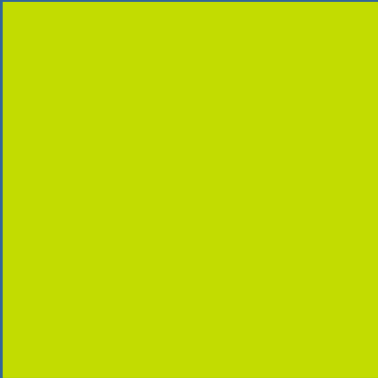
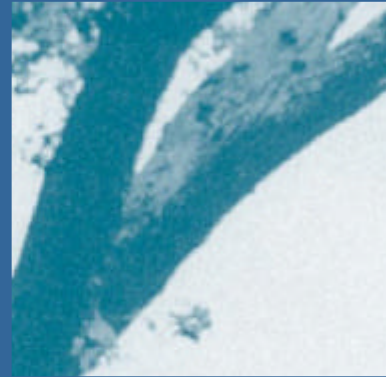


Antonio  
Viana-Baptista  
  
Executive  
Chairman  
Telefónica  
Datacorp

M a r c h  
2 0 0 1  
Rio de Janeiro



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## Safe Harbour

This presentation contains statements that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements appear in a number of places in this presentation 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 activities and situation relating to the Company .

Such forward looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward looking

Analysts are cautioned not to place undue reliance on those forward looking statements, which speak only as of the date of this presentation. 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, '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 on Form 20-F as well as periodic filings made on Form 6-K, which are on file with the United States Securities and Exchange Commission.

## Strategic focus



- **Capture the Data Services/VAS growth opportunity leveraging on massive client base in domestic**
- **Strengthen position from selective expansion in new markets: attractive customer bases and**
- **Leverage infrastructure/presence to serve multinational customers**



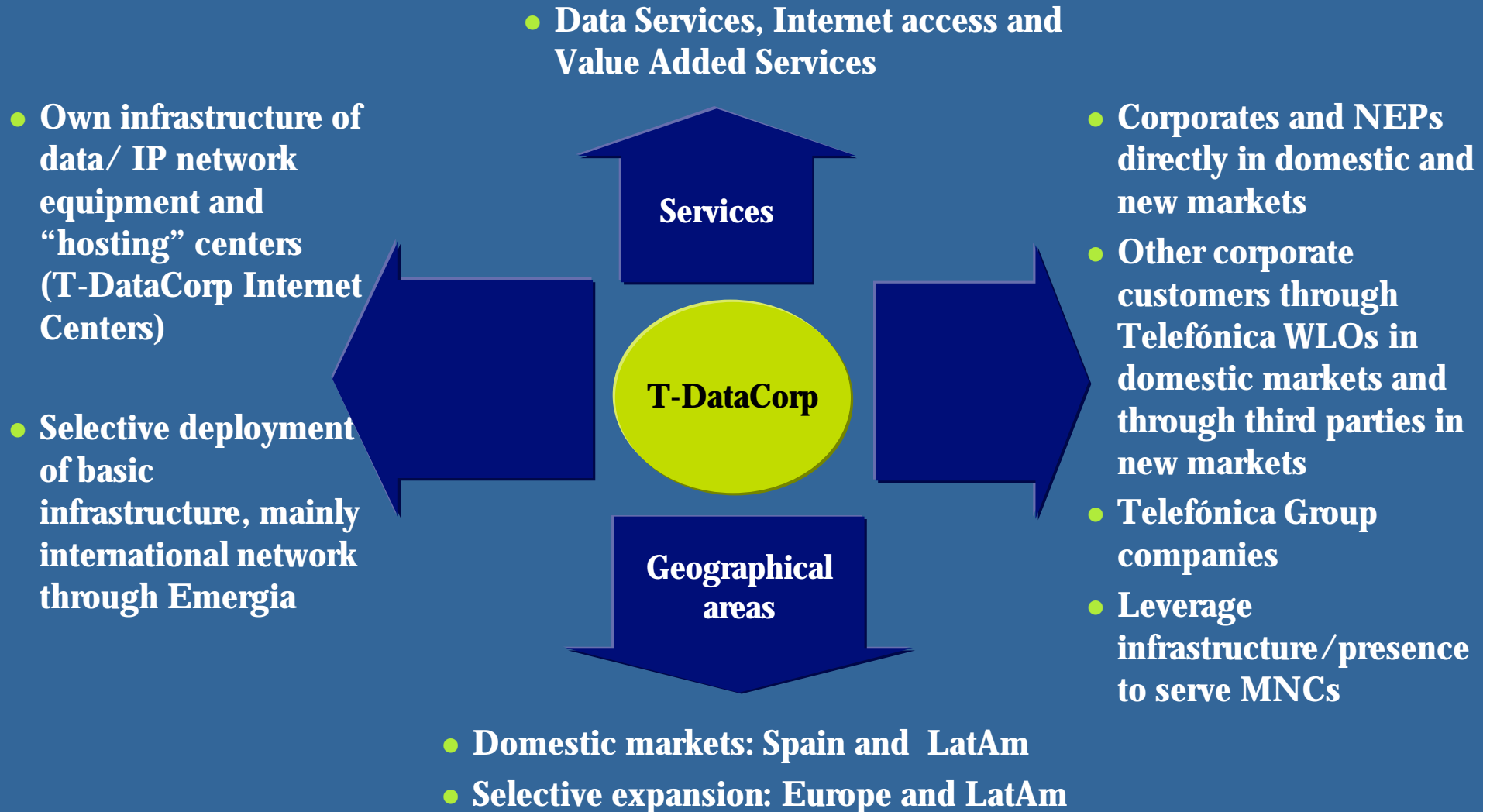
# Messages

**A ROBUST BUSINESS MODEL BUILT AROUND CUSTOMERS**

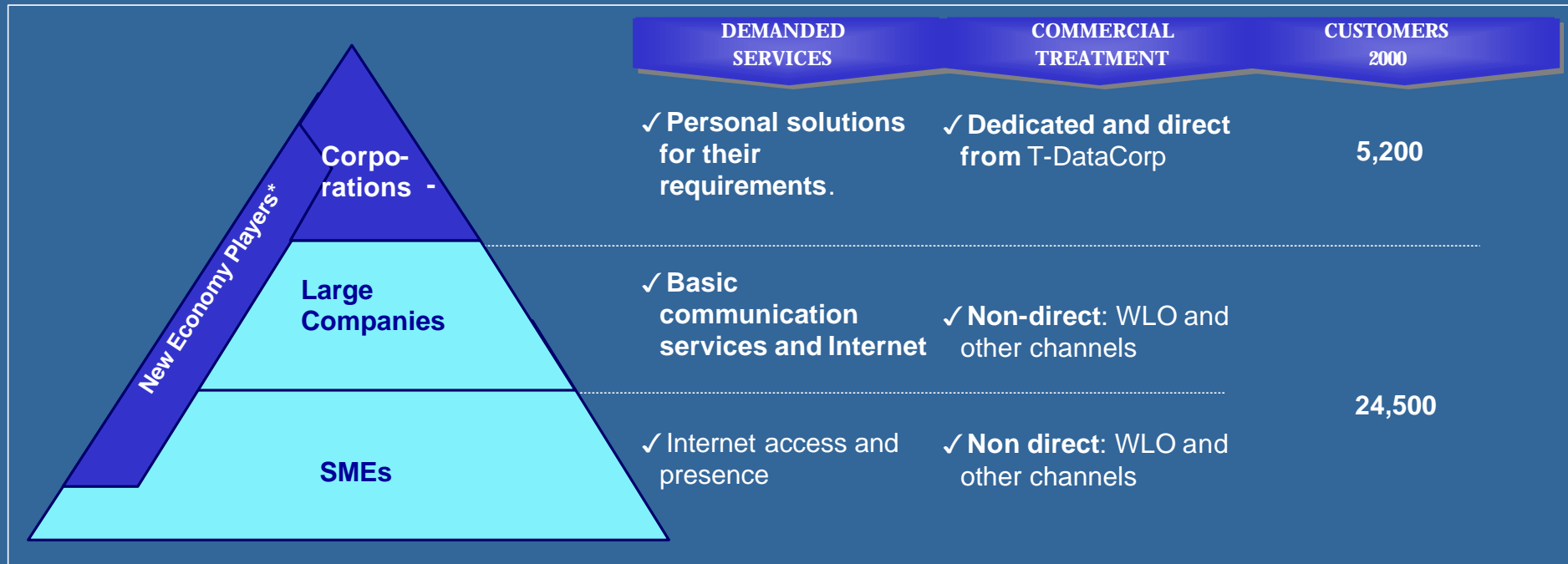
**Growing operating and financial results**

**A for future growth**

# The key points of T-DataCorp business model



# T-DataCorp customer model in domestic markets



 Direct Sales Force  
 Non-direct Sales Force

**The largest direct sales force for data services in Spain and Latin America (more than 400 people)**

\* ISPs, Portals, ASPs B2Bs, B2Cs...

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# Strengthening position in new markets: Latin



**Today, Brazil and México represent within Latin América 60% of data market and**

- **Brazil out of Sao Paulo: Total market 2000 (E): 1 Bill-1.3 Bill €, 2004 (E): 3 Bill-4 Bill €**
  - ✓ Starting operations in January 2002
  - ✓ National offer to current Sao Paulo corporate customers
  - ✓ Selective expansion to the principal Brazilian cities to capture local and national
- **México: Total market 2000 (E): 1 Bill-1.5 Bill €, 2004 (E): 4 Bill-5 Bill €**
  - ✓ Leveraging on existing operating company Optel
  - ✓ Building on the local presence of the global T-DataCorp customers
  - ✓ Expanding the total market through the development of public data networks, capturing additional corporate and NEPs
- **Other countries: Filling the gaps to complete the offer to local and regional/multinational**

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# Strengthening position in new markets:



- Merge between Acea-Telefónica and Telexis (Fiat Group telecom company).
- Atlant's current customer base: more than 300 large companies and corporations from
- Focus on becoming the second integrated data service provider to corporate customers
  - Main provider of value added services for the NEPs.
  - More than 20,000 customers expected by 2004 ranging from large corporations to
  - Revenues CAGR 2001-2004: 70%-80%



## **Strengthening position in new markets:**



- **Second IP-based network services provider in Germany**
- **Extensive capillary IP network in Germany (270 , more than 200,000 IP ports and 2.6 Bill. minutes of internet access traffic per month)**
- **Extensive value-added product offering (switched access to internet, Web-hosting/ASP, VPNs, Broadband and value added services).**
- **Solid customer base (e.g. AOL, Lycos-Europe, RTL, Deutsche Bank, Bertelsmann, Daimler Chrysler)**
- **Strong, industry knowledgeable management. Staff of less than 200 employees; €**
- **Synergies with UMTS for the transport of IP traffic and value added services**

## Leveraging infrastructure/presence to serve



**Significant international footprint, IP services experience, sophisticated services portfolio and recognized quality of services are the key factors**

- **Telefónica began conversations with AOL, as it was the number**
- **In December 2000, Telefónica&AOL entered into an agreement to access and transmission capacity through the international network Latin America and Europe.**
- **The agreement represents an additional step in the consolidation of the NEPs customer strategy approach as well as in the international expansion process of**

# First Class Customer Base



## Financial Institutions



## NEPs



## Other



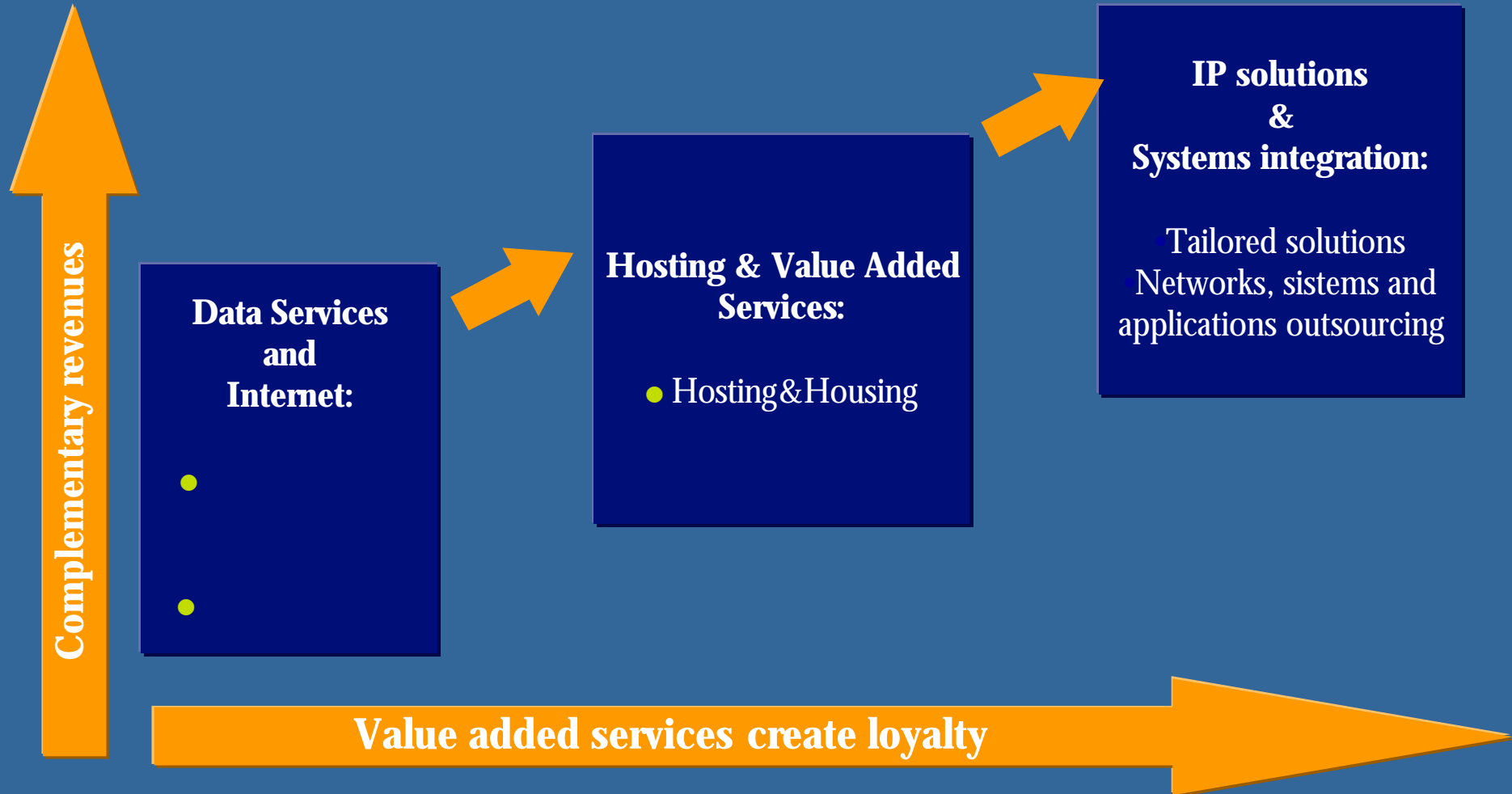
## New customers



T-Data's international

access and transmission capacity through Latin America and Europe.

# Ascending the value chain: The benefits of broadband



# Global Internet Traffic

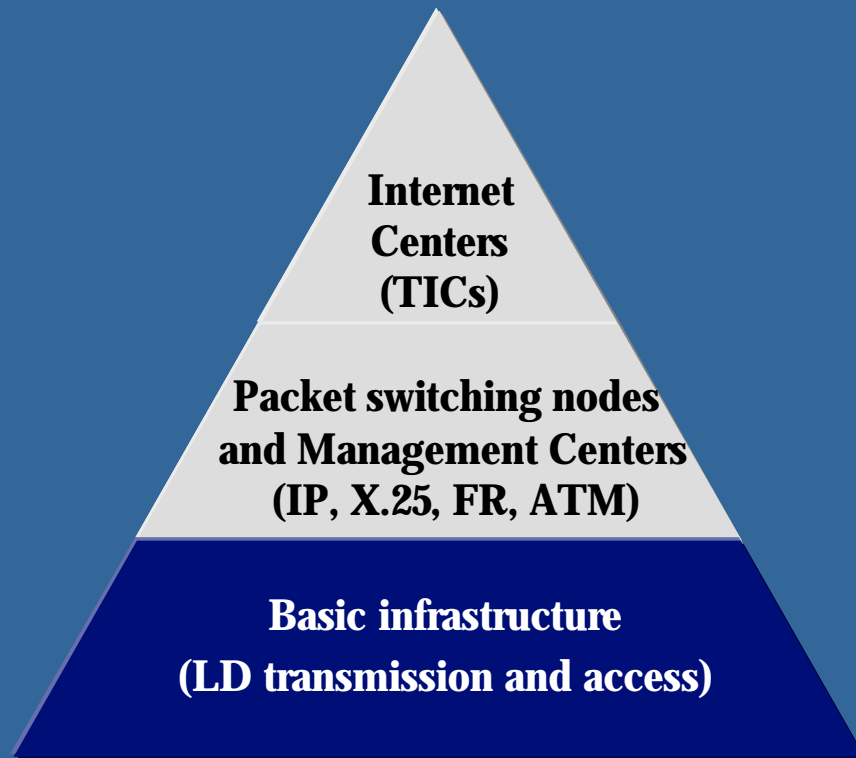


**T-DataCorp concentrates international Internet traffic of the entire Telefónica Group leveraging on Emergia's broadband infrastructure**

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# Infrastructure model



Owned  
Mainly leased

100% owned by T-DataCorp

- Mainly leased to WLO in domestic markets.
- T-DataCorp will leverage on the strong infrastructure capacity of Telefónica Group.

**Focus on infrastructure efficiency**

# International Presence and Internet Centers



International bandwidth 2001<sup>(\*)</sup>: 16,4 Gbps (3,5 Gbps in 2000)



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# Geographical deployment of T-DataCorp

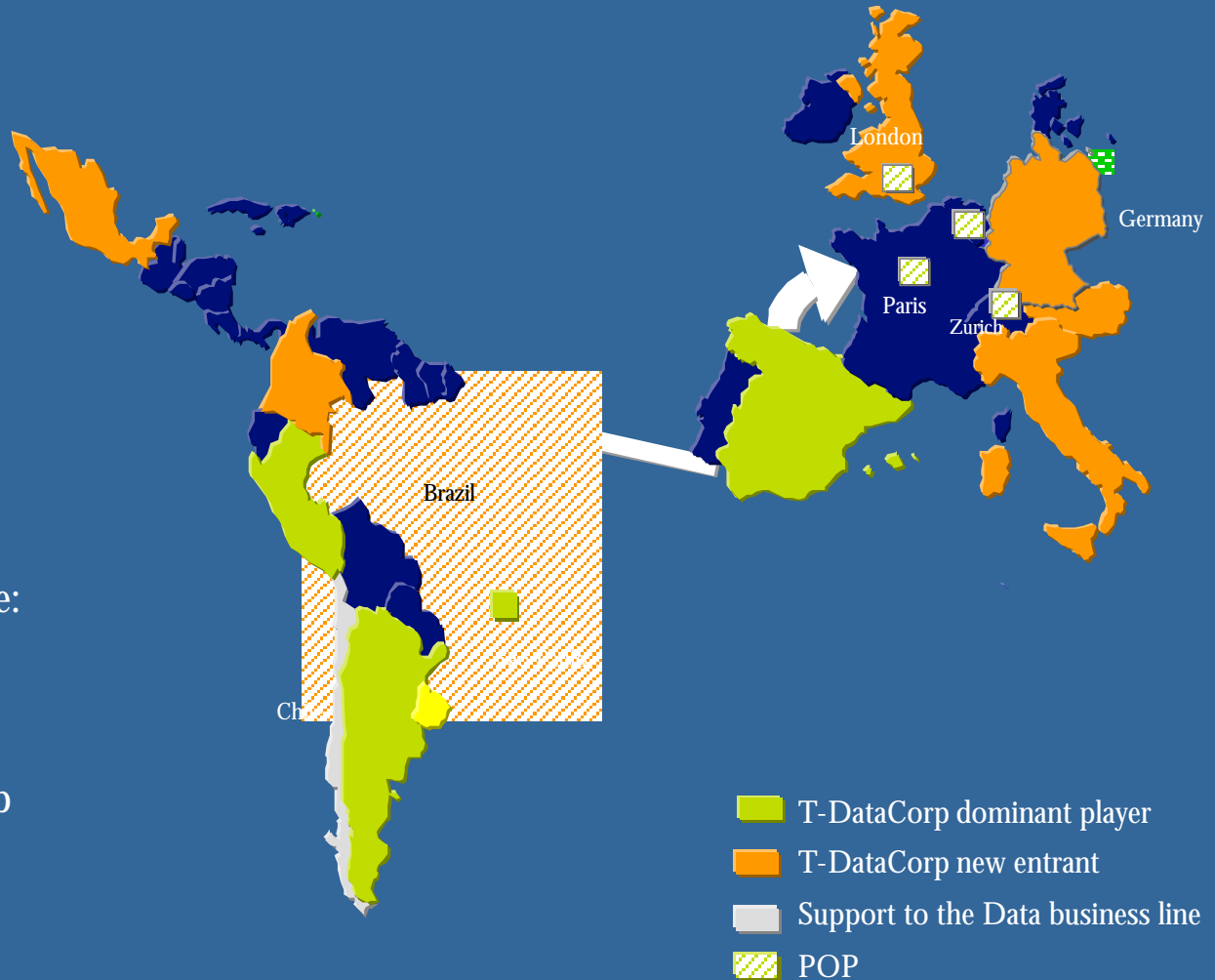


## T-DataCorp's strength in domestic markets:

- large customer base
- wide local networks

## Strategic expansion guide-lines:

- Strategic areas
- Previous customer existence:
  - ✓ Local
  - ✓ Multinationals
- Focus expansion on areas where the Telefonica Group has other business lines





# T-DataCorp positioning in domestic markets



	Corporations and NEPS	Large companies and SMEs	Revenues 2000 (MM€) Proforma	Revenues CAGR (01-04)	Direct sales force
SPAIN	2,580	18,000	860 (*)	20-25%	166
SAO PAULO (1)	1,440	2,300	65	42-48%	140
ARGENTINA	730	1,800	125	13-17%	53
PERU	450	1,350	60	30-35%	51

(\*) Telefonica Sistemas (12 months) included

(1) Out of Sao Paulo not included

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# T-DataCorp positioning in new markets



	Ownership	Present position	Estimated revenues ( Mill. € ) 2001	CAGR 2001-2004
<b>LatAm</b>				
<b>Colombia</b>	50%	Second data network in the country+BBVA network.		35-45%
<b>Uruguay</b>	100%	Data licence starting operations July		70-80%
<b>México</b>	85%	(4 <sup>th</sup> data operator in México).		85-95%
<b>Europe</b>				
<b>Austria</b>	100%	Deployed a Viena fiber ring.		30-40%
<b>Germany</b>	100%	Second IP-based network services provider with of		30-40%
<b>Italy</b>	34%	Acquisition of Telexis ) and		70-80%

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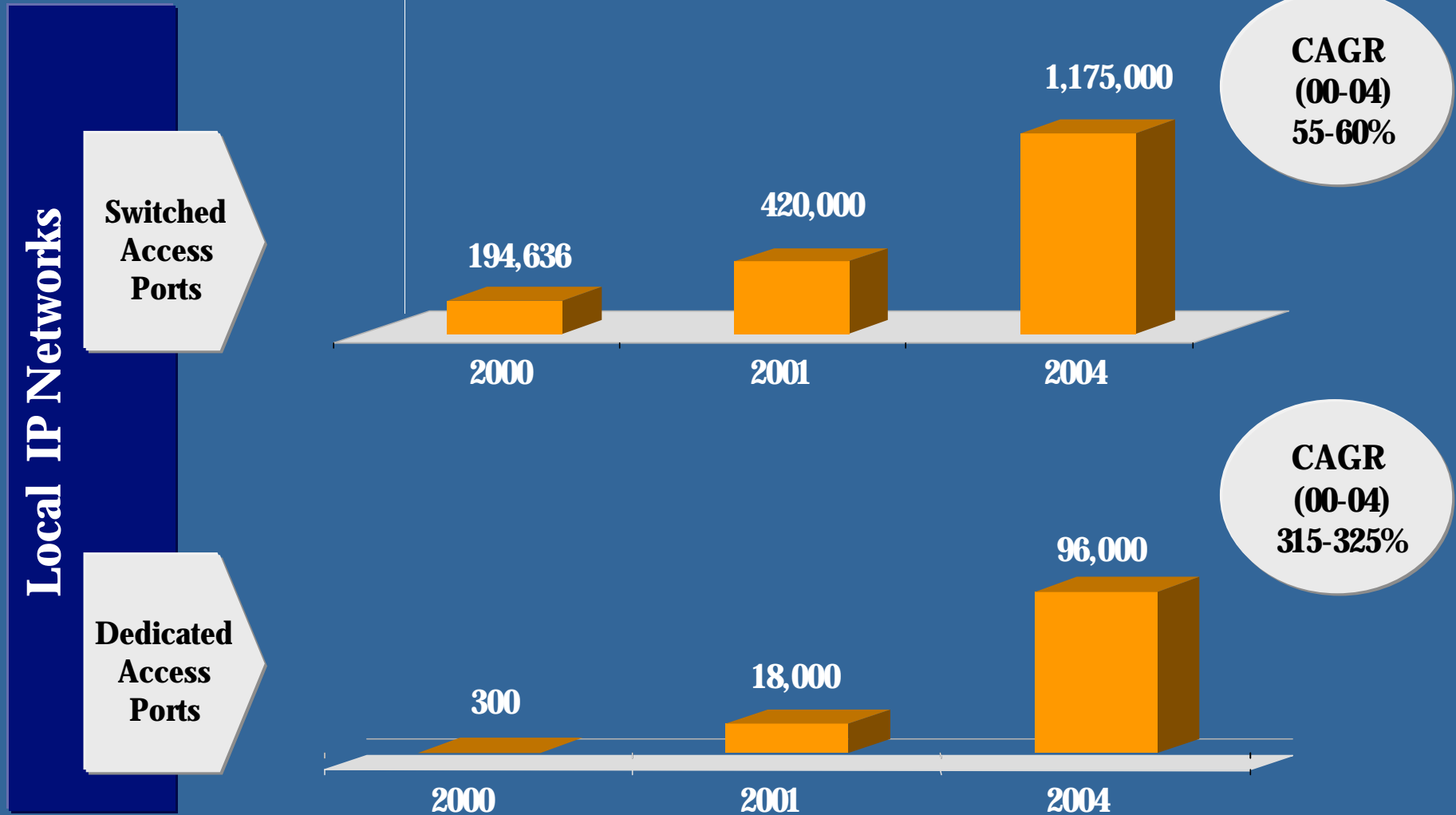
# Messages

**A robust business model built around customers**

**GROWING OPERATING AND FINANCIAL RESULTS**

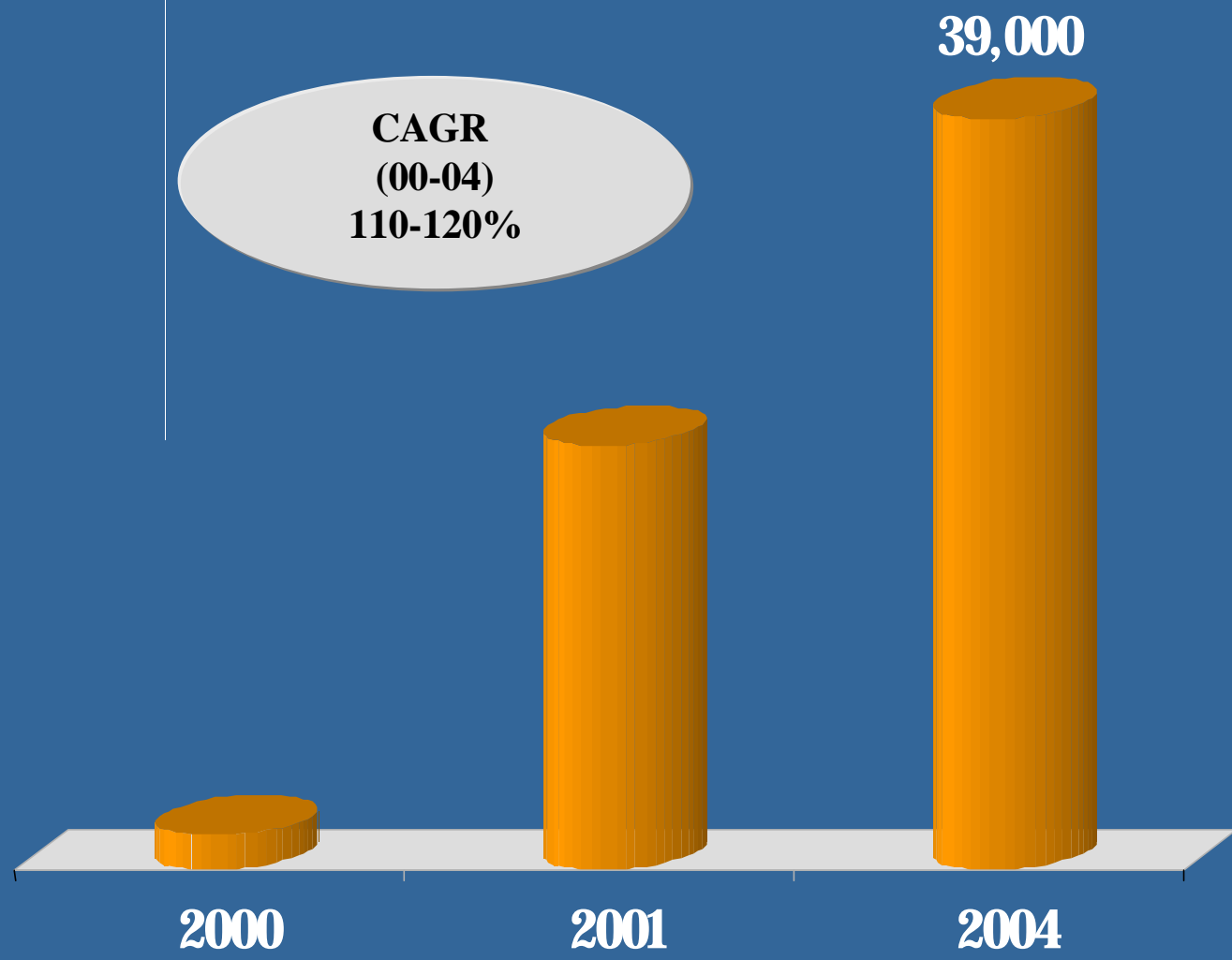
**A for future growth**

# Deployment of Local IP Networks



**TIC's**

**TICs**  
**leased**  
**m<sup>2</sup>**

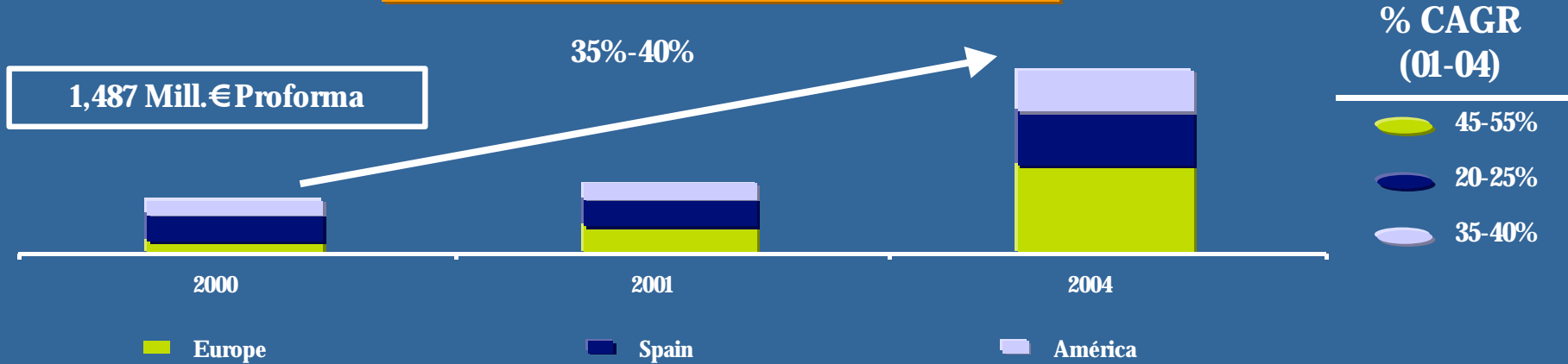


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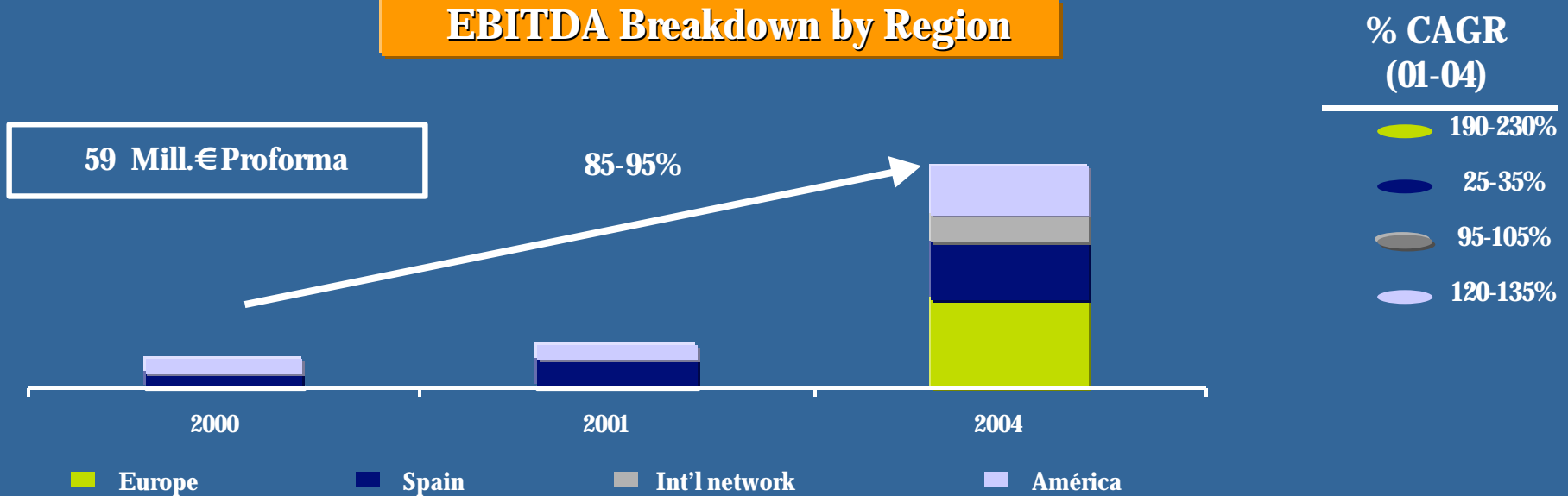
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# Financial Highlights

## Revenue Breakdown by Region



## EBITDA Breakdown by Region

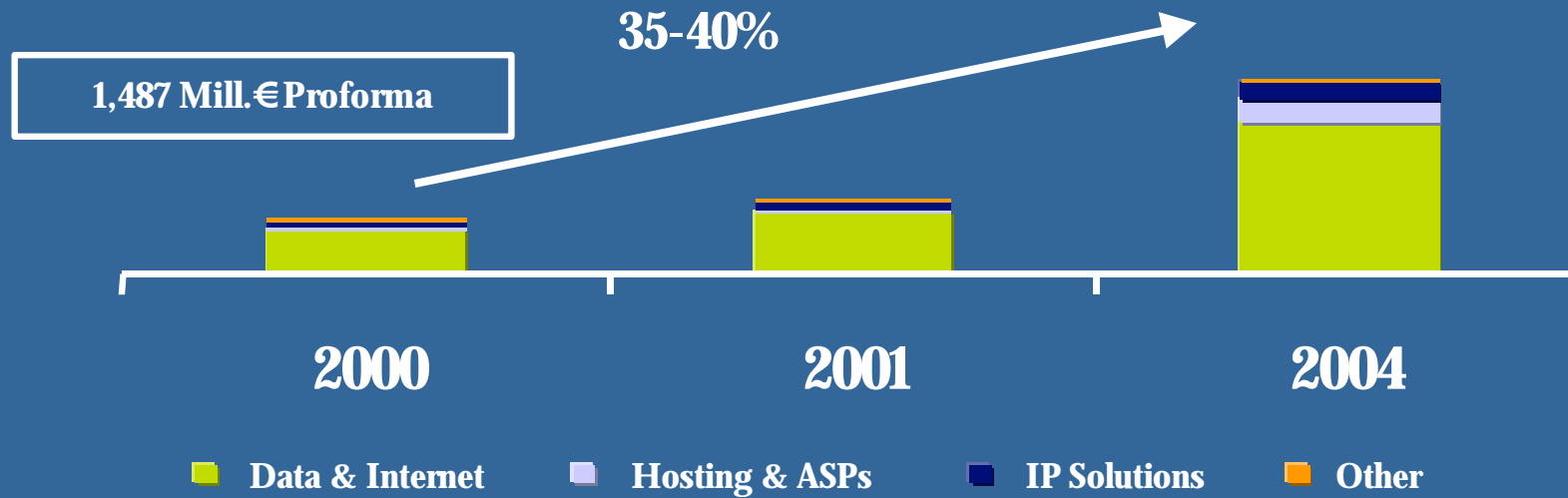


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# Financial Highlights

## Revenue Breakdown by Service



%CAGR (01-04)	30-35%	95-105%	35-40%	0-(5)%
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# T-DataCorp Financial Targets

**T-Data  
Group**

	<b>PROFORMA 2000 (M€)</b>	<b>% CAGR 00-04</b>
● Revenues	<b>1,487</b>	<b>35%-40%</b>
● EBITDA	<b>59</b>	<b>85%-95%</b>
● % EBITDA	<b>4.0%</b>	<b>4pp-5pp</b> (annual increase)
● Cumulative Capex (Mill.€)	<b>428</b>	<b>400-500</b> (annual average)



# Messages

**A robust business model built around customers**

**Growing operating and financial results**

**A REALITY TODAY; A PLAN FOR FUTURE GROWTH**

# Summary

## T-DataCorp

- A reality today with 920 Mill. € in sales (1,487 Mill. € proforma) and 45 Mill.€ positive EBITDA (59 Mill. € proforma).
- For the period 2001-2004 we are aiming at 35%-40% revenue CAGR and 85%-95% EBITDA CAGR.
- To get there we will focus our efforts on :
  - ✓ Extracting the full value of our current massive customer base in our domestic markets
  - ✓ Building our presence in new markets where we have selectively invested

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