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GRUPO RADIO CENTRO SA DE CV

Form 6-K

February 28, 2005

CONFORMED

Securities and Exchange Commission  
Washington, D.C. 20549

FORM 6-K

Report of Foreign Issuer  
Pursuant To Rule 13a-16 or 15d-16  
of The Securities Exchange Act of 1934

For the month of February, 2005

Commission File Number 1-12090

GRUPO RADIO CENTRO, S.A. de C.V.  
(Translation of Registrant's name into English)

Constituyentes 1154, Piso 7  
Col. Lomas Altas, Mexico D.F. 11954  
(Address of principal office)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

(Check One) Form 20-F  Form 40-F

(Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

(Check One) Yes  No

(If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b). 82-\_\_.)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Grupo Radio Centro, S.A. de C.V.  
(Registrant)

Date: February 25, 2005

By: /s/ Pedro Beltran Nasr

Name: Pedro Beltran Nasr  
Title: Chief Financial Officer

GRUPO RADIO CENTRO REPORTS FOURTH QUARTER AND YEAR-END RESULTS FOR THE PERIOD  
ENDED DECEMBER 31, 2004

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MEXICO CITY, Feb. 25 /PRNewswire-FirstCall/ -- Grupo Radio Centro, S.A. de C.V. (NYSE: RC) (BMV: RCENTRO-A) (the "Company"), Mexico's leading radio broadcasting company, announced today its results of operations for the fourth quarter and year ended December 31, 2004. All figures were prepared in accordance with generally accepted accounting principles in Mexico and have been restated in constant pesos as of December 31, 2004.

For the fourth quarter of 2004, broadcasting revenue was Ps. 185,035,000, representing a decrease of 15.0% compared to Ps. 217,589,000 reported for the same period of 2003. This decrease was mainly due to the loss of revenue that had been generated in 2003 by broadcasting news programs provided by a third party, revenue the Company ceased receiving after news broadcasts ended in the first quarter of 2004.

The Company's broadcasting expenses (excluding depreciation, amortization and corporate, general and administrative expenses) for the fourth quarter of 2004 were Ps. 90,827,000, representing a decrease of 30.7% compared to Ps. 131,069,000 reported for the same period of 2003. This decrease was mainly attributable to lower production costs resulting from the cancellation at the end of the first quarter of 2004 of news programming produced by a third party.

For the fourth quarter ended December 31, 2004, the Company reported broadcasting income (i.e., broadcasting revenue minus broadcasting expenses, excluding depreciation, amortization and corporate, general and administrative expenses) of Ps. 94,208,000, representing an increase of 8.9% compared to broadcasting income of Ps. 86,520,000 reported for the same period in 2003. This increase was mainly attributable to the decrease in the Company's broadcasting expenses as a result of the cancellation of news programs that a third party formerly produced for the Company.

Depreciation and amortization for the fourth quarter of 2004 amounted to Ps. 27,025,000, a 15.1% decrease compared to Ps. 31,837,000 reported for the same period of 2003. This reduction was mainly due to the goodwill write-off in connection with a Company subsidiary during the fourth quarter of 2003.

For the fourth quarter of 2004, the Company's corporate, general and administrative expenses were Ps. 6,752,000, compared to Ps. 22,339,000 reported for the same period of 2003. This 69.8% decrease was due to the discontinuance of expenses previously related to a news production contract that the Company formerly had with a third party.

As a result of the decrease in expenses, which more than offset the decrease in broadcasting revenues, the Company reported operating income of Ps. 60,431,000 for the fourth quarter of 2004, representing an 86.8% increase compared to operating income of Ps. 32,344,000 reported for the same period of 2003.

In the fourth quarter of 2004, the Company reported comprehensive financing income of Ps. 5,000, compared with a comprehensive financing cost of Ps. 7,822,000 reported for the fourth quarter of 2003. This result was primarily attributable to (i) a gain in net monetary position of Ps. 8,497,000 for the fourth quarter of 2004 compared to a loss of Ps. 1,882,000 for the same period in 2003 and (ii) an increase in foreign currency exchange gain, net, to Ps. 2,929,000 for the fourth quarter of 2004 from Ps. 254,000 for the same period in 2003. The change with respect to net monetary position was due to higher net monetary liabilities for the fourth quarter of 2004 that resulted from the recording of a provision at the end of 2003 related to the Company's arbitration proceeding. The increase in foreign currency exchange gain, net, was due

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principally to the appreciation of the peso relative to the dollar. The factors leading to the decrease in the Company's comprehensive financing cost were partially offset by an increase in interest expense for the fourth quarter of 2004 due to the fact that the Company began recording interest relating to its contingent liability provision in 2004.

For the fourth quarter of 2004, other expenses, net, were Ps. 10,249,000, compared to Ps. 15,360,000 reported for the same period in 2003. This 33.3% decrease was attributable to the recognition of income that resulted from the reappraisal of certain real estate assets of the Company.

The Company reported income before extraordinary item and provisions for income tax and employee profit sharing of Ps. 50,187,000 for the fourth quarter of 2004, compared to Ps. 9,162,000 reported for the same period of 2003. The Company reported income before provisions for income tax and employee profit sharing of Ps. 50,187,000 for the fourth quarter of 2004, in contrast to a loss of Ps. 349,228,000 for the same period of 2003. The loss in the fourth quarter of 2003 was attributable to the Ps. 358,390,000 extraordinary item charge related to the arbitration.

For the fourth quarter of 2004, the Company recorded provisions for income tax and employee profit sharing of Ps. 19,529,000, compared to a reduction in provisions of Ps. 40,071,000 for the same period of 2003.

As a result of the foregoing, the Company's net income for the fourth quarter of 2004 was Ps. 30,658,000, compared to a net loss of Ps. 309,157,000 reported for same period of 2003.

### Twelve-Month Results

For the year ended December 31, 2004, broadcasting revenue was Ps. 551,608,000, a 36.4% decrease compared to Ps. 867,913,000 reported for 2003. This decrease was mainly attributable to a decline in political party advertising expenditures following the July 2003 congressional elections, as well as the termination of a former news program at the end of the first quarter of 2004.

The Company's broadcasting expenses (excluding depreciation, amortization and corporate, general and administrative expenses) for 2004 were Ps. 386,528,000, a 25.6% decrease compared to Ps. 519,216,000 reported for the year ended December 31, 2003. This decrease was primarily attributable to lower production costs for news programming, which a third party produced for the Company until the end of the first quarter of 2004.

Broadcasting income (i.e., broadcasting revenue minus broadcasting expenses, excluding depreciation, amortization and corporate, general and administrative expenses) for 2004 was Ps. 165,080,000, representing a decrease of 52.7% from the Ps. 348,697,000 reported for the year ended December 31, 2003. This decrease was primarily attributable to the decrease in broadcasting revenue resulting from the decrease in political advertising in 2004 compared to 2003.

Depreciation and amortization for 2004 was Ps. 97,873,000, a decrease of 18.0% compared to Ps. 119,291,000 reported for the year ended December 31, 2003. This decrease was mainly due to the goodwill write-off in connection with a Company subsidiary during 2003.

The Company's corporate, general and administrative expenses for 2004 were Ps. 21,406,000, a decrease of 66.2% compared to Ps. 63,307,000 reported for 2003. This decrease occurred primarily because the Company paid lower fees during 2004 to a third party after it ceased producing news programs for the Company.

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For 2004, the Company reported operating income of Ps. 45,801,000 compared to operating income of Ps. 166,099,000 reported for 2003. Lower political revenues for 2004 contributed to this 72.4% decrease.

The Company's comprehensive financing cost for 2004 was Ps. 18,177,000, a decrease of 47.5% from the comprehensive financing cost of Ps. 34,606,000 reported for 2003. This result was primarily attributable to (i) a gain in net monetary position of Ps. 15,475,000 for 2004 compared to a loss of Ps. 326,000 for 2003 due to higher net monetary liabilities for 2004 and (ii) a decrease in foreign currency exchange loss, net, which fell to Ps. 2,533,000 for 2004 from Ps. 6,798,000 for 2003. The factors leading to the decrease in the Company's comprehensive financing cost were partially offset by an increase in interest expense for 2004.

Other expenses, net, for the year ended December 31, 2004 were Ps. 46,181,000, a 33.5% decrease compared to Ps. 69,407,000 reported for 2003. This decrease is attributable to (i) the recognition of income in 2004 following the reappraisal of certain real estate assets of the Company, (ii) severance payments made during the first quarter of 2003 in connection with personnel reductions and (iii) lower expenses in 2004 due to the termination of operations in 2003 of certain Internet-related subsidiaries of the Company.

The Company reported a loss before extraordinary item and provisions for income tax and employee profit sharing for 2004 of Ps. 18,557,000, in contrast to income of Ps. 62,086,000 reported for 2003.

For 2004, the Company recorded provisions for income tax and employee profit sharing of Ps. 19,727,000, compared to a reduction in provision for income tax and employee profit sharing of Ps. 37,750,000 for 2003.

As a result of the foregoing, the Company had a net loss of Ps. 38,284,000 for the year ended December 31, 2004, compared to net loss of Ps. 258,554,000 for 2003.

### Other Matters:

From December 31, 2003 to December 31, 2004, the Company decreased its total bank debt from Ps. 238.2 million to Ps. 169.8 million as a result of scheduled payments.

On November 11, 2004, the Company announced that Civil Judge 63 of the Federal District Superior Tribunal of Justice set aside the arbitration award that was issued on January 30, 2004, against Grupo Radio Centro by an arbitration panel established under the rules of the International Chamber of Commerce. This decision is subject to review, and other legal procedures that have been or may be initiated by the parties under Mexican law.

### Company Description:

Grupo Radio Centro owns and/or operates 14 radio stations, 11 of which are located in Mexico City. The Company's principal activities are the production and broadcasting of musical and entertainment programs, talk shows, news and special events programs. Revenue is primarily derived from the sale of commercial airtime. The Company also operates besides Grupo RED and Organizacion Radio Centro radio stations, Organizacion Impulsora de Radio (OIR), a radio network, which acts as the national sales representative for, and provides programming to, Grupo Radio Centro-affiliated radio stations.

### Note on Forward-Looking Statements:

This release may contain projections or other forward-looking statements related to Grupo Radio Centro that involve risks and uncertainties. Readers are

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cautioned that these statements are only predictions and may differ materially from actual future results or events. Readers are referred to the documents filed by Grupo Radio Centro with the United States Securities and Exchange Commission, specifically the most recent filing on Form 20-F, which identifies important risk factors that could cause actual results to differ from those contained in the forward-looking statements. All forward-looking statements are based on information available to Grupo Radio Centro on the date hereof, and Grupo Radio Centro assumes no obligation to update such statements.

GRUPO RADIO CENTRO, S.A. DE C.V. CONSOLIDATED AUDITED BALANCE SHEETS  
as of December 31, 2004 and 2003  
in Mexican Pesos ("Ps.") with purchasing power as of December 31, 2004  
(figures in thousands of Ps. and U.S. dollars ("U.S.\$") (1),  
except per Share and per ADS amounts)

	December 31		
	2004		2003
	U.S. \$(1)	Ps.	Ps.
<b>ASSETS</b>			
Current assets:			
Cash and temporary investments	1,946	21,710	72,241
Accounts receivable:			
Broadcasting, net	15,291	170,555	227,456
Other	424	4,726	4,151
Income tax recoverable	1,393	15,538	0
	17,108	190,819	231,607
Guarantee deposit	52	576	7,274
Prepaid expenses	1,112	12,399	9,972
Total current assets	20,218	225,504	321,094
Long-term accounts			
receivable	2,183	24,347	0
Property and equipment, net	43,836	488,950	494,283
Deferred charges, net	673	7,504	13,034
Guarantee deposit	0	0	606
Excess of cost over book value of subsidiaries	65,926	735,341	801,646
Other assets	289	3,220	3,303
Total assets	133,125	1,484,866	1,633,966
<b>LIABILITIES</b>			
Current:			
Notes payable	5,076	56,618	59,557
Advances from customers	4,751	52,990	62,754
Other accounts payable and accrued expenses	2,908	32,436	56,267
Taxes payable	1,722	19,209	27,403
Contingent liability	21,797	243,121	248,390
Total current liabilities	36,254	404,374	454,371
Long-Term:			
Deferred income tax	3,287	36,664	28,787

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Notes payable	10,152	113,237	178,672
Reserve for labor obligations	2,268	25,296	27,818
Total liabilities	51,961	579,571	689,648
STOCKHOLDERS' EQUITY			
Capital stock	101,028	1,126,862	1,127,478
Retained (deficit) earnings	(15,328)	(170,974)	(132,695)
Provision for repurchase of shares	3,570	39,822	39,922
Accumulated effect of deferred income tax	(8,544)	(95,300)	(95,300)
Effect from labor obligations	(18)	(200)	(177)
Surplus on restatement of capital	409	4,557	4,557
Minority interest	47	528	533
Total stockholders' equity	81,164	905,295	944,318
Total liabilities and stockholders' equity	133,125	1,484,866	1,633,966

(1) Peso amounts have been translated into U.S. dollars, solely for the convenience of the reader, at the rate of Ps. 11.154 per U.S. dollar, the noon buying rate for Mexican pesos on December 31, 2004, as published by the Federal Reserve Bank of New York.

CONSOLIDATED AUDITED STATEMENTS OF INCOME

for the three-month and twelve-month periods ended December 31, 2004 and 2003  
expressed in Mexican Pesos ("Ps.") with purchasing power  
as of December 31, 2004  
(figures in thousands of Ps. and U.S. dollars ("U.S. \$") (1),  
except per Share and per ADS amounts)

	4th Quarter			Accumulated 12	
	2004		2003 Ps.	2004	
	U.S.\$ (1)	Ps.		U.S.\$ (1)	Ps.
Broadcasting Revenue (2)	16,590	185,035	217,589	49,454	551,608
Broadcasting expenses, excluding depreciation, amortization and corporate expenses	8,143	90,827	131,069	34,654	386,528
Broadcasting income	8,447	94,208	86,520	14,800	165,080
Depreciation and amortization	2,423	27,025	31,837	8,775	97,873
Corporate general and administrative expenses	605	6,752	22,339	1,919	21,406
Operating income	5,419	60,431	32,344	4,106	45,801

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EBITDA	7,841	87,456	64,181	12,881	143,674
Comprehensive financing income (cost):					
Interest expense	(1,037)	(11,568)	(6,369)	(2,838)	(31,678)
Interest income (2)	13	147	175	50	559
Gain (loss) on foreign currency exchange, net	264	2,929	254	(227)	(2,533)
Gain (loss) on net monetary position	762	8,497	(1,882)	1,387	15,475
	2	5	(7,822)	(1,628)	(18,177)
Other expenses, net	(919)	(10,249)	(15,360)	(4,140)	(46,181)
Income (loss) before extraordinary item and provisions	4,502	50,187	9,162	(1,662)	(18,557)
Extraordinary item	0	0	358,390	0	0
Income (loss) before provisions	4,502	50,187	(349,228)	(1,662)	(18,557)
Provisions for income tax & employee profit sharing	1,751	19,529	(40,071)	1,769	19,727
Net income (loss)	2,751	30,658	(309,157)	(3,431)	(38,284)
Net income (loss) applicable to:					
Majority interest	2,750	30,644	(309,161)	(3,431)	(38,279)
Minority interest	1	14	4	0	(5)
	2,751	30,658	(309,157)	(3,431)	(38,284)
Net (loss) income per Series A Share(3)				(0.021)	(0.235)
Net (loss) income per ADS (3)				(0.189)	(2.115)
Weighted average common shares outstanding (000's) (3)					162,560

(1) Peso amounts have been translated into U.S. dollars, solely for the convenience of the reader, at the rate of Ps. 11.154 per U.S. dollar, the noon buying rate for Mexican pesos on December 31, 2004, as published by the Federal Reserve Bank of New York.

(2) Broadcasting revenue for a particular period includes (as a reclassification of interest income) interest earned on funds received by the Company pursuant to advance sales of commercial air time to the extent that the underlying funds were earned by the Company during the period in question. Advances from advertisers are recognized as broadcasting revenue only when the corresponding commercial airtime has been transmitted. Interest earned and treated as broadcasting revenue for the fourth quarter of 2004 and 2003 was Ps.

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959,000 and Ps. 791,000, respectively. Interest earned and treated as broadcasting revenue for the twelve months ended December 31, 2004 and 2003 was Ps. 2,816,000 and Ps. 1,552,000, respectively.

(3) Earnings per share calculations are made for the last twelve months as of the date of the income statement, as required by the Mexican Stock Exchange.

SOURCE Grupo Radio Centro, S.A. de C.V.

-0- 02/25/2005

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