



9M 2004 Results

October 22nd, 2004

**In the first nine months of the year
PRISA INCREASES ITS NET PROFIT BY 60% TO €76 MILLION**

Revenues increased by 10.5% up to €1,092 million, and operating profit (Ebit) reached €159 million, 48% higher than the previous year.

Advertising market growth; increase of circulation; success of promotions; good performance of the publishing campaigns in Santillana.

The most relevant issues during the first nine months of the year were the following:

- **Growth of the advertising revenues** (+11.3%). It is worth mentioning the performance of El País (+9.8%), the radio business division (+5.6%). In terms of new developments, local TV and Prisacom increased their advertising revenues by 98% and 108% respectively.
- **Newspaper and Magazine sales** grew by 7.3%. El País had a daily circulation of 483.863 copies (+8.4%).
- **The promotions** of the newspapers had good market reception.
- **Good performance of the school books campaigns in Santillana.** It is worth mentioning the performance in Spain (+7%), in Brazil (+22%) and in Argentina (+51%).
- **New developments improve their operating profit by 15%** as a result of the cost control and the restructuring process.
- **The EBIT margin of the Group** came in at 14.5% opposite to 10.9% in the same period of the previous year. EBITDA margin came up to 21.4% compared to 18.6% in the previous year.
- Prisa increased its ownership in Sogecable up to 23%.

JANUARY-SEPTEMBER 2004

During the first nine months of the year, Prisa increased its **revenues** by 10.5% reaching €1,092.33 million.

EBIT boosted to €158.92 million, a 48% increase over the same period of the previous year, driven by the increase of advertising revenues, the growth of circulation, the performance of the newspaper promotions and the good performance of book sales in Spain and Latin America.

Control and strengthening of **new developments**¹ continued, and overall, they improved the operating result by 15%. EBIT improvement at Prisacom and at Leisure and Entertainment should be noted. The restructuring carried out at Cinco Días led to improving of the operating result.

Significant improvement of Group **margins**. As such, during the first nine months of the year, the Group's EBIT margin came in at 14.5% as compared to 10.9% in the same period of the previous year. EBITDA margin increased to 21.4% from 18.6% the year before.

Net profit increased by 60%, reaching €76.18 million.

ADVERTISING

The **advertising revenues of the Group (€371,95 million)**, representing 34% of total revenues, increased by 11.3%, **improving the performance in the first half of the year, in which advertising revenues increased by 9.1%.**

PROMOTIONS

During the first nine months of the year, the revenues derived from promotions amounted to €95.72 million (+117.9%), contributing €16.88 million to EBIT.

It is worth mentioning the performance of the promotions of "La Enciclopedia". This promotion ended 30th May with an average of 330,000 copies sold per week. The market reception of the promotions on Spanish movies and documentaries DVDs should be highlighted.

Stand out the importance of this new line of business as well as the good reception of the market. Prisa has created a new division for the purpose of managing promotions at a group level in search of synergies, which will create competitive advantages to the Group.

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

LATIN AMÉRICA

During the first nine months of 2004 revenues coming from this region amounted €211 million (representing 19% of total revenues), stemming most of them from the publishing business. Santillana showed growths in local currency terms in most of the countries where it is present.

The International Media unit derives most of its revenues from this geographic area and it has shown a strong growth. Operating revenues increased by 9.2% reaching €39 million whilst advertising revenues increased by 5.3%.

During this period, **the exchange rate** has had a neutral impact at EBIT level.

SOGECABLE

Prisa **has increased up to 23% its ownership in Sogecable** by the acquisition of shares in the market. The total investment added up to €125.9 million during 2004. The average price of the Sogecable stake held by Prisa is €12.22 per share.



STATEMENT OF INCOME

€ Million	JANUARY-SEPTEMBER		
	2004	2003	Chg. %
Revenues	1,092.33	988.76	10.5
EBITDA	233.74	184.05	27.0
EBIT	158.92	107.31	48.1
Financial Result	(6.12)	(6.13)	0.3
Equity Method Result	(16.82)	(9.50)	(77.1)
Goodwill Amortisation	(15.67)	(11.50)	36.3
Income Before Extraordinary Items	120.31	80.18	50.1
Extraordinary Result	(21.29)	(7.07)	-
Income before taxes	99.02	73.11	35.4
Corporate Income tax	23.12	24.77	(6.7)
Minority Interest	(0.28)	0.73	-
Net Income	76.18	47.61	60.0
EBIT margin	14.6%	10.9%	34.2
EBITDA margin	21.4%	18.6%	15.1

Revenues increased by 10.5% up to €1,092.33 million, opposite to €988.76 million in the first nine months of 2003.

Revenue breakdown by business line was as follows:

€ Million	JANUARY-SEPTEMBER		
	2004	2003	Chg. %
Advertising Revenues	371.95	334.05	11.3
Books & Rights sales	300.25	285.57	5.1
Newspaper & Magazine sales	179.87	167.67	7.3
Revenue derived from promotions	95.72	43.93	117.9
Printing sales ²	44.41	61.23	(27.5)
Music Sales ³	27.57	33.69	(18.2)
Other Revenues	72.56	62.62	15.9
Total Revenues	1,092.33	988.76	10.5

Advertising revenues increased by 11.3% over the same period of the previous year. The revenue growth was higher than the one registered in the first half 2004 and also above market estimates.

² Includes 40% of Dédalo revenues. Dédalo is the outcome of Prisaprint and Polestar España merger.

³ Includes audiovisual rights and programming sales, music sales, collections sales and events and concerts organization revenues in Gran Vía Musical.



The increase was reflected in each business unit of the Group :

€ Million	JANUARY-SEPTEMBER		
	2004	2003	Chg. %
El País	122.26	111.35	9.8
Radio	130.00	123.08	5.6
Specialized Press	25.21	21.83	15.5
GDM	73.13	58.34	25.4
International Media	33.39	31.72	5.3
Local TV	11.85	5.98	98.0
Prisacom	3.09	1.49	108.0

- 1- **El País** increased the advertising revenues by 9.8%.
- 2- **Radio** increased by 5.6%.
- 3- **Regional Press** (+11.9%) and **Localia** (local TV) (+98%) showed the growth potential of the local advertising market.

Radio and El País business divisions respectively accounted for 35% and 33% of advertising revenues in the Group. In Spain, national advertising grew by 13.0% and local advertising by 9.6%.

Books and Rights sales increased by 5.1% up to €300.2 million.

Good performance of schoolbook sales the Latin American countries, in which campaigns are accomplished during the first quarter of the year (especially Brazil, Chile and Argentina). In the third quarter, revenues in Spain increased by 7% compared to the same period the previous year and in Mexico revenues in local currency increased by 17%.

Magazine and Newspaper sales experienced an increase of 7.3% reaching €179.9 million. The increase in circulation explains this growth.

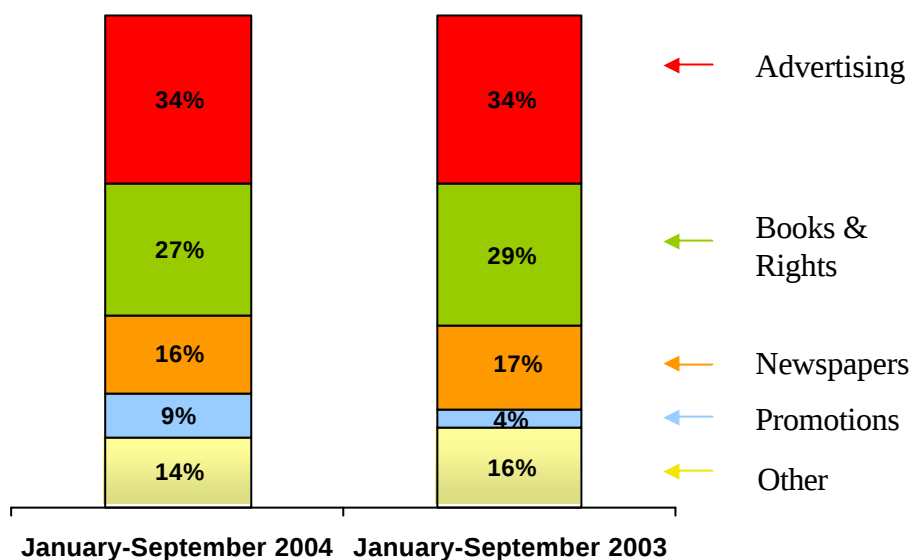
Revenues derived from Promotions outperformed, reaching € 95.7 million during the first nine months of the year, opposite to €43.9 million for the same period of year 2003.

Printing sales declined by 27.5% due to the atrophy of the market and due to the fact that results of the printing company Dédalo have been consolidated by the proportionate consolidation method (40%) for the first nine months of 2004. Dédalo was set up in 2003 following the agreement between Prisa and Polestar to merge their printing businesses in Spain.

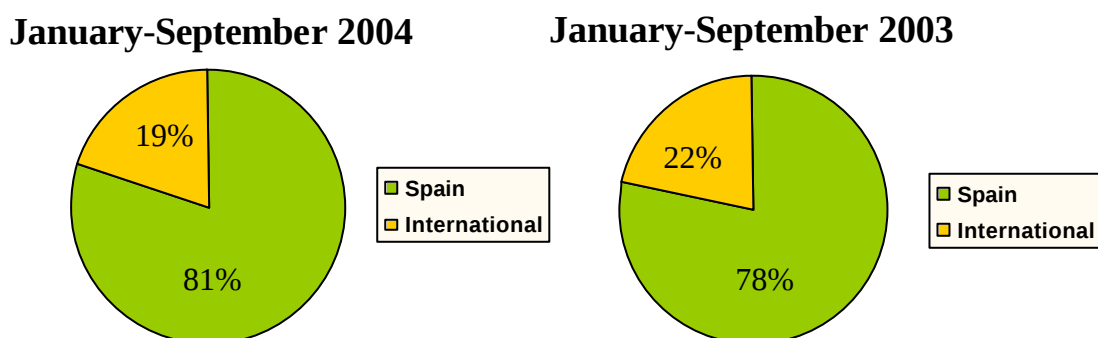
Following the agreement reached with Universal⁴, **music sales** declined by 18.2%.

Other operating revenues increased by 15.9% mainly due to higher revenues derived from magazine edition on behalf of third parties, higher revenues derived from the real estate division, and Prisacom's new agreements with mobile operators.

Revenue breakdown by business line is represented bellow:



Geographic revenue breakdown during the first nine months of the years 2003 and 2004 is shown below:



Approximately 78% of the Group's international revenues came from the publishing business division (Santillana), 18% stemmed from International Media business division and 4% came from Dédalo, the printing unit.

⁴ Prisa sold to Universal the record rights of its main artists and the running of the music catalogues of its subsidiaries.

EBIT added up to €158.92 million, opposite to €107.31 million generated during the first nine months of year 2003, which implies a 48.1% increase. The reason underlying this growth is:

- **Operating improvement at El País, Radio and Santillana business units**
- **Impact of promotions**
- **Operating improvement at GDM, Prisacom, Leisure & Entertainment and at the Distribution unit.**

The financial result was €-6.12 million compared to €-6.13 million in the first nine months of 2003.

Equity Method result (negative €16.82 million) includes mainly the stakes in Sogecable, Antena 3 de Radio and Iberbanda.

Goodwill amortization increases by 36.3% due to the goodwill generated by the increase in Sogecable ownership and in Grupo Latino de Radio.

Extraordinary result added up to €-21.29 million compared to €-7.07 million in the previous year. During the first nine months of 2003 the Group recorded €10.8 million extraordinary revenues as a result of the inclusion of Iberbanda into the scope of consolidation. Personnel compensation expenses during the first nine months of the year were €9.6 million due to the restructuring process that has taken place in some of the business units.

Profit before taxes increased by 35.4% compared to the same period of the previous year (€99.0 million).

The **corporate income tax** amounted €23.12 million against €24.77 million for the first nine months in 2003, whereas **minority interest** accounted for positive €0.28 million.

Net Income reached €76.18 million compared to €47.61 million for the previous year, which implies an increase of 60.0%.

BALANCE SHEET

ASSETS	€ Million	
	09/30/2004	12/31/2003
TOTAL FIXED ASSETS	708.15	722.09
Start-up expenses	10.58	11.87
Intangible assets	101.85	114.26
Tangible fixed assets	302.44	292.13
Long-term financial investments	263.57	274.47
Treasury stock	29.71	29.36
GOODWILL IN CONSOLIDATION	412.92	316.34
DEFERRED CHARGES	14.15	6.85
CURRENT ASSETS	675.15	581.36
Inventories	92.02	91.06
Accounts receivable	537.12	429.83
Short-term financial investments	14.43	10.14
Cash	19.14	39.31
Prepayments	12.41	11.02
TOTAL ASSETS	1,810.37	1,626.64

LIABILITIES	€ Million	
	09/30/2004	12/31/2003
TOTAL SHAREHOLDERS EQUITY	718.59	660.67
Capital Stock	21.88	21.88
Controlling company reserves	620.53	578.19
Income attributed to the controlling company	76.18	60.60
MINORITY INTEREST	20.84	28.02
DEFERRED REVENUES	7.39	9.15
PROVISIONS FOR CONTINGENCIES AND EXPENSES	19.62	19.84
LONG TERM LIABILITIES	516.21	481.79
Payable to credit entities	333.18	296.56
Bond issue	162.30	162.30
Other long-term liabilities	20.73	22.93
SHORT TERM LIABILITIES	527.73	427.17
Payable to credit entities	157.89	106.99
Trade accounts payable	173.16	192.37
Other short-term liabilities	189.07	122.91
Accrual accounts	7.61	4.90
TOTAL LIABILITIES	1,810.37	1,626.64

INVESTMENTS

Investments in long term assets amounted to €215.39 million opposite to €194.33 million during the same period of the previous year. Investments breakdown by business is shown below:

INVESTMENTS JANUARY-SEPTEMBER 2004	€ Million
Prisa	125.43
Publishing	23.63
Leisure & Entertainment	12.30
Printing	11.28
El País	9.93
Radio	7.40
Local TV	6.15
Other	19.27
Total	215.39

Prisa's investments which accounted for €125.43 million mainly included the stake increase in Sogecable (€102.77 million) and the acquisition of a 13.24% stake in Grupo Latino de Radio for €16.51 million.

Investments in Santillana are related mainly to prototypes. The investments at El País and at the printing division included rotaries.

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

INVESTMENTS JANUARY-SEPTEMBER 2004	€ Million
Start-up expenses	1.18
Intangible assets	57.71
Tangible fixed assets	27.97
Long-term financial investments	128.53
TOTAL INVESTMENTS	215.39

NET DEBT

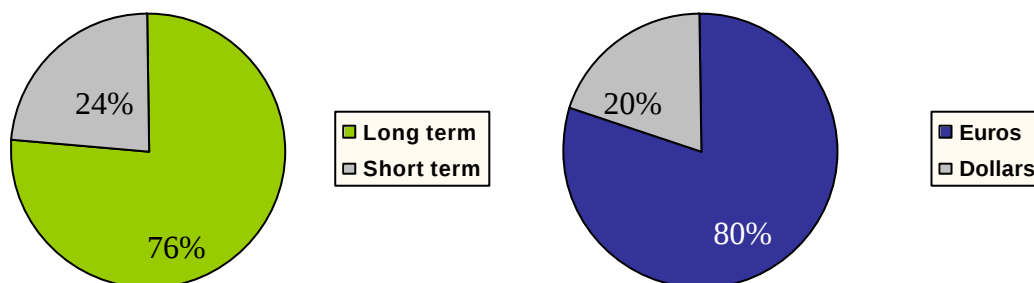
Net debt as of September 30th, 2004 amounts to €619.8 million, in comparison to €516 million as of December 31st, 2003.

NET DEBT 09/30/2004	€ Million
Financial debt	653.37
Long term	495.48
Short term	157.89
Cash and cash equivalents	33.58
Net Debt	619.79

€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. The financial debt amounted to € 653.37 million and additionally, the Group holds open credit facilities for €349.5 million.

The bond coupon was set at 1,75% and since the remaining financial debt is linked to floating interest rates, 25% out of the total debt is kinked to a fixed rate and the remaining 75% to a floating rate.

In addition, long terms debt accounts for 76% of total financial debt. In terms of currency, 80% is denominated in euros and 20% in dollars.



CASH FLOW STATEMENT

€ Million	09/30/2004	09/30/2003
EBIT	158.92	107.31
Depreciation & Amortization	59.67	59.72
Change in Working capital	(60.02)	(55.69)
CAPEX	86.86	63.94
Operating cash flow	71.71	47.40
Financial Investments	128.53	130.39
Financial result	(6.12)	(6.13)
Extraordinary result	(21.29)	(7.07)
Dividends	21.26	18.71
Taxes	23.12	24.77
Other	25.21	1.47
NET DEBT CHANGE	103.4	138.20

The **operating cash flow increased by 51% to €71.71 million**. The higher operating profit contributed to improving the operating cash flow generation.



BUSINESS DIVISIONS PERFORMANCE

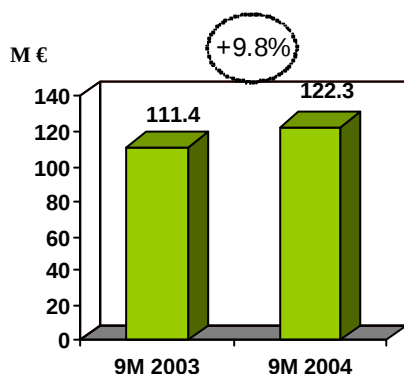
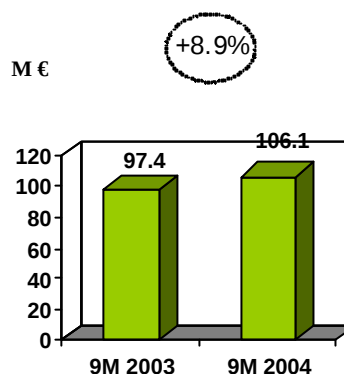
- EBIT at **El País** reaches €91.5 million de euros, increasing 62.1% over the same period of 2003 due to an increase in advertising revenues and to the contribution from promotions. EBIT margin stood at 31.1% against 26.0% in the first nine months of 2003.
- Revenues in the **Spanish Radio division** increased by 7.3%, with a 5.6% increase in advertising revenues. EBIT increased by 17.9%.
- Good performance in **book sales in Santillana**. There have been campaigns in Mexico and Spain during the third quarter of 2004 and both have shown good growth digits.
- EBIT at **Specialized and Regional Press** increased significantly reaching €1.3 million compared to €0.1 million for the same period of 2003. **As** increases its average daily circulation to 204,936 copies and **Cinco Días** improves its operating result.
- **Prisacom** improves its EBIT by 50.2%. Advertising revenues increased by 108% compared to the same period of year 2003.
- **Leisure and Entertainment** reduce its operating losses by 34% due to the assets disposal to Universal.
- 9.2% revenue increase at **International Media**.
- **GDM** improves its operating result by 31.7% compared to the same period for the year before, capturing the strong increase in the advertising market.

REVENUES € Million	JANUARY - SEPTEMBER		
	2004	2003	Chg. %
El País	294.62	216.63	36.0
Specialized & Regional Press	90.12	81.91	10.0
Radio	146.94	136.97	7.3
Local TV	24.61	15.38	60.0
International Media	39.18	35.89	9.2
Education & General Editions	306.74	290.62	5.5
Prisacom	11.75	8.15	44.2
Leisure & Entertainment	52.56	68.85	(23.7)
Printing	55.32	81.92	(32.5)
GDM	73.13	58.34	25.4
Distribution	159.07	142.53	11.6
Other	19.42	14.67	32.4
Consolidation adjustments	(181.13)	(163.10)	11.1
TOTAL	1,092.33	988.76	10.5

EBIT € Million	JANUARY - SEPTEMBER		
	2004	2003	Chg. %
El País EBIT Margin	91.51 31.1%	56.43 26.0%	62.1
Specialized & Regional Press EBIT Margin	1.3 1.4%	0.13 0.2%	-
Radio EBIT Margin	25.32 17.2%	21.49 15.7%	17.9
Local TV EBIT Margin	(10.06) (40.9%)	(8.72) (56.7%)	(15.3)
International Media EBIT Margin	(3.25) (8.3%)	(2.04) (5.7%)	(59.5)
Publishing EBIT Margin	59.69 19.5%	53.70 18.5%	11.2
Prisacom EBIT Margin	(4.12) -	(8.28) -	50.2
Leisure & Entertainment EBIT Margin	(4.41) (8.4%)	(6.69) (9.7%)	34.0
Printing EBIT Margin	0.33 0.6%	4.97 6.1%	(93.3)
GDM EBIT Margin	3.79 5.2%	2.88 4.9%	31.7
Distribution EBIT Margin	1.89 1.2%	0.37 0.3%	-
Adjustments & Other	(3.07)	(6.92)	-
TOTAL Margin	158.92 14.5%	107.31 10.9%	48.1

EL PAÍS

€ Million	JANUARY-SEPTEMBER		Chg. %
	2004	2003	
Operating Revenues	294.62	216.63	36.0
Operating Expenses	193.67	160.20	20.9
EBIT	91.51	56.43	62.1
%/Sales	31.1%	26.0%	
EBITDA	101.09	66.45	52.1
%/Sales	34.3%	30.7%	

Advertising Revenues**Circulation Revenues**

El País has increased its profitability during the first nine months of 2004, and has increased its revenues by 36.0% and its operating profit by 62.1%. EBIT margin was 31.1%.

- **Advertising revenues** increased by 14% during the third quarter of 2004 (July-September), improving the 8.5% growth in the first half of the year. Overall, advertising revenues increased by 9.8%.

- **Circulation revenues** have increased by 8.9%, up to €106.1 million.

	Jan-Sept 2004	Jan-Sept 2003	Chg. %
Average daily circulation	483,863	446,366	8.4
Weekly average circulation	838,682	789,143	6.3

Revenues from promotions have continued increasing, reaching the amount of €64.3 million during the first nine months of the year compared to €5.7 million in the same period of the previous year.



Operating expenses at El País increased in less magnitude than revenues did. Newsprint expenses increased by 4.1% due to higher circulation figures. Paper price declined by 5.6% over the same period of the previous year.

Profitability improved significantly - **EBIT** increased by 62.1% and **EBIT margin** was 31.1%, compared to 26.0% in the same period of 2003. Discounting the effect of promotions⁵, EBIT margin would have been 30.9%.

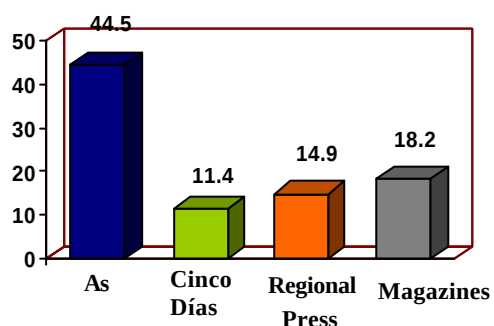
⁵ Promotions in the newspaper have registered an EBIT margin of 31%

SPECIALIZED AND REGIONAL PRESS

€ Million	JANUARY-SEPTEMBER		Chg. %
	2004	2003	
Operating Revenues	90.12	81.91	10.0
Operating Expenses	88.81	81.78	8.6
EBIT	1.31	0.13	-
%/Sales	1.4%	0.2%	
EBITDA	3.56	2.27	57.2
%/Sales	3.9	2.8%	

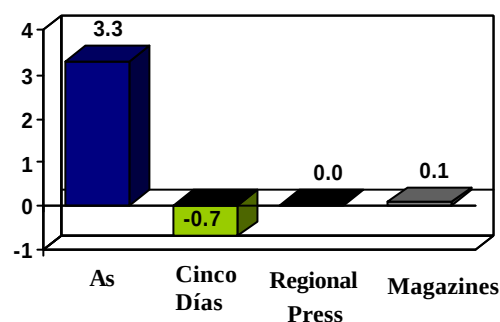
Operating Revenues

M €



EBIT

M €



The increase in revenues experienced by 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 significantly. EBIT reached €1.31 million compared to €0.13 million for the first nine months of year 2003.

- During the first nine months of the year, the key highlights of **Diario AS** were the following:

- 14.0% increase in **advertising revenues** during the period January-September compared to the previous year.
- **Circulation revenues** increased by 7.8%. **Average daily circulation** reached 204,936 copies compared to 202,853 copies during the same period of the previous year, 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** improves its operating result reporting losses of €0.73 million compared to a loss of €2.07 million in the previous year. This improvement can be explained by the advertising revenues increase (+1.9%), and the reduction of the operating expenses by 10.6% as a result of the restructuring initiatives that took place in January 2004.

Average daily circulation increased by 1% reaching 23,304 copies opposite to 23,118 copies in the same period of the previous year.

During September a free special edition of Cinco Días has started to be distributed on Saturdays with several regional and local newspapers.

Regarding **Regional Press**, this division increased advertising revenues by 11.9% and circulation revenues by 10.5%.

In addition, revenues in **Magazines** increased by 18.8%. It should be highlighted the circulation figures of Cinemanía (73,986 copies), Rolling Stones (35,659 copies) and Gentleman (11,917 copies).

RADIO

€ Million	JANUARY-SEPTEMBER		Chg. %
	2004	2003	
Operating Revenues	146.94	136.97	7.3
Operating Expenses	121.62	115.48	5.3
EBIT	25.32	21.48	17.9
%/Sales	17.2%	15.7%	
EBITDA	29.00	25.16	15.2
%/Sales	19.7%	18.4%	

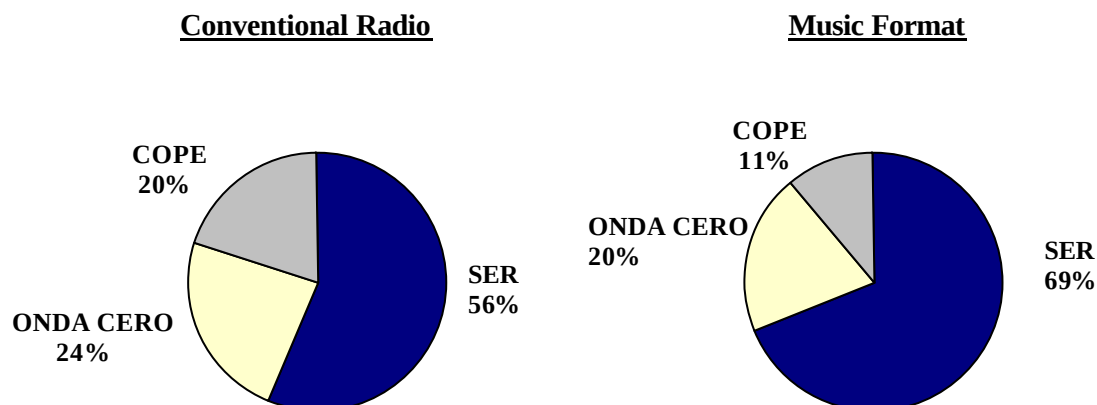
During the first nine months of 2004, revenues in the radio business division in Spain increased by 7.3%.

- **Advertising revenues** increased by 5.6%, up to €130.0 million, driven by the good performance of the advertising market.

EBIT increased by 17.9% compared to the same period the year before.

Regarding audience, the last EGM (Estudio General de Medios) confirmed the leadership of SER, both in conventional and music formats. SER had 5,387,000 listeners, 187,000 more than in the same EGM of 2003.

The audience share of the main radio groups in Spain, both in conventional and radio formulas was as follows:



LOCAL TV

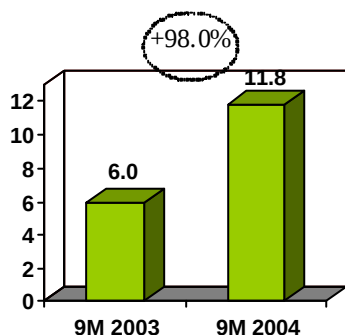
€ Million	JANUARY-SEPTEMBER		Chg. %
	2004	2003	
Operating Revenues	24.61	15.38	60.0
Operating Expenses	34.67	24.10	43.8
EBIT	(10.06)	(8.72)	(15.3)
%/Sales	(40.9%)	(56.7%)	
EBITDA	(7.67)	(6.81)	(12.6)
%/Sales	(31.1%)	(44.3%)	

Revenues of the Local TV recorded a significant growth during the first nine months of the year.

- **Advertising revenues**, (48.1% of operating revenues), increased by 98.0%, up to €11.8 million.
- **Programming sales**, (37.7% of operating revenues), increased by 28.3% reaching €9.3 million.

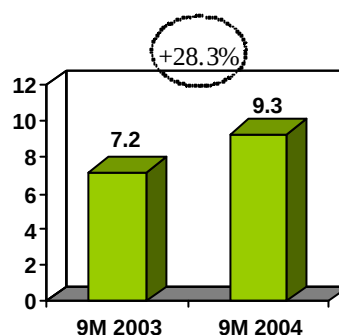
Advertising Revenues

€ M



Programming Sales

€ M



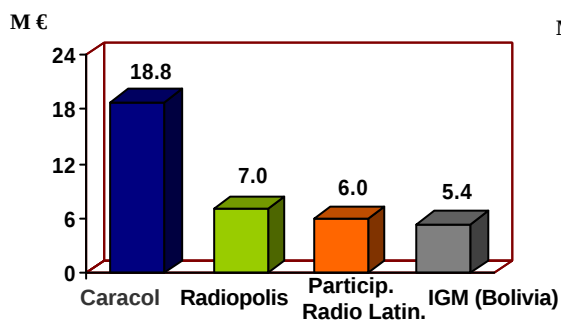
According to Sofres, Localias' cumulated audience up to September reached 11,036,827 viewers, some 3,802,472 viewers more than its main peer.

INTERNATIONAL MEDIA

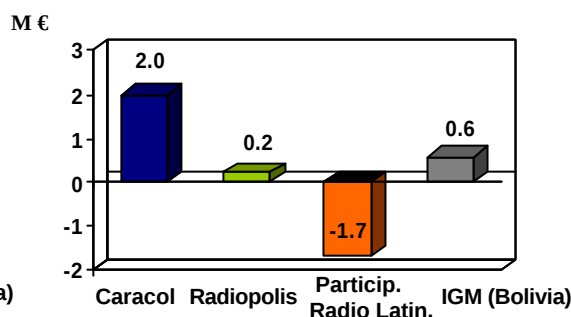
€ Million	JANUARY-SEPTEMBER		Chg. %
	2004	2003	
Operating Revenues	39.18	35.89	9.2
Operating Expenses	42.43	37.93	11.9
EBIT	(3.25)	(2.04)	(59.5)
%/Sales	(8.3%)	(5.7%)	
EBITDA	0.55	1.47	(62.3)
%/Sales	1.4%	4.1%	

The performance of the different businesses within this division was as follows:

Operating Revenues



EBIT



Caracol increased its revenues by 6.8% during the first nine months of the year.

Although reducing its revenues by 8.7%, **Participaciones de Radio Latinoamericana** increased its operating results by 1.6% as a result of the restructuring and cost-cutting initiatives.

The restructuring measures and the changes in the shareholder structure that took place in **Inversiones Grupo Multimedia** in 2003, led to a positive EBIT of €0.6 million in the first nine months of the year, opposite to the operating losses of €0.28 million recorded during the same period of the year before.

Regarding **Radiópolis**, revenues in local currency, increased by 10.4%. Nevertheless, the depreciation on the Mexican peso versus the euro led revenues in euros to decrease by 0.4%.

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,

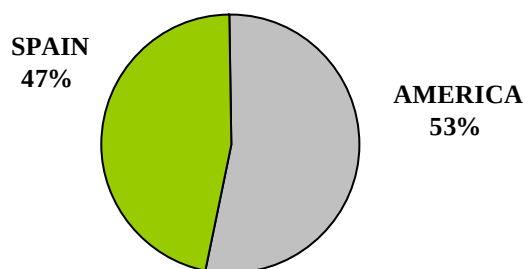
thereby reaching 71 stations in the largest cities of the country. Radiópolis will supply its content related news, entertainment, sports and music with its brands *W Radio*, *40 Principales*, *Ke Buena* and *Bésame Radio*.

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.

PUBLISHING

€ Million	JANUARY-SEPTEMBER		Chg. %
	2004	2003	
Operating Revenues	306.74	290.62	5.5
Operating Expenses	247.04	236.92	4.3
EBIT	59.7	53.70	11.2
%/Sales	19.5%	18.5%	
EBITDA	94.89	88.64	7.1
%/Sales	30.9%	30.5%	

Revenues geographical breakdown (January - September 2004)



Santillana's figures in the first nine months of the year include most of the educational campaigns.

During the first half of the year, campaigns in the Southern cone performed well and revenues increased significantly (especially in Brazil and Argentina)

It is also important to highlight the good performance of the campaigns in the Northern cone (mainly Mexico and Spain) that took place in the third quarter of the year.

By countries, the evolution of the first nine months of the year can be summarized as follows:

- In **Spain**, revenues have increased by 7%.
- In **México**, revenues increased by 17% in local currency but the strong devaluation of the Mexican peso versus the euro led revenues in euros to stay at the same level of the same period of the year 2003.
- In **Brazil**, revenues in euros increased by 22%.

- Regarding **Argentina**, the higher political stability and the improvement of the economic environment in the country boosted textbook sales which increased by 51%.
- In general terms **the rest of the countries** had a good performance.

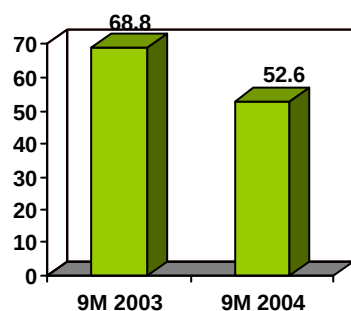
In February 2004, Santillana acquired a 50% stake in the company Suma de Letras. As a result, Santillana owns a 100% of the company. Suma de Letras is a company devoted to publishing pocket editions, and it is present throughout Latin America, where it has subsidiaries in Mexico and Argentina. Additionally,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

LEISURE & ENTERTAINMENT

€ Million	JANUARY-SEPTEMBER		Chg. %
	2004	2003	
Operating Revenues	52.56	68.85	(23.7)
Operating Expenses	56.98	75.54	(24.6)
EBIT	(4.41)	(6.69)	34.0
%/Sales	(8.4%)	(9.7%)	
EBITDA	(0.25)	(2.19)	88.6
%/Sales	(0.5%)	(3.2%)	

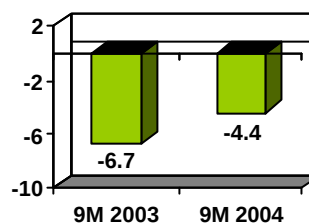
Operating Revenues

M €



EBIT

M €



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.*

Operating losses improved by 34% over the same period of the previous year.

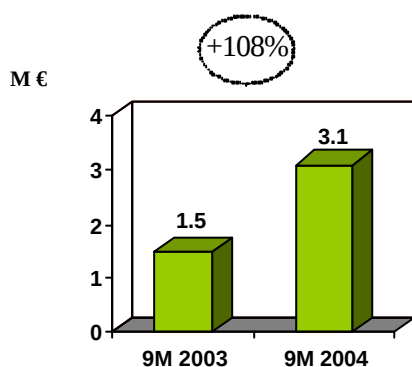


PRISACOM

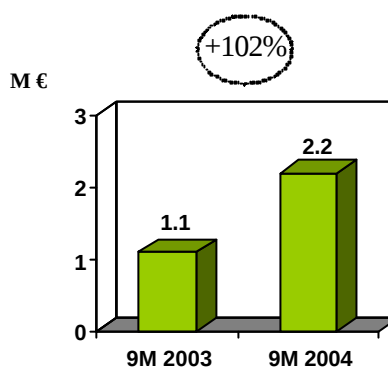
€ Million	JANUARY-SEPTEMBER		Chg. %
	2004	2003	
Operating Revenues	11.75	8.15	44.2
Operating Expenses	15.87	16.43	(3.4)
EBIT	(4.12)	(8.28)	50.2
%/Sales	-	-	
EBITDA	(2.59)	(6.54)	60.4
%/Sales	(22.1%)	(80.2%)	

Prisacom increased its revenues by 44.2% due to the good performance of the advertising market and the content sales.

Advertising Revenues



Content sales



Operating expenses declined by 3.4% y-o-y which led to a 50.2% reduction in operating losses.

In 2003 Prisacom, together with Santillana, began to develop the business of on-line educational platforms and has already reached important agreements both in Spain and Latin America.

In addition, in January 2004 the company Infotecnia⁶ 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.

As of September 2004 the number of paid subscribers in El País.es amounts to 26,226.

⁶ Telephonic information number 11824



MEDIA ADVERTISING SALES (GDM)

€ Million	JANUARY-SEPTEMBER		Chg. %
	2004	2003	
Operating Revenues	73.13	58.34	25.4
Operating Expenses	69.34	55.46	25.0
EBIT	3.79	2.88	31.7
%/Sales	5.2%	4.9%	
EBITDA	4.05	3.20	26.7
%/Sales	5.5%	5.5%	

During the first nine months of the year, the Spanish advertising market continued the upward trend that began in 2003 and it experienced a remarkable growth.

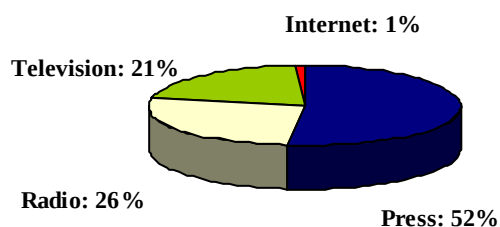
The improvement was shown in every media format of the Group, particularly on TV and general press.

Additionally, the improvement of the advertising market resulted in an increase of margins. EBIT margin reached the level of 5.2%. Net revenues in GDM increased by 11.0% compared to the previous year.

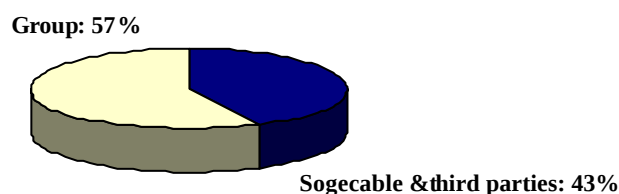
€ Million	JANUARY-SEPTEMBER		
	2004	2003	Chg. %
Advertising Sales	73.13	58.34	25.4
Supplies	57.75	44.48	29.9
Net Advertising Revenues	15.38	13.86	11.0

Out of the total advertising managed by GDM, 43% is related to Sogecable and third parties.

Media Format



Client



PRINTING - DÉDALO

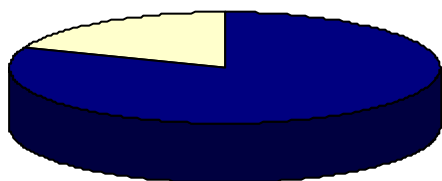
€ Million	JANUARY-SEPTEMBER		
	2004	2003	Chg. %
Operating Revenues	55.32	81.92	(32.5)
Operating Expenses	54.99	76.95	(28.5)
EBIT	0.33	4.97	(93.3)
%/Sales	0.6%	6.1%	
EBITDA	6.25	13.22	(52.7)
%/Sales	11.3%	16.1%	

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

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

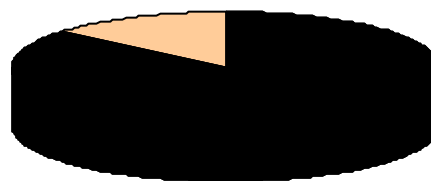
Revenue breakdown by geographic region and by type of client was as follows:

Group: 19%



Third parties: 81%

Exports: 14%



National: 86%

During the first half of 2004 Dédaló has made progress with the organizational and operational integration process that results from a business merger.

For Further Information:

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