



Televisa

reaching beyond ...

Annual Report 2004

Grupo Televisa, S.A. is the largest media company in the Spanish-speaking world, and a major participant in the international entertainment business. It has interests in television production and broadcasting, production of pay television networks, international distribution of television programming, direct-to-home satellite services, publishing and publishing distribution, cable television, radio production and broadcasting, professional sports and live entertainment, feature film production and distribution, and the operation of a horizontal Internet portal. Grupo Televisa also owns an unconsolidated equity stake in Univision, the leading Spanish-language media company in the United States.



- 2 letter to our shareholders
- 4 at a glance
- 6 financial highlights
- 8 reaching beyond expectations
- 10 reaching beyond borders
- 12 reaching beyond content production
- 14 reaching beyond the screen
- 16 investing in our community
- 18 MD&A
- 30 board of directors
- 32 financial statements



Whether you are a viewer, a listener, a satellite, cable or internet subscriber, a reader or sports fan, Televisa aims to deliver an entertainment experience beyond your expectations.

This approach has created millions of Spanish speakers who are loyal to Televisa's content and millions of others who are reached by our programming in other countries.

We invite you to explore the following pages to get a better understanding of each of our business unit's operations and performance—and how we try to take them beyond expectations.

dear fellow shareholders



We are especially proud of our 2004 results, which exceeded our expectations and established new records for sales and profits in most of our business segments. Undoubtedly, 2004 was one of our best years ever.

The results speak for themselves. Pro forma¹ consolidated sales increased 8.6% to Ps.29.1 billion and operating income before depreciation and amortization grew 19.7%, reaching a record margin of 37.9%. Net profit rose 14.1% and we generated over Ps.6 billion of free cash flow.

Television Broadcasting continues to be our most important segment as Televisa maintained its undisputed leadership of the Mexican television industry. In 2004, we aired 91 of the country's top 100 programs and we captured 71.3% of the sign-on to sign-off audience share. Advertising sales exceeded all of our expectations, growing 5.7% and once again outpacing the Mexican economy. As we said we would, we kept costs and expenses flat, despite the costs incurred to deliver the Olympic Games from Athens and increases in the costs of services that were beyond our control. This allowed our television segment to reach record operating income before depreciation and amortization and a 45.4% margin.

Our Pay Television network production and distribution business also achieved extraordinary results with sales increasing 8.8% and operating income before depreciation and amortization growing 83.9% during the year. In this segment we also began to see positive results in TuTV, our joint venture with Univision that distributes our pay television channels in the United States. In a short period of time, our channels have been included in several pay television platforms and now reach over one million US Hispanic subscribers. We believe our content and the growth of the Hispanic market will allow this venture to expand rapidly in the years to come.

Shifting to our programming exports business, the content produced by Televisa continues to be successful around the world. In the United States, our programs have allowed Univision to maintain its position as the undeniable market leader. We are, undoubtedly, the most successful supplier for the company's three networks, especially for Univision network's prime time soap opera block, which is produced entirely by Televisa. Our royalties over the last few years have grown at double-digit rates and reached US\$105 million in 2004. On the other hand, our programming exports to the rest of the world now reach over 100 countries and grew 18.2% in 2004.

One of the most important events of the year was Sky Mexico's consolidation as the only direct-to-home satellite platform in the country. This company started operations in 1997 and in a short period of time it became the leading pay television company in Mexico. In 2004, we reached an agreement to migrate DirecTV's subscribers as a result of its decision to exit the Mexican market. In addition, in the second quarter we started to consolidate Sky Mexico into Televisa's financial statements. Sky Mexico is already our second-largest business measured by sales and its operating income before depreciation and amortization. It has experienced double-digit growth during the last couple of years and reached over one million subscribers at the end of the year. We are confident that Sky Mexico will continue to be a strong growth platform for the company in the years to come.

Cablevision had another difficult year with subscriber losses. This company continues to combat piracy. In line with its strategic plan, Cablevision has upgraded about one-third of its network to digital service, which will significantly address this issue and allow it to deliver value added digital services to our subscribers. I am confident that the measures we are taking will generate better results in our cable division in the years ahead.

We feel very proud of the trend in our publishing business that arose from new strategies we have implemented. This company continues to be the world's largest Spanish-language magazine publisher and has grown in both advertising sales and magazine circulation. Our strategies generated a sales increase of 11.3% and our operating income before depreciation and amortization margin reached 20.3% in 2004. As part of our growth strategy to reach the US Hispanic market, we acquired 51% of Hispanic Publishing Associates, a leading publishing company in the US Hispanic market last year. However, our publishing distribution business faces big challenges, especially in certain Latin American countries. We will develop strategies in this business aimed to improve its future results.

Televisa continues to have the strongest balance sheet in its history. Our excellent business results and the operating discipline we have achieved allowed us to return over Ps.4.2 billion to our shareholders in 2004 through the payment of a Ps.3.85 billion dividend and through stock repurchases.

All in all, we are very optimistic about the Company's future. We have laid the strategic, structural, and financial foundation to be a world-class entertainment company poised to continue delivering value to our shareholders.

This could only have been accomplished with the unconditional support of the people who work at Televisa, the management team and you, our dedicated shareholders.



Emilio Azcárraga Jean
Chairman of the Board and President
April 2005

¹ These results reflect the consolidation of Sky Mexico and the change in accounting treatment of sales and costs of goods sold recognition in our Publishing Distribution business outlined in the Management Discussion and Analysis.

televisa at a glance

Business Segment	Ownership	Description ¹
1. Television Broadcasting	100%	We operate four television networks in Mexico (Channels 2, 4, 5 and 9) and we are the world leader in Spanish-language television production.
2. Pay Television Networks	100%	We produce and distribute 21 Spanish-and English-language television channels for pay-television systems.
3. Programming Exports	100%	We license our programs worldwide to other television broadcasters.
4. Publishing	100%	The largest Spanish-language magazine publisher in the world. We publish 60 magazine titles with an annual circulation of approximately 127 million magazines.
5. Publishing Distribution	100%	The largest Spanish-language magazine distribution company in the world.
6. Sky Mexico	60%	The only direct-to-home satellite television system in Mexico and the largest Pay TV platform in the country.
7. Cable Television	51%	Cable company serving the Mexico City metropolitan area.
8. Radio	50%	We operate a network of 81 radio stations in Mexico.
9. Other Businesses	100%	Esmas.com - One of the leading Internet portals in Mexico. América, Necaxa and Real San Luis - Soccer teams. The Azteca Stadium - The largest stadium in Mexico. Videocine - Feature film production and distribution.
Non-consolidated Businesses	9.3%	Univision - Premier Spanish-language media company in the United States.
	50%	TuTV - We distribute five pay television channels to US cable and satellite operators.
	50%	Vívelo - The leading live entertainment company for Hispanics in the United States.
	40%	OCESA - The leading live entertainment company in Mexico.

¹ For year ended December 31, 2004.

Audience / Region¹

71.3% sign-on to sign-off television audience share in Mexico.

Over 11 million pay TV subscribers in Mexico, Latin America, the United States and Europe.

Over 100 countries worldwide.

Mexico, the United States and 18 Latin American countries.

Over 22,000 points of sale in Mexico and over 80,000 points of sale in Latin America.

Over 1 million subscribers.

355,000 subscribers.

Reaching 37 cities in Mexico.

3.7 million unique users.

– Seating capacity approximately of 105,000 spectators. Operations in Mexico and the United States.

39 million Hispanics in the United States.

1 million Pay TV subscribers in the United States.

Promoted more than 100 concerts and events in the United States.

Promoted 3,160 concerts and events in Mexico.



financial highlights

	2003	2004	Change
Net Sales ¹	Ps. 26,813	Ps. 29,110	8.6%
OIBDA ^{1,2}	9,218	11,034	19.7%
<i>Margin</i>	<i>34.4%</i>	<i>37.9%</i>	
Operating Income ¹	6,762	8,761	29.6%
<i>Margin</i>	<i>25.2%</i>	<i>30.1%</i>	
Net Income	3,783	4,317	14.1%
Earnings per CPO	1.32	1.48	
Cash dividends per CPO	0.19	1.22	
Total debt ³	15,767	22,241	
Cash and Cash Equivalents	12,900	16,641	
Net debt	2,867	5,600	
Net Debt / OIBDA	0.4	0.5	
OIBDA / Net Interest Expense ⁴	10.4	7.4	

Amounts are presented in millions of Mexican pesos in purchasing power as of December 31, 2004, except per CPO amounts and ratios.

¹ Pro forma results for 12 months of Sky Mexico and the change in accounting treatment of our Publishing Distribution segment. Actual results are reflected in Management's discussion and analysis of financial condition and results of operations, as well as in our year-end consolidated financial statements.

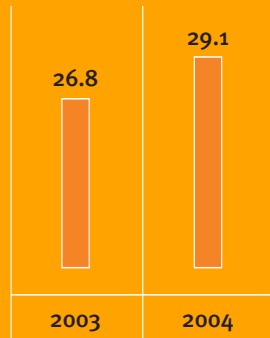
² OIBDA is defined as operating income before depreciation and amortization.

³ Includes U.S.\$478.8 million of Sky Mexico's debt as of December 31, 2004.

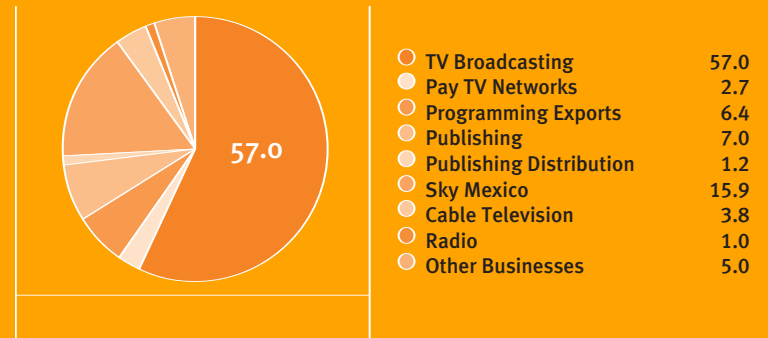
⁴ Net interest expense is defined as interest expense less interest income.

⁵ Excludes corporate expenses.

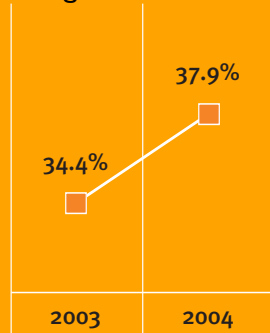
Net Sales¹ (BN of Ps.)



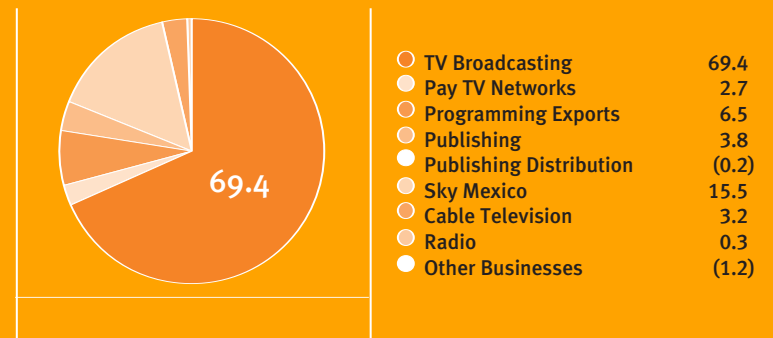
Net Sales¹ %



Consolidated OIBDA margin¹



OIBDA^{1,5} %



reaching
beyond
expectations



Our game show “100 Mexicanos Dijeron” achieved an average audience share of 34.9% in 2004.

We are the world's leading Spanish-language television producer and the dominant television broadcaster in Mexico.

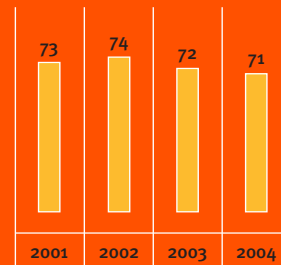


In 2004, our four television networks captured 71.3% of the sign-on to sign-off audience share in Mexico and aired 91 of the top 100 programs in the country, including the top 20.

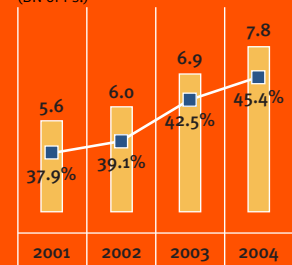
We continued to lead in every genre including News, Sports, Comedy, Reality shows, Game shows, Movies and Children programming. In addition, our incredibly popular soap operas were among the highest rated programs in the country.

These outstanding ratings drove our results **beyond expectations** in 2004, establishing new sales and profitability records for our Television Broadcasting business.

Audience share (Sign-on to Sign-off)
%



TV Broadcasting OIBDA / OIBDA margin
(BN of Ps.)



11.6% CAGR

reaching
beyond
borders



Our program “Amor Real” ranks as the most-watched soap opera of all time among the US Hispanic audience with nearly 5 million average daily viewers.

Our programming is enjoyed by television audiences in more than 100 countries worldwide.

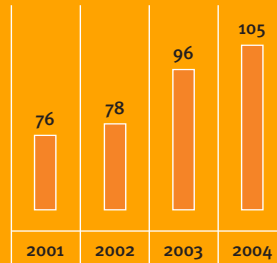


We reach **beyond borders** by licensing our content to television stations around the world. We also reach the rapidly growing US Hispanic community through Univision.

In 2004, we provided 36% of the Univision's programming, including most of its prime time, 23% of Telefutura's programming, and virtually all of Galavisión's programming. In exchange, we receive royalties that have been increasing at double-digit rates over the past few years and reached U.S.\$105 million in 2004.

We also produce a suite of Pay Television channels that reach over 10 million subscribers in Mexico, Latin America and Europe and over one million subscribers in the United States.

Univision's royalties
(MN of Dollars)



11.6%
CAGR

reaching
beyond
content production



Sky Mexico's national sales and distribution network, with over 3,100 points of sale, added more than 145,000 gross active subscribers in 2004.

We are also a major player in content distribution, offering direct-to-home satellite television and cable television to over 1.3 million subscribers in Mexico.



Sky Mexico is the only direct-to-home satellite television system in Mexico and the largest Pay TV platform in the country with over one million gross active subscribers.

Sky Mexico has delivered double-digit growth over the past few years to become our second-largest consolidated business.

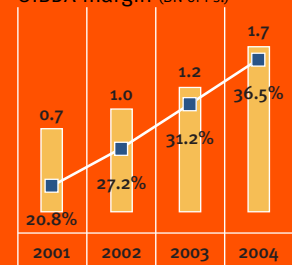
Cablevision provides cable television service to more than 355,000 subscribers and offers high-speed internet access to more than 26,000 customers in Mexico City.

Its network passes more than 1.4 million homes and is currently being upgraded to provide a number of value-added digital services.

Sky Mexico's Sales
(BN of Ps.)



Sky Mexico's OIBDA /
OIBDA margin (BN of Ps.)



**33.4%
CAGR**

reaching beyond the screen

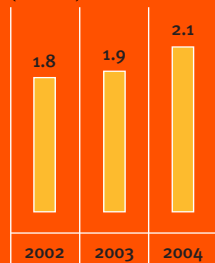
We are the largest Spanish-language magazine publisher in the world. We publish 60 magazine titles that are sold throughout Mexico, the United States and Latin America with an annual circulation of more than 127 million magazines.

Of these, 26 are fully owned and produced in-house, and the remaining 34 titles are licensed from world-renowned publishing houses, including the Spanish-language editions of some of the most prestigious brands in the world.

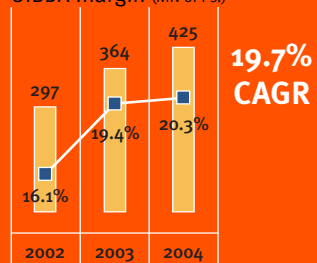
Our publishing business produces seven of the ten most-read magazines in Mexico according to IBOPE and three of the top ten growing magazines in the United States, according to ABC.

We also own the largest Spanish-language magazine distributor in the world, reaching over 22,000 points of sale in Mexico and over 80,000 point of sale in Latin America. We have publishing distribution operations in six countries, and our publications are also sold in the United States, the Caribbean and elsewhere through agreements with independent distributors.

Publishing sales
(BN of Ps.)



Publishing OIBDA /
OIBDA margin (MN of Ps.)



Our publishing and radio businesses reach **beyond the screen** cross-promoting our talent and content.



Carlos Loret de Mola is the anchor of our morning news program on Channel 2 and also the host of our radio newscast.

Our radio stations produce a broad range of formats to target specific audiences and meet the needs of the advertisers.

Our three-edition newscast “Hoy x Hoy,” featuring leading Mexican journalists, “Pasion W,” one of Mexico’s most popular sports radio programs, and “Poder y Dinero,” which covers politics and economic issues, were rated among the top five in their genre and have been key to increasing our audience share.

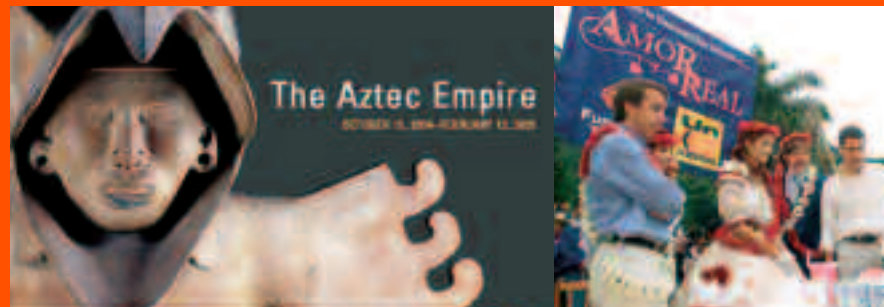
In 2004, we affiliated 49 new radio stations, expanding our network to a total of 81 stations that cover 37 cities in Mexico.

investing
in our
community



Through our Foundation we have installed 4,230 computers in 282 public schools in Mexico benefiting 162,000 students.

Televisa has assumed a leading role in the transformation of Mexican society through Fundación Televisa.



The Foundation's primary mission is to provide personal development opportunities for as many people as possible. Fundación Televisa focuses on enhancing the nutrition, health and education of children and young adults, while promoting basic human values such as respect, honesty, responsibility and generosity through advertising campaigns, children's programming and soap operas. We are also sponsoring housing projects for the disadvantaged and we reach out to hundreds of thousands of people every year.

Televisa also supports the annual 24-hour fund-raising event called "Teletón," which provides funds to build and operate rehabilitation centers for disabled children. In 2004, Teletón raised more than Ps.273 million, which will be used to operate six rehabilitation centers throughout Mexico.

The Foundation is also committed to promoting the arts and preserving Mexico's rich cultural heritage. The Foundation has sponsored numerous artistic events in Mexico, as well as international exhibitions such as the "Courtly Art of the Ancient Maya" at the National Gallery of Art in Washington, DC, and "The Aztec Empire" at the Solomon R. Guggenheim Museum in New York.