Management's **discussion**

and analysis of financial condition and results of operations

Set forth below are our consolidated results for the years ended December 31, 2005 and 2006. Results included have been prepared in accordance with Mexican Financial Reporting Standards ("MFRS"), and are presented in Mexican Pesos in purchasing power as of December 31, 2006. The financial information set forth below should be read in conjunction with our audited consolidated financial statements as of and for the years ended December 31, 2005 and 2006 included in this Annual Report.

	Year ended December 31,			
(In millions of Mexican Pesos in purchasing power as of December 31, 2006)[1]		**2005**		**2006**
Net sales	Ps.	33,797.6	Ps.	37,931.8
Cost of sales[2]		15,350.3		16,182.8
Selling expenses[2]		2,773.5		3,016.8
Administrative expenses[2]		1,916.1		2,304.2
Depreciation and amortization		2,517.1		2,679.1
Operating income		11,240.6		13,748.9
Integral cost of financing, net		1,854.3		1,099.7
Restructuring and non-recurring charges		239.2		614.4
Other expense, net		483.0		211.0
Income taxes and employees' profit sharing		802.4		2,047.2
Equity in earnings (losses) of affiliates, net		166.7		(602.2)
Cumulative loss of accounting change, net		526.6		-
Minority interest		1,128.0		588.2
Net income		6,373.8		8,586.2

[1] Certain data set forth in the table above could differ from data set forth in the consolidated statements of income for the years ended December 31, 2005 and 2006 included in this Annual Report due to differences in rounding.
[2] Excluding depreciation and amortization.

Overview of **Consolidated Results**

Net Sales

Our net sales increased by Ps.4,134.2 million, or 12.2%, to Ps.37,931.8 million for the year ended December 31, 2006 from Ps.33,797.6 million for the year ended December 31, 2005. This increase reflects a revenue growth in all of our business segments, partially offset by a decrease in our feature films distribution and internet businesses.

Cost of Sales

Cost of sales increased by Ps.832.5 million, or 5.4%, to Ps.16,182.8 million for the year ended December 31, 2006 from Ps.15,350.3 million for the year ended December 31, 2005. This increase was due to higher costs in the Television Broadcasting, Sky Mexico, Cable Television, Publishing, Radio, Pay Television Networks, Publishing Distribution and Other Businesses segments. These increases were partially offset by lower cost of sales in our Programming Exports segment.

Selling Expenses

Selling expenses increased by Ps.243.3 million, or 8.8%, to Ps.3,016.8 million for the year ended December 31, 2006 from Ps.2,773.5 million for the year ended December 31, 2005. This increase was attributable to higher selling expenses in our Publishing, Television Broadcasting, Sky Mexico, Programming Exports, Cable Television, Radio, Pay Television Networks and Other Businesses segments, as a result of increases in promotional and advertising expenses and commissions paid. These increases were partially offset by lower selling expenses in our Publishing Distribution segment.

Administrative Expenses

Administrative expenses increased by Ps.388.1 million, or 20.3%, to Ps.2,304.2 million for the year ended December 31, 2006 from Ps.1,916.1 million for the year ended December 31, 2005. This increase reflects the administrative expense growth in our Sky Mexico, Cable Television, Television Broadcasting, Publishing, Radio, Publishing Distribution and Other Businesses segments, as well as the increase in corporate expenses due to the adoption of the guidelines of the International Financial Reporting Standard 2, "Share-based Payment", for which we recognized in 2006 a share-based compensation expense of approximately Ps. 235.0 million. These increases were partially offset by lower administrative expenses in our Pay Television Networks and Programming Exports segments.

Bailando por un Sueño, Argentina
Reality show

Overview of **Operating Segment Results**

The following tables set forth the net sales and operating segment income (loss), for each of the Company's business segments for the years ended December 31, 2005 and 2006.

(In millions of Mexican Pesos in purchasing power as of December 31, 2006)	Year ended December 31, 2005	2006	%Contribution to 2006 Segment Revenues
Net Sales			
Television Broadcasting	Ps. 19,323.5	Ps. 20,972.1	53.8 %
Pay Television Networks	1,156.2	1,329.0	3.4
Programming Exports	1,952.0	2,110.9	5.4
Publishing	2,607.1	2,885.5	7.4
Publishing Distribution	418.5	433.5	1.1
Sky Mexico	6,229.2	7,452.7	19.1
Cable Television	1,462.1	1,984.7	5.1
Radio	358.7	444.6	1.1
Other Businesses	1,377.8	1,408.1	3.6
Segment Revenues	34,885.1	39,021.1	100.0
Intersegment Revenues [1]	(1,087.5)	(1,089.3)	(2.8)
Consolidated Net Sales	Ps. 33,797.6	Ps. 37,931.8	97.2 %

[1] For segment reporting purposes, intersegment revenues are included in each of the segment revenues.

(In millions of Mexican Pesos in purchasing power as of December 31, 2006)	Year ended December 31, 2005	2006
Operating Segment Income (Loss)[1]		
Television Broadcasting	Ps. 9,211.4	Ps. 10,598.0
Pay Television Networks	539.1	682.3
Programming Exports	695.8	869.3
Publishing	499.5	555.8
Publishing Distribution	6.9	18.0
Sky Mexico	2,618.8	3,555.5
Cable Television	509.4	816.8
Radio	54.3	94.6
Other Businesses	(187.6)	(311.4)
Total Operating Segment Income	13,947.6	16,878.9
Corporate Expenses	(189.9)	(450.9)
Depreciation and Amortization	2,517.1	2,679.1
Consolidated Operating Income	Ps. 11,240.6	Ps. 13,748.9

[1] The operating segment income (loss) set forth in this annual report do not reflect corporate expenses or depreciation and amortization in any period presented but is presented herein to facilitate the discussion of segment results.

Overview of **Operating Segment Results**

Television Broadcasting

Television Broadcasting net sales, representing 55.4% and 53.8% of our total segment net sales for the years ended December 31, 2005 and 2006, respectively, increased by Ps.1,648.6 million, or 8.5%, to Ps.20,972.1 million for the year ended December 31, 2006 from Ps.19,323.5 million for the year ended December 31, 2005. This increase was attributable to the broadcast of the 2006 FIFA World Cup, political advertising related to the presidential election in Mexico and higher ratings in our telenovelas.

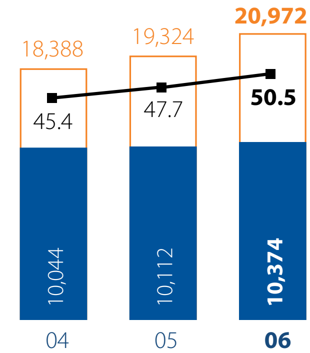
Television Broadcasting income increased by Ps.1,386.6 million, or 15.1%, to Ps.10,598.0 million for the year ended December 31, 2006 from Ps.9,211.4 million for the year ended December 31, 2005. This increase was due to the increase in net sales, partially offset by an increase in cost of sales due to the transmission rights of the 2006 FIFA World Cup and an increase in operating expenses driven by higher commissions paid and provision for doubtful trade accounts.

As of December 31, 2005 and December 31, 2006, we had received Ps.14,232.7 million (nominal) and Ps.15,946.0 million (nominal), respectively, of advertising deposits for television advertising time during 2006 and 2007, representing approximately US$1,339.4 million and US$1,476.1 million at the applicable year-end exchange rates. Approximately 57.5% and 61.9% of these deposits as of December 31, 2005 and 2006, respectively, were in the form of short-term, non-interest bearing notes, with the remainder in each of these years consisting of cash deposits. The weighted average maturity of these notes at December 31, 2005 and 2006 was 3.1 months and 3.6 months, respectively.

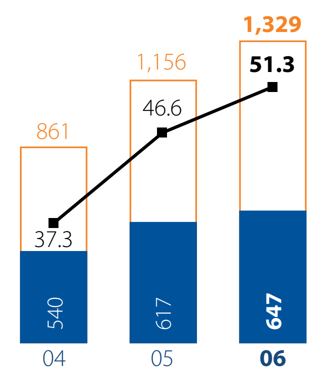
Pay Television Networks

Pay Television Networks net sales, representing 3.3% and 3.4% of our total segment net sales for the years ended December 31, 2005 and 2006, respectively, increased by Ps.172.8 million, or 14.9%, to Ps.1,329.0 million for the year ended December 31, 2006 from Ps.1,156.2 million for the year ended December 31, 2005. This increase reflects higher revenues from signals sold in Mexico and Latin America, higher sales of TuTV, our pay-television joint venture with Univision, and an increase in advertising sales in Mexico.

Pay Television Networks income increased by Ps.143.2 million, or 26.6%, to Ps.682.3 million for the year ended December 31, 2006, from Ps.539.1 million for the year ended December 31, 2005, primarily due to higher sales and a decrease in operating expenses, partially offset by an increase in cost of sales mainly by costs of programs produced by the Company and higher costs from transmission rights of programs produced by third parties.



Television Broadcasting
millions of Mexican pesos
sales · costs and expenses · income margin (%)



Pay Television Networks
millions of Mexican pesos
sales · costs and expenses · income margin (%)

La hora pico
Comedy show

A las tres
Afternoon newscast

Primero Noticias
Morning newscast

Programming Exports

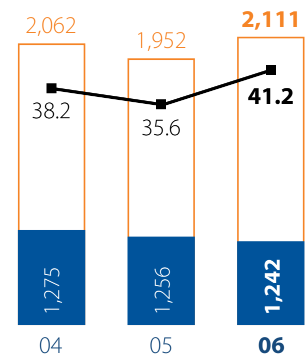
Programming Exports net sales, representing 5.6% and 5.4% of our total segment net sales for the years ended December 31, 2005 and 2006, respectively, increased by Ps.158.9 million, or 8.1%, to Ps.2,110.9 million for the year ended December 31, 2006 from Ps.1,952.0 million for the year ended December 31, 2005. This increase was primarily due to higher royalties paid to us under the Program License Agreement entered into with Univision in the amount of US$126.9 million, for the year ended December 31, 2006 as compared to US$109.8 million, for the year ended December 31, 2005, as well as an increase in export sales to Latin America and Europe. These increases were partially offset by lower export sales to Asia and Africa and a negative translation effect on foreign-currency denominated sales.

Programming Exports income increased by Ps.173.5 million, or 24.9%, to Ps.869.3 million for the year ended December 31, 2006 from Ps.695.8 million for the year ended December 31, 2005. This increase was primarily due to the increase in net sales, as well as a decrease in cost of sales primarily due to lower programming costs. This increase was partially offset by an increase in operating expenses primarily due to higher market research and advertising expenses.

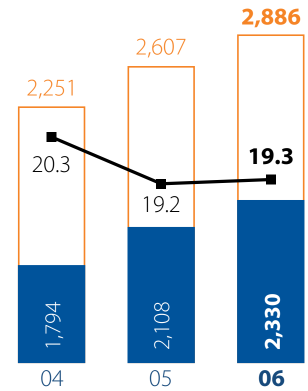
Publishing

Publishing net sales, representing 7.5% and 7.4% of our total segment net sales for the years ended December 31, 2005 and 2006, respectively, increased by Ps.278.4 million, or 10.7%, to Ps.2,885.5 million for the year ended December 31, 2006 from Ps.2,607.1 million for the year ended December 31, 2005. This increase reflects sales of Editora Cinco (which we began to consolidate beginning January 2006) in the amount of Ps.129.3 million, and higher revenues from magazine circulation and advertising pages sold both in Mexico and abroad, partially offset by a negative translation effect on foreign-currency denominated sales.

Publishing income increased by Ps.56.3 million, or 11.3%, to Ps.555.8 million for the year ended December 31, 2006 from Ps.499.5 million for the year ended December 31, 2005. This increase primarily reflects the increase in net sales and was partially offset by increases in cost of sales and operating expenses due to the consolidation of Editora Cinco, as well as increases in costs of supplies, promotional and advertising expenses as well as higher personnel and distribution services costs resulting from an increase in subscriptions to our magazines.



Programming Exports
millions of Mexican pesos
sales | costs and expenses | income margin (%)



Publishing
millions of Mexican pesos
sales | costs and expenses | income margin (%)

La verdad oculta
Telenovela

Wax TV Ácida
Television broadcasting

Overview of Operating Segment Results

Publishing Distribution

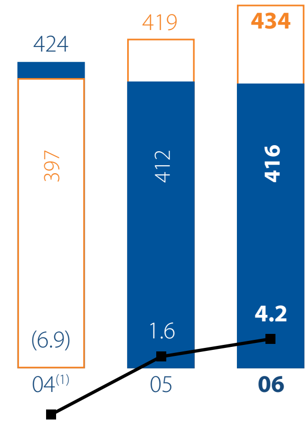
Publishing Distribution net sales, representing 1.2% and 1.1% of our total segment net sales for the years ended December 31, 2005 and 2006, respectively, increased by Ps.15.0 million, or 3.6%, to Ps.433.5 million for the year ended December 31, 2006 from Ps.418.5 million for the year ended December 31, 2005. This increase was primarily attributable to higher distribution sales abroad, of magazines published by the Company and by third parties, and was partially offset by lower circulation in Mexico of magazines published by third parties and the negative translation effect of foreign-currency denominated sales.

Publishing Distribution income increased by Ps.11.1 million, or 160.9%, to Ps.18.0 million for the year ended December 31, 2006 from Ps.6.9 million for the year ended December 31, 2005. This increase was attributable to the increase in net sales as well as a decrease in operating expenses, driven by lower provision for doubtful trade accounts; partially offset by higher cost of sales primarily due to higher charges related to the distribution of magazines.

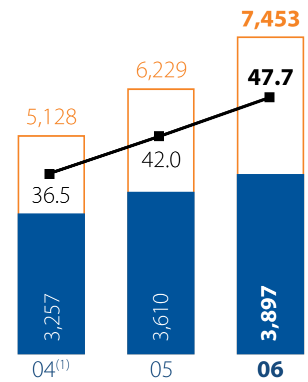
Sky Mexico

Sky Mexico net sales representing 17.9% and 19.1% of our total segments net sales for the years ended December 31, 2005 and 2006 respectively, increased by Ps.1,223.5 million or 19.6% to Ps.7,452.7 million for the year ended December 31, 2006 from Ps.6,229.2 million for the year ended December 31, 2005. This increase was primarily due to a 14.4% increase in its subscriber base, which as of December 31, 2006 reached 1,430,100 gross active subscribers (including 91,100 commercial subscribers) compared to 1,250,600 gross active subscribers as of December 31, 2005 of which 70,100 were commercial subscribers; and higher advertising revenues.

Sky Mexico income increased by Ps.936.7 million or 35.8% to Ps.3,555.5 million for the year ended December 31, 2006 from Ps.2,618.8 million for the year ended December 31, 2005. This increase was due to the increase in net sales, partially offset by higher programming and activation costs, associated with our larger subscriber base as well as an increase in operating expenses due to higher promotion and personnel expenses.



Publishing Distribution
millions of Mexican pesos
sales costs and expenses (loss) income margin (%)



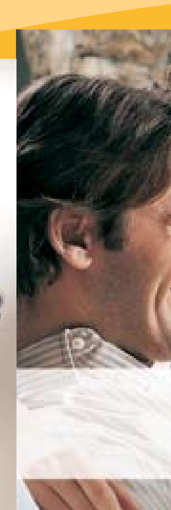
Sky Mexico
millions of Mexican pesos
sales costs and expenses income margin (%)

(1) Pro-forma

Ellas con las estrellas
Entertainment show

X-men
Comic by Editorial Televisa

Bandamax
Pay-TV music channel



Cable Television

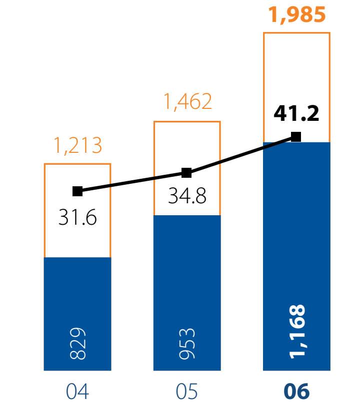
Cable Television net sales, representing 4.2% and 5.1% of our total segment net sales for the years ended December 31, 2005 and 2006, respectively, increased by Ps.522.6 million, or 35.7%, to Ps.1,984.7 million for the year ended December 31, 2006 from Ps.1,462.1 million for the year ended December 31, 2005. This increase was primarily due to a 17.6% increase in the subscriber base during 2006, to 496,520, all of which are digital subscribers at December 31, 2006, from a subscriber base of 422,088, of which 283,207 were digital subscribers, at the same date of 2005; also we had a 57.5% increase in broadband subscribers base to 96,035 compared with 60,986 reported last year and a 6% rate increase in Cablevisión video service packages effective March 1, 2006.

Cable Television income increased by Ps.307.4 million, or 60.3%, to Ps.816.8 million for the year ended December 31, 2006 from Ps.509.4 million for the year ended December 31, 2005. This increase primarily reflects the increase in net sales, partially offset by an increase in cost of sales due to higher signal costs associated with the subscriber base growth, and an increase in operating expenses primarily in personnel costs as well as maintenance and advertising expenses.

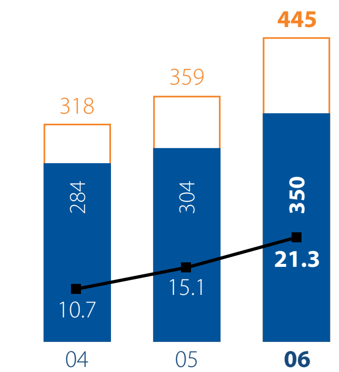
Radio

Radio net sales, representing 1.0% and 1.1% of our total segment net sales for the years ended December 31, 2005 and 2006, respectively, increased by Ps.85.9 million, or 23.9%, to Ps.444.6 million for the year ended December 31, 2006 from Ps.358.7 million for the year ended December 31, 2005. This increase primarily reflects an increase in advertising time sold primarily due to the broadcast of the 2006 FIFA World Cup and political advertising related to the presidential election in Mexico. These increases were partially offset by lower sales generated by our affiliation agreement with Radiorama.

Radio income increased by Ps.40.3 million or 74.2% to Ps.94.6 million for the year ended December 31, 2006 from Ps.54.3 million for the year ended December 31, 2005. This increase was primarily due to the increase in net sales, partially offset by an increase in cost of sales related to programming costs and promotional and advertising expenses, and an increase in operating expenses due to higher commissions paid and personnel expenses.



Cable Television
millions of Mexican pesos
sales costs and expenses income margin (%)



Radio
millions of Mexican pesos
sales costs and expenses income margin (%)

Tele Guía
Magazine

La fea más bella
Telenovela

Other Businesses

Other Businesses net sales, representing 3.9% and 3.6% of our total segment net sales for the years ended December 31, 2005 and 2006, respectively, increased by Ps.30.3 million, or 2.2%, to Ps.1,408.1 million for the year ended December 31, 2006 from Ps.1,377.8 million for the year ended December 31, 2005. This increase was primarily due to higher sales related to our sport events production and our gaming business. This increase was partially offset by lower sales in our feature films distribution business as well as in our internet business due to lower sales related to our SMS messaging service.

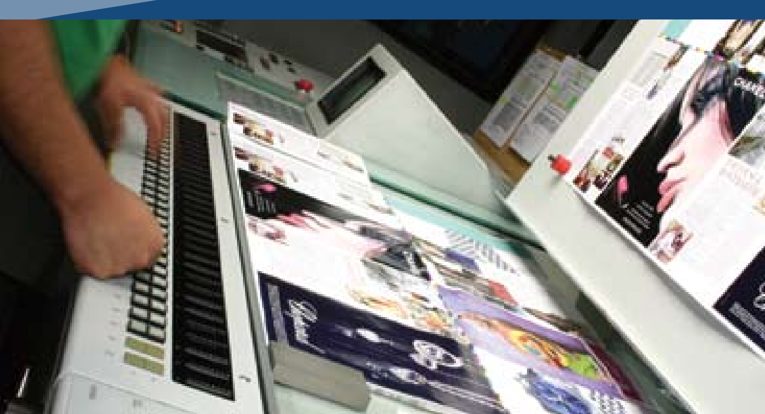
Other Businesses loss increased by Ps.123.8 million, or 66.0%, to Ps.311.4 million for the year ended December 31, 2006 from Ps.187.6 million for the year ended December 31, 2005. This increase reflects an increase in cost of sales and operating expenses related to our gaming business, partially offset by the increase in net sales and lower cost of sales in our feature films distribution and internet businesses.

Depreciation and Amortization

Depreciation and amortization expense increased by Ps.162.0 million, or 6.4%, to Ps.2,679.1 million for the year ended December 31, 2006 from Ps.2,517.1 million for the year ended December 31, 2005. This change primarily reflects an increase in our Sky Mexico, Publishing, Cable Television and Other Businesses segments, partially offset by a decrease in the depreciation and amortization expenses related to our Television Broadcasting segment.

Operating Income

Operating income increased Ps.2,508.3 million or 22.3%, to Ps13,748.9 million for the year ended December 31, 2006 from Ps.11,240.6 million for the year ended December 31, 2005. This increase reflects the increase in our total net sales, partially offset by the increases in cost of sales, operating expenses and depreciation and amortization expense.



SkyView
Sky's official magazine

Ricardo Montaner
Televisa EMI Music

Non-operating Results

Integral Cost of Financing, net

Integral cost of financing significantly impacts our financial statements in periods of high inflation or currency fluctuations. Under Mexican FRS, integral cost of financing reflects:

- interest income;
- interest expense, including the restatement of our UDI denominated notes;
- foreign exchange gain or loss attributable to monetary assets and liabilities denominated in foreign currencies (including gains or losses from derivative instruments); and
- gain or loss attributable to holding monetary assets and liabilities exposed to inflation.

Our foreign exchange position is affected by our assets or liabilities denominated in foreign currencies.

We record a foreign exchange gain or loss if the exchange rate of the Peso to the other currencies in which our monetary assets or liabilities are denominated varies.

The expenses attributable to the integral cost of financing decreased by Ps.754.6 million, or 40.7%, to Ps.1,099.7 million for the year ended December 31, 2006 from Ps.1,854.3 million for the year ended December 31, 2005. This decrease reflected primarily a Ps.566.5 million decrease in net foreign-exchange loss resulting primarily from the difference between the spot rate and the foreign-exchange rate of the coupon swaps entered into by us, in conjunction with a 1.66% depreciation of the Mexican peso against the US dollar in 2006 compared with a 4.69% appreciation of the Mexican peso against the US dollar in 2005; a Ps.283.5 million decrease in interest expense, primarily due to both a lower average amount of outstanding debt and a reduction in the weighted-average interest rate; and a Ps.124.4 million increase in interest income primarily in connection with a higher average amount of temporary investments.

These favorable variances were partially offset by a Ps.219.8 million increase in loss from monetary position resulting primarily from a higher net monetary asset position, and a higher annual inflation rate in 2006 (4.05%) compared with 2005 (3.3%).

Restructuring and Non-recurring Charges

Restructuring and non-recurring charges increased by Ps.375.2 million to Ps.614.4 million for the year ended December 31, 2006 compared to Ps.239.2 million for the year ended December 31, 2005. This increase reflected primarily the recognition of certain non-recurring expenses incurred in connection with the tender offer made by Sky Mexico in the second quarter of 2006 for most of its Senior Notes due 2013.

Other Expense, net

Other expense, net, decreased by Ps.272.0 million, or 56.3%, to Ps.211.0 million for the year ended December 31, 2006 as compared with Ps.483.0 million for the year ended December 31, 2005. This decrease reflected primarily the absence of loss on disposition of both investments and fixed assets in 2006, which effect was partially offset by an increase in advisory and professional services. In 2006, other expense, net, primarily includes donations and advisory and professional services.

RBD
Televisa EMI Music

Play City Antara
Gaming and bingo parlor

Income Taxes and Employees' Profit Sharing

Income taxes and employees' profit sharing increased by Ps.1,244.8 million, to Ps.2,047.2 million for the year ended December 31, 2006 from Ps.802.4 million for the year ended December 31, 2005. This increase reflected both a higher income tax base and a higher effective income tax rate.

We are authorized by the Mexican tax authorities to compute our income tax and assets 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 100% of their share ownership in such subsidiaries (though December 31, 2004, such percentage was 60%).

We and our Mexican subsidiaries are also subject to an assets tax, at a tax rate of 1.8% through December 31, 2006, on the adjusted book value of some of our assets. In some cases, income tax paid in excess of asset tax can be individually credited against any assets tax payable by us and our subsidiaries. The assets 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 2007 and subsequent years will be 28%.

Equity in Results of Affiliates, net

This line item reflects our equity participation in the operating results and net assets of unconsolidated businesses in which we maintain an interest, but over which we have no control. We recognized equity in losses of affiliates up to the amount of our initial investment and subsequent capital contributions, or beyond that amount when guaranteed commitments have been made by us in respect of obligations incurred by affiliates.

Equity in results of affiliates, net, decreased by Ps.768.9 million to an equity in losses of affiliates of Ps.602.2 million for the year ended December 31, 2006 compared with an equity in earnings of affiliates of Ps.166.7 million for the year ended December 31, 2005. This decrease reflected primarily an equity in loss of La Sexta, our 40% interest in a free-to-air television channel in Spain, which began operations in March 2006.

Cumulative Loss of Accounting Change, net

In 2005, cumulative loss of accounting change of Ps.526.6 million, reflected (i) the cumulative loss effect of Ps.336.6 million, in connection with the initial accrual of share-based compensation expense for benefits granted to executives and employees under the terms of our Stock Purchase Plan and Long-term Retention Plan, in accordance with the guidelines of IFRS 2, "Share-based Payment," issued by the International Accounting Standards Board; and (ii) the cumulative loss effect of Ps.190.0 million, net of income taxes, in connection with the initial accrual of certain severance payments, in accordance with the guidelines of revised Bulletin D-3, "Labor Obligations," issued by the Mexican Institute of Public Accountants.

Minority Interest

Minority interest reflects that portion of operating results attributable to the interests held by third parties in the businesses which are not wholly-owned by us, including our Sky Mexico (since April 2004), Cable Television, Radio (since 2001) and nationwide paging (until the fourth quarter of 2004) businesses.

Noticieros Televisa

Minority interest in consolidated net income decreased by Ps.539.8 million, or 47.9%, to Ps.588.2 million for the year ended December 31, in 2006 from Ps.1,128.0 million from the year ended December 31, 2005. This decrease reflected primarily a lower portion of net income attributable to the interest held by minority equity owners in the Sky Mexico business.

Net Income

We generated net income in the amount of Ps.8,586.2 million in 2006, as compared to net income of Ps.6,373.8 million in 2005. The net increase of Ps.2,212.4 million reflected:

- a Ps.2,508.3 million increase in operating income;
- a Ps.754.6 million decrease in integral cost of financing, net;
- a Ps.272.0 million decrease in other expense, net;
- a Ps.526.6 million decrease in cumulative loss of accounting change; and
- a Ps.539.8 million decrease in minority interest.

These changes were partially offset by:

- a Ps.375.2 million increase in restructuring and non-recurring charges;
- a Ps.1,244.8 million increase in income tax and employees' profit sharing; and
- a Ps.768.9 million decrease in equity in results of affiliates, net.

Capital Expenditures, Acquisitions and Investments

During 2007, we expect to:

- make aggregate expenditures for property, plant and equipment of approximately US$300.0 million, which amount includes capital expenditures in amount of US$65.0 million, US$100.0 million and US$60.0 million for the expansion and improvements of our Cable Television, Sky Mexico and gaming segments, respectively; and
- make investments related to our 40% interest in La Sexta for an aggregate amount of €182.3 million.

During 2006, we:

- made aggregate capital expenditures totaling US$298.5 million, including US$75.9 million for our cable television segment, US$91.2 million for Sky Mexico, US$22.5 million for gaming, and US$108.9 million in our television broadcasting and other business segments.
- made investments related to our 40% interest in La Sexta for an aggregate amount of €103.4 million, and capital contributions of US$7.5 million in Volaris related to our 25% interest in this venture;
- acquired a 50% interest in Televisión Internacional, S.A. de C.V. ("TVI"), a cable television company in Mexico, in the amount of Ps.769.4 million, which was substantially paid in cash, and provided funding to TVI in the form of a loan in the amount of Ps. 240.6 million; and
- invested US$258 million in long-term notes convertible into 99.99% of the equity of Alvafig S.A. de C.V., which holds 49% of the equity of Cablemás, S.A. de C.V. the second largest cable operator in Mexico, with a coupon rate of 8% in the first year and 10% in the four remaining years.

During 2005, we:

- made aggregate capital expenditures for property, plant and equipment of approximately US$248.3 million, which amount includes capital expenditures in the amount of US$ 51.1 million and US$109.2 million for the expansion and improvement of our Cable Television and Sky Mexico segments, respectively;
- invested a capital contribution of US$25.0 million in Volaris, a low-cost-carrier airline with a concession to operate in Mexico; and
- contributed Ps.5.0 million (nominal) to fund our seniority premium obligations.

Rebels by RBD
Televisa EMI Music

Editorial Televisa
Storage and distribution center

Indebtedness

As of December 31, 2006, we had consolidated a long-term debt for an equivalent amount of US$1,738.6 million, and our consolidated current portion of long-term debt was US$91.3 million. Our long-term debt as of December 31, 2006 was denominated in US Dollars (56.75%) and Mexican Pesos (43.25%). Additionally, as of December 31, 2006, Sky Mexico had long-term and current portions of a capital lease obligation in an aggregate amount of US$103.7 million and US$8.0 million, respectively.

The major components of long-term indebtedness as of December 31, 2006 were as follows:

- 8% Senior Notes due in 2011 for an amount of US$72.0 million;
- 8 1/2% Senior Notes due in 2032 for an amount of US$300.0 million;
- Innova's 9 3/8% Senior Notes due in 2013 for an amount of US$11.3 million;
- UDI-denominated Notes due 2007 with an annual interest rate of 8.15% for an equivalent amount of US$90.8 million;
- 6 5/8 % Senior Notes due in 2025 for an amount of US$600.0 million;
- long-term loan facility due from 2006 to 2008 for an amount of Ps.480.0 million (US$44.4 million) with an average annual interest rate 8.9%;
- Long-term loan facility due from 2009 for an amount of Ps.1,162.5 million (US$107.6 million) with an average annual interest rate 9.70%;
- Long-term loan facility due from 2010 to 2012 for an amount of Ps.2,000.0 million (US$185.1 million) with an average annual interest rate 10.35%;
- Innova's Long-term loan facility due from 2016 for an amount of Ps.1,400.0 million (US$129.6 million) with an average annual interest rate 8.98%;
- Innova's Long-term loan facility due from 2016 for an amount of Ps.2,100.0 million (US$194.4 million) with an average annual interest rate 8.74; and
- Other long-term indebtedness for an equivalent amount of US$3.4 million.

For a further description of this indebtedness, see Note 8 to the Consolidated Financial Statements.

Estadio Azteca

RBD
Concert

Board of **Directors***

Emilio Azcárraga Jean
Chairman of the Board, President, and Chief Executive Officer of Grupo Televisa
First elected: December 1990
Member of the boards of Teléfonos de México, and Banco Nacional de México and former vice chairman of the board of Univision

Alfonso de Angoitia Noriega
Executive Vice President and Member of the Executive Office of the Chairman of Grupo Televisa
First elected: April 1998
Former chief financial officer of Grupo Televisa and former alternate member of the board of Univision

María Asunción Aramburuzabala Larregui
Vice Chairwoman of the Board and Member of the Executive Committee of Grupo Modelo
First elected: July 2000
Chief executive officer of Tresalia Capital, and member of the boards of Grupo Financiero Banamex, Banco Nacional de México, and América Móvil

Pedro Aspe Armella
Chairman of the Board and Chief Executive Officer of Protego Asesores
First elected: April 2003
Member of the boards of The McGraw-Hill Companies and Xignux and former member of the board of Vector Casa de Bolsa

Julio Barba Hurtado
Legal Advisor to the President, Prosecretary to the Board and Secretary to the Audit Committee of Grupo Televisa
First elected: December 1990
Former legal advisor to Televisa, S.A. de C.V.

José Antonio Bastón Patiño
Corporate Vice President of Television of Grupo Televisa
First elected: April 1998
Former vice president of operations and former general director of programming of Grupo Televisa and former member of the board of Univision

Alberto Bailleres González
Chairman of the Board of Grupo Bal
First elected: April 2005
Member of the boards of Valores Mexicanos Casa de Bolsa, Desc, Fomento Económico Mexicano, Grupo Financiero BBVA Bancomer, Industrias Peñoles, Grupo Nacional Provincial, Grupo Palacio de Hierro, Profuturo GNP, and Aseguradora Porvenir GNP

Manuel Jorge Cutillas Covani
Director of Grupo Televisa
First elected: April 1994
Member of the board of Bacardi Limited and former chairman of the board of Bacardi Limited

Carlos Fernández González
Chairman of the Board and Chief Executive Officer of Grupo Modelo
First elected: July 2000
Member of the boards of Anheuser Busch, Grupo Financiero Santander Mexicano, and Emerson Electric

Bernardo Gómez Martínez
Executive Vice President and Member of the Executive Office of the Chairman of Grupo Televisa
First elected: April 1999
Former president of the Mexican Chamber of Television and Radio Broadcasters and deputy to the president of Grupo Televisa

Claudio X. González Laporte
Chairman of the Board and Chief Executive Officer of Kimberly-Clark de México
First elected: April 1997
Member of the boards of Kimberly-Clark Corporation, General Electric, Kellogg Company, Home Depot, Alfa, Grupo Carso, América Móvil, and Investment Company of America, and former president of the Mexican Business Council

Roberto Hernández Ramírez
Chairman of the Board of Banco Nacional de México
First elected: April 1992
Former chief executive officer of Banco Nacional de México, and member of the boards of Citigroup, Gruma, Grupo Financiero Banamex Accival, and the Nature Conservancy and World Monuments Fund

Enrique Krauze Kleinbort
Chief Executive Officer of Editorial Clío Libros y Videos
First elected: April 1996
General director of Editorial Clío Libros y Videos

Germán Larrea Mota Velasco
Chairman of the Board, President and Chief Executive Officer of Grupo México
First elected: April 1999
Chairman of the board and chief executive officer of Asarco, Southern Peru Copper Corporation, and Grupo Ferroviario Mexicano, and former member of the boards of Banco Nacional de México and Bolsa Mexicana de Valores

Gilberto Pérezalonso Cifuentes
Member of the Audit Committee of Grupo Televisa
First elected: April 1998
Member of the boards of Grupo Gigante, Southern Peru Copper Corporation and Afore Banamex

Carlos Slim Domit
Chairman of the Board of Grupo Carso and Teléfonos de México, and President of Grupo Sanborns
First elected: April 2004
Vice chairman of America Telecom, and member of the boards of Grupo Condumex, Phillip Morris Mexico, and Sears Roebuck de Mexico

Alejandro Quintero Iñiguez
Corporate Vice President of Sales and Marketing of Grupo Televisa
First elected: April 1998
Shareholder of Grupo TV Promo, and former advisor to former Mexican president Ernesto Zedillo

Fernando Senderos Mestre
Chairman of the Board and Chief Executive Officer of Desc
First elected: April 1992
Member of the boards of Teléfonos de México, Alfa, Kimberly Clark de México, and Industrias Peñoles

Enrique F. Senior Hernández
Executive Vice President and Managing Director of Allen & Company
First elected: April 2001
Member of the boards of Pics Retail Networks, Coca Cola Femsa, and Cinemark

Lorenzo H. Zambrano Treviño
Chairman of the Board and Chief Executive Officer of Cemex
First elected: April 1999
Member of the boards of Alfa, Empresas ICA Sociedad Controladora, Fomento Económico Mexicano, and Vitro

**The independence of Board members wil be qualified by the Shareholders Meeting pursuant to applicable law.*

Financial statements