

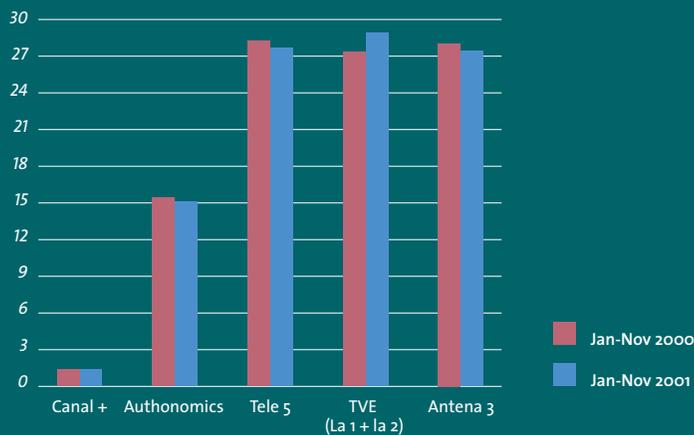
# Content

## Admira Media Group Consolidated Income (millions of Euros)

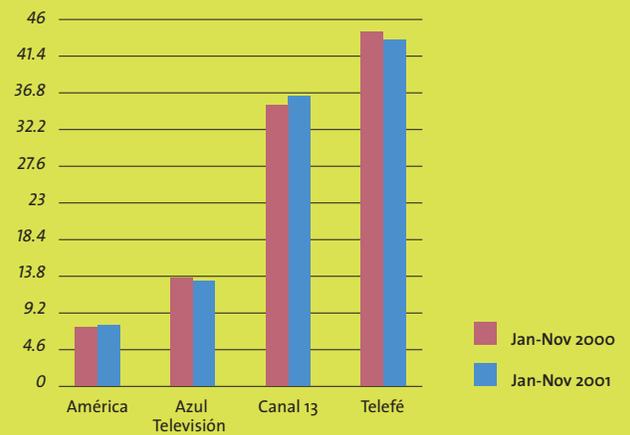
	December 2001	December 2000	% Var.
Operating revenues	1,403.1	723.9	93.8
Work on fixed assets (1)	0.3	0.3	20.5
Operating expenses	(1,258.0)	(709.0)	77.4
Other net revenues (expenses)	7.1	(1.5)	c.s.
<b>EBITDA</b>	<b>152.5</b>	<b>13.6</b>	<b>n.s.</b>
Amortization/Depreciation	(75.4)	(48.8)	54.5
<b>Operating income</b>	<b>77.1</b>	<b>(35.2)</b>	<b>c.s.</b>
Income associated companies	(184.5)	(86.1)	114.3
Antena 3 TV	22.8	56.9	(60.0)
Via Digital	(162.6)	(123.4)	31.7
Others	(44.7)	(19.6)	127.8
Financial income	(113.6)	(79.4)	43.0
Amortization Goodwill	(114.8)	(93.8)	22.4
Extraordinary income	(69.6)	(606.5)	(88.5)
<b>Pre-tax Income</b>	<b>(405.4)</b>	<b>(901.1)</b>	<b>(55.0)</b>
Tax provision	58.0	221.5	(73.8)
<b>Income prior to minority shareholders</b>	<b>(347.4)</b>	<b>(679.6)</b>	<b>(48.9)</b>
Income from minority shareholders	0.2	52.2	n.s.
<b>Net Profit</b>	<b>(347.3)</b>	<b>(627.4)</b>	<b>(44.7)</b>

(1) Includes work in progress

### Television channels in Spain Advertising Market Share



### Television channels in Argentina Advertising Market Share



# Content

*The broadcasting of Admira content through the ADSL network is an example of the strategic line pursued by the Telefónica Group in the last year*

Content is going to be, together with Broadband and mobile phones, one of the three pillars of Telefónica's business. In this regard, in March 2002, it announced the creation of a Corporate Content Unit that will be in charge of coordinating all the content-related activities in the Group's various business lines.

2001 has been the year of consolidation of Telefónica's commitment to the creation of a cohesive media and content group capable of achieving its target of becoming a global communications operator. Over the last twelve months, the strategy that has now developed into ADMIRA has been aimed at grouping, organizing and achieving the profitability of a series of assets acquired piecemeal in previous years, which as a result of changes in technology and social customs, have become strategic elements in the company's efforts to take on the competition in the telecommunications sector.

The management consolidation process culminated at the beginning of November with the launch of the new name of the Group, Admira, which replaces Telefónica Media. This change was agreed by the company's Board of Directors in September and aims to provide the media and content subsidiary of the Telefónica Group with its own corporate personality in order to be able to compete in the media sector.

During 2001, Admira has consolidated its position as Telefónica's main content provider, as part of the parent company's strategy aimed at offering differentiated products to its customers. This is the area of work in which most progress has been achieved this year, thanks to the close collaboration with other Group units such as Telefónica de España or Telefónica Móviles. The broadcasting of Admira's content through the ADSL network, a successful platform with more than 300,000 subscribers in just a few months, is an example of the line followed by the Group in the last year, which will continue to grow in the coming years.

The Group's assets have initially been structured into three business units: open television and radio, pay television, and content. The first of these categories includes Antena 3, Telefé and Azul Televisión (both channels in Argentina), together with Onda Cero and Continental (Argentina). By grouping these businesses, the Group has been able to optimize resources and, more importantly, implement similar business and management practices in all its media, based on the experience of Antena 3 in previous years.

The reorganization of activities in this business area continued at the end of the year with the acquisition of Onda Cero by Antena 3, an operation aimed resolutely at creating a large multimedia communication group in Spain. Onda Cero was the radio station that enjoyed strongest growth during 2001, in terms of both the number of listeners and percentage points, which has pushed it up from fourth place in the radio network ranking to second, putting it in a position to challenge for the leadership in the next few years.



In the last twelve months, Antena 3 has maintained its position as the channel of reference among private television companies, standing out on the basis of the strength of its news programmes and its capacity to attract potentially more profitable audiences.



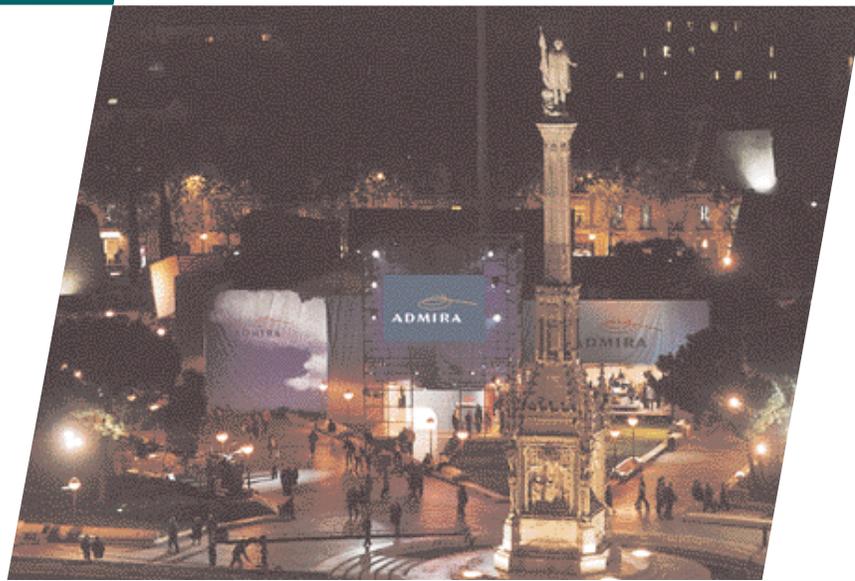
Telefé is the leading television channel in terms of viewing figures in Argentina, with a viewing share of around 40%, while Azul is the third broadcaster in that country. Both have made significant management efforts, but the worsening of the general scenario in the country in recent months has halted the positive prospects of both channels, which are suffering the consequences of an economy that has broken the chain of payments and the financial system.

The pay television unit has been structured around Vía Digital, and includes businesses related to the latter, such as Admira Servicios Audiovisuales and the shareholding in Hispasat (signal transmission). Vía Digital has fulfilled its business plans and by year-end 2001 had over 800,000 subscribers, after having consolidated its position thanks to the strong increase in its customer base, which was much greater than that achieved by its competitors. The commitment to quality programs and the exclusive rights to broadcast the World Cup in Korea and Japan have been endorsed by customers.

At the beginning of August, Admira agreed to reduce its shareholding in Hispasat from 22.74% to 13.23%, in a joint operation on the part of the private shareholders of the Spanish satellite system (Admira, Auna and BBVA), which enabled the entry into Hispasat of the European operator Eutelsat and the signing of a strategic alliance with the latter. This operation, which valued Hispasat at just over one thousand million Euros, guarantees the development of all the international expansion projects planned by Hispasat, mainly in Latin America.



*Vía Digital has more than 800,000 subscribers, and at the end of the fiscal year had the greatest growth in the pay-TV industry*



The content area has been one of the lines of business that achieved the best progress last year. Endemol consolidated its position as the world's leading television content producer, with an archive of more than 400 different programmes broadcast in more than 20 countries. Its formats have become genuine social phenomena all around the world, and have even changed the concept of television. The two latest examples have been "Gran Hermano" (Big Brother) and "Operación Triunfo", which were the two most successful television programmes in Spain in 2000 and 2001, respectively, and both have come off the Admira content production line.

Admira has increased its presence in film production through Lola Films, Ensueño and Patagonik. One of the latest productions by this Argentine producer, "El hijo de la novia" (Son of the Bride), will compete for the Oscar for Best Foreign Language Film. Szena, with the organization of Julio Iglesias' Spanish tour, and the Grammy won by Carlos Baute, plus with the launch of new groups, has shown the huge potential of the Group's music content business.

The new media, education, and children's programs businesses have also experienced significant growth at Admira.



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