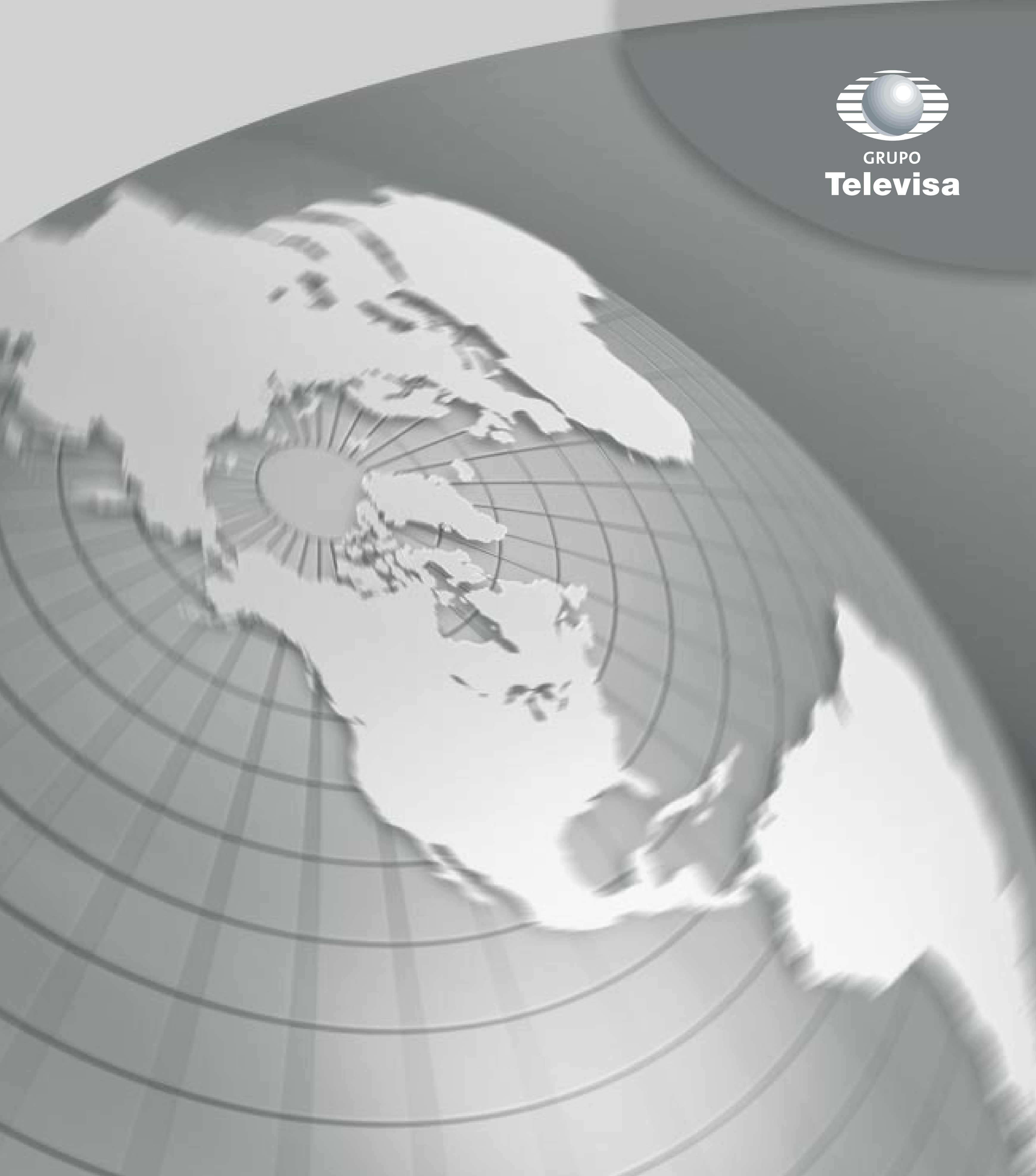
Financial
STATEMENTS 2000



GRUPO
Televisa

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Report of Independent Accountants

México, D.F., February 20, 2001.

To the Stockholders of Grupo Televisa, S.A.:

We have audited the accompanying consolidated balance sheets of Grupo Televisa, S.A. and subsidiaries as of December 31, 1999 and 2000, and the related consolidated statements of income, changes in stockholders' equity and changes in financial position for the years ended December 31, 1999 and 2000. These financial statements have been prepared in accordance with accounting principles generally accepted in Mexico and are the responsibility of Grupo Televisa, S.A.'s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Mexico. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1 (m) to the consolidated financial statements, effective January 1, 2000, Grupo Televisa, S.A. and subsidiaries adopted the guidelines of the revised Bulletin D-4 "Accounting for Income Tax, Assets Tax and Employees' Profit Sharing", issued by the Mexican Institute of Public Accountants.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Grupo Televisa, S.A. and subsidiaries at December 31, 1999 and 2000, and the consolidated results of their operations, changes in stockholders' equity and changes in their financial position for the years ended December 31, 1999 and 2000, in conformity with accounting principles generally accepted in Mexico.

PricewaterhouseCoopers

Felipe Pérez Cervantes, C.P.C.

GRUPO TELEVISA, S.A.

Consolidated Balance Sheets

As of December 31, 1999 and 2000
(In thousands of Mexican Pesos in purchasing power as of December 31, 2000)
(Notes 1, 2, 3)

			1999		2000
ASSETS					
Current:					
Available:					
Cash		Ps.	1,407,354	Ps.	1,057,333
Temporary investments	(Note 4)		5,237,643		6,567,259
			6,644,997		7,624,592
Trade notes and accounts receivable - net	(Note 5)		8,423,277		8,142,895
Other accounts and notes receivable - net			495,925		772,204
Due from affiliated companies - net	(Note 20)		487,314		378,468
Inventories	(Note 6)		8,765,258		8,391,193
Other current assets			519,115		522,328
Total current assets			25,335,886		25,831,680
Long-term notes and accounts receivable	(Note 7)		199,375		32,378
Investments	(Note 8)		1,335,209		301,022
Property, plant and equipment - net	(Note 9)		13,084,384		12,586,676
Goodwill and trademarks - net	(Note 10)		3,956,600		2,971,764
Deferred costs - net	(Note 11)		2,422,853		2,613,528
Other assets			760,819		655,843
Total assets		Ps.	47,095,126	Ps.	44,992,891

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Balance Sheets

As of December 31, 1999 and 2000
(In thousands of Mexican Pesos in purchasing power as of December 31, 2000)
(Notes 1, 2, 3)

		1999	2000
LIABILITIES			
Current:			
Notes payable to banks	(Note 12)	Ps. 801,378	Ps. 288,831
Other notes payable	(Note 12)	56,074	56,880
Trade accounts payable		2,235,420	2,175,508
Taxes payable		870,060	561,301
Accrued interest		75,165	186,603
Other accrued liabilities		1,338,392	973,271
Total current liabilities		5,376,489	4,242,394
Long-term:			
Debt securities	(Note 12)	9,085,300	6,092,525
Notes payable to banks	(Note 12)	341,643	4,708,801
Other notes payable	(Note 12)	64,452	71,765
Other liabilities		895,125	524,987
Total long-term liabilities		10,386,520	11,398,078
Deferred credits:			
Customer deposits and advances		8,802,588	9,922,724
Other liabilities:			
Deferred taxes	(Note 24)	—	1,843,427
Total liabilities		24,565,597	27,406,623
Commitments and contingencies	(Note 15)		
STOCKHOLDERS' EQUITY			
Contributed capital:			
Capital stock, no par value, net of shares repurchased of Ps.325,272 and Ps.177,053 as of December 31, 1999 and 2000, respectively	(Note 16)	6,677,598	6,722,323
Additional paid-in capital		6,449	195,782
		6,684,047	6,918,105
Earned capital:	(Note 17)		
Retained earnings:			
Legal reserve		950,523	1,008,493
Reserve for repurchase of shares		5,529,165	4,999,179
Unappropriated earnings		8,639,343	9,201,829
		15,119,031	15,209,501
Net income (loss)		1,159,416	(790,407)
Deficit from restatement	(Note 18)	(1,875,002)	(2,272,945)
Cumulative effect of deferred income tax		—	(2,394,578)
		14,403,445	9,751,571
Total majority interest		21,087,492	16,669,676
Minority interest	(Note 19)	1,442,037	916,592
Total stockholders' equity		22,529,529	17,586,268
Total liabilities and stockholders' equity		Ps. 47,095,126	Ps. 44,992,891

The accompanying notes are an integral part of these consolidated financial statements.

GRUPO TELEVISA, S.A.

Consolidated Statements of Income

For the years ended December 31, 1999 and 2000
(In thousands of Mexican Pesos in purchasing power as of December 31, 2000, except per CPO amounts)
(Notes 1, 2, 3)

			1999		2000
Net sales	(Note 28)	Ps.	19,578,590	Ps.	20,802,813
Cost of sales			11,427,196		11,854,056
Gross profit			8,151,394		8,948,757
Operating expenses:					
Selling			1,472,591		1,506,907
Administrative			1,511,888		1,406,364
			2,984,479		2,913,271
Depreciation and amortization			1,152,679		1,192,802
Operating income	(Note 28)		4,014,236		4,842,684
Integral cost of financing - net	(Note 21)		(1,008,044)		(974,945)
Restructuring and non-recurring charges	(Note 22)		(489,995)		(1,839,933)
Other income (expense) - net	(Note 23)		697,305		(499,897)
Income before taxes			3,213,502		1,527,909
Income tax and assets tax	(Note 24)		878,022		335,247
Employees' profit sharing	(Note 24)		63,130		51,378
			941,152		386,625
Income before equity in results of affiliates, discontinued operations and minority interest			2,272,350		1,141,284
Equity in losses of affiliates	(Note 8)		(762,351)		(1,756,812)
Discontinued operations	(Note 25)		(114,698)		—
Consolidated net income (loss)			1,395,301		(615,528)
Minority interest	(Note 19)		(235,885)		(174,879)
Net income (loss)	(Note 17)	Ps.	1,159,416	Ps.	(790,407)
Net income (loss) per CPO	(Note 26)	Ps.	0.39	Ps.	(0.27)

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Changes in Stockholders' Equity

For the years ended December 31, 1999 and 2000
(In thousands of Mexican Pesos in purchasing power as of December 31, 2000)
(Notes 1, 2, 3)

	Majority interest							
	Contributed capital		Earned capital (Note 17)					
	Capital stock (Note 16)	Additional paid-in capital	Retained earnings	Net income (loss)	Deficit from restatement (Note 18)	Cumulative effect of deferred income tax	Minority interest (Note 19)	Total stockholders' equity
Balance at January 1, 1999	Ps. 7,002,870	Ps. 6,449	Ps. 16,805,039	Ps. 932,261	Ps. (573,296)	Ps. —	Ps. 1,331,553	Ps. 25,504,876
Appropriation of net income for 1998	—	—	932,261	(932,261)	—	—	—	—
Repurchase of shares	(32,009)	—	(237,089)	—	—	—	—	(269,098)
Shares repurchased in connection with acquisition (Note 3)	(293,286)	—	(2,381,467)	—	—	—	—	(2,674,753)
Resale of shares	23	—	287	—	—	—	—	310
Increase in minority interest	—	—	—	—	—	—	110,484	110,484
Translation adjustment	—	—	—	—	(319,347)	—	—	(319,347)
Result from holding non-monetary assets	—	—	—	—	(982,359)	—	—	(982,359)
Net income	—	—	—	1,159,416	—	—	—	1,159,416
Balance at December 31, 1999	6,677,598	6,449	15,119,031	1,159,416	(1,875,002)	—	1,442,037	22,529,529
Cumulative effect from adoption of Bulletin D-4 at January 1, 2000	—	—	—	—	—	(2,394,578)	(62,980)	(2,457,558)
Appropriation of net income for 1999	—	—	1,159,416	(1,159,416)	—	—	—	—
Repurchase of shares	(41,911)	—	(529,986)	—	—	—	—	(571,897)
Shares repurchased by subsidiary (Note 3)	(43,995)	—	(538,960)	—	—	—	—	(582,955)
Shares issued (Note 3)	130,631	189,333	—	—	—	—	—	319,964
Decrease in minority interest	—	—	—	—	—	—	(462,465)	(462,465)
Translation adjustment	—	—	—	—	(29,034)	—	—	(29,034)
Result from holding non-monetary assets	—	—	—	—	(567,555)	—	—	(567,555)
Deferred income tax benefit for the year	—	—	—	—	198,646	—	—	198,646
Net loss	—	—	—	(790,407)	—	—	—	(790,407)
Balance at December 31, 2000	Ps. 6,722,323	Ps. 195,782	Ps. 15,209,501	Ps. (790,407)	Ps. (2,272,945)	Ps. (2,394,578)	Ps. 916,592	Ps. 17,586,268

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Changes in Financial Position

For the years ended December 31, 1999 and 2000
(In thousands of Mexican Pesos in purchasing power as of December 31, 2000)
(Notes 1, 2, 3)

	1999	2000
Operating activities:		
Net income (loss)	Ps. 1,159,416	Ps. (790,407)
Adjustments to reconcile net income to resources provided by (used for) operating activities:		
Equity in losses of affiliates	762,351	1,756,812
Minority interest	235,885	174,879
Depreciation and amortization	1,152,679	1,192,802
Amortization and write-off of goodwill	509,688	201,840
Other amortization	96,084	361,806
Write-down of investment	25,069	25,962
Result from holding non-monetary assets recognized in income	(12,819)	(3,635)
Deferred income tax and employees' profit sharing	(55,193)	(579,209)
Deferred income tax benefit attributable to result from holding non-monetary assets	—	198,646
Gain on disposition of investments	(1,903,307)	(89,625)
Provision for doubtful accounts and write-off of receivables	403,749	280,361
Provision for damage, obsolescence or deterioration of inventory	32,392	29,648
Loss from discontinued operations	114,698	—
	2,520,692	2,759,880
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Trade notes and accounts receivable - net	(815,695)	12,453
Inventories	230,098	196,778
Other accounts and notes receivable and other current assets	243,828	(291,924)
(Decrease) increase in:		
Customer deposits and advances	(618,983)	1,120,136
Trade accounts payable	(49,949)	(59,912)
Other liabilities and taxes payable	553,154	(918,404)
Pension plans and seniority premiums	(82,711)	—
	(540,258)	59,127
Resources provided by continuing operations	1,980,434	2,819,007
Resources used for discontinued operations	(64,526)	—
Resources provided by operating activities	1,915,908	2,819,007
Financing activities:		
Decrease in long-term debt securities	(832,763)	(8,074,143)
Syndicated credit	—	3,844,000
Issue of Senior Notes	—	1,922,000
Issue of UDI-denominated Notes	—	3,159,368
Other change in notes payable	(252,026)	10,611
Repurchase of shares net of resale of shares	(2,943,541)	(1,154,852)
Shares issued	—	319,964
Minority interest	(125,401)	(637,344)
Translation effect	(319,347)	(29,034)
Resources used for financing activities	(4,473,078)	(639,430)
Investing activities:		
Due from affiliated companies - net	(49,378)	108,846
Long-term notes and accounts receivable	358,061	166,997
Investments	(151,423)	(2,150,071)
Disposition of investments	2,551,132	1,520,297
Investments in property, plant and equipment	(605,703)	(1,226,675)
Disposition of property, plant and equipment	610,807	415,552
Disposition of discontinued operations	11,307	—
Goodwill and trademarks	214,373	765,775
Deferred costs and other assets	(668,997)	(800,703)
Resources provided by (used for) investing activities	2,270,179	(1,199,982)
Net (decrease) increase in cash and temporary investments	(286,991)	979,595
Cash and temporary investments at beginning of year	6,931,988	6,644,997
Cash and temporary investments at end of year	Ps. 6,644,997	Ps. 7,624,592

The accompanying notes are an integral part of these consolidated financial statements.

Notes to Consolidated Financial Statements

For the years ended December 31, 1999 and 2000
(In thousands of Mexican Pesos in purchasing power as of December 31, 2000,
except per CPO, per share and exchange rate amounts)

1. Accounting policies

The principal accounting policies followed by Grupo Televisa, S.A. (the “Company”) and its consolidated subsidiaries (collectively, the “Group”) and observed in the preparation of these financial statements are summarized below.

a) Basis of presentation

The financial statements of the Group are presented on a consolidated basis and in accordance with accounting principles generally accepted in Mexico (“Mexican GAAP”). The consolidated financial statements include the net assets and results of operations of all companies in which the Group has a controlling interest (subsidiaries). All significant intercompany balances and transactions have been eliminated from the financial statements.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

The Company’s CPO, share, per CPO and per share data in these financial statements are presented on a post-split basis, reflecting the 10-for-1 stock split which became effective on March 1, 2000 (see Note 16).

b) Members of the Group

During 1999 and 2000, certain companies in the Group were merged. These mergers involved Group subsidiaries under common control and did not give rise to changes in the carrying values of assets or liabilities. At December 31, 2000, the Group consisted of various companies, including the following :

- Telesistema Mexicano, S.A. de C.V. and subsidiaries
- Televisión Independiente de México, S.A. de C.V. and subsidiaries
- Televisa Comercial, S.A. de C.V.
- Promotora las Campanas, S.A. de C.V. and subsidiaries
- Editorial Televisa, S.A. de C.V. and subsidiaries
- Grupo Distribuidoras Intermex, S.A. de C.V. and subsidiaries
- Editora Factum, S.A. de C.V. and subsidiaries
- Grupo Radiópolis, S.A. de C.V. and subsidiaries
- Sistema Radiópolis, S.A. de C.V. and subsidiaries
- Corporativo Vasco de Quiroga, S.A. de C.V. and subsidiaries

The Group and entities in which the Group has investments are engaged in the following activities:

- Television production and broadcasting, including national television networks and local television stations
- Programming for pay television
- Programming licensing
- Publishing
- Publishing distribution
- Music recording
- Cable television
- Radio
- Direct-to-home (“DTH”) broadcast satellite pay television
- Other businesses, which include sports and show business promotion, soccer, nationwide paging, feature film production and distribution, dubbing and the operation of a horizontal Internet portal.

The Group’s television broadcasting, cable television, radio and nationwide paging businesses require concessions (licenses) granted by the Mexican Federal Government for a fixed term, subject to renewal in accordance with Mexican law. At December 31, 2000, the expiration dates of the Group’s concessions were as follows:

Concessions	Expiration dates
Television broadcasting	2003 to 2010
Cable television	2029
Radio	2003 to 2009
Nationwide paging	2006 and 2019

c) Foreign currency translation

Monetary assets and liabilities of Mexican companies denominated in foreign currencies are translated at the prevailing exchange rate at the balance sheet date. Resulting exchange rate differences are recognized in income for the year, within integral cost of financing.

Assets, liabilities and results of operations of non-Mexican entities are first converted to Mexican GAAP, including restating to recognize the effects of inflation based on the inflation of each foreign country, and then translated to Mexican pesos utilizing the exchange rate as of the balance sheet date at year-end. Resulting translation differences are recognized as part of the deficit from restatement in stockholders' equity.

d) Temporary investments

The Group considers all highly liquid investments with original maturities of three months or less, consisting primarily of short-term promissory notes of Mexican financial institutions, to be temporary investments. Investments with maturities between three months and one year are classified as short-term investments. Temporary investments are valued at market value.

e) Valuation of inventories

Transmission rights, paper and materials and supplies inventories are valued at the lesser of acquisition cost or net realizable value. Transmission rights are amortized over the lives of the contracts, generally one to three years or a shorter period if the period of benefit from such rights is estimated to be shorter. Motion pictures to which the Group has long-term transmission rights from third parties and for which the contract terms do not limit the number of showings, including rights in perpetuity, are amortized on a straight-line basis over the period of the expected benefit as determined based upon past experience, but not for more than 25 years. Other long-term transmission rights, with contractually determined number of showings, are amortized based on the Company's estimate of the total number of showings during the contract period. Programs, films, magazines, records and videocassettes are valued at the lesser of production cost, which consists of direct production costs and production overhead, or net realizable value (see Note 2).

The Group's policy is to capitalize the production costs of programs which benefit more than one period and amortize them over the expected period of program revenues based on the Company's historic revenue patterns for similar productions, which is generally estimated to occur over five years. Generally, under this policy, 70% of such costs are expensed in the initial year of broadcasting, and 30% are deferred and expensed over the succeeding four-year period in which the Group estimates revenues from licensing such programs.

The Group makes payments to artists, producers, writers and actors for exclusive rights to their services in the Group's future programs for specified periods (production talent advances). Such payments have been included in inventory and will be included as direct or indirect costs of program production to be amortized starting with transmission.

f) Investments

Investments in companies in which the Group exercises significant influence are accounted for by the equity method. Other investments are accounted for at cost.

g) Property, plant and equipment

Property, plant and equipment are recorded at acquisition cost, and thereafter is restated using the National Consumer Price Index ("NCPI"), except for equipment of non-Mexican origin, which is restated using an index which reflects the inflation in the respective country of origin and the exchange rate of the Mexican Peso against the currency of such country at the balance sheet date ("Specific Index") (see Note 2).

The integral cost of financing attributable to assets under construction is capitalized. Capitalized integral financing costs include interest costs, gains from monetary position and foreign exchange losses, and are determined by reference to the Group's average interest cost of outstanding borrowings. No integral cost of financing was capitalized in 1999 and 2000, since there was an income from financing in those years.

Depreciation of property, plant and equipment is based upon the restated carrying value of the assets and is recognized using the straight-line method over the estimated useful lives of the assets ranging from 40 to 60 years for buildings, 10 to 20 years for technical equipment and 5 to 15 years for other equipment.

h) Goodwill, trademarks and deferred costs

Goodwill, trademarks and certain deferred costs are amortized using the straight-line method over the following periods:

	Years
Goodwill	20
Trademarks	40
Installation costs	Ranging from 5 to 20
Leasehold improvements	10
Concessions	15
Licenses	10
DTH development costs (1)	5
Internet development costs (2)	3
Internet preoperating expenses (2)	5

(1) Costs incurred by the Group in connection with proposed DTH broadcast satellite pay television joint ventures before the respective DTH services have commenced. Upon commencement of DTH services, additional costs incurred by the Group in connection with investments in DTH ventures are recognized in income within other expenses (see Note 23).

(2) Costs incurred in the development and creation of the Group's Internet portal and preoperating expenses incurred prior to the launch of such portal.

Deferred financing costs incurred in respect of borrowings are amortized over the life of the related debt using the effective interest method.

i) Exclusive rights letters and players signing bonuses

Exclusive rights letters for soccer players, which entitle the holder to the players exclusive participation, are valued at cost, and gain or loss is recognized at the time the exclusive right is canceled, usually when a player is transferred. Signing bonuses are valued at cost and are amortized over the contract period.

j) Customer deposits and advances

Deposit and advance agreements for television advertising services provide that customers receive volume discounts, that are fixed for the contract period, for television broadcast advertising time based on rates established by the Group, which vary depending on when the advertisement is aired, including the season, hour, day and type of programming.

Customer deposits and advances are considered non-monetary items since they are non-refundable and are applied at rates in effect when they were received. Accordingly, these deposits and advances are restated to recognize the effects of inflation by using the NCPI.

k) Revenue recognition

The Group derives the majority of its revenues from media and entertainment related business activities both domestically and internationally. Revenues generally are recognized when the service is provided and collectibility is probable. A summary of revenue recognition policies by activity is as follows:

- Advertising revenues, including deposits from customers for future advertising, are recognized at the time the advertising services are rendered.
- Revenues from program services for pay television and licensed television programs are recognized when the programs are sold and become available for broadcast.

- Revenues from magazine subscriptions are deferred and recognized proportionately as products are delivered to subscribers. Revenues from the sales of magazines and books are recognized when the merchandise is delivered, net of a provision for estimated returns.
- Revenues from the sales of cassettes and compact discs, net of a provision for estimated returns and allowances, are recognized when the merchandise is delivered.
- Cable television subscription, pay per view and installation fees are recognized in the period in which the services are rendered. Installation fees were not significant for all periods presented.
- Revenues from attendance to soccer games, including revenues from advance ticket sales for soccer games and other promotional events, are recognized on the date of the relevant event.
- Revenues from nationwide paging are recognized when the paging services are rendered. Activation fees were not significant for all periods presented.
- Motion picture production and distribution revenues are recognized as the films are exhibited.
- Revenues from dubbing services are recognized in the period in which the services are rendered.
- Revenue from Internet operations were not significant since such operations commenced in the second half of 2000.

l) Pension plans, seniority premiums and indemnities

Plans exist for pension and retirement payments for substantially all of the Group's Mexican employees, funded through irrevocable trusts. Payments to the trusts are determined in accordance with actuarial computations of funding requirements. Pension payments are made by the trust administrators.

Increases or decreases in the seniority premium liability are made by the Group and are based upon actuarial calculations.

Severance obligations to dismissed personnel are charged to income in the year in which they are incurred.

m) Income tax

Beginning January 1, 2000, the Group adopted the guidelines of revised Bulletin D-4 "Accounting for Income Tax, Assets Tax and Employees´ Profit Sharing" issued by the Mexican Institute of Public Accountants ("MIPA"). This Bulletin requires recognition of deferred income tax by using the comprehensive asset and liability method. Under this method, deferred income taxes are calculated by applying the respective income tax rate to the temporary differences between the accounting and tax values of assets and liabilities at the date of the financial statements. The cumulative effect of adopting the revised Bulletin D-4 at January 1, 2000, increased the deferred tax liability and decreased stockholders' equity by Ps.2,457,558 (of which Ps.2,394,578 impacted majority stockholders' equity).

In July 2000, the MIPA issued Circular 54, "Bulletin D-4 Interpretations", which is intended to clarify certain concepts in connection with the guidelines and application of Bulletin D-4.

Through December 31, 1999, deferred income tax was recognized by using the partial liability method, which consisted of calculating deferred income tax only for significant distinct and non-recurring temporary differences arising from the carrying amount of related assets and liabilities and their respective tax bases.

n) Derivative financial instruments

The Group uses derivative financial instruments for the purpose of reducing its exposure to adverse fluctuations in foreign exchange rates and interest. Gains and losses on these contracts are recognized in the same period as the hedged transactions. Gains and losses on derivative financial instruments which are not designated as a hedge are recognized upon settlement of the related contracts. (see Notes 12, 13 and 15).

o) New accounting bulletins

In 2000, the Group adopted the International Accounting Standard No. 36, "Impairment of Assets" ("IAS 36") which became applicable to Mexican companies under Mexican GAAP Bulletin A-8. IAS 36, effective for fiscal years beginning after June 30, 1999, requires that certain non-current assets be reviewed for impairment and, if impaired, remeasured at fair value, whenever events or circumstances indicate that the carrying amount of the asset may not be recoverable. There was no impact on the Group's results of operations or financial position upon adoption of IAS 36.

In February 2000, the MIPA issued Bulletin C-2, "Financial Instruments", which is effective as of January 1, 2001. Bulletin C-2 provides guidance for recognizing, measuring and disclosing information about financial assets and financial liabilities, including accounting for certain hedging transactions. Bulletin C-2 requires that all financial instruments be recorded in the balance sheet at their fair value and changes in the fair value of financial instruments are recorded in each period in the income statement. Management is evaluating the effect of the adoption of Bulletin C-2 on the Group's financial statements.

In August 2000, the MIPA issued Bulletin B-4, “Comprehensive Income”. Bulletin B-4 defines comprehensive income as the net income for the period presented in the income statement plus other results for the period reflected in the stockholders´ equity in accordance with Mexican GAAP, and requires the disclosure of the components of comprehensive income in the presentation of financial statements. Bulletin B-4 is effective as of January 1, 2001, with earlier adoption allowed. The Group will adopt Bulletin B-4 in 2001.

2. Effects of inflation on the financial statements

The financial statements of the Group have been prepared in accordance with Bulletin B-10, Recognition of the Effects of Inflation on Financial Information, as amended, and Bulletin B-15, Foreign Currency Transactions and Translation of Financial Statements of Foreign Operations, issued by the MIPA, which provides guidance for the recognition of the effects of inflation and the translation of the financial statements of the Group’s non-Mexican subsidiaries.

Mexican companies in the Group

The income statements of Mexican companies in the Group have been restated to Mexican Pesos in purchasing power as of December 31, 2000, using a restatement factor derived from the change in the NCPI from the month in which the transactions occurred to the most recent year end.

Other financial statements of Mexican companies in the Group have been restated to Mexican Pesos in purchasing power as of December 31, 2000, using the NCPI as of that date.

Foreign subsidiaries

The financial statements of foreign subsidiaries have been restated, before being translated into Mexican Pesos (see Note 1 (c)), by using the general inflation index in each country as of December 31, 2000, in accordance with the provisions of Bulletin B-15.

Comparability

The Group’s financial statements for prior years have been restated to Mexican Pesos in purchasing power as of December 31, 2000, by using a restatement factor derived from the change in the NCPI from 1999 to 2000, which was 1.0896. Had the alternative weighted average factor allowed by Bulletin B-15 been applied to restate the Group’s financial statements for prior periods, which included the results of Mexican and non-Mexican subsidiaries, the restatement factor from 1999 to 2000, would have been 1.0808.

The NCPI at the following dates was:

December 31, 1998	275.038
December 31, 1999	308.919
December 31, 2000	336.596

Restatement of non-monetary assets

Transmission rights, records, paper and certain materials and supplies are restated at specific costs determined by the Group on the basis of last purchase price or production cost, or replacement cost, or replacement cost whichever is more representative. Other inventories are restated using the NCPI factors. Cost of sales is determined based on restated costs, as determined above, and calculated for the month in which such inventories are matched with related revenues.

Property, plant and equipment, except for equipment which is of non-Mexican origin, are restated by using the NCPI. Equipment which is of non-Mexican origin is restated by the Specific Index. (see Note 1 (g)).

Property, plant and equipment in use at the beginning of a year are depreciated based on the restated value as of the beginning balance sheet date. Depreciation on additions begins in the year of acquisition based on the original cost.

Restatement of stockholders' equity

- Capital stock and other stockholders' equity accounts (other than deficit from restatement).

The capital stock and other stockholders' equity accounts (other than deficit from restatement) include the effect of restatement, determined by applying the change in the NCPI between the dates capital was contributed or net results were generated to the most recent period end. The restatement represents the amount required to maintain the contributions, share repurchases and accumulated results in Mexican Pesos in purchasing power as of December 31, 2000.

- Deficit from restatement.

This component includes (i) the cumulative result from holding non-monetary assets which represents the cumulative difference between specific costs (net replacement cost or Specific Index) of non-monetary assets and the restatement of such assets using the NCPI (including restatement for inventories which have been included in cost of goods sold); (ii) the cumulative foreign currency translation adjustments; and (iii) the cumulative effect of gains and losses from monetary position as of the effective date of Bulletin B-10 in 1984 (accumulated monetary result). (see Note 18).

Integral cost of financing

Exchange gains or losses included in the integral cost of financing are calculated by translating monetary assets and liabilities denominated in foreign currencies (see Note 1 (c)) at the rate of exchange in effect at the end of each month.

The gain or loss from monetary position represents the effects of inflation, as measured by the NCPI in the case of Mexican subsidiaries, or the general inflation index of each country in the case of foreign subsidiaries, on the monetary assets and liabilities at the beginning of each month.

Interest expense and interest income are also included in the integral cost of financing.

Other accounts

The following accounts are restated using the NCPI and/or the general inflation index:

- Goodwill and trademarks and related amortization;
- Deferred costs and related amortization; and
- Customer deposits.

Statement of changes in financial position

Bulletin B-12, issued by the MIPA, specifies the appropriate presentation of the statement of changes in financial position when the financial statements have been restated in constant monetary units. Bulletin B-12 identifies the sources and applications of resources as the differences between beginning and ending financial statement balances in constant monetary units. The Bulletin also requires that monetary and foreign exchange gains and losses not be treated as non-cash items in the determination of resources provided by operations.

3. Acquisitions and dispositions

In the second quarter of 1999, Grupo Televisat, S. de R.L. de C.V., a wholly-owned subsidiary of the Company, completed the acquisition of all the outstanding equity of Grupo Alameda, S.A. de C.V. ("Alameda"). The total consideration paid in connection with this acquisition was U.S.$230 million (Ps.2,674,753), which was financed with cash on hand. At the time of acquisition, Alameda's sole assets consisted of 388,235,300 shares of the Company's capital stock, of which 285,352,950 shares were represented by 95,117,650 CPOs, and tax loss carryforwards of approximately Ps.8,562,812. Beginning June 30, 1999, the Group recognized the acquisition of shares of the Company in connection with the Alameda acquisition as a share repurchase (see Notes 16 and 17).

In June 1999, the Group exercised all but 1,000 of its warrants to acquire approximately 9.4 million shares of Univision Communications, Inc. ("Univision") common stock, representing approximately 9.3% of Univision's outstanding common stock as of that date. These warrants were exercised at a price of U.S.$0.06439 per share. As a result, the Group recognized as income in 1999 its share in net assets of Univision of Ps.480,459.

In the second half of 1999, the Group sold approximately 2.6 million shares of Univision common stock. Net cash proceeds from these sales were approximately U.S.$196.6 million (Ps.2,077,442) and the pre-tax gain on the sale of these shares was Ps.1,949,741, which represents the excess of the net cash proceeds over the proportionate carrying value of the Group's investment in Univision and direct transaction costs. The pre-tax gain has been reflected within other income, net (see Note 23).

In July 2000, in conjunction with a series of related transactions intended to change the shareholder structure of the Group's controlling company, the Group (a) sold to a former shareholder of the Group's controlling company its equity interest in Pegaso Telecomunicaciones, S.A. de C.V. ("Pegaso") for U.S.$126 million (Ps.1,236,755) in the form of short-term unsecured notes which matured and were paid in full on August 28, 2000, and its interest in the net assets related to the operations of its newspaper "Ovaciones" in exchange for a U.S.$25 million (Ps.245,388) short-term unsecured note; and (b) through a subsidiary repurchased from its controlling company 58,238,668 Series A Shares, not traded as CPO units, for U.S.$59.4 million (see Note 16) in the form of U.S.$34.4 million in cash and the U.S.$25 million note received in connection with the Ovaciones sale. As a result of the disposition of Pegaso and Ovaciones, the Group recognized a pre-tax gain on such disposals of Ps.89,854 as other income in the consolidated income statement for the year ended December 31, 2000 (see Note 23).

In August 2000, the Company reached an agreement to acquire a 35% interest, owned by a minority shareholder in Editorial Televisa, S.A. de C.V. ("Editorial Televisa"), the major subsidiary of the Group's publishing segment. This acquisition was completed on October 19, 2000, and was effected through a series of related transactions which included the merger of Editorial Televisa into the Company, pursuant to which the Company issued 172,922,325 shares of capital stock, in the form of 57,640,775 CPOs, for the benefit of such minority shareholder (see Note 16). This acquisition was accounted for as a purchase, recognizing a related goodwill of Ps.67,824 and an additional paid-in capital of Ps.189,333.

4. Temporary investments

As of December 31, 1999 and 2000, temporary investments consist of fixed short-term deposits in commercial banks (primarily Mexican Pesos and U.S. dollars), with an average yield of approximately 5.09% for U.S. dollar deposits and 20.75% for Mexican Peso deposits in 1999 and 6.32% for U.S. dollar deposits and 15.20% for Mexican Peso deposits in 2000.

5. Trade notes and accounts receivable

Trade notes and accounts receivable as of December 31, consisted of:

		1999		2000
Non-interest bearing notes received as customer deposits	Ps.	4,838,771	Ps.	3,756,229
Accounts receivable, including television broadcasting and non-television broadcasting receivables, as well as value-added tax receivables related to advertising services		4,059,471		4,940,260
Allowance for doubtful accounts		(474,965)		(553,594)
	Ps.	8,423,277	Ps.	8,142,895

6. Inventories

At December 31, inventories consist of:

		1999		2000
Transmission rights	Ps.	4,362,009	Ps.	4,175,186
Programs and films		3,831,598		3,544,293
Paper and magazines		219,478		162,743
Production talent advances		107,980		250,817
Records		77,265		50,844
Materials and supplies		166,928		207,310
	Ps.	8,765,258	Ps.	8,391,193

Transmission rights and program costs which benefit more than one year are estimated to be Ps.4,100,924 and Ps.3,646,739 as of December 31, 1999 and 2000, respectively.

7. Long-term notes and accounts receivable

Long-term notes and accounts receivable as of December 31, consisted of:

		1999		2000
Non-interest bearing trade notes receivable with maturities between January and May 2001	Ps.	81,088	Ps.	—
Promissory notes of U.S.$11.1 and U.S.$3.3 million at December 31, 1999 and 2000, respectively, with maturities in 2001 and 2002, bearing an annual interest rate of 8.5% and obtained as consideration for the sale of former subsidiaries		115,282		31,445
Other		3,005		933
	Ps.	199,375	Ps.	32,378

8. Investments

At December 31, the Group had the following investments:

		1999		2000	Ownership % as of December 31, 2000
Accounted for by the equity method:					
DTH TechCo Partners (1)	Ps.	151,730	Ps.	153,801	30.00%
DTS Distribuidora de Televisión Digital, S.A. (2)		168,023		111,279	10.00%
Innova, S. de R.L. de C.V. ("Innova") (3)		(1,564,794)		(2,589,889)	60.00%
Pegaso (4)		486,036		—	—
Red Televisiva Megavisión, S.A.		38,598		32,342	21.99%
Sky Multi-Country Partners (5)		61,454		—	30.00%
Proeffetto, S.L.		38,564		31,086	30.00%
Univision (6)		352,792		436,715	6.58%
Bouncynet, Inc. (7)		—		142,512	47.00%
Other		24,695		60,137	
		(242,902)		(1,622,017)	
Other investments:					
Innova (8)		444,408		930,100	—
Deposits in escrow (9)		1,036,120		962,442	—
Grupo Videovisa, S.A. de C.V. (10)		25,993		—	6.98%
Other		71,590		30,497	
		1,578,111		1,923,039	
	Ps.	1,335,209	Ps.	301,022	

(1) General partnership engaged in providing technical services to DTH ventures in Latin America.

(2) Limited liability company which operates a DTH venture in Spain. The concession required for operating this venture expires in 2003. The Group made capital contributions in 1999 and 2000, of approximately U.S.$10.8 million (Ps.106,137) and U.S.$24.4 million (Ps.234,080), respectively. In 2000, the Group's ownership in this venture was increased from 8.77% to 10.00% as a result of a capital stock restructuring.

(3) Innova is a joint venture of the Group engaged in providing digital DTH broadcast satellite pay television services in Mexico. The concession granted by the Mexican Federal Government for operating this joint venture expires in 2026. During 1999, the Group made capital contributions to Innova of U.S.$29.4 million (Ps.307,021). The Group and News Corp. have a 60% and 30% interest in Innova, respectively, and Liberty Media International, Inc. (successor in interest to Tele-Communications International, Inc.) is an investor with a 10% interest. In connection with this joint venture, the Group has guaranteed certain commitments made by Innova for transponder lease payments (see Note 15). The Company has continued to recognize its share in the net losses of Innova beyond its initial investment and subsequent contribution, resulting in a net liability at December 31, 1999 and 2000, because of its financial commitment to fund Innova, if required, as evidenced by these guarantees.

(4) Pegaso was formed in 1998 to provide personal communication systems services in Mexico, and started operations in Mexico in the first quarter of 1999. In 1999, the Group made a capital contribution of U.S.$30.0 million (Ps.319,241) to Pegaso and increased its ownership to 17.14% which continued to represent 20.41% of the total voting shares of Pegaso. This investment was disposed by the Group in the third quarter of 2000 (see Note 3).

(5) General partnership in which the Group made equity contributions in 1999 and 2000 of U.S.$29.8 million (Ps.308,508) and U.S.$35.2 million (Ps.342,142), respectively. The Company does not recognize its share in losses of this partnership beyond the carrying amount of its equity contributions. As of December 31, 2000, Sky Multi-Country Partners had investments in DTH ventures in Colombia, Chile and Argentina. The concessions for operating the DTH ventures in Colombia and Chile do not have expiration dates. The concession for operating the DTH venture in Argentina expires in 2015.

(6) The Group accounts for this investment under the equity method due to the Group's continued ability to exercise influence over Univision's operations. Univision's by-laws contain certain supermajority voting provisions which require the affirmative vote of the directors nominated by the Group to undertake certain significant actions for so long as the Group continues to own at least 13,578,084 shares and warrants of Univision (reflecting the 2-for-1 stock split which became effective on August 14, 2000). As of December 31, 2000, the Group owned 13,595,034 shares and warrants of Univision.

(7) In the fourth quarter of 2000, the Group contributed U.S.$15.0 million (Ps.142,512) as an initial payment to acquire shares representing 47% of the capital stock (50% of the voting stock) of this company, which is engaged in Internet operations in the United States and Mexico. This acquisition will be completed by the Group in the first quarter of 2001, through a final capital contribution of U.S.$2.0 million.

(8) Promissory notes and accrued interest receivable thereon of U.S.$43 million (Ps.444,408) and U.S.$97 million (Ps.930,100), respectively, due from Innova with maturity between December 2008 and December 2010 and bearing annual interest rate of 9.0%.

(9) In connection with the disposal of the Group's investment in PanAmSat Corporation in 1997, the Group granted collateral to secure certain indemnification obligations which consisted, at December 31, 1999 and 2000, of a standby letter of credit for up to U.S.$25.1 million (Ps.260,194 and Ps.241,692, respectively) and short-term securities of U.S.$75 million (Ps.775,926 and Ps.720,750, respectively). The amount required to be held in escrow at December 31, 1999 and 2000 was U.S.$100.1 million, in cash or cash equivalents, which is currently being satisfied through the letter of credit and short-term securities. The Group has a U.S.$25.1 million cash deposit with the bank which issued the standby letter of credit. After the expiration of applicable tax statutes of limitations, the collateral will be reduced to a minimal amount. The collateral agreements will terminate in approximately seven years.

(10) In December 1998, as a result of the restructuring of Grupo Videovisa, S.A. de C.V. (together with its subsidiaries, "Videovisa"), the Group converted a long-term note receivable and accrued interest totaling U.S.$19.1 million (Ps.230,851) due from Videovisa into a 6.98% investment in the total outstanding capital stock of Videovisa. This investment was fully written down in 2000, because of the continuing losses incurred by Videovisa (see Note 23).

Summarized financial information for Innova and the Group's affiliates accounted for by the equity method, are as follows:

	1999	2000
Innova:		
At December 31:		
Current assets	Ps. 739,331	Ps. 264,204
Noncurrent assets	2,240,316	3,315,057
Current liabilities	768,888	1,429,986
Noncurrent liabilities	4,818,723	6,465,722
Net liabilities	(2,607,964)	(4,316,447)
Group's deficit in net liabilities	(1,564,794)	(2,589,889)
For the year ended December 31:		
Net sales	Ps. 1,648,139	Ps. 2,267,068
Operating loss	(1,055,560)	(972,319)
Net loss	(906,747)	(1,684,319)
Group's equity in net loss	(544,045)	(1,010,591)
Other affiliates:		
As of December 31:		
Current assets	Ps. 5,640,607	Ps. 6,780,310
Noncurrent assets	24,045,196	23,373,979
Current liabilities	10,473,441	6,708,767
Noncurrent liabilities	8,120,325	14,578,069
Net assets	11,092,037	8,867,453
Group's equity in net assets	1,321,892	967,872
For the year ended December 31:		
Net sales	Ps. 12,102,541	Ps. 12,579,520
Operating loss	(2,222,590)	(2,930,871)
Net loss	(3,282,762)	(3,867,340)
Group's equity in net loss	(218,306)	(746,221)

9. Property, plant and equipment

Property, plant and equipment as of December 31, consists of:

		1999		2000
Buildings	Ps.	6,182,166	Ps.	6,023,510
Technical equipment		8,573,162		8,189,321
Furniture and fixtures		602,263		511,645
Transportation equipment		420,158		397,512
Computer equipment		570,904		569,357
		16,348,653		15,691,345
Accumulated depreciation		(6,928,920)		(6,788,482)
		9,419,733		8,902,863
Land		3,214,706		3,174,359
Construction in progress		449,945		509,454
	Ps.	13,084,384	Ps.	12,586,676

At December 31, 1999 and 2000, the Group's Mexican subsidiaries had technical equipment, transportation equipment and computer equipment of non-Mexican origin totaling Ps.2,661,407 and Ps.2,492,041, respectively, net of accumulated depreciation (see Note 2).

Had the NCPI been applied to restate all of the Group's net equipment (see Note 2), the net balance of property, plant and equipment as of December 31, 1999 and 2000 would have been Ps.13,526,825 and Ps.13,432,040 respectively.

Property, plant and equipment includes capitalized financing costs of Ps.1,294,672 as of December 31, 1999 and 2000, of which Ps.7,503 were included in construction in progress as of December 31, 1999. Accumulated depreciation includes depreciation of capitalized financing costs of Ps.223,788 and Ps.288,169 as of December 31, 1999 and 2000, respectively.

Depreciation charged to income in 1999 and 2000 was Ps.926,532 and Ps.863,362 respectively.

Included in property, plant and equipment are assets held under capital leases, net of accumulated depreciation, of Ps.35,076 and Ps.70,273 as of December 31, 1999 and 2000, respectively.

10. Goodwill and trademarks

The balances of goodwill and trademarks as of December 31, were as follows:

		Goodwill				Trademarks		
		1999		2000		1999		2000
Gross amount	Ps.	4,812,423	Ps.	3,515,710	Ps.	463,662	Ps.	444,176
Accumulated amortization		(1,237,366)		(897,144)		(82,119)		(90,978)
	Ps.	3,575,057	Ps.	2,618,566	Ps.	381,543	Ps.	353,198

Goodwill decreased in 2000, principally as a result of the disposition of Ovaciones (see Note 3).

Amortization of goodwill in 1999 and 2000 was Ps.344,750 and Ps.207,897, respectively, which was recorded in other expense, net (see Note 23).

Amortization of trademarks in 1999 and 2000 was Ps.12,187 and Ps.11,164, respectively.

11. Deferred costs

The balance of deferred costs as of December 31, consisted of:

	1999	2000
Installation costs	Ps. 1,538,205	Ps. 1,774,685
Leasehold improvements	63,202	65,598
Participation for concession	1,011,320	1,011,320
Licenses	25,716	70,365
Deferred financing costs	481,586	610,928
DTH development costs	133,925	133,791
Costs related to programming contracts	68,740	63,088
Internet development costs	—	306,580
Internet preoperating expenses	—	61,693
Other	125,148	184,697
	3,447,842	4,282,745
Accumulated amortization	(1,024,989)	(1,669,217)
	Ps. 2,422,853	Ps. 2,613,528

Amortization of deferred costs charged to income in 1999 and 2000, was Ps.310,044 and Ps.680,082, respectively, of which Ps.39,008 and Ps.60,380, respectively, were recorded as other expense, net (see Note 23), Ps.48,703 and Ps.38,776, respectively, were recorded as interest expense (see Note 21), and Ps.260,025 in 2000 were recorded as a non-recurring charge in connection with the extinguishment of long-term debt securities (see Note 22).

12. Notes payable and long-term debt

Notes payable to banks

Notes payable to banks as of December 31, consisted of the following obligations:

	1999	2000	Maturities at December 31, 2000
U.S. dollar syndicated loan (1)	Ps. —	Ps. 3,844,000	In 2003
Other U.S. dollar loans (2)	337,198	232,449	Various from 2002 to 2010
Mexican peso loans (3)	678,453	572,344	In 2004
Spanish peseta loans (4)	92,294	280,471	Various from 2003 to 2007
	1,107,945	4,929,264	
Lease agreements	35,076	68,368	In 2003
	1,143,021	4,997,632	
Less: current maturities	801,378	288,831	
Long-term maturities	Ps. 341,643	Ps. 4,708,801	

(1) On May 8, 2000, the Company entered into a syndicated credit agreement with international commercial banks for an amount of U.S.$400 million, with an annual interest rate of LIBOR plus 1.25% (excluding the effect of the related Mexican withholding tax) and a maturity in 2003. Interest on this credit is payable semiannually. The net proceeds of this credit agreement, together with the net proceeds of the UDI-denominated Notes described below, and cash on hand, were used to fund the tender offers and related fees and expenses described below. Under the terms of this agreement, the Company and its restricted subsidiaries (those engaged in television broadcasting, programming for pay television and programming licensing) are required to maintain (a) certain financial coverage ratios related to indebtedness, interest expense and stockholders' equity; and (b) certain restrictive covenants on indebtedness, dividend payments, issuance and sale of capital stock, capital expenditures or investments, and liens.

(2) Includes U.S.$16.4 million (Ps.169,212) and U.S.$10.3 million (Ps.99,435) at December 31, 1999 and 2000, respectively, of long-term indebtedness with maturities of up to two years at a fixed interest rate of 5.5% per annum (excluding additional interest payable as a result of certain Mexican withholding taxes). This indebtedness requires that the Company meet certain leverage and liquidity coverage tests. The remaining U.S. dollar loans bear interest at rates which vary between 1 and 4 points above LIBOR (excluding additional interest payable as a result of certain Mexican withholding taxes).

(3) Includes the long-term loan payable to a Mexican bank of Ps.665,197 and Ps.572,344 at December 31, 1999 and 2000, respectively, which was originally due in August 2000, and was refinanced by the Group in July 2000. Under such refinancing, the Company will pay the principal amount of this loan in 16 equal quarterly installments beginning October 2000 and ending July 2004, bearing an annual interest rate of the Mexican interbank rate plus 45 basis points, payable on a monthly basis. The terms of this refinancing include certain financial ratios and covenants to be complied with by the Company and certain restricted subsidiaries similar to the covenants and financial ratios under the Company's syndicated credit agreement

described above. Before the refinancing, this loan bore annual interest at the Mexican interbank rate calculated on a monthly basis plus additional basis points, the average of which were 138 in 1999, and 150 for the first six months of 2000.

(4) Includes at December 31, 2000, a long-term loan for approximately 3,921.6 million Spanish pesetas (Ps.210,199) with an annual interest rate of EURIBOR plus 0.80% payable on a quarterly basis, and a maturity in June 2003. This loan is collateralized by shares representing approximately the 42% of the Group's investment in its DTH venture in Spain (see Note 8).

In February 2000, the Company entered into arrangements under which it may issue unsecured short-term debt up to U.S.$200 million as a part of a Euro-Commercial Paper Program. As of December 31, 2000, no debt had been incurred by the Company under this program.

On May 17, 2000, the Company terminated its U.S.$100 million committed working capital facility with a syndicate of commercial banks. The Company had no indebtedness outstanding under this working capital facility.

Other notes payable

Other notes payable to third parties other than banks as of December 31, consisted of the following obligations:

		1999		2000	Maturities at December 31, 2000
U.S. dollars (1)	Ps.	55,907	Ps.	102,614	Various from 2001 to 2005
Spanish pesetas (2)		64,619		26,031	In 2001
		120,526		128,645	
Less: current maturities		56,074		56,880	
Long-term maturities	Ps.	64,452	Ps.	71,765	

(1) Other notes payable in U.S. dollars bear annual interest rates which vary between 1 and 4 points above LIBOR.

(2) Other notes payable in Spanish pesetas bear annual interest rates which vary between 10.69% and 12.24%.

Long-term debt securities

As of December 31, long-term debt securities outstanding were as follows:

				1999				2000
		U.S. dollar principal amounts (thousands)		Mexican pesos		U.S. dollar principal amounts (thousands)		Mexican pesos
Series A Senior Notes due 2003 (a)(c)	$	200,000	Ps.	2,069,137	$	68,847	Ps.	661,620
Series B Senior Notes due 2006 (a)(c)		200,000		2,069,137		5,343		51,346
Senior Discount Debentures due 2008 (a)(b)(c)		478,173		4,947,026		31,029		298,191
		878,173		9,085,300		105,219		1,011,157
Senior Notes due 2005 (d)		—		—		200,000		1,922,000
	$	878,173		9,085,300	$	305,219		2,933,157
UDI-denominated Notes due 2007 (including restatement of Ps.159,368 as of December 31, 2000) (e)				—				3,159,368
			Ps.	9,085,300			Ps.	6,092,525

(a) Interest on each series of the Senior Notes is payable semiannually. Except as described below, the Senior Notes are not redeemable at the option of the Company. Interest rates on the Series A Senior Notes, Series B Senior Notes and Senior Discount Debentures (including additional amounts payable in respect of certain Mexican withholding taxes) are 11.96%, 12.49% and 13.93% per annum, respectively. In the event of certain changes in law affecting the Mexican withholding tax treatment of certain payments on the securities, the securities will be redeemable, as a whole but not in part, at the option of the Company, at any time, at 100% of their principal amount or accreted value, as the case may be, plus accrued interest, to the date of redemption. The Senior Discount Debentures are also redeemable at the option of the Company, in whole or in part, at any time on or after May 15, 2001, initially at 106.625% of their principal amount at maturity, plus accrued interest, declining to 100% of their principal amount, plus accrued interest, on or after May 15, 2003. These securities are unsecured, unsubordinated obligations of the Company, rank pari passu in right of payment with all existing and future unsecured, unsubordinated obligations of the Company, and are senior in right of payment to all future subordinated indebtedness of the Company, and are effectively subordinated to all existing and future liabilities of the Company's subsidiaries.

(b) Net of unamortized discount of approximately U.S.$92.0 million and U.S.$1.5 million as of December 31, 1999 and 2000, respectively (including amortized discount of approximately U.S.$178.2 million and U.S.$2.5 million at December 31, 1999 and 2000, respectively). Discount on the Senior Discount Debentures will be fully amortized on May 15, 2001, at which time the principal outstanding will be approximately U.S.$32.5 million. After

May 15, 2001, interest on the Senior Discount Debentures will be payable semiannually commencing on November 15, 2001.

(c) On May 10, 2000, the Company consummated tender offers and consent solicitations for the securities representing its Series A Senior Notes, Series B Senior Notes and Senior Discount Debentures for an amount of approximately U.S.$920.1 million (Ps.9,235,150), which included premiums, consent fees, and accrued interest payable as of that date of approximately U.S.$125.9 million (Ps.1,263,670). As a result of this transactions, the Company (a) extinguished approximately 88.17% of its Series A Senior Notes, Series B Senior Notes and Senior Discount Debentures denominated in U.S. dollars (included those held on behalf of the Company); (b) eliminated substantially all of the restrictive covenants in connection with this debt; and (c) recognized a pre-tax loss of approximately Ps.1,401,797 which was classified as a non-recurring charge in the consolidated income statement for the year ended December 31, 2000. Following these transactions, additional long-term securities were repurchased by the Company for an amount of approximately U.S.$4.0 million (Ps.40,283), which included premiums, and accrued interest payable as of the date of the repurchase of approximately U.S.$0.2 million (Ps.2,464). See Note 22.

(d) On August 8, 2000, the Company issued U.S.$200 million aggregate principal amount of 8.625% Senior Notes due August 2005. Interest on the Senior Notes, including additional amounts payable in respect of certain Mexican withholding taxes, is 9.07% per annum, and is payable semi-annually on February and August of each year, commencing in February 2001. The Senior Notes are unsecured obligations of the Company, rank equally in right of payment with all and future unsecured and unsubordinated indebtedness of the Company, and are junior in right of payment to all of the existing and future liabilities of the Company's subsidiaries. The Senior Notes may not be redeemed prior to maturity, except in the event of certain changes in law affecting the Mexican withholding tax treatment of certain payments on the securities, in which case the securities will be redeemable, as a whole but not in part, at the option of the Company. The agreement contains certain covenants that limit the ability of the Company and its subsidiaries engaged in television broadcasting, programming for pay television and programming licensing, to incur or assume liens, perform sale and leaseback transactions, and consummate certain mergers, consolidations and similar transactions. In the fourth quarter of 2000, substantially all of the Senior Notes were registered by the Company with the U.S. Securities and Exchange Commission through an exchange offer.

(e) On April 14, 2000, the Company issued in the Mexican market Notes denominated in Mexican Investment Units ("Unidades De Inversión" or "UDIs") for an amount of Ps.$3,000,000, representing 1,086,007,800 UDIs, with an annual interest rate of 8.15% and maturity in 2007. Interest on these notes is payable semiannually. The UDI value as of December 31, 2000, was of 2.909158 Mexican pesos per one UDI.

In June 1999, the Company entered into forward exchange contracts for notional amounts of U.S.$100 million and Ps.1,253,500 to hedge its U.S. dollar semi-annual interest payments on the Series A Senior Notes and Series B Senior Notes in 2000, and, following the tender offers and consent solicitations for such securities, to hedge its U.S. dollar semi-annual interest payments on the syndicated loan through 2001 (see Note 1 (n) and 13). As of December 31, 2000, contracts for notional amounts of U.S.$50 million and Ps.682,625, were outstanding.

In the third quarter of 1999, the Company entered into a total return bond swap agreement in respect of U.S.$41 million (Ps.394,010) of its Series A Senior Notes, which were purchased by a financial institution in the open market pursuant to this agreement. Under the terms of such agreement, the Company received an up-front fee of 5.4% of the amount of the purchased notes which is being accounted for as an adjustment to the interest expense over the remaining and outstanding maturity of the Series A Senior Notes. Depending on market conditions, the total return bond swap calls for the Company to pay or receive, upon maturity or earlier redemption of the notes, the difference between the price paid by the financial institution for the notes and the then market value of the Mexican Federal Government Bonds with an annual interest of 9.875% and due in 2007.

Maturities of notes payable and capital leases

Debt maturities for the five years subsequent to December 31, 2000, excluding capital lease obligations, are as follows:

2001	Ps.	317,108
2002		266,799
2003		4,912,782
2004		149,126
2005 and thereafter		5,504,619
	Ps.	11,150,434

Future minimum payments under capital leases for the three years subsequent to December 31, 2000, are as follows:

2001	Ps.	33,992
2002		34,015
2003		8,535
Total minimum lease payments		76,542
Less: amount representing interest		8,174
Present value of net minimum payments	Ps.	68,368

13. Financial instruments

The Group's financial instruments recorded on the balance sheet include cash, temporary investments, accounts and notes receivable, accounts payable and debt. For cash, temporary investments, accounts receivable and payable, and short term notes payable due to banks and other financial institutions, the carrying amounts approximate fair value due to the short maturity of these instruments. The interest rates applicable to the Group's interest bearing long-term notes receivable approximate the Group's current lending rates for similar types of arrangements. The fair value of the Group's long-term debt securities and foreign currency contracts are based on quoted market prices. Escrow deposits bear interest at market rates and the carrying value approximates fair value. Investments carried at cost primarily include advances and carrying value approximates fair value. The fair value of the long-term loan that the Group borrowed from a leading Mexican bank (see Note 12) was estimated using the borrowing rates currently available to the Group for bank loans with similar terms and average maturities.

The estimated fair values of the Group's financial instruments at December 31, were as follows:

	1999		2000	
	Carrying value	Fair value	Carrying value	Fair value
Assets:				
Long-term notes and accounts receivable	Ps. 199,375	Ps. 184,059	Ps. 103,381	Ps. 103,381
Long-term promissory notes and accrued interest due from Innova (see Note 8)	444,408	347,398	930,100	930,100
Liabilities:				
Long-term debt securities	9,085,300	9,557,912	1,011,157	1,085,398
Long-term syndicated loan	—	—	3,844,000	3,844,000
UDI-denominated long-term loan	—	—	3,159,368	3,151,153
Long-term notes payable to Mexican bank	665,197	665,197	572,344	572,344
Senior Notes	—	—	1,922,000	1,912,390
Off-balance sheet instruments:				
Forward exchange contracts	2,003,952	1,806,530	1,090,325	844,562

14. Pension plans and seniority premiums

Certain companies in the Group have collective bargaining contracts which include defined benefit pension plans for substantially all of their employees. Additionally, the Group has a defined benefit pension plan for executives. All pension benefits are based on salary and years of service rendered.

Under the provisions of the Mexican labor law, seniority premiums are payable, based on salary and years of service, to employees who resign or are terminated prior to reaching retirement age. Some companies in the Group have seniority premiums which are greater than the legal requirement. After retirement age, employees are no longer eligible for seniority premiums.

Pension and seniority premium amounts are actuarially determined in accordance with Mexican GAAP Bulletin D-3. Under Bulletin D-3, the actuarial calculations are determined by using real assumptions (net of inflation) and attributing the present value of all future expected benefits proportionately over each year from date of hire to age 65. The Group has used a 4% discount rate, 2% salary scale, and 5% return on assets rate for 1999 and 2000. The Group makes voluntary contributions from time to time to trusts for the pension and seniority premium plans which are generally deductible for tax purposes. In the third quarter of 1999, the Group made a cash contribution of approximately Ps.420,024 to its pension and seniority premium plans. As of December 31, 1999 and 2000, the assets of the pension and seniority premium trusts are invested primarily in Mexican corporate and government bonds. Pension and seniority premium benefits are paid when they become due.

The pension and seniority premium plan liability (asset) as of December 31, is as follows:

		1999		2000
Actuarial present value of benefit obligations:				
Vested benefit obligations	Ps.	172,043	Ps.	246,272
Nonvested benefit obligations		483,493		457,596
Accumulated benefit obligation		655,536		703,868
Benefit attributable to projected salaries		154,151		146,876
Projected benefit obligation		809,687		850,744
Plan assets		(754,206)		(769,832)
Projected benefit obligation in excess of plan assets		55,481		80,912
Items to be amortized over a 13-year period:				
Transition obligation		354,390		325,991
Unrecognized prior service cost		(31,753)		37,779
Unrecognized net loss from experience differences		24,205		(14,501)
		346,842		349,269
Net projected asset	Ps.	(291,361)	Ps.	(268,357)

The net projected asset as of December 31, 1999 and 2000, is included in other assets.

The net pension and seniority premium cost for 1999 and 2000 was Ps.123,100 and Ps.80,918, respectively.

15. Commitments and contingencies

At December 31, 2000, the Group's commitments for capital expenditures were approximately Ps.249,958, of which Ps.172,535 were related to purchase commitments to acquire television technical equipment.

In July 1999, the Company entered into forward exchange contracts for a notional amount of U.S.$45 million and Ps.585,675 for purposes of hedging its anticipated investment in its DTH joint ventures. The terms of such contracts are for periods ranging from 14 to 26 months (see Notes 1 (n) and 13). As of December 31, 2000, contracts for a notional amount of U.S.$30 million and Ps.407,700, were outstanding.

At December 31, 2000, the Group's had commitments for making capital contributions in 2001 to Innova of up to U.S.$72 million and to its DTH ventures in Latin America, excluding Mexico, for up to U.S.$35 million.

The Company has guaranteed the obligations of certain consolidated subsidiaries for direct loans and capital leases in an aggregate amount of Ps.463,215, which are reflected in the December 31, 2000 balance sheet as liabilities. The Group has granted collateral in connection with certain indemnification obligations (see Note 8), which includes a U.S.$25.1 million letter of credit issued on the Company's behalf and a deposit of U.S.$75 million of short-term securities. In addition, a subsidiary of the Company has guaranteed Ps.763,077 in respect of a federal tax claim made against the Company. The Company believes it has a meritorious defense against this claim.

Furthermore, the Company has guaranteed the obligations of certain related parties for direct loans in an aggregate amount of approximately Ps.331,891, approximately 90% of which relates to guarantees related to DTH technical facilities.

Payments to be made by certain Mexican companies in the Group to employees in case of dismissal and under certain circumstances provided by the Mexican labor law will be expensed as incurred.

At December 31, 2000, the Group had the following aggregate minimum annual lease commitments under non-cancelable operating leases:

		Thousands of U.S. dollars
2001	$	3,352
2002		3,315
2003		877
2004		901
2005 and thereafter		2,795
	$	11,240

At December 31, 2000, the Group had the following aggregate minimum annual commitments for the use of satellite transponders (other than transponders for DTH television services described below):

		Thousands of U.S. dollars
2001	$	17,933
2002		17,907
2003		17,907
2004		17,907
2005 and thereafter		75,729
	$	147,383

The Group has guaranteed its 60% proportionate share of Innova's minimum commitment for use of transponders over a period ending in 2015, which is estimated to be an aggregate of approximately U.S.$176.5 million as of December 31, 2000.

The Group has also guaranteed its proportionate share of the minimum commitments of DTH joint ventures other than Innova for use of transponders over a period ending in 2013, which is estimated to be an aggregate of approximately U.S.$136.2 million as of December 31, 2000. The Group's share of the ventures varies depending upon the venture.

The Group does not believe it is probable that it will be required to make payments under the guarantees of its DTH joint ventures. If it became probable that the Group would be required to make payments under the guarantees the Group would be required to record a liability for its estimated obligation.

In September 2000, the Company reached an agreement with shareholders of Grupo Acir Comunicaciones, S.A. de C.V. ("Grupo Acir") and Clear Channel Communications, Inc. ("CCC") to merge their radio operations in a series of related transactions which included (i) the acquisition by the Company of shares representing 27.82% of the capital stock of Grupo Acir for an amount of U.S.$101 million in cash; and (ii) the merger of Grupo Acir with the Group's radio operations. Following these transactions, the Company, the Grupo Acir partners and CCC would own a 50.010%, 24.995% and 24.995% interest, respectively, in the resulting merged Group. This merger was subject to the fulfillment of certain applicable corporate requirements, as well as obtaining all the necessary governmental approvals. On December 4, 2000, the Mexican Antitrust Agency ("Comisión Federal de Competencia" or "CFC") announced that it had rejected this proposed merger on the grounds that such merger would affect to all radio competitors in Mexico. The Company is vigorously appealing the ruling of the CFC; however, no assurance can be given that this merger will be consummated.

The Company's United States music recording subsidiary, Fonovisa, Inc., made an estimated U.S.$10 million in payments over a ten-year period in apparent violation of applicable U.S. laws. As a result, the Group underreported taxable income in prior years. The Group has taken action to assure that these payments have stopped and will not be made in the future in prior years. In connection with this matter, the Group pled guilty to one court in connection with this matter and paid a U.S.$0.7 million fine. The Group has accrued Ps.109,505 and Ps.102,106, representing the Group's estimate of tax liabilities in connection with this matter as of December 31, 1999 and 2000, respectively. This did not have, and the Group does not expect that it will have, a material adverse effect on its financial condition or results of operations.

There are other various legal actions and other claims pending against the Group incidental to its businesses and operations. In the opinion of the Group's management, none of these proceedings will have a material adverse effect on the Group's financial position or results of operations.

16. Capital stock and stock option plan

As of December 31, 1999 and 2000, the Company had 9,270,000,000 and 9,133,000,000 shares, respectively, of capital stock authorized and issued, consisting of 4,727,700,000 and 4,590,700,000 Series A Shares, respectively, 2,271,150,000 Series L Shares and 2,271,150,000 Series D Shares (dividend premium shares), of which 2,271,150,000 Series A Shares, 2,271,150,000 Series L Shares and 2,271,150,000 Series D Shares are represented, until at least December 2008, by 2,271,150,000 Ordinary Participation Certificates ("CPOs"), each CPO representing one Series A Share, one Series L Share and one Series D Share. Series L Shares and Series D Shares have limited voting rights.

Changes in the Company's capital stock outstanding for the years ended December 31, 1999 and 2000, were as follows:

	Series A Shares	Series L Shares	Series D Shares	Total shares		Total amount
At January 1, 1999	4,727,700,000	2,271,150,000	2,271,150,000	9,270,000,000	Ps.	7,002,870
Repurchase of CPOs	(14,124,000)	(14,124,000)	(14,124,000)	(42,372,000)		(32,009)
Acquisition of Alameda (Note 3)	(198,000,000)	(95,117,650)	(95,117,650)	(388,235,300)		(293,286)
Shares resold	30,000	—	—	30,000		23
At December 31, 1999	4,515,606,000	2,161,908,350	2,161,908,350	8,839,422,700		6,677,598
Repurchase of CPOs	(18,493,000)	(18,493,000)	(18,493,000)	(55,479,000)		(41,911)
Shares acquired by a Company's subsidiary (Note 3)	(58,238,668)	—	—	(58,238,668)		(43,995)
Shares issued	57,640,775	57,640,775	57,640,775	172,922,325		130,631
At December 31, 2000	4,496,515,107	2,201,056,125	2,201,056,125	8,898,627,357	Ps.	6,722,323

Under the Company's bylaws, the Company's Board of Directors consists of a minimum of 19 and a maximum of 24 members, of which the holders of Series L Shares and Series D Shares, each voting as a class, are entitled to elect two and two members, respectively. Non-Mexican holders of CPOs do not have voting rights with respect to the Series A and D Shares.

Holders of Series D Shares are entitled to receive an annual, cumulative and preferred dividend equivalent to 5% of the nominal capital attributable to those Shares (nominal Ps.0.0085443938 per share) before any dividends are payable in respect of Series A Shares or Series L Shares. Holders of Series D Shares are also entitled to a premium preference consisting of annual dividends per Series D Share of at least 160% of any annual dividends payable per Series A Share and Series L Share, including the preferred dividend.

The Series A, L and D Shares are perpetual in duration, and are not subject to be exchanged for shares of any other class of equity securities. If the Company is liquidated, Series D Shares are entitled to a liquidation preference equal to the nominal capital attributable to those Shares (nominal Ps.0.1708878756 per share) before any distribution is made in respect of Series A and Series L Shares.

On April 28, 1999, the Company's stockholders approved a 10-for-1 stock split for each of the Series A, L and D Shares issued. The stock split became effective on March 1, 2000, and all CPO, share, per CPO and per share data in these financial statements have been restated to reflect this stock split (see Note 1 (a)).

On October 19, 2000, the Company's stockholders approved, among other matters:

(a) The cancellation of 309,922,325 shares of capital stock (represented by 137,000,000 Series A Shares not traded as CPO units, and 172,922,325 shares in the form of 57,640,775 CPOs). These shares were part of the repurchases of shares made by the Group in 1999 and 2000.

(b) The merger of the Company with its majority-owned subsidiary Editorial Televisa, with the Company remaining as the surviving entity. Pursuant to this merger, the Company acquired all of the interest owned by a minority shareholder in Editorial Televisa by issuing 172,922,325 shares of capital stock in the form of 57,640,775 CPOs (see Note 3).

At December 31, 2000, the restated tax value of the Company's common stock was of Ps.2,662,021.

Stock option plan

Beginning in 1999, the Company adopted a stock option plan (the "Plan") that provides for the grant and sale of up to 741,600,000 of its shares (the equivalent of 247,200,000 CPOs) to key Company management. Pursuant to this Plan, through December 31, 2000, the Company had assigned 186,899,940 shares (the equivalent of 62,299,980 CPOs) at market prices, subject to certain conditions, including vesting periods of three to five years. The shares sold pursuant to the Plan can only be exercised when the conditions set forth in the Plan are satisfied.

17. Retained earnings

In accordance with Mexican law, the legal reserve must be increased by 5% of annual net profits until it reaches 20% of the capital stock amount. In 1999 and 2000, the Company's stockholders approved increases to the legal reserve amounting to Ps.46,613 and Ps.57,970, respectively. This reserve is not available for dividends, but may be used to reduce a deficit or may be transferred to stated capital. Other appropriations of profits require the vote of the stockholders.

Dividends, either in cash or in other forms, paid by the Mexican companies in the Group will be subject to income tax in accordance with the Mexican Income Tax Law if the dividends are paid from earnings that have not been subject to Mexican income taxes computed on an individual company basis under the provisions of the Mexican Income Tax Law, as follows:

Dividends paid to companies resident in Mexico will be subject to a 35% income tax to be paid by the companies paying the dividends and applied to the result of multiplying the dividends paid by a factor of 1.5385.

Dividends paid to individuals or foreign residents will be subject to a withholding tax of 5% applied to the result of multiplying the dividends paid by a factor of 1.5385 (1.5150 if dividends are paid to Mexican individuals from earnings that have been subject to Mexican income taxes).

At December 31, 2000, cumulative earnings that have been subject to income tax and can be distributed by the Company free of Mexican withholding tax were approximately Ps.4,134,989. In addition, the payment of dividends is restricted under certain circumstances by the terms of the syndicated credit agreement (see Note 12).

In April 1994, 1998 and 1999, the Company's stockholders approved appropriating from retained earnings a reserve amounting to Ps.1,727,379, Ps.2,467,643, and Ps.1,571,232, respectively, for the repurchase of shares, at the discretion of management. The Company's repurchase program has been authorized by the Mexican Bank and Securities Commission ("Comisión Nacional Bancaria y de Valores" or "CNBV"), and was initiated by the Company in February 2000 (see Note 16).

18. Deficit from restatement

Deficit from restatement (see Note 2) at December 31, consisted of:

		1999		2000
Net cumulative foreign currency translation adjustments	Ps.	(528,145)	Ps.	(557,179)
Cumulative result from holding non-monetary assets, net of deferred income tax benefit of Ps.198,646 at December 31, 2000		(1,320,727)		(1,689,636)
Accumulated monetary result		(26,130)		(26,130)
	Ps.	(1,875,002)	Ps.	(2,272,945)

19. Minority interest

Minority interest at December 31, consisted of:

		1999		2000
Capital stock	Ps.	877,922	Ps.	770,018
Retained earnings		596,609		304,582
Net income for the year		235,885		174,879
Cumulative result from holding non-monetary assets		(258,921)		(266,871)
Accumulated monetary result		(9,458)		(3,036)
Cumulative effect of deferred income tax (see Note 1 (m))		—		(62,980)
	Ps.	1,442,037	Ps.	916,592

In 2000, minority interest decreased principally as a result of the Company's acquisition of shares of the capital stock of Editorial Televisa previously owned by a minority shareholder (see Note 3).

20. Transactions with related parties

The principal transactions that the Group carried out with affiliated companies, including equity investees, stockholders and entities in which stockholders have an equity interest, were as follows:

		1999		2000
Revenues:				
Royalties (Univision) (a)	Ps.	656,291	Ps.	752,643
Soccer transmission rights (Univision)		—		45,874
Production and transmission (b)		192,667		241,100
Administrative services (c)		67,810		87,953
Interest income		32,628		53,449
Advertising (d)		93,963		200,569
Other		19		—
	Ps.	1,043,378	Ps.	1,381,588
Customer deposits and advances	Ps.	—	Ps.	439,649
Costs:				
Production and transmission (e)	Ps.	35,216	Ps.	10,787
Donations		9,193		2,936
Advertising and transmission rights (Club de Fútbol Atlante, S.A. de C.V. in 1999 and 2000 (f), and Editorial Clío, Libros y Videos, S.A. de C.V. in 2000)		83,758		43,789
Administrative services (c)		136		8,087
	Ps.	128,303	Ps.	65,599

(a) The Group receives royalties from Univision for programming provided pursuant to a royalty agreement that expires in December 2017. Royalties are determined based upon a percentage of combined net sales of Univision, which was 9% as of December 31, 1999 and 2000.

(b) Broadcast and programming production services rendered to Innova.

(c) The Group receives revenue from and is charged by affiliates for various services, such as equipment rental, security and other services, at rates which are negotiated. The Group provides management services to affiliates, which reimburse the Group for the incurred payroll and related expenses.

(d) Advertising services rendered to Innova in 1999 and 2000, and to Pegaso through the consummation of the sale of Pegaso and Ovaciones (see Note 3).

(e) These costs include programming production provided by affiliated companies in connection with cultural and sports special events.

(f) Through the consummation of the sale of Pegaso and Ovaciones (see Note 3), following which Club de Fútbol Atlante, S.A. de C.V. was no longer an affiliate of the Group.

During 1999 and 2000, a professional services firm in which a current director maintains an interest provided legal advisory services to the Group in connection with various corporate matters. Total fees for such services amounted to Ps.7,312 and Ps.8,947, respectively.

During 2000, the Group consummated the sale of Pegaso and Ovaciones and the acquisition of a minority interest in its publishing business segment (see Note 3) with related parties who were terminated as executives and/or directors of the Group following these transactions.

The balances of receivables, advances, deposits and (payables) between the Group and affiliates as of December 31, were as follows:

		1999		2000
Asistencia, Asesoría y Administración de Espectáculos, S.A. de C.V.	Ps.	113,308	Ps.	104,053
Club de Fútbol Atlante, S.A. de C.V.		99,650		—
Comunicaciones Kappa, S.A. de C.V.		33,631		30,882
Corporación Tapatía de Televisión, S.A. de C.V.		11,614		(2,755)
Coyoacán Films, S.A. de C.V.		—		18,087
Innova (see Note 8)		574,529		1,062,384
Telemercado Alameda, S. de R.L. de C.V.		37,034		34,037
Grupo Televicentro, S.A. de C.V.		(30,383)		(23,529)
Univision (see Note 8)		69,959		78,465
Other		22,380		6,944
		931,722		1,308,568
Less:				
Long-term loans and accrued interest due from Innova and included as other investments (see Note 8)		444,408		930,100
	Ps.	487,314	Ps.	378,468

All significant account balances included in amounts due from affiliates bear interest. In 1999 and 2000, average interest rates of 26.46% and 17.92% were charged, respectively. Advances and receivables are short-term in nature; however, these accounts do not have specific due dates.

At December 31, 1999, there was an outstanding balance due from principal stockholders of Ps.3,182, which was classified as other accounts receivable and was repaid during 2000.

21. Integral cost of financing

Integral cost of financing for the years ended December 31, consisted of:

		1999		2000
Interest expense	Ps.	1,657,215	Ps.	1,400,443
Interest income		(815,214)		(887,662)
Foreign exchange (gain) loss, net (1)		(76,115)		163,285
Loss (gain) from monetary position		242,158		(120,844)
		1,008,044		555,222
Monetary result classified as provision for deferred income tax (2)		—		419,723
	Ps.	1,008,044	Ps.	974,945

(1) Net foreign exchange loss in 2000, includes Ps.189,477 derived from forward exchange contracts (see Notes 12 and 15).

(2) Arising from temporary differences of non-monetary items in calculating deferred income tax under Mexican GAAP Circular No. 54 (see Note 1 (m)).

22. Restructuring and non-recurring charges

During 1999 and 2000, the Group took certain measures to reduce its costs. These measures involved, among other things, reductions in the number of employees, consolidating offices and facilities, and shutting down or selling non-essential operations. The restructuring charges in 1999 and 2000 consisted principally of severance costs in connection with employees who were terminated. All associated costs have been expensed as incurred.

In the second quarter of 2000, the Company extinguished a significant amount of its long-term debt securities outstanding (see Note 12), and recognized related premiums, consent fees and other expenses of Ps.1,401,797, as non-recurring charges in the consolidated income statements.

23. Other income (expense) - net

Other income (expense) is analyzed as follows:

		1999		2000
Gain on disposition of investments, net (1)	Ps.	1,903,307	Ps.	89,625
Amortization of goodwill (2)		(334,948)		(201,840)
Costs incurred in DTH investments (3)		(259,178)		(94,031)
Provision for doubtful accounts and write-off of receivables (4)		(63,236)		—
Write-down of investment (see Note 8)		(25,069)		(25,962)
Write-off of goodwill (5)		(174,740)		—
Donations		(67,329)		(53,591)
Financial advisory and professional services (6)		(105,928)		(139,499)
Loss on disposition of fixed assets		(84,803)		(35,698)
Miscellaneous other expense - net		(90,771)		(38,901)
	Ps.	697,305	Ps.	(499,897)

(1) Includes in 1999, a gain on the sale of Univision shares of Ps.1,949,741 (see Notes 3 and 8), and in 2000, a gain on the disposition of Pegaso and Ovaciones (see Note 3) of Ps.89,854.

(2) Net of amortization of negative goodwill of Ps.9,802 and Ps.6,057 in 1999 and 2000, respectively.

(3) In 1999 and 2000, these costs include principally lease payments of Ps.142,414 and Ps.64,106, respectively, for unused satellite transponders intended for proposed DTH ventures, net of sublease payment received for transponders which were used by the Group's other DTH businesses in 1999 and 2000 respectively; administrative costs and expenses of Ps.90,554 and Ps.3,715, respectively, resulting from the Group's equity investment in DTH ventures in Spain and Latin America; and amortization of DTH development costs of Ps.26,210 in each year (see Note 11).

(4) Includes estimates for doubtful non-trade accounts and the write-off of value added tax receivables charged to customers in prior years.

(5) Write-off of goodwill resulting from the restructuring of certain of the Group's non-core businesses.

(6) In 1999 and 2000 includes financial advisory services in connection with contemplated dispositions and strategic planning projects and professional services in connection with certain litigation and other matters (see Notes 15 and 20).

24. Income tax, asset tax and employees' profit sharing

The Company is authorized by the Mexican tax authorities to compute its income tax and assets tax on a consolidated basis. Beginning in 1999, Mexican controlling companies are allowed to consolidate, for income tax purposes, income or losses of its Mexican subsidiaries up to 60% of their share ownership in such subsidiaries. The assets tax is computed on a fully consolidated basis.

The corporate income tax rate in 1999 and 2000 was 35%. In 1999, companies were allowed to pay the income tax liability computed at a 32% rate with the remaining 3% of the liability due when the taxable income of that year is distributed by the Group to its shareholders. In 2000 and thereafter, the income tax amounts payable and deferred are 30% and 5%, respectively.

The income tax provision (benefit) for the years ended December 31, is comprised as follows:

		1999		2000
Income tax and assets tax - current	Ps.	922,561	Ps.	947,686
Income tax and assets tax - deferred		(44,539)		(612,439)
	Ps.	878,022	Ps.	335,247

The following items represent the principal differences between income taxes computed at the statutory rate and the Group's provision for income tax and the assets tax. Information in 1999 and 2000 is not comparable due to the adoption of Bulletin D-4 in 2000.

	% 1999	% 2000
Tax at the statutory rate on income before provisions	35	35
Temporary differences (a):		
Depreciation and results on disposition of fixed assets (b)	(2)	—
Allowance for doubtful accounts	2	—
Equity investee	(6)	—
Difference between tax and financial accounting for cost of sales and purchases	1	—
Customer advances (e)	39	—
Contributions to pension plans and seniority premiums, net (see Note 14)	(2)	—
Provisions	2	—
Permanent differences:		
Net loss of foreign companies	7	22
Differences in restatement (c)	(12)	(51)
Amortization of goodwill	11	14
Non-deductible items	2	1
Special tax consolidation items	12	(1)
Utilization of tax loss carryforwards (d)	(66)	(12)
Difference between tax and financial accounting for cost of sales of shares	(2)	10
Effect of change in tax law of not being allowed to fully consolidate subsidiaries for tax purposes	(5)	6
Other	(2)	(1)
Provision for Mexican income tax	14	23
Consolidated income tax credited by consolidated assets tax	—	(19)
Income tax provision	14	4
Assets tax (f)	15	18
Income tax-deferred	(2)	—
Provision for income tax and the assets tax	27	22

(a) In 1999, most of the temporary differences were not subject to deferred income tax.

(b) The basis of investments and assets differs for book and tax purposes. Therefore, the gain or loss on disposition of shares or assets, as the case may be, differs for book and tax purposes.

(c) This amount represents the effect of using different methods of calculating inflation adjustments for tax purposes and book purposes, which includes the net effect of differences between tax and accounting practices in calculating the inflation effects of customer deposits, interest expense and interest income.

(d) The Group has tax loss carryforwards at December 31, 2000, as follows:

		Amount	Expiration
Operating tax loss carryforwards:			
Consolidated (1)	Ps.	—	—
Unconsolidated:			
Mexican subsidiaries (2)		1,347,699	From 2001 to 2008
Non-Mexican subsidiaries (3)		1,098,451	From 2001 to 2020
		2,446,150	
Capital tax loss carryforwards:			
Unconsolidated Mexican subsidiary (4)		57,347	2004
	Ps.	2,503,497	

(1) During 1999 and 2000, the Group used consolidated operating tax loss carryforwards of Ps.4,078,642 and Ps.914,960, respectively.

(2) During 1999 and 2000, certain Mexican subsidiaries utilized unconsolidated operating tax loss carryforwards of Ps.1,990,051 and Ps.1,771,483, respectively.

(3) Approximately the equivalent of U.S.$114.3 million for subsidiaries in Spain, South América and the United States.

(4) These carryforwards can only be used in connection with capital gains to be generated by such subsidiary.

(e) Customer advances for future advertising services are considered taxable for income tax purposes upon receipt, even though the related services have not been rendered.

(f) The assets tax rate is 1.8%. The income tax paid in excess of the assets tax in the previous three years can be credited to the amount of the assets tax in respect to the current year. As of December 31, 2000, the Company had Ps.1,591,845 of assets tax subject to be credited and expiring between 2007 and 2010.

The Mexican companies in the Group are required by law to pay employees, in addition to their agreed compensation and benefits, employee profit sharing at the statutory rate (10%) based on the companies taxable income (calculated without reference to inflation adjustments and tax loss carryforwards).

The provision (benefit) for employees' profit sharing for the years ended December 31, 1999 and 2000, is comprised as follows:

		1999		2000
Employees' profit sharing - current	Ps.	73,784	Ps.	18,148
Employees' profit sharing - deferred		(10,654)		33,230
	Ps.	63,130	Ps.	51,378

The deferred taxes as of December 31, 1999, January 1 and December 31, 2000, were principally derived from the following temporary differences:

		1999 (1)		2000		
		December 31		January 1 (2)		December 31
Assets:						
Accrued liabilities	Ps.	—	Ps.	746,980	Ps.	594,052
Inventories		109,897		—		—
Tax loss carryforwards		—		1,793,575		491,766
Allowance for doubtful accounts		—		120,152		139,839
Customer advances		—		791,798		1,595,313
Other items		—		—		13,569
Liabilities:						
Inventories		—		(2,708,501)		(2,239,520)
Property, plant and equipment - net		—		(2,026,773)		(1,955,013)
Other items		(87,350)		(438,054)		(395,084)
Innova		—		(656,052)		(754,714)
Deferred-income taxes of Mexican companies		22,547		(2,376,875)		(2,509,792)
Tax of foreign subsidiaries		—		37,508		54,891
Assets tax		—		1,075,872 .		1,591,845
Valuation allowances		—		(1,171,516)		(980,371)
Deferred income tax asset (liability)		22,547		(2,435,011)		(1,843,427)
Deferred employees' profit sharing asset		33,230		33,230		—
Deferred tax asset (liability)	Ps.	55,777	Ps.	(2,401,781)	Ps.	(1,843,427)

(1) Prior to the adoption of Bulletin D-4

(2) Upon adoption of Bulletin D-4

The net deferred tax asset as of December 31, 1999, was classified as other assets in the balance sheet.

The decrease in the deferred income tax liability of Ps.591,584 for the year ended December 31, 2000, was comprised of credits to the gain from monetary position, the loss from holding non-monetary assets and the provision for deferred income tax of Ps.200,222, Ps.198,646 and Ps.192,716, respectively. Additionally, the provision for deferred income tax was credited by Ps.419,723, representing the effect on restatement of the non-monetary items included in the deferred tax calculation, which was originally accounted for in the result from monetary position for 2000 and then reclassified to the provision for deferred income tax, in accordance with the guidelines provided by Circular No. 54 (see Note 21). Consequently, the provision for deferred income tax in 2000 was a benefit of Ps.612,439.

The deferred employees' profit sharing asset as of December 31, 1999, of Ps.33,230, was reversed in 2000, since the employees of Mexican companies in the Group were assigned to companies which provide administrative services beginning January 1, 2001, and these companies do not have significant temporary differences between the carrying values of assets and liabilities and their related tax values.

25. Discontinued operations

During the second quarter of 1999, the Group discontinued certain businesses, specifically those engaged in the production of theatrical performances, the promotion of bullfights and consumer product sales. Consequently, the results of operations of these businesses for the year ended December 31, 1999, have been classified as discontinued operations in the consolidated income statements.

Discontinued operations for the year ended December 31, 1999, are presented as follows:

Loss from discontinued operations, net of income taxes of Ps.810	Ps.	68,323
Loss on disposal of discontinued operations		46,375
	Ps.	114,698

Summarized information on results of discontinued operations for the year ended December 31, 1999, is as follows:

Net sales	Ps.	55,811
Operating loss before depreciation and amortization		(49,249)
Depreciation and amortization		3,799
Operating loss		(53,048)
Loss from discontinued operations		(68,323)

26. Earnings per CPO/Share

During the years ended December 31, 1999 and 2000, the weighted average of outstanding shares, CPOs and Series A Shares (not traded as CPO units) was as follows:

	1999	2000
Shares	9,051,031,570	8,825,436,712
CPOs	2,215,448,260	2,166,316,311
Series A Shares (not traded as CPO units)	2,404,686,790	2,326,487,781

Earnings (loss) per CPO and per Series A Share not traded as a CPO unit for the years ended December 31, 1999 and 2000, are presented as follows:

		1999				2000		
		Per CPO		Per Series "A" Share		Per CPO		Per Series "A" Share
Continuing operations	Ps.	0.42	Ps.	0.14	Ps.	(0.27)	Ps.	(0.09)
Discontinued operations		(0.03)		(0.01)		—		—
Net income (loss)	Ps.	0.39	Ps.	0.13	Ps.	(0.27)	Ps.	(0.09)

27. Foreign currency position

The foreign currency position of monetary items of the Group at December 31, 2000, was as follows:

Currency	Foreign currency amounts (thousands)		Year-end exchange rate		Mexican pesos
Assets:					
U.S. dollars	645,231	Ps.	9.6100	Ps.	6,200,670
Spanish pesetas	921,810		0.0536		49,409
Argentine pesos	3,936		9.6100		37,825
Chilean pesos	3,484,940		0.0168		58,547
Colombian pesos	32,130,714		0.0042		134,949
Other currencies	—		—		59,147
Liabilities:					
U.S. dollars	1,010,396	Ps.	9.6100	Ps.	9,709,906
Spanish pesetas	5,883,899		0.0536		315,377
Argentine pesos	5,614		9.6100		53,951
Chilean pesos	795,000		0.0168		13,355
Panamanian balboa	1,205		9.6100		11,580
Peruvian nuevo Sol	3,503		2.7254		9,547
Colombian pesos	17,945,714		0.0042		75,372
Other currencies	—		—		11,139

The foreign currency position of non-monetary items as of December 31, 2000, was as follows:

Currency	Foreign currency amounts (thousands)		Year-end exchange rate		Mexican pesos
Property, plant and equipment:					
U.S. dollars	122,646	Ps.	9.6100	Ps.	1,178,628
French francs	48,423		1.3847		67,051
Spanish pesetas	3,697,903		0.0536		198,208
Japanese yen	11,270,017		0.0872		982,745
Argentine pesos	1,130		9.6100		10,859
German marks	2,283		4.6425		10,599
Pounds sterling	2,101		14.5481		30,566
Colombian pesos	7,450,769		0.0042		31,293
Other currencies	—		—		36,712
Inventories:					
U.S. dollars	416,041	Ps.	9.6100	Ps.	3,998,154
Colombian pesos	6,806,630		0.0042		28,588
Other currencies	—		—		26,674

Transactions incurred during 2000 in foreign currencies were as follows:

		U.S. dollar (thousands)		U.S. dollar equivalent of other foreign currency transactions (thousands)		Total U.S. dollar (thousands)		Mexican pesos (1)
Income:								
Revenues	$	381,932	$	47,055	$	428,987	Ps.	4,122,565
Other income		5,439		104		5,543		53,268
Interest income		25,205		1,125		26,330		253,031
	$	412,576	$	48,284	$	460,860	Ps.	4,428,864
Purchases, costs and expenses:								
Purchases of inventories	$	202,289	$	18,819	$	221,108	Ps.	2,124,848
Purchases of property and equipment		46,373		403		46,776		449,517
Other costs and expenses		416,033		28,922		444,955		4,276,018
Interest expense		83,070		2,091		85,161		818,397
	$	747,765	$	50,235	$	798,000	Ps.	7,668,780

(1) Income statement amounts translated at the year-end exchange rate of Ps.9.6100 for reference purposes only; does not indicate the actual amounts accounted for in the financial statements (see Note 1(c)).

As of December 31, 2000, the exchange rate was Ps.9.6100 per U.S. dollar, which represents the interbank free market exchange rate on that date as reported by Banco Nacional de México, S.A.

As of February 20, 2001, the exchange rate was Ps.9.6780 per U.S. dollar, which represents the interbank free market exchange rate on that date as reported by Banco Nacional de México, S.A.

28. Segment data

The Group's segment data is prepared in accordance with International Accounting Standard No. 14 (revised). Reportable segments are those that are based on the Group's method of internal reporting.

The Group is organized on the basis of services and products. The Group's segments are strategic business units that offer different entertainment services and products. The Group's reportable segments are as follows:

Television broadcasting

The television broadcasting segment includes the production of television programming and nationwide broadcasting of Channels 2, 4, 5 and 9 (television networks), and the production of television programming and broadcasting for local television stations in Mexico and the United States. The broadcasting of television networks is performed by television repeater stations in Mexico which are wholly-owned, majority- or minority-owned by the Group or otherwise affiliated with the Group's networks. Revenues are derived primarily from the sale of advertising time on the Group's television network and local television station broadcasts.

Programming for pay television

The programming for pay television segment includes programming services for cable and pay-per-view television companies in Mexico, in other countries in Latin America, the United States and Europe. The programming services consist of both programming produced by the Group and programming produced by others. Programming for pay television revenues are derived from domestic and international programming services provided to the independent cable television systems in Mexico and the Group's DTH satellite businesses, and from the sale of advertising time on programs provided to pay television companies in Mexico.

Programming licensing

The programming licensing segment consists of the domestic and international licensing of television programming. Programming licensing revenues are derived from domestic and international program licensing fees.

Publishing

The publishing segment primarily consists of publishing Spanish-language magazines in Mexico, the United States and Latin America and, through June 2000, a newspaper in Mexico. Publishing revenues include subscriptions, sales of advertising space and magazine and newspaper sales to distributors.

Publishing distribution

The publishing distribution segment consists of distribution of Spanish-language magazines, owned by either the Group or independent publishers, in Mexico, the United States and Latin America. Publishing distribution revenues are derived of magazine and newspaper sales to retailers.

Music recording

The music recording segment includes the production and domestic distribution and export of cassettes, compact disc recordings and records of Mexican and Latin American artists, principally under three owned record labels. Music recording revenues are derived primarily from sales of recorded music and royalty revenues from the licensing of recordings to third parties.

Cable television

The cable television segment includes the operation of a cable television system in the Mexico City metropolitan area and derives revenues principally from basic and premium services subscription and installation fees from cable subscribers, pay-per-view fees, and local and national advertising sales.

Radio

The radio segment includes the operation of six radio stations in Mexico City and eleven other domestic stations owned by the Group. Revenues are derived by advertising and by the distribution of programs to nonaffiliated radio stations.

Other businesses

The other businesses segment includes the Group's domestic operations in sports and show business promotion, soccer, nationwide paging, feature film production and distribution, Internet and dubbing services for Mexican and multinational companies.

The table below presents information by segment for the years ended December 31, 1999 and 2000.

	Total revenues	Intersegment revenues	Consolidated revenues	Operating income (loss) before depreciation and amortization	Depreciation and amortization expense	Operating income (loss)
1999:						
Television broadcasting	Ps. 11,554,981	Ps. 23,217	Ps. 11,531,764	Ps. 4,864,453	Ps. 844,809	Ps. 4,019,644
Programming for pay television	442,643	61,044	381,599	(427,805)	47,948	(475,753)
Programming licensing	1,248,593	—	1,248,593	99,453	11,768	87,685
Publishing	1,837,432	—	1,837,432	366,643	45,359	321,284
Publishing distribution	824,046	17,174	806,872	31,963	12,403	19,560
Music recording	1,407,100	—	1,407,100	183,143	4,485	178,658
Cable television	757,293	765	756,528	203,664	66,494	137,170
Radio	310,208	18,184	292,024	41,425	24,079	17,346
Other businesses	1,467,039	150,361	1,316,678	(54,083)	95,334	(149,417)
Eliminations and corporate expenses	(270,745)	(270,745)	—	(141,941)	—	(141,941)
Consolidated total	Ps. 19,578,590	Ps. —	Ps. 19,578,590	Ps. 5,166,915	Ps. 1,152,679	Ps. 4,014,236

	Total revenues	Intersegment revenues	Consolidated revenues	Operating income (loss) before depreciation and amortization	Depreciation and amortization expense	Operating income (loss)
2000:						
Television broadcasting	Ps. 12,716,996	Ps. 78,233	Ps. 12,638,763	Ps. 5,477,431	Ps. 800,310	Ps. 4,677,121
Programming for pay television	479,800	61,341	418,459	(327,386)	31,906	(359,292)
Programming licensing	1,462,802	—	1,462,802	359,835	12,179	347,656
Publishing	1,659,577	—	1,659,577	348,214	38,373	309,841
Publishing distribution	865,372	13,366	852,006	51,701	12,124	39,577
Music recording	1,243,486	—	1,243,486	125,260	4,228	121,032
Cable television	889,134	565	888,569	218,237	76,254	141,983
Radio	338,966	12,405	326,561	68,371	21,985	46,386
Other businesses	1,497,363	184,773	1,312,590	(155,186)	195,443	(350,629)
Eliminations and corporate expenses	(350,683)	(350,683)	—	(130,991)	—	(130,991)
Consolidated total	Ps. 20,802,813	Ps. —	Ps. 20,802,813	Ps. 6,035,486	Ps. 1,192,802	Ps. 4,842,684

Accounting policies

The accounting policies of the segments are the same as those described in the Group's summary of significant accounting policies (see Note 1). The Group evaluates the performance of its segments and allocates resources to them based on operating income before depreciation and amortization.

Intersegment revenue

Beginning in 1999, intersegment revenue consists of revenues derived from each of the segments principal activities as provided to other segments.

The Group accounts for intersegment revenues as if the revenues were from third parties, that is, at current market prices.

Allocation of general and administrative expenses

Non-allocated corporate expenses include payroll for certain executives, related employee benefits, certain donations and other general expenses. In 1999, certain general expenses, which were classified as non-allocated corporate expenses in 1998, were identified with and allocated in each business segment.

The table below presents segment information about assets, liabilities, and additions to property, plant and equipment as of and for the years ended December 31, 1999 and 2000.

	Segment assets at year-end	Segment liabilities at year-end	Additions to property, plant and equipment
1999:			
Television operations (1)	Ps. 34,521,188	Ps. 13,607,766	Ps. 434,858
Publishing	1,473,592	286,918	7,358
Publishing distribution	731,883	263,290	3,542
Music recording	787,858	228,030	1,153
Cable television	797,301	94,707	103,683
Radio	936,270	38,428	3,572
Other businesses	2,818,481	295,961	51,536
Total	Ps. 42,066,573	Ps. 14,815,100	Ps. 605,702

	Segment assets at year-end	Segment liabilities at year-end	Additions to property, plant and equipment
2000:			
Television operations (1)	Ps. 32,959,985	Ps. 15,607,419	Ps. 794,063
Publishing	1,249,071	255,024	6,676
Publishing distribution	731,550	267,049	12,219
Music recording	707,647	206,938	1,259
Cable television	1,847,248	132,439	288,342
Radio	883,595	20,485	3,882
Other businesses	3,661,830	408,400	120,234
Total	Ps. 42,040,926	Ps. 16,897,754	Ps. 1,226,675

(1) Segment assets and liabilities information is not maintained by the Group for each of the television broadcasting, programming for pay television and programming licensing segments. In management's opinion, there is no reasonable or practical basis to make allocations due to the interdependence of these segments. Consequently, management has presented such information on a combined basis as television operations.

Segment assets reconcile to total assets as follows:

	1999	2000
Segment assets	Ps. 42,066,573	Ps. 42,040,926
Non trade long-term receivables	118,287	32,378
Investments attributable to:		
Television operations (1)	1,463,026	1,469,119
Other segments	504,209	167,396
DTH ventures (2)	(545,989)	(1,268,446)
Goodwill - net attributable to:		
Television operation	2,143,679	2,163,604
Publishing	937,491	—
Publishing distribution	319,986	281,691
Other segments	87,864	106,223
Total assets	Ps. 47,095,126	Ps. 44,992,891

(1) Includes goodwill attributable to equity investments of Ps.2,622 and Ps.2,200 in 1999 and 2000, respectively.
(2) Includes goodwill attributable to DTH ventures investments of Ps.83,415 and Ps.64,848 in 1999 and 2000, respectively.

Equity method income for the years ended December 31, 1999 and 2000 attributable to television operations equity investments approximated Ps.473,500 and Ps.87,644, respectively.

Segment liabilities reconcile to total liabilities as follows:

	1999	2000
Segment liabilities	Ps. 14,815,100	Ps. 16,897,754
Notes payable and long-term debt not attributable to segments	9,750,497	10,508,869
Total liabilities	Ps. 24,565,597	Ps. 27,406,623

Geographical segment information

	Total net sales	Segment assets at year-end	Additions to Property, plant and equipment
1999:			
Mexico	Ps. 15,785,113	Ps. 41,135,080	Ps. 595,702
Other countries	3,793,477	931,493	10,001
	Ps. 19,578,590	Ps. 42,066,573	Ps. 605,703
2000:			
Mexico	Ps. 17,014,300	Ps. 41,357,795	Ps. 1,192,858
Other countries	3,788,513	683,131	33,817
	Ps. 20,802,813	Ps. 42,040,926	Ps. 1,226,675

Net sales are attributed to countries based on the location of customers.

Board of
DIRECTORS

Directors

Emilio Azcárraga Jean	Chairman of the Board, President and Chief Executive Officer and President of the Executive Committee
Ma. Asunción Aramburuzabala Larregui	Vice Chairman of the Board and Member of the Executive Committee of Grupo Modelo

In alphabetical order:

Juan Abelló Gallo	President of Grupo Torreal, Spain
Alfonso de Angoitia Noriega	Secretary of the Board, Executive Vice President - Chief Financial Officer, Secretary of the Executive Committee and Partner, Mijares, Angoitia, Cortés y Fuentes, S.C.
Julio Barba Hurtado	Director of Grupo Televicentro and Legal Advisor to the Presidence
José Antonio Bastón Patiño	Corporate Vice President of Television
Ana Patricia Botín O'Shea	Private Investor
Ricardo Claro Valdés	President of Megavisión
Manuel Jorge Cutillas Covani	Director of Bacardi Limited
Jaime Dávila Urcullu	Executive Vice President
Carlos Fernández González	Chief Executive Officer and Vice President of the Board of Grupo Modelo
Bernardo Gómez Martínez	Deputy to the President
Claudio X. González Laporte	Chairman and Chief Executive Officer of Kimberly-Clark de México and President of the Business Council
Roberto Hernández Ramírez	Chairman of the Board and Chief Executive Officer of Banamex
Enrique Krauze Kleinbort	Chief Executive Officer of Editorial Clío
Germán Larrea Mota Velasco	Chairman of the Board of Grupo México
Gilberto Perezalonso Cifuentes	Private Advisor
Alejandro Quintero Iñiguez	Corporate Vice President of Sales and Marketing
Fernando Senderos Mestre	Chief Executive Officer of DESC
Lorenzo H. Zambrano Treviño	President and Chief Executive Officer of Cemex

Alternate Members

In alphabetical order:

Juan Pablo Andrade Frich	Private Asset Manager
Lucrecia Aramburuzabala Larregui	Private Investor
Joaquín Balcárcel Santa Cruz	Director Legal Department of Grupo Televisa
Rafael Carabias Príncipe	Vice President of Corporate Management of Grupo Televisa
María Azucena Domínguez Cobián	Legal Corporate Director of Grupo Televisa
Jorge Lutteroth Echegoyen	Controller and Vice President of Grupo Televisa
Ricardo Maldonado Yáñez	Partner, Mijares, Angoitia, Cortés y Fuentes, S.C.
Juan Sebastián Mijares Ortega	Vice President - General Counsel and Partner, Mijares, Angoitia, Cortés y Fuentes, S.C.
Guillermo Nava Gómez Tagle	Vice President of Finance of Grupo Televisa
Guillermo Núñez Herrera	Vice President of Grupo Televisa
Cristóbal Rugama Maison	Chief Executive Officer of Innova

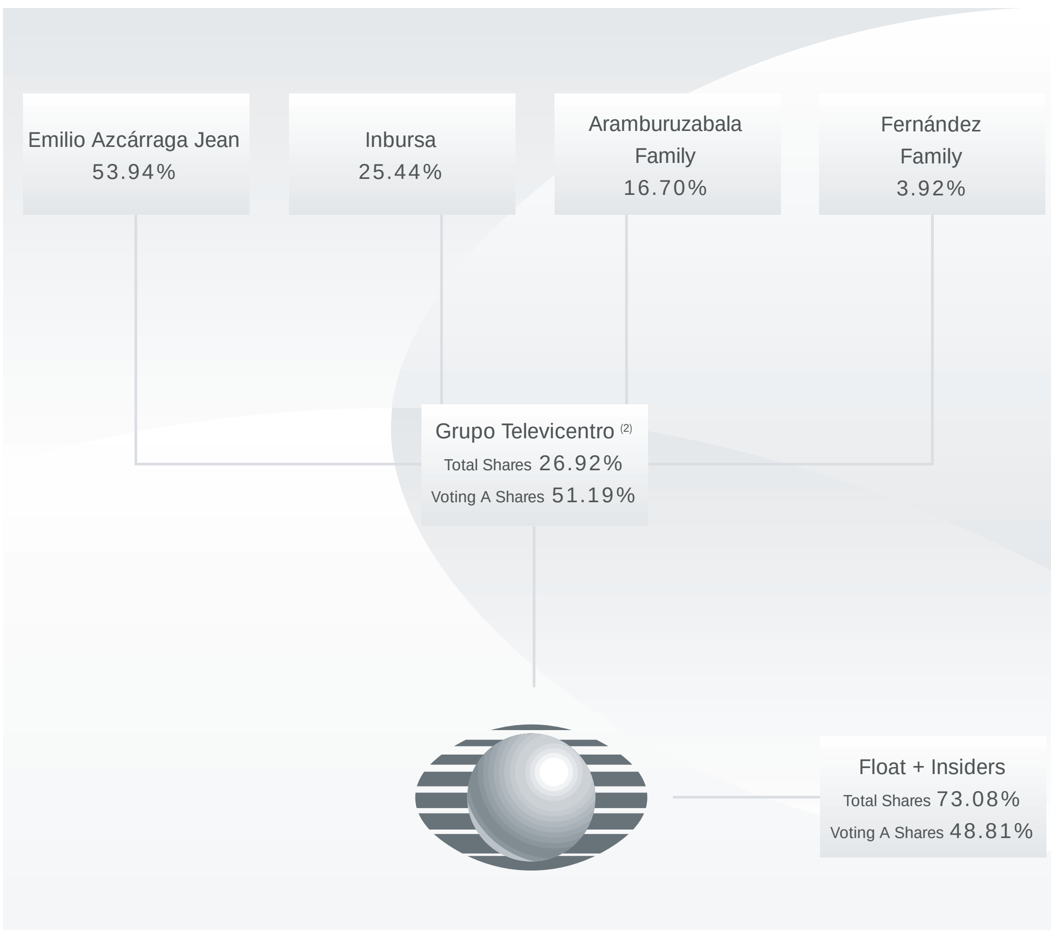
Executive Officers

Emilio Azcárraga Jean	President and Chief Executive Officer and Chairman of the Board

In alphabetical order:

Alfonso de Angoitia Noriega	Executive Vice President - Chief Financial Officer
Félix José Araujo Ramírez	Vice President of Broadcasting and Telesistema
José Antonio Bastón Patiño	Corporate Vice President of Television
Jaime Dávila Urcullu	Executive Vice President
Ramón Alberto Garza	President of Editorial Televisa
Bernardo Gómez Martínez	Deputy to the Presidence
Alejandro Quintero Iñiguez	Corporate Vice President of Sales and Marketing
Cristóbal Rugama Maison	Chief Executive Officer of Innova
Guillermo R. Santiso	President of Music Recording
Javier Toussaint Ribot	Chief Executive Officer of Radio
Pablo Vázquez Oria	Chief Executive Officer of Cablevisión

Shareholders' STRUCTURE (1)



(1) As of December 31, 2000.

(2) For purposes of this chart, the number of the Company's shares outstanding include shares which are owned by one the Company's subsidiaries. Had these shares been excluded from the Company's shares outstanding, the ownership of Grupo Televicentro's total shares and voting A shares would be 27.63% and 52.26%, respectively.

February 20, 2001
This Annual Report is available in both Spanish and English.

Febrero 20, 2001
Este Informe Anual está disponible tanto en español como en inglés.