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GRUPO RADIO CENTRO SA DE CV

Form 6-K

October 28, 2005

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 October, 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- \_\_\_\_.)

GRUPO RADIO CENTRO REPORTS RESULTS FOR THIRD QUARTER AND FIRST NINE MONTHS OF 2005

MEXICO CITY, Oct. 27 /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 third quarter and nine months ended September 30, 2005. All figures were prepared in accordance with generally accepted accounting principles in Mexico and have been restated in constant pesos as of September 30, 2005.

Third Quarter Results

Broadcasting revenue for the third quarter of 2005 was Ps. 161,150,000, representing an increase of 18.1% compared to Ps. 136,430,000 reported for the same period of 2004. This increase was mainly attributable to higher advertising expenditures by the Company's principal clients during the third quarter of 2005 compared to the same period of 2004.

The Company's broadcasting expenses (excluding depreciation, amortization and corporate, general and administrative expenses) for the third quarter of

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2005 were Ps. 95,600,000, representing a decrease of 1.0% compared to Ps. 96,531,000 reported for the same period of 2004. This decrease was mainly attributable to lower costs for the production of the Company's news programs during the third quarter of 2005 compared to the same period of 2004.

For the third quarter of 2005, the Company reported broadcasting income (i.e., broadcasting revenue minus broadcasting expenses, excluding depreciation, amortization and corporate, general and administrative expenses) of Ps. 65,550,000, representing an increase of 64.3% compared to broadcasting income of Ps. 39,899,000 reported for the same period in 2004. This increase was mainly attributable to the increase in broadcasting revenue described above.

Depreciation and amortization for the third quarter of 2005 amounted to Ps. 8,504,000, a 65.7% decrease compared to Ps. 24,788,000 reported for the same period of 2004. This decrease was due to the implementation of a new accounting principle in Mexico (Bulletin B-7 "Adquisicion de Negocios"). As a result, the Company no longer amortizes goodwill as of January 1, 2005, but instead tests goodwill for impairment at least once a year.

For the third quarter of 2005, the Company's corporate, general and administrative expenses were Ps. 4,603,000 compared to Ps. 2,625,000 reported for the same period of 2004. The difference was due to the fact that the amount of revenue-based compensation paid to the Company's executives during 2004 was lower than usual.

The Company reported operating income of Ps. 52,443,000 for the third quarter of 2005 compared to operating income of Ps. 12,486,000 reported for the same period of 2004. The significant increase in operating income resulted primarily from (i) higher advertising expenditures by the Company's principal clients during the third quarter of 2005 compared to the same period of 2004 and (ii) the implementation of a new accounting principle that eliminates amortization of goodwill.

The Company's comprehensive financing cost for the third quarter of 2005 was Ps. 4,257,000 compared to a comprehensive financing cost of Ps. 84,000 reported for the same period of 2004. This unfavorable change was primarily attributable to (i) a gain on net monetary position of Ps. 2,076,000 for the third quarter of 2005 compared to a Ps. 5,778,000 gain on net monetary position for the same period of 2004, which resulted from lower inflation and a slight decrease in net monetary liabilities during the third quarter of 2005 compared to the same period of 2004, and (ii) higher interest expense reported for the third quarter of 2005 compared to the same period of 2004, which resulted from the accrual of interest on a contingent liability provision that the Company began recording in the fourth quarter of 2004. These two factors were partially offset by an increase in interest income resulting from higher balances in the Company's interest-bearing cash accounts during the third quarter of 2005 compared to the same period of 2004.

For the third quarter of 2005, other expenses, net were Ps. 13,817,000, a decrease of 5.8% compared to Ps. 14,669,000 reported for the same period of 2004. This decrease was mainly attributable to lower legal expenses during the third quarter of 2005 compared to the same period of 2004.

For the third quarter of 2005, the Company reported income before provisions for income tax and employee profit sharing of Ps. 34,369,000 compared to a loss before provisions for income tax and employee profit sharing of Ps. 2,267,000 reported for the same period of 2004.

The Company recorded a provision for income tax and employee profit sharing for the third quarter of 2005 of Ps. 7,621,000 compared to a provision for

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income tax and employee profit sharing of Ps. 3,070,000 for the same period of 2004.

As a result of the foregoing, the Company's net income for the third quarter 2005 was Ps. 26,748,000 compared to a net loss of Ps. 5,337,000 reported for same period of 2004.

### Nine Months Results

For the nine months ended September 30, 2005, broadcasting revenue was Ps. 408,186,000, a 7.3% increase compared to Ps. 380,481,000 reported for the same period of 2004. This increase was mainly attributable to higher advertising expenditures by the Company's principal clients during the nine months ended September 30, 2005 compared to the same period of 2004.

The Company's broadcasting expenses (excluding depreciation, amortization and corporate, general and administrative expenses) for the nine months ended September 30, 2005 were Ps. 281,863,000, a 8.2% decrease compared to Ps. 306,920,000 reported for the same period of 2004. This decrease in broadcasting expenses was primarily attributable to lower news programming production costs, which resulted from the termination of news programming produced for the Company by a third party at the end of the first quarter of 2004, as well as lower costs for the production of news programs produced by the Company during the nine months ended September 30, 2005 compared to the same period of 2004.

Broadcasting income (i.e., broadcasting revenue minus broadcasting expenses, excluding depreciation, amortization and corporate, general and administrative expenses) for the nine months ended September 30, 2005 was Ps. 126,323,000, representing an increase of 71.7% compared to Ps. 73,561,000 reported for the same period of 2004. This increase was mainly attributable to the increase in broadcasting revenue described above combined with the decrease in broadcasting expenses described above.

For the nine months ended September 30, 2005, depreciation and amortization was Ps. 27,789,000, a decrease of 62.2% compared to Ps. 73,537,000 reported for the same period of 2004. This decrease was due to the implementation of a new accounting principle in Mexico (Bulletin B-7 "Adquisicion de Negocios"). As a result, the Company no longer amortizes goodwill as of January 1, 2005, but instead tests goodwill for impairment at least once a year.

The Company's corporate, general and administrative expenses for the nine months ended September 30, 2005 were Ps. 12,653,000, a decrease of 16.8% compared to Ps. 15,210,000 reported for the same period of 2004. This decrease was mainly due to (i) the Company recording the compensation of an executive officer in costs of personnel (which is included in broadcasting expenses) during the second and third quarter of 2005 instead of in corporate, general and administrative expenses, the effect of which offset the increase in corporate, general and administrative expenses during the third quarter of 2005 compared to the same period of 2004, described above, and, to a lesser extent, (ii) lower fees paid by the Company to a third party that ceased production of news programs for the Company at the end of the first quarter of 2004.

As a result of the foregoing, the Company reported operating income of Ps. 85,881,000 for the nine months ended September 30, 2005 compared to an operating loss of Ps. 15,186,000 reported for the same period of 2004.

The Company's comprehensive financing cost for the nine months ended September 30, 2005 was Ps. 8,046,000, a decrease of 57.4% compared to a comprehensive financing cost of Ps. 18,871,000 for the same period of 2004. This favorable change is mainly attributable to a gain on foreign currency exchange,

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net of Ps. 8,788,000 reported for the nine months ended September 30, 2005 compared to a loss on foreign currency exchange, net of Ps. 5,669,000 for the same period of 2004, which resulted from the appreciation of the Peso against the U.S. Dollar. The gain on foreign currency exchange, net for the nine months ended September 30, 2005 was partially offset by (i) an increase in interest expense resulting from the accrual of interest on a contingent liability provision that the Company began recording in the fourth quarter of 2004 and (ii) a gain on net monetary position of Ps. 5,275,000 for the nine months ended September 30, 2005 compared to a gain on net monetary position of Ps. 7,243,000 for the same period of 2004.

Other expenses, net, for the nine months ended September 30, 2005 were Ps. 34,686,000, a 7.0% decrease compared to Ps. 37,295,000 reported for the same period of 2004. This decrease is mainly attributable to lower legal expenses during the nine months ended September 30, 2005 compared to the same period of 2004.

For the nine months ended September 30, 2005, the Company reported income before provisions for income tax and employee profit sharing of Ps. 43,149,000 compared to a loss before provisions for income tax and employee profit sharing of Ps. 71,352,000 reported for the same period in 2004. During the nine months ended September 30, 2005, the Company recorded a provision for income tax and employee profit sharing of Ps. 13,217,000 compared to a provision for income tax and employee profit sharing of Ps. 206,000 for the same period in 2004.

As a result of the foregoing, the Company had net income of Ps. 29,932,000 for the nine months ended September 30, 2005 compared to a net loss of Ps. 71,558,000 for the same period of 2004.

#### Other Matters:

From September 30, 2004 to September 30, 2005, the Company's total bank debt decreased from Ps. 205.7 million to Ps. 141.5 million as a result of scheduled payments.

#### Company Description:

Grupo Radio Centro owns and/or operates 14 radio stations. Of these 14 radio stations, Grupo Radio Centro operates 11 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. In addition to the Radio Centro radio stations, the Company also operates Grupo RED radio stations and Organizacion Impulsora de Radio (OIR), a radio network that 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 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.

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in Mexican Pesos ("Ps.") with purchasing power as of September 30, 2005  
(figures in thousands of Ps. and U.S. dollars ("U.S. \$")(1), except per Share  
and per ADS amounts)

	September 30,		
	2005		2004
	U.S. \$(1)	Ps.	Ps.
<b>ASSETS</b>			
Current assets:			
Cash and temporary investments	13,016	141,216	63,587
Accounts receivable:			
Broadcasting, net	14,900	161,662	126,425
Other	496	5,382	8,590
Income tax recoverable	0	0	24,945
	15,396	167,044	159,960
Guarantee deposit	0	0	2,392
Prepaid expenses	928	10,070	9,276
Total current assets	29,340	318,330	235,215
Property and equipment, net	43,617	473,225	492,645
Deferred charges, net	1,124	12,196	14,961
Excess of cost over book value of subsidiaries	69,011	748,730	766,638
Other assets	297	3,220	3,343
Total assets	143,389	1,555,701	1,512,802
<b>LIABILITIES</b>			
Current:			
Notes payable	5,218	56,618	58,766
Advances from customers	7,059	76,587	46,503
Other accounts payable and accrued expenses	4,215	45,732	44,544
Taxes payable	2,413	26,181	14,531
Contingent liability	22,525	244,390	248,900
Total current liabilities	41,430	449,508	413,244
Long-Term:			
Deferred income tax	2,620	28,422	27,466
Notes payable	7,828	84,927	146,916
Reserve for labor obligations	3,696	40,099	31,838
Total liabilities	55,574	602,956	619,464
<b>STOCKHOLDERS' EQUITY</b>			
Capital stock	105,815	1,148,039	1,146,820
Retained (deficit) earnings	(13,307)	(144,373)	(201,891)
Provision for repurchase of shares	3,772	40,920	40,281
Accumulated effect of deferred income tax	(8,944)	(97,036)	(97,036)
Surplus on restatement of capital	428	4,640	4,640
Minority interest	51	555	524
Total stockholders' equity	87,815	952,745	893,338
Total liabilities and stockholders' equity	143,389	1,555,701	1,512,802

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(1) Peso amounts have been translated into U.S. dollars, solely for the convenience of the reader, at the rate of Ps. 10.8495 per U.S. dollar, the noon buying rate for Mexican pesos on September 30, 2005.

GRUPO RADIO CENTRO, S.A. DE C.V.  
CONSOLIDATED UNAUDITED STATEMENTS OF INCOME  
For the three-month and nine-month periods ended September 30, 2005 and 2004  
Expressed in Mexican Pesos ("Ps.") with purchasing power as of September 30,  
2005 (figures in thousands of Ps. and U.S. dollars ("U.S. \$")(1), except per  
Share and per ADS amounts)

	3rd Quarter		2004	Ac
	2005			
	U.S.\$ (1)	Ps.		
Broadcasting revenue(2)	14,853	161,150	136,430	37,623
Broadcasting expenses, excluding depreciation, amortization and corporate expenses	8,811	95,600	96,531	25,979
Broadcasting income	6,042	65,550	39,899	11,644
Depreciation and amortization	784	8,504	24,788	2,561
Corporate general and administrative expenses	424	4,603	2,625	1,166
Operating income (loss)	4,834	52,443	12,486	7,917
Comprehensive financing (cost):				
Interest expense	(690)	(7,491)	(5,991)	(2,178)
Interest income(2)	115	1,250	148	140
Gain (loss) on foreign currency exchange, net	(8)	(92)	(19)	810
Gain (loss) on net monetary position	191	2,076	55,778	486
	(392)	(4,257)	(84)	(742)
Other expenses, net	(1,274)	(13,817)	(14,669)	(3,197)
Income (loss) before provisions:	3,168	34,369	(2,267)	3,978
Provisions for income tax & employee profit sharing	702	7,621	3,070	1,218
Net income (loss)	2,466	26,748	(5,337)	2,760
Net income (loss) applicable to:				
Majority interest	2,467	26,754	(5,329)	2,758
Minority interest	(1)	(6)	(8)	2
	2,466	26,748	(5,337)	2,760
Net (loss) income per Series A Share(3)				0.035
Net (loss) income per ADS(3)				0.315

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Weighted average common  
shares outstanding (000's) (3)

- 1) Peso amounts have been translated into U.S. dollars, solely for the convenience of the reader, at the rate of Ps. 10.8495 per U.S. dollar, the noon buying rate for Mexican pesos on September 30, 2005.
- 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 air time has been transmitted. Interest earned and treated as broadcasting revenue for the third quarter of 2005 and 2004 was Ps. 441,000 and Ps. 542,000, respectively. Interest earned and treated as broadcasting revenue for the nine months ended September 30, 2005 and 2004 was Ps. 1,542,000 and Ps. 1,927,000, 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- 10/27/2005

/CONTACT: In Mexico: Pedro Beltran, or Alfredo Azpeitia, both of Grupo Radio Centro, S.A. de C.V., 5255-5728-4800 Ext. 7018, aazpeitia@grc.com.mx; In NY: Maria Barona, or Peter Majeski, both of i-advize Corporate Communications, Inc. for Grupo Radio Centro, +1-212-406-3690, grc@i-advize.com.mx/  
/Web site: <http://www.radiocentro.com.mx> /

### 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: October 28, 2005

By: /s/ Pedro Beltran Nasr

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Name: Pedro Beltran Nasr  
Title: Chief Financial Officer