



# Antena 3

## **FINANCIAL RESULTS**

**30th September 2003**

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## 1. ANTENA 3 GROUP

### 1.1 Consolidated Profit and Loss Account

€Thousand	Jan-Sep 2003	Jan-Sep 2002	Change%
revenues	433,845	442,060	-1.9%
Other revenues	25,070	24,581	2.0%
<b>NET REVENUES</b>	<b>458,915</b>	<b>466,641</b>	<b>-1.7%</b>
<b>OPERATING EXPENSES</b>	<b>408,362</b>	<b>478,211</b>	<b>-14.6%</b>
<b>EBITDA</b>	<b>50,553</b>	<b>(11,570)</b>	<b>n/a</b>
Depreciation	22,140	20,371	8.7%
<b>Operating Results</b>	<b>28,413</b>	<b>(31,941)</b>	<b>n/a</b>
Financial Income	(3,855)	(1,859)	107.4%
Profit sharing of companies accounted for by the equity method	(225)		-
Depreciation of Goodwill	(8,870)	(10,880)	-18.5%
<b>Results from Ordinary Activities</b>	<b>15,463</b>	<b>(44,680)</b>	<b>n/a</b>
Extraordinary Income	(171,287)	(42,170)	306.2%
<b>Consolidated Income before Tax</b>	<b>(155,824)</b>	<b>(86,850)</b>	<b>79.4%</b>
Corporate Taxes	(50,271)	(36,174)	39.0%
<b>Consolidated Net Income</b>	<b>(105,553)</b>	<b>(50,676)</b>	<b>108.3%</b>
Income attributable to minority interests	(312)	46	n/a
<b>Income attributable to the dominant company</b>	<b>(105,241)</b>	<b>(50,722)</b>	<b>107.5%</b>

### 1.2 Contribution to consolidated Net Revenues and EBITDA

€Thousand	Jan – Sep 2003	% on total	Jan – Sep 2002	% on total
	<b>Revenues</b>		<b>Revenues</b>	
ANTENA 3 TELEVISION	368,490	80.3%	369,347	79.2%
UNIPREX	56,994	12.4%	54,023	11.3%
OTHER	33,431	7.3%	43,271	9.3%
<b>TOTAL</b>	<b>458,915</b>	<b>100.0%</b>	<b>466,641</b>	<b>100.0%</b>
	<b>EBITDA</b>		<b>EBITDA</b>	
ANTENA 3 TELEVISION	59,661	118.0%	853	-7.4%
UNIPREX	(3,359)	-6.6%	(4,975)	43.0%
OTHER	(5,749)	-11.4%	(7,448)	64.4%
<b>TOTAL</b>	<b>50,553</b>	<b>100.0%</b>	<b>(11,570)</b>	<b>100.0%</b>

## 1.3 Consolidated Balance Sheet

€Thousand	30th September 2003	31st December 2002
<b>ASSETS</b>		
Uncalled Capital	361	0
Start-up expenses	19,767	21,678
Net fixed assets	146,361	174,183
Treasury stock	2,933	2,933
Public Administrations	28,076	7,183
<b>TOTAL FIXED ASSETS</b>	<b>197,498</b>	<b>205,976</b>
<b>CONSOLIDATED GOODWILL</b>	<b>140,422</b>	<b>144,743</b>
<b>INCOME TO BE DISTRIBUTED IN SEVERAL YEARS</b>	<b>1,632</b>	<b>1,847</b>
Inventories	209,657	304,950
Accounts receivable	200,985	221,158
Cash and equivalent	25,486	35,691
Accruals and prepayments	3,826	3,535
<b>Total CURRENT ASSETS</b>	<b>439,954</b>	<b>565,334</b>
<b>TOTAL ASSETS</b>	<b>779,506</b>	<b>917,900</b>
<b>LIABILITIES</b>		
Capital stock	166,668	166,668
Legal reserves	33,334	33,334
Other reserves	258,572	288,550
Exchange rate differences	(2,388)	
Profit (loss) attributable to the dominant company	(105,241)	(30,037)
<b>Total SHAREHOLDERS' EQUITY</b>	<b>350,945</b>	<b>457,846</b>
<b>EXTERNAL SHAREHOLDERS</b>	<b>1,303</b>	<b>1,989</b>
<b>INCOME TO BE DISTRIBUTED IN SEVERAL YEARS</b>	<b>2</b>	<b>-</b>
<b>PROVISIONS FOR RISKS AND EXPENSES</b>	<b>78</b>	<b>18</b>
Debts with credit entities	112,540	128,721
Other long term creditors	2,771	4,862
<b>Total LONG TERM CREDITORS</b>	<b>115,311</b>	<b>133,583</b>
Debts with credit entities	33,592	21,724
Total trade creditors	129,075	170,196
Creditor group and associated companies	3,606	45,769
Public Administrations	10,134	12,304
Other non trade accounts payable	14,290	10,285
Other provisions	119,885	63,469
Accruals and prepayments	1,285	717
<b>Total SHORT TERM CREDITORS</b>	<b>311,867</b>	<b>324,464</b>
<b>TOTAL LIABILITIES</b>	<b>779,506</b>	<b>917,900</b>

## 1.4 Comments on Antena 3 Group

### 1.4.1 Net Revenues

Net revenues amounted to euro 458.9 million, which represents a decrease of 1.7 compared with the previous year.

Antena 3 Televisión represents 80.3% of net revenues, compared with 79.2% during the previous year. The contribution of UNIPREX increased from 11.6% to

12.4% and the contribution of Others decreased as a result of the process initiated several months ago to discontinue certain activities.

### **1.4.2 Operating Expenses**

Operating expenses decreased by 14.6% during the January-September period compared with the same period of the previous year. In June 2002, the Football World Cup was broadcast and its high cost had a significant influence on such reduction.

### **1.4.3 EBITDA**

EBITDA reached a positive figure of euro 50.6 million, compared with a loss of euro 11.6 million between January and September 2002.

### **1.4.4 Results from ordinary activities**

Profit from ordinary activities during the January-September period amounted to euro 15.5 million, compared with a loss of euro 44.7 million during the same period of the previous year. Net financial expenses increased as a consequence of the indebtedness incurred as a result of the acquisition of UNIPREX. The depreciation of goodwill decreased owing to the clearing off, carried out in fiscal year 2002, of the goodwill corresponding to different companies of the group.

### **1.4.5 Extraordinary Results**

Extraordinary results basically correspond to Antena 3 TV which, during the first half of 2003, has recorded a provision for depreciation of stock of euro 101.4 million that corrects the value of the rights on programmes of own and third parties' production.

Additionally, provisions have been accounted for to face eventual liabilities or liabilities related to guarantees granted by the group, disputes, indemnities and pending liabilities of an uncertain amount, and to cover estimated eventual losses.

### **1.4.6 Financial debt**

As at 30th September, the Net Financial debt of Antena 3 Group amounted to euro 120.6 million, compared with euro 114.8 million as at 31st December 2002. This increase is basically related to payments to suppliers and the final payment for the acquisition of UNIPREX.

## 2. ANTENA 3 TELEVISION

### 2.1 PROFIT AND LOSS ACCOUNT

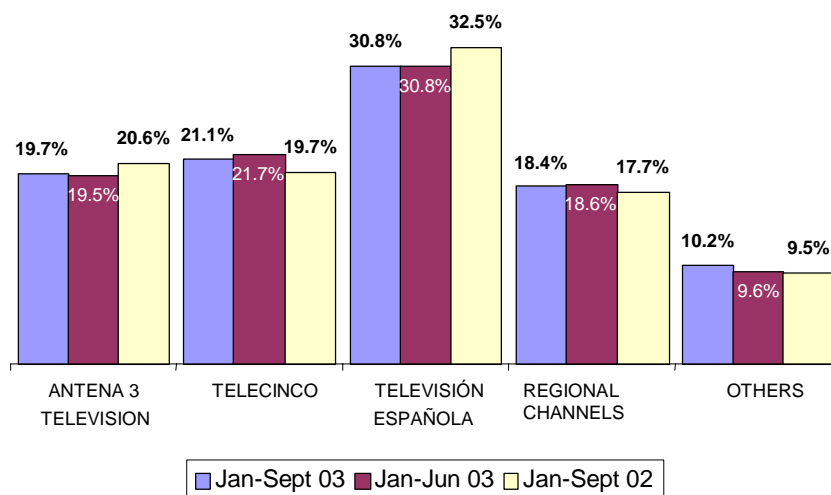
€Thousand	Jan-Sep 2003	Jan-Sep 2002	Evolution
<b>revenues</b>	<b>349,055</b>	<b>354,343</b>	<b>-1.5%</b>
Other revenue	21,193	19,063	11.2%
<b>NET REVENUES</b>	<b>370,248</b>	<b>373,405</b>	<b>-0.8%</b>
<b>OPERATING EXPENSES</b>	<b>310,588</b>	<b>372,552</b>	<b>-16.6%</b>
<b>EBITDA</b>	<b>59,660</b>	<b>853</b>	<b>n/a</b>
Depreciation	15,470	14,310	8.1%
<b>Operating results</b>	<b>44,190</b>	<b>(13,457)</b>	<b>n/a</b>
Financial results	(3,024)	1,713	n/a
<b>Result from Ordinary Activities</b>	<b>41,167</b>	<b>(11,744)</b>	<b>n/a</b>
Extraordinary results	(181,837)	(63,694)	185.5%
<b>Income before tax</b>	<b>(140,670)</b>	<b>(75,438)</b>	<b>86.5%</b>
Corporate Taxes	(34,238)	(26,554)	28.9%
<b>Net Income</b>	<b>(106,432)</b>	<b>(48,884)</b>	<b>117.7%</b>

## 2.2 Comments on Antena 3 Televisión

### 2.2.1 Evolution of Audience

The average audience accrued during the January-September period has been of 19.7%, one percentage point lower than the same period of 2002. In Summer, the audience has experienced a significant improvement after applying certain corrective measures to offer a more stable and competitive programming schedule. This is evidenced by the increase of 0.2 percentage points in the accrued audience in Summer, with an average audience of 19.5% during the first half of the year.

AUDIENCE SHARE



Source SOFRES

**2.2.2 Net Revenues**

Net revenues amounted to euro 370 million, a decrease of 0.8% compared with the first nine months of 2002. The decrease in the audience is a result of such decrease. However, its better evolution during the third quarter has resulted in an immediate increase in revenue compared with the same period of the previous year.

According to internal estimates, the TV advertising market grew a 4% between January and September 2003, compared with the same period of the previous year. Antena 3 Televisión’s share was 25.1%, a figure lower than that of the previous year owing to a lower audience.

**2.2.3 Operating Expenses**

Accrued operating expenses amounted to euro 310.6 million, a decrease of 16.6% compared with the same period of the previous year. The high costs derived from the broadcast of the 2002 Football World Cup have had a significant influence in such decrease, even though additional savings in costs have been achieved, especially during the third quarter.

**2.2.4 EBITDA**

EBITDA accrued as at 30th September 2003 reached euro 59.6 million, compared with the figure of euro 0.9 million during the same period of the previous year. This improvement is a direct consequence of the reduction in the operating expenses.

### **2.2.5 Extraordinary Results**

Extraordinary results basically are due to the fact that during the first half of 2003 the company has recorded a provision for depreciation of stock of euro 101.4 million that corrects the value of the rights on programmes of own and third parties' production.

Additionally, provisions have been accounted for to face eventual liabilities or liabilities related to guarantees granted by the group, disputes, indemnities and pending liabilities of an uncertain amount, and to cover estimated eventual losses.

### 3. UNIPREX

#### 3.1 PROFIT AND LOSS ACCOUNT

€ Thousand	Jan-Sep 2003	Jan-Sep 2002	Evolution
<b>Net turnover</b>	<b>53,182</b>	<b>49,954</b>	<b>6.5%</b>
Other revenues	3,552	4,069	-12.7%
<b>NET REVENUES</b>	<b>56,734</b>	<b>54,023</b>	<b>5.0%</b>
<b>OPERATING EXPENSES</b>	<b>60,093</b>	<b>58,998</b>	<b>1.9%</b>
<b>EBITDA</b>	<b>(3,359)</b>	<b>(4,975)</b>	<b>-32.5%</b>
Depreciation	4,986	4,675	6.7%
<b>Operating results</b>	<b>(8,345)</b>	<b>(9,650)</b>	<b>-13.5%</b>
<b>Financial result</b>	<b>(437)</b>	<b>(3,180)</b>	<b>-86.3%</b>
<b>Result from Ordinary Activities</b>	<b>(8,782)</b>	<b>(12,830)</b>	<b>-31.6%</b>
<b>Extraordinary results</b>	<b>(29,607)</b>	<b>(5,500)</b>	<b>438.3%</b>
<b>Income before tax</b>	<b>(38,389)</b>	<b>(18,330)</b>	<b>109.4%</b>
Corporate Taxes	(12,281)		
<b>Net Income</b>	<b>(26,108)</b>	<b>(18,330)</b>	<b>42.4%</b>

#### 3.2 Comments on UNIPREX

As at 30th September 2003, UNIPREX net sales increased by 5% compared with the same period of the previous year as a result of the improvement in income - especially in local advertising - due to the incorporation of new stations.

Operating expenses have experienced a growth of 1.9% with respect to the expenses accrued as at September 2002. This increase is the consequence of staff expenses (incorporation of new stations), advertising expenses and trade provisions. The remaining expenses experienced a reduction.

Compared with the previous year, the EBITDA of UNIPREX increased by 32.5% as a result of an improvement in net sales.

Extraordinary results accrued as at September 2003 amounted to euro 29.6 million. The major part of this amount corresponds to a provision made for the amount pending depreciation of the start-up expenses, related to the amount paid by virtue of the agreement reached with the Radio Blanca Group, according to which, a new radio network was established in 2002. UNIPREX cooperates in its management through the contribution with technical resources, support to certain expenses and the commercial management of the network, in exchange of a percentage of its advertising income.

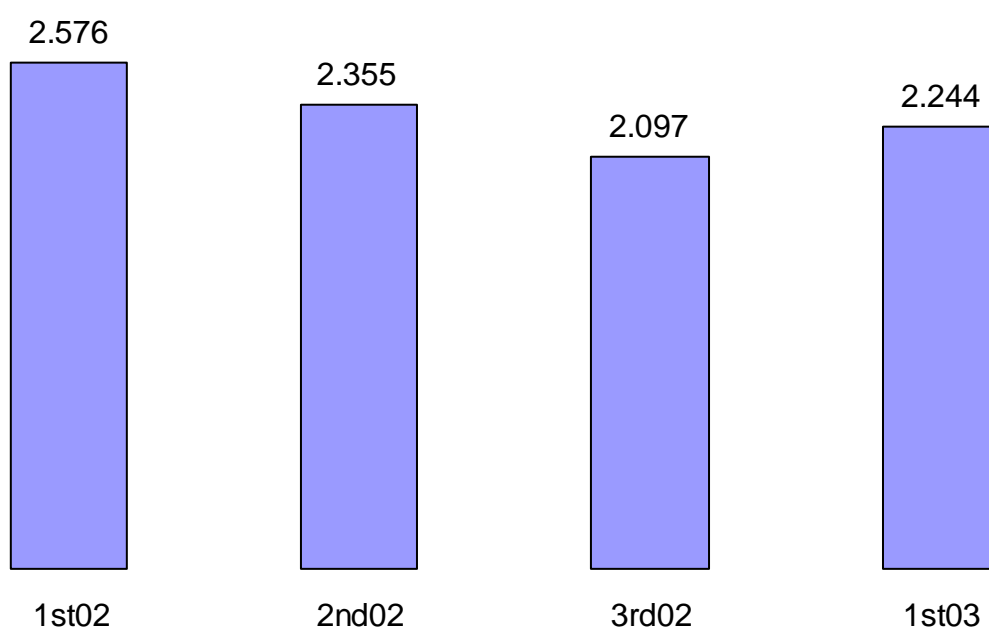
Furthermore, the goodwill of certain companies with a profitability lower than the one expected at the time of their acquisition has been the object of an earlier

depreciation. Additionally, the amounts of severance payments made to certain professionals and co-operators during this period have been included.

### 3.2.1 Evolution of Audience

In the second wave of the EGM, Onda Cero Network has experienced a strong consolidation and now ranks second among the mainstream radio stations. This is due to the fact that, despite having experienced a decrease of 1.2% compared with the previous wave, the network maintains a level of 2,216,000 listeners.

ONDA CERO - E.G.M. Waves 2002-2003



Source: EGM

## 4. OTHERS

### 4.1 Contribution to Net Revenues and EBITDA

The degree of contribution of Other Activities has evolved as follows:

€Thousand	Jan-Sep 2003	Jan-Sep 2002	& Change
<b>Net Revenues</b>	<b>33,431</b>	<b>43,271</b>	<b>-22.2%</b>
<b>% on A3 Group Income</b>	<b>7.3%</b>	<b>9.3%</b>	
<b>Ebitda</b>	<b>(5,749)</b>	<b>(7,448)</b>	<b>-22.8%</b>
<b>% on A3 Group Ebitda</b>	<b>-11.4%</b>	<b>64.4%</b>	

As at 30th September 2003, net sales of Movierecord represented 55.6% of the rest of the group. In terms of EBITDA, the contribution is of 48.6%.

Compared with the previous year, Movierecord EBITDA has experienced an increase of 62.6%, since net sales have decreased by 7.7% as a result of the market lethargy of this advertising support. However, operating expenses have experienced a significant reduction as a result of the strong cost containment policy.

The decrease in the contribution of the remaining companies is due to the process of discontinuance of activities initiated months ago.