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GRUPO IUSACELL SA DE CV
Form 6-K
February 23, 2005

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

FORM 6-K

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

For the month of February, 2005

GRUPO IUSACELL, S.A. de C.V.

(Translation of registrant's name into English)

Montes Urales 460
Col. Lomas de Chapultepec, Deleg. Miguel Hidalgo
11000, Mexico D.F.

(Address of principal executive office)

Indicate by check mark whether the registrant files or will fill annual reports
under cover of Form 20-F or Form 40-F: Form 20-F Form 40-F

Indicate by check mark whether the registrant by furnishing the information
contained in this Form is also thereby furnishing the information to the
Commission pursuant to Rule 12g-3-2(b) under the Securities and Exchange Act of
1934. Yes No

Documents Furnished By the Registrant

1. Press Release of the Registrant dated February 21, 2004

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the
registrant has duly caused this report to be signed on its behalf by the
undersigned thereunto duly authorized.

GRUPO IUSACELL, S.A. DE C.V.

Date: February 21, 2004

/s/ Fernando Cabrera

Name: Fernando Cabrera
Title: Attorney in fact

/s/ Jose Luis Riera

Name: Jose Luis Riera
Title: Attorney in fact

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PENSAMOS EN TI

INVESTOR CONTACTS

Jose Luis Riera K.
Chief Financial Officer
5109-5927

J. Victor Ferrer V
Finance Manager
5109-5927
vferrer@iusacell.com.mx

FOURTH QUARTER 2004 RESULTS

MEXICO CITY, February 18, 2004 - Grupo Iusacell, S.A. de C.V. (NYSE: CEL) (BMV: CEL) (Iusacell or the Company) today announced unaudited financial results for the fourth quarter 2004/1/.

Grupo Iusacell recorded a 6% growth in revenue to Ps\$1,422 million for the fourth quarter of 2004, compared to Ps\$1,343 million for the same period in 2003. For the year 2004, the Company recorded a 9% revenue growth to Ps\$5,431 million, compared to Ps\$4,984 million for the previous year.

Operating income before depreciation and amortization decreased to Ps\$43 million for the fourth quarter 2004 from Ps\$91 million for the corresponding 2003 period. However, Iusacell increased operating income before depreciation and amortization to Ps\$654 million in the year 2004, representing an increase of Ps\$95 million over 2003. This reduced the fourth quarter's net loss to Ps\$363 million compared to a Ps1,386-million net loss in the fourth quarter of 2003, and also reduced the year's net loss to Ps\$1,989 million, compared to a Ps\$4,953 million net loss reported for 2003.

Grupo Iusacell ended the year with a subscriber base of 1.46 million, up 15% from 2003.

Highlights:

Million of Pesos/1/, except percentages

	4Q 2003	4Q 2004	Change %	12M 2003	12M 2004	Cha %
	-----	-----	-----	-----	-----	-----
Revenue	1,343	1,422	6%	4,984	5,431	
Total Cost	732	883	21%	2,523	3,216	
Operating Expenses	520	496	-5%	1,904	1,561	
Operating Income before depreciation and amortization	91	43	-53%	558	654	
Income (loss) Net	(1,386)	(363)	-74%	(4,953)	(1,989)	

/1/ Constant December 31,2004 pesos.

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/1/ Unless otherwise noted, all monetary figures are expressed in Mexican pesos as of December 31, 2004 in accordance to Mexican GAAP. The symbols "Ps\$" and "US\$" refer to Mexican pesos and U.S. dollars, respectively.

Revenues for the fourth quarter 2004 increased 6% to Ps\$1,422 million, from Ps\$1,343 million for the same period in 2003. For the year 2004, revenues increased 9% to Ps\$5,431 million, from Ps\$4,984 million in 2003, mainly reflecting an increase in service revenues as a result of (1) an increase in postpaid revenues, (2) an increase in airtime sales, (3) a higher subscriber base and (4) an increase in telephone sales.

During the fourth quarter 2004, total costs increased 21% to Ps\$883 million as compared to Ps\$732 million during the same period the previous year. For the year, total costs increased 27% over 2003. The increase resulted mainly from (1) a higher subsidy for terminals, (2) cost increase associated with larger gross additions and (3) the obsolescence of certain telephone models which, according to company policies, were charged to results of operations.

For the fourth quarter of 2004, operating expenses reached Ps\$496 million, which was 5% lower than the Ps\$520 million recorded for the fourth quarter 2003. For the full year 2004, the Company reported an 18% decrease to Ps\$1,561 million, as compared to Ps\$1,904 million in 2003.

Iusacell reported operating income before depreciation and amortization of Ps\$43 million for the fourth quarter of 2004, a 53% reduction over Ps\$91 million for the corresponding quarter in 2003, mainly as a result of a quarterly increase in sales costs and a reduction in handset revenues and tower sales. In spite of this, however, the Company ended 2004 with operating income before depreciation and amortization of Ps\$654 million, up 17% from the Ps\$558 million recorded for 2003.

Quarterly net loss fell to Ps\$363 million as compared to a Ps\$1,386 million loss in the corresponding quarter in 2003. For the year, the Company reported a 60% reduction in net loss, going from Ps\$4,953 million in 2003 to Ps\$1,989 million in 2004.

In the last quarter of 2004, the Company invested approximately US\$9 million. Combined with US\$31 million invested in previous quarters, Iusacell invested a total of approximately US\$40 million in 2004, which mainly went toward expanding the capacity and coverage area of Iusacell's 3G network.

RECENT EVENTS

NATIONWIDE LAUNCH OF PUSH TO TALK (PTT)

As announced in the third quarter of 2004, Iusacell launched the RADIO PLUS service, better known as Push to Talk or PTT, in Mexico's region 8. However, during the last quarter of 2004, the Company launched this service nationwide, giving customers immediate and unlimited connection to Iusacell coverage areas in radio mode and allowing them to experience direct one-button communication with up to five people at a time, with no long-distance or roaming charges.

TOWER SALES

During the fourth quarter of 2004, the Company sold and leased back 29 towers to MATC, for approximately Ps\$67 million in net revenue, which was completely reinvested in Company operations.

DEBT RESTRUCTURING

The Company continues negotiations with various creditors in an effort to reach a comprehensive debt restructuring agreement in the shortest time possible.

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ABOUT IUSACELL

Grupo Iusacell, S.A. de C.V. (Iusacell, NYSE and BMV: CEL) is a wireless cellular and PCS service provider in Mexico encompassing a total of approximately 92 million POPs, representing approximately 90% of the country's total population.

Independent of the negotiations towards the restructuring of its debt, Iusacell reinforces its commitment with customers, employees and suppliers and guarantees the highest quality standards in its daily operations offering more and better voice communication and data services through state-of-the-art technology, such as its new 3G network, throughout all of the regions in which it operate.

LEGAL DISCLAIMER

Grupo Iusacell, S.A. de C.V. quarterly reports and all other written materials may from time to time contain statements about expected future events and financial results that are forward-looking and subject to risks and uncertainties. For those statements, the Company claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Discussion of factors that may affect future results is contained in our filings with the Securities and Exchange Commission.

Attached are the Consolidated Income Statements of each of Grupo Iusacell, S.A. de C.V. and Grupo Iusacell Celular, S.A. de C.V. for the three-month and twelve-month periods ended December 31, 2004, and the Consolidated Balance Sheet of Grupo Iusacell, S.A. de C.V. and Grupo Iusacell Celular, S.A. de C.V. at December 31, 2004.

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GRUPO IUSACELL CONSOLIDATED BALANCE SHEET
COMPARISON OF FOURTH QUARTER 2004 WITH FOURTH QUARTER 2003
(Figures in thousands of constant December 31, 2004 pesos)

	4Q04		4Q03		4Q02
	-----		-----		-----
ASSETS					
Current Assets					
Cash and marketable securities	3,953	0.0%	6,116		0.0%
Accounts receivable, net	339,820	3.1%	529,833		4.3%
Related parties	41,540	0.4%	8,832		0.1%
Recoverable taxes and other	314,444	2.9%	368,826		3.0%
Inventories	329,401	3.0%	269,281		2.2%
TOTAL CURRENT ASSETS	1,029,158	9.4%	1,182,888		9.5%
Property and equipment, net	7,072,180	64.4%	8,088,115		65.0%
Excess of cost of investments in subsidiaries over book value, net	1,796,320	16.4%	2,011,327		16.2%

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Other assets	1,076,618	9.8%	1,152,976	9.3%
TOTAL ASSETS	10,974,276	100.0%	12,435,306	100.0%
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current Liabilities				
Accrued liabilities	2,556,495	23.3%	1,548,634	12.5%
Related parties	371,397	3.4%	103,228	0.8%
Accounts payable	336,086	3.1%	472,979	3.8%
Short-term debt	8,833,814	80.5%	9,358,960	75.3%
TOTAL CURRENT LIABILITIES	12,097,792	110.2%	11,483,801	92.3%
Non-current liabilities	25,196	0.2%	98,110	0.8%
TOTAL LIABILITIES	12,122,988	110.5%	11,581,911	93.1%
Minority interest	-69,546	-0.6%	-50,532	-0.4%
Shareholders' Equity				
Capital stock	7,815,072	71.2%	7,809,003	62.8%
Legal reserve	21,947	0.2%	21,947	0.2%
Capital contributions	1,536,698	14.0%	1,536,698	12.4%
Net loss	-1,989,162	-18.1%	-4,953,125	-39.8%
Accumulated earnings from prior years	-8,691,372	-79.2%	-3,738,247	-30.1%
Excess from restatement of shareholders' equity	227,651	2.1%	227,651	1.8%
TOTAL SHAREHOLDERS' EQUITY	-1,079,166	-9.8%	903,927	7.3%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	10,974,276	100.0%	12,435,306	100.0%

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GRUPO IUSACELL CONSOLIDATED INCOME STATEMENT
COMPARISON OF FOURTH QUARTER 2004 WITH FOURTH QUARTER 2003
(Figures in thousands of constant December 31, 2004 pesos)

	4Q04		4Q03	
	-----		-----	
REVENUE				
Service	1,276,800	89.8%	1,027,966	76.
Equipment sales and other	144,787	10.2%	314,785	23.
TOTAL REVENUE	1,421,587	100.0%	1,342,751	100.
Cost of services	479,662	33.7%	423,504	31.
Other costs	403,199	28.4%	308,365	23.
TOTAL COSTS	882,861	62.1%	731,869	54.
GROSS MARGIN	538,726	37.9%	610,882	45.
Sales & Advertising expenses	421,535	29.7%	449,080	33.
General and administrative expenses	141,266	9.9%	164,200	12.
Other income	-66,841	-4.7%	-93,152	-6.
TOTAL OPERATING EXPENSES	495,960	34.9%	520,128	38.

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EBITDA	42,766	3.0%	90,754	6.
Depreciation and amortization	454,084	31.9%	519,797	38.
OPERATING LOSS	-411,318	-28.9%	-429,043	-32.
Other (income) expense	16,871	1.2%	204,251	15.
Interest expense, net	289,385	20.4%	258,394	19.
Foreign exchange loss (gain)	-230,569	-16.2%	195,410	14.
Monetary gain	-125,021	-8.8%	-168,094	-12.
INTEGRAL FINANCING COST	-66,205	-4.7%	285,710	21.
LOSS BEFORE TAXES AND STATUTORY PROFIT SHARING COST	-361,984	-25.5%	-919,004	-68.
Equity in income (losses) of subsidiaries	13,244	0.9%	-85	0.
Taxes	-15,217	-1.1%	42,606	3.
Extraordinary items	5,784	0.4%	425,704	31.
NET LOSS BEFORE MINORITY INTEREST	-365,795	-25.7%	-1,387,229	-103.
Minority interest	-3,180	-0.2%	-1,299	-0.
NET LOSS	-362,615	-25.5%	-1,385,930	-103.

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GRUPO IUSACELL CONSOLIDATED INCOME STATEMENT
COMPARISON OF TWELVE MONTHS 2004 WITH TWELVE MONTHS 2003
(Figures in thousands of constant December 31, 2004 pesos)

	12M 2004		12M 2003	
REVENUE				
Service	4,780,562	88.0%	4,406,851	88.
Equipment sales and other	650,835	12.0%	577,605	11.
TOTAL REVENUE	5,431,397	100.0%	4,984,456	100.
Cost of services	1,847,255	34.0%	1,576,426	31.
Other costs	1,369,125	25.2%	946,306	19.
TOTAL COSTS	3,216,380	59.2%	2,522,732	50.
GROSS MARGIN	2,215,017	40.8%	2,461,724	49.
Sales & Advertising expenses	1,338,171	24.6%	1,380,640	27.
General and administrative expenses	431,014	7.9%	616,023	12.
Other income	-207,929	-3.8%	-93,152	-1.
TOTAL OPERATING EXPENSES	1,561,256	28.7%	1,903,511	38.
EBITDA	653,761	12.0%	558,213	11.
Depreciation and amortization	1,961,564	36.1%	2,164,574	43.
OPERATING LOSS	-1,307,803	-24.1%	-1,606,361	-32.
Other (income) expense	11,214	0.2%	659,122	13.
Interest expense, net	1,082,834	19.9%	1,018,361	20.

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Foreign exchange loss (gain)	-69,718	-1.3%	783,152	15.
Monetary gain	-466,139	-8.6%	-369,071	-7.
INTEGRAL FINANCING COST	546,977	10.1%	1,432,442	28.
LOSS BEFORE TAXES AND STATUTORY PROFIT SHARING COST	-1,865,994	-34.4%	-3,697,925	-74.
Equity in income (losses) of subsidiaries	13,317	0.2%	18,455	0.
Taxes	155,499	2.9%	326,486	6.
Extraordinary items	-40,377	-0.7%	777,839	15.
Effect of accounting policy change	0	0.0%	167,277	3.
NET LOSS BEFORE MINORITY INTEREST	-1,994,433	-36.7%	-4,987,982	-100.
Minority interest	-5,271	-0.1%	-34,857	-0.
NET LOSS	-1,989,162	-36.6%	-4,953,125	-99.

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GRUPO IUSACELL CELULAR CONSOLIDATED BALANCE SHEET
COMPARISON OF FOURTH QUARTER 2004 WITH FOURTH QUARTER 2003
(Figures in thousands of constant December 31, 2004 pesos)

	4Q04		4Q03	
	-----		-----	
ASSETS				
CURRENT ASSETS				
Cash and marketable securities	2,190	0.0%	4,373	0.0%
Accounts receivable, net	330,452	3.3%	524,677	4.8%
Related parties	347,490	3.5%	79,621	0.7%
Recoverable taxes and other	260,274	2.6%	371,891	3.4%
Inventories	329,401	3.3%	269,281	2.4%
TOTAL CURRENT ASSETS	1,269,807	12.7%	1,249,843	11.3%
Property and equipment, net	6,400,120	64.2%	7,264,895	65.9%
Excess of cost of investments in subsidiaries over book value, net	1,612,902	16.2%	1,815,799	16.5%
Other assets	686,806	6.9%	690,882	6.3%
TOTAL ASSETS	9,969,635	100.0%	11,021,419	100.0%
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Accrued liabilities	1,100,370	11.0%	673,354	6.1%
Related parties	372,456	3.7%	103,442	0.9%
Accounts payable	317,398	3.2%	379,668	3.4%
Short-term debt	4,634,179	46.5%	4,909,669	44.5%
TOTAL CURRENT LIABILITIES	6,424,403	64.4%	6,066,133	55.0%
Non-current liabilities	479	0.0%	688	0.0%
TOTAL LIABILITIES	6,424,882	64.4%	6,066,821	55.0%
MINORITY INTEREST	-69,546	-0.7%	-81,965	0.0%
SHAREHOLDERS' EQUITY				
Capital stock	17,418,127	174.7%	17,418,127	158.0%
Legal reserve	31,015	0.3%	31,015	0.3%

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Capital contributions	107,322	1.1%	107,322	1.0%
Net loss	-1,422,264	-14.3%	-3,499,989	-31.8%
Accumulated earnings from prior years	-11,751,381	-117.9%	-8,251,392	-74.9%
Excess from restatement of shareholders' equity	-768,520	-7.7%	-768,520	-7.0%
TOTAL SHAREHOLDERS' EQUITY	3,614,299	36.3%	5,036,563	45.7%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	9,969,635	100.0%	11,021,419	100.0%

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GRUPO IUSACELL CELULAR CONSOLIDATED INCOME STATEMENT
COMPARISON OF FOURTH QUARTER 2004 WITH FOURTH QUARTER 2003
(Figures in thousands of constant December 31, 2004 pesos)

	4Q04		4Q03	
	-----		-----	
REVENUE				
Service	1,372,079	90.5%	1,037,351	76.8%
Equipment sales and other	144,273	9.5%	314,238	23.2%
TOTAL REVENUE	1,516,352	100.0%	1,351,589	100.0%
Cost of services	524,713	34.6%	450,145	33.3%
Other costs	403,199	26.6%	308,365	22.8%
TOTAL COSTS	927,912	61.2%	758,510	56.1%
GROSS MARGIN	588,440	38.8%	593,079	43.9%
Sales & Advertising expenses	421,400	27.8%	436,881	32.3%
General and administrative expenses	134,414	8.9%	168,650	12.5%
Other income		-62,942	-4.2%	-90,447
TOTAL OPERATING EXPENSES	492,872	32.5%	515,084	38.1%
EBITDA	95,568	6.3%	77,995	5.8%
Depreciation and amortization	415,278	27.4%	480,963	35.6%
OPERATING LOSS	-319,710	-21.1%	-402,968	-29.8%
Other (income) expense	-37,809	-2.5%	207,720	15.4%
Interest expense, net	134,067	8.8%	94,344	7.0%
Foreign exchange loss (gain)	-115,832	-7.6%	98,860	7.3%
Monetary gain	-7,309	-0.5%	-78,896	-5.8%
INTEGRAL FINANCING COST	10,926	0.7%	114,308	8.5%
INCOME (LOSS) BEFORE TAXES AND STATUTORY PROFIT SHARING COST	-292,827	-19.3%	-724,996	-53.6%
Equity in losses of subsidiaries	13,245	0.9%	611	0.0%
Taxes	-19,063	-1.3%	37,408	2.8%
Extraordinary items	-	0.0%	425,704	31.5%

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NET LOSS BEFORE				
MINORITY INTEREST	-287,009	-18.9%	-1,188,719	-87.9%
Minority interest	-3,180	-0.2%	-567	0.0%
NET LOSS	-283,829	-18.7%	-1,188,152	-87.9%

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GRUPO IUSACELL CELULAR CONSOLIDATED INCOME STATEMENT
 COMPARISON OF TWELVE MONTHS 2004 WITH TWELVE MONTHS 2003
 (Figures in thousands of constant December 31, 2004 pesos)

	12M 2004		12M 2003	
	-----		-----	
REVENUE				
Service	4,973,746	88.5%	4,436,157	88.5%
Equipment sales and other	649,148	11.5%	574,229	11.5%
TOTAL REVENUE	5,622,894	100.0%	5,010,386	100.0%
Cost of services	1,955,137	34.8%	1,610,232	32.1%
Other costs	1,369,125	24.3%	946,306	18.9%
TOTAL COSTS	3,324,262	59.1%	2,556,538	51.0%
GROSS MARGIN	2,298,632	40.9%	2,453,848	49.0%
Sales & Advertising expenses	1,334,868	23.7%	1,368,600	27.3%
General and administrative expenses	408,958	7.3%	597,900	11.9%
Other income		-175,351	-3.1%	-90,447
TOTAL OPERATING EXPENSES	1,568,475	27.9%	1,876,053	37.4%
EBITDA	730,157	13.0%	577,795	11.5%
Depreciation and amortization	1,802,859	32.1%	2,055,083	41.0%
OPERATING LOSS	-1,072,702	-19.1%	-1,477,288	-29.5%
Other (income) expense	-40,701	-0.7%	323,103	6.4%
Interest expense, net	447,435	8.0%	378,279	7.5%
Foreign exchange loss (gain)	-29,922	-0.5%	406,912	8.1%
Monetary gain	-170,219	-3.0%	-174,229	-3.5%
INTEGRAL FINANCING COST	247,294	4.4%	610,962	12.2%
INCOME (LOSS) BEFORE TAXES AND				
STATUTORY PROFIT SHARING COST	-1,279,295	-22.8%	-2,411,353	-48.1%
Equity in losses of subsidiaries	13,318	0.2%	18,455	0.4%
Taxes	134,922	2.4%	280,883	5.6%
Extraordinary items	0	0.0%	640,917	12.8%
Effect of accounting policy change	0	0.0%	167,277	3.3%
NET LOSS BEFORE				
MINORITY INTEREST	-1,427,535	-25.4%	-3,518,885	-70.2%
Minority interest	-5,271	-0.1%	-18,896	-0.4%
NET LOSS	-1,422,264	-25.3%	-3,499,989	-69.9%

