

FIRST HALF 2000 RESULTS

SUMMARY

In the first six months of 2000, Grupo Prisa's revenues and results increased significantly: Group total revenues increased from Pts 47,168 million to Pts 87,542 million, representing a 85.6% increase year on year. Net profit increased by 40.9% to Pts 8,393 million compared to net profit of Ptas 5,958 million in the same period of 1999.

Operating profit (EBIT) increased by 28.7% to Pts 12,020 million.

Year 2000 figures include, for the first time, the results from SANTILLANA (Editorial) and MATEU CROMO (Printing) due to their integration in Grupo Prisa last April. Year 2000 figures also include for the first time the results of GDM (Media Advertising Sales) which was acquired at that time.

Internet and Music activities, which were set up recently, continue to make good progress.

"The positive evolution of Prisa's main business units, present throughout the entire value chain of the media sector, allows Prisa to become the leading multimedia group in Spanish language news, education, culture and entertainment worldwide" comments Juan Luis Cebrian, CEO of Grupo Prisa.

- **Breakdown of revenues:**

a) Revenues

| | - Million Pesetas- | |
|------------------------------|---------------------------|----------------|
| | June 2000 | June 99 |
| Newspaper and Magazine sales | 20,669 | 20,059 |
| Book sales and rights | 21,499 | 376 |
| Advertising revenues | 41,406 | 28,018 |
| Other | 15,388 | 5,358 |
| Inter-company eliminations | -11,420 | -6,643 |
| Total revenues | 87,542 | 47,168 |

The increase in "Book sales and rights" is due to the integration of SANTILLANA within the group in year 2000. To make figures comparable, if we include SANTILLANA 1999 figures in year 1999, the increase would have been 16.8%.

The increase in Advertising sales is due to the integration of the advertising agency (GDM) in year 2000 but also due to the positive evolution of revenues mainly in EL PAIS, SPECIALIZED PRESS, and RADIO .If 1999 figures of GDM were included in year 1999, the increase would have been 19.7%.

Regarding Other revenues, the increase is principally due to the integration of MATEU CROMO(Printing) figures in year 2000.Including in 1999 figures those of MATEU CROMO, the increase would have been 16.9%.

In summary, including in 1999 figures those belonging to SANTILLANA, MATEU CROMO and GDM for that year, total revenues for first half of 2000, would reach an increase of 14.2% over the same period previous year.

- **Breakdown of operating expenses**

| | -Million pesetas- | |
|---|--------------------------|----------------|
| | June 2000 | June 99 |
| Supplies | 35,419 | 17,898 |
| External services | 14,393 | 8,771 |
| Personnel expenses | 20,620 | 9,704 |
| Depreciation, amortization and provisions | 4,895 | 2,075 |
| Other expenses | 11,614 | 6,020 |
| Inter.-company eliminations | -11,420 | -6,643 |
| Total operating expenses | 75,521 | 37,825 |

The increase in total operating expenses is mainly due to the integration of SANTILLANA, MATEU CROMO and GDM. Including in 1999 figures those belonging to these business units, total operating expenses would have increased 16%.

The development of Music and Internet activities has contributed significantly to the increase of total operating expenses, due to the investments they require for new projects.

- **Financial results**

Financial results during first half year 2000 amounted Pts + 614 million due to higher income coming from the sale of investments funds (Pts 1,196 million) partly off-set by a higher expenses primarily coming from SANTILLANA and MATEU CROMO.

- **Contribution of associated companies**

Companies carried out by equity method have contributed to first half results with Pts 693 million compared to Pts 344 million in the same period previous year. This improvement is due to the positive evolution of the companies consolidated by equity method, mainly SOGECABLE, which has positively contributed Pts 73 million compared to losses of Pts 549 million during same period previous year.(PRISA has 21.27% stake in SOGECABLE).

- **Goodwill Amortization**

The acquisition of 1.53% stake of Sogecable in March and the acquisition of 100% of GDM explain the increase.

- **Extraordinary results**

Extraordinary results include income coming from the sale of fixed assets partly offset by extraordinary expenses (treasury stock operations, severance payments and other expenses.)

EVOLUTION BY BUSINESS UNIT

The evolution of the different Business Units during first half year 2000 compared to same period previous year is as follows:

| | -Million Pesetas | | | | | |
|--------------------------------|-------------------------|----------------|----------------|----------------|--------------------|----------------|
| | Revenues | | EBIT | | EBIT MARGIN | |
| | June 00 | June 99 | June 00 | June 99 | June 00 | June 99 |
| El Pais | 26,606 | 23,159 | 6,782 | 5,496 | 25% | 24% |
| Specialized Press | 17,019 | 14,946 | 89 | 718 | 1% | 5% |
| Radio & Local Televisión | 15,229 | 13,179 | 3,090 | 2,826 | 20% | 21% |
| Publishing(SANTILLANA) | 21,830 | - | 1,810 | - | 8% | - |
| Internet | 328 | 66 | (1,068) | (20) | - | - |
| Música | 1,187 | 197 | (110) | 36 | - | - |
| Printing(MATEU CROMO) | 8,008 | 1,284 | 1,364 | 470 | 17% | 37% |
| Media Advertising Sales (GDM) | 7,654 | - | 643 | - | 14% | 20% |
| Other | 1,100 | 980 | (580) | (182) | - | - |
| Inter-company eliminations | -11,420 | -6,643 | - | - | - | - |
| Total | 87,542 | 47,168 | 12,020 | 9,343 | 14% | 20% |

EL PAIS

Advertising sales have increased 23% compared to same period previous year Newspaper sales remained stable. Average daily circulation during first half year 2000 was 447,351 copies compared to 450,774 copies during the same period in 1999. Average Sunday circulation reached 720,447 copies compared to 709,153 copies during same period previous year.

SPECIALIZED PRESS

During first half year 2000 advertising revenues grew 40% and Newspaper and Magazine sales grew 5.7% compared to same period previous year, mainly due to the launching of new products and the improvement in the existing ones.

Diario As has reached an average daily circulation of 149,005 copies, an increase of 7,31% over the same period previous year.

Cinco Días has reached an average daily circulation of 29,503 copies compared to 30,476 copies during same period previous year. Nevertheless, it is important to highlight that circulation has increased over the last months.

RADIO

Advertising sales have increased 14.3% compared to same period previous year. This evolution is explained by the positive performance of the advertising market, and by the integration in year 2000 of the international activities.

PUBLISING (SANTILLANA)

SANTILLANA was not integrated in Prisa in 1999. Revenues grew 16.3% during first half year 2000, compared to same period previous year.

INTERNET

Total revenues have reached Pts 328 million compared to same period previous year (18% coming from advertising).

Advertising expenses for the launching of Inicia and personnel expenses for the development of the new projects explain the negative operating profit of Pts 1,068 million.

At present this Business Unit does not include the figures belonging to digital activities of the other business units of the group.

As of June 30, Inicia had over 93,626 subscribers.