



February 28, 2005
5:00 p.m. ET

Operator: Welcome to Univision's fourth quarter earnings call. Some of the information discussed today will contain forward-looking statements within the meanings 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 the 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.

Financial results for the full year 2004 given on today's call will be compared to the pro forma results for the full year 2003. The 2003 pro forma results assume that Univision's merger with Hispanic Broadcasting has occurred as of January 1, 2003. These results do not reflect any adjustments for synergies that Univision may realize for the merger, and do not reflect any pro forma adjustments for other business acquisitions in 2003 by Univision or Hispanic Broadcasting.

On Univision's corporate Web site, www.univision.net, please go to Financials and Other Filings in the Investor Relations section and for the year 2003, go to Other Financial Information for a copy of the 2003 pro forma income statements, which include the acquisition of Hispanic Broadcasting.

On today's call, we have Ray Rodriguez, President and Chief Operating Officer, Jeff Hinson, Chief Financial Officer, Andy Hobson, Senior Executive Vice President and Chief Strategic Officer, and Diana Vesga, Vice President.

I will now turn the call over to Mr. Ray Rodriguez.

Ray Rodriguez: Thank you, Operator, and good afternoon everyone. Welcome to our call. 2004 was a strong year for Univision, and as we enter 2005 we're in a very unique and very desirable position. The US Hispanic population continues to explode and at the same time, our company has reached industry-leading positions in each of our businesses. This places Univision in the strongest competitive position in our history.

Our goal for the Univision network is not just to keep our lead, but to make even more headway against our English language competitors. Later on, I'll show you how we are surprising the "Big 4" broadcast networks.

TeleFutura's short-term mission is to consistently beat Telemundo and we've certainly demonstrated our ability to do that. We captured 95% of their total day audience in the fourth



quarter, so we're right on track. With our powerful cross promotion, our radio station should consistently capture the top positions in their markets, regardless of language. The potent combination of our television, radio, music and online assets is capable of providing our advertisers with something they just can't find anywhere else -- a way to reach Hispanics with a very, very loud voice.

With our unmatched collection of assets, we're at a point where we can capitalize on the opportunities and reap tremendous potential benefits for our audience, advertisers, and our shareholders. We are dedicated to doing just that.

Let me detail the notable accomplishments of our divisions for the fourth quarter. First, the Univision Network attracted the largest audiences in its history in primetime and total day, while the "Big 4" English-language networks' combined audience was flat in primetime and decreased 4% in total day, compared to the fourth quarter last year.

During the quarter, Univision broadcast 49 out of the top 50 programs among Hispanic adults 18-49, and delivered a larger Hispanic primetime audience than ABC, NBC, CBS, FOX, and Telemundo combined. By the way, the only show in the top 50 that was not ours was FOX's baseball championship game, which came in at number 47.

Our novela block audience was almost four times larger than Telemundo's. Last Thursday night, we aired our annual Premio Lo Nuestro awards show. Despite what you may have heard, all of our audience's favorite stars, including Televisa's talent, took part in the festivities. And with our new venue and enhanced set, Premio 2005 was our best ever. Univision achieved a 30.5 rating among Hispanic households, and was the third most watched network among all viewers 18-34 whether Hispanic or non-Hispanic, beating ABC and FOX in primetime. We were fourth among all 18-49 year olds coming in in front of ABC. This was a huge accomplishment, as we were up against their best programs for the February Sweep.

Our ranking as one of the top 4 broadcast networks is actually becoming somewhat of a trend. Since the start of the season, Univision has ranked one of the top 4 networks among all 18-34, almost 100 nights in primetime.

In the November sweeps, competing against all English- and Spanish-language stations in primetime, our stations captured the #1 spot among all viewers 18-49 in Houston, Phoenix, Miami, Fresno, and Bakersfield.

Our newest broadcast network TeleFutura celebrated its 3-year anniversary in January, and I'm thrilled to say that it is already virtually tied with Telemundo in total day among viewers 18-49. TeleFutura delivered 95% of Telemundo's audience in the fourth quarter. TeleFutura out delivered Telemundo for the fourth consecutive quarter in daytime by drawing more than double Telemundo's 18-49 audience.



TeleFutura also continued to out deliver Telemundo among adults 18-34 in a number of key dayparts, including total day, daytime, early morning, early fringe, and weekend daytime. Clearly, TeleFutura is entering its fourth quarter with Telemundo in its sights.

On the cable side, our Galavisión Network broke previous records and attracted the largest fourth quarter total day audience in its history. In fact, Galavisión's total day 18-49 audience was 23% larger, than that of all other 15 measured Spanish language cable networks combined.

Univision Radio also enjoyed strong ratings growth in the fourth quarter, particularly in Los Angeles. Our cross promotional and integrated programming efforts among our radio, TV and online properties have helped our radio stations achieve some of their best ratings results ever in the fall 2004 ratings book, the most recent Arbitron survey.

Out of the 17 markets in which we operate, Univision Radio has the #1 station in five markets, and the #2 station in four markets, regardless of language among Hispanic and non-Hispanic adults 25-54. In Los Angeles, the largest and most important radio market in the United States, Univision Radio increased its adult 25-54 audience share by 9% compared to the summer 2004 Arbitron book, and 7% compared to the fall 2003 Arbitron book. Univision Radio's Los Angeles formats now capture 13% of all radio listening shares in Los Angeles, among adults 25-54, the most sought after age demographic by radio advertisers.

This audience share total represents the highest share Univision Radio has had since 2001. Not only are listening shares up in this key demographic, but our three FM formats are ranked in the top 10 among all stations in Los Angeles. KLVE was the #1 Spanish language station in all of Los Angeles, in the adult 25-54 demo ranking second in the market overall. And KRCD moved from number 21 in the market in the fall 2003 to number seven overall in the fall 2004 book in the adults 25-54 demo.

Our music and online divisions also showed impressive growth during the fourth quarter. Our music label and artists continued to top the Latin charts, and have gained recognition from Billboard as being the annual chart leaders in a number of major Latin categories. We estimate the total market share of our three record labels now stands at 43%, with our closest competition at 17%. Our music business is less than 4 years old, so this really says a lot about our talent, and executive team, and the benefits of our television and radio promotion capabilities. Our music group artists were also recipients of five Premio Lo Nuestro awards last week.

Univision's online division continued its growth during the 2004 fourth quarter, increasing its page impressions 50%, and unique visits 58% compared to the same period last year. Along with that growth comes advertising. New fourth quarter advertisers on Univision.com included American Express, Home Depot, Westin Starwood Hotels and Aventis. Our success last week for Premio Lo Nuestro reached Univision Online as well, as we registered the most page views in a single day in our history. We had 18.3 million page views on Friday, 76 % more than our previous record.



Let me now turn the call over to Jeff Hinson for our financial overview.

Jeff Hinson: Thanks, Ray, and good afternoon. For the year 2004, Univision posted outstanding growth in Revenues, Operating Income before Depreciation and Amortization, Net Income and EPS. On a pro forma basis, giving effect to our merger with Hispanic Broadcasting in 2003 and excluding the effect of the VIE's in 2004, net revenues increased 12%. Operating income for depreciation and amortization excluding some radio merger expenses occurred in 2003 increased 16%. Net income increased 51% and diluted EPS grew from \$0.48 per share, to \$0.72 per share, all in line with previous guidance.

We generated operating leverage in 2004 even as we invested in our businesses to further build on our leadership positions. Our record 2004 ratings in television and radio are solid evidence that those investments are paying off.

Each of our businesses delivered strong revenue growth in 2004. Excluding the effect of the VIE, the television business experienced strong net revenue growth of 11% in 2004, which is very impressive given that political revenue represented less than 1 percentage point of our television revenue growth rate in the year. Excluding political revenue, we estimate that our television business growth was over 3 times the growth rate of the English language television industry.

Our television network business delivered strong revenue growth of 14% for the year, despite a soft scatter market in the fourth quarter, and without benefiting from the Olympics. Our television station's business grew revenues by 6%, which included 9.3 million of political net revenue in 2004. Political net revenue contributed less than 2 percentage points of our television stations revenue growth, while we estimated it represented approximately two-thirds of the revenue growth of the English language television stations.

The Television business' operating income before depreciation and amortization, excluding the effect of the VIE increased 12% in 2004. Operating expenses grew by 10% or \$55 million. Of that amount \$25 million was related to purchased or in-house produced programming and sports rights fees for our Networks, \$15 million was related to the increase in the programming license fee because of higher sales, and \$7 million was related to increased sales expenses.

Turning to radio, during the year Univision Radio generated industry leading net revenue growth of 14% and same station growth of 10%, which is very impressive compared to the radio industry's 2004 revenue growth of 2%, as reported by the Radio Advertising Bureau. It's even more impressive given that Univision's radio 2004 net revenue included \$4.6 million of political net revenue, which represented only 1.3 percentage points of Univision's radio 2004 revenue growth rate.

During 2004, Univision Music increased revenue by 13%, and operating income before depreciation and amortization by 41%, excluding the effect of the VIE. Univision Online



increased revenues in 2004 by 14% and reduced its operating income before depreciation and amortization loss by 26%.

Since the closing of the merger of HBC on September 22, 2003, Radio's online business was included in the Univision Online, and in 2004 it was closed down. Excluding Radio's online business in 2003, Univision Online increased revenues by 23%, and reduced its operating income before depreciation and amortization loss by 30%.

Income tax expense in the year was \$164.6 million of which \$65.9 million represents the deferred tax expense, cash taxes were 93.7 million. Capital expenditures for the year totaled \$120.1 million –of which \$52.5 million were related to the purchase of the Los Angeles building, and the remaining \$67.6 million represented normal maintenance as well as facilities expansion capex. At December 31, outstanding indebtedness including capitalized leases totaled \$1.23 billion and our position totaled \$189.9 million of which \$25.8 million represents cash from our VIEs.

Moving on to fourth quarter. Univision delivered fourth quarter operating performance in line with our guidance. Excluding the effect of the VIE's in 2004, net revenue for the fourth quarter increased 6% within our guidance of low to mid single digit percentage growth. Net income increased 14% to \$67.2 million and diluted EPS grew to \$0.19 cents a share within our guidance of \$0.18 to \$0.20 cents per share. Operating income before depreciation and amortization grew 4%, in line with guidance of flat to an increase of mix single digits.

Excluding the effect of the VIE, television net revenues grew 4% in the fourth quarter, and operating income before depreciation and amortization increased 1%. Our television station business grew revenues by 8%, of which political net revenues represented about 3 percentage points of that growth. Our television network business grew revenues by 2%, as the much discussed scatter market affected fourth quarter revenue growth.

Univision Radio generated industry leading consolidated net revenue growth of 12% and same station revenue growth of 10%, compared to the radio industry's fourth quarter revenue growth of 1%, as reported by the Radio Advertising Bureau. Political revenues contributed approximately \$3.2 million of net revenue in the quarter, representing 3.5 percentage points of the fourth quarter revenue growth rate. Excluding the effect of the VIE our music business increased revenues by 8%, and music operating income before depreciation and amortization for the quarter was down slightly. Excluding Univision's Radio online operation in the fourth quarter of 2004, Univision Online increased revenues by 9%, and reduced operating income before depreciation and amortization loss by 33% during the fourth quarter of 2004.

In compliance with regulation FD of the Securities and Exchange Commission we provide guidance on our conference call such as this one. Excluding the VIE's, we expect net revenues to grow in the low double digit percentages, and EBITDA is expected to increase by mid teen percentages. EPS is expected to increase from \$0.09 cents per share in last year's first quarter, to between \$0.10 cents and \$0.11 cents per share. First quarter guidance reflects an improvement in our television business, based on the recovery in network scatter, and stronger



national business at our television stations. We are also experiencing strong revenue trends in Radio, Music and Online.

First quarter capital expenditures are expected to be approximately \$40 million, of which approximately half relate to replacement of rented facilities in Miami and Houston, and leasehold improvements in Puerto Rico.

In the 2004 fourth quarter, we exercised the option to acquire the Puerto Rico television stations down there for \$190 million. And we expect to close this transaction later this year. As you know, we recently announced a \$500 million share buyback for 2005. We have a large amount of cash on hand, an underleveraged balance sheet, and strong cash flow generation. These factors allow us to implement a stock buyback program like this one, while continuing to pursue station acquisitions, and maintain credit ratios deserving of a BBB rating. This share repurchase program reflects our confidence in our future, our fundamental growth drivers, and our belief that based on our prospects for continued growth at current market prices, Univision shares represent an attractive investment.

Before we move to the question-and-answer session, I'd like to turn the over to Andy Hobson, who has a brief statement from Mr. Perenchio.

Andy Hobson: Thanks, Jeff. Because of the numerous press reports during the past couple of weeks, Mr. Perenchio has asked me to make the following statement on his behalf.

“In addition to the financial, and other related questions we'll be asking in this year end and fourth quarter earnings call, I anticipate that questions will be raised regarding: the company's ongoing relationship with our programming partners and shareholders, Televisa and Venevision; the appointment of Ray Rodriguez as President and Chief Operating Officer of the Company; and emergency and future succession plans for the Company.

Televisa, Venevision and I have been partners in the Company nearly 14 years. Our partnership and the Company's exclusive programming agreements with Televisa and Venevision continue through 2017. A major reason that Univision has been and will continue to be successful flows from these long-term exclusive programming agreements. And we never forget, nor do we ever minimize their great importance to Univision. Like any successful marriage or partnership, there are occasions when the partners disagree. That is to be expected, and it is healthy. Our recent disagreement I liken to some rain on a very strong and weatherproof roof.

Since our last Chief Operating Officer, Henry Cisneros, departed in August of 2000, I considered and met with a number of potential candidates outside the Company and kept a close eye on possible internal candidates, as I strongly believe it's preferable to promote capable people from within. Ray Rodriguez has been the obvious candidate for a number of years. Ray was one of the top executives with Univision when we acquired the company in 1992. I've worked closely with Ray since then and I've always been impressed with his performance, integrity and dedication to the company.



In addition to his other business accomplishment throughout the years, the outstanding success of two recent assignments made the decision to recommend Ray's promotion to President and Chief Operating Officer to my fellow board members easy. One was the way he lead his team from scratch in creating, programming, promoting and launching our 24/7 broadcast network TeleFutura in 2002. In three short years, the Network is poised to overtake Telemundo as the number two Spanish-language Network in the United States. TeleFutura turned cash positive in under two years, which is absolutely astounding considering the highly competitive broadcasting and cable market price.

Our operating cash investment to break even was less than \$30 million. Compare that to \$1 billion at UPN, and \$800 million at the WB, and each of these networks only broadcast 15 hours per week.

While Ray and his team were running the Univision network and in the process of launching TeleFutura, they also took charge of our cable network, Galavisión, reprogrammed it, repositioned it, expanded its cable penetration exponentially and turned it from being a sleepy also-ran cable network, to being far and away the number one Spanish-language cable network in the U.S. as well as a highly profitable unit of Univision. Galavisión's ratings are higher than the combined ratings of all 15 measured Spanish-language cable network competitors.

Just as I did when we hired Henry Cisneros I called the board members individually and told them of my recommendation of Ray. We then had a full discussion at the board meeting about 10 days after the Directors were contacted, and Ray was approved by an overwhelming vote.

As to the succession and executive development matters, they have been appropriately delegated to a board committee, which will take input from all Directors and make recommendations to the full Board at our next Board meeting.

Because of all of the erroneous information that's been published and circulated in the U.S. media in the last few weeks, I feel obligated to set the record straight regarding the stock ownership of Univision. I own 11.5%. Until Televisa exercises their warrants, Televisa owns 9.3%. Until Venevision exercises their warrants, Venevision owns 5.5%. And the Tichenor Family owns 3.3 %. The public owns the remaining 70.4 %. My stock has super voting rights, which gives me 56.4 % of the votes of the company.

Ray Rodriguez and I, and the entire Univision team, are totally committed to taking Univision to a higher level of growth and profitability for the benefit of all shareholders and employees. In flying terms, the outlook for Univision is CAVU - ceiling and visibility unlimited. I'm 74 but feel like 47 and I fully intend to remain Chief Executive Officer for many more years."

With that, Operator, we would like to open the floor to questions.



Operator: The question-and-answer session will be conducted electronically. If you would like to ask a question, you may do so by pressing the star key followed by the digit one on your touch-tone telephone. We will take as many questions as time permits, and we'll proceed in the order that you signaled. Again to ask a question, press star one.

And we'll have our first question from Shawn Feely, CS First Boston.

Shawn Feely: Good afternoon. Ray, can you talk a little bit about some of the categories that were weak in the fourth quarter, namely telecom, entertainment and retail, and if it's those categories that have come back in scatter, or if there is something else driving the strength there. And then, just one other question on the revenue share in LA, I mean a very strong audience share. I'm just wondering what your revenue share is as it relates to the audience share? Thanks.

Ray Rodriguez: Shawn, on the audience share, are you referring to radio?

Shawn Feely: Radio.

Ray Rodriguez: Jeff, why don't you take the radio share question.

Jeff Hinson: OK. Yes, we haven't disclosed revenue share, relative to it. But I think it's fair to say that in Los Angeles particularly, the ratings have grown so dramatically this year that our revenue share is below our audience share.

Andy Hobson: Category information, Shawn, in the fourth quarter scatter market, the four categories which were particularly weak were the food category largely driven by the cereal manufacturers pulling out of the market, movies, retail and telecom. In the first quarter, foods, movies and retail have all improved dramatically. Telecom is still down because of long-distance carriers exiting the market.

Shawn Feely: Great, thank you.

Operator: We'll have our next question from Jessica Reif Cohen with Merrill Lynch.

Jessica Reif Cohen: Thank you. I have two questions, Ray, your ratings growth has been phenomenal but your revenue growth even with the guidance, the Q1 guidance, seems to be lower than your ratings. So I'm just wondering, what's going on? Why can't you monetize this fantastic ratings growth? And the second question is on the Miller deal, how much will that contribute in '05, and can you break up by quarter how you'll recognize that deal?

Ray Rodriguez: OK, Jessica. As far as the ratings, as you know, we're not like English-language TV where if you deliver ratings that are above what you guaranteed, you can immediately fill the inventory. We have a bit of a delay, a lag, so when our ratings go up, and we'll be going into the upfront with very strong February sweeps as you will soon see, and we expect the upfront to get a big lift from that, but we just don't get [the impact] as soon as the



ratings hit. And we've been on an up tick in ratings for quite a while and we expect it to continue. And as far as the Miller deal, I don't believe we're breaking that out, but Andy may have some information.

Andy Hobson: I don't think it's appropriate for us to break out the spending of an individual advertiser in the competitive marketplace.

Jessica Reif Cohen: Fine. Thank you.

Ray Rodriguez: Thank you, Jessica.

Operator: We'll have our next question from David Miller, Sanders Morris & Harris.

David Miller: Yes, hi, a few questions. Andy, I know that the Miller Brewing deal was announced last October, though it was Miller Brewing that made that announcement. Obviously, you are not under any kind of burden to announce that for them. Can you talk about any other cross-platform deals that might be generating both revenues and cash flow in your current quarter? That's one question. And also, Jeff, if you're on, with regard to the buyback, do you see most of the juice there coming from cash on hand and/or free cash flow generation that's implied in 2005 or do you see leveraging up to do so? Thanks very much.

Andy Hobson: As it relates to cross-platform, we have a number of cross-platform deals that were done. If they haven't been publicly announced by the advertiser, we've chosen a policy not to announce them, so I don't feel I can comment right now. I'll check with the sales people, David, and if they're OK with it, I'll call you back and give you the names.

David Miller: OK.

Jeff Hinson: David, I mean, we've got cash on the balance sheet, an unleveraged balance sheet, and a lot of free cash flow. So it's probably going to be just a combination of all of these. But I think, as I said, we have close to \$189 million of cash on the balance sheet today and excluding the VIE's, it's a big number. So, obviously, that would probably be the first source.

David Miller: OK. Thanks very much.

Operator: We'll have our next question from Jim Boyle with Wachovia.

Jim Boyle: Good afternoon. Can you quantify in any way how Q1 scatter is progressing so far, as well as any color on your current advertising rates compared to a year ago?

Andy Hobson: Well, the Q1 scatter market has dramatically improved. It's up in an amount that's consistent with our guidance. So I would say, while it may not be back to the levels that we experienced the first three quarters of last year, it is certainly on a trend line to get there.



Jim Boyle: And also, you mentioned in your press release and in your preamble quite a few impressive record Q4 audience rating numbers. Could you give us any historical context in terms of where Univision and TeleFutura are now compared to a year ago, on an actual number level as well as versus Telemundo, over the last five years?

Ray Rodriguez: Well, Jim, in Adults 18-49, Univision and TeleFutura together are at – for the quarter we’re at 2,346,000 viewers. Last year, we were at 2,109,000. So we’re up 269,000 viewers. Telemundo in Adults 18-49 same periods is up 37,000 viewers.

Jim Boyle: And in terms of an audience share, what would those two numbers translate to?

Ray Rodriguez: This fourth quarter–Adults 18-49 Univision and TeleFutura combined - - we’re at 79%, and last year same quarter we were at 78%. So we’re up 1 percentage point.

Jim Boyle: And over the last five years, what has the range been typically?

Ray Rodriguez: It varies, anywhere in the 70s, usually. I mean, you could have an outlier where you’re slightly over 80, and possibly just under 70. But, typical range is in the 70s, and so that’s where we’ve been in the last few years.

Jim Boyle: Thank you.

Operator: We’ll have our next question from Gordon Hodge, Thomas Weisel Partners.

Gordon Hodge: Good afternoon, a couple of questions. One, I know that you don’t have cancellation options in your upfront in the first half of the broadcast season, but I’m just curious if you’re getting any feedback from your advertisers about the calendar Q2 quarter in terms of cancellations or non-cancellations. And then, also, if you could give us, just refresh our memory on the big categories and what they represent in terms of the TV revenues, what percentage auto might be, telecom... And I’m curious on the telecom front, we’re getting anecdotal evidence that wireless is picking up as a category for you potentially, I’m just wondering how long before that overwhelms the difficulties in long-distance? Thanks.

Andy Hobson: OK. As it relates to the option experience, that’s correct, there’s really diminished options available in the first calendar quarter of the year. We do have some in the second calendar quarter. The period to exercise those options has passed. And we received less cancellations than we typically do. Typically, we have, maybe 9% or so of network upfront money subject to options. And you experience cancellations of 30% of those, typically. And the second quarter options were approximately 20%, so that’s considered very good for us. As we reach the big categories, auto is the largest category. That’s about 18% of the company’s television revenues. Retail stores is the second, that’s about 14%. Telecom is about 9%. The telecom category is declining as we said, largely because of the exodus of the long distance



companies, but the wireless are picking up. They just haven't stepped up to completely overwhelm going from something to nothing that the long-distance companies did.

Gordon Hodge: Great, thanks.

Operator: We'll have our next question from Jonathan Jacoby with Banc of America Securities.

Jonathan Jacoby: Good afternoon. Can you talk about TeleFutura's ratings early on this year. It looks like they've weakened a little. Is that just a seasonality? And then, also on TeleFutura, just the CPM's that you're getting perhaps, not just versus Univision but versus Telemundo and how that's trending.

Andy Hobson: I can talk about the CPM's, Ray. CPM's at TeleFutura are up single digit numbers. It has historically priced at a slight discount to Telemundo. It does vary – it's pricing does vary by day part pretty dramatically. And I think with the current audiences, I would suspect in the upfront that we'll be more aggressive on pricing but that will be up to our network sales executives.

Ray Rodriguez: And, Jonathan, as far as TeleFutura is concerned, it hit all time highs in the fourth quarter in Households, in Adults 18-49, and in Adults 18-34. And just remember, even though it hit all time highs, we were very strong, meaning Univision Network was very strong in the fourth quarter as well. So it hit highs in spite of the fact that Univision was also doing very, very well in the fourth quarter, but it did hit all time highs.

Jonathan Jacoby: Thank you very much.

Operator: We'll have our next question from Bill Meyers with Lehman Brothers.

Bill Meyers: Great, thanks. Three questions. The first is on the incremental impact of the Miller deal. What was Miller spending with you across your platforms prior to the multi-year cross-promotional deal? That's number one. Number two, if you could update us on your plan for Entravision shares. Have you had any discussions with the regulatory agencies, that they may be relaxing the restrictions on the share ownership? And, lastly number three, with respect to taxes, can you offer us guidance in terms of the '05 cash taxes? What's your projected effective cash tax rates, and how should that step up in '06, and '07? Thank you?

Ray Rodriguez: Andy, why don't you take the Miller and the Entravision, and then, Jeff...

Andy Hobson: I don't know what the increase – I might know, actually, the year-over-year. Let me put a pin on that, and why don't you, Jeff, talk about Entravision?

Jeff Hinson: Yes, we've got to sell quite a few shares by March 26th of next year, and I think that you should just keep in mind that we have to do that, and we'll maximize the price and



they're doing well which is good, and we're happy about that. In terms of – I don't have a split, frankly, I'll try to look around for one while we're on the call, but the effective tax rate is probably going to be in the 40.5% range. I think we have deferred taxes...

Bill Meyers: I'm sorry, Jeff, I was talking about cash taxes.

Jeff Hinson: Yes, I know. I don't have that split.

Andy Hobson: We have deferred tax attributes running through the income statement of about \$65 million a year?

Jeff Hinson: Yes.

Andy Hobson: It's \$55 million a year. So if you take the 40.5% rate times pre-tax income, \$55 million would be the non-cash portion, the rest would be cash. Does that work for you?

Bill Meyers: Yes, it does, thank you.

Andy Hobson: And the Miller deal, it appears, would be spending increases north of 25% annually.

Bill Meyers: Great, thanks very much.

Operator: We'll have our next question from Jason Helfstein with CIBC World Markets.

Jason Helfstein: Thanks. I know you don't really want to break out any color on the segments, but if there is any color without going into numbers in the first quarter for TV versus radio, we would appreciate that. And just specific to radio, any acquisitions driving the first quarter number? And perhaps, if you want to comment, do you expect radio to accelerate in the first quarter, versus fourth quarter? And then, just on the upfront, I guess there was an article today in Broadcasting & Cable saying that the general market shows 3% growth in the broadcast upfront. To the extent of who knows if they're right or not, Ray, if you want to comment, do you think that Univision could grow double digit against general market that's up 3%? And I don't know if you want to comment on anything around that. Thanks.

Ray Rodriguez: I can only say that as far as the upfront is concerned, historically and we've got it in the press release, what we're doing – our growth versus English-language TV growth has been a multiple, but we can't comment on what we think because we just don't know at this point. And as far as the segments in the TV, radio, we don't do that. As far as the acquisitions, the radio acquisitions, Jeff, do you want to talk about that? I know we had some of it in the script...



Jeff Hinson: Yes, Jason, there's nothing really remarkable in the first quarter. I mean, I think a lot of the acquisitions that have been done have cycled through, so there shouldn't be any real significant movement as it relates to how acquisitions may drive the quarter.

Jason Helfstein: What about just a better monetization of the ratings growth in radio, because that is more real time versus the monetization of the ratings in TV?

Jeff Hinson: I would say, I'll go back and look at 2004. And when you look at the revenue growth rate on the same station basis, radio has been able to achieve, relative to the industry, I think it's a pretty remarkable track record. And I think that incorporated in our guidance is an expectation as to where radio is going to end up. I think that Gary and Tim and the group there feel good about where their business prospects are, and I think they do a good job of monetizing their ratings.

Jason Helfstein: OK. Thank you.

Operator: We'll have our next question from David Bank, RBC Capital Markets.

David Bank: Thank you very much, good afternoon. I was just wondering if you, Ray, could give a little color on why it is you think that the scatter market has improved so dramatically from fourth to first quarter? And, what kind of visibility do you have on it going forward?

Andy Hobson: I'll take that Ray. We said in the last conference call, we believed it was a one quarter blip tied to specific advertisers with specific reasons. And we spoke with each of those advertisers. So we had a pretty good feel for what they were going to do in the coming first quarter this year. And long and behold it's happened. Has it turned on a dime? No. But it's getting much, much better. And, we're really pretty pleased with the progress.

David Bank: OK. Thanks.

Operator: And we'll have our next question from Gerardo Soto with Ramirez & Company.

Gerardo Soto: Good afternoon. Two questions. The first one, can you give us some more color on the radio selling initiatives? Perhaps categories more than names. And the second one is, are there any categories that are entering the Hispanic advertising market for the first time?

Andy Hobson: Categories that we're seeing improve pretty dramatically are financial services, particularly the mortgage lenders, both Ameriquest and Countrywide have entered the network market very recently. We think that's a harbinger for good things to come, since financial institutions are one of our most under-penetrated categories. We're getting increasing interest and spending by the pharmaceutical companies, recently having Ortho-McNeil in as a new advertiser. And most of the cross-promotional and integrated sales efforts are done across



all product categories, tend to be more successful with the national brands, executed on the local level.

Gerardo Soto: OK. Thank you.

Operator: We'll have our next question from Spencer Wang, JP Morgan.

Spencer Wang: Thanks. Just a question about the first quarter guidance. Are you assuming that the Puerto Rico stations close in the first quarter? And if so, how much is that contributing to the guidance excluding the VIE's? And then, just lastly, on the share buyback, have you bought any shares back yet or have you been in a blackout period? Thank you.

Jeff Hinson: On the buyback, we're in a blackout period.

Spencer Wang: OK.

Jeff Hinson: And as it relates to Puerto Rico, that is not assumed in the first quarter.

Spencer Wang: Thank you.

Operator: We'll have our next question, a follow up from Gordon Hodge, Thomas Weisel Partners.

Gordon Hodge: Yes, just on the Puerto Rico question, are you awaiting a regulatory approval or what?

Andy Hobson: We have cleared Hart-Scott-Rodino out of the Justice Department, and we are awaiting approval from the FCC.

Gordon Hodge: And is Televisa going to participate with you? I think they have an option to. And then, do you in turn pay them the program license fee, as you would under your existing contract? Or is that to be determined?

Andrew Hobson: Under the agreements we have for Puerto Rico, Televisa and Venevision combined have the right, during the period 90 days after we close, to acquire a combined 25% of the entity. Since we haven't closed, we haven't asked them their intentions about exercising their option, Gordon, so I don't know. The program license agreement in Puerto Rico is slightly more complicated in that Univision, Televisa and Venevision will all have program license agreements with that entity, since it will be presumably only owned 75% by Univision. So Univision gets paid a 12% license fee for its exclusive programming which, of course, would be eliminated in consolidation, Televisa gets 12%, and Venevision gets 6%.

Gordon Hodge: Great, thank you.

Operator: We'll have our next question from Scott Davis, Jennison Associates.



Scott Davis: Actually Spencer and David Bank asked both of my questions, thank you. And I am glad to see it was just a one quarter phenomenon.

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

Jason Helfstein: Just a quick follow up on the EPS guidance. Anything going on below the line that you want to comment on? It does look like that with the better EBITDA number in the first quarter, it's not flowing to the EPS number. I assume some of that is interest due to perhaps share buybacks, but you have been in a blackout. Any commentary below the line that you want to go through on line?

Jeff Hinson: There's nothing, I think, really remarkable.

Andy Hobson: Yes, I think the only thing would be that we are in a rising interest rate environment. And our debt is about \$700 million floating, \$500 million fixed, so we do have some interest at great exposure.

Jason Helfstein: OK. Thanks.

Operator: And that concludes our question-and-answer session. I'll turn the conference back over to Ray Rodriguez for closing remarks.

Ray Rodriguez: Thank you, Operator. 2001 was a great year as you saw. Each of our operating divisions posted strong growth in revenues and EBITDA. And ratings growth, a leading indicator of revenue growth, is stronger than ever. Our first quarter guidance is much improved over the fourth quarter of 2004, and we're focused on building momentum throughout the year.

Thank you so much for joining us today.

Operator: That does conclude today's conference. You may disconnect at this time. We do appreciate your participation.

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