GRUPO TELEVISA, S.A.B.
Form 6-K
February 28, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 6-K

REPORT OF FOREIGN ISSUER PURSUANT TO RULES 13a-16 or 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of February, 2008

GRUPO TELEVISA, S.A.B.

(Translation of registrant's name into English)

Av. Vasco de Quiroga No. 2000, Colonia Santa Fe 01210 Mexico, D.F.
(Address of principal executive offices)

(Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.)

Form 20-F	x	Form 40-F

(Indicate by check mark whether the registrant by furnishing the information contained in this Form is also furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

Yes	No	x

(If "Yes" is marked indicate below the file number assigned to the registrant in connection with Rule 12g-3-2(b): 82.)

MEXICAN STOCK EXCHANGE

STOCK EXCHANGE CODE: TLEVISA
GRUPO TELEVISA, S.A.B.

QUARTER: 4

YEAR: 2007

CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2007 AND 2006
(Thousands of Mexican Pesos)

Final Printing

REF S	CONCEPTS	CURRENT YEAR		PREVIOUS YEAR	
		Amount	%	Amount	%
s01	TOTAL ASSETS	98,543,961	100	86,151,606	100
s02	CURRENT ASSETS	52,026,860	53	49,286,096	57
s03	CASH AND SHORT-TERM INVESTMENTS	27,304,896	28	16,405,074	19
s04	ACCOUNTS AND NOTES RECEIVABLE (NET)	17,282,923	18	14,108,702	16
s05	OTHER ACCOUNTS AND NOTES RECEIVABLE (NET)	2,797,104	3	1,736,048	2
s06	INVENTORIES	3,988,677	4	3,969,886	5
s07	OTHER CURRENT ASSETS	653,260	1	13,066,386	15
s08	LONG-TERM ASSETS	7,947,753	8	5,925,327	7
s09	ACCOUNTS AND NOTES RECEIVABLE (NET)	-	0	-	0
s10	INVESTMENT IN SHARES OF NON-CONSOLIDATED SUBSIDIARIES AND ASSOCIATES	2,346,949	2	1,747,8682	
s11	OTHER INVESTMENTS	5,600,804	6	4,177,459	5
s12	PROPERTY, PLANT AND EQUIPMENT (NET)	25,171,331	26	21,764,425	25
s13	LAND AND BUILDINGS	15,126,689	15	14,542,664	17
s14	MACHINERY AND INDUSTRIAL EQUIPMENT	28,056,608	28	22,632,915	26
s15	OTHER EQUIPMENT	4,310,177	4	3,562,215	4
s16	ACCUMULATED DEPRECIATION	22,750,195	23	20,180,600	23
s17	CONSTRUCTION IN PROGRESS	428,052	0	1,207,231	1
s18	INTANGIBLE ASSETS AND DEFERRED CHARGES (NET)	8,099,270	8	5,592,695	6
s19	OTHER ASSETS	5,298,747	5	3,583,063	4
s20	TOTAL LIABILITIES	58,043,663	100	48,171,275	100
s21	CURRENT LIABILITIES	8,337,293	14	8,353,334	17
s22	SUPPLIERS	4,457,519	8	3,580,467	7
s23	BANK LOANS	488,650	1	6,352	0

s24	STOCK MARKET LOANS	-	-	1,017,093	2
s103	OTHER LOANS WITH COST	97,696	0	89,415	0
s25	TAXES PAYABLE	684,497	1	1,223,814	3
s26	OTHER CURRENT LIABILITIES WITHOUT COST	2,608,931	4	2,436,193	5
s27	LONG-TERM LIABILITIES	25,468,521	44	19,626,788	41
s28	BANK LOANS	9,194,658	16	7,443,972	15
s29	STOCK MARKET LOANS	15,238,729	26	11,020,285	23
s30	OTHER LOANS WITH COST	1,035,134	2	1,162,531	2
s31	DEFERRED LIABILITIES	19,810,238	34	17,806,917	37
s32	OTHER NON-CURRENT LIABILITIES WITHOUT COST	4,427,611	8	2,384,236	5
s33	CONSOLIDATED STOCKHOLDERS' EQUITY	40,500,298	100	37,980,331	100
s34	MINORITY INTEREST	3,611,187	9	1,642,601	4
s35	MAJORITY INTEREST	36,889,111	91	36,337,730	96
s36	CONTRIBUTED CAPITAL	14,815,514	37	15,054,800	40
s79	CAPITAL STOCK	10,267,570	25	10,506,856	28
s39	PREMIUM ON ISSUANCE OF SHARES	4,547,944	11	4,547,944	12
s40	CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES	-	0	-	0
s41	EARNED CAPITAL	22,073,597	55	21,282,930	56
s42	RETAINED EARNINGS AND CAPITAL RESERVES	35,671,617	88	35,481,659	93
s44	OTHER ACCUMULATED COMPREHENSIVE RESULT	(5,658,954)	(14)	(6,309,755)	(17)
s80	SHARES REPURCHASED	(7,939,066)	(20)	(7,888,974)	(21)

CONSOLIDATED BALANCE SHEETS
BREAKDOWN OF MAIN CONCEPTS
(Thousands of Mexican Pesos)

Final Printing

REF S	CONCEPTS	CURRENT YEAR Amount	%	PREVIOUS YEAR Amount	%
s03	CASH AND SHORT-TERM INVESTMENTS	27,304,896	100	16,405,074	100
s46	CASH	843,531	3	701,245	4
s47	SHORT-TERM INVESTMENTS	26,461,365	97	15,703,829	96
s07	OTHER CURRENT ASSETS	653,260	100	13,066,386	100
s81	DERIVATIVE FINANCIAL INSTRUMENTS	-	0	-	0
s82	DISCONTINUED OPERATIONS	-	0	-	0
s83	OTHER	653,260	100	13,066,386	100
s18	INTANGIBLE ASSETS AND DEFERRED CHARGES (NET)	8,099,270	100	5,592,695	100
s48	DEFERRED EXPENSES (NET)	4,077,666	50	3,325,618	59
s49	GOODWILL	4,021,604	50	2,267,077	41
s51	OTHER	-	0	-	0
s19	OTHER ASSETS	5,298,747	100	3,583,063	100
s84	INTANGIBLE ASSET FROM LABOR OBLIGATIONS	-	0	-	0
s85	DERIVATIVE FINANCIAL INSTRUMENTS	-	0	-	0
s50	DEFERRED TAXES	-	0	-	0
s86	DISCONTINUED OPERATIONS	-	0	-	0
s87	OTHER	5,298,747	100	3,583,063	100
s21	CURRENT LIABILITIES	8,337,293	100	8,353,334	100
s52	FOREIGN CURRENCY LIABILITIES	3,194,470	38	2,692,287	32
s53	MEXICAN PESOS LIABILITIES	5,142,823	62	5,661,047	68
s26	OTHER CURRENT LIABILITIES WITHOUT COST	2,608,931	100	2,436,193	100
s88	DERIVATIVE FINANCIAL INSTRUMENTS	275,486	11	327,499	13
s89	ACCRUED INTEREST	307,814	12	271,915	11
s68	PROVISIONS	-	0	-	0
s90	DISCONTINUED OPERATIONS	-	0	-	0
s58	OTHER CURRENT LIABILITIES	2,025,631	78	1,836,779	75
s27	LONG-TERM LIABILITIES	25,468,521	100	19,626,788	100

s59	FOREIGN CURRENCY LIABILITIES	14,306,061	56	12,215,843	62
s60	MEXICAN PESOS LIABILITIES	11,162,460	44	7,410,945	38
s31	DEFERRED LIABILITIES	19,810,238	100	17,806,917	100
s65	NEGATIVE GOODWILL	-	0	-	0
s67	OTHER	19,810,238	100	17,806,917	100
s32	OTHER NON CURRENT LIABILITIES WITHOUT COST	4,427,611	100	2,384,236	100
s66	DEFERRED TAXES	1,255,005	28	1,544,741	65
s91	OTHER LIABILITIES IN RESPECT OF SOCIAL INSURANCE	323,237	7	297,824	12
s92	DISCONTINUED OPERATIONS	-	0	-	0
s69	OTHER LIABILITIES	2,849,369	64	541,671	23
s79	CAPITAL STOCK	10,267,570	100	10,506,856	100
s37	CAPITAL STOCK (NOMINAL)	2,427,353	24	2,483,923	24
s38	RESTATEMENT OF CAPITAL STOCK	7,840,217	76	8,022,933	76
s42	RETAINED EARNINGS AND CAPITAL RESERVES	35,671,617	100	35,481,659	100
s93	LEGAL RESERVE	2,135,423	6	2,135,423	6
s43	RESERVE FOR REPURCHASE OF SHARES	1,240,869	3	4,626,882	13
s94	OTHER RESERVES	-	0	-	0
s95	RETAINED EARNINGS	24,212,862	68	19,810,411	56
s45	NET INCOME FOR THE YEAR	8,082,463	23	8,908,943	25
s44	OTHER ACCUMULATED COMPREHENSIVE RESULT	(5,658,954)	100	(6,309,755)	100
s70	ACCUMULATED MONETARY RESULT	(35,186)	1	(35,186)	1
s71	RESULT FROM HOLDING NON-MONETARY ASSETS	(2,637,316)	47	(2,660,807)	42
s96	CUMULATIVE RESULT FROM FOREIGN CURRENCY TRANSLATION	(1,348,579)	24	(1,552,753)	25
s97	CUMULATIVE RESULT FROM DERIVATIVE FINANCIAL INSTRUMENTS	-	0	-	0
s98	CUMULATIVE EFFECT OF DEFERRED INCOME TAXES	(3,206,608)	57	(3,224,437)	51
s99	LABOR OBLIGATION ADJUSTMENT	-	0	-	0
s100	OTHER	1,568,735	(28)	1,163,428	(18)

CONSOLIDATED BALANCE SHEETS
OTHER CONCEPTS
(Thousands of Mexican Pesos)

Final Printing

REF S	CONCEPTS	CURRENT YEAR Amount	PREVIOUS YEAR Amount
s72	WORKING CAPITAL	43,689,567	40,932,762
s73	PENSIONS AND SENIORITY PREMIUMS	1,628,742	1,802,958
s74	EXECUTIVES (*)	33	35
s75	EMPLOYEES (*)	17,777	16,170
s76	WORKERS (*)	-	-
s77	OUTSTANDING SHARES (*)	329,960,194,941	337,782,285,516
s78	REPURCHASED SHARES (*)	25,148,885,190	25,602,614,115
s101	RESTRICTED CASH	-	-
s102	NET DEBT OF NON CONSOLIDATED COMPANIES	1,002,543	479,696

(*) THESE CONCEPTS ARE STATED IN UNITS

CONSOLIDATED STATEMENTS OF INCOME
FROM JANUARY 1 TO DECEMBER 31, 2007 AND 2006
(Thousands of Mexican Pesos)

Final Printing

REF	CONCEPTS	CURRENT YEAR		PREVIOUS YEAR	
R		Amount	%	Amount	%
r01	NET SALES	41,561,526	100	39,357,699	100
r02	COST OF SALES	20,835,387	50	19,129,185	49
r03	GROSS PROFIT	20,726,139	50	20,228,514	51
r04	GENERAL EXPENSES	6,245,243	15	5,962,799	15
r05	INCOME (LOSS) AFTER GENERAL EXPENSES	14,480,896	35	14,265,715	36
r08	OTHER INCOME AND (EXPENSE), NET	(953,352)	(2)	(888,070)	(2)
r06	INTEGRAL RESULT OF FINANCING	(410,214)	(1)	(1,141,028)	(3)
r12	EQUITY IN NET INCOME OF NON-CONSOLIDATED SUBSIDIARIES AND ASSOCIATES	(749,299)	(2)	(624,843)	(2)
r48	NON ORDINARY ITEMS	0	0	0	0
r09	INCOME BEFORE INCOME TAXES	12,368,031	30	11,611,774	30
r10	INCOME TAXES	3,349,641	8	2,092,478	5
r11	INCOME (LOSS) BEFORE DISCONTINUED OPERATIONS	9,018,390	22	9,519,296	24
r14	DISCONTINUED OPERATIONS	0	0	0	0
r18	NET CONSOLIDATED INCOME	9,018,390	22	9,519,296	24
r19	NET INCOME OF MINORITY INTEREST	935,927	2	610,353	2
r20	NET INCOME OF MAJORITY INTEREST	8,082,463	19	8,908,943	23

CONSOLIDATED STATEMENTS OF INCOME
BREAKDOWN OF MAIN CONCEPTS
(Thousands of Mexican Pesos)

Final Printing

REF R	CONCEPTS	CURRENT YEAR Amount	%	PREVIOUS YEAR Amount	%
r01	NET SALES	41,561,526	100	39,357,699	100
r21	DOMESTIC	36,532,710	88	34,793,376	88
r22	FOREIGN	5,028,816	12	4,564,323	12
r23	TRANSLATED INTO DOLLARS (***)	460,422	1	407,217	1
r08	OTHER INCOME AND (EXPENSE), NET	(953,352)	100	(888,070)	100
r49	OTHER INCOME AND (EXPENSE), NET	(932,531)	98	(856,422)	96
r34	EMPLOYEES' PROFIT SHARING, CURRENT	20,821	(2)	31,648	(4)
r35	EMPLOYEES' PROFIT SHARING, DEFERRED	0	0	0	0
r06	INTEGRAL RESULT OF FINANCING	(410,214)	100	(1,141,028)	100
r24	INTEREST EXPENSE	2,163,964	(528)	1,969,084	(173)
r42	GAIN (LOSS) ON RESTATEMENT OF UDI'S	(13,034)	3	(41,341)	4
r45	OTHER FINANCE COSTS	0	0	0	0
r26	INTEREST INCOME	1,844,653	(450)	1,135,400	(100)
r46	OTHER FINANCIAL PRODUCTS	0	0	0	0
r25	FOREIGN EXCHANGE GAIN (LOSS), NET	215,897	(53)	(197,678)	17
r28	RESULT FROM MONETARY POSITION	(293,766)	72	(68,325)	6
r10	INCOME TAXES	3,349,641	100	2,092,478	100
r32	INCOME TAX, CURRENT	3,707,763	111	799,833	38
r33	INCOME TAX, DEFERRED	(358,122)	(11)	1,292,645	62

(***) FIGURES IN THOUSANDS OF U.S. DOLLARS AT THE EXCHANGE RATE AS OF THE END OF THE LAST REPORTED QUARTER

CONSOLIDATED STATEMENTS OF INCOME
OTHER CONCEPTS
(Thousands of Mexican Pesos)

Final Printing

REF R	CONCEPTS	CURRENT YEAR Amount	PREVIOUS YEAR Amount
r36	TOTAL SALES	44,609,613	41,989,466
r37	TAX RESULT FOR THE YEAR	10,337,030	869,867
r38	NET SALES (**)	41,561,526	39,357,699
r39	OPERATING INCOME (**)	14,480,896	14,265,715
r40	NET INCOME OF MAJORITY INTEREST (**)	8,082,463	8,908,943
r41	NET CONSOLIDATED INCOME (**)	9,018,390	9,519,296
r47	OPERATIVE DEPRECIATION AND AMORTIZATION	3,223,070	2,779,772

(**) RESTATED INFORMATION FOR THE LAST TWELVE MONTHS

QUARTERLY CONSOLIDATED STATEMENTS OF INCOME
FROM OCTOBER 1 TO DECEMBER 31, 2007 AND 2006
(Thousands of Mexican Pesos)

Final Printing

REF RT	CONCEPTS	CURRENT YEAR Amount	%	PREVIOUS YEAR Amount	%
rt01	NET SALES	12,407,423	100	11,144,555	100
rt02	COST OF SALES	6,029,402	49	5,291,218	47
rt03	GROSS PROFIT	6,378,021	51	5,853,337	53
rt04	GENERAL EXPENSES	1,774,586	14	1,690,707	15
rt05	INCOME (LOSS) AFTER GENERAL EXPENSES	4,603,435	37	4,162,630	37
rt08	OTHER INCOME AND (EXPENSE), NET	(123,746)	(1)	(154,133)	(1)
rt06	INTEGRAL RESULT OF FINANCING	(311,132)	(3)	(416,849)	(4)
rt12	EQUITY IN NET INCOME OF NON-CONSOLIDATED SUBSIDIARIES AND ASSOCIATES	(226,191)	(2)	(280,893)	(3)
rt48	NON ORDINARY ITEMS	0	0	0	0
rt09	INCOME BEFORE INCOME TAXES	3,942,366	32	3,310,755	30
rt10	INCOME TAXES	903,380	7	614,682	6
rt11	INCOME (LOSS) BEFORE DISCONTINUED OPERATIONS	3,038,986	24	2,696,073	24
rt14	DISCONTINUED OPERATIONS	0	0	0	0
rt18	NET CONSOLIDATED INCOME	3,038,986	24	2,696,073	24
rt19	NET INCOME OF MINORITY INTEREST	204,434	2	266,601	2
rt20	NET INCOME OF MAJORITY INTEREST	2,834,552	23	2,429,472	22

QUARTERLY CONSOLIDATED STATEMENTS OF INCOME
BREAKDOWN OF MAIN CONCEPTS
(Thousands of Mexican Pesos)

Final Printing

REF RT	CONCEPTS	CURRENT YEAR Amount	%	PREVIOUS YEAR Amount	%
r01	NET SALES	12,407,423	100	11,144,555	100
r21	DOMESTIC	10,996,248	89	9,927,207	89
r22	FOREIGN	1,411,175	11	1,217,348	11
r23	TRANSLATED INTO DOLLARS (***)	134,313	1	117,809	1
r08	OTHER INCOME AND (EXPENSE), NET	(123,746)	100	(154,133)	100
r49	OTHER INCOME AND (EXPENSE), NET	(104,998)	85	(132,185)	86
r34	EMPLOYEES' PROFIT SHARING, CURRENT	18,748	(15)	21,948	(14)
r35	EMPLOYEES' PROFIT SHARING, DEFERRED	0	0	0	0
r06	INTEGRAL RESULT OF FINANCING	(311,132)	100	(416,849)	100
r24	INTEREST EXPENSE	701,174	(225)	458,661	(110)
r42	GAIN (LOSS) ON RESTATEMENT OF UDI'S	0	0	(18,825)	5
r45	OTHER FINANCE COSTS	0	0	0	0
r26	INTEREST INCOME	530,111	(170)	234,807	(56)
r46	OTHER FINANCIAL PRODUCTS	0	0	0	0
r25	FOREIGN EXCHANGE GAIN (LOSS), NET	(15,294)	5	(213,273)	51
r28	RESULT FROM MONETARY POSITION	(124,775)	40	39,103	(9)
r10	INCOME TAXES	903,380	100	614,682	100
r32	INCOME TAX, CURRENT	912,863	101	(534,193)	(87)
r33	INCOME TAX, DEFERRED	(9,483)	(1)	1,148,875	187

(***) FIGURES IN THOUSANDS OF U.S. DOLLARS AT THE EXCHANGE RATE AS OF THE END OF THE LAST REPORTED QUARTER

QUARTERLY CONSOLIDATED STATEMENTS OF INCOME
OTHER CONCEPTS
(Thousands of Mexican Pesos)

Final Printing

REF RT	CONCEPTS	CURRENT YEAR Amount	PREVIOUS YEAR Amount
rt47	OPERATIVE DEPRECIATION AND AMORTIZATION	894,813	724,918

CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION
FROM JANUARY 1 TO DECEMBER 31, 2007 AND 2006
(Thousands of Mexican Pesos)

Final Printing

REF C	CONCEPTS	CURRENT YEAR Amount	PREVIOUS YEAR Amount
c01	CONSOLIDATED NET INCOME	9,018,390	9,519,296
c02	+ (-) ITEMS ADDED TO INCOME WHICH DO NOT REQUIRE USING RESOURCES	4,104,788	5,098,470
c03	RESOURCES FROM NET INCOME FOR THE YEAR	13,123,178	14,617,766
c04	RESOURCES PROVIDED OR USED IN OPERATION	(1,551,450)	(179,949)
c05	RESOURCES PROVIDED BY (USED FOR) OPERATING ACTIVITIES	11,571,728	14,437,817
c06	RESOURCES PROVIDED BY (USED FOR) EXTERNAL FINANCING ACTIVITIES	6,380,755	(442,001)
c07	RESOURCES PROVIDED BY (USED FOR) INTERNAL FINANCING ACTIVITIES	(8,428,107)	(4,725,211)
c08	RESOURCES PROVIDED BY (USED FOR) FINANCING ACTIVITIES	(2,047,352)	(5,167,212)
c09	RESOURCES PROVIDED BY (USED FOR) INVESTMENT ACTIVITIES	1,237,185	(8,820,484)
c10	NET INCREASE (DECREASE) IN CASH AND SHORT-TERM INVESTMENTS	10,761,561	450,121
c11	CASH AND SHORT-TERM INVESTMENTS AT THE BEGINNING OF PERIOD	16,543,335	15,954,953
c12	CASH AND SHORT-TERM INVESTMENTS AT THE END OF PERIOD	27,304,896	16,405,074

CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION
BREAKDOWN OF MAIN CONCEPTS
(Thousands of Mexican Pesos)

Final Printing

REF C	CONCEPTS	CURRENT YEAR Amount	PREVIOUS YEAR Amount
c02	+ (-) ITEMS ADDED TO INCOME WHICH DO NOT REQUIRE USING RESOURCES	4,104,788	5,098,470
c13	+ DEPRECIATION AND AMORTIZATION FOR THE YEAR	3,223,070	2,779,772
c41	+ (-) OTHER ITEMS	881,718	2,318,698
c04	RESOURCES PROVIDED OR USED IN OPERATION	(1,551,450)	(179,949)
c18	+ (-) DECREASE (INCREASE) IN ACCOUNTS RECEIVABLE	(3,079,185)	894,378
c19	+ (-) DECREASE (INCREASE) IN INVENTORIES	(1,910,309)	665,232
c20	+ (-) DECREASE (INCREASE) IN OTHER ACCOUNTS RECEIVABLE AND OTHER ASSETS	18,121	(1,104,190)
c21	+ (-) INCREASE (DECREASE) IN SUPPLIERS	840,911	390,413
c22	+ (-) INCREASE (DECREASE) IN OTHER LIABILITIES	2,579,012	(1,025,782)
c06	RESOURCES PROVIDED BY (USED FOR) EXTERNAL FINANCING ACTIVITIES	6,380,755	(442,001)
c23	+ BANK FINANCING	2,507,546	3,631,565
c24	+ STOCK MARKET FINANCING	4,500,000	-
c25	+ DIVIDEND RECEIVED	-	-
c26	+ OTHER FINANCING	-	-
c27	(-) BANK FINANCING AMORTIZATION	-	(254,735)
c28	(-) STOCK MARKET FINANCING AMORTIZATION	(980,246)	(3,279,544)
c29	(-) OTHER FINANCING AMORTIZATION	(73,761)	(58,049)
c42	+ (-) OTHER ITEMS	427,216	(481,238)
c07	RESOURCES PROVIDED BY (USED FOR) INTERNAL FINANCING ACTIVITIES	(8,428,107)	(4,725,211)
c30	+ (-) INCREASE (DECREASE) IN CAPITAL STOCK	-	-
c31	(-) DIVIDENDS PAID	(4,506,492)	(1,161,840)
c32	+ PREMIUM ON SALE OF SHARES	-	-

c33	+ CONTRIBUTION FOR FUTURE CAPITAL INCREASES	-	-
c43	+ (-) OTHER ITEMS	(3,921,615)	(3,563,371)
c09	RESOURCES PROVIDED BY (USED FOR) INVESTMENT ACTIVITIES	1,237,185	(8,820,484)
c34	+ (-) DECREASE (INCREASE) IN PERMANENT INVESTMENTS	(2,551,368)	2,290,457
c35	(-) ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT	(3,927,042)	(3,428,533)
c36	(-) INCREASE IN CONSTRUCTION IN PROGRESS	-	-
c37	+ (-) SALE OF OTHER PERMANENT INVESTMENTS	-	-
c38	+ SALE OF TANGIBLE FIXED ASSETS	715,913	532,676
c39	+ (-) OTHER ITEMS	6,999,682	(8,215,084)

RATIOS
CONSOLIDATED

Final Printing

REF P	CONCEPTS	CURRENT YEAR		PREVIOUS YEAR	
	YIELD				
p01	NET INCOME TO NET SALES	21.69	%	24.18	%
p02	NET INCOME TO STOCKHOLDERS' EQUITY (**)	21.91	%	24.51	%
p03	NET INCOME TO TOTAL ASSETS (**)	9.15	%	11.04	%
p04	CASH DIVIDENDS TO PREVIOUS YEAR NET INCOME	50.58	%	17.57	%
p05	RESULT FROM MONETARY POSITION TO NET INCOME	(3.25)	%	(0.71)	%
	ACTIVITY				
p06	NET SALES TO NET ASSETS (**)	0.42	times	0.45	times
p07	NET SALES TO FIXED ASSETS (**)	1.65	times	1.80	times
p08	INVENTORIES TURNOVER (**)	5.22	times	4.81	times
p09	ACCOUNTS RECEIVABLE IN DAYS OF SALES	130.17	days	112.21	days
p10	PAID INTEREST TO TOTAL LIABILITIES WITH COST (**)	8.31	%	9.15	%
	LEVERAGE				
p11	TOTAL LIABILITIES TO TOTAL ASSETS	58.90	%	55.91	%
p12	TOTAL LIABILITIES TO STOCKHOLDERS' EQUITY	1.43	times	1.26	times
p13	FOREIGN CURRENCY LIABILITIES TO TOTAL LIABILITIES	30.15	%	30.94	%
p14	LONG-TERM LIABILITIES TO FIXED ASSETS	101.18	%	90.17	%
p15	OPERATING INCOME TO INTEREST PAID	6.69	times	7.24	times
p16	NET SALES TO TOTAL LIABILITIES (**)	0.71	times	0.81	times
	LIQUIDITY				
p17	CURRENT ASSETS TO CURRENT LIABILITIES	6.24	times	5.90	times
p18	CURRENT ASSETS LESS INVENTORY TO CURRENT LIABILITIES	5.76	times	5.42	times
p19	CURRENT ASSETS TO TOTAL LIABILITIES	0.89	times	1.02	times
p20	AVAILABLE ASSETS TO CURRENT LIABILITIES	327.50	%	196.38	%
	STATEMENTS OF CHANGES				
p21		31.57	%	37.14	%

	RESOURCES FROM NET INCOME TO NET SALES				
p22	RESOURCES FROM CHANGES IN WORKING CAPITAL TO NET SALES	(3.73)	%	(0.45)	%
p23	RESOURCES GENERATED (USED) IN OPERATING TO INTEREST PAID	5.34	times	7.33	times
p24	EXTERNAL FINANCING TO RESOURCES PROVIDED BY (USED FOR) FINANCING	(311.65)	%	8.55	%
p25	INTERNAL FINANCING TO RESOURCES PROVIDED BY (USED FOR) FINANCING	411.65	%	91.44	%
p26	ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT TO RESOURCES PROVIDED BY (USED FOR) INVESTMENT ACTIVITIES	(317.41)	%	38.87	%

(**) RATIOS FOR THE DATA TAKE INTO CONSIDERATION THE LAST TWELVE MONTHS.

DATA PER SHARE
CONSOLIDATED INFORMATION

Final Printing

REF D	CONCEPTS	CURRENT YEAR Amount			PREVIOUS YEAR Amount		
d01	BASIC PROFIT PER ORDINARY SHARE (**)	$	.02		$	.02	
d02	BASIC PROFIT PER PREFERRED SHARE (**)	$	.00		$	.00	
d03	DILUTED PROFIT PER ORDINARY SHARE (**)	$	.00		$	.00	
d04	EARNINGS (LOSS) BEFORE DISCONTINUED OPERATIONS PER COMMON SHARE (**)	$	.03		$	.02	
d05	DISCONTINUED OPERATION EFFECT ON EARNING (LOSS) PER SHARE (**)	$	.00		$	.00	
d08	CARRYING VALUE PER SHARE	$	.11		$	.00	
d09	CASH DIVIDEND ACCUMULATED PER SHARE	$	.01		$	.00	
d10	DIVIDEND IN SHARES PER SHARE		.00	shares		.00	shares
d11	MARKET PRICE TO CARRYING VALUE		4.03	times		4.64	times
d12	MARKET PRICE TO BASIC PROFIT PER ORDINARY SHARE (**)		18.61	times		19.06	times
d13	MARKET PRICE TO BASIC PROFIT PER PREFERENT SHARE (**)		.00	times		.00	times

(**) TO CALCULATE THE DATA PER SHARE USE THE NET INCOME FOR THE LAST TWELVE MONTHS.

FINANCIAL STATEMENT NOTES (1)

CONSOLIDATED
Final Printing

STATEMENT OF CHANGES - ANALYSIS OF MAJOR CONCEPTS

LINE C43: "OTHER ITEMS" INCLUDES PS.160,001 OF RESALE OF SHARES, PS.(3,948,331) OF REPURCHASE OF SHARES, AND PS.(133,285) RELATED TO THE RECOGNITION OF SHARES AS AN AVAILABLE-FOR-SALE INVESTMENT.

THIS PRESENTATION WAS MADE AS DISCLOSED ABOVE DUE TO THE FACT THAT THE CURRENT FORMAT FOR THE STATEMENT OF CHANGES IN FINANCIAL POSITION IS RESTRICTED TO CERTAIN STANDARD CONCEPTS.

S53 MEXICAN PESOS LIABILITIES. THIS CAPTION INCLUDES, IN THE FOURTH QUARTER OF 2007, LIABILITIES IN FOREIGN CURRENCY (TAXES PAYABLES) FOR AN AMOUNT OF PS.99,305 , WHICH CANNOT BE PRESENTED IN S52 (FOREIGN CURRENCY LIABILITIES) SINCE THE SYSTEM DOES NOT ALLOW A RELATED VALIDATION WITH ANNEX 5 (ANALYSIS OF CREDITS).

(1) THE REPORT CONTAINS THE NOTES CORRESPONDING TO THE FINANCIAL STATEMENT AMOUNTS, INCLUDING THEIR BREAKDOWN OF MAIN CONCEPTS AND OTHER CONCEPTS.

ANALYSIS OF PAID CAPITAL STOCK

CONSOLIDATED
Final Printing

			NUMBER OF SHARES				CAPITA (Thousands of
SERIES	NOMINAL VALUE	VALID COUPON	FIXED PORTION	VARIABLE PORTION	MEXICAN	FREE SUBSCRIPTION	FIXED
A			112,113,216,990		112,113,216,990		831
B			52,093,870,399		52,093,870,399		393
D			82,876,553,776		82,876,553,776		600
L			82,876,553,776			82,876,553,776	600
TOTAL			329,960,194,941	0	247,083,641,165	82,876,553,776	2,427

TOTAL NUMBER OF SHARES REPRESENTING THE PAID CAPITAL STOCK ON THE DATE OF THE INFORMATION : 329,960,194

NOTES:

THE TABLE ABOVE REFLECTS OUTSTANDING SHARES PLUS THE SHARES REPURCHASED AND REPRESENTS THE TOTAL NUMBER OF SHARES ISSUED. SEE NOTE 5 TO CONSOLIDATED FINANCIAL STATEMENTS.

EFFECTIVE MARCH 22, 2006, CHANGE FROM 20 TO 5 CPOS, REPRESENTING EACH GDS.

MEXICAN STOCK EXCHANGE

STOCK EXCHANGE CODE:	TLEVISA	DATE: 2/22/2008

GENERAL DATA OF ISSUER

COMPANY'S NAME:	GRUPO TELEVISA, S.A.B.
ADDRESS:	AV. VASCO DE QUIROGA # 2000
NEIGHBORHOOD:	SANTA FE
ZIP CODE:	01210
CITY AND STATE:	MÉXICO, D.F.
TELEPHONE:	5261-20-00
FAX:	5261-24-94
INTERNET ADDRESS:	www.televisa.com.mx

TAX DATA OF THE ISSUER

COMPANY TAX CODE:	GTE901219GK3
ADDRESS:	AV. VASCO DE QUIROGA # 2000
NEIGHBORHOOD:	SANTA FE
ZIP CODE:	01210
CITY AND STATE:	MÉXICO, D.F.

EXECUTIVES DATA

BMV POSITION:	CHAIRMAN OF THE BOARD
POSITION:	CHAIRMAN OF THE BOARD
NAME:	SR. EMILIO FERNANDO AZCÁRRAGA JEAN
ADDRESS:	AV. CHAPULTEPEC # 28 PISO 1
NEIGHBORHOOD:	DOCTORES
ZIP CODE:	06724
CITY AND STATE:	MÉXICO, D.F.
TELEPHONE:	5261-20-00
FAX:	5261-20-00
E-MAIL:	ir@televisa.com.mx

BMV POSITION:	GENERAL DIRECTOR

POSITION:	PRESIDENT AND CHIEF EXECUTIVE OFFICER
NAME:	SR. EMILIO FERNANDO AZCÁRRAGA JEAN
ADDRESS:	AV. CHAPULTEPEC # 28 PISO 1
NEIGHBORHOOD:	DOCTORES
ZIP CODE:	06724
CITY AND STATE:	MÉXICO, D.F.
TELEPHONE:	5261-20-00
FAX:	5261-20-00
E-MAIL:	ir@televisa.com.mx

BMV POSITION:	FINANCE DIRECTOR
POSITION:	CHIEF FINANCIAL OFFICER
NAME:	LIC. SALVI FOLCH VIADERO
ADDRESS:	AV. VASCO DE QUIROGA # 2000 EDIFICIO A PISO 4
NEIGHBORHOOD:	SANTA FE
ZIP CODE:	01210
CITY AND STATE:	MÉXICO, D.F.
TELEPHONE:	5261-25-80
FAX:	5261-20-39
E-MAIL:	sfolch@televisa.com.mx

BMV POSITION:	RESPONSIBLE FOR SENDING CORPORATE INFORMATION
POSITION:	VICE PRESIDENT - LEGAL AND GENERAL COUNSEL
NAME:	LIC. JOAQUÍN BALCÁRCEL SANTA CRUZ
ADDRESS:	AV. VASCO DE QUIROGA # 2000 EDIFICIO A PISO 4
NEIGHBORHOOD:	SANTA FE
ZIP CODE:	01210
CITY AND STATE:	MÉXICO, D.F.
TELEPHONE:	5261-24-33
FAX:	5261-25-46
E-MAIL:	jbalcarcel@televisa.com.mx

BMV POSITION:	RESPONSIBLE FOR SENDING SHARE REPURCHASE INFORMATION
POSITION:	DIRECTOR FINANCIAL OFFICER
NAME:	LIC. GUADALUPE PHILLIPS MARGAIN
ADDRESS:	AV. VASCO DE QUIROGA # 2000 EDIFICIO A PISO 3
NEIGHBORHOOD:	SANTA FE
ZIP CODE:	01210
CITY AND STATE:	MÉXICO, D.F.
TELEPHONE:	5261-21-35
FAX:	5261-25-24
E-MAIL:	gphilips@televisa.com.mx

BMV POSITION:	RESPONSIBLE FOR LEGAL MATTERS
POSITION:	VICE PRESIDENT - LEGAL AND GENERAL COUNSEL
NAME:	LIC. JOAQUÍN BALCÁRCEL SANTA CRUZ

ADDRESS:	AV. VASCO DE QUIROGA # 2000 EDIFICIO A PISO 4
NEIGHBORHOOD:	SANTA FE
ZIP CODE:	01210
CITY AND STATE:	MÉXICO, D.F.
TELEPHONE:	5261-24-33
FAX:	5261-25-46
E-MAIL:	jbalcarcel@televisa.com.mx

BMV POSITION:	RESPONSIBLE FOR SENDING FINANCIAL INFORMATION
POSITION:	DIRECTOR OF CORPORATE FINANCIAL INFORMATION
NAME:	C.P.C. JOSÉ RAÚL GONZÁLEZ LIMA
ADDRESS:	AV. VASCO DE QUIROGA # 2000 EDIFICIO A PISO 1
NEIGHBORHOOD:	SANTA FE
ZIP CODE:	01210
CITY AND STATE:	MÉXICO, D.F.
TELEPHONE:	5261-25-77
FAX:	5261-20-43
E-MAIL:	rglima@televisa.com.mx

BMV POSITION:	RESPONSIBLE FOR SENDING RELEVANT EVENTS
POSITION:	DIRECTOR OF INVESTOR RELATIONS
NAME:	LIC. MICHEL BOYANCE BALDWIN
ADDRESS:	AV. VASCO DE QUIROGA # 2000 EDIFICIO A PISO 4
NEIGHBORHOOD:	SANTA FE
ZIP CODE:	01210
CITY AND STATE:	MÉXICO, D.F.
TELEPHONE:	5261-24-45
FAX:	5261-24-94
E-MAIL:	ir@televisa.com.mx

BMV POSITION:	RESPONSIBLE OF INFORMATION TO INVESTORS
POSITION:	DIRECTOR OF INVESTOR RELATIONS
NAME:	LIC. MICHEL BOYANCE BALDWIN
ADDRESS:	AV. VASCO DE QUIROGA # 2000 EDIFICIO A PISO 4
NEIGHBORHOOD:	SANTA FE
ZIP CODE:	01210
CITY AND STATE:	MÉXICO, D.F.
TELEPHONE:	5261-24-45
FAX:	5261-24-94
E-MAIL:	ir@televisa.com.mx

BMV POSITION:	SECRETARY OF THE BOARD OF DIRECTORS
POSITION:	EXTERNAL GENERAL COUNSEL
NAME:	LIC. RICARDO MALDONADO YÁÑEZ
ADDRESS:	MONTES URALES # 505, PISO 3
NEIGHBORHOOD:	LOMAS DE CHAPULTEPEC
ZIP CODE:	11000

CITY AND STATE:	MÉXICO, D.F.
TELEPHONE:	5201-74-47
FAX:	5520-10-65
E-MAIL:	rmaldonado@macf.com.mx

BMV POSITION:	RESPONSIBLE FOR PAYMENT
POSITION:	DIRECTOR OF CORPORATE FINANCIAL INFORMATION
NAME:	C.P.C. JOSÉ RAÚL GONZÁLEZ LIMA
ADDRESS:	AV. VASCO DE QUIROGA # 2000 EDIFICIO A PISO 1
NEIGHBORHOOD:	SANTA FE
ZIP CODE:	01210
CITY AND STATE:	MÉXICO, D.F.
TELEPHONE:	5261-25-77
FAX:	5261-20-43
E-MAIL:	rglima@televisa.com.mx

BOARD OF
DIRECTORS

POSITION:	PRESIDENT
NAME:	EMILIO FERNANDO AZCÁRRAGA JEAN
POSITION:	DIRECTOR
NAME:	EMILIO FERNANDO AZCÁRRAGA JEAN
POSITION:	DIRECTOR
NAME:	ALFONSO DE ANGOITIA NORIEGA
POSITION:	DIRECTOR
NAME:	JULIO BARBA HURTADO
POSITION:	DIRECTOR
NAME:	JOSÉ ANTONIO BASTÓN PATIÑO
POSITION:	DIRECTOR
NAME:	MANUEL J. CUTILLAS COVANI
POSITION:	DIRECTOR
NAME:	BERNARDO GÓMEZ MARTÍNEZ
POSITION:	DIRECTOR

NAME: CLAUDIO X. GONZÁLEZ LAPORTE

POSITION: DIRECTOR
NAME: ENRIQUE KRAUZE KLEINBORT

POSITION: DIRECTOR
NAME: ALEJANDRO QUINTERO ÍÑIGUEZ

POSITION: DIRECTOR
NAME: GILBERTO PEREZALONSO CIFUENTES

POSITION: DIRECTOR
NAME: FERNANDO SENDEROS MESTRE

POSITION: DIRECTOR
NAME: MARÍA ASUNCIÓN ARAMBURUZABALA LARREGUI

POSITION: DIRECTOR
NAME: CARLOS FERNÁNDEZ GONZÁLEZ

POSITION: DIRECTOR
NAME: LORENZO H. ZAMBRANO TREVIÑO

POSITION: DIRECTOR
NAME: PEDRO ASPE ARMELLA

POSITION: DIRECTOR
NAME: JOSÉ ANTONIO FERNÁNDEZ CARBAJAL

POSITION: DIRECTOR
NAME: ROBERTO HERNÁNDEZ RAMÍREZ

POSITION: DIRECTOR
NAME: ALBERTO BAILLERES GONZÁLEZ

POSITION: DIRECTOR
NAME: GERMÁN LARREA MOTA VELASCO

POSITION: DIRECTOR
NAME: ENRIQUE FRANCISCO J. SENIOR HERNÁNDEZ

POSITION: ALTERNATE DIRECTOR
NAME: JOAQUÍN BALCÁRCEL SANTA CRUZ

POSITION: ALTERNATE DIRECTOR
NAME: JORGE AGUSTÍN LUTTEROTH ECHEGOYEN

POSITION: ALTERNATE DIRECTOR
NAME: RAFAEL CARABIAS PRÍNCIPE

POSITION: ALTERNATE DIRECTOR
NAME: SALVI RAFAEL FOLCH VIADERO

POSITION: ALTERNATE DIRECTOR
NAME: FÉLIX JOSÉ ARAUJO RAMÍREZ

POSITION: ALTERNATE DIRECTOR
NAME: LEOPOLDO GÓMEZ GONZÁLEZ BLANCO

POSITION: ALTERNATE DIRECTOR
NAME: FRANCISCO JOSÉ CHEVEZ ROBELO

POSITION: ALTERNATE DIRECTOR
NAME: JUAN PABLO ANDRADE FRICH

POSITION: ALTERNATE DIRECTOR
NAME: JOSÉ LUIS FERNÁNDEZ FERNÁNDEZ

POSITION: ALTERNATE DIRECTOR
NAME: LUCRECIA ARAMBURUZABALA LARREGUI

POSITION: ALTERNATE DIRECTOR
NAME: ALBERTO MONTIEL CASTELLANOS

POSITION: ALTERNATE DIRECTOR
NAME: RAÚL MORALES MEDRANO

POSITION: ALTERNATE DIRECTOR
NAME: JOSÉ LUIS FERNÁNDEZ FERNÁNDEZ

POSITION: ALTERNATE DIRECTOR
NAME: HERBERT ALLEN III

POSITION: SECRETARY OF THE BOARD OF DIRECTORS
NAME: RICARDO MALDONADO YÁÑEZ

ANALYSIS OF INVESTMENTS IN SHARES
SUBSIDIARIES
CONSOLIDATED
Final Printing

	COMPANY NAME	MAIN ACTIVITIES	NUMBER OF SHARES	% OWNERSHIP
1	CORPORATIVO VASCO DE QUIROGA, S.A. DE C.V.	PROMOTION AND DEVELOPMENT OF COMPANIES	109,383,505	100.00
2	CVQ ESPECTACULOS, S.A. DE C.V.	PROMOTION AND DEVELOPMENT OF COMPANIES	17,816,698	100.00
3	DTH EUROPA, S.A.	PROMOTION AND DEVELOPMENT OF COMPANIES	1,080,182	90.25
4	EDITORA FACTUM, S.A. DE C.V.	PROMOTION AND DEVELOPMENT OF COMPANIES	836,701,334	100.00
5	EDITORIAL TELEVISA, S.A. DE C.V.	PROMOTION AND DEVELOPMENT OF COMPANIES	2,072,110	100.00
6	FACTUM MAS, S.A. DE C.V.	PROMOTION AND DEVELOPMENT OF COMPANIES	5,162,811,261	91.16
7	GRUPO DISTRIBUIDORAS INTERMEX, S.A. DE C.V.	DISTRIBUTION OF BOOKS AND MAGAZINES	272,600,905	100.00
8	PROMO-INDUSTRIAS METROPOLITANAS, S.A. DE C.V.	PROMOTION AND DEVELOPMENT OF COMPANIES	5,202,931	100.00
9	SISTEMA RADIOPOLIS, S.A. DE C.V.	COMMERCIALIZATION OF RADIO PROGRAMMING	76,070,313	50.00
10	TELEPARABOLAS, S.L.	MAINTENANCE OF PARABOLIC DISHES	1,500	100.00
11	TELESISTEMA MEXICANO, S.A. DE C.V.	COMMERCIALIZATION OF TELEVISION	154,322,879	100.00
12	TELEVISA ARGENTINA, S.A.	COMMERCIAL OPERATION OF	2,241,972	96.76

		TELEVISION		
13	TELEVISA JUEGOS, S.A. DE C.V.	PROMOTION AND DEVELOPMENT OF COMPANIES	1,895,235	100.00
14	TELEVISION INDEPENDIENTE DE MEXICO, S.A. DE C.V.	PROMOTION AND DEVELOPMENT OF COMPANIES	38,777,677	100.00
15	PAXIA, S.A. DE C.V.	PROMOTION AND DEVELOPMENT OF COMPANIES	49	98.00
16	TELEVISA PAY-TV VENTURE, INC.	PROMOTION AND DEVELOPMENT OF COMPANIES	1,000	100.00
17	CAPITALIZED INTEGRAL COST OF FINANCING	FOR THE YEARS 1994, 1995, 1996 AND 1998	-	-

ANALYSIS OF INVESTMENTS IN SHARES
ASSOCIATES
CONSOLIDATED
Final Printing

	COMPANY NAME	MAIN ACTIVITIES	NUMBER OF SHARES	% OWNERSHIP	TOTAL AMO (Thousands of Mex ACQUISITION COST
1	ARGOS COMUNICACION, S.A. DE C.V.	OPERATION AND/OR BROADCASTING OF T.V.	33,000,000	30.00	137,000
2	CENTRO DE CONOCIMIENTOS TECNOLOGICO, S.A. DE C.V.	EDUCATION	5,317,900	15.07	55,000
3	CONTROLADORA VUELA COMPAÑÍA DE AVIACIÓN, S.A. DE C.V.	CARRIER AIRLINE	15	25.00	325,270
4	DIBUJOS ANIMADOS MEXICANOS DIAMEX, S.A. DE C.V.	PRODUCTION OF ANIMATED CARTOONS	1,735,560	49.00	4,384
5	EDITORIAL CLIO, LIBROS Y VIDEOS, S.A. DE C.V.	PUBLISHING AND PRINTING OF BOOKS AND MAGAZINES	3,227,050	30.00	32,270
6	ENDEMOL MEXICO, S.A. DE C.V.	COMMERCIALIZATION OF TELEVISION PROGRAMMING	25,000	50.00	25
7	GESTORA DE INVERSIONES AUDIOVISUALES, S.A.	COMMERCIALIZATION OF TELEVISION PROGRAMMING	11,546,405	40.00	2,451,051
8	MAS FONDOS, S.A. DE C.V.	MUTUAL FUND DISTRIBUTION COMPANY	99,758	40.84	99,758
9	OCESA ENTRETENIMIENTO, S.A. DE C.V.	LIVE ENTERTAINMENT IN MEXICO	14,100,000	40.00	1,062,811
10	TELEVISA EMI MUSIC, S.A DE C.V.	MUSIC RECORDING	25	50.00	25
11	TELEVISION INTERNACIONAL,	TV CABLE TRANSMISSION	4,343,399	50.00	1,028,822

	S.A. DE C.V.				
12	TELEVISORA DEL YAQUI, S.A. DE C.V.	OPERATION AND/OR BROADCASTING OF T.V.	4,124,986	15.00	412
	TOTAL INVESTMENT IN ASSOCIATES				5,196,828
	OTHER PERMANENT INVESTMENTS				
	TOTAL				5,196,828

CREDITS BREAK DOWN
(Thousands of Mexican Pesos)

CONSOLIDATED

Final Printing

					AMORTIZATION OF CR PESOS (Th		
					TIME INTERVAL		
CREDIT TYPE / INSTITUTION	WITH FOREIGN INSTITUTION	DATE OF CONTRACT	AMORTIZATION DATE	INTEREST RATE	CURRENT YEAR	UNTIL 1 YEAR	UNTIL YEAR
BANKS							
FOREIGN TRADE							
SECURED							
COMMERCIAL BANKS							
BANAMEX, S.A.	NA	4/20/2006	4/20/2016	8.74			
BANAMEX, S.A.	NA	10/22/2004	4/23/2012	10.35			
SANTANDER SERFIN	NA	4/21/2006	4/21/2016	8.98			
BANAMEX, S.A.	NA	5/17/2004	5/21/2009	9.70			1,162,4
BANAMEX, S.A.	NA	5/6/2003	5/1/2008	8.93		480,000	
JP MORGAN CHASE BANK, NA.	YES	12/21/2007	12/21/2012	5.34			
BANK OF AMERICA	YES	3/31/2000	3/31/2010	5.85			
SUNTRUST BANK MIAMI, NATIONAL	YES	5/1/1999	4/1/2008	4.50			
LEASING DE COLOMBIA	YES	6/28/2004	6/28/2009	13.79			
LEASING BANCOLOMBIA, S.A.	YES	8/18/2007	12/10/2010	14.07			
BANCO SANTANDER	YES	12/15/2007	12/15/2022	1.80			
OTHER						(47.29)	
Weighted average common shares outstanding:							
Basic and diluted			16,437,464			574,072	

See accompanying notes to consolidated financial statements

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Pacira Pharmaceuticals, Inc.

Consolidated Statements of Stockholders Equity (Deficit)

Years Ended December 31, 2011, 2010 and 2009

(In thousands)

	Preferred Stock Shares	Preferred Stock Amount	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Accumulated Deficit	Treasury Stock	Accumulated Other Comprehensive Income	Total
Balances at December 31, 2008	6,322	$ 6	572	$ 1	$ 85,538	$ (78,055)	$	$	$ 7,490
Exercise of stock options			2		3				3
Stock-based compensation					524				524
Issue of warrants to landlord					204				204
Debt discount from beneficial conversion features and issuance of warrants with convertible notes					537				537
Net loss						(31,707)			(31,707)
Balances at December 31, 2009	6,322	$ 6	574	$ 1	$ 86,806	$ (109,762)	$	$	$ (22,949)
Exercise of stock options			1		2				2
Stock-based compensation					23				23
Purchase of treasury stock							(2)		(2)
Debt discount from beneficial conversion features and issuance of warrants with convertible notes					1,692				1,692
Net loss						(27,149)			(27,149)
Balances at December 31, 2010	6,322	$ 6	575	$ 1	$ 88,523	$ (136,911)	$ (2)	$	(48,383)
Exercise of stock options			67		135				135
Stock-based compensation					2,493				2,493
Initial public offering, net of issuance costs			6,000	6	37,103				37,109
Follow-on public offering, net of issuance costs			8,050	8	48,998				49,006
Conversion of preferred stock	(6,322)	(6)	6,322	6					
Conversion of 2009 Convertible Notes and accrued interest			872	1	11,717				11,718
Conversion of 2009 Secured Notes and accrued interest			928	1	12,473				12,474
Conversion of 2010 Secured Notes and accrued interest			1,157	1	15,548				15,549
Conversion of 2010 Convertible Notes and accrued interest			1,071	1	7,499				7,500
Conversion of HBM Secured Notes and accrued interest and early prepayment penalty			297		3,981				3,981
Unrealized gain on short-term investments								15	15
Net loss						(43,328)			(43,328)
Balances at December 31, 2011		$	25,339	$ 25	$ 228,470	$ (180,239)	$ (2)	$ 15	48,269

See accompanying notes to consolidated financial statements

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Pacira Pharmaceuticals, Inc.

Consolidated Statements of Cash Flows

(In thousands)

	Year Ended December 31, 2011	2010	2009
Operating activities:			
Net loss	$ (43,328)	$ (27,149)	$ (31,707)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	4,314	4,071	4,146
Amortization of deferred financing costs and unfavorable lease obligation	(85)	35	(314)
Amortization of note discounts and warrants	1,644	146	600
Loss on disposal of fixed assets	273	11	1,707
Impairment of long-lived assets	3,019		
Stock-based compensation	2,493	23	524
Change in royalty interest obligation	(1,815)	(675)	185
Changes in operating assets and liabilities:			
Restricted cash	14	(98)	(34)
Trade accounts receivable	(922)	264	1,130
Inventories	360	124	299
Prepaid expenses and other assets	(608)	32	244
Accounts payable and accrued expenses	2,549	(1,118)	(4,438)
Deferred revenue	1,065	(2,328)	3,793
Other liabilities	27	1,782	3,027
Net cash used in operating activities	(31,000)	(24,880)	(20,838)
Investing activities:			
Purchase of fixed assets	(6,167)	(6,770)	(5,509)
Proceeds from sale of fixed assets	14	1	
Purchase of short-term investments	(29,970)		
Net cash used in investing activities	(36,123)	(6,769)	(5,509)
Financing activities:			
Proceeds from exercise of stock options	136	2	3
Proceeds from initial public offering, net	38,016		
Proceeds from secondary offering, net	49,006		
Purchase of treasury stock		(2)	
Proceeds from convertible notes		7,500	10,625
Proceeds from secured promissory notes and credit facility		56,250	10,625
Payoff of credit facility		(11,250)	
Financing costs		(1,795)	(215)
Net cash provided by financing activities	87,158	50,705	21,038
Net increase (decrease) in cash and cash equivalents	20,035	19,056	(5,309)
Cash and cash equivalents, beginning of year	26,133	7,077	12,386
Cash and cash equivalents, end of year	$ 46,168	$ 26,133	$ 7,077
Supplemental cash flow information			
Cash paid for interest, including royalty interest obligation	$ 4,739	$ 2,371	$ 1,714
Initial public offering costs paid in 2010	$ 907	$	$
Non cash investing and financing activities:			
Accrual for repurchase of intangibles	$	$	$ 323
Accrued fixed asset purchase	$	$	$ 2,254
	$	$ 1,692	$ 537

Value of warrants issued with debt and beneficial conversion feature						
Value of warrants issued to landlord	$		$		$	204
Accrued financing cost	$		$	500	$	
Conversion of notes to common stock	$	51,222	$		$	
Conversion of preferred stock to common stock	$	6	$		$	

See accompanying notes to consolidated financial statements

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Pacira Pharmaceuticals, Inc.

Notes to Consolidated Financial Statements

NOTE 1 - BUSINESS

Pacira Pharmaceuticals, Inc. and its subsidiaries (collectively, the Company or Pacira) is an emerging specialty pharmaceutical company focused on the development, commercialization and manufacture of proprietary pharmaceutical products, based on its proprietary DepoFoam extended release drug delivery technology, for use in hospitals and ambulatory surgery centers. The Company s lead product EXPAREL, which consists of bupivacaine encapsulated in DepoFoam, was approved by the FDA on October 28, 2011. DepoFoam is also the basis for the Company s other two FDA-approved commercial products, DepoCyt(e) and DepoDur, which the Company manufactures for its commercial partners.

Pacira Pharmaceuticals, Inc. is the holding company for our California operating subsidiary of the same name, which is also referred to as PPI-California, which was acquired from SkyePharma Holding, Inc. in March 2007, referred to herein as the Acquisition.

Risks and Uncertainties

The Company is subject to risks common to companies in similar industries and stages of development, including, but not limited to, competition from larger companies, reliance on revenue from few customers and products, reliance on single manufacturing sites, new technological innovations, dependence on key personnel, reliance on third-party service providers and vendors, protection of proprietary technology, and compliance with government regulations.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation

The consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America, or GAAP, and in accordance with the rules and regulations of the Securities and Exchange Commission, or SEC. The accounts of wholly owned subsidiaries are included in the consolidated financial statements. All intercompany balances and transactions have been eliminated in consolidation.

Certain reclassifications were made to conform to the current presentation. Specifically, the Company reclassified $0.3 million relating to a research and development grant from selling, general and administrative expense to other, net for the year ended December 31, 2010. Additionally, the Company reclassified $0.3 million of accrued interest and $1.4 million of accrued operating expenses from accounts payable to accrued expenses on the December 31, 2010 consolidated balance sheet. These reclassifications had no impact on the net loss or stockholders equity (deficit) as previously reported.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, including disclosure of contingent assets and contingent liabilities, at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates are used for, among other things, the valuation of assets acquired, impairment of long-lived assets, stock-based compensation and valuation of deferred tax assets. The Company s critical accounting policies are those that are both most important to the Company s consolidated financial condition and results of operations and require the most difficult, subjective or complex judgments on the part of management in their application, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. Because of the uncertainty of factors surrounding the estimates or judgments used in the preparation of the consolidated financial statements, actual results could differ from these estimates.

Changes in Capital Structure

On January 12, 2011, the board of directors of the Company approved, and on January 12, 2011 the stockholders of the Company approved, a one-for-10.755 reverse stock split of the Company s outstanding common stock, which was effected on January 12, 2011. Stockholders entitled to fractional shares as a result of the reverse

Pacira Pharmaceuticals, Inc.

Notes to Consolidated Financial Statements

stock split received a cash payment for such fractional shares within 180 days following the effective date of the reverse stock split in lieu of receiving fractional shares. The reverse stock split affected all holders of the Company s preferred stock and common stock uniformly. Shares of common stock underlying outstanding stock options were proportionately reduced and the respective exercise prices of the stock options were proportionately increased in accordance with the terms of the agreements governing such securities. Shares of common stock reserved for issuance upon the conversion of the Company s series A preferred stock and convertible notes were proportionately reduced and the respective conversion prices were proportionately increased. All references to preferred and common stock and per share information, except par value and authorized shares, in these consolidated financial statements and notes have been adjusted retroactively to reflect the effects of the reverse stock split.

Liquidity

On February 8, 2011, the Company completed an initial public offering of common stock, as further described in Note 11 Stockholders Equity . Upon the closing of the initial public offering, all outstanding shares of Series A convertible preferred stock and the principal and accrued interest balance on the 2009 Convertible Notes, 2009 Secured Notes, 2010 Secured Notes, 2010 Convertible Notes, and HBM Secured Notes (including an early prepayment penalty) were converted into 10,647,549 shares of common stock, as further described in Note 10 Debt . In November 2011, the Company raised an additional $49.0 million in net proceeds after deducting underwriting discounts and offering expenses in a registered public offering of common stock.

Although the offerings and current cash resources at December 31, 2011 provide the Company adequate funding for the next 12 months, the longer term ability of the Company to continue as a going concern is dependent on improving the Company s profitability and cash flows and securing additional financing.

Cash and Cash Equivalents

All highly-liquid investments with maturities of 90 days or less when purchased are considered cash equivalents.

Restricted Cash

As further discussed in Note 10 Debt , the Company has entered into a financing agreement with Royalty Securitization Trust I (RST) for the sale of a royalty interest in its DepoCyt(e) and DepoDur supply revenue and royalties. As part of this financing agreement, the Company and RST maintain a lockbox, where all DepoCyt(e) and DepoDur supply revenue and royalties are received. The Company has no minimum payment obligations under this agreement. Commencing on April 1 of every year, the first $2.5 million received in the lockbox is restricted and is used to make quarterly payments due to RST, if any, under the agreement during the subsequent 12 month period. On March 31 of the subsequent year, the balance of cash in the lockbox, if any, is remitted to Pacira. The RST agreement terminates on December 31, 2014. The royalty interest agreement pertains only to DepoCyt(e) and DepoDur, and does not include revenue related to EXPAREL or any other product candidates.

Short-Term Investments

The Company determines the appropriate classification of its investments at the time of purchase and reevaluates such determination at each balance sheet date. The Company s investment policy sets minimum credit quality criteria and maximum maturity limits on its investments to provide for safety of principal, liquidity and a reasonable rate of return. Available-for-sale securities are recorded at fair value, based on current market valuations. Unrealized holding gains and losses on available-for-sale securities are excluded from net loss and are reported as a separate component of other comprehensive income (loss) until realized. Realized gains and losses are included in non-operating other income (expense) on the statement of operations and are derived using the specific identification method for determining the cost of the securities sold.

Concentration of Major Customers

The Company s customers are its commercial and collaborative and licensing partners. The Company is dependent on its commercial partners to market and sell DepoCyt(e) and DepoDur, from which a substantial portion of its revenues is derived. The Company expects the supply and royalty revenues from DepoDur to decrease in the future due to the upcoming termination of the licensing, distribution and marketing agreement with EKR in July 2012. Refer to Note 16 Commercial Partners and Other Agreements for further discussion.

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Pacira Pharmaceuticals, Inc.

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The table below includes the percentage of revenue comprised by the three largest customers in each year presented.

	Year Ended December 31,		
	2011	**2010**	**2009**
Largest customer	43%	49%	44%
Second largest customer	23%	21%	23%
Third largest customer	19%	13%	20%
	85%	83%	87%

Sales to customers outside the U.S. accounted for 64%, 52% and 48% of the Company s revenue for the years ended December 31, 2011, 2010 and 2009, respectively.

Inventories

Inventories consist of finished goods held for sale and distribution, raw materials and work in process, and are stated at the lower of cost, which includes amounts related to material, labor and overhead, and is determined using the first-in, first-out (FIFO) method, or market (net realizable) value. The Company periodically reviews its inventory to identify obsolete, slow-moving or otherwise unsalable inventories, and establishes allowances for situations in which the cost of the inventory is not expected to be recovered. Overhead costs associated with excess manufacturing capacity are charged to cost of revenue, as incurred.

Fixed Assets

Fixed assets are recorded at cost, net of accumulated depreciation and amortization. The Company reviews its property, plant and equipment assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Depreciation of fixed assets is provided over their estimated useful lives on a straight-line basis. Leasehold improvements are amortized on a straight-line basis over the shorter of their estimated useful lives or the related lease terms. Useful lives by asset category are as follows:

Asset Category	**Years**
Manufacturing and laboratory equipment	5 to 10 years
Computer equipment and software	1 to 3 years
Office furniture and equipment	5 years

Impairment of Long-Lived Assets

Intangible assets are recorded at cost, net of accumulated amortization. Amortization of intangible assets is provided over their estimated useful lives on a straight-line basis. Management reviews long-lived assets, including fixed assets, for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured as the amount by which the carrying amount of the assets exceeds the fair value of the assets.

Settlement of Trade Payables

During April 2009, the Company initiated a payables settlement program with its trade creditors using various settlement arrangements. Total outstanding unsecured trade payables subject to these settlement arrangements were $14.3 million. These creditors agreed to settle their outstanding balances for an aggregate of $12.5 million resulting in reduction in payables of $1.8 million. The Company has recorded a $1.3 million reduction to the carrying amount

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Pacira Pharmaceuticals, Inc.

Notes to Consolidated Financial Statements

of fixed assets and included a $0.4 million gain in other income on the Company s consolidated statement of operations for the year ended December 31, 2009 and $0.1 million gain in other income on the Company s consolidated statement of operations for the year ended December 31, 2010. As of December 31, 2011, $1.1 million related to these settlement arrangements remained outstanding and was included in accounts payable in the Company s consolidated balance sheet.

Foreign Currencies

The Company receives payment from certain of its commercial partners relating to royalties on DepoCyte and DepoDur in Euros. Realized gains and losses from foreign currency transactions are reflected in the consolidated statements of operations and were not significant in any period in the years ended December 31, 2011, 2010 or 2009. All foreign currency receivables and payables are measured at the applicable exchange rate at the end of the reporting period.

Income Taxes

The Company uses the asset and liability method of accounting for income taxes. Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. As of December 31, 2011 and 2010, all deferred tax assets were fully offset by a valuation allowance.

The Company accrues interest and penalties, if any, on underpayment of income taxes related to unrecognized tax benefits as a component of income tax expense in its consolidated statements of operations.

Revenue Recognition

The Company recognizes revenue from products manufactured and supplied to its commercial partners, when the following four basic revenue recognition criteria under the related accounting guidance are met: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred or services have been rendered; (3) the fee is fixed or determinable; and (4) collectability is reasonably assured. The product can be returned within contracted specified time frames if it does not meet the applicable inspection tests. The Company estimates its return reserves based on its experience of historical return rates.

The Company recognizes revenue from royalties based on sales of its products into the marketplace by its commercial partners. Royalties are recognized as earned in accordance with contract terms when they can be reasonably estimated and collectability is reasonably assured. The Company s commercial partners are obligated to report their net product sales and the resulting royalty due to the Company within 60 days from the end of each quarter. Based on historical product sales, royalty receipts and other relevant information, the Company accrues royalty revenue each quarter.

The Company recognizes revenue from reimbursements received in connection with feasibility studies and development work for third parties who desire to utilize its DepoFoam extended release drug delivery technology for their products, when the Company s contractual services are performed, provided collectability is reasonably assured. The Company s principal costs under these agreements include its personnel conducting research and development, and its allocated overhead, as well as research and development performed by outside contractors or consultants.

The Company recognizes revenues from non-refundable up-front license fees received under collaboration agreements ratably over the performance period as determined under the collaboration agreement (estimated development period in the case of development agreements, and contract period or longest patent life in the case of supply and distribution agreements). If the estimated performance period is subsequently modified, the Company will modify the period over which the up-front license fee is recognized accordingly on a prospective basis. Upon notification of a termination of a collaboration agreement, any remaining non-refundable license fees received by the Company, which had been deferred, are recognized over the remaining contractual term. If the termination is immediate and no additional services are to be performed, the deferred revenue is generally recognized in full. All

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Pacira Pharmaceuticals, Inc.

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such recognized revenues are included in collaborative licensing and development revenue in the Company s consolidated statements of operations.

The Company recognizes revenue from milestone payments received under collaboration agreements when earned, provided that the milestone event is substantive, its achievability was not reasonably assured at the inception of the agreement, the Company has no further performance obligations relating to the event, and collectability is reasonably assured. If these criteria are not met, the Company recognizes milestone payments ratably over the remaining period of the Company s performance obligations under the collaboration agreement. All such recognized revenues are included in collaborative licensing and development revenue in the Company s consolidated statements of operations.

Research and Development Expenses

Research and development expenses consist of costs associated with products being developed internally, and include related personnel expenses, laboratory supplies, active pharmaceutical ingredients, manufacturing supplies, facilities costs, preclinical and clinical trial costs, and other outside service fees. The Company expenses research and development costs as incurred. A significant portion of the Company s development activities are outsourced to third parties, including contract research organizations. In such cases, the Company may be required to estimate related service fees to be accrued.

Comprehensive Loss

Comprehensive loss includes unrealized gains and losses on short-term investments. A summary of comprehensive loss, net of tax, is summarized below (in thousands):

	Years Ended December 31,		
	2011	**2010**	**2009**
Net loss	$ (43,328)	$ (27,149)	$ (31,707)
Gain on short-term investments	15		
Comprehensive loss	$ (43,313)	$ (27,149)	$ (31,707)

Per Share Data

Net loss per share is determined in accordance with the two-class method. This method is used for computing basic net loss per share when companies have issued securities other than common stock that contractually entitle the holder to participate in dividends and earnings of the

Company. Under the two-class method, net loss is allocated between common shares and other participating securities based on their participation rights in both distributed and undistributed earnings. The Company s Series A convertible preferred stock are participating securities, since the stockholders are entitled to share in dividends declared by the board of directors with the common stock based on their equivalent common shares.

Basic net loss per share is computed by dividing net loss available (attributable) to common stockholders by the weighted average number of shares of common stock outstanding during the period. Because the holders of the Series A convertible preferred stock were not contractually required to share in the Company s losses, in applying the two-class method to compute basic net loss per common share no allocation to preferred stock was made for the years ended December 31, 2011, 2010 and 2009. At December 31, 2011, there were no Series A convertible preferred stock outstanding as a result of the initial public offering on February 8, 2011 when all convertible preferred stock was converted into common stock.

Diluted net income (loss) per share is calculated by dividing net income available (attributable) to common stockholders as adjusted for the effect of dilutive securities, if any, by the weighted average number of common stock and dilutive common stock outstanding during the period. Potential common shares include the shares of common stock issuable upon the exercise of outstanding stock options and warrants (using the treasury stock method). Potential common shares in the diluted net loss per share computation are excluded to the extent that they

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Pacira Pharmaceuticals, Inc.

Notes to Consolidated Financial Statements

would be anti-dilutive. No potentially dilutive securities are included in the computation of any diluted per share amounts as the Company reported a net loss for all periods presented.

Stock-Based Compensation

The Company s stock-based compensation programs include grants of stock options to employees, consultants and non-employee directors. The expense associated with these programs is recognized in the Company s consolidated statements of operations based on their fair values as they are earned by the employees, consultants and non-employee directors under the applicable vesting terms.

The valuation of stock options is an inherently subjective process, since market values are generally not available for long-term, non-transferable stock options. Accordingly, the Company uses an option pricing model to derive an estimated fair value. In calculating the estimated fair value of stock options granted, the Company uses the Black-Scholes option pricing model which requires the consideration of the following variables for purposes of estimating fair value:

- Stock option exercise price
- Expected term of the option
- Expected volatility
- Expected dividends
- Risk-free interest rate

Because the Company was not publicly held prior to February 2011, the expected volatility was based on the historic volatility for publicly traded industry peers for shares granted prior to the initial public offering. Since its initial public offering, the Company utilizes its available historic volatility data combined with the publicly traded peer s historic volatility to determine expected volatility over the expected option term.

The Company s limited historical stock option exercise experience does not provide a reasonable basis upon which to estimate expected term. Accordingly, the Company uses a term based on a simplified method, pursuant to SEC Staff Accounting Bulletin No. 107, Share-based Payment, for plain vanilla options. The risk-free interest rate is based on the implied yield on U.S. Department of the Treasury zero coupon bonds for periods commensurate with the expected term of the options. The dividend yield on the Company s common stock is estimated to be zero as the Company has not paid any dividends since inception. The Company estimates the level of award forfeitures expected to occur, and records compensation cost only for those awards that are ultimately expected to vest.

Segment Reporting

The Company operates in one reportable segment and, accordingly, no segment disclosures have been presented.

NOTE 3 - RECENT ACCOUNTING PRONOUNCEMENTS

In May 2011, the Financial Accounting Standards Board (the FASB) issued Accounting Standard Update No. 2011-04 Fair Value Measurement (Topic 820) Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs new accounting guidance amending fair value measurement to achieve common fair value measurement and disclosure requirements in U.S. GAAP and International Financial Reporting Standards. The new guidance is fundamentally consistent with existing fair value measurement principles in U.S. GAAP, but does expand existing disclosure requirements and make other amendments such as clarification regarding the application of the highest and best use and valuation premise concepts; application of blockage factors and other premiums and discounts; and measuring the fair value of financial instruments that are managed within a portfolio and instruments classified within shareholders equity. Disclosure requirements have been enhanced with the most significant change requiring entities to disclose quantitative information about unobservable inputs used in a recurring Level 3 fair value measurement; and a description of the valuation processes used and a qualitative discussion about the sensitivity of the measurements. In addition, entities must report the level in the fair value hierarchy of assets and liabilities not recorded at fair value but for which fair value is required to be disclosed. The new accounting guidance is effective for interim and annual periods beginning on or after December 15, 2011, with

Pacira Pharmaceuticals, Inc.

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early adoption prohibited. As the new accounting guidance will primarily amend the disclosure requirements related to fair value measurement, we do not expect the adoption to have any impact on our financial condition or results of operations.

In June 2011, the FASB issued Accounting Standard Update No. 2011-05 Comprehensive Income (Topic 220) Presentation of Comprehensive Income. The new guidance eliminates the current option to present the components of other comprehensive income as part of the statement of changes in stockholders equity. Instead, an entity has the option to present the total of comprehensive income, the components of net income and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. The new accounting guidance is effective for fiscal years, and interim periods within those years, beginning after December 15, 2011, with early adoption permitted. Full retrospective application is required. In December 2011, the FASB issued an amendment to the accounting guidance, Accounting Standard Update No. 2011-12 on the presentation of other comprehensive income that deferred the effective date for the provisions pertaining to reclassification adjustments. As the new accounting guidance will only amend the presentation requirements of other comprehensive income, the Company does not expect the adoption to have any impact on our financial condition or results of operations.

On December 16, 2011, the FASB issued Accounting Standards Update No. 2011-11 (Topic 210) Disclosures about Offsetting Assets and Liabilities. The standard requires disclosures to provide information to help reconcile differences in the offsetting requirements under U.S. GAAP and IFRS. The differences in the offsetting requirements account for a significant difference in the amounts presented in statements of financial position prepared in accordance with U.S. GAAP and IFRS for certain entities. The new disclosure requirements mandate that entities disclose both gross and net information about instruments and transactions eligible for offset in the statement of financial position as well as instruments and transactions subject to an agreement similar to a master netting arrangement. In addition, the standard requires disclosure of collateral received and posted in connection with master netting agreements or similar arrangements. An entity is required to apply the amendments for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods. As the new accounting guidance will only amend the disclosure requirements, the Company does not expect the adoption to have any impact on our financial condition or results of operations.

Other pronouncements issued by the FASB or other authoritative accounting standards groups with future effective dates are either not applicable or not significant to the consolidated financial statements of the Company.

NOTE 4 FINANCIAL INSTRUMENTS

Fair Value Measurements

Financial assets and financial liabilities are required to be measured and reported on a fair value basis using the following three categories for classification and disclosure purposes:

- *Level 1*: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

- *Level 2*: Observable prices that are based on inputs not quoted on active markets, but corroborated by market data.

- *Level 3*: Unobservable inputs that are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date . In determining fair value, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company also considers counterparty credit risk in its assessment of fair value. The carrying value of financial instruments including cash and cash equivalents, restricted cash, accounts receivable, note receivable, and accounts payable approximate their respective fair values due to the short-term maturities of these instruments and debts.

The fair value of the Company s convertible notes and promissory notes (see Note 10 Debt) cannot be practicably determined due to their related party nature. The carrying value of the long-term debt (see Note 10

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Pacira Pharmaceuticals, Inc.

Notes to Consolidated Financial Statements

Debt) approximates its fair value as of December 31, 2010, due to the timing of its closing which occurred on November 24, 2010. The fair value of the long-term debt at December 31, 2011 is calculated using a discounted cash flow analysis factoring in current market borrowing rates for similar types of borrowing arrangements under a similar credit profile. The carrying amount and fair value of the Company s long-term debt is for disclosure purposes only (in thousands):

Financial Liabilities Carried at Historical Cost	Carrying Value	Fair Value Measurements Using Level 1	Level 2	Level 3
December 31, 2011				
Long term debt - current and long-term	$ 26,250	$	$ 27,929	$

Short-term investments consist of U.S. treasury securities, investment grade commercial paper and corporate bonds with initial maturities of greater than three months at the date of purchase but less than one year. The net unrealized gains (losses) from the Company s short-term investments are captured in other comprehensive income (loss). At December 31, 2011, all of the Company s short-term investments are classified as available for sale investments and determined to be Level 2 instruments, which are measured at fair value using standard industry models with observable inputs. At December 31, 2011, the Company had $30.0 million invested in short-term investments which were rated A or better by Standard & Poor s and had maturities ranging from 91 to 321 days from date of purchase. The following summarizes the Company s short-term investments at December 31, 2011 (in thousands):

	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value (Level 2)
Debt securities:				
US Treasury Securities	$ 1,000	$	$	$ 1,000
Commercial Paper	11,476	23		11,499
Corporate Bonds	17,494	2	(10)	17,486
Total	$ 29,970	$ 25	$ (10)	$ 29,985

Warrants

On December 29, 2010, the Company issued a warrant in connection with the December 2010 Convertible Notes. The warrant is exercisable into an aggregate of 167,361 of shares of the Company s common stock with an exercise price of $13.44 per share and expires on December 29, 2017. The warrant, valued at approximately $0.5 million, was recorded as a discount to the 2010 Convertible Notes and amortized as a component of interest expense over the term of the 2010 Convertible Notes. Upon the completion of the Company s initial public offering in February 2011, the December 2010 Convertible Notes were converted into common stock and the unamortized value of the warrants was recognized in full.

On November 24, 2010, the Company issued warrants in connection with the Hercules Credit Facility to the lenders to purchase 178,986 shares of the Company s Series A convertible preferred stock. The warrants are exercisable at a price of $13.44 per share and expire on February 2, 2016. The warrants, valued at approximately $0.6 million, were recorded as additional paid-in capital and as a discount to the Hercules Credit

Facility and are being amortized as a component of interest expense over the term.

On July 2, 2009, the Company issued warrants to the landlord of the Company s two San Diego facilities in connection with amendments to the respective lease agreements that deferred minimum annual rental obligations. The warrants are exercisable for an aggregate of 23,244 shares of Series A convertible preferred stock at a price of $13.44 per share and expire on February 8, 2016. The value of the warrants was recorded as prepaid interest and additional paid-in capital and has been amortized over the deferred rental payment term, which was completed in September 2011.

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In January 2009, the Company issued warrants in connection with the 2009 Convertible Notes. The warrants are convertible into an aggregate of 158,061 shares of the Company s common stock at an exercise price of $2.69 per share and expire on January 21, 2014. The warrants, valued at approximately $0.3 million, were recorded as additional paid-in capital and as a discount to the 2009 Convertible Notes and amortized as a component of interest expense over the term of the 2009 Convertible Notes.

Credit Risk

Financial instruments which potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents, short-term investments and accounts receivable. The Company maintains its cash and cash equivalents and short-term investments with high-credit quality financial institutions. At times, such amounts may exceed Federally insured limits. The Company performs ongoing credit evaluations of its customers, as warranted, and generally does not require collateral. As of December 31, 2011, two customers accounted for 56% and 41% of the Company s trade accounts receivable. Revenues from the supply of manufactured product for the Company s commercial partners, royalties, contractual services provided to its collaboration partners and licensing and development fees are primarily derived from major pharmaceutical companies that generally have significant cash resources. Allowances for doubtful accounts receivable are maintained based on historical payment patterns, aging of accounts receivable and actual write-off history. As of December 31, 2011 and 2010, no allowances for doubtful accounts were deemed necessary by the Company on its trade accounts receivable.

NOTE 5 - EARNINGS PER SHARE

Basic and diluted earnings per share are calculated in accordance with ASC 260, Earnings per Share, using weighted shares outstanding, plus the dilutive effect of outstanding stock options and restricted shares, computed using the treasury stock method. The following table sets forth the computation of basic and diluted loss per share for the years ended December 31, 2011, 2010 and 2009 (in thousands except per share amounts):

		Years ended	
	December 31, 2011	**December 31, 2010**	**December 31, 2009**
Numerator for basic and diluted earnings (loss per share)			
Net loss	$ (43,328)	$ (27,149)	$ (31,707)
Denominator			
Weighted average shares of common stock outstanding	16,437	574	573
Effect of dilutive securities			
Shares used for diluted earnings per share	16,437	574	573
Net loss per share			
Basic net loss per share of common stock	$ (2.64)	$ (47.29)	$ (55.32)
Diluted net loss per share of common stock	$ (2.64)	$ (47.29)	$ (55.32)

The preferred stock, stock options and warrants are excluded from the calculation of diluted loss per share because the net loss for the years ended December 31, 2011, 2010 and 2009, causes such securities to be anti-dilutive. The potential dilutive effect of these securities is shown in the chart below (in thousands):

	December 31, 2011	Years ended December 31, 2010	December 31, 2009
Weighted average shares of common stock outstanding basic	16,437	574	573
Convertible series A preferred stock		6,323	6,323
Stock options	1,177	1,058	17
Convertible debt		1,425	827
Warrants	110	80	
Weighted average shares of common stock -diluted	17,724	9,460	7,740

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Pacira Pharmaceuticals, Inc.

Notes to Consolidated Financial Statements

NOTE 6 - INVENTORIES

The components of inventories were as follows (in thousands):

	December 31, 2011		December 31, 2010	
Raw materials	$	862	$	1,108
Work-in-process		96		10
Finished goods		287		487
Total	$	1,245	$	1,605

For the year ending December 31, 2011, the Company wrote off DepoDur related inventory totaling $0.2 million.

NOTE 7 - FIXED ASSETS

Fixed assets, at cost, summarized by major category, consist of the following (in thousands):

	December 31, 2011		December 31, 2010	
Machinery and laboratory equipment	$	12,188	$	7,002
Computer equipment and software		1,133		765
Office furniture and equipment		352		167
Leasehold improvements		6,056		3,938
Construction in progress		13,656		18,144
Total		33,385		30,016
Less accumulated depreciation		(8,282)		(6,066)
Fixed assets, net	$	25,103	$	23,950

Depreciation expense for the years ended December 31, 2011, 2010 and 2009 was $2.0 million, $1.8 million and $1.9 million, respectively. During the year ended December 31, 2011, an impairment loss of $1.3 million was recognized due to a decision made during the fourth quarter of 2011 to change the automation technology process in the Company s production line to expand EXPAREL capacity resulting in certain software and equipment previously capitalized as construction in progress that were no longer utilizable. Also during 2011, the Company impaired $0.3 million of DepoDur related equipment. Refer to Note 8 Intangible Assets for discussion on the impairment. These impairment losses are reflected in impairment of long-lived assets in the Company s consolidated statements of operations.

During the year ended December 31, 2011, the Company capitalized interest of $0.8 million on the construction of its manufacturing sites. Capitalized interest was not material and, therefore, not capitalized for the years ended December 31, 2010 and 2009 due to non-routine delays in the manufacturing site as well as lower debt outstanding during 2009.

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NOTE 8 - INTANGIBLE ASSETS

Intangible assets, net consist of core technology, developed technology, DepoDur rights, and trademarks and trade names acquired in the Acquisition. Intangible assets are recorded at cost, net of accumulated amortization. Amortization of intangible assets is provided over their estimated useful lives on a straight-line basis.

Intangible assets are summarized as follows (in thousands):

	Year Ended December 31, 2011	2010	Estimated Useful Life
Core Technology			
Gross amount	$ 2,900	$ 2,900	9 years
Accumulated amortization	(1,530)	(1,208)	
Net	1,370	1,692	
Developed Technology			
Gross amount	11,700	11,700	7 years
Accumulated amortization	(7,939)	(6,268)	
Net	3,761	5,432	
Trademarks and trade names			
Gross amount	400	500	7 years
Accumulated amortization	(272)	(253)	
Net	128	247	
DepoDur Rights			
Gross amount		2,058	
Accumulated amortization		(517)	
Net		1,541	
Intangible assets, net	$ 5,259	$ 8,912	

Annual amortization expense for intangibles was $2.3 million for each of the years ended December 31, 2011, 2010 and 2009. Amortization expenses associated with the Company s commercial products and developed technology are included in cost of revenues. Amortization expenses associated with the Company s products in development are included in research and development expenses. Following the approval of EXPAREL in October 2011, all intangible amortization is reflected in cost of revenues.

Intangibles are evaluated for potential impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recorded to the extent the asset s carrying value is in excess of the fair value of the asset. When fair values are not readily available, the Company estimates fair values using expected discounted future cash flows. In December 2011, the Company was notified of its commercial partner, EKR Therapeutics, Inc., or EKR, intent to exit the DepoDur market. As a result, the Company recorded an impairment loss of $1.4 million representing the net intangible value of the DepoDur rights. Refer to Note 16 Commercial Partners and Other Agreements for further discussion. In making the determination to impair the intangible asset, the Company also considered its inability to re-sublicense the product due to minimal supply revenue for the product both in the U.S. and in Europe as well as DepoDur s complex manufacturing process. Such impairment losses are reflected in impairment of long-lived assets in the Company s consolidated statements of operations.

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The approximate amortization expense for intangibles subject to amortization is as follows (in thousands):

	Core Technology	Developed Technology	Trademarks and Tradenames	Total
2012	322	1,671	57	2,050
2013	322	1,671	57	