



Moderator: Andrew Hobson
February 19, 2004
4:00 p.m. CT

Operator: Good day and welcome everyone to the Univision Fourth Quarter 2003 Earnings conference call. This call is being recorded.

At this time for opening remarks and introductions, I'd like to turn the call over to the Executive Vice President of Univision Communications, Mr. Andrew Hobson. Please go ahead, sir.

Andrew Hobson: Thank you, Operator, and thank you, everyone, for joining us this afternoon to discuss Univision results for the Fourth Quarter and Full Year 2003. Some of the information discussed today will contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements involve risks and uncertainties including those relating to Univision's future success and growth. Actual results may differ materially due to risks and uncertainties as described in Univision's filings with the Securities and Exchange Commission. Univision assumes no obligation to update forward-looking information discussed on this call.

With me on today's call are Ray Rodriguez, President of the Univision Television Networks; Mac Tichenor, President of Univision Radio; George Blank, Univision's Chief Financial Officer; Jeff Hinson, Chief Financial Officer, Univision Radio; and Ron Furman, Executive Vice President.

I will now turn the call over to Ray and Mac to review our operating performance. Following their discussion, I will review our financial performance. Ray?

Ray Rodriguez: Good afternoon, everyone, and thanks, Andy. As you all know, 2003 was a landmark year for Univision, as well as Spanish-language media overall. Our acquisition of Hispanic Broadcasting has helped to create new opportunities for our audience, the Hispanic community and marketers trying to reach this group.

During the fourth quarter and throughout 2003, we experienced tremendous success in all of our businesses. This success was helped, in part, by the continuing Hispanic demographic growth in the U.S.

Our viewers today mirror the overall Hispanic population: younger; more affluent; and increasingly bilingual, yet closer to their culture. Across all demographics, U.S. Hispanics are tuning in, in record numbers to our culturally relevant programming through television, radio and the Internet. We now cater to a group that is 40 million strong and growing at a rate seven times faster than the non-Hispanic population. Our



community is loyal, prefer Spanish-language entertainment and trust Spanish-language information.

During the quarter, our Univision, TeleFutura and Galavision networks together delivered the largest audience in our history in primetime and total day in virtually all demos, including households, Adults 18 to 34, and Adults 18 to 49. While the English-language broadcast networks reported major decreases in viewing during the fourth quarter, we delivered record audiences. We also attracted more than four times the Adults 18 to 34 and 18 to 49 primetime audiences of Telemundo and its cable network, Mun2, combined.

The good news is that Spanish-language television viewing in the quarter has grown 11%, and that's great for our industry as a whole. The better news is that 80% of that growth went to the Univision networks. Importantly, our growth is consistent, unlike many of our Spanish and English-language competitors who experience peaks and valleys.

This steady growth can be attributed, in part, to our exclusive access to the top Spanish-language programming in the world, our flexibility to adjust our lineups to maximize ratings in every day part, as well as our counter-programming plan. Our strategy of adding the TeleFutura network has also generated significant incremental results. Let me give you some examples.

During the fourth quarter, among all viewers, the Univision Network's primetime novelas increased 4%. Then, add to that TeleFutura's increase in their primetime movie block of 44%. Viewership of the Univision Networks evening news was up 9% and in the same time period, TeleFutura's novela was up 94%. Univision's daytime novela block was up 1%, then add TeleFutura's daytime talk shows and entertainment shows which were up 78%. And our sports franchise was again #1, with viewing to sports programming on all three of our networks up 21%. To put our world-class sports coverage in context, in 2003, Univision, TeleFutura and Galavision combined showed a record 1,987 hours of sports programming.

Now a quick word about the Univision Network. During the fourth quarter, at least 43 of the top 50 programs whether English or Spanish programs among Hispanic Adults 18 to 34, 18 to 49, households and persons 2+, were on Univision. The remaining top programs were major league baseball playoffs and the World Series game on FOX.

As we said in our press release, our owned and operating stations were #1 all day in the key markets of Los Angeles, Miami, Houston, Dallas, Phoenix, Fresno and Bakersfield, with Adults to 18 to 34, whether Hispanic or non-Hispanic, watching more of Univision than any other station in those markets. At our flagship station, KMEX in Los Angeles, we out delivered all other stations in the market among Adults 18 to 34, in primetime by at least 55%.



Our local news continues to be an important factor in our success with Hispanic and non-Hispanic Adults 18 to 49 in Los Angeles, Miami, Chicago, Phoenix and Fresno choosing Univision's news coverage over all other stations, whether English or Spanish in those markets.

Univision's local evening news was watched by more Adults 18 to 34, Hispanic or non-Hispanic, than any other station in the markets of New York, Los Angeles, Miami, Chicago, Phoenix, San Francisco, Fresno, Dallas, Houston, and Bakersfield. This is just incredible, that in the nation's top three television markets, New York, Los Angeles, and Chicago, Univision's early news outdraws everyone including ABC, NBC, CBS and FOX among all young people.

Turning now to TeleFutura. Our newest network celebrated its second birthday last month and is now the fastest growing broadcast television network in any language. During the quarter, TeleFutura's primetime audience was up 64% among Adults 18 to 49, 53% among Adults 18 to 34, and 44% among households.

In addition to audience growth, we also expanded our footprint this quarter by adding a new station in North Carolina. With this addition, TeleFutura now reaches 79% of U.S. Hispanic TV households. Locally, during the November Sweeps, our TeleFutura stations garnered at least double-digit ratings growth during total day in New York, Miami, Fresno and San Antonio among Hispanic Adults 18 to 49, compared to last year.

In the 7:00 primetime hour, TeleFutura's game show, "100 Mexicanos Dijeron", more than doubled its Hispanic Adult 18 to 49 audience in New York, Phoenix and Sacramento, while also increasing its viewership at least 20% in Miami, Houston, San Antonio and Fresno. During the Sweep, TeleFutura's morning novelas garnered a rating three times greater than the rating of Telemundo's morning news program in Los Angeles, Chicago, San Francisco, and Fresno, while its rating was at least 40% higher than Telemundo in Dallas and Houston among Hispanic Adults 18 to 49.

Now a little bit on Galavisión. Since April 2002, when we changed Galavisión's programming from a mix of Spanish and English, to just Spanish, our primetime teen audience has grown 60%. Our Adult 18 to 34 audience has grown 100% and our Adult 18 to 49 audience has grown 95%. This underscores the fact that programming in both English and Spanish just doesn't work. Hispanics want programming that is 100% catered to them in the language they prefer. The in-between is simply not compelling.

During the quarter, Galavisión experienced total day growth of 16% among Hispanic Adults 18 to 34, 20% among Adults 18 to 49, and 22% among households compared to the 2003 third quarter. In the third quarter, Galavisión averaged 17 times more Adults 18 to 49 than Mun2 in primetime, and 14 times more Adults 18 to 49 than Mun2 on a total day basis.



I'll now briefly discuss our online and music divisions. Univision Online continued to grow its advertiser base and page impressions during the quarter. We also announced a partnership with CareerBuilder.com to launch one of the first and only bilingual career websites.

On the music side, Univision Music Group beat long time leader Sony Discos and was named the billboard top Latin label of 2003. Our hip-hop artist Akwid and regional Mexican group Los Tigres del Norte both received 2004 Grammy nominations this quarter. Regional Mexican group, Los Huracanes del Norte remained #1 on the BDS Regional Mexican Chart for 16 consecutive weeks. And our international recording star Marco Antonio Solis released the critically acclaimed CD DVD collection "La Historia Continúa", which reached the #1 spot on Billboard's Top Latin Albums chart.

With that, I'll turn the call over to Mac Tichenor, President of Univision Radio, to discuss Radio's fourth quarter highlights. Mac?

Mac Tichenor: Thanks Ray and good afternoon, everyone. We are pleased to report that Univision Radio posted industry leading fourth quarter operating performance. Our fourth quarter net revenues were up approximately 17% over the same period last year. Same station net revenues grew approximately 11% compared to a 1% revenue decline for the radio industry as a whole, and compared against a 0.4% composite radio revenue decline in those markets where we own or operate same stations.

We posted industry leading growth for the entire year as well. As total net revenues were up approximately 14% and same station net revenues grew approximately 9%, compared to radio industry growth of 1% and composite revenue growth in our same station markets of about 3% for the year.

Our fourth quarter revenue group outpaced the radio revenue industry growth in 12 of the 13 markets that we classify as same station markets, including Los Angeles, where we posted double-digit revenue growth. We showed strength in local, national and network business, offsetting a decline in political spending compared to the fourth quarter of 2002.

We enjoyed growth from a broad range of advertiser categories, with retailing being a notably strong category for us in the fourth quarter. In addition, we enjoyed rating success in the Fall Arbitron ratings. Our Persons 12+ audience share grew approximately 9% sequentially over the summer books ratings, and approximately 10% on a year-over-year basis, compared to the 2002 fall book.

Year-over-year, we posted double digit audience share growth in New York, Houston, Chicago, and Las Vegas, and posted audience share increases of more than 50% in San Francisco and Phoenix. In Los Angeles, our stations KSCA and KLDE ranked #1 and #2 in audience share among Adults 25 to 54, the most sought after demographic by radio advertisers. And that's first and second among all stations, English or Spanish.



Among Spanish-language stations, KSCA, KLVE and our Recuerdo format ranked #1, #2 and tied for 5th, respectively.

In terms of integration of the radio business with television and the other Univision platforms, while we're very early in the process, good things are happening. On a local basis, station management is cooperating to bring all of our assets to bear to provide creative solutions for our clients and garner increased ad budgets as a result.

On a national basis, we've enjoyed some early successes in dramatically increasing our business with certain customers through a variety of means including joint sales presentations and cooperative marketing of events. In addition, we are encouraged by the apparent early impact of cross promotion on radio's ratings in the Fall book.

In summary, we've enjoyed a great 2003, and feel increasingly justified in our optimism over our prospects for 2004 and beyond. And with that, I will hand it over to Andy to go through the financial highlights.

Andy Hobson: Thanks, Mac. Univision experienced record performance in 2003, delivering on a GAAP basis 20% growth in revenue and 31% growth in operating income before depreciation and amortization. On a pro forma basis, giving effect to our merger with Hispanic Broadcasting, revenue for the full year increased by 13% and operating income before depreciation and amortization increased by 17%, significantly outpacing the growth in television and radio advertising in general.

In 2003, we continued to strengthen our leadership position in all of our businesses and we successfully completed the merger with Hispanic Broadcasting in October of last year, adding the leading Spanish-language radio broadcaster to our portfolio of businesses. We are well positioned for continued growth in 2004 and beyond.

For the fourth quarter, Univision's consolidated net revenues increased by 44% to \$408.1 million. Operating income increased by 45% to \$122.6 million. Net income increased by 62% to \$58.9 million and diluted earnings per share grew to \$0.17 from \$0.14 in 2002, exceeding our guidance and First Call consensus estimates of \$0.16 per share. Consolidated operating income before depreciation and amortization increased 42% to \$148.3 million, significantly exceeding our guidance range and Wall Street analyst median estimate of approximately \$143 million.

The television business experienced strong net revenue growth of 12% in the quarter to \$295 million. This growth is particularly impressive when compared to the English-language television broadcasters' fourth quarter revenues, which were generally down. Excluding the effects of political advertising in the fourth quarter, the television business revenues increased by 14%.



During the quarter, revenues of our Network businesses increased by 18% and revenues of our Stations increased by 3%. Excluding the \$7.3 million of net political revenue in the fourth quarter of 2002 and the \$1.4 million in the fourth quarter of 2003, our station's net revenue increased by 9%.

The television business operating income before depreciation and amortization for the quarter increased 9% to \$120.0 million. This growth was achieved despite the reduction in political revenue and the new expenses associated with increased programming and research cost for TeleFutura, reinstatement of incentive compensation and the launch of four new stations.

During the fourth quarter, Univision Radio generated net revenues of \$76.2 million, and operating income before depreciation and amortization of \$27.4 million.

Our Internet and Music businesses continue to show improvement. Our Internet business reduced its operating loss before depreciation and amortization by 47% to \$1.2 million and increased revenues by 39% to \$6.0 million. Our Music business reported operating income before depreciation and amortization for the quarter of \$2.1 million on \$30.9 million of revenue.

Income tax in the fourth quarter was \$39.5 million, of which \$23.5 million represents deferred tax expenses and cash taxes were \$11 million. Capital expenditures for the quarter totaled \$19.2 million. \$5.8 million were related to the construction of new facilities and the remaining \$13.4 million represented maintenance capital expenditures. At December 31st, outstanding indebtedness net of \$76.7 million in cash was \$1.218 billion excluding our capitalized lease obligations.

I will now provide pro forma financial results for the fourth quarter, which assume that the merger with Hispanic Broadcasting had occurred as of January 1st of each year and give effect the merger under the purchase method of accounting. These results do not reflect any adjustment for synergies and are presented for informational purposes only. Pursuant to Regulation G of the Securities and Exchange Commission, we will be posting on our corporate Web site a reconciliation of the following pro forma and non-GAAP financial terms, to the appropriate GAAP historical financial results. On our corporate website, Univision.net, please go to Financials and Other Filings in the Investor Relations section, for a copy of this reconciliation.

On a pro forma basis, consolidated net revenue for the fourth quarter 2003 increased by 18% to \$408.1 million from \$347.2 million in 2002. Operating income increased by 21% to \$122.6 million from \$101.6 million in 2002. Net income increased to \$56.2 million, from \$46.8 million in 2002 and diluted earnings per share grew to \$0.16 from \$0.13 in 2002. Operating income before depreciation, amortization, increased by 19% percent to \$148.3 million from \$124.7 million in 2002.



The merger costs incurred by Hispanic Broadcasting and charged to operating expenses were \$2.1 million in the fourth quarter and zero for the fourth quarter 2003.

On a pro forma basis, excluding these merger costs, operating income would have increased by 18% to \$122.6 million, net income would have increased by 15% to \$56.2 million, and EPS would have grown to \$0.16 from \$0.14 cents in 2002. Operating income before depreciation and amortization would have increased by 17% to \$148.3 million.

During the fourth quarter 2003, on a pro forma basis, Univision Radio generated industry leading net revenue growth of 19% to \$76.2 million. On a same station basis, revenue growth was 11%, which is particularly impressive when compared to the radio industry fourth quarter revenue decline of 1% as reported by the Radio Advertising Bureau. On a same station basis, operating expenses grew 7%, which excludes recently acquired stations and start-up stations. Operating income before depreciation and amortization excluding merger costs increased 22% to \$27.4 million in the fourth quarter.

For the full year 2003, Univision's consolidated net revenues increased by 20% to \$1.311 billion. Operating income increased 38% to \$348.7 million. Net income increased 80% to \$155.4 million and diluted EPS grew to \$0.55 from \$0.34 cents in 2002, exceeding our guidance and First Call consensus estimates of \$0.53 per share. Consolidated operating income before depreciation and amortization increased 31% to \$433.6 million, exceeding our guidance range and Wall Street analyst median estimate of approximately \$429 million.

The television business delivered \$1.098 of net revenue. This 8% growth is impressive compared with the English-language television broadcasters' full year revenue that was approximately flat. This revenue growth is also strong, given that our 2002 net revenues included \$65.6 million from the World Cup Soccer Tournament, not all of which is incremental, and \$11.6 million from political advertising, versus approximately \$2 million from political advertising in 2003. Excluding the effect of these items, the television business grew revenues by approximately 14%.

During 2003, revenues of our Network businesses increased by 11% and revenues of our Stations increased by 5%. Excluding the estimated incremental portion or two-thirds of the net revenue from the World Cup in 2002, and the impact of political advertising in 2002 and 2003, net revenues increased by 17% for our networks and 10% for our stations.

The television business operating income before depreciation amortization for the year increased 16% to \$402.2 million. This operating leverage was achieved despite the reduction in political revenue and the new expenses associated with increased programming and research costs for TeleFutura, increased license fees, reinstatement of incentive compensation and the launch of four new stations.



On an as reported basis, for the full year 2003 after the closing of the merger, Univision Radio generated \$83.6 million of net revenue and \$30.9 million of operating income before depreciation amortization.

Our Internet and Music businesses achieved significant improvement during 2003. Our Internet business reduced its operating loss before depreciation amortization by 33% to \$9 million and increased revenues by 27% to \$15.9 million. Our Music business reported operating income before depreciation and amortization of \$9.5 million on \$113.2 million of revenue.

Income tax expense for the year was \$105.4 million, of which \$54.6 million represents deferred tax expense. Cash taxes were \$40.8 million. Capital expenditures for the year totaled \$56.3 million. \$7.8 million of these capital expenditures were related to the continuing one-time build-out of digital television transmitter facilities as required by law, \$8.5 million were related to the construction of new facilities, and the remaining \$40 million represented maintenance capital expenditures.

I will now provide pro forma financial results for the full year 2003, which assume that the merger with Hispanic Broadcasting had occurred as of January 1st of each year, and give effect to the merger under the purchase method of accounting. These results do not reflect any adjustments for synergies and are presented for informational purposes only. As before, pursuant to Regulation G of the Securities and Exchange Commission, we will be posting on our corporate website a reconciliation of the following pro forma and non-GAAP financial terms to the appropriate GAAP historical financial results. On our corporate website, Univision.net, again, please go to Financials and Other Filings in the Investor Relations section for a copy of the reconciliation.

On a pro forma basis, consolidated net revenue for the full year 2003 increased by 14% to \$1.515 billion from \$1.342 billion in 2002. Operating income increased by 21% to \$387.4 million from \$319.2 million in 2002. Net income increased to \$172.2 million from \$130.7 million in 2002, and diluted EPS grew to \$0.49 from \$0.37 in 2002. Operating income before depreciation and amortization increased by 17% to \$481.9 million from \$410.3 million in 2002.

The merger costs incurred by Hispanic Broadcasting and charged to operating expenses were \$14.4 million for the full year 2003 and \$5.1 million for the full year 2002.

On a pro forma basis excluding these merger costs, operating income would have increased by 24% to \$401.8 million, net income would have increased by 37% to \$185.9 million, and EPS would have grown to \$0.53 from \$0.38 in 2002. Operating income before depreciation and amortization would have increased by 20% to \$496.6 million.

During the full year 2003, on a pro form basis, Univision Radio generated strong revenue growth of 14% to \$291.1 million. On a same station basis, revenue growth was



9%, which is impressive when compared with the radio industry revenue growth of 1% for the year as reported by the Radio Advertising Bureau. Operating income before depreciation and amortization increased 13% percent to \$93.9 million.

In compliance with Regulation FD of the Securities and Exchange Commission we provide guidance on our conference call such as this one.

Univision enters 2004 well positioned in all of its business divisions. Our audiences both in television and radio are growing to record levels. Our online and music divisions are leaders in their field. Our integration efforts are delivering the results we expected by increasing audience deliveries through cross promotion and increasing our advertising revenues by providing advertisers with the unique platform that drives the sales of their own goods and services.

Comparing the consolidated 2004 estimated results with the 2003 pro forma results, which assume that the merger with Hispanic Broadcasting closed on January 1st, 2003, Univision expects net revenue for the first quarter to increase by high single-digit to low double-digit percentages. Operating income before depreciation and amortization is expected to increase by low double-digit percentages. Depreciation and amortization expense is expected to be approximately \$24 million. Earnings per share are expected to increase from \$0.05 in 2003 to between \$0.08 and \$0.09 in 2004.

The first quarter has been slow for the industry as a whole. And while that affects us, we will still be an industry leader in top line revenue growth. Our pacing throughout the rest of the year and the strength of our network business provides us with optimism for improved growth in the second, third and fourth quarters of 2004.

At this point, we'd be happy to take any questions. Operator, will you please instruct the callers how to ask questions.

Operator: The question-and-answer session will be conducted electronically. If you would like to ask a question, please do so by pressing the star key followed by the digit one on your touch-tone telephone. If you are using a speakerphone, please make sure your mute function is turned off to allow your signal to reach our equipment. We will proceed in the order that you signaled us, and we will take as many questions as time permits. Once again, it is star one if you'd like to ask a question. If you find that your question has been asked and answered and you'd like to remove yourself from the queue, you may do so by pressing star two.

We'll have our first question from Gordon Hodge, Thomas Weisel Partners.

Gordon Hodge: Yes, good afternoon. I was just curious if you could talk about just the scatter market a little bit, pricing, maybe differentiate between the Univision Network and TeleFutura? And then – it sounds TeleFutura is really growing rapidly, maybe



coming into its own here...if you can just talk about where we are towards moving towards profitability there, that would be great, thanks.

Andrew Hobson: Ronnie?

Ron Furman: Gordon, good afternoon. It's Ron Furman. Scatter pricing between the networks Univision and TeleFutura is ranging between 4% and 8% above our upfront CPMs. That takes into account the increase in TeleFutura's growth in audience and the CPM increases vary by Univision and TeleFutura network appropriately. But it's been a very positive quarter for us.

Gordon Hodge: Great. Any sense of pricing versus Telemundo? TeleFutura is still below Telemundo's pricing?

Ron Furman: We've adjusted TeleFutura's pricing starting with last year's upfront as its rating increases became more apparent after its first year of growth. We're continuing to do that in the second year of growth. And we're making sure that the programs that are performing the best are delivering the best CPMs. There's a fairly interesting range between certain programs, but we're closing the gap on Telemundo relative to CPMs which is, I think, where you're going with that.

Gordon Hodge: Great. And then any sense of the profits at TeleFutura?

Andrew Hobson: For the year?

Gordon Hodge: Yes. Or where are we sort of in the process there?

Andrew Hobson: We've been operating on a break even basis. And it's really discretionary from here forward, the profitability, depending on how much we decide to invest in programming.

Gordon Hodge: OK. Great. Thanks.

Operator: We'll have our next question from Victor Miller with Bear Stearns.

Victor Miller: Good afternoon. Thank you. Two questions. First of all, when you look at the sign-on to sign-off [ratings], New York up 50% for the TV stations combined, L.A. up 43, Chicago up 20, the top 20 radio markets all flat to up in terms of ratings 12+ share...We've got the Univision [network] up mid single digit in audience and TeleFutura 40 percent...I'm interested, given this background, interested to see why you're – how this is...into what you're expecting in terms of revenue, and what you're expecting going forward when you talk about seeing a more robust market.

Secondly, on your core expenses, could you help us, Mac, understand what the core expense growth looks like for radio in the first quarter, and generally for the year.



And Andy, we've done this each quarter, and I hope you don't mind. If you could just tell us again what the impacts [are], so we could figure out [what] core TV expense growth would be. What's the impact of, in dollar terms, Nielsen, new TV stations, incentive comp for the quarter relative to last year? Or even if you just gave the absolute dollars we can do the comparison. Thank you.

Andrew Hobson: OK. As it relates to ratings growth and implications for revenue growth, you know, revenue growth always follows audience growth... is our experience. So, we always like having more audience to sell. However, most media buyers average over multiple books, so you don't always get the full benefit at any given time in your unit rate pricing. So, there tends to be a lag on the revenue growth and the ratings growth.

That being said, you know, I think that, you know, it's a good sign as we go through the remainder of the year, as it relates to our revenue growth. Do you have anything to add, Mac or Ray or Ron?

Mac Tichenor: Hello, this is Mac. I'd just say, I think that kind of ratings growth is going to continue to fuel outperformance compared to industry revenue growth in – with other broadcasters like we saw in Q4.

Andrew Hobson: As it relates to your core expense growth, I don't have my fingers on that detail right now, but let me just kind of talk about the business generally speaking. You know, our business is a little different than the English-language model in that approximately 25% of our television expenses vary perfectly with revenue because of the program license fees. As a result of that, we have mitigated our failure costs for our network, but we do lose a little on the operating leverage.

Another 15% of our expenses are semi variable; that's kind of sales compensation which will vary similarly between inflationary growth and revenue growth. And the final kind of 60% of expenses really tend to grow, you know, pretty nominally in the 4% to 5% range, with the exception of certain step functions we had last year, and you know, a couple of items in this current year.

Last year we had step functions of increased research and sales cost, largely Nielsen, about \$10 million during the year. We had the reinstatement of bonus compensation of in the magnitude of \$20 million during the year. We had the effect of start-up stations during the year which my recollection is \$6 to \$8 million throughout the year. And as we look into 2004, a lot of that goes away, because we lap those expenses. We do have, five [television] stations that we bought at the beginning of last year through January of this year, incremental expenses related to those as we go through 2004, in the \$5 million range. We do have some new Nielsen expenses that fall in the last half of 2004 which could be approximately \$4 or \$5 million. That relates to the NTI national service. And then we just have that business model that takes into account the other things, plus discretionary programming expenses. Does that help, Victor?



Operator: And we'll have our next question from Jason Helfstein, CIBC World Markets.

Jason Helfstein: Thank you. A few questions. First, can you give us just the network ratings data? So, first quarter season to date, if you can give us ratings, audience in thousands and share, for both primetime and total day [Adults] 18 to 49? And then the percentage change over [last year]? And then I've got a follow up. Thanks.

Ray Rodriguez: OK. Jason, let's see, the fourth quarter – you were asking about fourth quarter?

Jason Helfstein: No, first quarter season to date.

Ray Rodriguez: Season to date.

Jason Helfstein: I'm sorry, first quarter to date. I apologize.

Ray Rodriguez: Well first quarter, the combined TeleFutura and Univision as far as audience is up in January 4% in audience growth. Adult 18 to 49 is up 10%. Adult 18 to 34 is up 9%. Both those 18 to 49 and 18 to 34 are records for January. And February is up audience 18 to 49 is up 3%. As far as ratings... – that was audience.

Jason Helfstein: Right. OK. That's audience.

Ray Rodriguez: OK. Ratings. January is up, this is Adult 18 to 49, our rating is 10.2 in January this year, versus 9.7 last year, 18 to 49.

Jason Helfstein: OK. That's January.

Ray Rodriguez: That's January.

Jason Helfstein: OK. And February?

Ray Rodriguez: Adults 18 to 34 January is this year 10.5 rating versus last year 9.5 rating, so that's up a point.

Jason Helfstein: And do you have 18 to 49 for February?

Ray Rodriguez: Well, February is halfway done, 18 to 49 we have rating 10.7 rating.

Jason Helfstein: And do you know what the comparison is for last year?

Ray Rodriguez: Last year, February '03, 10.9.



Jason Helfstein: OK. And then do you have ...

Andrew Hobson: It is a partial month right, Ray?

Ray Rodriguez: Yes, this is two weeks, Jason.

Jason Helfstein: OK.

Ray Rodriguez: This third week that we're into, we're seeing higher numbers.

Jason Helfstein: And then do you have a share –so for January and February you versus Telemundo.

Ray Rodriguez: Let's see, households...

Jason Helfstein: Adults 18 to 49.

Ray Rodriguez: Adults 18 to 49, January this year is 77 share, last year was 84 share. And 18 to 34, last was year 85, this year is 77. I do want to mention the fact that our comps versus Telemundo are kind of tough in January. Telemundo had the worst month last January that they had had in the last five years. So, that is a very tough comp.

Jason Helfstein: Do you have a February number, just so we can see the comparison?

Ray Rodriguez: February...

Jason Helfstein: For the 18 to 49 share?

Ray Rodriguez: So far?

Jason Helfstein: So far, yes.

Ray Rodriguez: Eighteen to 49, we had 83 share, this year 75 share.

Jason Helfstein: OK. Then just two quick follow-ups. First, just on the radio, Mac, as far as the ratings gains you're seeing, is any of that due to a change in Arbitron's methodology or we still haven't seen that yet? Then, Andy, a quick follow up: any update on political? I know that's usually not a driver, but are you seeing anything in the first quarter that may make you think that you may get more in the back half relative to 2002 or historical spending on Univision?

Andrew Hobson: Mac, you go first?



Mac Tichenor: Yes, there hasn't been a change in Arbitron's methodology. The change they're contemplating is to weight their sample by language usage of the respondent. And that will happen in 2006, we hope.

Jason Helfstein: OK. So, all of your gains are organic?

Mac Tichenor: Yes.

Jason Helfstein: OK.

Andrew Hobson: For the first quarter, we had about a half a million dollars of political. Most of the political spending so far, certainly that done by the democratic candidates has not – our stations are not located in states where the primaries have been. Most of the important markets to us' primaries - the Texas, California, Illinois, Florida markets- are all in the first couple of weeks of March. We are very optimistic about political going into the remainder of the year. We think that the importance of the Hispanic vote is maybe more on the radar screens of the various parties than ever before.

But the amount of political money you get depends on how tight the races are. So, a lot of it depends on the parties' views as to the competitiveness in California, Florida, Texas, New York, New Jersey, Illinois, etc. That's hard to predict at this point. But we have a team assembled that's working with both parties, working with very well connected political consultants for both parties. And we're getting very good feedback, but time will tell what we actually get.

Jason Helfstein: One more quick follow up, and then I'll let you guys go, and I apologize for so many questions. Just relating to the guidance, it seems as though the guidance is particularly conservative on the expense side, similar to the last three quarters where you gave guidance, and you came in materially better on the expense side. Should we assume that first quarter? Again, you're using the same level of conservatism on the expense side?

Andrew Hobson: Jason, our guidance is our guidance.

Jason Helfstein: OK. I had to ask. Thank you.

Operator: We'll go next to Drew Marcus, Deutsche Bank.

Drew Marcus: Good afternoon everybody. Radio and TV integration of the markets, we talked about having both revenue and expense synergies on previous calls and numbers thrown out were something like \$13 million of synergies, \$8 million revenue, \$5 million expenses. Can you discuss that?

Andrew Hobson: Mac, do you want to handle that?



Mac Tichenor: Yes. I think in terms of those synergies that we announced when we did the deal, I think we're confident that we will achieve at least those amounts of synergies. And as I said in my remarks, good things are happening on the sales side. And likewise, the cost side –the easy things to do and looking at longer term, things like facilities and other areas that take a little longer to just crank through.

Drew Marcus: So, Mac, are the synergies more back-end loaded this year or spread-out more evenly?

Mac Tichenor: I think they will prove to be spread out pretty evenly. But I think we'll have more to say about that by our call after the first quarter.

Drew Marcus: And another question, as far as the first quarter pacsings, can you discuss first quarter pacsings both for the TV stations and also for the radio stations?

Andrew Hobson: Pacings are consistent with our guidance. At this time of the year, we have pretty good visibility. The TV business is probably 93% done and the radio business is probably low 80% done.

Drew Marcus: So, you were saying that TV stations are up in that high-single, low-double and radio stations up in the high-single, double?

Andrew Hobson: Yes.

Drew Marcus: I'm sorry, Andy. That was a yes?

Andrew Hobson: Yes.

Drew Marcus: OK. Thank you.

Operator: And we'll have our next question from Richard Rosenstein, Goldman Sachs.

Richard Rosenstein: Thank you. Just curious, given what you know about your planned expense growth through the course of the year, what sort of revenue growth do you need to see in television to see margin expansion of EBITDA growth, or operating income before D&A growth, of a couple of hundred basis points better than revenue growth?

Andrew Hobson: I think you can figure that out based on your assumptions of revenue growth. Again, if we go through a simple, stupid formula, 25% of the TV expenses will grow in line with whatever you assume revenue growth is. 15% will grow between 4% and 5% percent and revenue growth because it's sales commission driven, and the remaining 60% will grow about 4% or 5%; and on top of that, we have discretionary decisions we make about producing more programming.



Richard Rosenstein: Yes, I guess I meant including the additional stations that you mentioned, including Nielsen..

Andrew Hobson: Each of those add about 1% of expense growth, Nielsen being in the back half of the year.

Richard Rosenstein: Got it, thanks.

Operator: We'll go next to Alissa Goldwasser with William Blair.

Alissa Goldwasser: Hi. I was wondering if perhaps Mac or someone else could elaborate on something that Mac said. I think the term significant was attached to some of the benefits that you've been seeing in the sales side of the combination. I wondered if you could go into that a little bit more.

And then secondly, program expenses to some degree, are attached to revenue growth based on your contractual agreements with Televisa and Venevision. I'm wondering about other kinds of programming, specifically sports or perhaps internally produced novelas, would you expect the program expenses related to that kind of product to equal the expense growth of the variable products? Or would that be less or more?

Andrew Hobson: Mac, do you want to talk about synergies.

Mac Tichenor: Yes, I can. I guess, we don't want to get into, for competitive reasons, too much detail, but just to kind of give you a sense of what's going on. We had a major Internet portal that came in for between \$1 million and \$2 million that was a new account for radio and expansions in television. We had a recording artist that spent between half a million and \$1 million to promote a new album release on three Univision platforms, radio, television and online. Major retailers committed to a series of events on radio and supported by TeleFutura, that's going to be over \$1 million this year. And we've got a number of proposals out, under consideration by advertisers, that I'm confident will result in more success stories to relate in the future.

Andrew Hobson: That relates to your question on expense growth and productions. The rate of growth of our existing productions reflects that 4% to 5%. But we do have more productions every year, which are discretionary decisions that we make based on the competitive atmosphere, our balancing of short term profits with long-term profits of particularly TeleFutura, which in many day parts is #2 to Univision among Spanish networks. And other day parts it's #3, and we have to improve those performances and that requires generally production. So, to the extent we produce incrementally like a novela in the United States, that would be additive to expense growth of that stuff.

Alissa Goldwasser: OK. Thank you.

Operator: We'll go next to David Joyce, Guzman & Company.



David Joyce: Thank you. A couple of questions. Can you talk about new advertisers that might be incremental to the Spanish-language broadcasting arena that would have come in during the quarter? Also, do you have any color on past broadcasting of Copa America and what you might anticipate for this year?

Ron Furman: David, Ron Furman once again. New advertisers that have come into our company on the network side include folks like BMW for the first time, GlaxoSmithKline Beecham with a pharmaceutical product, Lowe's Home Improvement, and we previously announced Merck also on the pharmaceutical side, as well as Sherman Williams.

Specific to Copa America we don't break out anything relative to that separately. It is part of our big event schedule at our company with matches televised throughout our networks and across the board. It will be the most important soccer event for Hispanics come this season, well outpacing any Olympic's ratings.

David Joyce: All right, thank you.

Andrew Hobson: Mac, do you have any color for new local advertisers?

Mac Tichenor: I don't have the list in front of me but I will say we got a number of new and substantial increases from retailers particularly, in the fourth quarter. That was a very strong category for us.

David Joyce: Thank you.

Operator: We'll go next to David Miller, Sanders Morris Harris.

David Miller: Yes, hey guys. Andy, your thoughts generally on acquiring the remaining 50% of Disa Records that you don't already own. Is it too early to make that call, just given that that option to exercise that right doesn't expire for a while?

And then Ray, your thoughts on the new [Voy] network, which is the Spanish-language digital channel here in Los Angeles? Thanks.

Andrew Hobson: Disa, you know, there's a put and a call. So, chances are when you have a structure of a put and a call, you end up buying the whole thing at the date options expire. So, I work under the principle that that's what's going to happen.

David Miller: OK.

Ray Rodriguez: David, what did you say the network was? I didn't catch it.



David Miller: V-O-Y, the Voy network. I believe it's a Spanish-language digital channel here in Los Angeles, that's just up. It started in the last three months.

Ray Rodriguez: Yes, we haven't had much experience or seen much of the numbers there. It's not a channel that's going to, in my opinion, going to grab any kind of a significant viewership.

David Miller: OK. Thanks very much.

Operator: We'll go next to Tim Wallace, UBS.

Tim Wallace: Thank you. Can you hear me there?

Andrew Hobson: Yes.

Ray Rodriguez: Yes.

Tim Wallace: Could you give me a sense of what percentage of your television revenues came from TeleFutura last year? And where do you anticipate that going over the next year or two?

The second question on the first quarter, it seems as though your guidance on TV seems a little tempered. And given that your ratings look like they're doing well and when you get to somewhere in here, or certainly by March, I would think comparisons get very easy. So, I guess the question really is could you remind us how much business dropped of in March for you guys last year? And is it the share shift with Telemundo and the 18 to 49 demographic, that's causing you to have a more conservative outlook on your revenue? Thanks.

Andrew Hobson: As relates to TeleFutura, we don't break out the differences, because the two are so closely related that just from an accounting standpoint, you wouldn't want to go through the exercises while the allocations would be necessary. But it's clear that TeleFutura is growing much faster than Univision. But it's also carrying a much smaller base.

In our TV guidance, again, our guidance reflects our outlook as to where the business will be in the quarter. I think that the quarter has been it's been a slowly developing quarter. And if anything it just reflects that. I don't think it reflects a loss of share to Telemundo or anything because frankly those transient events over a few weeks period don't affect any share shift of dollars. And in fact, we probably don't really capture any benefit for audience shares over 70%.

Tim Wallace: OK. Thank you.

Operator: We'll go next to Paul Sweeney, CS First Boston.



Paul Sweeney: Thanks very much. Andy, just a follow up on your last point, again, your share has generally been over the last several years mid 70s to mid 80s. I guess just on your transactional business, your spot business, Ron, and I guess on the station business, to what extent – I guess you kind of answered, Andy. I mean, you don't have much of volatility or variability in your spot pricing based upon the shares. I guess if that's in fact the case then what really drives it day-to-day? Is it just the overall growth of your audience, number one?

And number two, whether you're bringing in new advertisers or losing major advertisers? Should we just talk about changes in shares and how that impacts your pricing? Thanks.

Andrew Hobson: Change of share doesn't matter at all on revenue growth because people don't buy shares, they buy audiences. And an audience increase translates into unit price increase, which is what drives revenue. So, for our business model, unit price increases are a function of our audience increases, industry inflation, you know, CPM inflation in the media business. And the audience increase is a function of the demographic increase and rating changes. Demographic increase over a period of time [is] 3% to 4% a year. Our ratings increases are generally 1% or so. And CPM inflation you get a 5-ish percent. So, you have kind of a base line of low-single digits. And on top of that you get incremental new business over time.

Paul Sweeney: Great. Thanks very much.

Operator: We'll go next to Keith Fawcett, Merrill Lynch. One moment. We'll go next to Leland Westerfield, Jefferies & Company.

Leland Westerfield: Thank you and good afternoon everyone. I really have three questions. The first is about Nielsen ratings. The second one will be about sports developments and then, the third very quickly about new business opportunities.

First on Nielsen. Nielsen has committed to the NTI index change to reflect Spanish-language or language preference in their audience sampling, but seems less dedicated, if I read this right, in their NSI indices. First, if you could update us about the program with Nielsen at NSI.

And secondly, actually probably more interestingly, can you remind us about the impact that the NTI change would have on your network 18 to 34 year old ratings. And similarly, what [impact] would [that] have on a dominant legacy station like KMEX in L.A. if you had the NSI change?

Ron, could Copa America compare at all with the World Cup in terms of revenue knowing that the ratings at Copa America are roughly six times those of the Olympics?



It's a fairly strongly watched football competition in July. But does it rate at all against World Cup? Can you give us a sense of the size in revenue?

Andrew Hobson: Yes, I'll do my best to capture all of those questions in the ratings section. Univision subscribes to both rating services from Nielsen that measure both the viewing for markets for as a whole, as well as viewing just for Hispanic audiences within those markets.

So, if we look at the television market, a legacy market as you call is like Los Angeles, where you have the NSI service which measures the overall market and the NHTI survey which measures just Hispanic viewing within the market, you see that the Hispanic viewing in the market exceeds the audience credited to KMEX in the overall market survey, which is statistically impossible. That is because Nielsen uses different methodologies in the two services.

They admit that the superior methodology is the one in the Hispanic service, which involves weighting by language usage. They're implementing that methodology in the larger Hispanic markets currently [for NSI]. The effect when that is implemented and the samples are stable and well designed should be an increase in audience deliveries under the whole market survey [MSI] of approximately 40%.

That's important because at the station level we actually sell those NSI rating points, as opposed to the NHTI rating points. So, there is a potential for much higher prices, unit prices on a price per point basis, because the points we're selling will theoretically increase with the proper sample and methodology.

On the national basis, we subscribe currently to a service called the NHTI service which measures Hispanic viewing nationwide. The equivalent for the overall market is something called NTI. Nielsen is expanding the number of meters in the NTI service and will be making the NHTI service kind of a subset of the NTI service. That service will be official in the fall of 2005, with preliminary or evaluation data being available in the fall of 2004. In the surveys that currently exist, Spanish-language television generally, so that includes us and Telemundo and anyone else, gets credited in the NTI for about 40 % of its actual audience that's reported in NHTI.

So, when these samples are combined let's say, and when the methodology is improved and the samples are stable in the whole market for NTI, we expect to see Spanish-language television's audience deliveries increase by two-and-a-half times [in NTI] and the English-language audience as a whole decline by about 4%. Now, that helps us as it relates to buying models by media buying agencies which use optimizer models, because the NTI tapes are what those models run.

However, in our transactional business day-to-day, we sell the NHTI numbers currently. So, we should not see a benefit in unit rates for the network as we will for the stations. Does that satisfy you?



Ray Rodriguez: I want to add something, Andy. This is Ray. The most significant part is us becoming a member of NTI, because right now the only numbers that are out there are test data so Univision is not included in the NTI that the agencies get. So, unless an agency has signed up for NHTI, they don't even see our numbers. And so, when they're buying, and as Andy said, based on some of these computers, we're not even in there. So, [it has] a huge impact. Not only are our numbers going to be significantly higher than the test data showing to date, but agencies are actually going to see our numbers there - we're going to be listed right there with NBC, CBS, UPN, WB and the cable channels. Right now, we're not even listed. So, it's going to be significant.

Andrew Hobson: Ron, could you talk about the Copa and the World Cup part of the question?

Ron Furman: I'd be happy to. While the Copa America is an important and exciting event to U.S. Hispanic it's clearly not the ultimate soccer event which the World Cup is. The World Cup is something that is followed much more closely and gets higher ratings. Therefore, it's more costly to advertisers on a CPM basis. In addition, the World Cup takes place over the course of a month, 64 different games, and in effect, spans an entire summer season, while the Copa America only takes place over two weeks of the month of July this year. So, I don't really think that there's a revenue correlation relative to the excitement and the ratings portion of the event. World Cup is in a class of its own, Lee.

Leland Westerfield: Gentlemen, thank you very much.

Operator: We'll now go to Keith Fawcett, Merrill Lynch.

Keith Fawcett: Hi, good evening. You're still about a year away from being able to acquire some stations down in Puerto Rico. I was wondering if you could give an update on sort of audience trends and what the cash flow opportunity might be there.

Andrew Hobson: Since it's not part of our financial results, frankly, and we don't own it, I don't see the audience trends down there so I don't know it. From what I understand, we're typically #1 Monday through Friday – Monday through Sunday, #2 Monday through Friday in primetime, and #1 Monday through Sunday on an all-day basis. That's what I believe to be correct. In terms of financials, that station is part of another company and I feel uncomfortable commenting on that right now.

Leland Westerfield: OK. Thanks.

Operator: We'll go next to James Marsh, SG Cowen.

James Marsh: Yes, hi. Two quick questions here. First, I was hoping you could elaborate a little bit more on your relationship with CareerBuilder. Just specifically, how material could that be? If you could get into how those ads will be sold, how the deal is



structured, etc. Just give us some more flavor on that. Then secondly, just a quick one for you Andy. It looked like there was a pretty material change in your deferred tax liability on the balance sheet. It went from about \$1.2 billion in the third quarter of '03, down to about \$800 [million]. It was about a \$430 million swing. I was wondering if you could just flesh that out as well. Thanks.

Andrew Hobson: I'll have to call you back on the details of the CareerBuilder because I honestly have no idea and I suspect no one on the call does either. But if someone does they can pipe in, please. The deferred tax liability, George, can you explain that?

George Blank: Yes, the adjustment related to reallocation of the Hispanic Broadcasting purchase, and that would be licenses and goodwill.

Andrew Hobson: I think probably the more relevant thing to think about as it relates to deferred taxes gains, is the benefit of the attributes and how long they flow forward. The difference between our books and tax basis that we're amortizing for income purposes is about \$1.7 billion. That flows over 14 years, 15 years, let's call it. So, the benefit from a cash perspective for us of that amortization stream is probably \$55 million to \$60 million per year.

James Marsh: That's helpful. Thanks very much.

Operator: We'll go next to Michael Russell, Morgan Stanley.

Michael Russell: Thank you. I was just wondering just on the share count. Andy, is 352 million the right number for a forward-look? And just could you take us through...I know you reported at the end of the third quarter, just for Univision diluted shares of about 263 million. Can you just walk us through the increase? Was it just simply the Hispanic deal - Hispanic shares being added to it? Or were there other things going on in the share count?

Andrew Hobson: You broke up a little bit, so I didn't hear the question but the first part, 352 [million] it's pretty close. It varies with the stock price because of the treasury method of accounting. So I've always used a rule of thumb like 355 [million], but it's somewhere between the low 350s and mid 350s.

Michael Russell: OK. And then the second question. Do you have a point of view on the digital must carry issue or the digital multicast? We've seen the NBC affiliates kind of weigh in and say that they think that they could put weather or some other type of public service use to the spectrum. And others have weighed in saying that they might allow marriage of different networks maybe in the Spanish-language competitors of yours on that spectrum. Does Univision in general have a perspective on what they'd be petitioning the FCC on digital must carry?



Andrew Hobson: Ray, I believe you went to the FCC on that, so do you want to answer that?

Ray Rodriguez: Yes, we were at the FCC speaking to the commissioners about digital must carry. Right now, the general market networks, the English networks are in there trying to get multicasting. And you know, they've got all kinds of plans. We are just in there talking to them about digital must carry. So, we don't know where that's going to end up. The FCC is kind of all over the place right now and we have no idea what they're going to come up with. That's all I can tell you because they really don't know at this point.

Michael Russell: But you're just petitioning for the digital must carry and not for the multicast?

Ray Rodriguez: Well, you get it if you get digital must carry, there's nothing that anybody is saying right now that would preclude if you have a digital channel from multicasting. And certainly, that's what the English networks are going after and they're lobbying hard to make sure that they can do multicasting. Of course, if they get it, we'd get it.

Michael Russell: And if you get it, you'd probably have an awful lot of programming from your programming partners that you could fill out several more signals. Would that be your plan? Or do you feel more...

Ray Rodriguez: We haven't gone into it specifically as far as someone else putting up a channel in a multicasting environment, let's say one of the English-language networks. The only thing they could do at that point, other than to build a brand new network which seems to me would be very expensive, would be to just translate what they have on the air, one way or another, and to dub it. And the experiences that we've seen to date don't show that kind of strategy works in this market.

Michael Russell: OK. Thanks very much.

Operator: We'll go next to Lanny Baker, Citigroup Smith Barney.

Lanny Baker: Thanks a lot. Ray, I was wondering, you went through an outstanding ratings litany on the television side in your local markets. I was wondering if there are any markets where you haven't been so happy. Any, you know, for instance newscast, where you might have a big opportunity? Are there any local priorities for 2004 that you think could move the needle?

Ray Rodriguez: Well, the biggest markets, which are the ones that move the needle, are doing very well.

Lanny Baker: Right.



Ray Rodriguez: We still believe that we're not counted properly and we spoke about that earlier with the Nielsen thing. There's tremendous upside if Nielsen, as they've said, corrects these situations in different markets. If that happens, we will see just that move the needle. I think our operation is doing well. We always feel that we could do better. TeleFutura, of course, is locally like nationally growing tremendously and that's a great opportunity locally as well as nationally. As far as anybody that's lagging behind, we don't see that right now but we're not where we should be and we certainly think that our numbers are [in reality] higher, just because we're being miscounted. There is tremendous amount of upside there.

Lanny Baker: OK. Thanks a lot.

Operator: We'll go next to David Bank, RBC Capital Markets.

David Bank: Thanks a lot. A lot of questions [were] already answered. Andy, just for clarification, did you say the difference between the book and tax balance is \$1.7 billion or the actual balance was \$1.7 billion?

Andrew Hobson: The...

David Bank: Of, you know, IRS goodwill deductible for IRS purposes?

Andrew Hobson: The amount of deductible in tangibles for tax purposes is \$1.7 billion.

David Bank: Thank you very much. And the second question is, I guess, Ray, can you relate a little bit your 3% audience growth in February? Can you talk about that trend relative to other Sweeps periods? How you see that? Is that a trend developing? Or do you think you're going to see growth snap back a little bit?

Ray Rodriguez: Well, we have seen a snap back. The third week... those numbers I gave you were the first two weeks. The third week we've seen a snap back in primetime. One of our timeslots is up 24% this week versus last week and that's in primetime. Daytime, we're seeing also increase in some of the day parts. We made a couple of changes and those have improved. We have tremendous flexibility with our programming, which I think is unique. I don't think there's anybody, and I mentioned it on the script on the earlier part of the call. We have the ability to make changes that I don't believe anybody anywhere, not only in the U.S. but anywhere has the ability to make changes to programming the way we do, without any kind of significant cost. Just because of the relations and the contracts that we have with our programming partners Televisa and Venevision. So, we made changes and so far when we have made these changes, we've seen immediate pops. We did make a couple of changes and we did see the numbers pop quite nicely.



David Bank: OK. And I guess just one follow up for Andy. Andy, do those February audience growth numbers, do they impact your guidance at all?

Andrew Hobson: It doesn't affect our guidance.

David Bank: OK. Thanks, guys.

Operator: We'll go next to Bill Meyers, Lehman Brothers.

Bill Meyers: Thanks. It's late, so I'll just ask a quick question. Mac, if you can comment on pricing trends in the radio markets, with a focus on L.A., New York, Houston and Miami. On a related note, has the L.A. market better digested the increase supply of stations over the last couple of years? I know there have been a lot of format stations. There was almost a glut of stations and that might have been one of the reasons that prices have been depressed in recent periods. So, any comments on that would be much appreciated.

Mac Tichenor: Well, I think that pricing makes up a big portion of the increases we're seeing. So, I think you can extrapolate from our guidance there. L.A. in particular did have a tremendous increase in the number of radio stations. That kind of leveled out about two years ago now or so and that's made it easier to see increase in that market. In fact, we're up double digits in that market in the fourth quarter. At the same time, we've announced that we're going to launch an AM news talk initiative and our AM station there will take on a new format compared to the simulcast that it's been doing up to now. We think that will add to our share in Los Angeles and be another opportunity to grow revenues in that market.

Bill Meyers: If you look at the 11% same station revenue growth, could you break out how much was pricing versus units?

Mac Tichenor: I don't have it. I'm sorry; I just don't have it with me.

Bill Meyers: Would it be primarily pricing?

Mac Tichenor: Jeff, do you have a feel?

Jeff Hinson: Yes, Bill, on the radio side, it's a lot harder to come up with a scientific breakout. But I would attribute most of it to pricing.

Bill Meyers: Thank you.

Ray Rodriguez: This is Ray. I'd like to add to something. Lanny asked before about any potential in the local markets regarding news, etc and I went through the answer. But the one thing, I think I left out that is most significant is that we're not yet getting paid for the numbers that we're delivering. And that's the case in local news. It's the case in all



local, and it's the case at the network. As you know, we have this tremendous gap between the ratings that we get and our revenues and that's the tremendous upside that our company has as we grow and go forward. So, even though we're in very good shape as far as ratings, and I'll give you an example.

KMEX – in primetime Adults 18 to 34, we've got a 7.6 rating at KMEX. The closest competitor, which is FOX, got a 4.9. NBC got a 3.9, WB a 2.5, Telemundo 1.3. So, we're at a 7.6. Our numbers are very good numbers, but we're not yet getting paid for that. As we go forward and bring new clients, new customers in, that's where the great potential of our business is going forward.

Operator: And we'll take our final question from Scott Davis, Jennison Associates.

Scott Davis: Yes, hi folks. I think I'm going to go back, if we can, and combine Victor's question about some of the unique investment class that you're experiencing, along with Richard's question about margin expansion. When we look at the guidance for the first quarter, we see just pick a point in the range of 10% top line growth and we only see low double digit EBITDA growth, the model is what it is. And there is operating leverage, so I'm not worried about it long-term. But clearly, there must things that are hampering that in the near term. Can you talk about that and how it may change?

Andrew Hobson: Well, the first quarter always has the lowest amount of operating leverage, because seasonally it's the smallest revenue quarter.

Scott Davis: So, it's simply that?

Andrew Hobson: A big portion of it. You have operating leverage in the model; more radio than at TV because of the variable nature of the programming, right?

Scott Davis: Right.

Andrew Hobson: Then you have things that maybe reduce the perception of operating leverage such as new expenses related to station launches both at TV and radio, one-time pickups as you expand your programming output, etc.

Scott Davis: OK. So, without giving guidance for the full year, when you think about the year, you don't think of it as being an abnormal year, as far as one may think of the normal operating leverage that one would expect from you guys?

Andrew Hobson: I don't think it's an abnormal year.

Scott Davis: OK. Thank you.

Operator: And that does conclude our question-and-answer session today. I'd like to turn the conference back over to Mr. Andrew Hobson, for closing remarks.



Andrew Hobson: Thank you, Operator. And thank you, everyone, for joining us today. We will be available in our offices for questions. Thank you very much. Good evening.

Operator: That does conclude today's Univision Fourth Quarter 2003 Earnings conference call. You may disconnect at this time. We do appreciate your participation.

END