2003

management's discussion and analysis of financial condition and results of operations

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS 2003

Set forth below are our consolidated results for the years ended December 31, 2002 and 2003. Results included have been prepared in accordance with Mexican GAAP, are presented in Mexican Pesos in purchasing power as of December 31, 2003 and present the Company's Music Recording operations as discontinued operations in 2002 and 2003.
See –"Discontinued Operations". The financial information set forth below should be read in conjunction with our audited consolidated financial statements as of and for the years ended December 31, 2002 and 2003 included in this Annual Report.

	Year ended December 31,	
	2002	2003
	(In millions of Mexican Pesos in purchasing power as of December 31, 2003)*	
Net sales	Ps. 22,416.6	Ps. 23,563.2
Cost of sales	12,911.9	12,889.1
Gross profit	9,504.7	10,674.1
Selling expenses	1,752.6	1,692.9
Administrative expenses	1,409.5	1,410.0
Operating Cash flow**	6,342.6	7,571.2
Depreciation and amortization	1,507.3	1,525.3
Operating income	4,835.3	6,045.9
Integral cost of financing - net	637.4	614.4
Restructuring and non-recurring charges	875.3	657.2
Other expense - net	2,218.9	543.3
Income tax, assets tax and employees' profit sharing	311.3	719.5
Equity in (losses) earnings of affiliates	(1,201.8)	28.3
Income (loss) from discontinued operations***	1,105.0	(64.2)
Minority interest	71.6	121.0
Net income	767.2	3,596.6

* Certain data set forth in the table above could differ from data set forth in the consolidated statements of income for the years ended December 31, 2002 and 2003 included in this Annual Report due to differences in rounding.
** Operating cash flow is defined as operating income before depreciation and amortization.
*** Reflects the results of our music recording operations, which we sold to Univision in April 2002.

Overview of Consolidated Results

Net sales.

Our net sales increased by Ps.1,146.6 million, or 5.1%, to Ps.23,563.2 million for the year ended December 31, 2003 from Ps.22,416.6 million for the year ended December 31, 2002. This increase reflects higher revenues in our Television Broadcasting, Programming Licensing, Programming for Pay Television, Publishing, Publishing Distribution and Radio segments and was partially offset by lower net sales in our Cable Television and Other Businesses segments.

Cost of sales.

Cost of sales decreased by Ps.22.8 million, or 0.2%, to Ps.12,889.1 million for the year ended December 31, 2003 from Ps.12,911.9 million for the year ended December 31, 2002. This decrease reflects lower costs in our Television Broadcasting, Programming Licensing, Publishing, Cable Television, Radio and Other Businesses segments. These decreases were partially offset by higher costs in the Publishing Distribution and Programming for Pay Television segments.

Selling expenses.

Selling expenses decreased by Ps.59.7 million, or 3.4%, to Ps.1,692.9 million for the year ended December 31, 2003 from Ps.1,752.6 million for the year ended December 31, 2002. This decrease reflects lower selling expenses in our Programming for Pay Television, Programming Licensing, Cable Television and Other Businesses segments, as a result of decreases in promotional and advertising expenses and lower provision for doubtful trade accounts. This decrease was partially offset by an increase in the selling expenses of our Television Broadcasting, Publishing, Publishing Distribution and Radio segments.

Administrative expenses.

Administrative expenses increased by Ps.0.5 million, to Ps.1,410.0 million for the year ended December 31, 2003 from Ps.1,409.5 million for the year ended December 31, 2002. This marginal increase was primarily due to an increase in our Television Broadcasting, Programming for Pay Television and Publishing Distribution segments and was partially offset by a decrease in the administrative expenses of our Programming Licensing, Publishing, Cable Television, Radio and Other Businesses segments primarily by lower personnel costs as a result of workforce reductions and layoffs, as well as reductions in other office facilities expenses, in connection with our continued cost-cutting efforts.

Operating cash flow.

Operating cash flow increased by Ps.1,228.6 million, or 19.4%, to Ps.7,571.2 million for the year ended December 31, 2003 from Ps.6,342.6 million for the year ended December 31, 2002. This increase reflects the increase in our total net sales and the decrease in cost of sales and operating expenses.

Depreciation and amortization.

Depreciation and amortization expense increased by Ps.18.0 million, or 1.2%, to Ps.1,525.3 million for the year ended December 31, 2003 from Ps.1,507.3 million for the year ended December 31, 2002. This change primarily reflects increases in the depreciation and amortization expenses related to our Cable Television and Publishing Distribution segments, as well as amortization of deferred costs related to *EsMas.com* for the year ended December 31, 2003.

Operating income.

For the foregoing reasons, our operating income increased by Ps.1,210.6 million, or 25.0%, to Ps.6,045.9 million for the year ended December 31, 2003 from Ps.4,835.3 million for the year ended December 31, 2002.

Overview of Segment Results

	Year ended December 31, 2002	2003	% Contribution to 2003 Segment Revenues
	(In millions of Mexican Pesos in purchasing power as of December 31, 2003)		
Total Net Sales			
Television Broadcasting	Ps. 14,596.5	Ps. 15,387.0	64.4%
Programming for Pay TV	632.2	699.7	2.9
Programming Licensing	1,461.1	1,630.2	6.8
Publishing	1,750.1	1,787.8	7.5
Publishing Distribution	1,397.2	1,776.2	7.5
Cable Television	1,152.3	986.5	4.1
Radio	194.5	249.3	1.1
Other Businesses	1,610.3	1,361.2	5.7
Segment Revenues	22,794.2	23,877.9	100.0
Intersegment Revenues (1)	(377.6)	(314.7)	(1.3)
Consolidated Net Sales (2)	Ps. 22,416.6	Ps. 23,563.2	98.7%

(1) For segment reporting purposes, intersegment revenues are included in each of the segment revenues.

(2) Total net sales in the above table do not reflect the results attributable to our music recording operations, which we sold to Univision in 2002. We will no longer engage in the music recording business, and under Mexican GAAP the results of our Music Recording segment for all periods presented are classified as discontinued operations.

	Year ended December 31, 2002	2003
	(In millions of Mexican Pesos in purchasing power as of December 31, 2003)	
Operating Income (Loss)		
Television Broadcasting	Ps. 4,745.8	Ps. 5,617.0
Programming for Pay TV	62.6	114.6
Programming Licensing	226.7	490.7
Publishing	253.2	327.3
Publishing Distribution	(1.9)	(11.7)
Cable Television	209.5	120.9
Radio	(47.6)	7.0
Other Businesses	(463.8)	(470.6)
Segment Operating Income	4,984.5	6,195.2
Corporate Expenses	(149.2)	(149.3)
Consolidated Operating Income (1)	Ps. 4,835.3	Ps. 6,045.9

(1) See footnote (2) to the table above regarding net sales.

Television Broadcasting.

Television Broadcasting net sales, representing 64.0% and 64.4% of our total segment net sales for the years ended December 31, 2002 and 2003, respectively, increased by Ps.790.5 million, or 5.4%, to Ps.15,387.0 million for the year ended December 31, 2003 from Ps.14,596.5 million for the year ended December 31, 2002. This increase is mainly attributable to four factors: i) the political advertising campaigns for the mid-term elections in Mexico; ii) an increase of 11.5% in local sales, driven mainly by Channel 4TV; iii) an increase in advertising time sold; and iv) the success of Reality Shows, primarily Big Brother. Excluding the non-recurring revenues related to the political advertising campaigns in 2003 and the transmission of the Soccer World Cup in 2002, Television Broadcasting net sales would have increased by Ps.501.0 million, or 3.5% to Ps.14,719.5 million for the year ended December 31, 2003 from Ps.14,218.5 million for the year ended December 31, 2002.

Television Broadcasting operating income increased by Ps.871.2 million, or 18.4%, to Ps.5,617.0 million for the year ended December 31, 2003 from Ps.4,745.8 million for the year ended December 31, 2002. This increase was primarily due to the increase in net sales, a decrease in cost of sales due to the transmission rights of the Soccer World Cup in 2002, as well as lower depreciation expense; partially offset by an increase in selling expenses due to higher commissions and promotional expenses. Excluding the results of the political advertising campaigns in 2003 and the transmission of the Soccer World Cup in 2002, Television Broadcasting operating income would have increased by Ps.399.7 million or 8.8% to Ps.4,949.5 million for the year ended December 31, 2003, from Ps. 4,549.8 million for the year ended December 31, 2002.

As of December 31, 2002 and December 31, 2003, we had received Ps.11,304.7 million (nominal) and Ps.12,354.9 million (nominal), respectively, of advertising deposits for television advertising time during 2003 and 2004, representing approximately U.S.$1,080.3 million and U.S.$1,100.7 million at the applicable year-end exchange rates. Approximately 62.6% and 62.0% of these deposits as of December 31, 2002 and 2003, respectively, were in the form of short-term, non-interest bearing notes, with the remainder in each of these years consisting of cash deposits. The weighted average maturity of these notes at December 31, 2002 and 2003 was 3.5 months and 3.3 months, respectively.

Programming for Pay Television.

Programming for Pay Television net sales, representing 2.8% and 2.9% of our total segment net sales for the years ended December 31, 2002 and 2003, respectively, increased by Ps.67.5 million, or 10.7%, to Ps. 699.7 million for the year ended December 31, 2003 from Ps.632.2 million for the year ended December 31, 2002. This increase was primarily due to higher revenues from signals sold to pay television systems and higher advertising sales in Mexico, partially offset by lower revenues from signals sold to pay television systems in Latin America and Spain.

Programming for Pay Television operating income increased by Ps.52.0 million, or 83.1%, to Ps.114.6 million for the year ended December 31, 2003, from Ps.62.6 million for the year ended December 31, 2002, primarily due to higher sales and lower operating expenses primarily due to a decrease in commissions. This increase was partially offset by higher signal costs bought to third parties.

Programming Licensing.

Programming Licensing net sales, representing 6.4% and 6.8% of our total segment net sales for the years ended December 31, 2002 and 2003, respectively, increased by Ps.169.1 million, or 11.6%, to Ps.1,630.2 million for the year ended December 31, 2003 from Ps.1,461.1 million for the year ended December 31, 2002. This increase was primarily due to higher royalties paid to us under the Program License Agreement celebrated with Univision in the amount of U.S.$96.1 million, for the year ended December 31, 2003 as compared to U.S.$77.7 million, for the year ended December 31, 2002, as well as an increase by the translation effect on foreign-currency denominated sales. These increases were partially offset by lower export sales mainly to Latin America and Europe.

Programming Licensing operating income increased by Ps.264.0 million, or 116.5%, to Ps.490.7 million for the year ended December 31, 2003 from Ps.226.7 million for the year ended December 31, 2002. This increase was primarily due to the increase in net sales, as well as a decrease in cost of sales and operating expenses due to lower provision for doubtful trade accounts.

Publishing.

Publishing net sales, representing 7.7% and 7.5% of our total segment net sales for the years ended December 31, 2002 and 2003, respectively, increased by Ps.37.7 million, or 2.2%, to Ps.1,787.8 million for the year ended December 31, 2003 from Ps.1,750.1 million for the year ended December 31, 2002. This increase was primarily due to an increase in the revenues of magazines sold in Mexico as well as higher advertising pages sold in Mexico and abroad, and the positive translation effect on foreign-currency denominated sales. These increases were partially offset by lower circulation of magazines sold abroad.

Publishing operating income increased by Ps.74.1 million, or 29.3%, to Ps.327.3 million for the year ended December 31, 2003 from Ps.253.2 million for the year ended December 31, 2002. This increase primarily reflects the increase in net sales and a decrease in cost of sales, primarily due to reduced magazine returns in Mexico and a reduction in print runs of magazines in Mexico and abroad. This increase was partially offset by a marginal increase in operating expenses.

Publishing Distribution.

Publishing Distribution net sales, representing 6.1% and 7.5% of our total segment net sales for the years ended December 31, 2002 and 2003, respectively, increased by Ps.379.0 million, or 27.1%, to Ps.1,776.2 million for the year ended December 31, 2003 from Ps.1,397.2 million for the year ended December 31, 2002. This increase was attributable to an increase in distribution sales abroad, primarily due to the integration of revenue from the acquisition of the operations in Chile on May 2002; the translation effect on foreign-currency denominated sales and the increase in distribution of magazines published by the Company and sold in Mexico. These increases were partially offset by lower sales of magazines published by third parties and sold in Mexico. Including the sales from the company acquired in Chile, from January to April 2002, the Publishing Distribution net sales would have increased 8.5%.

Publishing Distribution operating loss increased by Ps.9.8 million, to Ps.11.7 million for the year ended December 31, 2003 from Ps.1.9 million for the year ended December 31, 2002. This change primarily reflects higher cost of sales and operating expenses associated to the distribution company acquired in Chile and an increase in provision for doubtful trade accounts, partially offset by the increase in net sales. Including the operations in Chile, from January to April 2002, the Publishing Distribution operating result would have decreased by Ps.15.6 million to a loss of Ps.11.7 million for the year ended December 31, 2003, from a gain of Ps.3.9 million for the year ended December 31, 2002.

Cable Television.

Cable Television net sales, representing 5.1% and 4.1% of our total segment net sales for the years ended December 31, 2002 and 2003, respectively, decreased by Ps.165.8 million, or 14.4%, to Ps.986.5 million for the year ended December 31, 2003 from Ps.1,152.3 million for the year ended December 31, 2002. This decrease is attributable to the decrease in the subscriber base during 2003, to more than 364,000, of which more than 60,000 were digital subscribers at December 31, 2003, from a subscriber base of more than 412,000, of which approximately 65,000 were digital subscribers, at the same date of 2002, as well as a decrease in advertising sales. Cablevisión started to gradually digitalize its service last November, the project will be implemented in stages over a period of up to two years.

Cable Television operating income decreased by Ps.88.6 million, or 42.3%, to Ps.120.9 million for the year ended December 31, 2003 from Ps.209.5 million for the year ended December 31, 2002. This decrease primarily reflects the decrease in net sales and higher depreciation costs, due to the upgrading process in the network, and the acquisition of digital boxes. This decrease was partially offset by a decrease in cost of sales and operating expenses.

Radio.

Radio net sales, representing 0.8% and 1.1% of our total segment net sales for the years ended December 31, 2002 and 2003, respectively, increased by Ps.54.8 million, or 28.2%, to Ps.249.3 million for the year ended December 31, 2003 from Ps.194.5 million for the year ended December 31, 2002. This increase primarily reflects an increase in advertising time sold especially in newscasts and sporting events programs.

Radio operating result increased Ps.54.6 million or 114.7% to a gain of Ps.7.0 million for the year ended December 31, 2003 from a loss of Ps.47.6 million for the year ended December 31, 2002. This improvement was primarily due to the increase in net sales and lower cost of sales, partially offset by an increase in operating expenses.

Other Businesses.

Other Businesses net sales, representing 7.1% and 5.7% of our total segment net sales for the years ended December 31, 2002 and 2003, respectively, decreased by Ps.249.1 million, or 15.5%, to Ps.1,361.2 million for the year ended December 31, 2003 from Ps.1,610.3 million for the year ended December 31, 2002. This decrease was primarily due to lower sales attributable to our nationwide paging, feature film distribution, dubbing and live entertainment businesses. This decrease was partially offset by higher sales related to sport events production and internet businesses.

Other Businesses operating loss increased by Ps.6.8 million, or 1.5%, to Ps.470.6 million for the year ended December 31, 2003 from Ps.463.8 million for .the year ended December 31, 2002. This increase reflects the reduction in net sales, partially offset by a decrease in cost of sales and operating expenses.

Non-Operating Results

Integral cost of financing - net.

The expense attributable to integral cost of financing decreased by Ps.23.0 million, or 3.6%, to Ps.614.4 million for the year ended December 31, 2003 from Ps.637.4 million for the year ended December 31, 2002. This decrease reflects: (a) a Ps.332.0 million decrease in net foreign exchange loss, primarily due to the 7.3% depreciation of the Mexican peso as compared to the U.S. dollar during the year ended December 31, 2003 versus a 14.0% depreciation of the Mexican peso as compared to the U.S. dollar during the year ended December 31, 2002; (b) a Ps.36.8 million increase in interest income, primarily as a result of a higher average amount of temporary investments maintained during the year ended December 31, 2003 as compared to the year ended December 31, 2002, which was partially offset by a reduction of interest rates during the year ended December 31, 2003 as compared to the year ended December 31, 2002, and a decrease in interest income from Innova for the year ended December 31, 2003 as compared to the year ended December 31, 2002, as a result of the Innova's capitalization in September 2003 of all of the amounts due to the Company by Innova in connection with long-term loans provided by the Company; and (c) a Ps.50.0 million decrease in interest expense, primarily on the Company's UDI denominated debt, due to a lower inflation during the year ended December 31, 2003 (3.98%) as compared to the year ended December 31, 2002 (5.70%), as well as an increase in the net gain on interest swap contracts outstanding in the year ended December 31, 2003 as compared to the year ended December 31, 2002.

These decreases in the integral cost of financing were partially offset by: (a) a Ps.357.8 million decrease in the favorable hedge effect of the foreign exchange loss incurred in the year ended December 31, 2003, as compared to the year ended December 31, 2002, in connection with the Company's U.S.$600.0 million long-term debt securities maturing in 2011 and 2032, which principal amount is being hedged by the Company's net investment in Univision since March 2002; and (b) a Ps.38.0 million increase in loss from monetary position primarily as a result of a higher net asset monetary position during the year ended December 31, 2003 as compared to the year ended December 31, 2002.

Restructuring and non-recurring charges.

Restructuring and non-recurring charges decreased by Ps.218.1 million, or 24.9%, to Ps.657.2 million for the year ended December 31, 2003 from Ps.875.3 million for the year ended December 31, 2002. This decrease reflects: (a) a Ps.338.3 million non-recurring charge taken in the year ended December 31, 2002 in connection with the write-off of exclusive rights letters for soccer players; (b) a Ps.169.9 million non-recurring charge taken in the year ended December 31, 2002 related to the drawdown by DirecTV under a letter of credit posted by the Company in connection with certain arrangements between DirecTV and the Company to broadcast the 2002 Soccer World Cup; and (c) a reduction in restructuring charges in connection with work force reductions in the year ended December 31, 2003 as compared to the year ended December 31, 2002. These decreases were partially offset by a Ps.284.2 million non-recurring charge taken in the year ended December 31, 2003, in connection with the payment of vested and unvested salary benefits to certain Company's union employees, as a part of the Company's continuing cost-cutting efforts; as well as a Ps.164.6 million non-recurring charge taken in the year ended December 31, 2003, in connection with an estimate for the disposal of certain long-lived assets and associated costs related to the Company's nationwide paging business, based on the evaluation of the recoverability of the assets.

Other expense - net.

Other expense, net decreased by Ps.1,675.6 million, or 75.5%, to Ps.543.3 million for the year ended December 31, 2003, as compared to Ps.2,218.9 million for the year ended December 31, 2002. This decrease primarily reflects a decrease in the write-off of goodwill for the year ended December 31, 2003, as compared to the year ended December 31, 2002, as well as a gain on disposition of the remaining shares held by the Company in its former DTH venture in Spain for the year ended December 31, 2003.

Other expense-net for the year ended December 31, 2003 primarily reflects non-cash charges in connection with the amortization of goodwill in the amount of Ps.460.7 million, the write-off of unamortized goodwill in the amount of Ps.112.1 million, a net gain in disposition of certain investments in the amount of Ps.395.4 million, as well as fees and expenses for professional services, donations and a net loss in disposition of certain non-current assets for an aggregate amount of Ps.425.7 million.

Income tax, assets tax and employees' profit sharing.

The income tax, assets tax and employees' profit sharing decreased for the year ended December 31, 2003, as compared to the year ended December 31, 2002, primarily reflecting the increased use of tax loss carry-forwards in 2003 as compared to 2002, partially offset by an increase in consolidated assets tax, as a result of a higher assets tax base for the year ended December 31, 2003 as compared to the year ended December 31, 2002, and an increase in foreign income tax in 2003 as compared to 2002.

Equity in results of affiliates - net.

Equity in results of affiliates increased by Ps.1,230.1 million to a gain of Ps.28.3 million for the year ended December 31, 2003 from an equity loss of Ps.1,201.8 million for the year ended December 31, 2002. This increase primarily reflects a decrease in equity losses of Innova in the year ended December 31, 2003, as compared to the year ended December 31, 2002; a reduction in the Company's liability position in Sky Multi-Country Partners (SMCP) as a result of the reduction in the estimated remaining useful life of the satellite transponders being leased by SMCP and guaranteed by the Company; and an equity income from the Company's investment in Univision. This increase were partially offset by an increase in equity losses in DTH TechCo Partners for the year ended December 31, 2003, as compared to the year ended December 31, 2002.

Discontinued operations.

In December 2001, the Company entered into an agreement to sell its music recording operations to Univision, and consummated this sale in April 2002. The Company no longer engages in the music recording business, and the results of the Company's music recording segment for the year ended December 31, 2001 and for the subsequent period were classified as discontinued operations. As consideration for the sale of this business, the Company received 6,000,000 shares and 100,000 warrants (expiring in 2017) to purchase shares of Univision common stock, which were recognized at their fair value on the agreement date. As a result of this transaction, the Company recognized for the years ended December 31, 2002 and 2003, a gain (loss) on disposition of the music recording business of Ps.1,105.0 million and (Ps.64.2) millions, respectively , net of related costs, expenses and taxes, which were also reflected as discontinued operations. In conjunction with this disposal, the Company may have to pay certain adjustments to Univision in connection with an audit of the Music Recording business by Univision, which is expected to be resolved by the parties in 2004. While the Company's management believes that the outcome of this audit will not have a material adverse effect on its financial position or future operating results, no assurance can be given in this regard.

Minority interest.

The minority interest reflects the portion of the operating results attributable to the interest held by third parties in the businesses which are not wholly-owned by the Company, including the Company's Cable Television, Radio, and nationwide paging businesses.

Minority interest increased by Ps.49.4 million to a benefit of Ps.121.0 million for the year ended December 31, 2003 from a benefit of Ps.71.6 million for the year ended December 31, 2002. This increase primarily reflected a net loss of the Company's nationwide paging business in 2003 as compared to a net income in 2002, partially offset by decreases in the net loss of the Company's Cable Television and Radio segments for the year ended December 31, 2003, as compared to the year ended December 31, 2002.

Net income.

We generated net income in the amount of Ps.3,596.6 million in 2003, as compared to a net income of Ps.767.2 million in 2002. The net increase of Ps.2,829.4 million reflected a Ps.1,210.6 million increase in operating income; a Ps.23.0 million decrease in integral cost of financing; a Ps.218.1 million decrease in restructuring and non-recurring charges; a Ps.1,675.6 million decrease in other expense-net; a Ps.1,230.1 million decrease in equity in losses from affiliates; and a Ps.49.4 million increase in minority interest . This change was partially offset by a Ps.408.2 million increase in income taxes; and a Ps.1,169.2 million decrease in income from discontinued operations.

Capital expenditures, acquisitions and investments.

During 2004, we expect to:

- make aggregate capital expenditures for property, plant and equipment of approximately U.S.$110.0 million, which amount includes capital expenditures in the amount of U.S.$ 32.0 million for the expansion and improvement of our cable business; and
- invest an aggregate of U.S.$17.0 million in our Latin America DTH joint ventures in the form of long-terms loans.

During 2003, we:

- made aggregate capital expenditures for property, plant and equipment of approximately U.S.$94.9 million, which amount includes capital expenditures in the amount of U.S.$17.4 million for the expansion and improvement of our cable business;
- invested an aggregate of U.S.$2.5 million in "TuTV" a 50% joint venture with Univision for distribution of the Company's Spanish-speaking programming packages in the United States;
- invested an amount of approximately U.S.$4.8 million in OCESA Entretenimiento, the live entertainment company in which the Company holds a 40% stake;
- invested an aggregate of U.S.$20.6 million in our Latin America DTH joint ventures in the form of long-terms loans. Innova did not require shareholder funding in 2003 and does not expect to require shareholder funding in 2004; and
- contributed Ps.36.1 million (nominal) to fund our seniority premium obligations.

During 2002, we:

- made aggregate capital expenditures for property, plant and equipment of approximately U.S.$135.2 million, which amount included capital expenditures in the amount of U.S.$18.8 million for the expansion and improvement of our cable business, which was primarily funded by cash on hand and cash from operations at Cablevisión, in which we own a 51% stake;
- invested an aggregate of U.S.$32.5 million in our DTH joint ventures in the form of long-term loans and/or capital contributions;
- sold our music recording operations to Univision in exchange for 6,000,000 shares of Univision common stock and warrants to purchase 100,000 shares of Univision common stock, for an aggregate fair value amount of U.S.$235.1 million;
- acquired a 40% stake of the capital stock of OCESA Entretenimiento, S.A. de C.V. for an amount of U.S.$104.7 million, of which U.S.$37.7 million will be paid in 2003; and
- contributed Ps.103.0 million (nominal) to fund our pension and seniority premium obligations.

Indebtedness.

As of December 31, 2003, we have long-term indebtedness for an equivalent amount of U.S.$1,335.4 million, of which U.S.$25.4 million are related to the current portion of long-term indebtedness as of that date. Our long-term indebtedness as of December 31, 2003 is denominated in U.S. Dollars (68.4%) and Mexican Pesos (31.6%).

The major components of our long-term indebtedness as of December 31, 2003, are as follows:

- 11 7/8% Series "B" Senior Notes due in 2006 for an amount of U.S.$5.3 million;
- 8 5/8% Senior Notes due in 2005 for an amount of U.S.$200.0 million;
- 8% Senior Notes due in 2011 for an amount of U.S.$300.0 million;
- 8 1/2% Senior Notes due in 2032 for an amount of U.S.$300.0 million;
- long-term loan facility due in 2005 and 2006 for an amount of U.S.$100.0 million with an annual interest rate of 0.875% and 1.125% over LIBOR;
- UDI-denominated Notes due 2007 with an annual interest rate of 8.15% for an equivalent amount of U.S.$324.3 million;
- long-term loan facility due from 2004 to 2008 for an amount of Ps.800.0 million (U.S.$71.3 million) with an average annual interest rate of 8.9%; and
- other long-term indebtedness for an equivalent amount of U.S.$34.5 million.

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