



Telefónica Publicidad e Información

November 2004

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The forward-looking statements in this document can be identified, in some instances, by the use of words such as “expects”, “anticipates”, “intends”, “believes”, and similar language or the negative thereof or by forward-looking nature of discussions of strategy, plans or intentions.

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Group TPI is leader in the Spanish speaking directory market

TPI GROUP

- Revenues 2003: €570.83 M
- EBITDA 2003: €179.58 M
- % EBITDA margin: 31.5%
- Net Income 2003: €90.06 M
- Capex: €20.6 M
- Cash Conversion⁽¹⁾: 61.0%
- ROE⁽²⁾: 58.8%

PERU



- Revenues 2003: €31 M
- EBITDA 2003: €6 M
- % EBITDA margin: 20%
- Market share: 100%

CHILE

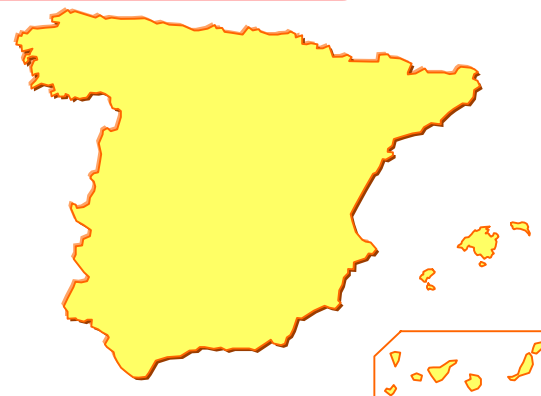
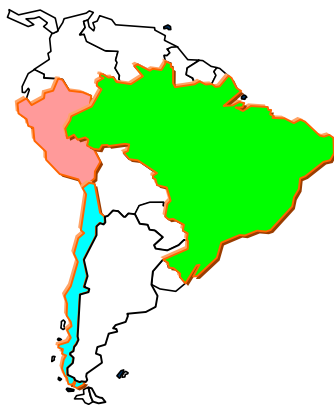


- Revenues 2003: €75 M
- EBITDA 2003: €27 M
- % EBITDA margin: 37%
- Market share: 98%

BRAZIL



- Revenues 2003: €18 M
- EBITDA 2003: €-5 M
- % EBITDA margin: -30%
- Mkt. share (Sao Paulo city): 33%



SPAIN



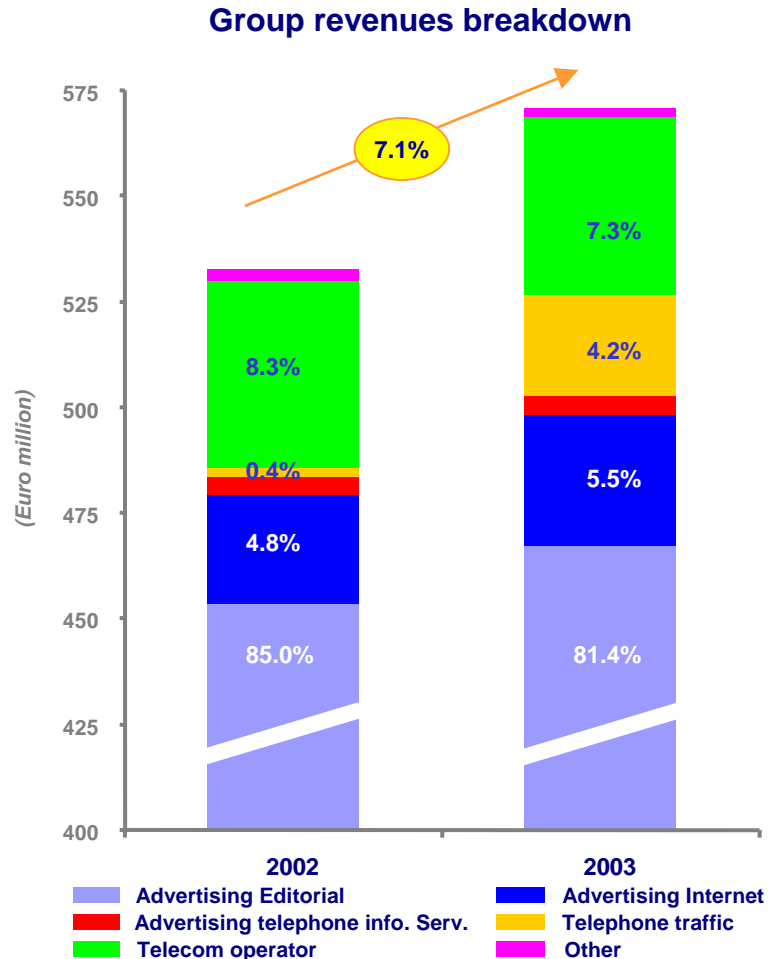
- Revenues 2003: €448⁽³⁾ M
- EBITDA 2003: €153⁽³⁾ M
- % EBITDA margin: 34%
- Market share: 89%

⁽¹⁾ Operating free cash-flow/EBITDA

⁽²⁾ ROE = Noplat / Annualized Shareholders Equity (mobile average)

⁽³⁾ Includes TPI Spain, 11888 and TPI Edita

TPI Group revenues breakdown



- Advertising revenues represented 88% of total revenues in 2003 vs. 90.7% in 2002.
- Editorial revenues accounted in the same year for 81.4% of total revenues, of which 82% come from Yellow Pages and 17% from White Pages.
- Traffic revenues strongly increased its contribution to Group revenues from 0.4% in 2002 to 4.2% in 2003 mainly due to the launch of 11888.

TPI will exceed the 2004 revenues and EBITDA guidance in constant euros 2003 (revenue growth +3/5%, EBITDA growth +9/11%)

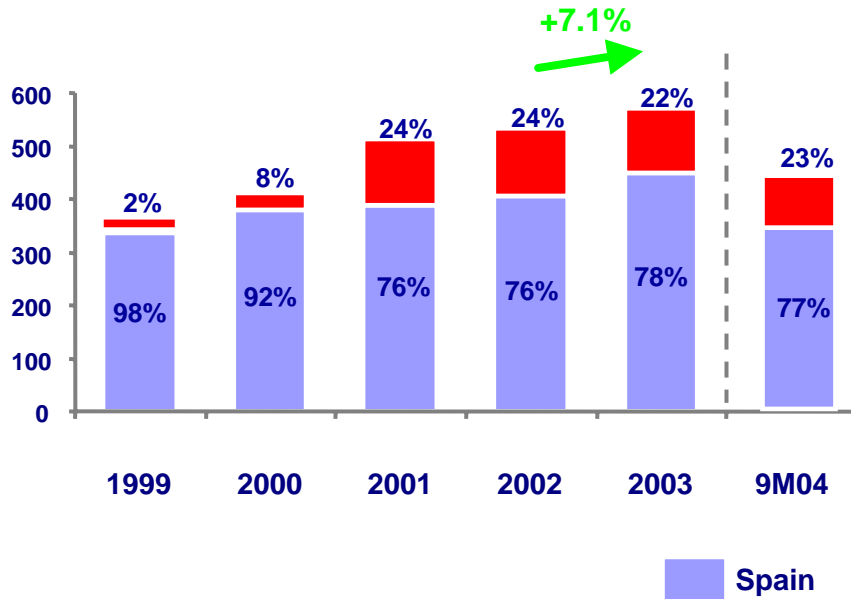
Main Financial Data (TPI Consolidated Accounts)					
<i>(Euro million)</i>	9m04	9m03	Var. (%)	Var. (%) ⁽¹⁾	2004 Forecast ⁽²⁾
				<i>in local currency</i>	<i>in local currency</i>
Revenues	446.31	421.73	5.8%	6.6%	+ 3/5%
Advertising revenues	380.09	371.68	2.3%	3.0%	+ 2/4%
-Publishing business	349.38	345.58	1.1%	1.9%	+ 2/4%
-Internet business	24.99	22.14	12.9%	13.5%	+ 14/17%
-Directory Assistance business	3.51	3.09	13.6%	14.2%	+ 10/13%
-Other	2.21	0.87	152.7%	152.7%	-
Telephone traffic	33.84	14.11	139.8%	139.8%	+ 40/50%
Telecom Operator	30.85	33.73	-8.5%	-7.2%	- 8/-5%
Other revenues	1.54	2.20	-30.1%	-27.9%	-
EBITDA	161.19	138.10	16.7%	17.2%	+ 9/11%
EBITDA margin	36.1%	32.7%	3.4 p.p	3.4 p.p	-
Net Income	92.11	71.10	29.6%	29.6%	-
 nº. Shares (30th September 2004):					
		368,234,331			
		<i>Jan. -Sept. 2004</i>	<i>Jan. -Sept. 2003</i>	<i>Jan. -Dec. 2003</i>	
Average exchange rates :	Peso/Euro:	746.27	735.29	671.14	
	Reais/Euro:	3.64	3.46	3.45	
	Sol/Euro:	4.09	3.87	3.91	
<small>(1) At average exchange rates of January - September 2003</small>					
<small>(2) At average exchange rates of January - December 2003</small>					

In 2003 LatAm generated 22% of revenues and contributed Euro 27.90 million of positive EBITDA

LatAm historical contribution to Group accounts

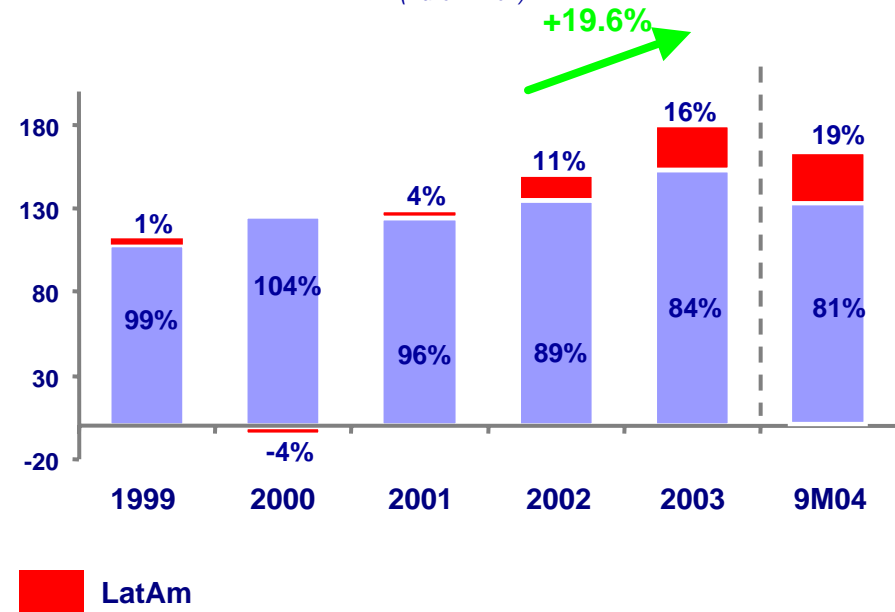
Revenues

(Euro Million)

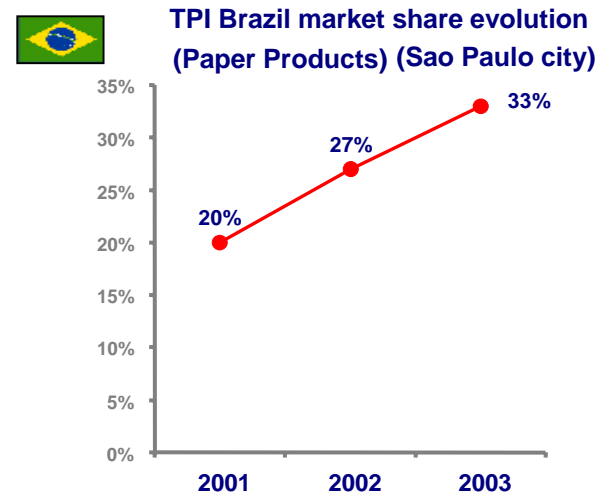
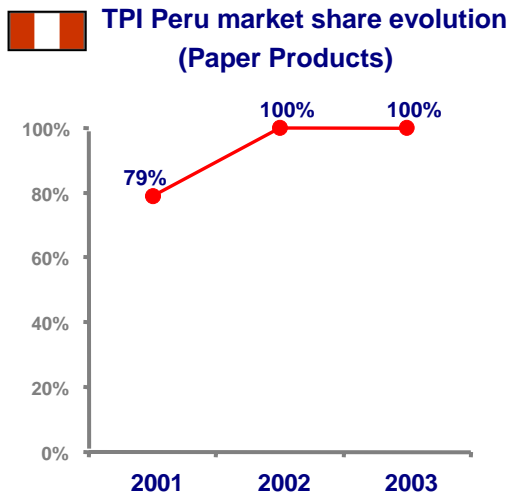
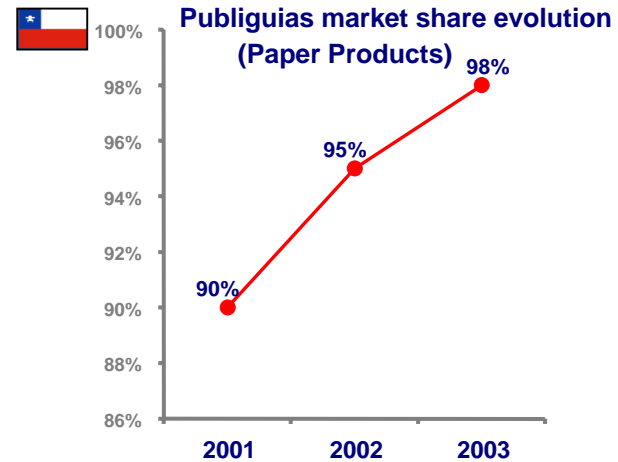
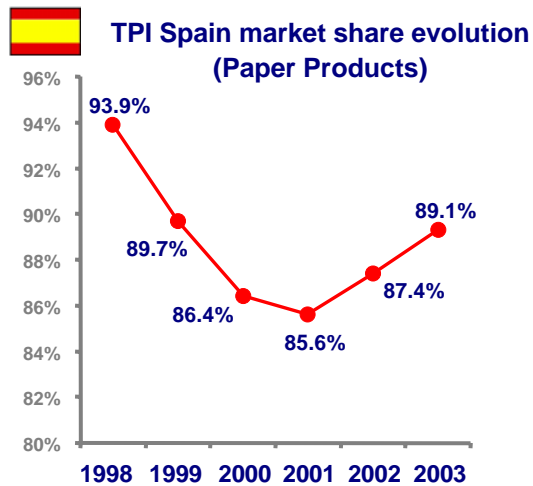


EBITDA

(Euro Million)

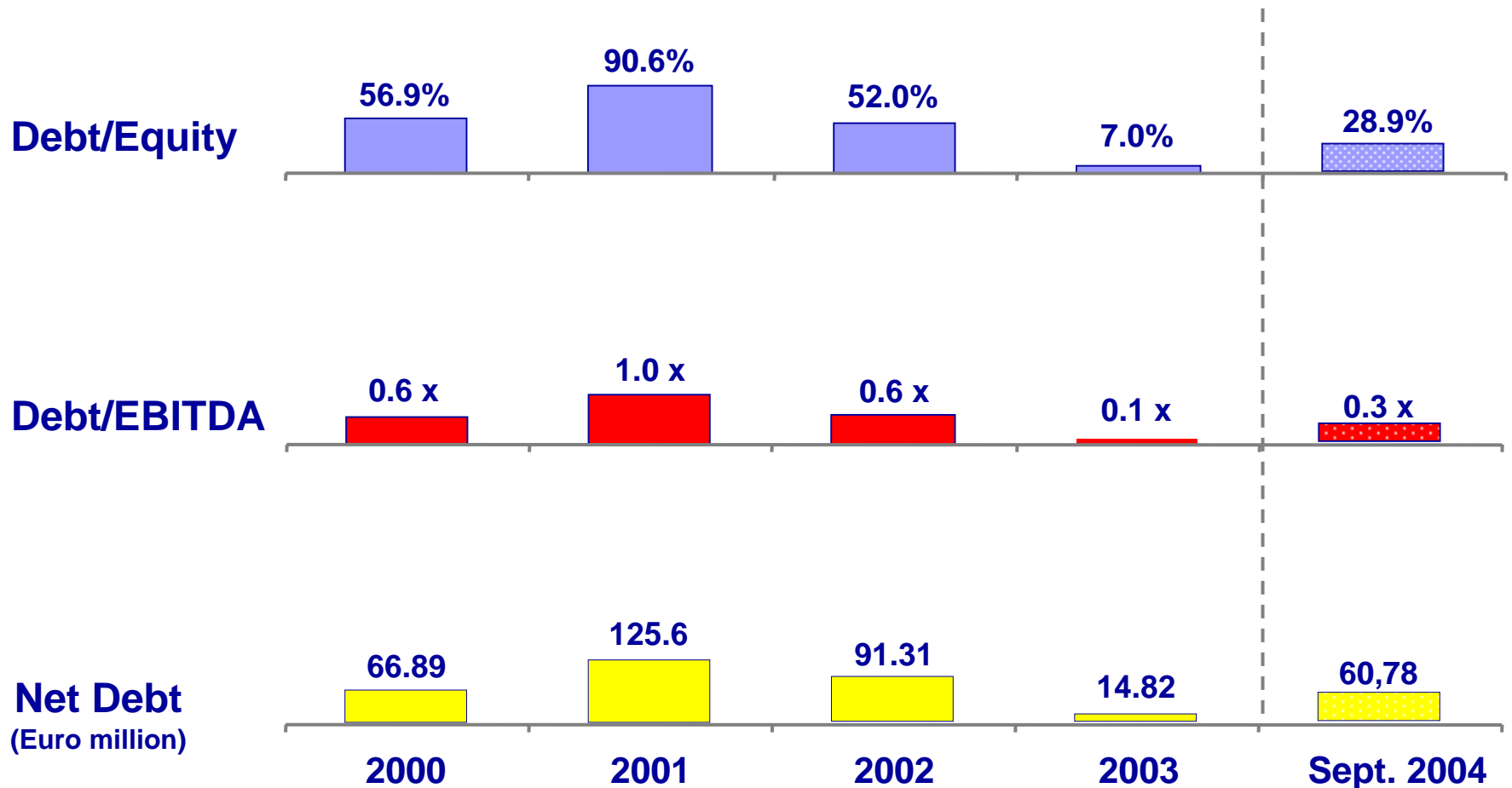


TPI increases its position in every market where it is present



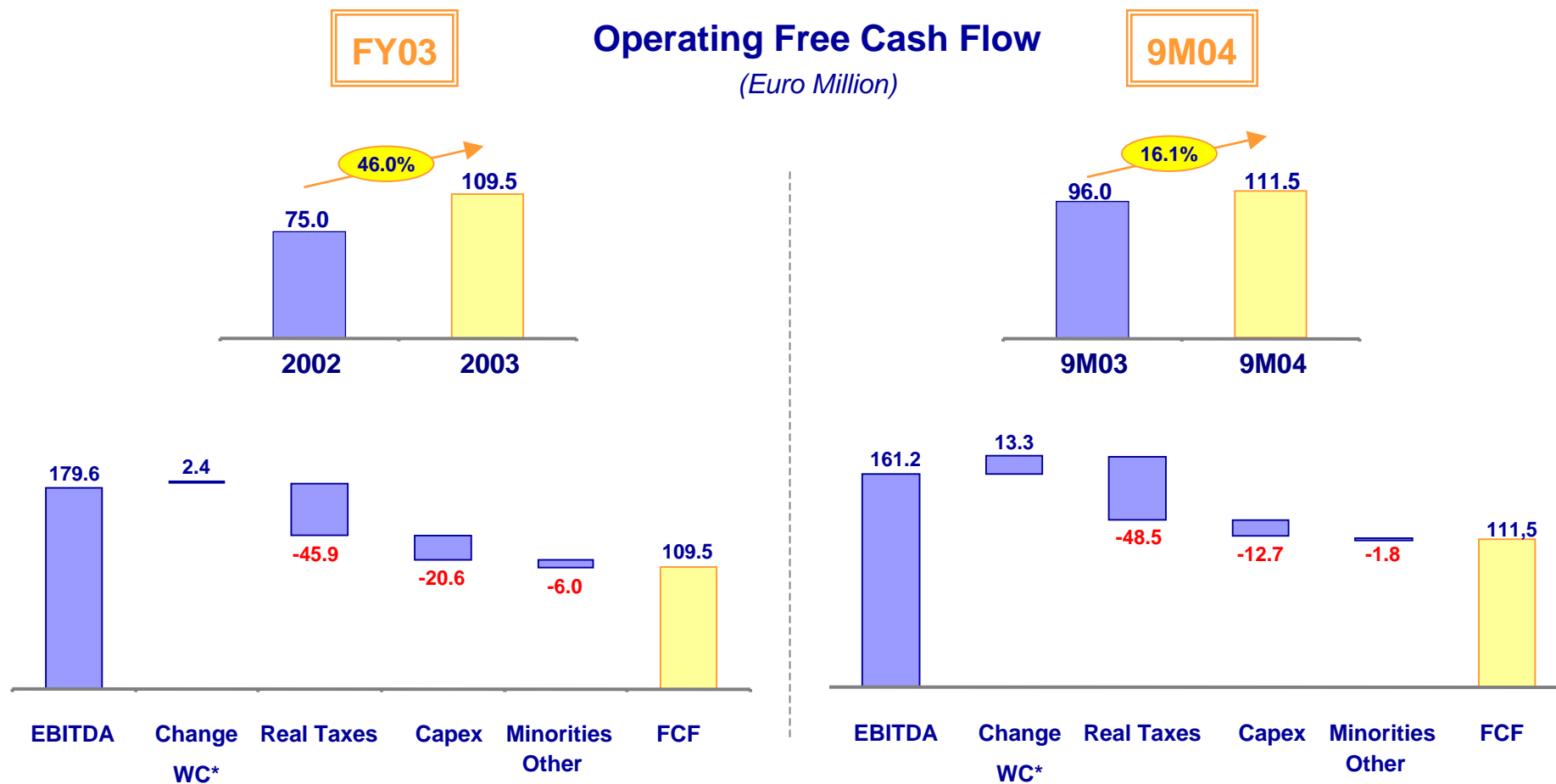
Source: TPI estimates

Great leverage capabilities



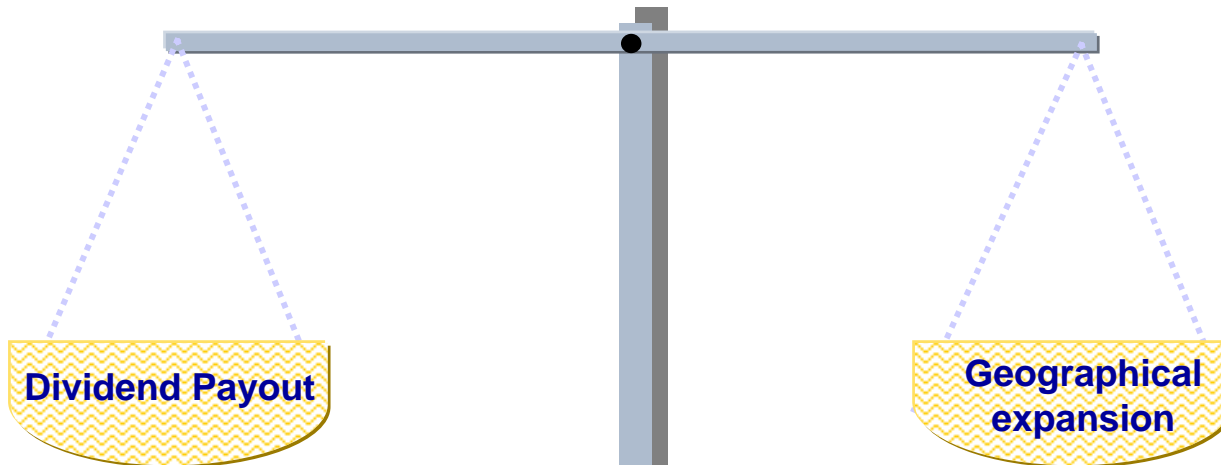
Note: EBITDA annualised for the September 2004 Debt/EBITDA ratio

Consistent cash flow generation



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

What will be the cash used for?



TPI's Dividend Policy: Payout will be at least 50% of the Group's Net Profit (IPOs Offering Circular)

Of Group's Net Profit Dividend (Euro million)

✓ 2000	59.2%	42.75
✓ 2001	54.8%	35.54
✓ 2002	53.2%	40.15
✓ 2003	102.2%	92.06

• Dividend Payout:

• Dividend Yield (*): 4.1%

(* At 10/11/04 closing Price. Euro 6.15 per share

Geographical expansion

• Past expansion:

- ✓ Brazil -1999
- ✓ Chile – 2000 (acquisition 51%)
- ✓ Peru – 2002
- ✓ Chile minorities – 2004 (acquisition of 49%)

• Future expansion

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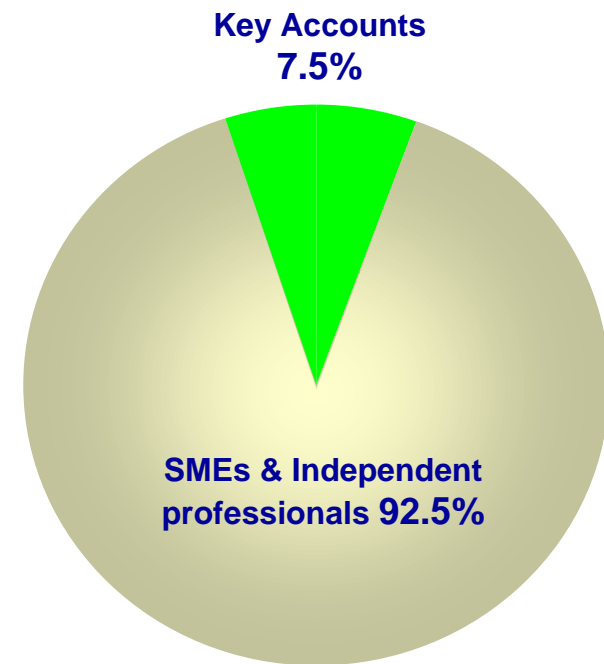
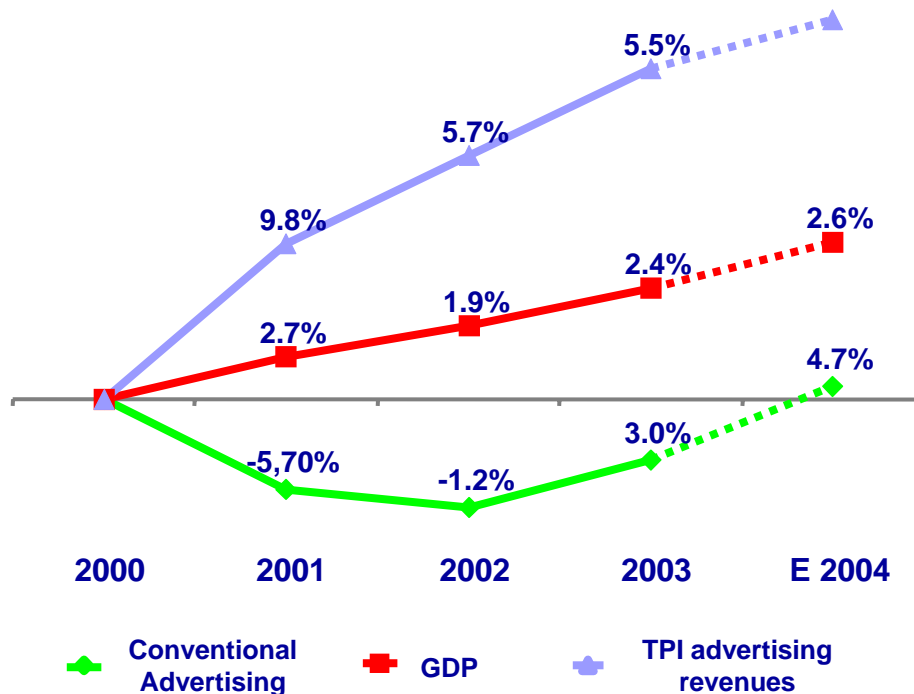
V. Conclusions

Spanish directory market is less volatile and more resilient to changes in the economic cycle ...



TPI vs GDP & Advertising market

... the nature of its clients is behind this stability

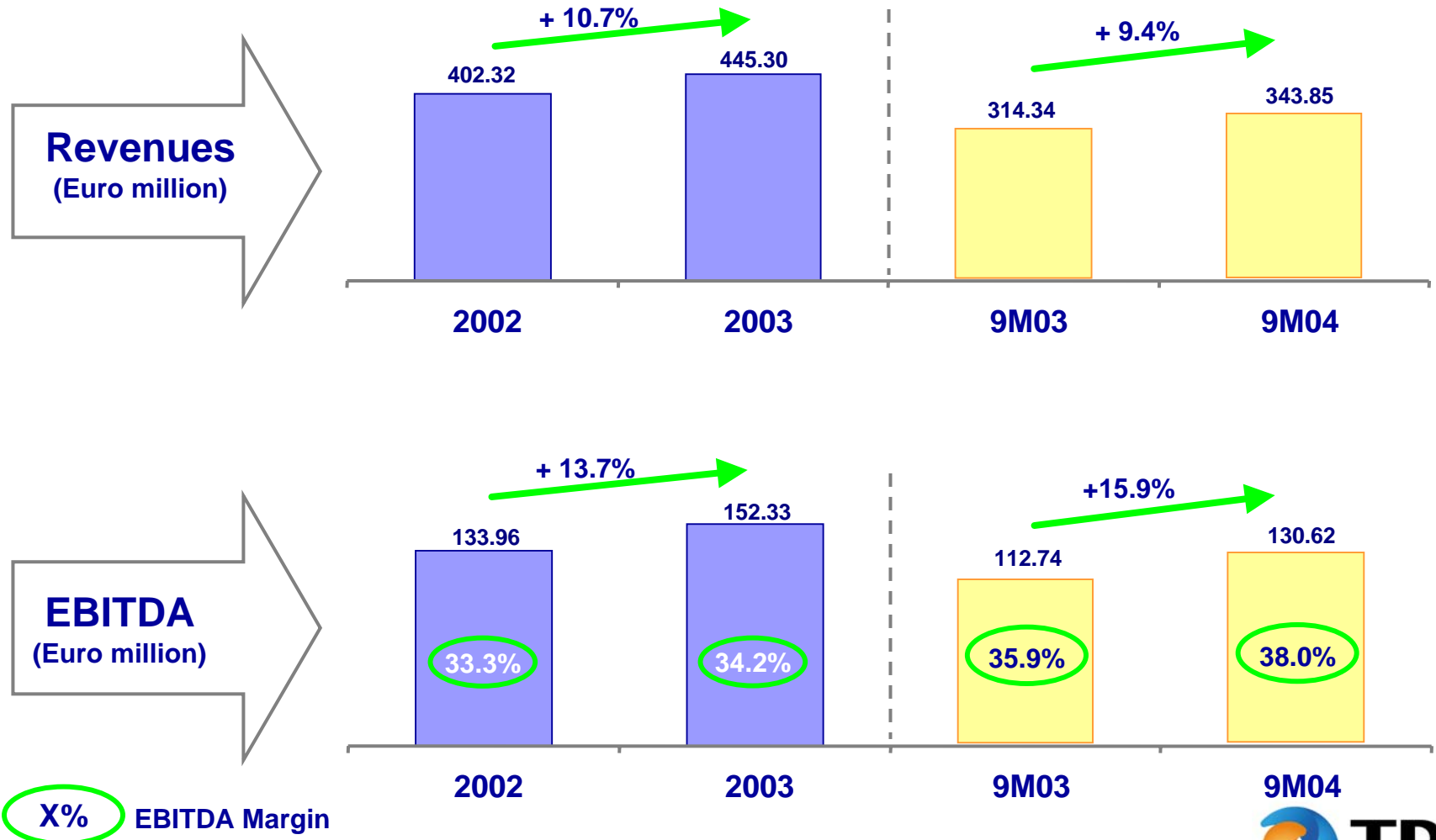


2003

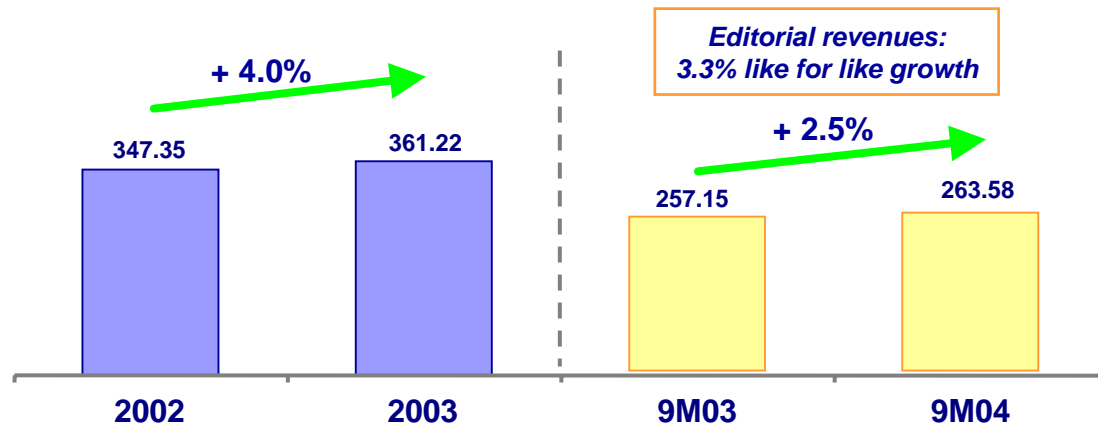
TPI advertising revenues: Includes Yellow Pages, White Pages, Internet and Operated Assisted Yellow pages

Source: Infoadex, OCDE, TPI.

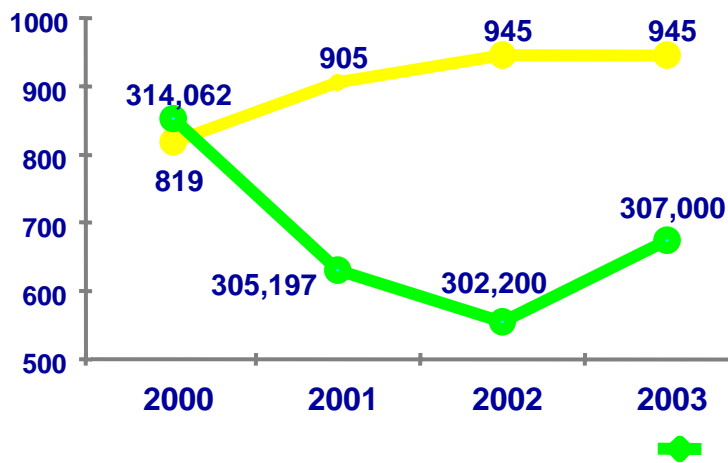
TPI Spain, solid revenues and EBITDA growth



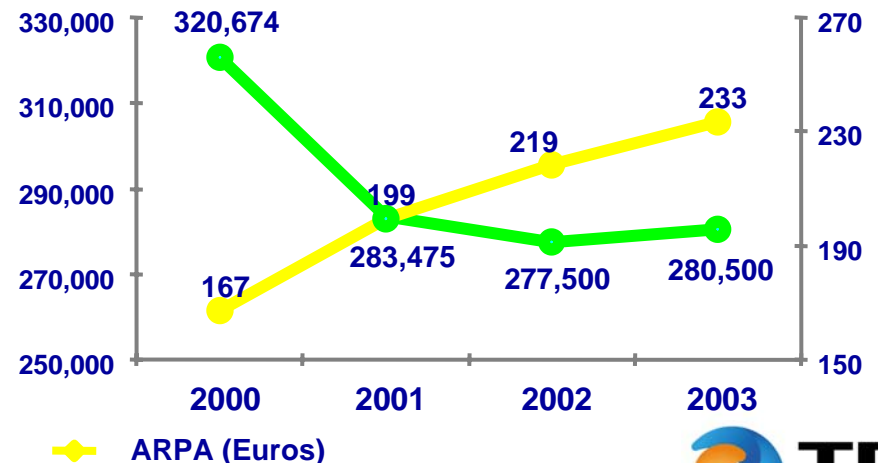
TPI Spain, the editorial business still showing sustained growth



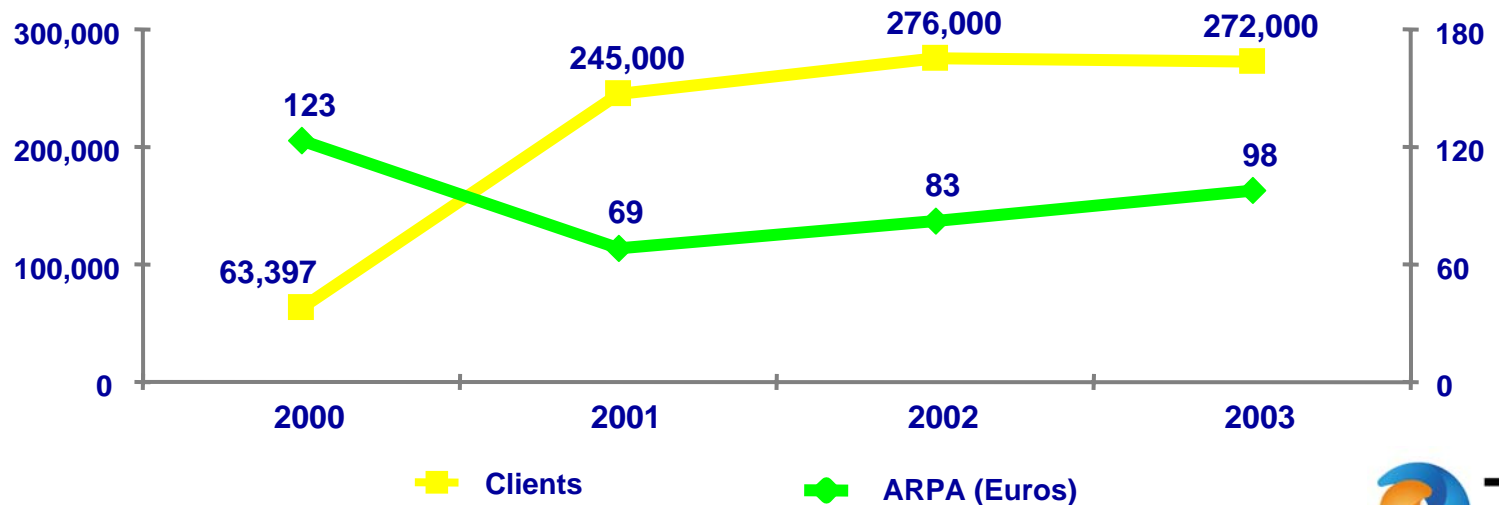
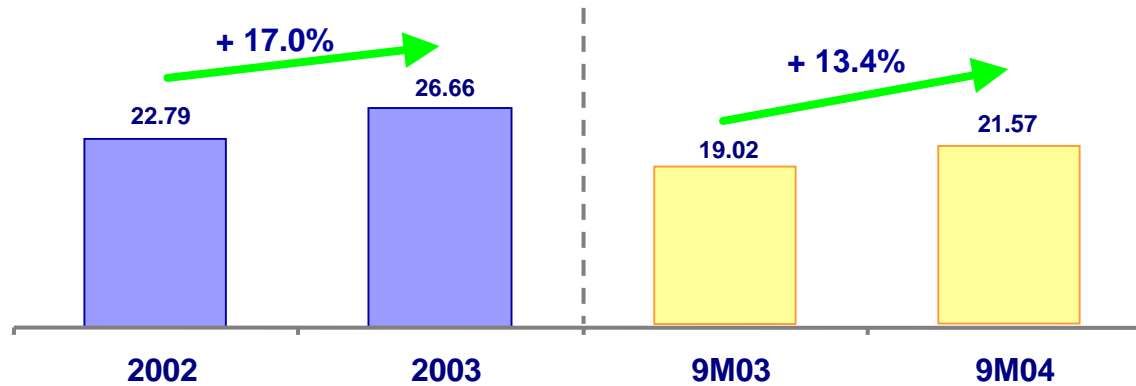
ARPA Yellow Pages & N° Clients



ARPA White Pages & N° Clients

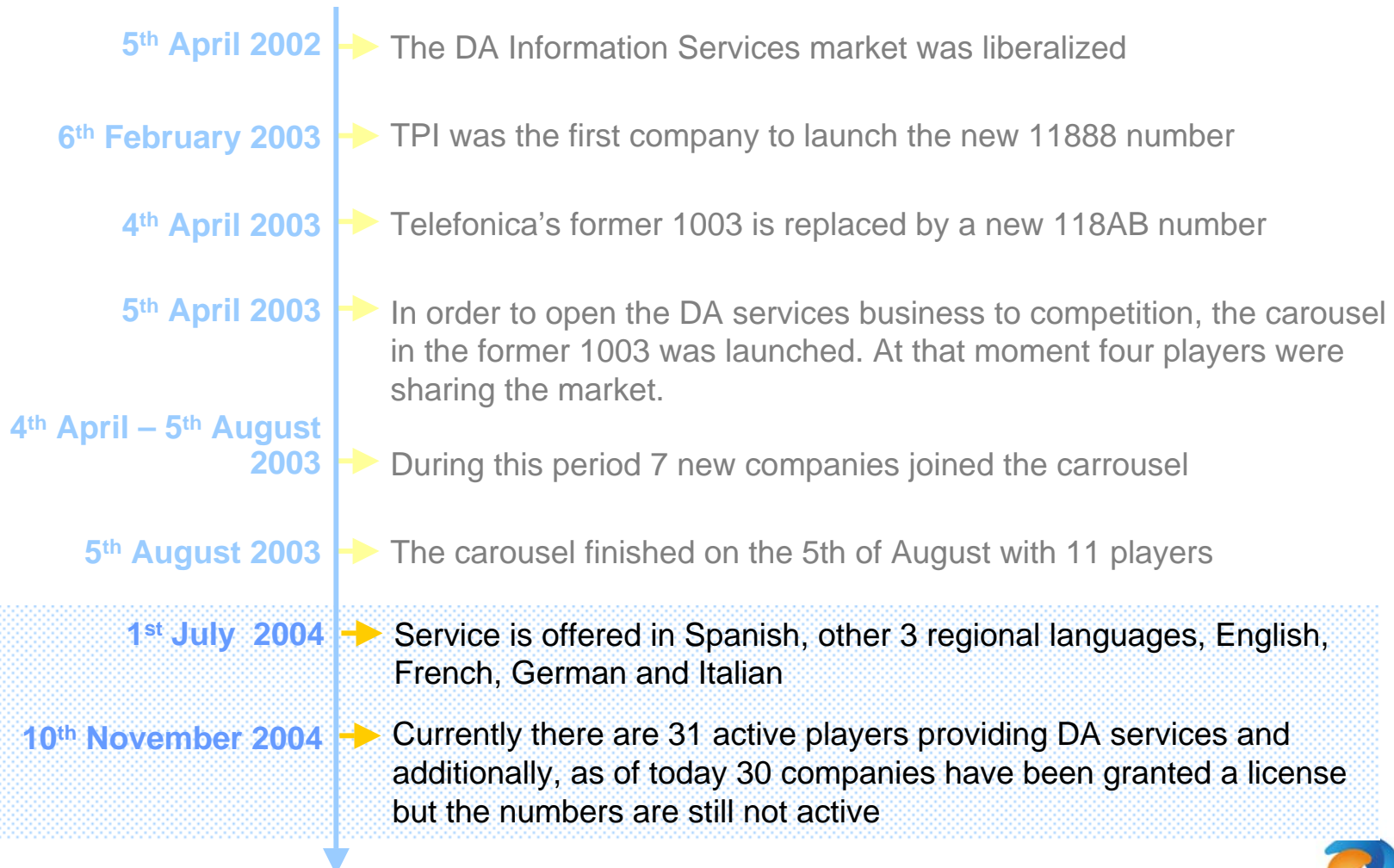


TPI Spain, On Line revenues grow as bundling breaks



Update of the 11888 DA service

llama y encuentra
11 888

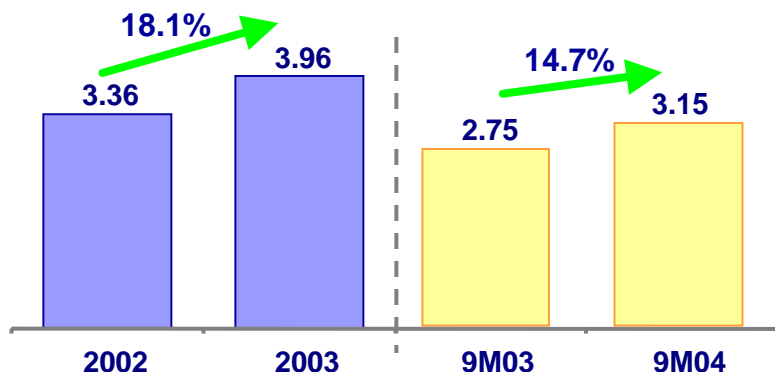


TPI Spain, DA Information Services

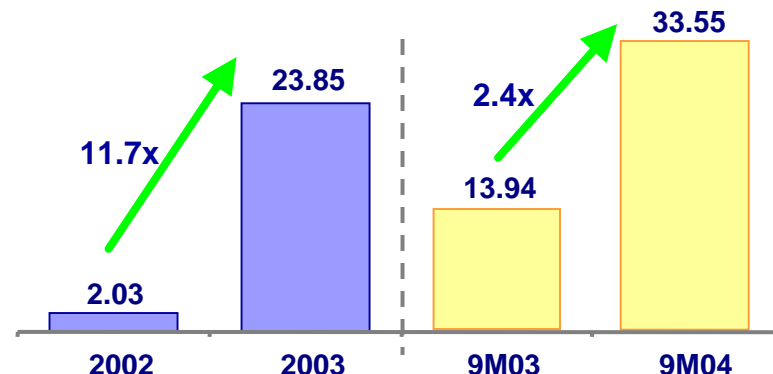
llamayencuentra
11 888



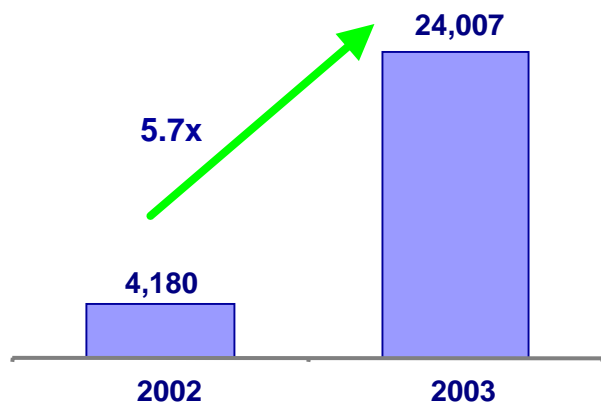
Advertising Revenues (*) (Euro million)



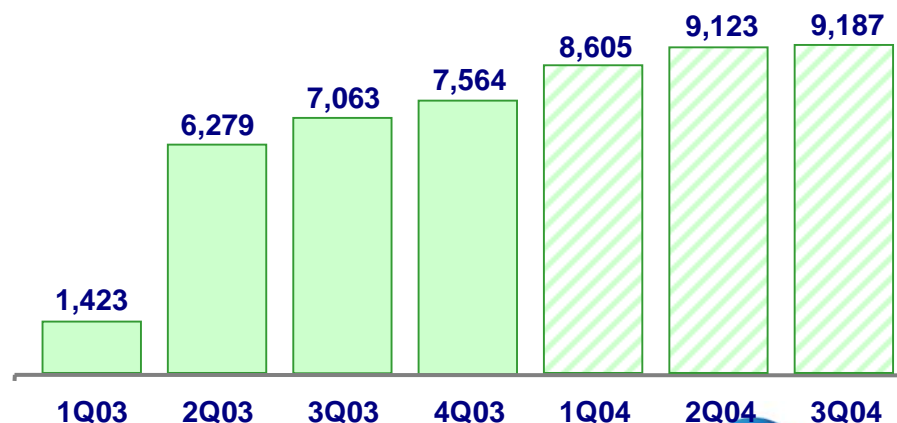
Traffic Revenues* (Euro million)



Number of calls ('000) (*)



Number of invoiced calls ('000) (*) – Split by quarter



(*) Traffic revenues and number of invoiced calls includes all telephone information services provided

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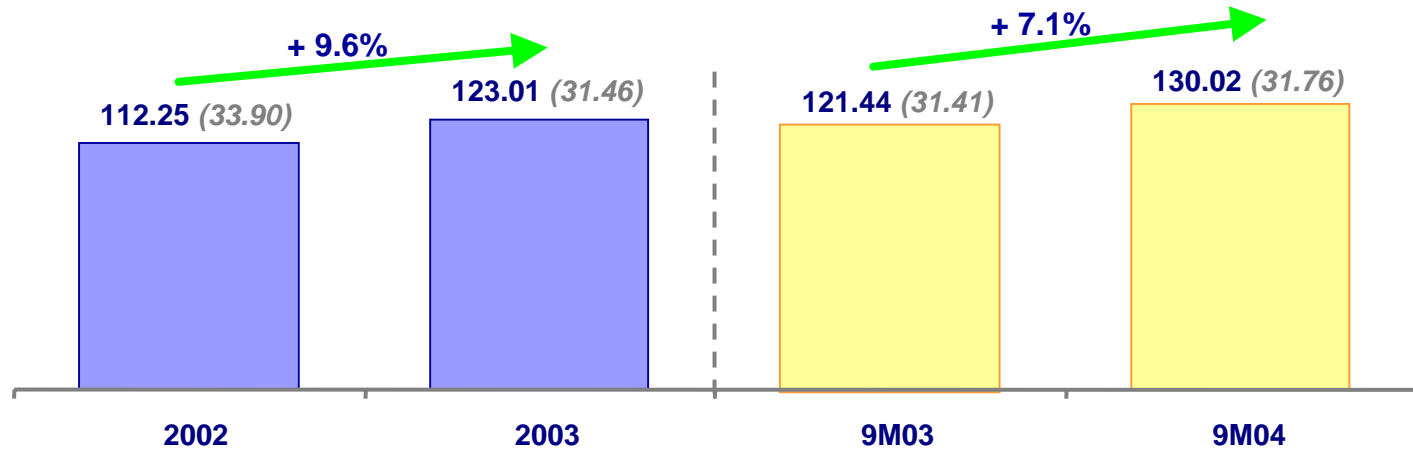
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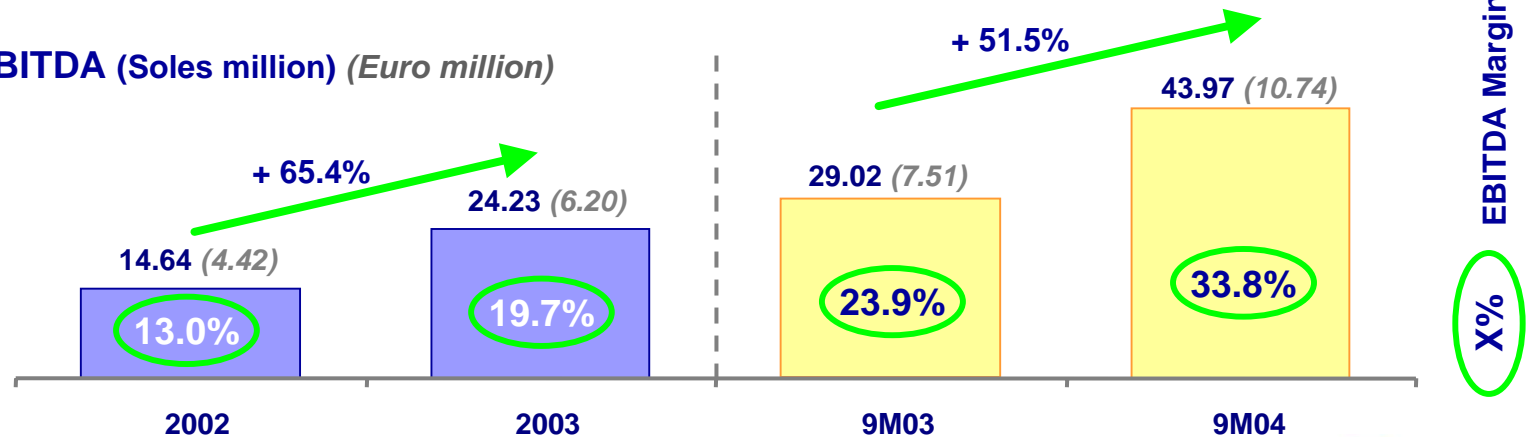
Peru: strongly improving EBITDA margin



Revenues (Soles million) (Euro million)



EBITDA (Soles million) (Euro million)

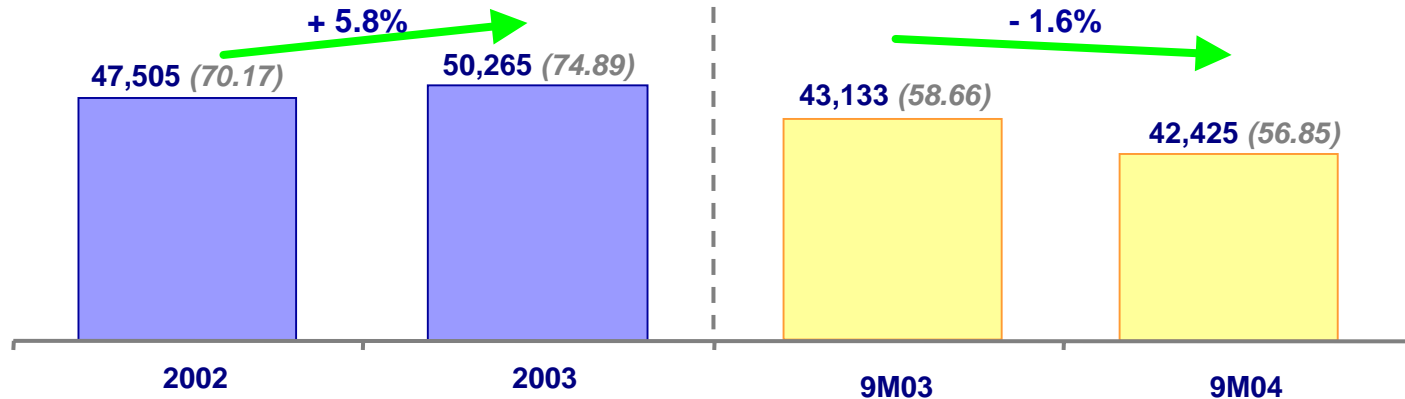


→ Growth in local currency

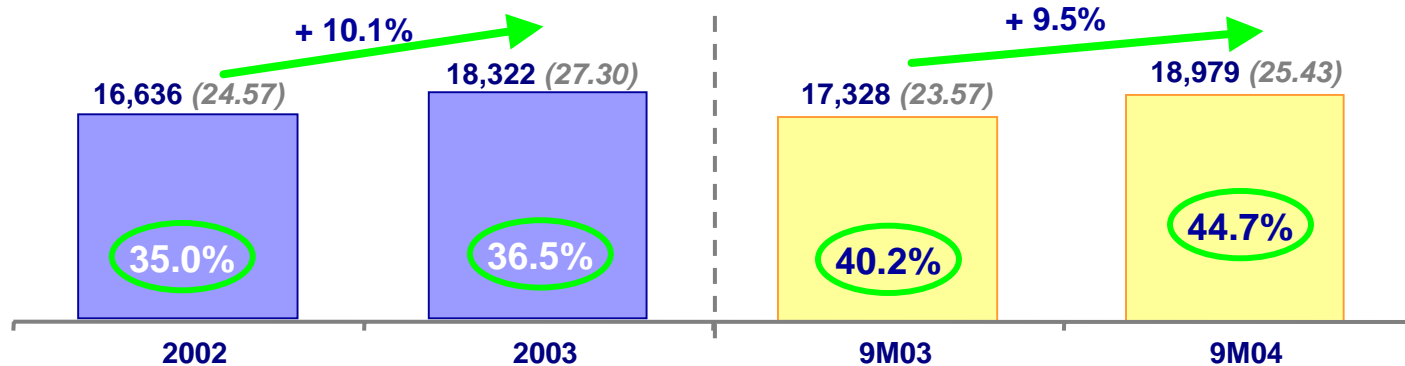
Publiguias: 2004 results representative after Santiago's book published in 3Q



Revenues (Pesos million) (Euro million)



EBITDA (Pesos million) (Euro million)



EBITDA Margin

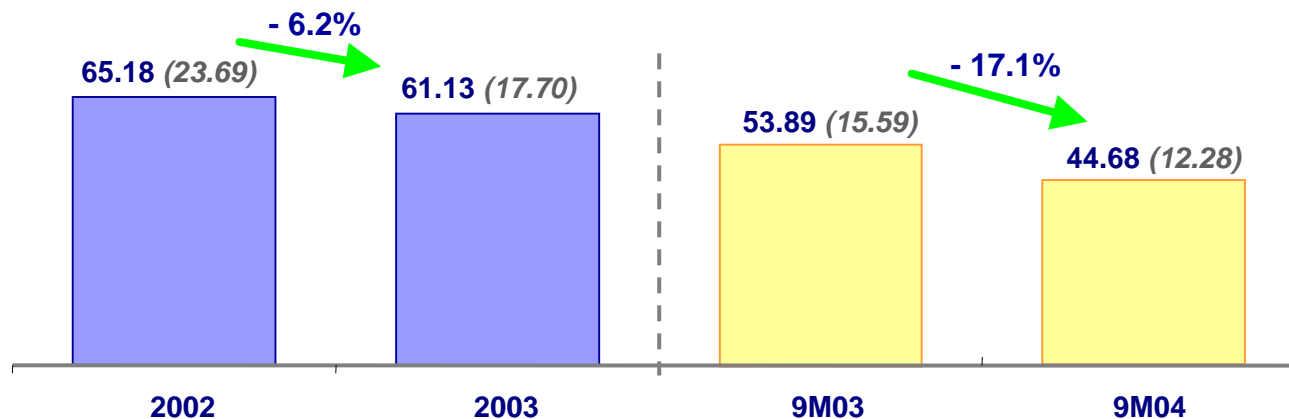
X%

→ Growth in local currency

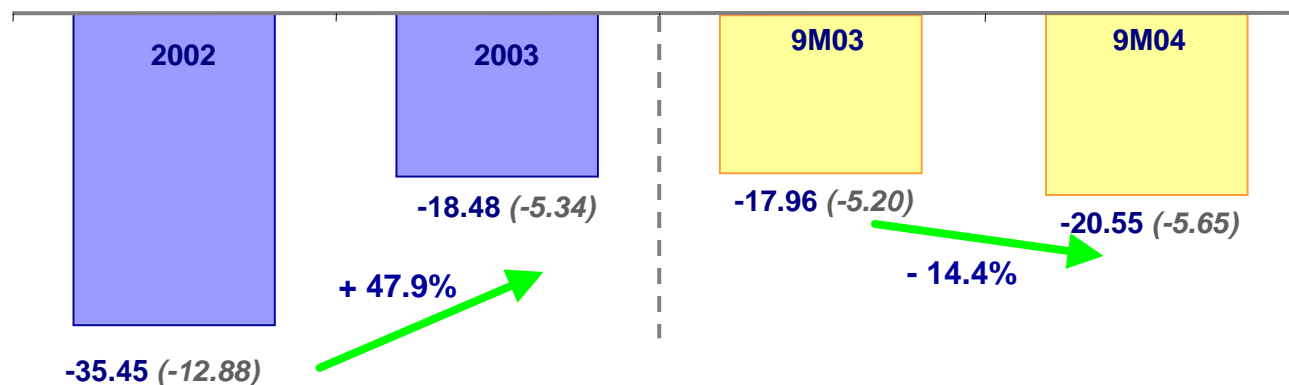
Brazil: strong efforts to reduce bad-debt levels



Revenues (Reais million) (Euro million)



EBITDA (Reais million) (Euro million)



→ Growth in local currency

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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

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Conclusions

- Sustained growth in revenues, EBITDA and net income, combined with margins expansion in every country:
 - Editorial business continues to grow.
 - Double digit growth of internet revenues.
 - Consolidation of telephone information services as a revenue source.
- LatAm continuous to increase its contribution to Group's EBITDA in 2004, despite currencies depreciation.
- Leadership position in all areas where present.
- Strong cash flow generation together with high leverage capabilities, allow for:
 - Shareholder remuneration.
 - Expansion policy
- Year end 2004 results will exceed the guidance announced in constant euros of 2003 (Revenues +3/5% and EBITDA +9/11%)