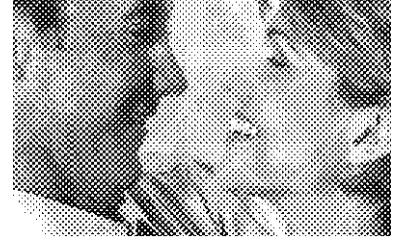


*In 2000, TPI was listed
on the New Market
segment of the primary
Spanish Stock Exchange
market*

Advertising and Information (TPI)



TPI's international projection resulted in the incorporation of TPI Brazil and the acquisition of Publiguías, a Chilean company

Telefónica Publicidad e Información

The activity of the Advertising and Information Line of Business created around TPI has been marked by three factors: its projection in Latin America, the consolidation of traditional businesses and the development of new multimedia products.

The international projection of TPI centered on the incorporation of TPI Brazil and the acquisition of Publiguías (Chile). TPI Brazil was incorporated with capital contributed 51% by TPI and 49% by Telefónica Internacional to operate in the Brazilian directories market.

Publiguías is the leader in the Chilean directories market with a 90% market share, over 55,000 customers, a print-run of 1.2 million copies and a workforce of 448. The purchase of 51% of Publiguías' share capital by Telefónica Internacional was completed in December 2000.

It is further planned to acquire Telinver and Guitel, the publishers

of the Argentinean and Peruvian Yellow Pages during 2001 as a part of the process of reorganizing the Telefónica Group by global Business Lines.

TPI has adapted its structure to fit with its new dimension as an international business, creating a corporate headquarters to provide support to each of the subsidiaries and boost the development of the Latin American undertakings.

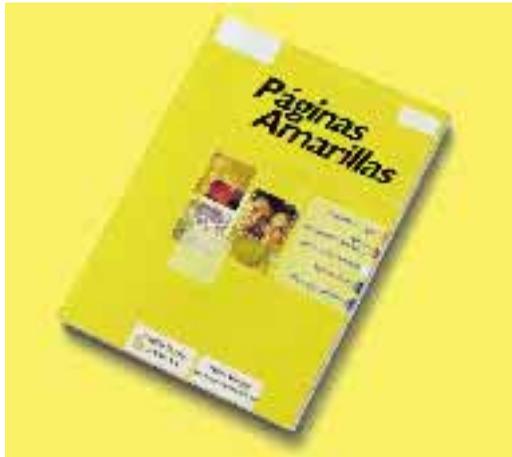
The TPI Group's revenues grew by 10.7% during 2000 from ESP 62,098 million in 1999 to ESP 68,714 million in 2000. This growth is basically attributable to the following three factors:

- The significant increment in the business achieved by TPI Brazil.
- The strong growth of multimedia products in Spain.
- The excellent performance and sustained growth of TPI paper products in Spain.

The performance of the Brazilian subsidiary's EBITDA as a result of the launch of TPI's activity in that country has meant that consolidated growth is lower than for TPI Spain on an individual basis, which achieved a 33.4% increase in its EBITDA margin.

Paper products

Sales generated by conventional products on paper formats continue to



Revenues generated by conventional paper products represent 95.9% of the TPI's total sales and have risen by 18% compared to the prior year to reach ESP 65,918 million



be the company's main source of revenue, representing 95.9% of the total. Conventional products sales for 2000 totalled ESP 65,918 million, 18% up on the preceding year.

Yellow Pages

In TPI Spain, revenues from this product grew by 9.2% during the year from ESP 39,141 million in 1999 to ESP 42,744 million in 2000.

The success of TPI's policy of growing average sales per client is clear from the positive evolution achieved, with a 12.7% increment in this ratio for the year.

The Brazilian subsidiary has published 28 Yellow Pages directories through its agreement with Listel during 2000, and the publication of the first Yellow Pages directory under the Guias Mais title was launched by TPI Brasil in April 2001. The related campaign got under way already in 2000 and includes advertising in three formats: paper, internet and telephone.

White Pages

Advertising income from the White Pages grew by 10.6% in 2000, from ESP 11,541 million in 1999 to ESP 12,763 million after elimination of Basic Reference Directory (GBR) revenues from Telefónica de España. This has

been a transitional year for the product, with TPI taking over integrated management (sales, billing and collection) of the entire White Pages customer portfolio. In this context, the sales force has scored a notable success by increasing revenues 86.6% compared to TPI sales for the preceding year.

During the year, the Brazilian subsidiary has launched White Pages directories (LTOG) in Sao Paulo, Guarulhos and Riberao Preto, publishing 58 White Pages directories and 9 street guides through the agreement with Listel.

Multimedia Products

The fastest percentage growth in revenues has been achieved in new technology products. Although these products only represent 2.6% of total revenues, the growth rate is 104%.

On-Line Yellow Pages

This product, which is the main tool of TPI Spain's Internet strategy, has been consolidated during 2000. Revenues were over 3 times the prior year's and the number of current customers has climbed to over 63,000,



Various other services are provided in association with the Internet Yellow Pages, such as street maps, On-Line White Pages, the Comprahoy virtual mall and vertical portals of restaurants, travel agencies, music, hobbies and similar items

an increase of 270% compared to the prior year. Various other services are provided in association with the Internet Yellow Pages, such as street maps, On-Line White Pages, the Comprahoy virtual mall and virtual restaurants, travel agencies, on-line music, hobbies and similar items.

These developments have provided the basis for growth of 241% and 196% in visits and page hits respectively compared to 1999.

Páginas Amarillas Habladas

The Talking Yellow Pages consist of a 24-hour telephone service providing any user with all information contained in the Yellow Pages 365 days per year. This product generated revenues of ESP 490 (1) million in 2000, up 16.3% on the prior year, with growth of 51.3% in the number of calls.

(1) This figure includes telephone traffic revenues.

Online Shopping Directory

At the end of 2000 the TPI mall (comprarHoy.com) has over 1,300 shop sites, almost 60% of which were produced and are hosted by the company. The business has been consolidated around a model gravitating more towards advertising than transactions. In order to boost the effectiveness of the mall, content and functionalities have

been added to provide customers with tools for the management of promotions, links and direct modification of on-line product displays.

Other businesses

As a part of the diversification planned by the company, TPI has purchased 90.67% of Goodman Business Press. The business of this company is the publication of free technical and specialist magazines and advertising is its main revenue source.

Stock Market

The main stock market events involving the company during 2000 have been as follows:

- Listing on the primary market Nuevo Mercado segment, which is reserved for high growth companies.
- The 3 to 1 share split carried out in June 2000. The objective of this operation was to improve the liquidity of the TPI shares traded on the market, and by the end of the year the share was one of the most liquid on the Madrid trading floor.



The Mais OnLine guide offers Internet users a new, modern information concept for services, products and businesses in São Paulo (Brazil)

- Share capital increase carried out in June to raise funds for the purchase of the publisher Goodman Business Press.
- The placement of 3.1% of the share capital of TPI owned by Telefónica, S.A. The objective of this operation was to ensure that TPI would continue to be weighted at 100% of its stock market capitalization on the selective IBEX index by raising the free float to 40.1% of share capital.

SELECTED CONSOLIDATED FINANCIAL DATA

millions of pesetas

	Dec. 1999	Dec. 2000	%Change
Total operating income	62,098	68,714	10.7%
Total operating expenses	44,575	50,389	13.0%
Operating profit	17,523	18,325	4.6%
EBITDA	19,013	20,175	6.1%
Net profit	12,209	12,012	-1.6%

ADVERTISING REVENUES BY PRODUCT

millions of pesetas

	1999	2000	%Change
Paper products	54,674	60,140	10.0%
Yellow Pages	39,141	42,744	9.2%
White Pages	15,340	17,129	11.7%
Europages	193	202	4.6%
Tourist Guide	0	66	
Multimedia products	879	1,793	104.0%
Online Yellow Pages	432	1,102	155.0%
Talking Yellow Pages	421	490	16.3%
Other Online products	26	66	154.8%

ONLINE TRAFFIC. TPI ESPAÑA

	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter
Visits				
1999	143,930	677,513	853,740	1,633,157
2000	1,941,351	2,070,701	2,807,264	4,450,647
Pages visited (thousands)				
1999	5,117	17,604	20,406	35,351
2000	40,074	50,666	59,527	81,925

TALKING PAGES. TPI ESPAÑA

	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter
N.° of calls				
1999	78,676	367,304	633,269	932,217
2000	316,293	681,509	1,037,235	1,409,150
N.° of customers				
1999	5,676	23,700	32,400	42,500
2000	8,988	21,900	30,800	62,000