



Grupo PRISA

JANUARY – JUNE 2005 RESULTS

July 22, 2005



The financial information reported has been prepared following the rules and principles of the International Financial Reporting Standards (IFRS). In order to comply with the new standards, we have stated the 2004 results according to IFRS for an adequate comparison.

For further information regarding the impact of IFRS application, please refer to the significant event submitted to the Spanish Securities Exchange Commission (CNMV) in April 22, 2005 about the impact of the International Financial Reporting Standards application. (www.cnmv.com).

**IN THE FIRST HALF OF 2005, PRISA REACHED
A NET PROFIT OF €3 MILLION (+32%)**

Revenues increased by 8.7% and operating profit (EBIT) came up to €112.1 million (+25.4%).

The Group has undertaken an investment policy, increasing its consolidation perimeter abroad and increasing its presence in the audiovisual sector.

The most important results in the period January-June 2005 have been the following:

- **Increase in advertising revenues** (+14.4%). It is worth highlighting the performance of Radio (+13.3%) and El País (+10.5%), which increased at a higher rate than the market. Advertising revenues at Local TV (Localia) and International Media increased by 32.2% and 26.2% respectively.
- **Add-ons** showed the same strength recorded in the previous year and reached €76.4 million in revenues.
- **Book sales in Santillana increased by 23.1%**. Brasil increased by 55%.
- **AS increased its average daily circulation by 7%**, and gained market share.
- **Businesses under development increased their operating profit by 19%**.
- **EBIT and EBITDA margins came up to 15.2% and 21.8%** compared with 13.2% and 19.2% in the same period of 2004.
- **Income from associates**, in which Sogecable is included, contributed €1.64 million to the Group profit. The increase was significant (from €13.23 million in 1H 2004 to €1.64 million in 1H 2005).

New investments within the Group:

- **Prisa increased its ownership in Sogecable to 24.5%** .
- **Prisa reached an agreement with Clear Channel**, for the acquisition of programming and commercial management rights of a radio station in Los Angeles and in the south of California.
- **Acquisition** via Santillana of a 75% stake in the Brazilian publishing company **Editora Objetiva Ltda.**
- **100% acquisition of Radio Continental and Radio Estéreo** in Argentina.
- **Prisa reached an agreement with Le Monde for the acquisition of a 15% stake.**

PROFIT AND LOSS ACCOUNT

€Millions	JANUARY-JUNE		
	2005 I.F.R.S.	2004 I.F.R.S.	Chg. %
Operating Revenues	735.70	676.76	8.7
EBITDA	160.32	130.27	23.1
EBIT	112.06	89.38	25.4
Net financial cost	(5.71)	(6.93)	17.6
Income from associates	1.64	(13.23)	-
Profit Before Tax	107.99	69.22	56.0
Income tax expense	33.28	13.73	142.3
Minority Interest	(1.40)	0.03	-
Net Profit	73.31	55.52	32.0
EBIT Margin	15.2%	13.2%	
EBITDA Margin	21.8%	19.2%	

Operating revenues increased by 8.7% reaching €735.70 million, compared to €676.76 million in the first half of 2004.

Revenue breakdown by business line was as follows:

€Millions	JANUARY-JUNE		
	2005 I.F.R.S.	2005 I.F.R.S.	2005 I.F.R.S.
Advertising Revenues	261.31	228.45	14.4
Books and Rights sales	188.53	153.29	23.0
Newspaper and Magazine sales	105.61	105.70	(0.1)
Revenues from Add-ons ¹	76.41	83.04	(8.0)
Printing sales ²	31.36	30.82	1.7
Music and Audiovisual sales	19.70	18.53	6.3
Other revenues ³	52.70	56.93	(7.3)
Total Operating Revenues	735.70	676.76	8.7

The Group's **advertising revenues (€261.31 million)**, represented 35.5% of the total operating revenues. Advertising revenues increased by **14.4%**, improving the trend seen in the first quarter of the year (+12.5%), and confirming the strength of the Group capturing advertising expenditure and the good trend of the advertising market. The Group gained market share as shown in the table below.

¹ The lower revenues are attributable to the restructuring of the music business since revenues from add-ons that were received in the first half of 2004 no longer exist.

² Represents 40% of Dédalo revenues. The company Dédalo is the output of a merger between Prisaprint and Polestar España.

³ Includes e-commerce revenues, Internet services and other products.

€Millions	JANUARY-JUNE		
	2005 I.F.R.S.	2005 I.F.R.S.	2005 I.F.R.S.
El País	100.44	90.91	10.5
Radio	105.13	92.82	13.3
Specialized press	21.63	19.42	11.4
International Media	26.39	20.92	26.2
Local TV (Localia)	9.55	7.22	32.2
Prisacom	2.31	2.06	12.2
GDM	11.89	11.31	5.2

Within the Group, national advertising increased by 13.4% and the local advertising revenues grew by 11.5%. In addition, international advertising increased by 26.2%.

Books and rights sales increased by 23.0% over the same period in 2004, reaching the amount of €188.5 million (€153.3 million in 2004). It is worth mentioning the good performance in Brasil (+54.9%), despite the revenues this year being deriving from replacement of text books alone. In Mexico, the campaigns carried out so far have had a good performance as well. In Mexico, revenues for the first half of the year include the sales of “El Quijote”. The rest of the campaigns in the South American countries had a good performance, particularly in Colombia (+48.5%), Peru (+11.5%) and Argentina (+11.5%).

Circulation revenues remained practically constant compared with the figures reported in the first six months of 2004; revenues reached €105.6 million. During the first half of 2004, some special events such as the general elections and the success of the add-on “La Enciclopedia” helped to increase the circulation of El País and thus explains this year’s slight decrease in circulation. In the period January-June, the average daily circulation of El País was 490,589 copies and 870,821 copies for the weekend edition.

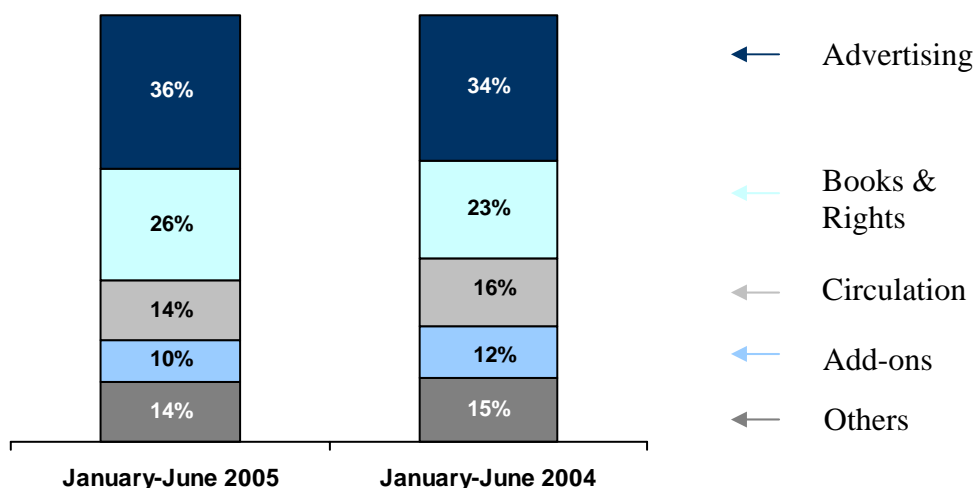
AS increased its average daily circulation by 7% (from 194,296 to 207,928 copies) gaining market share from its main competitor, which decreased its circulation.

The economic newspaper Cinco Días increased its circulation, including the free editions distributed with the regional press on the weekends, by 28.3%.

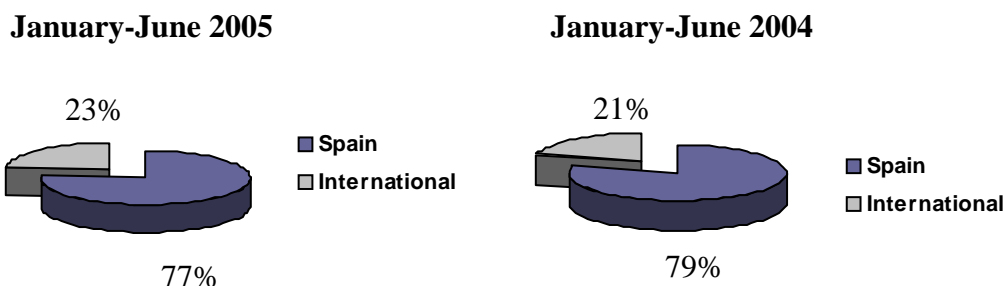
During the first six months of the year, **revenues derived from add-ons** added-up to €76.4 million. The EBIT contribution for the period January-June 2005 was €22.1 million compared to €17.7 million in 2004. EBIT margin increased to 28.9% (21.2% in the same period of 2004).

Add-ons in El País were outstanding. They contributed €9.0 million at revenue level compared to €5.4 million during the first half of 2004. The EBIT contribution added-up to €21.6 million versus €19.3 million in the previous year.

Revenue breakdown by business line is show below:



Geographic revenue breakdown during the first half of 2004 and 2005 was as following:

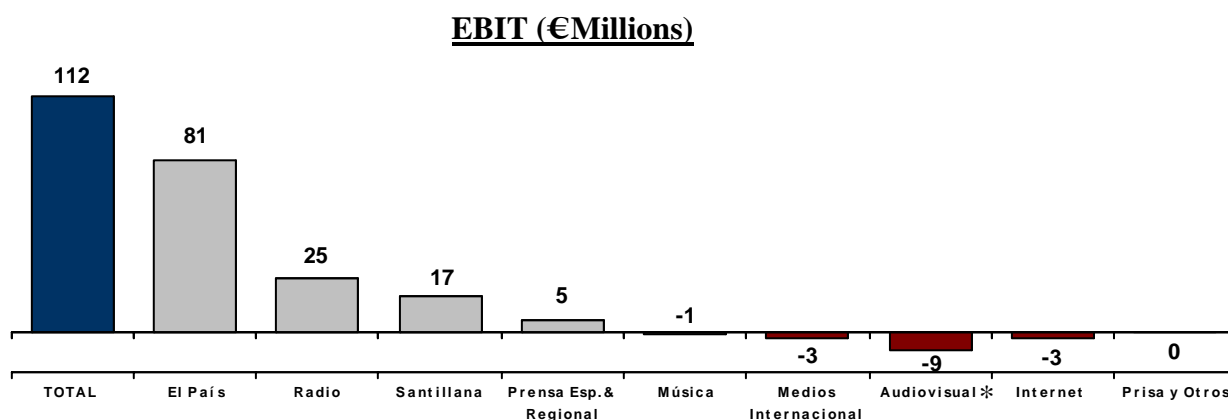


Out of the International revenues, 81% came from the publishing business (Santillana), 14% came from International Media (radio and press) and 5% from Dédalo, the printing unit.

Operating profit (EBIT) came up to €112.1 million, compared to €89.4 million in the first half of 2004. EBIT increased by 25.4%. The reasons underlying this growth were:

- The campaigns of **Santillana** in Brasil and Mexico.
- **The good performance of El País and Radio.**
- **The operating improvement and cost control** in businesses under development, especially **Prisacom** and **Music**.
- **The operating improvement in Specialized and Regional Press.**
- **The contribution of Add-ons.**

EBIT breakdown by business line is shown below:



* Of the total €9 million, €8 million refers to Local TV and €1 million to Plural Entertainment.

Prisa continues to control the costs of the **businesses under development**⁴, which have improved their operating results by 19%. It is worth highlighting the improvement at Prisacom (+40%).

Group margins have improved. EBIT margin came up to 15.2% compared to 13.2% in the same period of the previous year. EBITDA margin increased from 19.2% to 21.8%.

The financial result was €5.7 million compared to €6.9 million the previous year.

Income from associates (€1.6 million gain), includes mainly the stakes in Sogecable, Antena 3 Radio and Iberbanda, and showed a good improvement compared with the results in the first half of 2004 (€13.2 million losses).

Profits before tax increased by 56.0% reaching €107.9 million.

The expected **income tax expense** is €3.3 million compared to €3.7 million during the first six months of 2004. **Minority interest** accounted for €1.4 million losses.

Net profits reached €73.3 million compared to €55.5 million during the same period of 2004, which implies an increase of 32.0%.

⁴ Audiovisual, Prisacom, International Media and Music.

BALANCE SHEET

ASSETS	€Millions	
	30/06/2005 I.F.R.S.	31/12/2004 I.F.R.S.
FIXED ASSETS	989.49	921.95
Intangible assets	86.80	78.09
Property, plant & equipment	309.74	296.93
Long term financial investments	46.72	96.58
Investment in associates	446.72	353.88
Investment property	11.74	11.47
Assets held for sale	0.19	1.37
Deferred tax assets	87.58	83.61
GOODWILL	200.04	188.41
CURRENT ASSETS	697.35	585.41
Inventories	106.53	99.65
Accounts receivable	550.46	455.23
Short term financial investments	9.35	6.02
Cash & cash equivalents	31.01	24.51
TOTAL ASSETS	1,886.88	1,695.77

LIABILITIES & SHAREHOLDERS EQUITY	€Millions	
	30/06/2005 I.F.R.S.	31/12/2004 I.F.R.S.
SHAREHOLDERS EQUITY	801.67	738.93
Issued capital	21.88	21.88
Reserves	689.11	578.86
Retained earnings	73.31	122.45
Minority Interest	17.37	15.74
LONG TERM LIABILITIES	503.33	479.11
Long term financial debt	279.86	259.64
Other long term debt	157.47	155.09
Other long term liabilities	66.00	64.38
CURRENT LIABILITIES	581.87	477.72
Short term financial debt	214.56	144.49
Trade accounts payable	191.37	201.60
Other short term liabilities	168.58	127.57
Accrual accounts	7.36	4.06
TOTAL LIABILITIES & SHAREHOLDERS EQUITY	1,886.88	1,695.77

INVESTMENTS

Investments in long term assets amounted to €162.88 million compared to €3.08 million during the first six months of 2004. Investments breakdown by business unit is shown below:

INVESTMENTS JANUARY-JUNE 2005	€Millions
Prisa	101.07
Santillana	23.82
Medios Internacional	11.83
El País	10.33
Radio	4.84
Impresión	4.46
Televisión Local (Localia)	3.40
Producción TV (Plural)	2.36
Otros	0.77
Total	162.88

Prisa investments (€101.07 million) mainly include the stake increase in Sogecable and its capital increase. Investments in Santillana are mainly related to prototypes and the acquisition of the Brazilian publishing company Objetiva (€6.8 million). Investments in International Media are related to the acquisition of Radio Continental in Argentina (€3.2 million).

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

INVESTMENTS JANUARY-JUNE 2005	€Millions
Tangible fixed assets	23.94
Intangible assets	21.03
Long term financial investments	117.74
Property investments	0.18
TOTAL INVESTMENTS	162.88

NET DEBT

Net bank debt as of June 30, 2005 amounts to €454.1 million compared to €373.6 million as of December 31, 2004.

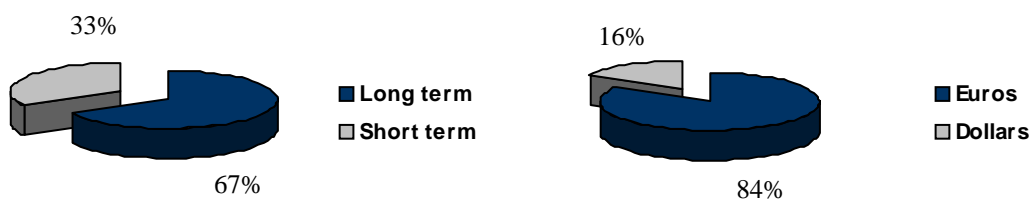
NET DEBT 30/06/2005	€Millions
Financial debt	494.4
Long term	279.8
Short term	214.6
Cash and cash equivalents	40.4
Net Debt	454.1

Additionally, the Group holds open credit facilities for €12.0 million.

In December 2003, Prisa issued a €62.3 exchangeable bond guaranteed with ordinary shares held as treasury stock. The bond coupon was set at 1,75% and since the remaining financial debt is linked to floating interest rates, 23% out of the total debt is linked to a fixed rate and the remaining 77% to a floating rate. The Group follows the policy of hedging against interest rates.

The average interest rate of the bank debt during the period January-June 2005 was 3.04%.

In addition, long terms debt accounts for 67% of total financial debt. In terms of currency, 84% is denominated in euros and 16% in dollars. Approximately, 70% of the debt in dollars is hedged against floating exchange rates.



CASH FLOW STATEMENT

€Millions	30/06/2005 I.F.R.S.
EBIT	112.06
Depreciation & Amortization	33.95
Change in working capital	(68.02)
Capex	(45.15)
Operating Cash Flow	32.84
Financial investments	(117.74)
Financial result	(5.71)
Dividends	(25.69)
Taxes	(33.28)
Sogecable loan payback	52.30
Other	16.82
NET DEBT CHANGE	80.46

The **operating cash flow during the first half of 2005 amounted to €32.84 million**, representing a 10.8% increase over the same period of the year 2004. The change in net debt was €80.46 million.

The change in working capital includes the increase in trade receivables and inventories due to the concentration of the text book campaigns (Santillana) on the first half of the year.

BUSINESS DIVISIONS PERFORMANCE

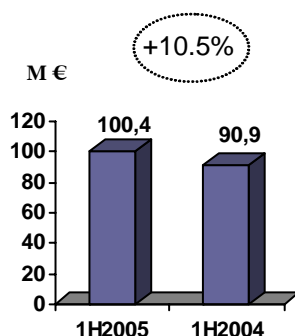
- EBIT at **El País** reached €80.7 million, increasing 5.1% over the same period in 2004. The EBIT margin stood at 33.3%. Revenues increased by 8.3%.
- Spanish radio increased by 22.9% in terms of EBIT and revenues grew by 12.9%
- Good performance was observed in **text book sales in Santillana**. Educational campaigns in North American countries started performing in the second quarter. Campaigns in Mexico were very notable. Regarding campaigns in South American countries, Brasil especially stands out (+54.9%), as does Colombia (+48.5%), Argentina (+11.5%) and Peru (+11.5%).
- **Specialized and Regional Press** increased its operating result to €4.9 million compared to €2.5 million in the same period of 2004. **AS** increased its average daily circulation by 7.0% to 207,928 copies and **Cinco Días** reduced its operating expenses by 15.8%. This resulted in an EBIT increase for Cinco Dias from a €1.7 million loss in the first half of 2004 to a €0.7 million gain in 2005.
- **Prisacom** improved its EBIT by 40.0%. Operating revenues increased by 37.4% compared to the same period of 2004.
- **International Media** increased its revenues by 23.9%. Advertising revenues outperformed, increasing by 26.2%.
- **GDM** increased its net revenues by 5.2% compared to the same period of 2004.
- **Local TV (Localia)** stood out with a 32.2% advertising revenues increase.

REVENUES €Millions	JANUARY-JUNE		
	2005 I.F.R.S.	2004 I.F.R.S.	Chg. %
El País	242.12	223.52	8.3
Specialized and Regional Press	69.51	65.42	6.3
Radio	118.20	104.69	12.9
Music	7.93	32.81	-
Local TV	17.73	16.99	4.4
Plural	8.31	2.72	-
Internacional Media	30.25	24.42	23.9
Publishing (Santillana)	194.80	158.22	23.1
Prisacom	9.69	7.05	37.4
Printing	38.56	38.76	(0.5)
GDM	11.89	11.31	5.2
Distribution	15.01	16.71	(10.2)
Other	14.74	14.83	(0.6)
Consolidation Adjustments	(43.04)	(40.68)	5.8
TOTAL	735.70	676.76	8.7
EBIT €Millions	JANYARY-JUNE		
	2005 I.F.R.S.	2004 I.F.R.S.	Chg. %
El País	80.71	76.89	5.0
EBIT margin	33.3%	34.4%	
Specialized and Regional Press	4.94	2.48	-
EBIT margin	7.1%	3.8%	
Radio	25.21	20.50	22.9
EBIT margin	21.3%	19.6%	
Music	(1.20)	(3.08)	60.9
EBIT margin	(15.2%)	(9.4%)	
Local TV	(8.16)	(6.08)	(34.3)
EBIT margin	(46.1%)	(35.8%)	
Plural	(0.48)	(1.85)	73.9
EBIT margin	(5.8%)	(68.2%)	
Internacional Media	(3.11)	(3.76)	17.5
EBIT margin	(10.3%)	(15.4%)	
Publishing (Santillana)	17.12	7.14	139.9
EBIT margin	8.8%	4.5%	
Prisacom	(2.99)	(4.98)	40.0
EBIT margin	(30.8%)	(70.6%)	
Printing	(1.05)	(0.23)	-
EBIT margin	(2.7%)	(0.6%)	
GDM	3.53	3.37	4.7
EBIT margin	29.7%	29.8%	
Distribution	1.33	1.32	0.5
EBIT margin	8.8%	7.9%	
Adjustments and Others	(3.77)	(2.33)	
TOTAL	112.06	89.38	25.4
Margin	15.2%	13.2%	

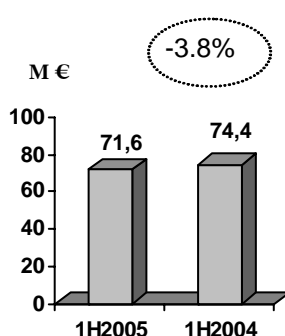
EL PAÍS

€Millions	JANUARY-JUNE		
	2005 I.F.R.S.	2004 I.F.R.S.	Chg. %
Operating revenues	242.12	223.52	8.3
Operating expenses	161.42	146.64	10.1
EBIT	80.71	76.89	5.0
% Margin	33.3%	34.4%	
EBITDA	86.41	82.96	4.2
% Margin	35.7%	37.1%	

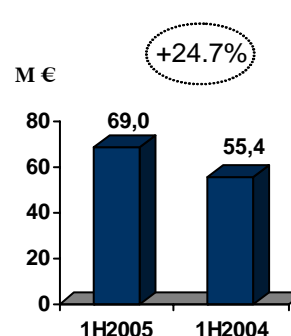
Advertising Revenues



Circulation Revenues



Revenues from Add-ons



El País increased its operating revenues by 8.3% during the first six months of 2005. It attained an EBIT margin of 33.3% compared to a 34.4% margin in the same period of 2004. EBITDA margin stood at 35.7% versus a 37.1% EBITDA margin the year before.

This margin decrease is due to add-on contributions; although add-ons have performed better, they were less profitable. If we exclude the effect of add-ons, the EBIT margin is 34.2% compared to 34.0% reached in the same period of the previous year.

- **Advertising revenues** increased by 10.5% in the first half of 2005 outperforming the 8.9% growth in the first three months of the year.

- **Circulation revenues** incremented by 3.8% to €71.6 million. The lower revenues are driven by the floundering trends of the Europe press market and also by the lower circulation compared to the first half of 2004 which was boosted by certain special events namely the general election and the one-off successful add-on “La Enciclopedia”.

	January-June 2005	January-June 2004	Chg. %
Average daily circulation	490,589	513,605	(4.5)
Weekly average circulation	870,821	870,919	0.0

Revenues derived from add-ons, keep following a strong trend and contributed €69.0 million to El País revenues, compared to a contribution of €55.35 million in the second quarter of the year before. EBIT contribution stood at €21.55 million, implying a 31.2% EBIT margin.

It is worth stressing the success of the add-on “Cine de Oro”, yet to be concluded, and “La Historia Universal”. The former registered average weekly sales of 195,000 copies with the latter recording an average of 170,000 copies. Other add-ons to El País such as “Children books” were also received well, selling an average of 290,000 copies in the last period.

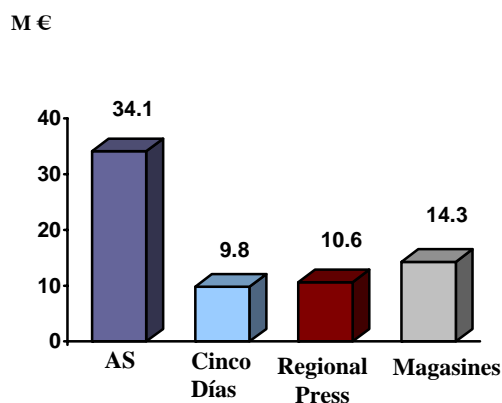
Operating expenses increased by 10.1% mainly due to the higher costs related to promotional products that increased by 24.8% in line with the revenue growth derived from this line of activity. Newsprint costs remain unchanged from the same period of the previous year.

EBIT increased by 5.0% with an EBIT margin of 33.3% compared to 34.4% recorded in the same period of 2004.

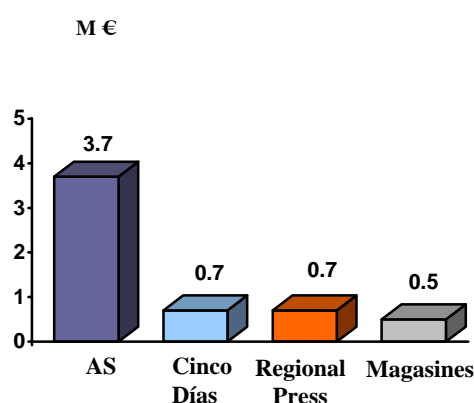
SPECIALISED AND REGIONAL PRESS

€Millions	JANUARY-JUNE		
	2005 I.F.R.S.	2004 I.F.R.S.	Chg. %
Operating Revenues	69.51	65.42	6.3
Operating Expenses	64.57	62.94	2.6
EBIT	4.94	2.48	98.9
% Margin	7.1%	3.8%	
EBITDA	5.90	3.67	60.6
% Margin	8.5	5.6%	

Operating Revenues



Operating Profit (EBIT)



The increase in revenues experienced by AS, Cinco Días and the magazine prints, together with a remarkable suppression of expenses, allowed this division to improve its operating results significantly. EBIT reached €4.94 million compared to €2.48 million in the first six months of year 2004. The operating profitability of this division improved, reaching an EBIT margin of 7.1% compared to 3.8% registered in the first half of 2004.

During the first six months of the year, the key highlights of **AS** were the following:

- **17.3% increase of advertising revenues** during the period January-June compared to the previous year.
- **Circulation revenues increased by 12.3%**, due to the growth of AS circulation. Average daily circulation recorded 207,928 copies, compared to 194,296 registered in the same period of 2004. This equates to an increase of 7.0%. Importantly, this figure stands out compared with the trend of decreasing circulation experienced by its main competitor.

- **The operating profit (EBIT)** reached €3.7 million, increasing by 160% over the same period of 2004. The EBIT margin was 10.7% compared to 4.9% in the first six months of 2004. The stronger operating results of the add-ons coupled with the increase in circulation explains these results.

Cinco Días consolidates its operating recovery and achieved an EBIT of €0.7 million compared to the €1.7 million losses in the same period of 2004. The increase in advertising revenues (+8.5%) in addition to the operating cost control initiatives, in particular personnel expenses helps explain these results. Total expenses decreased by 15.7% (personnel expenses decreased by 39.8%).

- **The average daily circulation of Cinco Días** increased by 28.3% reaching 31,017 copies (24,171 copies in the first semester of 2004). The strong increase in circulation was driven by the fact that since September 2004 a free special edition of Cinco Días is distributed on the weekends jointly with the Regional press.

In **Regional Press**, advertising revenues increased by 3.8% while operating expenses decreased by 2.5%.

Regarding **Magazines**, it is worth highlighting the performance of circulation revenues (+29.1%) as well as advertising revenues (+16.0%). In the period January-June 2005, **Cinemanía** reached an average circulation of 77,090 copies and **Rolling Stone** 31,849 copies. **Revista 40**, launched in October 2004, had an average circulation of 44,261 copies. In addition **Gentleman** reached an average circulation of 26,684 copies (an increase of +130%).

RADIO AND MUSIC

€Millions	JANUARY-JUNE		
	2005 I.F.R.S.	2004 I.F.R.S.	Chg. %
RADIO			
Operating revenues	118.20	104.69	12.9
Operating expenses	92.99	84.19	10.5
EBIT	25.21	20.50	22.9
% Margin	21.3%	19.6%	
EBITDA	27.70	22.97	20.6
% Margin	23.4%	21.9%	
MUSICA			
Operating revenues	7,93	32,81	-
Operating expenses	9,14	35,89	-
EBIT	(1,20)	(3,08)	60.9
% Margin	(15,2%)	(9,4%)	
EBITDA	(0,74)	(1,94)	61.9
% Margin	(9,3%)	(5,9%)	

RADIO

During the first half of 2005, operating revenues in Spanish radio increased by 12.9%. Of the total consolidated revenues of this unit, 52.9% were national while 47.1% came from the local market.

- **Advertising revenues** increased by 13.3%, to €105.1 million, driven by the good performance of the Spanish advertising market. National advertising revenues increased by 18.3% and the local ones by 9.6%. The good performance of La Ser and other music formulas was patent in the last audience report by “Estudio General de Medios” (EGM) which confirm the leadership position of the Group.

It is worth highlighting the EBIT growth (+22.9%) and the improvement at the EBIT margin, reaching 21.3%, compared with an EBIT margin of 19.6% in the first half of 2004.

MUSIC

Regarding the Music business, revenues decreased due to the fact that in 2004 the Music division launched an add-on jointly with El País, based on DVD records, which was absent in 2005. However, adjustments carried out in this unit led to a profitability improvement and thus a significant reduction in losses (€1.20 million versus €3.08 million in the first half of 2004). Prisa continues to make efforts to restructure the processes of the music division.

AUDIOVISUAL

€Millions	JANUARY -JUNE		Chg. %
	2005 I.F.R.S.	2004 I.F.R.S.	
LOCAL TV			
Operating revenues	17.73	16.99	4.4
Operating expenses	25.89	23.07	12.3
EBIT	(8.16)	(6.08)	(34.3)
% Margin	(46.1%)	(35.8%)	
EBITDA	(6.84)	(5.14)	(33.0)
% Margin	(38.6%)	(30.3%)	
PLURAL			
Operating revenues	8.31	2.72	-
Operating expenses	8.80	4.57	-
EBIT	(0.48)	(1.85)	73.9
% Margin	(5.8%)	(68.2%)	
EBITDA	1.03	(0.25)	-
% Margin	12.4%	(9.1%)	

The Local TV business (Localia) increased its revenues by 4.4%.

Out of the total Local TV revenues (€17.73 million) it is worth highlighting the performance of the **advertising revenues** (53.9% contribution to total revenues), which increased by 32.2% to €9.55 million.

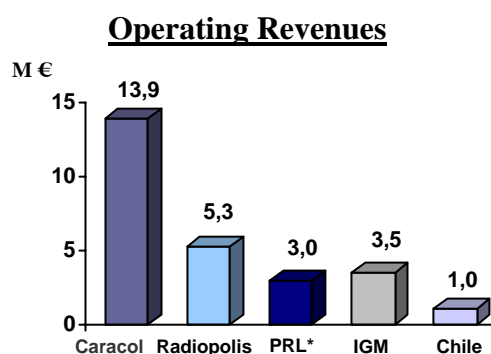
The triple digit increase in Plural's operating revenues is attributable to the series "Al filo de la ley" (€5.4 million) broadcasted by Televisión Española and undertaken by the TV production company Tesela, a subsidiary of Plural Entertainment. This series has been very well received by both advertisers and viewers, reaching a share of almost 20%.

INTERNATIONAL MEDIA

€Millions	JANUARY-JUNE		Chg. %
	2005 I.F.R.S.	2004 I.F.R.S.	
Operating revenues	30.25	24.42	23.9
Operating expenses	33.35	28.18	18.4
EBIT	(3.11)	(3.76)	17.5
% Margin	(10.3%)	(15.4%)	
EBITDA	(0.29)	(0.93)	68.3
% Margin	(1.0%)	(3.8%)	

In line with its expansion plans, Prisa has reached an agreement with Clear Channel for the acquisition of the programming and commercial management rights of a Spanish radio station in the area of Los Angeles and the south of California. The expected investment is \$28 million and the acquisition is in the process of administrative authorization. With this transaction, Grupo Prisa promotes its development project aimed at the development of a radio network in the Spanish US market.

Revenue breakdown by business units was as follows:



**Participaciones de Radio Latinoamericana" includes the businesses in France, Costa Rica, Panama and Miami.

International Media increased its advertising revenues by 12.6%.

Caracol increased its revenues by 17.5%. It is worth highlighting the performance of the advertising revenues (+20.4%). The operating profit increased by 31.2% to €0.4 million.

In **Radiópolis**, revenues increased by 23.5%. The operating profit (EBIT) improved by 169.0%.

The restructuring measures and changes in the shareholder structure in **Inversiones Grupo Multimedia** have driven this unit to improve its operating result (from €0.03 million in the first half of 2004 to €0.33 million in 2005). Advertising revenues were very notable and increased by 13.3% despite the difficult economic and political situation of the country.

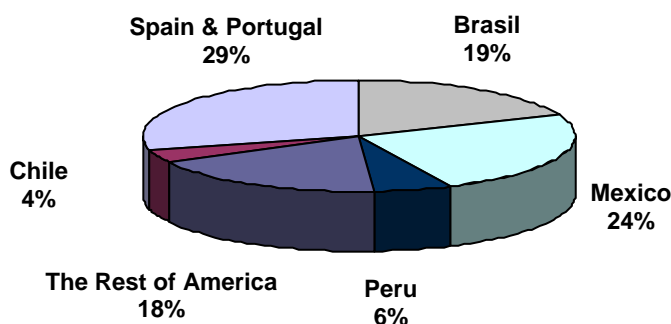
PUBLISHING (SANTILLANA)

€Millions	JANUARY-JUNE		Chg. %
	2005 I.F.R.S.	2004 I.F.R.S.	
Operating revenues	194.80	158.22	23.1
Operating expenses	177.68	151.08	17.6
EBIT	17.12	7.14	139.9
% Margin	16.3%	4.5%	
EBITDA	43.28	24.06	79.9
% Margin	24.1%	15.2%	

On June 10, 2005, Santillana acquired 75% of Editora Objetiva in Río de Janeiro, for €6.8 million.

Editora Objetiva was established in 1991 and it is a key publishing company in the general edition market in Brasil. In 2004 it had revenues of €5 million and became one of the fastest growing publishing companies in Brasil in past years. With this acquisition, Santillana consolidates its presence in the general edition publishing market in Brasil and complements its activities in the text book market via Editora Moderna.

January-June 2005 Geographic Revenues Breakdown



The figures recorded in the first half of the year are composed of two parts. The first part is the campaigns in the South American countries that took place in the first quarter the most important being in Brasil, Chile, Peru and Argentina. The second part is a proportion of the Mexican institutional sales that usually occur during the second half of the year.

- In **Brasil**, revenues increased by 54.9% mainly due to the positive evolution of institutional sales. The operating profit (EBIT) increased by 110.5% to €9.0 million. EBIT margin came to 24.5% compared to 18.0% in the same period of the previous year.

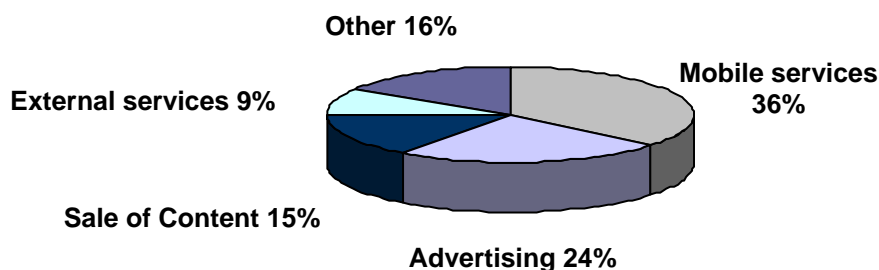
- In **Mexico**, institutional sales increased by 29.8%. The operating profit reached €13.3 million, with an EBIT margin of 28.7% compared to 22.7% in the first half of 2004.
- In **Peru**, sales increased by 11.5% with the EBIT margin being 46.1% versus 43.4% in the first half of 2004.
- In **Argentina**, the greater political stability helped to increase revenues (+11.5% in euros).

PRISACOM

€Millions	JANUARY-JUNE		Chg. %
	2005 I.F.R.S.	2004 I.F.R.S.	
Operating revenues	9.69	7.05	37.4
Operating expenses	12.68	12.03	5.4
EBIT	(2.99)	(4.98)	40.0
% Margin	(30.8%)	(70.6%)	
EBITDA	(1.85)	(3.10)	40.3
% Margin	(19.1%)	(43.9%)	

Prisacom increased revenues by 37.4% mainly due to the increase in content sales (+27%) and to the positive evolution of the mobile related business (+37%). Revenues from advertising increased by 12%.

Revenue Breakdown (January-June 2005)



Operating expenses increased by 5.4%, a lower rate than the operating revenues, which increased profitability. Operating losses decreased by 40.0%.

As of June 2005 *El País.es* already had 46,345 subscribers compared to 41,861 as of December 2004. Out of the 46,345 subscribers, 42,881 are paying (38,531 on December 2004).

On June 3, 2005, *El País.es* launched a promotion with new content and services for its customers, broadening its free contents on the web page and improving the exclusive services for the pay subscribers such as the new product EP3, which attempts to target the younger customers. This product is being well received in the market.

ADVERTISING AGENCY (GDM)

€Millions	JANUARY-JUNE		Chg. %
	2005 I.F.R.S.	2004 I.F.R.S.	
Net operating revenues ⁵	11.89	11.31	5.2
Operating expenses	8.36	7.94	5.3
EBIT	3.53	3.37	4.7
% Margin	29.7%	29.8%	
EBITDA	3.71	3.55	4.7
% Margin	31.2%	31.4%	

During the first six months of 2005, the Spanish advertising market has continued the excellent pace of growth achieved in 2004. Such improvements have been reflected in every sector and particularly in radio and television

Out of the total advertising managed by GDM (€161 million), 42% came from Sogecable and third parties and 58% from companies within the Group.

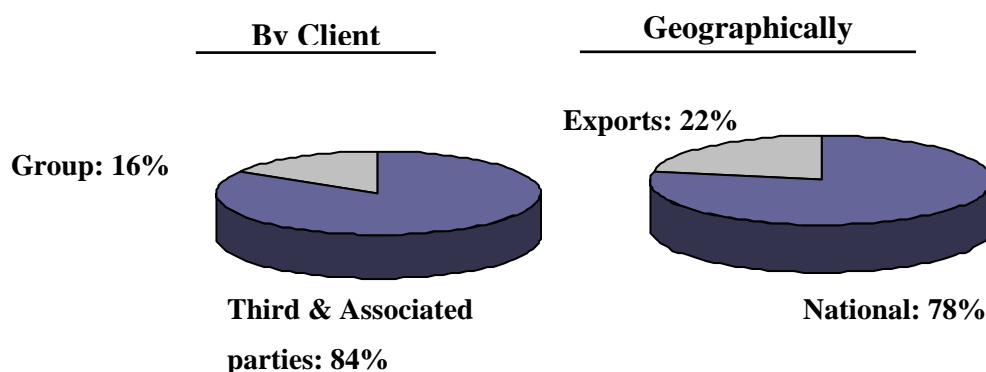
⁵ According to the International Financial Reporting Standards, the revenues GDM are seen as the commission derived from managing advertising.

PRINTING - DÉDALO

€Millions	JANUARY-JUNE		Chg. %
	2005 I.F.R.S.	2004 I.F.R.S.	
Operating revenues	38.56	38.76	(0.5)
Operating expenses	39.61	38.99	1.6
EBIT	(1.05)	(0.23)	-
% Margin	(2.7%)	(0.6%)	
EBITDA	2.75	3.99	(31.0)
% Margin	7.1%	10.3%	

Dédalo is consolidated by the proportional consolidation method (40%); Polestar (40%) and Ibersuizas, the financial partner that owns 20%, complete its shareholder structure.

Revenue breakdowns can be summarized as follows:



During 2005, Dédalo kept making progress in the organizational and operative integration that followed the merger between Prisaprint and Polestar.

The priorities for 2005 are the consolidation and growth of the commercial offset business, in addition to the setting up of the merger between the two gravure plants that the group owns, which will allow the creation of a more competitive and profitable plant that will generate important synergies and economies of scale.

For further information:

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