Report of independent auditors

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México, D.F., April 2, 2007

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

We have audited the accompanying consolidated balance sheets of Grupo Televisa, S.A.B. ("the Company") and its subsidiaries as of December 31, 2005 and 2006 and the related consolidated statements of income, of changes in stockholders' equity and of changes in financial position for the years ended December 31, 2004, 2005 and 2006. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. As of and for the year ended December 31, 2005, we did not audit the financial statements of Univision Communications, Inc. ("Univision"), an equity method investee. The Company's consolidated financial statements include the investment in Univision of Ps.5,912 million as of December 31, 2005, and an equity in earnings of Univision in the consolidated income statements of the Company of Ps.291 million and Ps.200 million for the years ended December 31, 2004 and 2005, respectively. The financial statements of Univision were audited by other auditors, and our opinion expressed herein, insofar as it relates to that investment, is based solely on the report of the other auditors. As of December 31, 2006, the investment in Univision is recorded at fair value, as discussed in Note 5 to the consolidated financial statements.

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

In our opinion, based on our audits and the report of other auditors, the aforementioned consolidated financial statements present fairly, in all material respects, the consolidated financial position of Grupo Televisa, S.A.B. and its subsidiaries at December 31, 2005 and 2006, and the consolidated results of their operations, changes in their stockholders' equity and changes in their financial position for the years ended December 31, 2004, 2005 and 2006 in conformity with Mexican Financial Reporting Standards.

PricewaterhouseCoopers

C.P.C. José Miguel Arrieta Méndez
Audit Partner

Consolidated balance sheets

As of December 31, 2005 and 2006
(In thousands of Mexican pesos in purchasing power as of December 31, 2006)
(Notes 1 and 2)

		2005	2006
ASSETS			
Current:			
Available:			
Cash		Ps. 566,655	**Ps. 675,840**
Temporary investments		14,810,279	**15,134,908**
		15,376,934	**15,810,748**
Trade notes and accounts receivable, net	(Note 3)	14,459,545	**13,597,569**
Other accounts and notes receivable, net		593,738	**1,488,340**
Due from affiliated companies	(Note 16)	336,273	**184,814**
Transmission rights and programming	(Note 4)	3,246,981	**3,053,174**
Inventories		664,151	**772,890**
Available-for-sale investment	(Note 5)	–	**11,821,932**
Other current assets		601,498	**771,083**
Total current assets		35,279,120	**47,500,550**
Transmission rights and programming, noncurrent	(Note 4)	4,079,892	**3,428,848**
Investments	(Note 5)	7,895,046	**5,710,663**
Property, plant and equipment, net	(Note 6)	20,528,184	**20,975,939**
Intangible assets and deferred charges, net	(Note 7)	10,419,131	**5,390,082**
Other assets		20,528	**24,408**
Total assets		Ps. 78,221,901	**Ps. 83,030,490**

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

Consolidated **balance sheets**

As of December 31, 2005 and 2006
(In thousands of Mexican pesos in purchasing power as of December 31, 2006)
(Notes 1 and 2)

		2005	**2006**
LIABILITIES			
Current:			
Current portion of long-term debt	(Note 8)	Ps. 354,256	**Ps. 986,368**
Current portion of satellite transponder lease obligation	(Note 8)	78,668	**86,176**
Trade accounts payable		3,074,484	**3,450,753**
Customer deposits and advances		16,168,025	**16,893,604**
Taxes payable		1,098,587	**1,179,477**
Accrued interest		348,171	**262,064**
Due to affiliated companies	(Note 16)	810,655	**38,133**
Other accrued liabilities		1,645,009	**2,047,737**
Total current liabilities		23,577,855	**24,944,312**
Long-term debt, net of current portion	(Note 8)	18,872,379	**17,795,330**
Satellite transponder lease obligation, net of current portion	(Note 8)	1,235,042	**1,120,415**
Customer deposits and advances, noncurrent		2,609,862	**268,200**
Other long-term liabilities		480,074	**522,047**
Deferred taxes	(Note 20)	172,371	**1,488,778**
Pension plans, seniority premiums and severance indemnities	(Note 10)	199,949	**287,035**
Total liabilities		47,147,532	**46,426,117**
Commitments and contingencies	(Note 11)		
STOCKHOLDERS' EQUITY			
Capital stock issued, no par value	(Note 12)	10,290,302	**10,126,212**
Additional paid-in capital		4,383,180	**4,383,180**
		14,673,482	**14,509,392**
Retained earnings:	(Note 13)		
Legal reserve		1,871,279	**2,058,060**
Reserve for repurchase of shares		5,977,422	**4,459,258**
Unappropriated earnings		12,313,812	**16,715,254**
Net income for the year		6,373,822	**8,586,188**
		26,536,335	**31,818,760**
Accumulated other comprehensive loss, net	(Note 14)	(3,690,105)	**(3,703,701)**
Shares repurchased	(Note 13)	(7,330,702)	**(7,603,171)**
		15,515,528	**20,511,888**
Total majority interest		30,189,010	**35,021,280**
Minority interest	(Note 15)	885,359	**1,583,093**
Total stockholders' equity		31,074,369	**36,604,373**
Total liabilities and stockholders' equity		Ps. 78,221,901	**Ps. 83,030,490**

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

Consolidated **statements of income**

For the years ended December 31, 2004, 2005 and 2006
(In thousands of Mexican pesos in purchasing power as of December 31, 2006, except per CPO amounts)
(Notes 1 and 2)

		2004	2005	**2006**
Net sales	(Note 23)	Ps. 31,518,972	Ps. 33,797,563	**Ps. 37,931,841**
Cost of sales (excluding depreciation and amortization)		15,949,394	15,350,340	**16,182,882**
Operating expenses (excluding depreciation and amortization):				
Selling		2,366,583	2,773,497	**3,016,828**
Administrative		1,770,461	1,916,065	**2,304,171**
Depreciation and amortization		2,231,065	2,517,015	**2,679,066**
Operating income	(Note 23)	9,201,469	11,240,646	**13,748,894**
Integral cost of financing, net	(Note 17)	1,630,188	1,854,259	**1,099,691**
Restructuring and non-recurring charges	(Note 18)	424,977	239,220	**614,354**
Other expense, net	(Note 19)	553,730	483,037	**211,041**
Income before income taxes and employees' profit sharing		6,592,574	8,664,130	**11,823,808**
Income taxes	(Note 20)	1,257,804	781,692	**2,016,671**
Employees' profit sharing	(Note 20)	7,009	20,714	**30,502**
		1,264,813	802,406	**2,047,173**
Income before equity in results of affiliates and cumulative loss of accounting change		5,327,761	7,861,724	**9,776,635**
Equity in earnings (losses) of affiliates, net	(Note 5)	661,247	166,649	**(602,206)**
Cumulative loss of accounting change, net	(Note 1(b)(n)(r))	(1,098,423)	(526,592)	**–**
Consolidated net income		4,890,585	7,501,781	**9,174,429**
Minority interest	(Note 15)	(249,181)	(1,127,959)	**(588,241)**
Net income	(Note 13)	Ps. 4,641,404	Ps. 6,373,822	**Ps. 8,586,188**
Net income per CPO	(Note 21)	Ps. 1.60	Ps. 2.19	**Ps. 2.96**

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, 2004, 2005 and 2006
(In thousands of Mexican pesos in purchasing power as of December 31, 2006)
(Notes 1 and 2)

	Capital Stock Issued (Note 12)	Additional Paid-In Capital	Retained Earnings (Note 13)	Accumulated Other Comprehensive Loss (Note 14)	Shares Repurchased (Note 13)	Total Majority Interest	Minority Interest (Note 15)	Total Stockholders' Equity
Balance at January 1, 2004	Ps. 9,282,794	Ps. 4,383,180	Ps. 25,959,456	Ps. (2,537,465)	Ps. (7,175,060)	Ps. 29,912,905	Ps. 1,219,971	Ps. 31,132,876
Dividends	–	–	(4,280,816)	–	–	(4,280,816)	–	(4,280,816)
Stock dividends	1,007,508	–	(1,007,508)	–	–	–	–	–
Repurchase of capital stock	–	–	(138,276)	–	(738,472)	(876,748)	–	(876,748)
Sale of repurchase shares	–	–	(515,169)	–	1,145,445	630,276	–	630,276
Decrease in minority interest	–	–	–	–	–	–	(1,349,582)	(1,349,582)
Comprehensive income (loss)	–	–	4,641,404	(217,291)	–	4,424,113	–	4,424,113
Balance at December 31, 2004	10,290,302	4,383,180	24,659,091	(2,754,756)	(6,768,087)	29,809,730	(129,611)	29,680,119
Dividends	–	–	(4,480,311)	–	–	(4,480,311)	–	(4,480,311)
Repurchase of capital stock	–	–	–	–	(1,242,838)	(1,242,838)	–	(1,242,838)
Sale of repurchase shares	–	–	(352,915)	–	680,223	327,308	–	327,308
Increase in minority interest	–	–	–	–	–	–	1,014,970	1,014,970
Stock-based compensation	–	–	336,648	–	–	336,648	–	336,648
Comprehensive income (loss)	–	–	6,373,822	(935,349)	–	5,438,473	–	5,438,473
Balance at December 31, 2005	10,290,302	4,383,180	26,536,335	(3,690,105)	(7,330,702)	30,189,010	885,359	31,074,369
Dividends	–	–	(1,119,749)	–	–	(1,119,749)	–	(1,119,749)
Share cancellation	(164,090)	–	(1,518,164)	–	1,682,254	–	–	–
Repurchase of capital stock	–	–	–	–	(3,107,697)	(3,107,697)	–	(3,107,697)
Sale of repurchase shares	–	–	(586,984)	–	1,152,974	565,990	–	565,990
Increase in minority interest	–	–	–	–	–	–	697,734	697,734
Benefit from capital contribution of minority interest in Sky Mexico	–	–	371,627	–	–	371,627	–	371,627
Loss on minority interest acquisition of Sky Mexico	–	–	(685,540)	–	–	(685,540)	–	(685,540)
Stock-based compensation	–	–	235,047	–	–	235,047	–	235,047
Comprehensive income (loss)	–	–	8,586,188	(13,596)	–	8,572,592	–	8,572,592
Balance at December 31, 2006	**Ps.10,126,212**	**Ps. 4,383,180**	**Ps. 31,818,760**	**Ps. (3,703,701)**	**Ps.(7,603,171)**	**Ps. 35,021,280**	**Ps. 1,583,093**	**Ps. 36,604,373**

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, 2004, 2005 and 2006
(In thousands of Mexican pesos in purchasing power as of December 31, 2006)
(Notes 1 and 2)

	2004	2005	**2006**
Operating activities:			
Consolidated net income	Ps. 4,890,585	Ps. 7,501,781	**Ps. 9,174,429**
Adjustments to reconcile net income to resources provided by (used for) operating activities:			
Equity in (earnings) losses of affiliates	(661,247)	(166,649)	**602,206**
Depreciation and amortization	2,231,065	2,517,015	**2,679,066**
Write-off of long-lived assets and other amortization	295,333	101,498	**170,476**
Deferred taxes	655,647	(819,707)	**1,245,815**
Loss (gain) on disposition of affiliates	131,665	178,205	**(18,848)**
Stock-based compensation	–	–	**235,047**
Cumulative loss effect of accounting changes	1,098,423	526,592	**–**
	8,641,471	9,838,735	**14,088,191**
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Trade notes and accounts receivable, net	74,533	(2,384,961)	**861,976**
Transmission rights and programming	335,693	1,016,378	**749,871**
Inventories	(117,001)	48,455	**(108,739)**
Other accounts and notes receivable and other current assets	(397,446)	828,851	**(1,064,187)**
Increase (decrease) in:			
Customer deposits and advances	579,864	2,323,724	**(1,616,083)**
Trade accounts payable	(650,988)	778,642	**376,269**
Other liabilities, taxes payable and deferred taxes	(187,786)	(772,626)	**540,377**
Pension plans and seniority premiums	68,283	77,678	**87,086**
	(294,848)	1,916,141	**(173,430)**
Resources provided by operating activities	8,346,623	11,754,876	**13,914,761**
Financing activities:			
Issuance of Senior Notes due 2025	–	6,634,328	**–**
Prepayments of Senior Notes and UDIs denominated Notes	–	(5,909,836)	**–**
Prepayments of Senior Notes due 2013	–	–	**(3,195,625)**
Other increase in debt	4,498,598	–	**3,500,000**
Other decrease in debt	(2,476,846)	(5,598,073)	**(856,431)**
Repurchase and sale of capital stock	(246,474)	(915,528)	**(2,541,707)**
Dividends paid	(4,280,816)	(4,480,311)	**(1,119,749)**
Gain on issuance of shares of investee	115,983	–	**–**
Gain on valuation of available-for-sale investments	–	–	**(578,656)**
Loss on minority interest acquisition of Sky Mexico	–	–	**(685,540)**
Benefit from capital contribution of minority interest in Sky Mexico	–	–	**371,627**
Minority interest	(55,290)	(112,988)	**109,493**
Translation effect	(52,380)	116,756	**16,575**
Resources used for financing activities	(2,497,225)	(10,265,652)	**(4,980,013)**
Investing activities:			
Due from affiliated companies, net	(39,105)	556,543	**(621,063)**
Investments	(257,183)	(1,250,054)	**(4,726,247)**
Disposition of investments	39,020	109,271	**6,933,725**
Investments in property, plant and equipment	(2,179,428)	(2,849,075)	**(3,304,323)**
Disposition of property, plant and equipment	159,715	329,857	**513,378**
Investment in goodwill and other intangible assets	(228,575)	(1,725,838)	**(1,180,338)**
Disposition of goodwill and other intangible assets	281,582	702,284	**5,709,746**
Available-for-sale investment in shares of Univision	–	–	**(11,821,932)**
Other assets	(105,855)	121,789	**(3,880)**
Resources used for investing activities	(2,329,829)	(4,005,223)	**(8,500,934)**
Net increase (decrease) in cash and temporary investments	3,519,569	(2,515,999)	**433,814**
Net increase in cash and temporary investments upon Sky Mexico's consolidation	503,046	–	–
Cash and temporary investments at beginning of year	13,870,318	17,892,933	**15,376,934**
Cash and temporary investments at end of year	Ps. 17,892,933	Ps. 15,376,934	**Ps. 15,810,748**

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

Notes to consolidated financial statements

For the Years Ended December 31, 2004, 2005 and 2006
(In thousands of Mexican pesos in purchasing power as of December 31, 2006, except per CPO, per share and exchange rate amounts)

1. Accounting policies

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

a) Basis of presentation

The financial statements of the Group are presented on a consolidated basis in accordance with Mexican Financial Reporting Standards ("Mexican FRS") issued by the Mexican Financial Reporting Standards Board ("Consejo Mexicano para la Investigación y Desarrollo de Normas de Información Financiera" or "CINIF"), and accordingly, include the recognition of the effects of inflation on financial information.

In June 2004, the CINIF assumed the responsibility for setting accounting and reporting standards in Mexico. Before that date the Mexican Institute of Public Accountants ("MIPA") was responsible for issuing accounting principles generally accepted in Mexico ("Mexican GAAP"). In November 2005, the CINIF issued the first Mexican FRS, which became effective in January 2006, and included a new conceptual framework to achieve the convergence with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). Under this revised conceptual framework, the hierarchy of Mexican FRS is set up as follows: (i) Financial Reporting Standards ("Normas de Información Financiera" or "NIF") and NIF Interpretations; (ii) Bulletins of Mexican GAAP issued by the MIPA that have not been modified, replaced or superseded by new FRS; and (iii) those IFRS issued by the IASB and recognized as supplementary in Mexico when no general or specific guidance is provided by Mexican FRS. The provisions of the new conceptual framework issued by the CINIF did not have a significant effect on the Group's consolidated financial statements.

The consolidated financial statements include the net assets and results of operations of all companies in which the Company has a controlling interest (subsidiaries). The consolidated financial statements also include the accounts of variable interest entities ("VIEs") in which the Group is deemed the primary beneficiary (see Note 1(b)). All significant intercompany balances and transactions have been eliminated from the financial statements.

The preparation of financial statements in conformity with Mexican FRS 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.

These consolidated financial statements were authorized for issuance on April 4, 2007, by the Group's Vice President Controller Office.

b) Members of the Group

At December 31, 2006, the Group consisted of the Company and various consolidated entities, including the following:

Consolidated Entities	Company's Ownership (1)	Business Segments (2)
Telesistema Mexicano, S.A. de C.V. and subsidiaries, including Televisa, S.A. de C.V	100%	Television Broadcasting Pay Television Networks Programming Exports
Televisión Independiente de México, S.A. de C.V. and subsidiaries	100%	Television Broadcasting
Campus América, S.A. de C.V. and subsidiaries, including TuTv, LLC ("TuTv") (3)	100%	Television Broadcasting Pay Television Networks
Editorial Televisa, S.A. de C.V. and subsidiaries	100%	Publishing
Grupo Distribuidoras Intermex, S.A. de C.V. and subsidiaries	100%	Publishing Distribution
Innova, S. de R. L. de C.V. and subsidiaries (collectively, "Sky Mexico") (3)	58.7%	Sky Mexico
Empresas Cablevisión, S. A. B. de C.V. and subsidiaries	51%	Cable Television
Sistema Radiópolis, S.A. de C.V. and subsidiaries	50%	Radio
Corporativo Vasco de Quiroga, S.A. de C.V. and subsidiaries	100%	Other Businesses
CVQ Espectáculos, S.A. de C.V. and subsidiaries	100%	Other Businesses
Televisa Juegos, S.A. de C.V. and subsidiaries	100%	Other Businesses

(1) Percentage of equity interest directly or indirectly held by the Company in the holding entity.

(2) See Note 23 for a description of each of the Group's business segments.

(3) The Group adopted the guidelines of the Financial Accounting Standards Board Interpretation No. 46 ("FIN 46"), "Consolidation of Variable Interest Entities," as permitted under the scope of Mexican FRS NIF A-8, "Supplementary Financial Reporting Standards." FIN 46, which became effective in 2004, requires the primary beneficiary of a VIE to consolidate that entity. The primary beneficiary of a VIE is the party that absorbs a majority of the entity's expected losses, receives a majority of the entity's expected residual

returns, or both, as a result of ownership, contractual or other financial interest in the entity. In accordance with the guidelines of FIN 46, the Group identified Sky Mexico and TuTv as VIEs and the Group as the primary beneficiary of the investment in each of these entities, and on April 1, 2004, began to include in its consolidated financial statements the assets, liabilities and results of operations of Sky Mexico and TuTv. As a result of adoption of FIN 46, the Group recognized a consolidated cumulative loss effect of Ps.1,098,423, net of income tax in the amount of Ps.332,340, in its consolidated statement of income for the year ended December 31, 2004. TuTv is a 50% joint venture with Univision Communications Inc. ("Univision"), engaged in the distribution of the Group's Spanish-speaking programming packages in the United States.

The Group's Television Broadcasting, Sky Mexico, Cable Television and Radio businesses require concessions (licenses) granted by the Mexican Federal Government for a fixed term, subject to renewal in accordance with Mexican law. Also, the Group's Gaming business, which is reported in the Other Businesses segment, require a permission granted by the Mexican Federal Government for a fixed term. At December 31, 2006, the expiration dates of the Group's concessions and permission were as follows:

	Expiration Dates
Television Broadcasting	In 2021
Sky Mexico	In 2020 and 2026
Cable Television	In 2029
Radio	Various from 2008 to 2016
Gaming	In 2030

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 subsidiaries are first converted to Mexican FRS, 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 in equity as part of the other comprehensive income or loss. Financial statements of non-Mexican operations that are integral to Mexican operations are converted to Mexican FRS and translated to Mexican pesos by utilizing the exchange rate of the balance sheet date at year-end for monetary assets and liabilities, with the related adjustment included in net income, and historical exchange rates for non-monetary items.

In connection with its net investment in shares of Univision, the Group has designated as an effective hedge of foreign exchange exposure the outstanding principal amount of a portion of its U.S.-dollar-denominated Senior Notes due 2011, 2025 and 2032, which total principal amount was of U.S.$775.5 million and U.S.$971.9 million as of December 31, 2005 and 2006, respectively. Consequently, any foreign exchange gain or loss attributable to this designated hedging long-term debt, is credited or charged directly to equity (other comprehensive income or loss) (see Notes 5 and 9).

d) Temporary investments

The Group considers all highly liquid investments with original maturities of one year or less, to be temporary investments. Temporary investments are valued at market value.

As of December 31, 2005 and 2006, temporary investments consisted of fixed short-term deposits in commercial banks (primarily Mexican pesos and U.S. dollars), with an average yield of approximately 3.30% for U.S. dollar deposits and 9.60% for Mexican peso deposits in 2005, and approximately 4.69% for U.S. dollar deposits and 7.38% for Mexican peso deposits in 2006.

e) Transmission rights and programming

Programming is comprised of programs, literary works, production talent advances and films.

Transmission rights and literary works are valued at the lesser of acquisition cost or net realizable value. Programs and films are valued at the lesser of production cost, which consists of direct production costs and production overhead, or net realizable value. Payments for production talent advances are initially capitalized and subsequently included as direct or indirect costs of program production.

The Group's policy is to capitalize the production costs of programs which benefit more than one annual period and amortize them over the expected period of future program revenues based on the Company's historical revenue patterns for similar productions.

Transmission rights, programs, literary works, production talent advances and films are restated by using the National Consumer Price Index ("NCPI") factors, and specific costs for some of these assets, which are determined by the Group on the basis of last purchase price or production cost, or replacement cost whichever is more representative. Cost of sales is determined based on restated costs, and calculated for the month in which such transmission rights, programs, literary works, production talent advances and films are matched with related revenues.

Transmission rights and literary works are amortized over the lives of the contracts. Transmission 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 exceeding 25 years.

f) Inventories

Inventories of paper, magazines, materials and supplies are valued at the lesser of acquisition cost or net realizable value. Inventories are restated by using the NCPI factors and specific costs for some of these assets, which are determined by the Group on the basis of last purchase price.

g) Investments

Investments in companies in which the Group exercises significant influence or joint control are accounted for by the equity method. The Group recognizes equity in losses of affiliated companies up to the amount of its initial investment and subsequent capital contributions, or beyond that when guaranteed commitments have been made by the Group in respect of obligations incurred by investees, but not in excess of such guarantees. If an affiliated company for which the Group had recognized equity losses up to the amount of its guarantees generates net income in the future, the Group would not recognize its proportionate share of this net income until the Group first recognizes its proportionate share of previously unrecognized losses.

Investments in debt securities that the Group has the ability and intent to hold to maturity are classified as investments "held-to-maturity," and reported at amortized cost. Investments in debt securities not classified as held-to-maturity are classified as "available-for-sale," and are recorded at fair value with unrealized gains and losses included in consolidated stockholders' equity as accumulated other comprehensive result (see Note 5).

Other investments are accounted for at cost.

h) Property, plant and equipment

Property, plant and equipment are recorded at acquisition cost and thereafter are restated to constant Mexican pesos using the 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").

Depreciation of property, plant and equipment is based upon the restated carrying value of the assets in use and is computed using the straight-line method over the estimated useful lives of the assets ranging principally from 20 to 65 years for buildings, from 5 to 20 years for buildings improvements, from 3 to 17 years for technical equipment and from 3 to 10 years for other property and equipment.

i) Intangible assets and deferred financing costs

Intangible assets and deferred financing costs are recognized at cost and thereafter restated using the NCPI.

Intangible assets are composed of goodwill, publishing trademarks, television network concession, licenses and software, subscriber list and other items. Goodwill, publishing trademarks and television network concession are intangible assets with indefinite lives and are not amortized. Indefinite-lived intangibles are assessed annually for impairment or more frequently, if circumstances indicate a possible impairment exists. Licenses and software, subscriber list and other items are intangible assets with finite lives and are amortized, on a straight-line basis, over their estimated useful lives, which range principally from three to 20 years.

Deferred financing costs consist of fees and expenses incurred in connection with the issuance of long-term debt. These financing costs are amortized over the period of the related debt (see Note 7).

j) Impairment of long-lived assets

The Group reviews for impairment the carrying amounts of its long-lived assets, tangible and intangible, including goodwill (see Note 7), at least once a year, or whenever events or changes in business circumstances indicate that these carrying amounts may not be recoverable. To determine whether an impairment exists, the carrying value of the reporting unit is compared with its fair value. Fair values estimates are based on quoted market values in active markets, if available. If quoted market prices are not available, the estimate of fair value is based on various valuation techniques, including discounted value of estimated future cash flows, market multiples or third-party appraisal valuations.

k) Customer deposits and advances

Customer deposit and advance agreements for television advertising services provide that customers receive preferential prices, that are fixed for the contract period, for television broadcast advertising time based on rates established by the Group. Such rates vary depending on when the advertisement is aired, including the season, hour, day, rating and type of programming.

Customer deposits and advances for television advertising services 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.

l) Stockholders' equity

The capital stock and other stockholders' equity accounts (other than the result from holding non-monetary assets account and the foreign currency translation adjustments account) 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, 2006.

m) Revenue recognition

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

- Advertising revenues, including deposits and advances 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 initially deferred and recognized proportionately as products are delivered to subscribers. Revenues from the sales of magazines are recognized on the date of circulation of delivered merchandise, net of a provision for estimated returns.
- The revenue from publishing distribution is recognized upon distribution of the products.
- Sky Mexico program service revenues, including advances from customers for future DTH program services and installation fees, are recognized at the time the DTH service is provided.
- Cable television subscription, pay-per-view and installation fees are recognized in the period in which the services are rendered.
- 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.
- Motion picture production and distribution revenues are recognized as the films are exhibited.
- Gaming revenues consist of the net win from gaming activities, which is the difference between amounts wagered and amounts paid to winning patrons.

n) 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 based upon actuarial calculations.

Through December 31, 2004, severance indemnities to dismissed personnel were charged to income in the year in which they were incurred. Beginning January 1, 2005, severance indemnities to dismissed personnel, other than those arising from restructurings, are recognized based upon actuarial calculations. In connection with this accounting change, resulting from the provisions of revised Mexican GAAP Bulletin D-3, "Labor Obligations," the Group recognized a severance liability of Ps.271,349 as of that date, and a cumulative loss effect of accounting change in the amount of Ps.189,944, net of an income tax benefit of Ps.81,405, for the year ended December 31, 2005.

o) Income taxes and employees' profit sharing

The income tax, the asset tax and the employees' profit sharing are recognized in income as they are incurred.

The recognition of deferred income taxes is made 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.

p) Derivative financial instruments

Effective January 1, 2005, the Group adopted the provisions of Mexican GAAP Bulletin C-10, "Derivative Financial Instruments and Hedge Operations". Bulletin C-10 establishes accounting and reporting standards requiring that all derivative instruments, including certain derivative instruments embedded in other contracts, be recorded in the balance sheet as either an asset or a liability measured at its fair value. Bulletin C-10 also requires that changes in the derivative's fair value be recognized in current earnings unless specific hedge accounting criteria is met, in which case such changes will be recognized in current earnings or stockholders' equity (as accumulated other comprehensive result) depending on the intended use of the derivative and the resulting designation. Bulletin C-10 also requires that a company formally document, designate and assess the effectiveness of transactions that receive hedge accounting. The adoption of these provisions in 2005 did not have a significant impact in the Group's financial statements. As of December 31, 2005 and 2006, none of the Group's derivatives qualified for hedge accounting.

q) Comprehensive income

Comprehensive income includes the net income for the period presented in the income statement plus other results for the period reflected in the stockholders' equity which are from non-owner sources (see Note 14).

r) Stock-based compensation

In 2005, the Group adopted the guidelines of the IFRS 2, "Share-based payment," issued by the IASB. IFRS 2 requires accruing in stockholders' equity for share-based compensation expense as measured at fair value at the date of grant, and applies to those equity benefits granted to officers and employees (see Note 12). Before adopting IFRS 2, the Group recognized these equity benefits in consolidated stockholders' equity, when such benefits became vested. In connection with the adoption of IFRS 2, the Group recognized a non-taxable cumulative loss of accounting change at December 31, 2005, in the amount of Ps.336,648, which was reflected in its consolidated statement of income for the year then ended. Adoption of IFRS 2 is required under the scope of Mexican FRS NIF A-8, "Supplementary Financial Reporting Standards". The Group recognized a stock-based compensation expense of Ps.235,047 for the year ended December 31, 2006, which was accounted for in consolidated income as a corporate expense.

s) Prior years' financial statements

The Group's financial statements for prior years have been restated to Mexican pesos in purchasing power as of December 31, 2006, by using a restatement factor derived from the change in the NCPI, which for 2004 and 2005 was 1.0752 and 1.0405, respectively. Had the alternative weighted average factor allowed under Mexican FRS been applied to restate the Group's financial statements for prior years, which included the results of Mexican and non-Mexican subsidiaries, the restatement factor for 2004 and 2005 would have been 1.0746 and 1.0407, respectively.

The NCPI at the following dates was:

December 31, 2003	106.996
December 31, 2004	112.550
December 31, 2005	116.301
December 31, 2006	121.015

Reclassifications have been made to the 2004 and 2005 consolidated financial statements to make them comparable with the 2006 presentation.

t) New Mexican FRS

In November 2005, the CINIF issued the NIF B-1, "Accounting Changes and Error Corrections," which became effective on January 1, 2006. NIF B-1 applies to all voluntary changes in accounting principles and changes required by new accounting pronouncements in the case that the pronouncement does not include specific transition provisions, requires retrospective application to prior periods' financial statements of accounting changes, and provides rules to determine the period-specific effects of an accounting change. NIF B-1 also provides guidance for the revision of previously issued financial statements to reflect the correction of an error. Through December 31, 2005, former Mexican GAAP Bulletin A-7, "Comparability," required that changes in accounting principles to be recognized by including in net income of the period of the change the cumulative effect of changing to the new accounting principle.

In December 2006, the CINIF issued four new standards: (i) NIF B-3, "Statement of Income," which indicates the sections and captions that should be contained in a statement of income, classifying income, costs and expenses in ordinary and non-ordinary, considering two approaches to present ordinary costs and expenses: by function or by nature, and eliminating from the statement of income the cumulative effect of accounting change; (ii) NIF B-13, "Events After the Date of Financial Statements," which sets forth a revised accounting treatment for events subsequent to the date of financial statements, indicating if these events should be recognized or disclosed in such financials; (iii) NIF C-13, "Related Parties," which provides an amended guidance for disclosure of transactions with related parties; and (iv) NIF D-6, "Capitalization of the Integral Financing Result," which establishes the guidelines for capitalization of integral financing result attributable to those assets that require a long-term period for acquisition before their intended use. The provisions of these new NIF became effective on January 1, 2007, and are not expected to have a significant effect on the Group's consolidated financial statements.

2. Acquisitions, investments and dispositions

In 2004, the Company sold its 30% minority interest in Grupo Europroducciones, S. A., a television programming producer in Spain, in the aggregate amount of approximately 7.5 million euros (Ps.124,989) in cash. As a result of this disposal, the Company recognized a net loss of approximately 8.0 million euros (Ps.131,665) as other expense in its consolidated statement of income for the year ended December 31, 2004.

In October 2004, in conjunction with a series of agreements entered into by and among the Group, The DIRECTV Group, Inc. ("DIRECTV") and News Corporation ("News Corp."), the Group announced that (a) DIRECTV Mexico agreed to sell its subscriber list to Sky Mexico; (b) News Corp. received an option to purchase an equity stake in Sky Mexico; (c) the Group would have the right to acquire two-thirds of the Liberty Media Corp. ("Liberty Media") 10% equity interest in Sky Mexico; and (d) the Group agreed to sell, subject to certain conditions, its 30% equity interest in Sky Multi-Country Partners ("SMCP"), and was released of its satellite transponder guarantee in SMCP. In November 2005, the Group concluded the disposition of its 30% interest in SMCP, and no gain or loss was recognized by the Group on this disposal since no carrying value was outstanding for such investment. In February 2006, affiliates of DIRECTV completed the acquisition of equity interests in Sky Mexico, which were formerly held by News Corp. and Liberty Media. This acquisition included the capitalization of the purchase price of the list of subscribers sold by DIRECTV Mexico to Sky Mexico in the aggregate amount of Ps.646,287. As a result of these transactions, the Group's equity stake in Sky Mexico was reduced from 60% to 52.7%, and DIRECTV became the owner of the remaining 47.3% stake. In April 2006, the Group exercised its right to acquire two-thirds of the equity interest in Sky Mexico that DIRECTV acquired from Liberty Media. This minority interest acquisition amounted to approximately U.S.$58.7 million (Ps.648,689), and was financed with cash on hand. After this transaction, the Group (i) increased its equity stake in Sky Mexico from 52.7% to 58.7%, and DIRECTV became the owner of the remaining 41.3% (see Note 11); and (ii) recognized the excess of the purchase price over the carrying value of this minority interest as a capital distribution made to DIRECTV in the amount of Ps.685,540.

In November 2004, the Group sold its 51% interest in its nationwide paging service in Mexico. This transaction was approved by the Mexican regulatory authorities in March 2005. As a result of this disposal, the Group recognized a net loss of approximately Ps.5,489 as other expense in its consolidated statement of income for the year ended December 31, 2004.

During the second half of 2004, the Group acquired certain companies in an aggregate amount of Ps.352,156 (Ps.247,982 in cash and Ps.104,174 through the capitalization of liabilities), which net assets at the time of acquisitions consisted principally of tax loss carryforwards in the amount of approximately Ps.3,369,913, of which Ps.2,708,619 and Ps.442,390 were used by the Group in 2004 and 2005, respectively (see Note 20).

In 2004, the Group provided funding to DTH TechCo Partners ("TechCo"), a general partnership that provided technical services to DTH ventures in Latin America through September 2005, in the aggregate amount of approximately U.S.$5.4 million (Ps.64,104), in the form of long-term notes receivable (U.S.$4.5 million) and as a capital contribution (U.S.$0.9 million). In October 2005, in a series of related transactions, the Group disposed its 30% interest in TechCo, and was released of any obligation in connection with a guarantee granted by the Group in respect of certain TechCo's indebtedness. As a result of this disposal, the Group recognized a pretax loss of approximately Ps.166,632 as other expense, which primarily consisted of the aggregate amount of the carrying value of the Group's net investment in TechCo, which included all of the outstanding amounts receivable in connection with long-term loans made by the Group to TechCo (see Note 19).

In October 2005, the Group acquired 40% of the outstanding capital stock of Gestora de Inversiones Audiovisuales La Sexta, S.A. ("La Sexta") for an aggregate amount of approximately 1.2 million euros (Ps.15,942). In November 2005, the government of Spain granted a concession to La Sexta to operate for 10 years a free-to-air television channel, which started operations in March 2006. During 2006, the Group additional capital contributions related to its 40% interest in La Sexta in the amount of approximately 104.6 million euros (Ps.1,479,559). The Group's investment in La Sexta is accounted for using the equity method (see Notes 5 and 11).

In October 2005, the Group agreed to participate with a 25% interest in Concesionaria Vuela Compañía de Aviación, S.A. de C.V. ("Volaris"), a low-cost carrier airline with a concession to operate in Mexico. In 2005 and 2006, the Group made initial capital contributions in Volaris in the amount of U.S.$25.0 million (Ps.281,818) and U.S.$7.5 million (Ps.84,241), respectively. The Group's investment in Volaris is accounted for using the equity method (see Note 5). Volaris started operations in March 2006.

In November 2005, the Group completed the acquisition of all of the outstanding equity of Comtelvi, S. de R. L. de C.V. ("Comtelvi"), an entity owned by a third party that at the time of acquisition had structured note investments and other financial instrument assets and liabilities, as well as tax losses of approximately Ps.3,445,750 that were used by the Group in the fourth quarter of 2005 (see Note 20). The total consideration paid in connection with this acquisition was the equivalent of U.S.$39.1 million (Ps.441,622).

In December 2005, the Group entered into a series of agreements to acquire certain operating assets, which were owned by Editora Cinco, S.A., a Colombian publisher, comprising primarily a group of magazine publishing trademarks and related rights in Mexico, Colombia, Chile and the United States, in an aggregate amount of approximately U.S.$14.4 million (Ps.155,766), of which U.S.$13.8 million (Ps.149,205) are related to trademarks. This acquisition was completed by the Group in February 2006. In the first quarter of 2006, the Group allocated the purchase price to these intangible assets, including goodwill, based upon a preliminary valuation. Upon completion of a final valuation, the Group recorded a related impairment charge of approximately U.S.$8.2 million (Ps.90,078) in consolidated income for the year ended December 31, 2006 (see Notes 7).

In March 2006, the Group acquired a 50% interest in Televisión Internacional, S. A. de C. V. ("TVI"), a cable television company in Mexico, in the amount of Ps.769,383, which was substantially paid in cash. An additional purchase price adjustment was agreed with to be paid by the Group in the second quarter of 2006 in the amount of Ps.18,588. The aggregate purchase price exceeded the Group's proportionate share of TVI's underlying net assets acquired by approximately Ps.719,501 at the time of acquisition. The Group allocated the excess purchase price to its proportionate share of TVI's tangible (Ps.77,639) and intangible (Ps.239,020) assets and recognized a goodwill in the amount of Ps.402,842, based upon a preliminary valuation. The Group expects to complete its final valuation and purchase price allocation in the first half of 2007. This transaction is subject to certain conditions required by the Mexican regulatory authorities (see Note 5 and 7).

In November 2006, the Group invested U.S.$258 million (Ps.2,837,331) in debentures issued by Alvafig, S.A. de C.V. ("Alvafig") and convertible into 99.99% of the equity of Alvafig, which holds 49% of the equity of Cablemás, S.A. de C.V. ("Cablemás"). These debentures have a five-year maturity with an annual interest of 8% in the first year and 10% in the remaining four years, which is payable on a quarterly basis. Cablemás is the second largest cable operator in Mexico operating in 48 cities. The conversion of these debentures into equity of Alvafig is subject to approval by the Mexican regulatory authorities (see Note 5).

3. Trade notes and accounts receivable

Trade notes and accounts receivable as of December 31, 2005 and 2006, consisted of:

	2005	**2006**
Non-interest bearing notes received as customer deposits and advances	Ps. 12,797,785	**Ps. 11,957,311**
Accounts receivable, including value-added tax receivables related to advertising services	2,802,946	**2,672,873**
Allowance for doubtful accounts	(1,141,186)	**(1,032,615)**
	Ps. 14,459,545	**Ps. 13,597,569**

4. Transmission rights and programming

At December 31, 2005 and 2006, transmission rights and programming consisted of:

	2005	**2006**
Transmission rights	Ps. 3,914,500	**Ps. 3,586,580**
Programming	3,412,373	**2,895,442**
	7,326,873	**6,482,022**
Non-current portion of:		
Transmission rights	2,060,483	**1,880,148**
Programming	2,019,409	**1,548,700**
	4,079,892	**3,428,848**
Current portion of transmission rights and programming	Ps. 3,246,981	**Ps. 3,053,174**

5. Investments

At December 31, 2005 and 2006, the Group had the following investments:

	2005	2006	Ownership % as of December 31, 2006
Accounted for by the equity method:			
Univision (a)	Ps. 5,887,752	**Ps. –**	9.75%
Ocesa Entretenimiento, S. A. de C. V. ("OCEN") (b)	521,043	**503,868**	40.0%
La Sexta (see Notes 2 and 11)	–	**729,735**	40.0%
Volaris (see Note 2)	250,212	**257,298**	25.0%
TVI (c)	–	**97,733**	50.0%
Other	101,489	**95,913**	
	6,760,496	**1,684,547**	
Other investments:			
Convertible debentures due 2011 (d)	–	**2,837,331**	
Held-to-maturity debt securities (see Note 1(g)) (e)	931,252	**906,175**	
Deposit in escrow (f)	138,593	**–**	
Warrants to acquire shares of Univision common stock (a)	24,612	**–**	
TVI (c)	–	**256,727**	
Other	40,093	**25,883**	
	1,134,550	**4,026,116**	
	Ps. 7,895,046	**Ps. 5,710,663**	

(a) Through June 30, 2006, this investment was accounted for under the equity method. Beginning in the third quarter of 2006, the Group announced its intention to have its shares and warrants of Univision common stock cashed out in connection with the merger contemplated by a related agreement entered into by Univision and an acquiring investor group. Accordingly, beginning July 1, 2006, the Group (i) classified its investment in shares of Univison common stock as a current available-for-sale financial asset; (ii) discontinued the recognition of any equity method result related to this investment; (iii) recorded this financial asset at fair value, with unrealized gains and losses included in the Group's consolidated stockholders' equity as accumulated other comprehensive result; and (iv) this financial asset is being hedged by the Group's outstanding Senior Notes due 2011, 2025 and 2032, in the aggregate amount of approximately U.S.$971.9 million (see Notes 1 (c), 9 and 11). As of December 31, 2005 and 2006, the Group owned 16,594,500 shares Class "A" and 13,593,034 shares Class "T" of common stock of Univision. As of December 31, 2005 and 2006, the Group also owned warrants to acquire 6,374,864 shares Class "A" and 2,727,136 shares Class "T" of common stock of Univision, most of which had an exercise price of U.S.$38.261 per share, and expired in December 2017 (see Note 9). The warrants to purchase 9,000,000 shares of Univision common stock were assigned a zero value since they were acquired by the Group as a non-cash consideration for surrendering certain governance rights previously held by the Group in Univision. The warrants to acquire 100,000 shares of Univision common stock were accounted for at acquisition cost and classified as other investments. At December 31, 2006, the carrying value of the 100,000 warrants was written off since the exercise price was greater than the tender offer price. The carrying value of the Group's net investment in Univision at December 31, 2005, also included goodwill in the amount of Ps.5,701,000 (see Note 7), which in 2006 has been reclassified to become part of the basis of the available-for-sale financial asset. The proposed merger was concluded by Univision on March 29, 2007, and the 30,107,534 shares of Univision common stock owned by the Group were converted, like all shares of Univision common stock, into cash at U.S.$36.25 per share. Also, under the terms of the merger agreement, all of the Group's warrants to acquire shares of Univision common stock were cancelled. The aggregate cash amount received by the Group in connection with the closing of this merger was of approximately U.S.$1,094.4 million (Ps.11,821,932).

(b) OCEN is a majority-owned subsidiary of Corporación Interamericana de Entretenimiento, S. A. de C. V. ("CIE"), and is engaged in the live entertainment business in Mexico. In the third quarter of 2006, OCEN paid dividends to the Group related to its 40% interest in the aggregate amount of Ps.102,573 (see Notes 7 and 16).

(c) Cable television company with a license to operate in the city of Monterrey and surrounding areas, which expires in 2026. In March 2006, in connection with the acquisition of a 50% interest in this venture, the Group provided funding to TVI in the form of a short-term loan in the principal amount of Ps.240,589, with an annual interest rate equal to the Mexican inter-bank rate plus 150 basis points, and maturity in March 2007. The accrued interest receivable from this loan was of Ps.16,138, as of December 31, 2006 (see Note 2).

(d) Available-for-sale debt securities that are convertible into 2,838 million shares, or 99.99%, of authorized common stock of Alvafig. The Group can convert all or a portion of these debentures into shares of Alvafig common stock (i) when a non-compliance occur with any payment obligation set up in the debenture issuance agreement; or (ii) at any time after the first anniversary of the debt issuance and prior to maturity. The debentures cannot be called before maturity by the issuer, and are secured by substantially all of the outstanding shares of common stock of Alvafig, which are held by a designated trust. This investment is classified as an available-for-sale debt security, and is recorded at fair value, with unrealized gains and losses included in the Group's consolidated stockholders' equity as accumulated other comprehensive result (see Note 2).

(e) Held-to-maturity securities represent structured notes and corporate fixed income securities with maturities in 2008. These investments are stated at cost.

(f) In connection with the disposal of an investment of the Group in 1997, the Group granted collateral to secure certain indemnification obligations which consisted, at December 31, 2005 and 2006, of short-term securities of approximately U.S.$12.5 million (Ps.138,593) and U.S.$11.4 million (Ps.123,429), respectively. After the expiration of applicable tax statutes of limitations, the collateral will be reduced to a de minimus amount. The Group classified this deposit in escrow as temporary investments in its consolidated balance sheet as of December 31, 2006, since the collateral agreement is expected to be terminated in 2007 (see Note 11).

In 2004, 2005 and 2006, the Group recognized, in the consolidated statements of income, equity in earnings (losses) of affiliates of Ps.661,247, Ps.166,649, and Ps.(602,206), respectively, and in the consolidated other comprehensive income or loss (see Note 14), equity in the gain (loss) from holding non-monetary assets of affiliates of Ps.12, Ps.(925), and Ps.(6,902), respectively, equity in the translation (loss) gain effect of affiliates of Ps.(156,404), Ps.(302,149) and Ps.557,524, respectively, and in 2005 and 2006, equity in the (loss) gain on issuance of shares of associates of Ps.(197,076) and Ps.55,831, respectively.

6. Property, plant and equipment

Property, plant and equipment as of December 31, 2005 and 2006, consists of:

	2005	2006
Buildings	Ps. 8,287,664	**Ps. 8,394,388**
Buildings improvements	1,646,510	**1,632,675**
Technical equipment	18,698,870	**20,118,867**
Satellite transponders	1,702,468	**1,694,099**
Furniture and fixtures	520,339	**576,030**
Transportation equipment	1,150,699	**1,263,059**
Computer equipment	1,471,032	**1,594,073**
	33,477,582	**35,273,191**
Accumulated depreciation	(17,870,662)	**(19,449,494)**
	15,606,920	**15,823,697**
Land	3,975,677	**3,988,747**
Construction in progress	945,587	**1,163,495**
	Ps. 20,528,184	**Ps. 20,975,939**

At December 31, 2005 and 2006, the Group's Mexican subsidiaries had technical, transportation and computer equipment of non-Mexican origin totaling Ps.4,664,100 and Ps.4,840,985, respectively, net of accumulated depreciation (see Note 1(h)).

Had the NCPI been applied to restate all of the Group's net equipment, the net balance of property, plant and equipment as of December 31, 2005 and 2006 would have been Ps.21,584,248 and Ps.21,234,629, respectively.

Depreciation charged to income in 2004, 2005 and 2006 was Ps.1,945,925, Ps.2,168,828 and Ps.2,349,901, respectively.

Satellite transponders are recorded as an asset equal to the net present value of committed payments under a 15-year service agreement entered into with Intelsat Corporation ("Intelsat", formerly PanAmSat Corporation) for 12 KU-band transponders on Intelsat's satellite IS-9 (see Note 8). As of December 31, 2005 and 2006, satellite transponders, net of accumulated depreciation, amounted to Ps.1,097,146 and Ps.978,813, respectively.

7. Intangible assets and deferred charges, net

The balances of intangible assets and deferred charges as of December 31, were as follows (see Note 1(i)):

	2005			**2006**		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	**Gross Carrying Amount**	**Accumulated Amortization**	**Net Carrying Amount**
Intangible assets with indefinite lives:						
Goodwill			Ps. 7,491,849			**Ps. 2,184,945**
Publishing and TVI trademarks			473,482			**580,905**
Television network concession			627,033			**627,033**
Concession TVI			–			**141,778**
Intangible assets with finite lives and deferred charges:						
Licenses and software	Ps. 1,180,009	Ps. (825,743)	354,266	**Ps. 814,611**	**Ps. (458,416)**	**356,195**
Subscriber list	593,152	(142,812)	450,340	**642,196**	**(291,099)**	**351,097**
Other intangible assets	203,727	(75,894)	127,833	**526,660**	**(192,255)**	**334,405**
Deferred financing costs (see Note 8)	1,102,532	(208,204)	894,328	**1,046,591**	**(232,867)**	**813,724**
	Ps. 3,079,420	Ps. (1,252,653)	Ps. 10,419,131	**Ps. 3,030,058**	**Ps. (1,174,637)**	**Ps. 5,390,082**

Amortization of intangible assets with finite lives (other than goodwill) and deferred financing costs charged to income in 2004, 2005 and 2006, was Ps.333,175, Ps.441,944 and Ps.409,563, respectively, of which Ps.34,112, Ps.50,023 and Ps.48,043 in 2004, 2005 and 2006, respectively, were recorded as interest expense (see Note 17) and Ps.13,923, Ps.43,735 and Ps.32,355 in 2004, 2005 and 2006, respectively, were recorded as non-recurring charges in connection with the extinguishment of long-term debt (see Note 18).

The changes in the net carrying amount of goodwill and trademarks for the year ended December 31, 2006, were as follows:

	Balance as of December 31, 2005	Acquisitions	Foreign Currency Translation Adjustments	Adjustments/ Reclassifications	Impairment Adjustments	Balance as of December 31, **2006**
Goodwill:						
Television						
Broadcasting	Ps. 1,353,012	Ps. –	Ps. –	Ps. (340)	Ps. –	**Ps. 1,352,672**
Publishing						
Distribution	24,630	–	–	(975)	–	**23,655**
Other Businesses	37,978	–	–	–	–	**37,978**
Equity-method investees[1]	6,076,229	402,842	–	(5,708,431)	–	**770,640**
	Ps. 7,491,849	Ps. 402,842	Ps. –	Ps. (5,709,746)	Ps. –	**Ps. 2,184,945**
Trademarks[2]:						
Publishing	Ps. 473,482	Ps. 149,260	Ps. 43	Ps. –	Ps. (90,078)	**Ps. 532,707**
TVI	–	48,198	–	–	–	**48,198**
	Ps. 473,482	Ps. 197,458	Ps. 43	Ps. –	Ps. (90,078)	**Ps. 580,905**

(1) See Note 5.

(2) See Notes 2 and 18.

8. Long-term debt and satellite transponder lease obligation

Long-term debt and satellite transponder lease obligation outstanding as of December 31, were as follows:

	2005	**2006**
U.S.$5.3 million 11.875% Series "B" Senior Notes due 2006	Ps. 59,078	**Ps. –**
U.S.$75.5 million in 2005 and U.S.$72 million in 2006 of 8% Senior Notes due 2011 (1) (2)	834,643	**777,251**
U.S.$300 million 8.50% Senior Notes due 2032 (1)	3,317,164	**3,240,750**
U.S.$600 million 6.625% Senior Notes due 2025 (1) (2)	6,634,328	**6,481,500**
U.S.$300 million in 2005 and U.S.$11.3 million in 2006 of 9.375% Senior Notes due 2013 (3)	3,317,164	**121,539**
Other U.S. dollar debt (4)	43,767	**37,532**
8.15% UDI-denominated Notes due 2007 (2) (5)	979,214	**980,246**
Mexican peso long-term loans (3) (6)	4,039,824	**7,142,460**
Other Mexican peso bank loans	464	**–**
Other currency debt	989	**420**
Total long-term debt	19,226,635	**18,781,698**
Less: Current portion	354,256	**986,368**
Long-term debt, net of current portion	Ps. 18,872,379	**Ps. 17,795,330**
Satellite transponder lease obligation (7)	Ps. 1,313,710	**Ps. 1,206,591**
Less: Current portion	78,668	**86,176**
Satellite transponder lease obligation, net of current portion	Ps. 1,235,042	**Ps. 1,120,415**

(1) These Senior Notes are unsecured obligations of the Company, rank equally in right of payment with all existing 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. Interest on the Senior Notes due 2011, 2025 and 2032, including additional amounts payable in respect of certain Mexican withholding taxes, is 8.41%, 6.97% and 8.94% per annum, respectively, and is payable semi-annually. These 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 Senior Notes due 2011 and 2032 were priced at 98.793% and 99.431%, respectively, for a yield to maturity of 8.179% and 8.553%, respectively. The agreement of these Senior Notes contains covenants that limit the ability of the Company and certain restricted subsidiaries engaged in Television Broadcasting, Pay Television Networks and Programming Exports, to incur or assume liens, perform sale and leaseback transactions, and consummate certain mergers, consolidations and similar transactions. Substantially all of these Senior Notes are registered with the U.S. Securities and Exchange Commission (the "SEC").

(2) In March and May 2005, the Company issued these Senior Notes in the aggregate amount of U.S.$400.0 million and U.S.$200.0 million, respectively, which were priced at 98.081% and 98.632%, respectively, for a yield to maturity of 6.802% and 6.787%, respectively. The net proceeds of the U.S.$400.0 million issuance, together with cash on hand, were used to fund the Group's tender offers made and expired in March 2005 for any or all of the Senior Notes due 2011 and the Mexican peso equivalent of UDI-denominated Notes due 2007, and prepaid principal amount of these securities in the amount of approximately U.S.$222.0 million and Ps.2,935,097 (nominal), respectively, representing approximately 74% and 76% of the outstanding principal amount of these securities, respectively. The net proceeds of the U.S.$200.0 million issuance were used for corporate purposes, including the prepayment of some of the Group's outstanding indebtedness.

(3) These Senior Notes are unsecured and unsubordinated obligations of Sky Mexico. Interest on these Senior Notes, including additional amounts payable in respect of certain Mexican withholding taxes, is 9.8580%, and is payable semi-annually. The indentures of these Senior Notes contain certain restrictive covenants for Sky Mexico on additional indebtedness, liens, sales and leasebacks, restricted payments, asset sales, and certain mergers, consolidations and similar transactions. Sky Mexico may, at its own option, redeem these Senior Notes, in whole or in part, at any time on or after September 19, 2008 at redemption prices from 104.6875% to 101.5625% between September 19, 2008 through September 18, 2011, or 100% commencing on September 19, 2011, plus accrued and unpaid interest, if any. Additionally, on or before September 19, 2006, Sky Mexico may, at its own option and subject to certain requirements, use the proceeds from one or more qualified equity offerings to redeem up to 35% of the aggregate principal amount of these

Senior Notes at 109.375% of their principal amount, plus accrued and unpaid interest. In March and April 2006, Sky Mexico entered into two 10-year loans with Mexican banks in the aggregate principal amount of Ps.3,500,000 to fund, together with cash on hand, a tender offer and consent solicitation made in March 2006 and expired in April 2006 for any or all of the Senior Notes due 2013, and prepaid a principal amount of approximately U.S.$288.7 million or 96.2% of these securities. The total aggregate amount paid by Sky Mexico in connection with this tender offer was of approximately U.S.$324.3 million, which included related consents and accrued and unpaid interest. The 10-year Sky Mexico's indebtedness is guaranteed by the Company and includes a Ps.2,100,000 loan with an annual interest rate of 8.74% and a Ps.1,400,000 loan with an annual interest rate of 8.98% for the first three years, and the Mexican interbank interest rate or "TIIE" plus 24 basis points for the remaining seven years. Interest on these two 10-year loans is payable on a monthly basis.

(4) Includes notes payable to banks, bearing annual interest rates which vary between 0.11 and 1.25 points above LIBOR. The maturities of this debt at December 31, 2006 are various from 2007 to 2010.

(5) Notes denominated in Mexican Investment Units ("Unidades de Inversión" or "UDIs"), representing 258,711,400 UDIs at December 31, 2005 and 2006. Interest on these notes is payable semi-annually. The balance as of December 31, 2005 and 2006 includes restatement of Ps.235,581 and Ps.265,578, respectively. The UDI value as of December 31, 2006, was of Ps.3.788954 per UDI.

(6) Includes in 2005 and 2006, outstanding balances of long-term loans in the principal amount of Ps.800,000, Ps.1,162,500 and Ps.2,000,000, respectively, in connection with certain credit agreements entered into by the Company with a Mexican bank, with various maturities through 2012. Interest on these loans is, in a range of 8.925% to 10.35% per annum, and is payable on a monthly basis. Under the terms of these credit agreements, the Company and certain restricted subsidiaries engaged in television broadcasting, pay television networks and programming exports are required to maintain (a) certain financial coverage ratios related to indebtedness and interest expense; and (b) certain restrictive covenants on indebtedness, dividend payments, issuance and sale of capital stock, and liens. The 2006 balance also includes the Sky Mexico long-term loans discussed in paragraph (3) above.

(7) Sky Mexico is committed to pay a monthly fee of U.S.$1.7 million under a capital lease agreement entered into with Intelsat Corporation (formerly PanAmSat Corporation) February 1999 for satellite signal reception and retransmission service from 12 KU-band transponders on satellite IS-9, which became operational in September 2000. The service term for IS-9 will end at the earlier of (a) the end of 15 years or (b) the date IS-9 is taken out of service. The obligations of Sky Mexico under the IS-9 agreement are proportionately guaranteed by the Company and the other Sky Mexico equity owners in relation to their respective ownership interests (see Notes 6 and 11).

In January 2005, Sky Mexico prepaid all of the outstanding amounts of its U.S.$88 million 12.875% Senior Notes originally due in 2007, by using the net proceeds of a long-term credit agreement entered into in December 2004 by Sky Mexico with a Mexican bank in the aggregate principal amount of Ps.1,088,114 (Ps.1,012,000 nominal) with a partial maturity (50%) in 2010 and the reminder in 2011, and interest of 10.55% per annum payable on a monthly basis. In July 2005, Sky Mexico prepaid all of the outstanding amounts of such loan with the net proceeds of a long-term credit agreement entered into by Sky Mexico with the Company in the same principal amount and with the same maturity and interest conditions.

Maturities of debt and satellite transponder lease obligation

Debt maturities for the years subsequent to December 31, 2006, are as follows:

2007	Ps.	986,368
2008		483,835
2009		1,163,188
2010		1,027,267
2011		777,251
Thereafter		14,343,789
	Ps.	18,781,698

Future minimum payments under satellite transponder lease obligation for the years subsequent to December 31, 2006, are as follows:

2007	Ps.	220,371
2008		220,371
2009		220,371
2010		220,371
2011		220,371
Thereafter		809,023
		1,910,878
Less: amount representing interest		704,287
	Ps.	1,206,591

9. Financial instruments

The Group's financial instruments recorded on the balance sheet include cash, temporary investments, accounts and notes receivable, the available-for-sale investment in Univision classified as a current financial asset beginning July 1, 2006 (see Note 5), debt securities classified as held-to-maturity and available-for-sale investments, accounts payable, debt and derivative financial instruments. For cash, temporary investments, accounts receivable, accounts 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 available-for-sale investment in Univision and the debt securities classified as available-for-sale investments are recorded at fair value. The fair value of the Group's long-term debt securities are based on quoted market prices. Escrow deposits (see Note 5) bear interest at market rates and the carrying value approximates fair value.

The fair value of warrants to purchase shares of common stock of Univision was based upon an option pricing model. The fair value of the long-term loans that the Group borrowed from leading Mexican banks (see Note 8) was estimated using the borrowing rates currently available to the Group for bank loans with similar terms and average maturities. The fair value of held-to-maturity securities, and currency option, interest rate swap and share put option agreements was based on quotes obtained from financial institutions.

The carrying and estimated fair values of the Group's financial instruments at December 31, 2005 and 2006 were as follows:

	2005		**2006**	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Non-derivative financial instruments:				
Assets:				
Available-for-sale investment in Univision (see Note 5)	Ps. –	Ps. –	**Ps. 11,821,932**	**Ps. 11,821,932**
Univision warrants (see Note 5)	24,612	1,371,760	**–**	**–**
Held-to-maturity securities (see Note 5)	930,085	919,948	**3,980,140**	**3,980,140**
Liabilities:				
Senior Notes due 2011, 2025 and 2032	Ps. 10,786,135	Ps. 11,737,842	**Ps. 10,499,501**	**Ps. 11,678,800**
Other long-term debt securities	3,376,242	3,722,646	**121,539**	**128,203**
UDI-denominated long-term securities	979,214	1,043,463	**980,246**	**996,533**
Long-term notes payable to Mexican banks	4,039,824	4,124,783	**7,142,460**	**7,323,626**
Derivative financial instruments:				
Assets:				
Sky Mexico's interest rate swaps (a)	Ps. –	Ps. –	**Ps. 710**	**Ps. 710**
Liabilities:				
Sky Mexico's interest rate swaps (a)	Ps. 76,502	Ps. 76,502	**Ps. –**	**Ps. –**
Foreign currency forwards (b)	3,502	3,502	**–**	**–**
Interest rate swaps (c)	312,660	312,660	**315,634**	**315,634**

(a) In February 2004, Sky Mexico entered into coupon swap agreements to hedge a portion of its U.S. dollar foreign exchange exposure related to its Senior Notes due 2013. Under these transactions, Sky Mexico receives semi-annual payments calculated based on the aggregate notional amount of U.S.$11.3 million at an annual rate of 9.375%, and Sky Mexico makes monthly payments calculated based on an aggregate notional amount of approximately Ps.123,047 at an annual rate of 10.25%. These transactions will terminate in September 2008. As of December 31, 2006, Sky Mexico recorded the change in fair value of these transactions in the integral cost of financing (foreign exchange loss).

(b) In 2004 and 2005, the Company entered into forward contracts with diverse financial institutions to buy U.S.$185.0 million of the Senior Notes due 2005 for hedge purposes. The average price fixed in these agreements was Ps.11.73 per U.S. dollar. In the years ended December 31, 2004 and 2005, as a result of the depreciation of the exchange rate of the U.S. dollar in relation to the Mexican peso, the Company recorded a loss for these transactions of Ps.154,992 in 2005, in the integral cost of financing (foreign exchange gain or loss). In addition, as of December 31, 2005, the Group had entered into forward exchange contracts to cover cash flow requirements on a notional amount of U.S.$85.0 million to exchange U.S. dollars and Mexican pesos at an average exchange rate of Ps.10.85 per U.S. dollar in 2006.

(c) In order to reduce the adverse effects of exchange rates on the Senior Notes due 2011, 2025 and 2032, during 2004 and 2005, the Company entered into interest rate swap agreements with various financial institutions that allow the Company to hedge against Mexican peso depreciation on interest payments for a period of five years. Under these transactions, the Company receives semi-annual payments based on the aggregate notional amount U.S.$890 million as of December 31, 2005 and 2006, at an average annual rate of 7.37%, and the Company makes semi-annual payments based on an aggregate notional amount of approximately Ps.9,897,573 as of December 31, 2005 and 2006, at an average annual rate of 8.28%, without an exchange of the notional amount upon which the payments are based. In the years ended December 31, 2005 and 2006, the Company recorded a loss of Ps.383,275 and Ps. 88,233, respectively, in the integral cost of financing (foreign exchange loss) derived of the change in fair value of these transactions. In November 2005, the Group entered into option contracts that allow the counterparty to extend the maturity of the swap agreements for one additional year on the notional amount of U.S.$890.0 million.

10. Pension plans, seniority premiums and severance indemnities

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 premium benefits 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 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 used a 4% discount rate and 2% salary scale for 2004, 2005 and 2006. The Group used a 5%, 5% and 9.67% return on assets rate for 2004, 2005 and 2006, respectively. 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 2004 and 2005, the Group made cash contributions of approximately Ps.69,939 (nominal) and Ps.4,996 (nominal), respectively, to its seniority premium plans. Plan assets were invested in a portfolio that primarily consisted of debt and equity securities (including shares of the Company) as of December 31, 2005 and 2006. Pension and seniority premium benefits are paid when they become due.

The pension plan, seniority premium and severance indemnity liability (see Note 1(n)) as of December 31, 2005 and 2006, was as follows:

	2005	**2006**
Seniority premiums:		
Actuarial present value of benefit obligations:		
Vested benefit obligations	Ps. 159,316	**Ps. 140,341**
Non-vested benefit obligations	82,921	**100,999**
Accumulated benefit obligation	242,237	**241,340**
Benefit attributable to projected salaries	19,233	**18,963**
Projected benefit obligation	261,470	**260,303**
Plan assets	468,857	**528,489**
Plan assets in excess of projected benefit obligation	207,387	**268,186**
Items to be amortized over an average 9-year period:		
Transition obligation	123,224	**101,957**
Unrecognized prior service cost	(113,292)	**(111,533)**
Unrecognized net gain from experience differences	(8,700)	**(89,095)**
	1,232	**(98,671)**
Net projected asset	208,619	**169,515**
Pension plans:		
Actuarial present value of benefit obligations:		
Vested benefit obligations	284,962	**306,640**
Non-vested benefit obligations	306,994	**339,987**
Accumulated benefit obligation	591,956	**646,627**
Benefit attributable to projected salaries	150,063	**157,277**
Projected benefit obligation	742,019	**803,904**
Plan assets	1,014,882	**1,209,151**
Plan assets in excess of projected benefit obligation	272,863	**405,247**
Items to be amortized over an average 18-year period:		
Transition obligation	128,983	**116,167**
Unrecognized prior service cost	(15,324)	**(13,349)**
Unrecognized net gain from experience differences	(492,259)	**(621,270)**
	(378,600)	**(518,452)**
Net projected liability	(105,737)	**(113,205)**
Severance indemnities:		
Actuarial present value of benefit obligations:		
Vested benefit obligations	–	**–**
Non-vested benefit obligations	276,638	**330,065**
Accumulated benefit obligation	276,638	**330,065**
Benefit attributable to projected salaries	26,193	**26,896**
Projected benefit obligation	302,831	**356,961**
Plan assets	–	**–**
Projected benefit obligation in excess of plan assets	(302,831)	**(356,961)**
Items to be amortized over an average 6-year period:		
Unrecognized net loss from experience difference	–	**13,616**
Net projected liability	(302,831)	**(343,345)**
Total labor liabilities	Ps. (199,949)	**Ps. (287,035)**

The net pension, seniority premium and severance indemnities cost for 2004, 2005 and 2006 was Ps.91,151, Ps.93,365 and Ps.73,825, respectively.

11. Commitments and contingencies

At December 31, 2006, the Group had commitments in an aggregate amount of Ps. 256,725, of which Ps. 85,345 were commitments related to gaming operations, Ps. 79,027 were commitments to acquire television technical equipment, Ps.37,237, were commitments for the acquisition of software and related services, and Ps.55,116 were construction commitments for building improvements and technical facilities.

In the second half of 2005, the Group entered into a series of agreements with EMI Group PLC ("EMI"), a world leading recording music company, by which (i) a 50/50 joint venture music company ("Televisa EMI Music") was created in Mexico in October 2005; and (ii) the Group became a 50/50 partner of EMI's U.S. Latin music operations ("EMI Televisa Music") beginning September 1, 2005. In accordance with the terms of such agreements, and under certain specific circumstances, (i) in the case of Televisa EMI Music, either party will have the right to acquire the other party's interest in Televisa EMI Music in accordance with an agreed formula, and (ii) in the case of EMI Televisa Music, the Group may require EMI to purchase or EMI may require the Group to sell its 50% interest in the U.S. venture operations. These joint ventures did not require any significant capital funding by the Group during 2005 and 2006. The Group may fund up to 50% of certain working capital requirements of EMI Televisa Music during 2007, in the form of long-term loans.

The Group has granted collateral in connection with certain indemnification obligations (see Note 5), which includes a deposit of approximately U.S.$11.4 million (Ps. 123,429) of short-term securities as of December 31, 2006.

At December 31, 2006, 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
2007	U.S.$	14,707
2008		13,477
2009		10,898
2010		5,938
2011 and thereafter		18,466
	U.S.$	63,486

The Group has guaranteed a 58.7% of Sky Mexico's minimum commitments for use of satellite transponders over a period ending in 2015. As of December 31, 2006, this guarantee is estimated to be an aggregate of approximately U.S.$104.8 million (undiscounted) as of December 31, 2006 (see Notes 2, 8 and 9).

The Company has guaranteed the obligation of Sky Mexico for direct loans in an aggregate amount of Ps.3,500,000, which are reflected in the December 31, 2006 balance sheet as liabilities (see Note 8).

Furthermore, the Company has guaranteed the obligation of La Sexta for direct loan with a Spanish bank, in an aggregate amount of 8.8 million euros.

At December 31, 2006, the Group had commitments of capital contributions in 2007 and 2008 related to its 40% equity interest in La Sexta in the aggregate amount of approximately 76.5 million euros and 31.0 million euros, respectively (see Notes 2 and 5). Also, in connection with this investment and the framework agreement entered into by the Group in March 2006 with the Mediapro group and the Arbol group (the controlling partners of the company that holds a 51% equity interest in La Sexta), the Group received: (i) a call option under which the Group may subscribe, at a price of 80 million euros, a percentage of the capital stock of Imagina Media Audiovisual, S. A. ("Imagina"), the parent company that holds all of the shares of the Mediapro group and the Arbol group, that will be determined as a result of the application of a formula related to the enterprise value of Imagina at the time of exercise of the option by the Group; (ii) an exclusivity to acquire up to 20% of the capital stock of Imagina for a period that ended in December 2006; (iii) a right to match an offer from a third party to subscribe or acquire stock of Imagina for a period of 137 days after the ending of the exclusivity period; and (iv) a right of first refusal until June 2011 to acquire a certain percentage of the capital stock of Imagina. Additionally, as part of the framework agreement and in exchange for the call option and rights granted in connection with the Imagina investment, the Group agreed to grant Inversiones Mediapro Arbol, S.L., a wholly-owned subsidiary of Imagina, a line of credit for up to 80 million euros to be used exclusively for equity contributions by the Mediapro group and the Arbol group in La Sexta, provided that, in the event the Group exercise the call option, or a third party acquires a portion of the capital stock of Imagina, Imagina and its shareholders have undertaken that the amounts outstanding under the line of credit will be either credited towards the subscription price or repaid with the proceeds from the acquisition by the third party. At December 31, 2006, the line of credit granted by the Group had not been used by Inversiones Mediapro Arbol, S. L.

In June 2003, the Company was notified by the Mexican tax authority of a federal tax claim made against the Company for approximately Ps. 960,657, including penalties and surcharges, for an alleged asset tax liability for the year 1994. The Company believes it has meritorious defense against this claim.

As of December 31, 2006, the Group has accrued Ps. 23,333 representing the Group's estimate of state income tax and other tax liabilities in connection with audits of a former U.S. subsidiary of the Company for fiscal periods ended in 1995, 1996 and 1997. These matters did not have, and the Group does not expect that they will have, a material adverse effect on its financial condition or results of operations.

During 2006 and 2007, the Group filed petitions with Mexican Federal Courts in response to assertions made by the Mexican tax authorities that the Group owed income taxes in connection with certain acquisition of exclusivity rights of soccer players from foreign entities in 1999, 2000, 2001 and 2002. The Group believes it has certain meritorious defenses on these claims and sufficient amounts for the account of such income taxes have been provided.

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.

Univision

During 2005, Televisa, S.A. de C.V. ("Televisa"), a subsidiary of the Company, filed a complaint (which was subsequently amended) in the U.S. District Court for the Central District of California alleging that Univision breached the Second Amended and Restated Program License Agreement entered into as of December 19, 2001 (the "PLA") between Televisa Internacional, S.A. de C.V., a predecessor company, and Univision, as well as the December 19, 2001 letter agreement between Televisa and Univision relating to soccer broadcast rights (the "Soccer Agreement"), among other claims ("District Court Action"). Univision filed related answers denying all allegations and asserting affirmative defenses, as well as related counterclaims against Televisa and the Company. Univision also claimed that the Company had breached other agreements between the parties, including a Participation Agreement entered into as of October 2, 1996 and a Telefutura Production Services Agreement. In addition, Univision claimed that the Company breached a Guaranty dated December 19, 2001, by which, among other things, the Company guaranteed that the Company's affiliates (including Televisa) would produce a specified minimum number of novellas.

During 2006, Televisa and the Company answered the counterclaims, denying them and asserting affirmative defenses based on Univision's alleged breaches of the agreements, including the PLA, the Guaranty and the Soccer Agreement. Televisa also amended its complaint again, adding the Company as a plaintiff. In their amended complaint, Televisa and the Company asked for a declaration by the court that they had the right to suspend their performance under and to terminate the PLA, the Guaranty and the Soccer Agreement as a result of Univision's alleged material breaches of those agreements. Univision filed amended counterclaims, seeking, among other things, a declaration by the Court that Televisa and the Company do not have the right to terminate or suspend performance of their obligations under the PLA or the Soccer Agreement. Also, in 2006, Televisa filed a separate lawsuit in the Los Angeles Superior Court, State of California seeking a judicial determination that on or after December 19, 2006, Televisa may transmit or permit others to transmit any television programming into the United States from Mexico by means of the Internet. That lawsuit was stayed. In October 2006, Univision added a new counterclaim in the District Court Action for a judicial declaration that on or after December 19, 2006, Televisa may not transmit or permit others to transmit any television programming into the United States by means of the Internet.

During 2005 and 2006, in connection with the Company's complaint in the District Court Action, Univision made payments to the Group under protest of the disputed royalties and of other license fees that Univision alleges have been overcharged, in the aggregate amount of approximately U.S.$16 million, and is seeking recovery of these amounts via its counterclaims. The Group has recognized these payments made by Univision as customer deposits and advances in its consolidated balance sheets (see Note 16).

In January 2007, the U.S. District Court for the Central District of California reset the discovery cut-off date in the case for June 29, 2007, and the trial date for October 30, 2007 in the District Court Action. The Group cannot predict how its overall business relationship with Univision will be affected by this dispute. The Group believes the counterclaims and affirmative defenses made by Univision are without merit and will defend vigorously.

12. Capital Stock, Stock Purchase Plan and Long-term Retention Plan

Capital Stock

The Company has four classes of capital stock: Series "A" Shares, Series "B" Shares, Series "D" Shares and Series "L" Shares, with no par value. The Series "A" Shares and Series "B" Shares are common shares. The Series "D" Shares are limited-voting and preferred dividend shares, with a preference upon liquidation. The Series "L" Shares are limited-voting shares.

The Company's shares are publicly traded in Mexico, primarily in the form of Ordinary Participation Certificates ("CPOs"), each CPO representing 117 shares comprised of 25 Series "A" Shares, 22 Series "B" Shares, 35 Series "D" Shares and 35 Series "L" Shares; and in the United States in the form of Global Depositary Shares ("GDS"), each GDS representing five CPOs (before March 22, 2006 each GDS was represented by 20 CPOs). Non-Mexican holders of CPOs do not have voting rights with respect to the Series "A", Series "B" and Series "D" Shares.

At December 31, 2006, shares of capital stock and CPOs consisted of (in thousands):

	Authorized and Issued (1)	Repurchased by the Company (2)	Acquired by a Company's Trust (3)	Acquired by a Company's Subsidiary (4)	Outstanding
Series "A" Shares	123,478,024	(1,342,667)	(7,164,764)	(1,185,988)	113,784,605
Series "B" Shares	59,162,449	(1,181,547)	(3,806,726)	(609,484)	53,564,692
Series "D" Shares	90,372,213	(1,879,735)	(2,339,243)	(936,741)	85,216,494
Series "L" Shares	90,372,213	(1,879,735)	(2,339,243)	(936,741)	85,216,494
Total shares	363,384,899	(6,283,684)	(15,649,976)	(3,668,954)	337,782,285
Shares in the form of CPOs (5)	302,100,601	(6,283,684)	(7,819,754)	(3,131,390)	284,865,773
CPOs (5)	2,582,056	(53,707)	(66,835)	(26,764)	2,434,750

(1) In April 2004, the Company's stockholders approved a restructuring of the Company's capital stock (the "Recapitalization"), which comprised the following: (i) a 25-for-one stock split, which became effective on July 26, 2004 (all the Company's share and per share data in these financial statements are presented on a post-split basis); (ii) the creation of the Series "B" Shares; (iii) a 14-for-25 stock dividend in the amount of Ps. 1,007,508 (nominal of Ps. 906,114); and (iv) an increase in the number of shares represented by each outstanding CPO. The Recapitalization increased the number of the Company's shares by a factor of 39 on a pre-split basis but did not affect the Company's total equity or dilute the equity interest of any shareholder.

(2) In 2004, 2005 and 2006, the Company repurchased 1,813,102 thousand, 3,645,463 thousand, and 6,714,057 thousand shares, respectively, in the form of 15,497 thousand, 31,158 thousand, and 57,385 thousand CPOs, respectively, in the amount of Ps.419,446, Ps.1,108,338 and Ps.2,595,366, respectively, in connection with a share repurchase program that was approved by the Company's stockholders and exercised at the discretion of management. In 2004, the Company resold 468 thousand shares in the form of four thousand CPOs, repurchased under this program, in the amount of Ps.109. In April 2006, the Company's stockholders approved (i) the cancellation of 5,888,469.6 thousand shares of capital stock in the form of 50,328.8 thousand CPOs, which were repurchased by the Company under this program in 2004, 2005 and 2006; and (ii) up to 15% of the outstanding shares of the Company's common stock as the amount of shares that can be repurchased by the Company.

(3) In connection with the Company's Long-Term Retention Plan described below.

(4) In connection with the Company's Stock Purchase Plan described below.

(5) In 2004 and 2005, the Company issued an aggregate of 392,841 thousand additional CPOs by combining Series "A" Shares, Series "B" Shares, Series "D" Shares and Series "L" Shares, not in the form of CPOs, which were owned by certain shareholders (312,880 thousand CPOs) or acquired primarily by trusts designated for purposes of the Group's stock purchase plans (79,961 thousand CPOs).

On December 21, 2006, the Company's stockholders approved certain changes to the Company's bylaws to conform with applicable regulations for Mexican public companies in accordance with the new Mexican Stock Market law, which became effective in June 2006. These changes included, among others, the creation of a corporate practice committee, additional duties for the audit committee, more specific responsibilities for members of the board of directors and the corporate executive officer, and a new name for the nature of company under which the Company's is incorporated, which changed from "Sociedad Anónima" or "S.A." (limited liability company) to "Sociedad Anónima Bursátil" or "S.A.B." (public limited liability company).

Under the Company's bylaws, the Company's Board of Directors consists of 20 members, of which the holders of Series "A" Shares, Series "B" Shares, Series "D" Shares and Series "L" Shares, each voting as a class, are entitled to elect eleven members, five members, two members and two members, respectively.

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. 0.00034177575 per share) before any dividends are payable in respect of Series "A" Shares, Series "B" Shares or Series "L" Shares. Holders of Series "A" Shares, Series "B" Shares and Series "L" Shares are entitled to receive the same dividends as holders of Series "D" Shares if shareholders declare dividends in addition to the preferred dividend that holders of Series "D" Shares are entitled to. 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. 0.00683551495 per share) before any distribution is made in respect of Series "A" Shares, Series "B" Shares and Series "L" Shares.

At December 31, 2006, the restated tax value of the Company's common stock was Ps. 22,457,650. In the event of any capital reduction in excess of the tax value of the Company's common stock, such excess will be treated as dividends for income tax purposes (see Note 13).

Stock Purchase Plan

The Company adopted a Stock Purchase Plan (the "Plan") that provides, in conjunction with the Long-term Retention Plan described below, for the grant and sale of up to 8% of the Company's capital stock to key Group employees. Pursuant to this Plan, as of December 31, 2006, the Company had assigned approximately 117.5 million CPOs, at market prices, subject to certain conditions, including vesting periods within five years from the time the awards are granted. The shares sold pursuant to the Plan, some of which have been registered pursuant to a registration statement on Form S-8 under the Securities Act of the United States, can only be transferred to the plan participants when the conditions set forth in the Plan and the related agreements are satisfied. During 2004, 2005 and 2006, approximately 42.5 million CPOs, 26.9 million CPOs, and 33.1 million CPOs, respectively, were exercised pursuant to this Plan in the amount of Ps. 630,168, Ps. 325,561 and Ps. 427,858, respectively, and transferred to the Plan participants. In 2004, those Series "B", Series "D" and Series "L" Shares, together with certain Series "A" Shares, not in the form of CPOs and previously held by the designated Plan trust, were exchanged for approximately 3.4 million CPOs.

Long-term Retention Plan

The Company adopted a Long-term Retention Plan (the "Retention Plan") which supplements the Company's existing Stock Purchase Plan described above, and provides for the grant and sale of the Company's capital stock to key Group employees. Pursuant to the Retention Plan, as of December 31, 2005 and 2006, the Company had assigned approximately 46.8 million CPOs and 47.4 million CPOs, respectively, at an exercise price of Ps.13.45 per CPO, subject to certain conditions, including a vesting period between 2008 and 2010. During 2006, approximately 9,675 thousand CPOs were early exercised pursuant to this Retention Plan in the amount of Ps. 113,686.

As of December 31, 2006, the designated Retention Plan trust owned approximately 133.8 million CPOs or CPOs equivalents, including approximately 7.6 million CPOs or CPOs equivalents that have been reserved to a group of employees, and may be granted at a price of approximately Ps. 28.05 per CPO, subject to certain conditions, in vesting periods between 2008 and 2023. In 2004, as a result of the Recapitalization described above and other related transactions, the designated Retention Plan trust received a number of Series "B", Series "D" and Series "L" Shares against the delivery of the same number of Series "A" Shares. Also, in 2004, certain Series "A", Series "B", Series "D" and Series "L" Shares, held by the Retention Plan trust, were exchanged for approximately 76.5 million CPOs.

Beginning in 2005, in connection with the Company's Plan and Retention Plan, the Group determined the stock-based compensation expense, as required by IFRS 2 (see Note 1(r)), by using the Black-Scholes pricing model at the date on which the stock was granted to personnel under the Group's stock-based compensation plans, on the following arrangements and weighted-average assumptions:

	Stock Purchase Plan		Long-term Retention Plan
Arrangements:			
Year of grant	2003	2004	2004
Number of CPOs granted	2,360	32,918	46,784
Contractual life	3-5 years	1-3 years	4-6 years
Assumptions:			
Dividend yield	3.00%	3.00%	3.00%
Expected volatility [1]	31.88%	21.81%	22.12%
Risk-free interest rate	9.35%	6.52%	8.99%
Expected life of awards (in years)	4.01 years	2.62 years	4.68 years

(1) Volatility was determined by reference to historically observed prices of the Group's CPO.

A summary of the stock awards for employees as of December 31, 2005 and 2006, is presented below (in constant pesos and thousands of CPOs):

	2005		**2006**	
	CPOs	Weighted-Average Exercise Price	CPOs	Weighted-Average Exercise Price
Stock Purchase Plan :				
Outstanding at beginning of year	71,262	14.36	48,182	14.99
Granted	599	13.81	–	–
Exercised	(23,455)	11.42	(29,050)	12.39
Forfeited	(224)	14.28	(716)	13.07
Outstanding at beginning of year	48,182	14.99	18,416	16.30
Exercisable at end of year	4,472	16.87	8,492	15.80
Long–Term Retention Plan :				
Outstanding at beginning of year	45,109	13.45	46,784	12.10
Granted	2,714	12.10	1,340	11.75
Exercised	–	–	–	–
Forfeited	(1,039)	12.10	(734)	11.75
Outstanding at beginning of year	46,784	12.10	47,390	11.75
Exercisable at end of year	–	–	9,675	11.75

As of December 31, 2006, the weighted-average remaining contractual life of the awards under the Stock Purchase Plan and the Long-term Retention Plan is 0.3 and 2.10 years, respectively.

13. 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 2004, 2005 and 2006, the Company's stockholders approved increases to the legal reserve amounting to Ps. 203,392, Ps. 232,070 and Ps.186,781, 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.

In prior years the Company's stockholders approved appropriating from retained earnings a reserve amounting to Ps. 7,483,296 for the repurchase of shares, at the discretion of management. Through December 31, 2006, this reserve has been used in an amount of Ps.3,024,038, in connection with the cancellation of shares repurchased by the Company.

Unappropriated earnings as of December 31, 2005 and 2006 are comprised of (i) accumulated earnings from prior years for an amount of Ps.14,710,965 and Ps. 19,778,257, respectively; (ii) cumulative charges in connection with the acquisition of shares of the Company made by subsidiaries and a subsequently cancelled or sold in an amount of Ps. 2,410,847 and Ps. 2,762,784, respectively; and (iii) other unappropriated earnings in an amount of Ps.13,694, and other cumulative charges in an amount of Ps. 300,219, respectively.

In April 2004, the Company's stockholders approved the payment of a dividend in the aggregate amount of Ps. 4,280,816 (nominal Ps.3,850,000), which consisted of nominal Ps.1.21982800845 per CPO and nominal Ps. 0.40660933615 per Share of former Series "A," not in the form of a CPO, and was paid in cash in May 2004.

In April 2004, in connection with the Recapitalization of the Company (see Note 12), the Company's stockholders approved a stock dividend in the amount of Ps.1,007,508 (nominal Ps. 906,114).

In April 2005, the Company's stockholders approved the payment of a dividend in the aggregate amount of Ps. 4,480,311 (nominal Ps. 4,214,750), which consisted of nominal Ps.1.35 per CPO and nominal Ps. 0.01153846153 per Share of Series "A", "B", "D" and "L," not in the form of a CPO, and was paid in cash in May 2005.

In April 2006, the Company's stockholders approved the payment of a dividend in the aggregate amount of Ps.1,119,749 (nominal Ps.1,087,049), which consisted of nominal Ps.0.35 per CPO and nominal Ps.0.00299145 per Share of Series "A", "B", "D" and "L," not in the form of a CPO, and was paid in cash in May 2006.

Dividends, either in cash or in other forms, paid by the Mexican companies in the Group will be subject to income tax 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. In this case, dividends will be taxable by multiplying such dividends by a 1.3889 factor and applying to the resulting amount the income tax rate of 28%.

At December 31, 2006, cumulative earnings that have been subject to income tax and can be distributed by the Company free of Mexican withholding tax were approximately Ps.49,976. In addition, the payment of dividends is restricted under certain circumstances by the terms of certain Mexican peso loan agreements (see Note 8).

14. Comprehensive income (loss)

Comprehensive income (loss) related to the majority interest for the years ended December 31, 2004, 2005 and 2006, was as follows:

	2004	2005	2006
Net income	Ps. 4,641,404	Ps. 6,373,822	**Ps. 8,586,188**
Other comprehensive (loss) income, net:			
Foreign currency translation adjustments, net (1)	(208,784)	(185,393)	**574,099**
Result from holding non-monetary assets, net (2)	(137,107)	(552,880)	**(64,870)**
Result from available for-sale investments, net (3)	–	–	**(578,656)**
Gain (loss) on equity accounts of investees, net (4)	128,600	(197,076)	**55,831**
Total other comprehensive loss, net	(217,291)	(935,349)	**(13,596)**
Comprehensive income	Ps. 4,424,113	Ps. 5,438,473	**Ps. 8,572,592**

(1) The amounts for 2004, 2005 and 2006 include the foreign exchange gain (loss) of, Ps.45,850, Ps.433,752 and Ps.(572,738), respectively, which were hedged in connection with the Group's net investment in Univision as a foreign entity investment through June 30, 2006 (see Notes 1(c), 5 and 17).

(2) Represents the difference between specific costs (net replacement cost or Specific Index) of non-monetary assets and the restatement of such assets using the NCPI, net of deferred tax (provision) benefit of Ps.58,952, Ps.221,285 and Ps.30,300 for the years ended December 31, 2004, 2005 and 2006, respectively.

(3) The amount for 2006 includes a foreign exchange loss of Ps.(97,668), net of foreign exchange gain of Ps.539,563, which was hedged in connection with the Group´s available-for-sale investment in Univision beginning July 1, 2006 (see Notes 1(c), 5 and 17); loss on monetary position of Ps.(434,153); and other fair value loss of Ps.(46,835).

(4) Represents the gains or losses on the dilution of investments in equity investees and the recognition of the components of other comprehensive income recorded by the equity investees.

The changes in components of accumulated other comprehensive (loss) income for the years ended December 31, 2004, 2005 and 2006, were as follows:

	Gain (Loss) on Equity Accounts of Investees	Accumulated Monetary Result	Result from Available-For-Sale Financial Assets	Cumulative Result from Holding Non-Monetary Assets	Cumulative Result from Foreign Currency Translation	Cumulative Effect of Deferred Income Taxes	Accumulated Other Comprehensive Loss
Balance at January 1, 2004	Ps. 4,090,044	Ps. (33,912)	Ps. —	Ps. (1,809,554)	Ps. (1,676,422)	Ps. (3,107,621)	Ps. (2,537,465)
Current year change	128,600	—	—	(137,107)	(208,784)	—	(217,291)
Balance at December 31, 2004	4,218,644	(33,912)	—	(1,946,661)	(1,885,206)	(3,107,621)	(2,754,756)
Current year change	(197,076)	—	—	(552,880)	(185,393)	—	(935,349)
Balance at December 31, 2005	4,021,568	(33,912)	—	(2,499,541)	(2,070,599)	(3,107,621)	(3,690,105)
Current year change	55,831	—	(578,656)	(64,870)	574,099	—	(13,596)
Balance at December 31, 2006	**Ps.4,077,399**	**Ps. (33,912)**	**Ps.(578,656)**	**Ps. (2,564,411)**	**Ps. (1,496,500)**	**Ps. (3,107,621)**	**Ps. (3,703,701)**

Cumulative result from holding non-monetary assets as of December 31, 2004, 2005 and 2006 is net of a deferred income tax benefit of Ps.124,685, Ps.345,970 and Ps.376,270, respectively.

15. Minority interest

Minority interest at December 31, 2005 and 2006, consisted of:

	2005	2006
Capital stock	Ps. 3,944,409	**Ps. 3,820,887**
Retained earnings	(3,811,048)	**(2,435,414)**
Cumulative result from holding non-monetary assets	(317,491)	**(332,534)**
Accumulated monetary result	(885)	**(502)**
Cumulative effect of deferred income taxes	(57,585)	**(57,585)**
Net income for the year	1,127,959	**588,241**
	Ps. 885,359	**Ps. 1,583,093**

16. Transactions with related parties

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

		2004		2005		**2006**
Revenues:						
Royalties (Univision) [a]	Ps.	1,181,030	Ps.	1,152,054	**Ps.**	**1,413,430**
Soccer transmission rights (Univision)		76,564		95,362		**96,062**
Programming production and transmission rights [b]		235,419		96,980		**35,139**
Administrative services [c]		55,800		76,727		**53,588**
Interest income		963		1,295		**16,524**
Advertising [d]		116,540		33,709		**87,643**
	Ps.	1,666,316	Ps.	1,456,127	**Ps.**	**1,702,386**
Costs:						
Donations	Ps.	99,152	Ps.	110,474	**Ps.**	**102,064**
Administrative services [c]		5,863		27,686		**11,212**
Other		80,242		242,760		**76,942**
	Ps.	185,257	Ps.	380,920	**Ps.**	**190,218**

(a) The Group receives royalties from Univision for programming provided pursuant to a program license agreement that expires in December 2017. Royalties are determined based upon a percentage of combined net sales of Univision, which was 9% plus an incremental percentage of up to 3% over additional sales in 2004, 2005 and 2006.

(b) Services rendered to Innova for the three months ended March 31, 2004, and Endemol and other affiliates in 2004, 2005 and 2006.

(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 for the three months ended March 31, 2004, to Univision in 2004, to OCEN in 2004, 2005 and 2006, and Volaris in 2006.

Other transactions with related parties carried out by the Group in the normal course of business include the following:

(1) A consulting firm owned by a relative of one of the Group's directors, which has, from time to time, provided consulting services and research in connection with the effects of the Group's programming on its viewing audience.

(2) From time to time, a Mexican bank made loans to the Group, on terms substantially similar to those offered by the bank to third parties. Some members of the Group's Board serve as board members of this bank.

(3) Two of the Group's directors and one of the Group's alternate directors are members of the board as well as shareholders of a Mexican company, which is a producer, distributor and exporter of beer in Mexico. Such company purchases advertising services from the Group in connection with the promotion of its products from time to time, paying rates applicable to third-party advertisers for these advertising services.

(4) Several other members of the Group's current board serve as members of the boards and/or shareholders of other companies, some of which purchased advertising services from the Group in connection with the promotion of their respective products and services.

(5) During 2004, 2005 and 2006, a professional services firm in which a current director maintains interest provided legal advisory services to the Group in connection with various corporate matters. Total fees for such services amounted to Ps.19,962, Ps.18,435 and Ps.16,631, respectively.

(6) A television production company, indirectly controlled by a company where a member of the board and executive of the Company is a shareholder, provided production services to the Group in 2004, 2005 and 2006, in the amount of U.S.$5.6 million, U.S.$11.3 million and U.S.$8.1 million, respectively.

(7) During 2005 and 2006, the Group paid sale commissions to a company where a member of the board and executive of the Company is a shareholder, in the amount of Ps.19,770 and Ps.109,843, respectively.

The balances of receivables and (payables) between the Group and affiliates as of December 31, 2005 and 2006, were as follows:

		2005		**2006**
Receivables:				
CIE (see Notes 5 and 7)	Ps.	199,030	**Ps.**	**–**
Univision (see Note 5)		92,582		**104,205**
Editorial Clío, Libros y Videos, S.A. de C.V.		14,857		**6,922**
Volaris (see Note 2)		–		**33,129**
OCEN (see Notes 5 and 7)		3,790		**1,954**
Other		26,014		**38,604**
	Ps.	336,273	**Ps.**	**184,814**
Payables:				
DIRECTV (payable in connection with the acquisition of a subscriber list, see Notes 2 and 7)	Ps.	(733,438)	**Ps.**	**–**
News Corp. (see Note 2)		(48,191)		**(23,513)**
Other		(29,026)		**(14,620)**
	Ps.	(810,655)	**Ps.**	**(38,133)**

All significant account balances included in amounts due from affiliates bear interest. In 2004, 2005 and 2006, average interest rates of 6.9%, 9.6% and 7.5% were charged, respectively. Advances and receivables are short-term in nature; however, these accounts do not have specific due dates.

Customer deposits and advances as of December 31, 2005 and 2006, included deposits and advances from affiliates and other related parties, which were primarily made by Univision (see Note 11), OCEN, Editorial Clío, Libros y Videos, S.A. de C.V., and CIE in 2005 and 2006, and Volaris in 2006, in an aggregate amount of Ps.133,098 and Ps.287,124, respectively.

17. Integral cost of financing

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

		2004		2005		**2006**
Interest expense (1)	Ps.	2,252,978	Ps.	2,221,015	**Ps.**	**1,937,591**
Interest income		(705,888)		(969,905)		**(1,094,266)**
Foreign exchange loss, net (2)		99,037		757,036		**190,516**
(Gain) loss from monetary position (3)		(15,939)		(153,887)		**65,850**
	Ps.	1,630,188	Ps.	1,854,259	**Ps.**	**1,099,691**

(1) Interest expense in 2004, 2005 and 2006, includes Ps.217,713, Ps.39,620 and Ps.39,843, respectively, derived from the UDI index restatement of Company's UDI-denominated debt securities and a net gain from related derivative contracts of Ps.32,659 and Ps.6,557, in 2004 and 2005, respectively (see Notes 8 and 9).

(2) Net foreign exchange loss in 2004, 2005 and 2006, includes a net loss from foreign currency derivative contracts of Ps.103,500, Ps.741,128 and Ps.57,745, respectively. A foreign exchange gain in 2004 and 2005 of Ps.45,850 and Ps.433,752, respectively, and a foreign exchange loss of Ps.33,175 in 2006, were hedged by the Group's net investment in Univision and recognized in stockholders' equity as other comprehensive loss (see Notes 1(c) and 14).

(3) The gain or loss from monetary position represents the effects of inflation, as measured by the NCPI in the case of Mexican companies, 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. It also includes monetary loss in 2004, 2005 and 2006 of Ps.195,412, Ps.138,620 and Ps.107,607, respectively, arising from temporary differences of non-monetary items in calculating deferred income tax (see Note 20).

18. Restructuring and non-recurring charges

Restructuring and non-recurring charges for the years ended December 31, are analyzed as follows:

		2004		2005		**2006**
Restructuring charges:						
Severance costs	Ps.	157,324	Ps.	43,028	**Ps.**	**45,282**
Non-recurring charges:						
Impairment adjustments (1)		247,298		7,740		**90,078**
Expenses of debt placement (2)		13,923		188,452		**478,994**
Other		6,432		–		**–**
	Ps.	424,977	Ps.	239,220	**Ps.**	**614,354**

(1) During 2004, the Group tested for impairment the carrying value of goodwill and other intangible assets. As a result of such testing, impairment adjustments were made to goodwill related primarily to the Group's Publishing Distribution segment and publishing trademarks in the amount of Ps. 204,178 and Ps. 43,120, respectively. During 2006, the Group tested for impairment the carrying value of certain trademarks of its Publishing segment. As a result of such testing, an impairment adjustment was made to these intangible assets of Ps.90,078. For purposes of the goodwill impairment test, the fair value of the related reporting unit was estimated using appraised valuations by experts.

(2) Related to Senior Notes due 2011 and Notes denominated in Mexican UDIs due 2007 in 2005 and Senior Notes due 2013 in 2006 (see Note 8).

19. Other expense, net

Other expense (income) for the years ended December 31, is analyzed as follows:

		2004		2005		**2006**
Loss (gain) on disposition of investments, net (see Note 2)	Ps.	143,889	Ps.	179,269	**Ps.**	**(18,848)**
Provision for doubtful non-trade accounts and write-off of other receivables		40,610		15,530		**–**
Donations (see Note 16)		177,772		124,914		**130,110**
Financial advisory and professional services (1)		71,948		75,417		**99,149**
Loss on disposition of fixed assets		71,361		115,593		**–**
Other expense (income), net		48,150		(27,686)		**630**
	Ps.	553,730	Ps.	483,037	**Ps.**	**211,041**

(1) 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 2, 12 and 16).

20. Income taxes and employees' profit sharing

The Company is authorized by the Mexican tax authorities to compute its income tax and asset tax on a consolidated basis. Mexican controlling companies are allowed to consolidate, for income tax purposes, income or losses of their Mexican subsidiaries up to a certain percentage of their share ownership in such subsidiaries, which was 60% through December 31, 2004, and 100% beginning January 1, 2005. The asset tax is computed on a fully consolidated basis.

The Mexican corporate income tax rate in 2004, 2005 and 2006 was 33%, 30% and 29%, respectively. In accordance with the current Mexican Income Tax Law, the corporate income tax rate in subsequent years will be 28%.

The income tax provision for the years ended December 31, 2004, 2005 and 2006, was comprised as follows:

		2004		2005		**2006**
Income tax and asset tax, current	Ps.	602,157	Ps.	1,601,399	**Ps.**	**770,856**
Income tax and asset tax, deferred		655,647		(819,707)		**1,245,815**
	Ps.	1,257,804	Ps.	781,692	**Ps.**	**2,016,671**

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 asset tax.

		%	
	2004	2005	**2006**
Tax at the statutory rate on income before provisions	33	30	**29**
Differences in inflation adjustments for tax and book purposes	2	1	**–**
Hedge	–	1	**–**
Non-deductible items	3	–	**–**
Special tax consolidation items	–	(2)	**–**
Unconsolidated income tax	2	–	**–**
Minority interest	(4)	(2)	**–**
Excess in tax provision of prior years	(2)	(1)	**–**
Changes in valuation allowances:			
Asset tax	4	–	**3**
Tax loss carryforwards	5	(1)	**3**
Foreign operations	(9)	(5)	**(2)**
Recoverable income tax from repurchase of shares	(5)	–	**–**
Use of tax losses [(a)]	(10)	(12)	**(16)**
Provision for income tax and the asset tax	19	9	**17**

(a) In 2004, this amount represents the effect of the use of tax loss carryforwards arising from the acquisition of certain other subsidiaries in the second half of 2004. In 2005, this amount represents the effect of the use of tax losses in connection with the acquisition of Comtelvi (see Note 2). In 2006, this amount represents the effect of the use of tax deductions related to certain transactions made by the Group inconnection with a corporate reorganization.

The Group has tax loss carryforwards at December 31, 2006, as follows:

		Amount	Expiration
Operating tax loss carryforwards:			
Unconsolidated:			
Mexican subsidiaries [(1)]	Ps.	4,226,569	From 2007 to 2016
Non-Mexican subsidiaries [(2)]		991,454	From 2007 to 2025
		5,218,023	
Capital tax loss carryforwards:			
Unconsolidated Mexican subsidiaries [(3)]		403,658	From 2007 to 2010
	Ps.	5,621,681	

(1) During 2004, 2005 and 2006, certain Mexican subsidiaries utilized unconsolidated operating tax loss carryforwards of Ps. 2,275,247, Ps. 465,795 and Ps.3,161,005, respectively. In 2005 and 2006, that amount includes the operating tax loss carryforwards related to the minority interest of Sky Mexico.

(2) Approximately the equivalent of U.S.$91.8 million for subsidiaries in Spain, South America and the United States.

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

The asset tax rate was 1.8% in 2004, 2005 and 2006. In 2007, the asset tax rate decreased from 1.8% to 1.25%; however, those asset tax deductions that were permitted in prior years are not longer allowed beginning 2007. The asset tax paid in excess of the income tax in the previous ten years can be credited in future years if the amount of the income tax in subsequent years is in excess of the assets tax. As of December 31, 2006, the Company had Ps.1,111,591 of asset tax subject to be credited and expiring between 2007 and 2013.

The deferred taxes as of December 31, 2005 and 2006, were principally derived from the following temporary differences:

		2005		2006
Assets:				
Accrued liabilities	Ps.	839,540	**Ps.**	**647,742**
Goodwill		833,786		**778,200**
Tax loss carryforwards		1,295,617		**1,296,464**
Allowance for doubtful accounts		429,424		**274,974**
Customer advances		1,434,881		**1,194,001**
Other items		230,409		**165,163**
Liabilities:				
Inventories		(225,100)		**(618,652)**
Property, plant and equipment, net		(1,040,005)		**(1,072,480)**
Prepaid expenses		(1,351,651)		**(1,246,859)**
Innova		(1,375,773)		**(890,301)**
Deferred income taxes of Mexican companies		1,071,128		**528,252**
Deferred income taxes of foreign subsidiaries		(58,595)		**(115,354)**
Asset tax		1,440,339		**1,402,658**
Valuation allowances [(a)]		(2,659,111)		**(3,304,334)**
Deferred income tax liability		(206,239)		**(1,488,778)**
Effect of change of income tax rates		33,868		**–**
Deferred income tax liability, net	Ps.	(172,371)	**Ps.**	**(1,488,778)**

(a) Reflects valuation allowances of foreign subsidiaries of Ps. 292,268 and Ps. 344,792 at December 31, 2005 and 2006, respectively.

A roll forward of the Group's valuation allowance for 2006 is as follows:

		Tax Loss Carryforwards		Asset Tax		Goodwill		Total
Balance at beginning of year	Ps.	(1,015,642)	Ps.	(809,683)	Ps.	(833,786)	Ps.	(2,659,111)
Increases		(398,901)		(301,908)		–		(700,809)
Decreases		–		–		55,586		55,586
Balance at end of year	Ps.	(1,414,543)	Ps.	(1,111,591)	Ps.	(778,200)	Ps.	(3,304,334)

The change in the deferred income tax liability for the year ended December 31, 2006, representing a credit of Ps. 1,316,407 was recorded against the following accounts:

Charge to the gain from monetary position [(1)]	Ps.	100,892
Credit to the result from holding non-monetary assets		(30,300)
Charge to the provision for deferred income tax		1,245,815
	Ps.	1,316,407

(1) Net of Ps.107,607, representing the effect on restatement of the non-monetary items included in the deferred tax calculation.

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 of 10% based on their respective taxable incomes (calculated without reference to inflation adjustments and tax loss carryforwards).

21. Earnings per CPO/Share

During the years ended December 31, 2004, 2005 and 2006, the weighted average of outstanding total shares, CPOs and Series "A", Series "B", Series "D" and Series "L" Shares (not in the form of CPO units), was as follows (in thousands):

	2004	2005	2006
Total Shares	345,205,994	341,158,189	**339,776,222**
CPOs	2,293,867	2,463,608	**2,451,792**
Shares not in the form of CPO units:			
Series "A" Shares	55,524,135	52,915,759	**52,915,849**
Series "B" Shares	5,305,998	108	**187**
Series "D" Shares	6,645,321	113	**239**
Series "L" Shares	6,645,321	113	**239**

Earnings (loss) per CPO and per each Series "A", Series "B", Series "D" and Series "L" Share (not in the form of a CPO unit) for the years ended December 31, 2004, 2005 and 2006, are presented as follows:

	2004		2005		**2006**	
	Per CPO	Per Each Series "A", "B", "D" and "L" Share	Per CPO	Per Each Series "A", "B", "D" and "L" Share	Per CPO	Per Each Series "A", "B", "D" and "L" Share
Continuing operations	Ps. 1.97	Ps. 0.02	Ps. 2.37	Ps. 0.02	**Ps. 2.96**	**Ps. 0.03**
Cumulative loss of accounting change	(0.37)	–	(0.18)	–	**–**	**–**
Net income	Ps. 1.60	Ps. 0.02	Ps. 2.19	Ps. 0.02	**Ps. 2.96**	**Ps. 0.03**

22. Foreign currency position

The foreign currency position of monetary items of the Group at December 31, 2006, was as follows:

	Foreign Currency Amounts (Thousands)	Year-End Exchange Rate	Mexican Pesos
Assets:			
U.S. dollars (1)	2,424,404	Ps. 10.8025	Ps. 26,189,624
Euros	96,971	14.2626	1,383,059
Chilean pesos	8,989,901	0.0202	181,596
Colombian pesos	26,860,038	0.0048	128,928
Other currencies			133,606
Liabilities:			
U.S. dollars (2)	1,311,638	Ps. 10.8025	Ps. 14,168,970
Euros	9,810	14.2626	139,916
Chilean pesos	10,068,233	0.0202	203,378
Colombian pesos	27,710,309	0.0048	133,009
Other currencies			92,805

(1) Includes assets in the amount of U.S.$1,094.4 million and U.S.$262.7 million, related to the available-for-sale investment in shares of Univision and the investment in convertible debentures of Alvafig, respectively, which foreign exchange result is recognized as a gain or loss in accumulated other comprehensive result (see Note 1(c)).

(2) Includes liabilities in the amount of U.S.$971.9 million, related to the Senior Notes due in 2011, 2025 and 2032, which are partially hedging the available-for-sale investment in shares of Univision (see Note 1(c)).

The foreign currency position of non-monetary items as of December 31, 2006, was as follows:

	Foreign Currency Amounts (Thousands)	Year-End Exchange Rate	Mexican Pesos (1)
Property, plant and equipment:			
U.S. dollars	393,405	Ps. 10.8025	Ps. 4,249,756
Japanese yen	3,676,743	0.0908	333,848
Euros	17,017	14.2626	242,707
Other currencies			199,484
Transmission rights and programming:			
U.S. dollars	315,959	Ps. 10.8025	Ps. 3,413,147

(1) Amounts translated at the year-end exchange rates for reference purposes only; does not indicate the actual amounts accounted for in the financial statements.

Transactions incurred during 2006 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	$	404,824	$	64,910	$	469,734	Ps.	5,074,302
Other income		9,662		4,146		13,808		149,161
Interest income		39,377		4,275		43,652		471,551
	$	453,863	$	73,331	$	527,194	Ps.	5,695,014
Purchases, costs and expenses:								
Purchases of inventories	$	254,217	$	24,026	$	278,243	Ps.	3,005,720
Purchases of property and equipment		82,440		11,831		94,271		1,018,362
Investments		339,355		138,175		477,530		5,158,517
Costs and expenses		383,267		65,579		448,846		4,848,664
Interest expense		98,442		128		98,570		1,064,802
	$	1,157,721	$	239,739	$	1,397,460	Ps.	15,096,065

(1) Income statement amounts translated at the year-end exchange rate of Ps. 10.8025 for reference purposes only; does not indicate the actual amounts accounted for in the financial statements (see Note 1(c)).

As of December 31, 2006 the exchange rate was Ps. 10.8025 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 April 2, 2007, the exchange rate was Ps. 11.0270 per U.S. dollar, which represents the interbank free market exchange rate on that date as reported by Banco Nacional de México, S.A.

23. Segment information

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-owned 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.

Pay Television Networks

The pay television networks segment includes programming services for cable and pay-per-view television companies in Mexico, 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. Pay television network revenues are derived from domestic and international programming services provided to independent cable television systems in Mexico and the Group's DTH satellite and cable television businesses, and from the sale of advertising time on programs provided to pay television companies in Mexico.

Programming Exports

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

Publishing

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

Publishing Distribution

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

Sky Mexico

The Sky Mexico segment includes direct-to-home ("DTH") broadcast satellite pay television services in Mexico. Sky Mexico's revenues are primarily derived from program services, installation fees and equipment rental to subscribers, and national advertising sales.

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 non-affiliated radio stations.

Other Businesses
The other businesses segment includes the Group's domestic operations in sports and show business promotion, soccer, nationwide paging (through October 2004), feature film production and distribution, Internet operations and, beginning in the second quarter of 2006, gaming operations.

The table below presents information by segment and a reconciliation to consolidated total for the years ended December 31, 2004, 2005 and 2006.

	Total Revenues	Intersegment Revenues	Consolidated Revenues	Segment Profit (Loss)
2004:				
Television Broadcasting	Ps. 18,388,175	Ps. 440,734	Ps. 17,947,441	Ps. 8,343,836
Pay Television Networks	861,011	120,575	740,436	320,974
Programming Exports	2,061,507	–	2,061,507	786,757
Publishing	2,250,807	5,354	2,245,453	456,677
Publishing Distribution	1,692,358	8,732	1,683,626	(27,290)
Sky Mexico	3,910,479	46,227	3,864,252	1,439,253
Cable Television	1,212,755	3,789	1,208,966	383,367
Radio	318,011	53,065	264,946	34,134
Other Businesses	1,610,148	107,803	1,502,345	(137,468)
Segment totals	32,305,251	786,279	31,518,972	11,600,240
Reconciliation to consolidated amounts:				
Eliminations and corporate expenses	(786,279)	(786,279)	–	(167,706)
Depreciation and amortization expense	–	–	–	(2,231,065)
Consolidated total	Ps. 31,518,972	Ps. –	Ps. 31,518,972	Ps. 9,201,469 [(1)]
2005:				
Television Broadcasting	Ps. 19,323,506	Ps. 570,651	Ps. 18,752,855	Ps. 9,211,431
Pay Television Networks	1,156,214	304,920	851,294	539,072
Programming Exports	1,951,951	–	1,951,951	695,785
Publishing	2,607,052	40,134	2,566,918	499,525
Publishing Distribution	418,495	10,638	407,857	6,869
Sky Mexico	6,229,173	33,240	6,195,933	2,618,809
Cable Television	1,462,098	3,001	1,459,097	509,403
Radio	358,706	53,322	305,384	54,316
Other Businesses	1,377,882	71,608	1,306,274	(187,682)
Segment totals	34,885,077	1,087,514	33,797,563	13,947,528
Reconciliation to consolidated amounts:				
Eliminations and corporate expenses	(1,087,514)	(1,087,514)	–	(189,867)
Depreciation and amortization expense	–	–	–	(2,517,015)
Consolidated total	Ps. 33,797,563	Ps. –	Ps. 33,797,563	Ps. 11,240,646 [(1)]
2006:				
Television Broadcasting	**Ps. 20,972,085**	**Ps. 558,579**	**Ps. 20,413,506**	**Ps. 10,597,965**
Pay Television Networks	**1,329,044**	**279,037**	**1,050,007**	**682,251**
Programming Exports	**2,110,923**	**–**	**2,110,923**	**869,289**
Publishing	**2,885,448**	**18,997**	**2,866,451**	**555,785**
Publishing Distribution	**433,533**	**11,450**	**422,083**	**17,999**
Sky Mexico	**7,452,730**	**90,426**	**7,362,304**	**3,555,478**
Cable Television	**1,984,743**	**4,857**	**1,979,886**	**816,823**
Radio	**444,569**	**42,829**	**401,740**	**94,565**
Other Businesses	**1,408,086**	**83,145**	**1,324,941**	**(311,316)**
Segment totals	**39,021,161**	**1,089,320**	**37,931,841**	**16,878,839**
Reconciliation to consolidated amounts:				
Eliminations and corporate expenses	**(1,089,320)**	**(1,089,320)**	**–**	**(450,879)**
Depreciation and amortization expense	**–**	**–**	**–**	**(2,679,066)**
Consolidated total	**Ps. 37,931,841**	**Ps. –**	**Ps. 37,931,841**	**Ps. 13,748,894** [(1)]

[(1)] Consolidated totals represents consolidated operating income.

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

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 and other general expenses.

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, 2004, 2005 and 2006.

	Segment Assets at Year-End	Segment Liabilities at Year-End	Additions to Property, Plant and Equipment
2004:			
Continuing operations:			
Television operations [1]	Ps. 49,815,530	Ps. 22,178,189	Ps. 898,251
Publishing	2,136,114	310,473	57,301
Publishing Distribution	1,077,986	396,112	35,999
Sky Mexico	4,866,107	7,790,701	704,976
Cable Television	2,176,705	349,102	430,549
Radio	490,005	58,762	9,619
Other Businesses	3,565,641	597,448	42,733
Total	Ps. 64,128,088	Ps. 31,680,787	Ps. 2,179,428
2005:			
Continuing operations:			
Television operations [1]	Ps. 48,296,624	Ps. 23,234,275	Ps. 910,648
Publishing	2,147,308	361,262	11,005
Publishing Distribution	952,747	442,505	6,025
Sky Mexico	4,738,175	6,219,153	1,235,508
Cable Television	2,427,776	488,407	579,218
Radio	534,605	72,520	13,863
Other Businesses	3,737,771	465,158	92,808
Total	Ps. 62,835,006	Ps. 31,283,280	Ps. 2,849,075
2006:			
Continuing operations:			
Television operations [1]	**Ps. 57,845,063**	**Ps. 23,414,660**	**Ps. 1,108,412**
Publishing	**2,106,095**	**351,786**	**35,184**
Publishing Distribution	**966,616**	**456,556**	**15,964**
Sky Mexico	**6,212,452**	**5,416,342**	**1,000,911**
Cable Television	**2,940,073**	**736,171**	**829,343**
Radio	**496,507**	**90,455**	**18,298**
Other Businesses	**4,568,076**	**837,940**	**296,211**
Total	**Ps. 75,134,882**	**Ps. 31,303,910**	**Ps. 3,304,323**

(1) Segment assets and liabilities information is not maintained by the Group for each of the Television Broadcasting, Pay Television Networks and Programming Exports 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:

		2005		**2006**
Segment assets	Ps.	62,835,006	**Ps.**	**75,134,882**
Investments attributable to:				
Television operations [(1)]		12,731,912		**1,674,503**
Other segments		885,345		**4,057,367**
DTH ventures		–		**–**
Goodwill – net attributable to:				
Television operations		1,353,021		**1,352,642**
Publishing distribution		24,629		**23,689**
Other segments		391,988		**787,407**
Total assets	Ps.	78,221,901	**Ps.**	**83,030,490**

(1) Includes goodwill attributable to equity investments of Ps. 5,722,211 and Ps.39,616 in 2005 and 2006, respectively.

Equity method income (loss) for the years ended December 31, 2004, 2005 and 2006 attributable to television operations, equity investments approximated Ps.274,260, Ps.186,489 and Ps.(607,259), respectively.

Segment liabilities reconcile to total liabilities as follows:

		2005		**2006**
Segment liabilities	Ps.	31,283,280	**Ps.**	**31,303,910**
Notes payable and long-term debt not attributable to segments		15,864,252		**15,122,207**
Total liabilities	Ps.	47,147,532	**Ps.**	**46,426,117**

Geographical segment information

		Total Net Sales		Segment Assets at Year-End		Additions to Property, Plant and Equipment
2004:						
Mexico	Ps.	26,668,718	Ps.	55,515,952	Ps.	2,117,738
Other countries		4,850,254		8,612,136		61,690
	Ps.	31,518,972	Ps.	64,128,088	Ps.	2,179,428
2005:						
Mexico	Ps.	29,881,597	Ps.	56,175,843	Ps.	2,818,179
Other countries		3,915,966		6,659,163		30,896
	Ps.	33,797,563	Ps.	62,835,006	Ps.	2,849,075
2006:						
Mexico	**Ps.**	**33,532,875**	**Ps.**	**69,584,295**	**Ps.**	**3,268,797**
Other countries		**4,398,966**		**5,550,587**		**35,526**
	Ps.	**37,931,841**	**Ps.**	**75,134,882**	**Ps.**	**3,304,323**

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