



Telefónica Publicidad e Información

First Half 2003 Results

Madrid, July 25th, 2003

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

- TPI Group reaches EBITDA and Net Income of Euro 42.52 million (+39.6%) and Euro 20.65 million(+57.0%) respectively
 - ✓ TPI Spain shows strong growth in advertising revenues (+7.0%)
 - ✓ Third edition of Guia Mais Sao Paulo published during May, which contributes to Group consolidated revenues with Euro 12.12 million (+17.00% like for like revenues growth in local currency).
 - ✓ TPI Brazil negative EBITDA reduction to Euro - 3.77 million (53.7%)
- Positive performance and contribution to revenues of 11888 DA service
- We maintain 2003 year end forecast at constant euros of 2002 provided in the 1Q03 results of 7-9% revenue growth and 14-17% EBITDA increase.

Positive EBITDA and Net Income achieved during the first half of the year

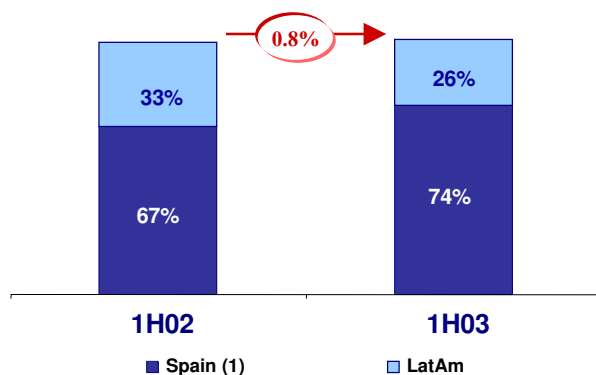
Main Financial Data (TPI Consolidated Accounts)				
(Euro million)	1H03	1H02	Var. (%)	Var. (%) ⁽¹⁾
Revenues	192.55	190.99	0.8%	9.5%
EBITDA	42.52	30.46	39.6%	36.7%
EBITDA margin	22.1%	15.9%	6.1 p.p.	4.0 p.p
Net Income	20.65	13.15	57.0%	46.9%
Cash Earnings ⁽²⁾	33.80	29.14	16.0%	nm
nº. Shares (30th June 2003):				
		368,234,331		
		Jan. -June 2003	Jan. -June 2002	
Average exchange rates :	Peso/Euro:	769.23	617.28	
	Reais/Euro:	3.55	2.19	
	Sol/Euro:	3.83	3.15	
⁽¹⁾ At average exchange rates of January - June 2002				
⁽²⁾ Net Income+/- Extraordinary Results+/-Exchange Rates Differences+Depreciations				

	SPAIN ⁽¹⁾		TPI BRAZIL		TPI PERU		PUBLIGUIAS	
	1H03	% Var.	1H03	% Var.	1H03	% Var.	1H03	% Var.
	(Euro million)	(Local currency)	(Euro million)	(Local currency)	(Euro million)	(Local currency)	(Euro million)	(Local currency)
Revenues	142.33	11.9%	13.52	-0.6%	27.67	6.1%	9.02	12.3%
EBITDA	39.43	7.9%	-3.77	53.7%	8.63	15.4%	-1.66	-0.9%
EBITDA margin	27.7%	-1.0 pp	-27.9%	32.0 pp	31.2%	2.5 pp	-18.4%	2.1 pp

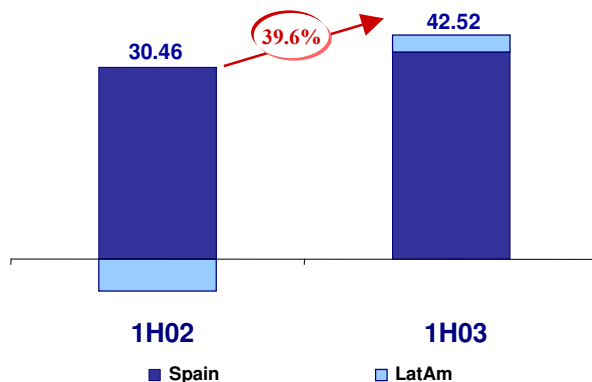
(1) Includes Goodman Business Press and 11888

TPI Group, revenues and EBITDA by geographical area

Revenues per country



EBITDA per country



- LATAM represents 26.1% of total revenues and contributes with Euro 3.1 million of positive EBITDA.

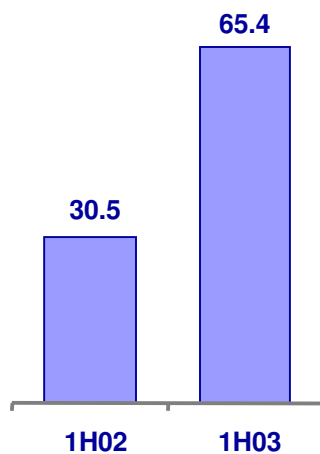
- TPI Brasil publishes Guia Mais third edition in Sao Paulo and contributes to Group's revenues with Euro 13.52 million.
- TPI Peru contributes with Euro 8.63 million to Group EBITDA.

- Spain⁽¹⁾ revenues and EBITDA increase mainly due to:

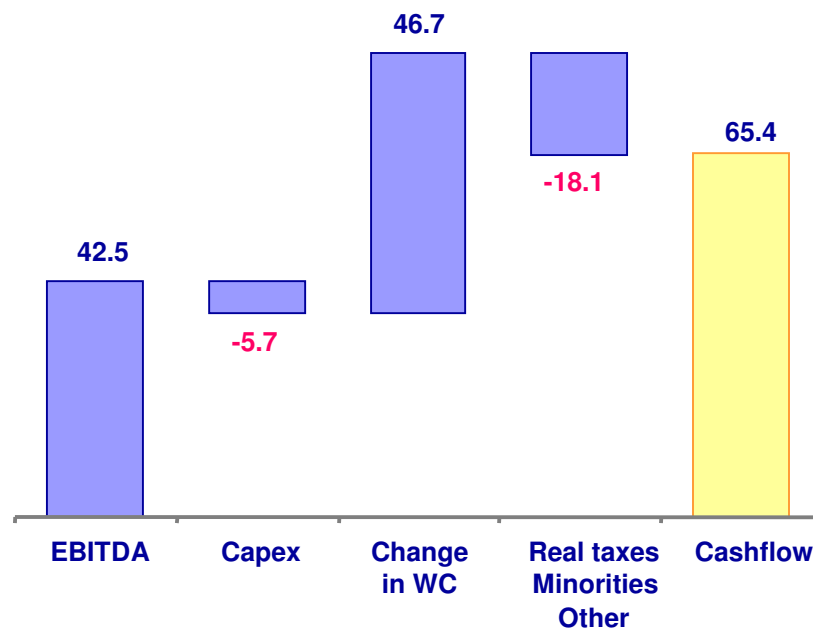
- 13 more directories published (66 in 1H03 vs. 53 in 1H02).
- Strong like for like growth (5.6% in Yellow Pages and 11.4% in White Pages).
- Multimedia revenues growth of 9.5%
- Traffic revenues add additional Euro 6.57 million (vs Euro 0.64 million in 1H02)

Consistent cash flow generation

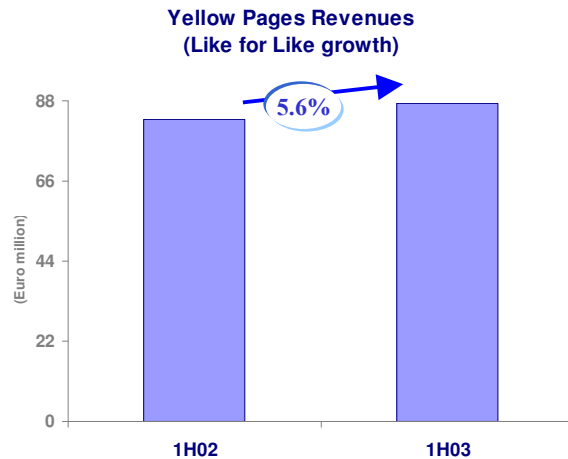
Operating cash flow
(Million Euros)



Operating cash flow 1H03
(Million Euros)

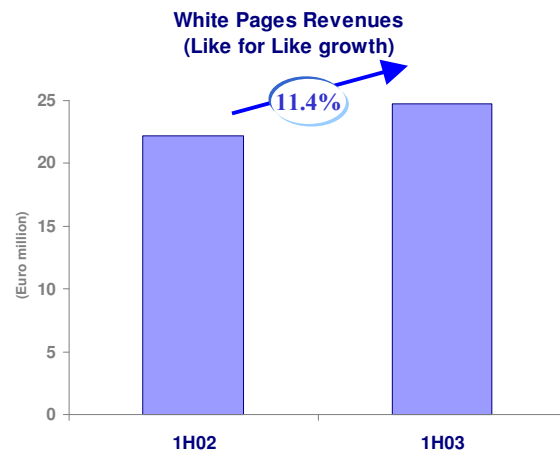


Spain: Good performance of the editorial business



YELLOW PAGES

- Total revenues: Euro 87.38 million (+5.6% like for like)
- Avg. Revenue/client up 1.9% to Euro 693
- N° Clients up 3.6% to 126,000
- N° Directories published: 40 (vs 29 in 1H02)



WHITE PAGES

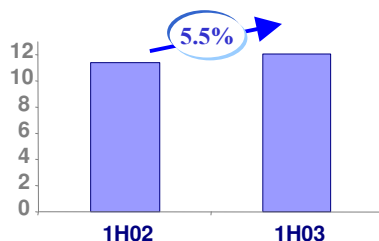
- Total revenues: Euro 24.69 million (+11.4% like for like)
- Avg. Revenue/client up 9.5% to Euro 216
- N° Clients up 1.7% to 114,000
- N° Directories published: 26 (vs 24 in 1H02)

TPI Spain: Multimedia revenues



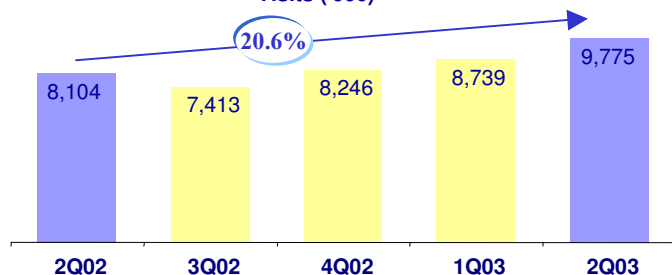
INTERNET

TPI Spain - Internet Revenues

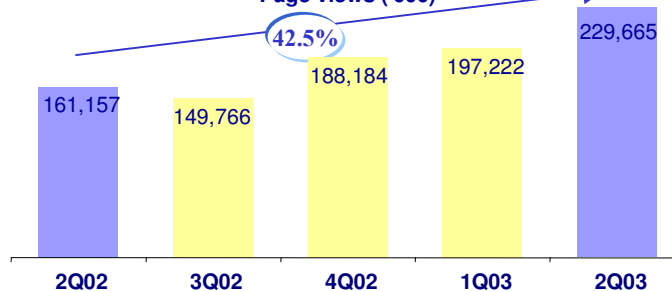


- Internet revenues grew 5.5% to Euro 12.07 million.
- More than 155,000 clients.

Visits ('000) *

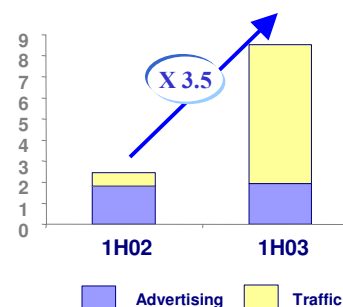


Page views ('000)*



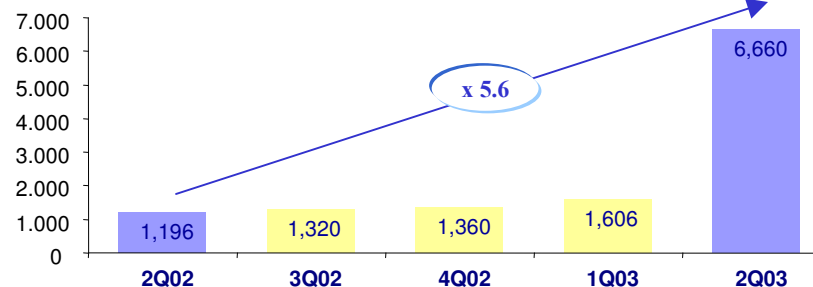
TALKING PAGES⁽¹⁾

Revenues (Euro million)



- The 6th of February was launched the 11888 DA Service.
- Talking Pages revenues multiplied by 3.5 times from Euro 2.46 million to Euro 8.52 million.
- Traffic revenues accounts for 77% of total Talking Pages revs in 1H03.

Number of calls ('000)



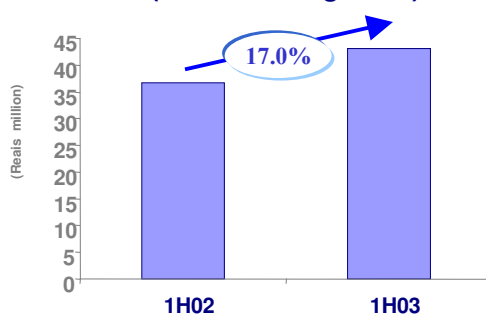
⁽¹⁾ Includes the different services provided.

* All figures audited by OJD.

TPI Brazil: Growth of 17% like for like in the third editorial of Guia Mais edition



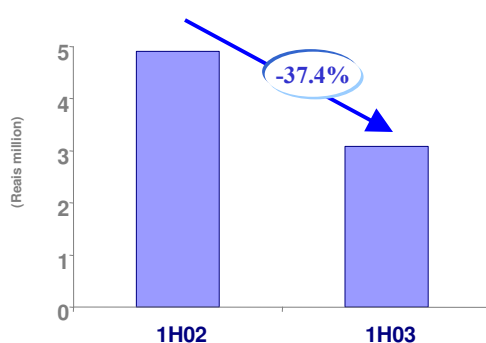
**Yellow Pages Revenues
(Like for Like growth)**



EDITORIAL REVENUES (YP)

- Third Guia Mais edition in Sao Paulo city
- Total revenues: Euro 12.12 million
- Avg. Revenue/client up 41.4% (in local currency) to Euro 983
- N° Clients dropped 17.3% to over 12,150
- N° Directories published: 1

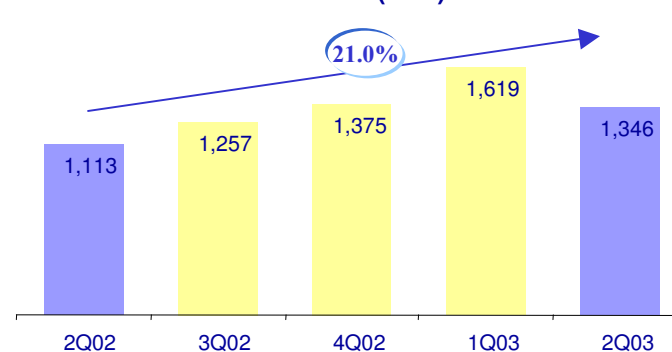
TPI Brazil - Multimedia Revenues



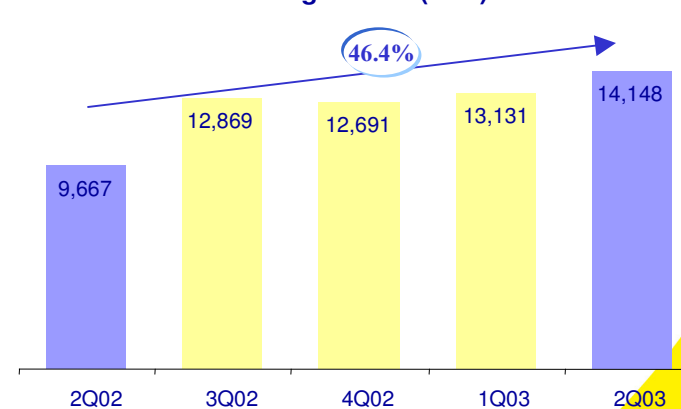
MULTIMEDIA REVENUES

- Total revenues of Euro 0.87 million
- GuiaMais continuous to be the most consulted directory in the city of Sao Paulo.

Visits ('000)



Page views ('000)



Source: 2002 figures audited by IVC (Instituto Verificador Circulação) 1H03 internal data

Capital increase at TPI Brazil

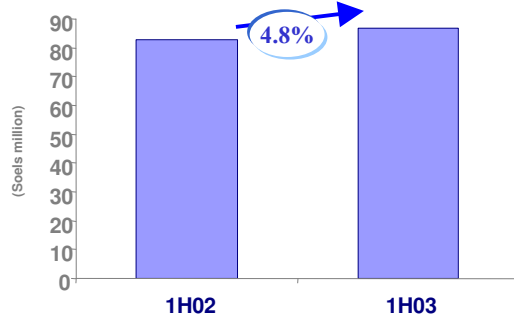


- A capital increase at TPI Brazil of Euros 54,35 million is to be made in order to restore the company's equity position.
- Equity position of TPI Brazil as of 30th June 2003 was of minus Euros 49.98 million.
- The capital increase will be made through the capitalisation of part of the existing intercompany loan between TPI and TPI Brazil.
- After the capital increase TPI Spain will hold 100% of TPI Brazil
- Goodwill of Euros 24,6 million will be written off against reserves in the consolidated accounts

TPI Peru: Good performance of the Lima directory



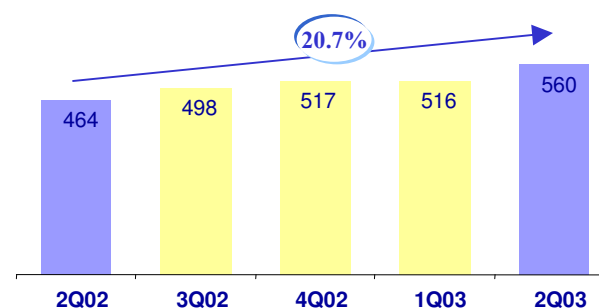
Yellow & White Pages Revenues
(Like for Like growth)



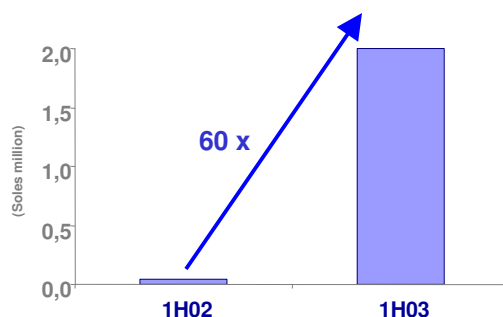
EDITORIAL REVENUES (YP +WP)

- Directories published: Lima and Sur
- Total revenues: Euro 22,68 million (+4.0% in local currency)
- Avg. Revenue/client up 27.3% (in local currency) to Euro 839
- N° Clients dropped 17.6% to over 26,800
- N° Directories published: 2+2

Visits ('000)



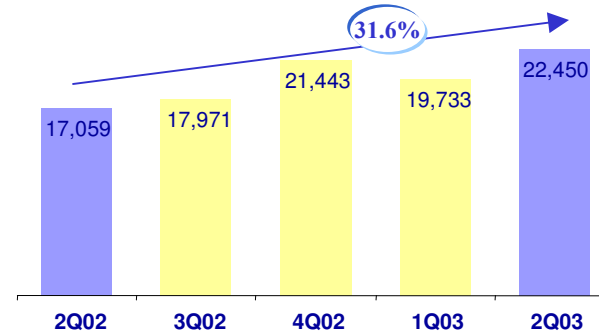
TPI Peru - Internet Revenues



INTERNET REVENUES

- Strong performance of Internet revenues

Page views ('000)

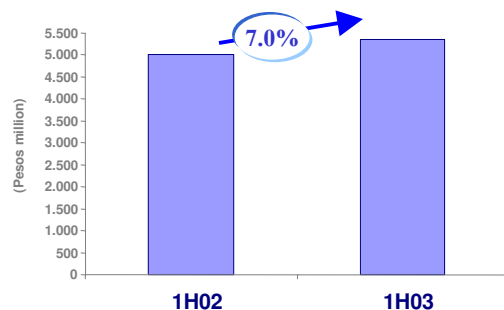


Source: TPI Peru, internal data

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



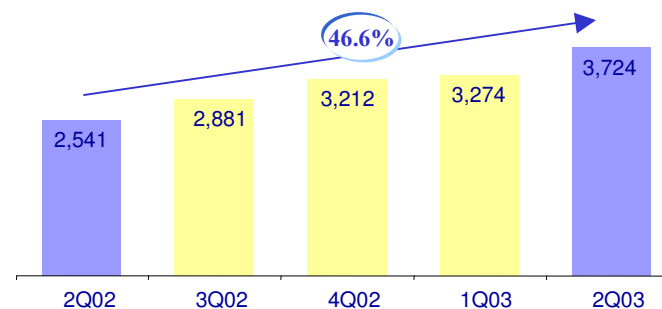
Yellow & White Pages Revenues
(Like for Like growth)



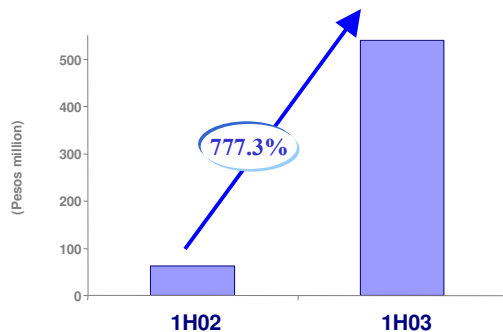
EDITORIAL REVENUES (YP +WP)

- Total revenues: Euro 7.14 million (+6.5% in local currency)
- Avg. Revenue/client up 11.7% (in local currency) to Euro 450
- N° Clients dropped 4.2% to over 15,100
- N° Directories published: 4+4

Visitas ('000)



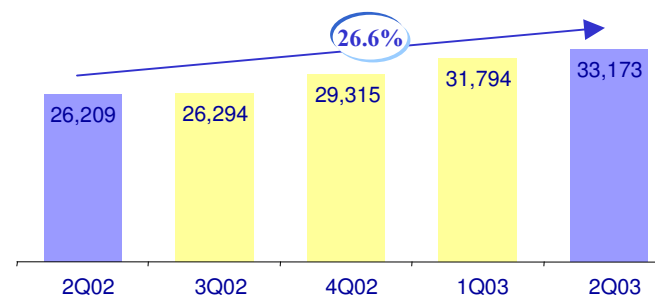
Publiguias - Internet Revenues



INTERNET REVENUES

- Internet sales boost from Euro 0.10 million to Euro 0.70 million

Page views ('000)



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



Update of the 11888 DA service

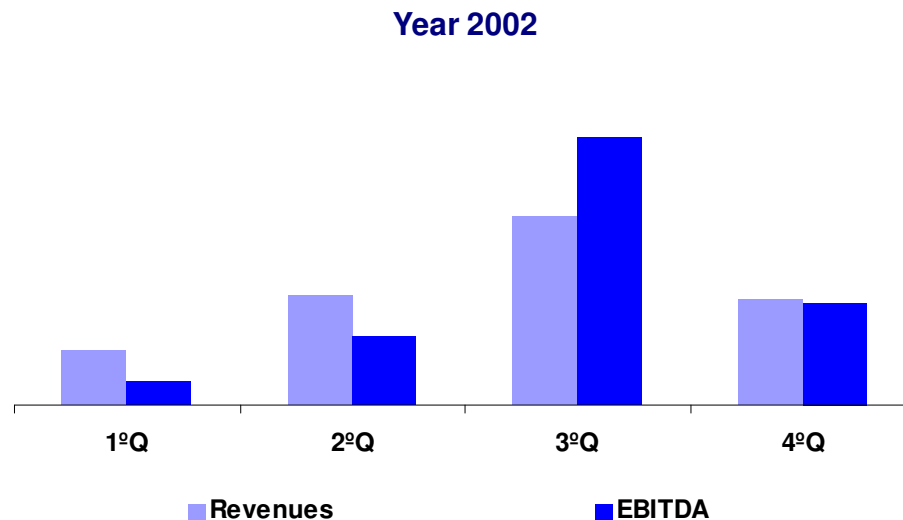
- 6th February 2003 → TPI is the first company to launch the new 11888 number
- 4th April 2003 → Telefonica's former 1003 is replaced by a new 118AB number
- 5th April 2003 → In order to open the DA services business to competition, the carousel in the former 1003 was launched. At that moment four players were sharing the market.
- Up to now →
 - The carousel is to finish on the 5th of August
 - As advanced in 1Q03 results presentation, new competitors have entered the market.
 - Currently there are 12 active players providing DA services

Conclusions

- Good behaviour of the Group's figures based on:
 - ✓ Good performance of Group EBITDA
 - ✓ Sustained growth of advertising revenues in Spain, both editorial and internet
 - ✓ Strong boost of telephone traffic revenues coming from TPI Spain
 - ✓ Good performance of Guia Mais Sao Paulo third edition in Brazil published in May 2003
- Commitment with the forecast previously announced

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

Quarterly Revenue and EBITDA contribution (%)*



- 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)

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

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

Peso/Euro: 675.68

Real/Euro: 2.75

Sol/Euro: 3.31

* Forecast according to present consolidation sphere