the redemption prices set forth below. The 2023 senior secured notes will be redeemable at the applicable redemption price (expressed as percentages of principal amount of the 2023 senior secured notes to be redeemed) plus accrued and unpaid interest thereon to the applicable redemption date if redeemed during the twelve month period beginning on May 15 of each of the following years: 2018 (102.563%), 2019 (101.708%), 2020 (100.854%), 2021 and thereafter (100.0%). In addition, until May 15, 2016, the Company may redeem up to 40% of the outstanding 2023 senior secured notes with the net proceeds it raises in one or more equity offerings at a redemption price equal to 105.125% of the aggregate principal amount thereof, plus accrued and unpaid interest thereon, if any, to the applicable redemption date. The Company also may redeem any of the 2023 senior

secured notes at any time prior to May 15, 2018 at a price equal to 100% of the principal amount plus a make-whole premium and accrued interest. If the Company undergoes a change of control, it may be required to offer to purchase the 2023 senior secured notes from holders at a purchase price equal to 101% of the principal amount plus accrued interest. Subject to certain exceptions and customary reinvestment rights, the Company is required to offer to repay 2023 senior secured notes at par with the proceeds of certain assets sales.

*Accounts Receivable Facility*

On June 28, 2013, the Company entered into an amendment to the Facility, which, among other things, (i) extended the maturity date of the Facility to June 28, 2018 (or, if earlier, the ninetieth (90th) day prior to the scheduled maturity of any indebtedness in an aggregate principal amount greater than or equal to $250,000,000 outstanding under the Company's Credit Agreement (as defined in the Receivables Purchase Agreement)), (ii) increased the borrowing capacity under the Facility by $100.0 million, to $400.0 million, (iii) reduced the term component of the Facility to $100.0 million and increased the borrowing capacity under the revolving component to $300.0 million, subject to the availability of qualifying receivables, (iv) lowered the interest rate on the borrowings under the Facility to a LIBOR rate (without a floor) plus a margin of 2.25% per annum and (v) lowered the commitment fee on the unused portion of the Facility to 0.50% per annum. Interest is paid monthly on the Facility. At March 31, 2014, the amount outstanding under the Facility was $120.0 million and the interest rate was 2.41%.

Under the terms of the Facility, certain subsidiaries of the Company sell accounts receivable on a true sale and non-recourse basis to their respective wholly-owned special purpose subsidiaries, and these special purpose subsidiaries in turn sell such accounts receivable to Univision Receivables Co., LLC, a bankruptcy-remote subsidiary in which certain special purpose subsidiaries of the Company and its parent, Broadcasting Partners, each holds a 50% voting interest (the "Receivables Entity"). Thereafter, the Receivables Entity sells to investors, on a revolving non-recourse basis, senior undivided interests in such accounts receivable pursuant to the Receivables Purchase Agreement. The Company (through certain special purpose subsidiaries) holds a 100% economic interest in the Receivables Entity. The assets of the special purpose entities and the Receivables Entity are not available to satisfy the obligations of Univision or its other subsidiaries.

The Facility is comprised of a $100.0 million term component and a $300.0 million revolving component subject to the availability of qualifying receivables. At March 31, 2014, the Company had $100.0 million outstanding under the term component and $20.0 million outstanding under the revolving component. In addition, the Receivables Entity is obligated to pay a commitment fee to the purchasers, such fee to be calculated based on the unused portion of the Facility. The Receivables Purchase Agreement contains customary default and termination provisions, which provide for the early termination of the Facility upon the occurrence of certain specified events including, but not limited to, failure by the Receivables Entity to pay amounts due, defaults on certain indebtedness, change in control, bankruptcy and insolvency events. The Receivables Entity is consolidated in the Company's consolidated financial statements.

During the three months ended March 31, 2014 and 2013, the Company recorded interest expense of $0.9 million and $2.2 million, respectively, related to the Facility.

**Extinguished Debt Instruments**

*Bank senior secured term loan facility maturing in 2020* – The February 2013 Amendment established a new term loan facility maturing on March 1, 2020. The new term loan facility was funded through a combination of rollovers (or cashless conversions) of the Company's existing term loans and with the proceeds of new term loans made by one or more new or existing lenders. The Company converted $108.8 million and $2,193.4 million of borrowings under the non-extended and extended portions, respectively, of the original term loans and received $1,100.0 million in proceeds from the new senior secured term loans. The February 2013 Amendment required the payment of original issue discount in respect thereof of $17.0 million, which is 0.50% of the principal amount thereof, resulting in a lower effective yield. Prior to the January 2014 Amendment, the total aggregate principal amount was $3,376.7 million and the remaining unamortized original issue discount was $15.1 million. The facility was replaced by the January 2014 Amendment which, among other things, facilitated the incurrence of replacement term loans in an aggregate principal amount of approximately $3,376.7 million that will mature on March 1, 2020. See "Recent Financing Transactions—January 2014 Amendment to the Senior Secured Credit Facilities" above.

*Bank senior secured revolving credit facility maturing in 2014 or 2016* – Prior to the February 2013 Amendment, the Company had borrowings under a previous bank senior secured revolving credit facility. The facility was bifurcated so that borrowings under the non-extended revolving credit facility would have matured on March 29, 2014 and borrowings under the extended revolving credit facility would have matured on March 29, 2016. The commitments in respect of the extended and non-extended revolving facility were $409.0 million and $43.2 million, respectively, prior to the February 2013 Amendment. The facility was replaced with a new

revolving credit facility of $550.0 million that will mature in March 2018. See “Recent Financing Transactions—May 2013 Amendment to the Senior Secured Credit Facilities,” “Recent Financing Transactions—February 2013 Amendment to the Senior Secured Credit Facilities” and “Debt Instruments—Senior Secured Credit Facilities” above.

*Bank senior secured term loan facility maturing in 2014 or 2017* – As of December 31, 2012, the Company had borrowings under a bank senior secured term loan facility which consisted of non-extended term loans maturing on September 29, 2014 and extended term loans maturing on March 31, 2017. The borrowings in respect of these term loans have since been refinanced into the bank senior secured term loan facility maturing in 2020, the 2023 senior secured notes, and the incremental bank senior secured term loan facility maturing in 2020 described above. The commitments in respect of the extended and non-extended term loans were $4,513.2 million and $365.6 million, respectively, prior to the refinancing. See “Recent Financing Transactions—May 2013 Amendment to the Senior Secured Credit Facilities,” “Recent Financing Transactions—May 2013 Offering of the 2023 Senior Secured Notes,” “Recent Financing Transactions—February 2013 Amendment to the Senior Secured Credit Facilities” above.

**Other Matters Related to Debt**

Voluntary prepayment of principal amounts outstanding under the Senior Secured Credit Facilities is permitted at any time; however, if a prepayment of principal is made with respect to an adjusted LIBO loan on a date other than the last day of the applicable interest period, the lenders will require compensation for any funding losses and expenses incurred as a result of the prepayment. In addition, the Senior Secured Credit Facilities contain provisions requiring mandatory prepayments if the Company achieves certain levels of excess cash flow as defined in the credit agreement or from the proceeds of asset dispositions, casualty events or debt incurrences.

The agreements governing the Senior Secured Credit Facilities and the senior notes contain various covenants and a breach of any covenant could result in an event of default under those agreements. If any such event of default occurs, the lenders of the Senior Secured Credit Facilities or the holders of the senior notes may elect (after the expiration of any applicable notice or grace periods) to declare all outstanding borrowings, together with accrued and unpaid interest and other amounts payable thereunder, to be immediately due and payable. In addition, an event of default under the indentures governing the senior notes would cause an event of default under the Senior Secured Credit Facilities, and the acceleration of debt under the Senior Secured Credit Facilities or the failure to pay that debt when due would cause an event of default under the indentures governing the senior notes (assuming certain amounts of that debt were outstanding at the time). The lenders under the Senior Secured Credit Facilities also have the right upon an event of default thereunder to terminate any commitments they have to provide further borrowings. Further, following an event of default under the Senior Secured Credit Facilities, the lenders will have the right to proceed against the collateral. The Senior Secured Credit Facilities, the 2023 senior secured notes, the 2022 senior secured notes, the 2020 senior secured notes and the 2019 senior secured notes are secured by, among other things (a) a first priority security interest in substantially all of the assets of the Company, and the Company’s material restricted domestic subsidiaries (subject to certain exceptions), as defined, including without limitation, all receivables, contracts, contract rights, equipment, intellectual property, inventory, and other tangible and intangible assets, subject to certain customary exceptions; (b) a pledge of (i) all of the present and future capital stock of each subsidiary guarantor’s direct domestic subsidiaries and the direct domestic subsidiaries of the Company and (ii) 65% of the voting stock of each of the Company’s and each guarantor’s material direct foreign subsidiaries, subject to certain exceptions; and (c) all proceeds and products of the property and assets described above. In addition, the Senior Secured Credit Facilities (but not the 2023 senior secured notes, the 2022 senior secured notes, the 2020 senior secured notes or the 2019 senior secured notes) are secured by all of the assets of Broadcast Holdings and a pledge of the capital stock of the Company and all proceeds of the foregoing.

Additionally, the agreements governing the Senior Secured Credit Facilities and the senior notes include various restrictive covenants (including in the credit agreement when there are certain amounts outstanding under the senior secured revolving credit facility on the last day of a fiscal quarter, a first lien debt ratio covenant) which, among other things, limit the incurrence of indebtedness, making of investments, payment of dividends, transactions with affiliates, asset sales, acquisitions, mergers and consolidations, prepayments of other indebtedness, liens and encumbrances and other matters customarily restricted in such agreements. The credit agreement and the indentures governing the senior notes thereunder allow the Company to make certain pro forma adjustments for purposes of calculating certain financial ratios, some of which would be applied to adjusted operating income before depreciation and amortization (“OIBDA”). The Company is in compliance with these covenants under the agreements governing its Senior Secured Credit Facilities and senior notes.

The Company owns several wholly-owned start-up ventures which have been designated as “unrestricted subsidiaries” for purposes of its credit agreement governing the Senior Secured Credit Facilities and indentures governing the senior notes. The results of these unrestricted subsidiaries are excluded from OIBDA in accordance with the definition in the credit agreement and the indentures governing the senior notes. As unrestricted subsidiaries, the operations of these subsidiaries are excluded from, among other things, covenant compliance calculations and compliance with the affirmative and negative covenants of the credit agreement governing the Senior Secured Credit Facilities and indentures governing the senior notes. The Company may redesignate these

subsidiaries as restricted subsidiaries at anytime at its option, subject to compliance with the terms of its credit agreement governing the Senior Secured Credit Facilities and indentures governing the senior notes.

The subsidiary guarantors under the Company's Senior Secured Credit Facilities and senior notes are substantially all of the Company's domestic subsidiaries. The subsidiaries that are not guarantors include certain immaterial subsidiaries, special purpose subsidiaries that are party to the Company's Facility and the designated unrestricted subsidiaries. The guarantees are full and unconditional and joint and several. Univision Communications Inc. has no independent assets or operations.

The Company and its subsidiaries, affiliates or significant shareholders may from time to time, in their sole discretion, purchase, repay, redeem or retire any of the Company's outstanding debt or equity securities (including any privately placed debt securities with an established trading market), in privately negotiated or open market transactions, by tender offer or otherwise.

**8. Interest Rate Swaps**

The Company's objectives in using interest rate derivatives are to add stability to interest expense and to manage its exposure to interest rate movements. To accomplish these objectives, the Company primarily uses interest rate swaps as part of its interest rate risk management strategy. These interest rate swaps involve the receipt of variable amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount. The Company has agreements with each of its interest rate swap counterparties which provide that the Company could be declared in default on its derivative obligations if repayment of the underlying indebtedness is accelerated by the lender due to the Company's default on the indebtedness.

For interest rate swap contracts accounted for as cash flow hedges, the effective portion of the change in fair value is recorded in accumulated other comprehensive loss ("AOCL"), net of tax, and is reclassified to earnings as an adjustment to interest expense in the same period or periods that the hedged transactions impact earnings. The ineffective portion of the change in fair value, if any, is recorded directly to current period earnings through interest rate swap (income) expense. For interest rate swap contracts not designated as hedging instruments, the interest rate swaps are marked to market with the change in fair value recorded directly in earnings through interest rate swap (income) expense. While the Company does not enter into interest rate swap contracts for speculative purposes, three out of five of its interest rate swap contracts as of March 31, 2014 are not accounted for as cash flow hedges ("nondesignated instruments"). For two of the nondesignated instruments, the Company ceased applying hedge accounting as a result of debt refinancing. The third nondesignated instrument was entered into to offset the effect of the other nondesignated instruments.

The Company's current interest rate swap contracts designated in cash flow hedging relationships effectively convert the interest payable on $2.5 billion of variable rate debt into fixed rate debt, at a weighted-average rate of approximately 2.25% through the hedging instruments described below.

*Interest Rate Swaps Entered into in 2010* – In June 2010, the Company entered into three interest rate swap contracts related to the Company's senior secured term loan with a combined notional value of $4.0 billion (the "2010 interest rate swap contracts") which expired in June 2013. Initially, these interest rate swaps were accounted for as cash flow hedges. Due to the February 2013 Amendment and May 2013 Amendment to the Senior Secured Credit Facilities, the Company ceased applying hedge accounting on the 2010 interest rate swap contracts. Subsequent to the discontinuation of cash flow hedge accounting, the 2010 interest rate swap contracts were marked to market, with the change in fair value recorded directly in earnings, and the unrealized loss related to these interest rate swaps up to the point cash flow hedge accounting was discontinued was amortized from AOCL into earnings. The amortization of unrealized loss in AOCL of $19.8 million occurred through the original maturity of the 2010 interest rate swap contracts (June 2013) as an increase to interest expense. All of the 2010 interest rate swap contracts expired during 2013. There are no amounts remaining on the balance sheet, and all amounts in AOCL have been amortized to earnings.

*Interest Rate Swaps Entered into in 2011* – In November 2011, the Company entered into two interest rate swap contracts with notional amounts of $2.0 billion and $500.0 million, related to the Company's senior secured term loans, which were to become effective in June 2013 and expire in June 2016. Initially, these interest rate swap contracts were accounted for as cash flow hedges. On February 28, 2013, the Company ceased applying cash flow hedge accounting on both the $2.0 billion notional amount interest rate swap and the $500.0 million notional amount interest rate swap as a result of the February 2013 Amendment to the Senior Secured Credit Facilities. On March 4, 2013, the $2.0 billion notional amount interest rate swap was renegotiated, resulting in a partial termination and replacement of $1.25 billion of its notional amount with a new swap, discussed below under "*—Interest Rate Swaps Entered into in 2013*." For the remaining portion of the original contract with a notional amount of $750.0 million and the $500.0 million notional amount interest rate swap (collectively referred to as the "2011 interest rate swap contracts"), the Company will pay weighted average fixed interest of 1.497% and receive in exchange LIBOR-based floating interest, which is equivalent to the Eurodollar rate. The 2011 interest rate swap contracts became effective at the end of June 2013 and expire in June 2016. The

Company redesignated the 2011 interest rate swap contracts as cash flow hedges at the time of the February 2013 Amendment to the Senior Secured Credit Facilities.

On May 21, 2013, the Company ceased applying cash flow hedge accounting on the 2011 interest rate swap contracts as a result of the May 2013 Amendment to the Senior Secured Credit Facilities. Subsequent to the discontinuation of cash flow hedge accounting, the 2011 interest rate swap contracts were marked to market, with the change in fair value recorded directly in earnings. The unrealized loss up to the point cash flow hedge accounting was discontinued (inclusive of the unrealized losses from the discontinuation of cash flow hedge accounting at the time of the February 2013 Amendment to the Senior Secured Credit Facilities noted above) is being amortized from AOCL into earnings. The amortization of $76.0 million of unrealized losses in AOCL will occur through the original maturity of the 2011 interest rate swap contracts (June 2016) as an increase to interest expense.

*Interest Rate Swaps Entered into in 2013* – As discussed above, on March 4, 2013, the Company renegotiated the $2.0 billion notional amount interest rate swap contract entered into in November 2011, resulting in a partial termination and replacement with a new interest rate swap contract with a notional amount of $1.25 billion and a remaining portion of the original swap with a notional amount of $750.0 million. For the new interest rate swap contract with a notional amount of $1.25 billion, the Company will pay fixed interest of 2.563% and receive in exchange LIBOR-based floating interest, subject to a minimum of 1.25%. This contract became effective at the end of June 2013 and expires in February 2020. The Company designated this contract as a cash flow hedge at its inception. As part of the January 2014 Amendment to the Senior Secured Credit Facilities, the Company renegotiated this interest rate swap contract in order to reflect the interest rate floor of 1.0% on the new term loans. Under the amended contract, the Company will pay fixed interest of 2.4465% and receive in exchange LIBOR-based floating interest, subject to a minimum of 1.0%. The contract was de-designated and redesignated at the time of the amendment on January 23, 2014. The amortization of $26.1 million of unrealized gains in AOCL at the time of de-designation will occur through the maturity date of the contract (February 2020) as a decrease to interest expense.

On May 29, 2013, the Company entered into two interest rate swap contracts. The first contract has a notional value of $1.25 billion, and the Company will pay LIBOR-based floating interest and receive in exchange fixed interest of 0.60% (the "reverse swap"). The reverse swap became effective at the end of June 2013 and expires in June 2016. The reverse swap is marked to market, with the change in fair value recorded directly in earnings. The reverse swap was executed to offset the future mark-to-market amounts that will be recognized in earnings on the 2011 interest rate swap contracts that were de-designated on May 21, 2013. The Company also entered into a second interest rate swap contract with a notional value of $1.25 billion (which together with the $1.25 billion notional amount interest rate swap discussed above that was executed in March 2013 are collectively referred to as the "2013 interest rate swap contracts"), and the Company will pay fixed interest of 2.0585% and receive in exchange LIBOR-based floating interest, subject to a minimum of 1.00%. This contract became effective at the end of June 2013 and expires in February 2020. The Company designated this contract as a cash flow hedge at its inception. The contract was then de-designated as of November 30, 2013 and redesignated as of December 1, 2013 to better align with the Company's forecasted interest payments. The amortization of $11.0 million of unrealized gains in AOCL at the time of de-designation will occur through the maturity date of the contract (February 2020) as a decrease to interest expense.

*Derivatives Designated as Hedging Instruments*

As of March 31, 2014, the Company has two effective cash flow hedges, outlined below.

| | Number of Instruments | Notional |
|---|---|---|
| Interest Rate Derivatives | | |
| 2013 Interest Rate Swap Contracts | 2 | $2,500,000,000 |

*Derivatives Not Designated as Hedging Instruments*

As of March 31, 2014, the Company has three derivatives not designated as hedges, outlined below.

| | Number of Instruments | Notional |
|---|---|---|
| Interest Rate Derivatives | | |
| 2011 Interest Rate Swap Contracts and the Reverse Swap | 3 | $2,500,000,000 |

The effective notional amount of the above three instruments is zero, as the reverse swap's notional amount of $1.25 billion is in the opposite direction of the 2011 interest rate swaps' notional amounts.

*Impact of Interest Rate Derivatives on the Consolidated Financial Statements*

The table below presents the fair value of the Company's derivative financial instruments (both designated and non-designated), as well as their classification on the consolidated balance sheets:

| | Consolidated Balance Sheet Location | As of March 31, 2014 | As of December 31, 2013 |
|---|---|---|---|
| Derivatives Designated as Hedging Instruments | | | |
| Interest Rate Swaps – Non-Current Asset | Other assets | $ 16,400 | $ 27,200 |
| Interest Rate Swaps – Non-Current Liability | Other long-term liabilities | 10,200 | 100 |
| Derivatives Not Designated as Hedging Instruments | | | |
| Interest Rate Swaps – Non-Current Asset | Other assets | 300 | — |
| Interest Rate Swaps – Non-Current Liability | Other long-term liabilities | 26,900 | 29,400 |

The Company does not offset the fair value of interest rate swaps in an asset position against the fair value of interest rate swaps in a liability position on the balance sheet. As of March 31, 2014, the Company has not posted any collateral related to any of the interest rate swap contracts. If the Company had breached any of the default provisions at March 31, 2014, it could have been required to settle its obligations under the agreements at their termination value of $38.8 million.

The table below presents the effect of the Company's derivative financial instruments designated as cash flow hedges on the consolidated statements of operations and the consolidated statements of comprehensive income for the three months ended March 31, 2014 and 2013:

| Derivatives Designated as Cash Flow Hedges | Amount of Gain or (Loss) Recognized in Other Comprehensive Income (Loss) on Derivative (Effective Portion) | | Location of Gain or (Loss) Reclassified from AOCL into Income (Effective Portion) | Amount of Gain or (Loss) Reclassified from AOCL into Income (Effective Portion) (a) | | Location of Gain or (Loss) Recognized in Income on Derivative (Ineffective Portion and Amount Excluded from Effectiveness Testing) | Amount of Gain or (Loss) Recognized in Income on Derivative (Ineffective Portion and Amount Excluded from Effectiveness Testing) | |
|---|---|---|---|---|---|---|---|---|
| | **2014** | **2013** | | **2014** | **2013** | | **2014** | **2013** |
| **For the three months ended March 31,** | | | | | | | | |
| Interest Rate Swaps | $(27,900) | $ (11,000) | Interest expense | $(11,000) | $(18,900) | Interest rate swap income/(expense) | $ (800) | $ — |

(a) The amount of gain or (loss) reclassified from AOCL into income includes amounts that have been reclassified related to current effective hedging relationships as well as amortizing AOCL amounts, as discussed above, related to discontinued cash flow hedging relationships. For the three months ended March 31, 2014 and 2013 the Company amortized $4.9 million and $4.3 million, respectively, of net unrealized losses on hedging activities from accumulated other comprehensive loss into interest expense.

During the next twelve months, from March 31, 2014, approximately $53.9 million of net unrealized losses will be amortized to interest expense (inclusive of the amounts being amortized related to discontinued cash flow hedging relationships).

The table below presents the effect of the Company's derivative financial instruments not designated as hedging instruments on the consolidated statements of operations for the three months ended March 31, 2014 and 2013:

| Derivatives Not Designated as Hedging Instruments | Location of Gain or (Loss) Recognized in Income on Derivative | Amount of Gain or (Loss) Recognized in Income on Derivative | |
|---|---|---|---|
| | | 2014 | 2013 |
| **For the three months ended March 31,** | | | |
| Interest Rate Swaps | Interest rate swap income/(expense) | $ 100 | $ (300) |

## 9. Comprehensive Income

Comprehensive income is reported in the Consolidated Statements of Comprehensive Income and consists of net income and other gains (losses) that affect stockholder's equity but, under GAAP, are excluded from net income. For the Company, items included in other comprehensive income (loss) are foreign currency translation adjustments, unrealized gain (loss) on hedging activities, the amortization of unrealized loss on hedging activities and unrealized gain on available for sale securities.

The following table presents the changes in accumulated other comprehensive loss by component. All amounts are net of tax.

| | Gains and (Losses) on Hedging Activities | Gains on Available for Sale Securities | Currency Translation Adjustment | Total |
|---|---|---|---|---|
| Balance as of December 31, 2013 | $ (43,600) | $ 12,200 | $ (1,900) | $ (33,300) |
| Other comprehensive (loss) income before reclassifications | (13,300) | 9,100 | 100 | (4,100) |
| Amounts reclassified from accumulated other comprehensive loss | 3,000 | — | — | 3,000 |
| Net other comprehensive (loss) income | (10,300) | 9,100 | 100 | (1,100) |
| Balance as of March 31, 2014 | $ (53,900) | $ 21,300 | $ (1,800) | $ (34,400) |

The following table presents the activity within other comprehensive income (loss) and the tax effect related to such activity.

| | Pretax | Tax (provision) benefit | Net of tax |
|---|---|---|---|
| **Three Months Ended March 31, 2013** | | | |
| Unrealized gain on hedging activities | $ 3,600 | $ — | $ 3,600 |
| Amortization of unrealized loss on hedging activities | 4,300 | — | 4,300 |
| Currency translation adjustment | 400 | — | 400 |
| Other comprehensive income | $ 8,300 | $ — | $ 8,300 |
| **Three Months Ended March 31, 2014** | | | |
| Unrealized loss on hedging activities | $ (21,800) | $ 8,500 | $ (13,300) |
| Amortization of unrealized loss on hedging activities | 4,900 | (1,900) | 3,000 |
| Unrealized gain on available for sale securities | 15,200 | (6,100) | 9,100 |
| Currency translation adjustment | 100 | — | 100 |
| Other comprehensive loss | $ (1,600) | $ 500 | $ (1,100) |

Amounts reclassified from accumulated other comprehensive loss related to hedging activities are recorded to interest expense. See Note 8. *Interest Rate Swaps* for further information related to amounts reclassified from accumulated other comprehensive loss.

## 10. Income Taxes

The Company's current estimated effective tax rate as of March 31, 2014 was approximately 38%, which differs from the statutory rate primarily due to permanent tax differences, discrete items and state and local taxes. The Company's estimated effective tax rate as of March 31, 2013 was approximately 32%, which differs from the statutory rate primarily due to permanent tax differences, the change in the valuation allowance and discrete items.

The effective tax rate is based on expected income or losses, statutory tax rates and tax planning opportunities applicable to the Company. For interim financial reporting, the Company estimates the annual tax rate based on projected taxable income or loss for the full year and records a quarterly income tax provision or benefit in accordance with the anticipated annual rate adjusted for discrete items. As the year progresses, the Company refines the estimates of the year's taxable income or loss as new information becomes available, including year-to-date financial results. This continual estimation process often results in a change to the expected effective tax rate for the year. When this occurs, the Company adjusts the income tax provision or benefit during the quarter in which the change in estimate occurs so that the year-to-date provision or benefit reflects the expected annual tax rate. Significant judgment is required in determining the effective tax rate and in evaluating the tax positions.

The Company had total gross unrecognized tax benefits of $32.8 million as of March 31, 2014, which would impact the effective tax rate, if recognized. The Company recognizes interest and penalties, if any, related to uncertain income tax positions in income tax expense. As of March 31, 2014, the Company has approximately $3.2 million of accrued interest and penalties related to uncertain tax positions.

The Company is subject to U.S. federal income tax as well as multiple state jurisdictions. The Company has substantially concluded all U.S. federal income tax matters for years through 2012. Substantially all material state income tax matters have been concluded for years through 2007.

## 11. Performance Awards and Incentive Plans

During the three months ended March 31, 2014 and 2013, the Company recorded share-based compensation expense of $2.9 million and $2.0 million, respectively.

On December 1, 2010, Broadcasting Partners established the 2010 Equity Incentive Plan, which replaced the amended and restated 2007 Equity Incentive Plan. During 2013, the amount of authorized shares was increased by 92,850 to 693,561.

Compensation expense relating to share-based payments is recognized in earnings using a fair-value measurement method. The Company uses the straight-line attribution method of recognizing compensation expense over the vesting period. The estimated fair value of employee awards is expensed on a straight-line basis over the period from grant date through the requisite service period which is generally the vesting period. The fair value of restricted stock units awarded to employees is measured at fair value at the date of grant.

## 12. Contingencies and Commitments

*Contingencies*

The Company maintains insurance coverage for various risks, where deemed appropriate by management, at rates and terms that management considers reasonable. The Company has deductibles for various risks, including those associated with windstorm and earthquake damage. The Company self-insures its employee medical benefits and its media errors and omissions exposures. In management's opinion, the potential exposure in future periods, if uninsured losses were to be incurred, should not be material to the consolidated financial position or results of operations.

The Company is subject to various lawsuits and other claims in the normal course of business. In addition, from time to time, the Company receives communications from government or regulatory agencies concerning investigations or allegations of noncompliance with law or regulations in jurisdictions in which the Company operates.

The Company establishes reserves for specific liabilities in connection with regulatory and legal actions that the Company deems to be probable and estimable. The Company believes the amounts accrued in its financial statements are sufficient to cover all probable liabilities. In other instances, the Company is not able to make a reasonable estimate of any liability because of the uncertainties related to the outcome and/or the amount or range of loss. The Company does not expect that the ultimate resolution of pending regulatory and legal matters in future periods will have a material effect on our financial condition or result of operations.

*Commitments*

In the normal course of business, the Company enters into multi-year contracts for programming content, sports rights, research and other service arrangements and in connection with joint ventures.

The Company has long-term operating leases expiring on various dates for office, studio, automobile and tower rentals. The Company's operating leases, which are primarily related to buildings and tower properties, have various renewal terms and escalation clauses. The Company also has long-term capital lease obligations for its transponders that are used to transmit and receive its network signals.

## 13. Business Segments

The Company's principal business segment is television, which includes the operations of the Company's Univision Network, UniMás, Galavisión, Univision tlnovelas, Univision Deportes, ForoTV, De Película, De Película Clásico, Bandamax, Ritmoson, Telehit and the Company's owned and/or operated television stations. The reportable segments reported below are the segments of the Company for which separate financial information is available and for which segment results are evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The Company's corporate expenses are included in its television segment.

The Company uses the key indicator of OIBDA to evaluate the Company's operating performance and for planning and forecasting future business operations. OIBDA is commonly used as a measure of performance for broadcast companies and provides investors the opportunity to evaluate the Company's performance as it is viewed by management. In addition, OIBDA is used by investors to measure a company's ability to service its debt and meet its other cash needs. OIBDA as presented herein is determined in accordance with the definition of "EBITDA" in the Company's Senior Secured Credit Facilities and the indentures governing the Company's senior notes, except that OIBDA from redesignated restricted subsidiaries as presented herein includes their results beginning in the quarter they became restricted.

OIBDA is not, and should not be used as, an indicator of or alternative to operating income or net income as reflected in the consolidated financial statements. It is not a measure of financial performance under GAAP and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. Since the definition of OIBDA may vary among companies and industries, it should not be used as a measure of performance among companies. We are providing on a consolidated basis a reconciliation of the non-GAAP term OIBDA to net income, which is the most directly comparable GAAP financial measure.

Presented below is segment information pertaining to the Company's television, radio and digital businesses:

| | Three Months Ended March 31, | |
|---|---|---|
| | 2014 | 2013 |
| Net revenue: | | |
| Television | $ 526,800 | $ 478,700 |
| Radio | 67,000 | 68,400 |
| Digital | 27,300 | 14,900 |
| Consolidated | $ 621,100 | $ 562,000 |
| Depreciation and amortization: | | |
| Television | $ 34,800 | $ 30,000 |
| Radio | 1,900 | 5,300 |
| Digital | 2,600 | 1,900 |
| Consolidated | $ 39,300 | $ 37,200 |
| Operating income (loss): | | |
| Television | $ 179,900 | $ 162,700 |
| Radio | 11,300 | 6,500 |
| Digital | 4,100 | (5,000) |
| Consolidated | $ 195,300 | $ 164,200 |
| OIBDA: | | |
| Television | $ 228,100 | $ 212,600 |
| Radio | 15,600 | 13,300 |
| Digital | 7,700 | (1,700) |
| Consolidated | $ 251,400 | $ 224,200 |
| Capital expenditures: | | |
| Television | $ 30,800 | $ 47,200 |
| Radio | 2,300 | 3,000 |
| Digital | 2,300 | 500 |
| Consolidated | $ 35,400 | $ 50,700 |

| | March 31, 2014 | December 31, 2013 |
|---|---|---|
| Total assets: | | |
| Television | $ 9,157,600 | $ 9,189,400 |
| Radio | 1,261,200 | 1,263,400 |
| Digital | 42,600 | 39,200 |
| Consolidated | $ 10,461,400 | $ 10,492,000 |

Presented below is a reconciliation of OIBDA to net income attributable to Univision Communications Inc., which is the most directly comparable GAAP financial measure:

| | Three Months Ended March 31, | |
|---|---|---|
| | 2014 | 2013 |
| OIBDA | $ 251,400 | $ 224,200 |
| Less expenses excluded from OIBDA, but included in operating income: | | |
| Depreciation and amortization | 39,300 | 37,200 |
| Impairment loss (a) | — | 2,500 |
| Restructuring, severance and related charges | 3,300 | 2,200 |
| Share-based compensation | 2,900 | 2,000 |
| Business optimization expense (b) | 1,800 | 1,900 |
| Asset write-offs, net | 1,300 | 900 |
| Management and technical assistance agreement fees | 5,000 | 4,500 |
| Unrestricted subsidiaries (c) | 700 | 5,900 |
| Other adjustments to operating income (d) | 1,800 | 2,900 |
| Operating income | 195,300 | 164,200 |
| Other expense (income): | | |
| Interest expense | 143,400 | 149,900 |
| Interest income | (1,400) | — |
| Interest rate swap expense | 700 | 300 |
| Amortization of deferred financing costs | 3,800 | 2,600 |
| Loss on extinguishment of debt | 17,200 | 3,600 |
| Loss on equity method investments | 20,500 | 800 |
| Other | 1,400 | 200 |
| Income before income taxes | 9,700 | 6,800 |
| Provision (benefit) for income taxes | 3,700 | (2,200) |
| Net income | 6,000 | 9,000 |
| Net loss attributable to non-controlling interest | (200) | — |
| Net income attributable to Univision Communications Inc. | $ 6,200 | $ 9,000 |

(a) For the three months ended March 31, 2013, the impairment loss of $2.5 million is related to the write-off of the TeleFutura trade name, as the network has completed its rebranding as UniMás.

(b) Includes legal, consulting and advisory fees.

(c) The Company owns several wholly-owned start-up ventures which have been designated as "unrestricted subsidiaries" for purposes of the credit agreement governing the Company's Senior Secured Credit Facilities and indentures governing the Company's senior notes. The amount for unrestricted subsidiaries above represents the residual adjustment to eliminate the results of the unrestricted subsidiaries which are not otherwise eliminated in the other exclusions from OIBDA above. The Company may redesignate these subsidiaries as restricted subsidiaries at anytime at its option, subject to compliance with the terms of the credit agreement and indentures. The OIBDA from redesignated restricted subsidiaries as presented herein includes the results of restricted subsidiaries beginning in the quarter they became restricted.

(d) Other adjustments to operating income comprises adjustments to operating income provided for in the credit agreement governing the Company's Senior Secured Credit Facilities and indentures in calculating EBITDA.

The Company is providing the supplemental information below which is the portion of the Company's net revenue equal to the royalty base used to determine the license fee payable by the Company under the PLA, as set forth below:

| | Three Months Ended March 31, 2014 |
|---|---|
| Consolidated net revenue | $ 621,100 |
| Less: | |
| Radio segment net revenue | (67,000) |
| Other adjustments to arrive at revenue included in royalty base | (29,700) |
| Royalty base used to calculate Televisa license fee | $ 524,400 |

## 14. Condensed Consolidating Financial Information

Set forth below are condensed consolidating financial statements presenting the financial position, results of operations and cash flows of (i) Univision Communications Inc. (the "Parent Company"), (ii) the guarantor subsidiaries of the Parent Company (the "Guarantor Subsidiaries"), on a combined basis, (iii) the special purpose subsidiaries that are party to the Company's accounts receivable facility (the "Receivable Facility"), on a combined basis, (iv) the Company's other non-guarantor subsidiaries (the "Non-Guarantors"), on a combined basis and (v) the eliminations necessary to arrive at the information for Univision Communications Inc. and subsidiaries on a consolidated basis. The Guarantor Subsidiaries are all wholly-owned subsidiaries of the Parent Company which fully and unconditionally guarantee our Senior Secured Credit Facilities and senior notes on a joint and several basis.

The Company owns several wholly-owned start-up ventures which have been designated as "unrestricted subsidiaries" for purposes of the credit agreement governing the Senior Secured Credit Facilities and indentures governing the senior notes. The Guarantor Subsidiaries are substantially all of the Parent Company's domestic subsidiaries. The subsidiaries that are not guarantors include certain immaterial subsidiaries, the subsidiaries that are party to the Receivable Facility and the designated unrestricted subsidiaries and are presented in conformity with the requirements of the credit agreement governing the Senior Secured Credit Facilities and indentures governing the senior notes.

In presenting the condensed consolidating financial statements, the equity method of accounting has been applied to the Parent Company's interests in its subsidiaries, even though all such subsidiaries meet the requirements to be consolidated under GAAP. Results of operations of subsidiaries are therefore reflected in the Parent Company's investment in consolidated subsidiaries account. The elimination entries eliminate the investment in consolidated subsidiaries and related stockholder's equity, as well as all intercompany balances and transactions.

*Condensed Consolidating Balance Sheets (in thousands)*

| | March 31, 2014 | | | | | |
|---|---|---|---|---|---|---|
| | **Parent Company** | **Guarantor Subsidiaries** | **Receivable Facility** | **Non-Guarantors** | **Eliminations** | **Consolidated** |
| **ASSETS** | | | | | | |
| Current assets: | | | | | | |
| Cash and cash equivalents | $ — | $ 74,300 | $ — | $ 4,000 | $ — | $ 78,300 |
| Accounts receivable, net | — | 22,400 | 542,200 | 2,600 | — | 567,200 |
| Program rights and prepayments | — | 158,500 | — | — | — | 158,500 |
| Deferred tax assets | — | 98,700 | — | 1,000 | — | 99,700 |
| Prepaid expenses and other | — | 59,300 | — | 1,000 | — | 60,300 |
| Total current assets | — | 413,200 | 542,200 | 8,600 | — | 964,000 |
| Property and equipment, net | — | 797,300 | — | 1,800 | — | 799,100 |
| Intangible assets, net | — | 3,780,000 | — | — | — | 3,780,000 |
| Goodwill | — | 4,591,800 | — | — | — | 4,591,800 |
| Deferred financing costs | 76,500 | — | 5,000 | — | — | 81,500 |
| Program rights and prepayments | — | 89,900 | — | — | — | 89,900 |
| Investments | — | 87,500 | — | — | — | 87,500 |
| Investments in consolidated subsidiaries | 8,505,800 | — | — | — | (8,505,800) | — |
| Other assets | 16,700 | 50,800 | 100 | — | — | 67,600 |
| Total assets | $ 8,599,000 | $ 9,810,500 | $ 547,300 | $ 10,400 | $ (8,505,800) | $ 10,461,400 |
| **LIABILITIES AND STOCKHOLDER'S DEFICIT** | | | | | | |
| Current liabilities: | | | | | | |
| Accounts payable and accrued liabilities | $ — | $ 168,400 | — | $ 1,300 | $ — | $ 169,700 |
| Deferred revenue | — | 81,600 | — | — | — | 81,600 |
| Accrued interest | 98,800 | — | — | — | — | 98,800 |
| Accrued license fees | — | 38,000 | — | — | — | 38,000 |
| Program rights obligations | — | 26,200 | — | — | — | 26,200 |
| Current portion of long-term debt and capital lease obligations | 93,300 | 5,000 | 120,000 | — | — | 218,300 |
| Total current liabilities | 192,100 | 319,200 | 120,000 | 1,300 | — | 632,600 |
| Long-term debt and capital lease obligations | 9,132,500 | 75,200 | — | — | — | 9,207,700 |
| Deferred tax liabilities | — | 627,300 | — | — | — | 627,300 |
| Deferred revenue | — | 618,600 | — | — | — | 618,600 |
| Other long-term liabilities | 37,100 | 94,400 | — | 5,300 | — | 136,800 |
| Total liabilities | 9,361,700 | 1,734,700 | 120,000 | 6,600 | — | 11,223,000 |
| Stockholder's deficit: | | | | | | |
| Common stock | — | — | — | — | — | — |
| Additional paid-in-capital | 5,299,500 | 7,147,500 | — | 2,600 | (7,150,100) | 5,299,500 |
| Due to parent | — | 2,890,300 | 512,200 | 31,200 | (3,433,700) | — |
| Accumulated (deficit) retained earnings | (6,027,800) | (1,947,100) | (84,900) | (29,400) | 2,061,400 | (6,027,800) |
| Accumulated other comprehensive loss | (34,400) | (14,900) | — | (1,700) | 16,600 | (34,400) |
| Total Univision Communications Inc. stockholder's (deficit) equity | (762,700) | 8,075,800 | 427,300 | 2,700 | (8,505,800) | (762,700) |
| Non-controlling interest | — | — | — | 1,100 | — | 1,100 |
| Total stockholder's (deficit) equity | (762,700) | 8,075,800 | 427,300 | 3,800 | (8,505,800) | (761,600) |
| Total liabilities and stockholder's (deficit) equity | $ 8,599,000 | $ 9,810,500 | $ 547,300 | $ 10,400 | $ (8,505,800) | $ 10,461,400 |

| | December 31, 2013 | | | | | |
|---|---|---|---|---|---|---|
| | Parent Company | Guarantor Subsidiaries | Receivable Facility | Non-Guarantors | Eliminations | Consolidated |
| **ASSETS** | | | | | | |
| Current assets: | | | | | | |
| Cash and cash equivalents | $ — | $ 41,700 | $ — | $ 1,600 | $ — | $ 43,300 |
| Accounts receivable, net | — | 21,500 | 613,000 | 3,800 | — | 638,300 |
| Program rights and prepayments | — | 143,400 | — | — | — | 143,400 |
| Deferred tax assets | — | 98,800 | — | 900 | — | 99,700 |
| Prepaid expenses and other | — | 51,100 | — | 1,000 | — | 52,100 |
| Total current assets | — | 356,500 | 613,000 | 7,300 | — | 976,800 |
| Property and equipment, net | — | 810,900 | — | 1,800 | — | 812,700 |
| Intangible assets, net | — | 3,795,000 | — | — | — | 3,795,000 |
| Goodwill | — | 4,591,800 | — | — | — | 4,591,800 |
| Deferred financing costs | 81,400 | — | 5,300 | — | — | 86,700 |
| Program rights and prepayments | — | 59,500 | — | — | — | 59,500 |
| Investments | — | 88,500 | — | — | — | 88,500 |
| Investments in consolidated subsidiaries | 8,398,600 | — | — | — | (8,398,600) | — |
| Other assets | 27,200 | 53,700 | 100 | — | — | 81,000 |
| Total assets | $ 8,507,200 | $ 9,755,900 | $ 618,400 | $ 9,100 | $ (8,398,600) | $ 10,492,000 |
| **LIABILITIES AND STOCKHOLDER'S DEFICIT** | | | | | | |
| Current liabilities: | | | | | | |
| Accounts payable and accrued liabilities | $ — | $ 240,000 | — | $ 1,100 | $ — | $ 241,100 |
| Deferred revenue | — | 76,000 | — | — | — | 76,000 |
| Accrued interest | 58,100 | 100 | — | — | — | 58,200 |
| Accrued license fees | — | 38,800 | — | — | — | 38,800 |
| Program rights obligations | — | 22,800 | — | — | — | 22,800 |
| Current portion of long-term debt and capital lease obligations | 48,500 | 5,500 | 160,000 | — | — | 214,000 |
| Total current liabilities | 106,600 | 383,200 | 160,000 | 1,100 | — | 650,900 |
| Long-term debt and capital lease obligations | 9,262,000 | 76,500 | — | — | — | 9,338,500 |
| Deferred tax liabilities | — | 625,500 | — | — | — | 625,500 |
| Deferred revenue | — | 635,700 | — | — | — | 635,700 |
| Other long-term liabilities | 29,500 | 96,900 | — | 4,600 | — | 131,000 |
| Total liabilities | 9,398,100 | 1,817,800 | 160,000 | 5,700 | — | 11,381,600 |
| Stockholder's deficit: | | | | | | |
| Common stock | — | — | — | — | — | — |
| Additional paid-in-capital | 5,176,400 | 7,022,400 | — | 2,600 | (7,025,000) | 5,176,400 |
| Due to parent | — | 3,064,900 | 541,600 | 29,900 | (3,636,400) | — |
| Accumulated (deficit) retained earnings | (6,034,000) | (2,118,300) | (83,200) | (28,800) | 2,230,300 | (6,034,000) |
| Accumulated other comprehensive loss | (33,300) | (30,900) | — | (1,600) | 32,500 | (33,300) |
| Total Univision Communications Inc. stockholder's (deficit) equity | (890,900) | 7,938,100 | 458,400 | 2,100 | (8,398,600) | (890,900) |
| Non-controlling interest | — | — | — | 1,300 | — | 1,300 |
| Total stockholder's (deficit) equity | (890,900) | 7,938,100 | 458,400 | 3,400 | (8,398,600) | (889,600) |
| Total liabilities and stockholder's (deficit) equity | $ 8,507,200 | $ 9,755,900 | $ 618,400 | $ 9,100 | $ (8,398,600) | $ 10,492,000 |

*Condensed Consolidating Statements of Operations (in thousands)*

| | For the three months ended March 31, 2014 | | | | | |
|---|---|---|---|---|---|---|
| | Parent Company | Guarantor Subsidiaries | Receivable Facility | Non-Guarantors | Eliminations | Consolidated |
| Net revenue | $ — | $ 621,100 | $ — | $ 2,800 | $ (2,800) | $ 621,100 |
| Direct operating expenses | — | 210,300 | — | 2,100 | — | 212,400 |
| Selling, general and administrative expenses | — | 172,600 | 100 | 900 | (2,800) | 170,800 |
| Restructuring, severance and related charges | — | 3,300 | — | — | — | 3,300 |
| Depreciation and amortization | — | 39,100 | — | 200 | — | 39,300 |
| Operating income | — | 195,800 | (100) | (400) | — | 195,300 |
| Other expense (income): | | | | | | |
| Equity in income of consolidated subsidiaries | (168,900) | — | — | — | 168,900 | — |
| Interest expense | 141,300 | 1,200 | 900 | — | — | 143,400 |
| Interest income | — | (1,400) | — | — | — | (1,400) |
| Interest rate swap expense | 700 | — | — | — | — | 700 |
| Amortization of deferred financing costs | 3,500 | — | 300 | — | — | 3,800 |
| Loss on extinguishment of debt | 17,200 | — | — | — | — | 17,200 |
| Loss on equity method investments | — | 20,500 | — | — | — | 20,500 |
| Other | — | 1,000 | 400 | — | — | 1,400 |
| Income (loss) before income taxes | 6,200 | 174,500 | (1,700) | (400) | (168,900) | 9,700 |
| Provision for income taxes | — | 3,300 | — | 400 | — | 3,700 |
| Net income (loss) | 6,200 | 171,200 | (1,700) | (800) | (168,900) | 6,000 |
| Net loss attributable to the non-controlling interest | — | — | — | (200) | — | (200) |
| Net income (loss) attributable to Univision Communications Inc | $ 6,200 | $ 171,200 | $ (1,700) | $ (600) | $ (168,900) | $ 6,200 |
| Comprehensive income (loss) | 5,100 | 187,000 | (1,700) | (900) | (184,600) | 4,900 |
| Comprehensive loss attributable to the non-controlling interest | — | — | — | (200) | — | (200) |
| Comprehensive income (loss) attributable to Univision Communications Inc | $ 5,100 | $ 187,000 | $ (1,700) | $ (700) | $ (184,600) | $ 5,100 |

| | For the three months ended March 31, 2013 | | | | | |
|---|---|---|---|---|---|---|
| | Parent Company | Guarantor Subsidiaries | Receivable Facility | Non-Guarantors | Eliminations | Consolidated |
| Net revenue | $ — | $ 553,500 | $ — | $ 11,400 | $ (2,900) | $ 562,000 |
| Direct operating expenses | — | 176,500 | — | 12,400 | — | 188,900 |
| Selling, general and administrative expenses | — | 165,200 | 100 | 4,600 | (2,900) | 167,000 |
| Impairment loss | — | 2,500 | — | — | — | 2,500 |
| Restructuring, severance and related charges | — | 2,200 | — | — | — | 2,200 |
| Depreciation and amortization | — | 37,000 | — | 200 | — | 37,200 |
| Operating income | — | 170,100 | (100) | (5,800) | — | 164,200 |
| Other expense (income): | | | | | | |
| Equity in income of consolidated subsidiaries | (161,800) | — | — | — | 161,800 | — |
| Interest expense | 146,600 | 1,100 | 2,200 | — | — | 149,900 |
| Interest rate swap expense | 300 | — | — | — | — | 300 |
| Amortization of deferred financing costs | 2,300 | — | 300 | — | — | 2,600 |
| Loss on extinguishment of debt | 3,600 | — | — | — | — | 3,600 |
| Loss on equity method investments | — | 800 | — | — | — | 800 |
| Other | — | — | 200 | — | — | 200 |
| Income (loss) before income taxes | 9,000 | 168,200 | (2,800) | (5,800) | (161,800) | 6,800 |
| (Benefit) provision for income taxes | — | (2,400) | — | 200 | — | (2,200) |
| Net income (loss) | $ 9,000 | $ 170,600 | $ (2,800) | $ (6,000) | $ (161,800) | $ 9,000 |
| Comprehensive income (loss) | $ 17,300 | $ 170,700 | $ (2,800) | $ (5,800) | $ (162,100) | $ 17,300 |

*Condensed Consolidating Statements of Cash Flows (in thousands)*

| | For the three months ended March 31, 2014 | | | | | |
|---|---|---|---|---|---|---|
| | Parent Company | Guarantor Subsidiaries | Receivable Facility | Non-Guarantors | Eliminations | Consolidated |
| Cash flows from operating activities: | | | | | | |
| Net cash (used in) provided by operating activities | $ (116,700) | $ 196,200 | $ (1,400) | $ (300) | $ — | $ 77,800 |
| Cash flows from investing activities: | | | | | | |
| Proceeds from sale of fixed assets and other | — | 900 | | | | 900 |
| Investments in equity method investees | — | (4,300) | — | — | — | (4,300) |
| Capital expenditures | — | (35,300) | — | (100) | — | (35,400) |
| Change in due from consolidated subsidiaries | 204,800 | — | — | — | (204,800) | — |
| Net cash provided by (used in) investing activities | 204,800 | (38,700) | — | (100) | (204,800) | (38,800) |
| Cash flows from financing activities: | | | | | | |
| Proceeds from issuance of long-term debt | 3,376,700 | — | — | — | — | 3,376,700 |
| Proceeds from issuance of short-term debt | 137,000 | — | 30,000 | — | — | 167,000 |
| Payments of refinancing fees | (200) | — | — | — | — | (200) |
| Payments of long-term debt and capital leases | (3,505,400) | (1,800) | — | — | — | (3,507,200) |
| Payments of short-term debt | (92,000) | — | (70,000) | — | — | (162,000) |
| Dividend to BMPI | (4,200) | — | — | — | — | (4,200) |
| Capital contribution, from BMPI, net of costs | — | 124,400 | — | — | — | 124,400 |
| Non-controlling interest contribution | — | — | — | 1,500 | — | 1,500 |
| Change in financing receivables | — | (70,700) | 70,700 | — | — | — |
| Change in due to parent | — | (176,800) | (29,300) | 1,300 | 204,800 | — |
| Net cash (used in) provided by financing activities | (88,100) | (124,900) | 1,400 | 2,800 | 204,800 | (4,000) |
| Net increase in cash and cash equivalents | — | 32,600 | — | 2,400 | — | 35,000 |
| Cash and cash equivalents, beginning of period | — | 41,700 | — | 1,600 | — | 43,300 |
| Cash and cash equivalents, end of period | $ — | $ 74,300 | $ — | $ 4,000 | $ — | $ 78,300 |

| | For the three months ended March 31, 2013 | | | | | |
|---|---|---|---|---|---|---|
| | Parent Company | Guarantor Subsidiaries | Receivable Facility | Non-Guarantors | Eliminations | Consolidated |
| Cash flows from operating activities: | | | | | | |
| Net cash (used in) provided by operating activities | $ (115,800) | $ 148,600 | $ (2,500) | $ (6,300) | $ — | $ 24,000 |
| Cash flows from investing activities: | | | | | | |
| Investments in equity method investees | — | (11,300) | — | — | — | (11,300) |
| Acquisition of launch rights | — | (81,300) | — | — | — | (81,300) |
| Capital expenditures | — | (50,600) | — | (100) | — | (50,700) |
| Change in due from consolidated subsidiaries | 68,900 | — | — | — | (68,900) | — |
| Net cash provided by (used in) investing activities | 68,900 | (143,200) | — | (100) | (68,900) | (143,300) |
| Cash flows from financing activities: | | | | | | |
| Proceeds from issuance of long-term debt | 1,083,000 | — | — | — | — | 1,083,000 |
| Proceeds from issuance of short-term debt | 192,000 | — | 95,000 | — | — | 287,000 |
| Payments of refinancing fees | (26,300) | — | — | — | — | (26,300) |
| Payments of long-term debt and capital leases | (1,040,600) | (1,700) | — | — | — | (1,042,300) |
| Payments of short-term debt | (157,000) | — | (10,000) | — | — | (167,000) |
| Dividend to BMPI | (4,200) | — | — | — | — | (4,200) |
| Change in financing receivables | — | (24,600) | 24,600 | — | — | — |
| Change in due to parent | — | 32,200 | (107,100) | 6,000 | 68,900 | — |
| Net cash provided by financing activities | 46,900 | 5,900 | 2,500 | 6,000 | 68,900 | 130,200 |
| Net increase (decrease) in cash and cash equivalents | — | 11,300 | — | (400) | — | 10,900 |
| Cash and cash equivalents, beginning of period | — | 34,700 | — | 800 | — | 35,500 |
| Cash and cash equivalents, end of period | $ — | $ 46,000 | $ — | $ 400 | $ — | $ 46,400 |

## UNIVISION COMMUNICATIONS INC. AND SUBSIDIARIES

### Management's Discussion and Analysis of Financial Condition and Results of Operations

### Executive Summary

Univision Communications Inc., together with its wholly-owned subsidiaries (the "Company," "we," "us" and "our"), has continuing operations in three business segments:

- *Television*: The Company's principal business segment is television, which consists primarily of Univision Network, one of the top five broadcast television networks in the U.S. regardless of language and the most-watched Spanish-language broadcast television network in the country which is available in approximately 95% of U.S. Hispanic television households; UniMás, a leading Spanish-language broadcast television network which is available in approximately 89% of U.S. Hispanic television households; Univision Cable Networks, including Galavisión, the leading Spanish-language cable network in the United States which is available in approximately 10 million U.S. Hispanic Cable Plus households, as well as Univision tlnovelas, Univision Deportes and ForoTV, the 24-hour cable networks dedicated to novelas, sports and news, respectively; an additional suite of cable offerings – De Película, De Película Clásico, Bandamax, Ritmoson and Telehit; and Univision Television Group which owns and/or operates 62 television stations in the United States and Puerto Rico. For the three months ended March 31, 2014, the television segment accounted for approximately 85% of the Company's net revenue.

- *Radio*: Univision Radio, the leading Hispanic radio group in the United States, owns and/or operates 68 radio stations, including 63 radio stations in 16 of the top 25 U.S. Hispanic markets and five radio stations in Puerto Rico. For the three months ended March 31, 2014, the radio segment accounted for approximately 11% of the Company's net revenue.

- *Digital*: The Company's digital division owns and operates a network of online and mobile applications and products, including *Univision.com*, the country's leading Spanish-language online publisher, which features comprehensive entertainment, news and information, and continues to be the #1 most visited Spanish-language website among U.S. online Hispanics; UVideos, the first bilingual digital video network serving Hispanic America; Uforia, the leading Hispanic digital music service; and Univision Partner Group, a specialized advertising and publisher network. For the three months ended March 31, 2014, the digital segment accounted for approximately 4% of the Company's net revenue.

### Recent Developments

*Refinancing Transactions*

The Company has concluded a number of refinancing transactions which resulted in increased amortization of deferred financing costs and a loss on extinguishment of debt of $17.2 million and $3.6 million, respectively, for the three months ended March 31, 2014 and 2013. See "Notes to Consolidated Financial Statements—7. *Debt.*"

### Factors Affecting Our Results

In addition to the factors discussed above under "Recent Developments," the following are factors affecting our results for the three months ended March 31, 2014 and 2013.

*Comparability of Net Revenue*

The Company's net revenue is affected by certain recurring events which do not occur annually, but do impact the comparability of the Company's net revenue for the periods in which such events occur and the periods in which they do not. Among such recurring events are major soccer tournaments which result in higher advertising revenue for the Company in the corresponding years and the national elections which positively impact political advertising in the election years. The comparability of net revenue period over period is also affected by the timing of revenue recognition of certain long-term content licensing agreements based on what portion, if any, of the content is delivered in that period.

*Retransmission Election and Consent Agreements*

Every three years, each television station must elect, with respect to its retransmission by cable television and satellite operators within its designated market area, either "must carry" status, pursuant to which the cable system's or satellite operator's carriage of the station is mandatory, or "retransmission consent," pursuant to which the station gives up its right to mandatory carriage in order to negotiate consideration in return for consenting to carriage. The Company elected the retransmission consent option in substantially all cases for the three-year period beginning January 1, 2012, and continued to pursue a systematic process of seeking monetary

consideration for its retransmission consent. The Company has agreements with substantially all cable systems and satellite operators with respect to which it has currently elected retransmission consent. The multi-year agreements with the cable systems and satellite operators have different expiration dates. Under certain conditions, the Company may renew the agreements prior to their expiration date.

*Impairment Loss*

See "Notes to Consolidated Financial Statements—13. *Business Segments*" for information related to the Company's impairment losses.

*Restructuring, Severance and Related Charges*

See "Notes to Consolidated Financial Statements—3. *Accounts Payable and Accrued Liabilities*" for information related to the Company's restructuring and severance activities.

*Share-based Compensation*

See "Notes to Consolidated Financial Statements—11. *Performance Awards and Incentive Plans"* for information related to share-based compensation.

*Interest Rate Swaps*

See "Notes to Consolidated Financial Statements—8. *Interest Rate Swaps"* for information related to the Company's interest rate swaps.

**Description of Key Line Items**

*Description of Net Revenue*

Television net revenue is generated from the sale of network, national and local spot advertising time, subscriber fees and sales commissions on national advertising aired on Univision and UniMás affiliated television stations, less agency commissions and volume and prompt payment discounts. Radio net revenue is derived from the sale of network, multi-market and single market spot advertising time less agency commissions and volume and prompt payment discounts. The digital business derives its net revenue primarily from online and mobile advertising less agency commissions and digital content licensing.

*Description of Direct Operating Expenses*

Direct operating expenses consist primarily of programming, license fees, news and technical costs. License fees related to the program license agreement (the "PLA") between the Company and Grupo Televisa S.A.B. and its affiliates ("Televisa") and the program license agreement with affiliates of Venevision International, Inc. (the "Venevision PLA"), accounted for approximately 37.4% of direct operating expenses for the three months ended March 31, 2014 and 2013.

*Description of Selling, General and Administrative Expenses*

Selling, general and administrative expenses include selling, research, promotions, management fees and other general and administrative expenses.

**Critical Accounting Policies**

Certain of the Company's accounting policies require management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are based on the Company's historical experience, terms of existing contracts, the Company's evaluation of trends in the industry, information provided by the Company's customers and suppliers and information available from other outside sources, as appropriate. However, they are subject to an inherent degree of uncertainty. As a result, actual results in these areas may differ significantly from the Company's estimates.

The Company believes the following critical accounting policies affect the more significant judgments and estimates used in the preparation of its financial statements and changes in these judgments and estimates may impact future results of operations and financial condition.

*Revenue Recognition*

Net revenue is comprised of gross revenues from the Company's television and radio broadcast, cable and digital businesses, including advertising revenue, subscriber fees, content licensing revenue, sales commissions on national advertising aired on Univision and UniMás affiliated television stations, less agency commissions and volume and prompt payment discounts. The Company's television and radio advertising revenues are recognized when advertising spots are aired and performance guarantees, if any, are achieved. The achievement of performance guarantees is based on audience ratings from an independent research company. Subscriber fees received from cable systems and satellite operators are recognized as revenue in the period that services are provided. The digital business recognizes primarily long-form video and display advertising, digital content licensing, and sponsorship advertisement revenue. Long-form video and display advertising revenue is recognized as "impressions" are delivered and sponsorship revenue is recognized ratably over the contract period. "Impressions" are defined as the number of times that an advertisement appears in pages viewed by users of the Company's Internet properties. If the number of "impressions" is guaranteed, revenue is recognized when the guaranteed "impressions" are delivered. The Company views the licensing of digital content as a separate earnings process and recognizes revenue when the content is delivered, all related obligations have been satisfied and all other revenue recognition criteria have been met. All revenue is recognized only when collection of the resulting receivable is reasonably assured.

The Company has certain contractual commitments, with Televisa and others, to provide a future annual guaranteed amount of advertising and promotion time. The obligation associated with each of these commitments was recorded as deferred revenue at an amount equal to the fair value of the advertising and promotion time as of the date of the agreements providing for these commitments. Deferred revenue is earned and revenue is recognized as the related advertising and promotion time is provided. See "Notes to Consolidated Financial Statements —6. *Related Party Transactions.*"

*Program and Sports Rights for Television Broadcast*

Televisa and Venevision International, Inc. ("Venevision") provide the Company's two broadcast television networks (Univision and UniMás) and nine of its cable offerings (Galavision, De Película, De Película Clásico, Bandamax, Ritmoson, Telehit, Univision tlnovelas, Univision Deportes, and ForoTV) with a substantial amount of programming. Effective December 20, 2010, Televisa made a substantial investment in the Company's business and entered into the PLA. The PLA and all other agreements with Televisa are related-party transactions following December 20, 2010. See "Notes to Consolidated Financial Statements —6. *Related Party Transactions.*"

The accounting for program rights and prepayments requires judgment, particularly in the process of estimating a program's total revenues to be earned and total costs to be incurred ("ultimate revenues"). These judgments are used in determining the amortization of, and any necessary impairment of, capitalized costs. Estimated ultimate revenues are based on factors such as historical performance of similar programs, the program's cost, actual and forecasted ratings and the genre of the program. The valuation is classified as a Level 3 measurement as key inputs used to value program and sports rights include ratings and undiscounted cash flows.

Costs incurred to acquire television programs are capitalized when (i) the cost of the programming is reasonably determined, (ii) the programming has been accepted in accordance with the terms of the agreement, (iii) the programming is available for its first showing or telecast and (iv) the license period has commenced. Costs incurred in connection with the production of or purchase of rights to programs that are available and ready to be broadcast within one year are classified as current assets, while costs of those programs to be broadcast beyond a one-year period are considered non-current. The costs are amortized over the program's life, which is the period in which an economic benefit is expected to be generated. Program costs are charged to operating expense as the programs are broadcast. Program rights for multi-year sports programming arrangements are amortized based on the estimated relative value of each year in the arrangement. Program rights for movies and novelas are amortized based on the estimated relative value of each broadcast of the program. The estimated values of programming are based on our projection of ultimate revenues over the license period.

Program rights on the Company's balance sheet are subject to regular recoverability assessments where ultimate revenue estimates are reviewed and updated, as necessary. If planned usage patterns or estimated relative values by year were to change significantly, amortization of the Company's rights costs may be accelerated or slowed. See further discussion regarding the review of program rights prepayments for impairment below in "*—Accounting for Goodwill, Other Intangibles and Long-Lived Assets*."

*Accounting for Goodwill, Other Intangibles and Long-Lived Assets*

Goodwill and other intangible assets with indefinite lives are tested annually for impairment on October 1 or more frequently if circumstances indicate a possible impairment exists.

For purposes of performing the impairment test of goodwill, the Company has established the following reporting units: television, radio and digital. The Company has the option to first assess qualitative factors to determine whether it is necessary to perform the two-step quantitative goodwill impairment test. A separate test is performed for each reporting unit. If the qualitative assessment determines that it is more likely than not that the fair value of the reporting unit is more than its carrying amount, then the Company concludes that goodwill is not impaired. If the Company does not choose to perform the qualitative assessment, or if the qualitative assessment determines that it is more likely than not that the fair value of the reporting unit is less than its carrying amount, then the Company proceeds to the first step of the two-step quantitative goodwill impairment test.

If a quantitative test is performed for goodwill, the estimated fair value of a reporting unit is compared to its carrying value, including goodwill (the "Step 1 Test"). In the Step 1 Test, the Company estimates the fair value of each of its reporting units using a combination of discounted cash flows and market-based valuation methodologies. Developing estimates of fair value requires significant judgments, including making assumptions about appropriate discount rates, perpetual growth rates, relevant comparable market multiples and the amount and timing of expected future cash flows. The cash flows employed in the valuation analysis are based on the Company's best estimates considering current marketplace factors and risks as well as assumptions of growth rates in future years. The fair value of the reporting units is classified as a Level 3 measurement. There is no assurance that actual results in the future will approximate these forecasts. If the calculated fair value is less than the current carrying value, impairment of the reporting unit goodwill may exist.

When the Step 1 Test indicates potential impairment, a second test is required to measure the impairment loss (the "Step 2 Test"). In the Step 2 Test, the Company will calculate an implied fair value of goodwill for the reporting unit. The implied fair value of goodwill is determined in a manner similar to how goodwill is calculated in a business combination, where the fair value of the reporting unit is allocated to all of the assets and liabilities of the reporting unit with any residual value being allocated to goodwill. If the implied fair value of goodwill is less than the carrying value of goodwill assigned to the reporting unit, the excess amount is recorded as an impairment charge. An impairment charge cannot exceed the carrying value of goodwill assigned to a reporting unit but may indicate that certain long-lived and intangible assets associated with the reporting unit may require additional impairment testing.

If a qualitative assessment is performed for goodwill, the Company considers relevant events and circumstances that could affect a reporting unit's fair value. Considerations may include macroeconomic conditions, industry and market considerations, cost factors, overall financial performance, and entity-specific events, business plans, and strategy. The Company considers the same key assumptions that would have been used in a quantitative test. The Company considers the totality of these events, in the context of the reporting unit, and determines if it is more likely than not that the fair value of the reporting unit is less than its carrying amount.

The Company also has indefinite-lived intangible assets, such as trade names and television and radio broadcast licenses. The Company has the option to first assess qualitative factors to determine whether it is more likely than not that an indefinite-lived intangible asset is impaired as a basis for determining whether it is necessary to perform the quantitative impairment test.

If the qualitative assessment determines that it is more likely than not that the fair value of the intangible asset is more than its carrying amount, then the Company concludes that the intangible asset is not impaired. If the Company does not choose to perform the qualitative assessment, or if the qualitative assessment determines that it is more likely than not that the fair value of the intangible asset is less than its carrying amount, then the Company calculates the fair value of the intangible asset and compares it to the corresponding carrying value. If the carrying value of the indefinite-lived intangible asset exceeds its fair value, an impairment loss is recognized for the excess carrying value over the fair value.

If a quantitative test is performed, the Company will calculate the fair value of the intangible assets. The fair value of the television and radio broadcast licenses is determined using the direct valuation method, for which the key assumptions are market revenue growth rates, market share, profit margin, duration and profile of the build-up period, estimated start-up capital costs and losses incurred during the build-up period, the risk-adjusted discount rate and terminal values. For trade names, the Company assesses recoverability by utilizing the relief from royalty method to determine the estimated fair value. Key assumptions used in this model include discount rates, royalty rates, growth rates, sales projections and terminal value rates. The fair value of the intangible assets is classified as a Level 3 measurement. When a qualitative test is performed, the Company considers the same key assumptions that would have been used in a quantitative test to determine if these factors would negatively affect the fair value of the intangible assets.

Univision and UniMás network programming is broadcast on the television stations. Federal Communication Commission ("FCC") broadcast licenses associated with the Univision and UniMás stations are tested for impairment at their respective network level. Broadcast licenses for television stations that are not dependent on network programming are tested for impairment at the local market level. Radio broadcast licenses are tested for impairment at the local market level.

Long-lived assets, such as property and equipment, intangible assets with definite lives and program right prepayments are reviewed for impairment annually or whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to its estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated undiscounted future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

*Share-Based Compensation*

Compensation expense relating to share-based payments is recognized in earnings using a fair-value measurement method. The Company uses the straight-line attribution method of recognizing compensation expense over the vesting period. The estimated fair value of employee awards is expensed on a straight-line basis over the period from grant date to remaining requisite service period which is generally the vesting period. The fair value of each new stock option award is estimated on the date of grant using the Black-Scholes-Merton option-pricing model. The fair value of restricted stock units awarded to employees is measured by estimating fair value at the date of grant. The fair value of equity units awarded to non-employees is estimated as the units vest using a Monte Carlo simulation analysis.

*Income taxes*

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Valuation allowances are established when management determines that it is more likely than not that some portion or all of the deferred tax asset will not be realized. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company recognizes interest and penalties, if any, related to uncertain income tax positions in income tax expense. There is considerable judgment involved in assessing whether deferred tax assets will be realized and in determining whether positions taken on the Company's tax returns are more likely than not of being sustained.

**Recent Accounting Pronouncements**

For recent accounting pronouncements see "Notes to Consolidated Financial Statements—1. *Summary of Significant Accounting Policies.*"

**Results of Operations**

***Overview***

In comparing our results of operations for the three months ended March 31, 2014 ("2014") with those ended March 31, 2013 ("2013"), in addition to the factors referenced above affecting our results, the following should be noted:

- In 2014 and 2013, the Company recorded $3.3 million and $2.2 million, respectively, in restructuring, severance and related charges. These charges relate to restructuring and severance agreements with employees and executives, as well as costs related to consolidating offices and other contract terminations in 2014 and 2013 (related to a continuation of restructuring activities initiated in 2012).

- In 2014 and 2013, the Company recorded a loss on extinguishment of debt of $17.2 million and $3.6 million, respectively, as a result of refinancing its debt. The loss includes a premium, fees, the write-off of certain unamortized deferred financing costs and the write-off of certain unamortized discount and premium related to instruments that were repaid.

- In 2013, the Company recorded a non-cash impairment loss of $2.5 million in the television segment related to the write-off of the TeleFutura trade name.

**Three Months Ended March 31, 2014 Compared to Three Months Ended March 31, 2013**

*Net revenue.* Net revenue was $621.1 million in 2014 compared to $562.0 million in 2013, an increase of $59.1 million or 10.5%, which reflects an increase of 10.0% in the television segment, a decrease of 2.0% in the radio segment, and an increase of 83.2% in the digital segment. Net revenue in 2014 was adversely impacted in comparison to 2013 due to the impacts of non-cash contractual advertising revenue and the timing of revenue recognition of certain content licensing agreements, partially offset by the impact of political advertising. Non-cash contractual advertising revenue associated with the commitments to provide advertising made in the sale of our recorded music business which ceased in the second quarter of 2013 had no contribution in 2014 versus $6.7 million in 2013. The timing of revenue recognition of certain content licensing agreements as content is delivered contributed $0.8 million in 2014 versus $2.9 million in 2013. Net revenue for 2014 included the benefit of $1.7 million as compared to $1.5 million in 2013, related to the impact of the election cycle on political advertising.

The Company's television segment revenues were $526.8 million in 2014 compared to $478.7 million in 2013, an increase of $48.1 million or 10.0%. Television net advertising revenue for 2014 was $348.7 million, an increase of $11.3 million or 3.3% compared to $337.4 million in 2013. There was also an increase in non-advertising revenue of $36.8 million, primarily related to subscriber fees. The increase was partially offset by the impact of non-cash contractual advertising revenue associated with the commitments to provide advertising made in the sale of our recorded music business which ceased in the second quarter of 2013 which contributed $6.7 million in 2013 with no contribution in 2014. The Company's radio segment had revenues of $67.0 million in 2014 compared to $68.4 million in 2013, a decrease of $1.4 million or 2.0%, primarily due to a decrease in net advertising revenue. The Company's digital segment had revenues of $27.3 million in 2014 compared to $14.9 million in 2013, an increase of $12.4 million or 83.2%, primarily related to a 35.0% increase in net advertising revenue and an $8.2 million increase in subscriber fee revenue associated with providing content in a digital format to MVPD service providers on an authenticated basis. This increase was partially offset by the timing of revenue recognition of certain content licensing agreements as content is delivered which resulted in revenue of $0.8 million in 2014 and $2.9 million in 2013.

*Direct operating expenses*. Direct operating expenses increased to $212.4 million in 2014 from $188.9 million in 2013, an increase of $23.5 million or 12.4%. The Company's television segment direct operating expenses were $183.9 million in 2014 compared to $160.4 million in 2013, an increase of $23.5 million or 14.7%. The increase was primarily related to an increase of $17.4 million related to programming costs, primarily associated with sports rights, and an increase of $7.2 million in the program license fee associated with increased revenues (the impact on the program license fee of the aforementioned non-cash contractual advertising revenue associated with commitments to provide advertising made in the sale of our recorded music business which ceased in the second quarter of 2013 is a decrease of $0.9 million in 2014 compared to 2013), partially offset by a decrease of $1.1 million in other costs. The Company's radio segment had direct operating expenses of $17.6 million in 2014 compared to $20.0 million in 2013, a decrease of $2.4 million or 12.0%, primarily related to a decrease in programming costs. The Company's digital segment had direct operating expenses of $10.9 million in 2014 compared to $8.5 million in 2013, an increase of $2.4 million or 28.2%, primarily related to an increase in the program license fee. On a consolidated basis, as a percentage of net revenue, the Company's direct operating expenses increased to 34.2% in 2014 from 33.6% in 2013.

*Selling, general and administrative expenses.* Selling, general and administrative expenses increased to $170.8 million in 2014 from $167.0 million in 2013, an increase of $3.8 million or 2.3%. The Company's television segment selling, general and administrative expenses were $126.4 million in 2014 compared to $123.8 million in 2013, an increase of $2.6 million or 2.1%, primarily related to an increase in employee related costs. The Company's radio segment had selling, general and administrative expenses of $35.0 million in 2014 compared to $35.1 million in 2013, a decrease of $0.1 million or 0.3%. The Company's digital segment had selling, general and administrative expenses of $9.4 million in 2014 compared to $8.1 million in 2013, an increase of $1.3 million or 16.0%, primarily related to an increase in sales compensation costs. On a consolidated basis, as a percentage of net revenue, the Company's selling, general and administrative expenses decreased to 27.5% in 2014 from 29.7% in 2013.

*Impairment loss.* The loss in 2013 of $2.5 million is related to the write-off of the TeleFutura trade name in the television segment, as the network has completed its rebranding as UniMás.

*Restructuring, severance and related charges.* In 2014, the Company incurred restructuring, severance and related charges in the amount of $3.3 million. This amount includes a $3.6 million charge related to broader-based cost-saving restructuring initiatives, partially offset by a $0.3 million benefit related to an adjustment of severance charges for individual employees. The severance benefit of $0.3 million is related to miscellaneous severance agreements with employees in the television and radio segments. The restructuring charge of $3.6 million consists of a $2.0 million charge at television, a $1.3 million charge at radio and a $0.3 million

charge at digital, related to employee termination benefits, costs related to consolidating offices, and other contract terminations. In 2013, the Company incurred restructuring, severance and related charges in the amount of $2.2 million. Of this amount, $0.2 million related to severance charges for individual employees and $2.0 million related to broader-based cost-saving restructuring initiatives. The severance charge of $0.2 million is related to miscellaneous severance agreements with employees in the television segment. The restructuring charge of $2.0 million consists of a $1.4 million charge at radio and a $1.4 million charge at digital, partially offset by a $0.8 million reversal at television related to employee termination benefits and costs related to consolidating offices. For television, the $0.8 million reversal was a result of $1.6 million related to the elimination of a lease obligation from restructuring activities that were initiated in 2009, partially offset by net expenses of $0.8 million related to employee termination benefits and costs related to consolidating offices. See "Notes to Consolidated Financial Statements—3. *Accounts Payable and Accrued Liabilities*."

*Depreciation and amortization*. Depreciation and amortization increased to $39.3 million in 2014 from $37.2 million in 2013, an increase of $2.1 million or 5.6%. The Company's depreciation expense increased to $24.7 million in 2014 from $22.6 million in 2013, an increase of $2.1 million, primarily related to depreciation on newly acquired assets. The Company had amortization of intangible assets of $14.6 million in 2014 and 2013. Depreciation and amortization expense for the television segment increased by $4.8 million to $34.8 million in 2014 from $30.0 million in 2013. Depreciation and amortization expense for the radio segment decreased by $3.4 million to $1.9 million in 2014 from $5.3 million in 2013 due to vacating a facility. Depreciation and amortization expense for the digital segment increased by $0.7 million to $2.6 million in 2014 from $1.9 million in 2013.

*Operating income*. As a result of the factors discussed above and in the results of operations overview, the Company had operating income of $195.3 million in 2014 and $164.2 million in 2013, an increase of $31.1 million. The Company's television segment had operating income of $179.9 million in 2014 and $162.7 million in 2013, an increase of $17.2 million. The Company's radio segment had operating income of $11.3 million in 2014 and $6.5 million 2013, an increase of $4.8 million. The Company's digital segment had operating income of $4.1 million in 2014 and an operating loss of $5.0 million in 2013, an increase in operating income of $9.1 million.

*Interest expense*. Interest expense decreased to $143.4 million in 2014 from $149.9 million in 2013, a decrease of $6.5 million. The decrease is primarily due to lower interest expense on our variable rate debt as a result of the Company's refinancing transactions in 2013 and 2014 and by a decrease in interest charges on the interest rate swap contracts. For contracts that are not designated as cash flow hedges and the ineffective portion of interest rate swap contracts that are designated as cash flow hedges, interest charges are recorded to interest rate swap expense rather than interest expense. This decrease was partially offset by an increase in interest expense related to our senior notes, including the additional notes offered in 2013, and the amortization of fair value adjustments in accumulated other comprehensive loss related to interest rate swap contracts that are no longer designated as cash flow hedges. See "Notes to Consolidated Financial Statements—7. *Debt*" and "Notes to Consolidated Financial Statements—8. *Interest Rate Swaps*."

*Interest income*. In 2014, the Company recorded interest income in the amount of $1.4 million. The interest income in 2014 is primarily related to a convertible note investment with an equity method investee. No interest income was recognized in 2013.

*Interest rate swap expense*. In 2014 and 2013, for interest rate swap contracts that are not designated as cash flow hedges and the ineffective portion of interest rate swap contracts that are designated as cash flow hedges, the Company recorded expense of approximately $0.7 million and $0.3 million, respectively, related to net interest expense, partially offset by income from net fair value adjustments. See "Notes to Consolidated Financial Statements—8. *Interest Rate Swaps*."

*Amortization of deferred financing costs*. Amortization of deferred financing costs increased to $3.8 million in 2014 from $2.6 million in 2013, an increase of $1.2 million. The increase is a result of the Company's refinancing transactions. See "Notes to Consolidated Financial Statements—7. *Debt*."

*Loss on extinguishment of debt.* In 2014 and 2013, the Company recorded a loss on the extinguishment of debt in the amount of $17.2 million and $3.6 million, respectively, as a result of the refinancing of our debt. See "Notes to Consolidated Financial Statements—7. *Debt*."

*Loss on equity method investments.* In 2014, the Company recorded a loss on equity method investments of $20.5 million, primarily related to a loss of $15.2 million for El Rey Holdings LLC and a loss of $5.3 million for Fusion Media Network, LLC ("Fusion"). In 2013, the Company recorded a loss on equity method investments of $0.8 million, primarily related to Fusion. This charge includes the Company's share of equity loss in unconsolidated subsidiaries. See "Notes to Consolidated Financial Statements—5. *Investments*."

*Provision (benefit) for income taxes.* In 2014, the Company reported an income tax provision of $3.7 million related to the pre-tax income for the three months ended March 31, 2014 multiplied by the estimated annual effective tax rate and adjusted for discrete items. In 2013, the Company reported an income tax benefit of $2.2 million related to the pre-tax income for the three months ended

March 31, 2013 multiplied by the estimated annual effective tax rate and adjusted for discrete items. The Company's current estimated effective tax rate adjusted for discrete items as of March 31, 2014 was approximately 38%, which differs from the statutory rate primarily due to permanent tax differences, discrete items and state and local taxes. The Company's estimated effective tax rate adjusted for discrete items as of March 31, 2013 was approximately 32%, which differs from the statutory rate primarily due to permanent tax differences, the change in the valuation allowance and discrete items.

*Net income.* As a result of the above factors, the Company reported net income of $6.0 million and $9.0 million in 2014 and 2013, respectively.

*Net loss attributable to non-controlling interest.* In 2014, net loss attributable to non-controlling interest was $0.2 million. There was no non-controlling interest in 2013.

*Net income attributable to Univision Communications Inc.* In 2014 and 2013, the Company reported net income attributable to Univision Communications Inc. of $6.2 million and $9.0 million, respectively.

*Adjusted operating income before depreciation and amortization ("OIBDA").* OIBDA increased to $251.4 million in 2014 from $224.2 million in 2013, an increase of $27.2 million or 12.1%. See "Notes to Consolidated Financial Statements—13. *Business Segments"* for a reconciliation of OIBDA to net income. The increase results from the factors discussed in the "Overview" above and the other factors as noted above. On a consolidated basis, as a percentage of net revenue, the Company's OIBDA increased to 40.5% in 2014 from 39.9% in 2013.

The Company uses the key indicator of OIBDA to evaluate the Company's operating performance and for planning and forecasting future business operations. OIBDA is commonly used as a measure of performance for broadcast companies and provides investors the opportunity to evaluate the Company's performance as it is viewed by management. In addition, OIBDA is used by investors to measure a company's ability to service its debt and meet its other cash needs. OIBDA as presented herein is determined in accordance with the definition of "EBITDA" in the Company's Senior Secured Credit Facilities (as defined herein) and indentures governing the Company's senior notes, except that OIBDA from redesignated restricted subsidiaries as presented herein includes their results beginning in the quarter they became restricted.

OIBDA is not, and should not be used as, an indicator of or alternative to operating income or net income as reflected in the consolidated financial statements. It is not a measure of financial performance under generally accepted accounting principles ("GAAP") and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. Since the definition of OIBDA may vary among companies and industries, it should not be used as a measure of performance among companies. In accordance with guidelines of the U.S. Securities and Exchange Commission, we are providing on a consolidated basis a reconciliation of the non-GAAP term OIBDA to net income, which is the most directly comparable GAAP financial measure. See "Notes to Consolidated Financial Statements—13. *Business Segments"* for a reconciliation of OIBDA to net income.

**Liquidity and Capital Resources**

*Cash Flows*

The Company's primary sources of cash flows are its television and radio operations, and cash flows are primarily used for working capital, debt service and capital expenditures. Funds for debt service are provided by a combination of funds from operations and cash on hand. In addition, we have an accounts receivable sale facility and the senior secured revolving credit facility, the proceeds of which are available for general corporate purposes. Capital expenditures historically have been, and we expect will continue to be, provided by funds from operations and by borrowings. Cash and cash equivalents were $78.3 million at March 31, 2014 and $43.3 million at December 31, 2013, an increase of $35.0 million. Net cash provided by operating activities was $77.8 million. Net cash provided by operations for the three months ended March 31, 2014 arose primarily through its net income adjusted for non-cash items, less investments in program rights and prepayments and changes in working capital. Net cash used in investing activities was $38.8 million, primarily attributable to $35.4 million of capital expenditures and $4.3 million in its investments in Fusion. Net cash used in financing activities was $4.0 million, primarily attributable to payments of debt, fees and capital leases, substantially offset by proceeds from issuances of debt. In addition, included in financing activities is a contribution of $124.4 million, net of offering costs, from Broadcasting Partners and dividend of $4.2 million to Broadcasting Partners to cover its interest obligation on the convertible debt issued to Televisa.

*Capital Expenditures*

Capital expenditures for the three months ended March 31, 2014 totaled $35.4 million, not reflecting the impact of approximately $7.9 million of accruals as of March 31, 2014. These expenditures include $13.5 million related to normal capital purchases or improvements, $13.0 million related to information technology, $5.8 million related to television station transmitter and HDTV conversion projects and $3.1 million related to new facilities. The Company's capital expenditures exclude the expenditures financed with capitalized lease obligations. For the full fiscal year 2014, Company's capital expenditure plan is for approximately $125.0 million, plus approximately $32.5 million of capital purchases that were accrued as of December 31, 2013. These anticipated expenditures include $51.4 million related to normal capital purchases or improvements, $50.8 million related to information technology, $27.7 million related to television station transmitter and HDTV conversion projects and $27.6 million related to new facilities.

**Debt and Recent Financing Transactions**

See "Notes to Consolidated Financial Statements—7. *Debt*" and "Notes to Consolidated Financial Statements—8. *Interest Rate Swaps*" for information related to the Company's debt instruments, interest rate swaps and other matters related to debt.

***Other***

*General*

Based on our current level of operations, planned capital expenditures and major contractual obligations, the Company believes that its cash flow from operations, together with available cash and availability under the Company's senior secured revolving credit facility and the revolving component of the Company's accounts receivable sale facility, will provide sufficient liquidity to fund its current obligations, projected working capital requirements and capital expenditures for a period that includes at least the next year.

*Acquisitions*

The Company continues to explore acquisition and joint venture opportunities to complement and capitalize on its existing business and management. The purchase price for any future acquisitions and investments in joint ventures may be paid with cash derived from operating cash flow, proceeds available under the Company's senior secured revolving credit facility, proceeds from future debt offerings, or any combination thereof.

***Contractual Obligations***

The following table is a summary of the Company's major contractual payment obligations related only to its debt instruments as of March 31, 2014 and does not include any of the Company's other major contractual payment obligations as of March 31, 2014. As a result of the January 2014 amendment to the Company's Senior Secured Credit Facilities and the March 2014 partial redemption of the 6.75% senior secured notes due 2022, the Company's contractual payment obligations related to its debt instruments are as follows as of March 31, 2014:

| | Payments Due By Period | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2014 | 2015 | 2016 | 2017 | 2018 | Thereafter | TOTAL |
| | | | | (In thousands) | | | |
| Bank senior secured term loans (a) | $ 34,700 | $ 46,300 | $ 46,300 | $ 46,300 | $ 46,300 | $ 4,385,900 | $ 4,605,800 |
| Bank revolver principal | — | — | — | — | 47,000 | — | 47,000 |
| Senior notes (a) | — | — | — | — | — | 4,572,900 | 4,572,900 |
| Accounts receivable facility | — | — | — | — | 120,000 | — | 120,000 |
| | $ 34,700 | $ 46,300 | $ 46,300 | $ 46,300 | $ 213,300 | $ 8,958,800 | $ 9,345,700 |

(a) Amounts are not necessarily the balance of the Company's debt, which include discount and premium amounts

During the three months ended March 31, 2014, the Company also entered into several new programming agreements for which the Company is obligated to make payments of $10.7 million during the remainder of 2014, $35.6 million in 2015 and $14.3 million in 2016.

***Off-Balance Sheet Arrangements***

As of March 31, 2014, the Company does not have any off-balance sheet transactions, arrangements or obligations (including contingent obligations) that would have a material effect on our financial results.

**Forward-Looking Statements**

Certain statements contained within this reporting package constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. In some cases you can identify forward-looking statements by terms such as "anticipate," "plan," "may," "intend," "will," "expect," "believe" or the negative of these terms, and similar expressions intended to identify forward-looking statements.

These forward-looking statements reflect our current views with respect to future events and are based on assumptions and are subject to risks and uncertainties. Also, these forward-looking statements present our estimates and assumptions only as of the date of this reporting package. We undertake no obligation to modify or revise any forward-looking statements to reflect events or circumstances occurring after the date that the forward looking statement was made.

Factors that could cause actual results to differ materially from those expressed or implied by the forward-looking statements include: failure to service the Company's debt or inability to comply with the agreements contained in the Senior Secured Credit Facilities and the Company's indentures, including financial covenants and ratios; net losses for an extended period of time; cancellation, reductions or postponements of advertising or other changes in advertising practices among the Company's advertisers; unanticipated interruption in the Company's broadcasting for any reason, including acts of terrorism; any impact of adverse economic conditions on the Company's business and financial condition, including reduced advertising revenue; regional downturns in economic conditions in those areas where the Company's stations are located; changes in the size of the U.S. Hispanic population; the impact of federal and state immigration legislation and policies on both the U.S. Hispanic population and persons emigrating from Latin America; a decrease in the preference among Hispanics for Spanish-language programming; a lack of audience acceptance of the Company's content; varying popularity for programming, which we cannot predict at the time we may incur related costs; failure of the Company's new or existing businesses to produce projected revenues or cash flows; insufficient payments by Televisa for certain Mexican rights to the Company's programming pursuant to the PLA with Televisa; an increase in the cost of the Company's programming; a decrease in the supply or quality of the Company's programming; a decrease in demand for the Company's programming; any increase in royalty payments pursuant to the PLA between the Company and Televisa; loss of the Company's ability to rely on Televisa for a significant amount of its network programming; competitive pressures from other broadcasters and other entertainment and news media; the potential impact of new technologies; exploitation of the Company's over-the-air signals and other intellectual property by third parties without compensating the Company; failure to monetize the Company's content on its digital platform; the failure or destruction of satellites, transmitter facilities and network and information systems and other technology that the Company depends upon to distribute its programming and operate; the impact of a new audience measurement system on ratings of the Company's radio stations; changes in the rules and regulations of the FCC; the need for any unanticipated expenses; failure to renew existing agreements or reach new agreements with cable operators on acceptable "retransmission consent" terms; consolidation in the cable or satellite operator industry; increased enforcement or enhancement of FCC content rules; write downs of the carrying value of assets due to impairment; inability to realize the full value of the Company's intangible assets; possible strikes or other union job actions; adverse conditions in the capital markets; and the Company's inability to secure financing on suitable terms or at all.

Actual results may differ materially due to these risks and uncertainties. The Company assumes no obligation to update forward-looking information contained in this reporting package.