

# Páginas Amarillas (Yellow Pages)

*TPI-Páginas Amarillas floated on the Stock Exchange in 1999 and by the end of the year, it had increased its value by 227%*

In 1999, 35% of TPI-Páginas Amarillas capital was floated on the Stock Exchange, and was warmly welcomed by the investment community, with an excess demand of 33.3 times over the Public Share's Offer.

TPI's contribution of value for Telefónica has been constant throughout the fiscal year. At December 31st, 1999, the share value closed at 48.25 euros, which represents an appreciation on the price of the IPO's retail tranche of some 227% and a stock capitalization of 5.916 billion euros.

TPI's magnificent welcome by investors, translated into high volumes of trade and the great growth in stock capitalization has meant the company's admission to the Spanish stock index IBEX-35.

## International Expansion

The 1999 period has also meant the start of TPI's international expansion. In May, TPI and Telefónica Internacional formed TPI-Brazil with 51% and 49% of its share capital, respectively. The company was created to exploit the Brazilian directory market's potential, a market that, although at present day represents around 7% of the total advertising market, is estimated to double itself in the next few years.

By virtue of the contracts signed by Telesp and Listel for the edition of the guides of Páginas Amarillas (Yellow Pages) and Páginas Blancas (White Pages) (LTOG) for the State of São Paulo (except the capital of São Paulo), 12 joint guides have been published for Páginas Amarillas and Páginas Blancas, and nine street-guides.

In this time, the bases have been set for the launch of the company next year, local professional people have been recruited and headway has been made with the design of a business plan whose aim is to convert TPI-Brasil into the national reference point in the classified advertising sector in different media, being Internet a basic mainstay of this strategy.

At the same time, in January 2000, TPI reached an agreement with Telefónica Internacional to acquire the control of Publiguías, leading



Advertising revenue from Páginas Blancas grew by 52% in 1999, reaching 11.541 billion pesetas.

## *Brazil and Chile are the countries, after Spain, where TPI-Páginas Amarillas has had the greatest international influence*

directory company in the Chilean market. Through this agreement, TPI acquired 51% of the holding company which controls Publiguías, for 26 million dollars. The operation also includes the payment of a success premium for a maximum sum of 3 million dollars, which will be determined on the results of the commercial campaigns that are presently being run in Publiguías.

Apart from TPI's activities, in the area of directories, it's important to mention the activities of two companies: Telinver (100% subsidiary of Telefónica de Argentina), whose main activity is the publishing of telephone directories, under the name of Páginas Doradas (Golden Pages), and which obtained almost 70,000 customers in the 98/99 fiscal year, and Telefónica del Perú, which has 44,392 customers in this market.

During 1999, TPI's operating revenues grew by 29%, from 43.450 billion pesetas in 1998, to the 55,949 million pesetas reached in 1999.

This strong growth is explained by the following factors:

- Important growth in Multimedia products
- Good performance of the paper-based products
- A greater number of Páginas Blancas' directories published
- New contract with Telefónica for publication and distribution of Páginas Blancas.

### Paper-based Products

#### **Páginas Amarillas (Yellow Pages)**

Revenues corresponding to this product grew during 1999 by 11%, from 35.212 billion to 39.141 billion pesetas. The average number of Páginas Amarillas' users in the period from January to December, 1999, compared with the same period in 1998, has grown by 566,502 users to reach the figure of 18,459,835 individuals, and by 109,600 companies up to 1,205,600 companies. The average of yearly enquiries is 19.5 and 52.1 for private individuals and companies respectively. At the same time, the number of operations for purchases associated with Páginas Amarillas in 1999 is 241,741,000, which amounts to a total of 7.4 trillion pesetas and an increase of 9% with respect to the previous year, in purchases, and approximately 0.5 trillion in expenditure.

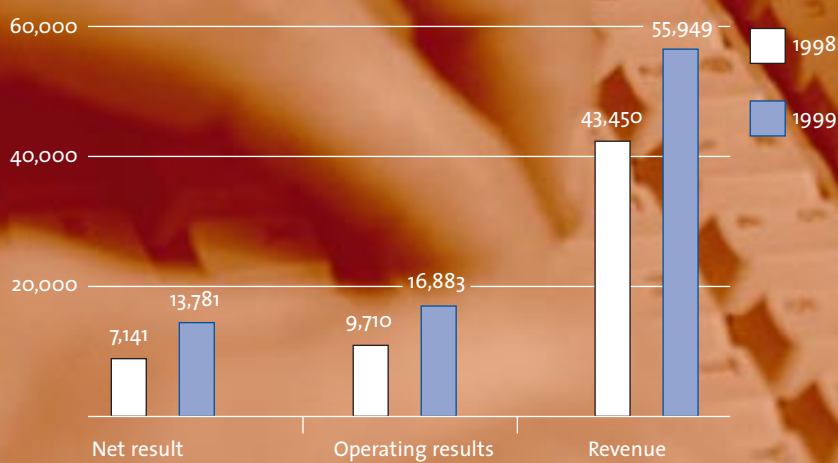
#### **Páginas Blancas (White pages)**

In Páginas Blancas, worthy of mention is the signing in May of a new contract with Telefónica de España, through which TPI assumes the complete control and management of the product. During the year 1999, advertising revenues corresponding to this product grew by 52%, from 7.595 billion to 11.541 billion pesetas. This strong growth is due to

## Financial Highlights (in millions of pesetas)

	1998	1999	% CHANGE
Total Operating Revenue	43,450	55,949	29%
Total Operating Costs	33,740	39,066	16%
Operating Results	9,710	16,883	74%
EBITDA	11,363	18,018	59%
Net Result	7,141	13,781	93%

## 1999 / 1998 Results (in millions of pesetas)

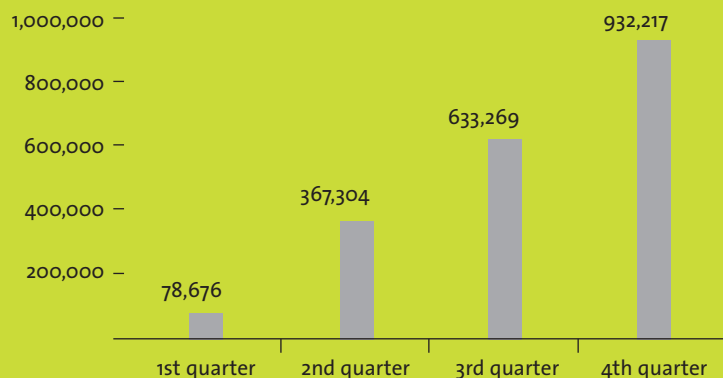


## Advertising revenue per product (in millions of pesetas)

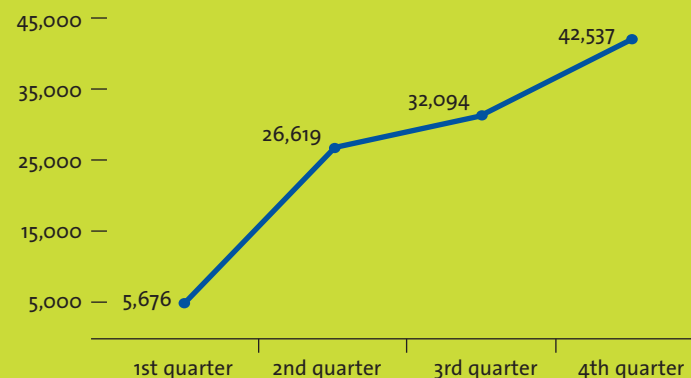
	1998	1999
Europages	139	209
Páginas Habladas	2	359
PAOL	150	432
Páginas Blancas	7,595	11,541
Páginas Amarillas	35,212	39,141

## Páginas Amarillas Habladas (cumulative figures)

No. of calls



No. of customers



two factors. Firstly, to the publication of 9 more directories in 1999 than in 1998, making a total of 47 directories, over the 53 that make up the collection, and to the progressive winning of Telefónica España's customer portfolio.

In the period from January to October 1999, Páginas Blancas has had an average number of users of 21,167,940 private individuals and 1,302,400 companies. The yearly enquiry average is 23.2 with private individuals and 56.5 with companies.

### Europages (papel y on-line)

Revenues from Europages grew during 1999 by 50%, from 139 million to 209 million pesetas.

## Multimedia products

The importance that the revenue from Internet Products and Páginas Amarillas Habladas (Talking Yellow Pages) has meant for TPI should be highlighted, even if their relevance still seems slight with regard to total revenues, they add an enormous value to the company.

Revenue growth in Internet products was 188% with respect to 1998, reaching the sum of 432 million pesetas in 1999, while revenue from traffic and advertising produced by Páginas Habladas was 422 million pesetas.

### Páginas Amarillas Online (On-Line Yellow Pages)

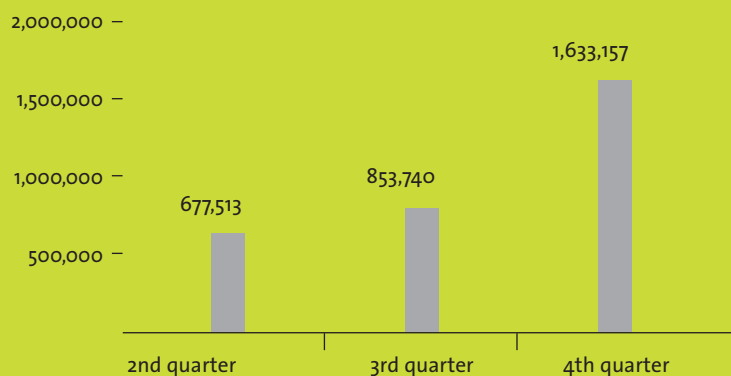
Revenue grew by 188%, increasing from 150 million pesetas in 1998, to 432 million pesetas in 1999. In PAOL there was strong growth registered in traffic. As for the traffic's evolution, and according to figures audited by the OJD, visits grew from March to December by 347%, going from a monthly total of 143,930 visits in March, to 643,020 visits in December. The number of pages seen multiplied 2.5 times during the same period, rising from a total of 5.1 million pages seen in March, to 13 million pages seen in December. According to the OJD, Páginas Amarillas On-Line, in December, was the fifth web site most visited per pages seen, after the Terra portal and the daily newspapers El País, El Mundo and digital Marca.

### Páginas Amarillas Habladas (Talking Yellow Pages)

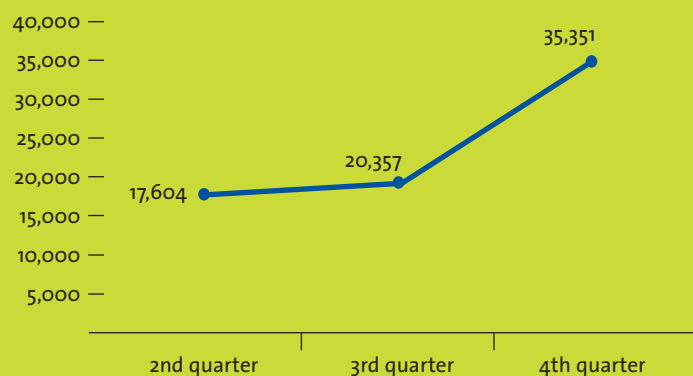
Páginas Amarillas Habladas is a telephone service providing all telephone users with all the information contained in the Yellow

## Páginas Amarillas on-line (Traffic)

Visits



Visited pages (thousands)



Pages, 24 hours a day, 365 days a year. The service was launched in Spain on a national scale in March 1999. During that year, revenues reached 421 million pesetas. The accumulated number of calls for 1999 is 932,217 and the number of customers stands at 42,537.

### New Internet launches

Among the launches that have taken place during the year for the Internet market, special mention should be made of El Callejero (street directory), Páginas Blancas On Line, the Virtual Shopping Centre of Yellow Pages On-Line (el Centro Comercial Virtual de Páginas Amarillas On Line), the vertical portal called How to prepare your wedding (Cómo Preparar tu Boda), the Hobby Guide, the project of ciudadhoy.com (the city today), a new section of Ofertas de Empleo (Job Offers), as well as the redesigns of Páginas Amarillas On-Line (Yellow Pages On Line), the Guide of Where to Eat (la Guía de Dónde Comer) and the Guide of Where to Sleep (la Guía de Dónde Dormir) which changed its name from De viaje (Travelling).

