

GRUPO TELEVISIA, S.A.B.

Form 20-F

June 30, 2009

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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 20-F**

- o **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**
OR
- þ **ANNUAL REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008**
OR
- o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
OR
- o **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of event requiring this shell company report

FOR THE TRANSITION PERIOD FROM _____ TO _____

COMMISSION FILE NUMBER 1-12610

Grupo Televisa, S.A.B.

(Exact name of Registrant as specified in its charter)

N/A

(Translation of Registrant's name into English)

United Mexican States

(Jurisdiction of incorporation or organization)

Av. Vasco de Quiroga No. 2000

Colonia Santa Fe

01210 Mexico, D.F.

Mexico

(Address of principal executive offices)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
A Shares, without par value (A Shares)	New York Stock Exchange (for listing purposes only)
B Shares, without par value (B Shares)	New York Stock Exchange (for listing purposes only)
L Shares, without par value (L Shares)	New York Stock Exchange (for listing purposes only)
Dividend Preferred Shares, without par value (D Shares)	New York Stock Exchange (for listing purposes only)
Global Depositary Shares (GDSs), each representing five Ordinary Participation Certificates (<i>Certificados de Participación Ordinarios</i>) (CPOs)	New York Stock Exchange
CPOs, each representing twenty-five A Shares, twenty-two B Shares thirty-five L Shares and thirty-five D Shares	New York Stock Exchange (for listing purposes only)

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None.

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:
None.

The number of outstanding shares of each of the issuer's classes of capital or common stock as of

December 31, 2008 was:

111,778,295.865 A Shares

51,799,139.809 B Shares

82,407,664.201 L Shares

82,407,664.201 D Shares

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP

International Financial Reporting Standards as issued by
the International Accounting Standards Board

Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

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We publish our financial statements in accordance with Mexican Financial Reporting Standards (*Normas de Información Financiera*), or Mexican FRS, which differ in some significant respects from generally accepted accounting principles in the United States, or U.S. GAAP, and accounting procedures adopted in other countries.

Unless otherwise indicated, (i) information included in this annual report is as of December 31, 2008 and (ii) references to Ps. or Pesos in this annual report are to Mexican Pesos and references to Dollars, U.S. Dollars, dollars, \$, or U.S.\$ are to United States dollars.

In this Annual Report, we, us, our or Company refer to Grupo Televisa, S.A.B. and, where the context requires consolidated entities. Group refers to Grupo Televisa, S.A.B. and its consolidated entities.

Part I

Item 1. Identity of Directors, Senior Management and Advisers

Not applicable.

Item 2. Offer Statistics and Expected Timetable

Not applicable.

Item 3. Key Information

Selected Financial Data

The following tables present our selected consolidated financial information as of and for each of the periods indicated. This data is qualified in its entirety by reference to, and should be read together with, our audited year-end financial statements. The following data for each of the years ended December 31, 2004, 2005, 2006, 2007 and 2008 has been derived from our audited year-end financial statements, including the consolidated balance sheets as of December 31, 2007 and 2008, the related consolidated statements of income and of changes in stockholders' equity for the years ended December 31, 2006, 2007 and 2008, the related consolidated statements of changes in financial position for the years ended December 31, 2006 and 2007, and of cash flows for the year ended December 31, 2008, and the accompanying notes appearing elsewhere in this annual report. Beginning on January 1, 2008, we were no longer required by Mexican FRS to recognize the effects of inflation in our financial statements. Accordingly, our financial information through December 31, 2007 is stated in Mexican Pesos in purchasing power as of December 31, 2007. The financial information as of and for the year ended December 31, 2008 is not directly comparable to prior periods due to the recognition of inflation effects in financial information in prior periods. Our financial information for the year ended December 31, 2008 maintained the inflation adjustments recognized in prior years in our consolidated stockholders' equity, and the inflation-adjusted amounts for nonmonetary assets and liabilities at December 31, 2007 became the accounting basis for those assets and liabilities beginning on January 1, 2008 and for subsequent periods. The data should also be read together with Operating and Financial Review and Prospects.

The exchange rate used in translating Pesos into U.S. Dollars in calculating the convenience translations included in the following tables is determined by reference to the interbank free market exchange rate, or the Interbank Rate, as reported by Banco Nacional de México, S.A., or Banamex, as of December 31, 2008, which was Ps.13.8400 per U.S. Dollar. This annual report contains translations of certain Peso amounts into U.S. Dollars at specified rates solely for the convenience of the reader. The exchange rate translations contained in this annual report should not be construed as representations that the Peso amounts actually represent the U.S. Dollar amounts presented or that they could be converted into U.S. Dollars at the rate indicated.

Our year-end financial statements have been prepared in accordance with Mexican FRS, which became effective on January 1, 2006, and differ in some significant respects from U.S. GAAP. Prior to 2006, Mexican generally accepted accounting principles, or Mexican GAAP, were followed. The adoption of Mexican FRS did not have a significant effect on our consolidated financial statements. Note 23 to our year-end financial statements provides a description of the relevant differences between Mexican FRS, the accounting and reporting standards used in Mexico as of December 31, 2008, and U.S. GAAP as they relate to us, and a reconciliation to U.S. GAAP of net income and other items for the years ended December 31, 2006, 2007 and 2008 and stockholders' equity at December 31, 2007 and 2008. Any reconciliation to U.S. GAAP may reveal certain differences between our stockholders' equity, net income and other items as reported under Mexican FRS and U.S. GAAP. See Key Information Risk Factors Risk Factors Related to Mexico Differences Between Mexican FRS and U.S. GAAP May Have an Impact on the Presentation of Our Financial Information.

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Effective December 2007, we began consolidating Letseb, S.A. de C.V. and Bestel USA, Inc., together, Bestel in accordance with Mexican FRS, and in June 2008 we began consolidating Cablemás, S.A. de C.V., or Cablemás in accordance with Mexican FRS. Bestel and Cablemás are both under the Cable and Telecom segment.

Beginning on September 30, 2008, we reported the Publishing Distribution segment under the Other Businesses segment since this operation was no longer significant to our consolidated financial statements taken as a whole. We have restated our segment results for the prior periods to reflect this change in segment reporting.

	Year Ended December 31,					
	2004	2005	2006	2007	2008	2008
	(Millions of Pesos or millions of U.S. Dollars)(1)					
(Mexican GAAP/FRS)						
Income Statement						
Data:						
Net sales	Ps. 32,704	Ps. 35,068	Ps. 39,358	Ps. 41,562	Ps. 47,972	U.S. \$3,466
Operating income	9,547	11,663	14,266	14,481	15,128	1,093
Integral cost of financing, net(2)	1,691	1,924	1,141	410	831	60
Income from continuing operations	6,214	8,330	9,519	9,018	8,731	631
Cumulative effect of accounting change, net	(1,139)	(546)				
Net income	4,815	6,613	8,909	8,082	7,804	564
Income from continuing operations per CPO(3)	2.04	2.46	3.07	2.84	2.77	
Net income per CPO(3)	1.66	2.27	3.07	2.84	2.77	
Weighted-average number of shares outstanding (in millions)(3)(4)	345,206	341,158	339,776	333,653	329,580	
Cash dividend per CPO(3)	1.41	1.49	0.37	1.50	0.75	
Shares outstanding (in millions, at year end)(4)	341,638	339,941	337,782	329,960	328,393	
(U.S. GAAP)(5)						
Income Statement						
Data:						
Net sales	Ps. 32,704	Ps. 35,068	Ps. 39,358	Ps. 41,562	Ps. 47,972	U.S.\$ 3,466
Operating income	8,746	10,806	14,068	14,322	14,673	1,060
Income from continuing operations	4,696	7,368	8,308	8,233	8,130	587
Net income	4,696	7,368	8,308	8,233	8,130	587
Income from continuing operations per CPO(3)	1.61	2.44	2.76	2.86	2.82	
Net income per CPO(3)	1.61	2.44	2.76	2.86	2.82	
Weighted-average number of shares outstanding (in millions)(3)(4)	345,206	341,158	339,776	333,653	329,580	
	341,638	339,941	337,782	329,960	328,393	

Shares outstanding (in millions, at year end)(4)
(Mexican GAAP/FRS)

Balance Sheet Data**(end of year):****Cash and temporary investments**

	Ps.	18,566	Ps.	15,955	Ps.	16,405	Ps.		Ps.		U.S.\$
Cash and cash equivalents							25,480		35,106		2,537
Temporary investments							1,825		6,798		491
Total assets		82,469		81,162		86,186	98,703		122,852		8,877
Current portion of long-term debt and other notes payable(6)		3,678		367		1,023	489		2,283		165
Long-term debt, net of current portion(7)		21,134		19,581		18,464	25,307		36,680		2,650
Customer deposits and advances		17,073		19,484		17,807	19,810		18,688		1,350
Capital stock issued		10,677		10,677		10,507	10,268		10,061		727
Total stockholders equity (including minority interest)		30,796		32,242		38,015	40,650		47,252		3,414

(U.S. GAAP)(5)**Balance Sheet Data****(end of year):****Cash and cash equivalents**

	Ps.	17,746	Ps.	15,833	Ps.	15,461	Ps.	25,480	Ps.	33,583	U.S.\$	2,427
Total assets		91,877		88,724		91,806	103,728		127,966		9,246	
Current portion of long-term debt and other notes payable(6)		3,678		367		1,023	489		2,283		165	
Long-term debt, net of current portion(7)		21,134		19,582		18,464	25,307		36,680		2,650	
Total stockholders equity (excluding minority interest)		29,170		30,589		35,799	36,580		41,539		3,001	

(Mexican FRS)**Cash Flow Data(14):**

	Ps.		Ps.		Ps.		Ps.		Ps.	22,258	U.S.\$	1,608
Net Cash provided by operating activities												
Net Cash used for investing activities										(11,361)		(821)
Net Cash used for financing activities										(1,886)		(136)
Increase in cash and cash equivalents										9,143		661

(U.S. GAAP)(5)**Cash Flow Data:****Cash provided by operating activities**

		7,641		10,478		11,542		12,107		19,851		1,434
		(703)		(9,412)		(3,088)		(1,395)		522		38

Cash (used for) provided by financing activities										
Cash used for investing activities	(673)	(2,392)	(8,216)	(294)	(12,884)	(931)				
(Mexican GAAP/FRS)										
Other Financial Information:										
Capital expenditures(8)	Ps. 2,173	Ps. 2,849	Ps. 3,346	Ps. 3,878	Ps. 6,627	U.S.\$ 479				
Other Data (unaudited):										
Average prime time audience share (TV broadcasting)(9)	68.9%	68.5%	69.5%	69.0%	71.2%					
Average prime time rating (TV broadcasting)(9)	36.7	36.5	35.5	33.4	35.2					
Magazine circulation (millions of copies)(10)	127	145	155	165	174					
Number of employees (at year end)	14,100	15,100	16,200	17,800	22,500					
Number of Innova subscribers (in thousands at year end)(11)	1,003	1,251	1,430	1,585	1,760					
Number of Cablevisión RGUs (in thousands at year end)(12)	381	475	583	695	844					
Number of Cablemás RGUs (in thousands at year end)(12)(13)									1,170	

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Notes to Selected Consolidated Financial Information:

- (1) Except per Certificado de Participación Ordinario, or CPO, average audience share, average rating, magazine circulation, employee, subscriber, Revenue Generating Units, or RGUs, and registered user data. Amounts in Mexican Pesos for the years ended December 31, 2004, 2005, 2006 and 2007 are stated in Mexican Pesos in purchasing power as of December 31, 2007, in accordance with Mexican FRS. Beginning on January 1, 2008, we discontinued recognizing the effects of inflation in our financial information in accordance with Mexican FRS.
- (2) Includes interest expense, interest income, foreign exchange gain or loss, net, and through December 31, 2007, gain or loss from monetary position. See Note 18 to our year-end financial statements.
- (3) For further analysis of income (loss) from continuing operations per CPO and net income per CPO (as well as corresponding amounts per A Share not traded as CPOs), see Note 20 (for the calculation under Mexican FRS) and Note 23 (for the calculation under U.S. GAAP) to our year-end financial statements.
- (4) As of December 31, 2004, 2005, 2006, 2007 and 2008, we had four classes of common stock: A Shares, B Shares, D Shares and L Shares. Our shares are publicly traded in Mexico, primarily in the form of CPOs, each CPO representing 117 shares comprised of 25 A Shares, 22 B Shares, 35 D Shares and 35 L Shares; and in the United States in the form of GDSs, each GDS representing 5 CPOs. Before March 22, 2006, each GDS represented 20 CPOs.

The number of CPOs and shares issued and outstanding for financial reporting purposes under Mexican GAAP/FRS and U.S. GAAP is different than the number of CPOs issued and outstanding for legal purposes, because under Mexican GAAP/FRS and U.S. GAAP shares owned by subsidiaries and/or the trusts created to implement our Stock Purchase Plan and our Long-Term Retention Plan are not considered outstanding for financial reporting purposes.

As of December 31, 2008, for legal purposes, there were approximately 2,438.1 million CPOs issued and outstanding, each of which was represented by 25 A Shares, 22 B Shares, 35 D Shares and 35 L Shares, and an additional number of approximately 58,926.6 million A Shares and 2,357.2 million B Shares (not in the form of CPO units). See Note 12 to our year-end financial statements.

- (5) See Note 23 to our year-end financial statements.
- (6) See Note 8 to our year-end financial statements.
- (7) See Operating and Financial Review and Prospects Results of Operations Liquidity, Foreign Exchange and Capital Resources Indebtedness and Note 8 to our year-end financial statements.
- (8) Capital expenditures are those investments made by us in property, plant and equipment, which amounts are first translated from Mexican Pesos into U.S. Dollars, and the resulting aggregate U.S. Dollar amount is then translated to Mexican Pesos at year-end exchange rate for convenience purposes only; the aggregate amount of capital expenditures in Mexican Pesos does not indicate the actual amounts accounted for in our consolidated financial statements.
- (9) Average prime time audience share for a period refers to the average daily prime time audience share for all of our networks and stations during that period, and average prime time rating for a period refers to the average daily rating for all of our networks and stations during that period, each rating point representing one percent of all television households. As used in this annual report, prime time in Mexico is 4:00 p.m. to 11:00 p.m., seven days a week, and weekday prime time is 7:00 p.m. to 11:00 p.m., Monday through Friday. Data for all periods

reflects the average prime time audience share and ratings nationwide as published by the Mexican subsidiary of the Brazilian Institute of Statistics and Public Opinion, or Instituto Brasileiro de Opinião Pública y Estadística, or IBOPE. The Mexican subsidiary of IBOPE is referred to as IBOPE Mexico in this annual report. For further information regarding audience share and ratings information and IBOPE Mexico, see Information on the Company Business Overview Television Television Broadcasting .

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- (10) The figures set forth in this line item represent total circulation of magazines that we publish independently and through joint ventures and other arrangements and do not represent magazines distributed on behalf of third parties.
- (11) Sky commenced operations in Mexico in 1996, and in Central America in 2007. The figures set forth in this line item represent the total number of gross active residential and commercial subscribers for Innova at the end of each year presented. For a description of Innova's business and results of operations and financial condition, see Information on the Company Business Overview DTH Joint Ventures Mexico and Central America . Under Mexican GAAP, effective January 1, 2001 and through March 31, 2004, we did not recognize equity in results in respect of our investment in Innova in our consolidated income statement, as we recognized equity in losses of Innova up to the amount of our initial investment and subsequent capital contributions in Innova. Since April 1, 2004, Innova has been consolidated in our financial results.
- (12) An RGU is defined as an individual service subscriber who generates recurring revenue under each service provided by Empresas Cablevisión, S.A.B. de C.V., or Cablevisión and Cablemás (pay-TV, broadband internet and digital telephony). For example, a single subscriber paying for cable television, broadband internet and digital telephony services represents three RGUs. We believe it is appropriate to use the number of RGUs as a performance measure for Cablevisión and Cablemás given that these businesses provide other services in addition to pay-TV. See Operating and Financial Review and Prospects Results of Operations Total Segment Results Cable and Telecom and Information on the Company Business Overview Cable and Telecom .
- (13) Beginning June 2008, we started to consolidate Cablemás, a significant cable operator in Mexico, operating in 49 cities.
- (14) Through December 31, 2007, under Mexican FRS, the changes in financial position for operating, financing and investing activities, were presented through the statements of changes in financial position. On January 1, 2008, Mexican FRS NIF B-2, Statement of Cash Flows became effective on a prospective basis. Therefore, we have included the new statement of cash flows for the year ended December 31, 2008. See Note 1 to our year-end financial statements for further detail regarding this change. Due to the adoption of Mexican FRS NIF B-2, Statement of Cash Flows , 2008 information is not directly comparable to 2007 and prior years. The criteria for determining net cash provided by, or used for, operating, investing and financing activities under the new Mexican FRS NIF B-2, Statement of Cash Flows is different from that used in prior years.

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Decisions regarding the payment and amount of dividends are subject to approval by holders of a majority of the A Shares and B Shares voting together, generally, but not necessarily, on the recommendation of the Board of Directors, as well as a majority of the A Shares voting separately. Emilio Azcárraga Jean indirectly controls the voting of the majority of the A Shares and, as a result of such control, both the amount and the payment of dividends require his affirmative vote. See Major Stockholders and Related Party Transactions The Major Stockholders . The amounts in this section are presented in nominal historical figures and therefore have not been restated in constant currency units due to a change in Mexican FRS whereby beginning on January 1, 2008 we were no longer required to recognize the effects of inflation on our results. On March 25, 2004, our Board of Directors approved a dividend policy under which we currently intend to pay an annual regular dividend of Ps.0.35 per CPO. Also, on May 21, 2004, the Company's Board of Directors approved a Ps.3,850.0 million cash distribution to stockholders, equivalent to Ps.1.219 per CPO, which included the annual regular dividend of Ps.0.35 per CPO, that is the dividend corresponding to the Series A and L shares and the cumulative preferred dividend corresponding to the Series D shares. On February 22, 2005, our Board of Directors approved a cash distribution to stockholders, equivalent to Ps.1.35 per CPO, equivalent to approximately Ps.4,250.0 million. On April 29, 2005, at a general stockholders' meeting, our stockholders approved the payment of an extraordinary dividend of Ps.1.00 per CPO, which is in addition to our ordinary dividend of Ps.0.35 per CPO, for a total dividend of Ps.1.35 per CPO. On April 28, 2006 at a general stockholders' meeting, our stockholders approved a cash distribution to stockholders for up to Ps.1,104 million, equivalent to Ps.0.00299145 per share, or Ps.0.35 per CPO. On April 27, 2007, at a general stockholders' meeting, our stockholders approved a cash distribution to stockholders for up to Ps.4,401 million, which includes the payment of an extraordinary dividend of Ps.1.10 per CPO, which is in addition to our ordinary dividend of Ps.0.35 per CPO, for a total dividend of Ps.1.45 per CPO, equivalent to Ps.0.01239316239 per share. On April 30, 2008, at a general stockholders' meeting, our stockholders approved a cash distribution to stockholders for up to Ps.2,276.3 million, which includes the payment of an extraordinary dividend of Ps.0.40 per CPO, which is in addition to our ordinary dividend of Ps.0.35 per CPO, for a total dividend of Ps.0.75 per CPO, equivalent to Ps.0.00641025641 per share. On April 30, 2009, at a general stockholders' meeting, our stockholders approved a cash distribution to stockholders of up to Ps.5,204.6 million, which includes the payment of an extraordinary dividend of Ps.1.40 per CPO, which is in addition to our ordinary dividend of Ps.0.35 per CPO, for a total dividend of Ps.1.75 per CPO, equivalent to Ps.0.014957264957 per share. All of the recommendations of the Board of Directors related to the payment and amount of dividends were voted and approved at the applicable general stockholders' meetings. The agreements related to some of our outstanding indebtedness contain covenants that restrict, among other things, the payment of dividends, under certain conditions.

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Since 1991, Mexico has had a free market for foreign exchange and, since 1994, the Mexican government has allowed the Peso to float freely against the U.S. Dollar. There can be no assurance that the government will maintain its current policies with regard to the Peso or that the Peso will not depreciate or appreciate significantly in the future.

The following table sets forth, for the periods indicated, the high, low, average and period end Mexican Official FIX Rate, or FIX Rate, published by the Mexican Central Bank, expressed in Pesos per U.S. Dollar. The rates have not been restated in constant currency units and therefore represent nominal historical figures.

Period	High	Low	Average(1)	Period End
2004	11.6328	10.8172	11.2871	11.1495
2005	11.4018	10.4097	10.8895	10.6344
2006	11.4809	10.4303	10.9034	10.8116
2007	11.2676	10.6639	10.9274	10.9157
2008	13.9183	9.9180	11.1455	13.8325
2009:				
January	14.3097	13.3458	13.8921	14.3097
February	15.0698	14.1392	14.5966	15.0698
March	15.3650	14.0502	14.6695	14.1517
April	13.9108	13.0511	13.4367	13.8443
May	13.3500	12.8695	13.1621	13.1667
June (through June 29)	13.6507	13.1550	13.3499	13.1812

(1) Annual average rates reflect the average of the daily exchange rate during the relevant period.

The above rates may differ from the actual rates used in the preparation of the financial statements and the other financial information appearing in this Form 20-F.

The Mexican economy has had balance of payment deficits and shortages in foreign exchange reserves. While the Mexican government does not currently restrict the ability of Mexican or foreign persons or entities to convert Pesos to U.S. Dollars, we cannot assure you that the Mexican government will not institute restrictive exchange control policies in the future, as has occurred from time to time in the past. To the extent that the Mexican government institutes restrictive exchange control policies in the future, our ability to transfer or to convert Pesos into U.S. Dollars and other currencies for the purpose of making timely payments of interest and principal of indebtedness, as well as to obtain foreign programming and other goods, would be adversely affected. See Key Information Risk Factors Risk Factors Related to Mexico Currency Fluctuations or the Devaluation and Depreciation of the Peso Could Limit the Ability of Our Company and Others to Convert Pesos into U.S. Dollars or Other Currencies, Which Could Adversely Affect Our Business, Financial Condition or Results of Operations .

On June 29, 2009 the FIX Rate was Ps.13.1812 per U.S.\$1.00.

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Risk Factors

The following is a discussion of risks associated with our company and an investment in our securities. Some of the risks of investing in our securities are general risks associated with doing business in Mexico. Other risks are specific to our business. The discussion below contains information, among other things, about the Mexican government and the Mexican economy obtained from official statements of the Mexican government as well as other public sources. We have not independently verified this information. Any of the following risks, if they actually occur, could materially and adversely affect our business, financial condition, results of operations or the price of our securities.

Risk Factors Related to Mexico

Economic and Political Developments in Mexico May Adversely Affect Our Business

Most of our operations and assets are located in Mexico. As a result, our financial condition, results of operations and business may be affected by the general condition of the Mexican economy, the devaluation of the Peso as compared to the U.S. Dollar, Mexican inflation, interest rates, regulation, taxation, social instability and other political, social and economic developments in or affecting Mexico over which we have no control.

Mexico Has Experienced and is Currently Experiencing Adverse Economic Conditions, Which Could have a Negative Impact on Our Results of Operations and Financial Condition

Mexico has historically experienced uneven periods of economic growth. Mexican gross domestic product, or GDP, increased 5.1%, 3.3% and 1.3% in 2006, 2007 and 2008, respectively. Mexican GDP growth fell short of Mexican government estimates in 2008; however, according to Mexican government estimates, Mexican GDP is expected to fall by approximately 4.35%. We cannot assure you that these estimates will prove to be accurate.

The Mexican economy is currently in a recession. Mexico has been adversely affected by the global economic crisis that started in the summer of 2007. The country's main economic indicators have been negatively affected, including a rise in unemployment, higher inflation and a devaluation of the Peso against the U.S. dollar. This current global economic downturn and/or any future economic downturn, including downturns in the United States, could affect our financial condition and results of operations. We cannot predict what impact this crisis will have. For example, demand for advertising may decrease both because consumers may reduce expenditures for our advertisers' products and because advertisers may reduce advertising expenditures and demand for publications, cable television, DTH satellite services, pay-per-view programming, telecommunication services and other services and products may decrease because consumers may find it difficult to pay for these services and products.

More recently, Mexico was impacted by the H1N1 influenza crisis, which affected the Mexican economy. Due to the increased amount of cases of this virus, the Mexican government closed all public and private educational facilities across the country for two weeks and the Mexico City government cancelled all economic activities in the city for almost one week. Among other consequences, Mexico's tourism industry was materially affected. Even though Mexico successfully overcame this health crisis, there is no way of anticipating how any additional outbreaks of the influenza virus and/or any other health crises could affect the Mexican economy.

Developments in Other Emerging Market Countries or in the U.S. May Adversely Affect the Mexican Economy, the Market Value of Our Securities and Our Results of Operations

The market value of securities of Mexican companies, the economic and political situation in Mexico and our financial condition and results of operations are, to varying degrees, affected by economic and market conditions in other emerging market countries and in the United States. Although economic conditions in other emerging market countries and in the United States may differ significantly from economic conditions in Mexico, investors' reactions to developments in any of these other countries may have an adverse effect on the market value or trading price of securities of Mexican issuers, including our securities, or on our business. In recent years, for example, prices of Mexican debt securities dropped substantially as a result of developments in Russia, Asia, Brazil and the U.S.

Our operations, including the demand for our products or services, and the price of our securities, have also historically been adversely affected by increases in interest rates in the United States and elsewhere. Currently, the economic downturn in the United States has had a significant adverse effect on the Mexican economy and other economies globally, which in turn, could affect our financial condition and results of operations.

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Our profitability is affected by numerous factors, including changes in viewing preferences, priorities of advertisers and reductions in advertisers' budgets. Historically, advertising in most forms of media has correlated positively with the general condition of the economy and thus, is subject to the risks that arise from adverse changes in domestic and global economic conditions, consumer confidence and spending, which are currently experiencing a decline as a result of the recession. The demand for our products and services in Mexico, the U.S. and in the other countries in which we operate may be adversely affected by the tightening of credit markets and the recession. As a global media company, we depend on the demand from customers in Mexico, the U.S. and the other countries in which we operate, and reduced consumer spending that falls short of our projections could adversely impact our revenues and profitability. Although Mexico, the U.S. and other governments have taken steps to increase liquidity in the financial markets, there can be no assurance that such measures will improve the overall business environment in which we operate and we cannot predict the severity or duration of the recession or the impact the recession could have on our results of operations and financial condition.

The Ongoing Uncertainty in Global Financial Markets Could Adversely Affect Our Financing Costs and Exposure to Our Customers and Counterparties

The global financial markets continue to be unstable, and many companies have limited access to funding. If access to credit tightens further and borrowing costs rise, our borrowing costs could be adversely affected. Difficult financial markets may also adversely affect some of our customers. In addition, we enter into derivative transactions with large financial institutions, including contracts to hedge our exposure to interest rates and foreign exchange, and we could be affected by severe financial difficulties faced by our counterparties.

Currency Fluctuations or the Devaluation and Depreciation of the Peso Could Limit the Ability of Our Company and Others to Convert Pesos into U.S. Dollars or Other Currencies, Which Could Adversely Affect Our Business, Financial Condition or Results of Operations

A significant portion of our indebtedness and a significant amount of our costs are U.S. Dollar-denominated, while our revenues are primarily Peso-denominated. As a result, decreases in the value of the Peso against the U.S. Dollar could cause us to incur foreign exchange losses, which would reduce our net income.

Severe devaluation or depreciation of the Peso may also result in governmental intervention, as has resulted in Argentina, or disruption of international foreign exchange markets. This may limit our ability to transfer or convert Pesos into U.S. Dollars and other currencies for the purpose of making timely payments of interest and principal on our indebtedness and adversely affect our ability to obtain foreign programming and other imported goods. The Mexican economy has suffered current account balance payment of deficits and shortages in foreign exchange reserves in the past. While the Mexican government does not currently restrict, and for more than 15 years has not restricted, the right or ability of Mexican or foreign persons or entities to convert Pesos into U.S. Dollars or to transfer other currencies outside of Mexico, there can be no assurance that the Mexican government will not institute restrictive exchange control policies in the future. To the extent that the Mexican government institutes restrictive exchange control policies in the future, our ability to transfer or convert Pesos into U.S. Dollars or other currencies for the purpose of making timely payments of interest and principal on indebtedness, including the notes, as well as to obtain imported goods would be adversely affected. Devaluation or depreciation of the Peso against the U.S. Dollar or other currencies may also adversely affect U.S. Dollar or other currency prices for our debt securities or the cost of imported goods.

High Inflation Rates in Mexico May Decrease Demand for Our Services While Increasing Our Costs

Mexico historically has experienced high levels of inflation, although the rates have been lower in recent years. The annual rate of inflation, as measured by changes in the Mexican National Consumer Price Index, or NCPI, was 4.1% for 2006, 3.8% in 2007, 6.5% in 2008 and is expected to be less than 6% in 2009. An adverse change in the Mexican economy may have a negative impact on price stability and result in higher inflation than its main trading partners, including the U.S. High inflation rates can adversely affect our business and results of operations in the following ways:

inflation can adversely affect consumer purchasing power, thereby adversely affecting consumer and advertiser demand for our services and products; and

to the extent inflation exceeds our price increases, our prices and revenues will be adversely affected in real terms.

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High Interest Rates in Mexico Could Increase Our Financing Costs

Mexico historically has had, and may continue to have, high real and nominal interest rates. The interest rates on 28-day Mexican government treasury securities averaged 7.2%, 7.2% and 7.7% for 2006, 2007 and 2008, respectively. High interest rates in Mexico could increase our financing costs and thereby impair our financial condition, results of operations and cash flow.

Political Events in Mexico Could Affect Mexican Economic Policy and Our Business, Financial Condition and Results of Operations

The Mexican economy is in a recession mainly due to the global economic crisis. This continuing weakness in the Mexican economy has slowed economic reform and progress.

The Mexican Congress is not controlled by any specific political party. Therefore, Felipe Calderón Hinojosa and his party, the *Partido Acción Nacional*, or the National Action Party, have faced opposition in Congress during the first two and a half years of Felipe Calderón's term.

Changes in laws, public policies and government programs may occur in the future. Such changes may have a material adverse effect on the Mexican economic and political situation, which in turn, may adversely affect our business, financial condition and results of operations.

National politicians are currently focused on federal and local elections to be held in early July 2009, in which new members will be elected to the *Cámara de Diputados*, or the Chamber of Representatives, local Congress of some states, and Governors of six states, among other offices. The new members of Congress will focus on important legal reforms, which have not been and may not be approved, including additional labor reforms. See Existing Mexican Laws and Regulations or Changes Thereto or the Imposition of New Ones May Negatively Affect Our Operations and Revenue. The effects on the social and political situation in Mexico could adversely affect the Mexican economy, including the stability of its currency, which in turn, could have a material adverse effect on our business, financial condition and results of operations, as well as market conditions and prices for our securities.

Mexican Antitrust Laws May Limit Our Ability to Expand Through Acquisitions or Joint Ventures

Mexico's *Ley Federal de Competencia Económica*, or Mexico's Federal Antitrust Law, and related regulations may affect some of our activities, including our ability to introduce new products and services, enter into new or complementary businesses or joint ventures and complete acquisitions. See Information on the Company Business Overview Investments Alvafig.

In addition, Mexico's Federal Antitrust Law and related regulations or conditions imposed by the *Comisión Federal de Competencia*, or Mexican Antitrust Commission, may adversely affect our ability to determine the rates we charge for our services and products or the manner in which we provide our products or services. Approval of the Mexican Antitrust Commission, is required for us to acquire certain businesses or enter into certain joint ventures. There can be no assurance that in the future the Mexican Antitrust Commission will authorize certain acquisitions or joint ventures related to our businesses, the denial of which may adversely affect our business strategy, financial condition and results of operations.

Existing Mexican Laws and Regulations or Changes Thereto or the Imposition of New Ones May Negatively Affect Our Operations and Revenue

Existing laws and regulations, including among others, tax laws, could be amended, the manner in which laws and regulations are enforced or interpreted could change, and new laws or regulations could be adopted. Such changes could materially adversely affect our operations and our revenue.

Certain amendments to the existing *Ley Federal de Radio y Televisión*, or Radio and Television Law, and the *Ley Federal de Telecomunicaciones*, or Telecommunications Law, have been enacted. In May 2006, several members of the Senate of the Mexican Federal Congress filed a complaint before the Supreme Court of Justice of Mexico, seeking a declaration that such amendments were unconstitutional and therefore null and void. This complaint was resolved by the Supreme Court of Justice on June 5, 2007, declaring several provisions of the amendments to the Radio and Television Law and to the Telecommunications Law unconstitutional and therefore null and void. Among the provisions declared as unconstitutional by the Supreme Court of Justice are the ones referred to in former Article 28 of the Radio and Television Law, pursuant to which holders of concessions had the ability to request authorization to provide additional telecommunications services within the same spectrum covered by a current concession without

having to participate in a public bid to offer such services pursuant to a concession and Article 16 of the Radio and Television Law, pursuant to which concessions were granted for a fixed term of 20 years having the possibility to renew such concessions by obtaining from the *Secretaría de Comunicaciones y Transportes*, or SCT, a certification of compliance with their obligations under the concession. As a result of the Supreme Court of Justice's ruling, once the transition to digital television and digital radio broadcasting is completed, if we want to provide additional telecommunications services within the same spectrum granted for digital television or digital radio broadcasting, respectively, we will have to follow the provisions of Article 24 of the Telecommunications Law to obtain the concession therefor. Also, there is uncertainty as to how radio and television concessions will be renewed in the future, since the Supreme Court of Justice's ruling has resulted in requiring the renewal of the concessions to be subject to a public bid process, with a right of preference over other participating bidders given to the incumbent concessionaire. Additionally, some members of the Mexican Federal Congress have expressed their intent to propose a new Radio and Television Law, which could affect, among other things, the framework for granting or renewing concessions.

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In 2007, the Mexican Federal Congress published an amendment to the Political Constitution of the United Mexican States, or Mexican Constitution, pursuant to which, among other things, the Federal Electoral Institute (*Instituto Federal Electoral*, or IFE) has, during certain periods, the exclusive right to manage and use the Official Television Broadcast Time and the Official Radio Broadcast Time (jointly referred to in this annual report as Official Broadcast Time). For a description of Official Television Broadcast Time and Official Radio Broadcast Time, see Information on the Company Business Overview Business Strategy Maintaining our Leading Position in the Mexican Television Market Advertising Sales Plan and Information on the Company Business Overview Other Businesses Radio Stations . The IFE has the exclusive right to use the Official Broadcast Time for its own purposes and for the use of political parties in Mexico (as provided in the Mexican Constitution) for self promotion and, when applicable, to promote their electoral campaigns during election day, pre-campaign and campaign periods (referred to in this annual report as the Constitutional Amendment).

The IFE and the political parties must comply with certain requirements included in the Constitutional Amendment for the use of Official Broadcast Time. During federal electoral periods, the IFE will be granted, per the Constitutional Amendment, 48 minutes per day in each radio station and television channel, to be used during pre-campaign periods in two and up to three minutes per broadcast hour in each radio station and television channel, of which all the political parties will be jointly entitled, to use one minute per broadcast hour. During campaign periods, at least 85% of the 48 minutes per day, shall be allocated among the political parties, and the remaining 15% may be used by the IFE for its own purposes. During non-electoral periods, the IFE will be assigned with up to 12% of the Official Broadcast Time, half of which shall be allocated among the political parties. In the event that local elections are held simultaneously with federal elections, the broadcast time granted to the IFE shall be used for the federal and the local elections. During any other local electoral periods, the allocation of broadcast time will be made pursuant to the criteria established by the Constitutional Amendment and as such criteria is reflected in applicable law.

In addition to the foregoing, pursuant to the Constitutional Amendment political parties are forbidden to purchase or acquire advertising time directly or through third parties, from radio or television stations; likewise, third parties shall not acquire advertising time from radio or television stations for the broadcasting of advertisements which may influence the electoral preferences of Mexican citizens, nor in favor or against political parties or candidates to offices elected by popular vote.

We believe we have been operating our business in compliance with the provisions of the Constitutional Amendment; however, we have filed legal actions contesting certain provisions of such Constitutional Amendment.

At this time we are unable to determine whether the Constitutional Amendment has had an impact on the results of our radio and television businesses and we are unable to predict, what impact, if any the Constitutional Amendment may have on our operating results in the future. We cannot predict the outcome of the legal actions brought by the Company against the Constitutional Amendment. A decrease in paid advertising of the nature described above could lead to a decrease in our television or radio revenues.

Article 15-A of the *Ley del Seguro Social*, Social Security Law, could materially adversely affect our financial condition and results of operations. Such Article 15-A, as will be amended once the amendments approved by the Mexican Congress are enacted, provides that a company that obtains third party personnel services from personnel services providers and which receive such personnel services in any of the company s premises is jointly bound to comply with the obligations related to social security that have to be fulfilled by such personnel services providers for the benefit of their respective employees. Such Article 15-A, as amended, will also establish the obligation that the Company sends a list to the *Instituto Mexicano del Seguro Social*, Social Security Mexican Institute, of all agreements entered into with personnel services providers.

Differences Between Mexican FRS and U.S. GAAP May Have an Impact on the Presentation of Our Financial Information

A principal objective of the securities laws of the United States, Mexico and other countries is to promote full and fair disclosure of all material corporate information. However, there may be less publicly available information about foreign issuers of securities listed in the United States than is regularly published by or about domestic issuers of listed securities. In addition, our financial statements are prepared in accordance with Mexican FRS, which differ from U.S. GAAP and accounting procedures adopted in other countries in a number of respects. Thus, financial statements and

reported earnings of Mexican companies may differ from those of companies in other countries with the same financial performance. We are required, however, to file an annual report on Form 20-F containing financial statements reconciled to U.S. GAAP. See Note 23 to our financial statements for a description of the principal differences between Mexican FRS and U.S. GAAP applicable to us. In addition, we do not publish U.S. GAAP information in our interim financial results.

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Risk Factors Related to Our Major Stockholders

Emilio Azcárraga Jean has Substantial Influence Over Our Management and the Interests of Mr. Azcárraga Jean may Differ from Those of Other Stockholders

We have four classes of common stock: A Shares, B Shares, D Shares, and L Shares. Until June 17, 2009, approximately 45.6% of the outstanding A Shares, 2.7% of the outstanding B Shares, 2.8% of the outstanding D Shares and 2.8% of the outstanding L Shares of our company were held through a trust, or the Stockholder Trust, including shares in the form of CPOs. On June 17, 2009, the Stockholder Trust was terminated and the shares and CPOs which were formerly held through such trust, were delivered to the corresponding beneficiaries. The largest beneficiary of the Stockholder Trust was a trust for the benefit of Emilio Azcárraga Jean. Such trust currently holds 44.2% of the outstanding A shares, 0.1% of the outstanding B shares, 0.1% of the outstanding D shares and 0.1% of the outstanding L shares of the Company. As a result, Emilio Azcárraga Jean controlled until June 17, 2009, the voting of the shares held through the Stockholder Trust, and currently controls the vote of such shares through the Azcárraga Trust. The A Shares held through the Azcárraga Trust constitute a majority of the A Shares whose holders are entitled to vote because non-Mexican holders of CPOs and GDSs are not permitted by law to vote the underlying A Shares. Accordingly, and so long as non-Mexicans own more than a minimal number of A Shares, Emilio Azcárraga Jean will have the ability to direct the election of 11 out of 20 members of our Board, as well as prevent certain actions by the stockholders, including the timing and payment of dividends, if he so chooses. See Major Stockholders and Related Party Transactions The Major Stockholders .

As Controlling Stockholder, Emilio Azcárraga Jean Will Have the Ability to Limit Our Ability to Raise Capital, Which Would Require Us to Seek Other Financing Arrangements

Emilio Azcárraga Jean has the voting power to prevent us from raising money through equity offerings. Mr. Azcárraga Jean has informed us that if we conduct a primary sale of our equity, he would consider exercising his pre-emptive rights to purchase a sufficient number of additional A Shares in order to maintain such power. In the event that Mr. Azcárraga Jean is unwilling to subscribe for additional shares and/or prevents us from raising money through equity offerings, we would need to raise money through a combination of debt or other forms of financing, which we may not obtain, or if so, possibly not on favorable terms.

Risk Factors Related to Our Business

The Operation of Our Business May Be Terminated or Interrupted if the Mexican Government Does Not Renew or Revokes Our Broadcast or Other Concessions

Under Mexican law, we need concessions from the SCT to broadcast our programming over our television and radio stations, cable and DTH satellite systems and to provide telephony services. In July 2004, in connection with the adoption of a release issued by the SCT for the transition to digital television, all of our television concessions were renewed until 2021. The expiration dates for the concessions for our radio stations range from 2015 to 2016 except for the concessions of 3 radio stations, which renewal applications were timely filed before the SCT but are still pending due to the Supreme Court's ruling on the amendments to the Radio and Television Law. (See Risk Factors Related to Mexico Existing Mexican Laws and Regulations or Changes Thereto or the Imposition of New Ones May Negatively Affect Our Operations and Revenue). We are unable to predict when we will obtain the renewal to such concessions. The expiration dates of our Cable and Telecommunications concessions range from 2013 to 2038 and our DTH concessions expire in 2020 and 2026. The expiration dates for the concessions for our telephone services range from 2018 to 2026. Cablevisión obtained a telecommunications concession, which expires in 2029, and its concession to transmit over-the-air UHF restricted television channel 46 expires in 2010 (the Channel 46 Concession). We have filed for a renewal of the Channel 46 Concession and such renewal is currently pending. We are unable to predict when we will obtain the renewal of such concession. In the past, the SCT has typically renewed the concessions of those concessionaires that comply with the requisite procedures set forth for renewal under Mexican law and on the respective concession title; however, in connection with our television and radio concessions, there is uncertainty as to how radio and television concessions will be renewed in the future, since the Supreme Court ruling has resulted in requiring the renewal of the concessions to be subject to a public bid process, with a right of preference over other participating bidders given to the incumbent concessionaire.

Under Mexican law, we need a permit, or Gaming Permit, from the *Secretaría de Gobernación*, or Mexican Ministry of the Interior, to operate our gaming business. The operation of our gaming business may be terminated or interrupted if the Mexican Government does not renew or revokes our Gaming Permit. The Gaming Permit was granted to us on May 25, 2005 and the expiration date is May 24, 2030. We are unable to predict if we will obtain a renewal of the Gaming Permit.

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See Risk Factors Related to Mexico Existing Mexican Laws and Regulations or Changes Thereto or the Imposition of New Ones May Negatively Affect Our Operations and Revenue .

We Face Competition in Each of Our Markets That We Expect Will Intensify

We face competition in all of our businesses, including television advertising and other media businesses, as well as our strategic investments and joint ventures. In particular, we face substantial competition from TV Azteca, S.A. de C.V., or TV Azteca. We expect increased competition from Univision Communications, Inc., or Univision, as a result of the divestiture of our equity interest in Univision and the termination of a certain participation agreement by and among Televisa, Univision, certain principals of Univision, and Venevision, or the Participation Agreement in connection with the acquisition of Univision by private equity investors. See Information on the Company Business Overview Television Television Industry in Mexico and Information on the Company Business Overview Television Television Broadcasting . In addition, the entertainment and communications industries in which we operate are changing rapidly because of evolving distribution technologies, including online and digital networks. Our principal competitors in the gaming industry are Corporación Interamericana de Entretenimiento, S.A.B. de C.V., or CIE, and Grupo Caliente S.A. de C.V., or Grupo Caliente.

The telecommunications industry in Mexico has become highly competitive and we face significant competition. Cable operators, who were already authorized to provide bidirectional data and internet broadband services and who have been recently authorized by the Mexican government to also provide voice services, including Voice over Internet Protocol, or VoIP services, pose a risk to us. As the cable operators telephony income may be seen as incremental revenue, the price reduction and the vast coverage may prevent us from growing.

On October 2, 2006, the Mexican federal government enacted a new set of regulations known as Convergence Regulations (*Acuerdo de Convergencia de Servicios Fijos de Telefonía Local y Televisión y/o Audio Restringidos que se Proporcionan a Través de Redes Públicas Alámbricas e Inalámbricas*). The Convergence Regulations allow certain concessionaires of telecommunications services to provide other services not included in their original concessions. Cable television providers may be allowed to provide internet and telephone services if certain requirements and conditions are met. In addition, telephone operators, such as Teléfonos de México, S.A.B. de C.V. or Telmex, may be allowed to provide cable television services if certain requirements and conditions are met. We believe that we may face significant competition from new entrants providing telephony services or cable television services, including cable television providers and telephone operators. See Information on the Company Business Overview Cable and Telecom .

In January 2007, the Mexican Federal Power Commission, or CFE (*Comisión Federal de Electricidad*), obtained a concession from the Mexican government, through the SCT, to lease and provide use of their power lines and infrastructure to telecommunications operators using a new technology model known as power line communications, or PLC, and broadband over power lines communications, or BPL. We believe that this action will result in a significant reduction in the lease prices for infrastructure, as the CFE owns approximately 21,000 kilometers of power lines that could be used to transmit voice, data and video. We are uncertain as to how the CFE authorization to render these services could affect us, as well as the overall telecommunications landscape in Mexico, as the CFE has not yet provided these services to telecommunications operators. We are expecting a public bid for a pair of dark fibers within CFE's fiber-optic infrastructure within the following months; both CFE and SCT have announced that they are working together in order to define the technical conditions, the basis and process of the public bid, as well as the type and scope of the corresponding agreement though there is no assurance that such public bid will be held. We expect that we and our competitors will participate in the bidding process, however there is no assurance that we will win such bid.

At the end of 2008, DISH, a new competitor in the DTH market, launched its services in Mexico. We are uncertain as to how DISH's entry into the DTH market could affect our DTH business.

At the beginning of 2009, TV Azteca began offering HiTV, a television service which consists of the transmission of digital television channels through the technology known as Digital Terrestrial Television (DTT) in Mexico City and its metropolitan area using the radioelectric spectrum in the mirror concessions granted to them pursuant to the release issued by the SCT for the transition to digital television. HiTV currently offers approximately 20 channels and charges for the decoder box, a fact which may constitute a pay television service. The SCT and the Mexican Federal

Telecommunications Commission, or Cofetel, are currently reviewing the legality of this service since the mirror concessions should be used to replicate the analog channel signals. We are uncertain as to how this service may affect our pay-TV business in the event it is considered legal. In addition, the decoder box that TV Azteca is utilizing to allow viewers to access their HiTV channels also allows the viewers access to the Company's digital over the air networks without the Company's permission.

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Our future success will be affected by these changes, which we cannot predict. Consolidation in the entertainment, telecommunications and broadcast industries could further intensify competitive pressures. As the pay television, or pay-TV, market in Mexico matures, we expect to face competition from an increasing number of sources, including emerging technologies that provide new services to pay-TV customers and require us to make significant capital expenditures in new technologies and exclusive content. Developments may limit our access to new distribution channels and exclusive content, may require us to make significant capital expenditures in order to have access to new digital and other distribution channels or may create additional competitive pressures on some or all of our businesses.

The Seasonal Nature of Our Business Affects Our Revenue and a Significant Reduction in Fourth Quarter Net Sales Could Impact Our Results of Operations

Our business reflects seasonal patterns of advertising expenditures, which is common in the television broadcast industry, as well as cyclical patterns in periodic events such as the World Cup, the Olympic Games and political elections. We typically recognize a disproportionately large percentage of our television broadcasting advertising net sales in the fourth quarter in connection with the holiday shopping season. For example, in 2006, 2007 and 2008 we recognized 29.4%, 31.9% and 31.3% respectively, of our net sales in the fourth quarter of the year. Accordingly, a significant reduction in fourth quarter advertising revenue could adversely affect our business, financial condition and results of operations.

Current Litigation We Are Engaged In With Univision May Affect Our Exploitation of Certain Internet Rights in the United States

In May 2005, Televisa, S.A. de C.V. (Televisa), a subsidiary of the Company, filed a complaint (which was subsequently amended) in the U.S. District Court for the Central District of California (the Court), alleging that Univision breached the Program License Agreement (the PLA), as amended, between Televisa Internacional, S.A. de C.V. and Univision, as well as the December 19, 2001 letter agreement between Televisa and Univision relating to soccer broadcast rights (the Soccer Agreement), among other claims (the District Court Action). Univision filed related answers as well as related counterclaims against Televisa and the Company.

In 2006, Televisa filed a separate lawsuit in the Los Angeles Superior Court, State of California seeking a judicial determination that on or after December 19, 2006, Televisa may transmit or permit others to transmit any television programming into the United States from Mexico by means of the Internet. That lawsuit was stayed based on the agreement of the parties to do so (the Televisa Internet Claim).

In October 2006, Univision added a new counterclaim in the District Court Action for a judicial declaration that on or after December 19, 2006, Televisa may not transmit or permit others to transmit any television programming into the United States by means of the Internet (the Univision Internet Counterclaim and jointly with the Televisa Internet Claim, the Internet Claim).

On April 7, 2008, Univision dismissed without prejudice its counterclaims against Televisa with the exception of its claim for recoupment of disputed royalty payments made to the Company under protest and the Univision Internet Counterclaim.

On April 22, 2008, the Court in the District Court Action conducted the final pre-trial conference during which the Court ordered that the trial of the Univision Internet Counterclaim be bifurcated and tried by the Court after the conclusion of the jury trial regarding Televisa's claims and Univision's recoupment counterclaim.

After several continuances, the trial in the District Court Action commenced on January 6, 2009.

On January 22, 2009, the Company and Univision announced an amendment to the PLA. In connection with this amendment, Televisa and Univision agreed to dismiss all claims in the District Court Action with the exception of the Univision Internet Counterclaim. The amended PLA, which runs through 2017, includes a simplified royalty calculation and is expected to result in increased payments to the Company. Notwithstanding the foregoing, the Company cannot predict whether future royalty payments will in fact increase. In addition, the Company recognized as income certain payments from Univision that had previously been recorded as customer deposits and advances.

The Univision Internet Counterclaim was tried in a non-jury trial before the Hon. Philip S. Gutierrez that commenced on June 9, 2009. A hearing for closing arguments before the Court is scheduled for July 8, 2009.

We cannot predict how the outcome of this trial will affect our business relationship with Univision with respect to Internet rights in the United States.

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Televisa Does Not Maintain Complete Control Over the Operations of Innova

We own a 58.7% interest in Innova, our DTH joint venture in Mexico. The balance of Innova's equity is indirectly owned by The DIRECTV Group, Inc., or DIRECTV (48% owned by Liberty) through its subsidiaries DTH (Mexico) Investment, LTD, DIRECTV Latin America Holdings, Inc., or DIRECTV Holdings, and DIRECTV Latin America LLC, or DTVLA. Although we hold a majority of Innova's equity, DIRECTV has significant governance rights, including the right to block any transaction between us and Innova. Accordingly, we do not have complete control over the operations of Innova. The credit agreements entered into by Corporación Novavisión, S. de R.L. de C.V., a subsidiary of Innova, in December 2007, contain covenants that restrict the ability of Innova to pay dividends and make investments and other restricted payments.

In connection with a letter agreement entered into in October 2004, we and DIRECTV Holdings entered into an agreement in February 2005 under which we acquired the right to buy additional interests in Innova from DIRECTV Holdings, which was consummated on April 27, 2006, resulting in us indirectly owning 58.7% of Innova and DIRECTV indirectly owning 41.3% of Innova. We paid approximately U.S.\$59 million for the additional equity stake in Innova. See Information on the Company Business Overview DTH Joint Ventures .

We Have Evaluated the Possibility of Potential Losses in Innova in Case of Business Interruption Due to the Loss of Transmission and Loss of the Use of Satellite Transponders, Which Would Adversely Affect Our Net Income

Media and telecom companies, including Innova, rely on satellite transmissions to conduct their day-to-day business. Any unforeseen and sudden loss of transmission or non-performance of the satellite for Innova can cause huge losses to Innova's business. The unforeseen loss of transmission may be caused due to the satellite's loss of the orbital slot or the reduction in the satellite's functional life.

The size of the business interruption impact for Innova in the case of a satellite loss exceeds the insurance we have acquired to cover this risk. In order to reduce the possibility of financial consequences resulting from an unforeseen loss of transmission, Innova has entered into an agreement to launch a backup satellite jointly with Sky Brasil Servicos Ltda., or Sky Brasil. We cannot predict the extent of losses to Innova in the case of current or new satellite loss or the effectiveness of any alternative strategy.

Risk Factors Related to Our Securities

Any Actions Stockholders May Wish to Bring Concerning Our Bylaws or the CPO Trust Must Be Brought in a Mexican Court

Our bylaws provide that you must bring any legal actions concerning our bylaws in courts located in Mexico City. The trust agreement governing the CPOs provides that you must bring any legal actions concerning the trust agreement in courts located in Mexico City. All parties to the trust agreement governing the CPOs, including the holders of CPOs, have agreed to submit these disputes only to Mexican courts.

Non-Mexicans May Not Hold A Shares, B Shares or D Shares Directly and Must Have Them Held in a Trust at All Times

Non-Mexicans may not directly own A Shares, B Shares or D Shares, but may hold them indirectly through a CPO trust, which will control the voting of the A Shares and B Shares. Under the terms of the CPO Trust, as of December 2008, a non-Mexican holder of CPOs or GDSs may instruct the CPO Trustee to request that we issue and deliver certificates representing each of the shares underlying its CPOs so that the CPO Trustee may sell, to a third party entitled to hold the shares, all of these shares and deliver to the holder any proceeds derived from the sale.

Non-Mexican Holders of Our Securities Forfeit Their Securities if They Invoke the Protection of Their Government

Pursuant to Mexican law, our bylaws provide that non-Mexican holders of CPOs and GDSs may not ask their government to interpose a claim against the Mexican government regarding their rights as stockholders. If non-Mexican holders of CPOs and GDSs violate this provision of our bylaws, they will automatically forfeit the A Shares, B Shares, L Shares and D Shares underlying their CPOs and GDSs to the Mexican government.

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Non-Mexican Holders of Our Securities Have Limited Voting Rights

Non-Mexican holders of GDSs are not entitled to vote the A Shares, B Shares and D Shares underlying their securities. The L Shares underlying GDSs, the only series of our Shares that can be voted by non-Mexican holders of GDSs, have limited voting rights. These limited voting rights include the right to elect two directors and limited rights to vote on extraordinary corporate actions, including the delisting of the L Shares and other actions which are adverse to the holders of the L Shares. For a brief description of the circumstances under which holders of L Shares are entitled to vote, see [Additional Information](#) [Bylaws](#) [Voting Rights](#) and [Stockholders Meetings](#).

Our Antitakeover Protections May Deter Potential Acquirors and May Depress Our Stock Price

Certain provisions of our bylaws could make it substantially more difficult for a third party to acquire control of us. These provisions in our bylaws may discourage certain types of transactions involving the acquisition of our securities. These provisions may also limit our stockholders' ability to approve transactions that may be in their best interests and discourage transactions in which our stockholders might otherwise receive a premium for their Shares over the then current market price, and could possibly adversely affect the trading volume in our equity securities. As a result, these provisions may adversely affect the market price of our securities. Holders of our securities who acquire Shares in violation of these provisions will not be able to vote, or receive dividends, distributions or other rights in respect of, these securities and would be obligated to pay us a penalty. For a description of these provisions, see [Additional Information](#) [Bylaws](#) [Antitakeover Protections](#).

GDS Holders May Face Disadvantages When Attempting to Exercise Voting Rights as Compared to Other Holders of Our Securities

In situations where we request that The Bank of New York Mellon, the depositary, ask holders for voting instructions, holders may instruct the depositary to exercise their voting rights, if any, pertaining to the deposited securities underlying their GDSs. The depositary will attempt, to the extent practical, to arrange to deliver voting materials to these holders. We cannot assure holders of GDSs that they will receive the voting materials in time to ensure that they can instruct the depositary how to vote the deposited securities underlying their GDSs, or that the depositary will be able to forward those instructions and the appropriate proxy request to the CPO Trustee in a timely manner. For stockholders' meetings, if the depositary does not receive voting instructions from holders of GDSs or does not forward such instructions and appropriate proxy request in a timely manner, if requested in writing from us, it will provide a proxy to a representative designated by us to exercise these voting rights. If no such written request is made by us, the depositary will not represent or vote, attempt to represent or vote any right that attaches to, or instruct the CPO Trustee to represent or vote, the shares underlying the CPOs in the relevant meeting and, as a result, the underlying shares will be voted in the manner described under [Additional Information](#) [Bylaws](#) [Voting Rights](#) and [Stockholders Meetings](#) [Holders of CPOs](#). For CPO Holders' meetings, if the depositary does not timely receive instructions from a Mexican or non-Mexican holder of GDSs as to the exercise of voting rights relating to the underlying CPOs in the relevant CPO holders' meeting, the depositary and the custodian will take such actions as are necessary to cause such CPOs to be counted for purposes of satisfying applicable quorum requirements and, unless we in our sole discretion have given prior written notice to the depositary and the custodian to the contrary, vote them in the same manner as the majority of the CPOs are voted at the relevant CPOs holders' meeting.

This means that holders of GDSs may not be able to exercise their right to vote and there may be nothing they can do if the deposited securities underlying their GDSs are not voted as they request.

The Interests of Our GDS Holders Will Be Diluted if We Issue New Shares and These Holders Are Unable to Exercise Preemptive Rights for Cash

Under Mexican law and our bylaws, our stockholders have preemptive rights. This means that in the event that we issue new Shares for cash, our stockholders will have a right to subscribe the number of Shares of the same series necessary to maintain their existing ownership percentage in that series. U.S. holders of our GDSs cannot exercise their preemptive rights unless we register any newly issued Shares under the Securities Act of 1933, as amended, or the Securities Act, or qualify for an exemption from registration. If U.S. holders of GDSs cannot exercise their preemptive rights, the interests of these holders will be diluted in the event that we issue new Shares for cash. We intend to evaluate at the time of any offering of preemptive rights the costs and potential liabilities associated with registering any additional Shares. We cannot assure you that we will register under the Securities Act any new Shares

that we issue for cash. In addition, although the Deposit Agreement provides that the depositary may, after consultation with us, sell preemptive rights in Mexico or elsewhere outside the U.S. and distribute the proceeds to holders of GDSs, under current Mexican law these sales are not possible. See Directors, Senior Management and Employees Long-Term Retention Plan and Additional Information Bylaws Preemptive Rights.

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The Protections Afforded to Minority Stockholders in Mexico Are Different From Those in the U.S.

In accordance with the *Ley del Mercado de Valores*, or the Mexican Securities Market Law, as amended, in December 2006 we amended our bylaws to increase the protections afforded to our minority stockholders in an effort to try to ensure that our corporate governance procedures are substantially similar to international standards. See

Additional Information Mexican Securities Market Law and Additional Information Bylaws Other Provisions Appraisal Rights and Other Minority Protections. Notwithstanding these amendments, under Mexican law, the protections afforded to minority stockholders are different from those in the U.S. In particular, the law concerning fiduciary duties of directors is not well developed, there is no procedure for class actions or stockholder derivative actions and there are different procedural requirements for bringing stockholder lawsuits. As a result, in practice, it may be more difficult for our minority stockholders to enforce their rights against us or our directors or major stockholders than it would be for stockholders of a U.S. company.

The Mexican Securities Market Law provides additional protection to minority stockholders, such as (i) providing stockholders of a public company representing 5% or more of the capital stock of the public company, an action for liability against the members and secretary of the Board and relevant management of the public company, and (ii) establishing additional responsibilities on the audit committee in all issues that have or may have an effect on minority stockholders and their interests in an issuer or its operations.

It May Be Difficult to Enforce Civil Liabilities Against Us or Our Directors, Executive Officers and Controlling Persons

We are organized under the laws of Mexico. Substantially all of our directors, executive officers and controlling persons reside outside the U.S., all or a significant portion of the assets of our directors, executive officers and controlling persons, and substantially all of our assets, are located outside of the U.S., and some of the parties named in this annual report also reside outside of the U.S. As a result, it may be difficult for you to effect service of process within the United States upon these persons or to enforce against them or us in U.S. courts judgments predicated upon the civil liability provisions of the federal securities laws of the U.S. We have been advised by our Mexican counsel, Mijares, Angoitia, Cortés y Fuentes, S.C., that there is doubt as to the enforceability, in original actions in Mexican courts, of liabilities predicated solely on U.S. federal securities laws and as to the enforceability in Mexican courts of judgments of U.S. courts obtained in actions predicated upon the civil liability provisions of U.S. federal securities laws.

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Forward-Looking Statements

This annual report and the documents incorporated by reference into this annual report contain forward-looking statements. We may from time to time make forward-looking statements in periodic reports to the Securities and Exchange Commission, or SEC, on Form 6-K, in annual report to stockholders, in prospectuses, press releases and other written materials and in oral statements made by our officers, directors or employees to analysts, institutional investors, representatives of the media and others. Examples of these forward-looking statements include, but are not limited to:

- projections of operating revenues, net income (loss), net income (loss) per CPO/share, capital expenditures, dividends, capital structure or other financial items or ratios;
- statements of our plans, objectives or goals, including those relating to anticipated trends, competition, regulation and rates;
- our current and future plans regarding our online and wireless content division, Televisa Interactive Media, or TIM;
- statements concerning our current and future plans regarding our investment in the Spanish television channel Gestora de Inversiones Audiovisuales La Sexta, S.A., or La Sexta;
- statements concerning our current and future plans regarding our gaming business;
- statements concerning our current and future plans regarding the fixed telephony service provided by Empresas Cablevisión, S.A.B. de C.V., or Cablevisión;
- statements concerning our transactions with and/or litigation involving Univision;
- statements concerning our series of transactions with DIRECTV, and News Corporation, or News Corp.;
- statements concerning our transactions with NBC Universal's Telemundo Communications Group, or Telemundo;
- statements concerning our plans to build and launch a new transponder satellite;
- statements about our acquisition of shares of companies owning the majority of the assets of Bestel and Cablemás;
- statements about our future economic performance or statements concerning general economic, political or social conditions in the United Mexican States, or Mexico, or other countries in which we operate or have investments; and
- statements or assumptions underlying these statements.

Words such as believe, anticipate, plan, expect, intend, target, estimate, project, predict, forecast, should and similar words and expressions are intended to identify forward-looking statements, but are not the exclusive means of identifying these statements.

Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in these forward-looking statements. These factors, some of which are discussed under Key Information Risk Factors, include economic and political conditions and government policies in Mexico or elsewhere, inflation rates, exchange rates, regulatory developments, customer demand and competition. We caution you that the foregoing list of factors is not exclusive and that other risks and uncertainties may cause actual results to differ materially from those in forward-looking statements. You should evaluate any statements made by us in light of these important factors.

Forward-looking statements speak only as of the date they are made, and we do not undertake any obligation to update them in light of new information, future developments or other factors.

Table of Contents**Item 4. Information on the Company****History and Development of the Company**

Grupo Televisa, S.A.B. is a *sociedad anónima bursátil*, or limited liability stock corporation, which was organized under the laws of Mexico in accordance with the *Ley General de Sociedades Mercantiles*, or Mexican Companies Law. Grupo Televisa was incorporated under Public Deed Number 30,200, dated December 19, 1990, granted before Notary Public Number 73 of Mexico City, and registered with the Public Registry of Commerce in Mexico City on Commercial Page (*folio mercantil*) Number 142,164. Pursuant to the terms of our *estatutos sociales*, or bylaws, our corporate existence continues through 2105. Our principal executive offices are located at Avenida Vasco de Quiroga, No. 2000, Colonia Santa Fe, 01210 México, D.F., México. Our telephone number at that address is (52) (55) 5261-2000.

Grupo Televisa, S.A.B., is the largest media company in the Spanish-speaking world and a major participant in the international entertainment business. We operate broadcast channels in Mexico and complement our network coverage through affiliated stations throughout the country. In 2008 our broadcast television channels had an average sign-on to sign-off audience share of 72.3%. We produce pay television channels with national and international feeds, which reach more than 21 million subscribers throughout Latin America, the United States, Canada, Europe and Asia Pacific. We export our programs and formats to television networks around the world. In 2008, we exported 64,803 hours of programming to approximately 60 countries.

We believe we are the most important Spanish-language magazine publisher in the world, as measured by circulation, with an annual circulation of approximately 174 million magazines publishing 189 titles in approximately 20 countries.

We own 58.7% of Sky, a DTH satellite television provider in Mexico, Central America and the Dominican Republic. We are also a shareholder in three Mexican cable companies, Cablevisión, Cablemás, S.A. de C.V., or Cablemás and Televisión Internacional, S.A. de C.V., or TVI. We own 58.3% of Cablemás through our 99.99% participation in the capital stock of Alvafig, S.A. de C.V., or Alvafig, which holds an equity interest in Cablemás.

We also own Esmas.com, one of the leading digital entertainment web portals in Latin America, a gaming business which includes bingo parlors, a 50% stake in a radio company that reaches 74% of the Mexican population, a feature film production and distribution company, soccer teams and a stadium in Mexico.

We also own an unconsolidated equity stake in La Sexta, a free-to-air television channel in Spain, and in Operadora de Centros de Espectáculos, S.A. de C.V., or OCESA, one of the leading live entertainment companies in Mexico.

Capital Expenditures

The table below sets forth our actual capital expenditures, investments and acquisitions for the years ended December 31, 2006, 2007 and 2008 and our projected capital expenditures for the year ended December 31, 2009. For a discussion of how we intend to fund our projected capital expenditures, investments and acquisitions for 2009, as well as a more detailed description of our capital expenditures, investments and acquisitions in prior years, see

Operating and Financial Review and Prospects Results of Operations Liquidity, Foreign Exchange and Capital Resources Liquidity and Operating and Financial Review and Prospects Results of Operations Liquidity, Foreign Exchange and Capital Resources Capital Expenditures, Acquisitions and Investments, Distributions and Other Sources of Liquidity.

	Year Ended December 31,(1)			
	2006 (Actual)	2007 (Actual)	2008 (Actual)	2009 (Forecast)
	(Millions of U.S. Dollars)			
Capital expenditures(2)	U.S. \$298.5	U.S. \$355.1	U.S. \$478.8	U.S. \$500.0
La Sexta(3)	132.4	89.9	63.4	57.8
Other acquisitions and investments(4)	437.7	416.2	137.0	
Total capital expenditures and investments	U.S. \$868.6	U.S. \$861.2	U.S. \$679.2	U.S. \$557.8

- (1) Amounts in respect of some of the capital expenditures, investments and acquisitions we made in 2006, 2007 and 2008 were paid for in Mexican Pesos. These Mexican Peso amounts were translated into U.S. Dollars at the Interbank Rate in effect on the dates on which a given capital expenditure, investment or acquisition was made. As a result, U.S. Dollar amounts presented in the table immediately above are not comparable to: (i) data regarding capital expenditures set forth in Key Information Selected Financial Data , which is presented in Mexican Pesos and, in the case of data presented in U.S. Dollars, is translated at a rate of Ps.13.84 to one U.S. Dollar, the Interbank Rate as of December 31, 2008, and (ii) certain data regarding capital expenditures set forth under Operating and Financial Review and Prospects Results of Operations Liquidity, Foreign Exchange and Capital Resources Capital Expenditures, Acquisitions and Investments, Distributions and Other Sources of Liquidity .

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- (2) Reflects capital expenditures for property, plant and equipment, as well as general capital expenditures, in all periods presented. Also includes U.S.\$75.9 million in 2006, U.S.\$78.7 million in 2007 and U.S.\$183.3 million in 2008 for the expansion and improvement of our cable business; U.S.\$91.2 million in 2006, U.S.\$122.3 million in 2007 and U.S.\$114.0 million in 2008 for the expansion and improvement of our Sky segment and U.S.\$22.5 million in 2006, U.S.\$41.4 million in 2007 and U.S.\$39.6 million in 2008 for our gaming business.
- (3) In 2006, 2007 and 2008 we made capital contributions related to our 40% interest in La Sexta in the amount of U.S.\$132.4 million (104.6 million), U.S.\$89.9 million (65.9 million) and U.S.\$63.4 million (44.4 million), respectively.
- (4) In the first quarter of 2006, we completed the acquisition of certain operating assets, consisting primarily of trademarks, intellectual property rights and other publishing assets owned by Editora Cinco, S.A., or Editora Cinco, a publishing company in Mexico and Latin America, for an aggregate amount of U.S.\$15.0 million. In the second quarter of 2006, we acquired part of the minority interest in Innova that was formerly owned by Liberty Media International, Inc., or Liberty Media, for an amount of U.S.\$58.7 million to increase the interest in our Sky business to 58.7%. In the fourth quarter of 2006, we invested U.S.\$258.0 million in long-term notes convertible into 99.99% of the equity of Alvafig, the holding company of a 49% interest in the voting stock of Cablemás, a significant cable operator in Mexico. In the second half of 2007, we acquired Editorial Atlántida, a leading publishing company in Argentina for an aggregate amount of U.S.\$78.8 million. In the fourth quarter of 2007, we acquired the majority of the assets of Bestel, a privately held, facilities-based telecommunications business in Mexico for an amount of U.S.\$256.0 million in cash plus an additional capital contribution of U.S.\$69.0 million. In 2008, we invested: U.S.\$100.0 million in an additional issuance of long-term notes of Alvafig, which proceeds were used by Alvafig to acquire shares representing approximately 11% of Cablemás aggregate capital stock; U.S.\$25.0 million in Spot Runner; and made additional capital contributions in Volaris, our 25% interest in a low-cost carrier airline in Mexico, in the amount of U.S.\$12.0 million.

In 2006, 2007 and 2008, we relied on a combination of operating revenues, borrowings and net proceeds from dispositions to fund our capital expenditures, acquisitions and investments. We expect to fund our capital expenditures in 2009, other than cash needs in connection with any potential investments and acquisitions, through a combination of cash from operations and cash on hand. We intend to finance our potential investments or acquisitions in 2009 through available cash from operations, cash on hand and/or borrowings. The amount of borrowings required to fund these cash needs in 2009 will depend upon the timing of cash payments from advertisers under our advertising sales plan.

Business Overview

Grupo Televisa, S.A.B., is the largest media company in the Spanish-speaking world and a major participant in the international entertainment business. We operate broadcast channels in Mexico and complement our network coverage through affiliated stations throughout the country. In 2008 our broadcast television channels had an average sign-on to sign-off audience share of 72.3%. We produce pay television channels with national and international feeds, which reach subscribers throughout Latin America, the United States, Canada, Europe and Asia Pacific. We export our programs and formats to television networks around the world. In 2008, we exported 64,803 hours of programming to approximately 60 countries.

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film production and distribution company, soccer teams and a stadium in Mexico.

We also own an unconsolidated equity stake in La Sexta, a free-to-air television channel in Spain, and in OCESA, one of the leading live entertainment companies in Mexico.

Table of Contents**Business Strategy**

We intend to leverage our position as the largest media company in the Spanish-speaking world to continue expanding our business while maintaining profitability and financial discipline. We intend to do so by maintaining our leading position in the Mexican television market, by continuing to produce high quality programming and by improving our sales and marketing efforts while maintaining high operating margins. We have been able to withstand the economic downturn as well as the depreciation of the Mexican Peso as a result, in part, of our cost cutting plan, which we put into effect in the last quarter of 2008. For more information on our cost cutting plan see Operating and Financial Review and Prospects.

By leveraging all our business segments and capitalizing on their synergies to extract maximum value from our content, we also intend to continue expanding our pay-TV networks business, increasing our international programming sales worldwide and strengthening our position in the growing U.S.-Hispanic market. We also intend to continue developing and expanding Sky, our DTH platform, strengthen our position in the cable and telecommunications industry, continue developing our publishing business and become an important player in the gaming industry.

We intend to continue to expand our business by developing new business initiatives and/or through business acquisitions and investments in Mexico, the United States and elsewhere.

Maintaining Our Leading Position in the Mexican Television Market

Continuing to Produce High Quality Programming. We aim to continue producing the type of high quality television programming that has propelled many of our programs to the top of the national ratings and audience share in Mexico. In 2007 and 2008, our networks aired 73% and 69%, respectively, of the 200 most-watched television programs in Mexico, according to IBOPE Mexico. We have launched a number of initiatives in creative development, program scheduling and on-air promotion. These initiatives include improved production of our highly rated telenovelas, new comedy and game show formats and the development of reality shows and new series. We have improved our scheduling to be better aligned with viewer habits by demographic segment while improving viewer retention through more dynamic on-air graphics and pacing. We have enhanced tune-in promotion both in terms of creative content and strategic placement. In addition, we plan to continue expanding and leveraging our exclusive Spanish-language video library, exclusive rights to soccer games and other events, as well as cultural, musical and show business productions. In April 2008, we began broadcasting more than 1,000 hours per year of Telemundo's original programming on Channel 9. We currently and through December 2011, pay Telemundo a fixed license fee for the broadcast of Telemundo's programming on our Channel 9 Network. Beginning January 2012, we will pay Telemundo a license fee based on a percentage of all revenues generated from sales related to Telemundo programming. In addition, later this year we will distribute, via Sky and Cablevisión, a new pay television channel in Mexico produced by Telemundo principally featuring Telemundo branded content. See Television Programming Foreign-Produced Programming. As a result of the strategic alliance agreement entered into with NBC Universal's Telemundo, we distribute Telemundo content in Mexico on an exclusive basis across multiple platforms including broadcast television, pay television and our emerging digital platforms. In October 2008, we entered into license agreements to distribute Telemundo's original content through digital and wireless platforms in Mexico. As part of the agreements, Telemundo provides Televisa Telemundo's original content, including its highly popular telenovelas currently broadcast on Televisa's Channel 9, on all of Televisa's digital platforms including: esmas.com, the leading entertainment portal in Mexico; Tvolucion.com, our online video on demand streaming service; and EsmasTv.com, our as aired online television service. Moreover, Televisa also offers mobile wall papers, ring tones and text messaging services based on Telemundo branded content to mobile phone subscribers in Mexico through Televisa's mobile business unit Esmas Movil, the leading mobile premium content provider in Mexico. The agreements complement and are part of the strategic alliance to distribute Telemundo's original content in Mexico across multiple platforms, including, broadcast TV, PayTV and emerging digital platforms.

Improving Our Sales and Marketing Efforts. Over the past few years we have improved our television broadcasting advertising sales strategy by: (i) introducing a cost per rating point basis pricing system; (ii) implementing differentiated pricing by quarter, by channel and by time of day; (iii) reorganizing our sales force into teams focusing on each of our divisions; (iv) emphasizing a compensation policy for salespeople that is performance-based, with

variable commissions tied to year-end results for a larger portion of total compensation; and (v) continuing to provide our customers with increased opportunities for product integration.

Maintaining High Operating Segment Income Margins. Our television broadcasting operating segment income margin for 2007 and 2008 was 49.6% and 48.9%, respectively. We intend to continue maintaining high television broadcasting operating segment income margins by increasing revenues and controlling costs and expenses.

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Advertising Sales Plan. Our sales force is organized into separate teams, each of which focuses on a particular segment of our business. We sell commercial time in two ways: upfront and scatter basis. Advertisers that elect the upfront option lock in prices for the upcoming year, regardless of future price changes. Advertisers that choose the upfront option make annual prepayments, with cash or short-term notes, and are charged the lowest rates for their commercial time, given the highest priority in schedule placement, and given a first option in advertising during special programs. Scatter advertisers, or advertisers who choose not to make upfront payments but rather advertise from time to time, risk both higher prices and lack of access to choice commercial time slots. We sell advertising to our customers on a cost per rating point basis. For a description of our advertising sales plan, see *Operating and Financial Review and Prospects Results of Operations Total Segment Results Advertising Rates and Sales* . We currently sell only a portion of our available television advertising time. We use a portion of our television advertising time to satisfy our legal obligation to the Mexican government to provide up to 18 minutes per day of our broadcast time between 6:00 a.m. and midnight for public service announcements and 30 minutes per day for public programming (referred to in this annual report as Official Television Broadcast Time), and our remaining available television advertising time to promote, among other things, our television products. We sold approximately 63%, 59% and 62% of total available national advertising time on our networks during prime time broadcasts in 2006, 2007 and 2008, respectively, and approximately 52%, 50% and 49% of total available national advertising time during all time periods in 2006, 2007 and 2008, respectively. See *Operating and Financial Review and Prospects Results of Operations Total Segment Results Television Broadcasting* .

Continue Building Our Pay Television Platforms

DTH. We believe that Ku-band DTH satellite services offer an enhanced opportunity for expansion of pay television services into cable households seeking to upgrade reception of our broadcasting and in areas not currently serviced by operators of cable or multi-channel, multi-point distribution services. We own a 58.7% interest in Innova, or Sky, our joint venture with DIRECTV. Innova is a DTH company with services in Mexico, Central America and the Dominican Republic with approximately 1.76 million subscribers, of which 128,900 were commercial subscribers as of December 31, 2008.

In December 2007, Innova and Sky Brasil Servicos Ltda., or Sky Brasil, reached an agreement with Intelsat Corporation and Intelsat LLC, to build and launch a new 24-transponder satellite, IS-16, for which service will be dedicated to Sky and Sky Brasil over the satellite's estimated 15-year life. The satellite will provide back up for both platforms, and will also double Sky's current capacity. Innova plans to use this extra capacity for High Definition, or HD, and other value-added services. The satellite will be manufactured by Orbital Sciences Corporation and is expected to launch in the first semester of 2010. For a description of our satellites, see *Property, Plant and Equipment Satellites* .

The key components of our DTH strategy include:

- offering high quality programming, including rights to our four over-the-air broadcast channels, exclusive broadcasts of sporting events, such as selected matches of the Mexican Soccer League and the Spanish Soccer League, including La Liga and La Copa del Rey, the NFL Sunday Ticket, NBA Pass, MLB Extra Innings, the NHL and the Golf Channel;
- capitalizing on our relationship with DIRECTV and local operators in terms of technology, distribution networks, infrastructure and cross-promotional opportunities;
- capitalizing on the low penetration of pay-TV services in Mexico;
- expanding our DTH services in Central America and the Caribbean;
- providing superior digital Ku-band DTH satellite services and emphasizing customer service quality; and
- continuing to leverage our strengths and capabilities to develop new business opportunities and expand through acquisitions.

Pay Television Networks. Through our 14 pay-TV brands and 31 national and international feeds, we reached more than 21 million subscribers throughout Latin America, the United States, Canada, Europe and Asia Pacific in 2008. Our pay-TV channels include three music, four movie, and seven variety and entertainment channels. Through TuTV, our joint venture with Univision, we distribute five pay-TV channels within the United States. These channels, whose content includes film, music and lifestyle programming, reached more than 1.8 million households in 2008.

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Cable. We are a shareholder in three Mexican cable companies, Cablevisión, Cablemás and TVI. With a subscriber base of over 590,690 cable television subscribers (all of which were digital subscribers), as of December 31, 2008 and over 1.7 million homes passed as of December 31, 2008, Cablevisión, the Mexico City cable system in which we own a 51% interest, is one of the most important cable television operators in Mexico. Cablevisión's strategy aims to increase its subscriber base, average monthly revenues per subscriber and penetration rate by:

- continuing to offer high quality programming;
- continuing to upgrade its existing cable network into a broadband bidirectional network;
- maintaining its 100% digital service in order to stimulate new subscriptions, substantially reduce piracy and offer new value-added services;
- increasing the penetration of its high-speed and bidirectional internet access and other multimedia services as well as providing a platform to offer internet protocol, or IP, and telephony services;
- continuing the roll out of digital set-top boxes and the roll out, which began in the third quarter of 2005, of advanced digital set-top boxes which allow the transmission of high definition programming and recording capability; and
- continuing to leverage our strengths and capabilities to develop new business opportunities and expand through acquisitions.

Cablevisión has introduced a variety of new multimedia communications services over the past few years, such as interactive television and other enhanced program services, including high-speed internet access through cable modem as well as IP telephony. As of December 31, 2008, Cablevisión had 199,731 cable modem customers compared to 145,973 at December 31, 2007. The growth we have experienced in Cablevisión has been driven primarily by the conversion of our system from analog to digital format. Accordingly, Cablevisión has concluded its plan to switch its analog subscriber base to the digital service. In addition, Cablevisión introduced video on demand, or VOD, services and, in May 2007 received governmental approval to introduce telephony services. On July 2, 2007, Cablevisión began to offer IP telephony services in certain areas of Mexico City and as of December 31, 2008, it had 54,068 IP telephone lines in service. As of December 31, 2008, Cablevisión has offered the service in every area in which its network is bidirectional.

As of May 2009, we owned 58.3% of the capital stock and 49% of the voting stock of Cablemás. Cablemás operates in 49 cities. As of December 31, 2008, the Cablemás cable network served more than 851,172 cable television subscribers, 242,708 high-speed internet subscribers and 76,112 IP-telephony lines, with approximately 2,512,570 homes passed. On August 8, 2007, the Mexican Antitrust Commission authorized, subject to compliance with certain conditions, the conversion of our long-term notes into 99.99% of the equity of Alvafig, and on December 11, 2007, after we appealed the first decision of the Mexican Antitrust Commission, the conversion of our long-term convertible notes into 99.99% of the equity of Alvafig was authorized subject to compliance with certain new conditions. The initial two conditions that have already been met, and that going forward must be complied with on a continuous basis, were to make available, subject to certain conditions, our over the air channels to pay-TV operators on non-discriminatory terms (must offer) and that our pay-TV platforms carry upon request and subject to certain conditions, over the air channels operating in the same geographic zones where such pay-TV platforms provide their services (must carry). There are other conditions that have been met and that have to be met, which we are complying with on a timely basis, including the termination of the Stockholder Trust which took place on June 17, 2009.

In March 2006, our subsidiary, Corporativo Vasco de Quiroga, S.A. de C.V. or CVQ, acquired a 50% interest in TVI. TVI is a telecommunications company offering pay television, data and voice services in the metropolitan area of Monterrey and other areas in northern Mexico. As of December 31, 2008, TVI had 1,232,260 homes passed, served more than 226,400 cable television subscribers, 88,049 high-speed internet subscribers and 34,734 telephone lines. CVQ notified the Mexican Antitrust Commission of its intent to acquire a 50% interest in TVI, and after appealing the decision of such authority at the first stage of the process on February 23, 2007, the Mexican Antitrust Commission authorized the intended acquisition, subject to compliance with certain conditions. We believe that as of this date, CVQ has complied on a regular basis with all of such conditions. See Key Information Risk Factors Risk Factors Related to Mexico Mexican Antitrust Laws May Limit Our Ability to Expand Through Acquisitions or Joint Ventures .

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Expanding Our Publishing Business

With a total annual circulation of approximately 174 million magazines during 2008, we believe our subsidiary, Editorial Televisa, S.A. de C.V., or Editorial Televisa, is the most important Spanish-speaking publishing company in the world in number of magazines distributed. Editorial Televisa publishes 189 titles, some of which have different editions for each different market. Among the 189 titles, 115 are wholly-owned and produced in-house and the remaining 74 titles are licensed from world-renowned publishing houses, including the Spanish-language editions of some of the most prestigious brands in the world. Editorial Televisa distributes its titles to approximately 20 countries, including Mexico, the United States and countries throughout Latin America. We believe that Editorial Televisa leads at least 18 of the 20 markets in which we compete in terms of readership.

In the second half of 2007, we acquired Editorial Atlántida, a leading publishing company in Argentina, for approximately U.S.\$78.8 million. Editorial Atlántida publishes a total of 11 magazines and operates a book publishing business, interactive websites, and numerous brand-extension projects.

During 2008, we launched three new titles, *Gente y la Actualidad*, a lifestyle and celebrity magazine which is wholly-owned and *Esquire*, a men's lifestyle magazine, and *Patito Feo*, a telenovela-themed magazine, which are licensed from third parties.

Increasing Our International Programming Sales Worldwide and Strengthening Our Position in the Growing U.S.-Hispanic Market

We license our programs to television broadcasters and pay-TV providers in the United States, Latin America, Asia, Europe and Africa. Excluding the United States, in 2008, we licensed 64,803 hours of programming in approximately 60 countries throughout the world. We intend to continue exploring ways of expanding our international programming sales.

In November 2005, the government of Spain granted a concession for a nationwide free-to-air analog television channel and two nationwide free-to-air digital television channels to La Sexta, a consortium that includes Televisa, which holds a 40% equity interest therein; Grupo Arbol and the Mediapro Group, which control a 51% equity interest, indirectly, through their interest in GAMP Audiovisual, S.A., or GAMP; and as of November 2006, Gala Capital Market, S.L. or Gala, which holds a 9% equity interest which it acquired from GAMP. La Sexta began broadcasting on March 27, 2006. Through our investment in La Sexta, we believe we are able to capitalize on the size of Spain's advertising market, as well as the potential synergies between the country's entertainment market and our current markets. For a description of our arrangements with La Sexta, see [Investments - La Sexta](#).

The U.S.-Hispanic population, estimated to be 46.9 million, or approximately 15.1% of the U.S. population according to U.S. Census estimates published May 14, 2009, is currently one of the fastest growing segments in the U.S. population, with the growth among Hispanics responsible for half of the U.S. population gains between 2000 and 2008. The U.S. Census Bureau projects that the Hispanic population will be approximately 21% of the U.S. population by the year 2025. Hispanics are expected to account for U.S.\$1.0 trillion of U.S. consumer spending, or 9.7% of the U.S. total disposable income, by 2010, outpacing the expected growth in total U.S. consumer expenditures.

We intend to leverage our unique and exclusive content, media assets and long-term associations with others to benefit from the growing demand for entertainment among the U.S.-Hispanic population.

We supply television programming for the U.S.-Hispanic market through Univision, the leading Spanish-language media company in the United States. During 2008, Televisa provided 39.3% of Univision Network's non-repeat broadcast hours and 19.5% of TeleFutura Network's non-repeat broadcast hours. In exchange for this programming, during 2006, 2007 and 2008, Univision paid Televisa U.S.\$126.9 million, U.S.\$138.0 million and U.S.\$146.5 million, respectively, in royalties. For a description of our arrangements with Univision, see [Univision](#).

In March 2007, at the closing of the acquisition of Univision, all of Televisa's shares and warrants in Univision were cancelled and converted into cash in an aggregate amount of U.S.\$1,094.4 million. As a result of such conversion, we no longer hold an equity interest in Univision. We are also no longer bound by the provisions of the Participation Agreement, except in the case that we enter into certain transactions involving direct broadcast satellite or DTH satellite to the U.S. market. The Participation Agreement had formerly restricted our ability to enter into certain transactions involving Spanish-language television broadcasting and a Spanish-language television network in the

U.S. without first offering Univision the opportunity to acquire a 50% economic interest. Subject to certain restrictions which may continue to bind Televisa by reason of the PLA, and other limited exceptions, we can now engage in certain business opportunities in the growing U.S. Hispanic marketplace relating to programming or otherwise without offering Univision participation in such opportunities. See Univision .

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We maintain a joint venture, TuTv, with Univision through which we operate and distribute a suite of Spanish-language television channels for digital cable and satellite delivery in the United States. In May 2003, TuTv entered into a five-year distribution agreement with DISH Network Corporation, formerly EchoStar Communications Corporation, the third largest provider of Latino pay-TV programming in the U.S., for three of the five existing channels. In October 2008, TuTv extended this agreement through December 2012, and in relation to the extension launched the Mexican regional music network Bandamax as well as one more channel for a total of four. TuTv currently distributes five cable channels, including two movie channels and three channels featuring music videos, celebrity lifestyle and interviews and entertainment news programming. In 2008, channels distributed by TuTv reached approximately 1.8 million subscribers through EchoStar Communications Corporation, DIRECTV Puerto Rico, Cox, Time Warner and other smaller systems. See "Univision".

Developing New Businesses and Expanding through Acquisitions

We plan to continue leveraging our strengths and capabilities to develop new business opportunities and expand through acquisitions and investments in Mexico, the United States and elsewhere. Any such acquisition or investment, which could be funded using cash on hand, our equity securities and/or the issuance of debt securities, could be substantial in size.

In 2006, we launched our gaming business which consists of bingo and sports books halls, and a national lottery. As of March 31, 2009, we had opened 23 bingo and sports books halls, under the brand name Play City. We plan to continue opening bingo and sports books halls over the course of the next four years, to result in a total of 65. In addition, during 2007 we launched Multijuegos, an online lottery with access to a nationwide network of approximately 5,000 electronic terminals. The bingo and sports books halls and Multijuegos are operated under the Gaming Permit obtained from the Mexican Ministry of the Interior, to establish, among other things, up to 65 bingo and sports books halls and number draws throughout Mexico. In the first quarter of 2009, we negotiated an orderly termination of the existing contract with Scientific Games, our technology partner for the operations of our online lottery business, and started negotiating new agreements by which Multijuegos will obtain from Scientific Games a license for the lottery software and all the electronic terminals, communications equipment and hardware of the lottery system to operate directly the same. We expect to enter into such new agreements during 2009.

In November 2006, we invested U.S.\$258.0 million in long-term notes, convertible, at our option and subject to regulatory approval, into 99.99% of the equity of Alvafig, the holding company of a 49% interest in the voting stock of Cablemás. In February 2008, we invested U.S.\$100.0 million in an additional issuance of long-term notes convertible into 99.99% of the equity of Alvafig, which proceeds were used by Alvafig to increase its interest in Cablemás. On May 16, 2008, we converted all of the convertible long-term notes into 99.99% of the capital stock of Alvafig. On February 20, 2009, Alvafig subscribed and paid 28,052,881 limited voting shares of Cablemás, for a consideration of Ps.557,200,000. With this capital increase, Alvafig reached its current ownership stock in Cablemás of 58.3%.

In December 2007, our indirect majority-owned subsidiary, Cablestar, S.A. de C.V., or Cablestar, completed the acquisition of shares of companies owning the majority of the assets of Bestel, a privately held, facilities-based telecommunications company in Mexico, for U.S.\$256.0 million in cash plus an additional capital contribution of U.S.\$69.0 million. In connection with the financing of the acquisition of the majority of the assets of Bestel, Cablevisión, Cablemás and TVI, which hold 69.2%, 15.4% and 15.4% of the equity stock of Cablestar, respectively, each entered into five year term loan facilities for U.S.\$225.0 million, U.S.\$50.0 million and U.S.\$50.0 million, respectively. Bestel focuses on providing data and long-distance services solutions to carriers and other telecommunications service providers in both Mexico and the United States. Bestel owns a fiber-optic network of approximately 8,000 kilometers that covers several important cities and economic regions in Mexico and has direct crossing of its network into Dallas, Texas and San Diego, California in the United States. This enables the company to provide connectivity between the United States and Mexico.

We expect that in the future we may identify and evaluate opportunities for strategic acquisitions of complementary businesses, technologies or companies. We may also consider joint ventures and other collaborative projects and investments.

Television

Television Industry in Mexico

General. There are ten television stations operating in Mexico City and approximately 458 other television stations elsewhere in Mexico. Most of the stations outside of Mexico City retransmit programming originating from the Mexico City stations. We own and operate four of the ten television stations in Mexico City, Channels 2, 4, 5 and 9. These stations are affiliated with 220 repeater stations and 33 local stations outside of Mexico City. See *Television Broadcasting* . We also own an English-language television station in Mexico on the California border. Our major competitor, TV Azteca, owns and operates Channels 7 and 13 in Mexico City, which we believe are affiliated with 85 and 93 stations, respectively, outside of Mexico City. Televisora del Valle de Mexico, S.A. de C.V., or Televisora del Valle de México, owns the concession for CNI Channel 40, a UHF channel that broadcasts throughout the Mexico City metropolitan area. The Mexican government currently operates two stations in Mexico City, Channel 11, which has 9 repeater stations, and Channel 22. There are also 20 independent stations outside of Mexico City which are unaffiliated with any other stations. See *Television Broadcasting* .

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We estimate that approximately 22.9 million Mexican households have television sets, representing approximately 90.9% of the total households in Mexico as of December 31, 2008. We believe that approximately 97.6% of all households in Mexico City and the surrounding area have television sets.

Ratings and Audience Share. All television ratings and audience share information included in this annual report relate to data supplied by IBOPE Mexico, a privately owned market research firm based in Mexico City. IBOPE Mexico is one of the 15 global branch offices of IBOPE. IBOPE Mexico conducts operations in Mexico City, Guadalajara, Monterrey and 25 other Mexican cities with a population over 500,000, and the survey data provided in this annual report covers data collected from national surveys. IBOPE Mexico reports that its television surveys have a margin of error of plus or minus 5%.

As used in this annual report, *audience share* for a period means the number of television sets tuned into a particular program as a percentage of the number of households watching over-the-air television during that period without regard to the number of viewers. *Rating* for a period refers to the number of television sets tuned into a particular program as a percentage of the total number of all television households. *Average audience share* for a period refers to the average daily audience share during that period, and *average rating* for a period refers to the average daily rating during that period with each rating point representing one percent of all television households. *Prime time* is 4:00 p.m. to 11:00 p.m., seven days a week, *weekday prime time* is 7:00 p.m. to 11:00 p.m., Monday through Friday, and *sign-on to sign-off* is 6:00 a.m. to midnight, seven days a week. The average ratings and average audience share for our television networks and local affiliates and programs relate to conventional over-the-air television stations only; cable services, multi-channel, multi-point distribution system and DTH satellite services, videocassettes and video games are excluded.

Programming

Programming We Produce. We produce a significant part of the Spanish-language television programming in the world. In 2006, 2007 and 2008, we produced approximately 64,700 hours, 68,800 hours and 72,900 hours, respectively, of programming for broadcast on our network stations and through our cable operations and DTH satellite joint ventures, including programming produced by our local stations.

We produce a variety of programs, including telenovelas, newscasts, situation comedies, game shows, reality shows, children's programs, comedy and variety programs, musical and cultural events, movies and educational programming. Our telenovelas are broadcast either dubbed or subtitled in a variety of languages throughout the world.

Our programming also includes broadcasts of special events and sports events in Mexico promoted by us and others. Among the sports events that we broadcast are soccer games and professional wrestling matches. See *Other Businesses Sports and Show Business Promotions*. In 2006, we broadcast the 2006 FIFA World Cup. In 2007, we broadcast the 2007 FIFA under-20 World Cup, certain matches of the CONCACAF Gold Cup, and the Copa America. In 2008, we broadcast the 2008 Olympic Games held in Beijing, China, and the 2008 FIFA Beach Soccer World Cup. Our programming is produced primarily at our 29 studios in Mexico City. We also operate 18 fully equipped remote control units. Some of our local television stations also produce their own programming. These local stations operate 42 studios and 36 fully equipped remote control units. See *Television Broadcasting Local Affiliates*.

Foreign-Produced Programming. We license and broadcast television programs produced by third parties outside Mexico. Most of this foreign programming is from the United States and includes television series, movies and sports events, including coverage of Major League Baseball games and National Football League games. Foreign-produced programming represented approximately 40%, 49% and 45% of the programming broadcast on our four television networks in 2006, 2007 and 2008, respectively. A substantial majority of the foreign-produced programming aired on our networks was dubbed into Spanish and was aired on Channels 4 and 5, with the remainder aired on Channel 9.

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Talent Promotion. We operate Centro de Educación Artística, a school in Mexico City to develop and train actors and technicians. We provide instruction free of charge, and a substantial number of the actors appearing on our programs have attended the school. We also promote writers and directors through a writers school as well as various contests and scholarships.

Television Broadcasting

We operate four television networks that can be viewed throughout Mexico on our affiliated television stations through Channels 2, 4, 5 and 9 in Mexico City. The following table indicates the total number of operating television stations in Mexico affiliated with each of our four networks, as well as the total number of local affiliates, as of December 31, 2008.

	Wholly Owned Mexico City Anchor Stations	Wholly Owned Affiliates	Majority Owned Affiliates	Minority Owned Affiliates	Independent Affiliates	Total Stations
Channel 2	1	123	2		1	127
Channel 4	1					1
Channel 5	1	62			4	67
Channel 9	1	14			14	29
Subtotal	4	199	2		19	224
Border Stations		1				1
Local (Stations) Affiliates		18		1	14	33
Total	4	218	2	1	33	258

The programs shown on our networks are among the most watched television programs in Mexico. Based on IBOPE Mexico surveys during 2006, 2007 and 2008, our networks aired 168, 146 and 137, respectively, of the 200 most watched television programs throughout Mexico and produced 22, 16 and 17, respectively, of the 25 most watched television programs in Mexico. Most of the remaining top 25 programs in those periods were soccer games and special feature films that were aired on our networks.

The following charts compare the average audience share and average ratings during prime time hours, weekday prime time hours and from sign-on to sign-off hours, of our television networks as measured by the national audience, from January 2006 through December 2008, shown on a bimonthly basis.

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**Average Audience Share
January 2006 December 2008(1)**

(1) Source: IBOPE Mexico national surveys.

**Average Ratings
January 2006 December 2008(1)**

(1) Source: IBOPE Mexico national surveys.

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Channel 2 Network. Channel 2, which is known as *El Canal de las Estrellas*, or *The Channel of the Stars*, together with its affiliated stations, is the leading television network in Mexico and the leading Spanish-language television network in the world, as measured by the size of the audience capable of receiving its signal. Channel 2's programming is broadcast 24 hours a day, seven days a week, on 127 television stations located throughout Mexico. The affiliate stations generally retransmit the programming and advertising transmitted to them by Channel 2 without interruption. Such stations are referred to as *repeater stations*. We estimate that the Channel 2 Network reaches approximately 22.5 million households, representing 98.4% of the households with television sets in Mexico. The Channel 2 Network accounted for a majority of our national television advertising sales in each of 2006, 2007 and 2008.

According to the *Política Nacional para la Introducción de los Servicios de Televisión Digital Terrestre* or the National Policy for the Introduction of Terrestrial Digital Television Services in Mexico dictated by the SCT, in May 2005, Mexico City's Channel 2 obtained a license to transmit DTV services on Channel 48 as its second channel throughout the transition period from analog to digital television, which is estimated to end by the year 2021. Also, six repeaters of the Channel 2 Network located in Guadalajara, Monterrey, and four cities along the border with the United States of America have obtained similar licenses. Since December 2005, these DTV stations have been in place and fully operational.

The following table shows the average audience share of the Channel 2 Network during prime time hours, weekday prime time hours and sign-on to sign-off hours for the periods indicated:

	Year Ended December 31,		
	2006(1)	2007(1)	2008(1)
Prime time hours	32.8%	29.9%	34.1%
Weekday prime time hours	37.3%	33.6%	38.3%
Sign-on to sign-off hours	31.8%	29.7%	32.1%

(1) Source: IBOPE Mexico national surveys.

The Channel 2 Network targets the average Spanish-speaking family as its audience. Its programs include soap operas (telenovelas), news, entertainment, comedy and variety programs, movies, game shows, reality shows and sports. The telenovelas make up the bulk of the prime time lineup and consist of romantic dramas that unfold over the course of 120 to 200 half-hour episodes. Substantially all of Channel 2's programming is aired on a first-run basis and virtually all of it, other than Spanish-language movies, is produced by us.

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Channel 5 Network. In addition to its anchor station, Channel 5 is affiliated with 66 repeater stations located throughout Mexico. We estimate that the Channel 5 Network reaches approximately 21 million households, representing approximately 91.8% of households with television sets in Mexico. We believe that Channel 5 offers the best option to reach the 18-34 year old demographic, and we have extended its reach into this key group by offering new content.

According to the *Política Nacional para la Introducción de los Servicios de Televisión Digital Terrestre* or the National Policy for the Introduction of Terrestrial Digital Television Services in Mexico dictated by the SCT, in September 2005, Mexico City's Channel 5 obtained a license to transmit DTV services in Channel 50 as its second channel during the transition period estimated to end by the year 2021. Also, two repeaters of the Channel 5 Network had obtained a similar license. Since December 2005, these DTV stations have been in place and fully operational.

The following table shows the average audience share of the Channel 5 Network during prime time hours, weekday prime time hours and sign-on to sign-off hours during the periods indicated:

	Year Ended December 31,		
	2006(1)	2007(1)	2008(1)
Prime time hours	16.9%	18.7%	18.1%
Weekday prime time hours	14.9%	16.6%	16.1%
Sign-on to sign-off hours	19.1%	20.6%	19.6%

(1) Source: IBOPE Mexico national surveys.

We believe that Channel 5 has positioned itself as the most innovative television channel in Mexico with a combination of reality shows, sitcoms, dramas, movies, cartoons and other children's programming. The majority of Channel 5's programs are produced outside of Mexico, primarily in the United States. Most of these programs are produced in English. In 2008, we aired 32 of the 50 top-rated movies.

Channel 4 Network. Channel 4 broadcasts in the Mexico City metropolitan area and, according to our estimates, reaches over 5.2 million households, representing approximately 22.9% of television households in Mexico in 2008. As described above, as part of our plan to attract medium-sized and local Mexico City advertisers, we focused the reach of this network throughout Mexico and revised the format of Channel 4 to create 4TV in an effort to target viewers in the Mexico City metropolitan area. We currently sell local advertising time on 4TV to medium-sized and local advertisers at rates comparable to those charged for advertising on local, non-television media, such as radio, newspapers and billboards. However, by purchasing local advertising time on 4TV, medium-sized and local advertisers are able to reach a wider audience than they would reach through local, non-television media.

According to the *Política Nacional para la Introducción de los Servicios de Televisión Digital Terrestre* or the National Policy for the Introduction of Terrestrial Digital Television Services in Mexico dictated by the SCT, in September 2005, Mexico City's Channel 4 obtained a license to transmit DTV services in Channel 49 as its second channel during the transition period estimated to end by the year 2021. As of December 2005, this DTV station is installed and fully operational.

The following table shows the average audience share of the Channel 4 Network during prime time hours, weekday prime time hours and sign-on to sign-off hours during the periods indicated, including audience share for local stations:

	Year Ended December 31,		
	2006(1)	2007(1)	2008(1)
Prime time hours	6.1%	7.3%	7.2%
Weekday prime time hours	6.5%	8.1%	8.4%
Sign-on to sign-off hours	7.5%	8.6%	9.0%

(1) Source: IBOPE Mexico national surveys.

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4TV targets young adults and stay-at-home parents. Its programs consist primarily of news, comedy, sports, and entertainment shows produced by us, as well as a late night home shopping program, foreign-produced series, mini-series and movies, which are dubbed or subtitled in Spanish. In an attempt to attract a larger share of the Mexico City television audience, in recent years, 4TV also began broadcasting two new local newscasts relating to the Mexico City metropolitan area.

Channel 9 Network. In addition to its anchor station, Channel 9 is affiliated with 28 repeater stations, approximately 39% of which are located in central Mexico. We estimate that Channel 9 reaches approximately 16.6 million households, representing approximately 72.4% of households with television sets in Mexico. Channel 9 broadcasts in 26 of the 27 cities other than Mexico City that are covered by national surveys.

According to the *Política Nacional para la Introducción de los Servicios de Televisión Digital Terrestre* or the National Policy for the Introduction of Terrestrial Digital Television Services in Mexico dictated by the SCT, in October 2006, Mexico City's Channel 9 obtained a license to transmit DTV services in Channel 44 as its second channel during the transition period estimated to end by the year 2021. As of January 2007, this DTV station is in place and fully operational. Also, as disclosed above, in April 2008, we began broadcasting Telemundo's original programming on Channel 9.

The following table shows the average audience share of the Channel 9 Network during prime time hours, weekday prime time hours and sign-on to sign-off hours during the periods indicated:

	Year Ended December 31,		
	2006(1)	2007(1)	2008(1)
Prime time hours	13.7%	13.1%	11.8%
Weekday prime time hours	11.4%	10.7%	11.1%
Sign-on to sign-off hours	12.6%	12.1%	11.7%

(1) Source: IBOPE Mexico national surveys.

The Channel 9 Network targets families as its audience. Its programs principally consist of movies, sports, sitcoms, game shows, telenovelas produced by third parties, news and re-runs of popular programs from Channel 2. In April 2008, we began broadcasting more than 1,000 hours per year of Telemundo's original programming on Channel 9. See

Business Strategy Maintaining Our Leading Position in the Mexican Television Market Continuing to Produce High Quality Programming .

Local Affiliates. There are currently 33 local television stations affiliated with our networks, of which 18 stations are wholly owned, one station is minority owned and 14 stations are independent affiliated stations. These stations receive part of their programming from Channels 4 and 9. See Channel 4 Network . The remaining programs aired consist primarily of programs licensed from our program library and locally produced programs. The locally produced programs include news, game shows, musicals and other cultural programs and programs offering professional advice. In 2006, 2007 and 2008, the local television stations owned by us produced 43,300 hours, 48,100 hours and 49,500 hours, respectively, of programming. Each of the local affiliates maintains its own sales department and sells advertising time during broadcasts of programs that it produces and/or licenses. Generally, we pay the affiliate stations that we do not wholly own a fixed percentage of advertising sales for network affiliation.

According to the *Política Nacional para la Introducción de los Servicios de Televisión Digital Terrestre* or the National Policy for the Introduction of Terrestrial Digital Television Services in Mexico dictated by the SCT, six of the 18 local stations wholly owned have obtained licenses to transmit DTV services in their service area during the transition period estimated to end by year 2021. These six DTV stations are in place and fully operational.

Border Stations. We currently own a television station on the Mexico/U.S. border that broadcasts English-language programs. The station changed its affiliation effective August 1st, 2008, and became the CW affiliate for the San Diego market, under an affiliation agreement with The CW Network LLC, or CW Network. The CW Network was formed as a joint venture between Warner Bros. Entertainment and CBS Corporation. Our television station broadcasts under renewable permits issued by the U.S. Federal Communications Commission, or FCC, to the station and to the CW that authorize electronic cross-border programming transmissions. The station, XETV, is licensed to

Tijuana and serves the San Diego television market. XETV is operated through a station operating agreement with Bay City Television, a U.S. corporation indirectly owned by Televisa. XETV's FCC cross-border permit was renewed on June 30, 2008 for a five-year term expiring on June 30, 2013. The CW's cross-border FCC permit began on August 8, 2008 for a five-year term and will expire on August 8, 2013.

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Advertising Sales Plan. Our sales force is organized into separate teams, each of which focuses on a particular segment of our business. We sell commercial time in two ways: upfront and scatter basis. Advertisers that elect the upfront option lock in prices for the upcoming year, regardless of future price changes. Advertisers that choose the upfront option make annual prepayments, with cash or short-term notes, and are charged the lowest rates for their commercial time, given the highest priority in schedule placement, and given a first option in advertising during special programs. Scatter advertisers, or advertisers who choose not to make upfront payments but rather advertise from time to time, risk both higher prices and lack of access to choice commercial time slots. We sell advertising to our customers on a cost per rating point basis. For a description of our advertising sales plan, see *Operating and Financial Review and Prospects Results of Operations Total Segment Results Advertising Rates and Sales* . We currently sell only a portion of our available television advertising time. We use a portion of our television advertising time to satisfy our legal obligation to the Mexican government to provide Official Television Broadcast Time, and our remaining available television advertising time to promote, among other things, our television products. We sold approximately 63%, 59% and 62% of total available national advertising time on our networks during prime time broadcasts in 2006, 2007 and 2008, respectively, and approximately 52%, 50% and 49% of total available national advertising time during all time periods in 2006, 2007 and 2008, respectively. See *Operating and Financial Review and Prospects Results of Operations Total Segment Results Television Broadcasting* .

Pay Television Networks. We produce or license a suite of Spanish and English-language television channels for pay-TV systems in Mexico, Latin America, the Caribbean, Asia, Europe, the United States, Canada and Australia. These channels include programming such as general entertainment, telenovelas, movies and music-related shows, interviews and videos. Some of the programming included in these channels is produced by us while other programming is acquired or commissioned from third parties. As of December 2008, we had over 21 million subscribers worldwide.

In 2006, 2007 and 2008, we produced approximately 10,100 hours, 10,100 hours and 13,200 hours, respectively, of programming and videos, for broadcast on our pay-TV channels. The names and brands of our channels include: *Telehit, Ritmoson Latino, Bandamax, De Película, De Película Clásico, Unicable, Cinema Golden Choice 1 & 2, Cinema Golden Choice Latinoamérica, Canal de Telenovelas, American Network, Canal de las Estrellas Latinoamérica, Canal de las Estrellas Europa, Canal 2 Delay-2hrs and Clasico TV*.

TuTv, which operates and distributes a suite of Spanish-language television channels in the United States, began operations in the second quarter of 2003 and currently distributes five cable channels, including two movie channels and three channels featuring music videos, celebrity lifestyle and interviews and entertainment news programming. See *Univision* . In May 2003, TuTv entered into a five-year distribution agreement with DISH Network Corporation, formerly EchoStar Communications Corporation for three of the five existing channels. In October 2008, TuTv extended this agreement through December 2012, and in relation to the extension launched the Mexican regional music network Bandamax as well as one more channel for a total of four. See *Univision* .

Programming Exports. We license our programs and our rights to programs produced by other television broadcasters and pay-TV providers in the United States, Canada, Latin America, Asia, Europe and Africa. We collect licensing fees based on the size of the market for which the license is granted or on a percentage of the advertising sales generated from the programming. In addition to the programming licensed to Univision, we licensed approximately 48,927 hours, 60,308 hours and 64,803 hours of programming in 2006, 2007 and 2008, respectively. See *Univision* and *Operating and Financial Review and Prospects Results of Operations Total Segment Results Programming Exports* . As of December 31, 2008, we had approximately 217,736 half-hours of television programming in our library available for licensing.

Expansion of Programming Reach. Our programs can be seen in the United States, Canada, Latin America, Asia, Europe and Africa. We intend to continue to expand our sales of Spanish-language programming internationally through pay-TV services.

Publishing

We believe we are the most important publisher and distributor of magazines in Mexico, and of Spanish-language magazines in the world, as measured by circulation.

With a total circulation of approximately 174 million copies in 2008, we publish 189 titles that are distributed in approximately 20 countries, including the United States, Mexico, Colombia, Chile, Venezuela, Puerto Rico, Argentina, Ecuador, Peru and Panama, among others. See Other Businesses Publishing Distribution . Our main publications in Mexico include a weekly entertainment and telenovelas magazine, *TV y Novelas*, *Vanidades*, a popular bi-weekly magazine for women; *Caras*, a monthly leading lifestyle and socialite magazine; *Eres*, a bi-weekly magazine for teenagers; *Conozca Más*, a monthly science and culture magazine; and *Furia Musical*, a bi-weekly musical magazine that promotes principally *Banda* and *Onda Grupera* music performers. Our other main publications in Latin America and the United States include *Vanidades*, *TV y Novelas U.S.A.* and *Caras*.

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We publish the Spanish-language edition of several magazines, including *Cosmopolitan*, *Good Housekeeping*, *Harper's Bazaar*, *Seventeen*, and *Popular Mechanics* through a joint venture with Hearst Communications, Inc.; *PC Magazine* and *EGM Electronic Gaming Monthly*, pursuant to a license agreement with Ziff-Davis Media, Inc.; *Maxim*, pursuant to a license agreement with Alpha Media Group, Inc.; *Marie Claire*, pursuant to a license agreement with Marie Claire Album; *Men's Health and Prevention*, pursuant to a license agreement with Rodale Press, Inc.; *ESPN Magazine* pursuant to a license agreement with ESPN Magazine, LLC; *Sport Life* and *Automóvil Panamericano*, as well as other special editions of popular automotive magazines, through a joint venture with Motorpress Iberica, S.A.; *Muy Interesante* and *Padres e Hijos* pursuant to a joint venture with GyJ España Ediciones, S.L.C. en C.; *Disney Princesas*, *Disney Winnie Pooh*, *Disney Hadas*, *Power Rangers* and *W.I.T.C.H.*, pursuant to a license agreement with Disney Consumer Products Latin America, Inc. and *Nick* pursuant to a license agreement with MTV Networks Latin America, Inc. We also publish a Spanish-language edition of *National Geographic* and of *National Geographic Kids* in Latin America and in the United States through a licensing agreement with National Geographic Society. In addition, we publish a Spanish-language edition of OK! pursuant to a license agreement with Northern & Shell Luxembourg Branch as well as several comics pursuant to a license agreement with Marvel Characters, B.V.

During 2007, we acquired Editorial Atlántida, a leading publishing company in Argentina. Editorial Atlántida publishes a total of 11 magazines and operates a book publishing business, interactive websites, and numerous brand-extension projects.

During 2007, we launched five new titles, *Cinemanía*, a monthly movies magazine, and *Lola, Erase Una Vez*, a telenovela-themed magazine which are wholly-owned; the Spanish version of *National Geographic Traveler*, pursuant to a license agreement with *National Geographic Society*, and the Spanish language version of *Woman's Health and Runner's World*, pursuant to a license agreement with Rodale, Inc. which are licensed from third parties. During 2008, we launched three new titles, *Gente y la Actualidad*, a lifestyle and celebrity magazine which is wholly-owned and *Esquire*, a men's lifestyle magazine, and *Patito Feo*, a telenovela-themed magazine, which are licensed from third parties.

Cable and Telecom**Cablevisión**

The Cable Television Industry in Mexico. Cable television offers multiple channels of entertainment, news and informational programs to subscribers who pay a monthly fee. These fees are based on the package of channels they receive. See Digital Cable Television Services. According to Mexico's cable television trade organization, *Cámara Nacional de la Industria de Televisión por Cable*, or CANITEC, there were approximately 1,250 cable concessions in Mexico as of December 31, 2008, serving approximately 4.5 million subscribers.

Mexico City Cable System. We own a 51% interest in Cablevisión, one of the most important cable television operators in Mexico, which provides cable television services to subscribers in Mexico City and surrounding areas. See Note 24 to our year-end financial statements. As of December 31, 2008, Cablevisión had over 590,690 cable television subscribers all of which were digital subscribers. CPOs, each representing two series A shares and one series B share of Cablevisión, are traded on the Mexican Stock Exchange under the ticker symbol CABLE.

Digital Cable Television Services. Cablevisión was the first multi-system operator in Mexico to offer an on-screen interactive programming guide, video on demand, high definition channels as well as Motorola and TiVo® DVR services throughout Mexico City. Along with its digital cable service, Cablevisión also offers high speed internet and a competitive digital telephone service in a 100% bundled portfolio. Through its world class network, Cablevisión is able to distribute high quality video content, unique video services, last generation interactivity with Cablevisión On Demand, 1080i high definition, impulse and order pay-per-view, a-la-carte programming, among other products and services, with added value features and premium solutions for consumers. Cablevisión's 100% digital cable service offers five main programming packages ranging in price from Ps.289.00 to Ps.635.00 (VAT included), which as of June 30, 2009 include up to 274 linear channels: 197 video channels (this comprises 10 over-the-air channels, Fox, ESPN, CNN International, HBO, Disney Channel, TNT, and others), 56 audio channels and 21 pay-per-view channels.

Pay-Per-View Channels. Cablevisión currently offers 21 pay-per-view cable television channels in each of its digital service packages. Pay-per-view channels show films and special events programs, including sports and musical

events.

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Cablevisión Television Revenues. Cablevisión's revenues are generated from subscriptions for its cable services and from sales of advertising to local and national advertisers. Subscriber revenues come from monthly service and rental fees, and to a lesser extent, one-time installation fees. Its current monthly service fees range in price from Ps.289.00 to Ps.635.00. See Digital Cable Television Services. The Mexican government does not currently regulate the rates Cablevisión charges for its basic and digital premium service packages, although we cannot assure you that the Mexican government will not regulate Cablevisión's rates in the future. If the SCT were to determine that the size and nature of Cablevisión's market presence was significant enough so as to have an anti-competitive effect, then the SCT could regulate the rates Cablevisión charges for its various services.

Cablevisión Television Initiatives. Cablevisión plans to continue offering the following multimedia communications services to its subscribers:

- enhanced programming services, including video games, video on demand, high definition, impulse pay per view;
- Broadband internet services; and
- IP telephony services.

In May 2007, Cablevisión received a concession to offer fixed telephony services through its network. On July 2, 2007, Cablevisión began to offer IP telephony services in certain areas of Mexico City and by the end of 2008 offered the service in every area in which its network is bidirectional, which represents 82% of its total network.

In order to provide these multimedia communications services, Cablevisión requires a cable network with bi-directional capability operating at a speed of at least 750 MHz and a digital set-top box. In order to provide these new services, Cablevisión is in the process of upgrading its existing cable network. Cablevisión's cable network currently consists of more than 12,000 kilometers with over 1,699,996 million homes passed. In 2008, Cablevisión expanded its network by over 869 kilometers. As of December 31, 2008, 16.53% of Cablevisión's network runs at least at 450 MHz, approximately 7.82% of Cablevisión's network runs at least at 550 MHz, approximately 17.36% of Cablevisión's network runs at least at 750 MHz, approximately 51.51% runs at least at 870 MHz, approximately 6.77% of Cablevisión's network runs at least at 1 GHz, and approximately 82% of Cablevisión's network has bidirectional capability.

Cablemás.

Cablemás Cable System. As of May 2009, we owned 58.3% of the capital stock and 49% of the voting stock of Cablemás. Cablemás operates in 49 cities. As of December 31, 2008, the Cablemás cable network served more than 851,172 cable television subscribers, 242,708 high-speed internet subscribers and 76,112 IP-telephony lines, with approximately 2,512,570 homes passed.

As of March 31, 2009 Cablemás' cable network consisted of 15,935 kilometers of cable. Cablemás is in the final stage of converting its existing cable network into a broadband bidirectional network, operating from 550MHz to 860MHz with the ability to transmit video, data and voice at high-speeds. Currently, 85% of Cablemás' cable network has bidirectional capability, of which 92% was operating at or greater than 550 MHz and 79% was operating at or greater than 750 MHz.

Cablemás Revenues. Cablemás has experienced strong organic growth due to successful implementation of its business strategy, introduction of new products and services and wide acceptance of its bundling offerings.

Cablemás' overall strategy is to increase its penetration levels in each of its markets, through greater value-added services in pay TV, in its active participation in the consolidation of the industry, and through the continued and successful roll-out of Triple-Play services. Cablemás considers itself one of the fastest growing cable television companies in Mexico. Its installed network and its access to subscribers' homes provide opportunities to achieve sales of inter-related services, including video, data (internet) and telephony, as demand for value-added packages develops. Cablemás' investments to increase its networks' bandwidth and make them bidirectional have allowed it to provide additional products which have enhanced its product offerings. These include:

- Digital signal, Video-on-Demand, and high-definition programming among others, for cable television
- Broadband internet services; and
- IP telephony services.

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These additional products have allowed Cablemás to increase the average revenue generated per subscriber at no substantial incremental cost and at an economic advantage to consumers.

Cablemás Services. Since its beginning as a cable system concessionaire Cablemás has grown to offer cable television services, high-speed internet access and telephony services. Currently, Cablemás offers four types of video packages to its customers, which include: Minibasic (U.S.\$10), Basic (U.S.\$26), Superbasic (U.S.\$36) and Premium (basic superbasic rate plus up to U.S.\$20). Cablemás packages include up to 80 video channels. In addition to the above, Cablemás offers high speed internet services ranging from 128 kbps (U.S.\$17) to 2 Mbps (U.S.\$50) and telephony services, which are offered in 100 minute packages (U.S.\$14) up to 1400 minute packages (U.S.\$46).

TVI. In March 2006, our subsidiary CVQ acquired a 50% interest in TVI, a telecommunications company offering pay television, data and voice services in the metropolitan area of Monterrey and other areas in northern Mexico. Under the terms of the Purchase Agreement, we paid Ps.798.3 million, substantially in cash and additional purchase price adjustments. These purchase price adjustments were for Ps.19.3 million in the second quarter of 2006, Ps.19.2 million in the first quarter of 2007 and Ps.19.4 million in the first quarter of 2008. No additional purchase price adjustments are required under the agreement. In addition, as part of the agreement, we agreed to provide funding to TVI in the form of a loan in the nominal amount of Ps. 240.6 million, which has been converted into capital stock. The ownership structure of TVI was not changed after the capitalization of the loan.

As of December 31, 2008, TVI had 1,232,260 homes passed, served more than 226,400 cable television subscribers, 88,049 high-speed internet subscribers and 34,734 telephone lines.

CVQ notified the Mexican Antitrust Commission of its intent to acquire a 50% interest in TVI, and after appealing the decision of such authority at the first stage of the process on February 23, 2007, the Mexican Antitrust Commission authorized the intended acquisition, subject to compliance with certain conditions. We believe that as of the date of this annual report, CVQ has complied on a regular basis with all of such conditions. See Key Information Risk Factors Risk Factors Related to Mexico Mexican Antitrust Laws May Limit Our Ability to Expand Through Acquisitions or Joint Ventures .

Bestel. In December 2007, our indirect majority-owned subsidiary, Cablestar, completed the acquisition of shares of companies owning the majority of the assets of Bestel, a privately held, facilities-based telecommunications company in Mexico, for U.S.\$256.0 million in cash plus an additional capital contribution of U.S.\$69.0 million. In connection with the financing of the acquisition of the majority of the assets of Bestel, Cablevisión, Cablemás and TVI, which hold 69.2%, 15.4% and 15.4% of the equity stock of Cablestar, respectively, each entered into five year term loan facilities for U.S.\$225.0 million, U.S.\$50.0 million and U.S.\$50.0 million, respectively. Bestel focuses on providing data and long-distance services solutions to carriers and other telecommunications service providers in both Mexico and the United States. Bestel owns a fiber-optic network of approximately 8,000 kilometers that covers several important cities and economic regions in Mexico and has direct crossing of its network into Dallas, Texas and San Diego, California in the United States. This enables the company to provide connectivity between the United States and Mexico.

Other Businesses

Publishing Distribution. We estimate that we distribute approximately 50%, in terms of volume, of the magazines circulated in Mexico through our subsidiary, Distribuidora Intermex, S.A. de C.V., or Intermex. We believe that our distribution network reaches over 300 million Spanish-speaking people in approximately 20 countries, including Mexico, Colombia, Chile, Argentina, Ecuador, Peru and Panama. We also estimate that our distribution network reaches over 25,000 points of sale in Mexico and over 75,000 points of sale outside of Mexico. We also own publishing distribution operations in six countries. Our publications are also sold in the United States, the Caribbean and elsewhere through independent distributors. In 2007 and 2008, 70.7% and 63.9%, respectively, of the publications distributed by our company were published by our Publishing division. In addition, our distribution network sells a number of publications published by joint ventures and independent publishers, as well as DVD s, calling cards and other consumer products.

Televisa Interactive Media. TIM is the Company s online and wireless content division. This venture includes Esmas, our Spanish-language horizontal internet portal; Esmas Móvil, our wireless value added service unit; Gyggs, our social networking site; Tvolucion.com, Televisa s online video on demand streaming service; EsmasTV.com,

Televisa's as aired online TV service; and Esmas Player, our media business unit that operates our music on demand, video on demand, live TV and media manager for our users. TIM leverages Televisa's and third party premium and extensive Spanish-language content, including news, sports, business, music and entertainment, editorials, life and style, technology, culture, shopping, health, kids and an opinion survey channel, and offers a variety of services, including search engines, chat forums, recruitment services and news bulletins.

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With a wide range of content channels, online and mobile services, and with an average of approximately 259 million page views per month and more than 18 million monthly unique users in 2008, we believe that TIM has positioned itself as one of the leading digital entertainment portals in Mexico and Hispanic territories. Currently, 73% of TIM's page views come from Mexico and the rest comes from the U.S. and Latin America.

In October 2008, we entered into license agreements to distribute Telemundo's original content through digital and wireless platforms in Mexico. As part of the agreements, Telemundo provides Televisa original content, including its highly popular telenovelas currently broadcast on Televisa's Channel 9, on all of Televisa's digital platforms including: esmas.com. Moreover, Televisa also offers mobile wall papers, ring tones and text messaging services based on Telemundo branded content to mobile phone subscribers in Mexico through Televisa's mobile business unit Esmas Movil, the leading mobile premium content cell phone provider in Mexico. The agreements complement and are part of the strategic alliance to distribute Telemundo's original content in Mexico across multiple platforms, including, broadcast TV, PayTV and emerging digital platforms.

In connection with the series of agreements we entered into with Univision in December 2001, as described under Univision, we amended the previous PLA such that, for a five-year period ending in December 2006, we agreed to limit our rights to transmit over the internet our programming to which Univision had television rights in the United States. For a description of current litigation we filed against Univision relating to our rights with respect to internet distribution, see Key Information Risk Factors Risk Factors Related to Our Business Current Litigation We Are Engaged In With Univision May Affect Our Exploitation of Certain Internet Rights in the United States.

Since April 2004, Esmas.com has been offering premium content service to mobile phones while leveraging the cell phone networks in Mexico, the U.S., Latin America and Spain. Esmas.com sent more than 157 million premium messages to more than approximately 7 million mobile phone users per year in 4 years of operation. The offered service consists of text information of sports, news, events, sweepstakes, contests, downloading of photos and ring tones. We believe that due to the Mexican public's affinity for the high quality and wide range of Televisa's programming content, Esmas.com has become one of the leading Premium Short Message Service, or PSMS, content providers in Mexico and in Latin America.

Sports and Show Business Promotions. We actively promote a wide variety of sports events and cultural, musical and other entertainment productions in Mexico. Most of these events and productions are broadcast on our television stations, cable television system, radio stations and DTH satellite services. See Television Programming, Cable and Telecom Digital Cable Television Services, Cable and Telecom Pay-Per-View Channels, Radio Stations, and Joint Ventures Mexico and Central America.

Soccer. We have title to some of Mexico's professional soccer teams. These teams currently play in the Mexican First Division and are among the most popular and successful teams in Mexico. Each team plays two 17 game regular seasons per year. The best teams of each regular season engage in post-season championship play.

We own the Azteca Stadium which has a seating capacity of approximately 105,000 people. Azteca Stadium has hosted two World Cup Soccer Championships. In addition, *América* and the Mexican National Soccer team generally play their home games at this stadium. We have exclusive rights to broadcast the home games of certain Mexican First Division soccer teams.

Promotions. We promote a wide variety of concerts and other shows, including beauty pageants, song festivals and nightclub shows of popular Mexican and international artists.

Feature Film Production and Distribution. We produce first-run Spanish-language feature films, some of which are among Mexico's top films based on box office receipts. We co-produced zero feature films in 2006, four in 2007 and four in 2008. We have previously established co-production arrangements with Mexican film production companies, as well as with major international companies such as Miravista, Warner Bros., Plural Entertainment and Lions Gate Films. We will continue to consider entering into co-production arrangements with third parties in the future, although no assurance can be given in this regard.

We distribute our films to Mexican movie theaters and later release them on video for broadcast on cable and network television. In 2005 and 2006, we released two and two, respectively, of our feature films through movie theaters, including *La Última Noche* and *Puños Rosas* and in 2008 we released two feature films through movie theaters. We also distribute our feature films outside of Mexico.

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We distribute feature films produced by non-Mexican producers in Mexico. Under an agreement with Warner Bros. which we extended in 2007 until December 31, 2009, we are the exclusive distributor in Mexico of feature films produced by Warner Bros. In 2006, 2007, 2008 and up to March 2009 we distributed 40, 49, 43 and 13 feature films, respectively, including several U.S. box office hits. We also distribute independently produced non-Mexican and Mexican films in Mexico, the United States and Latin America.

At December 31, 2008, we owned or had rights to approximately 790 Spanish-language films and 187 movies on video titles. Many of these films and titles have been shown on our television networks, cable system and DTH services.

Gaming Business. In May 2005, we obtained the Gaming Permit from the Mexican Ministry of the Interior and in 2006 we launched our gaming business. As of March 31, 2009, we had 23 bingo and sports books halls open and operating under the brand name *Play City*. We plan to continue opening bingo and sports books halls over the course of the next four years, to result in a total of 65. In addition, in 2007 we launched *Multijuegos*, an online lottery with access to a nationwide network of approximately 5,000 electronic terminals. Our principal competitors in the gaming industry are, with respect to bingo and sports books halls, CIE and Grupo Caliente and, with respect to *Multijuegos*, the governmental lotteries of *Pronósticos* and *Lotería Nacional*. In the first quarter of 2009, we negotiated an orderly termination of the existing contract with Scientific Games, our technology partner for the operations of our online lottery business, and started negotiating new agreements by which *Multijuegos* will obtain from Scientific Games a license for the lottery software and all the electronic terminals, communications equipment and hardware of the lottery system to operate directly the same. We expect to enter into such new agreements during 2009.

Radio Stations. Our radio business, *Sistema Radiópolis, S.A. de C.V.*, or *Radiópolis*, is operated under a joint venture with Grupo Prisa, S.A., a leading Spanish communications group. Under this joint venture, we hold a controlling 50% full voting stake in this subsidiary and we have the right to appoint the majority of the members of the joint venture's board of directors. Except in the case of matters that require unanimous board and/or stockholder approval, such as extraordinary corporate transactions, the removal of directors and the amendment of the joint venture's organizational documents, among others, we control the outcome of most matters that require board of directors and/or stockholder approval. We also have the right to appoint *Radiópolis*'s Chief Financial Officer. The election of *Radiópolis*'s Chief Executive Officer requires a unanimous vote from the joint venture's board of directors.

Radiópolis owns and operates 17 radio stations in Mexico, including three AM and three FM radio stations in Mexico City, five AM and two FM radio stations in Guadalajara, one AM station in Monterrey, one FM radio station in Mexicali, one AM station in San Luis Potosí and one AM station in Veracruz. Some *Radiópolis* stations transmit powerful signals which reach beyond the market areas they serve. For example, XEW-AM and XEWA-AM transmit signals that under certain conditions may reach the southern part of the United States. XEW-AM may also reach most of southern Mexico. In June 2004, *Radiópolis* entered into an agreement with *Radorama, S.A. de C.V.*, or *Radorama*, one of Mexico's leading radio networks, which added 41 affiliate stations (22 AM and 19 FM) to *Radiópolis*'s existing network, expanding its total network, including owned and operated and affiliate stations, to 102 stations (including 11 combination stations). After giving effect to the transaction with *Radorama*, we estimate that *Radiópolis*'s radio stations reach 55 cities in Mexico. Our programs aired through our radio stations network reach approximately 74% percent of Mexico's population. We plan to continue to explore ways to expand the reach of our radio programming and advertising through affiliations with third parties and through acquisitions.

According to *Investigadores Internacionales Asociados, S.C.*, or *INRA*, in 2006, 2007 and 2008, XEW-AM ranked, on average, eighth, tenth and thirteenth, respectively, among the 34 stations in the Mexico City metropolitan area AM market, XEQ-FM, ranked, on average, sixth, seventh and sixth, respectively, among the 29 stations in the Mexico City metropolitan area FM market, and XEBA ranked, on average, first, second and second, respectively, among 26 stations in the Guadalajara City metropolitan FM market. *INRA* conducts daily door-to-door and automobiles interviews in the Mexico City metropolitan area to determine radio listeners' preferences. Outside Mexico City, *INRA* conducts periodic surveys. We believe that no other independent surveys of this nature are routinely conducted in Mexico.

Our radio stations use various program formats, which target specific audiences and advertisers, and cross-promote the talent, content and programming of many of our other businesses, including television, sports and news. We

produce some of Mexico's top-rated radio formats, including W Radio (News-talk), Estadio W (Sports), Ke Buena (Mexican music), 40 Principales (Pop music) and Besame Radio (Spanish ballads). W Radio, Ke Buena and 40 Principales formats are also broadcast through the internet.

The successful exclusive radio broadcasting of the 2006 Soccer World Cup and 2008 Olympic Games placed Radiópolis among the highest rating sports-broadcasting radio stations in Mexico.

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During the last four years, Radiópolis has organized 16 massive live musical events with leading artists in both musical formats, gathering a record attendance of approximately 175,000 people during the last two events, which were performed at the Estadio Azteca in Mexico City. The events organized by Radiópolis have become among the most popular music-related events among the musical radio stations in Mexico.

We sell both national and local advertising on our radio stations. Our radio advertising sales force sells advertising time primarily on a scatter basis. See [Television Broadcasting Advertising Sales Plan](#). In addition, we use some of our available radio advertising time to satisfy our legal obligation to the Mexican government to provide up to 35 minutes per day of our broadcast time, between 6:00 a.m. and midnight for public service announcements, and 30 minutes per day for official programming (referred to in this annual report as [Official Radio Broadcast Time](#)).

Investments

OCEN. In October 2002, we acquired a 40% stake in Ocesa Entretenimiento, S.A. de C.V., or OCEN, a subsidiary of CIE, which owns all of the assets related to CIE's live entertainment business unit in Mexico. OCEN's business includes the production and promotion of concerts, theatrical, family and cultural events, as well as the operation of entertainment venues, the sale of entrance tickets (under an agreement with Ticketmaster Corporation), food, beverages and souvenirs, the organization of special and corporate events and the booking and management of Latin singers. OCEN owns 51% of a company named As Deporte, S.A. de C.V., the principal marathon and athletic competition producer in Mexico, and promoter of other sporting events in Mexico, such as the Ironman competition. During 2007 and 2008, OCEN promoted more than 4,270 and 3,721 events, respectively, and managed 14 entertainment venues in Mexico City, Guadalajara and Monterrey, providing an entertainment platform that established OCEN as a principal live entertainment company in Mexico.

Mutual Fund Venture. In October 2002, we entered into a joint venture with a group of investors, including Manuel Robleda, former president of the Mexican Stock Exchange, to establish [Más Fondos](#), the first mutual fund distribution company in Mexico. Más Fondos sells mutual funds that are owned and managed by third parties to individual and institutional investors, and distributes 153 funds managed by 11 entities. The company operates under a license granted by the CNBV. We currently have a 40.84% interest in Más Fondos.

Volaris. In October 2005, we acquired a 25% interest in Controladora Vuela Compañía de Aviación, S.A. de C.V. and in Concesionaria Vuela Compañía de Aviación, S.A. de C.V., (jointly, [Vuela](#)), pursuant to which we made a capital contribution in the amount of U.S.\$25.0 million. During 2006, we made capital contributions of U.S.\$7.5 million, in 2008 we made capital contributions of U.S.\$12.0 million, and in 2009 we have made capital contributions of up to U.S.\$5.0 million to date. We are not obligated to make any further capital contributions to Vuela. Vuela has obtained a concession to own, manage and operate a low-cost carrier airline in Mexico, which is called Volaris. Volaris began operations in March 2006. Our partners in this venture are Sinca Inbursa, S.A. de C.V., The Discovery Americas I, L.P., a private equity fund managed by Protego Asesores Financieros and Discovery Capital Corporation, and Grupo TACA, one of the leading airline operators in Latin America. We provide the in-flight entertainment for Volaris. For a description of the transaction, see [Major Stockholders and Related Party Transactions](#) [Related Party Transactions](#) [Transactions and Arrangements With Our Directors and Officers](#).

La Sexta. In November 2005, the government of Spain granted a concession for a nationwide free-to-air analog television channel and two nationwide free-to-air digital television channels to La Sexta, a consortium that includes Televisa, which holds a 40% equity interest therein; Grupo Arbol and the Mediapro Group, which control a 51% equity interest, indirectly, through their interest in GAMP; and as of November 2006, Gala, which holds a 9% equity interest which it acquired from GAMP. La Sexta began broadcasting on March 27, 2006.

As part of the agreement with our partners to (i) complete funding the La Sexta business plan in its entirety for the first three years of operations, and (ii) to acquire part of the capital stock of Imagina (formerly, [Grupo Afinia](#)), an entity which resulted from the merger between the Mediapro Group and Grupo Arbol, we received, among other rights, a call option under which we had the right to subscribe, at a price of [80.0 million](#), a percentage of the capital stock of Imagina that was to be determined by the application of a formula related to the enterprise value of Imagina at the time of the exercise of the call option.

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In exchange for the call option and certain other rights granted in connection therewith, we agreed to grant Mediapro Arbol, an indirect, wholly owned subsidiary of Imagina, a credit facility for up to \$80.0 million to be used exclusively for equity contributions by Imagina to La Sexta; provided, among other obligations, that if a third party acquired a portion of the capital stock of Imagina, and any borrowings had been made thereunder, the credit facility would be cancelled and any outstanding amount would have to be repaid to us with the proceeds from the acquisition by the third party.

In March 2007, Torreal Sociedad de Capital de Riesgo de Regimen Simplificado, S.A., acquired a 20% stake in Imagina. As a result of such acquisition, (i) the credit facility has been cancelled, and no repayment of the credit facility was necessary because no borrowings had been made thereunder; and (ii) our partners decided to terminate the call option granted to us in connection with the possible Imagina investment and paid a \$29 million termination fee.

With the investment in La Sexta, we expect to capitalize on the size and growth trends in Spain's advertising market, as well as the potential synergies between the country's entertainment market and our current markets. La Sexta began broadcasting on March 27, 2006.

During 2008, we made additional capital contributions of \$44.4 million. During 2009, we have made additional capital contributions of \$24.2 million to date and have committed to make additional capital contributions of \$17.2 million subject to certain conditions. In 2010, we have committed to make additional capital contributions of \$15.8 million subject to certain conditions.

For a description of our commitments of capital contributions in 2007 and 2008 related to this investment, See Operating and Financial Review and Prospects Results of Operations Contractual Obligations and Commercial Commitments Contractual Obligations Off the Balance Sheet .

Alvafig. In November 2006, we invested U.S.\$258.0 million in long-term notes convertible, at our option and subject to regulatory approval, into 99.99% of the equity of Alvafig, the holding company of a 49% interest in the voting stock of Cablemás. In February 2008, we invested U.S.\$100.0 million in an additional issuance of long-term notes convertible into 99.99% of the equity of Alvafig, which proceeds were used by Alvafig to increase its interest in Cablemás. On May 16, 2008, we converted all of the convertible long-term notes into 99.99% of the capital stock of Alvafig. Cablemás operates in 49 cities. As of December 31, 2008, the Cablemás cable network served more than 851,172 cable television subscribers, 242,708 high-speed internet subscribers and 76,112 IP-telephony lines, with approximately 2,512,760 homes passed. On August 8, 2007, the Mexican Antitrust Commission authorized, subject to compliance with certain conditions, the conversion of our long-term notes into 99.99% of the equity of Alvafig, and on December 11, 2007, after we appealed the first decision of the Mexican Antitrust Commission, the conversion of our long-term convertible notes into 99.99% of the equity of Alvafig was authorized subject to compliance with certain new conditions. The initial two conditions that have already been met, and that going forward must be complied with on a continuous basis, were to make available, subject to certain conditions, our over the air channels to pay-TV operators on non-discriminatory terms (must offer) and that our pay-TV platforms carry upon request and subject to certain conditions, over the air channels operating in the same geographic zones where such pay-TV platforms provide their services (must carry). There are other conditions that have been met and that have to be met, which we are complying with on a timely basis, including the termination of the Stockholder Trust which took place on June 17, 2009.

We have investments in several other businesses. See Notes 2 and 5 to our year-end financial statements.

DTH Joint Ventures

Background. In November 1995, we, along with Globopar, News Corp. and, at a later date, Liberty Media, agreed to form a number of joint ventures to develop and operate DTH satellite services for Latin America and the Caribbean basin.

We indirectly own interests in DTH satellite joint ventures in Mexico and Central America. No assurance can be given that the DTH joint venture we currently run or that we may own in the future will be successful.

For a description of capital contributions and loans we have made to date to those ventures, see Operating and Financial Review and Prospects Results of Operations Liquidity, Foreign Exchange and Capital Resources Capital Expenditures, Acquisitions and Investments, Distributions and Other Sources of Liquidity and Major Stockholders and Related Party Transactions Related Party Transactions Capital Contributions and Loans .

We have also been developing channels exclusively for pay-TV broadcast. Through our relationship with DIRECTV, we expect that our DTH satellite service will continue to negotiate favorable terms for programming rights with both third parties in Mexico and with international suppliers from the United States, Europe and Latin America and elsewhere.

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In December 2003, News Corp. acquired a 34% equity interest in DIRECTV, and transferred its ownership interest in DIRECTV to Fox Entertainment Group, Inc., an 82% owned subsidiary of News Corp. Innova's Social Part Holders Agreement provides that neither we nor News Corp. nor DIRECTV may directly or indirectly operate or acquire an interest in any business that operates a DTH satellite system in Mexico, Central America and the Dominican Republic (subject to limited exceptions).

In October 2004, DIRECTV Mexico announced that it was shutting down its operations and we, Innova, News Corp., DIRECTV, Liberty Media and Globopar entered into a series of agreements relating to our DTH joint ventures. With respect to the DTH joint venture in Mexico:

Innova and DIRECTV Mexico entered into a purchase and sale agreement, pursuant to which Innova agreed to purchase DIRECTV Mexico's subscriber list for two promissory notes with an aggregate original principal amount of approximately Ps.665.7 million;

Innova, Innova Holdings and News Corp. entered into an option agreement, pursuant to which News Corp. was granted options to acquire up to a 15% equity interest in each of Innova and Innova Holdings, dependent upon the number of subscribers successfully migrating to Innova, in exchange for the two promissory notes referred above that were delivered to DIRECTV Mexico;

DIRECTV and News Corp. entered into a purchase agreement pursuant to which DIRECTV acquired (i) the right (which DIRECTV concurrently assigned to DTVLA) to purchase from News Corp. the options granted to News Corp. by Innova and Innova Holdings to purchase up to an additional 15% of the outstanding equity of each of such entities pursuant to the option agreement described above and (ii) the right to acquire News Corp.'s 30% interest in Innova and Innova Holdings;

DIRECTV and Liberty Media, entered into a purchase agreement pursuant to which DIRECTV agreed to purchase all of Liberty Media's 10% interest in Innova and Innova Holdings for U.S.\$88.0 million in cash.

DIRECTV agreed that we may purchase two-thirds (2/3) of any equity interest in Innova and Innova Holdings sold by Liberty Media; and

we and Innova entered into a channel licensing agreement pursuant to which Innova will pay us a royalty fee to carry our over-the-air channels on its DTH service.

In February 2006, DIRECTV notified us that the DTH business operations of DIRECTV Mexico have ceased and the following transactions were completed:

DIRECTV Holdings exercised its right to acquire News Corp.'s 30% interest in Innova and DTVLA exercised the right to purchase the options granted to News Corp. by Innova and Innova Holdings to purchase up to an additional 12% of the outstanding equity of each of such entities pursuant to the previously disclosed option agreement;

DTVLA exercised an option to purchase 12% of Innova and Innova Holdings which was based on the number of subscribers successfully migrating to Innova, by delivering to Innova and Innova Holdings the two promissory notes issued in connection with Innova's purchase of DIRECTV Mexico's subscriber list for cancellation in October 2004;

DIRECTV Mexico made cash payments to Innova totaling approximately U.S.\$2.7 million pursuant to a letter agreement entered into by both parties in October 2004 in connection with the purchase of the DIRECTV Mexico's subscriber list. The payments were made due to certain ineligible subscribers, applicable sign-up costs, and other costs under the side letter;

DIRECTV Holdings purchased all of Liberty Media's 10% interest in Innova. As described below, we exercised the right to acquire two-thirds of this 10% equity interest acquired from Liberty Media; and we entered into an amended and restated guaranty with PanAmSat Corporation (now Intelsat Corporation) pursuant to which the proportionate share of Innova's transponder lease obligation guaranteed by us was to cover a percentage of the transponder lease obligations equal to our percentage ownership of Innova. As a result of our acquisition of two-thirds of the equity interests that from Liberty Media, the guarantee has been readjusted to cover a percentage of the transponder lease obligations equal to our percentage ownership of Innova.

On April 27, 2006 we acquired two-thirds of the equity interests that DIRECTV acquired from Liberty Media, therefore we and DIRECTV own 58.7% and 41.3%, respectively, of Innova s equity.

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DIRECTV also purchased all of our equity interests in TechCo in October 2005 and in MCOP in November 2005. As a result of these transactions, both TechCo and MCOP are wholly owned by DIRECTV.

On March 27, 2008 News Corp. and Liberty Media announced the closing of a series of transactions, including a transaction in which Liberty obtained a controlling stake in DIRECTV whereby News Corp. transferred to Liberty its 41% interest in DIRECTV's outstanding shares. As of December 2008, after a series of transactions Liberty increased its economic ownership in DIRECTV to 53%.

Mexico and Central America. We operate Sky, our DTH satellite joint venture in Mexico, through Innova. We indirectly own 58.7% of this joint venture. As of December 31, 2006, 2007 and 2008, Innova's DTH satellite pay-TV service had approximately 1,430,100, 1,585,100 and 1,759,801 gross active subscribers, respectively. Innova primarily attributes its successful growth to its superior programming content, its exclusive transmission of sporting events such as soccer tournaments and special events such as reality shows, its high quality customer service and its nationwide distribution network with approximately 1,500 points of sale. In addition to the above, Innova also experienced growth during 2006, due to exclusive broadcasting of 34 out of the 64 matches of the 2006 Soccer World Cup, during 2007, due to new subscribers from operations in Costa Rica and The Dominican Republic and during 2008, due to continuing growth in Central America and the addition of Nicaragua, Guatemala and Panama operations. Sky continues to offer the highest quality and exclusive content in the Mexican pay-TV industry. Its programming packages combine our over-the-air channels with other DTH exclusive channels produced by News Corp.

During 2008, Sky offered exclusive content such as one out of every four soccer matches from the Mexican First Division Tournament, every game of the Spanish soccer league, two matches of the English Premier League every weekend, the NFL Sunday ticket, Major League Baseball and NBA PASS. Sky also added new channels to its lineup, including five interactive channels providing information to its subscribers, such as weather, sports highlights, and others, as well as Baby First, a channel created specifically for babies and toddlers, the Channel 13 delay and two movie channels, City Vibe and City Mix. In addition to new programming contracts, Sky continues to operate under arrangements with a number of third party programming providers to provide additional channels to its subscribers, including HBO, MaxPrime, Cinemax, Movie City, Cinecanal, E! Entertainment, The Disney Channel, National Geographic, Canal Fox, Fox Sports, Fox News, MTV, VH1, Nickelodeon, TNT, CNN, The Cartoon Network and ESPN. Sky also has arrangements with the following studios to show films on an as-needed basis: 20th Century Fox, Universal Studios International, Buena Vista International, Sony Pictures, Warner Bros., and Independent Studios.

Sky currently offers 228 digital channels through five programming packages: Basic (82 video channels, 50 audio channels and 22 pay-per-view); Fun (123 video channels, 50 audio channels and 29 pay-per-view); Movie City (132 video channels, 50 audio channels and 29 pay-per-view); HBO/Max (136 video channels, 50 audio channels and 29 pay-per-view); and Universe (149 video channels, 50 audio channels and 29 pay-per-view) for a monthly fee of Ps.228.00, Ps.302.00, Ps.428.00, Ps.478.00 and Ps.618.00, respectively. The subscriber receives a prompt payment discount if the monthly subscription payment is made within 12 days after the billing date.

Programming package monthly fees for residential subscribers, net of a prompt payment discount if the subscriber pays within 12 days of the billing date, are the following: Basic Ps.151.00, Fun Ps.267.00, Movie City Ps.381.00, HBO/Max Ps.431.00 and Universe Ps.571.00. Monthly fees for each programming package do not reflect a monthly rental fee in the amount of Ps.161.00 for the decoder necessary to receive the service (or Ps.148.00 if the subscriber pays within 12 days of the billing date) and a one-time installation fee of Ps.999.00, which is reduced to Ps.849.00 if the subscriber pays the monthly programming fees via an automatic charge to a debit card or for free if payment is charged directly to a credit card.

Sky devotes 20 pay-per-view channels to family entertainment and movies and eight channels are devoted to adult entertainment. In addition, Sky assigns five extra channels exclusively for special events, known as Sky Events, which include boxing matches, concerts, sports and movies. Sky provides some Sky Events at no additional cost while it sells others on a pay-per-view basis.

In order to more effectively compete against cable operators in the Mexican Pay-TV market, in September 2005, Sky launched the Multiple Set-Top Box concept, which allows its current and new subscribers to have up to four set-top boxes in their homes with independent programming on each TV. Sky also launched SKY+, a PVR set-top box, which enables its subscribers to record up to 120 hours of their favorite programs by programming dates and hours or

selecting the program directly from the program guide.

The installation fee is based on the number of set up boxes and the method of payment chosen by the subscriber. The monthly cost consists of a programming fee plus a rental fee for each additional box.

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Programming. We and News Corp. are major sources of programming content for our DTH joint venture and have granted our DTH joint venture exclusive DTH satellite service broadcast rights to all of our and News Corp.'s existing and future program services (including pay-per-view services on DTH), subject to some pre-existing third party agreements and other limited exceptions. In addition to sports, news and general entertainment programming, we provide our DTH joint venture in Mexico with exclusive DTH satellite service broadcast rights to our four over-the-air broadcast channels. Our DTH satellite service also has exclusive DTH broadcast rights in Mexico to Fox News and Canal Fox, one of the leading pay-TV channels in Mexico. Through its relationships with us and DIRECTV, we expect that the DTH satellite service in Mexico will be able to continue to negotiate favorable terms for programming both with third parties in Mexico and with international suppliers from the United States, Europe and Latin America. At the end of 2008, DISH, a new competitor in the DTH market, launched its services in Mexico and we are uncertain as to how DISH's entry into the DTH market could affect our DTH business. At the beginning of 2009, HiTV, a television service which consists of the transmission of digital television channels through the technology known as DTT, started operating in Mexico City and its metropolitan area. HiTV currently offers approximately 20 channels, including Televisa's digital over the air networks. The SCT and Cofetel are currently reviewing the legality of this service. We are uncertain as to how this service may affect our pay-TV business.

Univision

We have a number of programming arrangements with Univision, the leading Spanish-language media company in the United States, which owns and operates the Univision Network, the most-watched Spanish-language television network in the United States and the TeleFutura broadcast and Galavision satellite/cable television networks. Information regarding Univision's business which appears in this annual report has been derived primarily from public filings made by Univision with the SEC and the FCC.

We previously owned shares and warrants representing an approximate 11.3% equity interest in Univision, on a fully diluted basis. On March 29, 2007, Univision was acquired by a group of investors, and, as a result, all of Televisa's shares and warrants in Univision were cancelled and converted into cash in an aggregate amount of approximately U.S.\$1,094.4 million. As a result of the closing of the acquisition of Univision, we lost our right to designate a member to the board of directors of Univision. Accordingly, our former designee to the board of directors of Univision, Ricardo Maldonado Yáñez, resigned from the board.

We have agreed to supply programming to Univision under a program license agreement or PLA that expires in December 2017 (unless earlier terminated), under which we granted Univision an exclusive license to broadcast in the United States, solely on the Univision Network, Galavision Network and TeleFutura Network, substantially all Spanish-language television programming, including programming with Spanish subtitles, for which we own the United States television broadcast rights, subject to exceptions, including certain co-productions, soccer games, and certain non-episodic and non-continuing programs. See Operating and Financial Review and Prospects Results of Operations Total Segment Results Programming Exports. On January 22, 2009, the Company and Univision entered into an amendment to and restatement of the PLA. The amended and restated PLA, which still runs through 2017, includes a simplified royalty calculation. We are entitled to a royalty of 9.36% of a defined royalty base plus 2.02% of any excess of that royalty base over US\$1.55 billion. The royalty base generally includes, on an accrual basis, net advertising revenue, net subscriber fee revenue, national representation commissions, joint marketing and sales agreements income and other revenues from the Univision Network, Galavision Network and TeleFutura Network and Univision's owned and operated television stations and Puerto Rico stations. In exchange for these programming royalties, regardless of the amount of our programming used by Univision, we have agreed that we will provide Univision with 8,531 hours of programming per year for the term of the PLA. See Key Information Risk Factors Risk Factors Related to Our Business Current Litigation We Are Engaged In With Univision May Affect Our Exploitation of Certain Internet Rights in the United States for a description of our current disputes with Univision relating to our internet distribution rights. During 2008, Televisa provided 39.3% of Univision Network's non-repeat broadcast hours and 19.5% of TeleFutura Network's non-repeat broadcast hours. The foregoing description of the PLA is qualified in its entirety by the text of the PLA, as amended, which is incorporated by reference as exhibits 4.4, 4.5 and 4.18 hereto.

We and Univision entered into definitive agreements in April 2003 to commence a joint venture to introduce our satellite and cable pay-TV programming into the United States. The joint venture company, TuTv, commenced operations in the second quarter of 2003. It currently distributes five channels, including two of our existing movie channels and three channels featuring music videos, celebrity lifestyle and interviews and entertainment news programming, and will create future channels available in the United States that feature our programming. In May 2003, TuTv entered into a five-year distribution agreement with DISH Network Corporation, formerly EchoStar Communications Corporation, the third largest provider of Latino pay-TV programming in the U.S., for three of the five existing channels. In October 2008, TuTv extended this agreement through December 2012, and in relation to the extension launched the Mexican regional music network Bandamax as well as one more channel for a total of four. TuTv is jointly controlled by Univision and Televisa.

We have an international program rights agreement with Univision that requires Univision to grant us and Venevision the right to broadcast, outside the United States, programs produced by Univision for broadcast on the Univision Network or Galavision Network under this agreement. We have the exclusive right to broadcast, among others, certain programs that were being produced on October 2, 1996 (the Grandfathered Programs) in Mexico and Venevision has the exclusive right to broadcast these programs in Venezuela. We and Venevision each, have an undivided right to broadcast the Grandfathered Programs in all other territories (other than the United States, but including Puerto Rico). As for programs other than Grandfathered Programs (New Programs), we and Venevision have the exclusive broadcast and related merchandising rights for Mexico and Venezuela, respectively, but Univision retains all rights for the rest of the world. The rights to the Grandfathered Programs and New Programs granted to us will continue until the termination of the PLA and will then revert back to Univision.

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The PLA entered into by the Company and Univision in January 2009 superseded the program license agreement with Univision whereby we granted Univision an exclusive right to broadcast our television programming in Puerto Rico, subject to some exceptions.

As a result of the closing of the acquisition of Univision, we are no longer bound by the provisions of the Participation Agreement, except in the case that we enter into certain transactions involving direct broadcast satellite or DTH satellite to the U.S. market. The Participation Agreement had formerly restricted our ability to enter into certain transactions involving Spanish-language television broadcasting and a Spanish-language television network in the U.S. without first offering Univision the opportunity to acquire a 50% economic interest. Subject to compliance with the limited restrictions of the surviving terms of the Participation Agreement and the terms of the PLA, we can now engage in business opportunities in the growing U.S. Hispanic marketplace relating to programming and other businesses without offering Univision participation in such opportunities. We are still engaged in litigation with Univision, as described in *Key Information Risk Factors Risk Factors Related to Our Business Current Litigation We Are Engaged In With Univision May Affect Our Exploitation of Certain Internet Rights in the United States*, and *Additional Information Legal Proceedings*.

In addition, on September 5, 2008, Televisa filed a Complaint for Declaratory Relief against Univision before the Superior Court of the State of California, for the County of Los Angeles, seeking a declaration of its rights vis-a-vis Univision with respect to the United States broadcast rights to home games of the Mexican League First Division soccer teams owned by Televisa (the *Soccer Complaint*). In the *Soccer Complaint*, Televisa sought a declaration that it has the legal right to broadcast in the United States, or license to third parties to broadcast in the United States, the home games of the Mexican League First Division soccer teams owned by Televisa. On September, 2008 Univision filed a Cross-Complaint against Televisa, alleging among other causes of action, a claim for declaratory relief that it retained the exclusive U.S. broadcast rights to home games of the Mexican League First Division soccer teams owned by Televisa under the terms of the Program License Agreement. On October 9, 2008, pursuant to an agreement between Televisa and Univision and an Order of the Court, Televisa submitted its Complaint for Declaratory Relief and Univision's cause of action for declaratory relief to a private referee pursuant to a California code provision. Trial was held on November 11-12 2008, before the private referee, the Honorable Richard Neal (Ret.) of JAMS. On December 18, 2008 Justice Neal filed a Decision in Televisa's favor whereby he resolved that Televisa was entitled to a declaration and judgment that Univision's broadcast rights to home games of the Mexican League First Division soccer teams owned by Televisa expired on December 19, 2008 (the *Statement of Decision*). Univision dismissed with prejudice the other claims raised in its Cross-Complaint against Televisa. On June 4, 2009, Honorable Ernest M. Hiroshige, Judge of the Superior Court of the State of California, for the County of Los Angeles, adjudged and decreed a final judgment consistent with the Statement of Decision, in favor of Televisa.

Competition

We compete with various forms of media and entertainment companies in Mexico, both Mexican and non-Mexican.

Television Broadcasting

Our television stations compete for advertising revenues and for the services of recognized talent and qualified personnel with other television stations (including the stations owned by TV Azteca) in their markets, as well as with other advertising media, such as radio, newspapers, outdoor advertising, cable television and a multi-channel, multi-point distribution system, or MMDS, and DTH satellite services. We generally compete with 199 channels throughout Mexico, including the channels of our major competitor, TV Azteca, which owns and operates Channels 7 and 13 in Mexico City, which we believe are affiliated with 178 stations outside of Mexico City. Televisora del Valle de México owns the concession for Channel 40, a UHF channel that broadcasts in the Mexico City metropolitan area. Based upon IBOPE Mexico surveys, during 2006, 2007 and 2008 the combined average audience share throughout Mexico of both the Channel 7 and 13 networks was 30.5%, 31.0% and 28.8%, respectively, during prime time, and 29.0%, 29.1% and 27.7%, respectively, during sign-on to sign-off hours. See *Television Television Industry in Mexico*.

In addition to the foregoing channels, there are additional operating channels in Mexico with which we also compete, including Channel 11, which has 9 repeater stations, and Channel 22 in Mexico City, which are operated by the Mexican government. Our television stations are the leading television stations in their respective markets. See

Television Television Broadcasting .

Our English and Spanish-language border stations compete with English and Spanish-language television stations in the United States, and our Spanish-language productions compete with other English and Spanish-language programs broadcast in the United States.

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We are a major supplier of Spanish-language programming in the United States and throughout the world. We face competition from other international producers of Spanish-language programming and other types of programming.

Publishing

Each of our magazine publications competes for readership and advertising revenues with other magazines of a general character and with other forms of print and non-print media. Competition for advertising is based on circulation levels, reader demographics and advertising rates.

Cable and Telecom

According to the most recent information from CANITEC, there were approximately 1,250 cable concessions in Mexico as of December 31, 2008 serving approximately 4.5 million subscribers. Cablevisión, Cablemás and TVI compete with Innova, our DTH joint venture. See DTH Satellite Services . Cablevisión also faces competition from MVS Multivisión, S.A. de C.V., or Multivisión, a MMDS operator, in Mexico City and the surrounding areas. MMDS, commonly called wireless cable, is a microwave transmission system which operates from a head end similar to that of a cable system. Multivisión has been in operation for more than 15 years and offers 15 channels to its subscribers. Some of the channels that Multivisión broadcasts compete directly with the Cablevisión channels, as well as Cablevisión's 21 pay-per-view channels. Furthermore, since Cablevisión, Cablemás and TVI operate under non-exclusive franchises, other companies may obtain permission to build cable television systems and MMDS systems in areas where they presently operate. In addition, pursuant to the Telecommunications Law, Cablevisión, Cablemás and TVI are required to provide access to their cable network to the extent it has available capacity on its network.

In addition, in connection with internet access services and other new products and multimedia communications services, cable operators, who were already authorized to provide bidirectional data and internet broadband services, have been authorized by the Mexican government to also provide voice services, including VoIP services.

On October 2, 2006, the Mexican federal government enacted a new set of regulations known as the Convergence Regulations. The Convergence Regulations allow certain concessionaires of telecommunications services to provide other services not included in their original concessions. Cable television providers may be allowed to provide internet and telephone services. In addition, telephone operators, such as Telmex, may be allowed to provide cable television services if certain requirements and conditions are met. We believe that we may face significant competition from new entrants providing telephony services, including cable television providers. See Key Information Risk Factors Risk Factors Related to our Business We Face Competition in Each of Our Markets That We Expect Will Intensify .

In addition, in January 2007, the CFE obtained a concession from the Mexican government, through the Ministry of Communications and Transportation, to use their power lines and infrastructure to provide telecommunication services to cable operators using a new technology model known as PLC and BPL. We are uncertain as to how the CFE authorization to render these services could affect us, as well as the overall telecommunications landscape in Mexico, as the CFE has not yet provided these services to telecommunications operators. We are expecting a public bid for a pair of dark fibers within CFE's fiber-optic infrastructure within the following months; both CFE and SCT have announced that they are working together in order to define the technical conditions, the basis and process of the public bid, as well as the type and scope of the corresponding agreement though there is no assurance that such public bid will be held.

As a result of the aforementioned, Cablevisión, Cablemás and TVI will face competition from several media and telecommunications companies throughout Mexico, including internet service providers, DTH services and other personal communications and telephone companies, including us and our affiliates.

Radio

The radio broadcast business is highly competitive in Mexico. Our radio stations compete with other radio stations in their respective markets, as well as with other advertising media, such as television, newspapers, magazines and outdoor advertising. Among our principal competitors in the radio broadcast business are Grupo Radio Centro, S.A. de C.V., which owns or operates approximately 100 radio stations throughout Mexico, 11 of which are located in Mexico City, and Grupo Acir, which owns or operates approximately 160 radio stations in Mexico, seven of which are located in Mexico City.

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Competition for audience share in the radio broadcasting industry in Mexico occurs primarily in individual geographic markets. Our radio stations are located in highly competitive areas. However, the strength of the signals broadcast by a number of our stations enables them to reach a larger percentage of the radio audience outside the market areas served by their competitors.

Feature Film Production and Distribution

Production and distribution of feature films is a highly competitive business in Mexico. The various producers compete for the services of recognized talent and for film rights to scripts and other literary property. We compete with other feature film producers, Mexican and non-Mexican, and distributors in the distribution of films in Mexico. See Other Businesses Feature Film Production and Distribution . Our films also compete with other forms of entertainment and leisure time activities.

DTH Satellite Services

Innova presently competes with, or expects to compete with, among others, cable systems (including Cablevisión), MMDS systems, national broadcast networks (including our four networks), regional and local broadcast stations, other DTH concessions, unauthorized C-band and Ku-band television signals obtained by Mexican viewers on the gray market, radio, movie theaters, video rental stores, internet and other entertainment.

Consolidation in the entertainment and broadcast industries could further intensify competitive pressures. As the pay-TV market in Mexico matures, and as the offering of bundled services that include internet, data and telephony increases, Innova expects to face competition from an increasing number of sources. Emerging technologies that provide new services to pay-TV customers as well as new competitors in the DTH field or telecommunication players entering into video services would require us to make significant capital expenditures in new technologies.

On October 2008, DISH Mexico, a joint venture between MVS and DISH, a U.S. based DTH company operating with certain arrangements with Telmex, started operations in Mexico through a DTH concession. DISH currently operates in Guanajuato, Morelos, Nuevo Leon, Puebla, Queretaro, Guadalajara, Toluca and San Luis Potosi.

At the beginning of 2009, HiTV, a television service which consists of the transmission of digital television channels through the technology known as DTT, started operating in Mexico City and its metropolitan area. HiTV currently offers approximately 20 channels, including Televisa's digital over the air networks. The SCT and Cofetel are currently reviewing the legality of this service. We are uncertain as to how this service may affect our pay-TV business.

Gaming Business

Our principal competitors in the gaming industry are, with respect to bingo and sports halls, CIE and Grupo Caliente, and, with respect to Multijuegos, the governmental lotteries of Pronósticos and Lotería Nacional.

Regulation

Our business, activities and investments are subject to various Mexican federal, state and local statutes, rules, regulations, policies and procedures, which are constantly subject to change, and are affected by the actions of various Mexican federal, state and local governmental authorities. The material Mexican federal, state and local statutes, rules, regulations, policies and procedures to which our business, activities and investments are subject are summarized below. Station XETV, Tijuana, which broadcasts CW Network television programming in the San Diego television market, is also subject to certain regulatory requirements of the FCC, including the obligation to obtain permits for cross-border transmission of programming broadcast to the United States and to obtain licenses to operate microwave and/or satellite earth station transmitting equipment within the U.S. These summaries do not purport to be complete and should be read together with the full texts of the relevant statutes, rules, regulations, policies and procedures described therein.

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Concessions. Mexico's Federal Antitrust Law has been amended by Congress. The amendments to Mexico's Federal Antitrust Law approved by the Mexican Federal Congress have been in full force and effect as of June 29, 2006. The amendments include, among other things, the following newly regulated activities: predatory pricing, exclusivity discounts, cross subsidization and any acts by an agent that result in cost increases or in the creation of obstacles in the production process of its competitors or the demand of the goods or services offered by such competitor. As of the date of this annual report, such amendments have not had a material adverse impact upon our business; however, we cannot predict how these amendments will impact our business in the future.

Certain amendments to the existing Radio and Television Law and the Telecommunications Law have been enacted. In May 2006, several members of the Senate of the Mexican Federal Congress filed a complaint before the Supreme Court of Justice of Mexico, seeking a declaration that such amendments were unconstitutional and therefore null and void. This complaint was resolved by the Supreme Court of Justice on June 5, 2007, declaring several provisions of the amendments to the Radio and Television Law and to the Telecommunications Law unconstitutional and therefore null and void. Among the provisions declared as unconstitutional by the Supreme Court of Justice are the ones referred to in former Article 28 of the Radio and Television Law, pursuant to which holders of concessions had the ability to request authorization to provide additional telecommunications services within the same spectrum covered by a current concession without having to participate in a public bid therefor and Article 16 of the Radio and Television Law, pursuant to which concessions were granted for a fixed term of 20 years having the possibility to renew such concessions by obtaining from the SCT a certification of compliance with their obligations under the concession. As a result of the Supreme Court of Justice's ruling, once the transition to digital television and digital radio broadcasting is completed, if we want to provide additional telecommunications services within the same spectrum granted for digital television or digital radio broadcasting, respectively, we will have to follow the provisions of Article 24 of the Telecommunications Law to obtain the concession therefor. Also, there is uncertainty as to how radio and television concessions will be renewed in the future, since the Supreme Court of Justice ruling has resulted in requiring the renewal of the concessions to be subject to a public bid process, with a right of preference over other participating bidders given to the incumbent concessionaire. Additionally, some members of the Mexican Federal Congress have expressed their intent to propose a new Radio and Television Law, which could affect, among other things, the framework for granting or renewing concessions. See Key Information Risk Factors Risk Factors Related to Our Business The Operation of Our Business May Be Terminated or Interrupted if the Mexican Government Does Not Renew or Revokes Our Broadcast or Other Concessions. Also, either the SCT or the Federal Telecommunications Commission shall provide notice in the *Diario Oficial de la Federación*, or the Official Gazette of the Federation, of the call for bids and the available television frequencies, and make available the prerequisites for bids from interested parties for a maximum of 30 days.

The bidders shall comply with the following requirements:

- proof of Mexican nationality;
- submission of a business plan;
- submission of technical specifications and descriptions;
- submission of a plan for coverage;
- submission of an investment program;
- submission of a financial program;
- submission of plans for technical development and actualization;

submission of plans for production and programming;

receipt of a guaranty to ensure the continuation of the process until the concession is granted or denied; and

a request for a favorable opinion from the Mexican Antitrust Commission.

Before granting the concession, the Federal Telecommunications Commission shall review the plans and programs submitted and the goals expressed by the bidder for consistency, as well as the results of the call for bids through the public auction. Within 30 days of the determination of a winning bid, such bidder has to provide proof of the required payment.

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Television concessions may be granted for a term of up to 20 years.

If the SCT determines that (i) the bidders' applications do not guarantee the best conditions for the rendering of radio and television services, or (ii) that the offered payment proposals are not sufficient, or, that (iii) the submitted applications do not fulfill the requirements established under the bidding call or the bidding bases, it may terminate the bidding process and not grant the concession to any of the applicants.

The SCT may void the grant of any television concession or terminate or revoke the concession at any time, upon the occurrence of, among others, the following events:

- failure to construct broadcasting facilities within a specified time period;
- changes in the location of the broadcasting facilities or changes in the frequency assigned without prior governmental authorization;
- direct or indirect transfer of the concession, the rights arising therefrom or ownership of the broadcasting facilities without prior governmental authorization;
- transfer or encumbrance, in whole or in part, of the concession, the rights arising therefrom, the broadcasting equipment or any assets dedicated to the concessionaire's activities, to a foreign government, company or individual, or the admission of any such person as a partner in the concessionaire's business;

- failure to broadcast for more than 60 days without reasonable justification;

- any amendment to the bylaws of the concessionaire that is in violation of applicable Mexican law; and

- any breach to the terms of the concession title.

None of our concessions has ever been revoked or otherwise terminated.

We believe that we have operated our television concessions substantially in compliance with their terms and applicable Mexican law. If a concession is revoked or terminated, the concessionaire could be required to forfeit to the Mexican government all of its assets or the Mexican government could have the right to purchase all the concessionaire's assets. In our case, the assets of our licensee subsidiaries generally consist of transmitting facilities and antennas. See [Key Information Risk Factors Risk Factors Related to Our Business The Operation of Our Business May Be Terminated or Interrupted if the Mexican Government Does Not Renew or Revokes Our Broadcast or Other Concessions](#).

In July 2004, in connection with the adoption of a release issued by the SCT for the transition to digital television, all of our television concessions were renewed until 2021. The expiration dates for the concessions for our radio stations range from 2008 to 2016 except for the concessions of 3 radio stations, which renewal applications were timely filed before the SCT but are still pending due to the Supreme Court's ruling on the amendments to the Radio and Television Law. (See [Key Information Risk Factors Risk Factors Related to Mexico Existing Mexican Laws and Regulations or Changes Thereto or the Imposition of New Ones May Negatively Affect Our Operations and Revenue](#)). We are unable to predict when we will obtain the renewal to such concessions. Our cable telecommunications concessions expire in 2029 and our DTH concessions expire in 2020 and 2026. The expiration dates for the concessions for our telephone services range from 2018 to 2026. See [Key Information Risk Factors Risk Factors Related to Our Business The Operation of Our Business May Be Terminated or Interrupted if the Mexican Government Does Not Renew or Revokes Our Broadcast or Other Concessions](#).

Supervision of Operations. The SCT regularly inspects the television stations and the companies to which concessions have been granted must file annual reports with the SCT.

Television programming is subject to various regulations, including prohibitions on foul language and programming which is offensive or is against the national security or against public order. Under Mexican regulations, the *Secretaría de Gobernación*, or the Mexican Ministry of the Interior, reviews most television programming and classifies the age group for which the programming is acceptable for viewing. Programs classified for adults may be broadcast only after 10:00 p.m.; programs classified for adults and teenagers over 15 years old may be broadcast only after 9:00 p.m.; programs classified for adults and teenagers under 15 years old may be broadcast only after 8:00 p.m.; and programs classified for all age groups may be shown at any time.

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Television programming is required to promote Mexico's cultural, social and ideological identity. Each concessionaire is also required to transmit each day, free of charge, up to 30 minutes of programming regarding cultural, educational, family counseling and other social matters using programming provided by the Mexican government. Historically, the Mexican government has not used a significant portion of this time.

Networks. There are no Mexican regulations regarding the ownership and operation of a television network, such as the Channel 2, 4, 5 and 9 networks, apart from the regulations applicable to operating a television station as described above.

Restrictions on Advertising. Mexican law regulates the type and content of advertising broadcast on television. Concessionaires may not broadcast misleading advertisements. Under current law, advertisements of alcoholic beverages (other than beer and wine) may be broadcast only after 10:00 p.m. As of January 20, 2004, advertisements for tobacco products are prohibited by amendment to the *Ley General de Salud*, or the Public Health Law. Advertising for alcoholic beverages must not be excessive and must be combined with general promotions of nutrition and general hygiene. The advertisements of some products and services, such as medicine and alcohol, require approval of the Mexican government prior to their broadcast. Moreover, the Mexican government must approve any advertisement of lotteries and other games.

No more than 18% of broadcast time may be used for advertisements on any day. The SCT approves the minimum advertising rates. There are no restrictions on maximum rates. See Key Information Risk Factors Risk Factors Related to Mexico Existing Mexican Laws and Regulations or Changes Thereto or the Imposition of New Ones May Negatively Affect Our Operations and Revenue .

Broadcast Tax. Since 1969, radio and television stations have been subject to a tax which may be paid by granting the Mexican government the right to use 12.5% of all daily broadcast time. In October 2002, the 12.5% tax was replaced by the obligation to the Mexican government to provide up to 18 minutes per day of our television broadcast time and 35 minutes per day of our radio broadcast time between 6:00 a.m. and midnight, in each case distributed in an equitable and proportionate manner. Any time not used by the Mexican government on any day is forfeited. Generally, the Mexican government uses all or substantially all of the broadcast time available under this tax.

Foreign Ownership. Non-Mexican ownership of shares of Mexican enterprises is restricted in some economic sectors, including broadcast television, cable television, radio and DTH satellite services and certain telecommunications services. Under Mexico's *Ley de Inversión Extranjera*, or Foreign Investment Law, the Radio and Television Law, and the *Reglamento de la Ley de Inversión Extranjera*, or the Foreign Investment Law Regulations, foreign investors may not vote the capital stock of Mexican broadcasting companies (other than through neutral investment mechanisms, such as through the CPOs held by certain of our stockholders). See Satellite Communications Mexican Regulation of DTH Satellite Services .

Radio

The regulations applicable to the operation of radio stations in Mexico are identical in all material respects to those applicable to television stations. The expiration dates of our radio concessions range from 2015 to 2016 except for the concessions of 3 radio stations, which renewal applications were timely filed before the SCT but are still pending due to the Supreme Court's ruling on the amendments to the Radio and Television Law. (See Key Information Risk Factors Risk Factors Related to Mexico Existing Mexican Laws and Regulations or Changes Thereto or the Imposition of New Ones May Negatively Affect Our Operations and Revenue). We are unable to predict when we will obtain the renewal to such concessions. See Television , Other Businesses Radio Stations and Key Information Risk Factors Risk Factors Related to Our Business The Operation of Our Business May Be Terminated or Interrupted if the Mexican Government Does Not Renew or Revokes Our Broadcast or Other Concessions .

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Cable Television

Concessions. Cable television operators now apply for a public telecommunications network concession from the SCT in order to operate their networks and provide cable television services and other multimedia communications services. Applications are submitted to the SCT and, after a formal review process, a public telecommunications network concession is granted for an initial term of up to 30 years. Cablevisión obtained a telecommunications concession, which expires in 2029, and its Channel 46 Concession, which expires in 2010. We have filed for a renewal of the Channel 46 Concession and such renewal is currently pending. We are unable to predict when we will obtain the renewal of such concession. Pursuant to its public telecommunications concession, Cablevisión can provide cable television, limited audio transmission services, specifically music programming, bidirectional internet access and unlimited data transmission services in Mexico City and surrounding areas in the State of Mexico. In addition, in May 2007 the SCT granted Cablevisión a concession allowing Cablevisión to provide local telephony services using the telephony public network. The scope of Cablevisión's public telecommunications concession is much broader than the scope of its former cable television concession, which covered only cable television services and audio programming.

Cablemás operates under 46 concessions which cover 14 Mexican states. Through these concessions, Cablemás provides cable television services, internet access and bidirectional data transmission. Each concession granted by the SCT allows Cablemás to install and operate a public telecommunications network. The expiration dates for Cablemás concessions range from 2013 to 2038.

A public telecommunications concession may be renewed upon its expiration, or revoked or terminated prior to its expiration in a variety of circumstances including:

- unauthorized interruption or termination of service;

- interference by the concessionaire with services provided by other operators;

- noncompliance with the terms and conditions of the public telecommunications concession;

- the concessionaire's refusal to interconnect with other operators;

- loss of the concessionaire's Mexican nationality;

- unauthorized assignment, transfer or encumbrance, in whole or in part, of the concession or any rights or assets;

- the liquidation or bankruptcy of the concessionaire; and

- ownership or control of the capital stock of the concessionaire by a foreign government.

In addition, the SCT may establish under any public telecommunications concession further events which could result in revocation of the concession. Under current Mexican laws and regulations, upon the expiration or termination of a public telecommunications concession, the Mexican government has the right to purchase those assets of the concessionaire that are directly related to the concession, at market value.

Cable television operators, including Cablevisión and Cablemás, are subject to the Telecommunications Law and, since February 2000, have been subject to the *Reglamento del Servicio de Televisión y Audio Restringidos*, or the Restricted Television and Audio Services Regulations. Under current Mexican law, cable television operators are classified as public telecommunications networks, and must conduct their business in accordance with Mexican laws and regulations applicable to public telecommunications networks which, in addition to the Telecommunications Law and the Restricted Television and Audio Services Regulations, includes the Radio and Television Law and the *Reglamento de la Ley Federal de Radio y Televisión*.

Under the applicable Mexican law, the Mexican government, through the SCT, may also temporarily seize or even expropriate all of a public telecommunications concessionaire's assets in the event of a natural disaster, war, significant

public disturbance or threats to internal peace and for other reasons related to preserving public order or for economic reasons. The Mexican government is obligated by Mexican law to compensate the concessionaire, both for the value of the assets seized and related profits.

Supervision of Operations. The SCT regularly inspects the operations of cable systems and cable television operators must file annual reports with the SCT.

Under Mexican law, programming broadcast on Cablevisión and Cablemás networks is not subject to judicial or administrative censorship. However, this programming is subject to various regulations, including prohibitions on foul language, programming which is against good manners and customs or programming which is against the national safety or against public order.

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Mexican law also requires cable television operators, including Cablevisión and Cablemás, to broadcast programming that promotes Mexican culture, although cable television operators are not required to broadcast a specified amount of this type of programming.

In addition to broadcasting programming that promotes Mexican culture, cable television operators must also set aside a specified number of their channels, which number is based on the total number of channels they transmit, to transmit programming provided by the Mexican government.

Restrictions on Advertising. Mexican law restricts the type of advertising which may be broadcast on cable television. These restrictions are similar to those applicable to advertising broadcast on over-the-air Channels 2, 4, 5 and 9. See Regulation Television Mexican Television Regulations Restrictions on Advertising .

Government Participation. Pursuant to the terms of cable concessions, cable television operators through September 23, 1999, were required to pay, on a monthly basis, absent a waiver from the Mexican government, up to 15% of revenues derived from subscriber revenues and substantially all other revenues, including advertising revenues, to the Mexican government in exchange for use of the cable concession. Most cable concessionaires, including Cablevisión, obtained a waiver on an annual basis to pay 9% of their revenues as participation to the Mexican government, as opposed to 15%. Under the Federal Telecommunications Law and accompanying regulations, cable television operators with public telecommunications network concessions, including Cablevisión, no longer have to pay the Mexican government any percentage of their revenues.

Forfeiture of Assets. Under Mexican regulations, at the end of the term of a public telecommunications concession, assets of concessionaires may be purchased by the Mexican government at market value.

Non-Mexican Ownership of Public Telecommunications Networks

Under current Mexican law, non-Mexicans may currently own up to 49% of the outstanding voting stock of Mexican companies with a public telecommunications concession. However, non-Mexicans may currently own up to all of the outstanding voting stock of Mexican companies with a public telecommunications concession to provide cellular telephone services, provided, that the requisite approvals are obtained from the *Comisión Nacional de Inversiones Extranjeras*, or the Foreign Investment Commission.

Application of Existing Regulatory Framework to Internet Access and IP Telephony Services

Cablevisión and Cablemás may be required, under Mexican law, to permit other concessionaires to connect their network to its network in a manner that enables its customers to choose the network by which the services are carried. To the extent that a cable television operator has any available capacity on its network, as a public telecommunications network, Mexican law requires the operator to offer third party providers access to its network. Cablevisión and Cablemás currently do not have any capacity available on its network to offer to third party providers and do not expect that they will have capacity available in the future given the broad range of services they plan to provide over their networks.

Satellite Communications

Mexican Regulation of DTH Satellite Services. Concessions to broadcast DTH satellite services are for an initial term of up to 30 years, and are renewable for up to 30 years. We received a 30-year concession to operate DTH satellite services in Mexico utilizing SatMex satellites on May 24, 1996. On November 27, 2000, we received an additional 20-year concession to operate our DTH satellite service in Mexico using the PAS-9 satellite system, a foreign-owned satellite system.

Like a public telecommunications network concession, a DTH concession may be revoked or terminated by the SCT prior to the end of its term in certain circumstances, which for a DTH concession include:

- the failure to use the concession within 180 days after it was granted;
- a declaration of bankruptcy of the concessionaire;
- failure to comply with the obligations or conditions specified in the concession;

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unlawful assignments of, or encumbrances on, the concession; or failure to pay to the government the required fees.

At the termination of a concession, the Mexican government has the preemptive right to acquire the assets of a DTH satellite service concessionaire. In the event of a natural disaster, war, significant public disturbance or for reasons of public need or interest, the Mexican government may temporarily seize and expropriate all assets related to a concession, but must compensate the concessionaire for such seizure. The Mexican government may collect fees based on DTH satellite service revenues of a satellite concessionaire.

Under the Telecommunications Law, DTH satellite service concessionaires may freely set customer fees but must notify the SCT of the amount, except that if a concessionaire has substantial market power, the SCT may determine fees that may be charged by such concessionaire. The Telecommunications Law specifically prohibits cross-subsidies. Non-Mexican investors may currently own up to 49% of full voting equity of DTH satellite system concessionaires; provided that Mexican investors maintain control of the operation. Foreign investors may increase their economic participation in the equity of a concessionaire through neutral investment mechanisms such as the CPO trust.

Regulation of DTH Satellite Services in Other Countries. Our current and proposed DTH joint ventures in other countries are and will be governed by laws, regulations and other restrictions of such countries, as well as treaties that such countries have entered into, regulating the delivery of communications signals to, or the uplink of signals from, such countries. In addition, the laws of some other countries establish restrictions on our ownership interest in some of these DTH joint ventures as well as restrictions on programming that may be broadcast by these DTH joint ventures.

Mexican Gaming Regulations

Pursuant to Mexico's Federal Law of Games and Draws, or *Ley Federal de Juegos y Sorteos*, or Gaming Law, and its accompanying regulations, the *Reglamento de la Ley Federal de Juegos y Sorteos*, or Gaming Regulations, the *Secretaría de Gobernación*, or Mexican Ministry of the Interior, has the authority to permit the operation of all manner of games and lotteries that involve betting. This administrative authorization is defined as a permit under the Gaming Regulations. Under the Gaming Regulations, each permit establishes the terms for the operation of the respective activities authorized under the permit and the specific periods for operation of those activities. Permits for games and lotteries that involve betting have a maximum term of 25 years. The holder of the relevant permit must comply with all the terms provided in the permit, the Gaming Law and the Gaming Regulations. We were granted a Gaming Permit on May 25, 2005, which expires on May 24, 2030.

In 2004, the Chamber of Deputies of the Mexican Congress filed a complaint before the Supreme Court of Justice of Mexico, seeking a declaration that the enactment of the Gaming Regulations was unconstitutional and, therefore, null and void. In January 2007, the Supreme Court of Justice declared the Gaming Regulations constitutional.

Mexican Antitrust Law

Mexico's Federal Antitrust Law and the accompanying regulations, the *Reglamento de la Ley Federal de Competencia Económica*, may affect some of our activities, including our ability to introduce new products and services, enter into new or complementary businesses and complete acquisitions or joint ventures. In addition, Mexico's Federal Antitrust Law and the accompanying regulations may adversely affect our ability to determine the rates we charge for our services and products. In addition, approval of the Mexican Antitrust Commission is required for us to acquire certain businesses or enter into certain joint ventures. See Key Information Risk Factors Risk Factors Related to Mexico Mexican Antitrust Laws May Limit Our Ability to Expand Through Acquisitions or Joint Ventures and Existing Mexican Laws and Regulations or Changes Thereto or the Imposition of New Ones May Negatively Affect Our Operations and Revenue .

The most recent amendments to Mexico's Federal Antitrust Law, in full force as of June 29, 2006, include among other things the following newly regulated activities: predatory pricing, exclusivity discounts, cross subsidization, and any acts by an agent that result in cost increases or in the creation of obstacles in the production process of its competitors or the demand of the goods or services offered by such competitor.

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Under the amendment, the review process of mergers and acquisitions by the Mexican Antitrust Commission, is modified by:

Raising the thresholds to make a concentration a reportable transaction.

Empowering the Mexican Antitrust Commission to issue a waiting order before a reported transaction may be closed, if such order is issued within ten business days from the date the transaction is reported to the Mexican Antitrust Commission.

Requiring the Mexican Antitrust Commission to rule upon a reported transaction that the filing party deems that it does not notoriously restrain competition (attaching the necessary evidence), within 15 business days from the filing date.

Additionally, the amendments provide for a significant enhancement of the Mexican Antitrust Commission authority:

An overreaching authority to determine whether competition, effective competition, market power and competition conditions in a specific market exist or not, either such determination is required under the antitrust law or if required under any other statute that requires a determination of market conditions.

To issue binding opinions in competition matters whether required by specific statutes, or required by other federal authorities. Such opinions shall also be issued in connection with decrees, regulations, governmental determinations and other governmental acts (such as public bid rules) which may have an anticompetitive effect.

To issue an opinion related to effective competition conditions in a specific market or to the market power of a given agent in a market.

To issue an opinion related to the granting of concessions, licenses or permits or the transfer of equity interests in concessionaries or licensees, are to be obtained if so required by the relevant statutes or the bid rules.

To perform visits to economic agents with the purpose of obtaining evidence of violations to the law, including the ability to obtain evidence of the incurrence of a vertical or horizontal restraint. In all cases, the Mexican Antitrust Commission must obtain a judicial subpoena in order to proceed with the visits. Any agent that is subject to such order is bound to allow such visits and to cooperate fully with the Mexican Antitrust Commission.

The amendments also provide for changes in the investigation process of possible illegal conducts.

Mexican Electoral Amendment

In 2007, the Mexican Federal Congress published an amendment to the Mexican Constitution, pursuant to which, among other things, the IFE has the exclusive right to manage and use the Official Broadcast Time. For a description of Official Television Broadcast Time and Official Radio Broadcast Time, see Information of the Company Business Overview Business Strategy Maintaining Our Leading Position in the Mexican Television Market Advertising Sales Plan and Information of the Company Business Overview Other Businesses Radio Stations . The IFE has the exclusive right to use the Official Broadcast Time for its own purposes and for the use of political parties in Mexico (as provided in the Mexican Constitution) for self promotion and, when applicable, to promote their electoral campaigns during election day, pre-campaign and campaign periods.

The IFE and the political parties must comply with certain requirements included in the Constitutional Amendment for the use of Official Broadcast Time. During federal electoral periods, the IFE will be granted, per the Constitutional Amendment, 48 minutes per day in each radio station and television channel, to be used during pre-campaign periods in two and up to three minutes per broadcast hour in each radio station and television channel, of which all the political parties will be jointly entitled, to use one minute per broadcast hour. During campaign periods, at least 85% of the 48 minutes per day, shall be allocated among the political parties, and the remaining 15% may be used by the IFE for its own purposes. During non-electoral periods, the IFE will be assigned with up to 12% of the Official Broadcast Time, half of which shall be allocated among the political parties. In the event that local elections are held simultaneously with federal elections, the broadcast time granted to the IFE shall be used for the federal and the local elections. During any other local electoral periods, the allocation of broadcast time will be made pursuant to the criteria established by the Constitutional Amendment and as such criteria is reflected in applicable law.

In addition to the foregoing, pursuant to the Constitutional Amendment political parties are forbidden to purchase or acquire advertising time directly or through third parties, from radio or television stations; likewise, third parties shall not acquire advertising time from radio or television stations for the broadcasting of advertisements which may influence the electoral preferences of Mexican citizens, nor in favor or against political parties or candidates to offices elected by popular vote.

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We believe we have been operating our business in compliance with the provisions of the Constitutional Amendment; however, we have filed legal actions contesting certain provisions of such Constitutional Amendment.

At this time, the Constitutional Amendment has not resulted in an economic impact upon our radio and television business that can be determined; nonetheless this may not be the case in the future. We cannot predict the outcome of the legal actions brought by the Company against the Constitutional Amendment. A decrease in paid advertising of the nature described above could lead to a decrease in our television or radio revenues.

Significant Subsidiaries

The table below sets forth our significant subsidiaries and Innova, a consolidated variable interest entity, as of December 31, 2008.

Name of Significant Subsidiary	Jurisdiction of Organization or Incorporation	Percentage Ownership(1)
Corporativo Vasco de Quiroga, S.A. de C.V.(2)(3)	Mexico	100.0%
CVQ Espectáculos, S.A. de C.V.(2)(3)	Mexico	100.0%
Editora Factum, S.A. de C.V.(3)(4)	Mexico	100.0%
Empresas Cablevisión, S.A.B de C.V.(3)(5)	Mexico	51.0%
Editorial Televisa, S.A. de C.V.(3)(6)	Mexico	100.0%
Factum Más, S.A. de C.V.(3)(7)(8)	Mexico	100.0%
Sky DTH, S. de R.L. de C.V.(3)(7)	Mexico	100.0%
Innova, S. de R.L. de C.V. (Innova)(9)	Mexico	58.7%
Grupo Distribuidoras Intermex, S.A. de C.V.(3)(10)	Mexico	100.0%
Paxia, S.A. de C.V.(3)(11)	Mexico	100.0%
Sistema Radiópolis, S.A. de C.V.(2)(3)(12)	Mexico	50.0%
Telesistema Mexicano, S.A. de C.V.(13)	Mexico	100.0%
G-Televisa-D, S.A. de C.V.(14)	Mexico	100.0%
Televisa, S.A. de C.V.(15)	Mexico	100.0%
Televisa Juegos, S.A. de C.V.(2)(3)(16)	Mexico	100.0%
Televisión Independiente de México, S.A. de C.V.(3)(13)	Mexico	100.0%

- (1) Percentage of equity owned by us directly or indirectly through subsidiaries or affiliates.
- (2) One of four direct subsidiaries through which we conduct the operations of our Other Businesses segment, excluding Internet operations.
- (3) While this subsidiary is not a significant subsidiary within the meaning of Rule 1-02(w) of Regulation S-X under the Securities Act, we have included this subsidiary in the table above to provide a more complete description of our operations.
- (4) Subsidiary through which we own equity interests in and conduct the operations of our Cable and Telecom segment.
- (5) Indirect subsidiary through which we conduct the operations of our Cable and Telecom segment.
- (6) Direct subsidiary through which we conduct the operations of our Publishing segment.
- (7) One of two subsidiaries through which we own our equity interest in Innova.
- (8) Direct subsidiary through which we own equity interests in and conduct our Internet business.

- (9) Consolidated variable interest entity through which we conduct the operations of our Sky segment. We currently own a 58.7% interest in Innova.
- (10) Direct subsidiary through which we conduct the operations of our Publishing Distribution segment.
- (11) Direct subsidiary through which we maintain 99.99% of the equity of Alvafig, a holding company with a 58.3% interest in the total capital stock of Cablemás, at May 31, 2009.
- (12) Direct subsidiary through which we conduct the operations of our Radio business.
- (13) One of two direct subsidiaries through which we conduct the operations of our Television Broadcasting, Pay Television Networks and Programming Exports segments.

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- (14) Indirect subsidiary through which we conduct certain operations of our Television Broadcasting segment.
- (15) Indirect subsidiary through which we conduct the operations of our Television Broadcasting, Pay Television Networks and Programming Exports segments.
- (16) Direct subsidiary through which we conduct the operations of our Gaming business.

Property, Plant and Equipment

Broadcasting, Office and Production Facilities. Our properties consist primarily of broadcasting, production facilities, television and reporter stations, technical operations facilities, workshops, studios and office facilities, most of which are located in Mexico. We own most of our properties or lease offices and facilities through indirect wholly owned and majority owned subsidiaries. There are no major encumbrances on any of our properties, and we currently do not have any significant plans to construct any new properties or expand or improve our existing properties. Our principal offices, which we own, are located in Santa Fe, a suburb of Mexico City. Each of our television stations has individual transmission facilities located in Mexico, substantially all of which we own. Our television production operations are concentrated in three locations in Mexico City, 14 studios in San Angel, 12 studios located in Chapultepec and 3 studios in Santa Fe. We own substantially all of these studios. The local television stations wholly or majority owned by us have in the aggregate 42 production studios. We own other properties used in connection with our operations, including a training center, technical operations facilities, studios, workshops, television and repeater stations, and office facilities. We beneficially own Azteca Stadium, which seats approximately 105,000 people, through a trust arrangement that was renewed in 1993 for a term of 30 years and that may be extended for additional periods. In the aggregate, these properties, excluding Azteca Stadium, currently represent approximately 4.9 million square feet of space, of which over 3.4 million square feet are located in Mexico City and the surrounding areas, and approximately 1.5 million square feet are located outside of Mexico City and the surrounding areas.

Our cable television, radio, publishing and Mexican DTH satellite service businesses are located in Mexico City. We also own the transmission and production equipment and facilities of our radio stations located outside Mexico City. We also own or lease over a total of 534,859 square feet in properties in the United States, Latin America, Spain and Switzerland in connection with our operations there. We own or lease all of these properties through indirect wholly owned and majority owned subsidiaries. The following table summarizes our real estate and lease agreements in the United States, Latin America, Spain and Switzerland.

Operations	Number of Properties	Location
Television and news activities		
Owned properties	2	San Diego, California(1)
Leased properties		Buenos Aires, Argentina(1)
	4	Madrid, Spain(2)
		San Diego, California(1)
		Zug, Switzerland(1)
Publishing activities		
Owned properties	7	Miami, Florida(1)
		Santiago, Chile(1)
		Quito, Ecuador(1)
		Guayaguil, Ecuador(1)
		Caracas Venezuela (1)
		Buenos Aires, Argentina(2)
Leased properties	9	Beverly Hills, California(1)
		Miami, Florida(1)
		New York, New York(1)

Medellín, Colombia(1)
Bogota, Colombia(2)
Quito, Ecuador(1)
Caracas, Venezuela(1)
San Juan, Puerto Rico(1)

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Operations	Number of Properties	Location
Publishing distribution and other activities		
Owned properties	2	Lima, Peru(1) Guayaquil, Ecuador(1)
Leased properties	81	Quito, Ecuador(2) Guayaquil, Ecuador(1) Buenos Aires, Argentina(2) Panamá, Panamá(2) Santiago, Chile (44) Armenia, Colombia(1) Barranquilla, Colombia(3) Bogota, Colombia(3) Bucaramanga, Colombia(1) Cali, Colombia(5) Cartagena, Colombia(1) Colombia, Colombia(2) Ibage, Colombia(1) Manizales, Colombia(1) Medellín, Colombia(4) Pasto, Colombia(1) Pompayan, Colombia(1) Pereira, Colombia(1) Santa Martha, Colombia(1) Sincelejo, Colombia,(1) Villavicencio, Colombia(1) Lima, Peru(2)
DTH		
Leased properties	5	San José, Costa Rica(1) Guatemala (1) Nicaragua (1) Panama (1) Dominicana (1)
Telephony		
Leased properties	7	San Antonio, Texas(3) Dallas, Texas (2) McAllen, Texas (1) Mission, Texas (1)

Satellites. We currently use transponder capacity on five satellites: Satmex V, which reaches Mexico, the United States, Latin America, except Brazil, and the Caribbean; Solidaridad II, which reaches only Mexico; Intelsat 3-R (formerly PAS 3-R), which reaches North America, Western Europe, Latin America and the Caribbean; and Galaxy 16 (formerly Galaxy IVR), which reaches Mexico, the U.S. and Canada. The Intelsat 9 (formerly PAS-9) satellite is currently functioning and its period of operation is expected to last 15 years (life expectancy through 2019). With Intelsat, we are evaluating alternatives to replace Intelsat 9. Intelsat 9 provides coverage of Central America, Mexico, the Southern United States and the Caribbean. Intelsat will launch a back-up satellite for our DTH joint venture

operations in the first quarter of 2010, and we estimate that it will start operations in the first quarter of 2010 as well. For a description of guarantees related to our DTH joint venture transponder obligations, see Note 11 to our year-end financial statements.

On September 20, 1996, PanAmSat (now Intelsat), our primary satellite service provider, agreed to provide U.S. transponder service on three to five PAS-3R Ku-band transponders, at least three of which were intended to be for the delivery of DTH satellite services to Spain. Under the PAS-3R transponder contract, as amended, we were required to pay for five transponders at an annual fee for each transponder of U.S.\$3.1 million. We currently have available transponder capacity on two 36 MHz C-band transponders on Galaxy 16 (formerly, Galaxy IVR), which reaches Mexico, the United States and Canada, due to an exchange with three of the five 54 MHz Ku-band transponders on PAS-3R described above. For each of the 36 MHz C-band transponders we pay an annual fee of approximately U.S.\$3.7 million.

On December 2005, we signed an extension with PanAmSat, for the use of three transponders on PAS-3R satellite until 2009 and 2012 and two transponders in Galaxy IVR (replaced by Galaxy 16) satellite until 2016.

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PanAmSat and DIRECTV announced the completion of the sale of PanAmSat on August 20, 2004, to affiliates of Kohlberg, Kravis, Roberts & Co. L.P., The Carlyle Group and Providence Equity Partners, Inc.

On June 19, 2006, the FCC announced that it has approved the merger of Intelsat, Ltd., or Intelsat, with PanAmSat Holding Corporation, or PanAmSat. Intelsat and PanAmSat announced the conclusion of their merger transaction on July 3, 2006. Previously, on August 29, 2005, Intelsat and PanAmSat announced the merger of both companies by means of an acquisition of PanAmSat by Intelsat, creating a world-class communications solution provider.

On August 14, 2006, Televisa's main network broadcast operation was successfully relocated from satellite Galaxy IVR to Galaxy 16. Televisa's broadcast was formerly conducted through Galaxy IVR, which experienced an irreparable damage that shortened its expected operational life.

On February 1, 2007, Intelsat renamed some of their satellite fleet recently acquired with the merger with PanAmSat: current names for PAS-9 and PAS-3R are IS-9 and IS-3R, respectively. Intelsat kept the name of Galaxy 16. In December 2007, Innova and Sky Brasil reached an agreement with Intelsat Corporation and Intelsat LLC to build and launch a new 24-transponder satellite, IS-16, for which service will be dedicated to Sky and Sky Brasil over the satellite's estimated 15-year life. The satellite will be manufactured by Orbital Sciences Corporation and is expected to launch in the first semester of 2010.

With several new domestic and international satellites having been launched recently, and with several others scheduled for launch in the next few years, including those scheduled for launch by the new Intelsat company, we believe that we will be able to secure satellite capacity to meet our needs in the future, although no assurance can be given in this regard.

Insurance. We maintain comprehensive insurance coverage for our offices, equipment and other property, subject to some limitations, that result from a business interruption due to natural disasters or other similar events, however, we do not maintain business interruption insurance for our DTH business in case of loss of satellite transmission.

Item 5. Operating and Financial Review and Prospects

You should read the following discussion together with our year-end financial statements and the accompanying notes, which appear elsewhere in this annual report. This annual report contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below and elsewhere in this annual report, particularly in Key Information Risk Factors. In addition to the other information in this annual report, investors should consider carefully the following discussion and the information set forth under Key Information Risk Factors before evaluating us and our business.

Preparation of Financial Statements

Our year-end financial statements have been prepared in accordance with Mexican FRS, which differ in some significant respects from U.S. GAAP. Note 23 to our year-end financial statements describes certain differences between Mexican FRS and U.S. GAAP as they relate to us through December 31, 2008. Note 23 to our year-end financial statements provides a reconciliation to U.S. GAAP of net income and total stockholders' equity. Note 23 to our year-end financial statements also presents all other disclosures required by U.S. GAAP, as well as condensed financial statement data.

As required by Mexican FRS, beginning on January 1, 2008, we discontinued recognizing the effects of inflation in our financial information. Accordingly, our financial statements as of December 31, 2006 and 2007 and for the years ended on those dates are stated in Mexican Pesos in purchasing power as of December 31, 2007. The financial information as of and for the year ended December 31, 2008 is not directly comparable to prior periods due to the recognition of inflation effects in financial information in prior periods. Our financial information for the year ended December 31, 2008 maintained the inflation adjustments recognized in prior years in our consolidated stockholders' equity, and the inflation-adjusted amounts for nonmonetary assets and liabilities at December 31, 2007 became the accounting basis for those assets and liabilities beginning on January 1, 2008 and for subsequent periods. In discussing results of operations for the year ended December 31, 2008 compared to the year ended December 31, 2007, we have provided below in the discussion of line items a percentage increase in certain 2007 line items that reflects the impact the inflation adjustment had when applying inflation accounting to that line item in 2007.

Table of Contents**Results of Operations**

The following tables set forth our results of operations data for the indicated periods as a percentage of net sales:

	Year Ended December 31,(1)		
	2006	2007	2008
Segment Net Sales			
Television Broadcasting	53.7%	49.7%	43.7%
Pay Television Networks	3.4	4.3	4.5
Programming Exports	5.4	5.3	5.0
Publishing	7.4	7.8	7.5
Sky	19.1	19.7	18.7
Cable and Telecom	5.1	6.1	13.5
Other Businesses	5.9	7.1	7.1
Total Segment Net Sales	100.0%	100.0%	100.0%
Intersegment Operations	(2.8)	(2.6)	(2.3)
Total Consolidated Net Sales	97.2%	97.4%	97.7%
Net Sales			
Cost of Sales(2)	42.7%	43.6%	44.9%
Selling Expenses(2)	7.9	7.9	8.2
Administrative Expenses(2)	6.1	5.9	6.4
Depreciation and Amortization	7.1	7.8	9.0
Consolidated Operating Income	36.2	34.8	31.5
Total Net Sales	100.0%	100.0%	100.0%

(1) Certain segment data set forth in these tables may vary from certain data set forth in our year-end consolidated financial statements due to differences in rounding. The segment net sales and total segment net sales data set forth in this annual report reflect sales from intersegment operations in all periods presented. See Note 22 to our year-end financial statements.

(2) Excluding depreciation and amortization.

Table of Contents**Summary of Business Segment Results**

The following table sets forth the net sales and operating segment income (loss) of each of our business segments and intersegment sales, corporate expenses and depreciation and amortization for the years ended December 31, 2006, 2007 and 2008. In 2003, we adopted the provisions of Bulletin B-5, Financial Information by Segments issued by the Mexican Institute of Public Accountants, or MIPA. This standard requires us to look to our internal organizational structure and reporting system to identify our business segments. In accordance with this standard, we currently classify our operations into seven business segments: Television Broadcasting, Pay Television Networks, Programming Exports, Publishing, Sky, Cable and Telecom, and Other Businesses. In 2007, we changed the names of two of our segments Sky Mexico to Sky, because we began operations in Central America, and Cable Television Cable and Telecom due to the consolidation of Bestel, a telecommunication company, into this segment. The Company's Radio and Publishing Distribution businesses were presented as separate reportable segments in 2006 and 2007. Beginning in 2007 Radio was classified into the Other Businesses segment and beginning in the third quarter of 2008 Publishing Distribution was classified into the Other Businesses segment since its operations were no longer significant to the Company's consolidated financial statements taken as a whole. See Recently Issued Mexican Financial Reporting Standards and Note 1(t) to our year-end financial statements. We have restated our segment results for the prior periods to reflect these changes in segment reporting. Our results for 2008, include Cablemás, a significant cable operator in Mexico into the Cable and Telecom segment. Effective June 1, 2008, we began consolidating the assets, liabilities and results of operations of Cablemás in our consolidated financial statements. See Note 2 to our year end financial statements. In discussing results of operations for the year ended December 31, 2008 compared to the year ended December 31, 2007, we have provided below in the discussion of line items a percentage increase in certain 2007 line items that reflects the impact the inflation adjustment had when applying inflation accounting to that line item in 2007.

	Year Ended December 31,(1)		
	2006	2007	2008
	(Millions of Pesos)		
Segment Net Sales			
Television Broadcasting	Ps. 21,760.4	Ps. 21,213.2	Ps. 21,460.7
Pay Television Networks	1,379.0	1,852.0	2,212.5
Programming Exports	2,190.3	2,262.1	2,437.2
Publishing	2,993.9	3,311.9	3,700.4
Sky	7,732.9	8,402.2	9,162.2
Cable and Telecom	2,059.4	2,611.6	6,623.4
Other Businesses	2,372.1	3,039.6	3,498.5
Total Segment Net Sales	40,488.0	42,692.6	49,094.9
Intersegment Operations	(1,130.3)	(1,131.1)	(1,122.6)
 Total Consolidated Net Sales	 Ps. 39,357.7	 Ps. 41,561.5	 Ps. 47,972.3
Operating Segment Income (Loss)			
Television Broadcasting	Ps. 10,996.3	Ps. 10,518.1	Ps. 10,504.9
Pay Television Networks	707.9	1,150.2	1,378.2
Programming Exports	902.0	1,032.0	1,076.8
Publishing	576.7	624.4	648.6
Sky	3,689.1	4,037.9	4,416.8
Cable and Telecom	847.5	947.2	2,134.8
Other Businesses	(206.2)	(237.5)	(242.9)
 Total Operating Segment Income(2)	 17,513.3	 18,072.3	 19,917.2

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Corporate Expenses(2)	(467.8)	(368.3)	(478.3)
Depreciation and Amortization	(2,779.8)	(3,223.1)	(4,311.1)
Total Consolidated Operating Income(3)	Ps. 14,265.7	Ps. 14,480.9	Ps. 15,127.8

- (1) Certain segment data set forth in these tables may vary from certain data set forth in our year-end financial statements due to differences in rounding. The segment net sales and total segment net sales data set forth in this annual report reflect sales from intersegment operations in all periods presented. See Note 22 to our year-end financial statements.
- (2) The operating segment income (loss), and total operating segment income data set forth in this annual report do not reflect corporate expenses and depreciation and amortization in any period presented, but are presented herein to facilitate the discussion of segment results.
- (3) Total consolidated operating income reflects corporate expenses and depreciation and amortization in all periods presented. See Note 22 to our year-end financial statements.

Table of Contents**Seasonality**

Our results of operations are seasonal. We typically recognize a disproportionately large percentage of our overall advertising net sales in the fourth quarter in connection with the holiday shopping season. For example, in 2006, 2007 and 2008, we recognized 28.3%, 29.9% and 30.2%, respectively, of our net sales in the fourth quarter of the year. Our costs, in contrast to our revenues, are more evenly incurred throughout the year and generally do not correlate to the amount of advertising sales.

**Results of Operations for the Year Ended December 31, 2008
Compared to the Year Ended December 31, 2007**

Total Segment Results***Net Sales***

Our net sales increased by Ps.6,410.8 million, or 15.4%, to Ps.47,972.3 million for the year ended December 31, 2008 from Ps.41,561.5 million for the year ended December 31, 2007. This increase reflects a revenue growth in our Cable and Telecom, Sky, Publishing, Pay Television Networks, Television Broadcasting, Programming Exports and Other Businesses segments. These increases were partially offset by a 2007 inflation effect of 3.2%.

Cost of Sales

Cost of sales increased by Ps.3,428.0 million, or 18.9%, to Ps.21,556.0 million for the year ended December 31, 2008 from Ps.18,128.0 million for the year ended December 31, 2007. This increase was due to higher costs in our Cable and Telecom, Publishing, Sky, Television Broadcasting, Programming Exports, Pay Television Networks and Other Businesses segments. These increases were partially offset by a 2007 inflation effect of 2.4%.

Selling Expenses

Selling expenses increased by Ps.641.7 million, or 19.6%, to Ps.3,919.2 million for the year ended December 31, 2008 from Ps.3,277.5 million for the year ended December 31, 2007. This increase was attributable to higher selling expenses in our Cable and Telecom, Sky, Television Broadcasting, Publishing, Pay Television Networks, Programming Exports and Other Businesses segments, as a result of increases in promotional and advertising expenses and commissions paid. These increases were partially offset by a 2007 inflation effect of 2.3%.

Administrative Expenses

Administrative expenses increased by Ps.606.2 million, or 24.7%, to Ps.3,058.2 million for the year ended December 31, 2008 from Ps.2,452.0 million for the year ended December 31, 2007. This increase reflects the administrative expense growth in our Cable and Telecom, Television Broadcasting, Publishing, Pay Television Networks, Sky and Programming Exports segments; as well as an increase in corporate expenses due to higher share-based compensation expense, which amounted to approximately Ps.222.0 million in 2008, compared with Ps.140.5 million in 2007. These increases were partially offset by lower administrative expenses in our Other Businesses segment and by a 2007 inflation effect of 2.6%.

Television Broadcasting

Television Broadcasting net sales are derived primarily from the sale of advertising time on our national television networks, Channels 2, 4, 5 and 9, and local stations, including our English language station on the Mexico/U.S. border. The contribution of local stations net sales to Television Broadcasting net sales was 13.3% in 2007 and 13.0% in 2008. No Television Broadcasting advertiser accounted for more than 10% of Television Broadcasting advertising sales in any of these years.

Television Broadcasting net sales, representing 49.7% and 43.7% of our total segment net sales for the years ended December 31, 2007 and 2008, respectively, increased by Ps.247.5 million, or 1.2%, to Ps.21,460.7 million for the year ended December 31, 2008 from Ps.21,213.2 million for the year ended December 31, 2007. This increase was attributable to strong ratings primarily in prime time and by our broadcast of the 2008 Olympic Games. These increases were partially offset by a 2007 inflation effect of 3.5%.

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Television Broadcasting operating segment income had a marginal decrease by Ps.13.2 million, or 0.1%, to Ps.10,504.9 million for the year ended December 31, 2008 from Ps.10,518.1 million for the year ended December 31, 2007. This decrease was due to the increase in cost of sales due to the production and broadcast costs of the 2008 Olympic Games and an increase in operating expenses driven by higher commissions paid and personnel expenses, as well as a 2007 inflation effect of 5.0%, which was partially offset by the increase in net sales.

Advertising Rates and Sales

We sell commercial time in two ways: upfront and scatter basis. Advertisers that elect the upfront option lock in prices for the upcoming year, regardless of future price changes. Advertisers that choose the upfront option make annual prepayments, with cash or short-term notes, are charged the lowest rates for their commercial time, are given the highest priority in schedule placement, and are given a first option in advertising during special programs. Scatter advertisers, or advertisers who choose not to make upfront payments but rather advertise from time to time, risk both higher prices and lack of access to choice commercial time slots. We sell advertising to our customers on a cost per rating point basis.

The Mexican government does not restrict our ability to set our advertising rates. In setting advertising rates and terms, we consider, among other factors, the likely effect of rate increases on the volume of advertising sales. We have historically been flexible in setting rates and terms for our television advertising. Nominal rate increases have traditionally varied across daytime hours, and the same price increases have not been implemented for all programs, with higher increases in certain programs as a result of high demand for advertising during certain hours.

During 2007 and 2008, we increased our nominal advertising rates. During prime time broadcasts, we sold an aggregate of 1,416 hours of advertising time in 2007 and 1,473 hours in 2008. During sign-on to sign-off hours, we sold 3,050 hours of advertising time in 2007 and 3,033 hours in 2008. Television Broadcasting advertising time that is not sold to the public is primarily used to satisfy our legal obligation to the Mexican government to provide Official Television Broadcast Time and to promote, among other things, our television products.

As of December 31, 2007 and December 31, 2008, we had received Ps.16,085.0 million (nominal) and Ps.16,881.6 million (nominal), respectively, of advertising deposits for television advertising time during 2008 and 2009, representing approximately U.S.\$1,472.7 million and U.S.\$1,219.8 million at the applicable year-end exchange rates. Approximately 67.9% and 67.8% of these deposits as of December 31, 2007 and 2008, respectively, were in the form of short-term, non-interest bearing notes, with the remainder in each of these years consisting of cash deposits. The weighted average maturity of these notes at December 31, 2007 and 2008 was 3.6 months and 4.0 months, respectively.

Pay Television Networks

Pay Television Networks net sales are derived primarily from revenues received in exchange for providing television channels to pay television providers servicing the United States, Europe, the Caribbean, Australia, Latin America and Canada, including other cable systems in Mexico and the DTH satellite joint venture in which we have an interest. Pay television networks net sales also include the revenues from TuTv, our pay-TV joint venture in the United States with Univision. Revenues from advertising time sold with respect to programs provided to cable systems in Mexico and internationally are also reflected in this segment. Pay Television Networks sell advertising independently from our other media-related segments on a scatter basis.

Pay Television Networks net sales, representing 4.3% and 4.5% of our total segment net sales for the years ended December 31, 2007 and 2008, respectively, increased by Ps.360.5 million, or 19.5%, to Ps.2,212.5 million for the year ended December 31, 2008 from Ps.1,852.0 million for the year ended December 31, 2007. This increase reflects higher revenues from signals sold in Mexico, Latin America and Spain and an increase in advertising sales. This increase was partially offset by a 2007 inflation effect of 2.4%.

Pay Television Networks operating segment income increased by Ps.228.0 million, or 19.8%, to Ps.1,378.2 million for the year ended December 31, 2008, from Ps.1,150.2 million for the year ended December 31, 2007, primarily due to higher sales that were partially offset by an increase in cost of sales mainly by costs of programs produced by the Company and third parties and an increase in operating expenses due to higher promotional and advertising expenses and commissions paid and by a 2007 inflation effect of 2.4%.

Table of Contents***Programming Exports***

Programming Exports net sales consist primarily of revenues from program license agreements and principally relate to our telenovelas and our variety programs. In 2007 and 2008, 68.1% and 68.4%, respectively, of net sales for this segment were attributable to programming licensed under our program license agreement with Univision. In 2007 and 2008, we received U.S.\$138.0 million and U.S.\$146.5 million, respectively, in program royalties from Univision, related to the Univision Network and Galavision Network.

Programming Exports net sales, representing 5.3% and 5.0% of our total segment net sales for the years ended December 31, 2007 and 2008, respectively, increased by Ps.175.1 million, or 7.7%, to Ps.2,437.2 million for the year ended December 31, 2008 from Ps.2,262.1 million for the year ended December 31, 2007. This increase was primarily due to higher royalties paid to us under the Program License Agreement entered into with Univision in the amount of U.S.\$146.5 million, for the year ended December 31, 2008 as compared to U.S.\$138.0 million, for the year ended December 31, 2007, as well as an increase in export sales to Latin America and a positive translation effect on foreign-currency denominated sales. These increases were partially offset by lower export sales to Europe, Asia and Africa and by a 2007 inflation effect of 2.4%.

Programming Exports operating segment income increased by Ps.44.8 million, or 4.3%, to Ps.1,076.8 million for the year ended December 31, 2008 from Ps.1,032.0 million for the year ended December 31, 2007. This increase was primarily due to the increase in net sales, and was partially offset by an increase in cost of sales due to higher programming costs and operating expenses, primarily due to an increase in personnel expenses and by a 2007 inflation effect of 2.5%.

Publishing

Publishing net sales are primarily derived from the sale of advertising pages in our various magazines, as well as magazine sales to distributors. Our Publishing segment sells advertising independently from our other media-related segments. Advertising rates are based on the publication and the assigned space of the advertisement.

Publishing net sales, representing 7.8% and 7.5% of our total segment net sales for the years ended December 31, 2007 and 2008, respectively, increased by Ps.388.5 million, or 11.7%, to Ps.3,700.4 million for the year ended December 31, 2008 from Ps.3,311.9 million for the year ended December 31, 2007. The annual increase was driven by higher revenues from magazine circulation and advertising pages sold abroad partly due to the consolidation of Editorial Atlántida, a publishing company in Argentina, beginning September 2007; a greater number of advertising pages sold in Mexico, and a positive translation effect on foreign-currency denominated sales. This increase was partially offset by a 2007 inflation effect of 1.3%.

Publishing operating segment income increased by Ps.24.2 million, or 3.9%, to Ps.648.6 million for the year ended December 31, 2008 from Ps.624.4 million for the year ended December 31, 2007. This increase reflects higher sales and a 2007 inflation effect of 0.1% which, were partially offset by higher cost of sales and operating expenses, due to the consolidation of Editorial Atlántida, as well as an increase in costs of supplies and personnel.

Sky

Sky net sales are primarily derived from program services, installation fees and equipment rental to subscribers, and national advertising sales.

Sky net sales, representing 19.7% and 18.7% of our total segments net sales for the years ended December 31, 2007 and 2008 respectively, increased by Ps.760.0 million or 9.0% to Ps.9,162.2 million for the year ended December 31, 2008 from Ps.8,402.2 million for the year ended December 31, 2007. This increase was primarily due to an increase in its subscriber base in Mexico, a growth of Sky operations in Central America and higher advertising revenues. This increase was partially offset by a 2007 inflation effect of 2.4%. As of December 31, 2008 the number of gross active subscribers increased to 1,759,800 (including 128,900 commercial subscribers) compared with 1,585,100 (including 103,100 commercial subscribers) as of December 31, 2007.

Sky operating segment income increased by Ps.378.9 million or 9.4% to Ps.4,416.8 million for the year ended December 31, 2008 from Ps.4,037.9 million for the year ended December 31, 2007. This increase was due to the increase in net sales and was partially offset by higher programming costs associated with the increase of our subscriber base and an increase in commissions paid, promotional and personnel expenses, as well as a 2007 inflation effect of 2.4%.

Table of Contents***Cable and Telecom***

Cable and Telecom net sales are derived from Cable Television services and advertising sales. Net sales for Cable Television services generally consist of monthly subscription fees for basic and premium service packages, fees charged for pay-per-view programming and, to a significantly lesser extent, monthly rental and one-time installation fees, broadband internet and telephone services subscription. Beginning June 2008, we began to consolidate the financials of Cablemás, a significant cable operator in Mexico operating in 49 cities into our financial statements. The telecommunications business derives revenues from providing data and long-distance services solutions to carriers and other telecommunications service providers through its fiber-optic network. Net sales for Cable Television advertising consist of revenues from the sale of advertising on Cablevisión and Cablemás. From July 2005 to October 2007, Maximedios Alternativos, S.A. de C.V. was Cablevisión's sales agent for advertising time. See Major Stockholders and Related Party Transactions Related Party Transactions Transactions and Arrangements With Affiliates and Related Parties of Our Directors, Officers and Major Stockholders. Rates are based on the day and time the advertising is aired, as well as the type of programming in which the advertising is aired. Cable subscription and advertising rates are adjusted periodically in response to inflation and in accordance with market conditions.

Cable and Telecom net sales, representing 6.1% and 13.5% of our total segment net sales for the years ended December 31, 2007 and 2008, respectively, increased by Ps.4,011.8 million, or 153.6%, to Ps.6,623.4 million for the year ended December 31, 2008 from Ps.2,611.6 million for the year ended December 31, 2007. This increase was primarily due to i) a 21.3% increase in sales of Cablevisión, driven mainly by a 21.6% increase in RGUs; ii) the consolidation of Cablemás starting June 2008, which represented incremental revenue of Ps.1,871.0 million; and iii) the consolidation of Bestel starting December 2007, which experienced growth in sales of Ps.1,685.5 million. This increase was partially offset by a 2007 inflation effect of 5.1%.

Cable and Telecom operating segment income increased by Ps.1,187.6 million, or 125.4%, to Ps.2,134.8 million for the year ended December 31, 2008 from Ps.947.2 million for the year ended December 31, 2007. These results reflect higher sales, including operating segment income of Ps.638.0 million from the consolidation of Cablemás and an increase in Bestel's operating segment income of Ps.285.9 million, that were partially offset by an increase in cost of sales due primarily due to higher signal and personnel costs as well as promotional and advertising expenses and a 2007 inflation effect of 4.6%.

The following table sets forth the breakdown of subscribers as of December 31, 2008:

	Cablevisión	Cablemás
Video	590,690	851,172
Broadband	199,731	242,708
Telephony	54,068	76,112
RGUs	844,489	1,169,992

Other Businesses

Other Businesses net sales are primarily derived from the promotion of sports and special events in Mexico, the distribution of feature films, revenues from our internet businesses, which includes revenues from advertisers for advertising space on Esmas.com, and revenues related to our PSMS messaging service, gaming, radio and publishing distribution (beginning third quarter 2008).

Other Businesses net sales, representing 7.1% of our total segment net sales for both years ended December 31, 2007 and 2008, increased by Ps.458.9 million, or 15.1%, to Ps.3,498.5 million for the year ended December 31, 2008 from Ps.3,039.6 million for the year ended December 31, 2007. This increase was primarily due to higher sales related to our gaming, feature-film distribution, and radio businesses. This increase was partially offset by lower sales in our sport events production, internet and publishing distribution businesses and by a 2007 inflation effect of 2.2%.

Other Businesses operating segment loss increased by Ps.5.4 million, or 2.3%, to Ps.242.9 million for the year ended December 31, 2008 from Ps.237.5 million for the year ended December 31, 2007. This increase reflects higher cost of sales and operating expenses related to our publishing distribution and feature film distribution businesses and lower sales in our sport events production and internet businesses; these were partially offset by higher total segment sales and a decrease in the cost of sales of our sport events production business, lower operating expenses in our gaming

and radio businesses and by a 2007 inflation effect of 3.9%.

Table of Contents**Depreciation and Amortization**

Depreciation and amortization expense increased by Ps.1,088.0 million, or 33.8%, to Ps.4,311.1 million for the year ended December 31, 2008 from Ps.3,223.1 million for the year ended December 31, 2007. This change primarily reflects an increase in our Cable and Telecom (due to the consolidation of Cablemás and Bestel), Television Broadcasting, Sky and Other Businesses segments. This increase was partially offset by a 2007 inflation effect of 2.8%.

Non-operating Results**Other Expense, Net**

Other expense, net, decreased by Ps.1.3 million, or 0.1%, to Ps.952.1 million for the year ended December 31, 2008, compared with Ps.953.4 million for the year ended December 31, 2007. This decrease primarily reflected the absence of a loss on disposition of shares in connection with the sale of our interest in Univision during the first quarter of 2007, as well as U.S.\$19 million in other income resulting from the January 2009 litigation settlement with Univision. These favorable variances were partially offset by: i) the absence of other income derived from the cancellation in 2007 of an option to acquire an equity stake in the parent company of the controlling partners of La Sexta; ii) an increase in professional services in connection with certain litigation; iii) higher non-cash impairment adjustments made to the carrying value of trademarks in our Publishing segment and goodwill of certain businesses in our Television Broadcasting segment; and iv) a 2007 inflation effect of 2.6%. In 2008 other expense, net, included primarily impairment adjustments to intangible assets, professional services in connection with certain litigation, donations and other income derived from a litigation settlement in January 2009.

Integral Cost of Financing

Integral cost of financing significantly impacts our financial statements in periods of high inflation or currency fluctuations. Under Mexican FRS, integral cost of financing reflects:

interest expense, including gains or losses from derivative instruments and the restatement of our UDI denominated notes through 2007;

interest income;

foreign exchange gain or loss attributable to monetary assets and liabilities denominated in foreign currencies, including gains or losses from derivative instruments; and

gain or loss attributable to holding monetary assets and liabilities exposed to inflation through 2007, as we discontinued recognizing the effects of inflation in financial information effective January 1, 2008.

Our foreign exchange position is affected by our assets or liabilities denominated in foreign currencies. We record a foreign exchange gain or loss if the exchange rate of the Peso to the other currencies in which our monetary assets or liabilities are denominated varies.

The net expense attributable to integral cost of financing increased by Ps.420.7 million, to Ps.830.9 million for the year ended December 31, 2008 from Ps.410.2 million for the year ended December 31, 2007. This increase reflected primarily a Ps.639.4 million increase in interest expense, due primarily to a higher principal amount of long-term debt in 2008; and a Ps.544.9 million decrease in interest income explained mainly by a reduction of interest rates applicable to foreign currency temporary investments in 2008. These variances were partially offset by a Ps.469.8 million increase in foreign exchange gain resulting principally from a gain derived from foreign currency swap contracts, which effect was partially offset by the impact in 2008 of the depreciation of the Mexican Peso against the U.S. dollar on our net U.S. dollar liability position; and the absence in 2008 of a Ps.293.8 million loss from monetary position recognized in 2007, as we ceased recognizing the effects of inflation in financial information effective January 1, 2008.

Equity in Losses of Affiliates, Net

This line item reflects our equity participation in the operating results and net assets of unconsolidated businesses in which we maintain an interest, but over which we have no control. We recognized equity in losses of affiliates up to the amount of our initial investment and subsequent capital contributions, or beyond that amount when guaranteed commitments have been made by us in respect of obligations incurred by affiliates.

Equity in losses of affiliates is comprised mainly by the equity in losses of La Sexta, our 40% interest in a free-to-air television channel in Spain, and Volaris, our 25% interest in a low-cost carrier airline with a concession to operate in

Mexico. Equity in losses of affiliates, net, increased by Ps.300.6 million, or 40.1%, to Ps.1,049.9 million in 2008 compared with Ps.749.3 million in 2007. This increase reflected primarily an increase in equity in losses of La Sexta and Volaris. This variance was partially offset by an increase in equity in income of OCEN, our 40% interest in a live entertainment business in Mexico.

Table of Contents**Income Taxes**

Income taxes increased by Ps.214.6 million, or 6.4%, to Ps.3,564.2 million in 2008 from Ps.3,349.6 million in 2007. This increase reflected a higher corporate income tax base.

We are authorized by the Mexican tax authorities to compute our income tax on a consolidated basis. Mexican controlling companies are allowed to consolidate, for income tax purposes, income or losses of their Mexican subsidiaries up to 100% of their share ownership in such subsidiaries.

We and our Mexican subsidiaries were also subject to an asset tax, at a tax rate of 1.25% through December 31, 2007, on the adjusted gross value of some of our assets. The asset tax was computed on a fully consolidated basis in 2007. The Mexican corporate income tax rate in 2006, 2007 and 2008 was 29%, 28% and 28%, respectively. In accordance with the current Mexican Income Tax Law, the corporate income tax rate in the subsequent years will be 28%. On October 1, 2007, the Mexican government enacted the new Flat Rate Business Tax (*Impuesto Empresarial a Tasa Única* or IETU). This law became effective as of January 1, 2008. The law introduced a flat tax, which replaced Mexican asset tax and is applied along with Mexican regular income tax. In general, Mexican companies are subject to paying the greater of the flat tax or the income tax. The flat tax is calculated by applying a tax rate of 16.5% in 2008, 17% in 2009, and 17.5% in 2010 and the following years. Although the flat tax is defined as a minimum tax, it has a wider taxable base as many of the tax deductions allowed for income tax purposes are not allowed for the flat tax. The flat tax is calculated on a cash flow basis. As of December 31, 2007 and 2008, this tax law change did not have an effect on the Company's deferred tax position, and the Company does not expect to have to pay the flat tax in the near future.

Minority Interest Net Income

Minority interest reflects that portion of operating results attributable to the interests held by third parties in the businesses which are not wholly-owned by us, including our Sky, Cable and Telecom, and Radio businesses.

Minority interest net income decreased by Ps.8.9 million, or 1.0%, to Ps.927.0 million in 2008, from Ps.935.9 million in 2007. This decrease primarily reflected a portion of consolidated net income attributable to interests held by minority stockholders in our Cable and Telecom segment, which was partially offset by a higher portion of consolidated net income attributable to interests held by minority equity owners in our Sky segment and by a 2007 inflation effect of 2.2%.

Majority Interest Net Income

We generated net income in the amount of Ps.7,803.7 million in 2008, a decrease of 3.4% as compared to net income of Ps.8,082.5 million in 2007. The net decrease of Ps.278.8 million reflected:

- a Ps.420.7 million increase in integral cost of financing, net;
- a Ps.300.6 million increase in equity in earnings of affiliates, net and
- a Ps.214.6 million increase in income taxes.

These changes were partially offset by:

- a Ps.646.9 million increase in operating income;
- a Ps.1.3 million decrease in other expense, net; and
- a Ps.8.9 million decrease in minority interest.

Table of Contents**Results of Operations for the Year Ended December 31, 2007
Compared to the Year Ended December 31, 2006****Total Segment Results*****Net Sales***

Our net sales increased by Ps.2,203.8 million, or 5.6%, to Ps.41,561.5 million for the year ended December 31, 2007 from Ps.39,357.7 million for the year ended December 31, 2006. This increase reflects a revenue growth in our Sky, Cable and Telecom, Pay Television Networks, Publishing, Programming Exports and Other Businesses segments, partially offset by a decrease in our Television Broadcasting segment in our 2007 results due to the inclusion of the political campaigns and Soccer World Cup advertising in our 2006 results.

Cost of Sales

Cost of sales increased by Ps.1,336.8 million, or 8.0%, to Ps.18,128.0 million for the year ended December 31, 2007 from Ps.16,791.2 million for the year ended December 31, 2006. This increase was due to higher costs in our Cable and Telecom, Sky, Publishing, Pay Television Networks and Other Businesses segments. These increases were partially offset by lower cost of sales in our Television Broadcasting and Programming Exports segments.

Selling Expenses

Selling expenses increased by Ps.147.3 million, or 4.7%, to Ps.3,277.5 million for the year ended December 31, 2007 from Ps.3,130.2 million for the year ended December 31, 2006. This increase was attributable to higher selling expenses in our Publishing, Cable and Telecom, Pay Television Networks and Other Businesses segments, as a result of increases in promotional and advertising expenses and commissions paid. These increases were partially offset by lower selling expenses in our Programming Exports, Sky and Television Broadcasting segments.

Administrative Expenses

Administrative expenses increased by Ps.61.2 million, or 2.6%, to Ps.2,452.0 million for the year ended December 31, 2007, from Ps.2,390.8 million for the year ended December 31, 2006. This increase reflects the administrative expense growth in our Cable and Telecom, Publishing, Sky, Television Broadcasting, Pay Television Networks and Other Businesses segments. These increases were partially offset by lower administrative expenses in our Programming Exports segment as well as a decrease in corporate expenses due to a reduction in share-based compensation expense, which amounted to Ps.140.5 million in 2007, compared with Ps.243.9 million in 2006.

Television Broadcasting

Television Broadcasting net sales decreased by Ps.547.2 million, or 2.5%, to Ps.21,213.2 million for the year ended December 31, 2007 from Ps.21,760.4 million for the year ended December 31, 2006. This decrease was attributable to the broadcast in 2006 of the FIFA World Cup, political advertising related to the presidential election in Mexico and an unexpected slowdown in consumer spending in Mexico, which led to a decline in advertising revenues during 2007.

Television Broadcasting operating segment income decreased by Ps.478.2 million, or 4.3%, to Ps.10,518.1 million for the year ended December 31, 2007 from Ps.10,996.3 million for the year ended December 31, 2006. This decrease was due to a decrease in net sales, partially offset by a decrease in cost of sales due to the transmission rights of the FIFA World Cup in 2006 and a decrease in operating expenses driven by lower provision for doubtful trade accounts.

Pay Television Networks

Pay Television Networks net sales increased by Ps.473.0 million, or 34.3%, to Ps.1,852.0 million for the year ended December 31, 2007 from Ps.1,379.0 million for the year ended December 31, 2006. This increase reflects higher revenues from signals sold in Mexico and Latin America, higher sales of TuTv, and an increase in advertising sales in Mexico.

Pay Television Networks operating segment income increased by Ps.442.3 million, or 62.5%, to Ps.1,150.2 million for the year ended December 31, 2007, from Ps.707.9 million for the year ended December 31, 2006, primarily due to higher sales. This increase was partially offset by an increase in cost of sales, mainly in costs of programs produced by us and an increase in operating expenses due to higher promotional and advertising expenses.

Table of Contents***Programming Exports***

Programming Exports net sales increased by Ps.71.8 million, or 3.3%, to Ps.2,262.1 million for the year ended December 31, 2007, from Ps.2,190.3 million for the year ended December 31, 2006. This increase was primarily due to higher royalties paid to us under the PLA entered into with Univision in the amount of U.S.\$138.0 million for the year ended December 31, 2007 as compared to U.S.\$126.9 million for the year ended December 31, 2006, as well as an increase in export sales to Europe, Asia and Africa. These increases were partially offset by lower export sales to Latin America and a negative translation effect on foreign-currency denominated sales.

Programming Exports operating segment income increased by Ps.130.0 million, or 14.4%, to Ps.1,032.0 million for the year ended December 31, 2007 from Ps.902.0 million for the year ended December 31, 2006. This increase was primarily due to the increase in net sales, as well as a decrease in cost of sales due to lower programming costs and operating expenses, primarily due to a decrease in the provision for doubtful trade accounts and market research.

Publishing

Publishing net sales increased by Ps.318.0 million, or 10.6%, to Ps.3,311.9 million for the year ended December 31, 2007 from Ps.2,993.9 million for the year ended December 31, 2006. This increase was driven by a greater number of advertising pages sold as well as higher revenues from magazine circulation in Mexico and abroad, including incremental revenues generated by the acquisition in the second half of 2007 of Editorial Atlántida, a publishing company in Argentina. This increase was partially offset by a negative translation effect on foreign-currency denominated sales.

Publishing operating segment income increased by Ps.47.7 million, or 8.3%, to Ps.624.4 million for the year ended December 31, 2007, from Ps.576.7 million for the year ended December 31, 2006. This increase reflects higher sales that were partially offset by higher cost of sales and operating expenses, due to the acquisition of Editorial Atlántida, as well as an increase in costs of supplies and personnel, promotional and advertising expenses.

Sky

Sky net sales increased by Ps.669.3 million or 8.7% to Ps.8,402.2 million for the year ended December 31, 2007, from Ps.7,732.9 million for the year ended December 31, 2006. This increase was primarily due to a 10.8% increase in its subscriber base, which as of December 31, 2007 reached 1,585,100 gross active subscribers (including 103,100 commercial subscribers) compared to 1,430,100 gross active subscribers as of December 31, 2006 of which 91,100 were commercial subscribers, as well as the launch of operations in Central America in 2007. This increase was partially offset by lower advertising revenues primarily due to the absence of Soccer World Cup advertising in 2006.

Sky operating segment income increased by Ps.348.8 million or 9.5% to Ps.4,037.9 million for the year ended December 31, 2007, from Ps.3,689.1 million for the year ended December 31, 2006. This increase was due to the increase in net sales and lower promotional expenses, partially offset by higher programming costs associated with the increase of our subscriber base.

Cable and Telecom

Cable and Telecom net sales increased by Ps.552.2 million, or 26.8%, to Ps.2,611.6 million for the year ended December 31, 2007 from Ps.2,059.4 million for the year ended December 31, 2006. This increase was primarily due to (i) a 10.8% increase in the number of video subscribers, which, as of December 31, 2007, reached 539,662 subscribers, compared with 486,825 subscribers reported as of December 31, 2006; (ii) the acquisition of the majority of the assets of Bestel, a telecommunication company, in December 2007; (iii) a 52% increase in broadband subscribers to 145,973 as of December 31, 2007 compared with 96,035 reported as of December 31, 2006; (iv) the addition of 9,015 telephony subscribers during the year; (v) a 3% average rate increase effective March 1, 2007; and (vi) higher advertising sales.

Cable and Telecom operating segment income increased by Ps.99.7 million, or 11.8%, to Ps.947.2 million for the year ended December 31, 2007, from Ps.847.5 million for the year ended December 31, 2006. These results reflect higher sales that were partially offset by an increase in cost of sales, primarily due to higher signal and personnel costs, and costs associated with the acquisition of the majority of the assets of Bestel as well as promotional and advertising expenses.

Table of Contents***Other Businesses***

Other Businesses net sales increased by Ps.667.5 million, or 28.1%, to Ps.3,039.6 million for the year ended December 31, 2007, from Ps.2,372.1 million for the year ended December 31, 2006. This increase was primarily due to higher sales related to our gaming, feature-film distribution, internet and publishing distribution businesses. This increase was partially offset by lower sales in our radio and sport events production businesses in 2007, primarily due to political campaigns and the Soccer World Cup in 2006.

Other Businesses operating segment loss increased by Ps.31.3 million, or 15.2%, to Ps.237.5 million for the year ended December 31, 2007, from Ps.206.2 million for the year ended December 31, 2006. This increase reflects higher cost of sales and operating expenses related to our gaming and internet businesses, partially offset by higher total segment sales and lower costs in our radio and sport events production.

Depreciation and Amortization

Depreciation and amortization expense increased by Ps.443.3 million, or 15.9%, to Ps.3,223.1 million for the year ended December 31, 2007, from Ps.2,779.8 million for the year ended December 31, 2006. This change was due to higher depreciation expense for decoders in connection with the increase in the subscriber bases in our Sky and Cable and Telecom segments, installation of new digital decoder equipment, the depreciation expense derived of our telecommunication company, as well as an increase in depreciation expenses in our Other Businesses segment related to our gaming business.

Non-Operating Results**Other Expense, Net**

Other expense, net, increased by Ps.65.3 million, or 7.4%, to Ps.953.4 million for the year ended December 31, 2007, compared with Ps.888.1 million for the year ended December 31, 2006. This increase reflected primarily a loss on disposition of shares in connection with the sale of our interest in Univision during the first quarter of 2007, as well as an impairment adjustment to reduce the carrying value of goodwill in our Television Broadcasting segment, donations, and professional services in connection with certain litigation and other matters. See Additional Information Legal Proceedings . These unfavorable variances were partially offset by income derived from the cancellation of an option to acquire an equity stake in the parent company of the controlling partners of La Sexta, and the absence of non-recurring expenses incurred in connection with the tender offer made by Sky in 2006 for most of its Senior Notes due 2013.

The impairment adjustment to goodwill in our Television Broadcasting segment relates to the operations of a U.S. television station, which was adversely affected in 2007 by a decrease in operational margins.

Integral Cost of Financing

The expenses attributable to the integral cost of financing decreased by Ps.730.8 million, or 64%, to Ps.410.2 million for the year ended December 31, 2007 from Ps.1,141.0 million for the year ended December 31, 2006. This decrease reflected primarily a Ps.709.3 million increase in interest income in connection with a higher average amount of temporary, held-to-maturity and available-for-sale investments; and a favorable impact of Ps.413.6 million in net foreign exchange results, driven primarily by a higher average amount of our net foreign-currency asset position. These favorable variances were partially offset by a Ps.166.6 million increase in interest expense, due mainly to a higher average amount of our outstanding debt; and a Ps.225.5 million increase in loss from monetary position, resulting from a higher net monetary asset position.

Equity in Losses of Affiliates, Net

Equity in losses of affiliates, net, increased by Ps.124.5 million, or 19.9%, to Ps.749.3 million for the year ended December 31, 2007, compared with Ps.624.8 million for the year ended December 31, 2006. This increase reflected primarily the absence of equity in earnings of Univision, which we recognized through June 2006, a reduction of equity in earnings of OCEN, a live-entertainment venture in Mexico, and EMI Televisa Music, a music joint venture in the United States. These unfavorable variances were partially offset by a reduction in equity in loss of La Sexta, our 40% interest in a free-to-air television channel in Spain, which began operations in March 2006.

Table of Contents**Income Taxes**

Income taxes increased by Ps.1,257.1 million, or 60.1%, to Ps.3,349.6 million for the year ended December 31, 2007, from Ps.2,092.5 million for the year ended December 31, 2006. This increase reflected primarily a higher effective income tax rate.

We are authorized by the Mexican tax authorities to compute our income tax and asset tax on a consolidated basis. Mexican controlling companies are allowed to consolidate, for income tax purposes, income or losses of their Mexican subsidiaries up to 100% of their share ownership in such subsidiaries.

We and our Mexican subsidiaries were also subject to an asset tax, at a tax rate of 1.25% through December 31, 2007, on the adjusted gross value of some of our assets.

Minority Interest Net Income

Minority interest net income increased by Ps.325.5 million, or 53.3%, to Ps.935.9 million for the year ended December 31, 2007, from Ps.610.4 million for the year ended December 31, 2006. This increase reflected primarily a higher portion of consolidated net income attributable to interests held by minority equity owners in our Sky segment, which was partially offset by a lower portion of consolidated net income attributable to interests held by minority stockholders in our Cable and Telecom segment.

Majority Interest Net Income

We generated majority interest net income in the amount of Ps.8,082.5 million in 2007, a decrease of 9.3% as compared to net income of Ps.8,908.9 million in 2006. The net decrease of Ps.826.4 million reflected:

a Ps.65.3 million increase in other expense, net;

a Ps.124.5 million increase in equity in earnings of affiliates, net;

a Ps.1,257.1 million increase in income taxes; and

a Ps.325.5 million increase in minority interest net income.

These changes were partially offset by:

a Ps.215.2 million increase in operating income; and

a Ps.730.8 million decrease in integral cost of financing, net.

Effects of Devaluation and Inflation

The following table sets forth, for the periods indicated:

the percentage that the Peso devalued or appreciated against the U.S. Dollar;

the Mexican inflation rate;

the U.S. inflation rate; and

the percentage change in Mexican GDP compared to the prior period.

	2006	Year Ended December 31, 2007	2008
Devaluation (appreciation) of the Peso as compared to the U.S. Dollar(1)	1.7%	1.1%	26.7%
Mexican inflation rate(2)	4.1	3.8	6.5
U.S. inflation rate	2.5	4.1	0.1
Increase in Mexican GDP(3)	5.1	3.3	1.3

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- (1) Based on changes in the Interbank Rates, as reported by Banamex, at the end of each period, which were as follows: Ps.10.6265 per U.S. Dollar as of December 31, 2005; Ps.10.8025 per U.S. Dollar as of December 31, 2006; Ps.10.9222 per U.S. Dollar as of December 31, 2007; and Ps.13.84 per U.S. Dollar as of December 31, 2008.
- (2) Based on changes in the NCPI from the previous period, as reported by the Mexican Central Bank, which were as follows: 116.3 in 2005; 121.0 in 2006; 125.6 in 2007; and 133.8 in 2008.
- (3) As reported by the *Instituto Nacional de Estadística, Geografía e Informática*, or INEGI, and, in the case of GDP information for 2008 as estimated by INEGI.

The general condition of the Mexican economy, the devaluation of the Peso as compared to the U.S. Dollar, inflation and high interest rates have in the past adversely affected, and may in the future adversely affect, our:

Advertising and Other Revenues. Inflation in Mexico adversely affects consumers. As a result, our advertising customers may purchase less advertising, which would reduce our advertising revenues, and consumers may reduce expenditures for our other products and services, including pay television services.

Foreign Currency-Denominated Revenues and Operating Costs and Expenses. We have substantial operating costs and expenses denominated in foreign currencies, primarily in U.S. Dollars. These costs are principally due to our activities in the United States, the costs of foreign-produced programming and publishing supplies and the leasing of satellite transponders. The following table sets forth our foreign currency-denominated revenues and operating costs and expenses stated in millions of U.S. Dollars for 2006, 2007 and 2008:

	Year Ended December 31,					
	2006		2007		2008	
	(Millions of U.S. Dollars)					
Revenues	U.S.	\$470	U.S.	\$570	U.S.	\$683
Operating costs and expenses		529		615		685

On a consolidated basis, in 2006, 2007 and 2008, our foreign currency-denominated costs and expenses exceeded, and they could continue to exceed in the future, our foreign currency-denominated revenues. As a result we will continue to remain vulnerable to future devaluation of the Peso, which would increase the Peso equivalent of our foreign currency-denominated costs and expenses.

Depreciation and Amortization Expense. Prior to January 1, 2008, we restated our non-monetary Mexican and foreign assets to give effect to inflation. The restatement of these assets in periods of high inflation, as well as the devaluation of the Peso as compared to the U.S. Dollar, increased the carrying value of these assets, which in turn, increased the related depreciation expense.

Integral Cost of Financing. The devaluation of the Peso as compared to the U.S. Dollar generated foreign exchange losses relating to our net U.S. Dollar-denominated liabilities and increases the Peso equivalent of our interest expense on our U.S. Dollar-denominated indebtedness. Foreign exchanges losses, derivatives used to hedge foreign exchange risk and increased interest expense increased our integral cost of financing.

We have also entered into and will continue to consider entering into additional financial instruments to hedge against Peso devaluations and reduce our overall exposure to the devaluation of the Peso as compared to the U.S. Dollar, inflation and high interest rates. We cannot assure you that we will be able to enter into financial instruments to protect ourselves from the effects of the devaluation of the Peso as compared to the U.S. Dollar, inflation and increases in interest rates, or if so, on favorable terms. In the past, we have designated, and from time to time in the future we may designate, certain of our investments or other assets as effective hedges against Peso devaluations. In connection with our net investment in shares of Univision, we designated as an effective hedge of foreign exchange exposure a portion of the U.S. Dollar principal amount with respect to our outstanding Senior Notes due 2011, 2025

and 2032, which amounted to U.S.\$971.9 million as of December 31, 2006 (see Notes 1(c), 2 and 9 to our year-end financial statements). As long as we maintained our net investment in shares of Univision, a hedge of the designated principal amounts of our debt was effective, and any foreign exchange gain or loss attributable to this hedging long-term debt was credited or charged directly to equity (accumulated other comprehensive result) for Mexican FRS purposes. On March 29, 2007, we sold our investment in shares of Univision, and the hedge of the designated principal amount of our Senior Notes was discontinued on that date. See Key Information Risk Factors Risk Factors Related to Mexico , Quantitative and Qualitative Disclosures About Market Risk Market Risk Disclosures and Note 9 to our year-end financial statements.

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Inflation Under Mexican FRS. Through December 31, 2007 Mexican FRS required that our financial statements recognize the effects of inflation. In particular, our financial statements through December 31, 2007 reflect the:

restatement of Mexican non-monetary assets (other than transmission rights, inventories and equipment of non-Mexican origin), non-monetary liabilities and stockholders' equity using the NCPI; and

restatement of all inventories at net replacement cost.

U.S. GAAP Reconciliation

For a discussion of the principal quantitative and disclosure differences between Mexican FRS and U.S. GAAP as they relate to us through December 31, 2008, see Note 23 to our year-end financial statements.

Recently Issued U.S. Accounting Standards

In December 2007, the Financial Accounting Standards Board (FASB) issued SFAS No. 141 (Revised 2007), *Business Combinations* (SFAS 141(R)), which replaces SFAS No. 141, *Business Combinations*. This statement improves the reporting of information about a business combination and its effects. This statement establishes principles and requirements for how the acquirer will recognize and measure the identifiable assets acquired, the liabilities assumed, and any non-controlling interest in the acquisition. Also, the statement determines the recognition and measurement of goodwill acquired in the business combination or a gain from a bargain purchase, and finally, determines the disclosure requirements to enable users of the financial statements to evaluate the nature and financial effects of the business combination.

SFAS No 141(R) will be effective for all business combinations with an acquisition date on or after the beginning of the first annual reporting period after December 15, 2008. An earlier adoption is prohibited. We have adopted this pronouncement on January 1, 2009 to be applied in any future business combination.

In December 2007, the FASB issued SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements* an amendment of ARB No. 51 (SFAS 160). SFAS 160 amends ARB No. 51 to establish new standards that will govern the accounting for and reporting of (i) noncontrolling interest in partially owned consolidated subsidiaries and (ii) the loss of control of subsidiaries. SFAS 160 is effective on a prospective basis for all fiscal years, and interim periods within those fiscal years beginning, on or after December 15, 2008, except for the presentation and disclosure requirements, which will be applied retrospectively. Early adoption is not allowed. The adoption of this pronouncement is not expected to have a material impact on our consolidated financial statements.

In February 2008, the FASB issued FASB Staff Position (FSP) SFAS 140-3, *Accounting for Transfers of Financial Assets and Repurchase Financing Transactions*, which amends SFAS No. 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities* (SFAS 140), to provide guidance on accounting for a transfer of a financial asset and a repurchase financing. This FSP presumes that an initial transfer of a financial asset and a repurchase financing are considered part of the same arrangement (linked transaction) under SFAS 140. However, if certain criteria are met, the initial transfer and repurchase financing shall not be evaluated as a linked transaction and shall be evaluated separately under SFAS 140. This FSP shall be effective for financial statements issued for fiscal years beginning after November 15, 2008, and interim periods within those fiscal years. Earlier application is not permitted. This FSP shall be applied prospectively to initial transfers and repurchase financings for which the initial transfer is executed on or after the beginning of the fiscal year in which this FSP is initially applied. The adoption of this interpretation is not expected to have a material impact on our consolidated financial statements.

In March 2008, the FASB issued SFAS No. 161, *Disclosures about Derivative Instruments and Hedging Activities* (SFAS 161). This standard amends and is intended to improve financial reporting under SFAS 133 by requiring transparency about the location and amounts of derivative instruments in an entity's financial statements. SFAS 161 requires disclosure of how derivative instruments and related hedged items are accounted for under SFAS No. 133 and how disclosure of derivative instruments and related hedged items affect an entity's financial position, financial performance and cash flows. This statement expands derivative disclosure required by SFAS 133. We adopted SFAS 161 effective January 1, 2009. The adoption of this standard is not expected to have a material impact on our consolidated financial statements.

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In April 2008, the FASB issued FSP SFAS 142-3, *Determination of the Useful Life of Intangible Assets*, which amends SFAS No. 142, *Goodwill and Other Intangible Assets* (SFAS 142), to provide guidance on the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under SFAS 142. The intent of this FSP is to improve the consistency between the useful life of a recognized intangible asset under SFAS 142 and the period of expected cash flows used to measure the fair value of the asset under SFAS 141(R) and other U.S. GAAP standards.

This FSP shall be effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. Early adoption is prohibited. The guidance for determining the useful life of a recognized intangible asset of this FSP shall be applied prospectively to intangible assets acquired after the effective date. The disclosure requirements shall be applied prospectively to all intangible assets recognized as of, and subsequent to, the effective date. The adoption of this interpretation is not expected to have a material impact on our consolidated financial statements.

In May 2008, the FASB issued SFAS No. 162, *The Hierarchy of Generally Accepted Accounting Principles*, (SFAS 162) which identifies the sources of accounting principles and the framework for selecting principles to be used in the preparation of financial statements of nongovernmental entities that are presented in conformity with U.S. GAAP. This statement shall be effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board (PCAOB) amendments to AU Section 411, *The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles*. Any effect of applying the provisions of this Statement shall be reported as a change in accounting principles in accordance with SFAS No. 154, *Accounting Changes and Error Corrections* (SFAS 154). An entity shall follow the disclosure requirements of that statement, and additionally, disclose the accounting principles that were used before and after the application of the provisions of this statement and the reason why applying this statement resulted in a change in accounting principles. The adoption of SFAS 162 is not expected to have a material impact on the results of operations and financial condition.

In May 2008, the FASB issued FSP No. APB 14-1, *Accounting for Convertible Debt Instruments That May Be Settled In Cash Upon Conversion (Including Partial Cash Settlement)* (FSP APB 14-1). FSP APB 14-1 changes the accounting treatment for convertible debt instruments that require or permit partial cash settlement upon conversion. The accounting changes require issuers to separate convertible debt instruments into two components: a non-convertible bond and a conversion option. The separation of the conversion option creates an original issue discount in the bond component which is to be amortized as interest expense over the term of the instrument using the interest method, resulting in an increase to interest expense and a decrease in net income and earnings per share. We are currently evaluating the impact the adoption of FSP APB 14-1 will have on our financial position, results of operations and disclosures.

In November 2008, the FASB issued FSP SFAS No. 140-4 and FIN 46(R)-8, *Disclosures about Transfers of Financial Assets and Interests in Variable Interest Entities*. Enhanced disclosures pursuant to FSP SFAS No. 140-4 and FIN 46(R)-8 will be required of all public entities effective for periods ending after December 15, 2008. The adoption of FSP SFAS No. 140-4 and FIN 46(R)-8 is not expected to have a material impact on the results of operations and financial condition.

In December 2008, the FASB issued FSP No. 132 (R)-1 *Employers disclosures about Postretirement Benefit Plan Assets* which amends FASB Statement No. 132 (revised 2003), *Employers Disclosures about Pensions and Other Postretirement Benefits* (SFAS 132 (R)), to provide guidance on an employer's disclosures about plan assets of a defined benefit pension or other postretirement plan. This FSP also includes a technical amendment to SFAS 132(R) that requires a nonpublic entity to disclose net periodic benefit cost for each annual period for which a statement of income is presented. The disclosures about plan assets required by this FSP shall be provided for fiscal years ending after December 15, 2009. Upon initial application, the provisions of this FSP are not required for earlier periods that are presented for comparative purposes. Earlier application of the provisions of this FSP is permitted. The technical amendment to SFAS 132(R) is effective upon issuance of this FSP. We do not expect the adoption of this statement will materially impact our consolidated financial statements.

In April 2009, the FASB issued FSP FAS 157-4, *Determining Fair Value when the volume and level of activity for the asset or liability have significantly decreased and identifying transactions that are not orderly* (FSP SFAS 157-4).

FSP SFAS 157-4 provides additional guidance for estimating fair value in accordance with SFAS 157, when the volume and level of activity for the asset or liability have significantly decreased. This FSP also includes guidance on identifying circumstances that indicate when a transaction is not orderly. It also emphasizes that even if there has been a significant decrease in the volume and level of activity for the asset or liability regardless of the valuation techniques(s) used, the objective of fair value measurement remains the same. FSP SFAS 157-4 shall be effective for interim and annual reporting periods ending after June 15, 2009 and shall be applied prospectively. Early adoption is permitted for periods ending after March 15, 2009. We do not expect the adoption of this statement will materially impact our consolidated financial statements.

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In May 2009, the FASB issued SFAS No. 165, *Subsequent Events* (SFAS 165), the objective of this statement is to establish general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. In particular, this statement sets forth (i) the period after the balance sheet date during which management of a reporting entity should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements, (ii) the circumstances under which an entity should recognize events or transactions occurring after the balance sheet date in its financial statements and (iii) the disclosures that an entity should make about events or transactions that occurred after the balance sheet date. In accordance with this statement, an entity should apply the requirements to interim or annual financial periods ending after June 15, 2009. We do not expect the adoption of this statement will materially impact our consolidated financial statements.

In June 2009, the FASB issued SFAS No. 166, *Accounting for Transfers of Financial Assets* an amendment of FASB Statement No. 140 (SFAS 166), amending the guidance on transfers of financial assets in order to address practice issues highlighted most recently by events related to the economic downturn. The amendments include: (i) eliminating the qualifying special-purpose entity concept, (ii) a new unit of account definition that must be met for transfers of portions of financial assets to be eligible for sale accounting, (iii) clarifications and changes to the derecognition criteria for a transfer to be accounted for as a sale, (iv) a change to the amount of recognized gain or loss on a transfer of financial assets accounted for as a sale when beneficial interests are received by the transferor, and (v) extensive new disclosures. Calendar year-end companies will have to apply SFAS 166 to new transfers of financial assets occurring from January 1, 2010. We are currently evaluating the impact this statement will have on our financial position, results of operations and disclosures.

In June 2009, the FASB issued SFAS No. 167, *Amendments to FASB Interpretation No. 46(R)* (SFAS 167). This guidance represents a significant change to the previous accounting rules and it is anticipated it will change the consolidation conclusions for many entities. The standard does not provide for any grandfathering; therefore, FIN 46(R) consolidation conclusions will need to be reassessed for all entities. The amendments include: (i) eliminating the scope exception for qualifying special-purpose entities, (ii) eliminating the quantitative model for determining which party should consolidate and replacing it with a qualitative model focusing on decision-making for an entity's significant economic activities, (iii) requiring a company to continually reassess whether it should consolidate an entity subject to FIN 46(R), (iv) requiring an assessment of whether an entity is subject to the standard due to a troubled debt restructuring and (v) requiring extensive new disclosures. SFAS 167 is effective for a company's first reporting period beginning after November 15, 2009. We are currently evaluating the impact this statement will have on our financial position, results of operations and disclosures.

Recently Issued Mexican Financial Reporting Standards

Beginning in June 2004, the Mexican Board for Research and Development of Financial Reporting Standards, or *Consejo Mexicano para la Investigación y Desarrollo de Normas de Información Financiera*, or CINIF, assumed the responsibility for setting Financial Reporting Standards in Mexico, or Mexican FRS. Before that date, the Mexican Institute of Public Accountants, or MIPA, was responsible for issuing accounting principles generally accepted in Mexico. Mexican FRS are comprised of: (i) Financial Reporting Standards, or *Normas de Información Financiera*, or NIF, and NIF Interpretations, or *Interpretaciones a las NIF*, or INIF, issued by the CINIF; (ii) Bulletins of Generally Accepted Accounting Principles in Mexico, or Mexican GAAP, issued through May 2004 by the MIPA that have not been modified, replaced or superseded by new NIF; and (iii) International Financial Reporting Standards, or IFRS, issued by the International Accounting Standards Board, or IASB, that are supplementary in Mexico when no general or specific guidance is provided by either NIF or applicable Bulletins of Mexican GAAP.

In December 2008, the CINIF issued five new standards that became effective as of January 1, 2009, as follows: NIF B-7, *Business Acquisitions*, replaces the previous Mexican FRS Bulletin B-7, *Business Acquisitions*, and confirms the use of the purchase method for recognition of business acquisitions. The purchase method under the provisions of NIF B-7 is based on (i) identifying that a business is being acquired; (ii) identifying the acquiring entity; (iii) determining the acquisition date; (iv) recognizing identifiable assets, assumed liabilities and non-controlling interests in the acquired business; (v) a valuation at fair value of the consideration paid for the acquired business; and (vi) recognizing a related goodwill or, in certain instances, an excess of acquired net assets over purchase price. The

provisions of NIF B-7 are not expected to have a significant effect on the Group's consolidated financial statements. NIF B-8, *Consolidated or Combined Financial Statements*, replaces the previous Mexican FRS Bulletin B-8, *Consolidated and Combined Financial Statements and Valuation of Permanent Investments in Shares*. NIF B-8 defines a special purpose entity (SPE) and establishes that a SPE should be considered a subsidiary of an entity if such entity exercises control over the SPE. NIF B-8 requires that existing voting rights, which can be exercised or converted by an entity, be considered when analyzing if control is exercised by such entity. NIF B-8 introduces new terminology for majority and minority interests: controlling and noncontrolling interests, respectively. NIF B-8 also requires that a valuation of a noncontrolling interest in financial statements be determined based on the fair value of net assets of the subsidiary and related goodwill at the time of acquisition. The provisions of NIF B-8 are not expected to have a significant effect on the Group's consolidated financial statements.

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NIF C-7, *Investments in Associates and Other Permanent Investments*, replaces the applicable provisions in previous Mexican FRS Bulletin B-8, *Consolidated and Combined Financial Statements and Valuation of Permanent Investments in Shares*. NIF C-7 establishes that an associate is an entity or SPE, on which other entity exercises a significant influence, as defined, and is accounted for by applying the equity method. NIF C-7 requires that existing voting rights, which can be exercised or converted by an entity, be considered when analyzing if significant influence is exercised by such entity. NIF C-7 also establishes a specific procedure and a limit for recognizing losses incurred by an associate. The provisions of NIF C-7 are not expected to have a significant effect on the Group's consolidated financial statements.

NIF C-8, *Intangible Assets*, replaces the previous Mexican FRS Bulletin C-8, *Intangible Assets* and includes certain new provisions including principally: (i) intangible assets are defined as those identifiable non-monetary assets, without physical substance, which are able to generate future economic benefits controlled by an entity; (ii) intangible assets are to be first measured at acquisition cost, as they may be individually acquired, acquired as a part of a business acquisition or internally generated; (iii) subsequent payments in connection with in-progress research and development projects are to be expensed if they are related to the research phase or capitalized if certain criteria is met; (iv) guidance on the accounting treatment for exchange of intangible assets; (v) a consideration that intangible assets may have a useful life over 20 years; and (vi) a new concept of preoperating costs is introduced. The provisions of NIF C-8 are not expected to have a significant effect on the Group's consolidated financial statements.

NIF D-8, *Share-based Payments*, requires the recognition of an incurred cost or expense, either in income or as a capitalized item and its related effect in liabilities or stockholders' equity, for share-based payments, including those share options granted to employees. NIF D-8 substitutes the guidelines provided by IFRS 2, *Share-based payment*, which were applied by the Group on a supplementary basis through December 31, 2008, as required by Mexican FRS. The provisions of NIF D-8 are not expected to have a significant effect on the Group's consolidated financial statements.

Critical Accounting Policies

We have identified certain key accounting policies upon which our consolidated financial condition and results of operations are dependent. The application of these key accounting policies often involve complex considerations and assumptions and the making of subjective judgments or decisions on the part of our management. In the opinion of our management, our most critical accounting policies under both Mexican FRS and U.S. GAAP are those related to the accounting for programming, equity investments, the evaluation of definite lived and indefinite lived long-lived assets, and deferred income taxes. For a full description of these and other accounting policies, see Note 1 and Note 23 to our year-end financial statements.

Accounting for Programming. We produce a significant portion of programming for initial broadcast over our television networks in Mexico, our primary market. Following the initial broadcast of this programming, we then license some of this programming for broadcast in secondary markets, such as Mexico, the United States, Latin America, Asia and Europe. Under Mexican FRS, in order to properly capitalize and subsequently amortize production costs related to this programming, we must estimate the expected future benefit period over which a given program will generate revenues (generally, over a five-year period). We then amortize the production costs related to a given program over the expected future benefit period. Under this policy, we generally expense approximately 70% of the production costs related to a given program in the year of its initial broadcast and defer and expense the remaining production costs over the remainder of the expected future benefit period. See Note 1(e) to our year-end financial statements.

We estimate expected future benefit periods based on past historical revenue patterns for similar types of programming and any potential future events, such as new outlets through which we can exploit or distribute our programming, including our consolidated subsidiaries and equity investees, among other outlets. To the extent that a given future expected benefit period is shorter than we estimate, we may have to write-off capitalized production costs sooner than anticipated. Conversely, to the extent that a given future expected benefit period is longer than we estimate, we may have to extend the amortization schedule for the remaining capitalized production costs.

We also purchase programming from, and enter into license arrangements with, various third party programming producers and providers, pursuant to which we receive the rights to broadcast programming produced by third parties

over our television networks in Mexico and/or our pay television and other media outlets. In the case of programming acquired from third parties, we estimate the expected future benefit period based on the anticipated number of showings in Mexico over our television networks and/or our pay television and other media outlets. In the case of programming licensed from third parties, we estimate the expected future benefit period based upon the term of the license. To the extent that a given future expected benefit period is shorter than we estimate, we may have to write off the purchase price or the license fee sooner than anticipated. Conversely, to the extent that a given future expected benefit period is longer than we estimate, we may have to extend the amortization schedule for the remaining portion of the purchase price or the license fee.

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Equity Investments. Some of our investments are structured as equity investments. See Notes 1(g) and 2 to our year-end financial statements. As a result, under both Mexican FRS and U.S. GAAP, the results of operations attributable to these investments are not consolidated with the results of our various segments for financial reporting purposes, but are reported as equity in income (losses) of affiliates in our consolidated income statement. See Note 5 to our year-end financial statements.

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

We periodically evaluate our investments in these joint ventures for impairment, taking into consideration the performance of these ventures as compared to projections related to net sales, expenditures and subscriber growth, strategic plans and future required cash contributions, among other factors. In doing so, we evaluate whether any declines in value are other than temporary. We have taken impairment charges in the past for some of these investments. Given the dynamic environments in which these businesses operate, as well as changing macroeconomic conditions, we cannot assure you that our future evaluations would not result in our recognizing additional impairment charges for these investments.

Once the carrying balance of a given investment is reduced to zero, we evaluate whether we should suspend the equity method of accounting, taking into consideration both quantitative and qualitative factors, such as guarantees we have provided to these ventures, future funding commitments and expectations as to the viability of the business. These conditions may change from year to year, and accordingly, we periodically evaluate whether to continue to account for our various investments under the equity method.

Goodwill and Other Indefinite-lived Intangible Assets. We assess our goodwill and other indefinite-lived intangible assets for impairment using fair value measurement techniques under Mexican FRS. Mexican FRS does not require a two-step impairment evaluation process for goodwill but rather, a direct comparison of fair value to carrying value.

The identification and measurement of impairment to goodwill and intangible assets with indefinite lives involves the estimation of fair values. These estimates and assumptions could have a significant impact on whether or not an impairment charge is recognized and also the magnitude of any such charge. We perform valuation analyses with the assistance of third parties and consider relevant internal data, as well as other market information, which is publicly available. Estimates of fair value are primarily determined using discounted cash flows and market comparisons. These approaches use significant estimates and assumptions including projected future cash flows (including timing), discount rate reflecting the risk inherent in future cash flows, perpetual growth rate, determination of appropriate market comparables and the determination of whether a premium or discount should be applied to comparables. Inherent in these estimates and assumptions is a certain level of risk, which we believe we have considered in our valuations. Nevertheless, if future actual results differ from estimates, a possible impairment charge may be recognized in future periods related to the write-down of the carrying value of goodwill and other intangibles in addition to the amounts recognized previously.

A hypothetical ten percent decrease in the expected cash flows would not result in an impairment of goodwill, and therefore, would not impact our financial position. This sensitivity analysis does not represent management's expectations of the changes in expected cash flows, but is provided as a hypothetical scenario to assess the sensitivity of the impairment of goodwill to changes in expected cash flows.

Long-lived Assets. Under both Mexican FRS and U.S. GAAP, we present certain long-lived assets and capitalized costs other than goodwill and other indefinite-lived intangible assets in our consolidated balance sheet. Long-lived assets are tested for impairment whenever events or changes in circumstances indicate that the carrying value of an asset is no longer recoverable from future discounted projected cash flows. Estimates of future cash flows involve considerable management judgment. These estimates are based on historical data, future revenue growth, anticipated market conditions, management plans, assumptions regarding projected rates of inflation and currency fluctuations, among other factors. If these assumptions are not correct, we would have to recognize a write-off or write-down or accelerate the amortization schedule related to the carrying value of these assets. See Notes 1(j), 7 and 17 to our year-end financial statements. Unlike U.S. GAAP, Mexican FRS allows the reversal in subsequent periods of

previously taken impairment charges.

Deferred Income Taxes. Under both Mexican FRS and U.S. GAAP, we record a valuation allowance to reduce our deferred tax assets to the amount that is more likely than not to be realized. While we have considered future taxable income and ongoing prudent and feasible tax planning strategies in assessing the need for the valuation allowance, in the event we were to determine that we would be able to realize our deferred tax assets in the future in excess of the net recorded amount, an adjustment to the deferred tax asset would increase income in the period such determination was made. Should we determine that we would not be able to realize all or part of our net deferred tax asset in the future, an adjustment to the deferred tax asset would be charged to income in the period such determination was made.

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We adopted Interpretation No. 48 Accounting for Uncertainty in Income Taxes (FIN 48) under the U.S. GAAP Financial Accounting Standards Board (FASB) issued in July 2006, which interprets FASB Statement of Financial Accounting Standards No. 109, effective as of January 1, 2007. FIN 48 prescribes a comprehensive model for the recognition, measurement, financial statement presentation and disclosure of uncertain tax positions taken or expected to be taken in a tax return. FIN 48 provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. We classify income tax-related interest and penalties as income taxes in the financial statements.

Financial Instruments Measured at Fair Value. Under Mexican FRS, the fair value of financial instruments is determined based upon liquid market prices evidenced by exchange-traded prices, broker-dealer quotations or prices of other transactions with similarly rated counterparties. If available, quoted market prices provide the best indication of value. If quoted market prices are not available for fixed maturity securities and derivatives, we discount expected cash flows using market interest rates commensurate with the credit quality and maturity of the investment. Alternatively, we may use matrix or model pricing to determine an appropriate fair value. In determining fair values, we consider various factors, including time value, volatility factors and underlying options, warrants and derivatives. The degree of management's judgment involved in determining the fair value of a financial instrument is dependent upon the availability of quoted market prices. When observable market prices and parameters do not exist, management's judgment is necessary to estimate fair value, in terms of estimating the future cash flows, based on variable terms of the instruments and the credit risk and in defining the applicable interest rate to discount those cash flows.

As of December 31, 2008, our derivatives that were fair valued using discounted cash flows techniques amounted to Ps.1,758,498.

For a further discussion on the effect of a change in interest rates and foreign exchange rates on our derivatives portfolio see Quantitative and Qualitative Disclosures about Market Risk in this annual report.

Fair Value. We adopted the Statement of Financial Accounting Standards (SFAS) No. 157, Fair Value Measurements (SFAS 157) on January 1, 2008, which defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles, and expands disclosures about fair value measurements. SFAS 157 defines fair value as the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (the exit price). SFAS 157 does not require any new fair value measurements; rather, it applies under other accounting pronouncements that require or permit fair value measurements. The provisions of SFAS 157 are to be applied prospectively as of the beginning of the fiscal year in which it is initially applied, with any transition adjustment recognized as a cumulative-effect adjustment to the opening balance of retained earnings.

SFAS 157 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under SFAS 157 are described below:

Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 Inputs that are observable, either directly or indirectly, but do not qualify as Level 1 inputs (i.e., quoted prices for similar assets or liabilities) and

Level 3 Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

In February 2008, the FASB approved FASB Staff Position (FSP) No. FAS 157-2, Effective Date of FASB Statement No. 157 (FSP FAS 157-2), that permits companies to partially defer the effective date of SFAS 157 for one year for nonfinancial assets and nonfinancial liabilities that are recognized or disclosed at fair value in the financial statements on a nonrecurring basis. FSP FAS 157-2 does not permit companies to defer recognition and disclosure requirements for financial assets and financial liabilities or for nonfinancial assets and nonfinancial liabilities that are remeasured at least annually. In accordance with the provisions of FSP FAS 157-2, we have decided to defer the adoption of SFAS 157 for one year for nonfinancial assets and nonfinancial liabilities that are recognized or disclosed at fair value in our

financial statements on a nonrecurring basis.

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During the fourth quarter of 2008, both the FASB and the staff of the SEC re-emphasized the importance of sound fair value measurement in financial reporting. In October 2008, the FASB issued FASB Staff Position No. FAS 157-3,

Determining the Fair Value of a Financial Asset When the Market for That Asset is Not Active. This statement clarifies that determining fair value in an inactive or dislocated market depends on facts and circumstances and requires significant management judgment. This statement specifies that it is acceptable to use inputs based on management estimates or assumptions, or for management to make adjustments to observable inputs to determine fair value when markets are not active and relevant observable inputs are not available. Our fair value measurement policies are consistent with the guidance in FSP No. FAS 157-3.

All fair value adjustments at December 31, 2008 represent assets or liabilities measured at fair value on a recurring basis. In determining fair value, we separate our financial instruments into two categories: temporary investments and derivative financial instruments. Fair values as of December 31, 2008 were calculated as follows:

	U.S. GAAP Balance at December 31, 2008	Quoted prices in active markets for identical assets (Level 1)	Internal models with significant observable inputs (Level 2)	Internal models with significant unobservable inputs (Level 3)
Assets:				
Temporary investments	Ps. 8,321,286	Ps. 7,407,689	Ps. 913,597	Ps.
Derivative financial instruments	2,363,148		2,363,148	
Total	Ps. 10,684,434	Ps. 7,407,689	Ps. 3,276,745	Ps.
Liabilities				
Derivative financial instruments	Ps. 604,650	Ps.	Ps. 604,650	Ps.
Total	Ps. 604,650	Ps.	Ps. 604,650	Ps.

Temporary Investments. Temporary investments include highly liquid securities, including without limitation debt with a maturity of three months, or over, and up to one year at the balance sheet date, stock and other financial instruments denominated in U.S. dollars and Mexican Pesos. See Note 1(d) to our year-end financial statements.

Our temporary investments are generally valued using quoted market prices or alternative pricing sources with reasonable levels of price transparency. The types of instruments valued based on quoted market prices in active markets include mostly fixed short-term deposits, equities and corporate fixed income securities denominated in U.S. dollars and Mexican Pesos. Such instruments are classified in Level 1 or Level 2 depending on the observability of the significant inputs.

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

Derivative Financial Instruments. Derivative financial instruments include swaps, forwards and options. See Note 9 to our year-end financial statements.

Our derivative portfolio is entirely over-the-counter (OTC). Our derivatives are valued using industry standard valuation models; projecting the Group's future cash flows discounted to present value, using market-based observable inputs including interest rate curves, foreign exchange rates, and forward and spot prices for currencies.

When appropriate, valuations are adjusted for various factors such as liquidity, bid/offer spreads and credit spreads considerations. Such adjustments are generally based on available market evidence. In the absence of such evidence, management's best estimate is used. All derivatives are classified in Level 2.

There were no recurring liabilities measured at fair value in our consolidated financial statements as of December 31, 2008.

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In February 2007, the FASB issued SFAS No. 159, The Fair Value Option for Financial Assets and Financial Liabilities (SFAS 159). SFAS 159 permits companies, at their election, to measure specified financial instruments and warranty and insurance contracts at fair value on a contract-by-contract basis, with changes in fair value recognized in earnings each reporting period. The election, called the fair value option, will enable some companies to reduce the volatility in reported earnings caused by measuring related assets and liabilities differently, and it is easier than using the complex hedge-accounting requirements in SFAS No. 133 to achieve similar results. Subsequent changes in fair value for designated items will be required to be reported in earnings in the current period. SFAS 159 is effective for financial statements issued for fiscal years beginning after November 15, 2007 and therefore became effective for the Group as of January 1, 2008. We have not elected to measure any eligible items at fair value. Accordingly, the adoption of SFAS 159 has not impacted our results of operations and financial position.

Liquidity, Foreign Exchange and Capital Resources

Liquidity. We generally rely on a combination of operating revenues, borrowings and net proceeds from dispositions to fund our working capital needs, capital expenditures, acquisitions and investments. Historically, we have received, and continue to receive, most of our advertising revenues in the form of upfront advertising deposits in the fourth quarter of a given year, which we in turn used, and continue to use, to fund our cash requirements during the rest of the quarter in which the deposits were received and for the first nine months of the following year. As of December 31, 2008, December 31, 2007, and December 31, 2006, we had received Ps.16,881.6 million (nominal), Ps.16,085.0 million (nominal) and Ps.15,946.0 million (nominal), respectively, of advertising deposits for television advertising during 2009, 2008 and 2007, respectively, representing U.S.\$1.2 billion, U.S.\$1.5 billion, and U.S.\$1.5 billion, respectively, at the applicable year-end exchange rates. The deposits as of December 31, 2008, represented a 5.0% (nominal) increase, or 4.0% increase in real terms, as compared to year-end 2007, and deposits as of December 31, 2007, represented a 0.9% (nominal) increase, or 3.2% decrease in real terms, as compared to year-end 2006. Approximately 67.8%, 67.9% and 61.9% of the advanced payment deposits as of each of December 31, 2008, December 31, 2007, and December 31, 2006, respectively, were in the form of short-term, non-interest bearing notes, with the remainder in each of those years consisting of cash deposits. The weighted average maturity of these notes at December 31, 2008 was 4.0 months, and at December 31, 2007 and December 31, 2006, was 3.6 months.

Effective January 1, 2008, Mexican FRS requires a statement of cash flows in place of a statement of changes in financial position as part of a full set of financial statements. The statement of cash flows classifies cash receipts and payments according to whether they stem from operating, investing, or financing activities. Since a restatement of prior years' financials is not required by Mexican FRS, we present consolidated statements of changes in financial position for the years ended December 31, 2006 and 2007, and consolidated statements of cash flows for the year ended December 31, 2008. Accordingly, the financial information in 2008 is not directly comparable to the financial information from prior years.

During the year ended December 31, 2008, we had a net increase in cash and cash equivalents of Ps.9,626.5 million, which included cash and cash equivalents of Ps.483.9 million of Cablemás upon consolidation of this subsidiary into our financial reports as of June 2008, as compared to a net increase in cash and cash equivalents of Ps.10,018.2 million during the year ended December 31, 2007 which included cash and cash equivalents of Ps.138.3 million of Bestel upon acquisition of this business in December 2007.

Net cash provided by operating activities for the year ended December 31, 2008, amounted to Ps.22,257.8 million. Adjustments to reconcile income before income taxes to net cash provided by operating activities primarily included: depreciation and amortization of Ps.4,311.1 million; net unrealized foreign exchange loss of Ps.4,982.0 million; interest expense of Ps.2,529.2 million; and equity in losses of affiliates of Ps.1,049.9 million. Income taxes paid for the year ended December 31, 2008 amounted to Ps.2,657.5 million.

Net cash used for investing activities for the year ended December 31, 2008, amounted to Ps.11,361.5 million, and was primarily used for investments in property, plant and equipment of Ps.5,191.4 million; temporary investments of Ps.3,685.3 million; investments of Ps.1,982.1 million; and investments in goodwill and other intangible assets of Ps.1,489.2 million; which effect was partially offset by cash provided by a disposition of held-to-maturity investments of Ps.875.0 million.

Net cash used for financing activities for the year ended December 31, 2008, amounted to Ps.1,885.5 million, and was primarily used for dividends and repurchase of capital stock of Ps.3,342.5 million; interest paid of Ps.2,407.2 million; prepayment and repayment of debt and lease payments of Ps.700.6 million; derivative financial instruments of Ps.346.1 million; and dividends to minority interests of Ps.332.0 million; which effect was partially offset by cash provided by the issuance of 6.0% Senior Notes due 2018 of Ps.5,241.6 million.

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We expect to fund our operating cash needs during 2009, other than cash needs in connection with any potential investments and acquisitions, through a combination of financing, cash from operations and cash on hand. We intend to finance our potential investments or acquisitions in 2009 through available cash from operations, cash on hand and/or borrowings. The amount of borrowings required to fund these cash needs in 2009 will depend upon the timing of cash payments from advertisers under our advertising sales plan.

Net income adjusted for non-cash items. Non-cash items represent primarily depreciation and amortization, deferred income taxes, stock-based compensation and equity in results of affiliates, exclusive of changes in working capital. The Peso amounts in this section are expressed in millions of Pesos in purchasing power as of December 31, 2007.

In 2007, we generated positive net income adjusted for non-cash items of Ps.13,839.5 million, as compared to a positive net income adjusted for non-cash items of Ps.14,617.8 million during 2006. This change was due primarily to a Ps.2,907.8 million increase in income and asset taxes. This decrease in our net income adjusted for non-cash items was partially offset by:

- a Ps.555.1 million increase in operating income;
- a Ps.729.2 million decrease in integral cost of financing, which was due primarily to an increase in interest income and in foreign exchange gain; and
- a Ps.845.2 million decrease in other expense, net.

In 2006, we generated positive net income adjusted for non-cash items of Ps.14,617.8 million, as compared to a positive net income adjusted for non-cash items of Ps.10,208.6 million during 2005. This change was due primarily to the following:

- a Ps.3,014.5 million increase in operating income;
- a Ps.861.7 million decrease in income and asset taxes; and
- a Ps.780.9 million decrease in integral cost of financing, which was due primarily to a decrease in foreign exchange loss and interest expense.

The increases in our net income adjusted for non-cash items were partially offset by a Ps.247.9 million increase in other expense, net.

Capital Expenditures, Acquisitions and Investments, Distributions and Other Sources of Liquidity.

During 2009, we expect to:

- make aggregate capital expenditures for property, plant and equipment totaling U.S.\$500 million, of which U.S.\$220 million, U.S.\$145 million and U.S.\$35 million are for the expansion and improvements of our Cable and Telecom, Sky and Gaming businesses, respectively, and the remaining U.S.\$100 million is for our Television Broadcasting and other businesses; and
- make investments related to our 40% interest in La Sexta for an aggregate amount of 41.4 million.

During 2008, we:

- made aggregate capital expenditures totaling U.S.\$478.8 million, of which U.S.\$183.3 million, U.S.\$114 million and U.S.\$39.6 million correspond to our Cable and Telecom, Sky and Gaming businesses, respectively, and U.S.\$141.9 million to our Television Broadcasting and other businesses;
- made investments related to our 40% interest in La Sexta for an aggregate amount of 44.4 million (U.S.\$63.4 million); and
- made investments in Cablemás, for an aggregate amount of U.S.\$100.0 million, in Spot Runner, for an aggregate amount of U.S.\$25.0 million, and in Volaris, for an aggregate amount of U.S.\$12.0 million.

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During 2007, we:

made aggregate capital expenditures totaling U.S.\$355.1 million, including U.S.\$78.7 million for our Cable and Telecom segment, U.S.\$122.3 million for Sky, U.S.\$41.4 million for gaming, and U.S.\$112.7 million in our Television Broadcasting and other businesses;

made investments related to our 40% interest in La Sexta for an aggregate amount of 65.9 million (U.S.\$89.9 million);

acquired Editorial Atlántida, a leading publishing company in Argentina, for approximately U.S.\$78.8 million; and

acquired in December 2007 shares of companies that hold the majority of the assets of Bestel, a privately held, facilities-based telecommunications company in Mexico by our indirect majority-owned subsidiary, Cablestar for U.S.\$256.0 million in cash plus an additional capital contribution of U.S.\$69.0 million.

Refinancings. In May 2004, we entered into a five-year credit agreement with a Mexican bank for an aggregate principal amount of Ps.1,162.5 million, which net proceeds were used by us to repay any outstanding amounts under the U.S.\$100.0 million syndicated term loan. For a description of the terms of the Ps.1,162.5 million long-term credit agreement, see *Indebtedness* below. In May 2009, the Company repaid this loan at its original maturity in the principal amount of Ps.1,162.5 million. See Note 24 to our year-end financial statements.

In October 2004, we entered into a seven and one-half-year credit agreement with a Mexican bank for an aggregate principal amount of Ps.2,000.0 million. Net proceeds of this loan were used principally to prefund a portion of our U.S.\$200.0 million aggregate principal amount of 8 5/8% Senior Notes due in August 2005.

In March 2005, we issued U.S.\$400.0 million aggregate principal amount of 6.625% Senior Notes due 2025. We applied the net proceeds from this issuance, as well as cash on hand, to fund our tender offers for any or all of our U.S.\$300.0 million aggregate principal amount outstanding of our 8.00% Senior Notes due 2011 and our Ps.3,839 million (equivalent to approximately U.S.\$336.9 million) aggregate principal amount of 8.15% UDI-denominated Notes due 2007. For a description of our 6.625% Senior Notes due 2025, see *Indebtedness* below.

In May 2005, we reopened our 6.625% Senior Notes due 2025 for an additional U.S.\$200.0 million for an aggregate principal amount of U.S.\$600.0 million of 6.625% Senior Notes due 2025 outstanding.

In April 2006, Innova successfully completed a cash tender offer to purchase its U.S.\$300.0 million 9.375% Senior Notes due 2013 tendering 96.25% of the notes. This tender offer was funded by entering into two bank loans due in 2016 denominated in Pesos for a notional amount of Ps.3,500.0 million at an average fixed interest rate for the first three years of 8.84%.

In May 2007, we issued Ps.4,500 million aggregate principal amount of 8.49% Senior Notes due 2037. We used the net proceeds from the issuance to replenish our cash position following the payment, with cash on hand, of Ps.992.9 million of our 8.15% UDI-denominated notes that matured in April 2007 and for the repurchase of our shares. We used the remaining net proceeds from this issuance for general corporate purposes, including the repayment of other outstanding indebtedness and the continued repurchase of our shares, subject to market conditions and other factors. See Note 8 to our year-end financial statements.

In May 2008, we issued U.S.\$500.0 million Senior Notes due 2018. We used the net proceeds from the issuance for general corporate purposes, including to repay outstanding indebtedness and repurchase our shares, among other uses, in each case, subject to market conditions and other factors.

Indebtedness. As of December 31, 2008, our consolidated long-term portion of debt amounted to Ps.38,963.1 million, and our consolidated current portion of debt was Ps.2,283.2 million. As of December 31, 2007, our consolidated long-term portion of debt amounted to Ps.25,795.8 million, and our consolidated current portion of debt was Ps.488.6 million. As of December 31, 2006, our consolidated long-term portion of debt amounted to Ps.19,487.7 million, and our consolidated current portion of debt was Ps.1,023.5 million. The following table sets forth a description of our outstanding indebtedness as of December 31, 2008, on a historical, actual basis. Information in the following table is presented in millions of Pesos as of December 31, 2008:

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Description of Debt	Debt Outstanding(1)			
	December 31, 2008 Actual	Interest Rate(2)	Denomination	Maturity of Debt
Long-term debt				
8% Senior Notes(2)	995.8	8.0%	U.S. Dollars	2011
6% Senior Notes(2)	6,920.0	6.0%	U.S. Dollars	2018
8.5% Senior Notes(2)	4,152.0	8.5%	U.S. Dollars	2032
6.625% Senior Notes(2)	8,304.0	6.625%	U.S. Dollars	2025
8.49% Senior Notes(2)	4,500.0	8.49%	Pesos	2037
9.375% Senior Notes(3)	2,417.8	9.375%	U.S. Dollars	2015
JPMorgan Chase Bank, N.A. loan(4)	3,114.0	2.088%	U.S. Dollars	2012
JPMorgan Chase Bank, N.A. loan(4)	692.0	3.750%	U.S. Dollars	2012
Inbursa, S.A. loan due 2009(5)	1,162.5	9.700%	Pesos	2009
Inbursa, S.A. loan due 2010 and 2012(5)	2,000.0	10.35%	Pesos	2010 and 2012
Santander Serfin loan 2016(5)	1,400.0	8.98%	Pesos	2016
Banamex loan due 2016(5)	2,100.0	8.74%	Pesos	2016
Other debt(6)	1,205.0	6.03%	Various	2009-2022
Total debt (including current maturities)	38,963.1			12.6(7)
			Various	December
Less: current maturities	2,283.2			2009
Total long-term debt	36,679.9			

- (1) U.S. Dollar-denominated debt is translated into Pesos at an exchange rate of Ps.13.84 per U.S. Dollar, the Interbank Rate, as reported by Banamex, as of December 31, 2008.
- (2) These Senior Notes due 2011, 2018, 2025, 2032 and 2037, in the outstanding principal amount of U.S.\$72 million, U.S.\$500 million, U.S.\$600 million, U.S.\$300 million and Ps.4,500,000, respectively, are unsecured obligations of the Company, rank equally in right of payment with all existing and future unsecured and unsubordinated indebtedness of the Company, and are junior in right of payment to all of the existing and future liabilities of the Company's subsidiaries. Interest on the Senior Notes due 2011, 2018, 2025, 2032 and 2037, including additional amounts payable in respect of certain Mexican withholding taxes, is 8.41%, 6.31%, 6.97%, 8.94% and 8.93% per annum, respectively, and is payable semi-annually. These Senior Notes may not be redeemed prior to maturity, except in the event of certain changes in law affecting the Mexican withholding tax treatment of certain payments on the securities, in which case the securities will be redeemable, as a whole but not in part, at the option of the Company. Also, the Company may, at its own option, redeem the Senior Notes due 2018, 2025 and 2037, in whole or in part, at any time at a redemption price equal to the greater of the principal amount of these Senior Notes or the present value of future cash flows, at the redemption date, of principal and interest amounts of the Senior Notes discounted at a fixed rate of comparable U.S. or Mexican sovereign bonds. The Senior Notes due 2011, 2018 and 2032 were priced at 98.793%, 99.280% and 99.431%, respectively, for a yield to maturity of 8.179%, 6.097% and 8.553%, respectively. The Senior Notes due 2025 were issued in two aggregate principal amounts of U.S.\$400 million and U.S.\$200 million, and were priced at 98.081% and 98.632%, respectively, for a yield to maturity of 6.802% and 6.787%, respectively. The agreement of these Senior Notes contains covenants that limit the ability of the Company and certain restricted subsidiaries engaged in Television Broadcasting, Pay Television Networks and Programming Exports, to incur or assume

liens, perform sale and leaseback transactions, and consummate certain mergers, consolidations and similar transactions. Substantially all of these Senior Notes are registered with the SEC.

- (3) These U.S.\$174.7 million Senior Guaranteed Notes are unsecured obligations of Cablemás and its restricted subsidiaries and are guaranteed by such restricted subsidiaries, rank equally in right of payment with all existing and future unsecured and unsubordinated indebtedness of Cablemás and its restricted subsidiaries, and are junior in right of payment to all of the existing and future secured indebtedness of Cablemás and its restricted subsidiaries to the extent of the value of the assets securing such indebtedness, interest on these Senior Notes, including additional amounts payable in respect of certain Mexican withholding taxes, is 9.858%, and is payable semi-annually. Cablemás may redeem these Senior Notes, in whole or in part, at any time up before November 15, 2010, at redemption prices plus accrued and unpaid interest. The agreement of these Senior Notes contains covenants relating to Cablemás and its restricted subsidiaries, including covenants with respect to limitations on indebtedness, payments, dividends, investments, sale of assets, and certain mergers and consolidations. In July 2008, Cablemás prepaid a portion of these Senior Notes in the principal amount of U:S.\$0.3 million in connection with a tender offer to purchase these Senior Notes at a purchase price of 101% plus related accrued and unpaid interest.

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- (4) In December 2007, Empresas Cablevisión and Cablemás entered into a 5-year term loan facilities with a U.S. bank in the aggregate principal amount of U.S.\$225 million and U.S.\$50 million, respectively, in connection with the financing for the acquisition of Bestel. Annual interest on these loan facilities is payable on a quarterly basis at LIBOR plus an applicable margin that may range from 0.475% to 0.800% depending on a leverage ratio. At December 31, 2008, the applicable leverage ratio for Empresas Cablevisión and Cablemás was 0.525% and 0.600%, respectively. Under the terms of the loan facilities, Empresas Cablevisión and its subsidiaries and Cablemás and its subsidiaries are required to (a) maintain certain financial coverage ratios related to indebtedness and interest expense, and (b) comply with certain restrictive covenants, primarily on debt, liens, investments and acquisitions, capital expenditures, asset sales, consolidations, mergers and similar transactions.
- (5) Includes in 2008, outstanding balance of long-term loans in the principal amount of Ps.2,000,000 and, Ps.1,162,460, in connection with certain credit agreements entered into by the Company with a Mexican bank, with various maturities from 2009 through 2012. Interest on these loans is, in a range of 8.925% to 10.350% per annum, and is payable on a monthly basis. Under the terms of these credit agreements, the Company and certain restricted subsidiaries engaged in television broadcasting, pay television networks and programming exports are required to maintain (a) certain financial coverage ratios related to indebtedness and interest expense; and (b) certain restrictive covenants on indebtedness, dividend payments, issuance and sale of capital stock, and liens. The balance in 2008 also includes two 10-year loans entered into by Sky with Mexican banks in the aggregate principal amount of Ps.3,500,000. This 10-year Sky indebtedness is guaranteed by the Company and includes a Ps.2,100,000 loan with an annual interest rate of 8.74% and a Ps.1,400,000 loan with an annual interest rate of 8.98% for the first three years ending in March and April 2009, respectively, and the Mexican interbank interest rate of *TIIE* plus 24 basis points for the remaining seven years. Interest on these two 10-year loans is payable on a monthly basis.
- (6) Includes Ps. 1,107,200 in connection with a non-interest bearing promissory note in the principal amount of U.S.\$80 million with a maturity date of August 2009, which amount was originally recognized by the Group, and guaranteed by the Company, as a long-term liability in connection with the acquisition of Bestel in December 2007. In 2008, this liability was replaced under similar terms by a U.S.\$80 million non-interest bearing promissory note payable to a foreign financial institution. In March 2009, the Company entered into a purchase agreement with the holder of the promissory note. Includes notes payables to banks, bearing annual interest rates ranging from 1.25 to 1.50 basis points above LIBOR. The maturities of these notes are between 2009 and 2022.
- (7) Actual weighted average maturity of long-term debt as of December 31, 2008.

Interest Expense. Interest expense for the years ended December 31, 2006, 2007 and 2008 was Ps.2,010.4 million, Ps.2,177.0 million and Ps.2,816.4 million, respectively.

The following table sets forth our interest expense for the years indicated (in millions of U.S. Dollars and millions of Mexican Pesos):

	Year Ended December 31,(1)(2)					
		2006		2007		2008
Interest payable in U.S. Dollars	U.S.\$	95.6	U.S.\$	87.2	U.S.\$	124.4
Amounts currently payable under Mexican withholding taxes(3)		4.2		3.7		4.6
Total interest payable in U.S. Dollars	U.S.\$	99.8	U.S.\$	90.9	U.S.\$	129.0
Peso equivalent of interest payable in U.S. Dollars	Ps.	1,156.4	Ps.	1,014.4	Ps.	1,432.7
Interest payable in Pesos		812.7		1,149.6		1,383.7
Restatement of UDI-denominated Notes Due 2007		41.3		13.0		

Total interest expense	Ps.	2,010.4	Ps.	2,177.0	Ps.	2,816.4
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- (1) U.S. Dollars are translated into Pesos at the rate prevailing when interest was recognized as an expense for each period, and the Peso amounts for the years ended December 31, 2006 and 2007 were restated to Pesos in purchasing power as of December 31, 2007. We discontinued recognizing the effects of inflation in financial information effective January 1, 2008.
- (2) Interest expense in these periods includes amounts effectively payable in U.S. Dollars as a result of U.S. Dollar-Peso swaps. Interest expense in these periods also includes gains or losses from related derivative instruments
- (3) See Additional Information Taxation Federal Mexican Taxation .

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Guarantees. We guarantee our proportionate share of our DTH joint ventures' minimum commitments for use on PanAmSat (now Intelsat Corporation) IS-9 satellite's transponders for periods of up to 15 years. The amount of these guaranteed commitments is estimated to be an aggregate of U.S.\$80.8 million as of December 31, 2008, related to Innova. In October 2005, in a series of related transactions, we disposed of our 30% interest in Techco and were released of any obligation in connection with a guarantee granted by us in respect of certain of Techco's indebtedness. In February 2006, in connection with the transactions with DIRECTV, we entered into an amended and restated guarantee with PanAmSat, pursuant to which the proportionate share of Innova's transponder lease obligation on satellite 1S-9 (formerly PAS-9) guaranteed by us was adjusted from 51.0% to 52.8%. In April 2006, we acquired additional equity interests in Innova from DIRECTV (as described below), and the guarantee was readjusted from 52.8% to 58.7% to cover a percentage of the transponder lease obligations equal to our percentage ownership of Innova at that time. See Major Stockholders and Related Party Transactions, Related Party Transactions, Information on the Company, Business Overview, DTH Joint Ventures and Note 11 to our year-end financial statements.

Contractual Obligations and Commercial Commitments

Our contractual obligations and commercial commitments consist primarily of long-term debt, as described above, satellite transponder obligations and transmission rights obligations.

Contractual Obligations on the Balance Sheet

The following table summarizes our contractual obligations on the balance sheet as of December 31, 2008 (these amounts do not include interest):

	Payments Due by Period				
	Total	Less Than 12 Months January 1, 2009 to December 31, 2009	12-36 Months January 1, 2010 to December 31, 2011	36-60 Months January 1, 2012 to December 31, 2013	After 60 Months Subsequent to December 31, 2013
(Thousands of U.S. Dollars)					
8% Senior Notes due 2011	U.S.\$ 71,951	U.S.\$ 71,951			U.S.\$
8.5% Senior Notes due 2032	300,000				300,000
6.625% Senior Notes due 2025	600,000				600,000
8.49% Senior Notes due 2037	325,145				325,145
8.625% Senior Notes due 2018	500,000				500,000
9.375% Senior Notes due 2015	174,700				174,700
Inbursa loan due 2009	83,993	83,993			
Inbursa loan due 2010 and 2012	144,509		72,254	72,255	
JPMorgan Chase Bank, N.A. loan due 2012	225,000			225,000	
JPMorgan Chase Bank, N.A. loan due 2012	50,000			50,000	
Credit Suisse due 2009	80,000	80,000			
Santander Serfin loan due 2016	101,156				101,156

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Banamex loan due 2016	151,734				151,734
Other debt	7,062	976	3,471	329	2,286
Long-term debt	2,815,250	164,969	147,676	347,584	2,155,021
Accrued interest	31,776	31,776			
Satellite transponder obligation	94,773	10,029	23,855	29,992	30,897
Transmission rights(1)	291,443	73,214	87,372	87,957	42,900
Total contractual obligations	U.S.\$ 3,233,242	U.S.\$ 279,988	U.S.\$ 258,903	U.S.\$ 465,533	U.S.\$ 2,228,818

(1) This liability reflects our transmission rights obligations related to programming acquired or licensed from third party producers and suppliers, and special events, which are reflected for in our consolidated balance sheet within trade accounts payable (current liabilities) and other long-term liabilities.

Table of Contents**Contractual Obligations off the Balance Sheet**

The following table summarizes our contractual obligations off the balance sheet as of December 31, 2008:

	Total	Payments Due by Period			
		Less Than 12 Months January 1, 2009 to December 31, 2009	12-36 Months January 1, 2010 to December 31, 2011	36-60 Months January 1, 2012 to December 31, 2013	After 60 Months Subsequent to December 31, 2013
(Thousands of U.S. Dollars)					
Satellite transponder commitments(1)	U.S.\$37,570	U.S.\$11,726	U.S.\$12,118	U.S.\$7,500	U.S.\$6,226
Agreement with Intelsat Corporation(2)	147,900		141,300	3,600	3,000
Capital expenditures commitments(3)	18,780	18,780			
Lease commitments(4)	56,725	17,160	23,555	5,481	10,529
Interest on debt(5)	2,619,267	159,870	358,272	331,438	1,769,687
Interest on satellite transponder obligation	41,319	10,370	16,946	10,810	3,193
Other(6)	79,939	57,858	22,081		
Total contractual obligations	U.S.\$3,001,500	U.S.\$275,764	U.S.\$574,272	U.S.\$358,829	U.S.\$1,792,635

- (1) Our minimum commitments for the use of satellite transponders under operating lease contracts.
- (2) Agreement of Sky and Sky Brasil with Intelsat Corporation to build and launch a new 24-transponder satellite in the first semester of 2010. See Note 11 to our year-end financial statements.
- (3) Our commitments for capital expenditures include U.S.\$5,988, which are related to improvements to leasehold facilities of our gaming operations.
- (4) Our minimum non-cancellable lease commitments for facilities under operating lease contracts, which are primarily related to our gaming business, under operating leases expiring through 2047. See Note 11 to our year-end financial statements.
- (5) Interest to be paid in future years on outstanding debt as of December 31, 2008, was estimated based on contractual interest rates and exchange rates as of that date.
- (6) We have commitments of capital contributions in 2009 and 2010, subject to certain conditions, related to our 40% equity interest in La Sexta in the aggregate amount of 41.4 million (U.S.\$57,858 million) and 15.8 million (U.S.\$22,081 million), respectively.

Table of Contents**Item 6. Directors, Senior Management and Employees****Board of Directors**

The following table sets forth the names of our current directors and their alternates, their dates of birth, their principal occupation, their business experience, including other directorships, and their years of service as directors or alternate directors. Each of the following directors and alternate directors were elected or ratified for a one-year term by our stockholders at our April 30, 2009 annual stockholders meeting.

Name and Date of Birth	Principal Occupation	Business Experience	First Elected
Emilio Fernando Azcárraga Jean (02/21/68)	Chairman of the Board, President and Chief Executive Officer and Chairman of the Executive Committee of Grupo Televisa	Member of the Board of Banco Nacional de México, S.A.	December 1990
<i>In alphabetical order:</i>			
Alfonso de Angoitia Noriega (01/17/62)	Executive Vice President, Member of the Executive Office of the Chairman and Member of the Executive Committee of Grupo Televisa	Member of the Board of Grupo Modelo, S.A.B. de C.V.	April 1997
Pedro Carlos Aspe Armella (07/07/50)	Co-Chairman of Evercore Partners Partners	Member of the Board of The McGraw-Hill Companies	April 2003
Julio Barba Hurtado (05/20/33)	Legal Advisor to the Company, Secretary to the Audit and Corporate Practices Committee of Grupo Televisa and Member of the Executive Committee of the Company	Former Legal Advisor to the Board of the Company and Former Assistant Secretary of the Board of the Company	December 1990
José Antonio Bastón Patiño (04/13/68)	President of Television and Contents and Member of the Executive Committee of Grupo Televisa	Former Corporate Vice President of Television, Vice President of Operations	April 1998
Alberto Bailléres González (08/22/31)	President of Grupo Bal, S.A. de C.V.	Member of the Boards of Industrias Peñoles, Grupo Nacional Provincial, Grupo Profuturo, GNP Afore, GNP Pensiones, Valores Mexicanos, Casa de Bolsa, Grupo Palacio de Hierro, BBVA Bancomer, Fomento Económico Mexicano, Grupo Kuo, Grupo Dine and	April 2004

President of the Board of
Governors of ITAM

Francisco José Chévez
Robelo
(07/03/29)

Retired Partner of Chévez,
Ruiz, Zamarripa y Cía., S.C.
and Chairman of the Audit
and Corporate Practices
Committee of Grupo
Televisa and Empresas
Cablevisión, S.A.B. de C.V.

Member of the Board of
Empresas Cablevisión,
S.A.B. de C.V. and former
Partner of Chévez, Ruíz,
Zamarripa y Cía., S.C.

April 2003

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Name and Date of Birth	Principal Occupation	Business Experience	First Elected
Manuel Jorge Cutillas Covani (03/01/32)	Former President and Chief Executive Officer of Grupo Bacardi Limited	Member of the Board of Bacardi Limited and former Chairman of the Board of Grupo Bacardi Limited	April 1992
José Antonio Fernández Carbajal (2/15/54)	Chairman of the Board and Chief Executive Officer of Fomento Económico Mexicano, S.A.B. de C.V. and Coca-Cola FEMSA, S.A.B. de C.V.	Vice Chairman of the Board of ITESM and member of the Boards of Grupo Financiero BBVA Bancomer, Industrias Peñoles, Grupo Industrial Bimbo, CEMEX, Controladora Vuela Compañía de Aviación and Chairman of the Advisory Board México of the Woodrow Wilson Center and México Institute Co.	April 2007
Carlos Fernández González (09/29/66)	Chief Executive Officer and Chairman of the Board of Grupo Modelo, S.A.B. de C.V., Member of the Board and Partner of Fnaccess México, S.A.B. de C.V., Partner and Chief Executive Officer of Tendora San Carlos, S.A. de C.V.	Member of the Boards of Emerson Electric Co, Grupo Financiero, Santander, S.A.B. de C.V. and Anheuser-Busch Companies, Inc.	July 2000
Bernardo Gómez Martínez (07/24/67)	Executive Vice President, Member of the Executive Office of the Chairman and Member of the Executive Committee of Grupo Televisa	Former President of the Mexican Chamber of Television and Radio Broadcasters and Deputy to the President of Grupo Televisa	April 1999
Claudio X. González Laporte (05/22/34)	Chairman of the Board of Kimberly-Clark de México, S.A.B. de C.V.	Member of the Boards of Grupo Alfa, Grupo Carso, Grupo Mexico, Investment Company of America, Grupo Inbrusa and Mexico Fund	April 1997
Roberto Hernández Ramírez (03/24/42)	Chairman of the Board of Banco Nacional de México, S.A.	Member of the Boards of Grupo Financiero Banamex Accival, Citigroup, Inc., and Grupo Industrial Maseca, S.A. de C.V.	April 1992

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Enrique Krauze Kleinbort (09/17/47)	Director and Partner of Editorial Clío Libros, y Videos, S.A. de C.V. and of Editorial Vuelta, S.A. de C.V.	Member and Chairman of the Boards of Editorial Clío, Libros y Videos, S.A. de C.V. and of Quadrant, S.A. de C.V. and President of the Board of Directors of Productora Contadero, S.A. de C.V.	April 1996
Germán Larrea Mota Velasco (10/26/53)	Chairman of the Board, President and Chief Executive Officer of Grupo México, S.A.B. de C.V.	Chairman of the Board of Southern Copper Corporation and Grupo Ferroviario Mexicano, S.A. de C.V.	April 1999

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Name and Date of Birth	Principal Occupation	Business Experience	First Elected
Michael Larson (10/07/59)	Chief Investment Officer of William H. Gates III	Chairman of Western Asset Claymore Inflation Linked Securities & Income Fund and Western Asset/Claymore Inflation Linked Opportunities Fund; Director of Hamilton Lane Advisors, LLC and Pan American Silver Corp.	April 2009
Lorenzo Alejandro Mendoza Giménez (10/05/1965)	Chief Executive Officer, member of the Board and President of the Executive Committee of Empresas Polar	Member of the Boards of Universidad Metropolitana, Group of Fifty (G-50), the MIT Dean's Advisory Council, the World Economic Forum, the Young Global Leaders and an Ashoka fellow; Former member of AES La Electricidad de Caracas, CANTV-Verizon and BBVA Banco Provincial.	April 2009
Alejandro Jesus Quintero Iñiguez (02/11/50)	Corporate Vice President of Sales and Marketing and Member of the Executive Committee of Grupo Televisa	Shareholder of Grupo TV Promo, S.A. de C.V.	April 1998
Fernando Senderos Mestre (03/03/50)	Chairman of the Board and President of the Executive Committee of Desc, S.A. de C.V., Dine, S.A.B. de C.V. and Grupo Kuo, S.A.B. de C.V.	Member of the Boards of Grupo Alfa, Grupo Carso, Kimberly-Clark de México and Industrias Peñoles	April 1992
Enrique Francisco José Senior Hernández (08/03/43)	Managing Director of Allen & Company, LLC	Member of the Boards of Coca-Cola FEMSA, Cinemark and FEMSA	April 2001

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Name and Date of Birth	Principal Occupation	Business Experience	First Elected
Alternate Directors: <i>In alphabetical order:</i> Herbert A. Allen III (06/08/67)	President of Allen & Company LLC	Former Executive Vice President and Managing Director of Allen & Company Incorporated, Member of the Board of Convera Corporation	April 2002
Félix José Araujo Ramírez (03/20/51)	Vice President of Televisa Regional	Former Private Investor in Promoción y Programación de la Provincia, S.A. de C.V., Promoción y Programación del Valle de Lerma, S.A. de C.V., Promoción y Programación del Sureste, S.A. de C.V., Teleimagen Profesional del Centro, S.A. de C.V. and Estrategia Satélite, S.C.	April 2002
Joaquín Balcárcel Santa Cruz (01/04/69)	Vice President Legal and General Counsel of Grupo Televisa	Former Vice President and General Counsel of Television Division, Former Legal Director of Grupo Televisa.	April 2000
Rafael Carabias Príncipe (11/13/44)	Chief Financial Officer of Gestora de Inversiones Audiovisuales La Sexta, S.A.	Former Member of the Boards of Promecap, S.C. and Grupo Financiero del Sureste, S.A., former Director of Corporate Finance of Scotiabank Inverlat, S.A. and former Vice President of Administration of Grupo Televisa	April 1999
José Luis Fernández Fernández (05/18/59)	Managing Partner of Chévez, Ruíz, Zamarripa y Cia., S.C.; Member of the Audit and Corporate Practices Committee of Grupo Televisa	Member of the Boards of Directors of Sport City Universidad, S.A. de C.V., Club de Golf Los Encinos, S.A. and Global Assurance Brokers Agente de Seguros de Fianzas, S.A. de C.V.	April 2002
Salvi Rafael Folch Viadero (08/16/67)	Chief Financial Officer of Grupo Televisa	Former Vice President of Financial Planning of Grupo	April 2002

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Televisa, Chief Executive Officer and Chief Financial Officer of Comercio Más, S.A. de C.V. and former Vice Chairman of Banking Supervision of the National Banking and Securities Commission

Leopoldo Gómez González Blanco (04/06/59)	Vice President of News of Grupo Televisa	Former Director of Information to the President of Grupo Televisa	April 2003
Jorge Agustín Lutteroth Echegoyen (01/24/53)	Vice President and Corporate Controller of Grupo Televisa	Former Senior Partner of Coopers & Lybrand Despacho Roberto Casas Alatraste, S.C.	April 2000
Alberto Javier Montiel Castellanos (11/22/45)	Director of Montiel Font y Asociados, S.C. and Member of the Audit and Corporate Practices Committees of Grupo Televisa and Empresas Cablevisión, S.A.B. de C.V.	Former Tax Vice President of Grupo Televisa and Former Tax Director of Wal-Mart de México, S.A.B. de C.V.	April 2002
Raúl Morales Medrano (05/12/70)	Partner of Chévez, Ruiz, Zamarripa y Cia., S.C.	Former Senior Manager of Chévez, Ruiz, Zamarripa y Cia., S.C.	April 2002

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Our Board of Directors

General. The management of our business is vested in our Board of Directors. Our bylaws currently provide for a Board of Directors of 20 members, at least 25% of which must be independent directors under Mexican law (as described below), with the same number of alternate directors. The Mexican Securities Market Law provides that the following persons, among others, do not qualify as independent:

- our principals, employees or managers, as well as the statutory auditors, or *comisarios*, of our subsidiaries, including those individuals who have occupied any of the described positions within a period of 12 months preceding the appointment;
- individuals who have significant influence over our decision making processes;
- controlling stockholders, in our case, the beneficiary of the Azcárraga Trust;
- partners or employees of any company which provides advisory services to us or any company that is part of the same economic group as we are and that receives 10% or more of its income from us;
- significant clients, suppliers, debtors or creditors, or members of the Board or executive officers of any such entities; or
- spouses, family relatives up to the fourth degree, or cohabitants of any of the aforementioned individuals.

Our bylaws prohibit the appointment of individuals to our Board of Directors who: (i) are members of the board of directors or other management boards of a company (other than the Company or its subsidiaries) that has one or more concessions to operate telecommunication networks in Mexico; or (ii) directly or indirectly, are shareholders or partners of companies (other than the Company or its subsidiaries), that have one or more concessions to operate telecommunication networks in Mexico, with the exception of ownership stakes that do not allow such individuals to appoint one or more members of the management board or any other operation or decision making board.

Election of Directors. A majority of the members of our Board of Directors must be Mexican nationals and must be elected by Mexican stockholders. At our annual stockholders meeting on April 30, 2009 and at our annual meetings thereafter, a majority of the holders of the A Shares voting together elected, or will have the right to elect, eleven of our directors and corresponding alternates and a majority of the holders of the B Shares voting together elected, or will have the right to elect, five of our directors and corresponding alternates. At our special stockholders meetings, a majority of the holders of the L Shares and D Shares will each continue to have the right to elect two of our directors and alternate directors, each of which must be an independent director. Ten percent holders of A Shares, B Shares, L Shares or D Shares will be entitled to nominate, a director and corresponding alternates. Each alternate director may vote in the absence of a corresponding director. Directors and alternate directors are elected for one-year terms by our stockholders at each annual stockholders meeting, and each serves for up to a 30 day term once the one-year appointment has expired or upon resignation; in this case, the Board of Directors is entitled to appoint provisional directors without the approval of the stockholders meeting. All of the current and alternate members of the Board of Directors were elected by our stockholders at our 2009 annual stockholders special and general meetings, which were held on April 30, 2009.

Quorum; Voting. In order to have a quorum for a meeting of the Board of Directors, generally at least 50% of the directors or their corresponding alternates must be present. However, in the case of a meeting of the Board of Directors to consider certain proposed acquisitions of our capital stock, at least 75% of the directors or their corresponding alternates must be present. In the event of a deadlock of our Board, our Chairman will have the deciding vote.

Meetings; Actions Requiring Board Approval. Our bylaws provide that our Board must meet at least once a quarter, and that our Chairman, 25% of the Board, our Secretary or alternate Secretary or the Chairman of the Audit and Corporate Practices Committee may call for a Board meeting.

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Pursuant to the Mexican Securities Market Law and our bylaws, our Board of Directors must approve, among other matters:

our general strategy;

with input from the Audit and Corporate Practices Committee, on an individual basis: (i) any transactions with related parties, subject to certain limited exceptions; (ii) the appointment of our Chief Executive Officer, his compensation and removal for justified causes; (iii) our financial statements; (iv) unusual or non-recurrent transactions and any transactions or series of related transactions during any calendar year that involve (a) the acquisition or sale of assets with a value equal to or exceeding 5% of our consolidated assets, or (b) the giving of collateral or guarantees or the assumption of liabilities, equal to or exceeding 5% of our consolidated assets; (v) agreements with our external auditors; and (vi) accounting policies within Mexican FRS;

creation of special committees and granting them the power and authority, provided that the committees will not have the authority, which by law or under our bylaws is expressly reserved for the stockholders or the Board;

matters related to antitakeover provisions provided for in our bylaws; and

the exercise of our general powers in order to comply with our corporate purpose.

Duty of Care and Duty of Loyalty. The Mexican Securities Market Law imposes a duty of care and a duty of loyalty on directors. The duty of care requires our directors to act in good faith and in the best interests of the company. In carrying out this duty, our directors are required to obtain the necessary information from the Chief Executive Officer, the executive officers, the external auditors or any other person to act in the best interests of the company. Our directors are liable for damages and losses caused to us and our subsidiaries as a result of violating their duty of care. The duty of loyalty requires our directors to preserve the confidentiality of information received in connection with the performance of their duties and to abstain from discussing or voting on matters in which they have a conflict of interest. In addition, the duty of loyalty is breached if a stockholder or group of stockholders is knowingly favored or if, without the express approval of the Board of Directors, a director takes advantage of a corporate opportunity. The duty of loyalty is also breached, among other things, by (i) failing to disclose to the Audit and Corporate Practices Committee or the external auditors any irregularities that the director encounters in the performance of his or her duties; or (ii) disclosing information that is false or misleading or omitting to record any transaction in our records that could affect our financial statements. Directors are liable for damages and losses caused to us and our subsidiaries for violations of this duty of loyalty. This liability also extends to damages and losses caused as a result of benefits obtained by the director or directors or third parties, as a result of actions of such directors.

Our directors may be subject to criminal penalties of up to 12 years imprisonment for certain illegal acts involving willful misconduct that result in losses to us. Such acts include the alteration of financial statements and records.

Liability actions for damages and losses resulting from the violation of the duty of care or the duty of loyalty may be exercised solely for our benefit and may be brought by us, or by stockholders representing 5% or more of our capital stock, and criminal actions only may be brought by the Mexican Ministry of Finance, after consulting with the Mexican National Banking and Securities Commission. As a safe harbor for directors, the liabilities specified above (including criminal liability) will not be applicable if the director acting in good faith (i) complied with applicable law, (ii) made the decision based upon information provided by our executive officers or third-party experts, the capacity and credibility of which could not be subject to reasonable doubt, (iii) selected the most adequate alternative in good faith or if the negative effects of such decision could not have been foreseeable, and (iv) complied with stockholders resolutions provided the resolutions do not violate applicable law.

The members of the board are liable to our stockholders only for the loss of net worth suffered as a consequence of disloyal acts carried out in excess of their authority or in violation of our bylaws.

In accordance with the Mexican Securities Market Law, supervision of our management is entrusted to our Board of Directors, which shall act through an Audit and Corporate Practices Committee for such purposes, and to our external auditor. The Audit and Corporate Practices Committee (together with the Board of Directors) replaces the statutory auditor (*comisario*) that previously had been required by the Mexican Companies Law.

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Audit and Corporate Practices Committee. The Audit and Corporate Practices Committee is currently composed of three members: Francisco José Chévez Robelo, the Chairman, Alberto Montiel Castellanos and José Luís Fernández Fernández. The Chairman of this Committee was elected at our ordinary stockholders meetings held in April 2007 and 2008, and in our latest annual shareholders meeting held on April 30, 2009. The other members were elected at our Board of Directors Meetings held on October 27, 2006 and April 30, 2009. The Chairman of the Audit and Corporate Practices Committee is appointed at our stockholders meeting, and the board of directors appoints the remaining members.

The Audit and Corporate Practices Committee is responsible for, among other things: (i) supervising our external auditors and analyzing their reports, (ii) analyzing and supervising the preparation of our financial statements, (iii) informing the Board of Directors of our internal controls and their adequacy, (iv) requesting reports of our Board of Directors and executive officers whenever it deems appropriate, (v) informing the Board of any irregularities that it may encounter, (vi) receiving and analyzing recommendations and observations made by the stockholders, directors, executive officers, our external auditors or any third party and taking the necessary actions, (vii) calling stockholders meetings, (viii) supervising the activities of our Chief Executive Officer, (ix) providing an annual report to the Board of Directors, (x) providing opinions to our Board of Directors, (xi) requesting and obtaining opinions from independent third parties and (xii) assisting the Board in the preparation of annual reports and other reporting obligations.

The Chairman of the Audit and Corporate Practices Committee, shall prepare an annual report to our Board of Directors with respect to the findings of the Audit and Corporate Practices Committee, which shall include, among other things (i) the status of the internal controls and internal audits and any deviations and deficiencies thereof, taking into consideration the reports of external auditors and independent experts, (ii) the results of any preventive and corrective measures taken based on results of investigations in respect of non-compliance of operating and accounting policies, (iii) the evaluation of external auditors, (iv) the main results from the review of our financial statements and those of our subsidiaries, (v) the description and effects of changes to accounting policies, (vi) the measures adopted as result of observations of stockholders, directors, executive officers and third parties relating to accounting, internal controls, and internal or external audits, (vii) compliance with stockholders and directors resolutions, (viii) observations with respect to relevant directors and officers, (ix) the transactions entered into with related parties and (x) the remunerations paid to directors and officers.

Committees of Our Board of Directors. Our Board of Directors has an Executive Committee. Each member is appointed for a one-year term at each annual general stockholders meeting. Our bylaws provide that the Executive Committee may generally exercise the powers of the Board of Directors, except those expressly reserved for the Board in our bylaws or by applicable law. The Executive Committee currently consists of Emilio Azcárraga Jean, Alfonso de Angoitia Noriega, Bernardo Gómez Martínez, José Antonio Bastón Patiño, Julio Barba Hurtado, and Alejandro Quintero Iñiguez.

Executive Officers

The following table sets forth the names of our executive officers, their dates of birth, their current position, their prior business experience and the year in which they were appointed to their current positions:

Name and Date of Birth	Principal Position	Business Experience	First Appointed
Emilio Fernando Azcárraga Jean (02/21/68)	Chairman of the Board, President and Chief Executive Officer and Chairman of the Executive Committee of Grupo Televisa	Member of the Board of Banco Nacional de México, S.A.	March 1997
<i>In alphabetical order:</i> Alfonso de Angoitia Noriega (01/17/62)	Executive Vice President, Member of the Executive Office of the Chairman and	Member of the Board of Grupo Modelo, S.A.B. de C.V.	January 2004

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Member of the Executive
Committee of Grupo
Televisa

Félix José Araujo Ramírez
(03/20/51)

Vice President of Televisa
Regional

Former Private Investor in
Promoción y Programación
de la Provincia, S.A. de C.V.,
Promoción y Programación
del Valle de Lerma, S.A. de
C.V., Promoción y
Programación del Sureste,
S.A. de C.V., Teleimagen
Profesional del Centro, S.A.
de C.V. and Estrategia
Satélite, S.C.

January 1993

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Name and Date of Birth	Principal Position	Business Experience	First Appointed
Maximiliano Arteaga Carlebach (12/06/42)	Vice President of Technical Operations, Services & Television Production of Grupo Televisa	Former Vice President of Operations Televisa Chapultepec, former Vice President of Administration Televisa San Angel and Chapultepec and former Vice President of Administration and Finance of Univisa, Inc.	March 2002
José Antonio Bastón Patiño (04/13/68)	President of Television and Contents and Member of the Executive Committee of Grupo Televisa	Former Corporate Vice President of Television, Vice President of Operations	November 2008 April 1999
Jean Paul Broc Haro (08/08/62)	Chief Executive Officer of Cablevisión	Former Chief Executive Officer of Pay Television Networks of Grupo Televisa and former Technical and Operations Director of Pay Television Networks of Grupo Televisa	February 2003
Salvi Rafael Folch Viadero (08/16/67)	Chief Financial Officer of Grupo Televisa	Former Vice President of Financial Planning of Grupo Televisa, Chief Executive Officer and Chief Financial Officer of Comercio Más, S.A. de C.V. and former Vice Chairman of Banking Supervision of the National Banking and Securities Commission	January 2004
Bernardo Gómez Martínez (07/24/67)	Executive Vice President and Member of the Executive Office of the Chairman and Member of the Executive Committee of Grupo Televisa	Former Deputy to the President of Grupo Televisa and former President of the Mexican Chamber of Television and Radio Broadcasters	January 2004
Eduardo Michelsen Delgado (03/03/71)	Chief Executive Officer and Vice President of Televisa Publishing & Interactive Media	Former Chief Executive Officer of Editorial Televisa International, former Vice President of Editorial Televisa Mexico, Former Vice President of Operations of Editorial Televisa	January 2008

International, former Chief Executive Officer of Grupo Semana and former Project Director for McKinsey & Co., Partner and Council Member of PSC Profit Supply Center LLC and Operadora de Servicios Mega, S.A. de C.V.

<p>Jorge Eduardo Murguía Orozco (01/25/50)</p>	<p>Vice President of Production of Grupo Televisa</p>	<p>Former Administrative Vice President and former Director of Human Resources of Televisa</p>	<p>March 1992</p>
<p>Alejandro Jesus Quintero Iñiguez (02/11/50)</p>	<p>Corporate Vice President of Sales and Marketing and Member of the Executive Committee of Grupo Televisa</p>	<p>Shareholder of Grupo TV Promo, S.A. de C.V.</p>	<p>January 1998</p>
<p>Francisco Javier Mérida Guzmán (07/31/67)</p>	<p>Chief Executive Officer of Sistema Radiópolis</p>	<p>Former Chief Executive Officer and National Sales Manager of Cadena SER Málaga</p>	<p>September 2006</p>
<p>Alexandre Moreira Penna (12/25/54)</p>	<p>Chief Executive Officer Corporación Novavision</p>	<p>Former Vice President of Corporate Finance of Grupo Televisa and former Managing Director of JPMorgan Chase Bank, N.A.</p>	<p>January 2004</p>

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Compensation of Directors and Officers

For the year ended December 31, 2008, we paid our directors, alternate directors and executive officers for services in all capacities aggregate compensation of approximately nominal Ps.455 million (U.S.\$32.9 million using the Interbank Rate, as reported by Banamex, as of December 31, 2008).

We made Ps.75 million in contributions to our pension and seniority premium plans on behalf of our directors, alternate directors and executive officers in 2008. Projected benefit obligations as of December 31, 2008 were approximately Ps.98 million.

In addition, we have granted our executive officers and directors rights to purchase CPOs under the Stock Purchase Plan and the Long-Term Retention Plan. See "Stock Purchase Plan" and "Long-Term Retention Plan" below.

Use of Certain Assets and Services

We maintain an overall security program for Mr. Azcárraga, other top executives, their families, in some cases, and for other specific employees and service providers, as permitted under our "Política de Seguridad" policy, due to business-related security concerns. We refer to the individuals described above as Key Personnel. Our security program includes the use of our personnel, assets and services to accomplish security objectives.

According to this program, we require, under certain circumstances, that certain authorized Key Personnel use aircrafts, either owned or leased by us, for non-business, as well as business travel for our benefit rather than as a personal benefit. The use of such aircrafts is carried out in accordance with, among others, our "Política de Seguridad" policy, which establishes guidelines under which authorized Key Personnel may use such aircrafts for personal purposes. If the use of such aircrafts for personal purposes exceeds the specified number of hours, the relevant Key Personnel must reimburse us for the cost of operating the aircrafts during the excess time of use. The aggregate amount of compensation set forth in "Compensation of Directors and Officers" does include the cost to us of providing this service.

In addition, certain Key Personnel is provided with security systems and equipment for their residences and/or automobiles and with security advice and personal protection services at their residences. The use of these security services is provided in accordance with our "Política de Seguridad" policy. The cost of these systems and services are incurred as a result of business-related concerns and are not considered for their personal benefit. As a result, the Company has not included such cost in "Compensation of Directors and Officers".

Stock Purchase Plan

Pursuant to the terms of our stock purchase plan, as amended, we may grant eligible participants, who consist of key executives and other personnel, rights to purchase CPOs and/or CPO equivalents or we may conditionally sell CPOs and/or CPO equivalents to these participants. Our stockholders have authorized the allocation of up to 8% of our capital stock to this and any other plans we may establish from time to time for the benefit of our employees. See "Long-Term Retention Plan". Pursuant to the stock purchase plan, the exercise or sale prices of the CPOs and/or CPO equivalents are based on then current market prices at the time the options are granted or the conditional sale agreement is executed. We have implemented the stock purchase plan by means of a special purpose trust. The CPOs, CPO equivalents and underlying shares that are part of the stock purchase plan will be held by the special purpose trust and will be voted with the majority of the CPOs, CPO equivalents and underlying shares represented at the relevant meeting until these securities are transferred to plan participants or otherwise sold in the open market. In accordance with the stock purchase plan, our President and the technical committee of the special purpose trust have broad discretion to make decisions related to the stock purchase plan, including the ability to accelerate vesting terms, to release or transfer CPOs and/or CPO equivalents, subject to conditional sale agreements, to plan participants in connection with sales for purposes of making the payment of the related purchase price, and to implement amendments to the stock purchase plan, among others.

The stock purchase plan has been implemented in several stages since 1999, through a series of conditional sales to plan participants of CPOs. The conditional sale agreements entered into by plan participants since the implementation of the stock purchase plan through the fourth quarter of 2001 were terminated for several reasons, including the failure of plan participants to pay the purchase price and the fact that the average closing price per CPO on the Mexican Stock Exchange fell below certain thresholds for a 15 trading day period.

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Pursuant to the related conditional sale agreements, rights to approximately 0.7 million vested in March 2007, 7.1 million vested in July 2007, 0.1 million vested in February 2008, and 0.7 million vested in March 2008. Rights to purchase these CPOs currently expire in 2011. Unless the technical committee of the special purpose trust or our President determines otherwise, these CPOs will be held in the special purpose trust until they are transferred to plan participants or otherwise sold in the open market, subject to the conditions set forth in the related conditional sale agreements. As of May 2009, CPOs and shares not assigned to plan participants were transferred to the Long-Term Retention Plan special purpose trust. See Notes 12 and 23 to our year-end financial statements.

In December 2002, we registered for sale CPOs by the special purpose trust to plan participants pursuant to a registration statement on Form S-8 under the Securities Act. The registration of these CPOs permits plan participants who are not affiliates and/or the special purpose trust on behalf of these plan participants to sell their CPOs that have vested into the Mexican and/or U.S. markets through ordinary brokerage transactions without any volume or other limitations or restrictions. Those plan participants who are affiliates may only sell their vested CPOs either pursuant to an effective registration statement under the Securities Act or in reliance on an exemption from registration. All or a portion of the net proceeds from any such sales would be used to satisfy the purchase price obligations of these plan participants pursuant to their conditional sale agreements. As of December 31, 2008, approximately 77.2 million stock purchase plan CPOs transferred to employee plan participants, have been sold in open market transactions. Additional sales took place during the three-months ended March 31, 2009, and will continue to take place during or after 2009.

Long-Term Retention Plan

At our general extraordinary and ordinary stockholders meeting held on April 30, 2002, our stockholders authorized the creation and implementation of a Long-Term Retention Plan, which supplements our existing stock purchase plan. At the meeting, our stockholders also authorized the issuance of A Shares in an aggregate amount of up to 4.5% of our capital stock at the time the A Shares are issued, a portion of the 8% of our capital stock previously authorized by our stockholders for these plans, as well as the creation of one or more special purpose trusts to implement the Long-Term Retention Plan. One of these special purpose trusts currently owns approximately 144.6 million CPOs or CPO equivalents, of which approximately 51% are in the form of CPOs and the remaining 49% are in the form of A, B, D and L Shares. During 2006, approximately 9.7 million CPOs were early vested. During January 2008 and 2009, approximately 12.1 and 11.7 million CPOs were vested respectively. We estimate that the remaining CPOs and CPO equivalents will become granted and/or vested in periods between 2009 and 2023. Pursuant to our Long-Term Retention Plan, we may grant eligible participants, who consist of unionized and non-unionized employees, including key personnel, awards as stock options, conditional sales, restricted stock or other similar arrangements. As approved by our stockholders, the exercise or sale price, as the case may be, is based (i) on the average trading price of the CPOs during the first six months of 2003, or (ii) on the price determined by the Board, the technical committee of the special purpose trust or the President of Televisa, in either case, adjusted by any applicable discount, including discounts attributable to limitations on the disposition of the Shares or CPOs that are subject to the Long-Term Retention Plan. The CPOs and their underlying shares as well as A, B, D and L Shares that are part of the Long-Term Retention Plan will be held by the special purpose trust and will be voted (y) with the majority of those securities, as the case may be, represented at the relevant meeting or (z) as determined by the technical committee of the special purpose trust, until these securities are transferred to plan participants or otherwise sold in the open market. As of December 31, 2008 approximately 11.9 million Long-Term Retention Plan CPOs that were transferred to employee plan participants were sold in the open market. Additional sales will continue to take place during or after 2009.

In April 2007, the Board of Directors, with the input from the Audit and Corporate Practices Committee, reviewed the compensation of our Chief Executive Officer and determined to include our Chief Executive Officer in the Long-Term Retention Plan of the Company as well as in any other plan to be granted by the Company to its employees in the future. See Compensation of Directors and Officers . As a consequence thereof, as of May 2007, the Chief Executive Officer was awarded, under the Long-Term Retention Plan, approximately 5.5 million CPOs or CPO equivalents, either in the form of CPOs or shares, to be exercised at a price of approximately Ps.60.65 per CPO (subject to adjustments depending on the result of operations of the Company). The CPOs granted to the Chief Executive Officer may be exercised in 2010, 2011 and 2012. Pursuant to the resolutions adopted by our stockholders, we have not, and do not intend to, register shares under the Securities Act that are allocated to the Long-Term Retention Plan.

As of May 2007, awards under the Long-Term Retention Plan have been granted or reserved with respect to approximately 51.3 million CPOs or CPO equivalents, either in the form of CPOs or Shares, of which rights with respect to approximately 37.7 million CPOs or CPO equivalents shall vest between 2008 and 2010 at a price of approximately Ps.13.45 per CPO and rights with respect to approximately 6 million CPOs or CPO equivalents shall vest between 2010 and 2012 as described in the above paragraph at a weighted-average price of approximately Ps.56.93 per CPO. As of May 2009, the remaining 4.8 million CPOs or CPO equivalents may be exercised at a price of approximately Ps.28.05 per CPO in periods that commenced in 2013 and will end in 2023 (in certain cases, adjusted upwards by a specified percentage similar to the interest rate generated by government liquid securities). Pursuant to the resolutions adopted by our stockholders meeting, we have not, and do not intend to, register shares under the Securities Act that are allocated to the Long-Term Retention Plan.

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At our annual general ordinary stockholders meeting held on April 30, 2008, our stockholders approved grants of up to 25 million CPOs per year, or CPO equivalents, under the Long-Term Retention Plan. The price at which the CPOs will be transferred to beneficiaries is based on the lowest of (i) the closing price on March 31 of the year in which the CPOs are transferred, and (ii) the average price of the CPOs during the first three months of the year in which the CPOs are assigned and less dividends, operating income before depreciation and amortization, or OIBDA (including OIBDA affected by acquisitions) and liquidity discounts, among others.

Share Ownership of Directors and Officers

Share ownership of our directors, alternate directors and executive officers is set forth in the table under Major Stockholders and Related Party Transactions. Except as set forth in such table, none of our directors, alternate directors or executive officers is currently the beneficial owner of more than 1% of any class of our capital stock or conditional sale agreements or options representing the right to purchase more than 1% of any class of our capital stock.

Employees and Labor Relations

The following table sets forth the number of employees and a breakdown of employees by main category of activity and geographic location as of the end of each year in the three-year period ended December 31, 2008:

	Year Ended December 31,		
	2006	2007	2008
Total number of employees	16,205	17,810	22,528
Category of activity:			
Employees	16,170	17,777	22,488
Executives	35	33	40
Geographic location:			
Mexico	14,629	15,871	20,571
Latin America (other than Mexico)	1,131	1,473	1,529
U.S	437	466	428
Other Countries	8	0	0

As of December 31, 2006, 2007 and 2008, approximately 41%, 39% and 35% of our employees, respectively, were represented by unions. We believe that our relations with our employees are good. Under Mexican law, the agreements between us and most of our television, radio and cable television union employees are subject to renegotiation on an annual basis in January of each year. We also have union contracts with artists, musicians and other employees, which are also renegotiated on an annual basis.

Table of Contents**Item 7. Major Stockholders and Related Party Transactions**

The following table sets forth information about the beneficial ownership of our capital stock by our directors, alternate directors, executive officers and each person who is known by us to own more than 5% of the currently outstanding A Shares, B Shares, L Shares or D Shares as of May 31, 2009. Except as set forth below, we are not aware of any holder of more than 5% of any class of our Shares.

Identity of Owner	Shares Beneficially Owned(1)(2)								Aggregate Percentage of Outstanding Shares Beneficially Owned
	A Shares		B Shares		D Shares		L Shares		
	Number	Percentage of Class	Number	Percentage of Class	Number	Percentage of Class	Number	Percentage of Class	
Azcárraga Trust(3)	52,991,825,693	44.2%	67,814,604	0.1%	107,886,870	0.1%	107,886,870	0.1%	15.4%
Inbursa Trust(4)	1,657,549,900	1.4%	1,458,643,912	2.6%	2,320,569,860	2.7%	2,320,569,860	2.7%	2.2%
Dodge & Cox, Inc.(5)	4,015,136,500	3.3%	3,533,320,120	6.3%	5,621,191,100	6.6%	5,621,191,100	6.6%	5.4%
Davis Selected Advisers(6)	3,401,313,750	2.8%	2,993,156,100	5.3%	4,761,839,250	5.6%	4,761,839,250	5.6%	4.6%
Cascade Investment, LLC(7)	2,645,050,000	2.2%	2,327,644,000	4.2%	3,703,070,000	4.3%	3,703,070,000	4.3%	3.6%
Oppenheimer Funds, Inc.(8)	2,546,551,875	2.1%	2,240,965,650	4.0%	3,565,172,625	4.2%	3,565,172,625	4.2%	3.4%
Total	119,874,826,425		55,991,635,176		85,327,736,865		85,327,736,865		

- (1) Unless otherwise indicated, the information presented in this section is based on the number of shares authorized, issued and outstanding as of May 31, 2009. The number of shares issued and outstanding for legal purposes as of May 31, 2009 was 60,948,213,050 series A Shares, 53,634,427,484 series B Shares, 85,327,498,270 series D Shares and 85,327,498,270 series L Shares, in the form of CPOs, and an additional 58,926,613,375 series A Shares, 2,357,207,692 series B Shares, 238,595 series D Shares and 238,595 series L Shares not in the form of CPOs. For financial reporting purposes under Mexican FRS only, the number of shares authorized, issued and outstanding as of May 31, 2009 was 59,121,480,075 series A Shares, 52,026,902,466 series B Shares, 82,770,072,105 series D Shares and 82,770,072,105 series L Shares in the form of CPOs, and an additional 52,915,848,965 series A Shares, 186,537 series B Shares, 238,541 series D Shares and 238,541 series L Shares not in the form of CPOs. The number of shares authorized, issued and outstanding for financial reporting purposes under Mexican FRS as of May 31, 2009 does not include: (i) 73,069,319 CPOs and an additional 6,010,764,410 series A Shares, 2,357,021,155 series B Shares, 54 series D Shares and 54 series L Shares not in the form of CPOs acquired by the trust we created to implement our Long-Term Retention Plan. See Note 12 to our year-end financial statements.
- (2) Except through the Azcárraga Trust, none of our directors and executive officers currently beneficially owns more than 1% of our outstanding A Shares, L Shares or D Shares. See [Directors, Senior Management and Employees Share Ownership of Directors and Officers](#). This information is based on information provided by directors and executive officers.
- (3) For a description of the Azcárraga Trust, see [The Major Stockholders](#) below.

- (4) Until June 17, 2009, a trust for the benefit of Promotora Inbursa, S.A. de C.V. an indirect subsidiary of Grupo Financiero Inbursa, S.A.B. de C.V., or the Inbursa Trust, held 1,657,549,900 Series A Shares, 1,458,643,912 Series B Shares, 2,320,569,860 Series L Shares and 2,320,569,860 Series D Shares, all in the form of CPOs, which represented 2.2% of outstanding shares of the Company, through the Stockholder Trust. See Major Stockholders and Related Party Transactions The Major Stockholders . On June 17, 2009, the Stockholder Trust was terminated and the shares and CPOs which were formerly held through such trust, were delivered to the corresponding beneficiaries, the Inbursa Trust and the Azcárraga Trust.
- (5) Based solely on information included in the report on Form 13F filed on March 31, 2009 by Dodge & Cox.
- (6) Based solely on information included in the report on Form 13F filed on March 31, 2009 by Davis Selected Advisers, L.P.
- (7) Based solely on information included in the report on Form 13D filed on April 30, 2009 by Cascade Investment, L.L.C.
- (8) Based solely on information included in the report on Form 13F filed on March 31, 2009 by Oppenheimer Funds, Inc.

The Major Stockholders

Approximately 45.6% of the outstanding A Shares, 2.7% of the outstanding B Shares, 2.8% of the outstanding D Shares and 2.8% of the outstanding L Shares of the Company were held through the Stockholder Trust, including shares in the form of CPOs. On June 17, 2009, the Stockholder Trust was terminated and the shares and CPOs which were formerly held through such trust, were delivered to the corresponding beneficiaries. The largest beneficiary of the Stockholder Trust was a trust for the benefit of Emilio Azcárraga Jean. Such trust currently holds 44.2% of the outstanding A shares, 0.1% of the outstanding B shares, 0.1% of the outstanding D shares and 0.1% of the outstanding L shares of the Company. As a result, Emilio Azcárraga Jean controlled until June 17, 2009, the voting of the shares held through the Stockholder Trust, and currently controls the vote of such shares through the Azcárraga Trust.

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The A Shares held through the Azcárraga Trust constitute a majority of the A Shares whose holders are entitled to vote because non-Mexican holders of CPOs and GDSs are not permitted by law to vote the underlying A Shares. Accordingly, and so long as non-Mexicans own more than a minimal number of A Shares, Emilio Azcárraga Jean will have the ability to direct the election of 11 out of 20 members of our Board, as well as prevent certain actions by the stockholders, including dividend payments, mergers, spin-offs, changes in corporate purpose, changes of nationality and amendments to the anti-takeover provisions of our bylaws. See Major Stockholders and Related Party Transactions The Major Stockholders .

Pursuant to Televisa's bylaws, holders of Series B shares are entitled to elect five out of 20 members of the Board of Directors.

Because the Azcárraga Trust only holds a limited number of B Shares, there can be no assurance that individuals nominated by the Azcárraga Trust appointees will be elected to our Board.

Related Party Transactions

Transactions and Arrangements With Innova. In 2006, 2007 and 2008, we engaged in, and we expect that we will continue to engage in, transactions with Innova, including, without limitation, the transaction described below. We hold a 58.7% equity interest in Innova through a consolidated joint venture with DIRECTV. Beginning April 1, 2004, we began including the assets, liabilities and results of operations of Innova in our consolidated financial statements (see Note 1(b) to our year-end financial statements). Although we hold a majority of Innova's equity, DIRECTV has significant governance rights, including the right to block any transaction between us and Innova.

Capital Contributions and Loans

Programming. Pursuant to an agreement between us and Innova, we have granted Innova exclusive DTH rights to some program services in Mexico. Innova paid us Ps.683.4 million, Ps.791.4 million and Ps.713.9 million for these rights in 2006, 2007 and 2008, respectively. Innova currently pays the rates paid by third party providers of cable television, subject to certain exceptions, and MMDS services in Mexico for our various programming services. In addition, pursuant to the agreement and subject to certain exceptions, we cannot charge Innova higher rates than the rates that we charge third party providers of cable television and MMDS services in Mexico for our various programming services.

Advertising Services. Innova purchased magazine advertising space and television and radio advertising time from us in connection with the promotion of its DTH satellite services in 2006, 2007 and 2008, and we expect that Innova will continue to do so in the future. For television, radio and magazine advertising, Innova paid and will continue to pay the rates applicable to third party advertisers. Innova paid Ps.155.6 million, Ps.176.7 million and Ps.192.1 million for advertising services in 2006, 2007 and 2008, respectively.

Guarantees. We have guaranteed a portion of Innova's payments to Intelsat Corporation (formerly PanAmSat Corporation) for transponder services on satellite IS-9 (formerly PAS-9). Our guarantee is currently limited to 58.7% of Innova's obligations under the transponder lease. Innova is obligated to pay a monthly service fee of U.S.\$1.7 million to PanAmSat for satellite signal reception and retransmission service from transponders on the IS-9 satellite through September 2015. As of December 31, 2006, 2007 and 2008, we had guaranteed payments in the amount of U.S.\$104.8 million, U.S.\$92.8 million and U.S.\$80.8 million, respectively, which represented 51% of Innova's obligations to PanAmSat at the end of 2006 and 58.7% of Innova's obligations to Intelsat Corporation at the end of 2007 and at the end of 2008. See Information on the Company Business Overview DTH Joint Ventures . See Note 11 to our year-end financial statements. If Innova does not pay these fees in a timely manner, we will be required to pay our proportionate share of its obligations to Intelsat. We have also guaranteed 100% of Corporación Novavision, S. de R.L. de C.V.'s payment obligation under both the Ps.2.1 billion, 8.3-year bank loan with Banamex, as well as the Ps.1.4 billion, 8.3-year bank loan with Banco Santander, S.A.

In July 2005, we entered into a long-term credit agreement with Innova in the aggregate principal amount of Ps.1,012,000, with a partial maturity (50%) in 2010 and the remainder in 2011, and interest of 10.55% per annum payable on a monthly basis. The proceeds from the credit agreement were used to prepay all of the outstanding amounts under a long-term credit agreement entered into in December 2004 between Innova and a Mexican bank in the same principal amount, and with the same maturity and interest conditions. In November 2005, Innova prepaid Ps.512 million of this loan at par and no penalty was incurred. In November 2006, Innova prepaid the Ps.500.0 million

outstanding amount of this loan. No penalties were incurred and the payment was done with Innova's cash on hand.

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Tax Sharing Agreement. We have a tax sharing agreement with Innova, which sets forth certain of our rights and obligations, as well as those of Innova, with respect to Innova's liability for federal income and asset taxes imposed under Mexican tax laws. We received an authorization from Mexican tax authorities to include Innova's results in our consolidated tax return for purposes of determining our income. Tax profits or losses obtained by Innova are consolidated with our tax profits or losses up to 100% of our percentage ownership of Innova, which is currently 58.7%. Pursuant to the tax sharing agreement, in no event shall Innova be required to remit to us an amount in respect of its federal income that is in excess of the product of (x) the amount that Innova would be required to pay on an individual basis, as if Innova had filed a separate tax return, and (y) with respect to income taxes, our direct or indirect percentage ownership of Innova's capital stock.

For additional information concerning transactions with Innova, as well as amounts paid to us by Innova pursuant to these transactions in 2008, see Note 16 to our year-end financial statements and Note 9 to Innova's year-end financial statements. See also Information on the Company Business Overview DTH Joint Ventures Mexico and Central America .

Transactions and Arrangements With Univision. In 2006, 2007 and 2008 we engaged in certain transactions with Univision. Until the March 29, 2007 acquisition of Univision, we owned 39,289,534 shares and warrants representing an approximate 11.3% equity stake in Univision, on a fully diluted basis. Upon consummation of the acquisition, all of our shares were converted into cash and our warrants were cancelled. As a result, Univision was no longer a related party. For a description of programming and other agreements between us and Univision, royalties paid to us by Univision pursuant to programming agreements, as well as our relationship with, including ownership interest in Univision, see Operating and Financial Review and Prospects Results of Operations Total Segment Results Programming Exports , Information on the Company Business Overview Univision and Note 16 to our year end financial statements.

In April 2006, we designated Ricardo Maldonado Yáñez, Secretary to our Board of Directors, as a director of Univision. As of the closing of the acquisition of Univision on March 29, 2007, we lost our right to designate a member to the board of directors of Univision. Accordingly, Ricardo Maldonado Yáñez resigned from the Univision board of directors.

Transactions and Arrangements With Vuela. In 2007, Editorial Televisa, our subsidiary, entered into an agreement with Vuela pursuant to which Vuela distributes five different magazines edited and produced by Editorial Televisa. Under this agreement, Vuela distributes these magazines at no cost to its clients, in boarding terminals at airports located in the Mexican territory and on its airplanes. Televisa pays Vuela 10% of the net advertising sales generated by these magazines. We believe that such percentage is comparable to the amounts paid to third parties in similar types of transactions.

Pursuant to a license agreement between Televisa and Vuela, we granted Vuela the right to broadcast some of our television programs in the audio and video systems installed in Vuela's aircrafts, facilities, and vehicles. Under this license agreement, Vuela pays Televisa a monthly royalty in the amount of Ps.100,000 for Televisa content. In addition, Televisa entered into an agreement with Vuela pursuant to which Televisa sells airplane screen advertising to be aired in the audio and video systems installed in Vuela's aircrafts. Televisa pays Vuela a monthly fixed consideration of Ps.100,000 and a variable consideration of 15% of the revenues obtained by Televisa from such airplane screen sales. During 2008, Televisa paid Vuela the amount of Ps.1,200,000 as variable consideration under such agreement. We believe that such amount is comparable to those paid to third parties in these types of transactions.

In January 2008, we entered into a lease agreement with Vuela that expired in February 28, 2009, pursuant to which Vuela leased approximately 2,000 meters of the real estate adjacent to our principal headquarters in Santa Fe, Mexico City. Under this lease agreement, Vuela paid Televisa a monthly fixed consideration of U.S.\$8,538.83 and an additional variable consideration of approximately U.S.\$10,673.54 depending on the total fraction actually used by Vuela during each month. In addition in 2008, Vuela was charged a one-time fee of \$U.S.25,637.50 for real estate used during the preceding 10 months in 2007. We believe that such amounts are comparable to those paid to third parties in these types of transactions.

Transactions and Arrangements with TVI. In December 2007, in connection with the acquisition of Bestel, TVI issued an interest bearing promissory note in the principal amount of U.S.\$50 million with a maturity date of December 2012, in favor of JPMorgan Chase Bank, N.A. The interest rate on the promissory note is LIBOR plus the applicable margin, which is determined by the leverage ratio. On June 2, 2009, JPMorgan Chase Bank, N.A. and the Company entered into an Assignment and Assumption Agreement, whereby Grupo Televisa, S.A.B assumed from JPMorgan Chase Bank, N.A. the entire \$50.0 million loan facility with TVI. TVI entered into this loan facility in December 2007, in connection with the financing of the acquisition of the majority of the assets of Bestel by our indirect majority-owned subsidiary, Cablestar. TVI holds 15.4% of the equity of Cablestar.

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Transactions and Arrangements with Letseb. In December 2007, in connection with the acquisition of Bestel, Letseb issued a non-interest bearing promissory note in the principal amount of U.S.\$80 million with a maturity date of August 2009, in favor of Consultoría Empresarial Segura, S.A. de C.V. or CES, which was guaranteed by the Company. In 2008, CES sold such promissory note to Credit Suisse acting through its Cayman Islands Branch or Credit Suisse, and as a result, the promissory note was replaced by a U.S.\$80 million non-interest bearing promissory note payable to Credit Suisse with the same maturity date, which was also guaranteed by the Company. In March 2009, the Company entered into a purchase agreement with Credit Suisse, pursuant to which it acquired the U.S.\$80 million non-interest bearing promissory note.

Transactions and Arrangements With Our Directors and Officers. In 2007, we invested Ps.55 million (approximately U.S.\$5 million) in the equity of Centros de Conocimiento Tecnológico, or CCT, a company that builds, owns and operates technological schools in Mexico and in which Claudio X. Gonzalez Laporte and Carlos Fernandez Gonzalez, two of our directors, own a minority interest. We currently hold 15% of the equity of CCT. Certain of our executive officers have in the past, and from time to time in the future may, purchase debt securities issued by us and/or Innova from third parties in negotiated transactions. Certain of our executive officers and directors participate in our stock purchase plan and Long-Term Retention Plan. See Directors, Senior Management and Employees Stock Purchase Plan and Long-Term Retention Plan .

Transactions and Arrangements With Affiliates and Related Parties of Our Directors, Officers and Major Stockholders

Production Services. FV Productions, LLC., a television production company owned by Ultra Enterprises, Inc. and Ultra Enterprises II, LLC, provided, from time to time, production services as required by Televisa, S.A. de C.V. Ultra Enterprises, Inc. and Ultra Enterprises II, LLC are currently controlled by Grupo Televisión, S.A. de C.V., or Televisión, where Mr. Emilio Azcárraga Jean, our Chief Executive Officer, President and Chairman of the Board, acts as a sole stockholder. FV Productions, LLC has provided Televisa the following production services: (i) during 2006 and ending in 2007, production services for the production of a telenovela entitled *Las Dos Caras de Ana* , which consisted of 120 episodes and had a cost of U.S.\$7,711,682.00; and (ii) during 2007, production services for the production of the telenovela entitled *Bajo Las Rendas del Amor* , which consists of 150 episodes and had a cost of U.S.\$8,951,916. We believe that the fees paid by Televisa to FV Productions, LLC for the referred production services are comparable to those paid to third parties for these types of services. On December 31, 2008, FV Productions, LLC transferred the ownership of its production facilities in Miami to Sunny Isle LLC, a wholly owned subsidiary of the Company as payment in kind for a debt held by Sunny Isle of U.S.\$4,813,885. In addition, in June 2004, Televisión granted Televisa a call option to require Televisión to sell and Televisa granted Televisión a put option to require Televisa to purchase, shares representing all of the outstanding equity interest of Ultra Enterprises, Inc. owned by Televisión or by its subsidiary TVC Holdings U.S.A., LLC at the time of exercise of the option. The options may be exercised at any time prior to June 30, 2009 for a price equal to 3.6 times the average of the operating income before depreciation and amortization of Ultra Enterprises, Inc. for the two years prior to the exercise of the option. Televisa does not intend to exercise its call option and has not received any notice from Televisión expressing its intent to exercise its put option.

Consulting Services. Instituto de Investigaciones Sociales, S.C., a consulting firm which is controlled by Ariana Azcárraga De Surmont, the sister of Emilio Azcárraga Jean, has, from time to time during 2006, 2007 and 2008 provided consulting services and research in connection with the effects of our programming, especially telenovelas, on our viewing audience. Instituto de Investigaciones Sociales, S.C. has provided us with such services in 2008, and we expect to continue these arrangements through 2009.

Distribution Services. Until 2007, Intermex, our subsidiary, distributed magazines edited and produced by Compañía Editorial Cinemania, S.A. de C.V., a company in which the brother-in-law of Emilio Azcárraga Jean had at that time a 30% participation. Compañía Editorial Cinemania, S.A. de C.V. paid Intermex 42% of the net sales of the magazines, based on the sale price of the magazines. We believe that such percentage was comparable to those paid to third parties in this type of transaction.

Loans from Banamex. From time to time in the past and in 2006, 2007 and 2008, Banamex made loans to us, Televisión and several other of our affiliates and we expect that this will continue to be the case in the future. These

loans were made to us, Televisión and our affiliates, including Innova and its subsidiary, Corporación Novavisión, S. de R.L. de C.V., on terms substantially similar to those offered by Banamex to third parties. Emilio Azcárraga Jean, our Chief Executive Officer, President and Chairman of the Board, is a member of the Board of Banamex. One of our directors, Roberto Hernández Ramírez, is the Chairman of the Board of Banamex. Mr. Hernández was also a member of the Board of, and the beneficial owner of less than 1% of the outstanding capital stock of, Citigroup, Inc., the entity that indirectly controls Banamex. Lorenzo H. Zambrano Treviño, a former director, is also a member of the Board of Banamex. For a description of amounts outstanding under, and the terms of, our existing credit facilities with Banamex, see Operating and Financial Review and Prospects Results of Operations Liquidity, Foreign Exchange and Capital Resources Indebtedness .

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Advertising Services. Two of our directors, Alfonso de Angoitia Noriega and Carlos Fernández González, are members of the Board of, as well as in the case of Mr. Fernández, stockholder of, Grupo Modelo, S.A.B. de C.V., or Grupo Modelo, the leading producer, distributor and exporter of beer in Mexico. Carlos Fernández González also serves as the Chief Executive Officer and Chairman of the board of directors of Grupo Modelo. Alfonso de Angoitia Noriega also serves as the Chairman of the Finance Committee of the board of directors of Grupo Modelo. Grupo Modelo purchased advertising services from us in connection with the promotion of its products from time to time in 2006, 2007 and 2008, and we expect that this will continue to be the case in the future. Grupo Modelo paid and will continue to pay rates applicable to third party advertisers for these advertising services.

During 2007 and 2008, Editorial Televisa, our subsidiary, entered into advertising agreements with Comercializadora IMU, S.A. de C.V., or IMU, a company controlled by the brother-in-law of Emilio Azcárraga Jean, whereby IMU provides advertising services to Editorial Televisa by promoting magazines published by Editorial Televisa, at billboards installed at bus stops and Editorial Televisa promotes IMU's products and/or services in the magazines it publishes. Under such agreement, Editorial Televisa paid IMU Ps.4.4 million and Ps.111,650.0 for such services in 2007 and 2008, respectively and IMU paid Televisa Ps.4.4 million and Ps.111,650.0 for such services in 2007 and 2008, respectively. In addition, Editorial Televisa and IMU entered into separate advertising services agreements in 2007 and 2008, whereby IMU provided advertising services to Editorial Televisa by promoting magazines published by Editorial Televisa at billboards installed at bus stops. Editorial Televisa paid Ps. 4.4 million and Ps. 4.4 million for such services in 2007 and 2008, respectively. We believe that the terms and conditions of these advertising agreements are on arm's length basis.

Several other members of our current Board serve as members of the Boards and/or stockholders of other companies. See *Directors, Senior Management and Employees*. Some of these companies, including Banamex, Kimberly-Clark de México, S.A.B. de C.V., Grupo Financiero Santander, S.A.B. de C.V., and FEMSA, among others, purchased advertising services from us in connection with the promotion of their respective products and services from time to time in 2006, 2007 and 2008, and we expect that this will continue to be the case in the future. Similarly, Alejandro Quintero Iñiguez, a member of the Board and the Executive Committee of Grupo Televisa, S.A.B. and our Corporate Vice President of Sales and Marketing, is a stockholder and member of the Board of Grupo TV Promo, S.A. de C.V. and TV Promo, S.A. de C.V., or TV Promo. Grupo TV Promo, S.A. de C.V. and TV Promo are Mexican companies which render services of publicity, promotion and advertisement to third parties; these entities act as licensees of the Company for the use and exploitation of certain images and/or trademarks of shows and novelas produced by the Company; and produce promotional campaigns and events for the Company and for some of the Company's clients. Grupo TV Promo, S.A. de C.V. and TV Promo jointly with other entities in which Mr. Alejandro Quintero has a direct and/or indirect participation, such as Producción y Creatividad Musical, S.A. de C.V., Radar Servicios Especializados de Mercadotecnia, S.A. de C.V. and TV Promo International, Inc. (jointly, Grupo TV Promo) have purchased and will continue to purchase advertising services from us, some of which are referred to the aforementioned promotional campaigns. The companies described above pay rates applicable to third party advertisers that purchase unsold advertising services, which are lower than the rates paid by advertisers that purchase advertising in advance or at regular rates. Alejandro Quintero does not currently receive any form of compensation from Grupo TV Promo, S.A. de C.V. and/or TV Promo, other than dividends to which he may be entitled to receive as stockholder, as the case may be. During 2007 and 2008, Grupo TV Promo purchased unsold advertising from Televisa for a total Ps.189.9 million and Ps.234.3 million, respectively.

Agency Services. From July 2005 to October 2007, Maximedios Alternativos, S.A. de C.V., or Maximedios, a Mexican company, was Televisa's sales agent for the sale of in-store television advertising, airplane screen advertising, sponsorship of our soccer teams, as well as pay-TV advertising sales (which includes Innova, Televisa Networks, and Cablevisión). Televisa, Innova, Televisa Networks and Cablevisión, respectively paid Maximedios 15% of the revenues from advertising sales made on their behalf and Televisa paid Maximedios 15% of the revenues from airplane screen sales and in-store advertising and 5% of the revenues from sponsorships. Alejandro Quintero Iñiguez, a member of the Board and the Executive Committee of Grupo Televisa, S.A.B. and our Corporate Vice President of Sales and Marketing jointly with other members of his family, are majority stockholders and members of the Board of Grupo TV Promo, S.A. de C.V. and Producción y Creatividad Musical, S.A. de C.V., companies that have a majority

interest in Maximedios.

Alejandro Quintero does not currently receive any form of compensation from Maximedios, other than dividends to which he may be entitled to receive as indirect stockholder. During 2007 and 2008, Televisa and the aforementioned affiliates, paid Maximedios the amount of Ps.49.6 million and Ps.8.7 million, respectively, as sales commissions. We believe that such amount is comparable to those paid to third parties for these types of services.

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Legal and Advisory Services. During 2006, 2007 and 2008, Mijares, Angoitia, Cortés y Fuentes, S.C., a Mexican law firm, provided us with legal and advisory services, and we expect that this will continue to be the case in the future. Alfonso de Angoitia Noriega, a partner on leave of absence from the law firm of Mijares, Angoitia, Cortés y Fuentes, S.C., is one of our directors, a member of our Executive Committee, an Executive Vice President and was a member of the Related Party Transactions Committee. Alfonso de Angoitia Noriega does not currently receive any form of compensation from, or participates in any way in the profits of, Mijares, Angoitia, Cortés y Fuentes, S.C. Ricardo Maldonado Yáñez, a partner from the law firm of Mijares, Angoitia, Cortés y Fuentes, S.C., serves also as Secretary of our Board of Directors and Secretary to the Executive Committee of our Board of Directors. We believe that the fees we paid for these services were comparable to those that we would have paid another law firm for similar services. See Note 16 to our year-end financial statements.

Sale of Property. During 2006, 2007 and 2008, Maximiliano Arteaga Carlebach, Vice President of Operations of Televisa, purchased from Televisa three lots we owned in the residential zone of Playas del Conchal, in Alvarado, Veracruz, for Ps. 7.5 million in the aggregate.

During 2007, we entered into a purchase agreement with Icon Servicios Administrativos, S. de R.L. de C.V., or Icon, related to a sale to Icon of a portion of the real estate adjacent to our principal headquarters in Santa Fe, Mexico City for a purchase price preliminarily estimated to be approximately U.S.\$80.0 million. On October 2008, the real estate related to the sale, was modified to a portion of the land located in front of our principal headquarters in Santa Fe and the purchase price changed to U.S.\$45.6 million. The transaction is still subject to a number of conditions. A stockholder of Icon is Mr. Adolfo Fastlicht Kurian, the brother-in-law of Mr. Emilio Azcárraga Jean, our Chief Executive Officer and Chairman of the Board.

During 2008, Televisa purchased land to be used to create sets for the filming of certain programs for a purchase price of U.S. \$ 22.0 million. The sellers of this land are Ariana Cristina Azcárraga de Surmont and Carla Laura Magdalena Azcárraga Jean, sisters of Mr. Emilio Azcárraga Jean, our Chief Executive Officer and Chairman of the Board.

Item 8. Financial Information

See Financial Statements and pages F-1 through F-63, which are incorporated herein by reference.

Item 9. The Offer and Listing**Trading History of CPOs and GDSs**

Since December 1993, the GDSs have been traded on the NYSE and the CPOs have been traded on the Mexican Stock Exchange. In September 2007, we removed JPMorgan Chase Bank, N.A. as the depository for the GDSs and appointed The Bank of New York Mellon pursuant to a new deposit agreement.

The table below shows, for the periods indicated, the high and low market prices in nominal Pesos for the CPOs on the Mexican Stock Exchange, giving effect to the March 1, 2000 10-for-1 stock split in all cases.

	Nominal Pesos per CPO(1)	
	High	Low
2004	Ps. 34.93	Ps. 22.22
2005	Ps. 44.13	Ps. 29.20
2006	Ps. 60.88	Ps. 37.67
2007	Ps. 68.10	Ps. 48.29
First Quarter	66.68	58.99
Second Quarter	68.10	57.19
Third Quarter	62.06	52.50
Fourth Quarter	57.43	48.29
December	54.29	51.66
2008	57.35	36.19
First Quarter	52.91	44.81
Second Quarter	57.35	47.68
Third Quarter	52.76	43.29
Fourth Quarter	48.55	36.19

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December	43.75	38.04
2009 (through June 29, 2009)	48.17	33.91
First Quarter	44.31	33.91
January	44.31	39.31
February	40.95	35.37
March	40.87	33.91
Second Quarter (through June 29, 2009)	48.17	39.39
April	44.35	39.39
May	46.95	42.76
June (through June 29, 2009)	48.17	43.15

(1) Source: Mexican Stock Exchange.

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The table below shows, for the periods indicated, the high and low market prices in U.S. Dollars for the GDSs on the NYSE, giving effect to the March 22, 2006 1:4 GDS ratio change in all cases.

	U.S. Dollars per GDS(1)	
	High	Low
2004	U.S.\$ 15.6625	U.S.\$ 9.8075
2005	U.S.\$ 20.775	U.S.\$ 13.1875
2006	U.S.\$ 28.20	U.S.\$ 16.38
2007	U.S.\$ 31.14	U.S.\$ 22.04
First Quarter	30.12	26.35
Second Quarter	31.14	26.35
Third Quarter	28.89	23.48
Fourth Quarter	26.59	22.04
December	25.47	23.72
2008	U.S.\$ 27.68	U.S.\$ 13.21
First Quarter	24.77	20.85
Second Quarter	27.68	23.09
Third Quarter	25.96	19.92
Fourth Quarter	22.19	13.21
December	16.39	14.32
2009 (through 29, 2009)	18.20	10.92
First Quarter	16.66	10.92
January	16.66	13.99
February	14.39	11.69
March	14.62	10.92
Second Quarter (through 29, 2009)	18.20	14.16
April	17.13	14.16
May	17.84	15.76
June (through 29, 2009)	18.20	16.11

(1) Source: NYSE.

Trading prices of the CPOs and the GDSs will be influenced by our results of operations, financial condition, cash requirements, future prospects and by economic, financial and other factors and market conditions. See Key Information Risk Factors Risk Factors Related to Mexico Economic and Political Developments in Mexico May Adversely Affect Our Business . There can be no assurance that prices of the CPOs and the GDSs will, in future, be within the ranges set forth above. We believe that as of May 31, 2009, approximately 326,465,783 GDSs were held of record by 119 persons with U.S. addresses. Before giving effect to the Recapitalization, substantially all of the outstanding A Shares not held through CPOs were owned by Televisi3n and a special purpose trust created for our Long-Term Retention Plan, as described under Major Stockholders and Related Party Transactions and Directors, Senior Management and Employees Long-Term Retention Plan .

Table of Contents**Trading on the Mexican Stock Exchange****Overview**

The Mexican Stock Exchange, located in Mexico City, is the only stock exchange in Mexico. Operating continuously since 1907, the Mexican Stock Exchange is organized as a corporation with variable capital, or *sociedad anónima de capital variable*. Securities trading on the Mexican Stock Exchange occurs from 8:30 a.m. to 3:00 p.m., Mexico City time, each business day. Since January 1999, all trading on the Mexican Stock Exchange has been effected electronically. The Mexican Stock Exchange may impose a number of measures to promote an orderly and transparent trading price of securities, including the operation of a system of automatic suspension of trading in shares of a particular issuer when price fluctuation exceeds certain limits. The Mexican Stock Exchange may also suspend trading in shares of a particular issuer as a result of the disclosure of a material event, or when the changes in the volume traded or share price are not consistent with either the historic performance or information publicly available. The Mexican Stock Exchange may resume trading in the shares when it deems that the material events have been adequately disclosed to public investors or when it deems that the issuer has adequately explained the reasons for the changes in the volume traded or prevailing share price. Under current regulations, in certain cases when the relevant securities are simultaneously traded on a stock exchange outside of Mexico, the Mexican Stock Exchange may consider the measures adopted by the other stock exchange in order to suspend and/or resume trading in the issuer's shares.

Settlement is effected two business days after a share transaction on the Mexican Stock Exchange. Deferred settlement, even by mutual agreement, is not permitted without the approval of the CNBV. Most securities traded on the Mexican Stock Exchange, including the CPOs, are on deposit with S.D. Indeval, Institución para el Depósito de Valores, S.A. de C.V., or Indeval, a privately owned securities depository that acts as a clearinghouse, depository and custodian, as well as a settlement, transfer and registration agent for Mexican Stock Exchange transactions, eliminating the need for physical transfer of securities.

Although the Mexican Securities Market Law provides for the existence of an over-the-counter market, no such market for securities in Mexico has been developed.

Market Regulation and Registration Standards

In 1946, the *Comisión Nacional de Valores*, or the National Securities Commission, commonly known as the CNV, was established to regulate stock market activity. In 1995, the CNV and the *Comisión Nacional Bancaria*, or the National Banking Commission, were merged to form the CNBV. The Mexican Securities Market Law, which took effect in 1975, introduced important structural changes to the Mexican financial system, including the organization of brokerage firms as corporations with variable capital, or *sociedades anónimas de capital variable*. The Mexican Securities Market Law sets standards for authorizing companies to operate as brokerage firms, which authorization is granted at the discretion of the Ministry of Finance upon the recommendation of the CNBV. In addition to setting standards for brokerage firms, the Mexican Securities Market Law empowers the CNBV, among other things, to regulate the public offering and trading of securities and to impose sanctions for the illegal use of insider information. The CNBV regulates the Mexican securities market, the Mexican Stock Exchange and brokerage firms through a board of governors composed of thirteen members, five of which are appointed by the Ministry of Finance.

In June 2001, the Mexican Securities Market Law required issuers to increase the protections offered to minority stockholders and to impose corporate governance controls on Mexican listed companies in line with international standards. The Mexican Securities Market Law then in effect expressly permitted Mexican listed companies, with prior authorization from the CNBV, to include in their bylaws anti-takeover defenses such as stockholder rights plans, or poison pills. We amended our bylaws to include certain of these protections at our general extraordinary stockholders meeting, which was held on April 30, 2002. See Additional Information Bylaws Other Provisions Appraisal Rights and Other Minority Protections and Additional Information Bylaws Antitakeover Protections . To offer securities to the public in Mexico, an issuer must meet specific qualitative and quantitative requirements, and generally only securities for which an application for registration in the National Registry of Securities, or NRS, maintained by the CNBV has been approved by the CNBV may be listed on the Mexican Stock Exchange. This approval does not imply any kind of certification or assurance related to the merits or the quality of the securities or the solvency of the issuer.

In March 2003, the CNBV issued general rules, or General CNBV Rules, applicable to issuers and other securities market participants. The General CNBV Rules, which repealed several previously enacted rules, or *circulares*, of the CNBV, now provide a single set of rules governing issuers and issuer activity, among other things.

The General CNBV Rules have mandated that the Mexican Stock Exchange adopt minimum requirements for issuers to be registered with the CNBV and have their securities listed on the Mexican Stock Exchange. To be registered, issuers will be required to have, among other things:

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- a minimum number of years of operating history;
- a minimum financial condition;
- a minimum number of shares or CPOs to be publicly offered to public investors;
- a minimum price for the securities to be offered;
- a minimum of 15% of the capital stock placed among public investors;
- a minimum of 200 holders of shares or of shares represented by CPOs, who are deemed to be public investors under the General CNBV Rules, upon the completion of the offering;
- the following distribution of the securities offered pursuant to an offering in Mexico: (i) at least 50% of the total number of securities offered must be placed among investors who acquire less than 5% of the total number of securities offered; and (ii) no investor may acquire more than 40% of the total number of securities offered; and
- complied with certain corporate governance requirements.

To maintain its registration, an issuer will be required to have, among other things:

- a minimum financial condition;

- minimum operating conditions, including a minimum number of trades;

- a minimum trading price of its securities;

- a minimum of 12% of the capital stock held by public investors;

- a minimum of 100 holders of shares or of shares represented by CPOs who are deemed to be public investors under the General CNBV Rules; and

- complied with certain corporate governance requirements.

The CNBV has the authority to waive some of these requirements in some circumstances. Also, some of these requirements are applicable for each series of shares of the relevant issuer.

The Mexican Stock Exchange will review annually compliance with the foregoing and other requirements, some of which may be further reviewed on a quarterly or semi-annual basis. The Mexican Stock Exchange must inform the CNBV of the results of its review and this information must, in turn, be disclosed to investors. If an issuer fails to comply with any of the foregoing requirements, the Mexican Stock Exchange will request that the issuer propose a plan to cure the violation. If the issuer fails to propose such plan, if the plan is not satisfactory to the Mexican Stock Exchange or if the issuer does not make substantial progress with respect to the corrective measures, trading of the relevant series of shares on the Mexican Stock Exchange will be temporarily suspended until the situation is corrected. In addition, if the issuer fails to propose the plan or ceases to follow such plan once proposed, the CNBV may suspend or cancel the registration of the shares. In such event, the issuer must evidence the mechanisms to protect the rights of public investors and market in general.

Issuers of listed securities are required to file unaudited quarterly financial statements and audited annual financial statements as well as various periodic reports with the CNBV and the Mexican Stock Exchange. Pursuant to the General CNBV Rules, the internal regulations of the Mexican Stock Exchange must be amended to include, among other things, the implementation of the *Sistema Electrónico de Envío y Difusión de Información*, or the SEDI, an automated system for the electronic transfer of the information required to be filed with the Mexican Stock Exchange, which will be similar to, but will replace, the existing *Sistema Electrónico de Comunicación con Emisores de Valores*, or EMISNET. Issuers of listed securities must prepare and disclose their financial information by a Mexican Stock Exchange-approved system known as the *Sistema de Información Financiera Computarizada*, or Computerized Financial Information System, commonly known as the SIFIC. Immediately upon its receipt, the Mexican Stock Exchange makes that information available to the public.

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The General CNBV Rules and the internal regulations of the Mexican Stock Exchange require issuers of listed securities to file through the SEDI information on the occurrence of material events affecting the relevant issuer. Material events include, but are not limited to:

- the entering into or termination of joint venture agreements or agreements with key suppliers;
- the creation of new lines of businesses or services;
- significant deviations in expected or projected operating performance;
- the restructuring or payment of significant indebtedness;
- material litigation or labor conflicts;
- changes in dividend policy;
- the commencement of any insolvency, suspension or bankruptcy proceedings;
- changes in the directors; and
- any other event that may have a material adverse effect on the results, financial condition or operations of the relevant issuer.

If there is unusual price volatility of the securities listed, the Mexican Stock Exchange must immediately request that the issuer inform the public as to the causes of such volatility or, if the issuer is unaware of such causes, make a statement to that effect. In addition, the Mexican Stock Exchange must immediately request that issuers disclose any information relating to relevant material events, when it deems the information currently disclosed to be insufficient, as well as instruct issuers to clarify such information when it deems the information to be confusing. The Mexican Stock Exchange may request issuers to confirm or deny any material events that have been disclosed to the public by third parties when it deems that the material event may affect or influence the securities being traded. The Mexican Stock Exchange must immediately inform the CNBV of any requests made to issuers. The CNBV may also make any of these requests directly to issuers. An issuer may delay the disclosure of material events under some circumstances, including where the information being offered is not related to transactions that have been completed.

The CNBV and the Mexican Stock Exchange may suspend the dealing in securities of an issuer:

- if the issuer does not adequately disclose a material event; or
- upon price or volume volatility or changes in the offer or demand in respect of the relevant securities, which are not consistent with the historic performance of the securities and could not be explained solely by the information made publicly available under the General CNBV Rules.

The Mexican Stock Exchange must immediately inform the CNBV and the general public of any such suspension. An issuer may request that the CNBV or the Mexican Stock Exchange resume trading, provided it demonstrates that the causes triggering the suspension have been resolved and that it is in full compliance with the periodic reporting requirements under the applicable law. If its request has been granted, the Mexican Stock Exchange will determine the appropriate mechanism to resume trading in its securities. If trading of an issuer is suspended for more than 20 business days and the issuer is authorized to resume trading without conducting a public offering, the issuer must disclose through the SEDI, before trading resumes, a description of the causes that resulted in the suspension and reasons why it is now authorized to resume trading.

Likewise, if the securities of an issuer are traded on both the Mexican Stock Exchange and a foreign securities market, that issuer must file with the CNBV and the Mexican Stock Exchange on a simultaneous basis the information that it is required to file pursuant to the laws and regulations of the relevant other jurisdiction.

Pursuant to the Mexican Securities Market Law, stockholders of issuers listed on the Mexican Stock Exchange must disclose any transactions through or outside of the Mexican Stock Exchange that result in exceeding 10% ownership stake of an issuer's capital stock. These stockholders must also inform the CNBV of the results of these transactions the day after their completion. See [Additional Information](#) Mexican Securities Market Law .

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Additionally, related parties of an issuer who increase or decrease their ownership stake, in one or more transactions, by 5% or more, shall disclose such transactions. The Mexican Securities Market Law also requires stockholders holding 10% or more of the capital stock of companies listed in the registry to notify the CNBV of any ownership changes in shares of the company. Moreover, recent amendments to the CNBV regulations for issuers, require issuers to disclose to the CNBV on an annual basis on or before June 30 of each year: (i) the name and ownership percentage of any Board members and relevant officers that maintain 1% or more of the capital stock of an issuer, (ii) the names and ownership percentage of any other individual or entity that maintains 5% or more of the capital stock of an issuer (regardless of whether such stockholder is an officer or director) and (iii) the names and ownership percentage of the 10 (ten) stockholders with the largest direct ownership stake in an issuer (regardless of the ownership percentage or whether such stockholder is an officer, director, related party or private investor with no relationship to the issuer). Based on the foregoing, Mexican Securities Regulations require that (i) Board members and relevant officers that maintain 1% or more of the capital stock of an issuer and (ii) any other individual or entity that maintains 5% or more of the capital stock of an entity, provide this information to the relevant issuer on or before May 15 of each year.

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Item 10. Additional Information

Mexican Securities Market Law

On April 25, 2002, the CNBV issued general rules to regulate public tender offers and the obligation to disclose share acquisitions above certain thresholds, as well as share acquisitions of the capital stock of public companies by related parties. Subject to certain exceptions, any acquisition of shares of a public company which increases the acquiror's ownership to 10% or more, but not more than 30%, of the company's outstanding capital stock must be disclosed to the CNBV and the Mexican Stock Exchange by no later than the day following the acquisition. Any acquisition of shares by a related party that increases such party's ownership interest in a public company by 5% or more of the company's outstanding capital stock must also be disclosed to the CNBV and the Mexican Stock Exchange by no later than the day following the acquisition. In addition, any intended acquisition of shares of a public company which increases the potential acquiror's ownership to 30% or more, but not more than 50%, of the company's voting shares requires the potential acquiror to make a tender offer for the greater of (i) the percentage of the capital stock intended to be acquired or (ii) 10% of the outstanding capital stock. Finally, any intended acquisition of shares of a public company which increases the potential acquiror's ownership to more than 50% of the company's voting shares requires the potential acquiror to make a tender offer for 100% of the outstanding capital stock. Bylaw provisions regarding mandatory tender offers in the case of these acquisitions may differ from the requirements summarized above, provided that they are more protective to minority stockholders than those afforded by law. See **Bylaws - Antitakeover Protections**.

On December 30, 2005, a new Mexican Securities Market Law was enacted and published in the Official Gazette. The new Securities Market Law became effective on June 28, 2006 and in some cases allowed an additional period of 180 days (late December 2006) for issuers to incorporate in their by-laws the new corporate governance and other requirements derived from the new law. The new Mexican Securities Market Law changed the Mexican securities laws in various material respects. In particular the new law (i) clarifies the rules for tender offers, dividing them in voluntary and mandatory, (ii) clarifies standards for disclosure of holdings applicable to stockholders of public companies, (iii) expands and strengthens the role of the board of directors of public companies, (iv) determines with precision the standards applicable to the board of directors and the duties of the board, each director, its secretary, the general director and executive officers (introducing concepts such as the duty of care, duty of loyalty and safe harbors), (v) replaces the statutory auditor (comisario) and its duties with the audit committee, the corporate practices committee and the external auditors, (vi) clearly defines the role of the general director and executive officers and their responsibilities, (vii) improves rights of minorities, and (viii) improves the definition of applicable sanctions for violations to the Mexican Securities Market Law, including the payment of punitive damages and criminal penalties. The new Mexican Securities Market Law does not substantially modify the reporting obligations of issuers of equity securities listed in the Mexican Stock Exchange. The new Mexican Securities Market Law reinforces insider trading restrictions and specifically includes, within such restrictions, trading in options and derivatives the underlying security of which is issued by such entity. Among other changes, the new Mexican Securities Market Law provides for a course of action available to anyone who traded (as a counterparty) with someone in possession of privileged information to seek the appropriate indemnification.

Pursuant to the new Mexican Securities Market Law:

members of a listed issuer's board of directors,

stockholders controlling 10% or more of a listed issuer's outstanding share capital,

advisors,

groups controlling 25% or more of a listed issuer's outstanding share capital and

other insiders

must inform the CNBV of any transactions undertaken with securities of a listed issuer.

In addition, under the new Mexican Securities Market Law insiders must abstain from purchasing or selling securities of the issuer within 90 days from the last sale or purchase, respectively.

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The new Mexican Securities Market Law has, in some respects, modified the rules governing tender offers conducted in Mexico. Under the new law, tender offers may be voluntary or mandatory. All tender offers must be open for at least 20 business days and purchases thereunder are required to be made pro-rata to all tendering stockholders. Any intended purchase resulting in a 30% or greater holding requires the tender to be made for the greater of 10% of the company's capital stock or the share capital intended to be acquired; if the purchase is aimed at obtaining control, the tender must be made for 100% of the outstanding shares. In calculating the intended purchase amount, convertible securities, warrants and derivatives the underlying security of which are such shares must be considered. The new law also permits the payment of certain amounts to controlling stockholders over and above the offering price if these amounts are fully disclosed, approved by the board of directors and paid in connection with non-compete or similar obligations. The new law also introduces exceptions to the mandatory tender offer requirements and specifically provides for the consequences, to a purchaser, of not complying with these tender offer rules (lack of voting rights, possible annulment of purchases, etc.) and other rights available to prior stockholders of the issuer.

The new Mexican Securities Market Law ratifies that public companies may insert provisions in their by-laws pursuant to which the acquisition of control of the company, by the company's stockholders or third parties, may be prevented, if such provisions (i) are approved by stockholders without the negative vote of stockholders representing 5% or more of the outstanding shares, (ii) do not exclude any stockholder or group of stockholders, and (iii) do not restrict, in an absolute manner, the change of control.

Bylaws

Set forth below is a brief summary of some significant provisions of our bylaws and Mexican law. This description does not purport to be complete, and is qualified by reference in its entirety to our bylaws, which have been filed as an exhibit to this annual report and Mexican law. For a description of the provisions of our bylaws relating to our Board of Directors, Executive Committee, and Audit and Corporate Practices Committee, see *Directors, Senior Management and Employees*.

Organization and Register

Televisa is a *sociedad anónima bursátil*, or limited liability stock corporation, organized under the laws of Mexico in accordance with the Mexican Companies Law. Televisa was incorporated under Public Deed Number 30,200, dated December 19, 1990, granted before Notary Public Number 73 of Mexico City, D.F., and registered with the Public Registry of Commerce of Mexico City, under Commercial Page (*folio mercantil*) Number 142,164. We have a general corporate purpose, the specifics of which can be found in Article Four of our bylaws.

We maintain a stock registry, and in accordance with Mexican law, we only recognize those holders listed in our stock registry as our stockholders. Our stockholders may hold their share in the form of physical certificates or through book-entries with institutions that have accounts with Indeval. The CPO Trustee is the holder of record for Shares represented by CPOs. Accounts may be maintained at Indeval by brokers, banks and other entities approved by the CNBV.

Voting Rights and Stockholders Meetings

Holders of A Shares. Holders of A Shares have the right to vote on all matters subject to stockholder approval at any general stockholders' meeting and have the right, voting as a class, to appoint eleven members of our Board of Directors and the corresponding alternate directors. In addition to requiring approval by a majority of all Shares entitled to vote together on a particular corporate matter, certain corporate matters must be approved by a majority of the holders of A Shares voting separately. These matters include mergers, dividend payments, spin-offs, changes in corporate purpose, changes of nationality and amendments to the anti-takeover provisions of our bylaws.

Holders of B Shares. Holders of B Shares have the right to vote on all matters subject to stockholder approval at any general stockholders' meeting and have the right, voting as a class, to appoint five members of our Board of Directors and the corresponding alternate directors. The five directors and corresponding alternate directors elected by the holders of the B Shares will be elected at a stockholders' meeting that must be held within the first four months after the end of each year.

Holders of D Shares and L Shares. Holders of D Shares, voting as a class, are entitled to vote at special meetings to elect two of the members of our Board of Directors and the corresponding alternate directors, each of which must be an independent director. In addition, holders of D Shares are entitled to vote on the following matters at extraordinary

general meetings:

our transformation from one type of company to another;

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any merger (even if we are the surviving entity);
extension of our existence beyond our prescribed duration;
our dissolution before our prescribed duration (which is currently December);
a change in our corporate purpose;
a change in our nationality; and
the cancellation from registration of the D Shares or the securities which represent the D Shares with the securities or special section of the NRS and with any other Mexican or foreign stock exchange in which such shares or securities are registered.

Holders of L Shares, voting as a class, are entitled to vote at special meetings to elect two of the members of our Board of Directors and the corresponding alternate directors, each of which must be an independent director. Holders of L Shares are also entitled to vote at extraordinary general meetings on the following matters:

our transformation from one type of company to another;
any merger in which we are not the surviving entity; and
the cancellation from registration of the L Shares or the securities that represent the L Shares with the special section of the NRS.

The two directors and corresponding alternate directors elected by each of the holders of the D Shares and the L Shares are elected annually at a special meeting of those holders. Special meetings of holders of D Shares and L Shares must also be held to approve the cancellation from registration of the D Shares or L Shares or the securities representing any of such shares with the NRS, as the case may be, and in the case of D Shares, with any other Mexican or foreign stock exchange in which such shares or securities are registered. All other matters on which holders of L Shares or D Shares are entitled to vote must be considered at an extraordinary general meeting. Holders of L Shares and D Shares are not entitled to attend or to address meetings of stockholders at which they are not entitled to vote. Under Mexican law, holders of L Shares and D Shares are entitled to exercise certain minority protections. See *Other Provisions Appraisal Rights and Other Minority Protections* .

Other Rights of Stockholders. Under Mexican law, holders of shares of any series are also entitled to vote as a class in a special meeting governed by the same rules that apply to extraordinary general meetings, as described below, on any action that would prejudice the rights of holders of shares of such series, but not rights of holders of shares of other series, and a holder of shares of such series would be entitled to judicial relief against any such action taken without such a vote. Generally, the determination of whether a particular stockholder action requires a class vote on these grounds could initially be made by the Board of Directors or other party calling for stockholder action. In some cases, under the Mexican Securities Market Law and the Mexican Companies Law, the Board of Directors, the Audit Committee, the Corporate Practices Committee, or a Mexican court on behalf of those stockholders representing 10% of our capital stock could call a special meeting. A negative determination would be subject to judicial challenge by an affected stockholder, and the necessity for a class vote would ultimately be determined by a court. There are no other procedures for determining whether a particular proposed stockholder action requires a class vote, and Mexican law does not provide extensive guidance on the criteria to be applied in making such a determination.

General stockholders meetings may be ordinary general meetings or extraordinary general meetings. Extraordinary general meetings are those called to consider specific matters specified in Article 182 of the Mexican Companies Law and our bylaws, including, among others, amendments to our bylaws, our dissolution, liquidation or split-up, our merger and transformation from one form of company to another, increases and reductions in our capital stock, the approval of certain acquisitions of shares, including a change of control, as set forth in the antitakeover provisions in our bylaws and any action for civil liabilities against the members of our Board of Directors, its Secretary, or members of our Audit and Corporate Practices Committee. In addition, our bylaws require an extraordinary general meeting to consider the cancellation of registration of the D Shares or L Shares or the securities representing these Shares with the NRS, as the case may be, and in the case of D Shares, with any other Mexican or foreign stock exchange in which such Shares or securities are registered. General meetings called to consider all other matters are ordinary meetings which are held at least once each year within four months following the end of each fiscal year. Stockholders may be represented at any stockholders meeting by completing a form of proxy provided by us, which proxy is available within fifteen days prior to such meeting, and designating a representative to vote on their behalf. The form of proxy

must comply with certain content requirements as set forth in the Mexican Securities Market Law and in our bylaws.

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Holders of CPOs. Holders of CPOs who are Mexican nationals or Mexican corporations whose bylaws exclude foreign ownership of their shares are entitled to exercise voting rights with respect to the A Shares, B Shares, D Shares and L Shares underlying their CPOs. The CPO Trustee will vote such shares as directed by Mexican holders of CPOs, which must provide evidence of Mexican nationality. Non-Mexican holders of CPOs may only vote the L Shares held in the CPO Trust and are not entitled to exercise any voting rights with respect to the A Shares, B Shares and D Shares held in the CPO Trust. Voting rights in respect of these A Shares, B Shares and D Shares may only be exercised by the CPO Trustee. A Shares, B Shares and D Shares underlying the CPOs of non-Mexican holders or holders that do not give timely instructions as to voting of such Shares, (a) will be voted at special meetings of A Shares, B Shares or D Shares, as the case may be, as instructed by the CPO Trust's Technical Committee (which consists of members of the Board of Directors and/or Executive Committee, who must be Mexican nationals), and (b) will be voted at any general meeting where such series has the right to vote in the same manner as the majority of the outstanding A Shares held by Mexican nationals or Mexican corporations (directly, or through the CPO Trust, as the case may be) are voted at the relevant meeting. L Shares underlying the CPOs of any holders that do not give timely instructions as to the voting of such Shares will be voted, at special meetings of L Shares and at general extraordinary meetings where L Shares have voting rights, as instructed by the Technical Committee of the CPO Trust. The CPO Trustee must receive voting instructions five business days prior to the stockholders' meeting. Holders of CPOs that are Mexican nationals or Mexican corporations whose bylaws exclude foreign ownership of their Shares also must provide evidence of nationality, such as a copy of a valid Mexican passport or birth certificate, for individuals, or a copy of the bylaws, for corporations.

As described in Major Stockholders and Related Party Transactions, A Shares held through the Azcárraga Trust constitute a majority of the A Shares whose holders are entitled to vote them, because non-Mexican holders of CPOs and GDSs are not permitted to vote the underlying A Shares. Accordingly, the vote of A Shares held through the Azcárraga Trust generally will determine how the A Shares underlying our CPOs are voted.

Holders of GDRs. Global Depositary Receipts, or GDRs evidencing GDSs are issued by The Bank of New York Mellon, the Depositary, pursuant to the Deposit Agreement we entered into with the Depositary and all holders from time to time of GDSs. Each GDR evidences a specified number of GDSs. A GDR may represent any number of GDSs. Only persons in whose names GDRs are registered on the books of the Depositary will be treated by us and the Depositary as owners and holders of GDRs. Each GDR represents the right to receive five CPOs which will be credited to the account of Banco Inbursa, S.A., the Custodian, maintained with Indeval for such purpose. Each CPO represents financial interests in, and limited voting rights with respect to, 25 A Shares, 22 B Shares, 35 L Shares and 35 D Shares held pursuant to the CPO Trust.

The Depositary will mail information on stockholders' meetings to all holders of GDRs. At least six business days prior to the relevant stockholders' meeting, GDR holders may instruct the Depositary as to the exercise of the voting rights, if any, pertaining to the CPOs represented by their GDSs, and the underlying Shares. Since the CPO Trustee must also receive voting instructions five business days prior to the stockholders' meeting, the Depositary may be unable to vote the CPOs and underlying Shares in accordance with any written instructions. Holders that are Mexican nationals or Mexican corporations whose bylaws exclude foreign ownership of their Shares are entitled to exercise voting rights with respect to the A Shares, B Shares, D Shares and L Shares underlying the CPOs represented by their GDSs. Such Mexican holders also must provide evidence of nationality, such as a copy of a valid Mexican passport or birth certificate, for individuals, or a copy of the bylaws, for corporations.

Non-Mexican holders may exercise voting rights only with respect to L Shares underlying the CPOs represented by their GDSs. They may not direct the CPO Trustee as to how to vote the A Shares, B Shares or D Shares represented by CPOs or attend stockholders' meetings. Under the terms of the CPO Trust Agreement, the CPO Trustee will vote the A Shares, B Shares, D Shares and L Shares represented by CPOs held by non-Mexican holders (including holders of GDRs) as described under Holders of CPOs. If the Depositary does not timely receive instructions from a Mexican or Non-Mexican holder of GDRs as to the exercise of voting rights relating to the A Shares, B Shares, D Shares or L Shares underlying the CPOs, as the case may be, in the relevant stockholders' meeting then, if requested in writing by us, the Depositary will give a discretionary proxy to a person designated by us to vote the Shares. If no such written request is made by us, the Depositary will not represent or vote, attempt to represent or vote any right that attaches to,

or instruct the CPO Trustee to represent or vote, the Shares underlying the CPOs in the relevant stockholders' meeting and, as a result, the underlying shares will be voted in the same manner described under "Holders of CPOs" with respect to shares for which timely instructions as to voting are not given.

If the Depositary does not timely receive instructions from a Mexican or non-Mexican holder of GDRs as to the exercise of voting rights relating to the underlying CPOs in the relevant CPO holders' meeting, the Depositary and the Custodian will take such actions as are necessary to cause such CPOs to be counted for purposes of satisfying applicable quorum requirements and, unless we in our sole discretion have given prior written notice to the Depositary and the Custodian to the contrary, vote them in the same manner as the majority of the CPOs are voted at the relevant CPOs holders' meeting.

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Under the terms of the CPO Trust, beginning in December 2008, a non-Mexican holder of CPOs or GDSs may instruct the CPO Trustee to request that we issue and deliver certificates representing each of the Shares underlying its CPOs so that the CPO Trustee may sell, to a third party entitled to hold the Shares, all of those Shares and deliver to the holder any proceeds derived from the sale.

Limitation on Appointment of Directors. Our bylaws prohibit the appointment of individuals to our Board of Directors: who (i) are members of the board of directors or other management boards of a company (other than the Company or its subsidiaries) that has one or more concessions to operate telecommunication networks in Mexico; or (ii) directly or indirectly, are shareholders or partners of companies (other than the Company or its subsidiaries), that have one or more concessions to operate telecommunication networks in Mexico, with the exception of ownership stakes that do not allow such individuals to appoint one or more members of the management board or any other operation or decision making board.

Dividend Rights

At our annual ordinary general stockholders meeting, our Board of Directors is required to submit our financial statements from the previous fiscal year to the holders of our A Shares and B Shares voting together and a majority of the A Shares voting separately. Once our stockholders approve these financial statements, they must then allocate our net profits for the previous fiscal year. Under Mexican law, at least 5% of our net profits must be allocated to a legal reserve, until the amount of this reserve equals 20% of our paid-in capital stock. Thereafter, our stockholders may allocate our net profits to any special reserve, including a reserve for share repurchases. After this allocation, the remainder of our net profits will be available for distribution as dividends. The vote of the majority of the A Shares and B Shares voting together, and a majority of the A Shares voting separately, is necessary to approve dividend payments. As described below, in the event that dividends are declared, holders of D Shares will have preferential rights to dividends as compared to holders of A Shares, B Shares and L Shares. Holders of A Shares, B Shares and L Shares have the same financial or economic rights, including the participation in any of our profits.

Preferential Rights of D Shares

Holders of D Shares are entitled to receive a cumulative fixed preferred annual dividend in the amount of Ps. 0.00034177575 per D Share before any dividends are payable in respect of A Shares, B Shares and L Shares. If we pay any dividends in addition to the D Share fixed preferred dividend, then such dividends shall be allocated as follows:

- first, to the payment of dividends with respect to the A Shares, the B Shares and the L Shares, in an equal amount per share, up to the amount of the D Share fixed preferred dividend; and
- second, to the payment of dividends with respect to the A Shares, B Shares, D Shares and L Shares, such that the dividend per share is equal.

Upon any dissolution or liquidation of our company, holders of D Shares are entitled to a liquidation preference equal to:

- accrued but unpaid dividends in respect of their D Shares; plus
- the theoretical value of their D Shares as set forth in our bylaws. See Other Provisions Dissolution or Liquidation .

Limitation on Capital Increases

Our bylaws provide that, in the event shares of a given series are issued as a result of a capital increase (in respect of a cash capital contribution), each holder of shares of that series will have a preferential right to subscribe to new shares of that series, in proportion to the number of such holder's existing Shares of that series. In addition, primary issuances of A Shares, B Shares, D Shares and L Shares in the form of CPOs may be limited under the Mexican Securities Market Law. As a result of grandfathering provisions, our existing CPO structure will not be affected by the amendments to the law. However, in the case of primary issuances of additional A Shares, B Shares, L Shares and D Shares in the form of CPOs, any new L Shares and D Shares may be required to be converted into A Shares or other voting stock within a term specified by the CNBV, which in no event shall exceed five years. Moreover, under the Mexican Securities Market Law, the aggregate amount of shares of an issuer with limited or non-voting rights may not exceed 25% of the total shares held by public investors. The vote of the holders of a majority of the A Shares is necessary to approve capital increases.

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In the event of a capital increase, a holder of existing shares of a given series has a preferential right to subscribe to a sufficient number of shares of the same series in order to maintain the holder's existing proportionate holdings of shares of that series. Stockholders must exercise their preemptive rights within the time period fixed by our stockholders at the meeting approving the issuance of additional shares. This period must continue for at least fifteen days following the publication of notice of the issuance in the *Diario Oficial de la Federación* and in a newspaper of general circulation in Mexico City. Under Mexican law, stockholders cannot waive their preemptive rights in advance or be represented by an instrument that is negotiable separately from the corresponding share.

U.S. holders of GDSs may exercise preemptive rights only if we register any newly issued shares under the Securities Act, as amended, or qualify for an exemption from registration. We intend to evaluate at the time of any offering of preemptive rights the costs and potential liabilities associated with registering additional shares. In addition, if our stockholders' meeting approves the issuance of shares of a particular series, holders of shares of other series may be offered shares of that particular series.

Limitations on Share Ownership

Ownership by non-Mexicans of shares of Mexican enterprises is regulated by the Foreign Investment Law and the accompanying Foreign Investment Law Regulations. The Economics Ministry and the Foreign Investment Commission are responsible for the administration of the Foreign Investment Law and the Foreign Investment Law Regulations. The Foreign Investment Law reserves certain economic activities exclusively for the Mexican State, certain other activities exclusively for Mexican individuals or Mexican corporations and limits the participation of non-Mexican investors to certain percentages in regard to other enterprises engaged in activities specified therein. Foreign investors may freely participate in up to 100% of the capital stock of Mexican companies or entities except for those existing companies engaged in specific activities, as described below and those with assets exceeding specified amounts established annually by the Foreign Investment Commission, in which case an approval from the Foreign Investment Commission will be necessary in order for foreign investment to exceed 49% of the capital stock. The Foreign Investment Law reserves certain economic activities exclusively for the Mexican state and reserves certain other activities (including television and radio broadcasting) exclusively for Mexican nationals, consisting of Mexican individuals and Mexican corporations the charters of which contain a prohibition on ownership by non-Mexicans of the corporation's capital stock (a foreign exclusion clause). However, the Foreign Investment Law grants broad authority to the Foreign Investment Commission to allow foreign investors to own specified interests in the capital of certain Mexican enterprises. In particular, the Foreign Investment Law provides that certain investments, which comply with certain conditions, are considered neutral investments and are not included in the calculation of the foreign investment percentage for the relevant Mexican entity.

In order to comply with these restrictions, we have limited the ownership of our A Shares and B Shares to Mexican individuals, Mexican companies the charters of which contain a foreign exclusion clause, credit institutions acting as trustees (such as the CPO Trustee) in accordance with the Foreign Investment Law and the Foreign Investment Law Regulations, and trusts or stock purchase, investment and retirement plans for Mexican employees. The criteria for an investor to qualify as Mexican under our bylaws are stricter than those generally applicable under the Foreign Investment Law and Foreign Investment Law Regulations. A holder that acquires A Shares or B Shares in violation of the restrictions on non-Mexican ownership will have none of the rights of a stockholder with respect to those A Shares or B Shares and could also be subject to monetary sanctions. The D Shares are subject to the same restrictions on ownership as the A Shares and B Shares. However, the foregoing limitations do not affect the ability of non-Mexican investors to hold A Shares, B Shares, D Shares and L Shares through CPOs, or L Shares directly, because such instruments constitute a neutral investment and do not affect control of the issuing company, pursuant to the exceptions contained in the Foreign Investment Law. The sum of the total outstanding number of A Shares and B Shares is required to exceed at all times the sum of the total outstanding L Shares and D Shares.

The Foreign Investment Law and Foreign Investment Law Regulations also require that we and the CPO Trust register with the National Registry of Foreign Investments. In addition to the limitations established by the Foreign Investment Law, the Radio and Television Law provides restrictions on ownership by non-Mexicans of shares of Mexican enterprises holding concessions for radio and television such as those held indirectly by us. Non-Mexican states and

governments are prohibited under our bylaws and the Radio and Television Law from owning Shares of Televisa and are, therefore, prohibited from being the beneficial or record owners of the A Shares, B Shares, D Shares, L Shares, CPOs and GDSs. We have been advised by our Mexican counsel, Mijares, Angoitia, Cortés y Fuentes, S.C., that ownership of the A Shares, B Shares, D Shares, L Shares, CPOs and GDSs by pension or retirement funds organized for the benefit of employees of non-Mexican state, municipal or other governmental agencies will not be considered as ownership by non-Mexican states or governments for the purpose of our bylaws or the Radio and Television Law.

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We may restrict transfers or, to the extent permitted under applicable law, cause the mandatory sale or disposition of CPOs and GDRs where such transfer or ownership, as the case may be, might result in ownership of CPOs or GDRs exceeding the limits under applicable law or our bylaws, the CPO Trust Agreement or the CPO Deed. Non-Mexican states and governments are prohibited under our bylaws and Radio and Television Law from owning our Shares and are, therefore, prohibited from being beneficial or record owners of GDRs.

Other Provisions

Forfeiture of Shares. As required by Mexican law, our bylaws provide that for L Shares and CPOs, our non-Mexican stockholders formally agree with the Foreign Affairs Ministry:

to be considered as Mexicans with respect to the L Shares and CPOs that they acquire or hold, as well as to the property, rights, concessions, participations or interests owned by us or to the rights and obligations derived from any agreements we have with the Mexican government; and

not to invoke the protection of their own governments with respect to their ownership of L Shares and CPOs.

Failure to comply is subject to a penalty of forfeiture of such a stockholders' capital interests in favor of Mexico. In the opinion of Mijares, Angoitia, Cortés y Fuentes, S.C., our Mexican counsel, under this provision a non-Mexican stockholder is deemed to have agreed not to invoke the protection of its own government by asking such government to interpose a diplomatic claim against the Mexican government with respect to the stockholders' rights as a stockholder, but is not deemed to have waived any other rights it may have, including any rights under the U.S. securities laws, with respect to its investment in Televisa. If the stockholder should invoke governmental protection in violation of this agreement, its shares could be forfeited to the Mexican government.

Exclusive Jurisdiction. Our bylaws provide that legal action relating to the execution, interpretation or performance of the bylaws shall be brought only in federal courts located in Mexico City.

Duration. Our corporate existence under our bylaws continues until 2105.

Dissolution or Liquidation. Upon any dissolution or liquidation of our company, our stockholders will appoint one or more liquidators at an extraordinary general stockholders' meeting to wind up our affairs. The approval of holders of the majority of the A Shares is necessary to appoint or remove any liquidator. Upon a dissolution or liquidation, holders of D Shares will be entitled to both accrued but unpaid dividends in respect of their D Shares, plus the theoretical value of their D Shares (as set forth in our bylaws). The theoretical value of our D Shares is Ps. 0.00683551495 per share. Thereafter, a payment per share will be made to each of the holders of A Shares, B Shares and L Shares equivalent to the payment received by each of the holders of D Shares. The remainder will be distributed equally among all stockholders in proportion to their number of Shares and amount paid.

Redemption. Our bylaws provide that we may redeem our Shares with distributable profits without reducing our capital stock by way of a stockholder resolution at an extraordinary stockholders' meeting. In accordance with Mexican law and our bylaws:

any redemption shall be made on a pro-rata basis among all of our stockholders;

to the extent that a redemption is effected through a public tender offer on the Mexican Stock Exchange, the stockholders' resolution approving the redemption may empower our Board to specify the number of shares to be redeemed and appoint the related intermediary or purchase agent; and

any redeemed shares must be cancelled.

Share Repurchases. As required by Mexican law, our bylaws provide that we may repurchase our Shares on the Mexican Stock Exchange at then prevailing market prices. The amount of capital stock allocated to share repurchases and the amount of the corresponding reserve created for this purpose is determined annually by our stockholders at a ordinary general stockholders' meeting. The aggregate amount of resources allocated to share repurchases in any given year cannot exceed the total amount of our net profits in any given year, including retained earnings. Share repurchases must be charged to either our net worth if the repurchased Shares remain in our possession or our capital stock if the repurchased Shares are converted into treasury shares, in which case our capital stock is reduced automatically in an amount equal to the theoretical value of any repurchased Shares, if any. Any surplus is charged to the reserve for share repurchases. If the purchase price of the Shares is less than the theoretical value of the repurchased Shares, our capital stock account will be affected by an amount equal to the theoretical value of the repurchased Shares. Under Mexican law, we are not required to create a special reserve for the repurchase of shares,

nor do we need the approval of our Board to effect share repurchases. In addition, any repurchased Shares cannot be represented at any stockholders meeting.

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Conflicts of Interest. Under Mexican Law, any stockholder that votes on a transaction in which his, her or its interests conflict with our interests may be liable for damages, but only if the transaction would not have been approved without his, her or its vote. In addition, any member of the Board of Directors that votes on a transaction in which his, her or its interests conflict, with our interests may be liable for damages. The Securities Market Law also imposes a duty of care and a duty of loyalty on directors as has been described in Item 6. In addition, pursuant to the Mexican Securities Market Law, the Board of Directors, with input from the Audit and Corporate Practices Committee, must review and approve transactions and arrangements with related parties. See [Directors, Senior Management and Employees](#) [Our Board of Directors](#) [Meetings; Actions Requiring Board Approval](#) .

Appraisal Rights and Other Minority Protections. Whenever our stockholders approve a change in our corporate purpose or jurisdiction of organization or our transformation from one type of company to another, any stockholder entitled to vote that did not vote in favor of these matters has the right to receive payment for its A Shares, B Shares, D Shares or L Shares in an amount calculated in accordance with Mexican law. However, stockholders must exercise their appraisal rights within fifteen days after the stockholders' meeting at which the matter was approved. Because the holders of L Shares and D Shares may only vote in limited circumstances, appraisal rights are generally not available to them. See [Voting Rights and Stockholders' Meetings](#) .

Because the CPO Trustee must vote at a general stockholders' meeting, the A Shares, B Shares and D Shares held by non-Mexicans in the CPO Trust in the same manner as the majority of the A Shares held by Mexican nationals (directly, or through the CPO Trust, as the case may be), the A Shares, B Shares and D Shares underlying CPOs held by non-Mexicans will not be voted against any change that triggers the appraisal rights of the holders of these Shares. Therefore, these appraisal rights will not be available to holders of CPOs (or GDRs) with respect to A Shares, B Shares or D Shares. The CPO Trustee will exercise such other corporate rights at special stockholders' meetings with respect to the underlying A Shares, B Shares and D Shares as may be directed by the Technical Committee of the CPO trust.

The Mexican Securities Market Law and our bylaws include provisions that permit:

- holders of at least 10% of our outstanding capital stock to request our Chairman of the Board or of the Audit and Corporate Practices Committee to call a stockholders' meeting in which they are entitled to vote;
- subject to the satisfaction of certain requirements under Mexican law, holders of at least 5% of our outstanding capital stock to bring an action for civil liabilities against our directors;
- holders of at least 10% of our Shares that are entitled to vote and are represented at a stockholders' meeting to request postponement of resolutions with respect to any matter on which they were not sufficiently informed; and
- subject to the satisfaction of certain requirements under Mexican law, holders of at least 20% of our outstanding capital stock to contest and suspend any stockholder resolution.

See [Key Information](#) [Risk Factors](#) [Risk Factors Related to Our Securities](#) [The Protections Afforded to Minority Stockholders in Mexico Are Different From Those in the U.S.](#) . In addition, in accordance with the Mexican Securities Market Law, we are also subject to certain corporate governance requirements, including the requirement to maintain an audit committee, a corporate practices committee, and to elect independent directors. The protections afforded to minority stockholders under Mexican law are generally different from those in the U.S. and many other jurisdictions. Substantive Mexican law concerning fiduciary duties of directors has not been the subject of extensive judicial interpretation in Mexico, unlike many states in the U.S. where duties of care and loyalty elaborated by judicial decisions help to shape the rights of minority stockholders. Mexican civil procedure does not contemplate class actions or stockholder derivative actions, which permit stockholders in U.S. courts to bring actions on behalf of other stockholders or to enforce rights of the corporation itself. Stockholders in Mexico also cannot challenge corporate actions taken at stockholders' meetings unless they meet stringent procedural requirements. See [Voting Rights and Stockholders' Meetings](#) . As a result of these factors, it is generally more difficult for our minority stockholders to enforce rights against us or our directors or Major Stockholders than it is for stockholders of a corporation established under the laws of a state of the U.S. In addition, under U.S. securities laws, as a foreign private issuer we are exempt from certain rules that apply to domestic U.S. issuers with equity securities registered under the Securities Exchange Act of 1934, as amended, or the Exchange Act, including the proxy solicitation rules. We are also exempt from many

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of the corporate governance requirements of the New York Stock Exchange.

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General. Our bylaws provide that, subject to certain exceptions, (i) any person, entity or group of persons and/or entities that wishes to acquire beneficial ownership of common Shares (as defined below) which, when coupled with common Shares previously beneficially owned by such persons or their affiliates, represent 10% or more of our outstanding common Shares, (ii) any competitor or group of competitors that wishes to acquire beneficial ownership of Shares which, when coupled with Shares previously beneficially owned by such competitor, group of competitors or their affiliates, represent 5% or more of our outstanding capital stock, (iii) any person, entity or group of persons and/or entities that wishes to acquire beneficial ownership of Shares representing 10% or more of our outstanding Shares, and (iv) any competitor or group of competitors that wishes to acquire beneficial ownership of Shares representing 5% or more of our capital stock, must obtain the prior approval of our Board of Directors and/or of our stockholders, as the case may be, subject to certain exceptions summarized below. Holders that acquire Shares in violation of these requirements will not be considered the beneficial owners of such Shares under our bylaws and will not be registered in our stock registry. Accordingly, these holders will not be able to vote such Shares or receive any dividends, distributions or other rights in respect of these Shares. In addition, pursuant to our bylaws, these holders will be obligated to pay us a penalty in an amount equal to the market value of the Shares so acquired. Pursuant to our bylaws, Shares are defined as the shares (of any class or series) representing our capital stock, and any instruments or securities that represent such shares or that grant any right with respect to or are convertible into those shares, expressly including CPOs.

Pursuant to our bylaws, a competitor is generally defined as any person or entity who, directly or indirectly, is engaged in any of the following businesses or activities: television production and broadcasting, pay television production, program licensing, direct-to-home satellite services, publishing (newspaper and/or magazine), publishing distribution, music recording, cable television, the transmission of programming and/or other content by any other means known or to be known, radio broadcasting and production, the promotion of professional sports and other entertainment events, paging services, production, feature film/motion picture production and distribution, dubbing and/or the operation of an Internet portal. A competitor is also defined to include any person, entity and/or group that is engaged in any type of business or activity in which we may be engaged from time to time and from which we derive 5% or more of our consolidated income.

Board Notices, Meetings, Quorum Requirements and Approvals. To obtain the prior approval of our Board, a potential acquiror must properly deliver a written notice that states, among other things: (i) the number and class/type of our Shares it beneficially owns, (ii) the percentage of Shares it beneficially owns with respect to both our outstanding capital stock and the respective class/type of our Shares, (iii) the number and class/type of Shares it intends to acquire, (iv) the number and class/type of Shares it intends to grant or share a common interest or right, (v) its identity, or in the case of an acquiror which is a corporation, trust or legal entity, its stockholders or beneficiaries as well as the identity and nationality of each person effectively controlling such corporation, trust or legal entity, (vi) its ability to acquire our Shares in accordance with our bylaws and Mexican law, (vii) its source of financing the intended acquisition, (viii) if it has obtained any financing from one of its related parties for the payment of the Shares, (ix) the purpose of the intended acquisition, (x) if it intends to acquire additional common Shares in the future, which coupled with the current intended acquisition of common Shares and the common Shares previously beneficially owned by the potential acquiror, would result in ownership of 20% or more of our common Shares, (xi) if it intends to acquire control of us in the future, (xii) if the acquiror is our competitor or if it has any direct or indirect economic interest in or family relationship with one of our competitors and (xiii) the identity of the financial institution, if any, that will act as the underwriter or broker in connection with any tender offer.

Either the Chairman, the Secretary or the Alternate Secretary of our Board of Directors must call a Board meeting within 10 calendar days following the receipt of the written notice and the Board meeting must be held within 45 calendar days following the call. Action by written consent is not permitted. With the exception of acquisitions that must be approved by the general extraordinary stockholders meeting as described below in Stockholder Notices, Meetings, Quorum Requirements and Approvals, in order to proceed with any acquisition of Shares that require Board authorization as set forth in our bylaws, such acquisition must be approved by at least the majority of the members of our Board present at a meeting at which at least 75% of the members of our Board are present. Such acquisitions must

be acted upon by our Board within 60 calendar days following the receipt of the written notice described above, unless the Board determines that it does not have sufficient information upon which to base its decision. In such case, the Board shall deliver a written request to the potential acquiror for any additional information that it deems necessary to make its determination. The 60 calendar days referred to above will commence following the receipt of the additional information from the potential acquiror to render its decision.

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Stockholder Notices, Meetings, Quorum Requirements and Approvals. In the event (i) of a proposed acquisition of Shares that would result in a change of control, (ii) that our Board cannot hold a Board meeting for any reason, (iii) of a proposed acquisition by a competitor and having certain characteristics, or (iv) that the Board determines that the proposed acquisition must be approved by our stockholders at a general extraordinary stockholders meeting, among others, then the proposed acquisition must be approved by the holders of at least 75% of our outstanding common Shares at a general extraordinary stockholders meeting (both in the case of first and subsequent calls) at which the holders of at least 85% of our outstanding common Shares are present. In addition, any proposed merger, spin-off, or capital increase or decrease which results in a change of control must also be approved by the holders of at least 75% of our outstanding common Shares at a general extraordinary stockholders meeting (both in the case of first and subsequent calls) at which the holders of at least 85% of our outstanding common Shares are present. Pursuant to our bylaws, a change of control is defined as the occurrence of any of the following: (i) the acquisition or transfer of ownership of a majority of our outstanding common Shares, (ii) the ability of a person, entity or group, other than the person who currently has the ability to, directly or indirectly, elect a majority of the members of our Board of Directors, to elect a majority of the members of our Board of Directors or (iii) the ability of a person, entity or group, other than the person who currently has the ability to, directly or indirectly, determine our administrative decisions or policies, to determine our administrative decisions or policies. In the event that the general extraordinary stockholders meeting must approve the proposed acquisition, either the Chairman, the Secretary or the Alternate Secretary of our Board of Directors must publish a call for a general extraordinary stockholders meeting in the Official Gazette of the Federation and two other newspapers of general circulation in Mexico City at least 30 calendar days prior to such meeting (both in the case of first and subsequent calls). Once the call for the general extraordinary stockholders meeting has been published, all information related to the agenda for the meeting must be available for review by the holders of common Shares at the offices of our Secretary.

Mandatory Tender Offers in the Case of Certain Acquisitions. If either our Board of Directors or our stockholders at a general extraordinary stockholders meeting, as the case may be, authorize an acquisition of common Shares which increases the acquiror's ownership to 20% or more, but not more than 50%, of our outstanding common Shares, without such acquisition resulting in a change of control, then the acquiror must effect its acquisition by way of a cash tender offer for a specified number of Shares equal to the greater of (x) the percentage of common Shares intended to be acquired or (y) 10% of our outstanding capital stock. In the event that our stockholders approve an acquisition that would result in a change of control, the acquiror must effect its acquisition by way of a cash tender offer for 100% of our total outstanding capital stock at a price which cannot be lower than the highest of the following: (i) the book value of the common Shares and CPOs as reported on the last quarterly income statement approved by the Board of Directors, (ii) the highest closing price of the common Shares, on any stock exchange during any of the three hundred-sixty-five (365) days preceding the date of the stockholders' resolution approving the acquisition; or (iii) the highest price paid for any Shares, at any time by the acquiror. All tender offers must be made in Mexico and the U.S. within 60 days following the date on which the acquisition was approved by our Board of Directors or stockholders meeting, as the case may be. All holders must be paid the same price for their common Shares. The provisions of our bylaws summarized above regarding mandatory tender offers in the case of certain acquisitions are generally more stringent than those provided for under the Mexican Securities Market Law. In accordance with the Mexican Securities Market Law, bylaw provisions regarding mandatory tender offers in the case of certain acquisitions may differ from the requirements set forth in such law, provided that those provisions are more protective to minority stockholders than those afforded by law. In these cases, the relevant bylaw provisions, and not the relevant provisions of the Mexican Securities Market Law, will apply to certain acquisitions specified therein.

Exceptions. The provisions of our bylaws summarized above will not apply to (i) transfers of common Shares and/or CPOs by operation of the laws of inheritance, (ii) acquisitions of common Shares and/or CPOs by any person who, directly or indirectly, is entitled to appoint the greatest number of members to our Board of Directors, as well as by (A) entities controlled by such person, (B) affiliates of such person, (C) the estate of such person, (D) certain family members of such person, and (E) such person, when such person acquires any common Shares and/or CPOs from any entity, affiliate, person or family member referred to in (A), (B) and (D) above, and (iii) acquisitions or transfers of common Shares and/or CPOs by us, our subsidiaries or affiliates, or any trust created by us or any of our subsidiaries.

Amendments to the Antitakeover Provisions. Any amendments to these antitakeover provisions must be authorized by the CNBV and registered before the Public Registry of Commerce at our corporate domicile.

Enforceability of Civil Liabilities

We are organized under the laws of Mexico. Substantially all of our directors, executive officers and controlling persons reside outside of the U.S., all or a significant portion of the assets of our directors, executive officers and controlling persons, and substantially all of our assets, are located outside of the U.S. and some of the experts named in this annual report also reside outside of the U.S. As a result, it may not be possible for you to effect service of process within the U.S. upon these persons or to enforce against them or us in U.S. courts judgments predicated upon the civil liability provisions of the federal securities laws of the U.S. We have been advised by our Mexican counsel, Mijares, Angoitia, Cortés y Fuentes, S.C., that there is doubt as to the enforceability, in original actions in Mexican courts, of liabilities predicated solely on U.S. federal securities laws and as to the enforceability in Mexican courts of judgments of U.S. courts obtained in actions predicated upon the civil liability provisions of U.S. federal securities laws. See Key Information Risk Factors Risks Factors Related to Our Securities It May Be Difficult to Enforce Civil Liabilities Against Us or Our Directors, Executive Officers and Controlling Persons .

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Material Contracts

We have been granted a number of concessions by the Mexican government that authorize us to broadcast our programming over our television and radio stations and our cable and DTH systems. These concessions are described under [Information on the Company Business Overview Regulation](#) . If we are unable to renew, or if the Mexican government revokes, any of the concessions for our significant television stations, our business would be materially adversely affected. See [Key Information Risk Factors Risk Factors Related to Our Business The Operation of Our Business May Be Terminated or Interrupted if the Mexican Government Does Not Renew or Revokes Our Broadcast or Other Concessions](#) .

We operate our DTH satellite service in Mexico and Central America through a partnership with DIRECTV. See [Information on the Company Business Overview DTH Joint Ventures](#) .

In April 2007, we paid all of the remaining UDI-denominated notes, which matured in April 2007. In May 2007, we issued Ps.4,500.00 million aggregate principal amount of 8.49% Senior Notes due 2037. In May 2008, we issued U.S.\$500.0 million aggregate principal amount of 6.0% Senior Notes due 2018. For a description of the material terms of the amended indentures related to the Series A Senior Notes and Series B Senior Notes, our 8% Senior Notes due 2011, our 8.5% Senior Notes due 2032, our 6 5/8% Senior Notes due 2025, our 8.49% Senior Notes due 2037, and our 6.0% Senior Notes due 2018, our facilities with a Mexican bank, our five-year term U.S.\$100.0 million loan facility and our Ps.800.0 million long-term credit agreement, see [Operating and Financial Review and Prospects Results of Operations Liquidity, Foreign Exchange and Capital Resources Refinancings and Operating and Financial Review and Prospects Results of Operations Liquidity, Foreign Exchange and Capital Resources Indebtedness](#) .

In December 2007, our subsidiary, Innova, and Sky Brasil reached an agreement with Intelsat Corporation and Intelsat LLC, to build and launch a new 24-transponder satellite, IS-16. The agreement contemplates payment of a one-time fixed fee in the aggregate amount of U.S.\$138.6 million that will be paid in two installments, the first in the fourth quarter of 2009, and the second in the fourth quarter of 2010, as well as a monthly service fee of U.S.\$150,000 commencing on the service start date.

In December 2007, our indirect majority-owned subsidiary, Cablestar, completed the acquisition of shares of companies owning the majority of the assets of Bestel, a privately held, facilities-based telecommunications company in Mexico, for U.S.\$256.0 million in cash plus an additional capital contribution of U.S.\$69.0 million. In connection with the financing of the acquisition of the majority of the assets of Bestel, Cablevisión, Cablemás and TVI, which hold 69.2%, 15.4% and 15.4% of the equity stock of Cablestar, respectively, each entered into five year term loan facilities for U.S.\$225.0 million, U.S.\$50.0 million and U.S.\$50.0 million, respectively. Bestel focuses on providing data and long-distance services solutions to carriers and other telecommunications service providers in both Mexico and the United States. Bestel owns a fiber-optic network of approximately 8,000 kilometers that covers several important cities and economic regions in Mexico and has direct crossing of its network into Dallas, Texas and San Diego, California in the United States. This enables the company to provide connectivity between the United States and Mexico.

Our transactions and arrangements with related parties are described under [Major Stockholders and Related Party Transactions Related Party Transactions](#) .

For a description of our material transactions and arrangements with Univision, see [Information on the Company Business Overview Univision](#) .

Legal Proceedings

In October 2001, a claim for damages was filed in connection with an alleged copyright infringement on a technical written work titled La Lupa, or Catch the Clue. In November 2002, a final judgment was entered against us whereby we were declared liable for an amount equal to 40% of the income generated from such work. In January 2005, a motion to enforce the final judgment (the [Final Motion](#)) was filed. At the present day, the Final Motion has been resolved and the amount of liability set by the Court is Ps.138,097,002.99. Even though the Company has a certain amount of liability after the Final Motion, that amount is not definitive and we have and will continue to strongly oppose the amount of liability set by the Court. An appeal has been filed by the Company against the Court's ruling at the Final Motion. Although we currently believe that the ultimate amount of damages will not be material, no assurances can be given in this regard.

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In May 2005, Televisa, S.A. de C.V. (Televisa), a subsidiary of the Company, filed a complaint (which was subsequently amended) in the U.S. District Court for the Central District of California (the Court), alleging that Univision breached the PLA, as amended, between Televisa Internacional, S.A. de C.V. and Univision, as well as the December 19, 2001 letter agreement between Televisa and Univision relating to soccer broadcast rights (the Soccer Agreement), among other claims (the District Court Action). Univision filed related answers as well as related counterclaims against Televisa and the Company.

In 2006, Televisa filed a separate lawsuit in the Los Angeles Superior Court, State of California seeking a judicial determination that on or after December 19, 2006, Televisa may transmit or permit others to transmit any television programming into the United States from Mexico by means of the Internet. That lawsuit was stayed based on the agreement of the parties to do so (the Televisa Internet Claim).

In October 2006, Univision added a new counterclaim in the District Court Action for a judicial declaration that on or after December 19, 2006, Televisa may not transmit or permit others to transmit any television programming into the United States by means of the Internet (the Univision Internet Counterclaim and jointly with the Televisa Internet Claim, the Internet Claim).

During 2006 and 2007, in connection with the Company s complaint in the District Court Action, Univision made payments under protest to the Company of a portion of the disputed royalties and of other license fees that, Univision alleged, had been overpaid, and also sought recovery of these amounts in its counterclaims. At that time, the Company recognized these payments made by Univision as customer deposits and advances in its consolidated balance sheets.

On April 7, 2008, Univision dismissed without prejudice its counterclaims against Televisa with the exception of its claim for recoupment of disputed royalty payments made to the Company under protest and the Univision Internet Counterclaim.

On April 22, 2008, the Court in the District Court Action conducted the final pre-trial conference during which the Court ordered that the trial of the Univision Internet Counterclaim be bifurcated and tried by the Court after the conclusion of the jury trial regarding Televisa s claims and Univision s recoupment counterclaim.

After several continuances, the trial in the District Court Action commenced on January 6, 2009.

On January 22, 2009, the Company and Univision announced an amendment to the PLA. In connection with this amendment, Televisa and Univision agreed to dismiss all claims in the District Court Action with the exception of the Univision Internet Counterclaim. The amended PLA, which runs through 2017, includes a simplified royalty calculation and is expected to result in increased payments to the Company. Notwithstanding the foregoing, the Company cannot predict whether future royalty payments will in fact increase. In addition, the Company recognized as income certain payments from Univision that had previously been recorded as customer deposits and advances.

The Univision Internet Counterclaim was tried in a non-jury trial before the Hon. Philip S. Gutierrez that commenced on June 9, 2009. A hearing for closing arguments before the Court is scheduled for July 8, 2009.

We cannot predict how the outcome of this trial will affect our business relationship with Univision with respect to Internet rights in the United States.

See Key Information Risk Factors Risk Factors Related to Our Business Current Litigation We Are Engaged In With Univision May Affect Our Exploitation of Certain Internet Rights in the United States .

In addition, on September 5, 2008, Televisa filed a Complaint for Declaratory Relief against Univision before the Superior Court of the State of California, for the County of Los Angeles, seeking a declaration of its rights vis-a-vis Univision with respect to the United States broadcast rights to home games of the Mexican League First Division soccer teams owned by Televisa (the Soccer Complaint).

In the Soccer Complaint, Televisa sought a declaration that it has the legal right to broadcast in the United States, or license to third parties to broadcast in the United States, the home games of the Mexican League First Division soccer teams owned by Televisa.

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On September, 2008 Univision filed a Cross-Complaint against Televisa, alleging among other causes of action, a claim for declaratory relief that it retained the exclusive U.S. broadcast rights to home games of the Mexican League First Division soccer teams owned by Televisa under the terms of the Program License Agreement.

On October 9, 2008, pursuant to an agreement between Televisa and Univision and an Order of the Court, Televisa submitted its Complaint for Declaratory Relief and Univision's cause of action for declaratory relief to a private referee pursuant to a California code provision.

Trial was held on November 11-12 2008, before the private referee, the Honorable Richard Neal (Ret.) of JAMS. On December 18, 2008 Justice Neal filed a Decision in Televisa's favor whereby he resolved that Televisa was entitled to a declaration and judgment that Univision's broadcast rights to home games of the Mexican League First Division soccer teams owned by Televisa expired on December 19, 2008 (the Statement of Decision).

Univision dismissed with prejudice the other claims raised in its Cross-Complaint against Televisa.

On June 4, 2009, Honorable Ernest M. Hiroshige, Judge of the Superior Court of the State of California, for the County of Los Angeles, adjudged and decreed a final judgment consistent with the Statement of Decision, in favor of Televisa.

Exchange Controls

For a description of exchange controls and exchange rate information, see [Key Information Exchange Rate Information](#).

Taxation

U.S. Taxes

General. The following is a summary of the anticipated material U.S. federal income tax consequences of the purchase, ownership and disposition of GDSs, CPOs and the A Shares, B Shares, L Shares and D Shares underlying the CPOs (referred to herein as the Underlying Shares), in each case, except as otherwise noted, by U.S. Holders (as defined below). This discussion does not address all aspects of U.S. federal income taxation that may be relevant to a particular beneficial owner of GDSs, CPOs or Underlying Shares based on the beneficial owner's particular circumstances. For example, with respect to U.S. Holders, the following discussion does not address the U.S. federal income tax consequences to a U.S. Holder:

- that owns, directly, indirectly or through attribution, 2% or more of the total voting power or value of our outstanding Underlying Shares (including through ownership of GDSs);
- that is a dealer in securities, insurance company, financial institution, tax-exempt organization, U.S. expatriate, broker-dealer or trader in securities; or
- whose functional currency is not the U.S. Dollar.

Also, this discussion does not consider:

- the tax consequences to the stockholders, partners or beneficiaries of a U.S. Holder; or
- special tax rules that may apply to a U.S. Holder that holds GDSs, CPOs or Underlying Shares as part of a straddle, hedge, conversion transaction, synthetic security or other integrated investment.

In addition, the following discussion does not address any aspect of state, local or non-U.S. tax laws other than Mexican tax laws. Further, this discussion generally applies only to U.S. Holders that hold the CPOs, GDSs or Underlying Shares as capital assets within the meaning of Section 1221 of the U.S. Internal Revenue Code of 1986, as amended (referred to herein as the Code).

The discussion set forth below is based on the U.S. federal income tax laws as in force on the date of this annual report, including:

- the Code, applicable U.S. Treasury regulations and judicial and administrative interpretations, and
- the convention between the Government of the United States of America and the Government of the United Mexican States for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, including the applicable protocols, collectively referred to herein as the U.S. Mexico Tax Treaty, and
- is subject to changes to those laws and the U.S. Mexico Tax Treaty subsequent to the date of this annual report, which changes could be made on a retroactive basis, and

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is also based, in part, on the representations of the Depositary with respect to the GDSs and on the assumption that each obligation in the Deposit Agreement relating to the GDSs and any related agreements will be performed in accordance with their terms.

As used in this section, the term **U.S. Holder** means a beneficial owner of CPOs, GDSs or Underlying Shares that is, for U.S. federal income tax purposes:

- a citizen or individual resident of the United States;
- a corporation (or entity treated as a corporation for such purposes) created or organized in or under the laws of the United States, or any State thereof or the District of Columbia;
- an estate the income of which is included in gross income for U.S. federal income tax purposes regardless of source; or
- a trust, if either (x) it is subject to the primary supervision of a court within the United States and one or more United States persons has the authority to control all substantial decisions of the trust or (y) it has a valid election in effect under applicable U.S. Treasury regulations to be treated as a United States person.

If a partnership (or an entity or arrangement classified as a partnership for U.S. federal income tax purposes) holds CPOs, GDSs or Underlying Shares, the U.S. federal income tax treatment of a partner in the partnership generally will depend on the status of the partner and the activities of the partnership, and partnerships holding CPOs, GDSs or Underlying Shares should consult their own tax advisors regarding the U.S. federal income tax consequences of purchasing, owning and disposing of CPOs, GDSs or Underlying Shares.

An individual may be treated as a resident of the United States in any calendar year for U.S. federal income tax purposes by being present in the United States on at least 31 days in that calendar year and for an aggregate of at least 183 days during a three-year period ending at the close of that year. For purposes of this calculation, all of the days present in the current year, one-third of the days present in the immediately preceding year and one-sixth of the days present in the second preceding year would be counted. Residents are taxed for U.S. federal income purposes as if they were U.S. citizens.

The application of the U.S. Mexico Tax Treaty to U.S. Holders is conditioned upon, among other things, the assumptions that the U.S. Holder:

- is not a resident of Mexico for purposes of the U.S. Mexico Tax Treaty;
- is an individual who has a substantial presence in the United States;
- is entitled to the benefits of the U.S. Mexico Tax Treaty under the limitation on benefits provision contained in Article 17 of the U.S. Mexico Tax Treaty; and
- does not have a fixed place of business or a permanent establishment in Mexico with which its ownership of CPOs, GDSs or Underlying Shares is effectively connected.

For U.S. federal income tax purposes, U.S. Holders of GDSs and CPOs will be treated as the beneficial owners of the Underlying Shares represented by the GDSs and CPOs.

Dividends. Any distribution paid by us, including the amount of any Mexican taxes withheld, will be included in the gross income of a U.S. Holder as a dividend, treated as ordinary income, to the extent that the distribution is paid out of our current and/or accumulated earnings and profits, as determined under U.S. federal income tax principles. U.S. Holders will not be entitled to claim a dividends received deduction for dividends received from us. Distributions that are treated as dividends received from us in taxable years beginning before January 1, 2011 by a non-corporate U.S. Holder who meets certain eligibility requirements will qualify for U.S. federal income taxation at a reduced rate of 15% or lower if we are a qualified foreign corporation. We generally will be a qualified foreign corporation if either (i) we are eligible for benefits under the U.S. Mexico Tax Treaty or (ii) the Underlying Shares or GDSs are listed on an established securities market in the United States. As we are eligible for benefits under the U.S. Mexico Tax Treaty and the GDSs are listed on the New York Stock Exchange, we presently are a qualified foreign corporation, and we generally expect to be a qualified foreign corporation during such taxable years, but no assurance can be given that a change in circumstances will not affect our treatment as a qualified foreign corporation in any of such taxable years. A non-corporate U.S. Holder will not be eligible for the reduced rate (a) if the U.S. Holder has not held the Underlying Shares, CPOs or GDSs for at least 61 days of the 121-day period beginning on the date which is 60 days before the ex-dividend date, (b) to the extent the U.S. Holder is under an obligation to make related payments on substantially

similar or related property or (c) with respect to any portion of a dividend that is taken into account as investment income under Section 163(d)(4)(B) of the Code. Any days during which a U.S. Holder has diminished the U.S. Holder's risk of loss with respect to the Underlying Shares, CPOs or GDSs (for example, by holding an option to sell such Underlying Shares, CPOs or GDSs) is not counted towards meeting the 61-day holding period. Special rules apply in determining the foreign tax credit limitation with respect to dividends subject to U.S. federal income taxation at the reduced rate. U.S. Holders should consult their own tax advisors concerning whether dividends received by them qualify for the reduced rate.

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To the extent, if any, that the amount of a distribution exceeds our current and/or accumulated earnings and profits, the distribution will first reduce the U.S. Holder's adjusted tax basis in its Underlying Shares, CPOs or GDSs and, to the extent the distribution exceeds the U.S. Holder's adjusted tax basis, it will be treated as gain from the sale of the U.S. Holder's Underlying Shares, CPOs or GDSs.

The U.S. Dollar value of any dividends paid in Pesos, including the amount of any Mexican taxes withheld, will be calculated by reference to the interbank exchange rate in effect on the date of receipt by the U.S. Holder or, with respect to the GDSs, The Bank of New York Mellon, in its capacity as Depositary, regardless of whether the payment is in fact converted into U.S. Dollars. U.S. Holders should consult their own tax advisors regarding the treatment of any foreign currency gain or loss on any dividends paid in Pesos that are not converted into U.S. Dollars on the day the Pesos are received. For U.S. foreign tax credit purposes, dividends distributed by us on CPOs, GDSs or Underlying Shares generally will constitute foreign source passive income or, in the case of some U.S. Holders, foreign source general category income.

In general, pro rata distributions of additional shares with respect to the Underlying Shares that are part of a pro rata distribution to all of our stockholders generally (including U.S. Holders of GDSs) will not be subject to U.S. federal income tax.

A beneficial owner of CPOs, GDSs or Underlying Shares that is not a U.S. Holder and is not a partnership (or an entity or arrangement classified as a partnership for U.S. federal income tax purposes) will not be subject to U.S. federal income or withholding tax on a dividend paid with respect to the CPOs, GDSs or the Underlying Shares, unless the dividend is effectively connected with the conduct by the beneficial owner of a trade or business in the United States.

Capital Gains. Gain or loss recognized by a U.S. Holder on a taxable sale or exchange of CPOs, GDSs or Underlying Shares will be subject to U.S. federal income taxation as capital gain or loss in an amount equal to the difference between the amount realized on the sale or exchange and the U.S. Holder's adjusted tax basis in the CPOs, GDSs or Underlying Shares. Such capital gain or loss generally will be long-term capital gain or loss if the CPOs, GDSs or Underlying Shares have been held for more than one year at the time of disposition.

Such capital gains generally will be U.S. source income, unless the gains are subject to Mexican taxation, in which case such gains generally will be treated as arising in Mexico under the U.S. Mexico Tax Treaty. If capital gains are subject to Mexican taxation under the U.S. Mexico Tax Treaty, a U.S. Holder generally may elect to treat such gains as foreign source income for U.S. foreign tax credit limitation purposes. However, any such Mexican taxes may not be used to offset U.S. federal income tax on any other item of income, and foreign taxes on any other item of income cannot be used to offset U.S. federal income tax on such gains. U.S. Holders should consult their tax advisors.

Capital losses recognized on the sale or exchange of CPOs, GDSs or Underlying Shares generally will offset U.S. source income. Deposits and withdrawals of CPOs for GDSs and of Underlying Shares for CPOs by U.S. Holders will not be subject to U.S. federal income tax.

A beneficial owner of CPOs, GDSs or Underlying Shares that is not a U.S. Holder and is not a partnership (or an entity or arrangement classified as a partnership for U.S. federal income tax purposes) generally will not be subject to U.S. federal income tax on gain recognized on a sale or exchange of CPOs, GDSs or Underlying Shares unless:

the gain is effectively connected with the beneficial owner's conduct of a trade or business in the United States; or

the beneficial owner is an individual who holds CPOs, GDSs or Underlying Shares as a capital asset, is present in the United States for 183 days or more in the taxable year of the sale or exchange and meets other requirements.

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U.S. Backup Withholding. A U.S. Holder may be subject to U.S. information reporting and U.S. backup withholding on dividends paid on Underlying Shares, and on proceeds from the sale or other disposition of CPOs, GDSs or Underlying Shares, unless the U.S. Holder:

- is a corporation or comes within an exempt category; or
- provides a taxpayer identification number, certifies as to no loss of exemption from backup withholding tax and otherwise complies with the applicable requirements of the backup withholding rules.

The amount of any backup withholding will be allowed as a credit against the U.S. Holder's U.S. federal income tax liability and may entitle such holder to a refund, provided, however, that certain required information is timely furnished to the U.S. Internal Revenue Service. A beneficial owner of CPOs, GDSs or Underlying Shares that is not a U.S. Holder may be required to comply with certification and identification procedures in order to establish its exemption from backup withholding.

Federal Mexican Taxation

General. The following is a general summary of the principal tax consequences under the Mexican Income Tax Law, Flat Rate Business Tax Law, Federal Tax Code and rules as currently in effect (the Mexican Tax Legislation), all of which are subject to change or interpretation, and under the U.S.-Mexico Tax Treaty, of the purchase, ownership and disposition of CPOs, GDSs or underlying A Shares, B Shares, L Shares and D Shares by a person that is not a resident of Mexico for tax purposes, as defined below.

U.S. Holders should consult with their own tax advisors as to their entitlement to benefits afforded by the U.S.-Mexico Tax Treaty. Mexico has also entered into and is negotiating with various countries regarding other tax treaties that may have an effect on the tax treatment of CPOs, GDSs or underlying shares. Holders should consult with their tax advisors as to their entitlement to the benefits afforded by these treaties.

This discussion does not constitute, and shall not be considered as, legal or tax advice to holders.

According to the Mexican Tax Legislation:

- an individual is a Mexican tax resident if the individual has established his permanent home in Mexico. When an individual, in addition to his permanent home in Mexico, has a permanent home in another country, the individual will be a Mexican tax resident if his center of vital interests is located in Mexico. This will be deemed to occur if, among other circumstances, either (i) more than 50% of the total income obtained by the individual in the calendar year is Mexican source or (ii) when the individual's center of professional activities is located in Mexico. Mexican nationals who filed a change of tax residence to a country or jurisdiction that does not have a comprehensive exchange of information agreement with Mexico in which her/his income is subject to a preferred tax regime pursuant to the provisions of the Mexican Income Tax Law, will be considered Mexican residents for tax purposes during the year of filing of the notice of such residence change and during the following three years. Unless otherwise proven, a Mexican national is considered a Mexican tax resident;
- a legal entity is considered a Mexico tax resident if it maintains the main administration of its head office, business, or the effective location of its management in Mexico.
- a foreign person with a permanent establishment in Mexico will be required to pay taxes in Mexico in accordance with the Mexican Tax Legislation for income attributable to such permanent establishment; and
- a foreign person without a permanent establishment in Mexico will be required to pay taxes in Mexico in respect of revenues proceeding from sources of wealth located in national territory.

Dividends. Dividends, either in cash or in any other form, paid with respect to the shares underlying the CPOs, including those CPOs represented by GDSs, will not be subject to Mexican withholding tax.

When dividends are paid from our previously taxed net earnings account, or *cuenta de utilidad fiscal neta*, we will not be required to pay any Mexican corporate income tax on the dividends. During 2009, if dividends are not paid from our previously taxed net earnings account, we will be required to pay a 28% Mexican corporate income tax (CIT) on the dividends multiplied by 1.3889.

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Sales or Other Dispositions. Deposits and withdrawals of CPOs for GDSs and of underlying A Shares, B Shares, L Shares and D Shares for CPOs will not give rise to Mexican tax or transfer duties.

Generally, the sale or other disposition of CPOs, GDSs or underlying A Shares, L Shares and D Shares will not be subject to any Mexican income tax if the sale is carried out through the Mexican Stock Exchange (or a recognized securities market located in a country with which Mexico has entered into a tax treaty) fulfilling the requirements established in the Mexican Tax Legislation.

Sales or other dispositions of CPOs, GDSs or underlying A Shares, B Shares, L Shares and D Shares made in other circumstances would be subject to Mexican income tax. However, under the U.S.-Mexico Tax Treaty, any U.S. Holder that is eligible to claim the benefits of the U.S.-Mexico Tax Treaty may be exempt from Mexican tax on gains realized on a sale or other disposition of CPOs and shares underlying the CPOs in a transaction that is not carried out through the Mexican Stock Exchange or such other approved securities markets. The U.S. Holder will be exempt under the U.S.-Mexico Tax Treaty if the U.S. Holder did not own directly or indirectly 25% or more of the our outstanding shares within the 12-month period preceding such sale or disposition. Gains realized by other Holders that are eligible to receive benefits pursuant to other income tax treaties to which Mexico is a party may be exempt from Mexican income tax in whole or in part. Non-U.S. Holders should consult their own tax advisors as to their possible eligibility under such other income tax treaties. Appropriate tax residence certifications must be obtained by Holders eligible for tax treaty benefits.

Other Mexican Taxes. There are no estate, gift, or succession taxes applicable to the ownership, transfer or disposition of CPOs, GDSs or underlying A Shares, B Shares, L Shares and D Shares. However, a gratuitous transfer of CPOs, GDSs or underlying A Shares, B Shares, L Shares and D Shares may, in some circumstances, result in the imposition of a Mexican federal tax upon the recipient. There are no Mexican stamp, issuer, registration or similar taxes or duties payable by holders of GDSs, CPOs, or underlying A Shares, B Shares, L Shares and D Shares.

Documents on Display

For further information with respect to us and our CPOs and GDSs, we refer you to the filings we have made with the SEC. Statements contained in this annual report concerning the contents of any contract or any other document are not necessarily complete. If a contract or document has been filed as an exhibit to any filing we have made with the SEC, we refer you to the copy of the contract or document that has been filed. Each statement in this annual report relating to a contract or document filed as an exhibit to any filing we have made with the SEC is qualified in its entirety by the filed exhibit.

Televisa is subject to the informational requirements of the Exchange Act and in accordance therewith files reports and other information with the SEC. Reports and other information filed by Televisa with the SEC can be inspected and copied at the public reference facilities maintained by the SEC at its Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. Such materials can also be inspected at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005. Any filings we make electronically will be available to the public over the Internet at the SEC's website at www.sec.gov.

We furnish The Bank of New York Mellon, the depository for our GDSs, with annual reports in English. These reports contain audited consolidated financial statements that have been prepared in accordance with Mexican FRS, and include reconciliations of net income and stockholders' equity to U.S. GAAP. The historical financial statements included in these reports have been examined and reported on, with an opinion expressed by, an independent auditor. The depository is required to mail our annual reports to all holders of record of our GDSs. The Deposit Agreement for the GDSs also requires us to furnish the depository with English translations of all notices of stockholders' meetings and other reports and communications that we send to holders of our CPOs. The depository is required to mail these notices, reports and communications to holders of record of our GDSs.

As a foreign private issuer, we are not required to furnish proxy statements to holders of our CPOs or GDSs in the U.S.

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Market risk is the exposure to an adverse change in the value of financial instruments caused by market factors including changes in equity prices, interest rates, foreign currency exchange rates, commodity prices and inflation rates. The following information includes forward-looking statements that involve risks and uncertainties. Actual results could differ from those presented. Unless otherwise indicated, all information below is presented on a Mexican FRS basis in constant Pesos in purchasing power as of December 31, 2008.

Risk Management. We are exposed to market risks arising from changes in equity prices, interest rates, foreign currency exchange rates and inflation rates, in both the Mexican and U.S. markets. Our risk management activities are monitored by our Risk Management Committee and reported to our Executive Committee.

We monitor our exposure to interest rate risk by: (i) evaluating differences between interest rates on our outstanding debt and short-term investments and market interest rates on similar financial instruments; (ii) reviewing our cash flow needs and financial ratios (interest coverage); (iii) assessing current and forecasted trends in the relevant markets; and (iv) evaluating peer group and industry practices. This approach allows us to establish the optimal interest rate mix between variable and fixed rate debt.

Foreign currency exchange risk is monitored by assessing our net monetary liability position in U.S. Dollars and our forecasted cash flow needs for anticipated U.S. Dollar investments and servicing our U.S. Dollar-denominated debt. Equity price risk is assessed by evaluating the long-term value of our investment in both domestic and foreign affiliates, versus comparable investments in the marketplace. We classify our equity investments in affiliates, both domestic and foreign, as long-term assets.

In compliance with the procedures and controls established by our Risk Management Committee, in 2006, 2007 and 2008 we entered into certain derivative transactions with certain financial institutions in order to manage our exposure to market risks resulting from changes in interest rates, foreign currency exchange rates, inflation rates and the price of our common stock. Our objective in managing foreign currency and inflation fluctuations is to reduce earnings and cash flow volatility. See Notes 1(p) and 9 to our year-end financial statements.

Foreign Currency Exchange Rate Risk and Interest Rate Risk

From November 2005 through January 2006, we entered into forward exchange contracts on a notional amount of U.S.\$120.0 million to exchange U.S. Dollars and Pesos at a fixed exchange rate in June 2006 in order to cover our U.S. Dollar cash flow requirements.

In connection with the Senior Notes due 2011, 2025 and 2032 and Sky's Senior Notes due 2013, in 2004 we entered into cross-currency interest rate swap agreements, or coupon swaps, that allow us to hedge against Peso depreciation on the interest payments for a period of five years. As a result of the tender of the Senior Notes due 2011, we reclassified part of the coupon swap agreements to the recently issued Senior Notes due 2025. During the second quarter of 2005, we entered into additional coupon swaps with a notional amount of U.S.\$242.0 million. In November 2005, we entered into option contracts that allow our counterparty to extend the maturity of such coupon swaps for an additional year on a notional amount of U.S.\$890.0 million. In January 2008, we terminated part of these option contracts early with respect to a notional amount of U.S.\$200.0 million and with no material additional gain or loss. During the first quarter of 2006, as a result of the cash tender offer of Senior Notes due 2013, Sky terminated part of the coupon swaps early with respect to the notional amount of U.S.\$288.75 million to match the principal amount of notes tendered. Finally, the remaining option contracts on a notional amount of U.S.\$690.0 expired unexercised by the financial institution in March 2009, and we recognized the benefit of unamortized premiums. As of May 31, 2009, the outstanding cross-currency interest rate swap agreements have a notional amount corresponding to U.S.\$200 million of the principal amount of the Notes.

As of May 31, 2009, the net fair value of the cross-currency interest rate swap agreements including the option contracts was an asset (liability) of U.S.\$1 million, U.S.\$5.4 million as of December 31, 2008 and U.S.\$(18.1) million as of December 31, 2007. As of May 31, 2009, the increase in the potential loss in fair value for such instruments from a hypothetical 10% adverse change in quoted Mexican Peso exchange rate would be approximately U.S.\$1.4 million, U.S.\$5.8 million as of December 31, 2008 and U.S.\$19.7 million as of December 31, 2007.

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During March and April 2005, May 2007 and November 2007 in connection with and ahead of the issuance and reopening of the Senior Notes due 2025 and ahead of the issuance of the Senior Notes due 2037 and the Senior Notes due 2018 we entered into agreements that allow us to hedge against increases in the U.S. Treasury interest rates, and to hedge against increases on the M Bono interest rates on the pricing date of the Notes for a notional amount of U.S.\$500.0 million, Ps.2,000.0 million and U.S.\$150.0 million, respectively. These hedges resulted in an accumulated net loss of U.S.\$3.4 million and a net gain of Ps.45.1 million.

In connection with Sky's variable rate bank loans guaranteed by Televisa, in December 2006, we entered into forward starting interest rate swap agreements on a notional amount of Ps.1,400 million. These agreements involve the exchange of amounts based on a variable interest rate for an amount based on fixed rates, without exchange of the notional amount upon which the payments are based. These agreements allowed us to fix the coupon payments for a period of seven years at an interest rate of 8.415% starting in April 2009.

As of May 31, 2009, the net fair value of the interest rate swap was a (liability) asset of Ps.(36.1) million and Ps.3.5 million as of December 31, 2008. As of May 31, 2009, the potential loss in fair value for such instruments from a hypothetical 50 bps adverse change in market interest rates would be approximately Ps.39 million and Ps.37.4 million as of December 31, 2008. This sensitivity analysis assumes a downward parallel shift in the Mexican Interest Rate Swaps Yield Curve.

In December 2007, in connection with the Empresas Cablevisión variable rate loan denominated in U.S. Dollars and due 2012, we entered into a cross-currency swap agreement on a nominal amount of U.S.\$225.0 million. This agreement involves the exchange of variable rate coupon payments in U.S. Dollars for fixed rate coupon payments in Pesos, and the principal amount in U.S. Dollars for a principal amount in Pesos. The principal amount for the final exchange is Ps.2,435.0 million with an interest rate of 8.365% for the coupon payments.

As of May 31, 2009, the net fair value of the cross-currency swap was an asset of U.S.\$30.8 million and U.S.\$48.3 million as of December 31, 2008. As of May 31, 2009, the potential loss in fair value for such instruments from a hypothetical 10% adverse change in quoted Mexican Peso exchange rate would be approximately U.S.\$22.1 million, and U.S.\$20.5 million as of December 31, 2008.

In connection with the Senior Notes due 2015 in 2005, 2006 and 2007, Cablemás entered into a forward and a cross-currency interest rate swap agreement on a notional amount of U.S.\$175.0 million, as amended, with a U.S. financial institution to hedge against Peso depreciation on the interest payments and the nominal final exchange. In 2005, Cablemás entered into a swaption agreement that allow their counterparty in December 2010 to float the coupon payments in the cross currency interest rate swap and through 2015. Cablemás recorded the change in fair value of these transactions in the integral cost of financing (foreign exchange gain or loss).

As of May 31, 2009, the net fair value forward and cross-currency interest rate swap agreement, including the swaption contracts, was an asset of U.S.\$40.9 million and U.S.\$66.9 million as of December 31, 2008. As of May 31, 2009, the increase in the potential loss in fair value for such instruments from a hypothetical 10% adverse change in quoted Mexican Peso exchange for the forward and cross-currency interest rate swap agreement rate and a hypothetical 50 bps adverse change in market interest rates for the swaption agreement would be approximately U.S.\$19.8 million and U.S.\$18.1 million as of December 31, 2008. The swaption sensitivity analysis assumes a downward parallel shift in the Mexican Interest Rates Swap Yield Curve.

In December 2007, in connection with the Cablemás variable rate loan denominated in U.S. Dollars and due 2012, we entered into a cross-currency swap agreement on a nominal amount of U.S.\$50.0 million. This agreement involves the exchange of variable rate coupon payments in U.S. Dollars for fixed rate coupon payments in Pesos, and the principal amount in U.S. Dollars for a principal amount in Pesos. The principal amount for the final exchange is Ps.541.3 million with an interest rate of 8.51% for the coupon payments.

As of May 31, 2009, the net fair value of the cross-currency swap was an asset of U.S.\$6.8 million and U.S.\$10.1 million as of December 31, 2008. As of May 31, 2009, the potential loss in fair value for such instruments from a hypothetical 10% adverse change in quoted Mexican Peso exchange would be approximately U.S.\$4.9 million and U.S.\$4.6 million as of December 31, 2008.

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The sensitivity analyses that follow are intended to present the hypothetical change in fair value or loss in earnings due to changes in interest rates, inflation rates, foreign currency exchange rates and debt and equity market prices as they affect our financial instruments at December 31, 2007 and 2008. These analyses address market risk only and do not present other risks that we face in the ordinary course of business, including country risk and credit risk. The hypothetical changes reflect our view of changes that are reasonably possible over a one-year period. For purposes of the following sensitivity analyses, we have made conservative assumptions of expected near-term future changes in U.S. interest rates, Mexican interest rates, inflation rates and Peso to U.S. Dollar exchange rates of 10%, 10%, 10% and 10%, respectively. The results of the analyses do not purport to represent actual changes in fair value or losses in earnings that we will incur.

	Fair Value at December 31,		
	2007	2008	2008
	(Millions of Pesos or millions of U.S. Dollars)(1)		
Assets:			
Temporary investments(2)	Ps. 1,825.4	Ps. 6,798.3	U.S.\$ 491.2
Derivative financial instruments		2,363.1	170.7
Liabilities:			
U.S. Dollar-denominated debt:			
Senior Notes due 2011(3)	861.3	1,055.7	76.3
Senior Notes due 2018(4)	0	5,977.2	431.9
Senior Notes due 2032(5)	4,046.1	3,913.2	282.7
Sky s Senior Notes due 2013	132.7	0	0
Senior Notes due 2025(6)	6,747.5	6,767.8	489.0
JPMorgan Chase Bank, N.A. loan due 2012(7)	2,456.5	3,251.7	234.9
Senior Notes due 2015(8)		2,070.3	149.6
Peso-denominated debt:			
Senior Notes due 2037(9)	4,280.6	4,129.7	298.4
Long-term notes payable to Mexican banks(10)	7,403.8	6,846.3	494.7
Derivative financial instruments	219.0	604.6	43.7

(1) Peso amounts have been converted to U.S. Dollars solely for the convenience of the reader at a nominal exchange rate of Ps.13.8400 per U.S. Dollar, the Interbank Rate as of December 31, 2008. Amounts in Mexican Pesos for the year ended December 31, 2007 are stated in Mexican Pesos in purchasing power as

of December 31, 2007, in accordance with Mexican FRS. Beginning on January 1, 2008, we discontinued recognizing the effects of inflation in our financial information in accordance with Mexican FRS.

- (2) At December 31, 2008, our temporary investments consisted of highly liquid securities, including without limitation debt securities (primarily Peso- and U.S. Dollar-denominated in 2007 and 2008). Given the short-term nature of these investments, an increase in U.S. and/or Mexican interest rates would not significantly decrease the fair value of these investments.
- (3) At December 31, 2008, fair value exceeded the carrying value of these notes by Ps.59.9 million (U.S.\$4.3 million). The increase in the fair value of these notes of a hypothetical 10% increase in the quoted market price of these notes would amount to approximately

Ps.165.4 million
(U.S.\$12.0 million)
at December 31,
2008.

(4) At December 31,
2008, carrying value
exceeded the fair
value of these notes
by Ps.942.8 million
(U.S.\$68.1 million).
The increase in the
fair value of these
notes of a
hypothetical 10%
increase in the
quoted market price
of these notes the
carrying value
would exceed the
fair value by to
approximately
Ps.345.1 million
(U.S.\$24.9 million)
at December 31,
2008.

(5) At December 31,
2008, carrying value
exceeded the fair
value of these notes
by Ps.238.8 million
(U.S.\$17.2 million).
The increase in the
fair value of these
notes of a
hypothetical 10%
increase in the
quoted market price
of these notes would
amount to
approximately
Ps.152.5 million
(U.S.\$11.0 million)
at December 31,
2008.

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(6) At December 31, 2008, carrying value exceeded the fair value of these notes by Ps.1,536.2 million (U.S.\$110.9 million). The increase in the fair value of these notes of a hypothetical 10% increase in the quoted market price of these notes would amount to approximately Ps.859.5 million (U.S.\$62.1 million) at December 31, 2008.

(7) At December 31, 2008, carrying value exceeded the fair value of these notes by Ps.554.3 million (U.S.\$40.0 million). Assuming an increase in the fair value of these notes of a hypothetical 10% increase in the quoted market price of these notes, the carrying value would amount the fair value by approximately Ps.229.2 million (U.S.\$16.5 million) at December 31, 2008.

(8) At December 31, 2008, carrying value exceeded the fair value of these notes by Ps.347.5 million (U.S.\$25.1 million). Assuming an increase in the fair value of these notes of a hypothetical 10%

increase in the quoted market price of these notes, the carrying value would exceed the fair value by approximately Ps.140.5 million (U.S.\$10.2 million) at December 31, 2008.

- (9) At December 31, 2008, carrying value exceeded the fair value of these notes by Ps.370.3 million (U.S.\$26.7 million). Assuming an increase in the fair value of these notes of a hypothetical 10% increase in the quoted market price of these notes, the fair value would exceed the carrying value by approximately Ps.42.6 million (U.S.\$3.1 million) at December 31, 2008.

- (10) At December 31, 2008, fair value exceeded the carrying value of these notes by Ps.183.7 million (U.S.\$13.1 million). At December 31, 2008, a hypothetical 10% increase in Mexican interest rates would increase the fair value of these notes by approximately Ps.868.1 million (U.S.\$62.7 million) at December 31, 2008.

We are also subject to the risk of foreign currency exchange rate fluctuations, resulting from the net monetary position in U.S. Dollars of our Mexican operations, as follows:

Year Ended December 31,

	2007		2008	
	(In millions of U.S. Dollars)			
U.S. Dollar-denominated monetary assets, primarily cash and cash equivalents, temporary investments and held-to-maturity debt securities (1)	U.S.\$	2,130.1	U.S.\$	2,182.5
U.S. Dollar-denominated monetary liabilities, primarily trade accounts payable, senior debt securities and other notes payable (2)		1,725.0		2,547.1
		405.1		(364.6)
Derivative instruments, liabilities, net		(4.7)		(0.3)
Net asset (liability) position	U.S.\$	400.4	U.S.\$	(364.9)

(1) In 2007 and 2008, include U.S. Dollar equivalent amounts of U.S.\$125.7 million and U.S.\$155.2 million, respectively, related to other foreign currencies, primarily Euros.

(2) In 2007 and 2008, include U.S. Dollar equivalent amounts of U.S.\$12.7 million and U.S.\$40.4 million, respectively, related to other foreign currencies, primarily Euros.

At December 31, 2008, a hypothetical 10.0% depreciation in the U.S. Dollar to Peso exchange rate would result in a loss in earnings of Ps.505.1 million. This depreciation rate is based on the December 31, 2008 forecast of the U.S. Dollar to Peso exchange rate for 2009 by the Mexican government for such year.

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Item 12. Description of Securities Other than Equity Securities

Not applicable.

Part II

Item 13. Defaults, Dividend Arrearages and Delinquencies

Not applicable.

Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds

Not applicable.

Item 15. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Based on the evaluation as of December 31, 2008, the Chief Executive Officer and the Chief Financial Officer of the Company have concluded that the Company's disclosure controls and procedures (as defined in the Exchange Act Rules 13a-15(e) and 15d-15(e)) are effective to ensure that the information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms and that such information is accumulated and communicated to management, including our Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Control Over Financial Reporting

The Company's management, including our Chief Executive Officer and Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting and for the assessment of the effectiveness of internal control over financial reporting as defined in Rule 13a-15(f) of the Exchange Act.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2008. In making this assessment, management used the criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Based on this assessment, management has concluded that the Company's internal control over financial reporting was effective as of December 31, 2008.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PricewaterhouseCoopers, an independent registered public accounting firm, has audited the effectiveness of the Company's internal control over financial reporting as of December 31, 2008, as stated in their report which is included herein.

Changes in Internal Control Over Financial Reporting

There has been no change in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended) that occurred during the year ended December 31, 2008 that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

Item 16A. Audit Committee Financial Expert

Our board of directors has determined that Mr. Francisco José Chévez Robelo is our audit committee financial expert. Mr. Francisco José Chévez Robelo is independent and meets the requisite qualifications as defined in Item 16A of Form 20-F.

Table of Contents**Item 16B. Code of Ethics**

We have adopted a written code of ethics that applies to all of our employees, including our principal executive officer, principal financial officer and principal accounting officer.

You may request a copy of our code of ethics, at no cost, by writing to or telephoning us as follows:

Grupo Televisa, S.A.B.

Avenida Vasco de Quiroga, No. 2000

Colonia Santa Fe, 01210 México, D.F., México.

Telephone: (52) (55) 5261-2000.

Item 16C. Principal Accountant Fees and Services

PricewaterhouseCoopers acted as our independent auditor for the fiscal years ended December 31, 2007 and 2008.

The chart below sets forth the total amount billed by our independent auditors for services performed in the years 2007 and 2008, and breaks down these amounts by category of service:

	2007		2008	
	(in millions of Pesos)(1)			
Audit Fees	Ps.	54.6	Ps.	65.8
Audit-Related Fees		3.8		3.5
Tax Fees		7.1		8.1
Other Fees		0.2		0.9
 Total	 Ps.	 65.7	 Ps.	 78.3

(1) Amounts in Mexican Pesos for the year ended December 31, 2007 are stated in Mexican Pesos in purchasing power as of December 31, 2007, in accordance with Mexican FRS. Beginning on January 1, 2008, we discontinued recognizing the effects of inflation in our financial information in accordance with Mexican FRS.

Audit Fees are the aggregate fees billed by our independent auditor for the audit of our consolidated annual financial statements, services related to regulatory financial filings with the SEC and attestation services that are provided in connection with statutory and regulatory filings or engagements.

Audit-Related Fees are fees charged by our independent auditor for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and are not reported under **Audit Fees**. This category comprises fees billed for independent accountant review of our interim financial statements in connection with the offering of our debt securities, advisory services associated with our financial reporting, and due diligence reviews in connection with potential acquisitions and business combinations.

Tax Fees are fees for professional services rendered by the Company's independent auditor for tax compliance in connection with our subsidiaries and interests in the United States, as well as tax advice on actual or contemplated transactions.

Other Fees are fees charged by our independent auditor primarily for performing. We have procedures for the review and pre-approval of any services performed by PricewaterhouseCoopers. The procedures require that all proposed engagements of PricewaterhouseCoopers for audit and non-audit services are submitted to the audit committee for approval prior to the beginning of any such services.

Audit Committee Pre-approval Policies and Procedures

Our audit committee is responsible, among other things, for the appointment, compensation and oversight of our external auditors. To assure the independence of our independent auditors, our audit committee pre-approves annually a catalog of specific audit and non-audit services in the categories **Audit Services**, **Audit-Related Services**, **Tax-Related Services**, and **Other Services** that may be performed by our auditors, as well as the budgeted fee levels for each of these categories. All other permitted services must receive a specific approval from our audit committee. Our external auditor periodically provides a report to our audit committee in order for our audit committee to review the services that our external auditor is providing, as well as the status and cost of those services.

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During 2007 and 2008, none of the services provided to us by our external auditors were approved by our audit committee pursuant to the de minimus exception to the pre-approval requirement provided by paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

Item 16D. Exemptions from the Listing Standards for Audit Committees

Not applicable.

Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The following table sets forth, for the periods indicated, information regarding purchases of any of our equity securities registered pursuant to Section 12 of the Exchange Act made by us or on our behalf or by or on behalf of any affiliated purchaser (as that term is defined in Rule 10b-18(a)(3) under the Exchange Act):

Purchases of Equity Securities by Televisa(3)

Purchase Date	Total Number of CPOs Purchased	Average Price Paid per CPO(1)	Total Number of CPOs Purchased as part of Publicly Announced Plans or Programs	Maximum Number (or Appropriate Mexican Peso Value) of CPOs that May Yet Be Purchased Under the Plans or Programs(2)
January 1 to January 31	5,682,100	Ps. 48.4634	208,507,400	Ps. 14,990,730,256
February 1 to February 29	1,251,500	48.8746	209,758,900	14,929,563,934
March 1 to March 31	3,481,000	48.0234	213,239,900	14,762,394,541
April 1 to April 30	500,000	52.6013	213,739,900	18,000,000,000
May 1 to May 31	1,146,000	54.5478	214,885,900	17,937,488,248
June 1 to June 30	385,100	53.2709	215,271,000	17,916,973,616
July 1 to July 31	395,500	45.9803	215,666,500	17,898,788,402
August 1 to August 31	4,210,000	48.8206	219,876,500	17,693,253,592
September 1 to September 30	4,960,300	47.8171	224,836,800	17,456,066,220
October 1 to October 31	1,050,000	36.7828	225,886,800	17,417,444,355
November 1 to November 30			225,886,800	17,417,444,355
December 1 to December 31			225,886,800	17,417,444,355
Total	23,061,500	Ps. 48.2434	225,886,800	Ps. 17,417,444,355

(1) The values have not been restated in constant Mexican Pesos and therefore represent nominal historical figures.

(2)

Our share repurchase program was announced in September of 2002. The total amount of our share repurchase program was updated in accordance with the resolution of the Grupo Televisa S.A.B.'s general stockholders meeting, held on April 30, 2008.

- (3) Table does not include repurchases or purchases by the special purpose trust formed in connection with our stock purchase plan.

Table of Contents**Purchases of Equity Securities by Special Purpose Trust
formed in connection with Stock Purchase Plan(1)****CPOs**

Purchase Date	Total Number of CPOs Purchased	Average Price Paid per CPO(2)	Total Number of CPOs Purchased as part of the Stock Purchase Plan	Maximum Number (or Appropriate Mexican Peso Value) of CPOs that May Yet Be Purchased Under the Stock Purchase Plan(3)
January 1 to January 31	100,000	Ps. 44.2175	66,746,600	
February 1 to February 29	150,000	47.6747	66,896,600	
March 1 to March 31			66,896,600	
April 1 to April 30			66,896,600	
May 1 to May 31			66,896,600	
June 1 to June 30	250,000	49.2408	67,146,600	
July 1 to July 31	480,600	46.8393	67,627,200	
August 1 to August 31	237,700	44.5246	67,864,900	
September 1 to September 30			67,864,900	
October 1 to October 31			67,864,900	
November 1 to November 30	100,000	38.2465	67,964,900	
December 1 to December 31			67,964,900	
Total	1,318,300	Ps. 46.1217	67,964,900	

(1) See Directors, Senior Management and Employees Stock Purchase Plan for a description of the implementation, limits and other terms of our Stock Purchase Plan.

(2) The values have not been restated

in constant Mexican Pesos and therefore represent nominal historical figures.

- (3) Since the number of additional shares that may be issued pursuant to our Stock Purchase Plan is affected by, among other things, the number of shares held by the special equity trust, periodic grants made to certain executives, the performance of those executives and the number of shares subject to other employee benefit plans, it would be misleading to imply that there is a defined maximum number of shares that remain to be purchased pursuant to our Stock Purchase Plan.