



Telefónica Publicidad e Información

January -March 2005 Results

Madrid, May 11th, 2005

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This presentation contains financial information/data reported under IFRS. These data are preliminary, as only full compliance with International Financial Reporting Standards issued at 31/12/2005 is required, unaudited, and thus, being subject to potential future modifications. This financial information has been prepared based on the principles and regulations known to date, and on the assumption that IFRS principles presently in force will be the same as those that will be adopted to prepare the 2005 full year consolidated financial statements and, consequently, does not represent a complete and final adoption of these regulations.

TPI Group revenues grow 19.8%, OIBDA up 24.7%, and Net Income up 22.2%

- First quarter results are basically explained by the evolution of Spain and Peru. The main revenue drivers are:
 - Spain:
 - ✓ Advertising revenues up 28.0% affected by changes in the publication calendar
 - ✓ Offline like for like growth revenues posted solid growth of 6.1%
 - ✓ DA traffic revenues showed a strong 34.1% increase to Eur 13.2 million
 - Peru:
 - ✓ Healthy growth of 7.8% in local currency after the publication of the main directory in Lima
- Guidance for 2005 in constant euros of 2004: Sustained organic growth in revenues (+3/5%) and strong growth in OIBDA (+7/9%).
- Financial information reported has been prepared following IFRS. In order to give an adequate comparison, 2004 results are also provided under IFRS.

Strong growth in revenues in Spain lie behind the evolution of the Group figures in the first quarter

Main Financial Data (TPI Consolidated Accounts)

(Euro million)	1Q05	1Q04	Var. (%)	Var. (%) ⁽¹⁾ in local currency
Revenues	95.88	80.03	19.8%	19.6%
OIBDA	24.34	19.52	24.7%	24.2%
OIBDA Margin	25.4%	24.4%	1.0 p.p	0.9 p.p
Net Income	11.89	9.72	22.2%	21.3%
EPS	0.03	0.03	22.2%	21.3%
nº. Shares (31st March 2005) ² :	361,022,184			
		Jan. - March 2005	Jan. - March 2004	
		759.00	735.00	
Average exchange rates :	Peso/Euro:	759.00	735.00	
	Reais/Euro:	3.50	3.62	
	Sol/Euro:	4.28	4.34	

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

⁽²⁾ According to IFRS, shares amortized on 19th of April are not considered shareholder's capital

	SPAIN ⁽¹⁾		PUBLIGUIAS		TPI BRAZIL		TPI PERU	
	1Q05	% Var.	1Q05	% Var.	1Q05	% Var.	1Q05	% Var.
	(Euro million)	(Local currency)	(Euro million)	(Local currency)	(Euro million)	(Local currency)	(Euro million)	(Local currency)
Revenues	62.10	28.1%	7.52	5.0%	0.65	-25.4%	25.65	7.8%
OIBDA	15.84 ⁽²⁾	69.6%	0.16	-65.2%	-1.07	-48.5%	9.65	-9.3%
OIBDA Margin	25.5%	6.2 p.p	2.1%	-4.4 p.p	nm	nm	37.6%	-7.1 p.p

⁽¹⁾ Includes TPI Spain, TPI Edita, 11888, TPI Direct and Edinet Europa

⁽²⁾ OIBDA in Spain does not include controlling shareholding provisions

Our guidance in constant euros 2004 aims to achieve revenues and OIBDA growth of +3/5% and +7/9% respectively

Year end guidance - TPI Group in constant euros

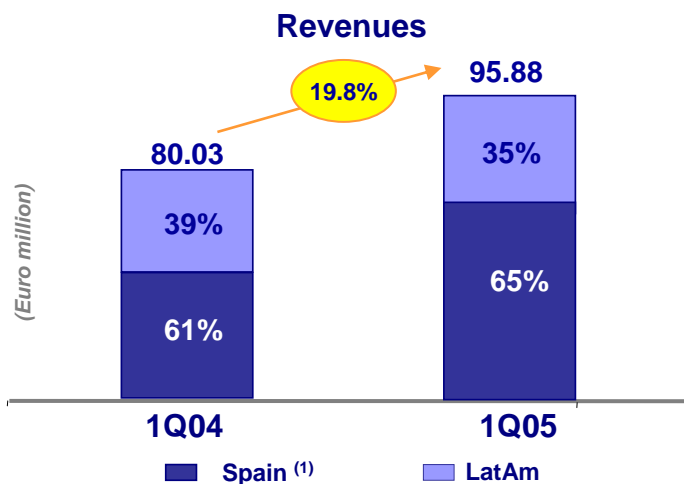
<i>(Euro million)</i>	Forecasts 2005 *	2004
Total Revenues	+3 / 5%	596.58
Advertising revenues	+ 3 / 5%	509.10
Print	+ 1 / 3%	467.59
Internet	+ 19 / 22%	32.57
Telephone information services	+ 11 / 14%	4.67
Other	+ 30 / 35%	4.26
Telephone Traffic	+ 9 / 11%	46.90
Telecom operator revenues	- 1 / + 1%	37.55
OIBDA	+ 7 / 9%	201.82

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

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

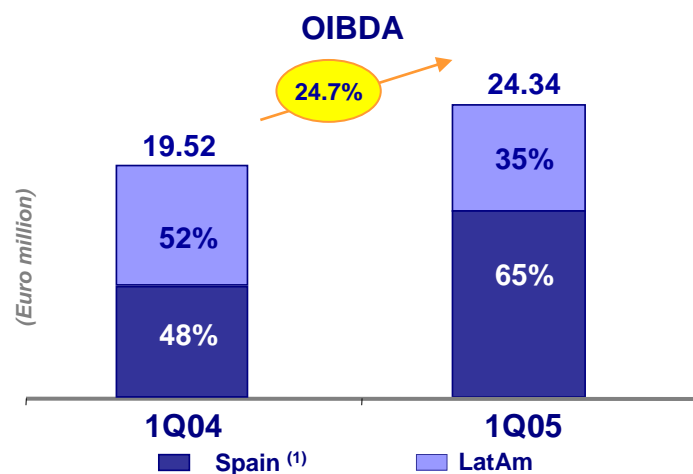
* Forecast according to present consolidation sphere, no considering a potential entrance in other European DA telephone information markets

TPI Group, revenues and OIBDA by geographical area



- TPI consolidated **revenues** increase 19.8% to Euro 95.88 million.

- Spain⁽¹⁾ rises its contribution from 61% to 65% backed by the positive performance of the advertising business, changes in the publication calendar, and traffic revenues strong growth (+34.1%) vs 1Q04.



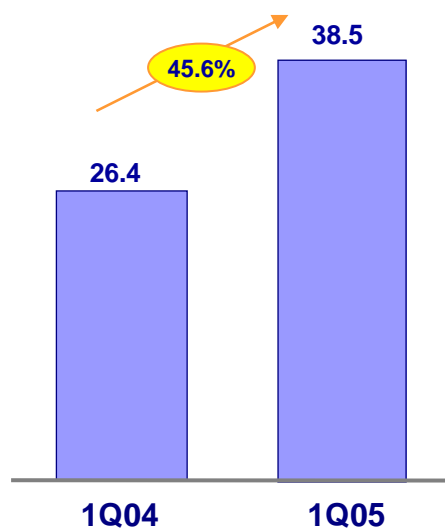
- TPI consolidated **OIBDA** posted a strong 24.7% increase to Euro 24.34 million.

- Spain⁽¹⁾ rises OIBDA by 69.6%. increasing its contribution to Group OIBDA from 48% to 65%.
- LatAm's local currency OIBDA decreases 17.4% mainly explained by TPI Perú increase in the level of provision vs. same period last year, in line with 2004.

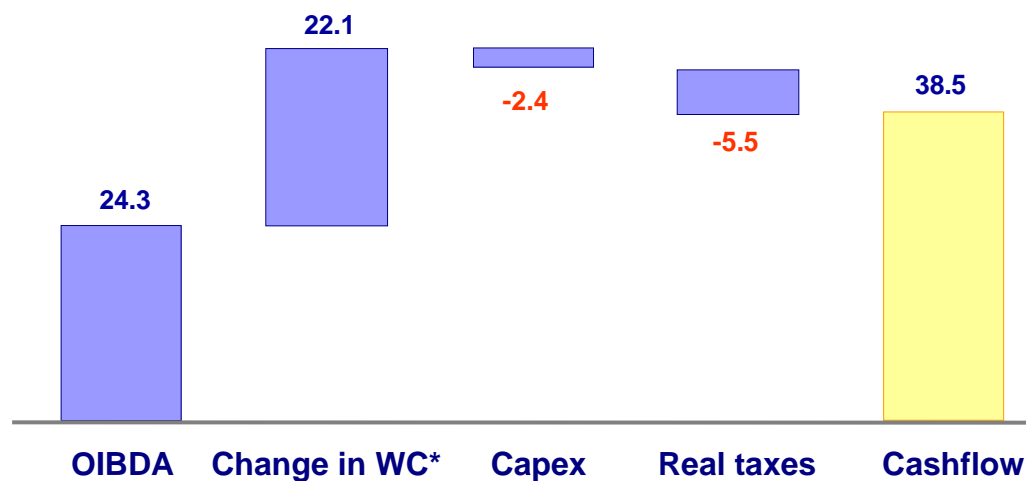
⁽¹⁾ Includes TPI Spain, TPI Edita, 11888, TPI Direct and Edinet Europa

Consistent cash flow generation

Operating Cash Flow
(Euro Million)



Operating Cash flow 1Q05
(Euro Million)

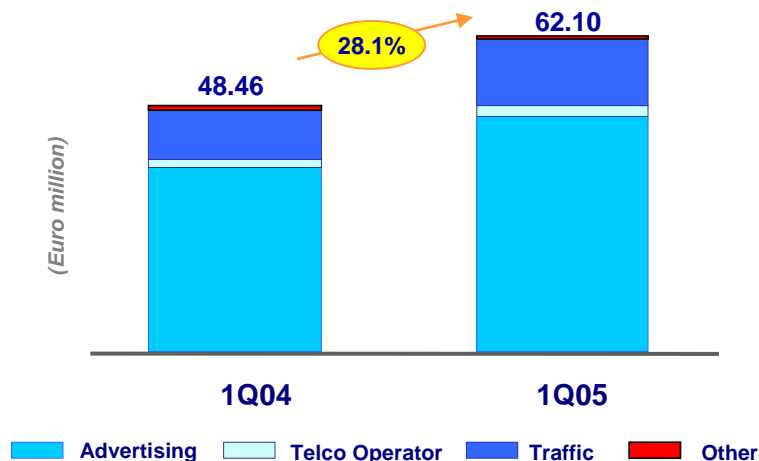


* Working Capital: Inventories + Account receivables +/- Accrual accounts – Creditors
Working capital calculated in 2004 constant euros

Spain⁽¹⁾ continues to post solid growth



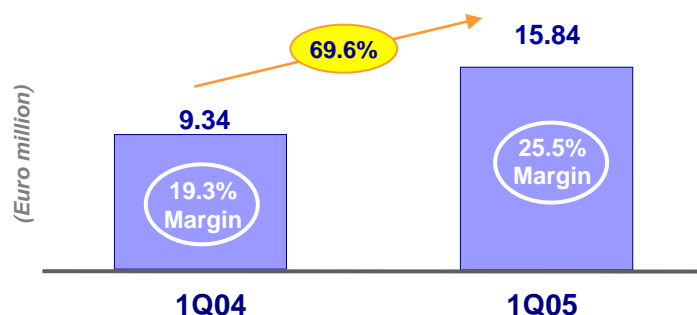
Revenues breakdown



- Spain ⁽¹⁾ strong growth of 28.1% to Euro 62.10 million is explained by:

- Advertising revenues growth of 28.0% to Euro 46.35 million fuelled by changes in the printing publication schedule
- 34.1% growth in DA telephone traffic revenues to Euro 13.16 million

OIBDA ⁽²⁾

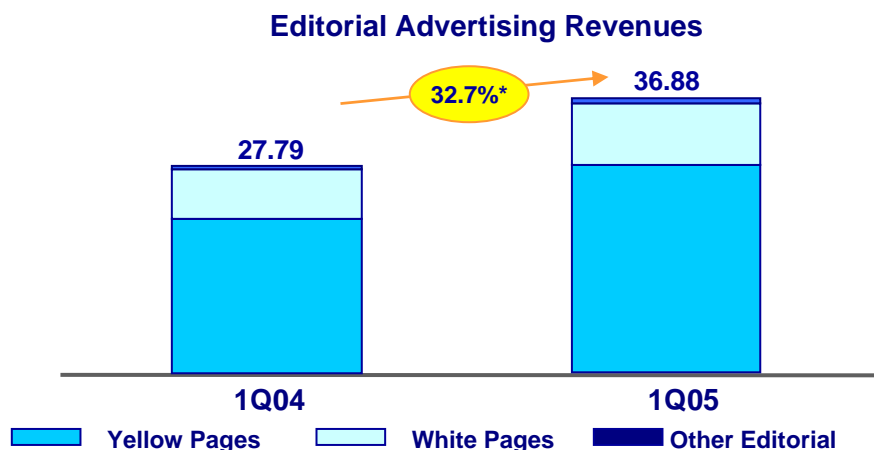


- The above mentioned evolution of revenues compared to that of operating expenses explain for the strong growth of OIBDA 69.6% which should not be extrapolated to year end.

(1) Includes TPI Spain, TPI Edita, 11888, TPI Direct and Edinet Europa

(2) Controlling shareholding provisions are not included

Spain: The offline business registers 6.1% like for like growth



* Total growth affected by changes in publication calendar and new directories. Like for like growth 6.1%

YELLOW PAGES

- Total revenues: Euro 27.78 million (+5.4% like for like)
- Avg. Revenue/client down 3.5% to Euro 680
- # Clients up 9.3% to 40,700
- # Directories published: 15 (vs. 12 in 1Q04) including 1 new pocket directory and 1 new local directory

WHITE PAGES

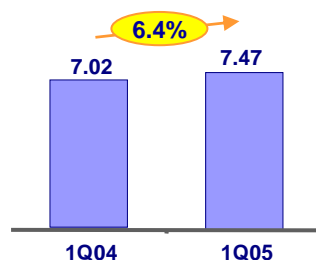
- Total revenues: Euro 8.41 million (+6.4% like for like)
- Avg. Revenue/client down 1.1% to Euro 225
- # Clients up 7.6% to 37,230
- # Directories published : 9 (vs. 8 in 1Q04)

Spain: Revenues from Internet and Telephone Information Services



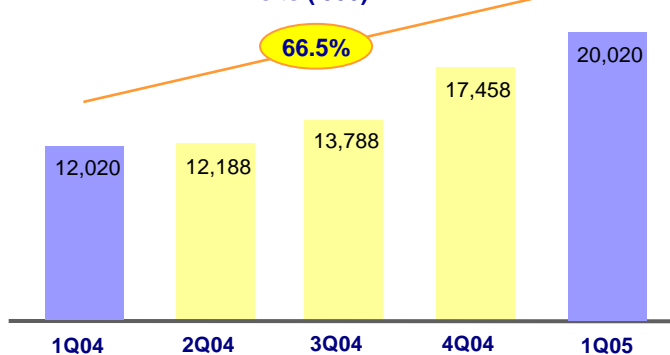
INTERNET

Revenues (Euro million)



- Internet revenues grew 6.4% to Euro 7.47 million

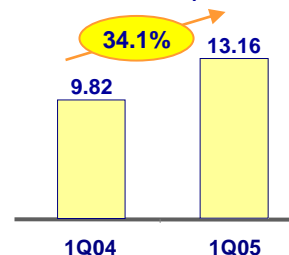
Visits ('000) *



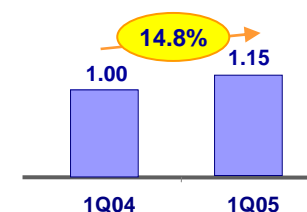
* Figures audited by the OJD (Oficina de Justificación de la Difusión)

TELEPHONE INFORMATION SERVICES ⁽¹⁾

Traffic revenues (Euro million) Advertising revenues (Euro million)

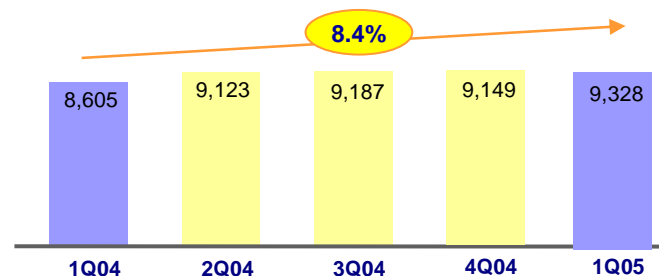


- Traffic revenues increased 34.1% to Euro 13.16 million.



- Advertising revenues increase by 14.8% and reach Euro 1.15 million.

Number of calls ('000)



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

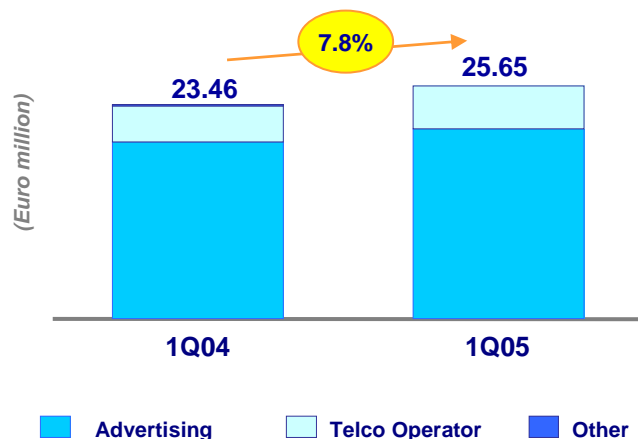
TPI is considering to enter other European DA markets

- **TPI is analysing the liberalization process which is taking place in other European markets**
- **In Italy, TPI has been awarded 2 numbers: 1288 and 1248**
- **We are now working on the business plan**
- **TPI is evaluating the convenience of entering these markets.**
- **Updated information will be provided in next quarters results as decisions are made.**

Peru: Strong revenue growth



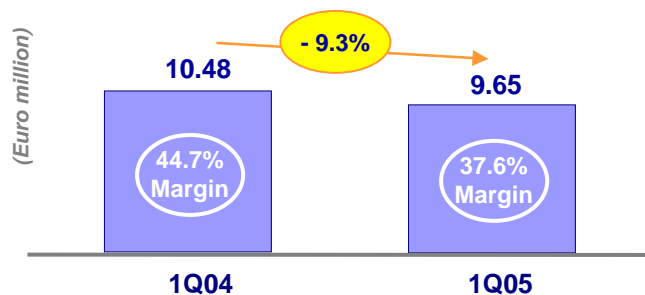
Revenues breakdown



REVENUES

- TPI Peru revenues increase 7.8% in local currency to Euro 25.65 million
 - Advertising revenues grew 5.4% in local currency to Euro 20.85 million due to:
 - Positive evolution of paper business, +4.2% revenue growth in local currency
 - Internet revenues showed a sharp increase of 118.1% in local currency to Euro 0.45 million
 - Telco operator revenues went up 19.6% in local currency to Euro 4.77 million.

OIBDA

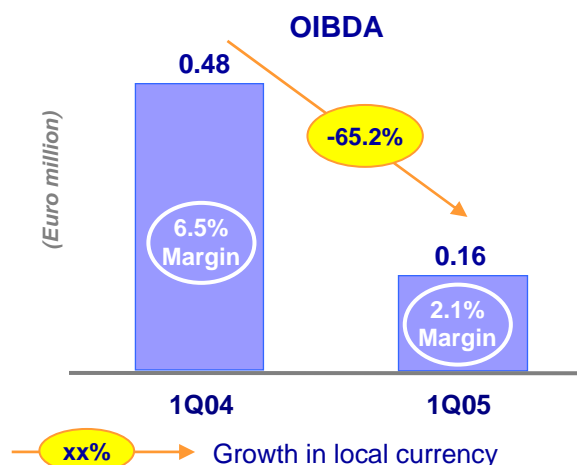
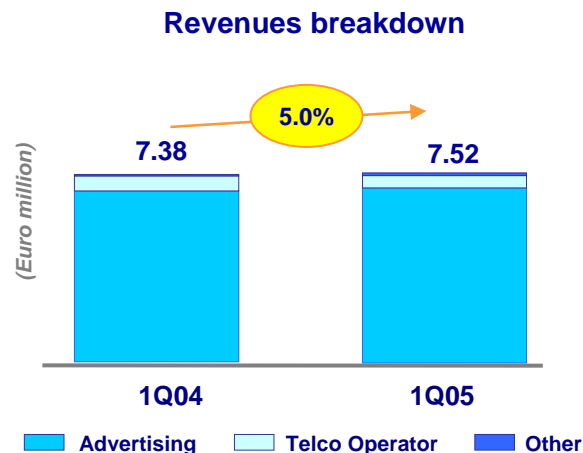


OIBDA

- OIBDA decreases to Euro 9.65 million (-9.3% in local currency), mainly explained by an increase in the level of provisions vs. same period last year, in line with 2004.
- OIBDA margin down 7.1 p.p to 37.6%

xx% → Growth in local currency

Publiguias: Advertising revenues show growth of 6.0%



REVENUES

- **Revenues** increase 5.0% in local currency to Euro 7.52 million.
 - Advertising revenues grow 6.0% in local currency to Euro 6.93 million due to:
 - 5.7% growth in local currency in paper business
 - 10.8% growth in local currency in internet revenues to Euro 0.4 million
 - Telco operator revenues decrease 21.4% in local currency to Euro 0.47 million due to a reduction of number of directories sold to other companies.

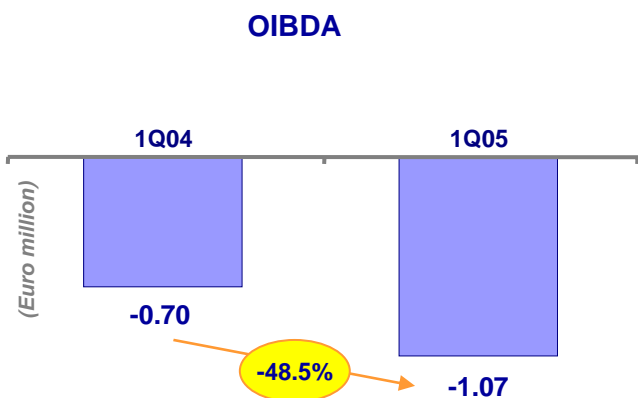
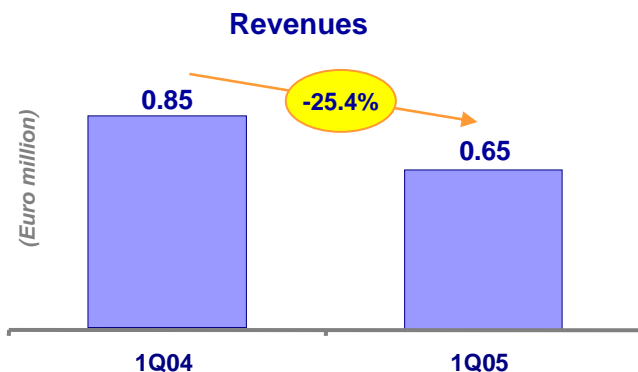
OIBDA

- OIBDA levels have little significance in the quarter, decreasing 65.2% in local currency to Euro 0.16 million due to temporary effects in the accounting of some expenses

CHANGES IN THE COMPETITIVE LANDSCAPE

- The main competitor, Chilnet has been acquired by VTR and Mercurio

TPI Brazil: Revenues are not significant in 1Q05



xx% → Growth in local currency

- Revenues coming mainly from internet and DA services are recognised.
- The first directory of the year will be published in 2Q05 in Sao Paulo city.
- As a result OIBDA evolution should not be extrapolated to year end

Conclusions

- Strong Group consolidated results:
 - Positive performance of both revenues and OIBDA in Spain, backed by the advertising business, the telephone information number 11888 and changes in the publication calendar.
 - Peru's revenues shows strong growth in local currency, due to the good performance of the print and internet products.
- Results are not representative nor extrapolable to year end.
- Commitment with 2005 guidance in constant euros of 2004:
Revenues +3/5% and OIBDA +7/9%