

Annual **Report**

2001



GRUPO
Televisa

Grupo Televisa is the largest

It has interests in television production and broadcasting, programming for pay television, international distribution

media company in the

of television programming, direct-to-home satellite services, publishing and publishing distribution, cable television,

Spanish-speaking world,

radio production and broadcasting, professional sports and show business promotions, paging services, feature

and a major player in the

film production and distribution, dubbing, and operation of a horizontal Internet portal. Grupo Televisa also has an

international entertainment

unconsolidated equity stake in Univision, the leading Spanish-language television company in the United States.

business.

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Shareholders

To Our Shareholders

2001 was a remarkable year for Televisa. In the face of an extremely challenging economic and advertising marketplace, we enhanced the quality of our television products, redefined the strategy of our radio and record divisions, and effectively contained costs. Most importantly, we made some of the most significant strategic agreements in the Company's history, strengthening our position as a major provider of content in one of the highest growth markets in the world.

On the domestic front, our core television business maintained the strongest national ratings in almost every category. We continue to dominate in both advertising and viewing market share, at 71% and 73% respectively. The quality of our programs remains uncontested, as 185 of the 200 highest rated programs in Mexico were shown on our channels. We aired 19 of the top 20 telenovelas, produced the top 20 comedy shows in the country, aired 15 of the top 20 sporting events, and transmitted 18 of the top 20 movies shown in Mexico.

In May, we launched 4TV, a new television channel that gives advertisers in the Mexico City metropolitan area, new space to promote their products. This initiative is part of an ongoing plan to increase our number of clients and grow local advertising markets throughout the country. As a result we have seen local TV sales grow 14% and local sales EBITDA more than double. This growth is very encouraging and intensifies our commitment to local clients.

Our news division had the responsibility of broadcasting the tragic events of September 11th. We provided extensive coverage of the events as they unfolded to help clarify the chaos that followed in the first hours. We moved our newscast half an hour earlier to better meet the needs of our viewers, and we continue to cover every breaking development around the globe.

The worst ad market in years and the difficult comparison with the year 2000 forced us to take swift action at the beginning of the year to introduce a cost containment program. I am pleased to report that we have been very successful to date, having saved approximately \$43 million, which maintains our costs and expenses flat year over year. We will continue to examine our businesses to find ways to run a more efficient operation and increase our margins.

The U.S. Hispanic market is one of the world's fastest growing demographics. From 1990 to 2000, the U.S. Hispanic population grew 58%, accounting for 40% of the total U.S. population growth during the period, and Televisa has taken direct actions to capitalize on this exciting opportunity.

In December, we announced a monumental agreement with Univision, which is the fifth largest and fastest growing television network in the U.S. The agreement increases Televisa's stake in the U.S. broadcaster to approximately 15% and as a result, we expect that even more of our programming will air on Univision's networks. Importantly, Televisa will collect additional fees from sales on Univision's networks— Univision, Galavision, and Telefutera. Furthermore, plans are already in the works to start a 50/50 joint venture with Univision that will bring Televisa's satellite and cable networks programming to the U.S.

This important arrangement with Univision vastly expands the reach of our programming distribution network into the massive U.S. Hispanic market, in which one out of every eight people is of Hispanic descent and Hispanic purchasing power is expected to double in the next ten years. We have enjoyed an extremely close and fruitful relationship with Univision since its founding, and with this agreement we enter a new era of cooperation and success together. In conjunction with this transaction, I have joined Univision's Board of Directors as Vice Chairman.

We are also extremely pleased to partner with Endemol for our 50/50 joint venture, Endemol-Mexico, to produce and develop content for television and the Internet. In Endemol, one of the world's leading content developers and producers for television and online platforms, Televisa has found a partner who can help increase our already strong catalogue, bring popular and new formats to our viewers, and ultimately boost ratings and improve advertising sales. The Endemol catalogue is widely known for its creativity and for its appeal to the 18 to 34 year-old demographic, which is very consistent with our clients' target group.



We recently entered into an agreement with Grupo Prisa to help put our radio division on the right track. The agreement calls for Prisa to assume a 50% limited voting stake in Televisa's radio arm, Sistema Radiópolis, which holds 10% of Mexico's radio listeners. Prisa, which operates 338 radio stations in Spain and is the leader in audience share throughout the day, brings to us a tremendous track record of accomplishments in Spanish radio. Their expertise in running a radio business combined with Televisa's leading position in the Mexican market is the ideal formula for success. Together, Prisa and Televisa will position Radiópolis to turn higher revenues and create added value for the Company. As part of the reorganization of our audio businesses, Univision agreed to acquire our record division Fonovisa, at a very attractive multiple to our shareholders.

We have also established a new venture to produce top quality live entertainment events. *En Vivo*, in less than six months of operation, has become the leading alternative for performers and spectators in Mexico. Last year *En Vivo* presented top class acts, including Elton John, NSYNC, Cirque EOS, Celia Cruz, Kabah and many more. What started as a small enterprise has become one of the most important organizations in the live show business, we expect to be an active player in the Hispanic market with our new partner Clear Channel Entertainment.

Televisa's DTH business is thriving. Innova's superior content continues to drive this division, and compared to DirecTV, Innova holds a 74% market share in Mexico. In 2001, our subscriber base grew more than 17%, largely due to our superior programming and value-added services, both of which helped increase revenues in this division more than 30%.

With 452,000 basic subscribers and 81,500 digital subscribers, our cable business is stronger than ever. We have added new content to our cable packages, and we look forward to rolling out new products such as interactive television, VOD, and IP telephony in the near future. As of April 2002, Cablevisión is trading in the Mexican Stock Exchange under the ticker symbol "CABLE." This will enable Cablevisión to pursue strategies that benefit its new shareholders.

Early this year, we seized the opportunity to capture the lowest levels of the 30 year U.S. Treasuries of the past 20 years, in order to refinance a one-year bridge loan used to purchase Univision shares. We were the first Mexican corporate issuer to tap the market after the ratings upgrades by Moody's, Standard & Poors and Fitch. We successfully issued U.S.\$300 million 30-year Senior Notes, becoming the first Mexican corporate to have a maturity in this range. The transaction was priced at a record 47.3 basis points above the yield on the UMS 2031 Sovereign benchmark security. This transaction demonstrates our leadership as well as the strength of Televisa's financial profile.

This was a historic year for Grupo Televisa. We have begun to find success in making strategic deals with important partners. The major agreements we signed with Univision, Endemol, and Grupo Prisa will help propel Televisa into the top ranks of global media companies. Looking ahead, we will continue to explore new relationships on which to grow our business further.



Sincerely,

Emilio Azcárraga

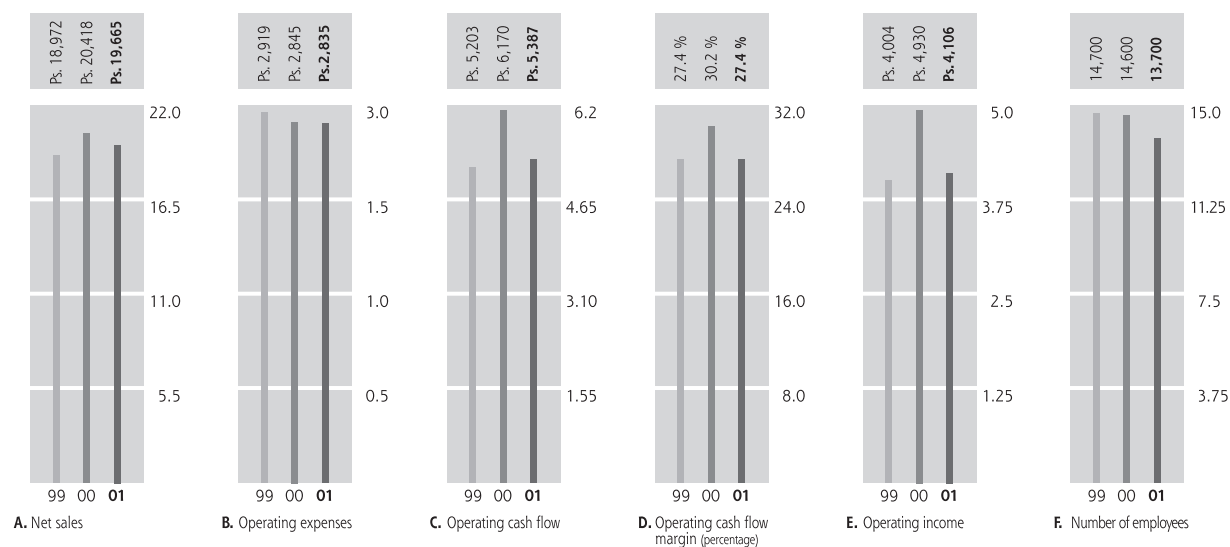
Chairman of the Board and President

April, 2002

Financial Highlights ⁽¹⁾

Years ended December 31,		1999	2000	2001
Income Statement Data:				
A	Net sales	Ps. 18,972	Ps. 20,418	Ps. 19,665
	Gross profit	8,122	9,015	8,222
B	Operating expenses	2,919	2,845	2,835
C	Operating cash flow	2 5,203	6,170	5,387
D	Operating cash flow margin (percentage)	27.4	30.2	27.4
E	Operating income	4,004	4,930	4,106
	Integral cost of financing - net	3 1,031	998	413
	Other income (expense) - net	4 750	(499)	(657)
	(Loss) income from discontinued operations	5 (29)	24	13
	Net income (loss)	1,210	(825)	1,346
	Earnings (loss) per CPO	6 0.41	(0.27)	0.45
Balance Sheet Data (at end of year):				
	Cash and temporary investments	Ps. 6,819	Ps. 7,879	Ps. 5,625
	Property, plant and equipment	13,655	13,137	12,920
	Total assets	49,169	47,011	48,151
	Short-term debt	895	361	335
	Long-term debt	9,909	11,352	12,820
	Customer deposits and advances	9,173	10,351	10,801
	Stockholders' equity	7 23,522	18,361	18,729
Other Data:				
	Capital expenditures	8 Ps. 970	Ps. 1,566	Ps. 1,330
F	Number of employees (at end of year)	14,700	14,600	13,700
	Shares outstanding (in millions, at end of year)	6 8,839	8,899	8,856
	CPOs outstanding (in millions, at end of year)	6 2,162	2,201	2,187

- (1) These financial highlights are derived from the Company's Mexican GAAP audited consolidated financial statements as of December 31, 1999, 2000 and 2001, and for the years ended on those dates, and the amounts are presented in millions of Mexican Pesos in purchasing power as of December 31, 2001, except per CPO data.
- (2) Operating cash flow is defined as operating income before depreciation and amortization.
- (3) Consists of interest expense, interest income, foreign exchange gain or loss - net, and gain or loss from monetary position. See Note 18 to the financial statements.
- (4) See Note 20 to the financial statements.
- (5) See Note 22 to the financial statements.
- (6) See Notes 13 and 23 to the financial statements.
- (7) As discussed in Note 1 (o) to the financial statements, effective January 1, 2000, the Company adopted the provisions of Mexican GAAP Bulletin D-4, related to the full recognition of deferred taxes. The cumulative effect of deferred taxes as of the date of adoption of Bulletin D-4 decreased stockholders' equity by Ps.2,566.
- (8) Capital expenditures consist of investments in property, plant and equipment and certain deferred charges.



Net sales by business segment:	1999	2000	2001
Television broadcasting	62.6%	63.9%	63.0%
Programming for pay television	2.4%	2.4%	2.5%
Programming licensing	6.8%	7.3%	7.0%
Publishing	10.0%	8.3%	7.9%
Publishing distribution	4.5%	4.4%	4.4%
Cable television	4.1%	4.5%	5.4%
Radio	1.7%	1.7%	1.2%
Other businesses	7.9%	7.5%	8.6%
Total segment sales	100%	100%	100%
Intersegment revenues	(1.4%)	(1.9%)	(2.6%)
Consolidated net sales	98.6%	98.1%	97.4%
	Ps. 18,972	Ps. 20,418	Ps. 19,665

Television



Grupo Televisa's core television business remains strong. In 2001, Televisa's high quality television programming continued to garner the highest ratings and audience share in Mexico. According to the *Instituto Brasileño de Opinión Pública y Estadística* (IBOPE), a privately owned market research firm based in Mexico City, the Company's television operations achieved an average national sign-on to sign-off audience share of 73.0% and an average national prime-time (19:00 to 23:00 weekday programming) audience share of 70.4% on the year. In 2001, Televisa aired 91 of the top 100 programs in Mexico.

Programming

Grupo Televisa is the world leader in Spanish-language television production. In 2001, the Company produced over 50,000 hours of programming for broadcast on its four network stations, local stations and cable system in Mexico, as well as through its DTH satellite joint ventures in the Americas and Spain, including over 35,000 hours of programming produced by the Company's local stations.

Programming produced by Televisa includes telenovelas, sports, newscasts, sitcoms, game shows, children's programming, musical and cultural events, educational programming and special events. Grupo Televisa's highly popular telenovelas, which are romantic dramas that unfold over the course of 60 to 100 one-hour episodes, are broadcast in a variety of languages throughout the world. In 2001, the Company aired the highest rated telenovelas on Mexican television. In prime time, "Abrázame muy Fuerte," "Primer Amor" and "Amigas y Rivalés" were Mexico's most watched telenovelas, achieving an impressive national audience share of 44.4%, 42.2% and 41.9%, respectively. Additionally, the Company broadcast a number of comedy programs during prime-time, including "De Nuez en Cuando," "La Hora Pico," and "Cero en Conducta," achieving a 42.8%, 32.4% and 31.0% national audience share, respectively.



Televisa broadcasts special events and sporting competitions, including soccer games and professional wrestling matches, which are highly popular types of programming in Mexico. In addition, Televisa broadcasts a wide variety of cultural events, musical concerts and other show business productions.

In 2001, Grupo Televisa launched a number of programming initiatives designed to fine tune hour scheduling according to viewer habits by demographic segments and improve viewer retention, which has helped us better meet the needs of our advertising clients. In May, we launched 4TV, a new option that enables local clients in Mexico City to advertise on the new metropolitan channel. This initiative is geared toward increasing our client base and creating new options for local advertising. In October 2001, we entered into a joint venture with Endemol Holding to produce programs in Mexico. This enterprise combines Televisa's 50 years of experience in producing quality Spanish-language content with Endemol's innovation and creativity. This alliance will allow us to offer our viewers new formats that have already proven to be successful throughout the world. Also in October 2001, we launched a new programming schedule on Channels 2 and 9 as part of our strategy to be better attuned to viewer habits and increase the number of opportunities for product placement in our programs. In addition, the Company plans to continue expanding and leveraging its exclusive Spanish-language video and international film library.

Foreign-Produced Programming

Foreign-produced programming represented over 38.4% of the programming broadcast on the Company's four networks in 2001. Most of this foreign programming is from the United States and includes television series, movies and sporting events, including coverage of Major League Baseball and National Football League games. A substantial majority of this programming aired on Televisa's Channel 4 and Channel 5, and the remainder was aired on Channel 9. The Company dubs most of its foreign-produced programming in Spanish prior to its broadcast.

Talent Promotion

Grupo Televisa operates a school in Mexico City to train actors and technicians. The *Centro de Educación Artística* (CEA) provides free instruction to its artists and most of the actors appearing on Televisa's programs have attended the school. The Company also promotes writers and directors through various contests and scholarships.

Television Broadcasting

Grupo Televisa's four television networks, Channels 2,4,5 and 9, are comprised of 228 stations nationwide, as well as 86 complementary stations, and reach over 98% of Mexico's television households. The programs shown on Televisa's networks are among the most-watched television programs in Mexico.



Channel 2 Network

Grupo Televisa's Channel 2, "The Channel of the Stars," together with its affiliated stations, is the leading television network in Mexico and the leading Spanish-language network in the world in terms of the potential audience that can receive its signal. Channel 2 is the key driver of Televisa's sales performance and the best reflection of the Company's production skills and competitive advantage. According to IBOPE, Channel 2 reaches over 19 million households, representing over 98% of the households with television sets in Mexico, throughout its 128 affiliated stations. It had an average 31.8% sign-on to sign-off market share of the national television viewing audience in 2001.

The Channel 2 Network's target audience is the Mexican family. Its programs include telenovelas as well as news, entertainment, comedy and variety programs, sitcoms, game shows, movies and sports. Telenovelas make up the bulk of the prime-time lineup. Channel 2 airs predominantly first-run programming, almost all of which is produced by Grupo Televisa.

Channel 2's evening newscast is the most watched show of its genre in Mexico, due to its professionalism and independent views.

Channel 4 Network

Channel 4 reaches over 6 million households, or approximately 33% of the television households in Mexico, and over 3.5 million households in the Mexico City metropolitan area alone. The Channel 4 Network targets teenagers and young adults. Its programs consist primarily of foreign-produced series, mini-series and movies, which are dubbed or subtitled in Spanish. Channel 4 also broadcasts news, comedy, sports and television shows produced by Televisa, as well as a late-night home shopping program.

Channel 4 is broadcast on 3 television stations throughout Mexico. Unlike the Channel 2, Channel 5 and Channel 9 Networks, most of the affiliated stations receive only a portion of their daily programming from Channel 4. These stations complete their programming with their own productions and programming given under license by the Company. In addition to its national coverage, during 2001 Channel 4 produced local programming for the Mexico City metropolitan area and will continue to do so, attracting more local clients in Mexico City.

Channel 5 Network

Channel 5 is broadcast on 66 repeater stations located throughout Mexico. The Company estimates that the Channel 5 Network reaches approximately 18 million households, representing approximately 91% of households with television sets in Mexico.

Channel 5's programming is predominantly foreign-produced and comes mostly from the United States. Channel 5 offers cartoons and other children's programming, movies, television series, sports, news summaries and a late-night home shopping program. Most of



these programs are either dubbed or subtitled into Spanish at the Company's dubbing facilities. In 2001, Channel 5 once again was the preferred place to view blockbuster movies. During the year we aired 46 of the top 50 rated movies, including the hits "Titanic," "The Man Who Saw Tomorrow" and "La Primera Noche."

Channel 9 Network

Channel 9 also targets families as its primary audience. Its programming principally consists of movies, sports, sitcoms, game shows, news and reruns of popular programs from Channel 2. Channel 9 is broadcast on 31 repeater stations and the Company estimates that it reaches approximately 15 million households, representing approximately 74% of television households in Mexico. During 2001, Channel 9, renamed Galavisión, presented a new line up of programs and a newly designed format.

Local Affiliates

The affiliated television stations of the Channel 2, 5 and 9 Networks are repeater stations, receive programming broadcast from the Company's corresponding Mexico City stations and generally do not have any programming personnel. The affiliated television stations of the Channel 4 Network receive only part of their programming from Channel 4, with the remainder consisting primarily of programming licensed from the Company's program library and locally produced programs. The locally produced programs include news, game shows, musicals and other cultural programs as well as programs offering professional advice. In 2001, the local television stations owned by the Company produced over 35,000 hours of programming for viewing on their stations. In general, the Company pays a fixed percentage of advertising sales to the affiliated stations that are not wholly owned.

Border Stations

Grupo Televisa owns three English-language television stations near the border of Mexico and the United States. XETV, a Tijuana-based VHF Fox affiliate, provides the Company with attractive coverage of the San Diego area, a key U.S. market. The other two English-language television stations, XHFOX and XHFTX, are UHF stations near the border of Mexico and Texas. All three stations broadcast English language programming, primarily from the Fox Television Network.

	Wholly owned Mexico City anchor stations	Wholly owned affiliates	Majority owned affiliates	Independent affiliates	Total stations
Channel 2	1	121	5	1	128
Channel 4	1	2	-	-	3
Channel 5	1	58	-	7	66
Channel 9	1	17	-	13	31
Total	4	198	5	21	228*

* Additionally, we have 86 complementary stations.

Sales Plan

Grupo Televisa's sales force is separated into teams, each of which focuses on a particular business division. The Television broadcasting segment sells advertising on an up-front basis, which is open to our major clients before the start of a given year, on a scatter basis throughout a given year and through product placement in our programs and special events. During 2001, our sales force developed special promotional packages and marketing mechanisms to increase our clients' available options, and fulfill their advertising needs.

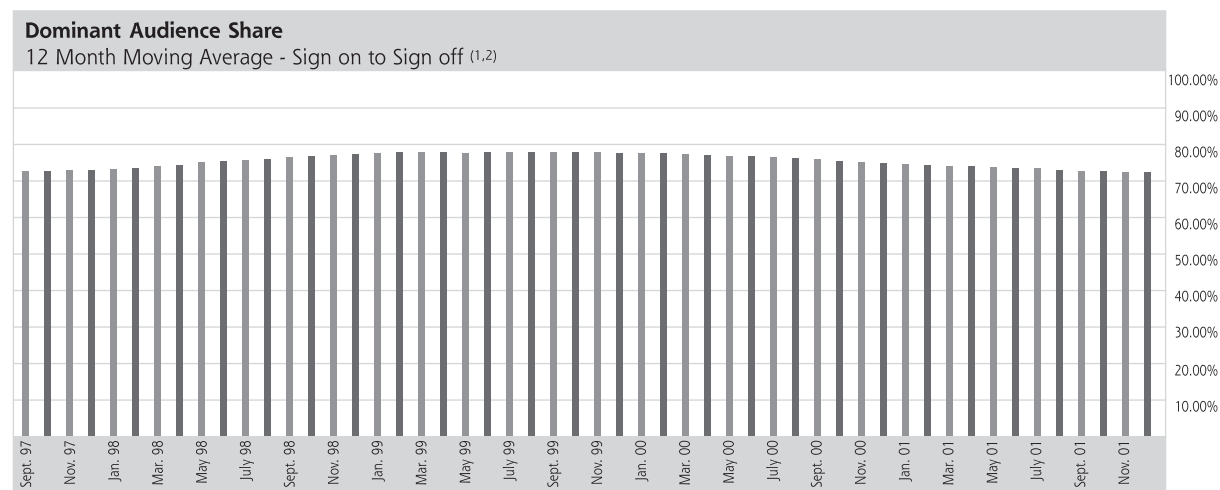
Programming for Pay Television, Publishing, Cable Television and Radio currently sell advertising through their own respective sales forces, which sell advertising primarily on a scatter basis.

Programming for Pay TV

Grupo Televisa provides programming for DTH satellite services, cable and pay-per-view television in Mexico, Spain and other countries in Latin America. The programs include telenovelas, music videos, sports, news programming produced by Televisa, information and entertainment services and programs produced by third parties. In 2001, the Company produced approximately 6,000 hours of programming for broadcast on pay television services.

Programming Licensing

Grupo Televisa is continually expanding the audiences which receive its programming. The Company licenses its programs and its rights to programs produced by third parties to television stations in Mexico and other television broadcasters and pay television systems in approximately 90 countries throughout the world. Televisa collects licensing fees based either on the size of the market for which the license is granted or the amount of the advertising sales generated by the licensed programming. The Company licensed approximately 64,000 hours of programming in 2001. A substantial portion of the programming licensed by the Company is licensed to Univision, the number one U.S. Hispanic media group outside of Mexico, whose prime-time line up is mainly comprised of Televisa's original programming.



1) Monday to Sunday 6:00 - 24:00 hrs., October 1996 - December 2001.
2) Source: IBOPE/AGB Mexico.



National urban ratings and audience share 1st, 2nd, 3rd, and 4th quarters 2001 (sign-on to sign-off — 6:00 to 24:00.) ⁽¹⁾							
Monday to Sunday							
2001	1st Q	2nd Q	1st H	3rd Q	4th Q	2nd H	FY
Channel 2							
Rating	12.9	11.8	12.4	11.7	11.9	11.8	12.1
Share ^(%)	33.6	31.8	32.7	31.0	30.7	30.9	31.8
Total Televisa ⁽²⁾							
Rating	28.7	27.3	28.0	27.2	27.9	27.6	27.8
Share ^(%)	74.7	73.3	74.0	72.0	72.1	72.0	73.0
National urban ratings and audience share 1st, 2nd, 3rd, and 4th quarters 2001 (16:00 to 24:00.) ⁽¹⁾							
Monday to Sunday							
2001	1st Q	2nd Q	1st H	3rd Q	4th Q	2nd H	FY
Channel 2							
Rating	20.7	17.8	19.3	17.5	18.0	17.8	18.5
Share ^(%)	36.0	33.3	34.6	32.0	32.1	32.0	33.3
Total Televisa ⁽²⁾							
Rating	41.9	38.1	40.0	37.8	38.6	38.2	39.1
Share ^(%)	73.1	71.0	72.0	68.9	68.8	68.9	70.5
National urban ratings and audience share 1st, 2nd, 3rd, and 4th quarters 2001 (Televisa prime-time 19:00 to 23:00.) ^{(1) (3)}							
Monday to Friday							
2001	1st Q	2nd Q	1st H	3rd Q	4th Q	2nd H	FY
Channel 2							
Rating	25.4	21.9	23.6	22.1	22.4	22.2	22.9
Share ^(%)	38.6	36.1	37.4	35.3	34.8	35.1	36.2
Total Televisa ⁽²⁾							
Rating	49.3	43.3	46.3	42.8	42.7	42.7	44.5
Share ^(%)	75.1	71.5	73.3	68.5	66.3	67.4	70.4

1) National urban ratings and audience share are certified by IBOPE and are based upon IBOPE's national surveys, which are calculated seven days a week, in Mexico City, Guadalajara, Monterrey and 24 other cities with a population over 400,000 people. "Ratings" for a period refers to the number of television sets tuned into the Company's programs as a percentage of the total number of all television households and "audience share" means the number of television sets tuned into the Company's programs as a percentage of the number of households watching conventional over-the-air television during that period, without regard to the number of viewers.

2) "Total Televisa" includes the Company's four networks as well as all local affiliates (including affiliates of Channel 4, most of which receive only a portion of their daily programming from Channel 4). Programming on affiliates of Channel 4 is generally broadcast in 10 of the 26 cities other than Mexico City that are covered by national surveys. Programming on Channel 9 affiliates are broadcast in 24 out of 26 cities and from the 1st of April of 2000.

3) "Televisa prime-time" is the time during which the Company generally charges its highest rates for its Channel 2 network.

Publishing



Grupo Televisa is the largest publisher and distributor of magazines in Mexico, and of Spanish-language magazines in the world, as measured by circulation. Through this division, the Company cross-promotes many of its other businesses, including Television broadcasting, Programming for pay television services, Radio, sports teams and feature film distribution.

Editorial

Our total annual circulation is approximately 132 million copies, and we have over 40 titles distributed in 18 countries, including Mexico, United States, Colombia, Chile, Argentina, Ecuador, Peru and Venezuela. Our most widely circulated and profitable Mexican publications are *TV y Novelas*, a weekly magazine focused on telenovelas and entertainment, and *Tele-Guía*, a weekly magazine that is the preeminent television guide in Mexico. With an average circulation of approximately 489,000 and 226,000 per issue, respectively, *TV y Novelas* and *Tele-Guía* are the top two ranking magazines in terms of circulation in Mexico.

The Company also publishes the following popular magazines: *Vanidades*, a bi-weekly magazine for women, *Eres*, a bi-weekly teen magazine, *Tu*, a monthly magazine targeted to teenage girls and *Somos*, a bi-weekly entertainment magazine. Televisa's other publications are also popular in the United States and Latin America.

Through agreements with non-Mexican publishers, Grupo Televisa publishes Spanish-language versions of several popular magazines, including: *Cosmopolitan*, *Men's Health*, *National Geographic* and *Popular Mechanics*.



Publishing Distribution

Grupo Televisa's distribution network, *Distribuidora Intermex, S.A. de C.V.*, a wholly-owned subsidiary, distributes approximately 55% of the magazines circulated in Mexico. Through over 20,000 points of sale in Mexico and over 80,000 points of sale abroad, the Company reaches more than 300 million Spanish-speaking people in 18 countries, including Mexico, Colombia, Chile, Argentina, Ecuador, Peru and Panama. The Company also owns publishing and distribution operations in six countries worldwide and distributes its own publications in the United States, the Caribbean and elsewhere through independent distributors.

During 2001, approximately 60% of the publications distributed by this network were published by the Company's Publishing segment. This distribution network also circulates publications published by joint ventures and independent publishers, as well as compact discs, videos, lottery tickets, telephone cards and other consumer products.

Cable Television



Grupo Televisa owns a 51% interest in Cablevisión, the largest cable system in Mexico. Cablevisión provides cable television services to subscribers in Mexico City and the surrounding areas. Cablevisión's various service packages offer multiple channels of entertainment, news and informational programming, including Channels 2, 4, 5 and 9, as well as other well-known programming produced by Televisa.

As of December 31, 2001, Cablevisión's cable network consisted of more than 9,500 kilometers with approximately 1.4 million homes passed. In 2001, Cablevisión expanded its network by more than 700 kilometers. Over 50% of Cablevisión's network runs at least at 750 MHz and approximately 33% of Cablevisión's network has a bi-directional capability. With this advanced network, Cablevisión will be able to go forward with its plans to deliver value added services to its customers.

The total number of basic subscribers increased from over 403,000 in 2000 to approximately 452,000 in 2001. The digital subscriber base increased from approximately 44,000 in 2000 to approximately 81,500 in 2001. Additionally, subscribers to cable modem services, which enable Internet connections up to 100 times faster than traditional telephone modems, amounted to over 1,600.

In November 2001, Cablevisión launched "Ponchivisión La Tele Con Patas," a pay television channel, which currently transmits 5 prime-time hours, which programming is re-run in 4 adjusted blocks 5 times a day, effectively transmitting 24 hours. Cablevisión intends to license this signal via satellite to other pay television systems throughout the country.

Cablevisión's basic service package offers 46 channels, including Mexico City's nine over-the-air television channels. Other channels in the basic service package include Fox, E! Entertainment, the Latin American MTV channel, Nickelodeon, the Latin American Discovery channel, the Sony channel, the Warner channel, Ponchivisión, ESPN International and various international film channels.

Cablevisión also offers four digital service packages, offering up to 83 video channels and 50 audio channels, which provide access to channels such as CNN International, HBO Plus, Cinemax, Cinecanal and Movie City.

Cablevisión currently offers 30 pay-per-view cable television channels, which show films and special events programs, including sports and musical events. Cablevisión sells advertising time on its pay-per-view channels during the broadcast of certain events.

In an effort to expand its subscriber base and increase its revenues, Cablevisión plans to offer the following services to subscribers in the future, subject to regulatory approvals:

- enhanced programming, channel hyperlinking, video on demand, smart card shopping, programming preview and information services, as well as a service that will allow viewers to change camera angles during sporting events;
- e-commerce applications; and
- IP telephony.



Radio



Grupo Televisa owns a 50% interest with full voting rights in Sistema Radiópolis. Grupo Prisa, the leading media group in Spain, owns the remaining 50% interest with limited voting rights. Radiópolis operates 17 radio stations, 6 FM and 11 AM, in Mexico's key markets— Mexico City, Guadalajara, and Monterrey— as well as stations in Veracruz, San Luis Potosí, and Mexicali. The Company estimates that these radio stations reach approximately half of the population of Mexico.

Some of the stations transmit signals which reach beyond the market areas they serve. For example, the signals of XEW-AM in Mexico City and XEWA-AM in San Luis Potosí are powerful enough to reach listeners in the southern United States and XEW-AM serves most of the southern part of Mexico.

Radiópolis' radio stations use various programming formats to target specific audiences and meet the needs of the stations' advertisers, while cross-promoting the talent, content and programming of many of Grupo Televisa's businesses, including television, sports and news. Radiópolis' advertising sales force sells advertising time both nationally and locally on its radio stations primarily on a scatter basis.

According to International Research Associates Mexicana, S.A. de C.V. ("INRA"), in 2001 XEQ-FM ranked 15th among the 28 stations in the Mexico City metropolitan area FM market. INRA conducts daily door-to-door interviews in the Mexico City metropolitan area to determine radio listeners' preferences.

Other Businesses

Businesses



Grupo Televisa's Other Businesses division consists of a diverse group of businesses that complement the Company's core operating businesses. These businesses include EsMas.com, our Internet portal; the professional league soccer teams América and Necaxa; *En Vivo*, our live entertainment operation; a feature film production and distribution division; dubbing facilities; and paging services.

Internet

EsMas.com is Grupo Televisa's Internet portal, featuring the following vertical channels: news, sports, business, music and entertainment, editorials, life and style, technology, culture, health, kids and an opinion survey channel. The range of services offered by EsMas.com includes: email, search capabilities, a shopping channel, chat forums, pager messaging service, e-cards, on-line radio stations, recruitment services, news bulletins and a download service for personal digital assistance. EsMas.com has positioned itself as one of the leading Internet portals in Mexico, with over 5 million visitor sessions per month and over 866,000 registered users.

In July 2001, EsMas.com purchased Submarino.com-Mexico, the leading Mexican E-shopping site. Submarino.com-Mexico has one of Mexico's most extensive online shopping catalogues that features a wide selection of CDs, DVDs, books, toys and other electronic goods.

Live Entertainment

En Vivo, the Company's live entertainment enterprise, has established itself as a leader in the Mexican live entertainment industry by booking world-class talents to perform in Mexico. Successful shows by Grupo Kabah, Cirque Eos, NSYNC, David Copperfield, Los Temerarios, Celia Cruz and Elton John have positioned *En Vivo* as a strong booking option for Mexican and international artists who want to perform in the country. Grupo Televisa benefits from the synergies created by the cross-endorsement opportunities that we are able to provide to our clients in this division.

Sports Promotions

The Company owns two of Mexico's most popular and successful professional soccer teams, América and Necaxa. Each team plays two 17-game regular seasons, one of which begins in July and ends in December and the other of which begins in January and ends in May. The best teams of each season engage in post-season championship play. In 2001, the Company broadcast approximately 84 hours of the home games of Televisa's teams.

Grupo Televisa owns the Azteca Stadium which seats over 105,000 people and has hosted two World Cup Soccer Championships. The Company's soccer teams and the Mexican National soccer team generally play their home games at this stadium. Grupo Televisa has exclusive rights to broadcast the home games of the América and Necaxa teams, as well as those of seven other Premier Division soccer teams.

Feature Film Production and Distribution

Grupo Televisa produces and distributes first-run Spanish-language feature films, some of which are among Mexico's top films based on box office receipts. In 2001, the Company began co-production of nine feature films with Warner Brothers and several other studios.

Grupo Televisa distributes its films to Mexican movie theaters and later releases them on video for broadcast on cable and network television. Televisa also distributes its feature films outside of Mexico.

Grupo Televisa has an agreement with *Corporación Interamericana de Entretenimiento* (CIE) under which the Company will receive a first option to purchase rights in Mexico to distribute their feature films in movie theatres and broadcast these films on our cable and television networks.

Grupo Televisa also distributes feature films in Mexico produced by non-Mexican producers. In Mexico, the Company is the exclusive distributor of feature films produced by Warner Brothers, and since 1997, it has also been the exclusive distributor of feature films produced by New Line Cinema and by Polygram. In 2001, Televisa distributed feature films, including several U.S. box office hits such as "What Women Want," "Harry Potter and the Sorcerer's Stone," "The Exorcist" and "Cats & Dogs."

As of year-end 2001, Grupo Televisa owned or had rights to more than 560 Spanish-language films and 25 video movies. Many of these films and videos have been shown on the Company's television networks, cable system and DTH satellite systems. Televisa also owns the rights to 20 films produced by third parties.



Dubbing

Grupo Televisa provides dubbing for television programs and films that we purchase or are purchased by other companies, including several major U.S. production companies. Dubbing services include script and dialogue translation, voice-over dubbing of narrations and songs, preparation of sound tracks for international distribution, sound effects and transfers between different recording formats. Televisa's dubbing facilities consist of ten studios for recording dialogue, five post-production studios, three re-recording studios and nine private screening rooms that are capable of producing approximately 216 hours of dubbing per month. The Company produced over 1,600 hours of dubbing in 2001.

Nationwide Paging

Grupo Televisa owns a 51% interest in a joint venture called Skytel, which has a license to provide nationwide paging services in Mexico. A subsidiary of Mobile Telecommunications Technologies Corp., a U.S. paging company, owns the remaining 49% interest in Skytel. As of year-end end 2001, Skytel had approximately 143,000 subscribers.



DTH Joint Ventures

DTH



Grupo Televisa participates in direct-to-home (DTH) satellite broadcasting through a strategic partnership for the Americas with The News Corporation Limited, Organizações Globo and Liberty Media. In addition, the Company participates in a DTH platform in Spain through a joint venture with Telefónica de España and several Spanish broadcasters and newspapers.

The Americas venture operates under the name of SKY and has plans to serve the entire Latin America region and the Caribbean. The partnership for the Americas combines four premier global production and distribution companies, and each partner's unique strengths provide the venture with the experience, programming and technical expertise necessary to thrive in the competitive Latin American marketplace.

Grupo Televisa and News Corp. are the major sources of programming content for the Company's DTH joint ventures, and both companies have granted their DTH joint ventures in Latin America and Mexico exclusive DTH satellite service broadcast rights to all of Televisa's and News Corp.'s existing and future program services, including pay-per-view services on DTH, subject to some pre-existing third-party agreements.

Grupo Televisa has also been developing channels exclusively for pay television broadcast. Through its relationship with News Corp., Televisa expects that the DTH satellite service will continue to negotiate favorable terms for programming rights both with third parties in Mexico and with international suppliers from the United States, Europe and Latin America.



Mexico

Grupo Televisa operates SKY, its DTH satellite joint venture in Mexico, through Innova, S. de R.L. de C.V. ("Innova"). Innova is the pay-TV market leader in Mexico with an approximate 74% market share as measured by the number of gross active subscribers. The Company owns 60% of this joint venture, with its partners, News Corp. and Liberty Media, each owning a 30% interest and a 10% interest, respectively. During the year ended December 31, 2001, the number of gross active subscribers increased by approximately 102,000, or about 17.3 %, as compared to the prior year. As of year-end 2001, Innova had approximately 692,000 gross active subscribers, as compared to approximately 590,000 gross active subscribers as of year-end 2000.

Innova primarily attributes its successful growth to its superior programming content, its new enhanced-TV features and its nationwide distribution network with more than 3,300 points of sale. Sky's programming packages combine the exclusivity of Televisa's over-the-air channels with other DTH exclusive channels produced by News Corporation such as Fox Sports, Fox Kids and Fox Channel, one of the leading pay television channels in Mexico.

During 2001, Innova offered exclusive soccer games and added more channels to continue to enhance its service to subscribers. Key highlights include:

- New channels added to Sky's line-up: Boomerang, Magic Kids, CNN Sports Illustrated, Locomotion and "Channel 52" including the broadcast, on a DTH exclusive basis, of local matches of Atlante and Veracruz soccer teams.
- Broadcast of the Mexican 2001 Winter Soccer Tournament and the opening and 12 matches of the Argentinean 2001 Soccer Tournament.
- Broadcast of special events including the "Elton John in Mexico" interactive concert live on an exclusive basis, the "Copa Dodge 2001" car races on an exclusive basis and several boxing matches, including Mike Tyson vs. Bryan Nielsen and Julio César Chávez vs. Terry Thomas.
- Broadcast of the 2001-2002 bullfight season on an exclusive basis.
- Broadcast of Morelia team's soccer matches and local blackouts.

In addition to sports, news and general entertainment programming, the Company provides Innova with exclusive DTH satellite service broadcast rights to Televisa's four over-the-air broadcast channels, which are among the most popular television channels in Mexico. The Company's DTH satellite service is the only pay television service that offers all the over-the-air broadcast signals from Mexico City as well as Televisa's channels from Guadalajara and Monterrey.

SKY currently provides 165 digital channels (104 video, 29 pay-per-view and 32 audio) of exclusive Spanish-language over-the-air channels, special events, sports and entertainment programming through six basic programming packages: SKY Light, SKY Fun, SKY Nova, SKY Star, SKY Plus and SKY Universe. SKY broadcasts special events, such as concerts, sports events and movies on its pay-per-view channels.



Spain

The Spanish DTH platform, "Vía Digital," began broadcasting throughout Spain in September 1997, and as of December 31, 2001, had approximately 800,000 subscribers and provided 60 video channels, 19 pay-per-view channels, 40 audio channels and 12 interactive services.

Grupo Televisa owns 10.0% of this venture. Its partners, Telefónica de España, DirecTV, Recoletos and several Spanish broadcasters and newspapers, own 67.4%, 6.9%, 5.0% and 10.7 % of Vía Digital, respectively. The Company provides programming for five of Vía Digital's channels, while Telefónica de España manages the technical side of the broadcasting service.

Colombia

The Colombian DTH platform commenced operations in December 1997 and as of December 31, 2001, had over 39,000 subscribers and provided 52 video channels, 24 pay-per-view channels and 45 audio channels. Grupo Televisa owns a 15.3% interest in this venture on a fully diluted basis, and its partners include Casa Editorial El Tiempo, S.A., Radio Cadena Nacional, S.A., RTI Comunicaciones de Colombia Ltda. and Pastrana Arango.

Chile

The Chilean DTH platform commenced operations in October 1998 and as of December 31, 2001, had over 63,000 subscribers and provided 68 video channels, 24 pay-per-view channels and 35 audio channels. Grupo Televisa owns a 30% interest in this venture on a fully diluted basis.

Argentina

The Argentine DTH platform commenced operations in the fourth quarter of 2000 and as of December 31, 2001 had over 73,000 subscribers and provided 58 video channels, 16 pay-per-view channels and 40 audio channels. Grupo Televisa has partnered with Publicom S.A. in this venture, and owns a 15.3% interest on a fully diluted basis.

Univision

Univision



Univision is the leading Spanish-language television broadcaster in the United States, reaching more than 97% of all Hispanic households in the United States. In 2001, Univision had approximately an 82% prime-time audience share for U.S. Spanish-language television network, making it the most watched television network among Hispanic households in the United States. Grupo Televisa is currently the second largest stockholder of Univision, with an approximate 15% ownership interest in Univision on a fully diluted basis.

As of December 31, 2001, Univision's operations included: Univision Network, the most-watched Spanish-language broadcast television network in the U.S.; Telefutura Network, the new 24-hour Spanish-language broadcast television network designed to counter-program traditional Spanish-language lineups and draw additional viewers to Spanish-language television; Univision Television Group, which currently owns and operates 21 Univision television stations and 23 Telefutura television stations; Galavision, the Country's leading Spanish-language cable network; Univision Music Group, which upon the receipt of the required regulatory approvals, will include Fonovisa, the leading Latin label in the U.S., as well as a 50% interest in the Mexican music recording and publishing company, Disa Records; and Univision Online.

Grupo Televisa supplies programming to Univision under a program license agreement that expires in December 2017. Under this program license agreement, Univision has exclusive rights to broadcast in the United States over the Univision, Galavision and Telefutura networks substantially all of our Spanish-language programming, with some exceptions. In exchange for these rights, Univision pays Televisa programming royalties based on combined net time sales. Univision pays these royalties to the Company each year regardless of the amount of Televisa's programming it uses.

In addition, we agreed to establish a joint venture with Univision to introduce Televisa's satellite and cable pay-TV programming into the United States.

Fundación **Televisa**



Televisa remains conscious of its social and cultural responsibilities and has assumed a leading role in the transformation of Mexican society through Fundación Televisa. To provide more opportunities for the children in Mexico is at the heart of Fundación Televisa's goals. The Foundation is committed to preserving and promoting Mexican cultural ideals. To accomplish these objectives in a systematic and efficient way, the Foundation works in two principal areas: social development and cultural promotion.

On the social side, the efforts of the Foundation focus on education and health. Fundación Televisa supports various causes by partnering with several of the teams in the Mexican soccer league. Each participating team takes on a specific cause each season to contribute to the overall goal of providing a better future for the children. Through this effort, in 2001 we equipped 85 schools with computers, Internet access and educational programs; we started more than four thousand children in rural communities on a nutritional program; we helped 15 children receive cornea transplants; and we provided eyeglasses to more than 3,500 children in need.

On the cultural side, Fundación Televisa promotes a cultural dialogue among Mexicans as well as between Mexico and the rest of the world. The Foundation owns a collection of fine art divided into three categories: modern art, prehispanic art and photography. Many of these works have been exhibited in museums throughout the country. In an effort to promote cultural diversity, the Foundation has also sponsored numerous events in Mexico, including Cirque Eos of Quebec, XVII Festival del Centro Histórico, Kirov Ballet, New York Philharmonic, Les Ballets de Monte Carlo and the Berlin Symphony.

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Common Stock Data

CPOs covering the Grupo Televisa, S.A. A Shares, L Shares and D Shares are listed and admitted for trading on the Bolsa Mexicana de Valores, S.A. de C.V. (the Mexican Stock Exchange) under the ticker symbol "TLEVISACPO." The GDSs, each representing twenty CPOs, are listed on the New York Stock Exchange (traded under the ticker symbol "TV") and the Stock Exchange Automated Quotation System of the London Stock Exchange (traded under the ticker symbol "GTGDS.")

Dividend Policy

The declaration, amount and payment of dividends are determined by majority vote of the holders of the A Shares, generally but not necessarily, on the recommendation of the Board of Directors. The decision will depend on the Company's financial condition, cash requirements, future prospects and other factors deemed relevant, as determined by the holders of A Shares. There can be no assurance that the Company will pay dividends.

SEC Filings

The Company files and submits reports to the U.S. Securities and Exchange Commission. This Annual Report contains both historical information and forward-looking statements. These forward-looking statements, as well as other forward-looking statements made by the Company or its representatives from time to time, whether orally or in writing, involve risks and uncertainties relating to the Company's businesses, operations and financial condition. A summary of these risks is included with the Company's submissions accompanying this Annual Report with the U.S. Securities and Exchange Commission, and this summary as well as the other filings with and submissions to the U.S. Securities and Exchange Commission are and will be available through the Office of Investor Relations upon written request.

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