



Telefónica Publicidad e Información

First Quarter 2004 Results

Madrid, May 12th, 2004

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Similarly, as regards the possible development and prospects of the business, investment plans and expected financing of future development or expansion in 2004, the document is issued in accordance with the provisions of point one 5) of the Spanish Order of the Ministry of Finance (Orden del Ministerio de Economía y Hacienda) of 22 December 1999 and the Circular 1/2000 of the Spanish Securities Markets Commission (CNMV) for the special segment of the stock market known as the "Nuevo Mercado".

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Maintaining a sustained growth, in terms of revenues, EBITDA and Net Income

- TPI Group revenues grow 16.9% to Euro 77.90 million. EBITDA increases 65.6% to Euro 17.84 million, while Net Income reaches Euro 7.84 million (+140.0%)
 - Spain:
 - ✓ Sustained like for like growth in advertising revenues
 - ✓ Traffic revenues in TPI Spain multiply by more than 9 times vs. 1Q03
 - Peru:
 - ✓ Lima's directories published during January, contributes to Group consolidated revenues with Euro 19.37 million (4.6% like for like growth in local currency)
- TPI control on Publiguias increases from 51% to 100%, after the 49% buy out of minorities for US\$80.4 million.
- Guidance for 2004 in constant euros of 2003: Sustained organic growth in revenues (+3/5%) and strong growth in EBITDA (+9/11%).

Strong growth of revenues, EBITDA and Net Income

Main Financial Data (TPI Consolidated Accounts)

(Euro million)	1Q04	1Q03	Var. (%)	Var. (%) ⁽¹⁾
Revenues	77.90	66.65	16.9%	22.2%
EBITDA	17.84	10.77	65.6%	81.2%
EBITDA margin	22.9%	16.2%	6.7 p.p	7.8 p.p
Net Income	7.84	3.27	140.0%	176.4%
nº. Shares (31st March 2004):				
	368,234,331			
	1Q04	1Q03		
Average exchange rates :	Peso/Euro:	769.23	787.40	
	Reais/Euro:	3.62	3.74	
	Sol/Euro:	4.32	3.73	
⁽¹⁾ At average exchange rates of January - March 2003				
⁽²⁾ Net Income+/- Extraordinary Results+/-Exchange Rates Differences+Depreciations				

	TPI SPAIN ⁽¹⁾		TPI PERU		PUBLIGUIAS		TPI BRAZIL	
	1Q04	% Var.	1Q04	% Var.	1Q04	% Var.	1Q04	% Var.
	(Euro million)	(Local currency)	(Euro million)	(Local currency)	(Euro million)	(Local currency)	(Euro million)	(Local currency)
Revenues	46.65	37.5%	23.58	4.5%	7.04	11.3%	0.79	47.0%
EBITDA	7.72	1131.9%	10.46	16.6%	0.43	-35.1%	-0.74	5.0%
EBITDA margin	16.6%	14.7 p.p	44.4%	4.6 p.p	6.1%	- 4.4 p.p	-93.0%	50.8 p.p

(1) Includes TPI Spain, 11888 and Goodman Business Press

Our guidance in constant euros aims to achieve revenues and EBITDA growth of +3/5% and +9/11% respectively

GUIDANCE IN CONSTANT EUROS 2003

Year end guidance - TPI Group in constant euros

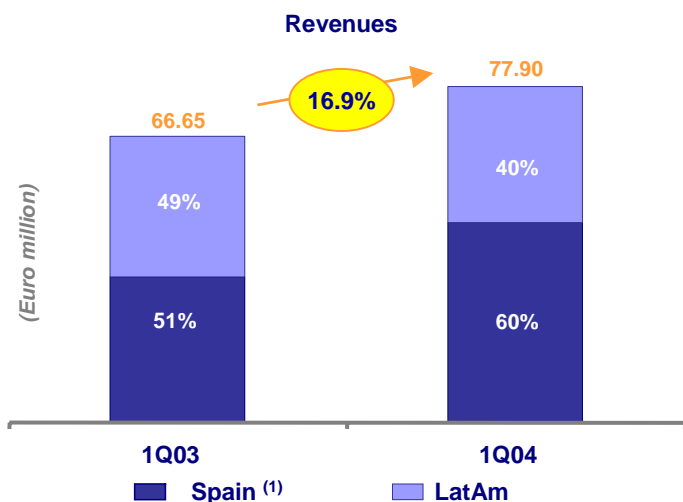
<i>(Euro million)</i>	Forecasts 2004 *	2003
Total Revenues	+3 / 5%	570.83
Advertising revenues	+ 2 / 4%	502.63
Editorial	+ 2 / 4%	464.38
Internet	+ 14 / 17%	31.14
Telephone information services	+ 10 / 13%	4.44
Telephone Traffic	+ 40 / 50%	24.09
Telecom operator revenues	- 8 / - 5%	41.79
EBITDA	+ 9 / 11%	179.58

Figures in constant Euros, based on average 2003 exchange rates:

Peso/Euro: 671.14
Real/Euro: 3.45
Sol/Euro: 3.91

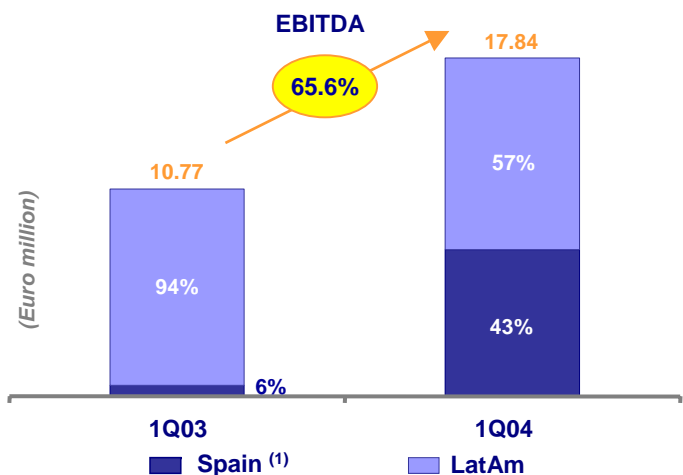
* Forecast according to present consolidation sphere

TPI Group, revenues and EBITDA by geographical area



- TPI consolidated **revenues** increase 16.9% to Euro 77.90 million.

- Spain⁽¹⁾ increases its contribution from 51% to 60% backed both by 11888's strong growth vs 1Q03 and the positive performance of the advertising business.



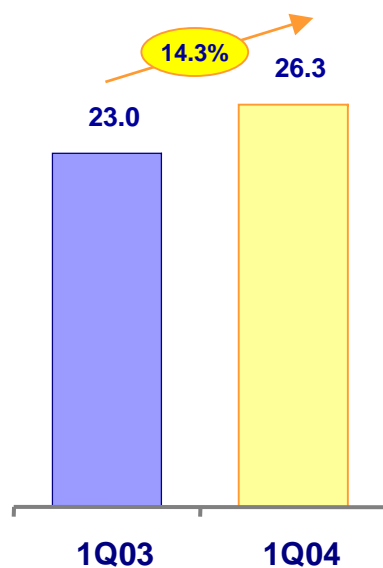
- TPI consolidated **EBITDA** reaches Euro 17.84 million, increasing 65.6%.

- Spain's⁽¹⁾ EBITDA increases its contribution 43%:
 - ✓ Changes in the publication calendar
 - ✓ Deferral of certain expenses
 - ✓ Consolidation of 11888, launched in 1Q03
- LatAm consolidated EBITDA reaches Euro 10.13 million (+15% in local currency) mainly due to Peru's contribution.

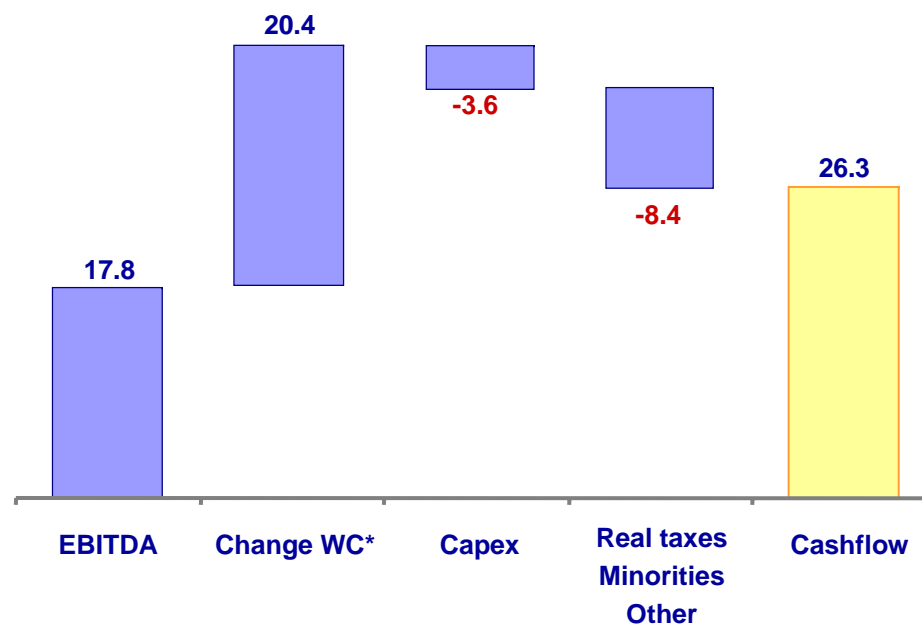
⁽¹⁾ Includes TPI Spain, Goodman Business Press and 11888 and others

Consistent cash flow generation

Operating Cash Flow
(Euro Million)



Operating Cash flow 1Q04
(Euro Million)

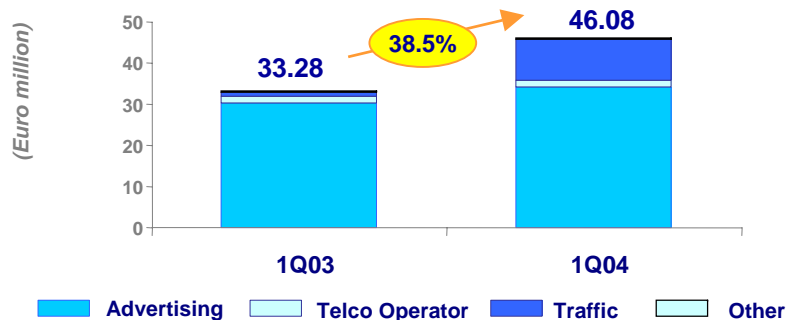


* Working Capital: Inventories + Account receivable +/- Accrual accounts – Creditors
Working capital calculated in 2003 constant euros

Spain⁽¹⁾ grows at double digit rates



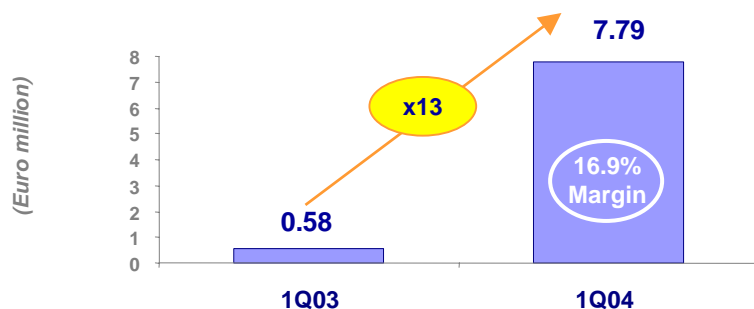
Revenues breakdown



- Spain ⁽¹⁾ revenues grow 38.5% to Euro 46.08 million, mainly due to:

- Advertising revenues growth of 12.9% to Euro 34.31 million
- Boost of telephone traffic revenues, which multiply by more than 9 times, reaching Euro 9.82 million

EBITDA



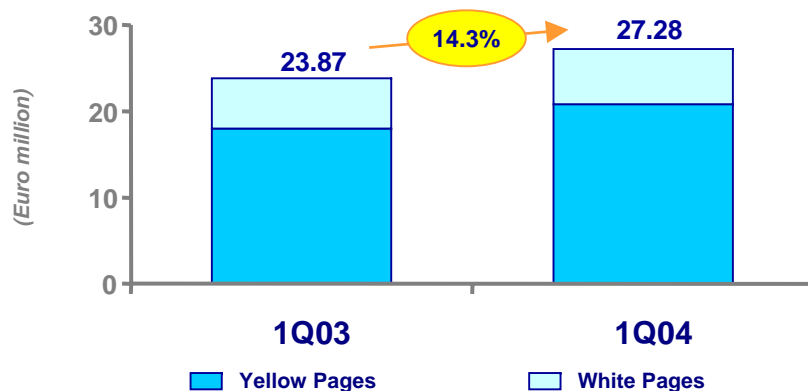
- Spain's⁽¹⁾ EBITDA reaches Euro 7.79 million (x13), while EBITDA margin increases 15.2 p.p to 16.9%.
- This strong growth is explained by changes in the publication calendar, the deferral of certain expenses, and the consolidation of the telephone information service 11888.

⁽¹⁾ Includes TPI Spain and 11888

Spain: The Editorial business registers 6.7% like for like growth



Editorial Advertising Revenues



YELLOW PAGES

- Total revenues: Euro 20.75 million (+5.7% like for like)
- Avg. Revenue/client increases 7.8% to Euro 655
- N° Clients down 2.0% to 31,500
- N° Directories published: 12 (vs. 10 in 1Q03 due to changes in the publication calendar)

WHITE PAGES

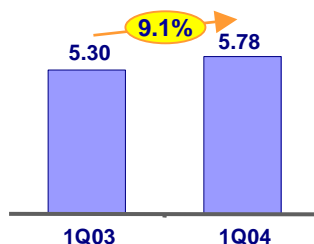
- Total revenues: Euro 6.53 million (+9.9% like for like)
- Avg. Revenue/client increases 15.3% to Euro 217
- N° Clients down 4.7% to Euro 29,900
- N° Directories published : 8 (same number as in 1Q03)

TPI Spain: Revenues from Internet and Telephone Information Services



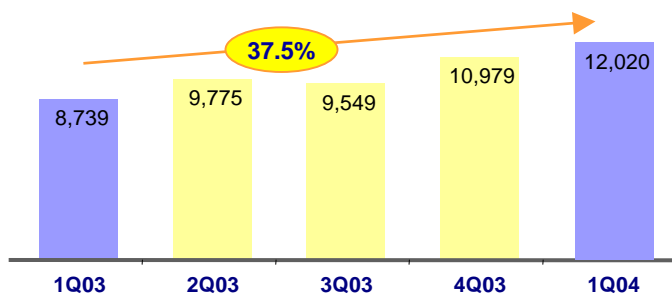
INTERNET

Revenues (Euro million)



- Internet revenues grew 9.1% to Euro 5,78 million
- 67,000 clients

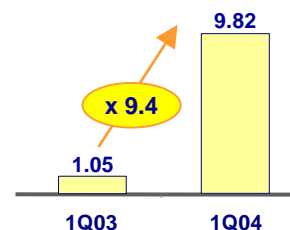
Visits ('000) *



* Figures audited by the OJD (Oficina de Justificación de la Difusión)

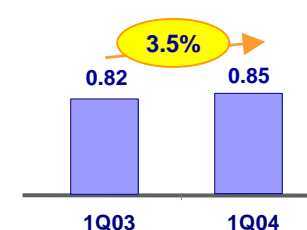
TELEPHONE INFORMATION SERVICES ⁽¹⁾

Traffic revenues (Euro million)



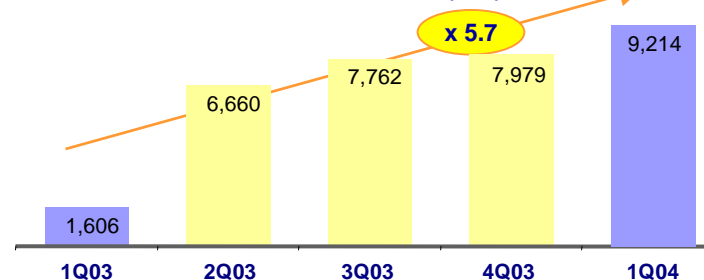
- Traffic revenues multiply by more than 9 times to Euro 9.82 million.

Advertising revenues (Euro million)



- Advertising revenues increase by 3.5% and reach Euro 0.85 million.

Number of calls ('000)



⁽¹⁾ Includes the different telephone information numbers managed by TPI

TPI launches “CalleaCalle.com”, an innovative Online development.



First spanish online Retail finder:

- ✓ Updated information about 400,000 businesses (fashion shops, drugstores, garages, etc) nation wide including photos, location, brands, products, opening hours, nearby services like restaurants, parkings, public transportation
- ✓ Geopositioning in 2D and 3D city maps
- ✓ Retail search engine with different criteria: activity, street, shopping area, brands, products
- ✓ On-line tools for self-including and updating data
- ✓ Micro-site content: Season's Specials, Recommended stores, The Weekly Selection

Business opportunity for TPI. Retail is identified as a high potential sector in online advertisement:

- ✓ Retail as a mid-low investment sector in TPI classic directories
- ✓ Low internet penetration within TPI clients

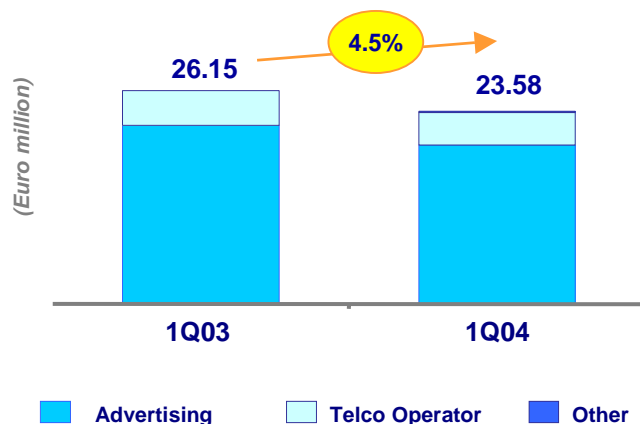
Snapshot of 3D city map and a detailed retail data feed



Peru: Good performance of the Lima's Directories



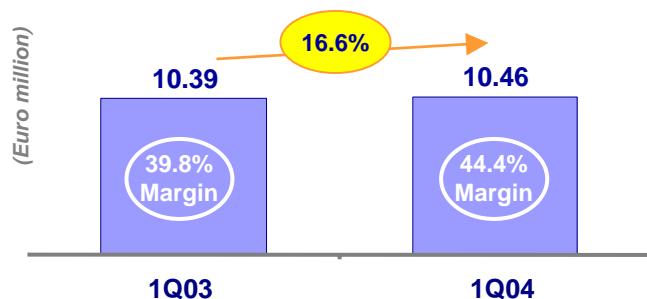
Total Revenues breakdown



REVENUES

- TPI Peru revenues increase 4.5% in local currency to Euro 23.58 million ...
- ... based on the positive evolution of the Lima Directory published in January which showed a like for like growth of 4.6%
 - The average revenue per advertiser grew 11% Euro 924
 - N° clients dropped 5.7% to over 20,800

EBITDA



EBITDA

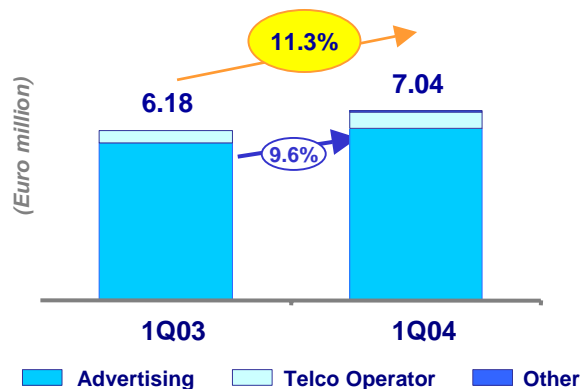
- EBITDA increases to Euro 10.46 million (+16.6% in local currency), mainly explained by :
 - Revenues growth
 - Cost control and reduction of bad debt levels
- EBITDA margin reaches 44.4%

xx% → Growth in local currency

Publiguias: Revenues continue to grow



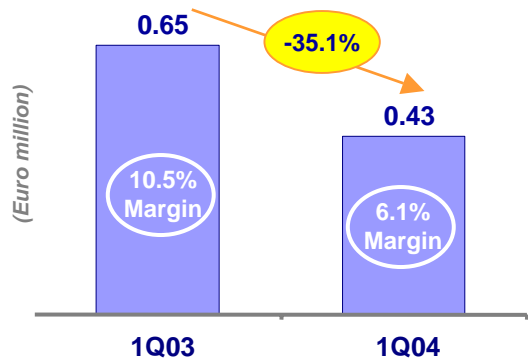
Total Revenues breakdown



REVENUES

- **Total revenues** increased 11.3% in local currency to Euro 7.04 million.
 - Advertising revenues grew 9.6% to Euro 6.43 million due to:
 - The editorial business:
 - Like for like growth: 6.7%
 - N° directories published: 3
 - Internet revenues increased by 88.6% to Euro 0.39 million.

EBITDA

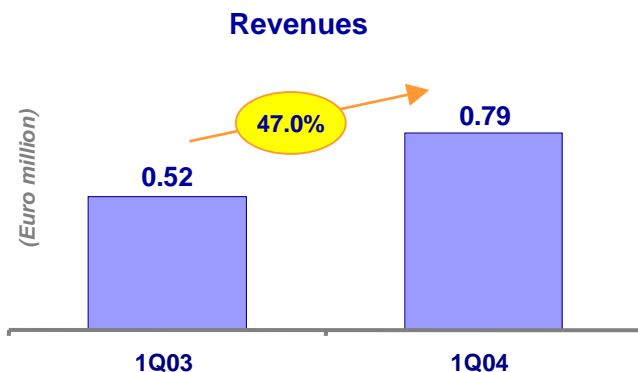


EBITDA

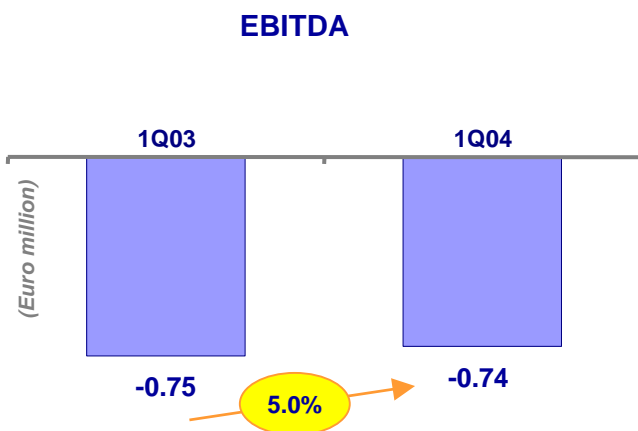
- **EBITDA** decreases 35.1% in local currency to Euro 0.43 million, mainly due to the advance of some expenses, which will compensate later in the year.
- EBITDA margin falls from 10.5% to 6.1%

Growth in local currency

TPI Brazil: Revenues are not significant in 1Q04



- The first directory of the year will be published in 2Q04 in Sao Paulo city.



xx% → Growth in local currency

Conclusions

- Strong Group consolidated results:
 - Positive performance of both revenues and EBITDA in Spain, backed by the advertising business and the telephone information number 11888.
 - Peru's EBITDA shows double digit growth in local currency, due to the good revenue performance of the Lima directory, together with bad debt control.
- Results are not representative nor extrapolable to year end.
- Commitment with 2004 guidance in constant euros of 2003:
Revenues +3/5% and EBITDA +9/11%