



# Telefónica Publicidad e Información

## *First Quarter 2003 Results*

Madrid, May 9<sup>th</sup>, 2003

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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 2003, 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

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- TPI Group reaches EBITDA and Net Income of Euro 10.77 million and Euro 3.27 million respectively
  - ✓ TPI Spain shows strong organic growth in advertising revenues
  - ✓ Lima directory published during January, which contributes to Group consolidated revenues with Euro 21.44 million (+4.6% in local currency)
- The launch in February of the new 11888 DA service in Spain represents an opportunity for TPI
- Strong forecast for 2003 in constant euros of 2002, both in terms of revenues (+7/9%) and EBITDA (+14/17%)

## Positive EBITDA and Net Income achieved during the first quarter of the year

### Main Financial Data (TPI Consolidated Accounts)

(Euro million)	1Q03	1Q02	Var. (%)	Var. (%) <sup>(1)</sup>
<b>Revenues</b>	<b>66.65</b>	<b>62.91</b>	<b>5.9%</b>	<b>20.0%</b>
<b>EBITDA</b>	<b>10.77</b>	<b>7.54</b>	<b>42.8%</b>	<b>70.6%</b>
EBITDA margin	16.2%	12.0%	4.2 p.p.	5.0 p.p.
<b>Net Income</b>	<b>3.27</b>	<b>2.46</b>	<b>32.6%</b>	<b>63.0%</b>
<b>Cash Earnings <sup>(2)</sup></b>	<b>10.79</b>	<b>9.99</b>	<b>8.2%</b>	

<b>nº. Shares (31st March 2003):</b>	<b>368,234,331</b>	
	Jan. -March 2003	Jan. -March 2002
Average exchange rates :	Peso/Euro: 787.40	574.71
	Reais/Euro: 3.74	2.09
	Sol/Euro: 3.73	3.02

<sup>(1)</sup> At average exchange rates of January - March 2002

<sup>(2)</sup> Net Income+/- Extraordinary Results+/-Exchange Rates Differences+Depreciations

	TPI SPAIN (1)		TPI PERU		PUBLIGUIAS		TPI BRAZIL	
	1Q03	% Var.	1Q03	% Var.	1Q03	% Var.	1Q03	% Var.
	(Euro million)	(Local currency)	(Euro million)	(Local currency)	(Euro million)	(Local currency)	(Euro million)	(Local currency)
<b>Revenues</b>	33.93	53.6%	26.15	6.5%	6.18	-0.8%	0.52	-53.8%
EBITDA	0.63	nm	10.39	12.1%	0.65	1.7%	-0.75	57.4%
EBITDA margin	1.9%	nm	39.8%	2.0 pp	10.5%	0.2 pp	nm	nm

(1) Includes Goodman Business Press and 11888

## Our forecast in constant euros aims to achieve revenue and EBITDA growth of 7/9% and 14/17% respectively

### FORECAST IN CONSTANT EUROS 2002

#### Year end forecasts - TPI Group

<i>(Euro million)</i>	<b>Forecasts 2003 *</b>	<b>2002</b>
<b>Total Revenues</b>	<b>+7/9%</b>	<b>532.83</b>
<b>Advertising revenues</b>	<b>+4/6%</b>	<b>483.42</b>
Editorial	+3/5%	453.08
Internet	+15/20%	25.71
Talking Yellow Pages	+15/20%	4.27
<b>Telephone Traffic</b>	<b>+500/600%</b>	<b>2.23</b>
<b>Telecom operator revenues</b>	<b>-3/-5%</b>	<b>44.38</b>
<b>EBITDA</b>	<b>+14/17%</b>	<b>150.11</b>

\* Figures in constant Euros, based on average 2002 exchange rates:

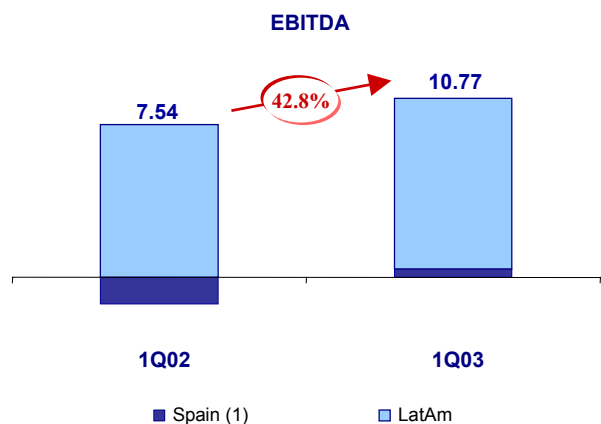
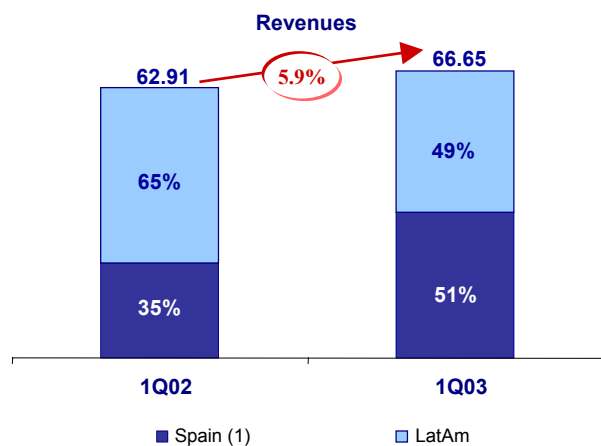
\* Forecast according to present consolidation sphere

Peso/Euro: 675.68

Real/Euro: 2.75

Sol/Euro: 3.31

## TPI Group, revenues and EBITDA by geographical area



- LATAM represents 49.3% of total revenues and contributes with Euro 10.29 million of positive EBITDA.

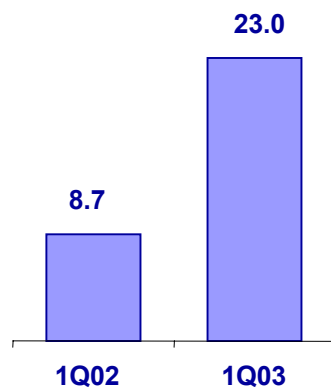
- TPI Peru publishes the Lima directory (32.2% of total 1Q03 TPI Group revenues).
- Peru contributes with Euro 10.39 million to Group EBITDA

- Spain<sup>(1)</sup> revenues and EBITDA increase mainly due to:

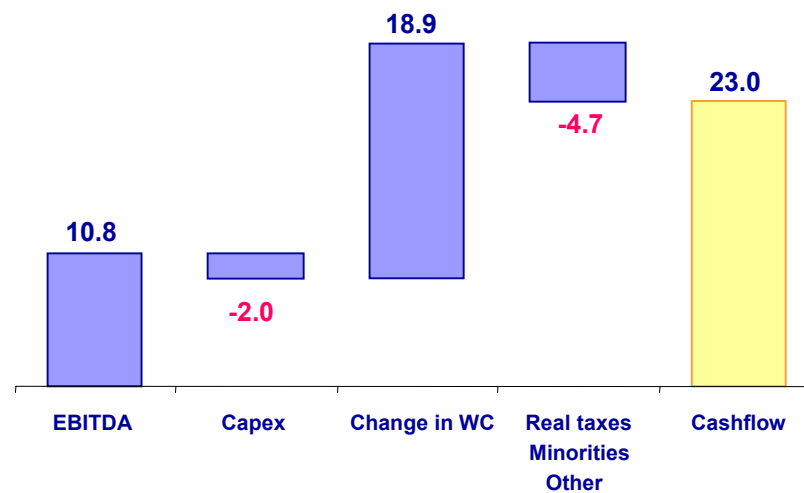
- 7 more directories published (18 in 1Q03 vs. 11 in 1Q02).
- Strong like for like growth (5.8% in Yellow Pages and 13.4% in White Pages).
- Multimedia revenues grow 13.0%
- Spain<sup>(1)</sup> adds Euro 0.63 million to EBITDA compared to a negative EBITDA contribution in 1Q02.

## Consistent cash flow generation

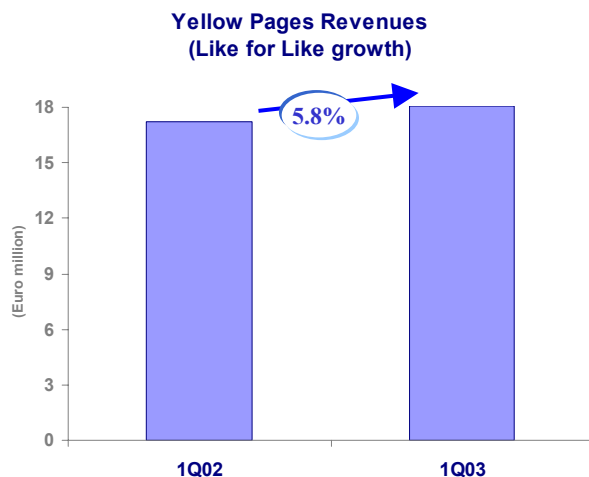
Operating cash flow  
(Million Euros)



Operating cash flow 1Q03  
(Million Euros)

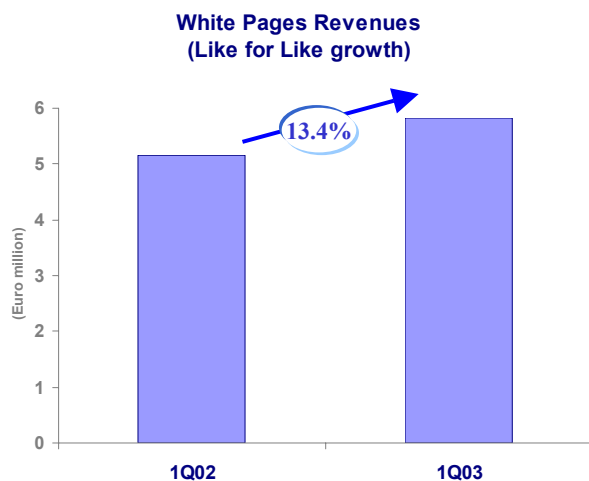


## Spain: Good performance of the editorial business



### YELLOW PAGES

- Total revenues: Euro 18.05 million (+5.8% like for like)
- Avg. Revenue/client up 3.2% to Euro 591
- N° Clients up 2.5% to 30,500
- N° Directories published: 10 (vs 6 in 1Q02)



### WHITE PAGES

- Total revenues: Euro 5.82 million (+13.4% like for like)
- Avg. Revenue/client up 9.8% to Euro 190
- N° Clients up 3.2% to 30,600
- N° Directories published: 8 (vs 5 in 1Q02)

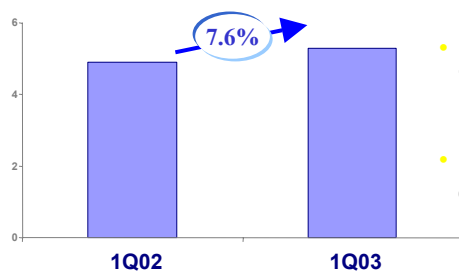


## TPI Spain: Multimedia revenues



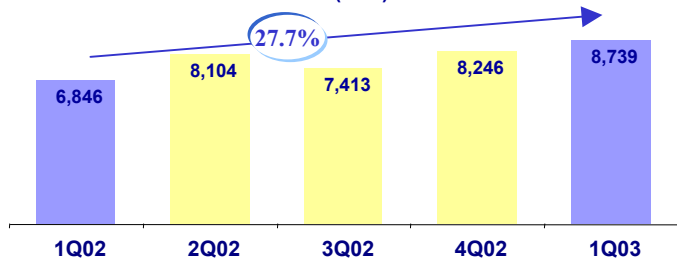
### INTERNET

Revenues (Euro million)

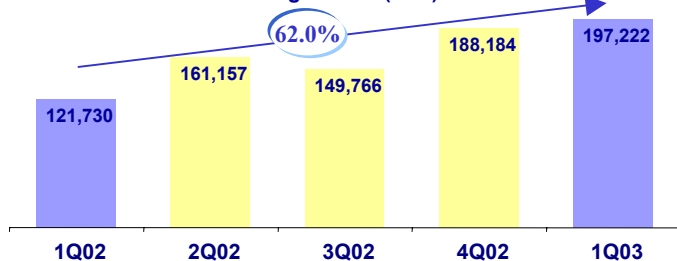


- Internet revenues grew 7.6% to Euro 5.30 million.
- More than 73,600 clients.

Visits ('000) \*

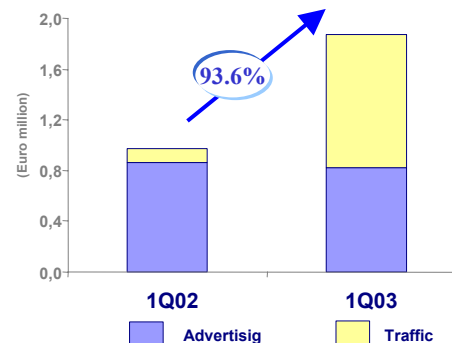


Page views ('000)\*



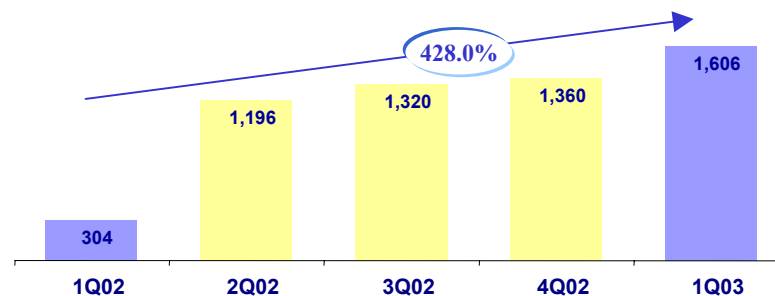
### TALKING PAGES<sup>(1)</sup>

Revenues (Euro million)



- The 6<sup>th</sup> of February was launched the 11888 DA Service.
- Talking Pages revenues grew 93.6% from Euro 0.97 million to Euro 1.87 million.

Number of calls ('000)



<sup>(1)</sup> Includes 11888

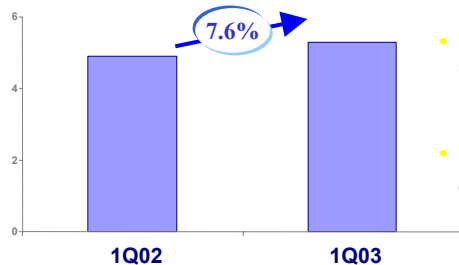
\* All figures audited by OJD.

## TPI Spain: Multimedia revenues



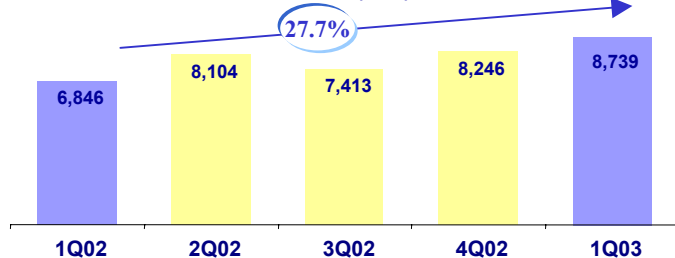
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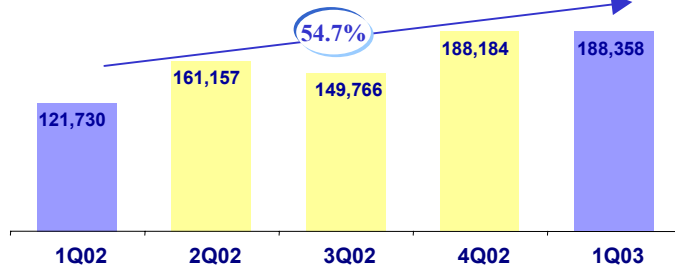


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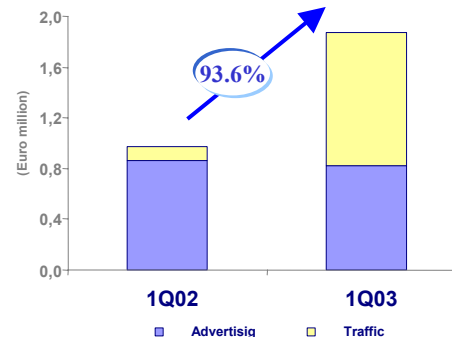


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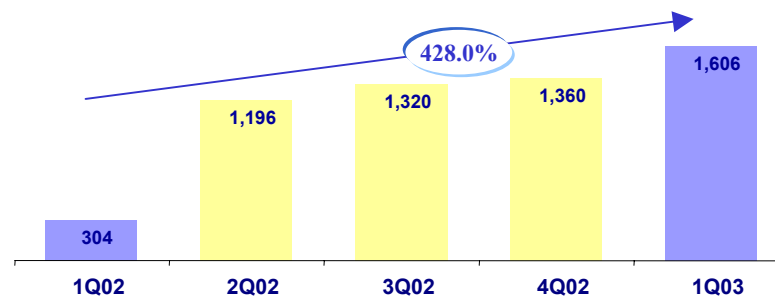
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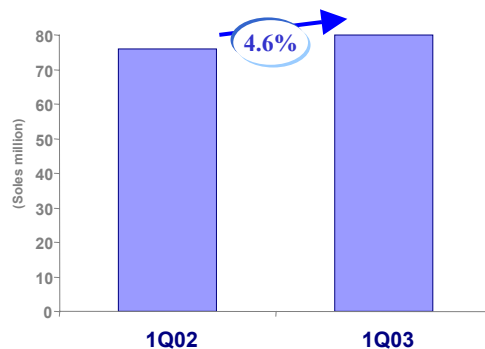
<sup>(1)</sup> Includes 11888

January and February figures audited by OJD. March figures, internal data

## TPI Peru: Good performance of the Lima directory



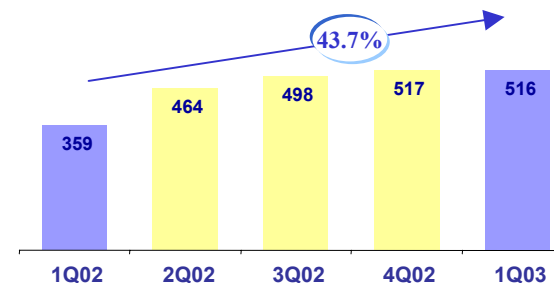
Yellow & White Pages Revenues  
(Like for Like growth)



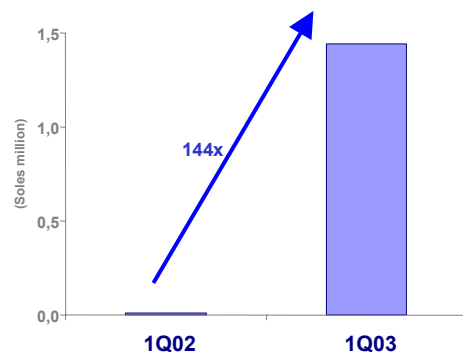
### EDITORIAL REVENUES (YP +WP)

- Lima guide published in January
- Total revenues: Euro 21.44 million (+4.6% in local currency)
- Avg. Revenue/client up 25.4% (in local currency) to Euro 969
- N° Clients dropped 16.6% to over 22,121
- N° Directories published: 1+1

Visits ('000)



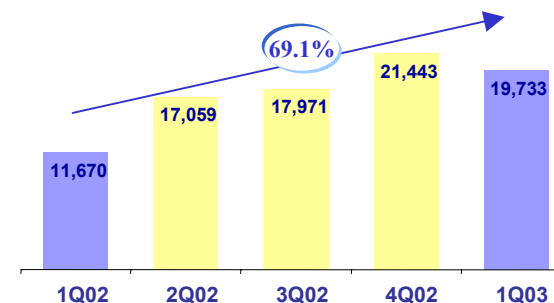
TPI Peru - Internet Revenues



### INTERNET REVENUES

- Strong performance of Internet revenues

Page views ('000)

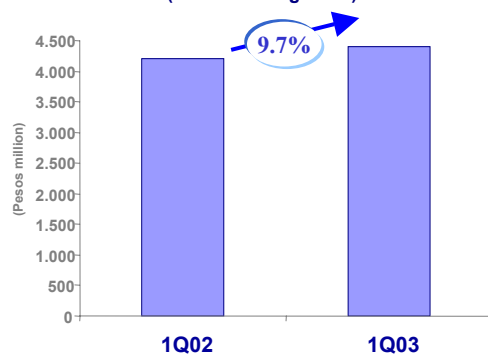


Source: TPI Peru, internal data

## Publiguias: Significant growth in advertising revenues (both editorial and internet)



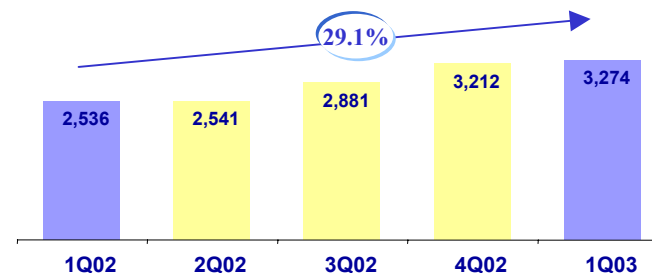
Yellow & White Pages Revenues  
(Like for Like growth)



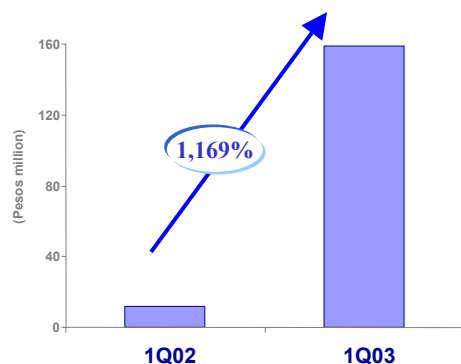
### EDITORIAL REVENUES (YP +WP)

- Total revenues: Euro 5.59 million (+9.7% in local currency)
- Avg. Revenue/client up 15% (in local currency) to Euro 475
- N° Clients dropped 4.8% to over 11,767
- N° Directories published: 3+3

Visits ('000)



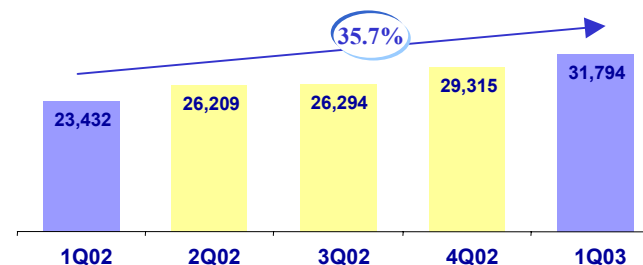
Publiguias - Internet Revenues



### INTERNET REVENUES

- Internet sales boost from Euro 0.02 million to Euro 0.2 million

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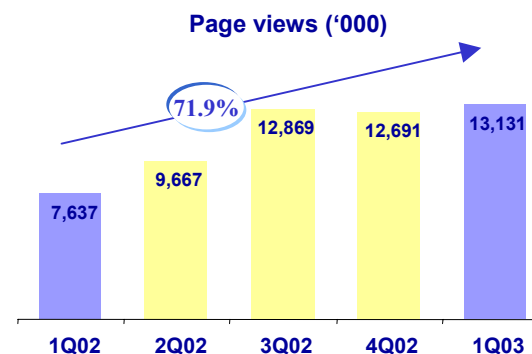
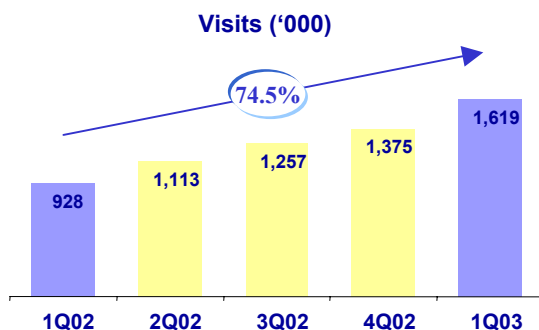


Source: Webtrends: till March 2002,  
Certifica: From April 2002 onwards



## TPI Brazil: Revenues are not significant in 1Q03

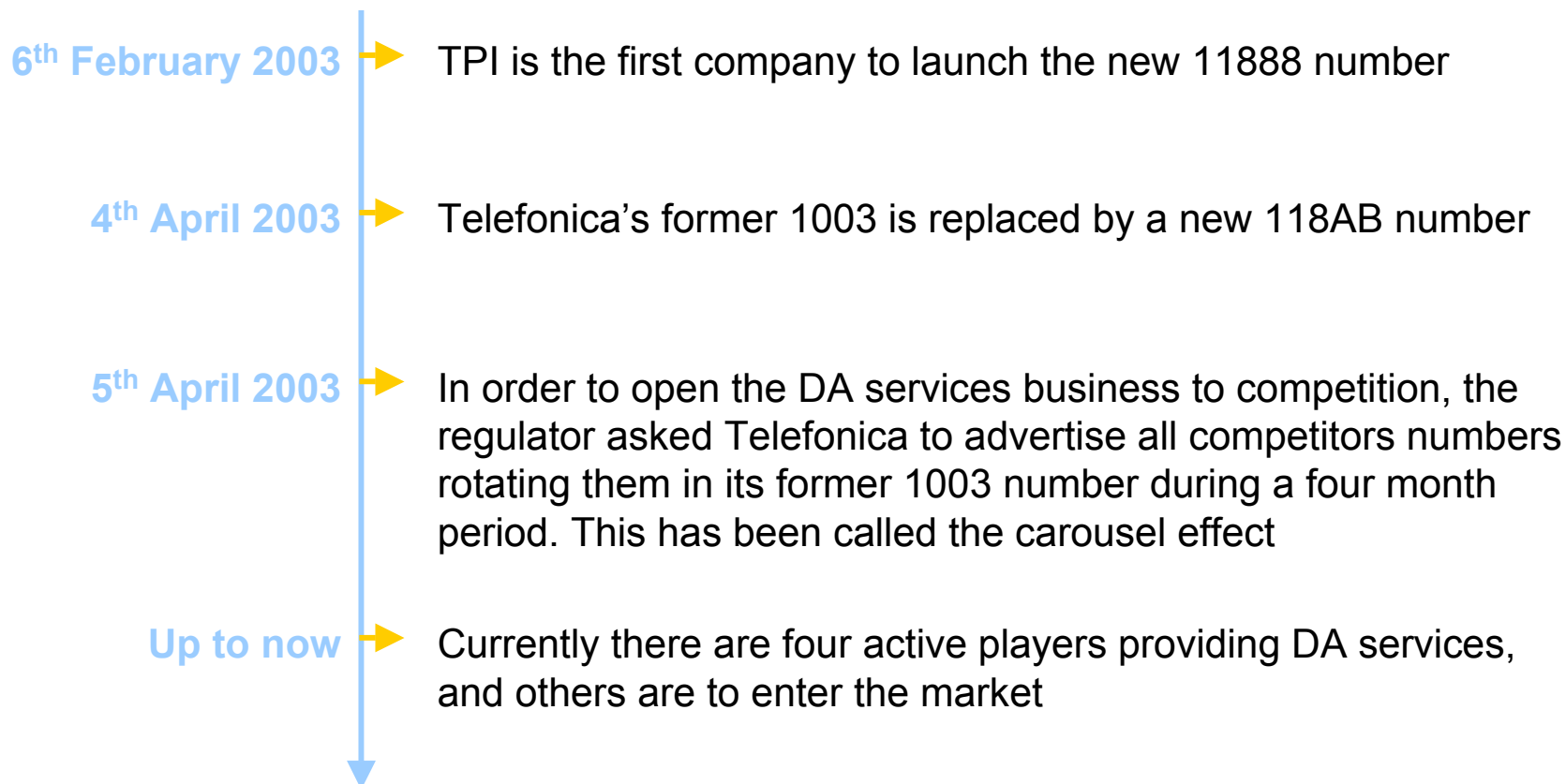
- TPI Brazil revenues as of March are not significant and representative.
- No directories have been published in 1Q03.
- Successful commercial campaign of Guia Mais third edition in Sao Paulo city.
- Guia Mais continuous to be the most consulted directory in the city of Sao Paulo.



Source: 2002 figures audited by IVC (Instituto Verificador Circulação). 1Q03 figures, internal data.

## Firts steps of the new 11888 DA number

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## Conclusions

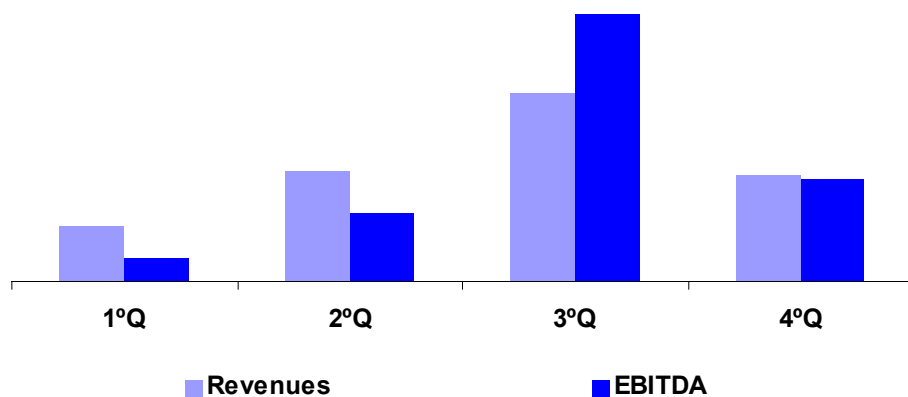
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- Good behaviour of the Group's figures based on:
  - ✓ Sustained organic growth of advertising revenues in Spain, both editorial and internet
  - ✓ Good performance of Lima's directory in Peru published in January 2003
  - ✓ Good performance at EBITDA level in every country
- Committed with strong Revenues and EBITDA forecast for 2003

## ANNEX I: TPI quarterly results are not comparable and can not be extrapolated to year-end

### Quarterly Revenue and EBITDA contribution (%)\*

Year 2002



- Lack of proportionality in quarterly results
- Revenues and EBITDA quarterly contribution in 2003 will not change significantly from 2002.

\* Scale does not correspond to real figures; graphs mean to be illustrative (non accumulated data)