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Content

• Directories: A very attractive business, but why?

• 2001 results: Performance improvement and growth

• 2002 and beyond: Fully exploit current markets and build a new path for profitable growth
Directories: Originally an alphabetically arranged list of users

**1920’s**

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
<th>Phone</th>
</tr>
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<tbody>
<tr>
<td>Alari Ballester, P. Vinos.</td>
<td>C. Sta. Eulalia, 23</td>
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</table>
Directories: A very attractive business in which yellow colour happened almost by chance

1940's
Directories: A multiple format meeting place between consumers and advertisers

Today
An effective business model connecting users with advertisers...

- Over 2,500 searches every minute
- 28 million users
- Largest base of advertisers
- 91% of them are SME’s

60% of searches end up in purchases

Note: Figures for White and Yellow Pages in Spain
... that has evolved with the needs of its clients to increase usage
Successful publishers need to excel in two areas

- **“User focused” company to drive the right usage**
  - Completeness
  - User friendliness
  - Convenience
  - Value added

- **“Advertiser focused” company to deliver and communicate the value creation to advertisers**
  - Audience
  - Frequency
  - Visibility

Attractive opportunity to capture value created by directories
Ordering management of type of ads brings incremental revenues
Ordering management of type of ads brings incremental revenues

- Improve ad design and increase use of colors
- Position defined by investment rather than alphabetic order
- Increase in ad sizes and reduction of free listings
Content

- Directories: A very attractive business, but why?

- 2001 results: Performance improvement and growth

- 2002 and beyond: Fully exploit current markets and build a new path for profitable growth
TPI, a multi-business international player and leader in the Spanish/Portuguese speaking market

SPAIN
- Market share: 85%
- Revenues 2001: € 387* M

PERU
- Market share: 100%**
- Revenues 2001: € 32 M

CHILE
- Market share: 93%
- Revenues 2001: € 71 M

BRAZIL
- Market share (city of Sao Paulo): 20%
- Revenues 2001: € 54 M

12 * Includes TPI Spain and Goodman Business Press
** After Bell South business closing in 2001
TPI has achieved excellent results in 2001 driven mainly by the Spanish editorial business.

### Revenues

<table>
<thead>
<tr>
<th>Year</th>
<th>Euro million</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>390</td>
</tr>
<tr>
<td>2001</td>
<td>512</td>
</tr>
</tbody>
</table>

#### Revenues Contribution

- **Spain**: 72% (387 million)
- **LatAm**: 23% (125 million)

### EBITDA

<table>
<thead>
<tr>
<th>Year</th>
<th>Euro million</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>98</td>
</tr>
<tr>
<td>2001</td>
<td>129</td>
</tr>
</tbody>
</table>

#### EBITDA Contribution

- **Spain**: 96% (124 million)
- **LatAm**: 4% (5 million)

*Includes TPI Spain and Goodman Business Press*
The continuous innovations in our product offering have reinforced TPI’s leadership position in the Spanish market

Key actions

- Editorial product range enhancement
  - Split between households and businesses
  - Launch of the “Pocket Guides”
  - New types of advertising (e.g., cover flap, direct distribution, etc.)

- Management of client base:
  “discourage” free listings, favouring transfer to paying ads

- Segmentation of our multimedia product offering

- Cost and investment restructuring

Main achievements

- EBITDA margin improved in 3.3% percentage points (from 29% to 32%)

- Average revenue per advertiser pushed up to 823€ from 691€ in 2001 (Δ 20%)

- Significant growth in product usage:
  - 11% increase in editorial products
  - 452 million page views (Δ 95%)
  - 20 million web visits (Δ 77%)
  - 1.5 million phone calls (Δ 10%)

- Savings in editing and distribution costs above € 5.5 million

- Market share maintained above 85%
**Significant advertising growth in Spain due to the resilience of the directories sector combined with TPI product innovations**

Euro million

**TPI advertising revenues in Spain**

- 2000*: 322
- 2001: 354
- 10%

**Total conventional advertising**

- Spanish market
  - 2000: 5,656
  - 2001: 5,331
  - -6%

The nature of directories customer base (91% SME’s for TPI) makes this sector a stable and solid business

* Not including non-recurring White Pages advertising revenues from Telefonica (€ 23 million)

Source: Infoadex
**TPI has consolidated its position as a major player in the Internet advertising sector in Spain**

Euro million

**TPI Internet advertising revenues in Spain**

- 2000: 8
- 2001: 17

Growth: 115%

**Online advertising expenditures in Spain**

- 2000: 53
- 2001: 52

Change: -3%

**TPI is the second largest company in the Spanish Internet advertising sector**

Source: Infoadex
The recurrent business of TPI Spain has improved substantially, achieving an EBITDA margin of 32%

Euro million

Revenues

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenues</th>
<th>EBITDA Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>354</td>
<td>[29%]</td>
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<tr>
<td>2001</td>
<td>384</td>
<td>[32%]</td>
</tr>
</tbody>
</table>

EBITDA [margin]

<table>
<thead>
<tr>
<th>Year</th>
<th>EBITDA</th>
<th>Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>103</td>
<td>-2%</td>
</tr>
<tr>
<td>2001</td>
<td>124</td>
<td>20%</td>
</tr>
</tbody>
</table>
TPI has consolidated its operations in Latin America despite the negative economic environment

**Brazil**

- Launch of “GuiaMais” first edition in Sao Paulo with a superior quality product and in three different platforms
  - € 23 million of revenues
  - Over 17,000 advertisers
TPI has consolidated its operations in Latin America despite the negative economic environment

- Improvements of operations and new contractual framework
  - € 71 million of revenues
  - EBITDA margin from 7% to 30%
TPI has consolidated its operations in Latin America despite the negative economic environment

Peru

- Negotiated acquisition of Telefonica’s directory business
  - Expected revenues contribution of around €32 million
  - Expected EBITDA margin of 13-15%
... as a result, TPI has started on a new profitable path in Latin America

Euro million

Revenues

<table>
<thead>
<tr>
<th>Year</th>
<th>Multimedia</th>
<th>Editorial</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>35</td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td>122</td>
<td>125</td>
</tr>
</tbody>
</table>

257% increase

EBITDA

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>-5</td>
</tr>
<tr>
<td>2001</td>
<td>5</td>
</tr>
</tbody>
</table>
The performance achieved is aligned with our commitments for 2001

Commitments expressed to the Market (May 2001)
- Total Growth: 18-23%
- Editorial Business growth: 18-23%
- Multimedia Business growth: 95-113%
- Total growth: -3/+3%

Commitments expressed to the Market (August 2001)
- Total Growth: 18-23%
- Editorial Business growth: 18-23%
- Multimedia Business growth: 95-113%
- Total growth: 1-5%

00-01 Performance
- Revenues: 24%
- EBITDA: 22%
- Total: 121%
- 00-01 Performance adjusted with non-recurrent revenues from Telefonica: 31%

- Revenues: 31%
- EBITDA: 30%
- Total: 121%
- 00-01 Performance adjusted with non-recurrent revenues from Telefonica: 31%
• Directories: A very attractive business, but why?

• 2001 results: Performance improvement and growth

• 2002 and beyond: Fully exploit current markets and build a new path for profitable growth
TPI is in an excellent position to take advantage of the opportunities ahead

Opportunities for TPI:
- Fully exploit current markets
- Build new growth platforms

Proven track record

Relevant entry barriers

Ability to leverage relations with Telefonica Group

Strong cash flow generation and healthy balance sheet
In order to seize the existing growth opportunities our strategy will focus on two main lines of action

**Objective**

• Spain:
  – Close revenue gap with Europe

**Growth Strategy**

• Adjust from ad pricing to “value based” pricing
• Innovate and improve product portfolio to promote usage

---

**Development gap between the European and the Spanish Directory markets**

- **European average:**
  - 100
- **Spain:**
  - 54 (1997)
  - 60 (1998)
  - 70 (1999)
  - 80 (2000)

- **Development gap:**
  - 46% (1997)
  - 30% (2000)

Source: Simba Cowles 2000, Company estimates
In order to seize the existing growth opportunities our strategy will focus on two main lines of action

<table>
<thead>
<tr>
<th>Objective</th>
<th>Growth Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fully exploit the potential of current markets</td>
<td>• Adjust from ad pricing to “value based” pricing</td>
</tr>
<tr>
<td>• Spain:</td>
<td>• Innovate and improve product portfolio to promote usage</td>
</tr>
<tr>
<td>– Close revenue gap with Europe</td>
<td>• Transfer know-how in product development, cost reduction, commercialization and pricing systems</td>
</tr>
<tr>
<td>• Latin America:</td>
<td>• Capture synergies and economies of scale</td>
</tr>
<tr>
<td>– Exploit organic growth</td>
<td>• Expand into new geographical areas in Brazil</td>
</tr>
<tr>
<td>– Increase margins</td>
<td>• Directory Business:</td>
</tr>
<tr>
<td>– Consolidate leadership position in Brazil</td>
<td>• Take advantage of the existing consolidation process</td>
</tr>
<tr>
<td>Build new growth platforms</td>
<td>• New products/Business:</td>
</tr>
<tr>
<td>• Directory Business:</td>
<td>• Leverage TPI’s privileged position as intermediary</td>
</tr>
<tr>
<td>– Take advantage of the existing consolidation process</td>
<td>• Selected acquisitions</td>
</tr>
<tr>
<td>• New products/Business:</td>
<td>• Change/expand our current role in the value chain</td>
</tr>
<tr>
<td>– Leverage TPI’s privileged position as intermediary</td>
<td></td>
</tr>
</tbody>
</table>
This strategy will translate into superior profitable growth for TPI

<table>
<thead>
<tr>
<th></th>
<th>Revenues</th>
<th>EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2001</strong></td>
<td>512</td>
<td>129</td>
</tr>
<tr>
<td><strong>2005</strong></td>
<td>670-775</td>
<td>210-240</td>
</tr>
</tbody>
</table>

**CAGR**

- **7-11%** for Revenues
- **13-17%** for EBITDA

*CONSTANT EUROS 2001*

*EBITDA CAGR*
More sophisticated pricing provides a large growth opportunity

There is an attractive opportunity to increase the price in order to capture a larger portion of the value.
We will roll out our successful new products to new geographies...

In 2001, the regions where the new products were launched grew almost twice as fast as the rest of Spain.
We will roll out our successful new products to new geographies...
... and we will extend successful product enhancements to other regions

Above 10% of TPI revenues in Spain
Summary

**TPI a profitable, cash generating company with solid growth perspectives**

Directories are a sound business that provide an attractive opportunity for growth

TPI management has a proven track record, achieving positive results in adverse and competitive environments

We have already established the platform to capture the bright growth prospects for the company