



Grupo PRISA

2004 RESULTS

February 18, 2005

**CONSOLIDATED NET PROFIT GROWS BY 70%
TO €103 MILLION**

*Revenues increased by 9.3% up to €1,425.7 million
and EBITDA reached €274.3 million, with a margin of 19.2%*

The most relevant issues during 2004 were the following:

- **Advertising revenue growth** (+11.0%). It is worth mentioning the performance of El País (+11.5%) and the Radio business division (+6.0%). Local TV and Prisacom increased their advertising revenues by 91% and 47% respectively.
- **Newspaper and Magazine sales grew** by 4.6%. El País had a daily circulation of 469,183 copies (+6.6%) and the Sunday edition (EPS) increased its circulation by 5.1% to 812,476 copies.
- **Add-on's** in the different business units had a good market reception and contributed €14.1 million in revenues to the Group. The EBIT contribution was €7.7 million.
- **Good performance of the school books campaigns in Santillana.** It is worth mentioning the performance in Spain (+7%), Brazil (+8%) and Argentina (+46%).
- **Operating improvement in businesses under development** as a result of a better revenue growth and the cost control and restructuring process.
- **Group EBIT margin at 13.3%** compared to 10.4% in the previous year. EBITDA margin at 19.2% compared to 17.0% in 2003.
- **Prisa owns 23.6% in Sogecable.**

YEAR 2004

In 2004, Prisa increased its revenues by 9.3% up to €1,425.67 million.

The Operating profit (EBIT) reached €90.16 million, increasing by 39.8%. EBIT growth was driven by the increase in advertising revenues, the growth of circulation, the good performance of the add-on's and the good results of book sales in Spain and Latin America.

In 2004, those business units¹ still making losses at operating profit level continued improving their performance. In global terms, operating profit improved by 13% driven by the recovery of revenues and the continuing cost control.

Significant improvement of Group margins: EBIT margin was 13.3% compared to 10.4% in 2003; EBITDA margin increased to 19.2% from 17.0% in the previous year.

Consolidated net profit increased by 70.4% reaching €03.25 million (€0.6 million in 2003).

ADVERTISING

Total advertising revenues, which represent 37% of total group revenues, increased by 11%. This growth confirms the recovery of the advertising market predicted at the end of 2003. The growth of advertising revenues was higher than the estimates for the total Spanish advertising market in 2004 (6%²).

ADD-ON'S

In 2004, revenues derived from add-on's amounted to €14.14 million (+108.9%), and contributed €17.65 million to operating profit.

These results show that not only add-on's help to increase circulation but also they are an important line of business. As a response to this opportunity, Prisa has created a new division for the purpose of managing all different promotion carried out by the Group.

¹ Includes Local TV, Prisacom, International Media, Leisure and Entertainment and Regional and Specialised Press

² Zenith Optimedia estimates



LATIN AMERICA

In 2004, revenues coming from this region amounted €236 million (€183 million coming from Santillana) representing 17% out of total Group revenues. In local currency, Santillana grew in most of the countries where it is present, especially in Brazil, México and Argentina.

The International Media unit derives most of its revenues from this geographic area. Advertising revenues increased by 6.9%.

The exchange rate has had a negative impact in revenues for €7.2 million. On the other hand, expenses have been reduced by approximately the same amount; therefore, it has had a neutral impact at EBIT level.

SOGECABLE

Prisa ***has increased up to 23,6% its ownership in Sogecable*** by the acquisition of shares in the market. The total investment added up to €25.9 million in 2004. As of December 31, 2004, the average price of the Sogecable stake held by Prisa is €2.22 per share.



INCOME STATEMENT

€Million	JANUARY- DECEMBER		
	2004	2003	Chg. %
Revenues	1,425.67	1,304.92	9.3
EBITDA	274.27	221.86	23.6
EBIT	190.16	136.07	39.8
Financial Result	(11.54)	4.87	-
Equity Method Result	(22.31)	(28.91)	22.8
Goodwill Amortisation	22.08	24.48	(9.8)
Income Before Extraordinary Items	134.23	87.55	53.3
Extraordinary Result	(16.65)	(2.00)	-
Income before taxes	117.58	85.55	37.4
Corporate Income tax	12.63	23.45	(46.1)
Minority Interest	1.70	1.50	12.9
Net Income	103.25	60.60	70.4
EBIT margin	13.3%	10.4%	27.9
EBITDA margin	19.2%	17.0%	13.1

Revenues increased by 9.3% reaching €1,425.67 million, opposite to €1,304.92 million in 2003.

Revenue breakdown by **business line** was as follows:

€Million	JANUARY- DECEMBER		
	2004	2003	Chg. %
Advertising Revenues	533.10	480.47	11.0
Books & Rights sales	343.64	326.49	5.3
Newspaper & Magazine sales	235.47	225.16	4.6
Revenues from Add-on's	114.14	54.65	108.9
Printing sales ³	60.96	77.53	(21.4)
Music sales ⁴	38.04	52.90	(28.1)
Other Revenues	100.32	87.72	14.4
Total Revenues	1,425.67	1,304.92	9.3

Advertising revenues increased by 11.0% up to €533 million.

³ For the year 2004, it includes 40% of Dédalo Group revenues. Dédalo is the outcome of the Prisaprint and Polestar merger.

⁴ Includes audiovisual rights and programming sales, music sales, collections sales and events and concerts organization revenues in Gran Vía Musical.



El País and the Radio business, which account for 68% of total advertising revenues (34% each), have increased by 11.5% and 6.0% respectively, improving the growth shown during 2004. All of the business divisions have shown a positive performance as shown below:

€Million	JANUARY-DECEMBER		
	2004	2003	Chg. %
El País	178.99	160.50	11.5
Radio	182.99	172.70	6.0
Specialised and Regional Press	38.15	32.09	18.9
GDM	105.66	89.79	17.7
International Media	46.62	43.60	6.9
Local TV	15.83	8.29	90.9
Prisacom	4.53	3.08	47.1

It is worth mentioning the performance of local TV (90.9%) and internet (47.1%). Advertising revenues are above Prisa's estimates for the Spanish market (4.5% in printed press, 5.0% in radio, 16.0% in the local TV market and 15.0% in internet).

Books and rights sales increased by 5.3% up to €343.6 million.

2004 has shown good performance of schoolbook sales. In Spain and Mexico revenues in local currency increased by 7% and 11% respectively.

Magazine and Newspaper sales had an increase of 4.6% reaching €235.5 million.

Revenues coming from Add-on's outperformed, reaching €14.1 million compared to €4.6 million in 2003.

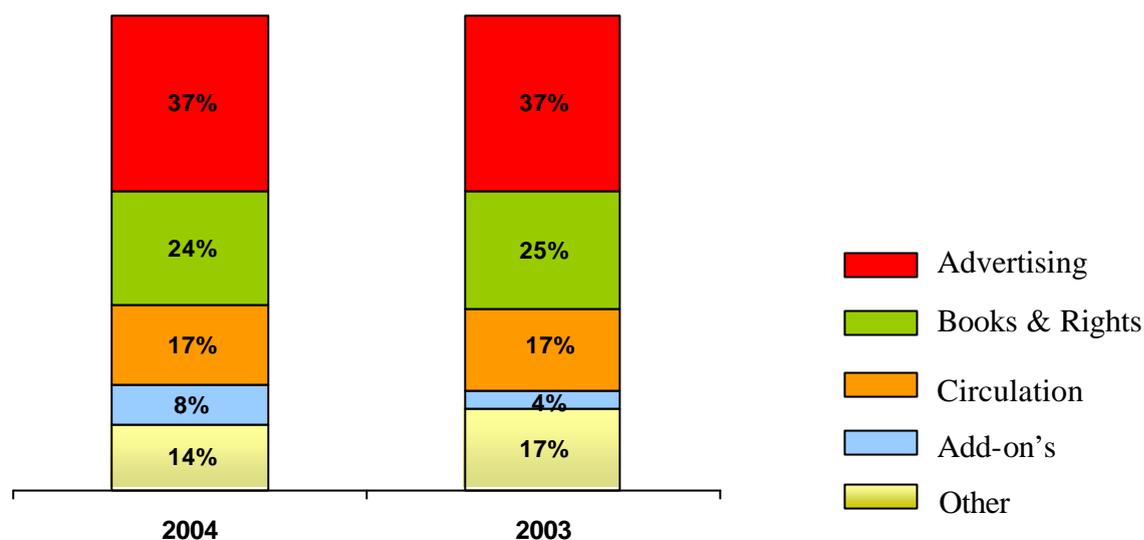
Printing sales declined by 21.4% due to the atony of the market and due to the fact that in 2004, the results of the printing company Dédalo have been consolidated by the proportionate consolidation method (40%). Dédalo was set up in 2003 following the agreement between Prisa and Polestar to merge their printing businesses in Spain.

Following restructuring of the **music business** and the agreement reached with Universal Music Group⁵, revenues in this division declined by 28,1%.

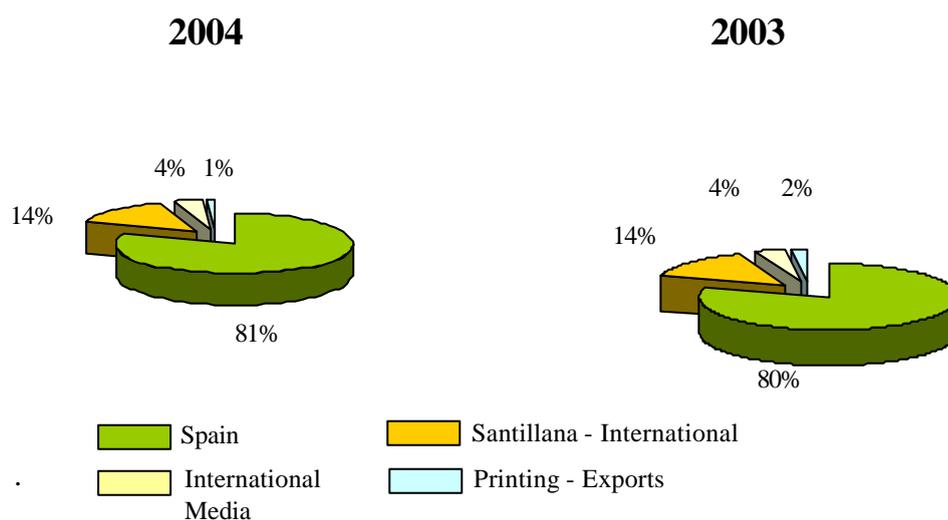
Other operating revenues increased by 14.4% mainly due to higher revenues derived from magazine edition on behalf of third parties, rents from the real estate division, and new agreements with mobile operators in Prisacom.

⁵ Prisa sold to Universal Music Group the record rights of its main artists and the running of the music catalogues of its subsidiaries

Revenue breakdown by business line is shown below:



Geographic Revenue breakdown in 2004 and 2003 is as follows:



EBIT added up to €190.16 million, opposite to €136.07 million generated in 2003, which implies a 39.8% increase. The reason underlying this growth is:

- **Positive evolution in El País, Radio and Santillana** business units
- Impact of **add-on's**
- **Operating improvement and cost control** in new developments, especially in **International Media, Prisa.com and Specialised & Regional Press.**



The financial result was €11.54 million compared to a financial income of €4.87 million in 2003. The higher interest income in 2003 responded to guarantee contracts for USD lending/loans.

Equity method result (negative €2.31 million) includes mainly the stakes in Sogecable, Antena 3 de Radio and Iberbanda. The results increased by 22.8% compared to 2003 due to the better results in Antena 3 de Radio and the loss reduction in Sogecable.

Goodwill amortization decreased by 9.8% due to the amortization of some goodwill in the Music and International divisions that was recorded in 2003.

The extraordinary result 2004 added up to €16.65 million compared to €2.00 million in the previous year.

During 2003 the Group recorded €10.8 million extraordinary revenues as a result of the inclusion of Iberbanda into the scope of consolidation.

In December 2004, Prisa División Imboliraria, S.L. and Dédalo Grupo Gráfico, S.L. made the disposal of land and buildings in Pinto (Madrid) for €18.5 million.

Extraordinary losses in 2004 accounted mainly to personnel compensation (€15 million) and to expenses from previous years.

In 2004, **Profit before taxes** increased by 37.4% up to €17.6 million.

The **corporate income tax** amounted to €2.63 million compared to €3.45 million in 2003. **Minority interests** accounted for €1.70 million. The lower corporate income tax was due to deductions driven by the export activity at Santillana and International Media, deductions for reinvestment activities and for the sponsor of the “Forum Universal de las Culturas, Barcelona 2004”. The provision for losses in Sogecable made in Prisa individual accounts in 2004 is a tax-deductible expense, which reduced the corporate income tax as well.

Net Profit increased by 70.4% reaching €103.25 million compared to €60.60 million in 2003.



BALANCE SHEET

ASSETS	€Million	
	31/12/2004	31/12/2003
TOTAL FIXED ASSETS	691.49	722.09
Start-up expenses	10.24	11.87
Intangible assets	93.73	114.26
Tangible fixed assets	295.46	292.13
Long-term financial investments	262.35	274.47
Treasury stock	29.71	29.36
GOODWILL IN CONSOLIDATION	428.16	316.34
DEFERRED CHARGES	5.86	6.85
CURRENT ASSETS	598.19	581.36
Inventories	99.85	91.06
Accounts receivable	460.87	429.83
Short-term financial investments	8.64	10.14
Cash	21.89	39.31
Prepayments	6.94	11.02
TOTAL ASSETS	1,723.70	1,626.64

LIABILITIES	€Million	
	31/12/2004	31/12/2003
TOTAL SHAREHOLDERS EQUITY	735.77	660.67
Capital Stock	21.88	21.88
Controlling company reserves	610.64	578.19
Income attributed to the controlling company	103.25	60.60
MINORITY INTEREST	16.75	28.02
DEFERRED REVENUES	7.29	9.15
PROVISIONS FOR CONTINGENCIES AND EXPENSES	21.53	19.84
LONG TERM LIABILITIES	458.89	481.79
Payable to credit entities	260.42	296.56
Bond issue	162.30	162.30
Other long-term liabilities	36.17	22.93
SHORT TERM LIABILITES	483.47	427.17
Payable to credit entities	144.59	106.99
Trade accounts payable	199.83	192.37
Other short-term liabilities	132.49	122.91
Accrual accounts	6.56	4.90
TOTAL LIABILITIES	1,723.70	1,626.64



INVESTMENTS

Investments in long-term assets amounted to €249.54 million opposite to €241.17 million in 2003. Investments breakdown by business divisions is shown below:

INVESTMENTS JANUARY-DECEMBER 2004	€Million
Prisa	150.27
Santillana	32.16
Leisure and Entertainment	14.06
El País	14.36
International Media	10.10
Printing	8.41
Radio	9.95
Local TV	7.36
Other	2.87
Total	249.54

Prisa's investments, which accounted for €150.27 million included mainly the stake increase in Sogecable (€25.9 million) and the acquisition of a 13.24% stake in Grupo Latino de Radio (GLR) for €6.51 million. Prisa increased its ownership in GLR up to 100%.

The rest of the investments at the different business units is mainly maintenance capex: prototypes in Santillana and the acquisition of new rotaries to increase the printing capacity in El País and the Printing unit.

The investment in the Leisure and Entertainment division is mainly driven by Tesela (film production activities)

Investment breakdown by type of long-term assets was the following:

INVESTMENTS JANUARY-DECEMBER 2004	€Million
Start-up expenses	2.29
Tangible fixed assets	54.36
Intangible assets	40.70
Long-term financial investments	152.19
TOTAL INVERSIONES	249.54

NET DEBT

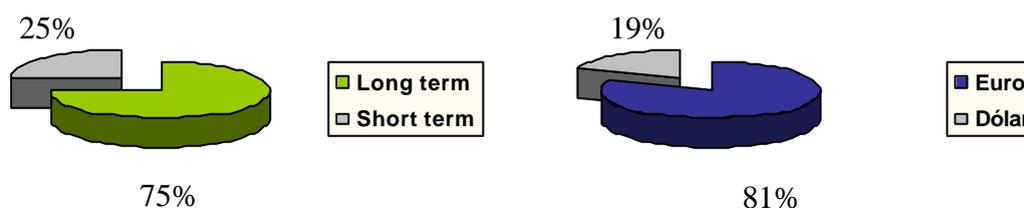
Net debt as of December 31, 2004 amounts to €36.8 million compared to €16.4 million as of December 31, 2003.

NET DEBT 31/12/2004	€Million
Financial debt	567.31
Long term	422.72
Short term	144.59
Cash and cash equivalents	30.53
Net Debt	536.78

The financial debt amounted to €567.31 million and additionally, the Group holds open credit facilities for €352.8 million. €162.3 million out of the long-term debt correspond to bonds exchangeable for ordinary shares of the Group held as treasury stock. The issuance of these bonds took place in December 2003. Prisa holds a 5% treasury stock for the bond holders.

The bond coupon was set at 1,75% and since the remaining financial debt is linked to floating interest rates, 29% out of the total debt is linked to a fixed rate and the remaining 71% to a floating rate.

In addition, the long-term debt accounts for 75% of the total financial debt and by currency, 81% of the debt is denominated in euros and 19% in dollars.



Net debt/EBITDA ratio improved in 2004 (1.96x) compared to 2003 (2.33x). Net debt/Equity ratio decreased to 73% compared to 78% in 2003.

CASH FLOW STATEMENT

€ Million	31/12/2004	31/12/2003
EBIT	190.16	136.07
Depreciation & Amortisation	72.53	77.50
Change in Working capital items	(17.07)	(14.36)
CAPEX	(97.35)	(93.21)
Operating cash flow	148.27	106.00
Financial investments	(152.19)	(147.95)
Financial result	(11.54)	4.87
Extraordinary result	(16.65)	(2.00)
Dividends paid	(21.26)	(18.71)
Taxes	(12.63)	(23.45)
Otros	45.62	0.69
NET DEBT CHANGE	20.38	80.55

The **operating cash flow increased by 40% up to €148.27 million**. The higher operating profit contributed to improving the operating cash flow generation.

“Other items” include mainly retirements in long terms assets due to disposals. Most of these retirements are driven by the sale of land and buildings in Pinto (Madrid) in December 2004.



BUSINESS UNITS PERFORMANCE

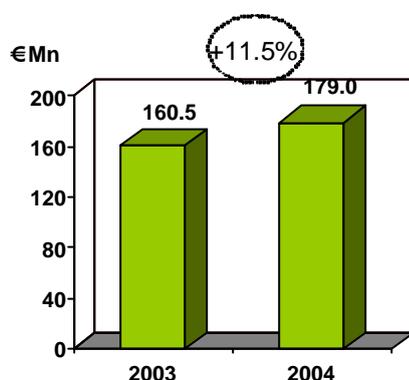
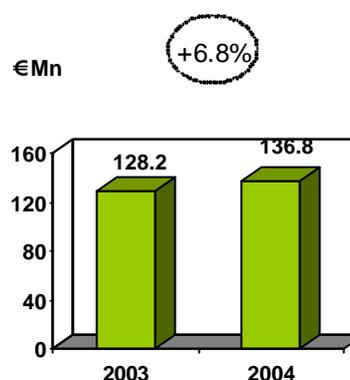
- EBIT at **El País** reaches €26.7 million, increasing 51.1% over the same period of 2003 due to an increase in advertising revenues and to the contribution from promotions. EBIT margin stood at 31.9% against 27.9% 2003.
- Revenues in the **Spanish Radio division** increased by 7.8%, with a 6.0% increase in advertising revenues. EBIT increased by 7.2%.
- Good performance in Spanish **book sales** and Latin American local currency in **Santillana**
- EBIT at **Specialized and Regional Press** increased significantly by 22.0% reaching €3.7 million as compared to €3.0 million recorded in the same period of 2003. **As** increased its average daily circulation by 1%, up to 203,160 copies. **Cinco Días** improves 61.3% its operating result due to the restructuring process performed in 2004.
- **Prisacom** reduces its EBIT losses by 51.6%. Total revenues increased by 49.5% and advertising revenues raised by 47.1% compared to the same period of year 2003.
- 8.4% revenue increase at **International Media**. The operating result (EBIT) improved by 66.1%.
- **GDM** improves its operating result by 20.5% compared to the same period for the year before, capturing the strong increase in the advertising market.
- **Dédalo** makes progress due to organizational and operating improvements during 2004.

REVENUES €Million	JANUARY-DECEMBER		
	2004	2003	Chg. %
El País	397.45	300.49	32.3
Specilased and Regional Press	12.48	116.90	9.9
Radio	205.31	190.43	7.8
Local TV	32.87	24.99	31.5
International Media	54.45	50.23	8.4
Education & General Editions	352.91	334.32	5.6
Prisacom	17.51	11.72	49.5
Leisure & Entertainment	67.01	87.89	(23.8)
Printing	74.69	115.45	(35.3)
GDM	105.66	89.79	17.7
Distribution	204.86	190.96	7.3
Other	27.81	20.22	37.5
Consolidation Adjustments	(243.34)	(228.47)	6.5
TOTAL	1,425.67	1,304.92	9.3

EBIT €Million	JANUARY-DECEMBER		
	2004	2003	Chg. %
El País	126.72	83.86	51.1
EBIT Margin	31.9%	27.9%	
Spec. & Regional	3.69	3.03	22.0
EBIT Margin	2.9%	2.6%	
Radio	37.62	35.09	7.2
EBIT Margin	18.3%	18.4%	
Local TV	(15.86)	(10.49)	(51.2)
EBIT Margin	(48.3%)	(42.0%)	
International Media	(1.11)	(3.28)	66.1
EBIT Margin	(2.0%)	(6.5%)	
Education & General Editions	38.28	35.53	7.7
EBIT Margin	10.8%	10.6%	
Prisacom	(5.16)	(10.64)	51.6
EBIT Margin	(29.4%)	(90.8%)	
Leisure & Entertainment	(3.61)	(3.96)	8.8
EBIT Margin	(5.4%)	(4.5%)	
Printing	(0.18)	7.78	-
EBIT Margin	(0.2%)	6.7%	
GDM	8.44	7.00	20.5
EBIT Margin	8.0%	7.8%	
Distribution	1.83	0.46	-
EBIT Margin	0.9%	0.2%	
Adjustments and Others	(0.50)	(8.31)	-
TOTAL	190.16	136.07	39.8
Margin	13.3%	10.4%	

EL PAÍS

€Million	JANUARY-DECEMBER		
	2004	2003	Chg. %
Total Operating Revenues	397.45	300.49	32.3
Total Operating Expenses	270.73	216.63	25.0
EBIT	126.72	83.86	51.1
%/Revenues	31.9%	27.9%	
EBITDA	138.38	96.64	43.2
%/Revenues	34.8%	32.2%	

Advertising Revenues**Circulation Revenues**

El País increased its profitability during 2004. Revenues increased by 32.3% and the operating profit by 51.1%. EBIT margin stood at 31.9%, improving by four basis points the 2003 margin.

Advertising revenues increased by 15.4% during the fourth quarter of 2004 (October-December), improving the first nine months tendency (9.8%). Such increase turned out to an advertising revenue growth of 11.5%.

Circulation revenues increased by 6.8%, up to €136.8 million.

	Jan.-Dec. 2004	Jan.-Dec. 2003	Var %
Average daily circulation	469,183	440,226	6.6
Weekly average circulation	812,476	773,001	5.1



Revenues from promotions maintained its increasing performance, reaching the amount of €9.3 million during 2004 compared to €8.9 million in the same period of the previous year.

“La Enciclopedia”, sold together with El País, is one of the promotions to highlight in this period due to the weekly average sale of 330,000 copies. In addition, adventure books collections as well as Spanish cinema and documental DVDs had very good market reception.

Operating expenses increased slightly lower than revenues. Paper expenses increased by 4.6% as a result of the paper consumption rise due to the greater circulation. However, paper price declined by 5%.

Profitability improved significantly - **EBIT** increased by 51.1% and **EBIT margin** was 31.9%, compared to 27.9% in the same period of 2003. Discounting the effect of promotions⁶, EBIT margin would have been 32.8% compared to 27.7% recorded in 2003⁷.

⁶ Promotions in the newspaper as a whole have registered an EBIT margin of 28%

⁷ 2003 EBIT margin excluding non-free promotions

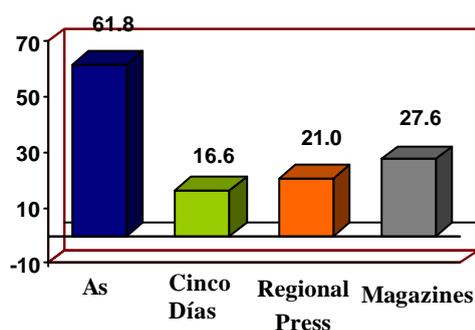


SPECIALIZED AND REGIONAL PRESS

€Million	JANUARY-DECEMBER		
	2004	2003	Chg. %
Total Operating Revenues	128.48	116.90	9.9
Total Operating Expenses	124.79	113.87	9.6
EBIT	3.69	3.03	22.0
%/Revenues	2.9%	2.6%	
EBITDA	6.74	6.10	10.4
%/Revenues	5.2%	5.2%	

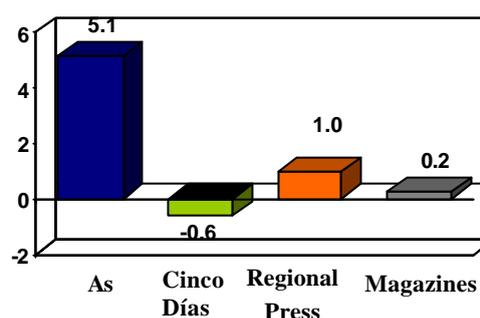
Operating Revenues

€Mn



EBIT

€Mn



The revenue increase in As, Regional Press and magazines, together with the remarkable control of expenses -it is worth mentioning the restructuring of Cinco Días-, allowed this division to improve its operating result by 22%. EBIT reached €3.69 million compared to €3.03 million in the previous year.

- Key highlights of Diario AS in 2004 were the following:

- 16.4% increase in advertising revenues compared to the previous year.
- Circulation revenues increased by 8.1%. Average daily circulation reached 203,158 copies compared to 200,204 average copies in 2003, which implies a 1% increase. In August, the price of the newspaper increased by 5 cents of euro and the current selling price is €0.90.



- **Cinco Días** improved its operating result reporting losses of €0.59 million compared to a loss of €1.51 million in 2003. This improvement can be explained by the advertising revenues increase (+12.2%) and the reduction of the operating expenses as a result of the restructuring initiatives that took place in January 2004.

Average daily circulation amounted to 25,114 copies opposite to 25,041 copies recorded in the previous year.

Regarding **Regional Press**, it has increased advertising revenues by 13.1% and circulation revenues by 10.5%.

In addition, revenues in **Magazines** increased by 18.7%. It is worth mentioning advertising revenues performance, which raised 45.8%, and the positive evolution of circulation. *Cinemanía* recorded an average circulation of 76,128 copies.

RADIO

€Million	JANUARY-DECEMBER		
	2004	2003	Chg. %
Total Operating Revenues	205.31	190.43	7.8
Total Operating Expenses	167.69	155.34	8.0
EBIT	37.62	35.09	7.2
%/Revenues	18.3%	18.4%	
EBITDA	41.75	39.74	5.1
%/Revenues	20.3%	20.9%	

In 2004, revenues in the radio business division in Spain increased by 7.8%.

- **Advertising revenues** increased by 6.0%, up to €83.0 million, driven by the good performance of the advertising market. Such increase is captured both in local advertising (+6.4%) and radio channels (+4.7%)

EBIT increased by 7.2% compared to the one in the previous year.

Regarding audience, the third wave of EGM (Estudio General de Medios) confirmed again the leadership of SER, both in conventional and music formats. SER had 5,135,000 listeners, which represents an increase of 4.6% compared to the third wave of 2003.

In October 2004, Grupo Prisa launched “La revista 40” which is expected to be a basic part of Universo 40, a unit of entertainment and multimedia products stemming from “40 Principales” brand, the Spanish media format with the higher audience among young people. Average circulation as of December 2004 came up to 122,851 copies.



LOCAL TV

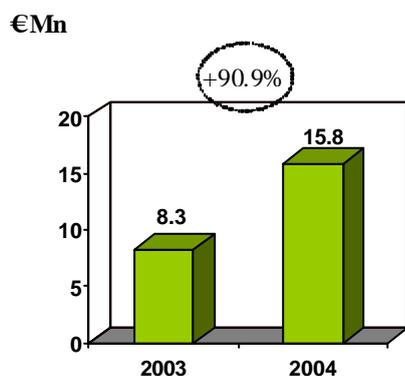
€Million	JANUARY-DECEMBER		Chg. %
	2004	2003	
Total Operating Revenues	32.87	24.99	31.5
Total Operating Expenses	48.73	35.48	37.3
EBIT	(15.86)	(10.49)	(51.2)
%/Revenues	(48.3%)	(42.0%)	
EBITDA	(11.24)	(7.76)	(44.9)
%/Revenues	(34.2%)	(31.0%)	

Revenues of the Local TV registered a significant growth during 2004:

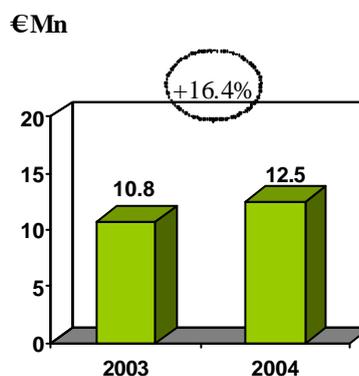
- **Advertising revenues**, (48.2% of operating revenues), increased by 90.9%, up to €5.8 million.
- **Programming sales**, (38.1% of total revenues), increased by 16.4% reaching €2.5 million.

Despite the positive performance of revenues, the company has assumed the expenses derived from launching new broadcasting centres in Barcelona and Valencia. The lack of activity explains the increase in operating expenses. Advertising revenues from these regions will show in 2005.

Advertising Revenues



Programming Sale

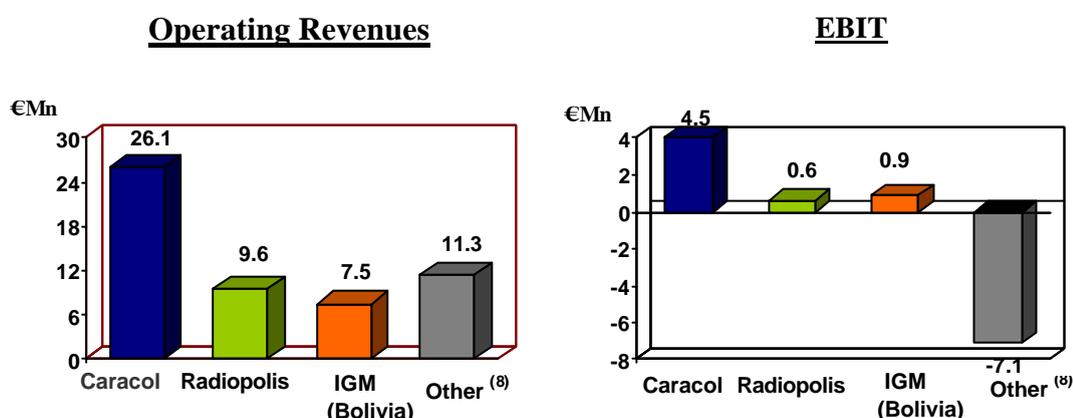


According to Sofres, Localias' cumulated audience up to December reached 11,982,925 viewers, some 4,807,419 viewers more than its main peer.

INTERNATIONAL MEDIA

€Million	JANUARY-DECEMBER		
	2004	2003	Chg. %
Total Operating Revenues	54.45	50.23	8.4
Total Operating Expenses	55.56	53.51	3.8
EBIT	(1.11)	(3.28)	66.1
%/Revenues	(2.0%)	(6.5%)	
EBITDA	2.63	1.56	68.9
%/Revenues	4.8%	3.1%	

Revenues and EBIT breakdown by the different international media units was as follows:



The International Media business unit has strongly increased in terms of advertising revenues, which increased by 6.9% compared to 2003. Operating expenses were controlled and increased by 3.8%, therefore EBIT improved by 66.1% although it is still negative (€1 million).

Caracol increased its revenues by 5.4% reaching €26.1 million during 2004. EBIT improved by 31% recording an EBIT/Revenues margin of 17.2% opposite to a 13.8% margin in 2003.

Regarding **Radiópolis**, revenues in local currency, increased by 11.1%. Nevertheless, despite the strong depreciation on the Mexican peso versus the euro, the turnover in euros increased by 6.6%.

In June 2004 Radiópolis reached an agreement with Radiorama that will enable Radiópolis to increase its coverage in Mexico to 90% of the potential audience. The agreement includes the incorporation of 41 stations to Radiópolis current network, thereby reaching 71 stations in the largest cities of the country. Radiópolis will supply

⁸ Includes “Participaciones de Radio Latinoamericana”, “Grupo Latino de Radio, S.L.”, “Grupo Latino de Publicidad Colombia”, “Promotora Mexicana de Revistas, S.L.” and Prisa Internacional holding

its content related news, entertainment, sports and music with its brands *W Radio*, *40 Principales*, *Ke Buena* and *Bésame Radio*.

The restructuring measures and the change in the shareholders structure carried out in **Inversiones Grupo Multimedia** have contributed to a positive EBIT amounting to €0.9 million, opposite to the €0.2 million loss in 2003.

In addition, Prisa currently owns 100% of GLR (Grupo Latino de Radio, S.L.) following the acquisition of the 13.24% stake that did not own from the Colombian media group Valores Bavaria. The operation involved an investment of €16.51 million.

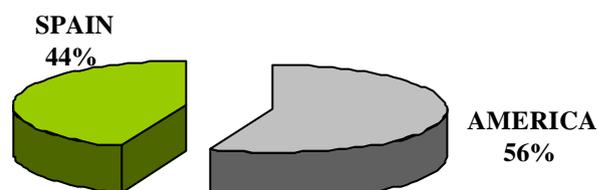
As of November 2004, Prisa reached an agreement with Telefónica to buy 100% of the equity of Radio Continental and Radio Estéreo, two radio broadcasters in Argentina.



EDUCATION

€Million	JANUARY-DECEMBER		Chg. %
	2004	2003	
Total Operating Revenues	352.91	334.32	5.6
Total Operating Expenses	314.63	298.79	5.3
EBIT	38.28	35.53	7.7
%/Revenues	10.8%	10.6%	
EBITDA	74.23	66.54	11.6
%/Revenues	21.0%	19.9%	

Revenues geographic breakdown



The figures recorded along the first six months of the year showed the good performance of the campaigns in South America, and, among others, Brazil and Argentina grew significantly. Third quarter results gathered results from the Spanish and Portuguese campaigns, as well as from the campaigns in North America. The growth in the Spanish market should be highlighted.

Despite the good performance of the campaigns in Spain and Portugal and the increase of local currency revenues in the majority of the Latin American countries, the results of this business unit were affected by currency depreciations. Total impact of such depreciations caused a decrease in revenues amounting to €4.8 million. Discounting the latter effect, revenues would have increased by 7%.

By countries, the evolution of the main countries through year 2004 is summarized as follows:

- **In Spain** revenues increased strongly up to 7%.
- **In Brazil**, revenues grew up to 8% in euros.
- Revenues increase in euros due to book sales was by 46% **in Argentina**



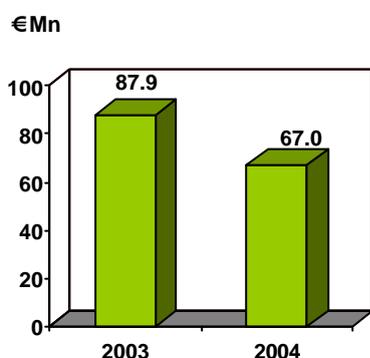
- **In Peru**, revenues rised up to 25% in local currency and up to 12% in euros.

In February 2004, Santillana acquired a 50% stake in the company Suma de Letras. As a result, Santillana owns 100% of the company. Suma de Letras is a company devoted to publishing pocket editions, and it is present throughout Latin America, where it has subsidiaries in Mexico and Argentina. Additionally, it has a wide distribution network in the rest of the Latin American countries.

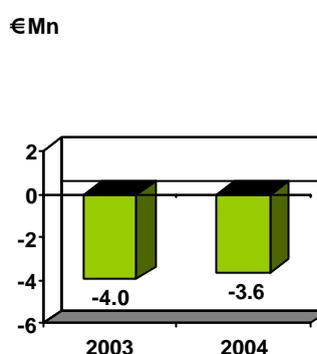
LEISURE AND ENTERTAINMENT

€Million	JANUARY-DECEMBER		
	2004	2003	Chg. %
Total Operating Revenues	67.01	87.89	(23.8)
Total Operating Expenses	70.62	91.85	(23.1)
EBIT	(3.61)	(3.96)	(8.8)
%/Revenues	(5.4%)	(4.5%)	
EBITDA	1.65	1.55	6.5
%/Revenues	2.5%	1.8%	

Operating Revenues



EBIT



The decline in revenues and expenses was mostly due to the lower activity derived from the agreement reached with Universal, by virtue of which, Prisa sold the record rights of its main artists and the running of the music catalogues of its subsidiaries *Compañía Discográfica MuXXic Records S.A*, *Ediciones Musicales Horus S.A*, and *Eurotropical Producciones Discográficas, S.L.*

Plural Entertainment is the company that devotes its activity to television programs' production. In 2004 the company reached an agreement with Televisión Española for the production of a fiction serial planned to be launched in 2005.

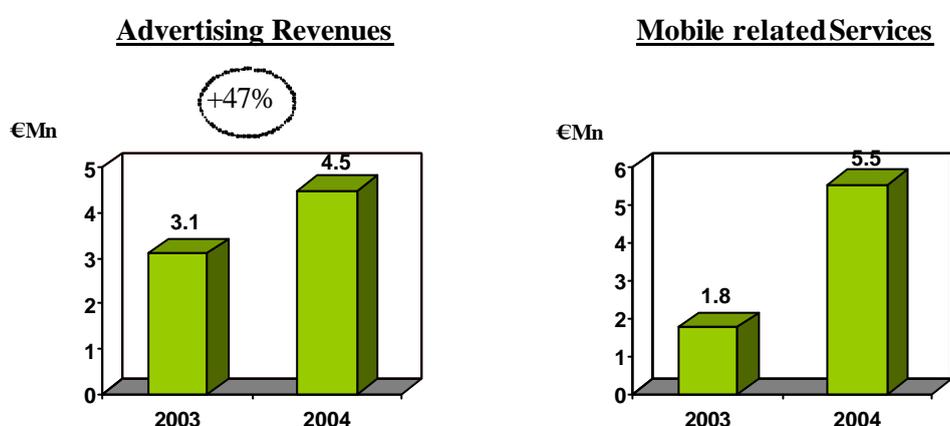
During 2004, the company Tesela, the cinematographic production company owned by Plural, produced films that have achieved a recognized worldwide success: "Roma" and "Astronautas". Tesela's operating revenues increased by 15.2% compared to the previous year.



PRISACOM

€Million	JANUARY-DECEMBER		Chg. %
	2004	2003	
Total Operating Revenues	17.51	11.72	49.5
Total Operating Expenses	22.67	22.36	1.4
EBIT	(5.16)	(10.64)	51.6
%/Revenues	(29.4%)	(90.8%)	
EBITDA	(3.10)	(8.36)	62.9
%/Revenues	(17.7%)	(71.3%)	

Prisacom increased revenues by 49.5% driven by the growth in advertising revenues and the positive evolution of the mobile related business.



Operating expenses declined by 51.6% due to the good performance of revenues and the cost control.

As of December 2004 El País.es had 41,861 subscribers compared to 26,226 subscribers in December 2003.

In 2003 Prisacom and Santillana started to develop jointly on-line educational platforms through “Santillana en Red” which has reached important agreements both in Spain and Latam.

In addition, in January 2004 the company Infotecnia⁹ began to be consolidated within the Group accounts by the proportional consolidation methodology. Prisacom has a 50% stake in this company, which is devoted to lending information services to users via mobile phones.

⁹ Company that runs the information telephone number 11824



MEDIA ADVERTISING SALES (GDM)

€Million	JANUARY-DECEMBER		
	2004	2003	Chg. %
Total Operating Revenues	105.66	89.79	17.7
Total Operating Expenses	97.22	82.79	17.4
EBIT	8.44	7.00	20.5
%/Revenues	8.0%	7.8%	
EBITDA	8.71	7.39	18.0
%/Revenues	8.2%	8.2%	

In 2004, the Spanish advertising market continued the upward trend that began in 2003 and it experienced a remarkable growth. This improvement showed in every media format of the Group, particularly in TV and general press.

Additionally, the improvement of the advertising market resulted in an increase of operating margin up to 8.0%. Net revenues in GDM increased by 10.9% compared to the previous year.

€Million	JANUARY-DECEMBER		
	2004	2003	Chg. %
Advertising Sales	105.66	89.79	17.7
Supplies	81.36	67.89	19.8
Net Revenues	24.30	21.90	10.9



PRINTING - DÉDALO

€Million	JANUARY-DECEMBER		
	2004	2003	Chg. %
Total Operating Revenues	74.69	115.45	(35.3)
Total Operating Expenses	74.87	107.67	(30.5)
EBIT	(0.18)	7.78	-
%/Revenues	(0.2%)	6.7%	
EBITDA	7.78	18.72	(58.4)
%/Revenues	10.4%	16.2%	

In 2004 Prisa began to consolidate the printing division results by the proportional consolidation methodology (40%). Dédalo was set up at the end of 2003 as a result of the merger of Prisa and Polestar's printing businesses in Spain.

Prisa owns a 40% interest in Dédalo and the rest of the shareholders are Polestar (40%) and Ibersuizas (20%).

During 2004 Dédalo has made progress with the organizational and operational integration process that results from a business merger.



For further information:

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