Report of Independent Auditors

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers, S.C.
Mariano Escobedo 573
Col. Rincón del Bosque
11580 México, D.F.
T. 5263 6000
F. 5263 6010
www.pwc.com

México, D. F., April 14, 2010

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, 2008 and 2009, and the related consolidated statements of income and of changes in stockholders' equity for the years ended December 31, 2007, 2008 and 2009. We also audited the related consolidated statements of changes in financial position for the year ended December 31, 2007, and cash flows for the years ended December 31, 2008 and 2009. 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.

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 presented 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 provide a reasonable basis for our opinion.

As discussed in Note 1(a) to the consolidated financial statements, effective January 1, 2008, the Company discontinued the recognition of the effects of inflation in its financial information, in accordance with Mexican Financial Reporting Standards. As a retroactive application to the prior years' financials is not required by such standards, the accompanying consolidated financial statements as of December 31, 2007 are restated in Mexican pesos in purchasing power as of December 31, 2007.

As discussed in Note 1(a) to the consolidated financial statements, effective January 1, 2008, the Company is required by Mexican Financial Reporting Standards to present a statement of cash flows in place of a statement of changes in financial position. As a restatement of prior years' financials is not required by such standards, the Company presents consolidated statements of changes in financial position for the year ended December 31, 2007, and cash flows for the years ended December 31, 2008 and 2009.

In our opinion, the aforementioned consolidated financial statements present fairly, in all material respects, the financial position of Grupo Televisa, S.A.B. and its subsidiaries at December 31, 2008 and 2009, and the results of their operations and changes in their stockholders' equity for the three years ended December 31, 2007, 2008 and 2009, as well as the changes in their financial position for the year ended December 31, 2007, and their cash flows for the years ended December 31, 2008 and 2009, in conformity with Mexican Financial Reporting Standards.

PricewaterhouseCoopers, S.C.

C. P. C. José A. Salazar Tapia
Audit Partner

Consolidated Balance Sheets

As of December 31, 2008 and 2009
(In thousands of Mexican Pesos)
(Notes 1 and 2)

	Notes	2008	2009
ASSETS			
Current:			
Cash and cash equivalents		Ps. 33,583,045	Ps. 29,941,488
Temporary investments		8,321,286	8,902,346
		41,904,331	38,843,834
Trade notes and accounts receivable, net	3	18,199,880	18,399,183
Other accounts and notes receivable, net		2,231,562	3,530,546
Due from affiliated companies		161,821	135,723
Transmission rights and programming	4	3,343,448	4,372,988
Inventories		1,612,024	1,665,102
Other current assets		1,105,871	1,435,081
Total current assets		68,558,937	68,382,457
Derivative financial instruments	9	2,316,560	1,538,678
Transmission rights and programming	4	6,324,761	5,915,459
Investments	5	3,348,610	6,361,023
Property, plant and equipment, net	6	30,798,398	33,071,464
Intangible assets and deferred charges, net	7	11,433,783	11,218,864
Other assets		70,756	80,431
Total assets		Ps. 122,851,805	Ps. 126,568,376

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

Consolidated Balance Sheets

As of December 31, 2008 and 2009
(In thousands of Mexican Pesos)
(Notes 1 and 2)

	Notes	2008	2009
LIABILITIES			
Current:			
Current portion of long-term debt	8	Ps. 2,270,353	Ps. 1,433,015
Current portion of capital lease obligations	8	151,628	235,271
Trade accounts payable		6,337,436	6,432,906
Customer deposits and advances		18,098,643	19,858,290
Taxes payable		830,073	940,975
Accrued interest		439,777	464,621
Employee benefits		199,993	200,215
Due to affiliated companies		88,622	34,202
Other accrued liabilities		2,293,806	2,577,835
Total current liabilities		30,710,331	32,177,330
Long-term debt, net of current portion	8	36,630,583	41,983,195
Capital lease obligations, net of current portion	8	1,222,163	1,166,462
Derivative financial instruments	9	604,650	523,628
Customer deposits and advances		589,369	1,054,832
Other long-term liabilities		3,225,482	3,078,411
Deferred income taxes	19	2,265,161	1,765,381
Retirement and termination benefits	10	352,390	346,990
Total liabilities		75,600,129	82,096,229
Commitments and contingencies	11		
STOCKHOLDERS' EQUITY			
Capital stock issued, no par value	12	10,060,950	10,019,859
Additional paid-in capital		4,547,944	4,547,944
		14,608,894	14,567,803
Retained earnings:	13		
Legal reserve		2,135,423	2,135,423
Unappropriated earnings		19,595,259	17,244,674
Net income for the year		7,803,652	6,007,143
		29,534,334	25,387,240
Accumulated other comprehensive income, net	14	3,184,043	3,401,825
Shares repurchased	12	(5,308,429)	(5,187,073)
		27,409,948	23,601,992
Total controlling interest		42,018,842	38,169,795
Noncontrolling interest	15	5,232,834	6,302,352
Total stockholders' equity		47,251,676	44,472,147
Total liabilities and stockholders' equity		Ps. 122,851,805	Ps. 126,568,376

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

Consolidated Statements of Income

For the Years Ended December 31, 2007, 2008 and 2009
(In thousands of Mexican Pesos, except per CPO amounts)
(Notes 1 and 2)

	Notes	2007	2008	2009
Net sales	22	Ps. 41,561,526	Ps. 47,972,278	Ps. 52,352,501
Cost of sales (excluding depreciation and amortization)		18,128,007	21,556,025	23,768,369
Selling expenses (excluding depreciation and amortization)		3,277,526	3,919,163	4,672,168
Administrative expenses (excluding depreciation and amortization)		2,452,027	3,058,168	3,825,507
Depreciation and amortization	6 and 7	3,223,070	4,311,115	4,929,589
Operating income	22	14,480,896	15,127,807	15,156,868
Other expense, net	17	953,352	952,139	1,764,846
Integral cost of financing, net	18	410,214	830,882	2,973,254
Equity in losses of affiliates, net	5	749,299	1,049,934	715,327
Income before income taxes		12,368,031	12,294,852	9,703,441
Income taxes	19	3,349,641	3,564,195	3,120,744
Consolidated net income		9,018,390	8,730,657	6,582,697
Noncontrolling interest net income	15	935,927	927,005	575,554
Controlling interest net income	13	Ps. 8,082,463	Ps. 7,803,652	Ps. 6,007,143
Controlling interest net income per CPO	20	Ps. 2.84	Ps. 2.77	Ps. 2.14

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, 2007, 2008 and 2009
(In thousands of Mexican Pesos)
(Notes 1 and 2)

	Capital Stock Issued (Note 12)	Additional Paid-In Capital	Retained Earnings (Note 13)	Accumulated Other Comprehensive (Loss) Income (Note 14)	Shares Repurchased (Note 12)	Total Controlling Interest	Noncontrolling Interest (Note 15)	Total Stockholders' Equity
Balance at January 1, 2007	Ps. 10,506,856	Ps. 4,547,944	Ps. 33,014,827	Ps. (3,808,377)	Ps. (7,888,974)	Ps. 36,372,276	Ps. 1,642,601	Ps. 38,014,877
Dividends	–	–	(4,506,492)	–	–	(4,506,492)	–	(4,506,492)
Share cancellation	(239,286)	–	(3,386,013)	–	3,625,299	–	–	–
Repurchase of capital stock	–	–	–	–	(3,948,331)	(3,948,331)	–	(3,948,331)
Sale of repurchase shares	–	–	(173,169)	–	272,940	99,771	–	99,771
Increase in noncontrolling interest	–	–	–	–	–	–	1,968,586	1,968,586
Stock-based compensation	–	–	140,517	–	–	140,517	–	140,517
Comprehensive income	–	–	8,082,463	798,909	–	8,881,372	–	8,881,372
Balance at December 31, 2007	10,267,570	4,547,944	33,172,133	(3,009,468)	(7,939,066)	37,039,113	3,611,187	40,650,300
Reclassification of cumulative balances to retained earnings (see Note 14)	–	–	(5,896,939)	5,896,939	–	–	–	–
Dividends	–	–	(2,229,973)	–	–	(2,229,973)	–	(2,229,973)
Share cancellation	(206,620)	–	(3,275,032)	–	3,481,652	–	–	–
Repurchase of capital stock	–	–	–	–	(1,251,148)	(1,251,148)	–	(1,251,148)
Sale of repurchase shares	–	–	(261,553)	–	400,133	138,580	–	138,580
Increase in noncontrolling interest	–	–	–	–	–	–	1,621,647	1,621,647
Stock-based compensation	–	–	222,046	–	–	222,046	–	222,046
Comprehensive income	–	–	7,803,652	296,572	–	8,100,224	–	8,100,224
Balance at December 31, 2008	10,060,950	4,547,944	29,534,334	3,184,043	(5,308,429)	42,018,842	5,232,834	47,251,676
Dividends	–	–	(9,163,857)	–	–	(9,163,857)	–	(9,163,857)
Share cancellation	(41,091)	–	(541,466)	–	582,557	–	–	–
Repurchase of capital stock	–	–	–	–	(759,003)	(759,003)	–	(759,003)
Sale of repurchase shares	–	–	(215,984)	–	297,802	81,818	–	81,818
Increase in noncontrolling interest	–	–	–	–	–	–	1,069,518	1,069,518
Net loss on acquisition of noncontrolling interest in Cablemás and Cablestar	–	–	(56,210)	–	–	(56,210)	–	(56,210)
Stock-based compensation	–	–	371,783	–	–	371,783	–	371,783
Adjustment to retained earnings for changes in tax consolidation (see Note 19)	–	–	(548,503)	–	–	(548,503)	–	(548,503)
Comprehensive income	–	–	6,007,143	217,782	–	6,224,925	–	6,224,925
Balance at December 31, 2009	Ps. 10,019,859	Ps. 4,547,944	Ps. 25,387,240	Ps. 3,401,825	Ps. (5,187,073)	Ps. 38,169,795	Ps. 6,302,352	Ps. 44,472,147

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

Consolidated Statement of Changes in Financial Position

For the Year Ended December 31, 2007
(In thousands of Mexican Pesos)
(Notes 1 and 2)

		2007
Operating activities:		
Consolidated net income	Ps.	9,018,390
Adjustments to reconcile net income to resources provided by operating activities:		
Equity in losses of affiliates		749,299
Depreciation and amortization		3,223,070
Impairment of long-lived assets and other amortization		541,996
Deferred income taxes		(358,122)
Loss on disposition of available-for sale investment in Univision		565,862
Gain on disposition of affiliates		(41,527)
Stock-based compensation		140,517
		13,839,485
Changes in operating assets and liabilities:		
Increase in:		
Trade notes and accounts receivable, net		(3,090,936)
Transmission rights and programming		(1,878,256)
Inventories		(32,053)
Other accounts and notes receivable and other current assets		(443,962)
Increase in:		
Customer deposits and advances		1,840,116
Trade accounts payable		840,911
Other liabilities, taxes payable and deferred taxes		519,488
Retirement and termination benefits		17,097
		(2,227,595)
Resources provided by operating activities		11,611,890
Financing activities:		
Issuance of Senior Notes due 2037		4,500,000
Empresas Cablevisión's long-term loan due 2012		2,457,495
Prepayments of Senior Notes and UDIs denominated Notes		(1,017,093)
Other increase in debt		50,051
Other decrease in debt		(675,234)
Repurchase and sale of capital stock		(3,848,560)
Dividends paid		(4,506,492)
Noncontrolling interest		1,032,659
Translation effect		32,877
Resources used in financing activities		(1,974,297)
Investing activities:		
Due from affiliated companies, net		32,636
Investments		(3,385,342)
Disposition of investments		700,689
Investments in property, plant and equipment		(3,915,439)
Disposition of property, plant and equipment		704,310
Investments in goodwill and other intangible assets		(3,310,968)
Available-for-sale investment in shares of Univision		12,266,318
Acquisition of Telecom net assets		(1,975,666)
Other assets		7,430
Resources provided by investing activities		1,123,968
Net increase in cash, cash equivalents and temporary investments		10,761,561
Net increase in cash, cash equivalents and temporary investments upon Telecom acquisition		138,261
Cash, cash equivalents and temporary investments at beginning of year		16,405,074
Cash, cash equivalents and temporary investments at end of year	Ps.	27,304,896

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

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2008 and 2009
(In thousands of Mexican Pesos)
(Notes 1 and 2)

	2008	2009
Operating activities:		
Income before income taxes	Ps. 12,294,852	Ps. 9,703,441
Adjustments to reconcile income before income taxes to net cash provided by operating activities:		
Equity in losses of affiliates	1,049,934	715,327
Depreciation and amortization	4,311,115	4,929,589
Impairment of long-lived assets and other amortization	669,222	1,224,450
Provision for doubtful accounts and write-off of receivables	337,478	897,162
Retirement and termination benefits	5,467	58,196
Gain on disposition of investments	–	(90,565)
Interest income	–	(19,531)
Write-down of held-to-maturity debt security	405,111	–
Stock-based compensation	222,046	371,783
Derivative financial instruments	(895,734)	644,956
Interest expense	2,529,221	2,832,675
Unrealized foreign exchange loss, net	4,981,960	(1,003,537)
	25,910,672	20,263,946
Increase in trade notes and accounts receivable, net	(1,094,389)	(1,082,292)
Increase in transmission rights and programming	(1,186,991)	(674,645)
Increase in inventories	(375,153)	(45,148)
Increase in other accounts and notes receivable and other current assets	(391,399)	(1,347,376)
Increase (decrease) in trade accounts payable	1,577,231	(80,920)
(Decrease) increase in customer deposits and advances	(1,187,734)	2,242,021
Increase in other liabilities, taxes payable and deferred taxes	1,744,395	158,066
Decrease in retirement and termination benefits	(81,314)	(16,035)
Income taxes paid	(2,657,525)	(4,282,042)
	(3,652,879)	(5,128,371)
Net cash provided by operating activities	22,257,793	15,135,575
Investing activities:		
Temporary investments	(5,208,287)	(3,565,772)
Due from affiliated companies, net	(89,826)	(2,309)
Investments	(1,982,100)	(809,625)
Disposition of investments	109,529	57,800
Disposition of held-to-maturity investments	874,999	–
Investments in property, plant and equipment	(5,191,446)	(6,410,869)
Disposition of property, plant and equipment	91,815	248,148
Investments in goodwill and other intangible assets	(1,489,174)	(569,601)
Net cash used in investing activities	(12,884,490)	(11,052,228)
Financing activities:		
Issuance of Senior Notes due 2018	5,241,650	–
Issuance of Senior Notes due 2040	–	7,612,055
Prepayment of Senior Notes due 2013 (Sky)	(122,886)	–
Repayment of Mexican Peso debt	(480,000)	(1,162,460)
Repayment of foreign currency debt	–	(1,206,210)
Capital lease payments	(97,696)	(138,807)
Other increase in debt	1,231	33,856
Interest paid	(2,407,185)	(2,807,843)
Repurchase and sale of capital stock	(1,112,568)	(677,185)
Dividends paid	(2,229,973)	(9,163,857)
Noncontrolling interest	(332,029)	76,344
Derivative financial instruments	(346,065)	(206,776)
Net cash used in financing activities	(1,885,521)	(7,640,883)
Effect of exchange rate changes on cash and cash equivalents	131,854	(105,530)
Net increase (decrease) in cash and cash equivalents	7,619,636	(3,663,066)
Cash and cash equivalents of Cablemás upon consolidation	483,868	–
Cash and cash equivalents of TVI upon consolidation	–	21,509
Cash and cash equivalents at beginning of year	25,479,541	33,583,045
Cash and cash equivalents at end of year	Ps. 33,583,045	Ps. 29,941,488

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

Notes to Consolidated Financial Statements

For the Years Ended December 31, 2007, 2008 and 2009
(In thousands of Mexican Pesos, 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").

Effective January 1, 2008, the Group discontinued recognizing the effects of inflation in its financial statements in accordance with Mexican FRS. Mexican FRS requires that a company discontinue, or start, recognizing the effects of inflation in financial statements when general inflation applicable to a specific entity is up to, or above 26%, in a cumulative three-year period. The cumulative inflation in Mexico measured by the National Price Consumer Index ("NCPI") for the three-year period ended December 31, 2007, 2008 and 2009 was 11.6%, 15% and 14.5%, respectively. Accordingly, the consolidated financial statements of the Group for the year ended December 31, 2007, include the effects of inflation through December 31, 2007, and are stated in thousands of Mexican Pesos in purchasing power as of that date, and the consolidated financial statements of the Group as of December 31, 2008 and 2009, and for the years then ended, do not include any adjustments to recognize the effects of inflation for periods subsequent to December 31, 2007.

The consolidated financial statements include the assets, liabilities 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, in which the Group is deemed the primary beneficiary. The primary beneficiary of a variable interest entity 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. See Note 1(b) for further discussion of all variable interest entities. 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.

Effective January 1, 2008, Mexican FRS requires a statement of cash flows as part of a full set of financial statements in place of a statement of changes in financial position. The statement of cash flows classifies cash receipts and payments according to whether they stem from operating, investing, or financing activities. Restatement of financial statements for years provided before 2008 is not permitted by Mexican FRS; therefore, the Group presents a consolidated statement of changes in financial position for the year ended December 31, 2007.

These consolidated financial statements were authorized for issuance on April 5, 2010, by the Group's Chief Financial Officer.

(b) Members of the Group

At December 31, 2009, the Group consisted of the Company and its consolidated entities, including the following:

Consolidated Entities	Company's Ownership[1]	Business Segments[2]
Grupo Telesistema, S.A. de C.V. and subsidiaries, including Televisa, S.A. de C.V. ("Televisa")	100%	Television Broadcasting Pay Television Networks Programming Exports
Televisión Independiente de México, S.A. de C.V. and subsidiaries	100%	Television Broadcasting
TuTv, LLC ("TuTv")[3]	50%	Pay Television Networks
Editorial Televisa, S.A. de C.V. and subsidiaries	100%	Publishing
Innova, S. de R. L. de C.V. and subsidiaries (collectively, "Sky")[3]	58.7%	Sky
Empresas Cablevisión, S.A.B. de C.V. and subsidiaries (collectively, "Empresas Cablevisión")	51%	Cable and Telecom
Cablemás, S.A. de C.V. and subsidiaries (collectively, "Cablemás")	58.3%	Cable and Telecom
Televisión Internacional, S.A. de C.V. and subsidiaries (collectively, "TVI")	50%	Cable and Telecom
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
Grupo Distribuidoras Intermex, S.A. de C.V. and subsidiaries	100%	Other Businesses
Sistema Radiópolis, S.A. de C.V. and subsidiaries	50%	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 consolidated entity.

(2) See Note 22 for a description of each of the Group's business segments.

(3) At December 31, 2009, the Group had identified Sky and TuTv as variable interest entities and the Group as the primary beneficiary of the investment in each of these entities. The Group has a 58.7% interest in Sky, a satellite television provider. 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, Cable and Telecom segments, as well as the Group's Radio business, which is reported in the Other Businesses segment, 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, requires a permit granted by the Mexican Federal Government for a fixed term. Additionally, the Group's Sky businesses in Central America and Dominican Republic require concessions granted by local regulatory authorities for a fixed term and subject to renewal. At December 31, 2009, the expiration dates of the Group's concessions and permit were as follows:

Segments	Expiration Dates
Television Broadcasting	In 2021
Sky	Various from 2016 to 2033
Cable and Telecom	Various from 2013 to 2038
Other Businesses:	
Radio[1]	Various from 2008 to 2016
Gaming	In 2030

[1] Concessions for three of the Group's Radio stations in Guadalajara and Mexicali expired in 2008 and 2009, and renewal is still pending before the Mexican regulatory authorities as certain related regulations of the applicable law are being reviewed by the Mexican Federal Government. The Group's management expects that concessions for these three stations will be renewed or granted by the Mexican Federal Government. The concessions for the Group's remaining Radio stations will expire between 2015 and 2016.

(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.

Through December 31, 2007, assets, liabilities and results of operations of non-Mexican subsidiaries and affiliates were 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 were recognized in consolidated stockholders' equity as part of the accumulated other comprehensive income or loss. Assets and liabilities of non-Mexican operations that were integral to Mexican operations were 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.

Beginning on January 1, 2008, for non-Mexican subsidiaries and affiliates operating in a local currency environment, assets and liabilities are translated into Mexican Pesos at year-end exchange rates, and results of operations and cash flows are translated at average exchange rates prevailing during the year. Resulting translation adjustments are accumulated as a separate component of accumulated other comprehensive income or loss in consolidated stockholders' equity. Assets and liabilities of non-Mexican subsidiaries that use the Mexican Peso as a functional currency are translated into Mexican Pesos by utilizing the exchange rate of the balance sheet date for monetary assets and liabilities, and historical exchange rates for nonmonetary items, with the related adjustment included in the consolidated statement of income as integral result of financing.

In connection with its former investment in shares of Univision, the Group designated as an effective hedge of foreign exchange exposure a portion of the outstanding principal amount of certain U.S.-dollar-denominated long-term debt, which amounted to U.S.$971.9 million as of December 31, 2006. The investment in shares of Univision was disposed of by the Group in March 2007, and through that date any foreign exchange gain or loss attributable to this long-term debt was credited or charged directly to equity (accumulated other comprehensive income or loss) (see Note 2).

(d) Cash, Cash Equivalents and Temporary Investments

Cash and cash equivalents consist of cash on hand and all highly liquid investments with an original maturity of three months or less at the date of acquisition (see Note 1 (t)).

Temporary investments consist of short-term investments in securities, including without limitation debt with a maturity of over three months and up to one year at the date of acquisition, stock and/or other financial instruments, as well as current maturities of noncurrent held-to-maturity securities. Temporary investments are valued at fair value.

As of December 31, 2008 and 2009, highly liquid and temporary investments primarily consisted of fixed short-term deposits and corporate fixed income securities denominated in U.S. Dollars and Mexican Pesos, with an average yield of approximately 2.45% for U.S. Dollar deposits and 7.40% for Mexican Peso deposits in 2008, and approximately 1.0% for U.S. Dollar deposits and 5.90% for Mexican Peso deposits in 2009.

(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 recorded at acquisition or production cost, and through December 31, 2007, were restated by using the NCPI factors, and specific costs for some of these assets, which were determined by the Group on the basis of the last purchase price or production cost, or replacement cost whichever was more representative. Cost of sales is calculated for the month in which such transmission rights, programs, literary works, production talent advances and films are matched with related revenues, and through December 31, 2007, was determined based on restated costs.

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 were restated through December 31, 2007 by using the NCPI factors and specific costs for some of these assets, which were determined by the Group on the basis of the last purchase price.

(g) Investments

Investments in companies in which the Group exercises significant influence (associates) or joint control (jointly controlled entities) are accounted for by the equity method. The Group recognizes equity in losses of affiliates 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 or with readily determinable fair values, 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 Notes 5 and 14).

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective and other-than-temporary evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset.

For financial assets classified as held-to-maturity, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate.

Other investments are accounted for at cost.

(h) Property, Plant and Equipment

Property, plant and equipment are recorded at acquisition cost and were restated through December 31, 2007 to constant Mexican Pesos using the NCPI, except for equipment of non-Mexican origin, which was restated through that date by using an index which reflected 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 building improvements, from 3 to 20 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 were restated through December 31, 2007 by using the NCPI.

Intangible assets are composed of goodwill, publishing trademarks, television network concessions, licenses and software, subscriber lists and other items. Goodwill, publishing trademarks and television network concessions 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 lists 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 3 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 value 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.

(l) Stockholders' Equity

The capital stock and other stockholders' equity accounts include the effect of restatement through December 31, 2007, determined by applying the change in the NCPI between the dates capital was contributed or net results were generated. The restatement represented the amount required to maintain the contributions, share repurchases and accumulated results in Mexican Pesos in purchasing power as of December 31, 2007.

(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 program service revenues, including advances from customers for future direct-to-home ("DTH") program services, activation and installation fees, are recognized at the time the service is provided.
- Cable television, internet and telephone subscription, and pay-per-view and installation fees are recognized in the period in which the services are rendered.
- Revenues from telecommunications and data services are recognized in the period in which these services are provided. Telecommunications services include long distance and local telephony, as well as leasing and maintenance of telecommunications facilities.
- 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) Retirement and Termination Benefits

Plans exist for pension and other retirement payments for substantially all of the Group's employees (retirement benefits), funded through irrevocable trusts. Payments to the trusts are determined in accordance with actuarial computations of funding requirements. Pension and other retirement payments are made by the trust administrators. Increases or decreases in the liability for retirement benefits are based upon actuarial calculations.

Seniority premiums and severance indemnities to dismissed personnel (termination benefits), other than those arising from restructurings, are recognized based upon actuarial calculations.

Beginning January 1, 2008, Mexican FRS NIF D-3, *Benefits to Employees*, requires (i) the recognition of any termination benefit costs directly in income as a provision, with no deferral of any unrecognized prior service cost or related actuarial gain or loss; (ii) shorter amortization periods for items to be amortized; and (iii) the recognition of any employees' profit sharing required to be paid under certain circumstances in Mexico, as a direct benefit to employees.

(o) Income Taxes

The income taxes and the asset tax 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.

A valuation allowance is provided for those deferred income tax assets for which it is more likely than not that the related benefits will not be realized.

Effective January 1, 2008, the Group classified in retained earnings the outstanding balance of cumulative loss effect of deferred income taxes in the amount of Ps.3,224,437, as required by Mexican FRS (see Note 14).

(p) Derivative Financial Instruments

The Group recognizes derivative financial instruments as either assets or liabilities in the consolidated balance sheet and measures those instruments at fair value. The accounting for changes in the fair value of a derivative depends on the intended use of the derivative and the resulting designation. For a derivative financial instrument designated as a cash flow hedge, the effective portion of the derivative's gain or loss is initially reported as a component of accumulated other comprehensive income and subsequently reclassified into income when the hedged exposure affects income. The ineffective portion of the gain or loss is reported in income immediately. For a derivative instrument designated as a fair value hedge, the gain or loss is recognized in income in the period of change together with the offsetting loss or gain on the hedged item attributed to the risk being hedged. For derivative instruments that are not designated as accounting hedges, changes in fair value are recognized in income in the period of change. During the year ended December 31, 2007, none of the Group's derivatives qualified for hedge accounting. During the years ended December 31, 2008 and 2009, certain derivatives qualified for hedge accounting (see Note 9).

(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

Effective January 1, 2009, the Group adopted the guidelines of Mexican FRS NIF D-8, *Share-based Payments,* and substituted the guidelines provided by IFRS 2, *Share-based Payment,* issued by the International Accounting Standards Board, which were applied by the Group on a supplementary basis through December 31, 2008, as required by Mexican FRS. The adoption of the guidelines provided by NIF D-8 did not have a significant effect on the Group's consolidated financial statements. The provisions of NIF D-8 require, as well as those of IFRS 2, 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). The Group accrued in controlling stockholders' equity a stock-based compensation expense (consolidated administrative expense) of Ps.140,517, Ps.222,046 and Ps.371,783 for the years ended December 31, 2007, 2008 and 2009, respectively.

(s) Prior Years' Financial Statements
The NCPI at December 31, 2007 and 2006 was 125.564 and 121.015, respectively.

Certain reclassifications have been made to prior years' financial information to conform to the December 31, 2009 presentation.

(t) Recently Issued Mexican FRS
In December 2009, the CINIF issued new Mexican FRS ("Normas de Información Financiera" or "NIF," "Interpretación de Normas de Información financiera" or "INIF," *and Improvements to NIF 2010*), as follows:

NIF C-1, *Cash and Cash Equivalents,* replaces the previous Mexican FRS Bulletin C-1, Cash, and became effective on January 1, 2010. This new standard (i) defines cash equivalents as short-term securities with high liquidity, easily converted into cash, subject to a minimum risk of change in its fair value, and with an original maturity of three months or less at the date of acquisition; and (ii) provides guidelines for presenting and disclosing cash and cash equivalents in a company's financial statements. NIF C-1 also requires applying these guidelines on a retrospective basis for any comparative prior period financial statements presented. The adoption of NIF C-1 did not have a material impact on the Group´s consolidated financial statements (see Note 1 (d)).

NIF B-5, *Financial Information by Segments,* replaces the previous Mexican FRS Bulletin B-5, *Financial Information by Segments,* and will become effective on January 1, 2011. This new standard sets out requirements for disclosure of information about an entity's operating segments and also about the entity's products and services, the geographical areas in which it operates, and its major customers. NIF B-5 confirms that reportable operating segments are those that are based on the Group's method of internal reporting to senior management for making operating decisions and evaluating performance of operating segments, and identified by certain qualitative, grouping and quantitative criteria. NIF B-5 also requires additional disclosure of interest income and expense, and certain liabilities, by segments. The adoption of NIF B-5 is not expected to have a material impact on the Group's financial position, results of operations and disclosures.

NIF B-9, *Financial Information at Interim Dates,* replaces the previous Mexican FRS Bulletin B-9, Financial Information at Interim Dates, and will become effective on January 1, 2011. This new standard provides guidelines for entities that are required to prepare and present financial information at interim dates. NIF B-9 requires minimum financial information at interim dates including comparative condensed balance sheets and related comparative condensed statements of income, changes in stockholders' equity and cash flows, as well as selected notes to these condensed financial statements. The adoption of NIF B-9 will not have a material impact on the Group's interim financial position, results of operations and disclosures.

INIF 18, *Recognition of the Effects of the 2010 Tax Reform in Income Taxes,* became effective on December 7, 2009. This interpretation provides additional guidance for (i) the recognition of income taxes on a consolidated basis based on a new tax criteria affecting 2009 and prior years; (ii) the recognition of the effects in changes to the Mexican corporate income tax rate; and (iii) the accounting treatment for a new tax disposition not allowing a tax credit of loss carryforwards derived from the Flat Rate Business Tax ("Impuesto Empresarial a Tasa Única" or "IETU") with a company's income tax. In December 2009, the Group recognized the effects of income tax payable related to the Mexican 2010 tax reform as a provision for income taxes in accordance with the guidelines of Mexican FRS NIF D-4, *Income Taxes,* and INIF 18 (see Note 19).

Improvements to NIF 2010 are comprised by two groups of improvements to Mexican FRS already issued, as follows: (i) improvements to certain NIF resulting in accounting changes in valuation, presentation or disclosure in a company's financial statements that became effective on January 1, 2010; and (ii) improvements to precise wording in certain NIF for clarifying and better understanding purposes, not requiring accounting changes. Improvements generating accounting changes in valuation, presentation or disclosure of a company's financial statements, are as follows: NIF B-1, *Accounting Changes and Corrections of Errors* (disclosure changes); NIF B-2, *Statement of Cash Flows* (presentation changes); NIF B-7, *Acquisition of Businesses* (valuation change consisting of recognizing an intangible asset in the case of acquiring a lessor with an operating lease agreement in favorable terms); NIF C-7, *Investments in Associates and Other Permanent Investments* (valuation change consisting of recognizing in the statement of income the effect of investments in associates with a change in the ownership percentage); and NIF C-13, *Related Parties* (disclosure change). The Company's management believes that these improvements to Mexican FRS will not have a significant impact in the Group's consolidated financial statements.

In the first quarter of 2009, the Mexican Bank and Securities Commission ("Comisión Nacional Bancaria y de Valores" or "CNBV"), issued regulations for listed companies in Mexico requiring the adoption of International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") to report comparative financial information for periods beginning no later than January 1, 2012. The Group has already designed and started the implementation of a plan to comply with these regulations.

2. Acquisitions, Investments and Dispositions

In 2006, the Group acquired a 50% interest in Televisión Internacional, S.A. de C.V. ("TVI"), a telecommunications company offering bay television, data and voice services in the metropolitan area of the city of Monterrey and other areas in northern Mexico. In conjunction with this transaction, the Group (i) capitalized in 2007 an aggregate amount of Ps.269,028 in connection with the principal and accrued interest of a short-term loan made to TVI at the acquisition date; and (ii) recognized in 2007 and 2008 additional purchase price adjustments in the aggregate amount of Ps.38,602. In 2007, the Group completed a final valuation of this acquisition and recognized related goodwill in the amount of Ps.406,295. Beginning on October 1, 2009, the Company has a controlling interest in TVI as a result of a corporate governance amendment (the Group's legal right to choose the majority of the board of directors), and began consolidating the assets, liabilities and results of operations of TVI in its consolidated financial statements. Through September 30, 2009, the Group's investment in TVI was accounted for by using the equity method (see Notes 5 and 7).

In March 2007, under the terms of a merger agreement entered into by Univision and an acquiring investor group, all of the 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, 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.12,385,515). As a result of this disposition, the Group recognized in consolidated income for the year ended December 31, 2007, a non-cash loss of Ps.669,473 (see Notes 1 (c), 11, 16 and 17).

In August 2007, the Group acquired substantially all of the outstanding shares of capital stock of Editorial Atlántida, S.A. ("Atlántida"), a leading magazine publishing company in Argentina, in the aggregate amount of approximately U.S.$78.8 million (Ps.885,377), which was paid in cash. The Group completed a purchase price allocation of this transaction and recognized a related goodwill in the amount of Ps.665,960.

In August 2007, the Group announced an agreement signed by Cablestar, S.A. de C.V. ("Cablestar"), an indirect subsidiary of the Company and Empresas Cablevisión, to acquire the majority of the assets of Bestel, S.A. de C.V. ("Bestel"), a Mexican facilities-based telecommunications company engaged in providing data and long-distance services solutions to carriers and other telecommunications service providers through a fiber-optic network of approximately 8,000 kilometers that covers the most important cities and economic regions of Mexico and the cities of San Antonio and San Diego in the United States. In December 2007, after obtaining the approval from the Mexican regulatory authorities, Cablestar completed this transaction by acquiring, at an aggregate purchase price of U.S.$256 million (Ps.2,772,352), all of the outstanding equity of Letseb, S.A. de C.V. ("Letseb") and Bestel USA, Inc. ("Bestel USA"), the companies that owned the majority of assets of Bestel. In connection with this acquisition: (i) Cablestar made an additional capital contribution to Letseb in the amount of U.S.$69 million (Ps.747,236), which was used by Letseb to pay certain pre-acquisition liabilities; (ii) the Company granted a guarantee to a third-party creditor for any amounts payable in connection with Letseb's long-term liability in the amount of U.S.$80 million; (iii) Empresas Cablevisión issued long-term debt to finance this acquisition in the amount of U.S.$225 million (Ps.2,457,495); and (iv) Cablemás and TVI made capital contributions for an aggregate amount of U.S.$100 million related to their aggregate 30.8% noncontrolling interest in Cablestar. In March 2008, the parties agreed a purchase price adjustment in accordance with the terms of the related acquisition agreement, and accordingly, the Group made an additional payment in April 2008 in the aggregate amount of U.S$18.7 million (Ps.199,216). In December 2008, the Group completed a purchase price allocation of these transactions and recognized Ps.728,884 of concessions, Ps.11,199 of trademarks, Ps.281,000 of a subscriber list, a write-down of Ps.221,999 relating to technical equipment, and a related goodwill in the amount of Ps.818,317, net of an impairment adjustment of Ps.132,500 as of December 31, 2008 (see Notes 7, 8 and 17).

In February 2008, the Group made an additional investment of U.S.$100 million (Ps.1,082,560) to increase its interest in the outstanding equity of Cablemás to 54.6%, and retained a 49% of the voting equity of Cablemás. In May 2008, the Mexican regulatory authorities announced that the Group complied with all of the required regulatory conditions in connection with its investment in the outstanding equity of Cablemás. Effective June 1, 2008, the Company has a controlling interest in Cablemás as a result of a corporate governance contractual amendment (the Group's legal right to designate the majority of the board of directors), and the Group began consolidating the assets, liabilities and results of operations of Cablemás in its consolidated financial statements. Through May 31, 2008, the Group's investment in Cablemás was accounted for by using the equity method. In February 2009, the Group's controlling interest increased its share in the outstanding equity of Cablemás from 54.5% to 58.3% by acquiring an additional portion of the noncontrolling interest in Cablemás, and retained a 49% of the voting stock of Cablemás. This transaction between stockholders of the Group resulted in a non-cash reduction of retained earnings attributable to the controlling interest of Ps.118,353, with a corresponding increase in stockholders' equity attributable to the noncontrolling interest. In December 2009, the Group completed a final valuation and purchase price allocation of the assets and liabilities of Cablemás in connection with the consolidation of this Company's subsidiary in 2008, and recognized Ps.1,052,190 of concessions, Ps.636,436 of trademarks, Ps.792,276 of a subscriber list, Ps.374,887 of interconnection contracts, and an aggregate write-down of Ps.1,036,933 relating to technical equipment and other intangibles (see Notes 1(b) and 7).

In June 2009, the Company entered into an agreement with a U.S. financial institution to acquire in the amount of U.S.$41.8 million (Ps.552,735) a TVI's U.S.$50 million outstanding loan facility with an original maturity in 2012. TVI entered into this 5-years loan facility in December 2007, in connection with the acquisition of the majority of the assets of Bestel described above. In July 2009, the Company exchanged this loan receivable including accrued interest in the amount of U.S.$42.1 million (Ps.578,284) for a consideration of (i) a 15.4% noncontrolling interest in Cablestar, which was owned by TVI with a carrying value of Ps.554,847 at the transaction date and (ii) Ps.85,580 in cash. This transaction between stockholders resulted in a net gain of Ps.62,143, which was accounted for by the Group in retained earnings attributable to the controlling interest.

3. Trade Notes and Accounts Receivable, Net

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

	2008	2009
Non-interest bearing notes received from customers as deposits and advances	Ps. 14,383,384	Ps. 14,515,450
Accounts receivable, including value-added tax receivables related to advertising services	4,838,999	5,430,943
Allowance for doubtful accounts	(1,022,503)	(1,547,210)
	Ps. 18,199,880	Ps. 18,399,183

4. Transmission Rights and Programming

At December 31, transmission rights and programming consisted of:

	2008	2009
Transmission rights	Ps. 5,764,887	Ps. 6,133,176
Programming	3,903,322	4,155,271
	9,668,209	10,288,447
Non-current portion of:		
Transmission rights	4,069,777	3,790,714
Programming	2,254,984	2,124,745
	6,324,761	5,915,459
Current portion of transmission rights and programming	Ps. 3,343,448	Ps. 4,372,988

5. Investments

At December 31, the Group had the following investments:

	2008	2009	Ownership% as of December 31, 2009
Accounted for by the equity method:			
Gestora de Inversiones Audiovisuales La Sexta, S.A. and subsidiaries (collectively, "La Sexta") [a]	Ps. 1,296,950	Ps. 1,043,752	40.5%
Ocesa Entretenimiento, S.A. de C.V. and subsidiaries (collectively, "OCEN") [b]	457,598	429,388	40%
Controladora Vuela Compañía de Aviación, S.A. de C.V. and subsidiaries (collectively, "Volaris") [c]	80,381	248,162	25%
TVI (see Note 2)	367,856	–	
Other	96,192	301,324	
	2,298,977	2,022,626	
Other investments:			
Held-to-maturity debt securities (see Note 1(g)) [d]	809,115	1,169,611	
Available-for-sale investments (see Note 1(g)) [e]	–	2,826,457	
Other	240,518	342,329	
	1,049,633	4,338,397	
	Ps. 3,348,610	Ps. 6,361,023	

[a] La Sexta is a free-to-air television channel in Spain. During 2007, 2008 and 2009, the Group made additional capital contributions related to its interest in La Sexta in the amount of €65.9 million (Ps.1,004,697), €44.4 million (Ps.740,495) and €35.7 million (Ps.663,082), respectively. During 2007, a third party acquired a 20% stake in Imagina Media Audiovisual, S.A. ("Imagina"), the parent company of the companies that hold a majority equity interest in La Sexta. As a result of this acquisition, Imagina paid the Company €29 million (Ps.462,083) as a termination fee for the cancellation of a call option to subscribe at a price of €80 million, a certain percentage of the capital stock of Imagina (see Note 11).

[b] OCEN is a majority-owned subsidiary of Corporación Interamericana de Entretenimiento, S.A. de C.V., and is engaged in the live entertainment business in Mexico. In 2007, 2008 and 2009, OCEN paid dividends to the Group in the aggregate amount of Ps.94,382, Ps.56,000 and Ps.56,000, respectively (see Note 16).

[c] Volaris is a low-cost carrier airline with a concession to operate in Mexico and abroad. In 2008 and 2009, the Group made additional capital contributions related to its 25% interest in Volaris in the amount of U.S.$12 million (Ps.125,856) and U.S.$5 million (Ps.69,000), respectively (see Note 16).

[d] Held-to-maturity securities represent corporate fixed income securities with long-term maturities. These investments are stated at amortized cost. During the year ended December 31, 2008, the Group recognized a write-down of Ps.405,111 on a held-to-maturity debt security reducing the carrying amount of this security to zero.

[e] In the second half of 2009, the Group invested an aggregate amount of U.S.$180 million in a telecom and media open-ended fund.

The Group recognized equity in comprehensive loss of affiliates for the years ended December 31, 2007, 2008 and 2009, as follows:

	2007	2008	2009
Equity in losses of affiliates, net	Ps. (749,299)	Ps. (1,049,934)	Ps. (715,327)
Equity in other comprehensive income (loss) of affiliates:			
Foreign currency translation adjustments, net	171,297	244,122	(29,319)
Result from holding non-monetary assets, net	2,151	–	–
Gain (loss) on equity accounts, net	5,382	(58,109)	39,525
	Ps. (570,469)	Ps. (863,921)	Ps. (705,121)

6. Property, Plant and Equipment, Net

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

	2008	2009
Buildings	Ps. 9,364,648	Ps. 9,424,738
Buildings improvements	1,813,972	1,670,084
Technical equipment[1]	34,293,372	38,838,481
Satellite transponders	1,789,890	1,789,890
Furniture and fixtures	849,074	836,038
Transportation equipment	1,657,389	1,559,816
Computer equipment[1]	2,480,803	3,089,962
Leasehold improvements	1,168,194	1,383,541
	53,417,342	58,592,550
Accumulated depreciation	(28,551,534)	(32,145,471)
	24,865,808	26,447,079
Land	4,867,621	4,648,171
Construction in progress	1,064,969	1,976,214
	Ps. 30,798,398	Ps. 33,071,464

[1] In 2009 includes technical and computer equipment in connection with the consolidation of TVI beginning on October 1, 2009 (see Note 2).

Depreciation charged to income in 2007, 2008 and 2009 was Ps.2,793,310, Ps.3,867,182 and Ps.4,390,339, 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, 2008 and 2009, satellite transponders, net of accumulated depreciation, amounted to Ps.795,506 and Ps.676,180, 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)):

	2008			2009		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Intangible assets with indefinite lives:						
Goodwill			Ps. 6,288,658			Ps. 3,133,802
Publishing and TVI trademarks			785,468			1,264,555
Television network concession			650,603			650,603
Cablemás concession			–			1,052,190
TVI concession[1]			262,925			262,925
Telecom concession[1]			783,290			778,970
Sky concession			96,042			96,042
Intangible assets with finite lives and deferred charges:						
Licenses and software	Ps. 1,456,410	Ps. (822,708)	633,702	Ps. 1,601,562	Ps. (755,706)	845,856
Subscriber lists[1]	1,206,278	(687,103)	519,175	2,351,177	(884,900)	1,466,277
Other intangible assets	622,680	(97,752)	524,928	760,021	(108,092)	651,929
Deferred financing costs (see Note 8)	1,213,559	(324,567)	888,992	1,403,430	(387,715)	1,015,715
	Ps. 4,498,927	Ps. (1,932,130)	Ps. 11,433,783	Ps. 6,116,190	Ps. (2,136,413)	Ps. 11,218,864

[1] See Note 2.

Amortization of intangible assets with finite lives (other than goodwill) and deferred financing costs charged to income in 2007, 2008 and 2009, was Ps.478,063, Ps.503,560 and Ps.603,606, respectively, of which Ps.48,303, Ps.58,724 and Ps.64,356 in 2007, 2008 and 2009, respectively, was recorded as interest expense (see Note 18) and Ps.903 in 2008, was recorded as other expense in connection with the extinguishment of long-term debt (see Note 17).

The changes in the net carrying amount of goodwill and trademarks for the year ended December 31, 2009, were as follows:

	Balance as of December 31, 2008	Acquisitions	Foreign Currency Translation Adjustments	Adjustments/ Reclassifications	Impairment Adjustments (see Note 17)	Balance as of December 31, 2009
Goodwill:						
Television Broadcasting	Ps. 482,731	Ps. –	Ps. –	Ps. –	Ps. (184,055)	Ps. 298,676
Cable and Telecom	4,259,514	–	–	(2,167,533)	(752,438)	1,339,543
Publishing Distribution	693,554	–	(1,517)	(48,757)	(26,113)	617,167
Other Businesses	39,406	24,077	–	–	–	63,483
Equity-method investees (See Note 5)	813,453	–	–	1,480	–	814,933
	Ps. 6,288,658	Ps. 24,077	Ps. (1,517)	Ps. (2,214,810)	Ps. (962,606)	Ps. 3,133,802
Trademarks (see Note 2):						
Publishing	Ps. 663,057	Ps. 48,232	Ps. (8,093)	Ps. –	Ps. (197,488)	Ps. 505,708
Telecom	33,059	–	–	636,436	–	669,495
TVI	89,352	–	–	–	–	89,352
	Ps. 785,468	Ps. 48,232	Ps. (8,093)	Ps. 636,436	Ps. (197,488)	Ps. 1,264,555

8. Long-term Debt and Capital Lease Obligations

Long-term debt and capital lease obligations outstanding as of December 31, were as follows:

	2008	2009
U.S. Dollar debt:		
8% Senior Notes due 2011 (1)	Ps. 995,802	Ps. 941,119
6% Senior Notes due 2018 (1)	6,920,000	6,540,000
6.625% Senior Notes due 2025 (1)	8,304,000	7,848,000
8.50% Senior Notes due 2032 (1)	4,152,000	3,924,000
6.625% Senior Notes due 2040 (1)	–	7,848,000
9.375% Senior Guaranteed Notes due 2015 (Cablemás) (2)	2,417,848	2,285,076
Bank loan facility (Empresas Cablevisión) (3)	3,114,000	2,943,000
Bank loan facility (Cablemás) (3)	692,000	654,000
Other (4)	1,142,826	33,015
Total U.S. Dollar debt	27,738,476	33,016,210
Mexican Peso debt:		
8.49% Senior Notes due 2037 (1)	4,500,000	4,500,000
Bank loans (5)	3,162,460	2,400,000
Bank loans (Sky) (6)	3,500,000	3,500,000
Total Mexican Peso debt	11,162,460	10,400,000
Total long-term debt	38,900,936	43,416,210
Less: Current portion	2,270,353	1,433,015
Long-term debt, net of current portion	Ps. 36,630,583	Ps. 41,983,195

	2008	2009
Capital lease obligations:		
Satellite transponder lease obligation (7)	Ps. 1,311,663	Ps. 1,108,451
Other (8)	62,128	293,282
Total capital lease obligations	1,373,791	1,401,733
Less: Current portion	151,628	235,271
Capital lease obligations, net of current portion	Ps. 1,222,163	Ps. 1,166,462

(1) These Senior Notes due 2011, 2018, 2025, 2032, 2037 and 2040, in the outstanding principal amount of U.S.$72 million, U.S.$500 million, U.S.$600 million, U.S.$300 million, Ps.4,500,000 and U.S.$600 million, respectively, 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, 2018, 2025, 2032, 2037 and 2040, including additional amounts payable in respect of certain Mexican withholding taxes, is 8.41%, 6.31%, 6.97%, 8.94%, 8.93% and 6.97% per annum, respectively, and is payable semi-annually. These Senior Notes may not be redeemed prior to maturity, except (i) 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; and (ii) in the event of a change of control, in which case the Company may be required to redeem the securities at 101% of their principal amount. Also, the Company may, at its own option, redeem the Senior Notes due 2018, 2025, 2037 and 2040, in whole or in part, at any time at a redemption price equal to the greater of the principal amount of these Senior Notes or the present value of future cash flows, at the redemption date, of principal and interest amounts of the Senior Notes discounted at a fixed rate of comparable U.S. or Mexican sovereign bonds. The Senior Notes due 2011, 2018, 2032 and 2040 were priced at 98.793%, 99.280%, 99.431% and 98.319%, respectively, for a yield to maturity of 8.179%, 6.097%, 8.553% and 6.755%, respectively. The Senior Notes due 2025 were issued in two aggregate principal amounts of U.S.$400 million and U.S.$200 million, and were priced at 98.081% and 98.632%, respectively, for a yield to maturity of 6.802% and 6.787%, 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. The Senior Notes due 2011, 2018, 2025, 2032, 2037 and 2040 are registered with the U.S. Securities and Exchange Commission.

(2) These U.S.$174.7 million Senior Guaranteed Notes are unsecured obligations of Cablemás and its restricted subsidiaries and are guaranteed by such restricted subsidiaries, rank equally in right of payment with all existing and future unsecured and unsubordinated indebtedness of Cablemás and its restricted subsidiaries, and are junior in right of payment to all of the existing and future secured indebtedness of Cablemás and its restricted subsidiaries to the extent of the value of the assets securing such indebtedness, interest on these Senior Notes, including additional amounts payable in respect of certain Mexican withholding taxes, is 9.858%, and is payable semi-annually. Cablemás may redeem these Senior Notes, in whole or in part, at any time up before November 15, 2010, at redemption prices plus accrued and unpaid interest. The agreement of these Senior Notes contains covenants relating to Cablemás and its restricted subsidiaries, including covenants with respect to limitations on indebtedness, payments, dividends, investments, sale of assets, and certain mergers and consolidations. In July 2008, Cablemás prepaid a portion of these Senior Notes in the principal amount of U.S.$0.3 million in connection with a tender offer to purchase these Senior Notes at a purchase price of 101% plus related accrued and unpaid interest.

(3) In December 2007, Empresas Cablevisión and Cablemás entered into a 5-year term loan facilities with a U.S. bank in the aggregate principal amount of U.S.$225 million and U.S.$50 million, respectively, in connection with the financing for the acquisition of Letseb and Bestel USA (see Note 2). Annual interest on these loan facilities is payable on a quarterly basis at LIBOR plus an applicable margin that may range from 0.475% to 0.800% depending on a leverage ratio. At December 31, 2009, the applicable leverage ratio for Empresas Cablevisión and Cablemás was 0.525% and 0.600%, respectively. Under the terms of the loan facilities, Empresas Cablevisión and its subsidiaries and Cablemás and its subsidiaries are required to (a) maintain certain financial coverage ratios related to indebtedness and interest expense, and (b) comply with certain restrictive covenants, primarily on debt, liens, investments and acquisitions, capital expenditures, asset sales, consolidations, mergers and similar transactions.

(4) Includes Ps.1,107,200 in 2008 in connection with a non-interest bearing promissory note in the principal amount of U.S.$80 million with a maturity in August 2009, which amount was originally recognized by the Group, and guaranteed by the Company, as a long-term liability in connection with the acquisition of Letseb and Bestel USA in December 2007 (see Note 2). In 2008, this liability was replaced under similar terms by a U.S.$80 million non-interest bearing promissory note payable to a foreign financial institution. In March 2009, the Company entered into a purchase agreement with the holder of the promissory note, and acquired such note in the amount of U.S.$78.6 million (Ps.1,206,210). This line also includes in 2008 and 2009, outstanding balances of notes payable to banks with maturities in 2010, bearing annual interest rates of 1.25 points above LIBOR.

(5) Includes in 2008 and 2009, outstanding balances of long-term loans in the principal amount of Ps.3,162,460 and Ps.2,400,000, respectively, in connection with certain credit agreement entered into by the Company with a Mexican bank, with maturities from 2010 through 2012. Interest on this loan is 10.350% 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. This line includes in 2009, outstanding balance of current-term loans with maturities in 2010, for TVI´s incorporation, bearing annual interest rates of 8.35% and the Mexican Interbank Interest Rate ("TIIE") plus 1.50% and 2.20%, payable on a monthly basis.

(6) The balance in 2008 and 2009 includes two long-term loans entered into by Sky with Mexican banks in the aggregate principal amount of Ps.3,500,000 with a maturity in 2016. This Sky long-term 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% through March and April 2009, respectively, and the TIIE plus 24 basis points for the remaining period through maturity. Interest on these two long-term loans is payable on a monthly basis. Under the terms of these loan agreements, Sky is required to maintain (a) certain financial coverage ratios related to indebtedness and interest expense; and (b) certain restrictive covenants on indebtedness, liens, asset sales, and certain mergers and consolidations.

(7) Sky 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) in 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 under the IS-9 agreement are proportionately guaranteed by the Company and the other Sky equity owners in relation to their respective ownership interests (see Notes 6 and 11).

(8) Includes minimum lease payments of property and equipment under leases that qualify as capital leases. The capital leases have terms which expire at various dates through 2010 to 2022.

In September 2008, Sky prepaid all of its outstanding Senior Notes due 2013, in the principal amount of U.S.$11.3 million. The total aggregate amount paid by Sky in connection with this prepayment was U.S.$12.6 million, including related accrued interest and a premium of 4.6875%.

In May 2009, the Company repaid a bank loan at its maturity in the principal amount of Ps.1,162,460.

Maturities of Debt and Capital Lease Obligations

Debt maturities for the years subsequent to December 31, 2009, are as follows:

2010	Ps. 1,433,015
2011	941,119
2012	4,597,000
2013	–
2014	–
Thereafter	36,445,076
	Ps. 43,416,210

Future minimum payments under capital lease obligations for the years subsequent to December 31, 2009, are as follows:

2010	Ps. 372,150
2011	340,298
2012	332,955
2013	299,663
2014	287,633
Thereafter	233,010
	1,865,709
Less: amount representing interest	463,976
	Ps. 1,401,733

9. Financial Instruments

The Group's financial instruments recorded on the balance sheet include cash and cash equivalents, temporary investments, accounts and notes receivable, debt securities classified as held-to-maturity investments, investments in securities in the form of an open-ended fund classified as available-for-sale investments, accounts payable, debt and derivative financial instruments. For cash and cash equivalents, 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 fair value of the Group's long-term debt securities are based on quoted market prices.

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, available-for-sale investments, 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 non-derivative financial instruments at December 31, were as follows:

	2008		2009	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Assets:				
Temporary investments	Ps. 8,321,286	Ps. 8,321,286	Ps. 8,902,346	Ps. 8,902,346
Held-to-maturity debt securities (see Note 5)	809,115	755,997	1,169,611	1,196,146
Available-for-sale investments (see Note 5)	–	–	2,826,457	2,826,457
Liabilities:				
Senior Notes due 2011, 2018, 2025, 2032 and 2040	Ps. 20,371,802	Ps. 17,713,899	Ps. 27,101,119	Ps. 27,841,242
Senior Notes due 2037	4,500,000	4,129,740	4,500,000	4,055,580
Senior Guaranteed Notes due 2015 (Cablemás)	2,417,848	2,070,282	2,285,076	2,494,549
Long-term notes payable to Mexican banks	6,662,460	6,846,264	5,900,000	6,135,443
Bank loan facility (Empresas Cablevisión)	3,114,000	2,658,286	2,943,000	2,601,257
Bank loan facility (Cablemás)	692,000	593,439	654,000	572,123

The carrying values (based on estimated fair values), notional amounts, and maturity dates of the Group's derivative financial instruments at December 31, were as follows:

2008:

Derivative Financial Instruments	Carrying Values	Notional Amounts (U.S. Dollars in Thousands)	Maturity Dates
Assets:			
Derivatives not recorded as accounting hedges:			
Sky's interest rate swaps [f]	Ps. 3,472	Ps. 1,400,000	April 2016
Cablemás forward and cross-currency swaps [a]	1,464,295	U.S.$175,000 / Ps.1,880,375 and U.S.$175,000 / Ps.1,914,850	November 2015
Cross-currency interest rate swaps [b]	78,904	U.S.$889,736 / Ps.9,897,573	March 2009 and March 2010
Credit default swaps [c]	7,913	U.S.$24,500	October and December 2009
Derivatives recorded as accounting hedges:			
Cash flow hedges:			
Empresas Cablevisión's cross-currency swaps [d]	668,945	U.S. $225,000 / Ps.2,435,040	December 2012
Cablemás cross-currency swap [e]	139,619	U.S.$50,000 / Ps.541,275	December 2012
Total assets	Ps. 2,363,148 [1]		
Liabilities:			
Derivatives not recorded as accounting hedges:			
Cablemás forward and swaption [a]	Ps. 600,819	U.S.$175,000 / Ps.1,914,850	November 2015
Cross-currency interest rate swaps [b]	3,831	U.S.$690,000 / Ps.7,735,198	March 2010
Total liabilities	Ps. 604,650		

2009:

Derivative Financial Instruments	Carrying Values	Notional Amounts (U.S. Dollars in Thousands)	Maturity Dates
Assets:			
Derivatives not recorded as accounting hedges:			
Cablemás forward [h]	Ps. 1,577	U.S.$13,000 / Ps. 170,908	January, February and March 2010
Cablemás forward and cross-currency swaps [a]	1,001,055	U.S.$175,000 / Ps.1,880,375 and U.S.$175,000 / Ps.1,914,850	November 2015
Cross-currency interest rate swaps [b]	5,141	U.S.$200,000 / Ps.2,165,550	March 2010
Derivatives recorded as accounting hedges:			
Cash flow hedges:			
Empresas Cablevisión's cross-currency swaps [d]	419,974	U.S. $225,000 / Ps.2,435,040	December 2012
Cablemás cross-currency swap [e]	91,804	U.S.$50,000 / Ps.541,275	December 2012
Cross-currency interest rate swaps [b]	25,845	U.S.$1,650,000 / Ps.21,240,300	March and May 2011
Total assets	Ps. 1,545,396 [1]		
Liabilities:			
Derivatives not recorded as accounting hedges:			
Cablemás forward and swaption [a]	Ps. 486,228	U.S.$175,000 / Ps.1,914,850	November 2015
Sky's interest rate swaps [f]	26,410	Ps.1,400,000	April 2016
Cablemás embedded derivatives [g]	10,990	U.S.$7,176	December 2010 to February 2018
Total liabilities	Ps. 523,628		

(1) Includes short-term derivative financial instruments of Ps.46,588 and Ps.6,718 in 2008 and 2009, respectively, which were included in other accounts and notes receivables, net in the consolidated balance sheet.

(a) In 2005, 2006 and 2007, Cablemás entered into forward, interest-only cross-currency swaps and swaption agreements, as amended, with a U.S. financial institution to hedge U.S.$175 million of its U.S. Dollar foreign exchange and interest rate exposure related to its Senior Guaranteed Notes due 2015. Under these transactions, (i) in 2015, Cablemás will receive and make payments in the aggregate notional amounts of U.S.$175 million and Ps.1,880,375, respectively; (ii) Cablemás makes semi-annual payments calculated based on a notional amount of U.S.$175 million at an annual rate of 2.88%; (iii) Cablemás receives semi-annual payments calculated based on the aggregate notional amount of U.S.$175 million at an annual rate of 9.375%, and Cablemás makes monthly payments calculated based on an aggregate notional amount of Ps.1,914,850 at an annual rate of 9.07% through December 2010 if the option of a related swaption agreement is exercised by the counterparty, and through 2015 if such option is not exercised; and (iv) if the counterparty exercises an option under a related swaption agreement, Cablemás would receive monthly payments based on the aggregate notional amount of Ps.1,914,850 at an annual rate of 7.57%, and Cablemás would make monthly payments calculated based on the same notional amount at an annual interest rate of a 28-day TIIE (Mexican Interbank Interest Rate). The Group recorded the change in fair value of these transactions in the integral cost of financing (foreign exchange gain or loss). In February 2010, Cablemás cancelled the forward and interest-only cross-currency swaps agreements and entered into a full cross currency swap and an interest rate swap agreements with a foreign financial institution to hedge U.S.$175 million of its U.S. Dollar foreign exchange and interest rate exposure related to its Senior Guaranteed Notes due 2015. Under these transactions, (i) in 2015, Cablemás will receive and make payments in the aggregate notional amounts of U.S.$175 million and Ps.1,880,375, respectively; (ii) Cablemás makes monthly payments calculated based on an aggregate notional amount of Ps.1,880,375 at an annual rate of TIIE plus 182.3 basis points, and Cablemás receives semi-annual payments calculated based on an aggregate notional amount of $175 million at an annual rate of 6.445%; (iii) Cablemás receives monthly payments calculated based on the aggregate notional amount of Ps.1,880,375 at an annual rate of TIIE plus 182.3 basis points, and Cablemás makes monthly payments calculated based on an aggregate notional amount of Ps.1,914,850 at an annual rate of 9.172% through December 2010 if the option of a related swaption agreement is exercised by the counterparty, and through 2015 if such option is not exercised; and (iv) if the counterparty exercises an option under a related swaption agreement, Cablemás would receive monthly payments based on the aggregate notional amount of Ps.1,914,850 at an annual rate of 7.57%, and Cablemás would make monthly payments calculated based on the same notional amount at an annual interest rate of a 28-day TIIE.

(b) In order to reduce the adverse effects of exchange rates on the Senior Notes due 2011, 2018, 2025, 2032 and 2040, during 2004, 2005 and 2009, 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 to be made in 2009, 2010 and 2011. Under these transactions, the Company receives semi-annual payments based on the aggregate notional amount U.S.$889.7 million and U.S.$1,850 million as of December 31, 2008 and 2009, respectively, at an average annual rate of 7.37% and 6.76%, respectively, and the Company makes semi-annual payments based on an aggregate notional amount of Ps.9,897,573 and Ps.23,405,850 as of December 31, 2008 and 2009, respectively, at an average annual rate of 8.28% and 7.03%, respectively, without an exchange of the notional amount upon which the payments are based. Derived of the change in fair value of these transactions, in the years ended December 31, 2007, 2008 and 2009, the Company recorded a gain (loss) of Ps.1,440, Ps.96,878 and Ps.(25,280), respectively, relating to the interest rate swaps not recorded as accounting hedges, in the integral cost of financing (foreign exchange gain or loss), and in the year ended December 31, 2009, the Company recorded a gain of Ps.25,845 relating to the interest rate swaps recorded as accounting hedges, in consolidated stockholders' equity as accumulated other comprehensive income or loss attributable to the controlling interest. 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 million. In January 2008, the Group terminated part of these option contracts early for a notional amount of U.S.$200 million, with no significant additional gain or loss. In March 2009, the Group terminated the remaining option contracts early for a notional amount of U.S.$690 million, with no significant additional gain or loss.

(c) The Group entered into credit default swap agreements to hedge the unfavorable effect of credit risk associated with certain long-term investments with a maturity in October 2011 and January 2012 for a notional amount of U.S.$20 million and U.S.$4.5 million, respectively. These agreements expired in the fourth quarter of 2009.

(d) In December 2007, in connection with the issuance of its U.S.$225 million long-term debt, Empresas Cablevisión entered into a cross-currency swaps agreement to hedge interest rate risk and foreign currency exchange risk on such long-term debt. Under this agreement, Empresas Cablevisión receives variable rate coupon payments in U.S. dollars at an annual interest rate of LIBOR to 90 days plus 42.5 basis points, and principal amount payments in U.S. dollars, in exchange for fixed rate coupon payments in Mexican Pesos at an annual interest rate of 8.3650%, and principal amount payments in Mexican Pesos. At the final exchange, Empresas Cablevisión will receive a principal amount of U.S.$225 million, in exchange for Ps.2,435,040. At December 31, 2008 and 2009, this derivative contract qualified as a cash flow hedge, and therefore, the Group has recorded the change in fair value as a gain of Ps.649,548 and Ps.400,577, respectively, together with an unrealized foreign exchange loss of Ps.656,505 and Ps.485,505, respectively, related to the long-term debt, in consolidated stockholders' equity as accumulated other comprehensive income or loss.

(e) In December 2007, in connection with the issuance of its U.S.$50 million long-term debt, Cablemás entered into a cross-currency swaps agreement to hedge interest rate risk and foreign currency exchange risk on such long-term debt. Under this agreement, Cablemás receives variable rate coupon payments in U.S. dollars at an annual interest rate of LIBOR to 90 days plus 52.5 basis points, and principal amount payments in U.S. dollars, in exchange for fixed rate coupon payments in Mexican Pesos at an annual interest rate of 8.51%, and principal amount payments in Mexican Pesos. At the final exchange, Cablemás will receive a principal amount of U.S.$50 million, in exchange for Ps.541,275. At December 31, 2008 and 2009, this derivative contract qualified as a cash flow hedge, and therefore, the Group has recorded the change in fair value as a gain of Ps.169,893 and Ps.122,421, respectively, together with an unrealized foreign exchange loss of Ps.173,360 and Ps.138,670, respectively, related to the long-term debt, in consolidated stockholders' equity as accumulated other comprehensive income or loss.

(f) In February 2004, Sky entered into coupon swap agreements to hedge U.S.$.300 million of its U.S. dollar foreign exchange exposure related to its Senior Notes due 2013. Under these transactions, Sky received 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 made monthly payments calculated based on an aggregate notional amount of Ps.123,047 at an annual rate of 10.25%. These transactions were terminated in September 2008. Sky recorded the change in fair value of these transactions in the integral cost of financing (foreign exchange loss). In December 2006, Sky entered into a derivative transaction agreement from April 2009 through April 2016 to hedge the variable interest rate exposure resulting from a Mexican Peso loan of a total principal amount of Ps.1,400,000. Under this transaction, Sky receives 28-day payments based on an aggregate notional amount of Ps.1,400,000 at an annual variable rate of TIIE+24 basis points and makes 28-day payments based on the same notional amount at an annual fixed rate of 8.415%. The Group recorded the change in fair value of this transaction in the consolidated integral cost of financing (interest expense).

(g) Certain Cablemás office lease agreements include embedded derivatives identified as forwards for obligations denominated in U.S. Dollars. The Group recognizes changes in related fair value as foreign exchange gain or loss in the integral cost of financing.

(h) As of December 31, 2009 Cablemás had foreign currency contracts with an aggregate notional amount of U.S.$13 million to exchange U.S. Dollars for Mexican Pesos at an average rate of Ps.13.15 per U.S. Dollar in connection with 2010 cash flow requirements.

10. Retirement and Termination Benefits

Certain companies in the Group have collective bargaining contracts which include defined benefit pension plans and other retirement benefits 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.

Retirement and termination benefits 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 2007, 2008 and 2009. The Group used a 9.3%, 20.4% and 14.2% return on assets rate for 2007, 2008 and 2009, 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. As of December 31, 2008 and 2009, plan assets were invested in a portfolio that primarily consisted of debt and equity securities, including shares of the Company. Pension and seniority premium benefits are paid when they become due.

The reconciliation between defined benefit obligations and net projected (liability) asset as of December 31, as follows:

	2008 Total	Pensions	Seniority Premiums	Severance Indemnities	2009 Total
Vested benefit obligations	Ps. 97,551	Ps. 114,771	Ps. 276	Ps. –	Ps. 115,047
Unvested benefit obligations	1,744,917	1,045,597	266,834	557,251	1,869,682
Defined benefit obligations	1,842,468	1,160,368	267,110	557,251	1,984,729
Fair value of plan assets	1,404,589	1,249,707	499,922	–	1,749,629
Status of the plans	(437,879)	89,339	232,812	(557,251)	(235,100)
Unrecognized prior service cost for transition liability	156,120	71,150	36,686	5,762	113,598
Unrecognized prior service cost for plan amendments	49,072	124,849	(63,459)	655	62,045
Net actuarial (gain) loss	(119,703)	(304,281)	8,517	8,231	(287,533)
Net projected (liability) asset in the consolidated balance sheet	Ps. (352,390)	Ps. (18,943)	Ps. 214,556	Ps. (542,603)	Ps. (346,990)

As of December 31, 2008 and 2009, items subject to amortization for retirement and termination benefits are to be amortized over periods of 3 to 22 years and 2 to 3 years, respectively.

The components of net periodic pension, seniority premium and severance indemnities cost (income) for the years ended December 31, 2007, 2008 and 2009 consist of the following:

	2007	2008	2009
Service cost	Ps. 97,878	Ps. 115,598	Ps. 125,269
Interest cost	55,804	124,719	139,505
Prior service cost	–	3,947	1,583
Expected return on plan assets	(168,141)	(321,805)	(192,372)
Net amortization and deferral	(9,280)	83,008	(15,789)
Net (income) cost	Ps. (23,739)	Ps. 5,467	Ps. 58,196

The Group's defined benefit obligations, plan assets, funded status and balance sheet balances as of December 31, 2008 and 2009 associated with retirement and termination benefits, are presented as follows:

	2008 Total	Pensions	Seniority Premiums	Severance Indemnities	2009 Total
Defined benefit obligations					
Beginning of year	Ps. 1,547,809	Ps. 1,098,111	Ps. 274,043	Ps. 470,314	Ps. 1,842,468
Service cost	115,598	61,937	25,480	37,852	125,269
Interest cost	124,719	86,368	20,839	32,298	139,505
Actuarial (gain) loss	(153,921)	(65,711)	(39,380)	14,235	(90,856)
Transition liability	142,581	–	–	–	–
Benefit paid	(43,550)	(20,337)	(16,805)	(13,136)	(50,278)
Acquisition of companies	109,232	–	2,933	15,688	18,621
End of year	1,842,468	1,160,368	267,110	557,251	1,984,729
Fair value of plan assets					
Beginning of year	1,628,730	1,024,239	380,350	–	1,404,589
Actuarial return on plan assets	321,805	136,104	56,268	–	192,372
Actuarial (gain) loss	(516,813)	109,577	69,579	–	179,156
Contributions	8,346	–	7,499	–	7,499
Benefits paid	(37,479)	(20,213)	(13,774)	–	(33,987)
End of year	1,404,589	1,249,707	499,922	–	1,749,629
(Over) under funded status of the plans	Ps. (437,879)	Ps. 89,339	Ps. 232,812	Ps. (557,251)	Ps. (235,100)

The weighted average asset allocation by asset category as of December 31 was as follows:

	2008	2009
Equity Securities [1]	62.6%	46.0%
Fixed rate instruments	37.4%	54.0%
Total	100.0%	100.0%

[1] Included within plan assets at December 31, 2008 and 2009 are shares of the Group held by the trust with a fair value of Ps.879,029 and Ps.779,920, respectively.

The changes in the net projected liability (asset) as of December 31, are as follows:

		2008 Total		Pensions		Seniority Premiums		Severance Indemnities		2009 Total
Beginning net projected liability (asset)	Ps.	314,921	Ps.	(18,751)	Ps.	(92,098)	Ps.	463,239	Ps.	352,390
Net periodic cost (income)		5,467		37,817		(114,512)		134,891		58,196
Net actuarial gain		(41,215)		–		–		(49,765)		(49,765)
Contributions		(8,346)		–		(7,499)		–		(7,499)
Benefits paid		(6,071)		(123)		(3,033)		(13,136)		(16,292)
Acquisition of companies		87,634		–		2,586		7,374		9,960
End net projected liability (asset)	Ps.	352,390	Ps.	18,943	Ps.	(214,556)	Ps.	542,603	Ps.	346,990

The retirement and termination benefits at December 31, and actuarial adjustments for the year ended December 31, are summarized as follows:

		2005		2006		2007		2008		2009
Pensions										
Defined benefit obligations	Ps.	769,913	Ps.	834,123	Ps.	872,167	Ps.	1,098,111	Ps.	1,160,368
Plan assets		1,053,033		1,254,603		1,153,205		1,024,239		1,249,707
Status of the plans		283,120		420,480		281,038		(73,872)		89,339
Actuarial adjustments (1)		(510,763)		(644,624)		(435,665)		(134,388)		(304,281)
Seniority Premiums										
Defined benefit obligations	Ps.	271,299	Ps.	270,088	Ps.	261,941	Ps.	274,043	Ps.	267,110
Plan assets		486,482		548,355		475,525		380,350		499,922
Status of the plans		215,183		278,267		213,584		106,307		232,812
Actuarial adjustments (1)		(9,027)		(92,444)		(7,569)		9,533		8,517
Severance Indemnities										
Defined benefit obligations	Ps.	314,215	Ps.	370,379	Ps.	413,701	Ps.	470,314	Ps.	557,251
Plan assets		–		–		–		–		–
Status of the plans		(314,215)		(370,379)		(413,701)		(470,314)		(557,251)
Actuarial adjustments (1)		–		14,129		(25,682)		5,152		8,231

(1) On defined benefit obligations and plan assets.

11. Commitments and Contingencies

At December 31, 2009, the Group had commitments in an aggregate amount of Ps.321,642, of which Ps.159,864 were commitments related to gaming operations, Ps.8,375 were commitments to acquire television technical equipment, Ps.133,268 were commitments for the acquisition of software and related services, and Ps.20,135 were construction commitments for building improvements and technical facilities.

At December 31, 2009, 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
2010	U.S.$	11,026
2011		9,456
2012		6,467
2013		2,760
2014 and thereafter		6,226
	U.S.$	35,935

The Group has guaranteed 58.7% of Sky's minimum commitments for use of satellite transponders over a period ending in 2015. This guarantee is estimated to be in the aggregate amount of approximately U.S.$68.9 million (undiscounted) as of December 31, 2009 (see Notes 8 and 9).

The Company has guaranteed the obligation of Sky for direct loans in an aggregate principal amount of Ps.3,500,000, which are reflected in the December 31, 2009 balance sheet as long-term debt (see Note 8).

The Group leases facilities, primarily for its Gaming business, under operating leases expiring through 2047. As of December 31, 2009, non-cancellable annual lease commitments (undiscounted) are as follows:

2010	Ps.	208,758
2011		154,519
2012		145,153
2013		44,203
2014		10,187
Thereafter		154,502
	Ps.	717,322

At December 31, 2009, the Group had commitments of capital contributions to be made in 2010 related to its 40.5% equity interest in La Sexta in the amount of €21.5 million (Ps.403,015). In the first quarter of 2010, the Group made loans to La Sexta in connection with these commitments in the aggregate amount of €8.35 million (Ps.152,972) (see Note 5).

In November 2007, Sky and Sky Brasil Servicos Ltda. ("Sky Brasil") reached an agreement with Intelsat Corporation, and an affiliate, to build and launch a new 24-transponder satellite ("IS-16") for which service will be dedicated to Sky and Sky Brasil over the satellite's estimated 15-year service life. The IS-16, which was launched in the first quarter of 2010, will provide back up for both platforms, and will also double Sky's current capacity. The agreement requires the payment related to Sky of a one-time fixed fee in the aggregate amount of U.S.$138.6 million, in two installments: the first one in the amount of U.S.$27.7 million, which was paid in the first quarter of 2010, and the second one in the amount of U.S.$110.9 million, which will be paid in the first quarter of 2011. The agreement also contemplates the payment related to Sky of a monthly service fee of U.S.$150 thousand to be paid from the start of service date (April 2010) through September 2015.

In March 2010, Sky reached an agreement with a subsidiary of Intelsat, S.A. ("Intelsat") to lease 24 transponders on Intelsat IS-21 satellite which will be mainly used for signal reception and retransmission services over the satellite's estimated 15-year service life. IS-21 intends to replace Intelsat IS-9 as Sky's primary transmission satellite and is currently expected to start service in the fourth quarter of 2012.

In accordance with a tax amnesty provided by the Mexican tax law, the Group made payments in 2008 to the Mexican tax authority in the aggregate amount of Ps.88,109 to settle (i) a claim made for an alleged asset tax liability for the year ended December 31, 1994; and (ii) assertions made for withheld income taxes in connection with the acquisition of exclusivity rights of certain soccer players from foreign entities between 1999 and 2002. These payments were accrued by the Group as of December 31, 2007 (see Note 17).

On February 15, 2010, the Company and NII Holdings, Inc. announced that they signed an agreement under which, among other transactions, the Group will invest U.S.$1,440 million in cash for a 30% equity stake in Comunicaciones Nextel de México, S.A. de C.V. ("Nextel Mexico"), as follows: U.S.$1,140 million in 2010 and the remaining investment in three equal annual installments. The Group´s investment and other transactions contemplated by this agreement are conditioned upon the Nextel Mexico and the Group consortium being awarded licenses to use specified amounts of spectrum in the upcoming spectrum auctions in Mexico and other customary closing conditions.

Univision

On January 22, 2009, the Company and Univision announced an amendment to the Program License Agreement (the "PLA"), between Televisa and Univision. The amended PLA, which runs through 2017, includes a simplified royalty calculation and is expected to result in increased payments to the Company, as well as a provision for certain yearly minimum guaranteed advertising, with a value of U.S.$66.5 million for fiscal year 2009, to be provided by Univision, at no cost, for the promotion of the Group's businesses commencing in 2009. Notwithstanding the foregoing, the Company cannot predict whether future royalty payments will in fact increase.

In connection with this amendment and in return for certain other consideration, Televisa and Univision agreed to dismiss certain claims that were pending in a District Court Action in Los Angeles, California, with the exception of a counterclaim filed by Univision in October 2006, whereby it sought for a judicial declaration that on or after December 19, 2006, pursuant to the PLA, Televisa may not transmit or permit others to transmit any television programming into the United States by means of the Internet (the "Univision Internet Counterclaim").

The Univision Internet Counterclaim was tried in a non-jury trial before the Hon. Philip S. Gutierrez (the "Judge") commencing on June 9, 2009. On July 17, 2009, the Judge issued a written decision following trial in favor of Univision. By judgment entered on August 3, 2009, the Judge held: "Under the 2001 PLA between Univision and Televisa, Televisa is prohibited from making Programs, as that term is defined in the PLA, available to viewers in the United States via the Internet." Televisa filed a notice of appeal of the judgment on August 17, 2009 and filed its opening brief on February 12, 2010. Univision filed its opposition brief to Televisa's appeal on March 17, 2010 and Televisa filed its reply brief on April 5, 2010. The Court will decide whether to schedule oral argument and when to render a decision. The Judge's ruling does not grant Univision the right to distribute Televisa's content over the Internet, and this decision has no effect on the Group's current business as the Group does not derive any revenues from the transmission of video content over the Internet in the United States.

The Company cannot predict how the outcome of this litigation will affect the Group's business relationship with Univision with respect to Internet distribution rights in the United States.

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.

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. 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, 2009, shares of capital stock and CPOs consisted of (in millions):

	Authorized and Issued [1]	Repurchased by the Company [2]	Held by a Company's Trust [3]	Held by a Company's Subsidiary [3]	Outstanding
Series "A" Shares	119,879.1	(331.9)	(6,843.8)	(1,173.4)	111,530.0
Series "B" Shares	55,995.3	(292.1)	(3,524.2)	(598.4)	51,580.6
Series "D" Shares	85,333.7	(464.7)	(1,889.8)	(919.2)	82,060.0
Series "L" Shares	85,333.7	(464.7)	(1,889.8)	(919.2)	82,060.0
Total shares	346,541.8	(1,553.4)	(14,147.6)	(3,610.2)	327,230.6
Shares in the form of CPOs	285,257.5	(1,553.4)	(6,317.4)	(3,072.6)	274,314.1
CPOs	2,438.1	(13.3)	(53.9)	(26.3)	2,344.6

(1) As of December 31, 2009, the authorized and issued capital stock amounted to Ps.10,019,859 (nominal Ps.2,368,792).

(2) In 2007, 2008 and 2009, the Company repurchased 7,861.2 million, 2,698.2 million and 1,553.5 million shares in the form of 67.2 million, 23.1 million and 13.3 million CPOs, respectively, in the amount of Ps.4,049,902 Ps.1,112,568 and Ps.705,068, respectively, in connection with a share repurchase program that was approved by the Company's stockholders and exercised at the discretion of management. In April 2007, 2008 and 2009, the Company's stockholders approved the cancellation of 8,275.8 million, 7,146.1 million and 1,421.2 million shares of capital stock, respectively, in the form of 70.7 million, 61.1 million and 12.1 million CPOs, respectively, which were repurchased by the Company under this program.

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

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 equal 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 stockholders 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, 2009, the restated tax value of the Company's common stock was Ps.25,474,063. 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 of options to sell up to 8% of the Company's capital stock to key Group employees. Pursuant to this Plan, as of December 31, 2009, the Company had assigned approximately 117.4 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 1933 of the United States, as amended, can only be transferred to the plan participants when the conditions set forth in the Plan and the related agreements are satisfied.

During 2007, 2008 and 2009, approximately 7.8 million CPOs, 2.0 million CPOs, and 0.1 million CPOs, respectively, were vested and transferred to participants to be exercised pursuant to this Plan in the amount of Ps. 123,653, Ps.24,306 and Ps.371, respectively.

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, 2008 and 2009, the Company had assigned approximately 76.3 million CPOs and 100.5 million CPOs or CPOs equivalent, respectively, at exercise prices that range from Ps.13.45 per CPO to Ps.60.65 per CPO, subject to certain conditions, including adjustments based on the Group's consolidated operating income and exercise periods between 2008 and 2012. In 2009 and January 2010, approximately 11.7 million CPOs and 13.7 million CPOs, respectively, were vested and transferred to participants to be exercised pursuant to this Retention Plan in the amounts of Ps.112,009 and Ps.88,652, respectively.

As of December 31, 2009, the designated Retention Plan trust owned approximately 4.7 million CPOs or CPOs equivalents, which 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 2013 and 2023.

In connection with the Company's Plan and Retention Plan, the Group has determined the stock-based compensation expense (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	2007	2008	2009
Number of CPOs or CPOs equivalent granted	2,360	32,918	46,784	5,971	24,760	24,857
Contractual life	3-5 years	1-3 years	4-6 years	3-5 years	3 years	3 years
Assumptions:						
Dividend yield	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Expected volatility [1]	31.88%	21.81%	22.12%	21.98%	33.00%	31.00%
Risk-free interest rate	9.35%	6.52%	8.99%	7.54%	8.87%	5.00%
Expected life of awards (in years)	4.01 years	2.62 years	4.68 years	3.68 years	2.84 years	2.89 years

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

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

	2008		2009	
	CPOs or CPOs equivalent	Weighted-Average Exercise Price	CPOs or CPOs equivalent	Weighted-Average Exercise Price
Stock Purchase Plan:				
Outstanding at beginning of year	13,316	14.13	10,211	13.96
Granted	134	15.20	–	–
Exercised	(3,112)	13.67	(7,932)	13.16
Forfeited	(127)	10.58	–	–
Outstanding at beginning of year	10,211	13.96	2,279	11.82
Exercisable at end of year	10,169	13.99	2,279	11.82
Long-Term Retention Plan:				
Outstanding at beginning of year	47,654	13.47	64,443	25.04
Granted	24,760	43.55	24,857	34.88
Exercised	(7,041)	10.05	(8,735)	8.56
Forfeited	(930)	9.55	(726)	30.02
Outstanding at beginning of year	64,443	25.04	79,839	29.75
Exercisable at end of year	9,927	9.55	12,897	6.45

As of December 31, 2009, the weighted-average remaining contractual life of the awards under the Long-term Retention Plan is 1.33 years.

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. As the legal reserve reached 20% of the capital stock amount, no additional increases were required in 2007, 2008 and 2009. 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 April 2007, the Company's stockholders approved the payment of a dividend in the aggregate amount of Ps.4,506,492 (nominal Ps.4,384,719), which consisted of nominal Ps.1.45 per CPO and nominal Ps.0.01239316239 per share of Series "A", "B", "D" and "L," not in the form of a CPO, and was paid in cash in May 2007.

In April 2008, the Company's stockholders approved the payment of a dividend in the aggregate amount of Ps.2,229,973, which consisted of Ps.0.75 per CPO and Ps.0.00641025641 per share of series "A", "B", "D" and "L", not in the form of a CPO, and was paid in cash in May 2008.

In April 2009, the Company's stockholders approved the payment of a dividend in the aggregate amount of Ps.5,183,020, which consisted of a Ps.1.75 per CPO and Ps.0.014957264957 per share of series "A", "B", "D" and "L", not in the form of a CPO, and was paid in cash in May 2009.

In December 2009, the Company's stockholders approved the payment of a dividend in the aggregate amount of Ps.3,980,837, which consisted of a Ps.1.35 per CPO and Ps.0.011538461538 per share of series "A", "B", "D" and "L", not in the form of a CPO, and was paid in cash in December 2009.

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 1.4286 factor and applying to the resulting amount the income tax rate of 30%.

As of December 31, 2009, cumulative earnings that have been subject to income tax and can be distributed by the Company free of Mexican withholding tax were approximately Ps.1,222,719. 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

Comprehensive income related to the majority interest for the years ended December 31, 2007, 2008 and 2009, was as follows:

	2007	2008	2009
Net income	Ps. 8,082,463	Ps. 7,803,652	Ps. 6,007,143
Other comprehensive income (loss), net:			
Foreign currency translation adjustments, net (1)	204,174	352,726	(154,482)
Result from holding non-monetary assets, net (2)	23,491	–	–
Reclassification adjustment for loss included in net income (3)	565,862	–	–
Unrealized gain on available-for-sale investments, net of income tax	–	–	339,881
Gain (loss) on equity accounts of investees, net (4)	5,382	(58,109)	39,525
Result from hedge derivative contracts, net of income taxes	–	1,955	(7,142)
Total other comprehensive income, net	798,909	296,572	217,782
Comprehensive income	Ps. 8,881,372	Ps. 8,100,224	Ps. 6,224,925

(1) The amounts for 2008 and 2009 are presented net of income tax provision (benefit) of Ps.148,010 and Ps.(70,914), respectively.

(2) Represented 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 income tax of Ps.7,523, (see Note 1(a)).

(3) Related to the disposition of the Group's available-for-sale investment in Univision (see Note 17).

(4) Represents gains or losses in other stockholders' equity accounts of equity investees, as well as other comprehensive income recognized by equity investees.

The changes in components of accumulated other comprehensive (loss) income for the years ended December 31, 2007, 2008 and 2009, were as follows:

	Gain (Loss) on Equity Accounts of Investees	Cumulative Result from Hedge Derivative Contracts	Accumulated Monetary Result	Result from Available-For-Sale Investments	Cumulative Result from Holding Non-Monetary Assets	Cumulative Result from Foreign Currency Translation	Cumulative Effect of Deferred Income Taxes	Accumulated Other Comprehensive (Loss) Income
Balance at January 1, 2007	Ps. 4,230,668	Ps. –	Ps. (35,186)	Ps. (565,862)	Ps. (2,660,807)	Ps. (1,552,753)	Ps. (3,224,437)	Ps. (3,808,377)
Current year change	5,382	–	–	565,862	23,491	204,174	–	798,909
Balance at December 31, 2007	4,236,050	–	(35,186)	–	(2,637,316)	(1,348,579)	(3,224,437)	(3,009,468)
Reclassifications to retained earnings	–	–	35,186	–	2,637,316	–	3,224,437	5,896,939
Current year change	(58,109)	1,955	–	–	–	352,726	–	296,572
Balance at December 31, 2008	4,177,941	1,955	–	–	–	(995,853)	–	3,184,043
Current year change	39,525	(7,142)	–	339,881	–	(154,482)	–	217,782
Balance at December 31, 2009	Ps. 4,217,466	Ps. (5,187)	Ps. –	Ps. 339,881	Ps. –	Ps. (1,150,335)	Ps. –	Ps. 3,401,825

Cumulative result from holding non-monetary assets as of December 31, 2007 was net of a deferred income tax benefit of Ps. 382,891.

In conjunction with certain provisions of Mexican FRS that became effective on January 1, 2008, related to reclassifying to retained earnings certain outstanding balances that were recognized in accumulated other comprehensive result in accordance with previous accounting guidelines, the Group reclassified to retained earnings the outstanding balances of cumulative loss from holding non-monetary assets, accumulated monetary loss and cumulative effect of deferred income taxes in the aggregate amount of Ps.5,896,939.

15. Noncontrolling Interest

Noncontrolling interest at December 31, consisted of:

	2008	2009
Capital stock [1] [2]	Ps. 2,294,678	Ps. 2,158,701
Additional paid-in capital [1]	1,082,001	2,740,712
Legal reserve	99,622	140,259
Retained earnings from prior years [2]	865,486	675,751
Net income for the year	927,005	575,554
Other comprehensive income:		
Cumulative result from hedge derivative contracts, net of income taxes	1,295	(23,546)
Cumulative result from foreign currency translation	12,260	4,926
Other	(49,513)	29,995
	Ps. 5,232,834	Ps. 6,302,352

(1) In June 2009, the stockholders of Empresas Cablevisión made a capital contribution in cash to increase the capital stock of this Company's subsidiary in the aggregate amount of Ps.3,699,652, of which Ps.1,811,800 was contributed by the noncontrolling interest.

(2) Effective October 1, 2009, the Group began to consolidate the assets and liabilities of TVI (see Note 2).

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, for the years ended December 31, were as follows:

	2007	2008	2009
Revenues:			
Programming production and transmission rights [a]	Ps. 98,836	Ps. 69,911	Ps. 14,482
Administrative services [b]	65,586	80,297	39,425
Advertising [c]	80,122	60,647	54,026
	Ps. 244,544	Ps. 210,855	Ps. 107,933
Costs:			
Donations	Ps. 98,029	Ps. 72,617	Ps. 107,842
Administrative services [b]	30,101	16,577	27,750
Technical services [d]	74,015	93,321	103,909
Other	189,699	13,478	47,897
	Ps. 391,844	Ps. 195,993	Ps. 287,398

(a) Services rendered to Endemol in 2007 and other affiliates in 2007, 2008 and 2009.

(b) 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.

(c) Advertising services rendered to OCEN and Volaris in 2007, 2008 and 2009.

(d) In 2007, 2008 and 2009, Sky received services from a subsidiary of DirecTV Latin America for play-out, uplink and downlink of signals.

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 provided consulting services and research in connection with the effects of the Group's programming on its viewing audience. Total fees for such services during 2007, 2008 and 2009 amounted to Ps.20,816, Ps.20,811 and Ps.21,215, respectively.

(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 stockholders 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 Company's current board serve as members of the boards and/or are stockholders of other companies, some of which purchased advertising services from the Group in connection with the promotion of their respective products and services, paying rates applicable to third-party advertisers for these advertising services.

(5) During 2007, 2008 and 2009, a professional services firm in which a current director of the Company maintains an interest provided legal advisory services to the Group in connection with various corporate matters. Total fees for such services amounted to Ps.21,831, Ps.15,550 and Ps.13,459, respectively.

(6) A television production company, indirectly controlled by a company where a member of the board and executive of the Company is a stockholder, provided production services to the Group in 2007 and 2008, in the amount of Ps.153,364 and Ps.973, respectively.

(7) During 2007, 2008 and 2009 the Group paid sale commissions to a company where a member of the board and executive of the Company is a stockholder, in the amount of Ps.49,614, Ps.8,731 and Ps.723, respectively.

(8) During 2007, 2008 and 2009, a company in which a current director and executive of the Company is a stockholder, purchased unsold advertising from the Group for a total of Ps.189,852, Ps.234,296 and Ps.233,707, respectively.

(9) During 2009, a professional services firm in which two current directors of the Company maintain an interest provided finance advisory services to the Group in connection with various corporate matters. Total fees for such services amounted to Ps.13,854.

All significant account balances included in amounts due from affiliates bear interest. In 2007, 2008 and 2009, average interest rates of 7.7%, 8.2% and 6.0% 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, 2008 and 2009, included deposits and advances from affiliates and other related parties, which were primarily made by OCEN, Editorial Clío, Libros y Videos, S.A. de C.V., and Volaris, in an aggregate amount of Ps.76,207 and Ps.29,666, respectively.

17. Other Expense, Net

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

		2007		2008		2009
Loss (gain) on disposition of investments, net (see Note 2) (1)	Ps.	669,473	Ps.	12,931	Ps.	(90,565)
Donations (see Note 16)		150,224		78,856		133,325
Financial advisory and professional services (2)		191,495		21,532		188,825
Employees' profit sharing (3)		20,821		27,345		37,033
Loss on disposition of fixed assets		37,989		45,394		233,540
Impairment adjustments (4)		493,693		609,595		1,160,094
Termination fee income for the cancellation of a call option (see Note 5)		(462,083)		–		–
Other (income) expense, net (5)		(148,260)		156,486		102,594
	Ps.	953,352	Ps.	952,139	Ps.	1,764,846

(1) In 2007 includes Ps.565,862 related to a reclassification of comprehensive loss recognized in other expense in connection with the disposition of the Group´s available for sale investment in Univision (see Note 14).

(2) Includes financial advisory services in connection with contemplated dispositions and strategic planning projects and professional services in connection with certain litigation and other matters, net in 2008 of Ps.284,472 related to certain payments from Univision that had previously recorded by the Group as customer deposits and advances (Ps.236,032) as well as a settlement amount of U.S.$3.5 million (Ps.48,440) paid by Univision to the Company (see Notes 2, 11 and 16).

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

(4) During 2007, 2008 and 2009, the Group tested for impairment the carrying value of certain trademarks of its Publishing segment, as well as goodwill of certain businesses of its Television Broadcasting and Cable and Telecom segments. As a result of such testing, impairment adjustments were made to goodwill in 2007, and trademarks and goodwill in 2008 and 2009. (see Note 7).

(5) In 2007, includes primarily a cancellation of a provision for certain contingencies in connection with the acquisition of exclusivity rights of certain soccer players from foreign entities (see Note 11).

18. Integral Cost of Financing, Net

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

	2007	2008	2009
Interest expense (1)	Ps. 2,176,998	Ps. 2,816,369	Ps. 3,136,411
Interest income	(1,844,653)	(1,299,789)	(1,053,411)
Foreign exchange (gain) loss, net (2)	(215,897)	(685,698)	890,254
Loss from monetary position (3)	293,766	–	–
	Ps. 410,214	Ps. 830,882	Ps. 2,973,254

(1) Interest expense in 2007, includes Ps.13,034, derived from the UDI index restatement of Company's UDI-denominated debt securities, and a net loss from related derivative contracts of Ps.1,741 and Ps.123,242, in 2008 and 2009, respectively (see Notes 8 and 9).

(2) Includes in 2007, 2008 and 2009 a net (gain) loss from foreign currency derivative contracts of Ps.(39,087), Ps.(889,562) and Ps.529,621, respectively. A foreign exchange loss in 2007 of Ps.211,520, related to the hedge for the Group's net investment in Univision, was recognized in 2007 in consolidated income as other expense, net (see Notes 1(c) and 14).

(3) The gain or loss from monetary position represented 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 2007 of Ps.135,548, arising from temporary differences of non-monetary items in calculating deferred income tax (see Notes 1(a) and 19).

19. Income Taxes

The Company is authorized by the Mexican tax authorities to compute its income 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.

The Mexican corporate income tax rate in 2007, 2008 and 2009 was 28%. In accordance with the current Mexican Income Tax Law, the corporate income tax rate will be 30% in 2010, 2011 and 2012, and 29% and 28% in 2013 and 2014, respectively.

In October 2007, the Mexican government enacted the new Flat Rate Business Tax ("Impuesto Empresarial a Tasa Única" or "IETU"). This law became effective as of January 1, 2008. The law introduces a flat tax, which replaces Mexico's asset tax and is applied along with Mexico's regular income tax. The asset tax was computed on a fully consolidated basis through December 31, 2007. In general, Mexican companies are subject to paying the greater of the IETU or the income tax. The flat tax is calculated by applying a tax rate of 16.5% in 2008, 17% in 2009, and 17.5% in 2010 and the following years. Although the IETU is defined as a minimum tax it has a wider taxable base as some of the tax deductions allowed for income tax purposes are not allowed for the IETU. As of December 31, 2007, 2008 and 2009, this tax law change did not have an effect on the Group's deferred tax position, and the Group does not expect to have to pay this tax in the near future on a tax consolidated basis.

In December 2009, the Mexican government enacted certain amendments and changes to the Mexican Income Tax Law that became effective as of January 1, 2010. The main provisions of these amendments and changes are as follows: (i) the corporate income tax rate will be increased from 28% to 30% for the years 2010 through 2012, and reduced to 29% and 28% in 2013 and 2014, respectively; and (ii) under certain circumstances, the deferred income tax benefit derived from tax consolidation of a parent company and its subsidiaries is limited to a period of five years; therefore, the resulting deferred income tax has to be paid starting in the sixth year following the fiscal year in which the deferred income tax benefit was received; (iii) the payment of this tax has to be made in installments: 25% in the first and second year, 20% in the third year, and 15% in the fourth and fifth year; and (iv) taxpayers will have to pay in 2010 the first installment of the cumulative amount of the deferred tax benefits determined as of December 31, 2004.

The income tax provision for the years ended December 31, 2007, 2008 and 2009 was comprised as follows:

	2007	2008	2009
Income taxes, current	Ps. 3,707,763	Ps. 3,146,339	Ps. 4,040,332
Income taxes, deferred	(358,122)	417,856	(919,588)
	Ps. 3,349,641	Ps. 3,564,195	Ps. 3,120,744

The following items represent the principal differences between income taxes computed at the statutory rate and the Group's provision for income taxes.

	% 2007	% 2008	% 2009
Tax at the statutory rate on income before provisions	28	28	28
Differences in inflation adjustments for tax and book purposes	2	1	–
Unconsolidated income tax	1	1	1
Minority interest	(4)	–	1
Changes in valuation allowances:			
Asset tax	3	(3)	–
Tax loss carryforwards	–	–	1
Goodwill	–	–	2
Foreign operations	(5)	4	(1)
Equity in losses of affiliates, net	2	2	2
Tax losses of subsidiaries, net	–	–	(4)
Flat rate business tax	–	(4)	2
Provision for income tax and the asset tax	27	29	32

The Group has tax loss carryforwards at December 31, 2009, as follows:

	Amount	Expiration
Operating tax loss carryforwards:		
Unconsolidated:		
Mexican subsidiaries [1]	Ps. 2,990,507	From 2010 to 2019
Non-Mexican subsidiaries [2]	3,184,368	From 2010 to 2029
	Ps. 6,174,875	

[1] During 2007, 2008 and 2009, certain Mexican subsidiaries utilized unconsolidated operating tax loss carryforwards of Ps.3,438,922, Ps.699,845 and Ps.1,254,029, respectively. In 2007, 2008 and 2009, the carryforwards amount includes the operating tax loss carryforwards related to the minority interest of Sky.

[2] Approximately for the equivalent of U.S.$243.5 million related to losses from subsidiaries in Europe, South America and the United States.

In 2007, the asset tax rate decreased from 1.8% to 1.25%. The asset tax was calculated on a fully consolidated basis through December 31, 2007. The asset tax is no longer applied in Mexico beginning in January 1, 2008.

The deferred taxes as of December 31, 2008 and 2009, were principally derived from the following temporary differences:

	2008	2009
Assets:		
Accrued liabilities	Ps. 775,913	Ps. 884,255
Goodwill	1,062,680	1,396,040
Tax loss carryforwards	805,779	897,152
Allowance for doubtful accounts	339,977	428,605
Customer advances	802,919	839,012
Other items	269,670	447,936
Liabilities:		
Inventories	(259,418)	(379,286)
Property, plant and equipment, net	(1,520,432)	(1,365,307)
Prepaid expenses	(1,539,708)	(1,619,263)
Tax losses of subsidiaries, net [a]	(465,294)	(161,686)
Deferred income taxes of Mexican companies	272,086	1,367,458
Deferred income taxes of foreign subsidiaries	(81,575)	160,462
Asset tax	891,094	925,496
Flat rate business tax	40,095	23,097
Valuation allowances [b]	(3,386,861)	(3,826,622)
Dividends distributed among Group's entities [a] [c]	–	(548,503)
Deferred income tax liability, net	Ps. (2,265,161)	Ps. (1,898,612)
Deferred tax liability current portion [d]	Ps. –	Ps. (133,231)
Deferred tax liability long-term	(2,265,161)	(1,765,381)
	Ps. (2,265,161)	Ps. (1,898,612)

[a] In 2009 reflects the effects of income tax payable in connection with the Mexican 2010 Tax reform (see Note 1(t)).

[b] Reflects valuation allowances of foreign subsidiaries of Ps.627,308 and Ps.607,934 as of December 31, 2008 and 2009, respectively.

[c] Income tax provision recorded in December 2009 as an adjustment to retained earnings.

[d] Income tax provision accounted for as taxes payable in the consolidated balance sheet as of December 31, 2009.

A roll forward of the Group's valuation allowance for 2009 is as follows:

	Tax Loss Carryforwards	Asset Tax	Goodwill	Total
Balance at beginning of year	Ps. (1,433,087)	Ps. (891,094)	Ps. (1,062,680)	Ps. (3,386,861)
Increases	(71,999)	(34,402)	(333,360)	(439,761)
Balance at end of year	Ps. (1,505,086)	Ps. (925,496)	Ps. (1,396,040)	Ps. (3,826,622)

The change in the deferred income tax liability for the year ended December 31, 2009, representing a credit of Ps.366,549 was recognized as follows:

Charge to the stockholders' equity	Ps. 548,804
Credit to the provision for deferred income tax	(919,588)
Credit to other expense, net	(3,844)
Initial consolidation of TVI	8,079
	Ps. (366,549)

20. Earnings per CPO/Share

During the years ended December 31, 2007, 2008 and 2009, 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):

	2007	2008	2009
Total Shares	333,652,535	329,579,613	329,304,371
CPOs	2,399,453	2,364,642	2,362,289
Shares not in the form of CPO units:			
Series "A" Shares	52,915,849	52,915,849	52,915,849
Series "B" Shares	187	187	187
Series "D" Shares	239	239	239
Series "L" Shares	239	239	239

Earnings 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, 2007, 2008 and 2009, are presented as follows:

	2007		2008		2009	
	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. 2.84	Ps. 0.02	Ps. 2.77	Ps. 0.02	Ps. 2.14	Ps. 0.02
Discontinued operations	–	–	–	–	–	–
Majority interest net income	Ps. 2.84	Ps. 0.02	Ps. 2.77	Ps. 0.02	Ps. 2.14	Ps. 0.02

21. Foreign Currency Position

The foreign currency position of monetary items of the Group at December 31, 2009, was as follows:

	Foreign Currency Amounts (Thousands)	Year-End Exchange Rate	Mexican Pesos
Assets:			
U.S. Dollars	2,413,980	Ps. 13.0800	Ps. 31,574,858
Euros	78,148	18.7449	1,464,876
Argentinean Pesos	117,177	3.4421	403,335
Chilean Pesos	21,212,720	0.0257	545,167
Colombian Pesos	16,647,701	0.0063	104,881
Other currencies			146,844
Liabilities:			
U.S. Dollars	3,035,255	Ps. 13.0800	Ps. 39,701,135
Euros	21,722	18.7449	407,177
Argentinean Pesos	73,979	3.4421	254,643
Chilean Pesos	25,750,390	0.0257	661,785
Colombian Pesos	17,575,627	0.0063	110,726
Brazilian Reales	36,400	7.4979	272,924
Other currencies			110,002

Transactions incurred during 2009 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	U.S.$ 582,105	U.S.$ 134,262	U.S.$ 716,367	Ps. 9,370,080
Other income	70,648	4,116	74,764	977,913
Interest income	61,739	1,033	62,772	821,058
	U.S.$ 714,492	U.S.$ 139,411	U.S.$ 853,903	Ps. 11,169,051
Purchases, costs and expenses:				
Purchases of inventories	U.S.$ 241,510	U.S.$ 26,172	U.S.$ 267,682	Ps. 3,501,281
Purchases of property and equipment	254,390	2,512	256,902	3,360,278
Investments	5,248	48,215	53,463	699,296
Costs and expenses	519,947	132,171	652,118	8,529,703
Interest expense	128,939	191	129,130	1,689,020
	U.S.$1,150,034	U.S.$ 209,261	U.S.$1,359,295	Ps. 17,779,578
Net	U.S.$ (435,542)	U.S.$ (69,850)	U.S.$ (505,392)	Ps. (6,610,527)

[1] Income statement amounts translated at the year-end exchange rate of Ps.13.08 for reference purposes only; does not indicate the actual amounts accounted for in the financial statements (see Note 1(c)).

As of December 31, 2009, the exchange rate was Ps.13.08 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 5, 2010, the exchange rate was Ps.12.2686 per U.S. Dollar, which represents the interbank free market exchange rate on that date as reported by Banco Nacional de México, S.A.

22. 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.

Sky

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

Cable and Telecom

The Cable and Telecom segment includes the operation of a cable and telecommunication system in the Mexico City metropolitan area (Cablevisión); beginning in December 2007, the operation of telecommunication facilities through a fiber-optic network that covers the most important cities and economic regions of Mexico and the cities of San Antonio and San Diego in the United States (Bestel); beginning in June 2008, the operation of cable and telecommunication networks covering 49 cities of Mexico (Cablemás); and beginning in October 2009, the operation of cable and telecommunications networks covering Monterrey and suburban areas (TVI). The cable and telecommunication businesses derive revenues from cable subscribers, principally from basic and premium television services subscription, pay-per-view fees, installation fees, Internet services subscription and telephone services subscription (beginning in third quarter of 2007), as well as from local and national advertising sales. The telecommunication facilities business derives revenues from providing data and long-distance services solutions to carriers and other telecommunications service providers through its fiber-optic network.

Other Businesses

The Other Businesses segment includes the Group's domestic operations in sports and show business promotion, soccer, feature film production and distribution, internet, gaming, radio, and publishing distribution (beginning in the third quarter of 2008). The Group's Publishing Distribution business was presented as a separate reportable segment in 2007, and classified into the Other Businesses segment in 2008, since its operations became no longer significant to the Group's consolidated financial statements taken as a whole.

The table below presents information by segment and a reconciliation to consolidated total for the years ended December 31, 2007, 2008 and 2009.

	Total Revenues	Intersegment Revenues	Consolidated Revenues	Segment Income (Loss)
2007:				
Television Broadcasting	Ps. 21,213,175	Ps. 456,133	Ps. 20,757,042	Ps. 10,518,063
Pay Television Networks	1,851,969	487,718	1,364,251	1,150,226
Programming Exports	2,262,137	620	2,261,517	1,032,022
Publishing	3,311,867	16,918	3,294,949	624,360
Sky	8,402,151	80,124	8,322,027	4,037,860
Cable and Telecom	2,611,613	3,063	2,608,550	947,178
Other Businesses	3,039,667	86,477	2,953,190	(237,399)
Segment totals	42,692,579	1,131,053	41,561,526	18,072,310
Reconciliation to consolidated amounts:				
Eliminations and corporate expenses	(1,131,053)	(1,131,053)	–	(368,344)
Depreciation and amortization expense	–	–	–	(3,223,070)
Consolidated total	Ps. 41,561,526	Ps. –	Ps. 41,561,526	Ps. 14,480,896 [1]
2008:				
Television Broadcasting	Ps. 21,460,653	Ps. 296,012	Ps. 21,164,641	Ps. 10,504,876
Pay Television Networks	2,212,502	692,388	1,520,114	1,378,152
Programming Exports	2,437,237	26,410	2,410,827	1,076,769
Publishing	3,700,361	14,436	3,685,925	648,626
Sky	9,162,172	8,010	9,154,162	4,416,783
Cable and Telecom	6,623,367	6,271	6,617,096	2,134,813
Other Businesses	3,498,615	79,102	3,419,513	(242,812)
Segment totals	49,094,907	1,122,629	47,972,278	19,917,207
Reconciliation to consolidated amounts:				
Eliminations and corporate expenses	(1,122,629)	(1,122,629)	–	(478,285)
Depreciation and amortization expense	–	–	–	(4,311,115)
Consolidated total	Ps. 47,972,278	Ps. –	Ps. 47,972,278	Ps. 15,127,807 [1]
2009:				
Television Broadcasting	Ps. 21,561,636	Ps. 163,054	Ps. 21,398,582	Ps. 10,323,899
Pay Television Networks	2,736,579	795,139	1,941,440	1,660,364
Programming Exports	2,845,918	16,915	2,829,003	1,437,220
Publishing	3,356,056	15,510	3,340,546	190,709
Sky	10,005,216	15,227	9,989,989	4,478,847
Cable and Telecom	9,241,787	65,174	9,176,613	2,971,868
Other Businesses	3,771,444	95,116	3,676,328	(318,201)
Segment totals	53,518,636	1,166,135	52,352,501	20,744,706
Reconciliation to consolidated amounts:				
Eliminations and corporate expenses	(1,166,135)	(1,166,135)	–	(658,249)
Depreciation and amortization expense	–	–	–	(4,929,589)
Consolidated total	Ps. 52,352,501	Ps. –	Ps. 52,352,501	Ps. 15,156,868 [1]

[1] Consolidated totals represent 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, 2007, 2008 and 2009.

	Segment Assets at Year-End	Segment Liabilities at Year-End	Additions to Property, Plant and Equipment
2007:			
Continuing operations:			
Television operations [1]	Ps. 60,211,587	Ps. 26,298,566	Ps. 1,149,261
Publishing	3,012,529	673,078	156,341
Sky	8,893,874	6,178,789	1,338,938
Cable and Telecom	7,806,023	4,706,581	851,379
Other Businesses	6,685,602	1,437,859	419,520
Total	Ps. 86,609,615	Ps. 39,294,873	Ps. 3,915,439
2008:			
Continuing operations:			
Television operations [1]	Ps. 74,632,445	Ps. 27,221,506	Ps. 1,126,784
Publishing	3,571,663	875,531	82,747
Sky	10,692,386	6,814,814	1,273,819
Cable and Telecom	19,024,327	11,037,061	2,144,334
Other Businesses	5,272,716	1,616,955	563,762
Total	Ps. 113,193,537	Ps. 47,565,867	Ps. 5,191,446
2009:			
Continuing operations:			
Television operations [1]	Ps. 74,038,118	Ps. 29,299,493	Ps. 1,430,521
Publishing	3,096,383	765,645	19,788
Sky	9,705,015	6,852,274	1,727,163
Cable and Telecom	24,338,625	9,769,453	3,205,784
Other Businesses	5,895,410	1,808,245	271,656
Total	Ps. 117,073,551	Ps. 48,495,110	Ps. 6,654,912

[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:

	2008	2009
Segment assets	Ps.113,193,537	Ps.117,073,551
Investments attributable to:		
Television operations [1]	2,086,163	5,171,016
Cable and Telecom	430,699	211,965
Other Businesses	879,292	1,027,066
Goodwill net attributable to:		
Television operations	482,697	322,719
Publishing	693,590	617,203
Cable and Telecom	4,280,513	1,339,542
Other Businesses	805,314	805,314
Total assets	Ps.122,851,805	Ps.126,568,376

[1] Includes goodwill attributable to equity investments of Ps.47,544 and Ps.49,024 in 2008 and 2009, respectively.

Equity method loss for the years ended December 31, 2007, 2008 and 2009 attributable to equity investment in television operations, approximated Ps.768,457, Ps.952,347 and Ps.847,339, respectively.

Segment liabilities reconcile to total liabilities as follows:

	2008	2009
Segment liabilities	Ps. 47,565,867	Ps. 48,495,110
Notes payable and long-term debt not attributable to segments	28,034,262	33,601,119
Total liabilities	Ps. 75,600,129	Ps. 82,096,229

Geographical segment information:

	Total Net Sales	Segment Assets at Year-End	Additions to Property, Plant and Equipment
2007:			
Mexico	Ps. 36,532,710	Ps. 71,194,036	Ps. 3,779,583
Other countries	5,028,816	15,415,579	135,856
	Ps. 41,561,526	Ps. 86,609,615	Ps. 3,915,439
2008:			
Mexico	Ps. 41,176,318	Ps. 91,024,558	Ps. 5,029,480
Other countries	6,795,960	22,168,979	161,966
	Ps. 47,972,278	Ps.113,193,537	Ps. 5,191,446
2009:			
Mexico	Ps. 44,574,144	Ps. 96,678,472	Ps. 6,606,342
Other countries	7,778,357	20,395,079	48,570
	Ps. 52,352,501	Ps.117,073,551	Ps. 6,654,912

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