



Telefónica Publicidad e Información

January -September 2004 Results

Madrid, November 10th, 2004

This document contains statements that constitute forward looking statements in its general meaning and within the meaning of the Private Securities Litigation Reform Act of 1995. These statements appear in a number of places in this document and include statements regarding the intent, belief or current expectations of the customer base, estimates regarding future growth in the different business lines and the global business, market share, financial results and other aspects of the activity and situation relating to the Company.

The forward-looking statements in this document can be identified, in some instances, by the use of words such as “expects”, “anticipates”, “intends”, “believes”, and similar language or the negative thereof or by forward-looking nature of discussions of strategy, plans or intentions.

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Analysts and investors are cautioned not to place undue reliance on those forward looking statements which speak only as of the date of this presentation. TPI undertakes no obligation to release publicly the results of any revisions to these forward looking statements which may be made to reflect events and circumstances after the date of this presentation, including, without limitation, changes in TPI's business or acquisition strategy or to reflect the occurrence of unanticipated events. Analysts and investors are encouraged to consult the Company's Annual Report as well as periodic filings filed with the relevant Securities Markets Regulator, and in particular with the Spanish Market Regulator.

TPI will exceed the 2004 revenues and EBITDA guidance in constant euros 2003

- TPI Group revenues grow 5.8% to Euro 446.31 million. EBITDA increases 16.7% to Euro 161.19 million, while Net Income reaches Euro 92.11 million (+29.6%)
 - Spain*, shows strong growth in revenues (+9.4%) and EBITDA (+15.8%)
 - Publiguías published its Santiago directory during the third quarter with a like for like growth of 4.2% in local currency
 - TPI Peru increases 7.1% and 51.5% revenues and EBITDA respectively in local currency
 - TPI Brazil: Focus on reducing bad debt levels are behind decreases in revenues and more negative EBITDA vs. 9m03
- The good set of results combine with high year end visibility, let us be positive in exceeding the 2004 guidance in revenues growth (+3/5%) and EBITDA growth (+9/11%) in constant euros of 2003

* Includes TPI Spain, TPI Edita and 11888

Strong growth of revenues, EBITDA and Net Income

Main Financial Data (TPI Consolidated Accounts)

(Euro million)	9m04	9m03	Var. (%)	Var. (%) ⁽¹⁾
				in local currency
Revenues	446.31	421.73	5.8%	6.6%
EBITDA	161.19	138.10	16.7%	17.2%
EBITDA margin	36.1%	32.7%	3.4 p.p	3.4 p.p
Net Income	92.11	71.10	29.6%	29.6%

nº. Shares (30th September 2004):

368,234,331

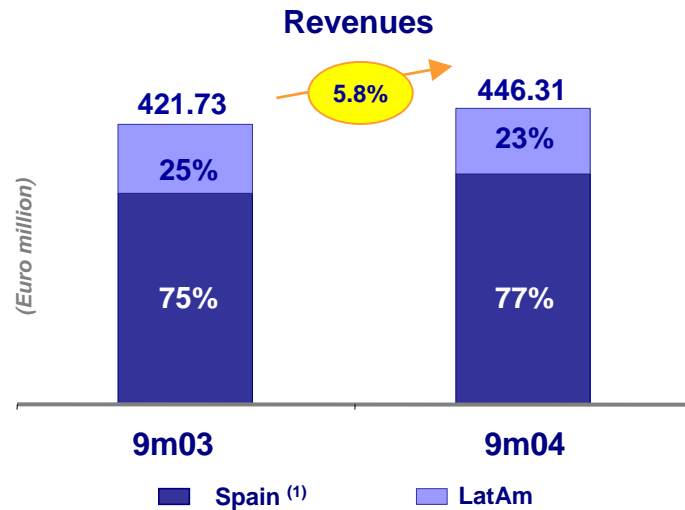
		Jan. -Sept. 2004	Jan. -Sept. 2003
Average exchange rates :	Peso/Euro:	746.27	735.29
	Reais/Euro:	3.64	3.46
	Sol/Euro:	4.09	3.87

⁽¹⁾ At average exchange rates of January - September 2003

	SPAIN ⁽²⁾		PUBLIGUIAS		TPI BRAZIL		TPI PERU	
	9m04 (Euro million)	% Var. (Local currency)	9m04 (Euro million)	% Var. (Local currency)	9m04 (Euro million)	% Var. (Local currency)	9m04 (Euro million)	% Var. (Local currency)
Revenues	346.13	9.4%	56.85	-1.6%	12.28	-17.1%	31.76	7.1%
EBITDA	130.78	15.8%	25.43	9.5%	-5.65	-14.4%	10.74	51.5%
EBITDA margin	37.8%	2.1 p.p	44.7%	4.6 p.p	-46.0%	-12.7 p.p	33.8%	9.9 p.p

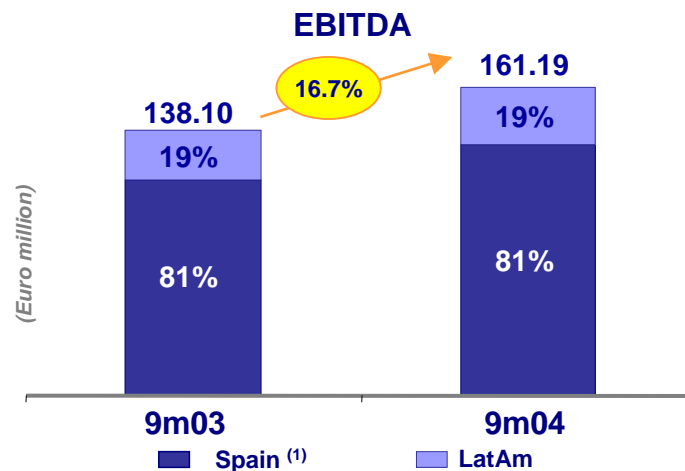
⁽²⁾ Includes TPI Spain, TPI Edita and 11888

TPI Group, revenues and EBITDA by geographical area



- TPI consolidated **revenues** increase 5.8% to Euro 446.31 million.

- Spain⁽¹⁾ rises its contribution from 75% to 77% backed both by the positive performance of the advertising business (+3.8%), and 11888's strong growth (+140.7%) vs 9m03.



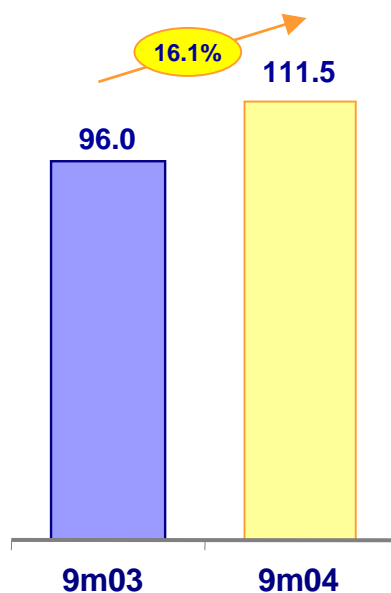
- TPI consolidated **EBITDA** reaches Euro 161.19 million, increasing 16.7%.

- LatAm maintains its contribution to EBITDA at 19%, despite a lower contribution in revenue terms and depreciation in LatAm currencies.

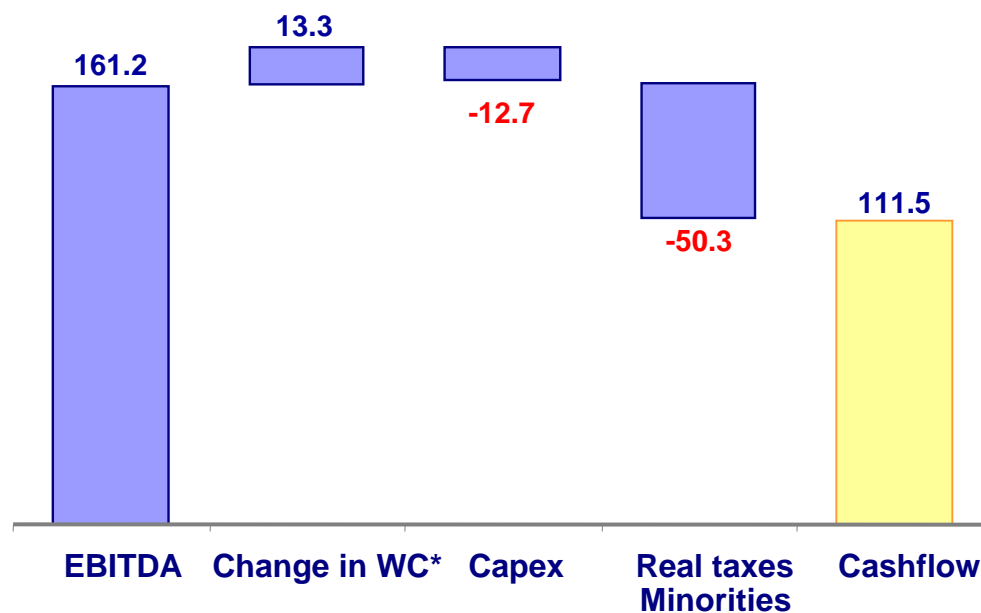
⁽¹⁾ Includes TPI Spain, TPI Edita and 11888

Consistent cash flow generation

Operating Cash Flow
(Euro Million)



Operating Cash flow 9m04
(Euro Million)

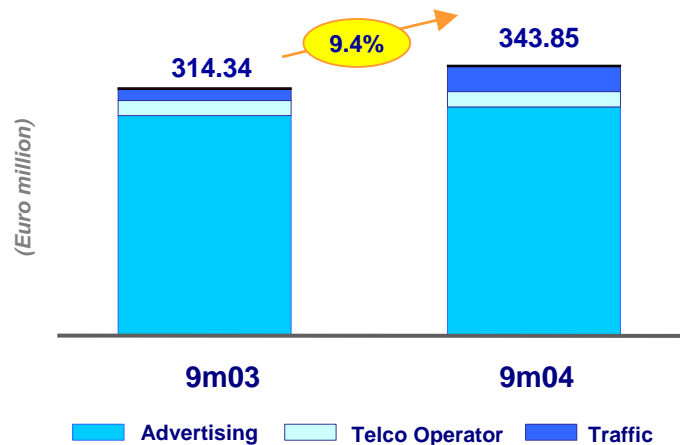


* Working Capital: Inventories + Account receivables +/- Accrual accounts – Creditors
Working capital calculated in 2003 constant euros

Spain⁽¹⁾ continues to show strong growth



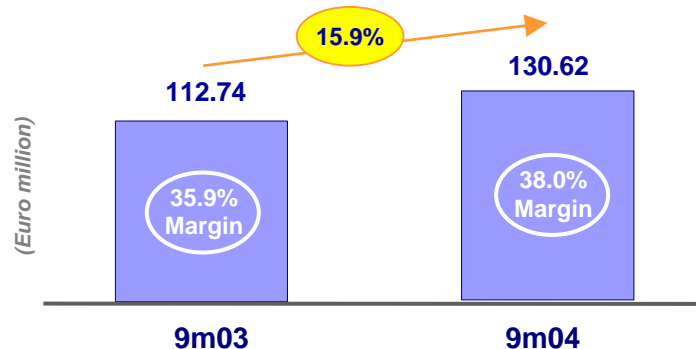
Revenues breakdown



- Spain ⁽¹⁾ revenues grow 9.4% to Euro 343.85 million, mainly due to:

- Advertising revenues growth of 3.8% to Euro 290.52 million
- Boost of telephone traffic revenues, which increased more than 140%, reaching Euro 33.55 million

EBITDA

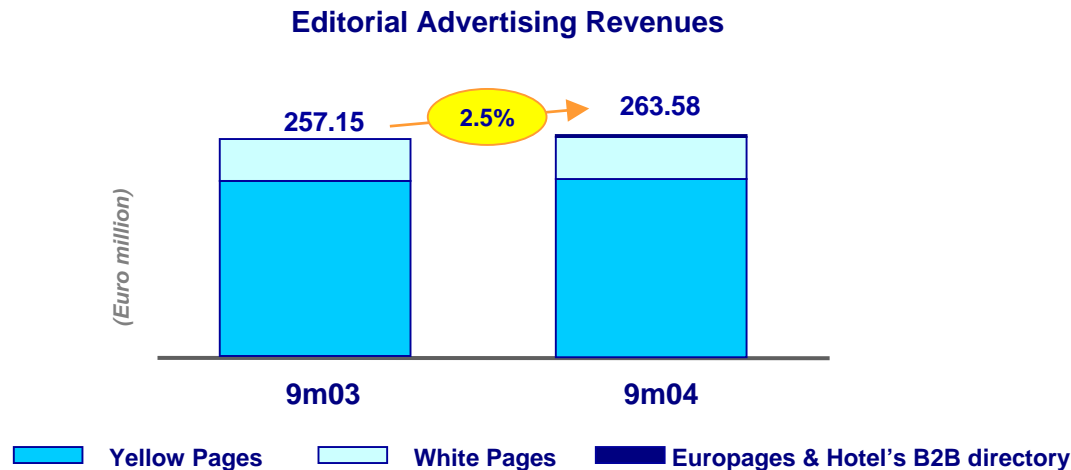


- Spain's⁽¹⁾ EBITDA reaches Euro 130.62 million (+15.9%), while EBITDA margin increases 2.1 p.p to 38.0%.

- This strong growth is mainly explained by the consolidation of the telephone information service 11888, and savings in supplies and production related costs.

⁽¹⁾ Includes TPI Spain and 11888

Spain: The Editorial business registers 3.3% like for like growth



YELLOW PAGES

- Total revenues: Euro 210.18 million (+2.0% like for like)
- Avg. Revenue/client increases 5.9% to Euro 988
- # Clients down 3.7% to 212,000
- No Directories published: 81 (vs. 77 in 9m03 due to changes in the number of directories published)

WHITE PAGES

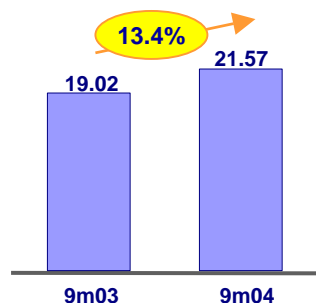
- Total revenues: Euro 50.59 million (+5.2% like for like)
- Avg. Revenue/client increases 11.4% to Euro 262
- # Clients down 5.7% to 193,100
- No Directories published : 45 (vs 46 in 9m03)

TPI Spain: Revenues from Internet and Telephone Information Services



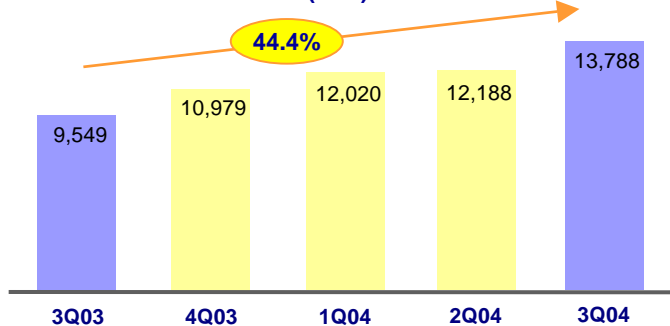
INTERNET

Revenues (Euro million)



- Internet revenues grew 13.4% to Euro 21.57 million
- Number of clients down 4.2% to 203,000
- ARPA up 18.4% to Euro 106

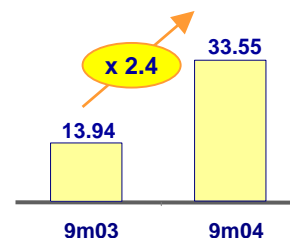
Visits ('000) *



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

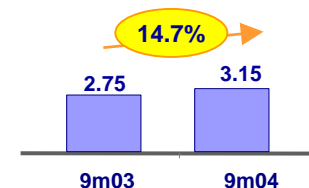
TELEPHONE INFORMATION SERVICES ⁽¹⁾

Traffic revenues (Euro million)

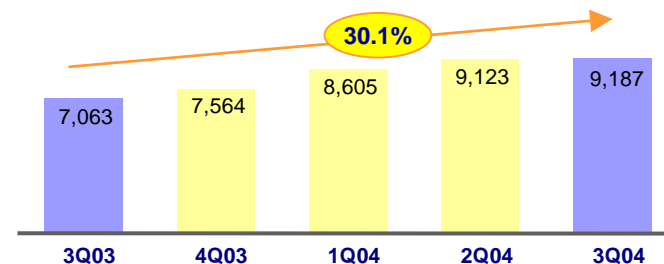


- Traffic revenues multiply by more than 2.4 times to Euro 33.55 million.

Advertising revenues (Euro million)



- Advertising revenues increase by 14.7% and reach Euro 3.15 million.

Number of calls ⁽²⁾ ('000)

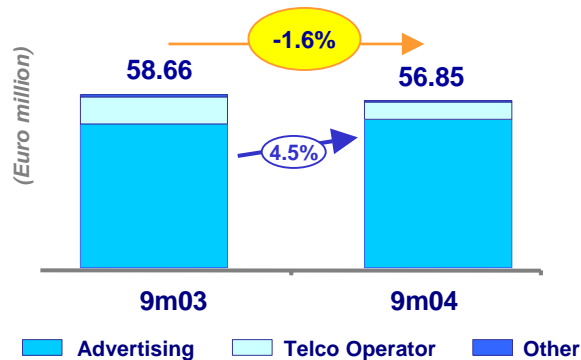
(1) Includes the different telephone information numbers managed by TPI

(2) In order to better understand the correlation between # of calls and revenues, only invoiced calls are included

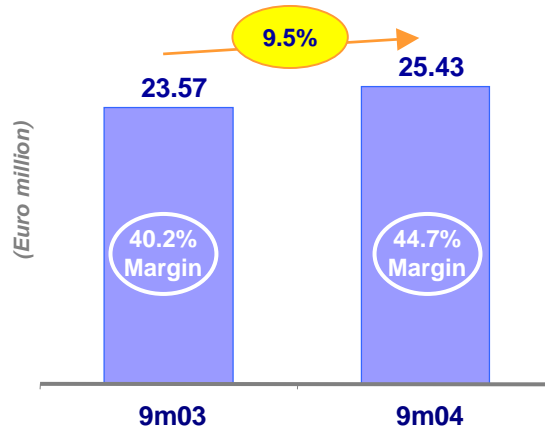
Publiguias: Advertising revenues continue to grow



Total Revenues breakdown



EBITDA



xx% → xx% → Growth in local currency

REVENUES

- **Total revenues** decreased 1.6% in local currency to Euro 56.85 million.
 - Advertising revenues grew 4.5% in local currency to Euro 50.27 million due to:
 - The editorial business:
 - Santiago directory published in July (like for like growth of 4.2% to Euro 39.98 million)
 - Like for like growth: 4.5%
 - N° directories published: 6
 - Internet revenues increased by 4.3% in local currency to Euro 1.14 million.
 - Telco operator revenues decrease 34.3% in local currency to Euro 6.03 million due to non publication of the addendum of Santiago's residential book.

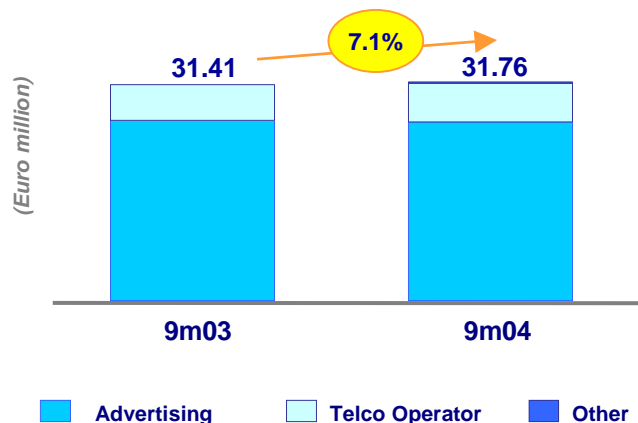
EBITDA

- Solid advertising revenue growth and cost control allows a 9.5% increase in local currency of EBITDA to Euro 25.43 million.
- EBITDA margin advances 4.6 p.p to 44.7%.

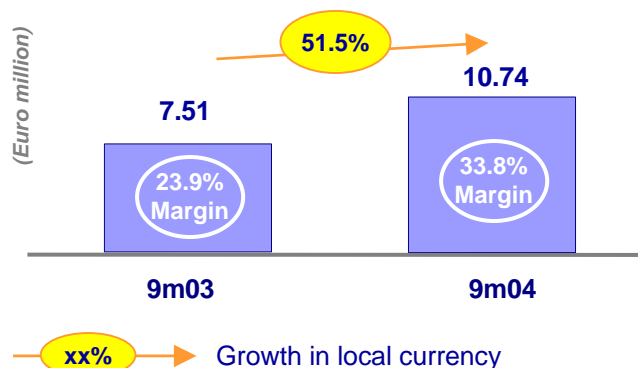
Peru: Strong performance of EBITDA and margins



Total Revenues breakdown



EBITDA



REVENUES

- TPI Peru revenues increase 7.1% in local currency to Euro 31.76 million
- Positive evolution of directories published (Lima, Sur, Norte and Centro) which showed a like for like growth of 4.2%
 - The average revenue per advertiser grew 6.9% to Euro 727
 - N° clients dropped 2.5% to close to 34,400
- Internet revenues went up 26.1% in local currency, to Euro 1.04 million

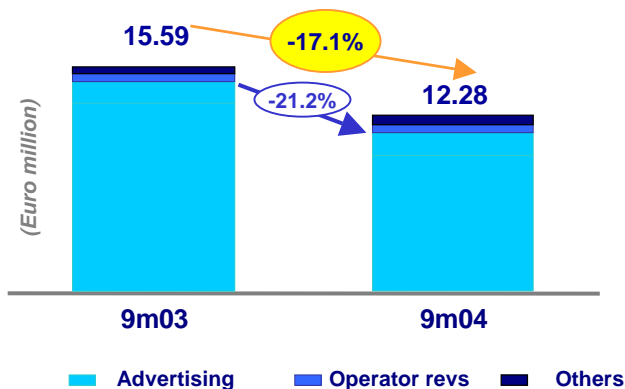
EBITDA

- EBITDA increases to Euro 10.74 million (+51.5% in local currency), mainly explained by :
 - Revenues growth
 - Cost control and reduction of bad debt levels
- EBITDA margin increases 9.9 p.p to 33.8%

TPI Brazil: Focus on controlling bad debt ratios



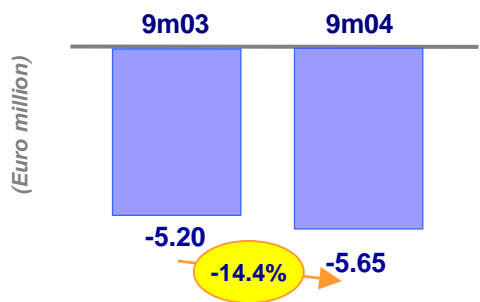
Total Revenues breakdown



REVENUES

- **Total revenues** decreased 17.1% in local currency to Euro 12.28 million.
 - Advertising revenues fell 21.2% in local currency to Euro 10.94 million due to:
 - Editorial revenues down like for like 23.5% (4.5% like for like growth of books published in the third quarter).
 - Internet revenues increased by 15.0% in local currency to Euro 1.24 million.

EBITDA



EBITDA

- **EBITDA** level decreased 14.4% in local currency to Euro -5.65 million mainly due to an extraordinary provision for bad debts associated to GuiaMais 2003 edition.

xx% → xx% → Growth in local currency

Conclusions

- Strong Group consolidated results:
 - Positive performance of both revenues and EBITDA in Spain, backed by the advertising business and the telephone information number 11888.
 - TPI Peru and Publiguias continue to post solid growth in terms of EBITDA and margins.
 - TPI Brazil: strategy focused on reducing the existing bad debt levels and capturing new low risk customers.
- Year end 2004 results will exceed the guidance announced in constant euros of 2003 (Revenues +3/5% and EBITDA +9/11%).

ANNEX

Annex 1: We will exceed our guidance in constant euros - revenues and EBITDA growth of +3/5% and +9/11% respectively

GUIDANCE IN CONSTANT EUROS 2003 PROVIDED IN 1Q04

Year end guidance - TPI Group in constant euros

<i>(Euro million)</i>	Forecasts 2004 *	2003
Total Revenues	+3 / 5%	570.83
Advertising revenues	+ 2 / 4%	502.63
Editorial	+ 2 / 4%	464.38
Internet	+ 14 / 17%	31.14
Telephone information services	+ 10 / 13%	4.44
Telephone Traffic	+ 40 / 50%	24.09
Telecom operator revenues	- 8 / - 5%	41.79
EBITDA	+ 9 / 11%	179.58

Figures in constant Euros, based on average 2003 exchange rates:

Peso/Euro: 671.14

Reais/Euro: 3.45

Sol/Euro: 3.91

* Forecast according to present consolidation sphere