

The Mexican CFC fined Televisa, Mexico's biggest TV and broadcasting company, with US 4.5 million dollars for breaching merger commitments.

- **This is the second time in the last 5 months the CFC fines Televisa for infringing merger commitments.**
- **The imposed fine is the highest allowed by the Mexican Competition Law before it was reformed in 2011.**

Mexico City, Mexico, January 2013.- the Plenum of the Mexican Federal Competition Commission (Commission or CFC) fined Grupo Televisa, Mexico's biggest TV and broadcasting company, for breaching the commitments agreed upon by Televisa in its acquisition of pay TV provider Cablemás in 2007¹.

Televisa had agreed not to incorporate to its board of directors any employee from a competing pay-TV company -including its subsidiaries- and to refrain from placing any of Televisa's directors in a competing pay-TV company's board (interlocking directorate prohibition). This commitment sought to foster competition in the pay-TV sector by ensuring that Televisa's competitors had incentives to enter in the regional markets where Televisa's subsidiaries (Sky and Cablevisión) and Cablemás were incumbents.

Televisa's failure to comply with the merger commitments originated in April 2011 when two of its directors joined one of Salina's Group subsidiaries, Televisa's main competitor. Although Televisa resorted to the Judiciary to curtail the Commission's investigation regarding this infringement, the breach of the condition was sustained and the Commission could further proceed with the imposition of the fine.

This is the second fine imposed to Televisa in less than a year for infringing an interlocking directorate prohibition. The first fine was imposed in September 2012 for breaching an identical commitment needed to clear Televisa's acquisitions of Televisión Internacional de Monterrey, a pay-TV company². The amount of the fine in both cases is identical since it corresponds to the maximum fine permitted under the Federal Law of Economic Competition before its 2011 amendments.

¹ CNT-18-2007 and CNT-009-2011 available at www.cfc.gob.mx

² CNT-048-2006 available at www.cfc.gob.mx