



Grupo PRISA

Q1 RESULTS: JANUARY-MARCH 2002

PRISA POSTED REVENUES OF €279.5 MILLION, AN OPERATING PROFIT (EBIT) OF €22.7 MILLION, AND A NET INCOME OF €32.8 MILLION

The first three months of 2002 have gone by within a complex economic environment, with the uncertainties of the last months of 2001 still remaining.

The Spanish advertising market has continued to decrease. Nevertheless, it has experienced a shift in its declining trend, remarkably improving its performance with regard to the fourth quarter previous year.

Additionally, it is worth mentioning that Easter Holiday – seasonal period where advertising investments in Spain are significantly reduced – has taken place in the first quarter of 2002, while in 2001 took place in the second quarter. Thus, they may not be compared on a like-for-like basis.

Grupo Prisa advertising revenues have declined by 2.5% in this period, compared to a 12% decrease experienced in the last months of 2001. Prisa has outperformed the Spanish advertising market, whose decline has been 9.5% (Internal forecast) during the first quarter of 2002.

In Latin America, it must be highlighted the difficult moment that is undergoing the Argentine economy.

Population purchasing power has considerably decreased, negatively impacting on consumption.

During the first quarter of the year, Santillana sales are focused on the Southern Cone of Latin America and it is the business unit that contributes most to total group figures. Argentina worse performance has resulted in a 17% decrease in group book sales.

However, excluding Argentina, the remaining countries – especially Brazil and Chile – have posted remarkable revenues and EBIT.

Moreover, outlook for the educational campaigns to be carried out in the third quarter of the year (mainly Spain and Mexico) is good.

From an operational point of view, the **cost-cutting initiatives** have led to a substantial improvement in the operating profit of El País, Radio and the Specialized and regional Press.

MAIN FINANCIAL FIGURES

Excluding Santillana/Argentina, the remaining businesses of the group have followed a positive trend. Therefore, the group main figures trend is depicted in two different scenarios: with and without Argentina.

Consolidated P&L account including Argentina

The main financial figures of the group during the first quarter of 2002 are as follows:

	January-March 2002 Million €	January-March 2001 Million €	Change %
Revenues	279.47	293.38	(4.7)
EBITDA	40.07	52.94	(24.3)
EBIT	22.66	35.76	(36.6)
Financial Results	(5.45)	(3.76)	(45.1)
Equity Method Result	(1.16)	3.88	-
Goodwill amortization	4.00	6.05	(33.9)
Income before extraordinary items	12.05	29.83	(59.6)
Extraordinary Results	(6.72)	16.80	-
Profit before taxes	5.32	46.63	(88.6)
Taxes over profits	(27.57)	14.26	-
Minority Interest	0.14	0.52	(74.0)
Consolidated net profit	32.76	31.85	2.8

Consolidated P&L account excluding Argentina

The seasonal nature of the educational campaigns mentioned before, drives Argentina contribution to consolidated accounts to be substantial during the first three months of the year. The extraordinary circumstances that have taken place in the current year have lead us to show the performance of the group main figures, excluding both 2002 and 2001 figures coming from Argentina.

	January-March 2002 Million €	January-March 2001 Million €	Change %
Revenues	274.9	264.5	4.0
EBIT	20.96	20.86	1.7
Net income	31.06	17.15	81.1

BUSINESS EVOLUTION

Revenues decline by 4.7%, reaching €279.19 million as compared to €293.38 million posted in 1Q 2001.

Revenues breakdown by line of activity is the following:

	January- March 2002 Million €	Contribution %	January- March 2001 Million €	Contribution %	Change %
Advertising revenues	101.18	36	103.79	35	(2.5)
Books & Rights sales	84.11	30	101.96	35	(17.5)
Newspapers sales	55.92	20	51.61	18	8.4
Other revenues	38.26	14	36.02	12	6.2
Total revenues	279.47	100	293.38	100	(4.7)

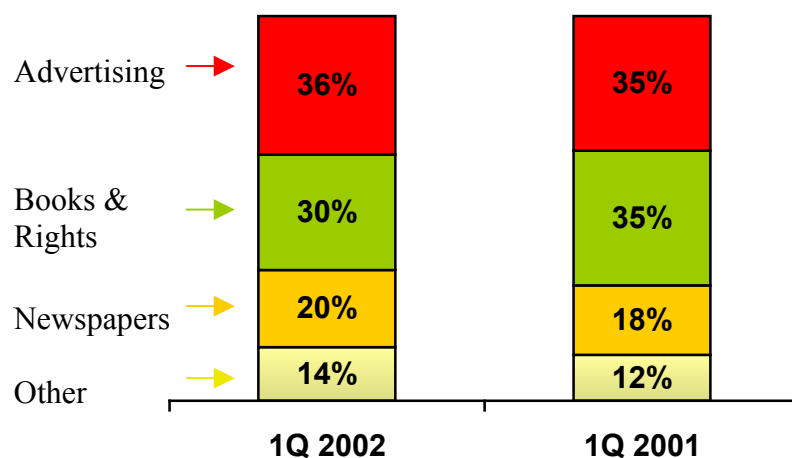
- **Advertising revenues** decrease by 2.5%, notably improving with regard to fourth quarter 2001, where they experienced a 12% fall. In 1Q 2001, advertising revenues still experienced growths of around 3%, getting worse since the second half of the year. Therefore, as current year pass by, the comparison basis is likely to become easier.
- **Books and rights sales** decrease by 17.5%, namely due to the worse contribution of Argentina. Stripping out Argentina, books and rights sales increase by 8%. Educational campaigns performance in the remaining countries of Latin America has been good, especially in Brazil and Chile, where revenues have increased by 14.35% and 25.04% respectively during the quarter.
- **Newspapers & magazines sales** rise by 8.4%. It must be emphasized the remarkable increase in both the daily and weekly circulation of El País. On March 4th 2002 its cover price was increased from €0.9 to €1, with no negative impact on circulation figures.

The average daily circulation of the group main newspapers during the first quarter 2002 has been the following:

	January-March 2002
El País	447,635
As	159,199
Cinco Días	26,390

- **Other operating revenues** increase by 6.2%. This improvement has been namely due to the revenues coming from local TVs, which have increased by € 2.9 million when comparing to the same period previous year.

Contribution to total revenues by line of activity has changed mainly due to Santillana that has accounted for 30% of total revenues in 1Q 2002, while representing 35% in 1Q 2001. Advertising revenues contribution has remained practically unchanged.



EBITDA states at € 40.1 million, a 24.3% decrease in relation to 1Q 2001.

EBIT reaches € 22.7 million as compared to € 35.8 million posted in the same quarter of the previous year, thereby decreasing by 36.6%. This has been due to:

- Book sales worse performance in Argentina
- Advertising market still declining
- Negative contribution to EBIT of the new businesses, which are at an expansion stage: local TVs, Prisacom and regional press, mainly.

Goodwill amortization reflects the change in the goodwill amortization accounting period, which has come out to 20 years.

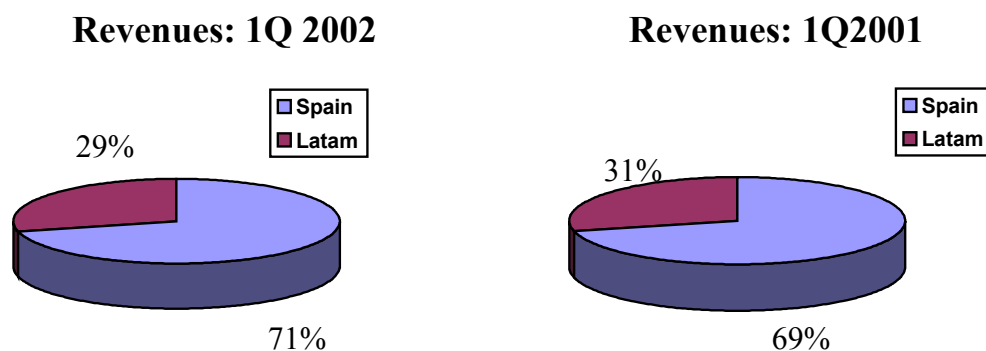
Extraordinary expenses amount to €6.7 million, which includes both layoff compensations and some financial investments provisions. The difference with the previous year is due to the extraordinary income registered in March 2001, as a consequence of the sale of the high frequency network to Medialatina for €25 million.

According to ICAC new accounting rules, in March 2002 Grupo Prisa has benefited from pending tax deductions relating to 25% of the investments carried out in 2001 in Moderna and Radiopolis. These revenues have amounted to 27.57 million euros.

Net income reaches €32.76 million as compared to €31.85 million registered in 1Q 2001, a 2.8% increase.

LATIN AMERICA CONTRIBUTION

Geographically, the revenues breakdown during the first quarters of 2001 and 2002 has been the following:



Around 90% of the Latin America revenues come from Santillana, whereas the remaining 10% come, to a large extent, from Radiopolis in Mexico, Grupo Latino de Radiodifusión and Garafulic in Bolivia.

INVESTMENTS

During 1Q 2002, investments breakdown by business area, has been as follows:

1Q 2002 INVESTMENTS	€ MILLION
Publishing	8.8
Spanish Press	4.9
El Pais	4.1
Radio	2.4
Local TV	2.1
Prisa and Others	9.7
Total	32.0

Net debt as of March 2002 amounts to € 391.2 million as compared to a € 370 million net debt at the end of 2001.

BUSINESS UNIT EVOLUTION

Some changes have been undertaken when presenting the financial information.

The major changes are:

- 1) Setting up of the International Media business unit, which includes GLR, Radiópolis and Garafulic activities.
- 2) Separation of the Distribution business, formerly included in the Specialized Press unit.

The remaining divisions experience no changes.

Taking this new structure into account, the most significant events that explain the evolution of the different business units during the quarter are the following:

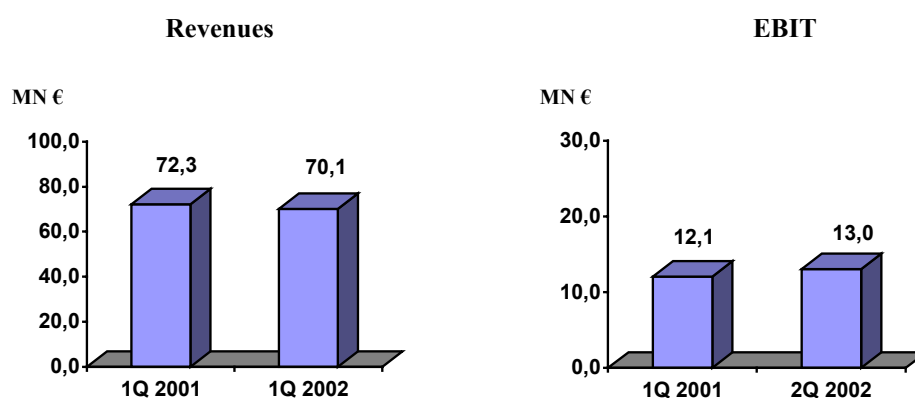
- **El Pais** EBIT increases by 8% despite the advertising revenues fall.
- **Radio** business unit continues to post growing revenues, with EBIT increasing by 16%.
- Substantial growth in the **International Media** business unit, which includes Radiópolis figures for the first time.
- The seasonal nature of textbook sales together with Argentina worse performance has led Santillana sales to decrease by 17%.
- Despite revenues decline, Specialized Press margin improves due to the cost-cutting policy, which is specially reflected on Regional Press and Diario As.

REVENUES			
Million euros			
	January-March 2002	January-March 2001	Change (%)
El País	70.10	72.26	(3.0)
Special & Regional Press	23.27	24.63	(5.5)
Radio	40.98	40.61	0.9
Local TVs	3.51	0.53	-
International Media	7.79	4.96	57.1
Publishing	86.81	105.13	(17.4)
Internet	2.64	2.09	26.5
Music	4.30	4.23	1.6
Printing	25.45	25.68	(0.9)
GDM	17.90	19.72	(9.2)
Distribution	41.20	38.46	7.1
Other	4.58	4.50	1.8
Consolidation adjustments	(49.06)	(24.26)	-
TOTAL	279.47	293.38	(4.7)

EBIT			
Million euros			
	January-March 2002	January-March 2001	Change (%)
El País	13.03	12.07	7.9
Margin/sales	18.6%	16.7%	
Special & Regional Press	(2.68)	(3.42)	21.8
Margin/sales	(11.5%)	(13.9%)	
Radio	4.87	4.19	16.2
Margin over sales	11.9%	10.3%	
Local TV	(3.01)	(2.22)	(35.9)
Margin/sales	(85.8%)	-	
International Media	(1.81)	(0.4)	-
Margin/sales	(23.3%)	(8.1%)	
Publishing	14.38	24.68	(41.7)
Margin/sales	16.6%	23.5%	
Internet	(3.28)	(2.30)	(42.5)
Margin/sales	-	-	
Music	(1.74)	(0.97)	78.7
Margin/sales	(40.4%)	(23.0%)	
Printing	2.92	3.52	(16.9)
Margin/sales	11.5%	13.7%	
GDM	0.67	1.08	(38.0)
Margin/sales	3.7%	5.5%	
Distribution	0.07	0.03	-
Margin/sales	0.3%	0.1%	
Other	(0.74)	(0.50)	-
TOTAL	22.66	35.76	(36.6)

EL PAÍS

	January-March 2002 MILLION €	January-March 2001 MILLION €	Change (%)
Total Revenues	70.10	72.26	(3.0)
Total operating expenses	57.07	60.19	(5.2)
EBIT	13.03	12.07	7.9
%/Sales	18.6%	16.7%	
EBITDA	15.77	14.62	7.9



Regarding El País, the most relevant events during the first quarter of 2002 have been the following:

- **Advertising revenues**, which account for 53% of total revenues, decrease by 11.4% with regard to 1Q 2001. However, it is worth mentioning that advertising revenues fall has substantially slowed down as compared to 2001. Thus, advertising revenues declined by 16.1% in 2001 as a whole and 20.8% in the last quarter of the year.

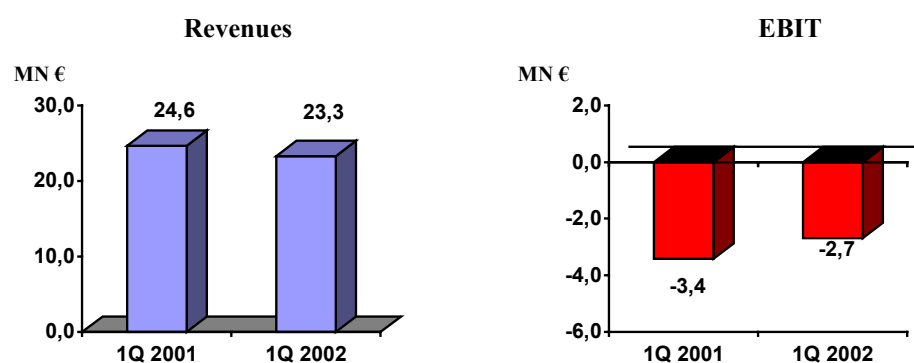
In addition, Easter Holiday – seasonal period where advertising investment is notably reduced- has taken place in the first quarter of the current year, whereas in 2001 took place in the second quarter. Therefore, comparison has not been favorable.

- **Circulation revenues**, which represent 44% of total revenues, experience a growth of 8.4%. This has been mainly due to:
 - 1) **Circulation increase.** The average daily circulation increases by 1.25%, from 442,126 copies sold in Q1 2001 to 447,635 copies sold in Q1 2002. The average circulation of EL PAÍS SEMANAL, increases 6.24%, from 727,072 copies sold in Q1 2001 to 772,419 copies sold in Q1 2002.
 - 2) **Cover price increase.** On March 4th 2002, El País increased its cover price from €0.9 to €1 with no negative impact on circulation numbers as mentioned before.

- Newsprint, which represent 20% of total operating expenses, have declined by 7% in relation to the same period previous year.
- **Control costs policy**, which began to be implemented in 2001 has allowed EBIT to improve by 8%, despite the advertising revenues decline. As a consequence, EBIT margin states at 18.6%, notably improving with respect to the same period previous year.

SPECIALIZED & REGIONAL PRESS

	January-March 2002 MILLION €	January-March 2001 MILLION €	Change (%)
Total Revenues	23.27	24.63	(5.5)
Total operating expenses	25.95	28.05	(7.5)
EBIT	(2.68)	(3.42)	21.8
%/Sales	(11.5%)	(13.9%)	
EBITDA	(1.96)	(2.42)	18.9

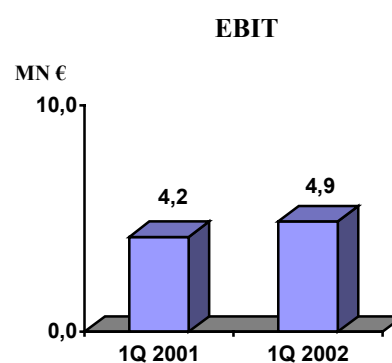
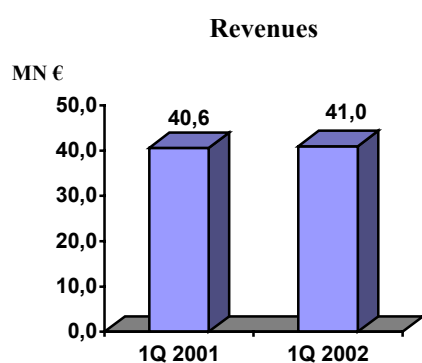


The main events occurred during the first quarter of 2002 have been the following:

- The substantial drop in the operating losses has been due to the cost-cutting policy, which has led Regional press and Diario As to improve.
- **Diario As** has reached an average daily circulation of 159,199 copies, a 1.9% decrease over the same period previous year.
- **Diario As cover price increase** from €0.75 to €0.80, since March 1st 2002.
- The average daily circulation achieved by Cinco Días has been 26,390 copies as compared to 28,998 copies in 1Q 2001. To a large extent, this has been due to the economic press elasticity to economics trend.

RADIO

	January-March 2002 MILLION €	January-March 2001 MILLION €	Change (%)
Total Revenues	40.98	40.61	0.9
Total operating expenses	36.12	36.42	(0.8)
EBIT	4.87	4.19	16.2
%/Sales	11.9%	10.3%	
EBITDA	5.99	5.50	9.0

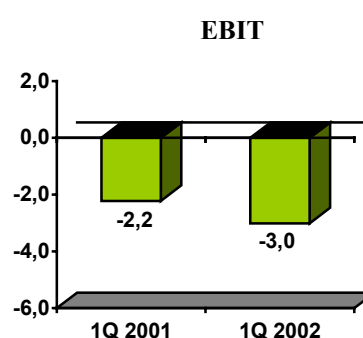
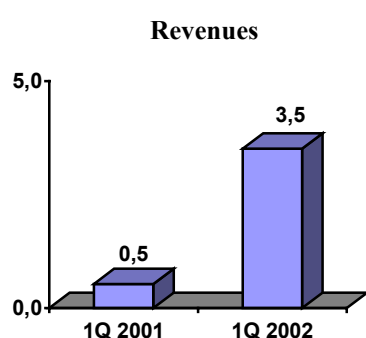


The most significant events that have taken place in this business unit during 1Q 2002 are the following:

- Once again, the last Media General Study has confirmed the SER leadership in every hourly band, not only in the conventional format, where it almost reaches the audience historical record in Spain, but also in the music format, where it is first, second and third in the rankings by audience and results.
- Remarkable increase in revenues as compared to a declining market.
- Lower operating expenses, as the sale of the high frequency network in 2001 has led depreciation to decrease.
- Consequently, EBIT substantially improves and EBIT margin almost reaches 12%.
- Creation of MAXIMA FM, a new radio station in the music format exclusively aimed to broadcast dance music.

LOCAL TV

	January-March 2002 MILLION €	January-March 2001 MILLION €	Change (%)
Total Revenues	3.51	0.53	-
Total operating expenses	6.52	2.75	-
EBIT	(3.01)	(2.22)	(35.9)
%/Sales	-	-	
EBITDA	(2.47)	(2.05)	(20.1)

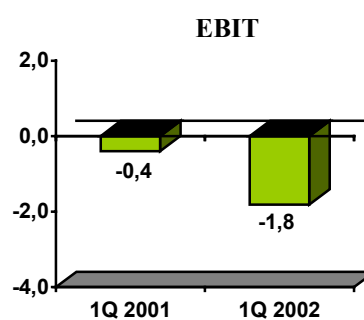
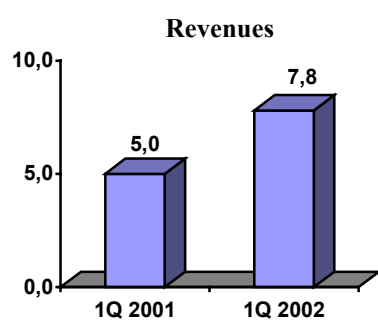


The most important figures that have been taken place during the first quarter of 2001 are the following:

- Local TV business, which was set up in 2000, is currently at an expansion stage, and consequently the main changes with respect to the previous year come from the incorporation of new companies to the consolidation perimeter.
- Substantial increase in the audience of the Canary Islands autonomous TV, where Grupo Prisa signed an agreement to provide content.

INTERNATIONAL MEDIA

	January-March 2002 MILLION €	January-March 2001 MILLION €	Change (%)
Total Revenues	7.79	4.96	57.1
Total operating expenses	9.60	5.36	79.2
EBIT	(1.81)	(0.40)	-
%/Sales	(23.3%)	(8.1%)	
EBITDA	(0.94)	0.25	-



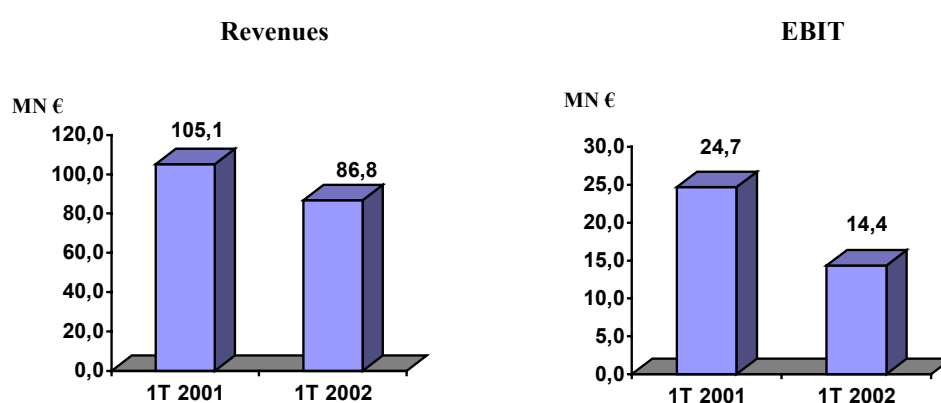
This division includes Garafulic in Bolivia, Grupo Latino de Radiodifusión and Radiópolis in Mexico.

Revenues growth has been mainly due to the contribution of Radiópolis that has been incorporated into the consolidation perimeter for the first time in 2002.

Grupo Prisa has reached an agreement with the Colombian business media group Valores Bavaria to transfer all of the Caracol Radio and Grupo Latino de Radiodifusión shares to a new holding company, which will be owned by Prisa at least 60%.

EDUCATION & GENERAL EDITIONS

	January-March 2002 MILLION €	January-March 2001 MILLION €	Change (%)
Total Revenues	86.81	105.13	(17.4)
Total operating expenses	72.43	80.45	(10.0)
EBIT	14.38	24.68	(41.7)
%/Sales	16.6%	23.5%	
EBITDA	20.95	31.83	(34.2)



The seasonal nature of the educational publishing – in the first quarter of the year campaigns take place in Centre and South America, whilst in the third quarter textbooks are mainly sold in Spain, Portugal and Mexico – is the main reason that explains the 86% contribution of Latam to Santillana revenues, whereas it used to account for 65% of year-end revenues.

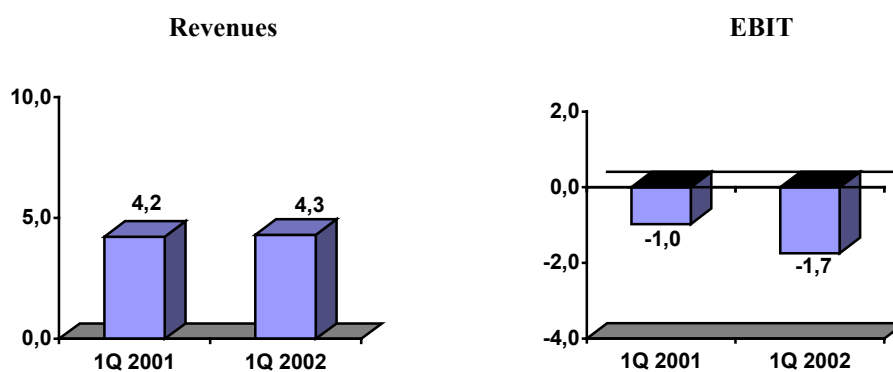
Therefore, taking into account that 1Q figures are not comparable with those obtained at year-end, the two most significant events that have taken place are the following:

- Santillana Argentina has been affected by the deep economic crisis of the country, and it is the main reason that explains Santillana figures decline.
- Educational campaigns good performance in most of the Latin American countries, especially in Brazil, Chile and Costa Rica.

Excluding Argentina, Santillana sales and EBIT increase by 8% and 30% respectively.

MUSIC

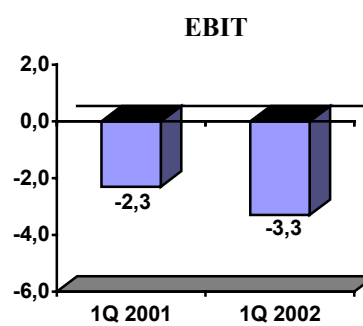
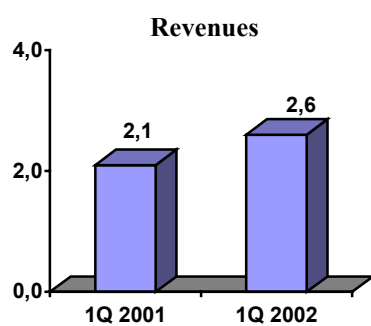
	January-March 2002 MILLION €	January-March 2001 MILLION €	Change (%)
Total Revenues	4.30	4.23	1.6
Total operating expenses	6.03	(5.20)	16.0
EBIT	(1.74)	(0.97)	(78.7)
%/Sales	(40.4%)	(23.0%)	
EBITDA	2.48	1.06	-



Revenues have remained stable during these first three months of the year despite the difficulties of the Record Label market and despite no new launchings in this period.

PRISACOM

	January-March 2002 MILLION €	January-March 2001 MILLION €	Change (%)
Total Revenues	2.64	2.09	26.5
Total operating expenses	5.92	4.39	34.9
EBIT	(3.28)	(2.30)	(42.5)
%/Sales	-	-	
EBITDA	(2.76)	(1.92)	(43.7)



ADVERTISING SALES AGENCY (GDM)

	January-March 2002 MILLION €	January-March 2001 MILLION €	Change (%)
Total Revenues	17.90	19.72	(9.2)
Total operating expenses	17.23	18.64	(7.5)
EBIT	0.67	1.09	(38.4)
%/Sales	3.7%	5.5%	
EBITDA	0.77	1.19	(35.7)

In order to analyze this business unit in accordance with its nature, it is important to calculate net operating revenues:

	January-March 2002 MILLION €	January-March 2001 MILLION €	Change (%)
Advertising sales	17.90	19.72	(9.2)
Supplies	13.47	15.01	(10.2)
Total net revenues	4.43	4.71	(6)

Despite total advertising managed by GDM has decreased by 9.2%, net revenues only declined by 6% due to higher average profitability of the current clients portfolio in comparison to 1Q 2001.

As of March 31st 2002, approximately 22% of the total advertising managed by GDM, comes from third parties.

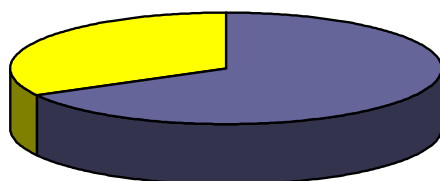
PRINTING

	January-March 2002 MILLION €	January-March 2001 MILLION €	Var (%)
Total Revenues	25.45	25.68	(0.9)
Total operating expenses	22.53	22.16	1.7
EBIT	2.92	3.52	(16.9)
%/Sales	11.5%	13.7%	
EBITDA	5.46	6.18	(11.6)

As significant aspects of the printing business it could be highlighted the following:

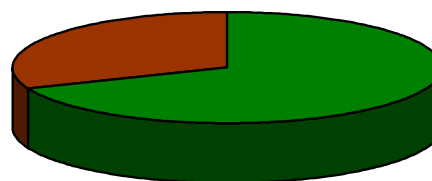
- Revenues breakdown has been as follows:

Group clients: 33%



Third parties: 67%

Exports: 33%



National: 67%

- EBIT decreases due to higher expenses coming from the new printing plant, which as of March 2001 was not yet at full capacity.

