

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.

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.

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 concessionnaire. 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.

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.

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.

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.

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.

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 Serviços 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.

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."

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.

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", "guideline", "may", "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.

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>U.S. \$868.6</u>	<u>U.S. \$861.2</u>	<u>U.S. \$679.2</u>	<u>U.S. \$557.8</u>

(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".