

2008 ANNUAL REPORT



About Televisa

Grupo Televisa, S.A.B., 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, cable television and telecommunication services, magazine publishing and distribution, radio production and broadcasting, professional sports and live entertainment, feature-film production and distribution, the operation of a horizontal internet portal, and gaming.

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Leadership*

in evolution

At Televisa, we have developed a diverse portfolio of leading media assets that inspire and excite audiences throughout—and now beyond—the Spanish-speaking world. Over the past several years, Televisa has fueled its growth by continually developing new content and formats and expanding into new markets. It has also adopted advanced technologies to support and extend the reach of its content over a variety of platforms.

As the world's most successful producer of Spanish-language content, Televisa has positioned itself to lead the evolution of its industry by capitalizing on cultural diversity in countries throughout the world. We have reached beyond Spanish-language audiences through collaborations in China, Brazil, France, and other high-potential countries. These alliances not only broaden our audience; they raise our global profile and bring us important new streams of revenue. We have also gone beyond traditional acquisitions and alliances to broaden our offerings. In 2008, we entered into strategic alliances with key players in our industry, most notably BBC Worldwide and Telemundo, to bring their content to our viewers.

Through Sky, Televisa has built an extensive infrastructure to deliver its content to audiences throughout Mexico and Central America. And through its entrance into the triple-play market, Televisa is positioning itself as not only a leading media enterprise but also a leading provider of telecommunications and online services.

We will continue to seek out new ways to integrate our high-quality content—a key differentiator in an increasingly consolidated industry—across all of our business segments. In doing so, we strengthen our portfolio and satisfy audiences, customers, and shareholders alike.



My fellow shareholders:

During 2008, our operation generated strong cash flows, which allowed us to build an enviable capital structure. At year-end, our cash position stood at Ps.42.7 billion, our net cash position at Ps.3.8 billion, and our average debt maturity at close to 13 years.



In 2008, Televisa again delivered growth in sales and profitability, while advancing its strategy to diversify into new markets, develop new formats, access new media platforms, and offer high-quality services to its customers. On a consolidated basis, net sales increased 18.6 percent to Ps.48 billion, and operating income increased 8.7 percent to Ps.15.1 billion.

Televisa has long been the world's leading broadcaster of Spanish-language television content. Television broadcasting continues to be our core business, and one that is constantly evolving. Our leadership in this business and in a broad variety of media segments demonstrates our commitment to constantly evolve into a more diversified media and telecommunications company. In 2008, for example, our direct-to-home (DTH), cable, and telecom businesses, together, accounted for over 30 percent of our combined operating segment income—that's compared with less than 5 percent just eight years ago.

Televisa is the leader in broadcast television in Mexico. During 2008 we aired 74 of the top-100-rated programs. Our average sign-on to sign-off audience share was an extraordinary 72.3 percent, and our prime-time audience share for Channel 2 was 34.1 percent. Our telenovela, *Fuego en la Sangre*, which aired during our most important time slot, exceeded our ratings goals and achieved eight-year record-high ratings. Our broadcast of the Summer Olympic Games in Beijing achieved an audience share of 68 percent and exceeded our targets for both viewers and revenue generation. In addition, in order to complement our offerings, during 2008 we entered into strategic alliances with key players in our industry, most notably BBC Worldwide and Telemundo. The strength and variety of our programming have been of paramount importance to our successful start in 2009.

Sky, our DTH satellite business, is the leading DTH platform in Mexico, Central America and the Caribbean. Sky continues to distinguish itself through its high-quality content, exclusive programming, and superior customer service. During 2008, Sky grew its subscriber base by 175 thousand, or 11 percent, to 1.76 million subscribers. We have been successful with the deployment of our services in Central America and the Dominican Republic, which, by year-end 2008, contributed 109 thousand subscribers. We plan to continue expanding our presence in this region.

We are advancing our strategy to become an important participant in Mexico's cable and telecommunications industry through our ownership interests in three of Mexico's leading platforms, Cablevision, Cablemás and TVI. Our competitive pricing and attractive triple-play offerings, together with the low penetration of cable and broadband, will drive growth in this segment. We see a solid opportunity in this business and are pursuing strategies to extract maximum value from our participation in the sector.

With Televisa Networks, our pay-television programming business, we continue to expand our brands worldwide. Collectively, our 30 pay-television channels reached in 2008 more than 21 million subscribers in the United States, Canada, Latin America, Europe, and Asia Pacific. Through TuTV, our joint venture with Univision, we launched Bandamax on Dish Latino, the largest Spanish-language digital pay-television platform in the United States. In Canada, we launched two new channels for a new multicultural channel package offered through Rogers Cable, Canada's largest cable provider. We plan to expand our pay-television offerings to reach every demographic of interest to our clients and pay-television affiliates.

The strength of our programming exports business is evident in our broadening geographic reach and solid audience share, and is made possible through the export of our content and of our production expertise. For example, in 2008, through Univision, Televisa continued to provide most of the Spanish-language content for the Hispanic market in the United States. During the past five years, Univision has consistently ranked first in prime-time television among all Hispanics aged 18-49 years and has consistently aired between 95 and 100 percent of the 20 most widely watched programs among all Hispanic households in the United States. Also during 2008, the first season of our Chinese production of *La Fea Mas Bella*, our hit show, reached an average of more than 11 million viewers per episode, seven nights a week. The second season of the show, currently airing, is delivering the same outstanding results.

In 2008, Televisa maintained its position as the most important Spanish-language magazine publisher, distributing more than 174 million magazines in 20 countries. Today, we publish 189 titles under 95 different brands. In addition, we continue to expand our online and interactive assets in order to position Televisa as a leading provider of online content and a pioneer in the launch of new tech-

nologies such as live-television streaming and time-shifting video-on-demand. Finally, we are developing greater expertise in our gaming segment. By year-end we were operating 21 bingo parlors with nearly 7,000 electronic bingo machines, and we are currently exploring options to more profitably exploit our lottery license. We continue to see a solid opportunity in this business segment.

During 2008, our operation generated strong cash flows, which allowed us to build an enviable capital structure. At year-end, our cash position stood at Ps.42.7 billion, our net cash position at Ps.3.8 billion, and our average debt maturity at close to 13 years. We will remain selective in the use of the cash generated by our operation and will seek out opportunities that make sense for our business and advance our strategic objectives.

Televisa is uniquely positioned to stand out in an uncertain economic environment. We constantly challenge the way we conduct our business and seek new opportunities to leverage our core areas of expertise for growth and profitability. We are confident in the strength of our business model and this strength and our determination will drive our growth and our ability to capture new and diverse revenue streams.

I want to express my gratitude to our board of directors, management, and employees for their dedication; to our customers and audiences for their patronage; and to you, our shareholders, for your confidence in our company. We are excited about the journey ahead, and we want you to come along with us.



Emilio Azcárraga Jean
Chairman of the Board
and Chief Executive Officer

Financial highlights

In millions of Mexican pesos, except per-CPO amounts and shares outstanding

	2007 ⁽¹⁾	2007 ⁽²⁾	2008 ⁽¹⁾	%
Consolidated net sales	Ps. 41,562	Ps. 40,466	Ps. 47,972	18.6
Operating segment income ⁽³⁾	18,072	17,432	19,917	14.3
Segment margin	42.3%	41.9%	40.6%	
Operating income	14,481	13,915	15,128	8.7
Margin	34.8%	34.4%	31.5%	
Majority interest net income	8,082	7,649	7,804	2.0
Earnings per CPO	2.84		2.77	
Shares outstanding at year-end (in millions)	329,960		328,393	
Cash and cash equivalents at year-end	Ps. 25,480		Ps. 35,106	37.8
Temporary investments at year-end	1,825		6,798	272.5
Long-term investments at year-end	2,525		809	(68.0)
Total debt at year-end	25,796		38,963	51.0
Net cash position at year-end	4,034		3,750	(7.0)

(1) Beginning on January 1, 2008, we ceased recognizing the effects of inflation in our financial information, as required by Mexican Financial Reporting Standards. Therefore, we recognized the effects of inflation in our financial information through December 31, 2007, and our consolidated financial statements as of and for the year ended December 31, 2007 are stated in Mexican pesos of purchasing power as of December 31, 2007.

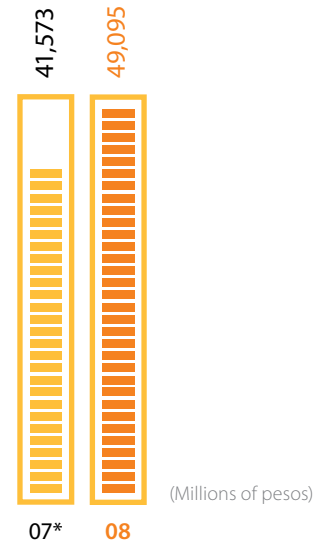
(2) For additional comparison purposes, certain financial information in this table for the year ended December 31, 2007, is presented as if we had ceased recognizing the effects of inflation beginning on January 1, 2007.

(3) Operating segment income (OSI) is defined as operating income before corporate expenses, depreciation and amortization. For a reconciliation of operating segment income with operating income, see Note 22 to our year-end consolidated financial statements.

Segment Net Sales



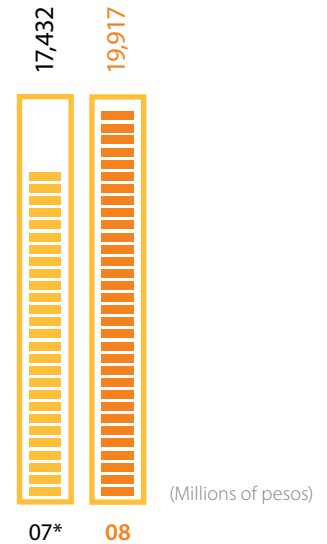
✱ TV Broadcasting	43.7 %
✱ Programming Exports	5.0 %
✱ Pay-Television Networks	4.5 %
✱ Sky	18.7 %
✱ Publishing	7.5 %
✱ Cable and Telecom	13.5 %
✱ Other Businesses	7.1 %



Operating Segment Income



✱ TV Broadcasting	52.7 %
✱ Programming Exports	5.4 %
✱ Pay-Television Networks	6.9 %
✱ Sky	22.2 %
✱ Publishing	3.3 %
✱ Cable and Telecom	10.7 %
✱ Other Businesses	-1.2 %



* 2007 figures are presented as if we had ceased recognizing inflation beginning in January 1, 2007

TELEVISA

at a glance

Television Broadcasting*

Televisa operates four broadcast channels in Mexico—channels 2, 4, 5, and 9—through 258 affiliated stations throughout the country; we are the world’s leading producer of Spanish-language television content.

AUDIENCE / REGION: Sign-on to sign-off audience share of 72.3 percent.

OWNERSHIP: 100%



Pay-Television Networks*

We produce 30 television channels under 14 different brands for pay-TV systems. In the United States we distribute five of our pay-TV channels through TuTV, our 50/50 joint venture with Univision.

AUDIENCE / REGION: More than 21 million pay-TV subscribers.

OWNERSHIP: 100%

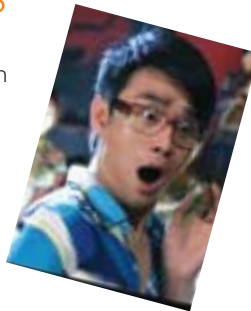


Programming Exports*

We export our programs and formats to television networks around the world. In the United States we distribute our content through Univision.

AUDIENCE / REGION: Approximately 60 countries worldwide.

OWNERSHIP: 100%



Publishing*

The most important Spanish-language magazine publisher; we produce more than 189 titles under 95 different brands.

AUDIENCE / REGION: Annual circulation of approximately 174 million in 20 countries.

OWNERSHIP: 100%





Sky*

Mexico's most important direct-to-home satellite television system.

AUDIENCE / REGION: 1.76 million subscribers.

OWNERSHIP: 58%

Cable and Telecom*

Cablevision and Cablemás offer cable television, broadband access, and telephony services in Mexico City, the surrounding metropolitan area and 46 cities around the country. These companies have invested in Bestel, a telecommunications company that provides data and long-distance services solutions to carriers and other telecommunications service providers in Mexico and the United States.



AUDIENCE / REGION: Cablevision: 590 thousand pay-TV subscribers, 200 thousand broadband subscribers, and 54 thousand telephony subscribers. Cablemás: 851 thousand pay-TV, 243 thousand broadband, and 76 thousand telephony subscribers.

OWNERSHIP: Cablevision 51%, Cablemás 55%



Other Businesses*

Esmas.com. The leading digital entertainment web portal in Latin America; **Gaming.** Bingo parlors; **Soccer teams.** Some of Mexico's professional soccer teams; **Azteca Stadium.** Mexico's largest stadium; **Feature-film Production and Distribution.** We produce and coproduce Spanish-language feature films and distribute national and international films throughout Mexico;

Radio. Network of 91 owned and affiliated radio stations.

AUDIENCE / REGION: **Esmas.com.** More than 8 million unique visitors per month; **Gaming.** 21 bingo parlors; **Soccer teams.** Currently playing in the Mexican first division; **Azteca Stadium.** Seats approximately 105 thousand spectators; **Feature-film Production and Distribution.** Operations in Mexico; **Radio.** Reaches the majority of Mexico's population.



OWNERSHIP: Esmas.com 100% / Gaming 100% / Soccer team 100% / Azteca Stadium 100% / Feature-film 100% / Radio 50%

Unconsolidated businesses*

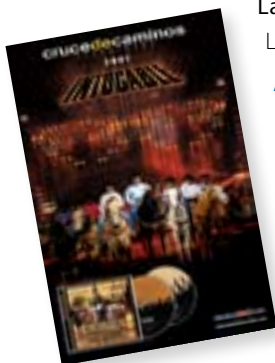
TVI. Cable company with operations in Monterrey;

La Sexta. Free-to-air channel in Spain; **Ocesa Entretenimiento.**

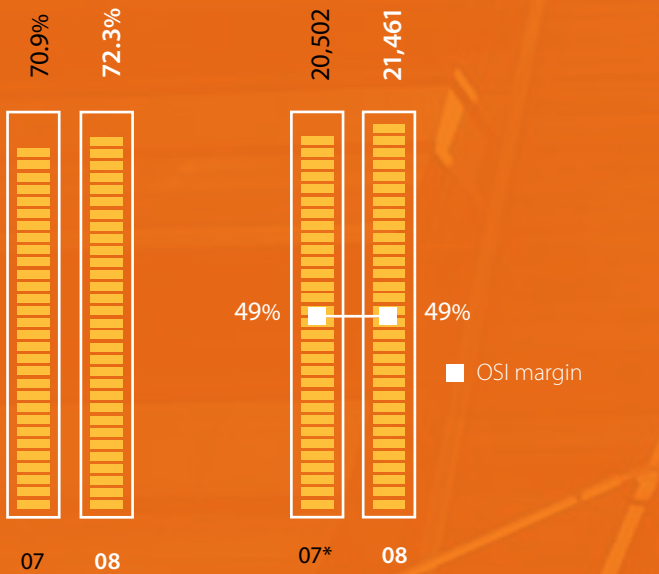
Live-entertainment company in Mexico; **Volaris.** Low-cost-carrier airline.

AUDIENCE / REGION: **TVI.** 226 thousand pay-TV, 88 thousand broadband, and 34 thousand telephony subscribers; **La Sexta.** Growing audience share; **Ocesa Entretenimiento.** Produced close to 4 thousand live events and shows; **Volaris.** Offers flights to 21 cities in Mexico.

OWNERSHIP: TVI 50% / La Sexta 40% / Ocesa 40% / Volaris 25%



We are constantly seeking new ways to expand our reach, improve our content, and maintain our position as the leading media company in the Spanish-speaking world.



Audience Share
(Sign-on to Sign-off)

Sales and operating segment income margins for TV broadcasting
(Millions of pesos)

* 2007 figures are presented as if we had ceased recognizing inflation beginning in January 1, 2007



Televisa is the world's leading producer of Spanish-language television content. Through our broadcast channels in Mexico, pay-television networks, programming exports, and feature-film production and distribution, we excite and inspire audiences around the world. Content is the key differentiator in our industry, and it is the quality of our content that enables us to maintain our position as the industry leader.

Television*

broadcasting

Televisa operates four broadcast channels—2, 4, 5, and 9—through 258 affiliated stations throughout Mexico. Programming across our channels, in particular Channel 2, continued to draw excellent ratings and audience shares in 2008. The average sign-on to sign-off audience share for our four networks was 72.3 percent, and we aired 74 of the top-100 rated programs in Mexico.

These results are due, in large part, to the strength and variety of our television programming, which ranges from telenovelas to world-class sporting events. Our telenovelas and other programming on Channel 2 continued to drive our results in 2008. Average prime-time audience share for Channel 2 alone was 34.1 percent for the year, the highest for prime time since 1999.

Our telenovela *Fuego en la Sangre*, which aired weekdays at 9PM, our most important time slot, exceeded our ratings goals and achieved eight-year record-high ratings.

We are very pleased with the performance of Channel 2, which together with our programming on Channels 4, 5, and 9 and the local stations, has allowed us to deliver the audience demographics that our advertising clients seek.

Our broadcast of the Summer Olympic Games in Beijing, which achieved an audience share of 68 percent, was the sports highlight of 2008 and exceeded our targets for both viewers and revenue generation.

Our series, produced in-house and transmitted over Channel 5, have generated favorable ratings and profitability, and we are maximizing the value of these programs through our other business segments. For example, we introduced several new programs in 2008, including *Simuladores*, an adventure/comedy series aimed at young adults; and *Terminales*, a story about a young girl who battles leukemia. In addition, we produced *El Show de los Sueños*, a singing and dancing competition that brought together Mexican families, and aired Sunday afternoons. These series produce immediate payback and are enabling us to build a robust inventory of products that we can exploit across other platforms.

Our continuing evolution

In our broadcasting business, we will continue to seek innovative ways to expand our reach, improve our content, and maintain our leadership position. We are working to solidify our leadership in all genres by developing new formats and high-quality content and by integrating content across our business segments. In our Pay-television business we continue to pursue opportunities to launch new networks and are seeking to form alliances that enable us to broaden the reach of our own content and to distribute that of other producers—partners and competitors alike.





At the same time, we are exploring additional, innovative programming options. For example, we are developing more sponsored programming, which is highly profitable. In 2008, we produced programs sponsored by large consumer-products companies and financial institutions while maintaining the ability to sell additional advertising during those broadcasts. We have continued to implement the same strategy in 2009, with good results.

Pay-television* networks

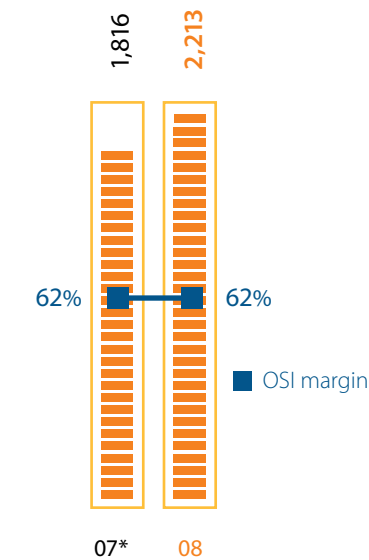


Televisa is the world's leading producer of original Spanish-language programming for pay-television networks (pay-TV). Collectively, our 14 pay-television brands and 30 pay-television channels produced more than 13,200 hours of content delivered to more than 21 million subscribers, equivalent to over 95 million RGUs (revenue generating units); in the United States, Canada, Latin America, Europe, and Asia Pacific.

In the past few years, we have upgraded the technology in our pay-TV business, transforming our content production process from linear to fully digital, from preproduction through postproduction. As a result, we lead our industry in the adoption of advanced technologies.



In Mexico, 8 of the 20 top-rated channels in all pay-television platforms are produced by Televisa. In the United States, TuTV, our joint venture with Univision, offers film, music, and lifestyle content through five pay-television channels that reached 1.7 million households in 2008. In addition, during the year TuTV launched Bandamax on Dish, the largest Spanish-language digital pay-TV platform in the United States. And in Canada we launched the TL Novelas and Ritmoson Latino channels in Paquete Televisa, a new multicultural package from Rogers Cable, the largest cable television provider in Canada.



Sales and operating segment income margins for Pay-television networks

(Millions of pesos)

Strategic partnership with the BBC

We entered into a partnership in 2008 that will allow us to expand our content and broaden our reach to Latin American audiences. In July 2008, Televisa and BBC Worldwide (BBC) announced a joint venture to produce and distribute two BBC-branded entertainment channels, BBC Entertainment and a preschool children's channel called Cbeebies. The new channels will be distributed via pay-TV systems throughout Mexico and Latin America. This endeavor marks the first time that BBC's wholly-owned networks have entered the Latin American market with entertainment-themed channels.

Programming* exports

In 2008, we exported approximately 65 thousand hours of our original programming to 60 countries throughout the world. We are also seeking mutually beneficial collaborations to produce content in high-growth markets. These collaborations help to strengthen Televisa's position in high-growth markets, expand the reach of our content across both traditional and new-media platforms, and bring new revenue streams to the business. Below are a few examples of our collaboration arrangements.

China. We collaborated with a Chinese producer to broadcast the Chinese production of our hit show, *La Fea Mas Bella*—or, as it is known in China, *Chou Nu Wud*. During the 2008 season, the broadcaster aired two episodes per day, seven days a week, during prime time. As a result, the program reached more than 11 million viewers each night. With this collaboration, Televisa has made a strong entrance into a very attractive market.

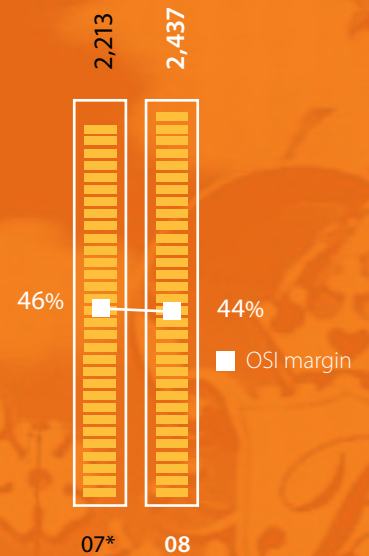
Brazil. We have entered into an agreement with Brazil's second-largest television network to coproduce a telenovela for a prime-time slot. This arrangement enables us to participate directly in Brazil's advertising market, the largest in Latin America. The first program is expected to air in the first half of 2009.

Argentina. We have entered into an agreement with local companies in Argentina to collaborate in the production of programs for Argentine audiences across multiple platforms, including new media.

The United States remains an important and growing market, and we continue to bring our content to this market through Univision. In 2008, Televisa's content represented 39.3 percent of the Univision Network's nonrepeat broadcast hours, including most of its prime-time programming. Our telenovelas, which serve as Univision's primary prime-time offering, were responsible for some of the network's highest ratings in 2008. We provided 19.5 percent of the programming to TeleFutura, Univision's other national broadcast network, and virtually all of the programming for Galavisión, Univision's basic pay-TV network, which has a nationwide reach.

Feature-film* production and distribution

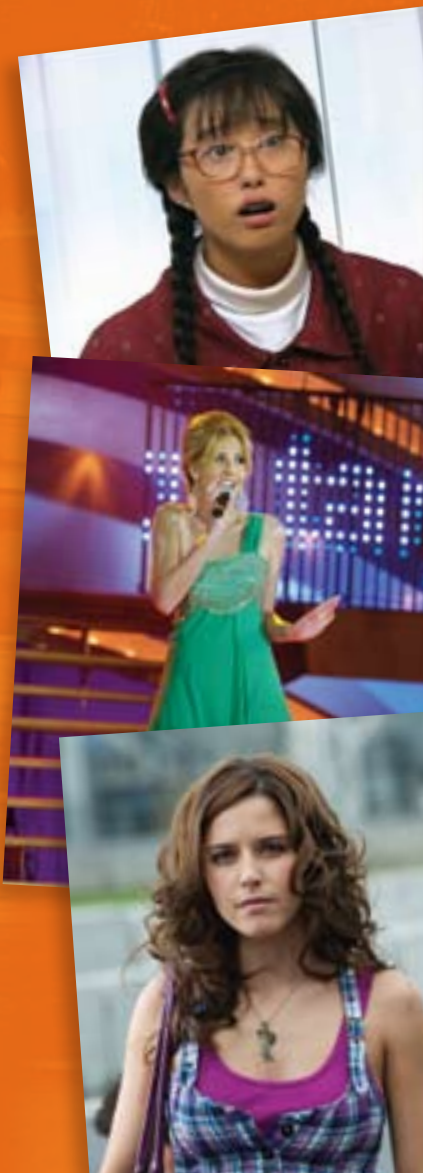
Televisa produces and coproduces first-run Spanish-language feature films and distributes domestic titles and those from other countries throughout Mexico. In 2008, we coproduced such titles as *18/40* and *La Cabeza de Buda*. In addition, we distributed more than 40 films, including the hits: *REC*, *El Orfanato* and *Juno*.



Sales and operating segment income margins for Programming exports

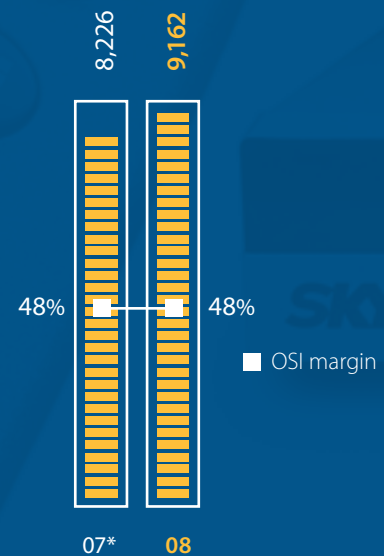
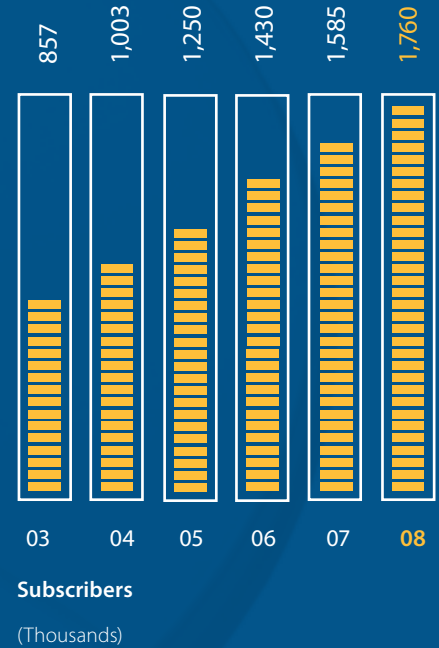
(Millions of pesos)

* 2007 figures are presented as if we had ceased recognizing inflation beginning in January 1, 2007





Sky has enjoyed double-digit subscriber growth in each of the past 6 years.



Sales and operating segment income margins for Sky

(Millions of pesos)

* 2007 figures are presented as if we had ceased recognizing inflation beginning in January 1, 2007

Sky is the leading direct-to-home satellite television provider. At the close of 2008, Sky's gross active subscribers numbered 1.76 million. Sky has recently expanded operations to Central America and the Caribbean; at the end of 2008, Sky's subscriber base in this region totaled 109 thousand. In 2008, the total number of Sky's gross active subscribers grew by approximately 11 percent over that of the previous year. The largest increases to Sky's subscriber base occurred in the markets of Dominican Republic, Costa Rica, and Panama.

Sky*

Sky's ability to offer exclusive access to premier programming is key to its growth strategy. Sky currently offers more than 220 channels featuring sports, news, entertainment, movies, music, and children's programming. Sky offers subscribers exclusive access to an extensive menu of the world's premier sporting events, including the following:

- Selected matches of the Mexican Soccer League that enjoy the highest viewership
- Spanish soccer matches, including those of *La Liga*, *La Copa del Rey*, and other Spanish tournaments
- British soccer matches, including those of the Barclays Premier League
- NFL Sunday Ticket, NBA Pass, MLB Extra Innings, boxing matches, NHL, and the Golf Channel
- Exclusive coverage of some WTA and ATP tennis events

In addition, Sky subscribers have access to exclusive programming produced by Televisa.

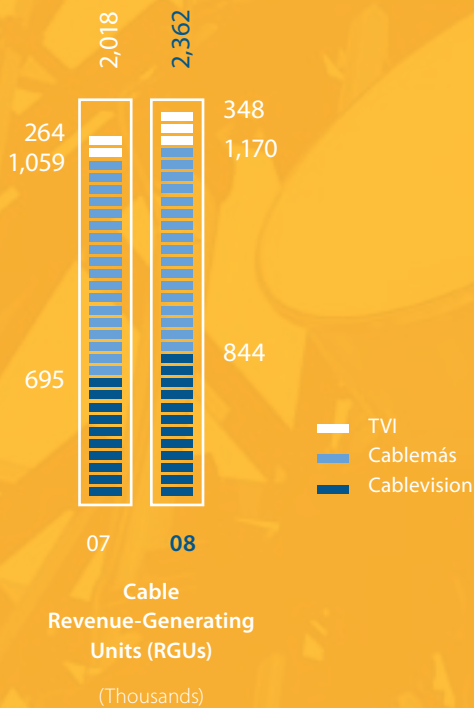
Sky continues to employ advanced technologies to expand its reach and solidify its presence in new markets. For example, Sky recently entered into an agreement with Intelsat to build and launch, together with Sky Brazil, a new 24-transponder satellite. The new satellite will double Sky's current capacity, provide back-up and enable high-definition television (HDTV) services with push video on demand (VOD).

Our continuing evolution

In recent years Sky has transformed itself into a market leader, enjoyed double-digit annual growth in its subscriber base, and become Televisa's second-largest consolidated business. Sky plans to further expand its reach into new markets, in Central America, in 2009.



Televisa holds a leading position in some of the most important cable markets in Mexico.



Cable* and Telecom

Cablevision

Cablevision is at once a pioneer and a leader in the Mexican market. Since 2005, Cablevision has transformed itself from a basic analog operation into a fully digital provider of high-quality content and services. In recent years, Cablevision has adopted and expanded the use of new technologies, such as HDTV, digital-video recording (DVR), TiVo, VOD, and IP telephony. Cablevision is continuing the roll-out of digital set-top boxes to allow the transmission of HDTV programming and DVR capability. Cablevision is also working to complete the upgrade of its existing cable network to a bidirectional broadband network; as of the end of 2008, 82.6 percent of this project had been completed.

As a result, Cablevision has grown into a provider of advanced triple-play services. Cablevision closed the year with more than 590 thousand cable subscribers, 200 thousand broadband subscribers, and more than 54 thousand telephony subscribers. It has grown into the largest digital pay-television service provider in Mexico City and boasts the most extensive channel offerings of any pay-television package in Latin America. Cablevision's sales rose 21.3 percent in 2008 due to an increase in revenue generating units (RGUs).

Cablemás

Cablemás, which we started to consolidate in June of 2008, is the cable company with the broadest coverage in Mexico, operating in 46 cities. It has invested heavily to upgrade its infrastructure and expand its network of subscribers throughout the country. In September 2005, Cablemás launched its

Results of Triple-Play Strategy

Televisa is well positioned to capitalize on the market's adoption of triple-play services. Our leading triple-play providers, Cablevision, TVI, and Cablemás, not only serve thousands of subscribers throughout Mexico but also offer subscribers unprecedented access to Televisa's digital content. Since Cablevision first rolled out its triple-play service in 2007, it has gained close to 40 thousand triple-play subscribers. Penetration of triple-play services, telephony in particular, is still relatively low. Internet penetration in Cablevision's subscriber base is currently at 33.81 percent, and telephony penetration stands at 9.15 percent. Accordingly, Televisa continues to see significant growth potential for this business.

telephony service and went on to become the first cable operator in Mexico to provide a bundled, triple-play service package of cable television, high-speed internet, and telephony services.

Cablemás ended 2008 with 851 thousand cable subscribers and 243 thousand broadband subscribers. Three years after rolling out its telephony service, Cablemás now serves more than 76 thousand telephony subscribers in 13 cities. Now the second-largest cable television operator in Mexico in terms of subscribers, Cablemás continues to focus on expanding its customer base through acquisitions and upgrades.

TVI

A provider of digital broadband telephony, internet, and pay-TV services in the north of Mexico, TVI had more than 348 thousand residential and commercial RGUs at the end of 2008. Its network consists of more than 7.3 thousand kilometers of cable and more than 4.5 thousand kilometers of fiber-optic cable. It offers competitive triple-play packages and broadband speeds of up to 6 megas, driving the company's consistent growth and allowing it to consolidate its position as the north region's leading provider.

TVI, in which we own a 50% equity stake, has expanded its presence in recent years and today operates in the important markets of Nuevo León, Coahuila, and Tamaulipas. At the end of 2008, TVI had 226 thousand pay-TV, 88 thousand broadband, and 34 thousand telephony subscribers. TVI expects to continue to expand its presence within these markets and into others.

During 2008, Bestel surpassed more than 3.2 billion minutes of use.

Bestel

In December 2007, Cablestar acquired Bestel, a telecommunications company that owns 8 thousand kilometers of fiber-optic networks throughout Mexico and in the southern United States. Cablestar is owned 70 percent by Cablevision, in which Televisa owns a 51 percent stake; 15 percent by TVI; and 15 percent by Cablemás. Televisa owns an equity stake in both TVI and Cablemás.

Bestel provides long-distance and local telephony services and broadband access to carriers, government, cable companies, calling-card companies, and corporate customers. During 2008, Bestel surpassed more than 3.2 billion minutes of use.

After acquiring Bestel, Televisa's management set the business on course toward profitability by redefining its business strategy, strengthening relationships with key domestic and international clients, and focusing on the commercialization of products with higher profit potential.

In 2008, Bestel doubled its interconnection capacity with Tier 1 broadband operators. In doing so, Bestel became the second-largest broadband provider in Mexico. In addition, Bestel doubled its transmission capacity by implementing 10-Gb lambdas throughout its fiber-optic network, becoming one of the first operators to implement this technology in Mexico. Finally, Bestel played a leading role in bringing number portability to Mexico; in July 2008, Bestel began providing number portability solutions to not only cable operators owned by Televisa but also those owned by others. As of December 31, 2008, Bestel became the second operator in the country to port more than 20 thousand fixed numbers.

Our continuing evolution

We see tremendous opportunity for our cable business. Specifically, we will work to consolidate our position as a provider of triple-play services and expect to become a major player in Mexico's telephony market. We look forward to bringing the highest-quality service to customers and to actively participating in the convergence of cable and telephony in Mexico.

Televisa Interactive Media's (TIM's) range of pioneering products and services helps us to extract maximum value from our content.

The digital impact of our agreement with Telemundo

Through TIM, our audience today has access to most of Televisa's content and a great deal of third-party content via web and mobile devices. This includes sports and soccer-related programs, major-label music, films by major movie studios, and, in the near future, content by leading Hispanic producers such as Telemundo. In March 2008, Telemundo granted Televisa exclusive rights to broadcast Telemundo's content in Mexico for the next 10 years. The agreement also gives Televisa exclusive distribution rights to Telemundo's new pay-TV channel and a license to distribute Telemundo's original content through Televisa's digital and wireless platforms in Mexico. As a result, our customers in Mexico will be able to access Telemundo content on esmas, esmas.TV, and Tvolucion. And mobile phone users will be allowed to download images, ring tones, and text messaging services based on Telemundo's content to their mobile phones via esmas móvil.



Launched in 2000, our online business, Televisa Interactive Media (TIM), has evolved from a horizontal portal to a leading multimedia digital platform. Our platform leverages the world's leading technologies and provides access to not only text, image, and audio content but also much of Televisa's extensive video library. The TIM platform includes the following:

- **esmas.com:** the leading digital entertainment web portal in Latin America. In August of 2008 alone, the website received approximately 41 million visits
- **esmas.TV:** online subscription-based streaming video service
- **Tvolucion:** the leading multiformat premium video destination in the Americas. As of year-end 2008, the site contained more than 150 movies, 12 shows and series with more than 200 chapters, 1,100 video clips, and 41 telenovelas
- **Televisadeportes.com:** a leading source of sports news online

Our continuing evolution

As with all of its markets, Televisa is working to consolidate its position as Mexico's leading provider of online content and services. We will continue to look for new ways to leverage our content, and, where it makes sense for our business, content produced by others, through our online platforms.

Interactive ^{*} media

Today, TIM serves more than 8 million unique visitors throughout the Spanish-speaking world and, in 2008, registered 320 million premium-content-related page views per month. In addition, esmas móvil provides leading premium mobile telephony content, which reaches more than 10 million cell phones in more than 15 countries in Latin America.

TIM's range of pioneering products and services helps us to extract maximum value from our content through the Internet and mobile services. Thanks to Televisa's adoption of state-of-the-art technology, which enables users with low broadband speeds to view high-quality streaming video, TIM's traffic grew by 49 percent in 2008, outpacing fivefold that of the Mexican online industry. TIM also strengthened its leadership position in the digital marketplace during the year by producing exclusive web content, including *Doble Vida*, *Colinas*, and *Abran Cancha*.

TIM URLs

Global portal: www.esmas.com

Video: www.tvolucion.com

Sports: www.televisadeportes.com



Televisa is the most important publisher and distributor of Spanish-language magazines.



Publishing*

The most important Spanish-language magazine publisher, Televisa publishes more than 189 magazine titles under 95 different brands. These titles cover a range of popular topics, from health, beauty, fashion, and celebrity to technology, travel, sports, and science. We have license agreements with some of the most prestigious magazine publishers in the world, including National Geographic, Hearst, Marie Claire, Disney, Rodale, G+J, Motorpress, and Northern & Shell. Televisa's own brands include *Vanidades*, *TVyNovelas*, *Caras*, *Tú*, *Conozca Más*, *Casaviva*, and *In Fashion*—all of which are produced in Latin America.

In 2008, annual circulation reached more than 174 million through more than 100,000 points of sale in 20 countries. Televisa maintains the top sales position in 18 of the 20 countries in which its magazines are sold. In Mexico, Televisa's publications reach 54 percent of overall readership.

Over the past several years, we have made several improvements in our publishing business that are helping us to consolidate our leadership position. In September 2007, for example, Televisa acquired Argentine publishing firm Editorial Atlántida, which publishes 11 magazine titles whose circulation in 2008 reached 20.9 million. These titles include three well-known brands: *Gente*, the lifestyle and entertainment weekly; *Para Ti*, the women's beauty and fashion weekly; and *Billiken*, the children's weekly. With this acquisition, Televisa now reaches an additional 2.6 million readers per week.

Expansion in 2008

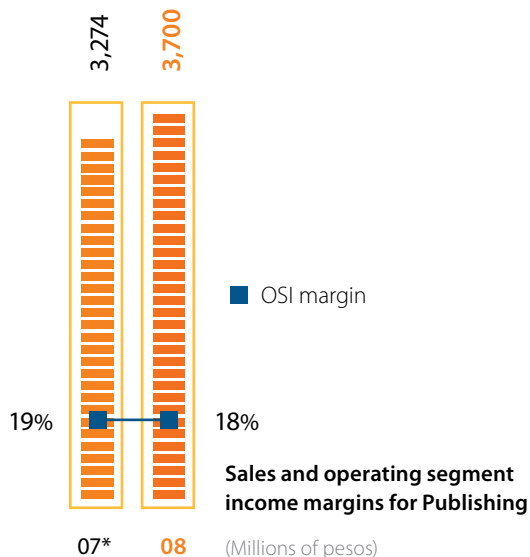
In 2008, we restructured our portfolio of titles, expanding some existing brands and launching new ones into several Latin American markets.

We launched 14 new titles, including the following:

- *Esquire* (Mexico)
- *Gente y la Actualidad* (Mexico, Colombia)
- *National Geographic Traveler* (Argentina)
- *Women's Health* (Argentina, Central America, Venezuela)
- *Caras* (Venezuela, Peru)
- *TVyNovelas* (Central America and Puerto Rico)
- *Patito Feo* (Mexico, Chile, and Colombia)

Our continuing evolution

We have expanded our offerings beyond magazines to include course books, theme books, and collectibles. We have produced, for example, special National Geographic publications and the cookbook *Cocina Fácil*. We have begun expanding the presence of our titles through our digital platforms to raise brand awareness, create new business opportunities, and expand content options. For example, websites tied to our magazine titles, such as *Vanidades.com*, *Cinemanía*, *Jambitz*, *Muy Interesante* and *National Geographic en Español* have enabled Televisa to reach a new and better-segmented readership. These efforts have positioned us well to continue to grow this business segment over the next several years.



* 2007 figures are presented as if we had ceased recognizing inflation beginning in January 1, 2007

Televisa's radio broadcasts deliver music, news, and entertainment throughout Mexico and the southwestern United States.

Radio*

Televisa is a leader in Spanish-language radio, providing original content to the majority of Mexico's population and delivering music, news, and entertainment throughout Mexico and the southwestern United States.

Our continuing evolution

Sistema Radiopolis continued with its efforts to affiliate more radio stations in order to reach more listeners. As of 2008, Televisa broadcasted its shows through a network of 91 owned and affiliated radio stations, including the following:

- 40 Principales: Top 40 English- and Spanish-language pop music hits
- Ke Buena: Popular Mexican music
- Bésame Radio: Love songs and easy listening
- Estadio W: 24-hour transmission of live sports events and sports commentary
- W Radio: Political and economic news and commentary as well as other radio programs covering a variety of topics





Televisa brought approximately 1,000 live-entertainment events and 3,700 shows to an estimated 5.2 million fans throughout Mexico in 2008.

Ocesa brings The Lion King to Mexico City

In January 2008, following the holiday season, Ocesa brought the popular musical The Lion King to Mexico City. Ocesa developed an exciting advertising campaign that inspired the public and, as a result, sold more than 151 thousand tickets. Ocesa sold out every production of the show.

Live* entertainment

Televisa has become a leading provider of experiential entertainment thanks to its unique portfolio of live-entertainment assets, including leading event producer Ocesa Entretenimiento (Ocesa), the Azteca Stadium in Mexico City, and some of Mexico's most popular soccer teams.

In 2009, Ocesa will celebrate the 10th anniversary of *Vive Latino*, a popular Latin Rock festival whose success has paved the way for other music festivals to follow in recent years. For example, *Zerofest* brought rock-pop and crossover artists to sell-out crowds in Mexico City, Monterrey, and Guadalajara in 2008. And the second edition of *MotoRokr Fest*, which took place in October 2008, featured such well-known artists as *Nine Inch Nails*, *Stone Temple Pilots*, and *The Flaming Lips*.

Our continuing evolution

In 2008, Ocesa signed an agreement with Grupo Fernandez to launch Ocesa Jalisco, which provides service to the people of Guadalajara. Prior to this agreement, there were fewer options for live entertainment in this market. Since entering into this agreement, Ocesa has staged 79 live events in Guadalajara, including concerts featuring Celine Dion, Miguel Bosé, and Maná and theatrical performances of The Lion King, Disney on Ice, and Cirque du Soleil. Ocesa launched ocesa.com.mx in May 2008 to improve communication with customers, offer ticket presales, and, ultimately, enhance its level of service. In the first seven months of operation, this online portal logged

- *more than 184 thousand registered users*
- *more than 3 million visits*
- *more than 2 million unique users*
- *nearly 13 million page views*
- *more than 8 thousand ticket sales*

Televisa improved customer traffic at PlayCity bingo parlors by 66 percent in 2008.



Gaming *

In 2006, Televisa launched its gaming business, which included PlayCity bingo parlors and MultiJuegos, an electronic lottery in Mexico.

As of the end of 2008, Televisa owned and operated 21 PlayCity bingo parlors featuring traditional bingo, electronic bingo machines, and sports betting rooms. To attract more customers and improve profitability, among other measures, we diversified the providers of our electronic bingo machines and optimized establishment size. These changes and others helped to improve customer traffic at our existing sites by 66 percent during 2008.

Our continuing evolution

We remain optimistic about the appeal of gaming in Mexico and will continue to explore ways to profitably expand this business. Our efforts will include consolidating operations where it makes sense to do so, diversifying formats, and forming alliances with our other business segments to integrate our content and capitalize on our brands. We continue to see opportunity in our gaming business.



Fundación*

Televisa

At Televisa, we are uniquely positioned to reach a broad audience with our commitment to social progress. We leverage our programming to influence our audiences, raise awareness around important social issues, and promote thought leadership and cultural development. Through both regular and special programming, we seek to engage the public on important cultural and social issues, such as education and healthcare.

Televisa manifests its commitment to its communities through Fundación Televisa, whose mission is to generate social and cultural development opportunities for as many people as possible. Established in 2000, Fundación Televisa has created alliances with different business segments within Televisa to expand the reach of its message and promote public awareness and involvement. For example, during 2008 Televisa's telenovelas, newscasts, magazines, and sport programs all included in their content messages about the programs that Fundación Televisa supports. And *Vivir los Valores*, which seeks to help people discover what distinguishes them as human beings, is one of the bestselling books in Mexico; more than 1 million copies of this book have been sold since 2004.

Following are several of the key initiatives of Fundación Televisa.

Education and Well-Being

Education. Through the *Bécalos* program, Fundación Televisa has granted 57,478 scholarships to deserving students. Our Technology for Education program has outfitted 2,193 public elementary school classrooms with computers and internet access.

Televisa manifests its commitment to its communities through Fundación Televisa, whose mission is to generate social and cultural development opportunities for as many people as possible.



Health and nutrition. Over the past eight years, we have financed 685 thousand cornea or kidney transplants and donated hearing aids for 27 thousand Mexicans. During this time we also supported 36 thousand children in rural communities with more than 2 million nutritional kits.

Housing. In 2004, we launched a housing program that has, over the past five years, delivered 11,500 homes to families in need.

Cultural Development

The cultural development efforts of Fundación Televisa have evolved over the years, from three collections of photography and contemporary and pre-Hispanic art to the acquisition of assets for its photograph collection and the creation of several funds for art and cultural research. Below are a few of Fundación Televisa’s many cultural initiatives.

Ashes and Snow Museo Nómada. This exhibit in downtown Mexico City, which featured more than 50 oversized photographs and three 35mm films by Gregory Colbert, broke attendance records, attracting 8,693,835 visitors from all around the world.

Frida Kahlo. This exhibit, which was open from February to September 2008, set a new US attendance record, with 194,322 visitors in Philadelphia and 412,244 in San Francisco.

Photography collections. These outstanding photography collections, which include collections of photographs by renowned cinematographer Gabriel Figueroa, have been shown in 10 museums throughout the country.

Imaginantes. Launched in 2008, this series of televised messages is intended to stimulate interest in the surprising creativity expressed through literature, art, and science.

GuiArte, Más que Palabras. Thanks to the Fundación Televisa’s alliance with Televisa’s news operations, more than 25 million people have attended important cultural events promoted through *GuiArte* and the campaign *Más que Palabras*. In the past two years in which *Más que Palabras* has aired, it has helped audiences become familiar with more than 1,500 famous phrases.

What is the value of a peso invested by Fundación Televisa?

When Fundación Televisa was first founded, it financed projects that had a multiplication factor of 1 to 1.17: for every peso that Fundación Televisa invested, our allies invested 1.17 pesos. The magnitude of the problems the country faced, and continues to face, however, required greater participation from all corners of society: institutions, private-sector businesses, government, and the citizens themselves. Because of Televisa’s tireless efforts, broad reach, and influence in different sectors of Mexico’s society, the multiplication factor of Fundación Televisa’s efforts today is 10.3. That means that every peso that Fundación Televisa invests generates, together with the investment of its partners, social and cultural benefits valued at Ps.11.3. This growth in our impact enabled Fundación Televisa to expand the reach of its work from more focused, localized efforts in small communities to broader initiatives that reach hundreds of municipalities throughout the country and millions of Mexican citizens.

Funds distribution 2008



- ✧ Education **37%**
- ✧ Health Nutrition **27%**
- ✧ Housing **9%**
- ✧ Cultural Development **17%**
- ✧ Environment **2%**
- ✧ Social Campaigns **8%**