



Telefónica Publicidad e Información

January - September 2005 Results

Madrid, November 8th, 2005

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TPI has reached an agreement to acquire 100% of Telinver and starts operating in the Directory Assistance market in Italy

- TPI Group revenues grew 4.4%, to Euro 464.11 million. OIBDA reached Euro 161.45 million, +2.0% compared to 9m04
 - Spain ⁽¹⁾ shows 4.0% growth in revenues and 6.0% growth in OIBDA
 - Tougher competition, combined with higher bad debt provisions in Publiguias, explains the 3.4% decrease in revenues, and the 17.2% fall in OIBDA in local currency
 - TPI Peru increases revenues by 7.2% in local currency
 - TPI Brazil improves OIBDA by 24.7% in local currency to Euro -5.06 million
- Agreement to acquire 100% of Telinver for an enterprise value of US\$ 74 million (6.9x EV/EBITDA pro forma⁽²⁾ 2005)
- Both, the forthcoming acquisition of Telinver and the start of operations in the Italian DA market, imply an update of the guidance published in Q105. New guidance for 2005: growth in revenues (+5.5/6.5%) and OIBDA (+7/8%), in constant euros

(1) Includes TPI S.A., TPI Edita, 11888 SCT, TPI Direct and Edinet Europa

(2) OIBDA pro forma calculated including new conditions resulting from new contractual framework signed with TASA

The acquisition of 100% of Telinver for an enterprise value of US\$ 74 million, reinforces TPI's presence in LatAm

- The agreement to acquire Telinver values the company at 6.9x EV/EBITDA pro forma⁽¹⁾ 2005. Acquisition will be fully financed through leverage
- A new contractual framework with TASA for publishing white pages has been negotiated, which will result in a significant improvement of revenues and OIBDA
- The company holds 65% market share in Argentina. Operations cover central and southern areas of the country, including Buenos Aires city (same areas where TASA is present)
- Telinver operates under the Golden Pages brand, and product portfolio includes different paper products such as local books, a national B2B, tourist directories, and online directories. It also sales advertising on telephone boxes owned by TASA
- In 2004⁽²⁾ revenues were of US\$ 27.7 million. EBITDA amounted to US\$ 6.2 million, resulting in 23.0% EBITDA margin

(1) EBITDA pro forma calculated including new conditions resulting from new contractual framework signed with TASA, as of 1st January, 2005

(2) 2004 financial figures for Telinver are calculated under Argentinean GAAP

European DA markets

Italian DA market

- Operations started the 1st of October 2005
- Preliminary data shows that operations evolve according to business plan
- A well received advertising campaign
- Should this trend continue, this business will be profitable in 2006

French DA market

- Market was opened the 2nd of November 2005
- Universal number operated by France Telecom could be active until April 2006
- Decision to enter this market still under study

New guidance 2005: revenues and OIBDA growth of +5.5/6.5% and +7/8% respectively, in constant euros

Revenues

- TPI would have met revenue guidance provided in Q105
- Telinver will be consolidated in TPI Group accounts as of the date of acquisition
- The Italian business will contribute to Group telephone traffic revenues starting 1st October

OIBDA

- TPI would have also met guidance provided in Q105 in terms of OIBDA
- Telinver will contribute positively to Group OIBDA
- The Italian business will show negative OIBDA in 2005, as revenues account for only three months, while costs will include the launch of the service

Guidance 2005*

(Euro million)	Old	New	2004
Total Revenues	+3 / 5%	+5,5 / 6,5%	596.58
Paper	+ 1 / 3%	+ 3 / 4%	467.59
Internet	+ 19 / 22%	+ 19 / 20%	32.57
Telephone traffic	+ 9 / 11%	+ 30 / 33%	46.90
OIBDA	+ 7 / 9%	+ 7 / 8%	201.82

* Figures in constant Euros, based on average 2004 exchange rates:

{ Peso/Euro: 757.58
 Real/Euro: 3.63
 Sol/Euro: 4.24

9m05 consolidated main financial data and evolution on a per country basis

Main financial data (TPI Consolidated Accounts)

				Var. (%) ⁽¹⁾	
(Euro million)	9m05	9m04	Var. (%)	in local currency	
Revenues	464.11	444.43	4.4%	3.3%	
OIBDA	161.45	158.30	2.0%	1.7%	
OIBDA margin	34.8%	35.6%	-0.8 p.p	-0.5 p.p	
Net Income	94.88	95.59	-0.7%	-0.5%	
EPS	0.26	0.26	-0.7%	-0.5%	
nº. Shares (30th September 2005):	361,022,184				
		Jan. - Sept. 2005	Jan. - Sept. 2004	Var. (%)	
Average exchange rates :	{	Peso/Euro:	719.42	751.88	-4.3%
		Reais/Euro:	3.13	3.64	-14.0%
		Sol/Euro:	4.12	4.22	-2.4%

⁽¹⁾ At average exchange rates of January - September 2004

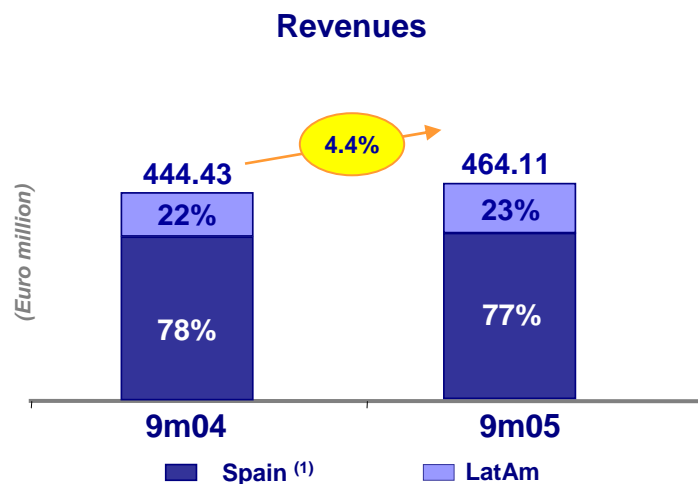
⁽¹⁾ At average exchange rates of January - September 2004

	SPAIN ⁽²⁾		PUBLIGUIAS		TPI PERU		TPI BRAZIL	
	9m05	% Var.	9m05	% Var.	9m05	% Var.	9m05	% Var.
	(Euro million)	(Local currency)	(Euro million)	(Local currency)	(Euro million)	(Local currency)	(Euro million)	(Local currency)
Revenues	359.70	4.0%	57.05	-3.4%	33.47	7.2%	13.70	-2.9%
OIBDA	136.67 ⁽³⁾	6.0%	21.98	-17.2%	8.74	-17.0%	-5.06	24.7%
OIBDA Margin	38.0%	0.7 p.p	38.5%	-6.4 p.p	26.1%	-7.6 p.p	-36.9%	10.7 p.p

⁽²⁾ Includes TPI S.A., TPI Edita, 11888 SCT, TPI Direct and Edinet Europa

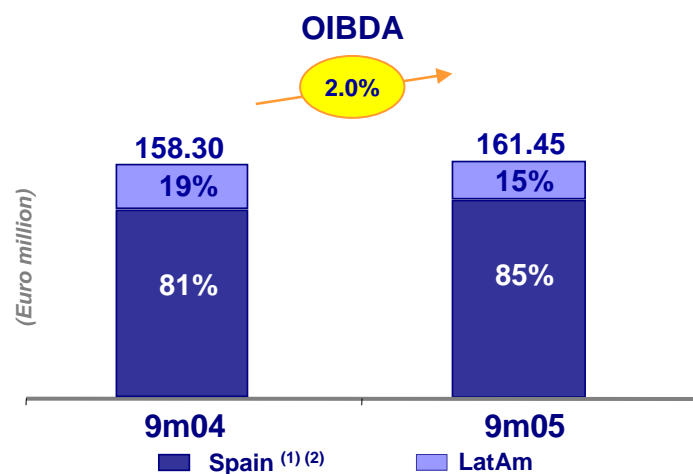
⁽³⁾ OIBDA in Spain does not include controlling shareholding provisions

TPI Group revenues and OIBDA by geographical area



- TPI consolidated **revenues** increased 4.4% to Euro 464.11 million

- Spain⁽¹⁾ decreased its contribution to total revenues by 1 percentage point as a result of higher revenue growth in LatAm based on favourable exchange rates



- TPI consolidated **OIBDA** showed a 2.0% increase to Euro 161.45 million

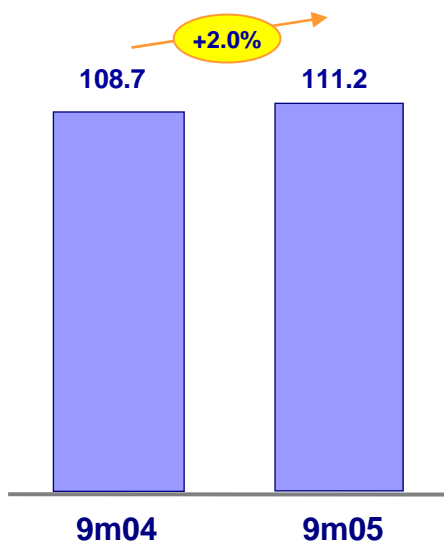
- Spain⁽¹⁾ rose OIBDA⁽²⁾ by 6.0%, increasing its contribution to Group OIBDA to 85%
- LatAm's contribution to OIBDA decreased to 15%, following lower OIBDA levels in Publigrúas and Peru in 9m05

(1) Includes TPI S.A., TPI Edita, 11888 SCT, TPI Direct and Edinet Europa

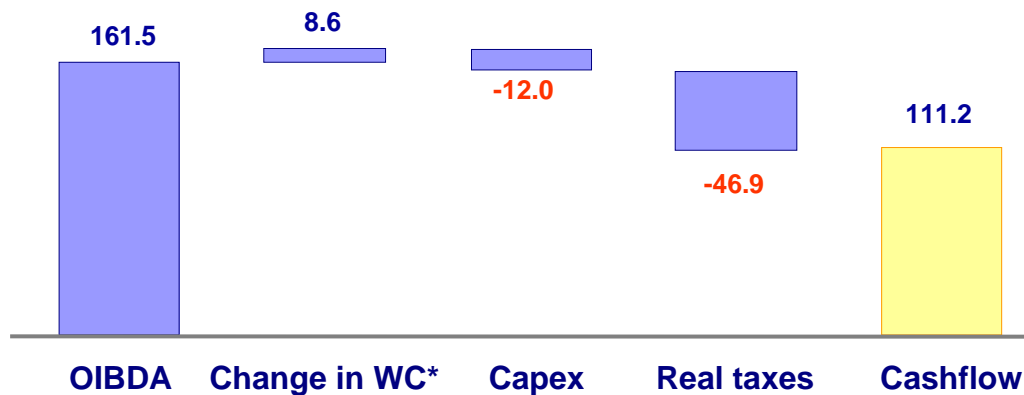
(2) Controlling shareholding provisions are not included, in order to provide a clear reflection of Spain's domestic operating activity

Consistent cash flow generation

Operating Cash Flow
(Euro Million)



Operating Cash flow 9m05
(Euro Million)

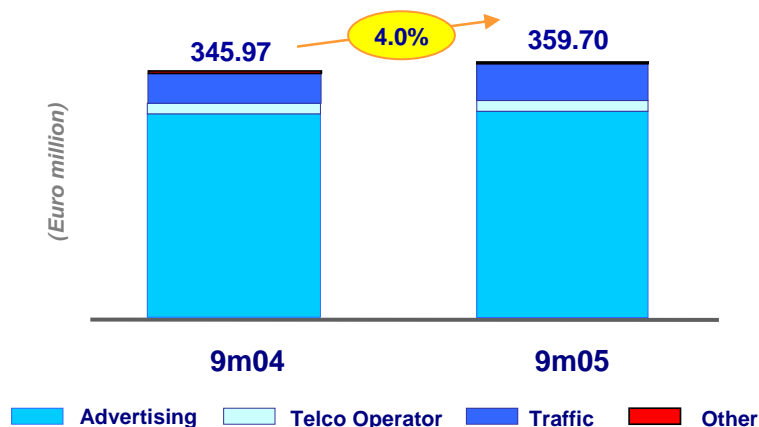


* Working Capital: Inventories + Account receivables +/- Accrual accounts – Creditors
Working capital and taxes calculated in 2004 constant euros

Spain⁽¹⁾ revenues and OIBDA went up 4%, and 6%, respectively



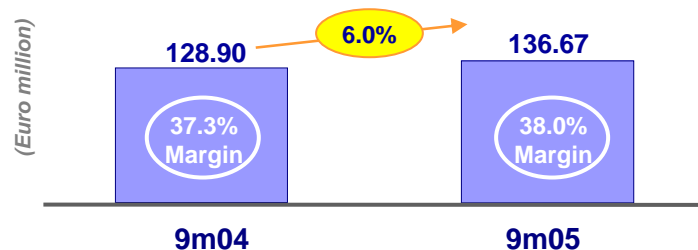
Revenues breakdown



- Revenues in Spain ⁽¹⁾ grew 4.0% to Euro 359.70 million, based on:

- Advertising revenues growth of 1.7% to Euro 296.78 million
- 23.0% advance in DA telephone traffic revenues to Euro 41.29 million

OIBDA ⁽²⁾



- OIBDA⁽²⁾ increased 6.0% to Euro 136.67 million with a 0.7 p.p. margin improvement

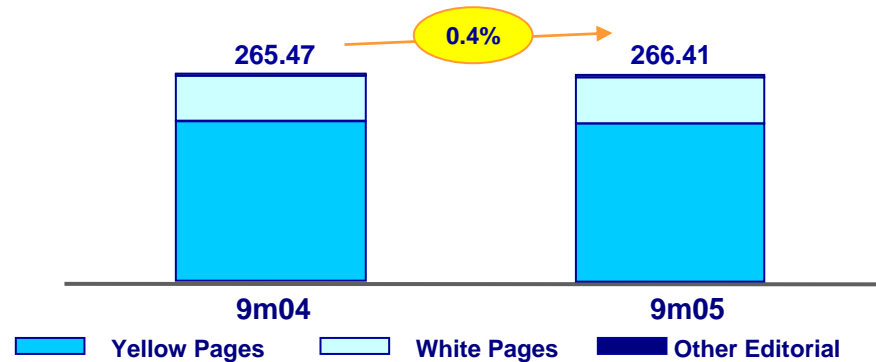
(1) Includes TPI S.A., TPI Edita, 11888 SCT, TPI Direct and Edinet Europa

(2) Controlling shareholding provisions are not included, in order to provide a clear reflection of the Spain's domestic operating activity

Paper business: positive evolution of customers acquisition combined with flat revenue growth, due to a weaker performance of books published in the quarter



Paper Advertising Revenues



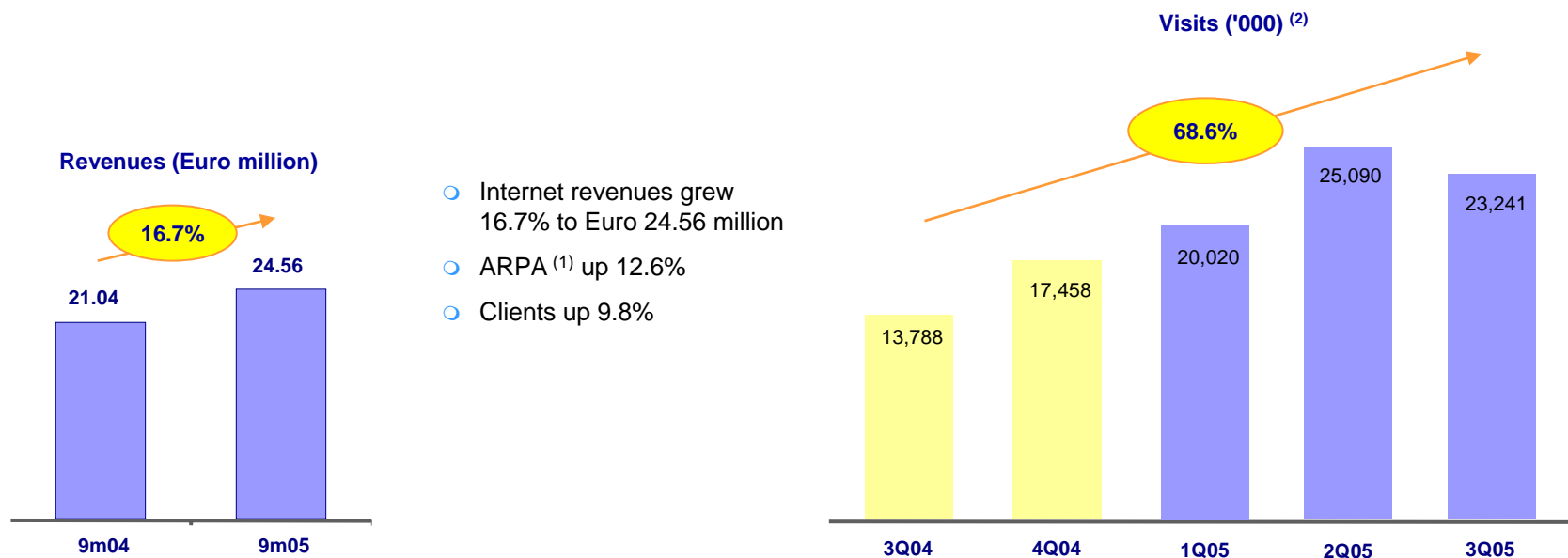
YELLOW PAGES

- Total revenues: Euro 208.80 million (-0.6% like for like)
- # Clients up 4.7% to 222,000
- ARPA: -5.0% to Euro 938
- # Directories published: 89 vs. 81 in 9m04, including 6 new pocket and 2 new local directories

WHITE PAGES

- Total revenues: Euro 51.61 million (+2.2% like for like)
- # Clients up 2.6% to 198,000
- ARPA: -0.4% to Euro 261
- # Directories published : 43 vs. 45 in 9m04, explained by the aggregation of 3 directories into one

Internet revenues grew above 16%



⁽¹⁾ ARPA: average revenue of 9m05 customers calculated excluding the deferral accounting effect

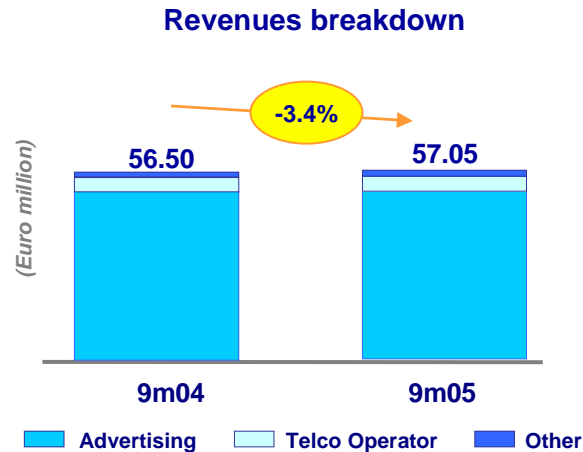
⁽²⁾ Figures audited by the OJD (Oficina Justificación de la Difusión)

Telephone information services¹: traffic revenues grew more than 20% and advertising revenues above 15%



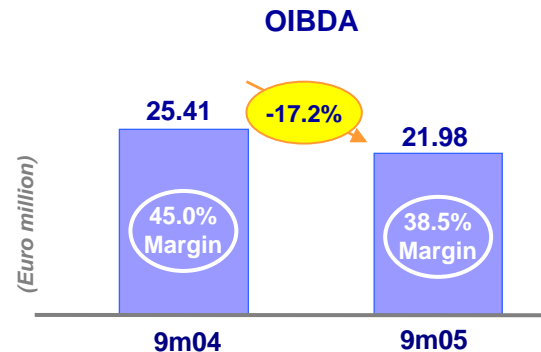
⁽¹⁾ Includes the different telephone information numbers managed by TPI

Chile: Publiguias results show the impact of stronger competition on the Santiago directory



REVENUES

- **Revenues** decreased 3.4% in local currency to Euro 57.05 million
 - The negative evolution can be mainly explained by the publication of Santiago's, book which registered a decline in revenues of 5.0%



OIBDA

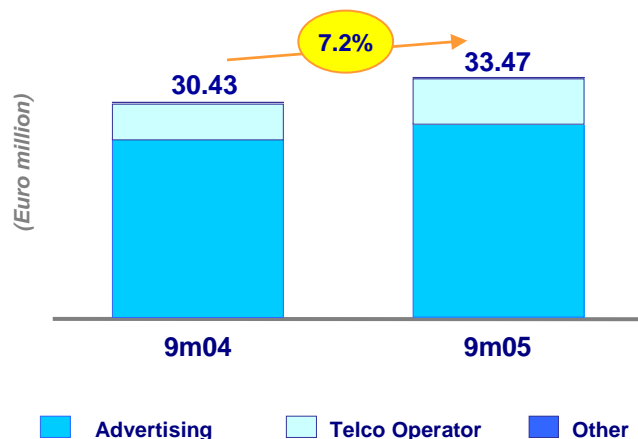
- Negative evolution of OIBDA, is basically explained by:
 - The above mentioned decrease in revenues
 - An increase in bad debt provisions corresponding to previous years editions

xx% → Growth in local currency

Peru: total revenues grew a solid 7.2% in local currency



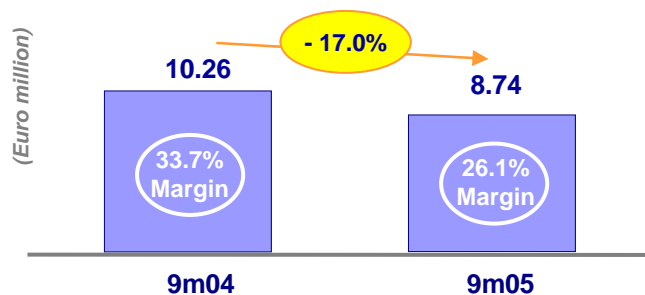
Revenues breakdown



REVENUES

- TPI Peru revenues increased 7.2% in local currency to Euro 33.47 million
 - Advertising revenues grew 5.6% in local currency to Euro 27.01 million due to:
 - Evolution of paper business, +2.2% like for like revenue growth
 - Internet revenues more than twofold to Euro 1.5 million
 - Telco operator revenues went up 16.3% in local currency to Euro 6.43 million

OIBDA

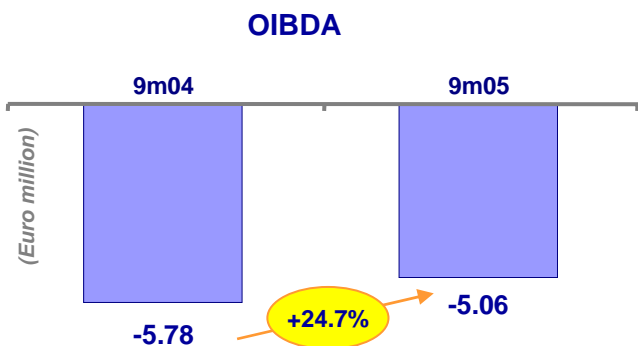
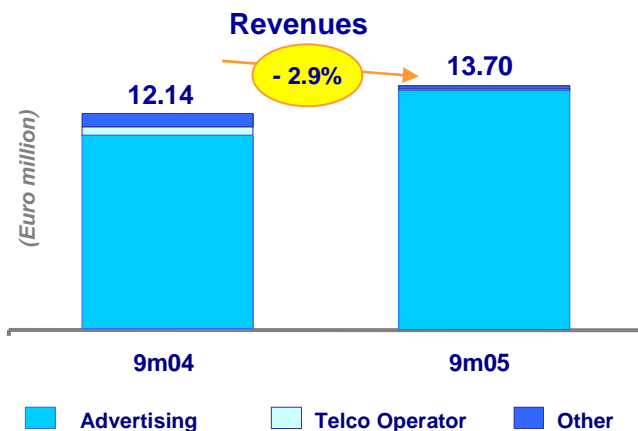


OIBDA

- OIBDA decreases 17.0% in local currency to Euro 8.74 million, mainly explained by an increase in the percentage of provisions vs. same period last year, although in line with year end 2004 percentage

xx% → Growth in local currency

Brazil: advertising revenues up 6.6% in local currency



xx% → Growth in local currency

REVENUES

- TPI Brazil advertising revenues, increased by 6.6% in local currency
 - GuiaMais paper directories, showed a like for like increase of 3.5% in local currency. During the quarter the directories from Guarulhos and Ribeirao Preto have been published
 - Internet revenues amounted to Euro 1.66 million, up 27.5% in local currency
- Total revenues dropped 2.9% in local currency, due to a reduction in LTOGs business volumes

OIBDA

- OIBDA improved 24.7% in local currency to Euro -5.06 million in 9m05. This is mainly explained by lower bad debt provisions and stronger cost control policy

Conclusions

- New guidance 2005 reflecting the future acquisition of Telinver and the entrance to the Italian DA market : revenues +5.5/6.5%, and EBITDA + 7/8%, in constant euros
- 9m05 results show a growth in revenues of 4.4% and 2.0% in OIBDA
- This set of results is explained by:
 - Sustained growth in revenues (4.0%) and OIBDA (6.0%) in Spain
 - Negative evolution of the Santiago's book in Publiguias as a result of tougher competition and higher bad debt from previous years editions
 - Significant improvement of OIBDA in TPI Brazil