

GRUPO IUSACELL SA DE CV  
Form 6-K  
July 31, 2006

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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 July, 2006

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

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(Translation of registrant's name into English)

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

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(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

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Documents Furnished By the Registrant

- 1. Press Release of the Registrant dated July 28, 2006

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IUSACELL REPORTS SECOND QUARTER 2006 RESULTS

- NET REVENUES INCREASE 27% -

Mexico City, July 28, 2006 - Grupo Iusacell, S.A. de C.V. (BMV: CEL),  
reported its financial results corresponding to the second quarter of 2006.

FINANCIAL INFORMATION

Million pesos as of June 30, 2006

2Q05	2Q06	Change		6M05	6M06
		\$	%		
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Net Revenues	1,460	1,852	392	27%	2,831	3,653
Total Cost	763	1,115	353	46%	1,440	2,210
Operating Expenses	389	437	48	12%	808	870
EBITDA	308	300	(9)	3%	583	573
Net Loss	(34)	(867)	(833)	(n.m.)	(409)	(1,355)

### RECENT EVENTS

As of July 2006, Iusacell's subscribers will now have international data service for easy access to mobile applications as a result of Iusacell's entering into a new agreement with Sprint of the USA. The Sprint data roaming agreement for coverage in North America is part of the international expansion of Iusacell in 2006.

Iusacell is extending the network coverage for its clients through data roaming agreements. Under the terms of this agreement, our users will be able to have easy access to email, Internet and corporative applications in the United States using selected cellular telephones, intelligent devices and broadband mobile cards as if they were connected to the local network of Iusacell.

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### SECOND QUARTER RESULTS

#### REVENUES

Net revenues in the second quarter of 2006 increased by 27% to Ps \$1,852 million, as compared to Ps \$1,460 million during the same period 2005. The increase is primarily a result of growth in postpaid revenues as well as higher revenues from value added services mainly attributable to an increase in the subscriber base. Grupo Iusacell ended the second quarter of 2006 with 2.0 million subscribers.

#### COST AND EXPENSES

During the second quarter of 2006, total cost, increased by 46% to Ps \$1,115 million as compared to Ps \$763 million in the second quarter 2005. Operating expenses increased by 12% to Ps \$437 million, as compared to Ps \$389 million in the same period 2005.

The increase in the total cost during the second quarter 2006 mainly reflects the increase in: (i) handset subsidy, (ii) the costs related to value added services and interconnection costs as a result of the increase in air time traffic and subscribers, (iii) technical expenses, and (iv) concessions rights.

The increase in operating expenses during the second quarter 2006 mainly reflects an increase in administrative expenses owing to the creation of regional sales and customer care structures, offset by the reduction in advertising expenses.

#### OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION

Iusacell's operating income before depreciation and amortization for the second quarter of 2006 was Ps \$300 million, a decrease of 3% as compared to Ps \$308 million during the same period the year before.

#### NET INCOME

Iusacell registered a net loss of Ps \$867 million for the second

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quarter of 2006, compared to a net loss of Ps \$34 million during the same period in 2005. This loss is mainly a result of an increase in integral financing costs affected mainly by the exchange loss derived from the increase in exchange rates of the peso against the dollar.

### CAPEX

During the second quarter of 2006, the Company made investments of approximately US \$17 million, mainly for the acquisition of cellular equipment related to the expansion of coverage and capacity of Iusacell's 3-G network and EV-DO services (Evolution Data Only).

### DEBT

The Company continues with its debt restructuring process as announced through various press releases to date. In this respect and in furtherance of the debt restructuring process, the Company has commenced various proceedings for the legal implementation of the agreements reached with majority of its creditors, which we expect to be accomplished shortly.

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### ABOUT IUSACELL

Grupo Iusacell, S.A. de C.V. (BMV: CEL) (Iusacell) is a wireless cellular and PCS service provider in Mexico with a national footprint. Iusacell offers 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 operates. In addition to our core mobile telephony services, we also provide a wide range of other telecommunications services, including long distance, wireless local telephony and data transmission services. Additional information is available at <http://www.iusacell.com>

### 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. A 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 six-month periods ended June 30, 2006, and the Consolidated Balance Sheet of Grupo Iusacell, S.A. de C.V. and Grupo Iusacell Celular, S.A. de C.V. at June 30, 2006.

### CONTACTS:

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GRUPO IUSACELL, S.A. DE C.V. AND SUBSIDIARIES  
MILLIONS OF MEXICAN PESOS OF JUNE 30, 2006 PURCHASING POWER  
(UNAUDITED FIGURES)

	QUARTERLY INCOME STATEMENT			
	2Q05		2Q06	
Gross Revenues	107%	1,560	105%	1,947
Commissions	(7)%	(100)	(5)%	(95)
Net Revenues	100%	1,460	100%	1,852
Cost of services	42%	620	43%	793
Handset Subsidy	10%	143	17%	323
Total Cost	52%	763	60%	1,115
Gross Profit	48%	698	40%	737
Operating Expenses	27%	389	24%	437
Depreciation and Amortization	27%	398	20%	379
Total Expenses	54%	787	44%	816
Operating Loss	(6)%	(89)	(4)%	(79)
Operating Profit before Depreciation and Amortization	21%	308	16%	300
Loss from sale of fixed assets and other expenses	1%	10	1%	11
Comprehensive Financing Cost				
Interest Expense - Net	(19)%	(283)	(17)%	(310)
Exchange gain (loss)	29%	425	(23)%	(430)
Gain from net monetary position	(3)%	(49)	(3)%	(59)
	6%	93	(43)%	(800)
Loss before taxes	1%	13	(47)%	(868)
Tax Provisions	(3)%	(44)	(0)%	(1)
Equity in income (loss) of subsidiaries	0%	-	0%	0
Minority interest	(0)%	(3)	0%	2
Net loss	(2)%	(34)	(47)%	(867)

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MILLIONS OF MEXICAN PESOS OF JUNE 30, 2006 PURCHASING POWER  
(UNAUDITED FIGURES)

	ACCUMULATED INCOME STATEMENT			
	6M05		6M06	
Gross Revenues	107%	3,035	106%	3,859
Commissions	(7)%	(204)	(6)%	(206)
Net Revenues	100%	2,831	100%	3,653
Cost of services	43%	1,219	43%	1,576
Handset Subsidy	8%	221	17%	634
Total Cost	51%	1,440	60%	2,210
Gross Profit	49%	1,391	40%	1,443
Operating Expenses	29%	808	24%	870
Depreciation and Amortization	28%	793	21%	774
Total Expenses	57%	1,601	45%	1,644
Operating Loss	(7)%	(211)	(5)%	(201)
Operating Profit before Depreciation and Amortization	21%	583	16%	573
Loss from sale of fixed assets and other expenses	(1)%	(24)	5%	165
Comprehensive Financing Cost				
Interest Expense - Net	(20)%	(556)	(16)%	(594)
Exchange gain (loss)	14%	405	(21)%	(755)
Gain from net monetary position	1%	36	1%	27
	(4)%	(115)	(36)%	(1,321)
Loss before taxes	(24)%	(349)	(37)%	(1,357)
Tax Provisions	(2)%	(58)	(0)%	(1)
Equity in income (loss) of subsidiaries	0%	-	(0)%	(0)
Minority interest	(0)%	(1)	0%	3
Net loss	(14)%	(409)	(37)%	(1,355)

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GRUPO IUSACELL, S.A. DE C.V. AND SUBSIDIARIES  
MILLIONS OF MEXICAN PESOS OF JUNE 30, 2006 PURCHASING POWER  
(UNAUDITED FIGURES)

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	2Q05		2Q06	
Cash and cash equivalents	4	0%	31	0%
Customers	389	4%	465	4%
Due from related parties	96	1%	310	3%
Advanced payments and other receivables	314	3%	249	2%
Unamortized handset subsidy	275	3%	441	4%
Inventories	100	1%	42	0%
<b>Current assets</b>	<b>1,177</b>	<b>11%</b>	<b>1,536</b>	<b>14%</b>
Fixed assets	6,696	62%	5,843	53%
Goodwill - Net	1,857	17%	1,862	17%
Other assets	1,100	10%	1,772	16%
<b>Total assets</b>	<b>10,829</b>	<b>100%</b>	<b>11,013</b>	<b>100%</b>
Short-term debt	8,773	81%	8,945	81%
Accrued interest	2,022	19%	2,900	26%
<b>Short-term liabilities with financial cost</b>	<b>10,795</b>	<b>100%</b>	<b>11,845</b>	<b>108%</b>
Suppliers	284	3%	436	4%
Related parties	220	2%	220	2%
Unaccrued air time	165	2%	63	1%
Accumulated expenses and other payables	949	9%	1,012	9%
<b>Short-term liabilities without financial cost</b>	<b>1,617</b>	<b>15%</b>	<b>1,731</b>	<b>16%</b>
<b>SHORT-TERM LIABILITIES</b>	<b>12,412</b>	<b>115%</b>	<b>13,576</b>	<b>123%</b>
<b>LONG-TERM LIABILITIES</b>	<b>25</b>	<b>0%</b>	<b>-</b>	<b>0%</b>
Advances from customers	-		878	8%
<b>STOCKHOLDERS' EQUITY</b>	<b>(1,608)</b>	<b>(15)%</b>	<b>(3,441)</b>	<b>(31)%</b>
<b>LIABILITIES + EQUITY</b>	<b>10,829</b>	<b>100%</b>	<b>11,013</b>	<b>100%</b>

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GRUPO IUSACELL CELULAR, S.A. DE C.V. AND SUBSIDIARIES  
FIGURES IN MILLION OF CONSTANT JUNE 30, 2006 PESOS

	INCOME STATEMENT			
	2Q05		2Q06	
Revenue	107%	1,623	105%	2,021
Commissions	(7)%	(100)	(5)%	(95)
<b>Net Revenue</b>	<b>100%</b>	<b>1,523</b>	<b>100%</b>	<b>1,927</b>
Cost of services	41%	629	45%	863
Handsets subsidy	9%	143	17%	323

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Total Cost	51%	772	62%	1,186
Gross Profit	49%	751	38%	741
Operating expenses	25%	382	22%	427
Depreciation and amortization	24%	359	18%	341
Total Expenses	49%	741	40%	769
Operating Loss	1%	10	(1)%	(28)
EBITDA	24%	369	16%	313
(Profit) loss from fixed assets sales	1%	10	0%	7
Integral Financing Cost				
Interest expense, net	(8)%	(124)	(8)%	(156)
Foreign exchange loss (gain)	14%	208	(10)%	(200)
Gain from monetary position	(1)%	(15)	(1)%	(26)
	5%	70	(20)%	(382)
Loss Before Taxes	6%	90	(21)%	(402)
Taxes	(3)%	(44)	(6)%	(111)
Equity participation in net loss (income) of subsidiaries	0%	-	0%	-
Extraordinary item	0%	-	0%	-
Minority interest	(0)%	(3)	0%	2
Net Profit (Loss)	3%	43	(27)%	(511)

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GRUPO IUSACELL CELULAR, S.A. DE C.V. AND SUBSIDIARIES  
 FIGURES IN MILLION OF CONSTANT JUNE 30, 2006 PESOS

	INCOME STATEMENT			
	6M05		6M06	
Revenue	107%	3,121	105%	3,999
Commissions	(7)%	(204)	(5)%	(206)
Net Revenue	100%	2,917	100%	3,793
Cost of services	47%	1,372	45%	1,701
Handsets subsidy	8%	221	17%	634
Total Cost	55%	1,593	62%	2,335

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Gross Profit	45%	1,323	38%	1,459
Operating expenses	27%	795	22%	852
Depreciation and amortization	25%	718	18%	698
Total Expenses	52%	1,513	41%	1,550
Operating Loss	(6)%	(189)	(2)%	(91)
EBITDA	18%	528	16%	607
(Profit) loss from fixed assets sales	(1)%	(24)	4%	162
Integral Financing Cost				
Interest expense, net	(8)%	(237)	(8)%	(296)
Foreign exchange loss (gain)	7%	198	(9)%	(356)
Gain from monetary position	1%	21	0%	12
	(1)%	(17)	(17)%	(640)
Loss Before Taxes	(8)%	(230)	(15)%	(570)
Taxes	(2)%	(58)	(3)%	(111)
Equity participation in net loss (income) of subsidiaries	0%	-	0%	-
Extraordinary item	0%	-	0%	-
Minority interest	(0)%	(1)	0%	3
Net Loss	(10)%	(289)	(18)%	(677)

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GRUPO IUSACELL CELULAR, S.A. DE C.V. AND SUBSIDIARIES  
FIGURES IN MILLION OF CONSTANT JUNE 30, 2006 PESOS

	6M05		6M06	
Cash and marketable securities	3	0%	11	0%
Accounts receivable, net	388	4%	467	5%
Unamortized handset subsidy	275	3%	441	4%
Related parties	347	4%	705	7%
Recoverable taxes and other	260	3%	207	2%
Inventories	100	1%	42	0%
TOTAL CURRENT ASSETS	1,371	14%	1,872	19%
Property and equipment, net	6,164	64%	5,226	53%
Excess of cost of investments in subsidiaries over book value, net	1,672	17%	1,672	17%
Other assets	435	5%	1,152	12%
TOTAL ASSETS	9,641	100%	9,920	100%
Short-term debt	4,602	48%	4,692	47%



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Accrued interest	466	5%	713	7%
Short-term liabilities with financial cost	5,068	53%	5,405	54%
Accrued liabilities	718	7%	593	6%
Related parties	221	2%	699	7%
Accounts payable	256	3%	129	1%
Unaccrued air time	165	2%	63	1%
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Short-term liabilities without financial cost	1,360	14%	1,484	15%
SHORT-TERM LIABILITIES	6,428	67%	6,890	69%
LONG-TERM LIABILITIES	0	0%	-	0%
Advances from customers			878	9%
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Minority interest	(81)	(1)%	(74)	(1)%
TOTAL SHAREHOLDERS' EQUITY	3,294	34%	2,226	22%
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TOTAL LIABILITIES AND SHAREHOLDERS'S EQUITY	9,641	100%	9,920	100%
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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: July 28, 2006

/s/ Fernando Cabrera

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Name: Fernando Cabrera  
Title: Attorney in fact

/s/ Jose Luis Riera

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Name: Jose Luis Riera  
Title: Attorney in fact

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