



Telefónica Publicidad e Información

January - June 2005 Results

Madrid, July 27th, 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.

Group revenues increased 9.6%, OIBDA +7.1% and net profit +3.5%

- During the first half of the year, total revenues grew 9.6%, up to Euro 236.58 million. OIBDA reached Euro 62.55 million, +7.1% when compared to 1H04, and net profit increased 3.5% to Euro 30.72 million.
 - Spain:
 - ✓ Advertising revenues grew 7.2% to Euro 151.08 million
 - ✓ Traffic revenues increased 30.4% to Euro 26.91 million
 - Brazil:
 - ✓ Advertising revenues posted a 4.9% growth in local currency after the publication of GuiaMais Sao Paulo city
- Maintenance of Guidance for 2005 in constant euros of 2004: Sustained organic growth in revenues (+3/5%) and 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.

1H05 consolidated main financial data and evolution on a per country basis

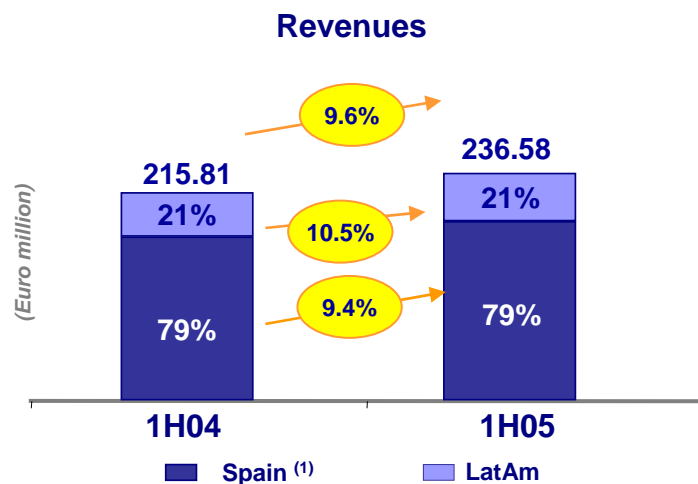
Main Financial Data (TPI Consolidated Accounts)				
(Euro million)	1H05	1H04	Var. (%)	Var. (%) ⁽¹⁾ in local currency
Revenues	236.58	215.81	9.6%	8.9%
OIBDA	62.55	58.42	7.1%	7.4%
OIBDA Margin	26.4%	27.1%	-0.6 p.p	-0.4 p.p
Net Income	30.72	29.67	3.5%	4.8%
EPS	0.09	0.08	3.5%	4.8%
nº. Shares (30th June 2005) : 361,022,184				
Average exchange rates :				
		Jan. - June 2005	Jan. - June 2004	Var. (%)
{	Peso/Euro:	746.27	746.27	0.0%
	Reais/Euro:	3.29	3.64	-9.6%
	Sol/Euro:	4.18	4.26	-1.8%
⁽¹⁾ At average exchange rates of January - June 2004				

	SPAIN ⁽¹⁾		PUBLIGUIAS		TPI PERU		TPI BRAZIL	
	1H05	% Var.	1H05	% Var.	1H05	% Var.	1H05	% Var.
	(Euro million)	(Local currency)	(Euro million)	(Local currency)	(Euro million)	(Local currency)	(Euro million)	(Local currency)
Revenues	186.24	9.4%	10.02	6.0%	28.88	9.2%	11.20	-4.0%
OIBDA	60.64 ⁽²⁾	11.5%	-3.55	-95.0%	9.39	-10.8%	-3.94	18.8%
OIBDA Margin	32.6%	0.6 p.p	-35.5%	-16.2 p.p	32.5%	-7.3 p.p	-35.1%	6.4 p.p

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

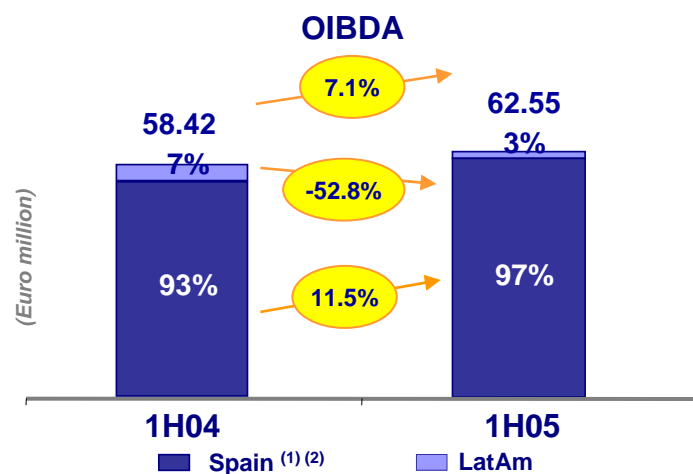
⁽²⁾ OIBDA in Spain does not include controlling shareholding provisions

TPI Group, revenues and OIBDA by geographical area



- TPI consolidated **revenues** increase 9.6% to Euro 236.58 million.

- Spain⁽¹⁾ and LatAm maintain their contribution to revenues vs 1H04, as a result of similar growth in both areas, with Spain going up 9.4% and LatAm moving up 10.5%.



- TPI consolidated **OIBDA** posted a 7.1% increase to Euro 62.55 million.

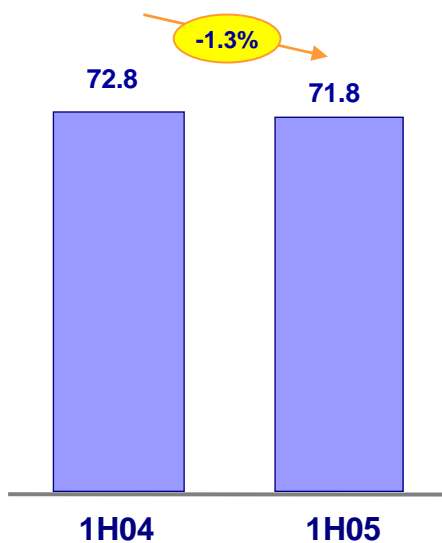
- Spain⁽¹⁾ rises OIBDA⁽²⁾ by 11.5%, increasing its contribution to Group OIBDA to 97%.
- LatAm's contribution to OIBDA decreases to 3%, following lower OIBDA levels in Perú and Publiguías.

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

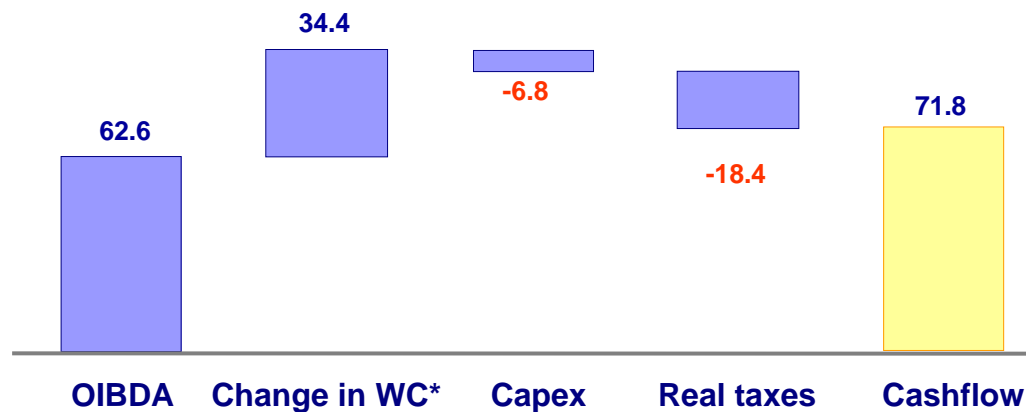
(2) Controlling shareholding provisions are not included, in order to provide a clear reflection of the Group's domestic operating activity

Operating cash flow remains at 1H04 levels

Operating Cash Flow
(Euro Million)



Operating Cash flow 1H05
(Euro Million)

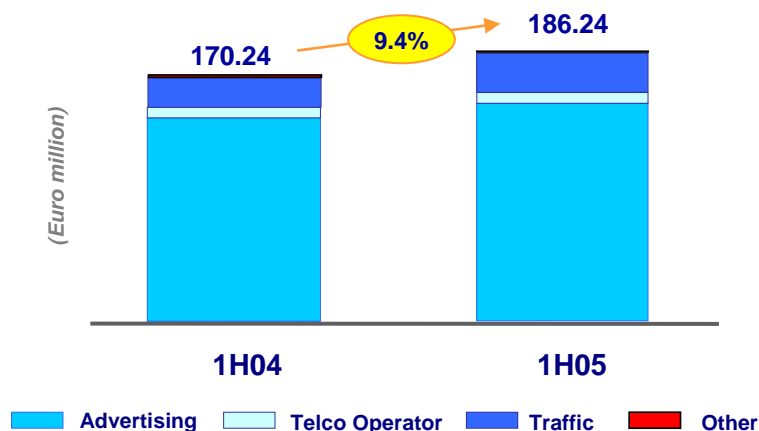


* Working Capital: Inventories + Account receivables +/- Accrual accounts – Creditors
Working capital calculated in 2004 constant euros

Spain⁽¹⁾ continues to post healthy growth



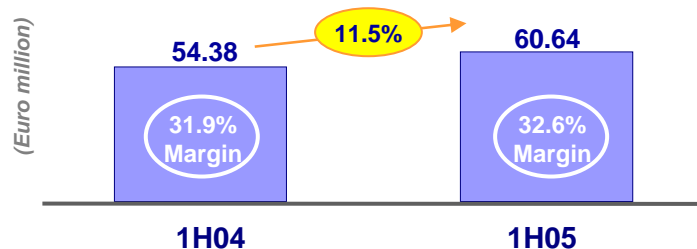
Revenues breakdown



- Revenues in Spain ⁽¹⁾ grew 9.4% to Euro 186.24 million, based on:

- Advertising revenues growth of 7.2% to Euro 151.08 million.
- 30.4% growth in DA telephone traffic revenues to Euro 26.91 million.
- This evolution is affected by changes in the publication calendar, therefore, these two periods are not very comparable.

OIBDA ⁽²⁾



- Adjusted OIBDA ⁽²⁾ increased 11.5% to Euro 60.64 million with 0.6 p.p. margin improvement.

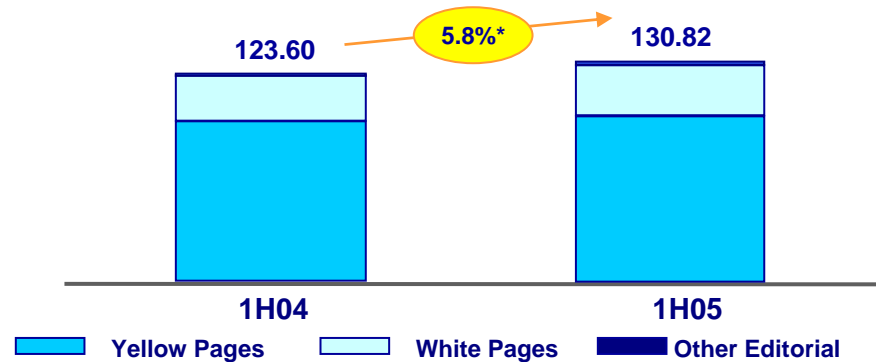
⁽¹⁾ Includes TPI Spain, TPI Edita, 11888, TPI Direct and Edinet Europa

⁽²⁾ Controlling shareholding provisions are not included, in order to provide a clear reflection of the Group's domestic operating activity

Spain: The print business registered 4.3% like for like growth



Offline Advertising Revenues



* Total growth affected by changes in publication calendar and new directories. Like for like growth 4.3%

YELLOW PAGES

- Total revenues: Euro 99.03 million (+3.7% like for like)
- Avg. Revenue/client down 1.9% to Euro 707
- # Clients up 5.7% to 139,700
- # Directories published: 50 (vs. 41 in 1H04) including 6 new pocket directories, 1 new local directory and some books were moved from the previous year publication calendar

WHITE PAGES

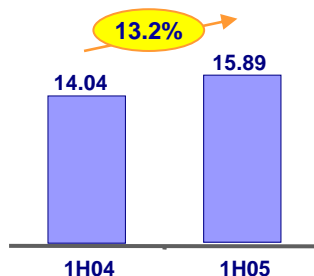
- Total revenues: Euro 29.84 million (+4.3% like for like)
- Avg. Revenue/client up 1.2% to Euro 245
- # Clients up 3.1% to 121,500
- # Directories published : 28 vs. 26 in 1H04, explained by changes in publication calendar

Spain: Internet and Telephone Information Services continued to show double digit growth

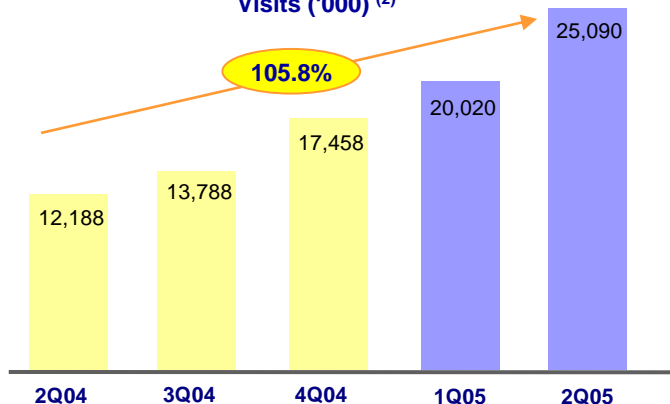


INTERNET

Revenues (Euro million)



- Internet revenues grew 13.2% to Euro 15.89 million
- ARPA ⁽¹⁾ up 10,8%
- Clients up 11,3%

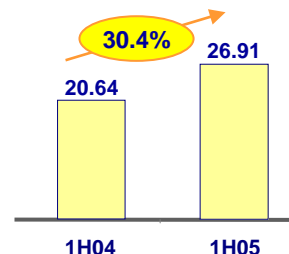
Visits ('000) ⁽²⁾

⁽¹⁾ ARPA: average revenue of 1H05 customers calculated excluding the deferral accounting effect

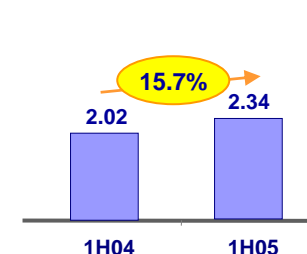
⁽²⁾ Figures audited by the OJD (Oficina Justificación de la Difusión)

TELEPHONE INFORMATION SERVICES ⁽³⁾

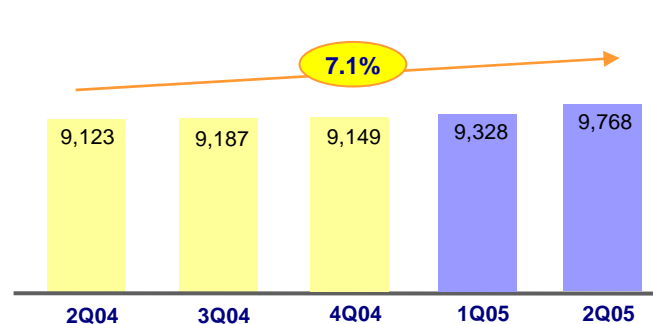
Traffic revenues (Euro million)



Advertising revenues (Euro million)



Number of calls ('000)



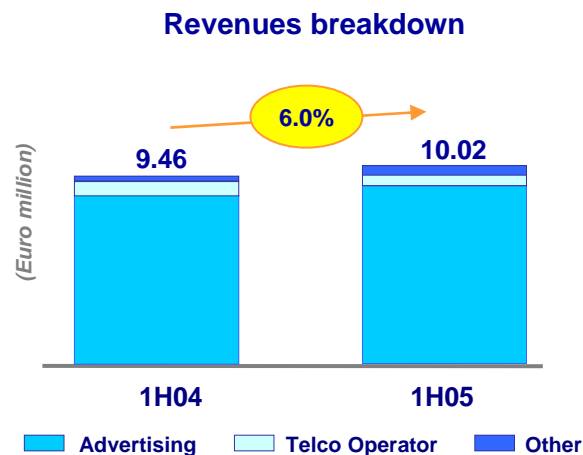
⁽³⁾ Includes the different telephone information numbers managed by TPI

Decision to enter the Italian DA market has been taken. Entrance in French market still under study

Italian DA market

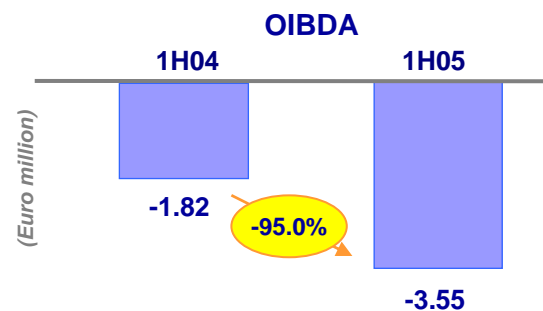
- **Numbers granted:** 1288, 1248
- **Entrance will take place:** according to the official calendar
- **Pros:**
 - ✓ Attractive estimated market size of 200 - 250 million calls a year
 - ✓ Differently to Spain there will not be a universal service provider post deregulation
 - ✓ TPI expertise
 - ✓ Attractive price scenario
- **Cons:**
 - ✓ Lack of presence in Italy
 - ✓ Tough competitive environment

Publiguías: Total revenues up 6.0%



REVENUES

- **Revenues** increased 6.0% in local currency to Euro 10.02 million.
 - Advertising revenues grew 5.4% in local currency to Euro 8.96 million mainly due to a 6.1% growth in paper business.



xx% → Growth in local currency

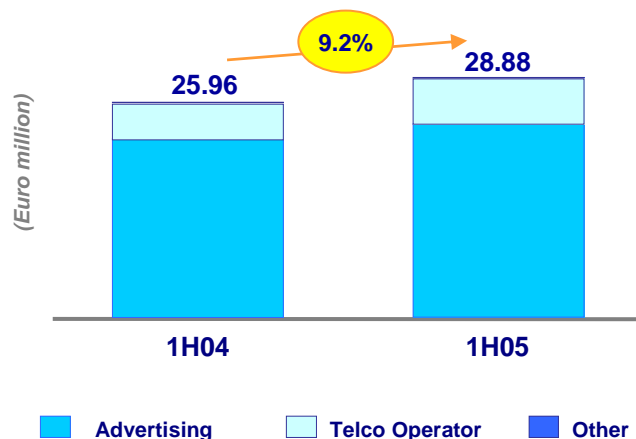
OIBDA

- Negative evolution of OIBDA explained by provisions for bad debts corresponding to past editions.
- These results are not very representative, since the Santiago directory, representing the largest part of the business, publishes in July. OIBDA will become positive with the publication of this directory.

Peru's total revenues grew a solid 9.2% in local currency



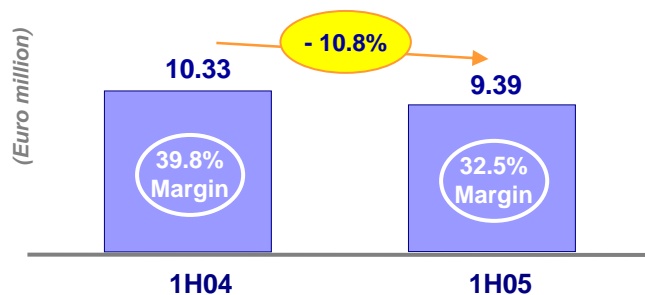
Revenues breakdown



REVENUES

- TPI Peru revenues increased 9.2% in local currency to Euro 28.88 million.
 - Advertising revenues grew 6.0% in local currency to Euro 23.40 million due to:
 - Positive evolution of paper business, +4.2% like for like revenue growth.
 - Internet revenues multiplied by 1.4 times to Euro 0.96 million.
 - Telco operator revenues went up 25.2% in local currency to Euro 5.45 million.

OIBDA

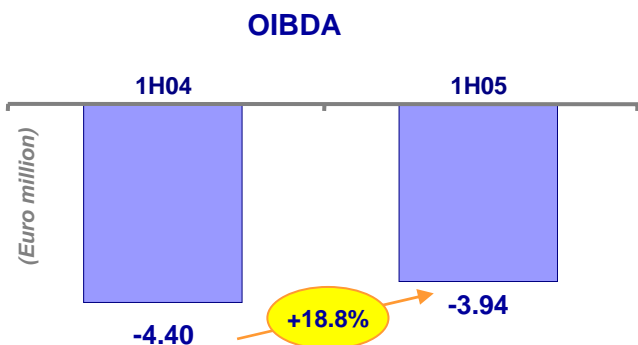
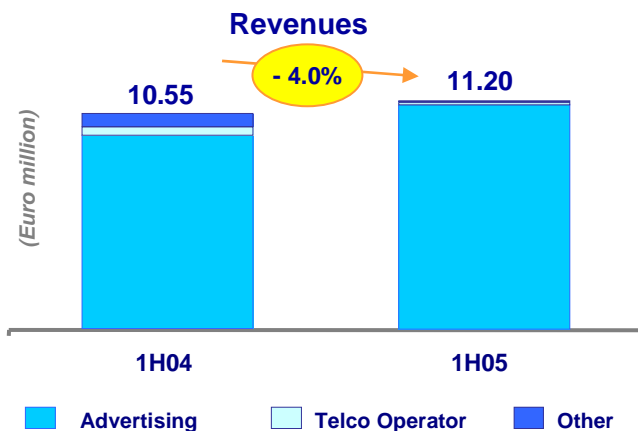


OIBDA

- OIBDA decreases 10.8% in local currency to Euro 9.39 million, mainly explained by an increase in the percentage of provisions vs. same period last year, although in line with year end 2004 percentage.

xx% → Growth in local currency

TPI Brazil: Advertising revenues up 4.9% in local currency



xx% → Growth in local currency

REVENUES

- TPI Brazil advertising revenues, increased by 4.9%.
 - GuiaMais paper directory, published in São Paulo city, showed a like for like increase of 2.5%.
 - Internet revenues amounted to Euro 1.03 million, up 28%.
- Telco operator revenues decreases to Euro 0.11 million.
- As a result, total revenues dropped 4.0%.

OIBDA

- OIBDA losses improved 18.8% to Euro -3.94 million in 1H05. This is mainly explained by lower bad debt provisions and stronger cost control policy.

Conclusions

- Positive performance of revenues in Spain, based on healthy growth of the advertising business and strong growth of telephone information service.
- TPI Brazil advertising revenues had a good performance with a 4.9% increase when compared to the 2004 edition.
- Decision to enter the Italian directory assistance telephone information market.
- Results are not representative nor should they be extrapolated to year end.
- Commitment with 2005 guidance in constant euros of 2004: Revenues +3/5% and OIBDA +7/9%.

ANNEX

Annex 1: Maintenance of our guidance in constant euros - revenues and OIBDA growth of +3/5% and +7/9% respectively

Year end guidance - TPI Group in constant euros		
(Euro million)	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
<p>Figures in constant Euros, based on average 2004 exchange rates:</p> <p>* Forecast according to present consolidation sphere, no considering a potencial entrance in other European DA telephone information markets</p>		
		<p>Peso/Euro: 757.58</p> <p>Real/Euro: 3.63</p> <p>Sol/Euro: 4.24</p>