Dear shareholders:

Good morning. Thank you for your attendance to this meeting.

Fiscal year 2003 has represented a hard transition period for Antena 3 de Televisión and its group of companies. As the Chairman has already mentioned, last year witnessed significant changes in the shareholding structure of the Company, the incorporation of a new management team, the flotation of the Company and the implementation of an adjustment plan, which was successfully completed, although it underwent some tensions and difficult times.

To this, the poor performance of the advertising market at the beginning of the year, and the weakness of Antena 3 Televisión in terms of audience during the first half of the year must be added. Fortunately, both situations have changed, and the prospects opened to us are notably different.

**Consolidated net revenues** amounted to euro 668 million, a decrease of 0.3% compared with the previous year. To this figure, Antena 3 Televisión contributed with euro 536 million, an increase of 1.5%, and Uniprex with euro 79 million, 3% more than in 2002. The contributions of other companies decreased by 19% and reached the figure of euro 53 million. This decrease is due to a reduction in the turnover of the group, as a consequence of the discontinuance of non profitable activities.

**Operating Expenses** before depreciations amounted to euro 558 million, which represents a decrease of 11% with respect to the previous year. With the exception of staff expenses, all captions show figures lower than those of 2002. Even though this will be reviewed in more detail in the individual accounts, the underlying reasons for this good performance are the following: 1) the first results of the cost containment plans (which were quickly implemented in the second half of the year, at the time of the incorporation of the new management team), 2) the impact of the increase in the costs incurred in 2002 due to the broadcast of the World Cup and 3) the acceleration of the plan to discontinue non profitable businesses.

As a consequence of the above, **EBITDA** reached the figure of euro 111 million compared with euro 43 million in 2002. The margin on Net Revenues has increased from 6% in 2002 to 17% in 2003.
**Profit from Ordinary Activities** reached the figure of euro 64 million, compared with a loss of euro 4 million in the previous year.

**Extraordinary Results** have been especially significant in 2003. To the decisions related to the restructuring of the balance sheet and of the staff adopted last June, the need for making a provision to cover the arbitration award on the contract between Uniprex and Grupo Radio Blanca must be added.

These extraordinary results include:

- Firstly, a provision for stock depreciation of euro 101 million, that corrects the value of the rights of own and third parties’ productions, as indicated in the Financial Statements that served as the basis for the flotation of the Company.

- Secondly, the most significant items are: the cost of the organisational restructuring, especially the one related to the staff, and the concentration of some activities and closing of others during the year, for a net total amount of euro 90 million.

- Finally, the amounts to be paid in accordance with the arbitration award in the proceedings filed by Uniprex and Grupo Radio Blanca have been included. By virtue of it, Uniprex made a provision for risks and expenses for an amount of euro 193 million, that is also recorded in the accounts of Antena 3 Group, since it forms part of the accounting consolidation of the Group.

As you know, despite the fact that the arbitration award is dated 15th March 2004, in accordance with the accounting regulations on “subsequent facts”, the impact must be recorded in the 2003 accounts, since the underlying circumstances occurred before the end of such year, are quantifiable and were declared before the formulation of the annual accounts.

Obviously, these extraordinary results have had a significant impact on losses before tax, which amounted to euro 320 million. Once the fiscal credit derived from such losses has been accounted for, which will be allocated to profits of subsequent years, the consolidated result after tax represented a loss of euro 206 million.

In the context of Antena 3 Televisión, if we review its most evident indicator, the Channel had an average **audience** share in 2003 of 19.5% in terms of total individuals and national total, compared with 20.2% the previous year.
Despite the negative evolution of the annual average, the trend has been very different in the two halves of the year. The second half of the year, with the only exception of October and November, when a fourteen days strike took place, audience in each and every month has exceeded that of the same period of the previous year.

This positive difference has been maintained in the first months of the current year. Thus, the accrued audience share at the end of March was of 20.1%, compared with 19.7% during the same period of 2003.

Improvement in audience cannot be taken as a short term project. Considering the existing competition, what is lost as a result of just one erroneous decision can only be corrected through great efforts and dedication. Obviously, if we are faced to a sudden big success, we take advantage of it as much as possible. But analysis and method, including the trial and error method, improve the results obtained through improvisation and mere talent.

Therefore, our initial task was to give back to the programming grid of Antena 3 the identity and stability lost. Such loss had disconcerted the audience and reduced the adequate level of service for our advertisers.

Big efforts have been made, especially in the context of prime time programming (approximately between 8:30 p.m. and 12:30 p.m.). Evidently, there is a long way ahead. However, we can affirm that Antena 3 has become again a must for many viewers. The stability achieved by the audience of our “Peliculón” on Mondays, and the success of almost all the fiction series released during this month – a success that had been repeatedly denied to series previously broadcast – lead us to think that we are following the correct path.

In this context of audience, **net revenues** for the year amounted to euro 539 million, 5 million more than the figure recorded in 2002.

According to Infoadex estimates, the TV advertising market grew by 6.6% in 2003, compared with the same period of the previous year, and the share of Antena 3 Televisión in such market represented 24.3%.

**Operating expenses** excluding depreciations amounted to euro 426 million, a decrease of 12% compared with 2002. As in the case of the consolidated accounts, all the expenses captions, with the exception of staff expenses, are lower than those of the previous year.

**Program consumption** and others decreased by euro 44 million. From this figure, 20 million are due to the broadcast of the World Cup, which increased
the expenses corresponding to 2002. The rest has been the result of the rationalisation efforts made in the context of the costs of our programming grid, which have been allocated in a more efficient way, and the savings made in those months or timeslots that, considering their income-generating capacity, do not deserve a greater allocation of resources.

The object of the savings plan implemented in the first weeks of Summer was to reach a level of costs compatible with the average profitability margins of the sector, at a time when the advertising market was stagnant and the audience levels were moderate. Its quick implementation has allowed to see the results already in 2003, as evidenced by a decrease of euro 13 million (15%) in other current management expenses.

The evolution of staff expenses, with an increase of 8%, evidences the serious situation we had to face. It was neither an easy nor a pleasant task, but we were firmly convinced of the fact that the staff structure of Antena 3 after the second quarter of last year was untenable in the medium term and, of course, incompatible with any legitimate aspiration of turning Antena into a competitive and profitable TV channel.

Therefore, we decided to implement redundancy measures, which is the system foreseen by the legislation in force to make significant staff reductions. Furthermore, this is the most transparent manner to negotiate with workers and their representatives in order to achieve an agreement reasonable for the parties and with guarantees for all those affected. Part of the staff did not understand this approach, and what was started with the aim of reaching an amicable and well balanced agreement for all of them resulted into the summoning of a 14-day strike. Due to the absence of an agreement, the labour authorities had to pass a resolution, which favoured the position of the Company.

Considering the date of such resolution, the cost of the previous structure had to be borne during almost the whole 2003. Consequently, staff expenses increased from 20% of operating expenses, excluding depreciations, in 2002, to 24% in 2003.

**EBITDA** reached euro 113 million, compared with euro 53 million in 2002. This improvement has represented an improvement in the margin on sales, which increased from 10% in 2002 to 21% in 2003.

These figures evidence that, despite the fact that this was a transition year, from an operational point of view, very significant improvements have been achieved, and the negative trend of 2001 and 2002 has been corrected. It should be pointed out that this has occurred in a situation when the advertising market,
even though having improved, was still far away from other very favourable times. It suffices to say that advertising income in 2003 only represented 88% of the record figure reached by Antena 3 in year 2000.

Turning to the radio business, which we manage through our company Uniprex, and in the context of the audience recorded in the third wave of the Estudio General de Medios in 2003, Onda Cero consolidated a second position in the ranking of generalist radio, with 2,154,000 listeners, which represents an increase of almost 3% over the third wave of year 2002. This positive trend has been maintained in the first wave of the current year, since the figure of 2,5 listeners was exceeded, i.e. 307,000 above the first wave of 2003.

Net revenues amounted to euro 83 million, a 9% more than those of 2002, and well above the growth prospects of the radio advertising market, of 4.8% according to Infoadex. It should be noted the growth in local advertising sales, as a result of the incorporation of new broadcasting stations.

Operating expenses, of euro 80 million, experienced a decrease of 1% compared with the previous year, basically due to the renegotiation of production and co-operation contracts. Savings in this caption were partially offset by the increase in staff expenses, as a result of the incorporation of the new broadcasting stations mentioned before.

EBITDA showed a positive figure of euro 3.5 million, compared with a loss of euro 3.6 million in 2002.

The introduction of severe management rules in the second half of 2003 has allowed to improve the results of Uniprex. However, such results are not satisfactory yet, and it will be necessary to work hard, as in the case of TV, to achieve a radio network with satisfactory levels in terms of quality and profitability.

In order to reach these objectives, a feasibility plan has been recently implemented. The starting point of this plan is to maintain the financial stability of the Company, that we are submitting to this Meeting for approval. This includes the restructuring of the staff (in this respect, I am pleased to inform you that yesterday, 11th May, an agreement was reached by the negotiation board, which is subject to ratification by the workers’ meeting to be held next Friday). The plan also considers the implementation of a new collective agreement and the transfer of the work centre of Madrid to the facilities available at the headquarters of Antena 3, located at San Sebastián de los Reyes. This transfer will represent significant savings in rents, and the integration of the radio and TV support areas, thus increasing their efficiency and reducing their costs.
Extraordinary results in 2003 amounted to euro 234 million. The major part of this figure corresponds to the amounts to be paid as a result of the award passed following the arbitration proceedings filed by Uniprex and Grupo Radio Blanca.

Similarly, the goodwill of some companies with a profitability lower than the one foreseen at the time of their acquisition has been subject to an early depreciation. Additionally, the amounts paid and the amounts foreseen for indemnities to professionals, co-operators and staff have been included.

The inclusion of the provision for such arbitration award in the 2003 accounts has represented that Uniprex is now affected by the provisions set out in Art. 260 of the Corporations Law, which establishes that a company must be wound up unless its capital stock is increased or decreased, as appropriate, or other resolutions are adopted to recover the net worth balance. For this reason, a series of measures that guarantee the net worth stability of the company are submitted to this Meeting for approval.

From a strategic point of view, we believe that the presence of our group in the advertising markets of TV, radio, commercial theatres and the Internet, as it currently happens, enables us to enjoy a unique position within the Spanish advertising market as a whole. The first steps taken with the integration of the commercial areas lead us to think that we will be able to offer better services to our advertisers and, in turn, to obtain very favourable results.

From a financial point of view, we consider that the feasibility plan for the radio channel will allow Uniprex to enjoy a permanent profitability, generating cash flows that will largely offset the disbursement necessary to maintain our presence in the sector.

In the context of the remaining minor activities, I only wish to highlight the decision of discontinuing those businesses that were created or purchased in the last years and which offer little or no profitability at all. I sincerely believe that it is currently unavoidable to focus our financial and management efforts on the main activities of the group. I also believe that the development activities will play an increasingly significant role in the future. Prudence, a staggered management of the different phases, and the demanding efforts of the new businesses to be faced will serve as the guidelines to learn from our own past experience as a group.

I wish now to make a brief reference to the flotation of our company. In first instance, for the efforts that represented to arrange the operation immediately after the change in the management and simultaneously with the preparation of the new action plans. But, above all, for the success it has represented. Both
the contracting volume and the evolution of the price evidence that Antena 3 has quickly reached a significant place in the Spanish Stock Exchange Market. This evidences the confidence granted by old and new investors to this project. The Board of Directors and the Management Team are committed to meet all their expectations and to reward the confidence granted.

I would like to think that I have been able to explain the complexity of year 2003. In this year we have had to face big changes and overcome significant obstacles, but we have also had some satisfactions.

The figures corresponding to the first quarter of the current year, recently published, show a significant improvement. I have already mentioned the progress made in terms of audience, but the evolution of the main economic magnitudes is also very noticeable.

I previously mentioned that Antena 3 Televisión had enjoyed a market share of 24.3% in 2003. Now, during the first three months of the year, this figure has increased to 26%.

The strength of the advertising market and the increase of our participation in such market has allowed us to reach a growth of 15% in consolidated net sales, and of 20% in the case of TV.

At the same time, we have reduced consolidated operating expenses by 7%. This way, it has been possible to obtain a consolidated EBITDA of euro 39 million, a figure that is almost eight times higher than that of the first quarter of 2003.

These excellent results have represented a high positive cash flow, as evidenced by the evolution of our indebtedness. At the end of 2003, our net financial debt amounted to euro 94 million, but as at 31st March this year, the figure was only of 39 million. Furthermore, we have overdraft facilities available for euro 186 million. Our indebtedness capacity, along with the generation of funds from our businesses, will allow us to face our commitments and future investment plans without problems.

I am confident that it will be possible to continue offering you data as positive as the ones I have just commented. For this purpose, we have a group that enjoys unique qualities. Our activities are focused on sectors that offer good prospects for the future. We enjoy a privileged position within the markets in which we operate, as well as a highly skilful professional team, to whom I sincerely wish to express my gratitude for their efforts and dedication.
And to you, dear Shareholders, I wish to thank the confidence deposited on us and, as I have just said, our efforts will continue to be focused on your interests and on converting Antena 3 Group into a reference for the Spanish audiovisual market.

Thank you.