

*Teleconference January-September Results - November 4<sup>th</sup>, 2003*

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Telefónica Publicidad e Información

*January-September 2003 Results*

Madrid, November 4<sup>th</sup>, 2003

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## **Strong improvement in revenues and EBITDA will allow year end growth to reach the upper part of the guidance in constant euros**

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- TPI Group reaches EBITDA and Net Income of Euro 138.10 million (+18.0%) and Euro 71.10 million (+10.7%) respectively
  - ✓ TPI Spain shows strong growth in revenues (+7.0%) and EBITDA (+12.5%)
  - ✓ Publiguías publishes Santiago's directory which shows a like for like growth in revenues of 9.8% in local currency and contributes with 38.95 million euros
  - ✓ TPI Brazil reduces its negative EBITDA to Euro - 5.20 million (from Euro -12.05 million)
- The 11888 DA service strongly contributes to the positive performance of traffic revenues (Euros 14.11 million) which almost multiply by ten times 9m02
- TPI highlights both revenues and EBITDA growth at the high end of the ranges of the guidance, in constant euros, given in the first quarter results (Revenues 7/9% and EBITDA 14/17% in constant euros)

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

### Main Financial Data (TPI Consolidated Accounts)

(Euro million)	9m03	9m02	Var. (%)	Var. (%) <sup>(1)</sup>
<b>Revenues</b>	<b>421.73</b>	<b>408.90</b>	<b>3.1%</b>	<b>6.7%</b>
<b>EBITDA</b>	<b>138.10</b>	<b>117.00</b>	<b>18.0%</b>	<b>18.5%</b>
EBITDA margin	32.7%	28.6%	4.1 p.p.	3.2 p.p
<b>EBIT <sup>(2)</sup></b>	<b>119.08</b>	<b>96.64</b>	<b>23.2%</b>	<b>22.8%</b>
EBIT margin	28.2%	23.6%	4.6 p.p.	3.6 p.p
<b>Net Income</b>	<b>71.10</b>	<b>64.25</b>	<b>10.7%</b>	<b>8.7%</b>
<b>Cash Earnings <sup>(3)</sup></b>	<b>92.77</b>	<b>87.44</b>	<b>6.1%</b>	<b>6.1%</b>

nº. Shares (30th Sept. 2003):

368,234,331

	Jan. -Sept. 2003	Jan. -Sept. 2002
Average exchange rates :		
{ Peso/Euro:	735.29	689.66
{ Reais/Euro:	3.46	2.47
{ Sol/Euro:	3.87	3.37

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

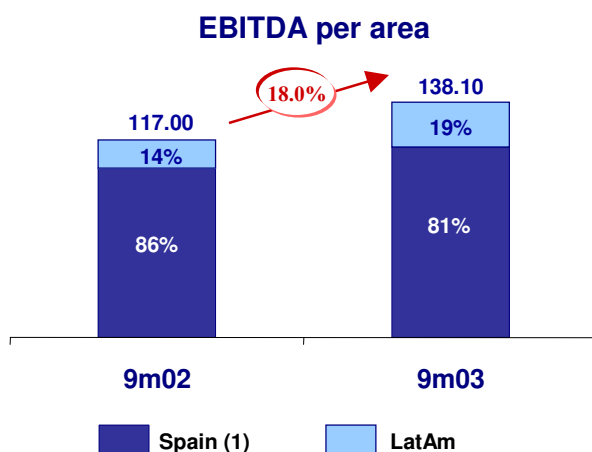
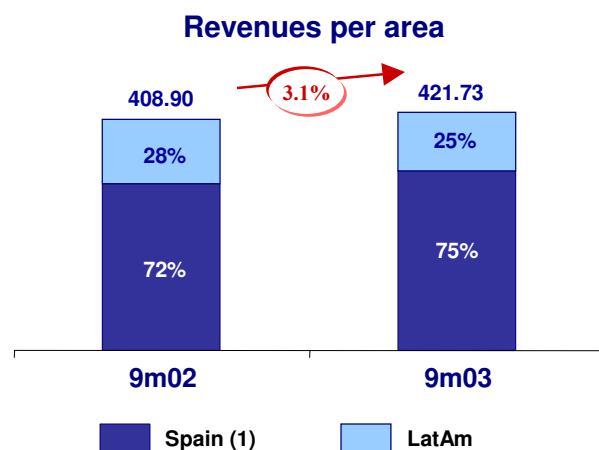
<sup>(2)</sup> Operating income

<sup>(3)</sup> Net Income+/- Extraordinary Results+/-Exchange Rates Differences+Depreciations

	SPAIN <sup>(1)</sup>		TPI BRAZIL		TPI PERU		PUBLIGUIAS	
	9m03	% Var.	9m03	% Var.	9m03	% Var.	9m03	% Var.
	(Euro million)	(Local currency)	(Euro million)	(Local currency)	(Euro million)	(Local currency)	(Euro million)	(Local currency)
<b>Revenues</b>	316.52	7.0%	15.59	-5.2%	31.41	8.4%	58.66	9.5%
<b>EBITDA</b>	112.99	12.5%	-5.20	39.6%	7.51	20.2%	23.57	16.0%
<b>EBITDA margin</b>	35.7%	1,8 pp	-33.3%	19.0 pp	23.9%	2.3 pp	40.2%	2.3 pp

(1) Includes Goodman Business Press and 11888

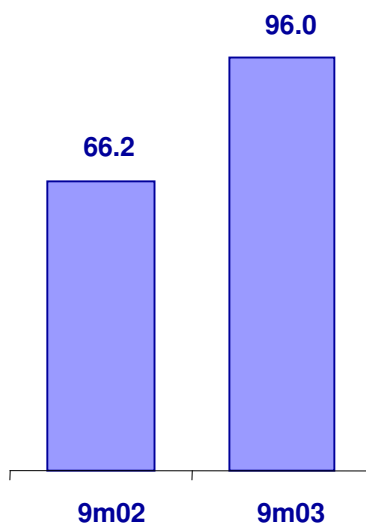
## TPI Group, revenues and EBITDA by geographical area



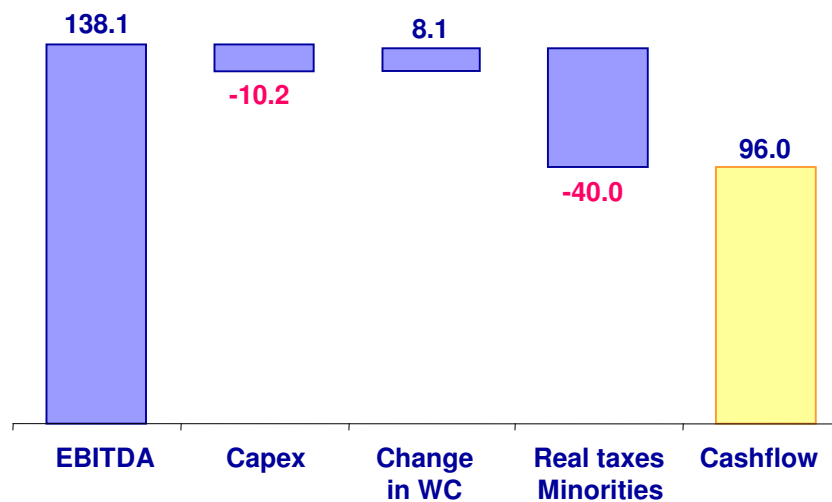
- TPI consolidated revenues increase 3.1% to Euro 421.73 million
  - LatAm decreases its contribution from 28% in 9m02 to 25% in 9m03, mainly due to the depreciation of the LatAm currencies.
- TPI consolidated EBITDA reaches Euro 138.10 million, increasing 18.0%
  - Spain's <sup>(1)</sup> EBITDA up by 12.5%.
  - LatAm consolidated EBITDA reaches Euro 25.69 million (+55.4%) and increases its contribution to Group EBITDA from 14% to 19%.
    - Chile and Peru register an EBITDA growth of 16.0% and 20.2% in local currency respectively
    - TPI Brazil strongly reduces its negative EBITDA from Euro -12.05 million to Euro -5.20 million

## Consistent cash flow generation

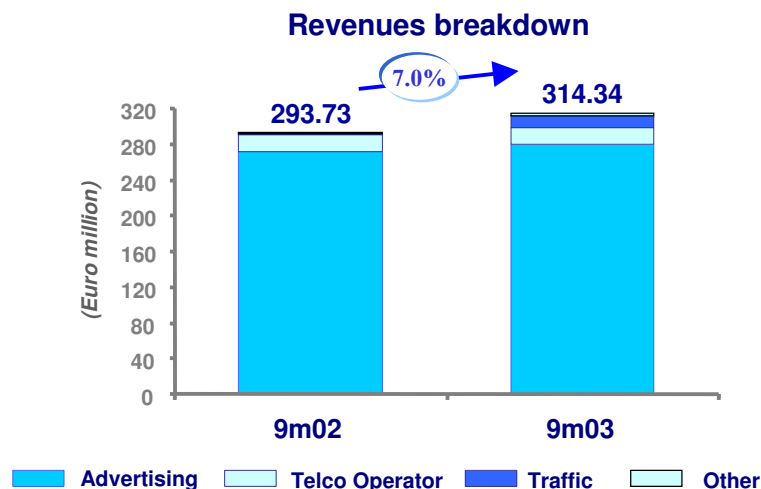
Operating cash flow  
(Million Euros)



Operating cash flow 9m03  
(Million Euros)

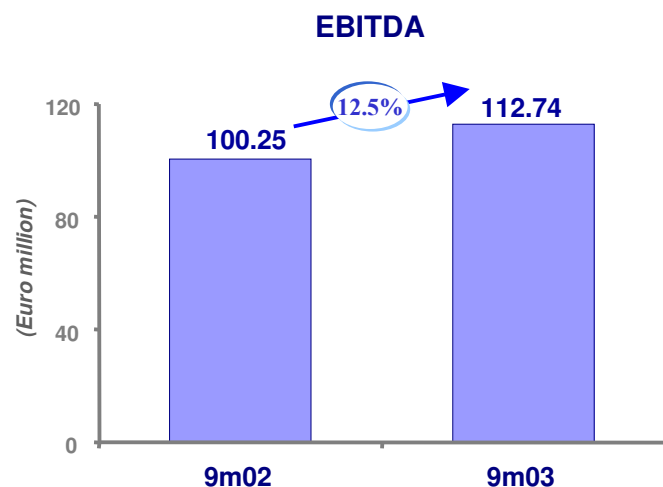


## Spain: Revenues and EBITDA increase of 7.0% and 12.5% respectively



○ Spain<sup>(1)</sup> revenues increase 7.0% to Euro 314.34 million ...

- ... mainly boosted by traffic revenues which multiply by more than 10 times and reach Euro 13.94 million
- Advertising revenues represent 89.0% of total revenues, amounting Euro 279.79 million
- Telco operator revenues represent 6.0% of total revenues

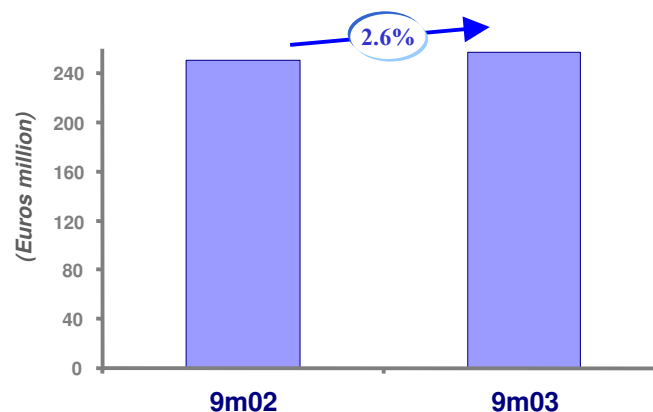


○ Spain<sup>(1)</sup> EBITDA reaches Euro 112.74 million, increasing 12.5%

## Spain: Editorial product keeps on growing at 2.6% (like for like)



Editorial Advertising Revenues  
(Like for Like growth)



### YELLOW PAGES

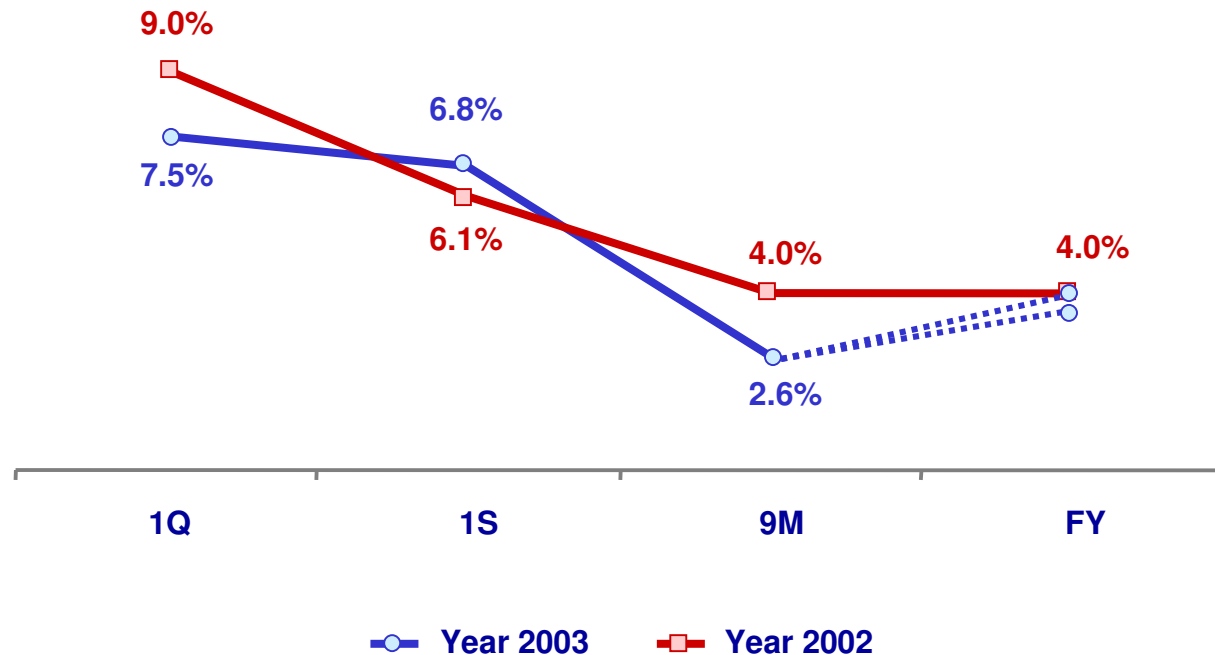
- Total revenues: Euro 207.42 million (+1.3% like for like)
- Avg. Revenue/client down 0.3% to Euro 927, due to a slowdown of big accounts in the 3<sup>rd</sup> quarter
- N° Clients up 1.7% to 223,000
- N° Directories published: 77 (vs 56 in 9m02)

### WHITE PAGES

- Total revenues: Euro 48.88 million (+8.6% like for like)
- Avg. Revenue/client up 7.0% to Euro 234
- N° Clients up 1.5% to 208,000
- N° Directories published: 46, the same as in 9m02



## Editorial business showing a similar trend to year 2002



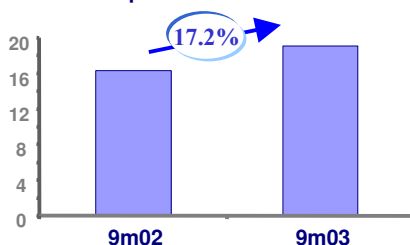
- Good performance of editorial business for third year in a row, despite the difficult advertising market
- Total revenues increase by 5.1% in 9m03 (ex Big Accounts)

## TPI Spain: Multimedia revenues



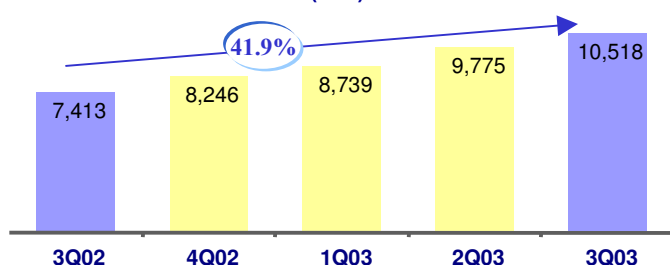
### INTERNET

TPI Spain - Internet Revenues

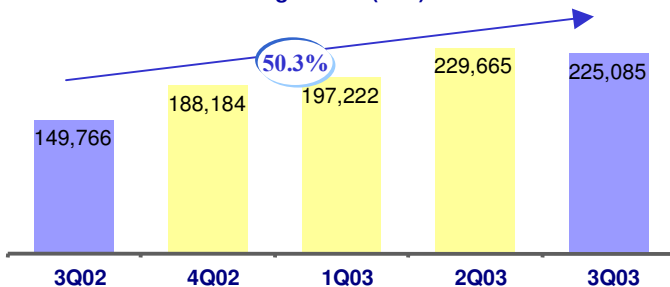


- Internet revenues grew 17.2% to Euro 19.02 million.
- 212,000 clients.

Visits ('000) \*

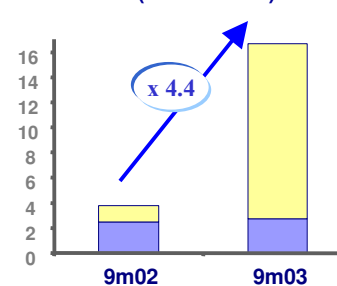


Page views ('000)\*



### DA SERVICES <sup>(1)</sup>

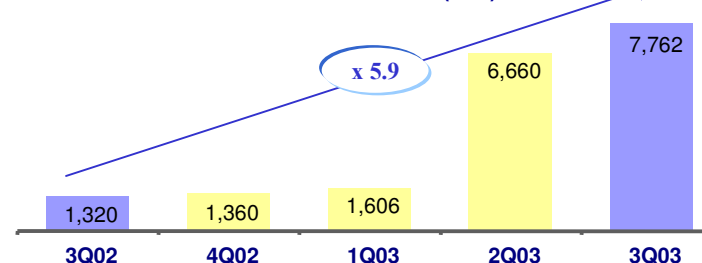
Revenues (Euro million)



- The 6<sup>th</sup> of February was launched the 11888 DA Service.
- Total revenues multiplied by 4.4 times from Euro 3.78 million to Euro 16.69 million.
- Traffic revenues multiply by more than 10 times.

■ Advertising ■ Traffic

Number of calls ('000)



<sup>(1)</sup> Includes the different services provided.

\* All figures audited by OJD.



## Update of the 11888 DA service

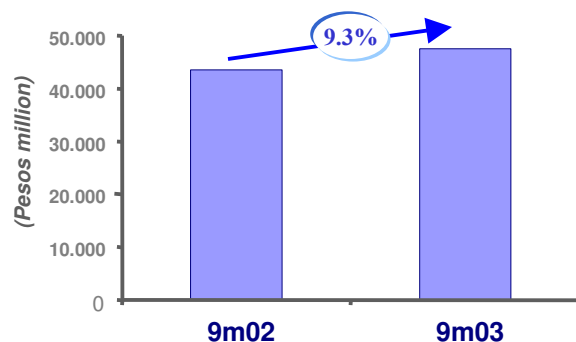
llama y encuentra  
**11 888**

- 5<sup>th</sup> April 2002** → The DA Information Services market was liberalized
- 6<sup>th</sup> February 2003** → TPI was the first company to launch the new 11888 number
- 4<sup>th</sup> April 2003** → Telefonica's former 1003 is replaced by a new 118AB number
- 5<sup>th</sup> April 2003** → In order to open the DA services business to competition, the carousel in the former 1003 was launched. At that moment four players were sharing the market.
- 4<sup>th</sup> April – 5<sup>th</sup> August** → During this period 7 new companies joined the carousel
- 5<sup>th</sup> August** → The carousel finished on the 5<sup>th</sup> of August with 11 players
- 4<sup>th</sup> November** → Currently there are 13 active players providing DA services and additionally, as of today 20 companies have been granted a license but the numbers are still not active

## Publiguias: 9.8% revenue increase in Santiago directory



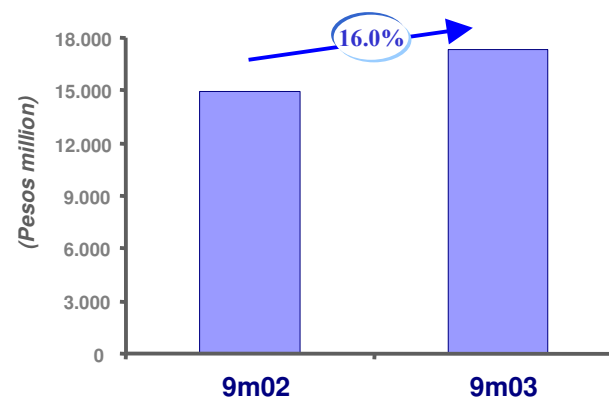
### Yellow & White Pages Revenues (Like for Like growth)



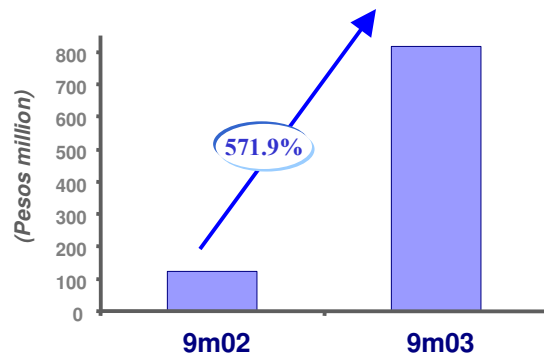
### EDITORIAL REVENUES (YP +WP)

- Santiago directory published in July:
  - ✓ Euro 38.95 million (+9.8% in local currency).
  - ✓ 81.7% of total editorial revs.
- Avg. Revenue/client up 11.4% (in local currency) to Euro 1,122
- N° Clients dropped 1.9% to over 42,000
- N° Directories published: 6+6

### EBITDA



### Internet Revenues



### INTERNET REVENUES

- Internet sales boost from Euro 0.18 million to Euro 1.11 million

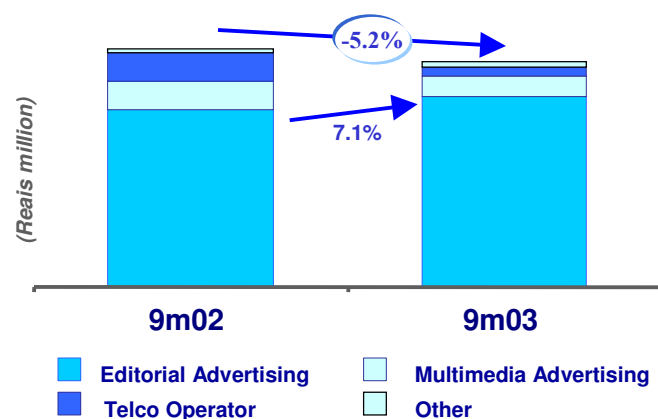
### EBITDA

- Solid revenue growth and cost control behind good EBITDA performance
- Continuous improvement of EBITDA since time of acquisition

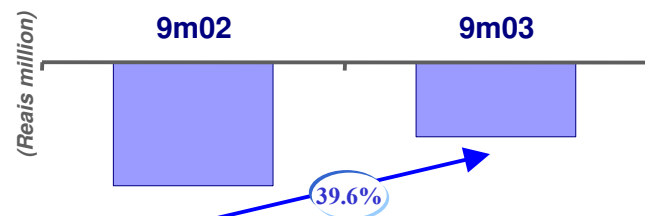
## Consistent improvement of editorial revenues and EBITDA in TPI Brazil and TPI Peru



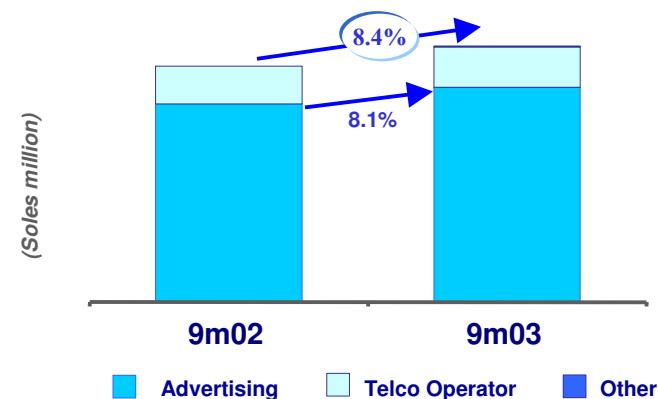
Revenues breakdown



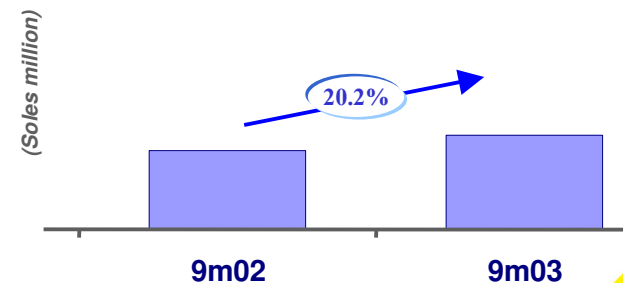
EBITDA



Revenues breakdown



EBITDA



## **Conclusions**

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- Good behaviour of the Group's figures based on:
  - ✓ Sustained growth of advertising revenues in Spain, both editorial and internet, despite weak performance of big accounts
  - ✓ Strong boost of telephone traffic revenues coming from TPI Spain
  - ✓ Good performance of Santiago's directory published in July
  - ✓ Good EBITDA performance in all countries
- Commitment with the forecast in constant euros announced in the first quarter results, will be in the high end of the ranges provided (Revenues +7/9% and EBITDA +14/17%)