



# Telefónica Publicidad e Información

*January-September 2002 Results*

Madrid, November 13<sup>th</sup>, 2002

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**Group revenue increase of 8.9%, combined with cost control policies and the implementation of efficiency measures, brings 26.3% EBITDA growth**

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- Despite weak currency performance, we maintain year end EBITDA growth projections.
- Growth in advertising revenues in Spain in every business line, despite weak advertising outlook.
- Publiguías publishes Santiago's directory which shows a like for like growth in revenues of 5.3% in local currency, breaking the declining trend of last three years.
- TPI Brazil publishes GuiaMais second edition in most areas, while TPI Peru concludes the publication of all its directories.

## We maintain year end EBITDA growth range guidance, despite weak exchange currency performance

### Year end forecasts adjusted to 9m02 average exchange rates - TPI Group

(Euro million)	Forecasts 2002 *	FY2001
<b>Advertising revenues</b>	<b>+6/8%</b>	<b>448.81</b>
Editorial	+5/7%	425.76
Internet	+25/30%	19.27
Talking Yellow Pages	+6/8%	3.78
<b>Telecom operator revenues</b>	<b>-22/-24%</b>	<b>58.93</b>
<b>TOTAL REVENUES</b>	<b>+3/5%</b>	<b>511.68</b>
<b>EBITDA</b>	<b>+13/16%</b>	<b>128.80</b>

\* Forecast according to present consolidation sphere

\*Average exchange rates

9m02: {  
Peso/Euro: 689.66  
Reais/Euro: 2.47  
Sol/Euro: 3.37

- **EBITDA** target maintained despite weak currency performance.
- Currency depreciation during 2Q02 and 3Q02 in LATAM, takes 4 p.p. out of **revenue** growth.
- Revenue target in local currency achieved in every country.

Note: Ranges in red colour show a change compared to forecasts given in 1Q02 and 1H02 results.

## Strong local performance and the incorporation of TPI Peru lifts consolidated revenues and EBITDA by 8.9% and 26.3% respectively

### Main Financial Data (TPI Consolidated Accounts)

(Euro million)	9 m 02	9 m 01	Var. (%)	2001
Revenues	408.90	375.32	8.9%	511.68
EBITDA	117.00	92.63	26.3%	128.80
EBITDA margin	28.6%	24.7%	3.9 p.p	25.2%
Net Income	64.25	46.45	38.3%	64.90
Cash Earnings <sup>(1)</sup>	87.44	63.84	37.0%	92.79

n°. Shares (30th September 2002): 368,234,331

Average exchange rates Jan-Sept 2002 {  
 Peso/Euro: 689.66  
 Reals/Euro: 2.47  
 Sol/Euro: 3.37

<sup>(1)</sup> Net Income+/- Extraordinary Results+/-Exchange Rates Differences+Depreciations

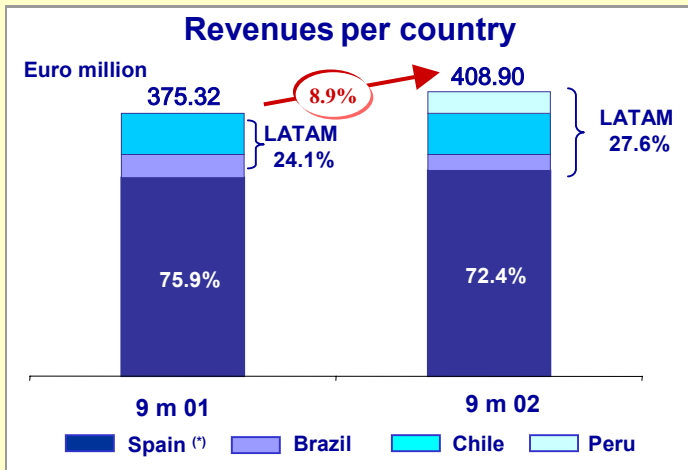
(Euro million)	Spain (*)		Chile		Brazil		Peru (**)	
	9m02	Var. % Local currency	9m02	Var. % Local currency	9m02	Var. % Local currency	9m02	Var. % Local currency
Revenues	295.86	3.9%	56.92	11.4%	23.03	-18.1%	33.27	5.8%
EBITDA	100.43	14.4%	21.58	15.4%	-12.05	6.3%	7.17	46.7%
EBITDA Margin	33.9%		37.9%		-52.3%		21.6%	

\* Includes Goodman Business Press

\*\* Growth based on 2001 pro-forma numbers

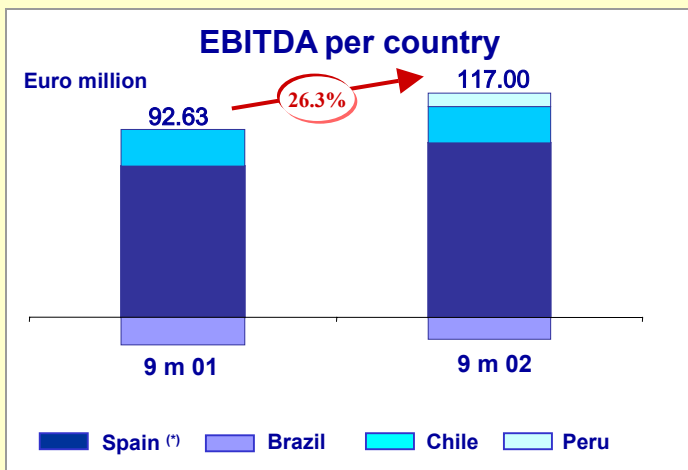
Note: The rounding of figures and consolidation adjustments has originated small differences in the partial totals shown

## Spain represented 72.4% of revenues, while LATAM improved its contribution to EBITDA from 5.29 million Euro to 16.7 million Euro



- TPI consolidated revenues increase 8.9% to Euro 408.90 million during 9m02.

- Spain<sup>(\*)</sup> remains the main contributor to Group revenues accounting for 72.4%.
- LATAM increases its contribution from 24.1% in 9m01, to 27.6% in 9m02.

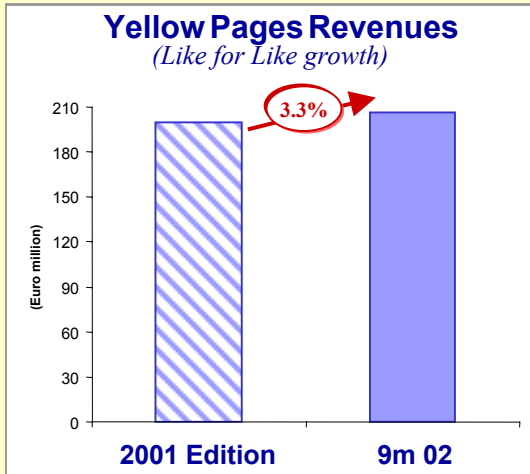


- TPI consolidated EBITDA reaches Euro 117.00 million, an increase of 26.3%.

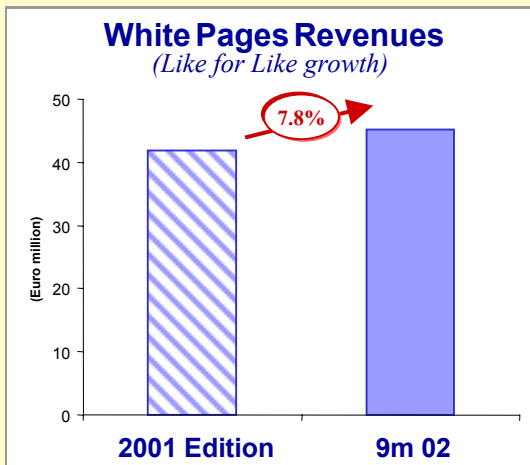
- Spain's EBITDA <sup>(\*)</sup> up by 14.4%.
- Latam represents 14.3% of Group EBITDA, up from 5.7% a year earlier.
  - Publiguias and TPI Brazil improve their combined contribution to Group's EBITDA by 80.2%.
  - TPI Peru, contributes with Euro 7.17 million of positive EBITDA.

<sup>(\*)</sup> Includes Goodman Business Press

## SPAIN: Sustained like for like growth of 4.0% in combined printed yellow and white pages revenues

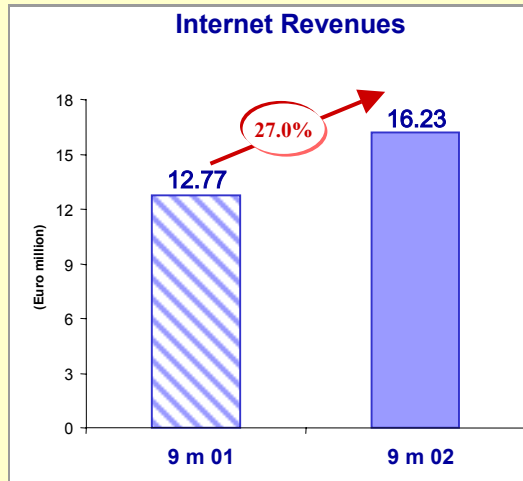


- Yellow Pages 9m02 total **revenues**: 206.65 million Euro. Like for like growth +3.3%.
- Average **revenue per client** up 3.9% to close to 940 Euro.
- N° of **clients** dropped by 0.9% to 219,000.
- 56 directories published, 8 more than in the same period of 2001, which correspond to splits of previous edition guides.
- **Colour** represented 69.8% of total YP revenues compared to 67.0% in the previous edition.

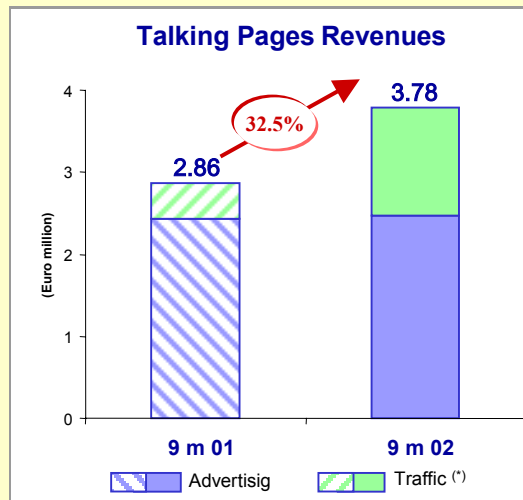


- White Pages 9m02 total **revenues**: 45.23 million Euro. Like for like growth +7.8%.
- Average **revenue per client** up by 11.1% to over 220 Euro.
- N° **clients** dropped by 3.0% to 205,000.
- N° Directories published: 46 (same directories as in 9m01).
- **Colour** represented 42.7% of total WP revenues compared to 28.9% in the previous edition.

## Strong multimedia revenue performance in Spain, which represents 6.9% of advertising revenues, compared to 5.9% a year earlier



- Internet revenues grew 27.0% to 16.23 million euros.
  - Yellow Pages Online revenues up 25.8% to 13.72 million euros.
  - Other internet revenues: 2.51 million euros.
- Clients up 8.6% to 215,000.



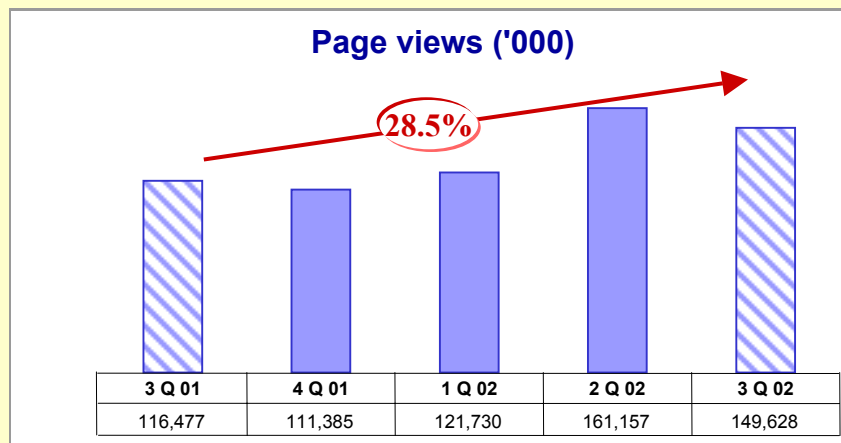
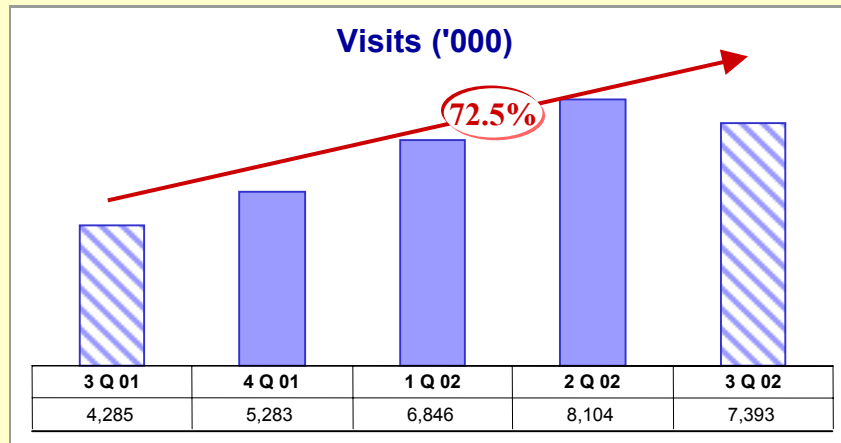
- Talking pages revenues reached 3.78 million euros (+32.5%).
  - Advertising revenues up 1.4% to 2.46 million euros.
  - Traffic (\*) revenues up 209.5% to 1.32 million euros.

\* Includes talking Pages and 098 DA traffic revenues



## Continuous growth in usage is behind internet performance in Spain

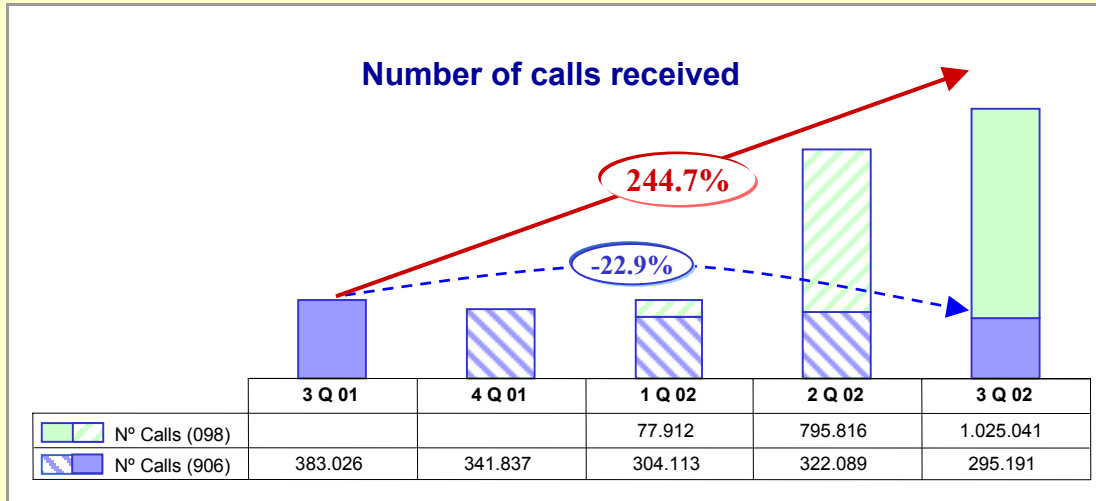
### Internet traffic performance: SPAIN



- Content share agreements. 20% of traffic to Yellow Pages Online derived from partner sites.
- New services such as proximity search.
- Enhanced contents and services to promote user loyalty.

Source: January-August OJD: (Oficina de Justificación de la Difusión);  
September: internal data.

## Combined traffic to Talking Pages and to 098 DA service increased by 3.4x



- Incorporation of the 098 DA information service since May (\*)
- Total calls received up by 244.7% to 1.3 million.
- Calls completed in Talking Yellow Pages represented 13.9% of total calls, compared to 12.4% a year earlier.
- Lack of advertising investments triggered by new DA service regulation, explains declining in coming calls in Talking Pages.

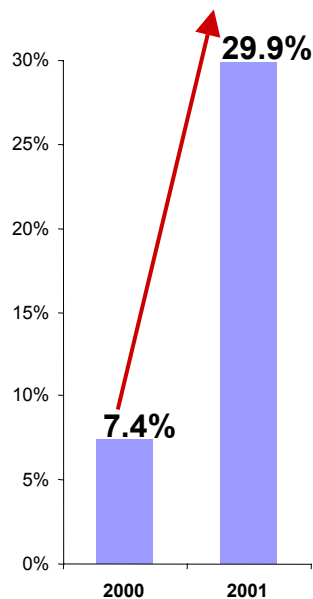
\* Service test during 1Q02

## Two step strategy has boosted profitability in Chile

### 1<sup>st</sup> STEP 2001

#### Renegotiation of the contract with TCTC

EBITDA Margin (%)

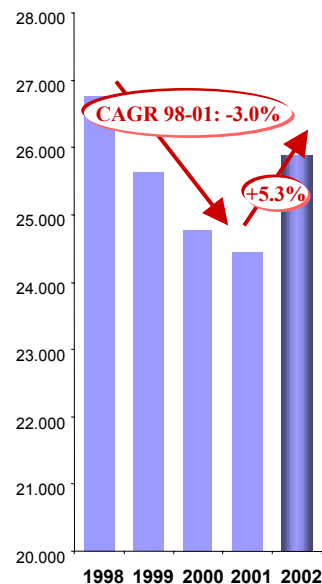


- More beneficial contracts have been negotiated with the telco operators in Chile. Main terms of the contracts:
  - White Pages contract
  - Database payment
  - Billing through telephone bill
- New contractual terms lifted EBITDA margin from 7.4% to 29.9% in year 2001.

### 2<sup>nd</sup> STEP 2002

#### Focus on sales and marketing

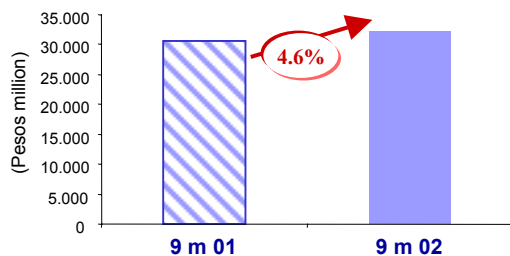
Santiago de Chile  
Revenues (P\$ million)



- Revenue growth of Santiago directory of 5.3% in local currency
  - Change in trend showed in recent years
  - New price and discount policies
  - New sales force organisation
  - New range of advertising products
- More efficiency measures to be implemented in the future related to:
  - Geographical and residential-business splits
  - Bundling of paper and internet products
  - Specialised internet sales force

## LATAM: Strong local growth of editorial advertising revenues in Chile and Peru, while Brazil strengthens its customer base

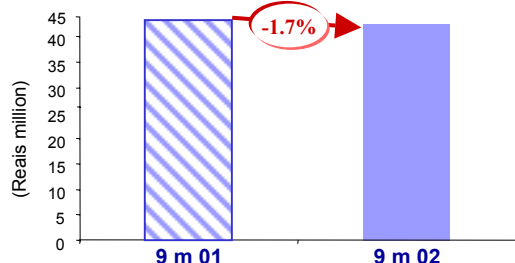
**Yellow & White Pages Revenues**  
(Like for Like growth)



### CHILE (Yellow Pages + White Pages)

- Total **revenues**: 31,662 P\$ million (+4.6%).
- Average **revenue per client** increased 2.8% to 738,500 P\$ (1,067 euros)
- **N° clients** increased 1.8% to over 42,800.
- **N° Directories** published: 6 yellow and white pages.

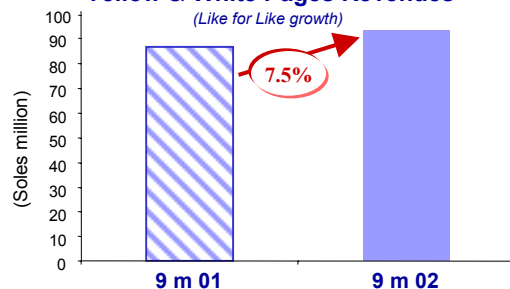
**Yellow Pages Revenues**  
(Like for Like growth)



### BRAZIL (Yellow Pages only)

- Total **revenues**: 42.43 Reais million (-1.7%).
- Average **revenue per client** dropped 5.8% to 2,300 Reais (932 euros).
- **N° clients** increased 4.3% to over 18,400.
- **N° Directories** published: 8 (Sao Paulo city, Guarulhos, Riberao Preto and Curitiba).

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



### PERU (Yellow Pages + White Pages)

- Total **revenues**: 92.81 Soles million (+7.5%).
- Average **revenue per client** up 7.7% to 2,100 Soles (638 euros).
- **N° clients** dropped 0.1% to over 43,000.
- **N° Directories** published: 5 (Lima, Sur, Norte and Centro).

*Note: January- September average exchange rates*

## Conclusions

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- Strong local performance in every country which meets company targets.
- LATAM improves its contribution to Group EBITDA by 216% to 16.7 million euros, despite weak currency performance.
- Cost control policies combined with efficiency measures across every subsidiary is behind margin improvement.