

The logo for Jazztel, featuring the word "JAZZTEL" in a bold, black, cursive script font. The background of the slide is a grid of squares in various shades of orange and brown, with a white rectangular area behind the logo.

JAZZTEL

**1st 9 months 2003
results announcement**

November 13th, 2003

Certain statements in this conference call are forward-looking and are subject to material risks and uncertainties. Actual results could differ materially from those stated or implied by such forward-looking statements due to risks and uncertainties associated with Jazztel's business, which include among others, competitive developments, risks associated with the Company's growth, the development of the Company's markets, regulatory risks, dependence on its major customers and their spending patterns and other risks which are presented in the Company's filings with certain European regulatory authorities.

Financial Highlights

- **Top line shows recovery :**

- First 9 months revenues increased by 5.3% to Euro 170.4 million up from Euro 161.9 million in the first 9 months of 2002. Revenues in the third quarter of 2003 increased compared with the third quarter of 2002, from Euro 52.3 million to Euro 56.3 million, an increase of 7.6% over the same period of last year.

- **Margins stable:**

- Gross margin improved over the first 9 months from Euro 59.9 million and 37.0% of sales to Euro 68.1 million and 40.0% of sales. Gross margin in the third quarter of 2003 increased compared with the third quarter of 2002, from Euro 20.2 million to Euro 20.7 million, an increase of 2.5% over the same period of last year.

- **SG&A shows continuous improvement:**

- Selling, General and Administrative Expenses (SG&A) showed a significant decline of 22.0% from Euro 96.2 million in the first 9 months of 2002 to Euro 75.0 million in 2003. On a quarterly basis, SG&A decreased by 11.2%, from Euro 27.8 million in the third quarter 2002 to Euro 24.7 million in the third quarter 2003.

- **EBITDA temporarily negative due to seasonality:**

- EBITDA improved from negative Euro 7.7 million in the third quarter of 2002 to negative Euro 4.0 million in the third quarter of 2003. On a year to date basis, EBITDA improved by Euro 29.5 million from negative Euro 36.4 million in the first 9 months of 2002 to negative Euro 6.9 million in 2003. Q4 is expected to be positive again.

- **Capex purely success based:**

- Capital expenditure decreased by 82,1% from Euro 44,1 million in the first 9 months of 2002 to Euro 7,9 million in the first 9 months of 2003. The reduction in Capex from the third quarter of last year to the third quarter of this year amounted to 67,1%, from Euro 8,2 million to Euro 2,7 million.

Operational Highlights

- **Steady improvement in traffic:**

- Total traffic on the Jazztel network amounted to 2,854 million minutes in the first 9 months of 2003, a 14.1% increase over the same period of 2002. Traffic in the third quarter increased by 28.9% compared to the third quarter of 2002.

- **Strong customers sign ups in spite of seasonality:**

- Total contracts signed for direct access provisioning reached 4,442 by the end of the first 9 months of 2003, a 49.1% increase over the same period of last year. A total of 422 new contracts were signed during the third quarter of 2003, compared with 73 in the third quarter of 2002.
- A strong growth took place in xDSL services with contracts signed for “masDSL” services growing from 342 customers at the end of the first 9 months of 2002 to 1,314 at the end of the third quarter of 2003.
- The number of pre-selected lines grew from 127,145 in the first 9 months of last year to 208,267 in the first 9 months of 2003, a 63.8% increase.

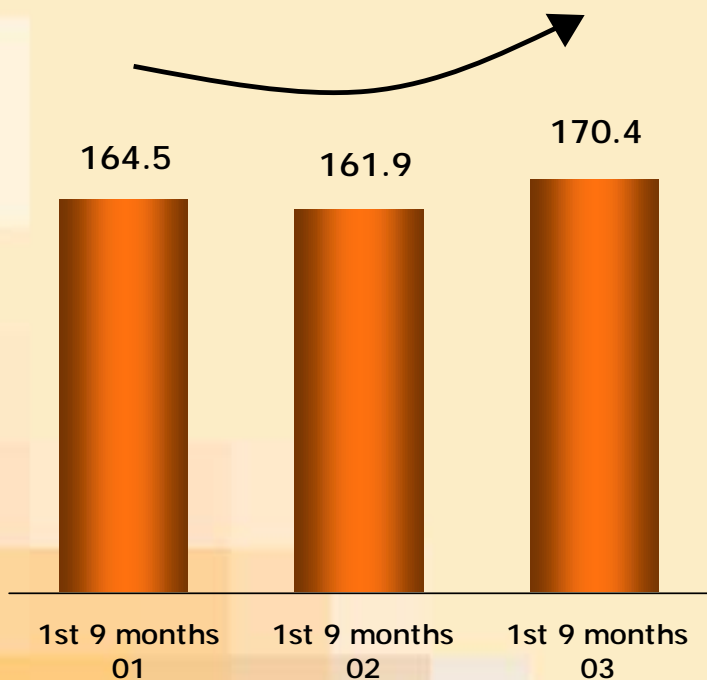
- **Significant increase in services per site and data products penetration:**

- Number of services by site increased from 1.39 to 1.72 since Q3 of last year. More importantly, penetration of data services rose from 33% to 49% of connected sites.

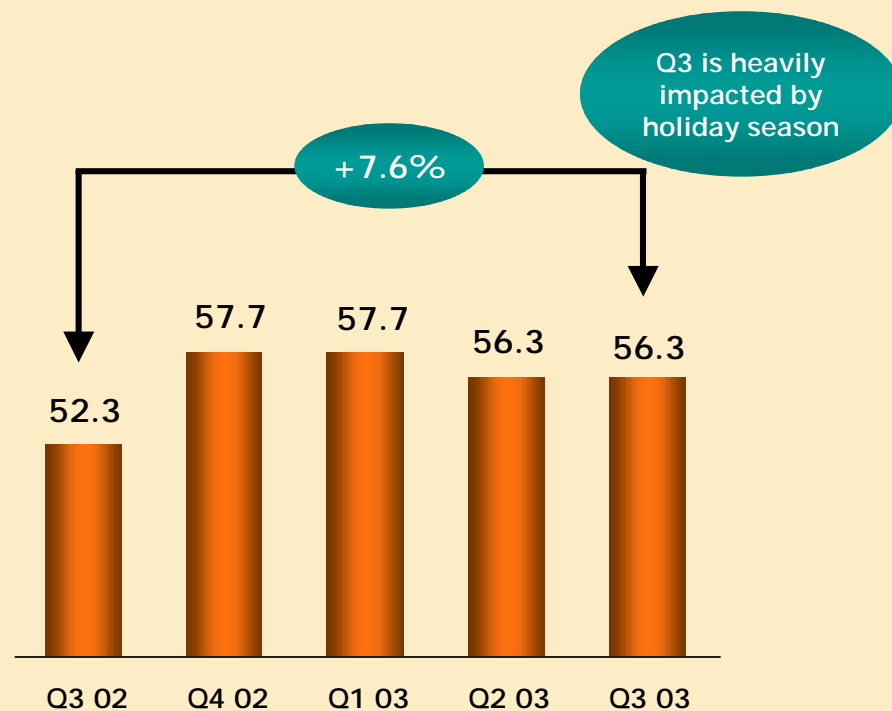
Evolution of Top Line ⁽¹⁾

Million Euros

Year to date evolution



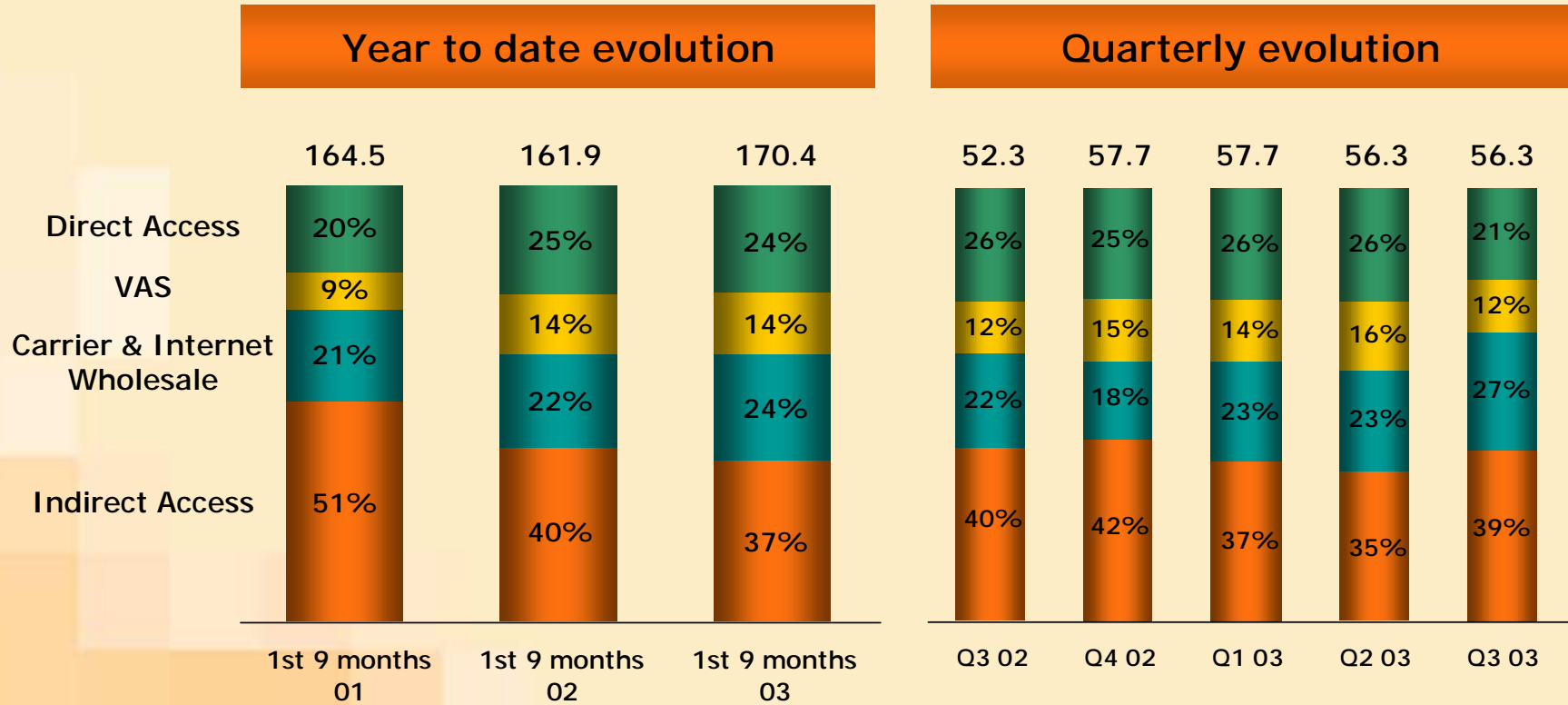
Quarterly evolution



⁽¹⁾ Excludes Research & Development capitalised costs

Revenue Mix Evolution

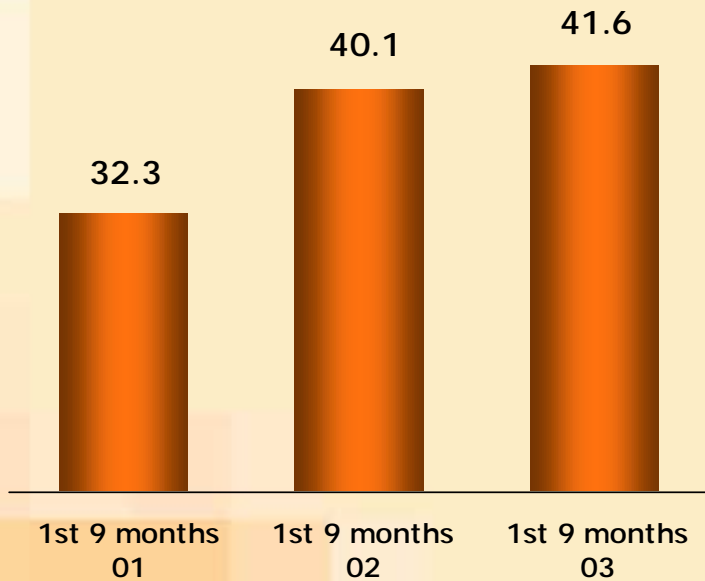
Million Euros



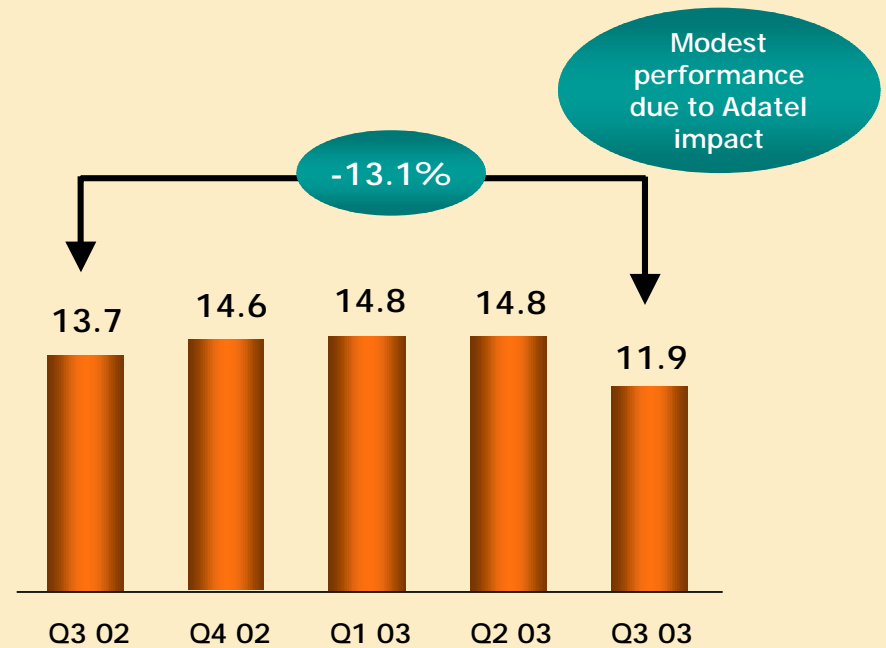
Direct Access Revenues

Million Euros

Year to date evolution



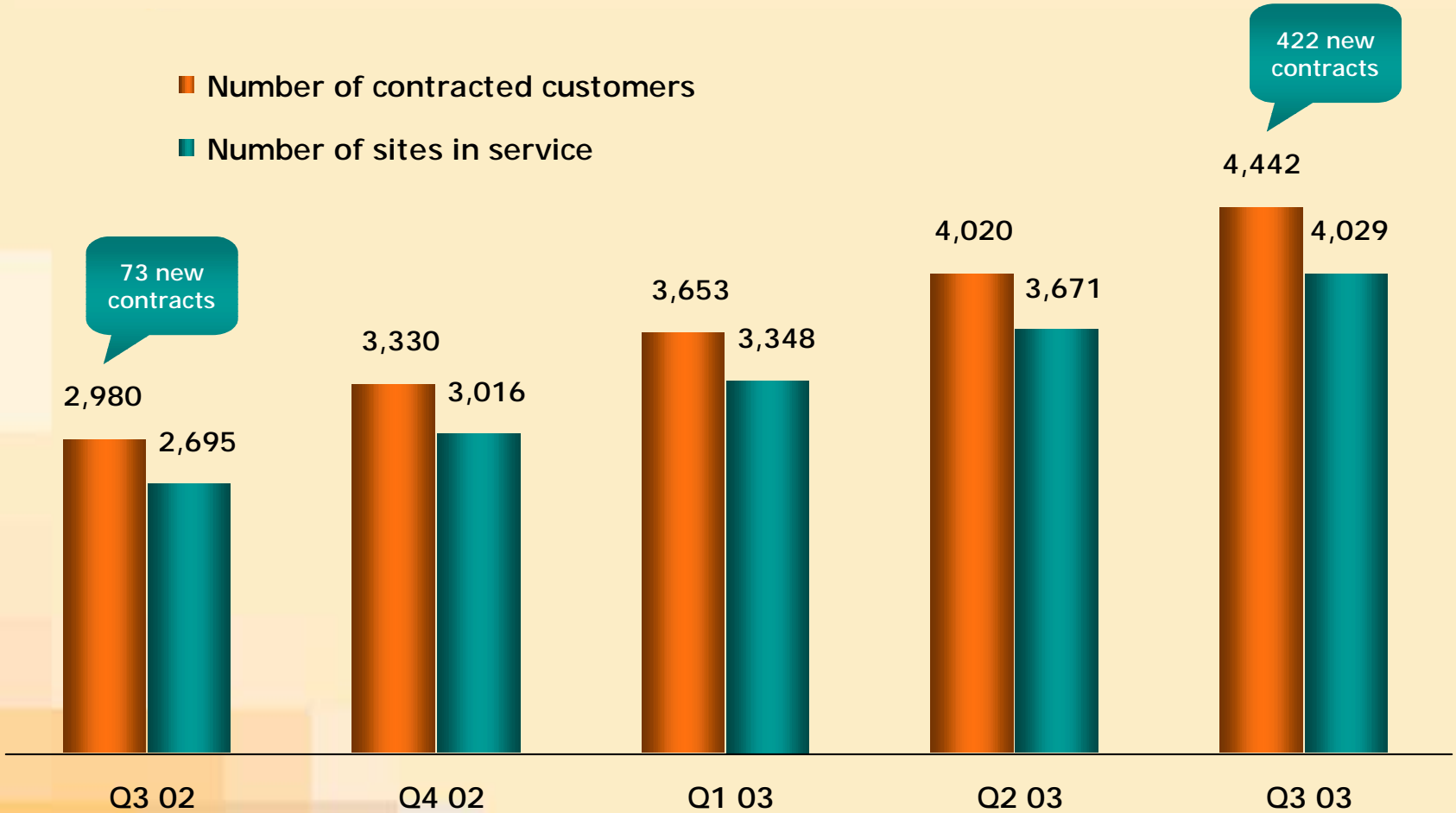
Quarterly evolution



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Direct Access Customer Take-Up

- Number of contracted customers
- Number of sites in service

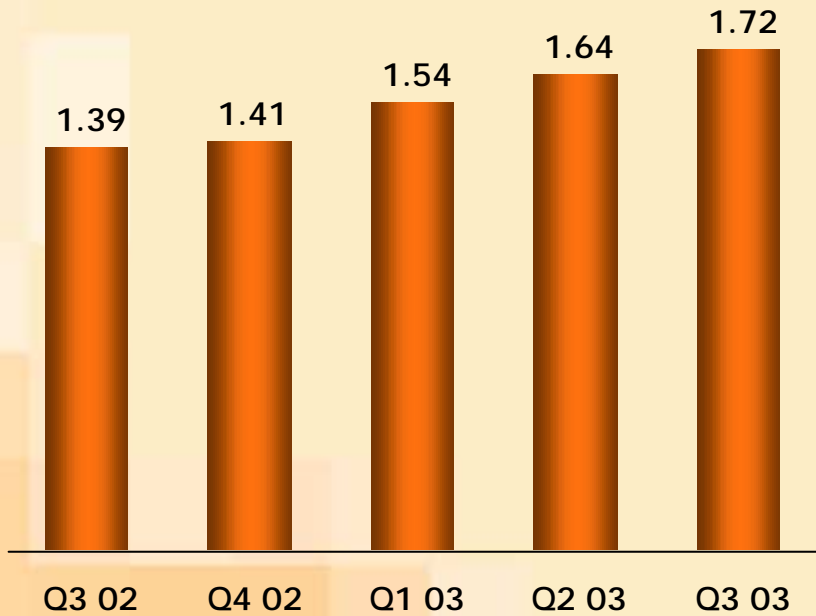


Examples of Q3 customer sign ups

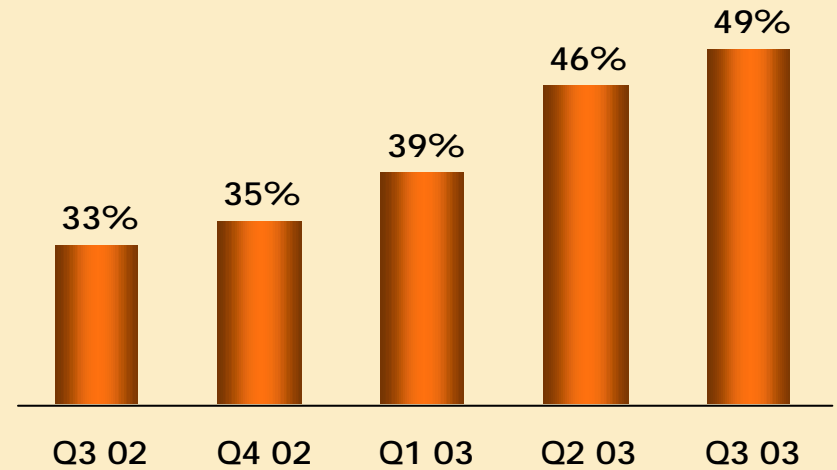
	Name	Sector
New customers	<ul style="list-style-type: none"> • Banco de España • Grupo Bergé Maritima • Hospital Clínico Universitario Zaragoza • Kuwait Petroleum • Mutua MMT • IDAE • Ilustre Colegio de Abogados • Nuzzi • ALK Abelló • Flex 	<ul style="list-style-type: none"> • Public Sector / Banking • Industrial / Shipping • Health / Hospitals • Petroleum / Chemicals • Insurance • Public Sector / Energy • Services / Legal • Retail • Pharmaceuticals • Consumer goods
Existing customers expanding services	<ul style="list-style-type: none"> • Multiasistencia • Unipapel • Roché • Esteban Rivas • Fundosa (ONCE) • Deutsche Bank • Hewlett Packard • AENA 	<ul style="list-style-type: none"> • Insurance • Pulp & Paper • Pharmaceuticals • Transport • NGO • Banking • IT / Technology • Public Sector / Airports

Number of services per site

Number of Services per site



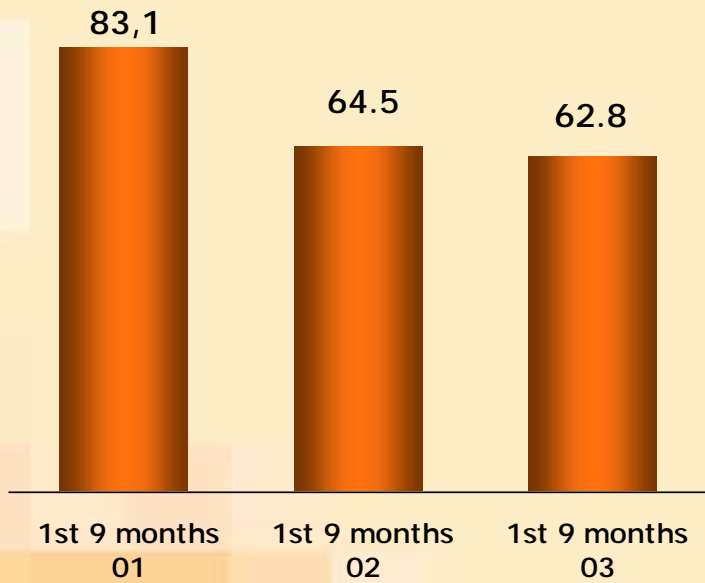
Penetration of data services
% of sites



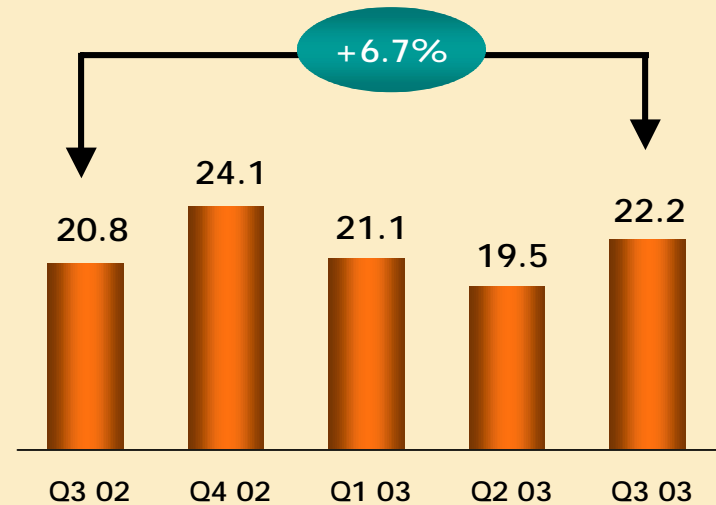
Indirect Access Revenues

Million Euros

Year to date evolution



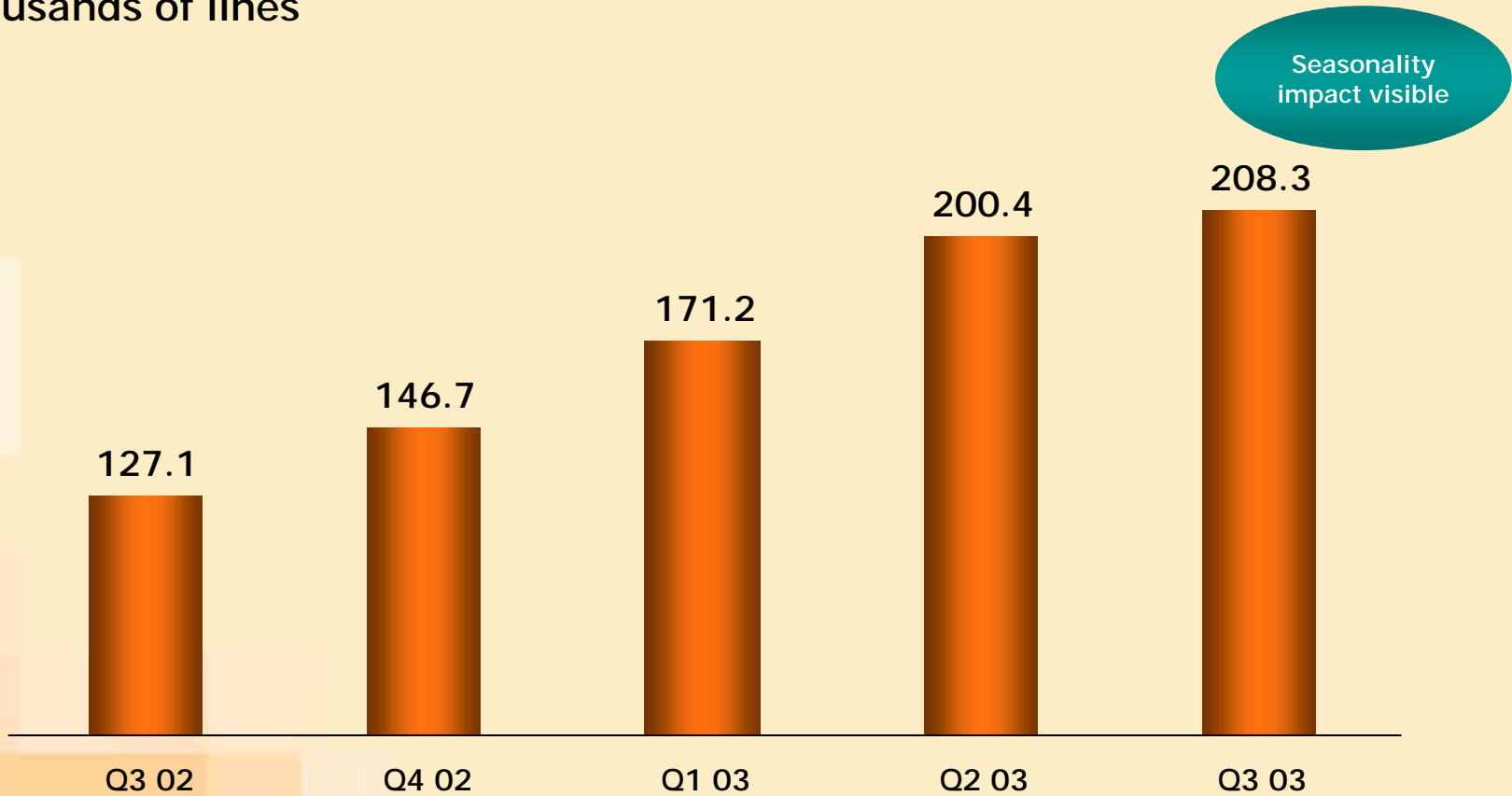
Quarterly evolution



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Pre-selected Lines Evolution

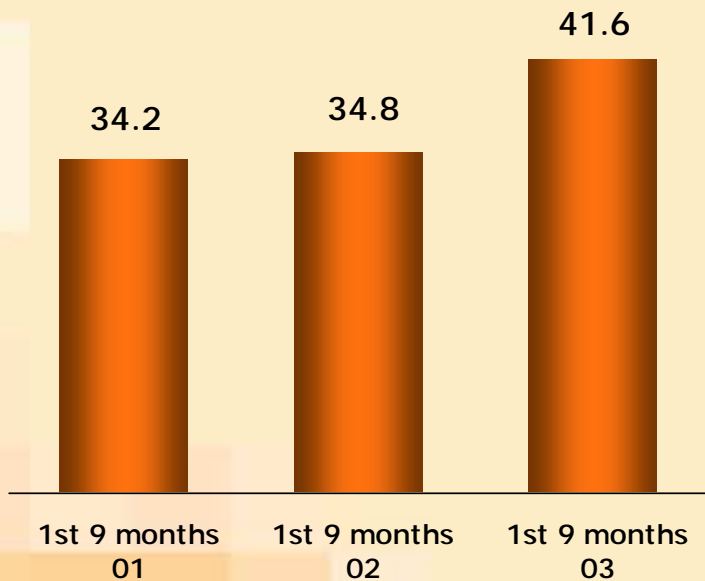
Thousands of lines



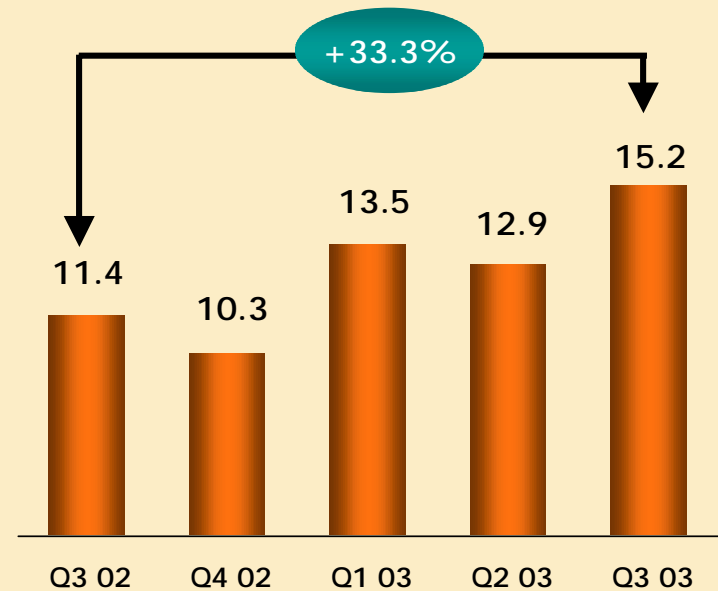
Carrier & Internet wholesale services revenues

Million Euros

Year to date evolution



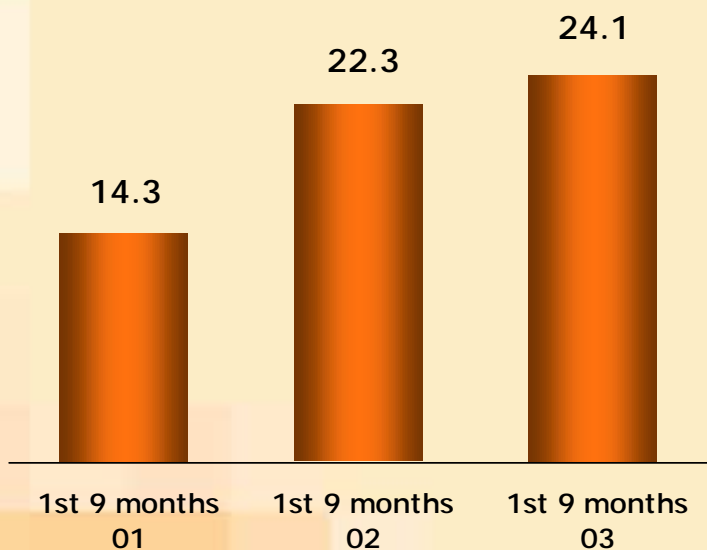
Quarterly evolution



Value Added Services Revenues

Million Euros

Year to date evolution



Quarterly evolution



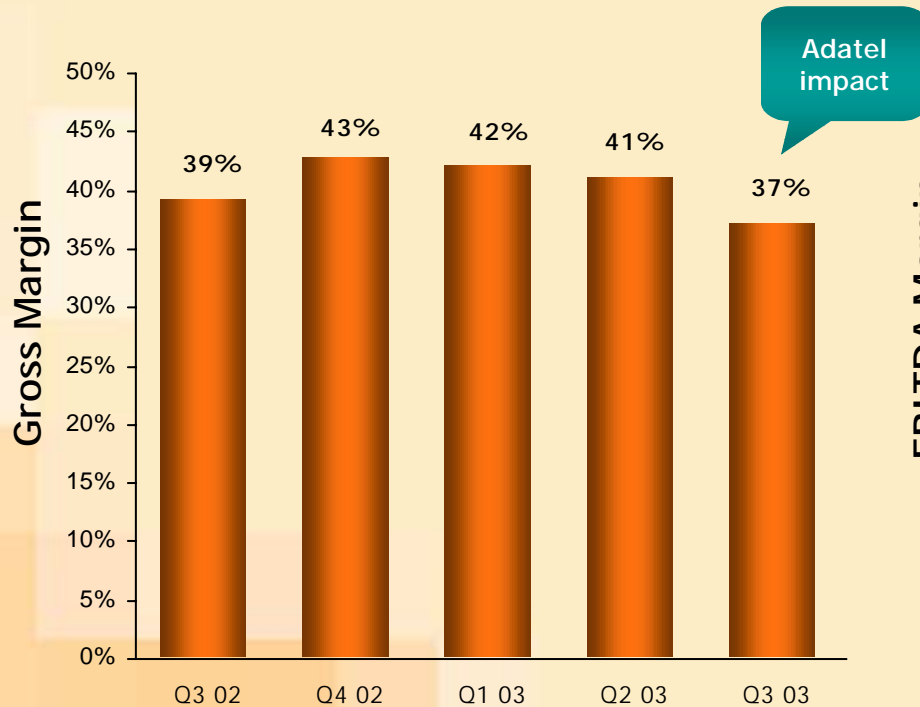
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P&L Comparison

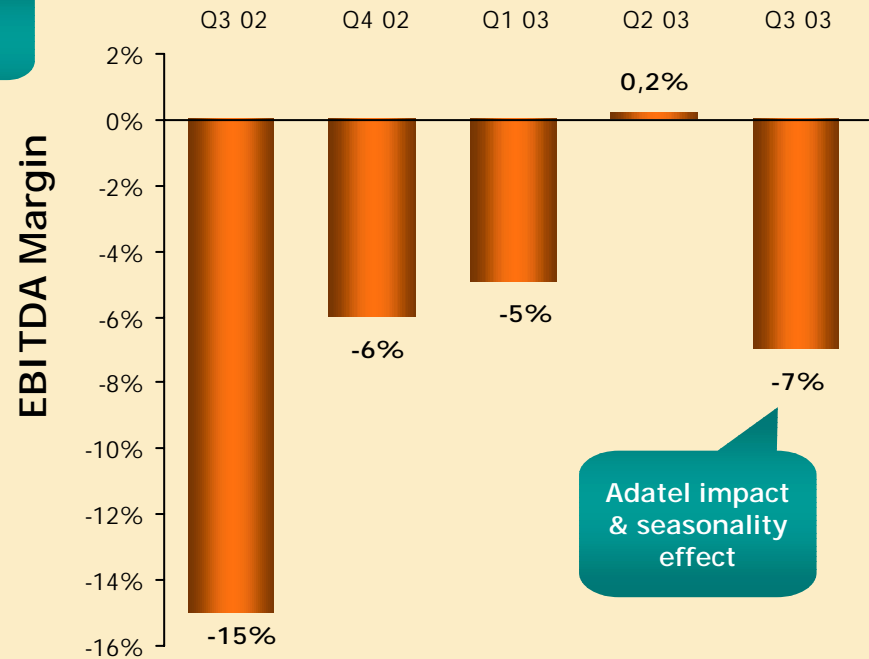
Million Euros	1st 9 months 2002	1st 9 months 2003	Q3 2002	Q2 2003	Q3 2003
Revenues	161.9	170.4	52.3	56.3	56.3
Gross Margin <i>as % of sales</i>	59.9 37.0%	68.1 40.0%	20.2 38.6%	23.1 41.0%	20.7 36.8%
SG&A <i>as % of sales</i>	(96.2) 59.4%	(75.0) 44.0%	(27.8) 53.2%	(23.0) 40.9%	(24.7) 43.9%
EBITDA <i>as % of sales</i>	(36.4) -22.5%	(6.9) -4.0%	(7.7) -14.7%	0.1 0.2%	(4.0) -7.1%
Net Profit / (Loss) <i>as % of sales</i>	(106.0) -65.5%	(72.4) -42.5%	(39.2) -75.0%	(24.7) -43.9%	(21.4) -38.0%
CAPEX <i>as % of sales</i>	(44.1) 27.2%	(7.9) 4.6%	(8.2) 15.7%	(2.5) 4.4%	(2.7) 4.8%

Margin Evolution

Gross Margin as % of Sales



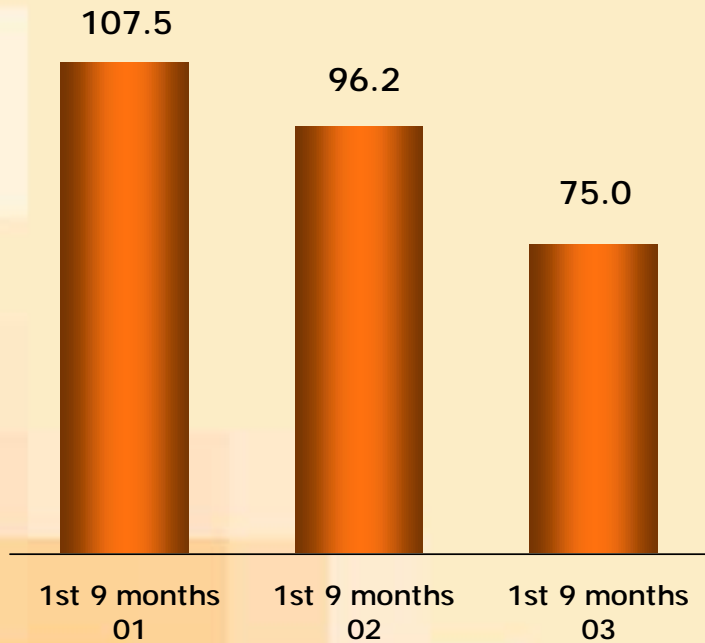
EBITDA Margin as % of Sales



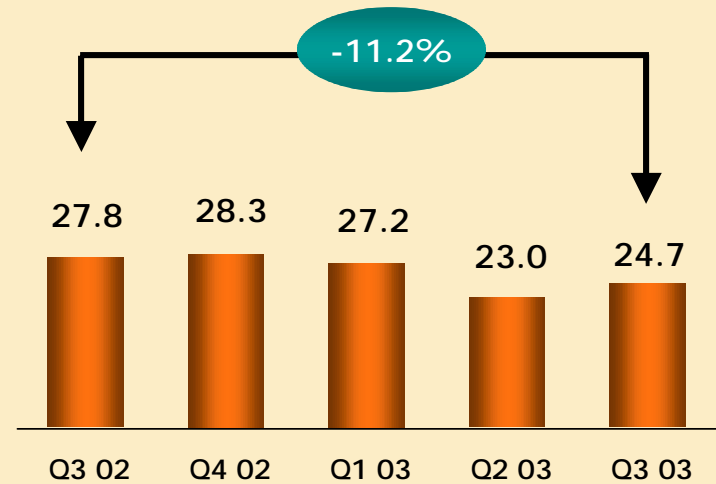
SG&A Evolution

Million Euros

Year to date evolution



Quarterly evolution

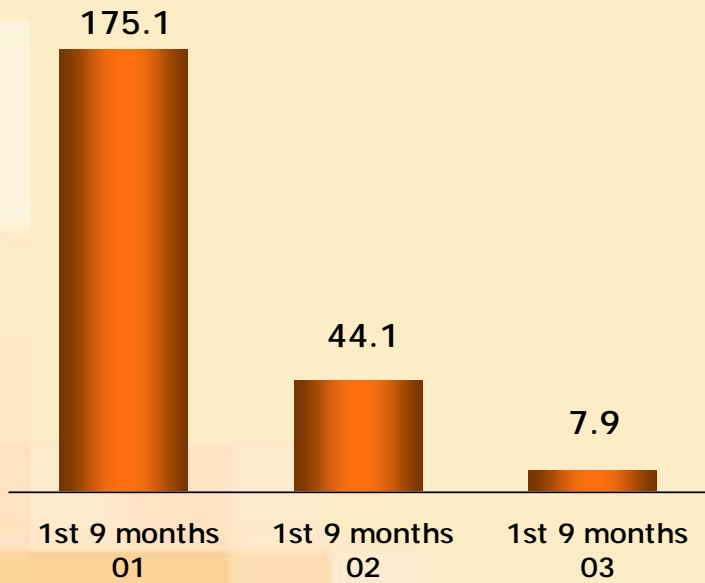


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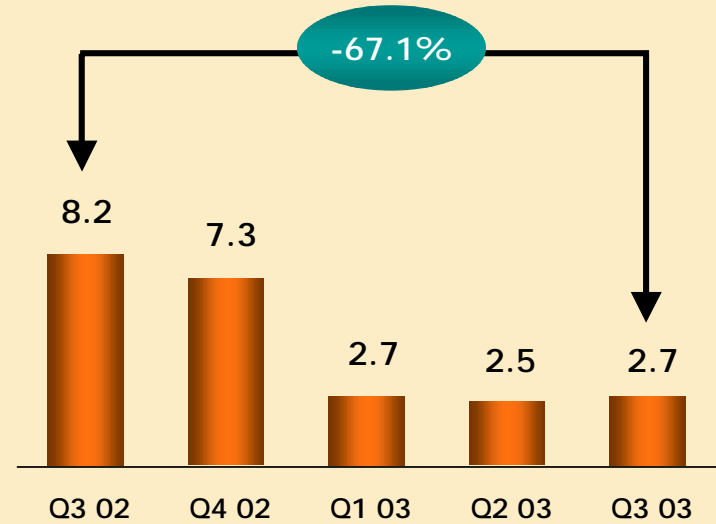
CAPEX Evolution

Million Euros

Year to date evolution



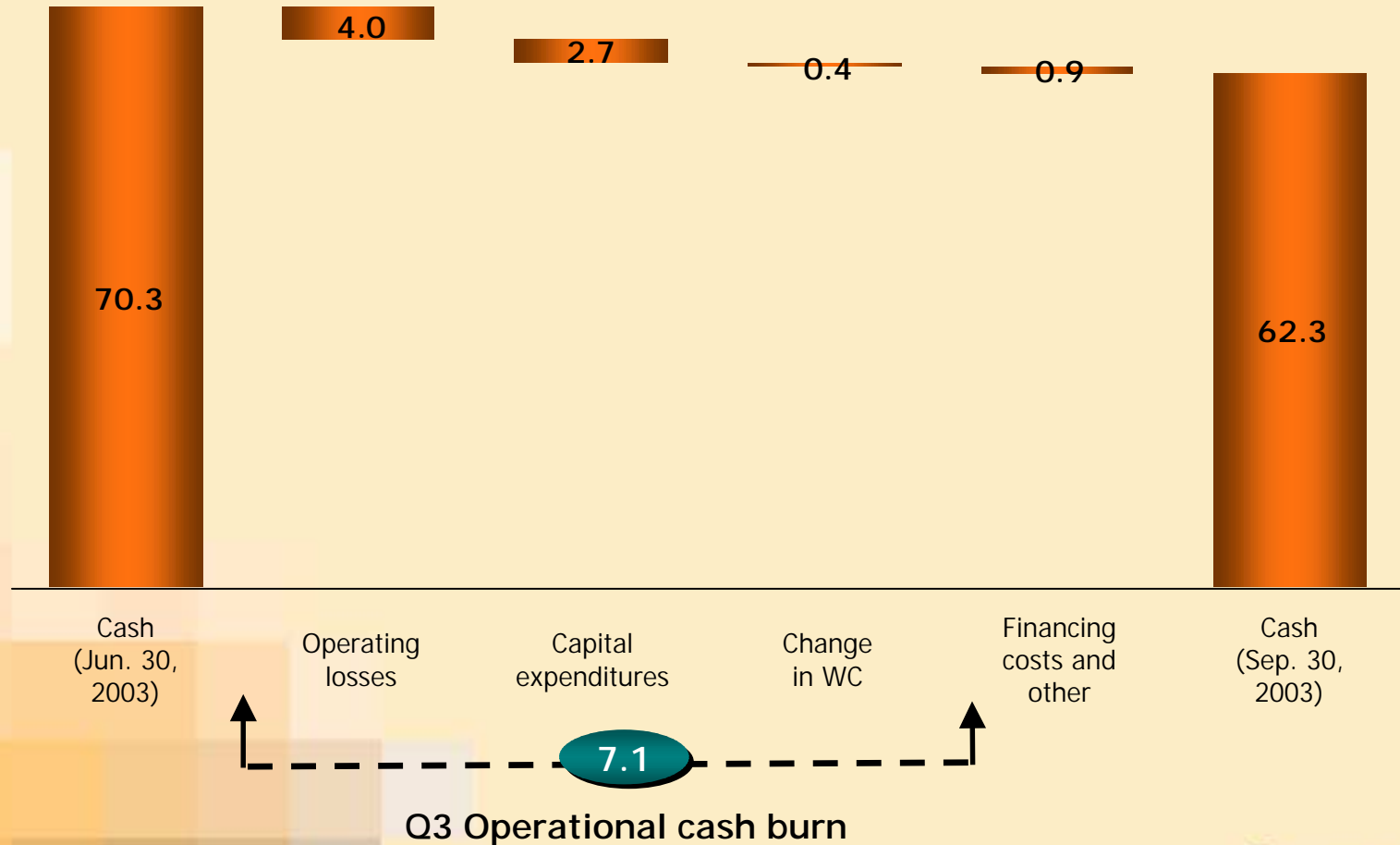
Quarterly evolution



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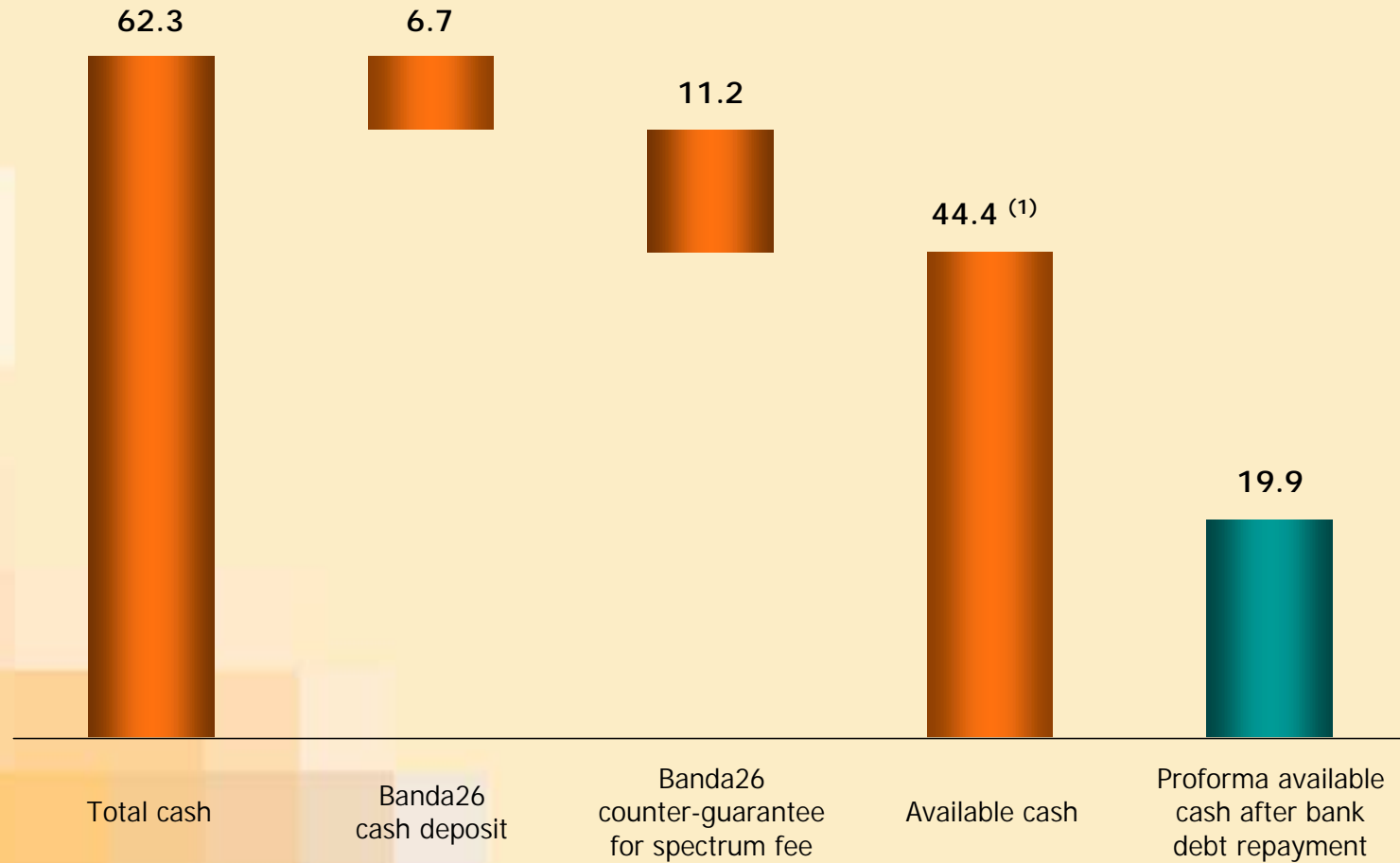
Cash Burn of the Quarter

September 30th 2003; Million Euros



Current Cash Position

September 30th 2003; Million Euros



⁽¹⁾ 27 million Euros are deposited in pledged account as the minimum cash balance required by Senior Credit