

The logo for Jazztel, featuring the word "JAZZTEL" in a bold, black, stylized 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

4Q and FY 2002 results
announcement

February 26th, 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 the Securities and Exchange Commission and certain European regulatory authorities.

Contents of the Presentation

Restructuring Summary

2002 End Year and Q4 Results Overview

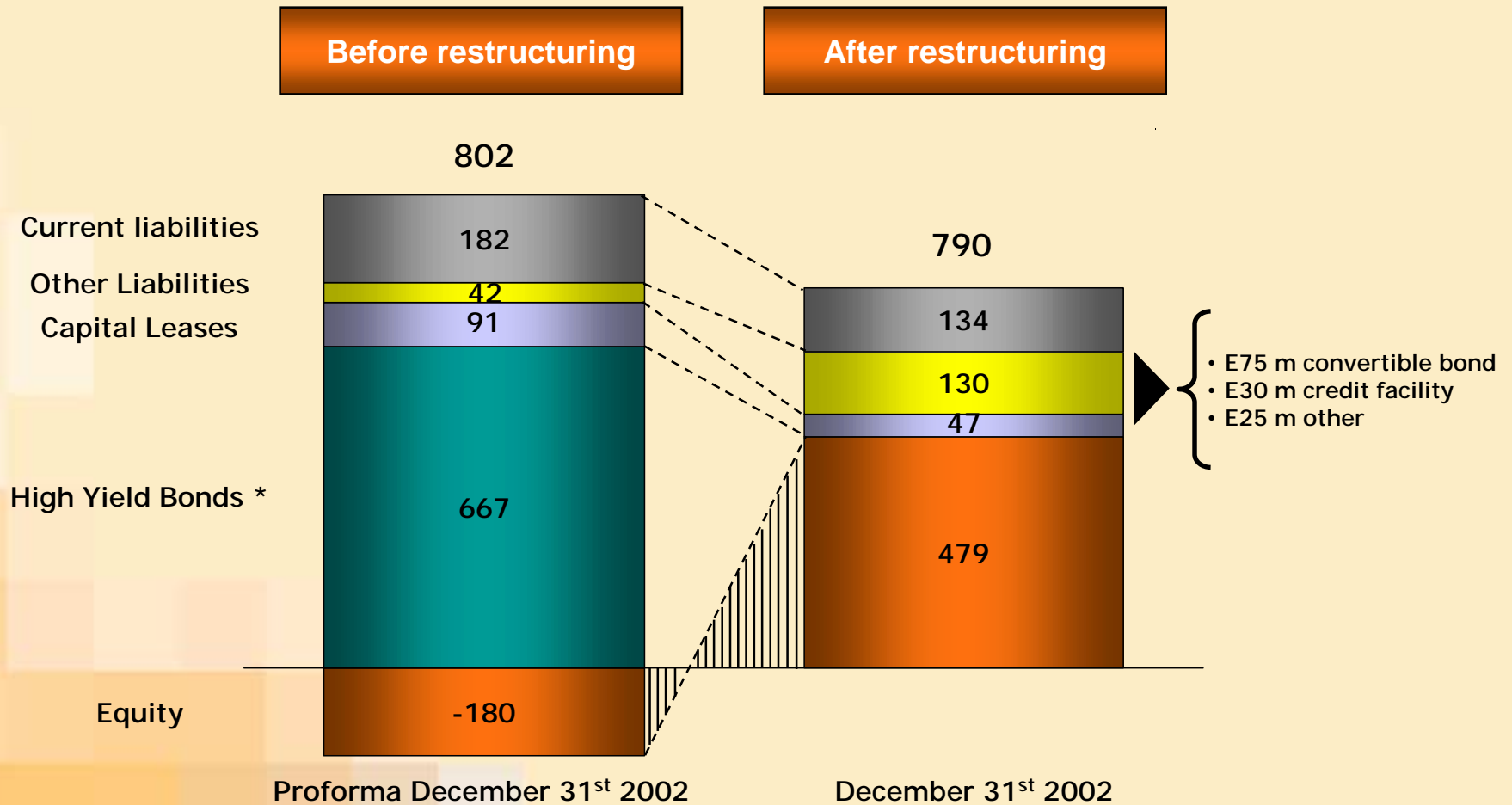
Restructuring Summary

Restructuring Agreement

- Restructuring effective as of 2 December 2002:
 - Euro 668m of Senior Notes have been cancelled and exchanged for:
 - 457 million of new ordinary shares (88% of the enlarged equity) which are listed in Madrid and NASDAQ Europe
 - Euro 75 million of new 12% (PIK) convertible notes due 2012
 - Amendment of Jazztel's Syndicated Loan Agreement was signed for a total of Euro 30 million, currently fully drawn and Euro 24.5 million of performance bonds

- Capital structure considerably enhanced
- Positive EBITDA in 2003
- Fully funded Business Plan

Balance Sheet Structure (Liabilities)



* Nominal value of high yield debt

Contents of the Presentation

Restructuring Summary

2002 End Year and Q4 Results Overview

Financial Highlights

- **Flat annual sales evolution, caused by financial and operational restructuring, but encouraging growth in Q4:**
 - Fourth quarter revenues amounted to Euro 57,7 million compared to Euro 52,2 million in the previous quarter, representing a 10,5% increase. Year-end revenues amounted to Euro 219,0 million, representing a 0,6% decrease from previous year.
- **Strong improvements in Gross Margins:**
 - Fourth quarter Gross Margin as a percentage of revenues improved to 42,6%, up from 38.6% in the third quarter. Year end gross margin as a percentage of revenues increased from 27,9% in 2001 to 38,3% in 2002.
- **Significant reductions in SG&A:**
 - Fourth quarter SG&A amounted to Euro 27,3 million, down from Euro 27,8 in the previous quarter. SG&A declined by 18,2% to Euro 124,3 million in 2002. This reduction reflects the aggressive cost reduction program the Company was undergoing during the year.
- **EBITDA close to break even:**
 - As a result of enhanced operating margins and a streamlined cost structure, adjusted EBITDA (excluding one off personnel restructuring costs) improved from negative Euro 7.6 million in the third quarter of 2002 to negative Euro 2.7 million in the fourth quarter of 2002. Year end adjusted EBITDA improved by 57,7% from previous year to negative Euro 34,8 million (excluding one-off personnel restructuring costs of Euro 5,7 million in 2002). As a percentage of revenues, adjusted EBITDA improved from negative 37,3% in year 2001 to negative 28,1% in 2002.

The logo for Jazztel, featuring the word "JAZZTEL" in a stylized, handwritten-style font. The letters are black with a white outline, and the overall style is modern and dynamic.

Operational Highlights

- **Steady improvement in traffic:**

- Total traffic on the Jazztel network amounted to 835 million minutes in the fourth quarter of 2002, a 10,5% increase over the previous quarter. Total traffic on the Jazztel network rose to 3.337 million minutes in 2002, a 3,2% increase over 2001.

- **Continued sign ups of direct customers:**

- Total direct access sites contracted reached 3.330 by the end of the fourth quarter of 2002, a 11,7% increase from the previous quarter. Total contracts by the end of 2002 increase by 34,2% from 2001.
- The number of direct access sites provisioned at December 31st, 2002 were 3.016, an increase of 11,9% from the previous quarter. During 2002, 1.061 new sites were connected to Jazztel's network, a growth of 54,3% from 2001.

- **Network build out finished:**

- Operational rings increased to 74, up from 73 in 2001. Operational rings are deployed in Spain and Portugal including Madrid, Barcelona, Bilbao, Valencia, Sevilla, Zaragoza, Malaga, Albacete, Vigo, Lisbon and Porto. This gives access to addressable market of over Euro 1.600 million.

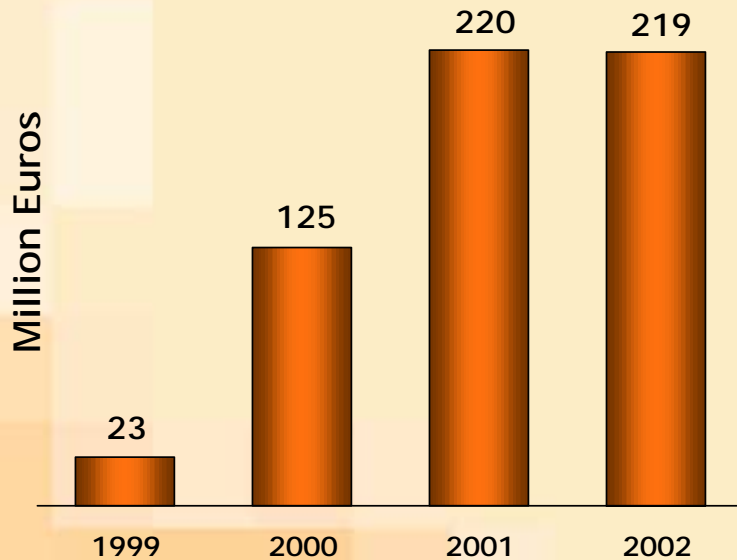
- **Good reach and acceptance of xDSL services:**

- At year end, Jazztel Spain had 33 Central Offices operational which served a total of 434 active xDSL customers. This represented a growth of 186% in the number of clients from the previous quarter.

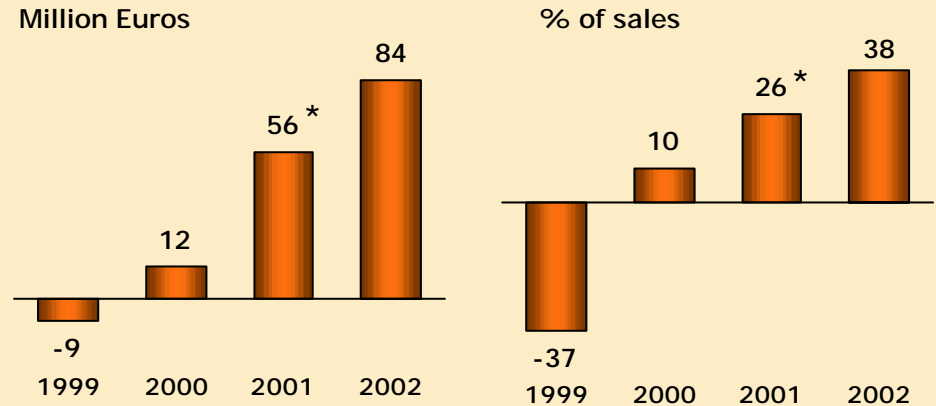
The logo for Jazztel, featuring the word "JAZZTEL" in a stylized, bold, black font with a slight shadow effect.

Annual Evolution of Top Line Results

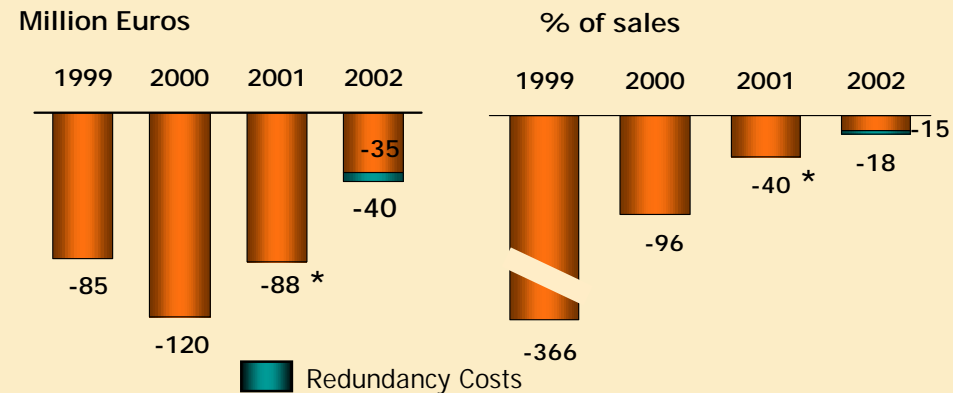
Revenues



Gross margin



EBITDA



* Gross margin calculation for the year 2001 excludes the positive impact of a one time-consolidation adjustment of Euro 4.9 million. Adjusted EBITDA for the year 2001 calculation excludes the impact of a one time-consolidation adjustment of Euro 5.2 million.

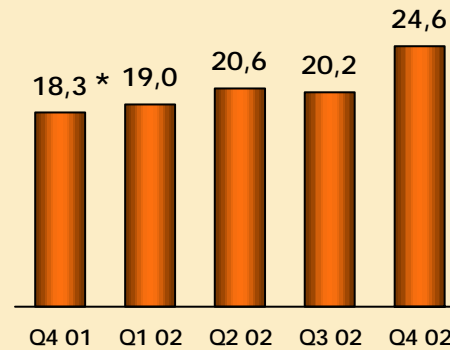
Quarterly Evolution of Top Line Results

Revenues

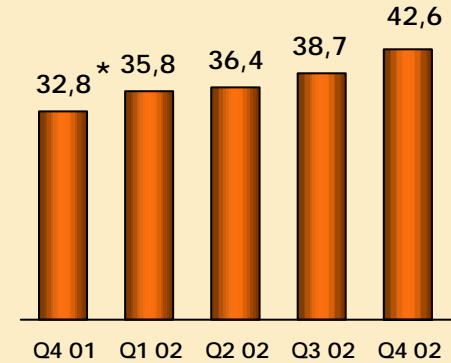


Gross margin

Million Euros

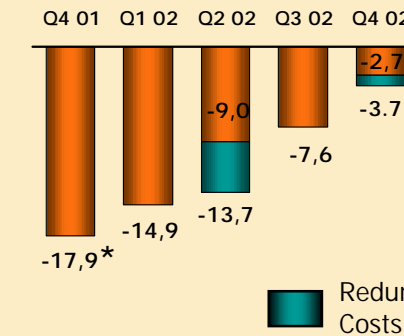


% of sales

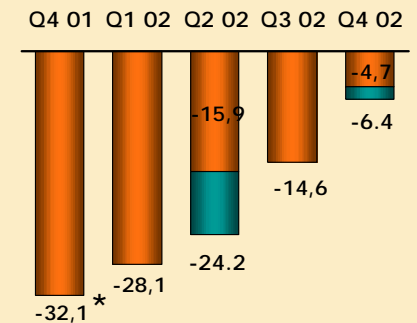


EBITDA

Million Euros



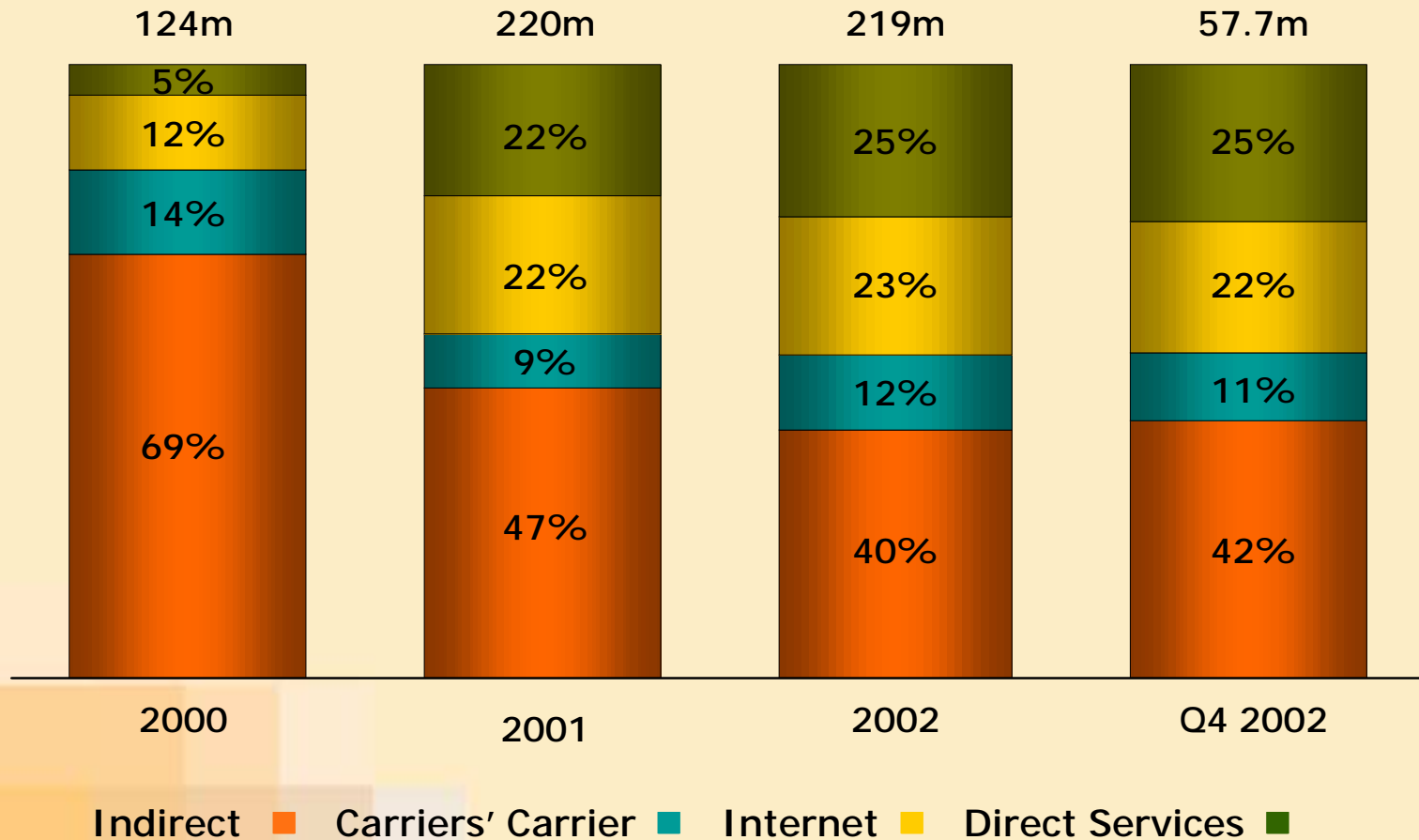
% of sales



* Gross margin calculation for the quarter excludes the positive impact of a one time-consolidation adjustment of Euro 4.9 million. Adjusted EBITDA calculation excludes the impact of a one time-consolidation adjustment of Euro 5.2 million.

Revenue mix evolution

Million Euros



Direct Access Key Issues

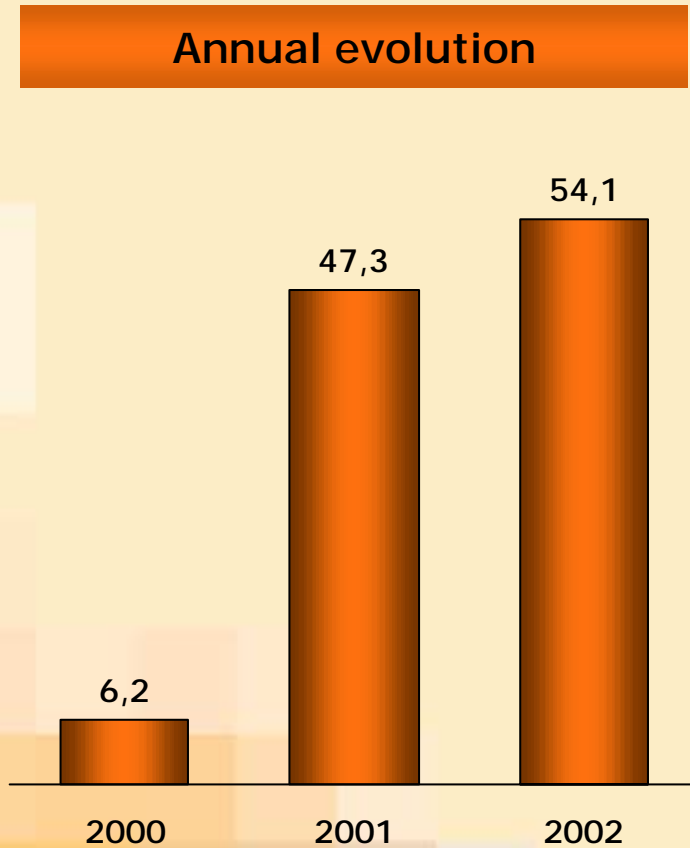
Overall recovery in revenues, but growth still slow due to:

- debt and operations restructuring process
- rigorous selection of new customers in order to control cash burn
- still cautious expansion of xDSL services given the relatively new equipment development

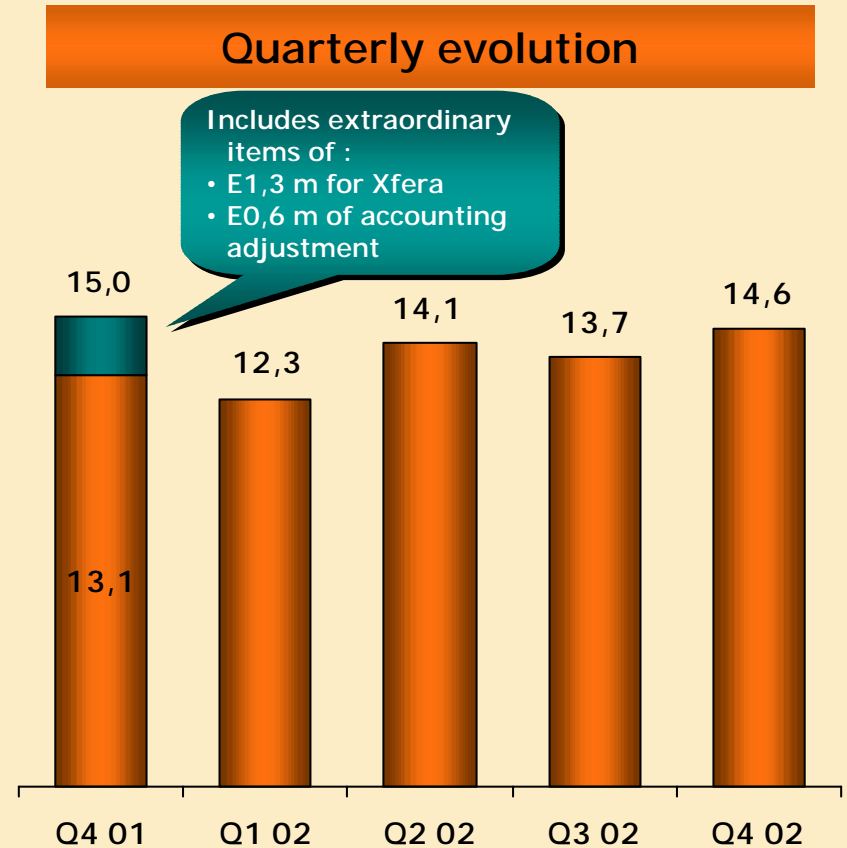
Direct Access Revenues

Million Euros

Annual evolution

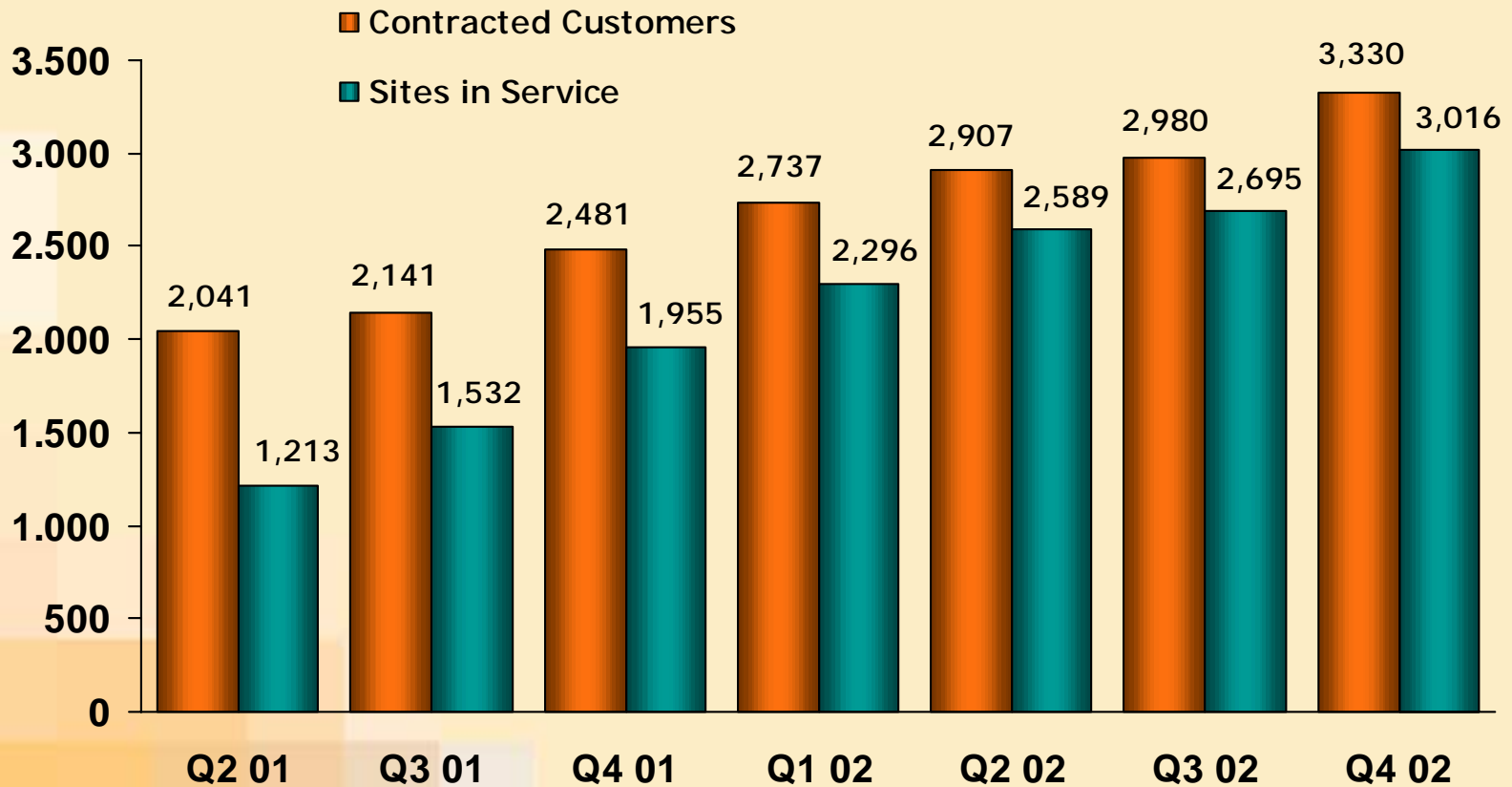


Quarterly evolution



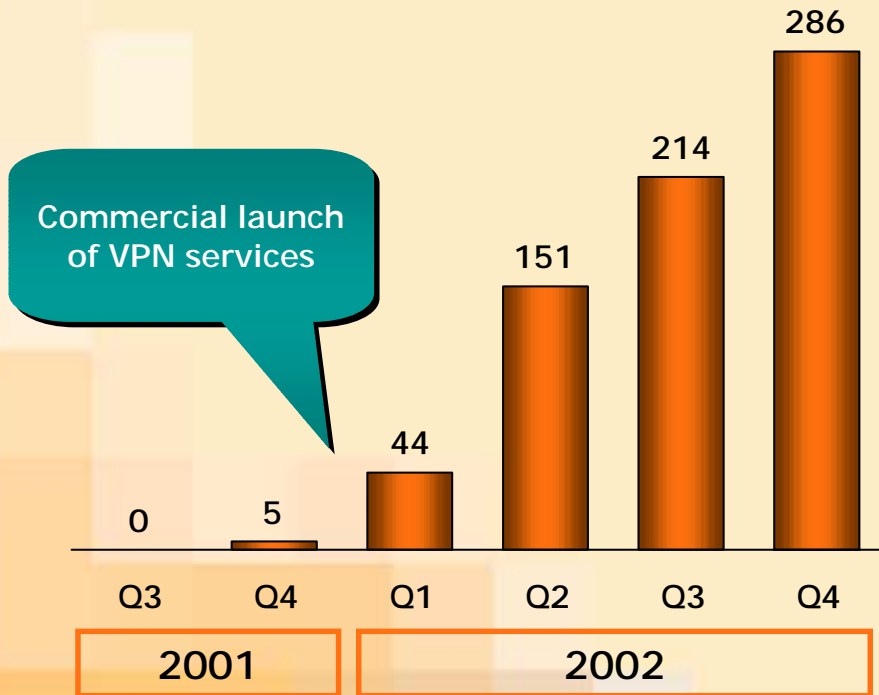
JAZZTEL

Direct Access Customer Take-Up

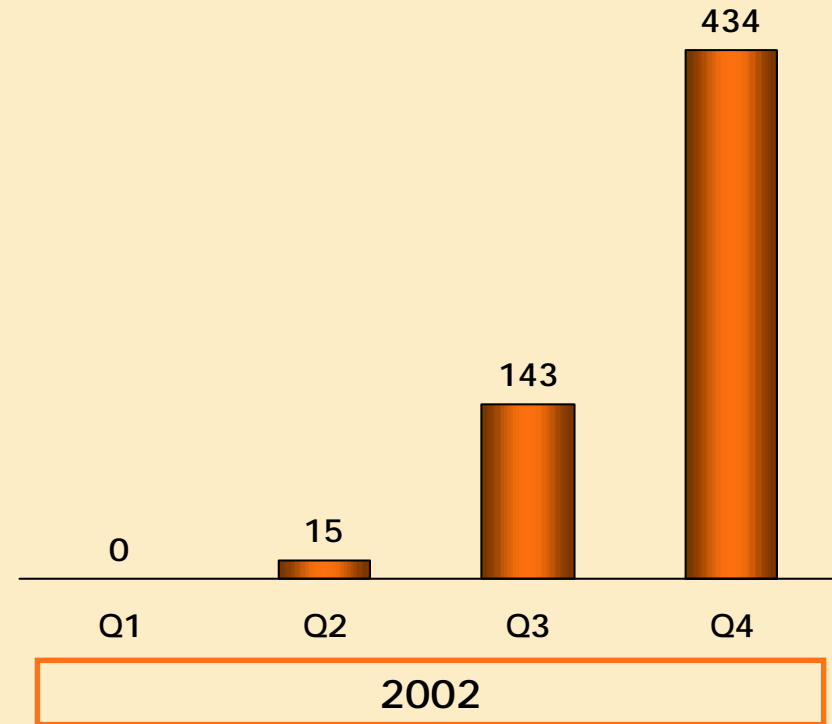


Evolution of New Products and Technologies in Direct Access

Number of VPN Services



Number of xDSL provisioned sites



Number of operational Central Offices



JAZZTEL

Indirect Access Key Issues

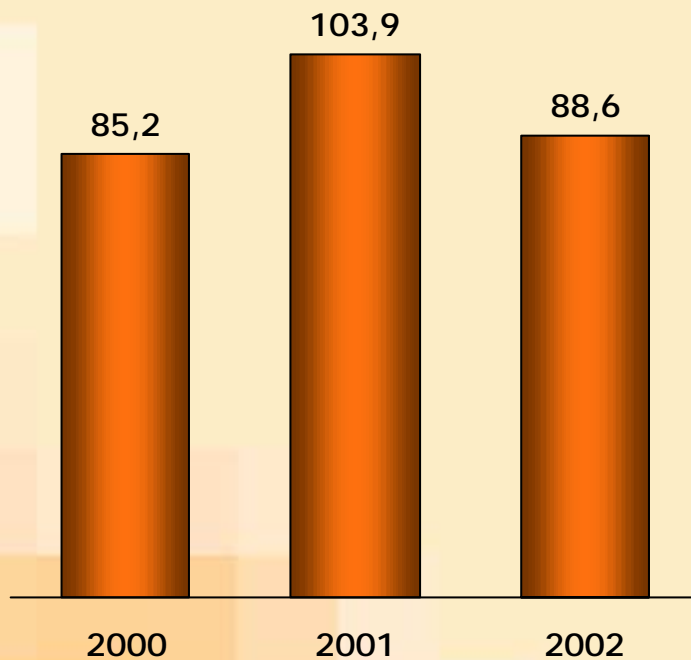
Indirect Access shows clear recovery due to:

- Very successful “weekends for free” and “one day for free” advertising campaigns
- Increased customer loyalty and reduced churn
- Strong margin improvements due to new capacity interconnect regime

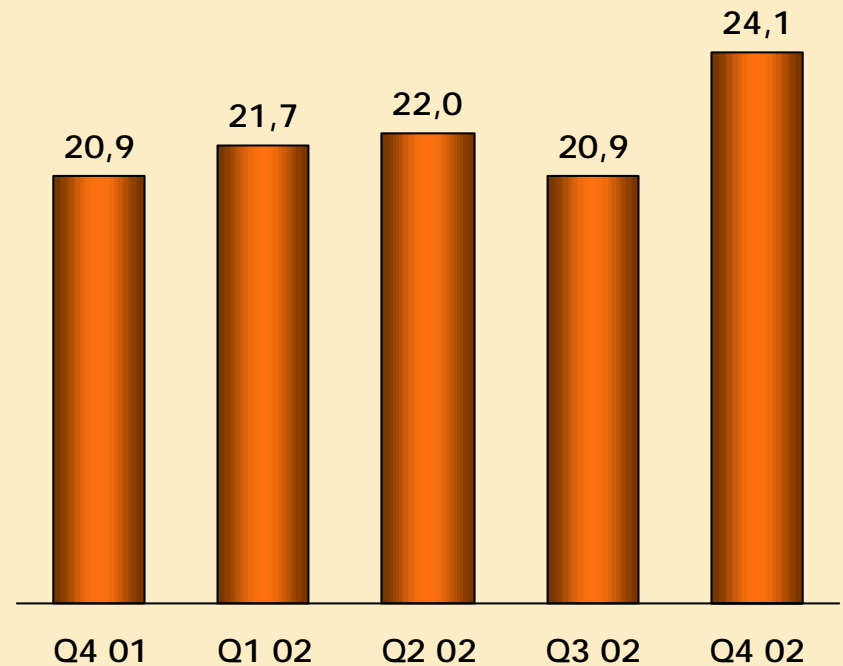
Indirect Access Revenues

Million Euros

Annual evolution



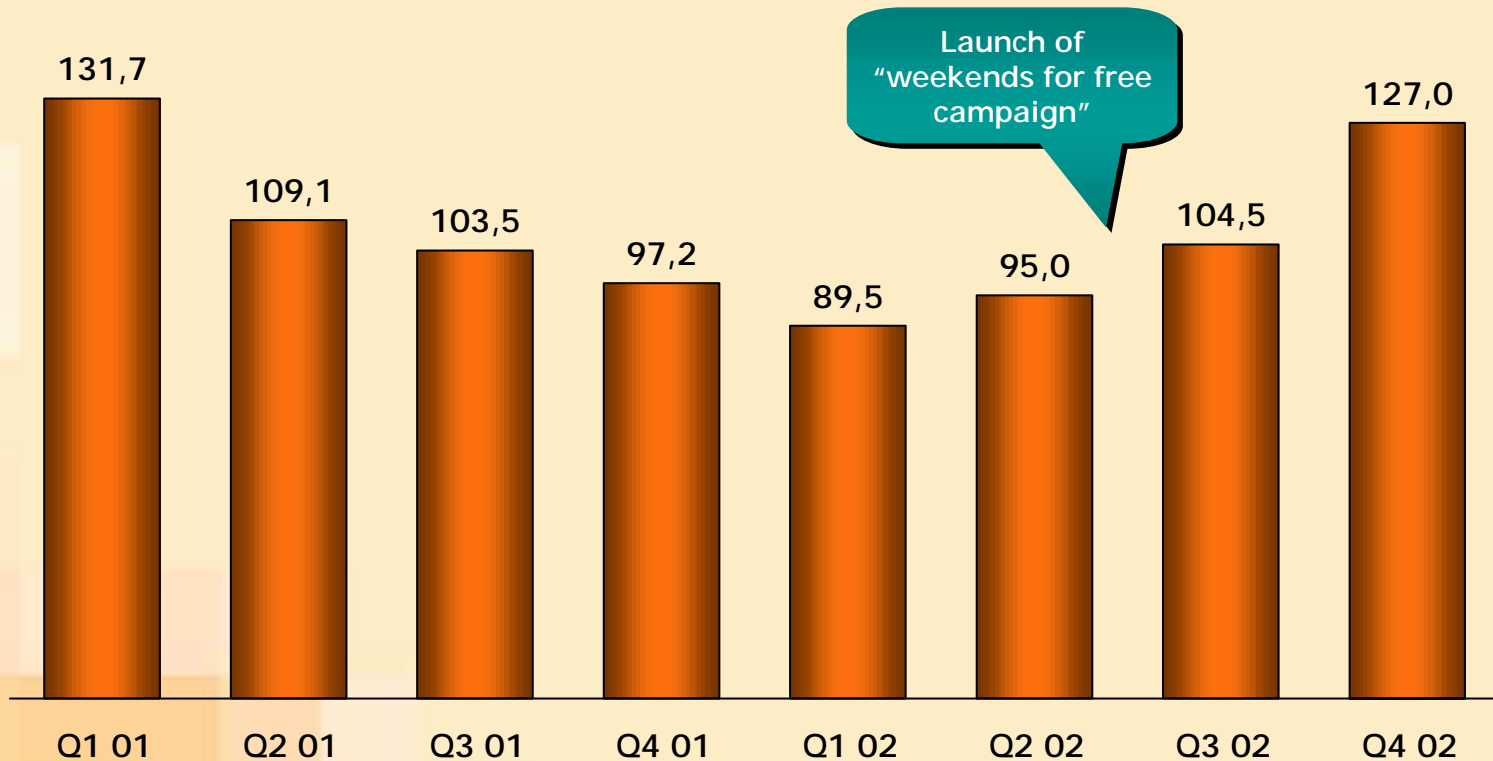
Quarterly evolution



JAZZTEL

Pre-selected lines evolution - Spain

Thousands of lines



JAZZTEL

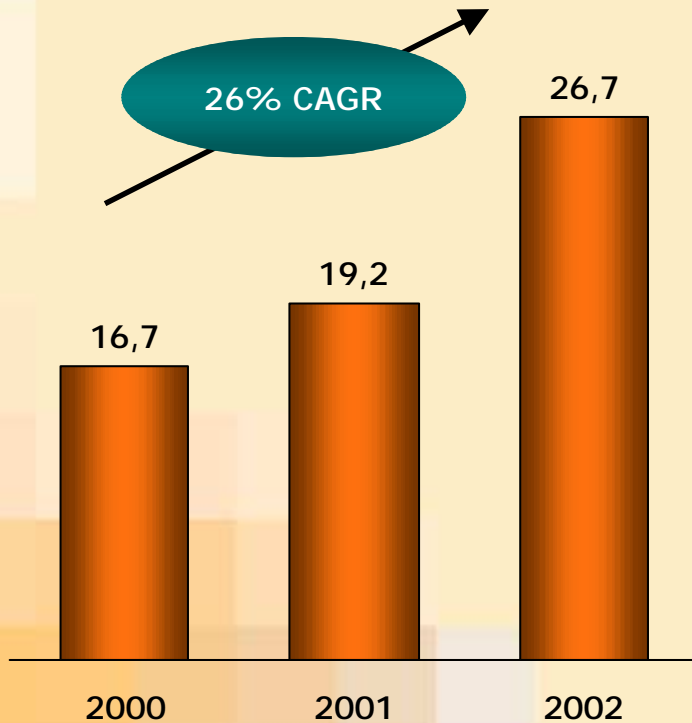
Carrier Services, Internet and VAS Key Issues

- Carrier services:
 - Solid performance, characterised by steady growth in revenues although Q4 was affected by December seasonality
- Internet and VAS:
 - Revenues clearly suffering by weak Internet and IT market evolution. Growth in the future is expected to come from ADSL and flat tariff products

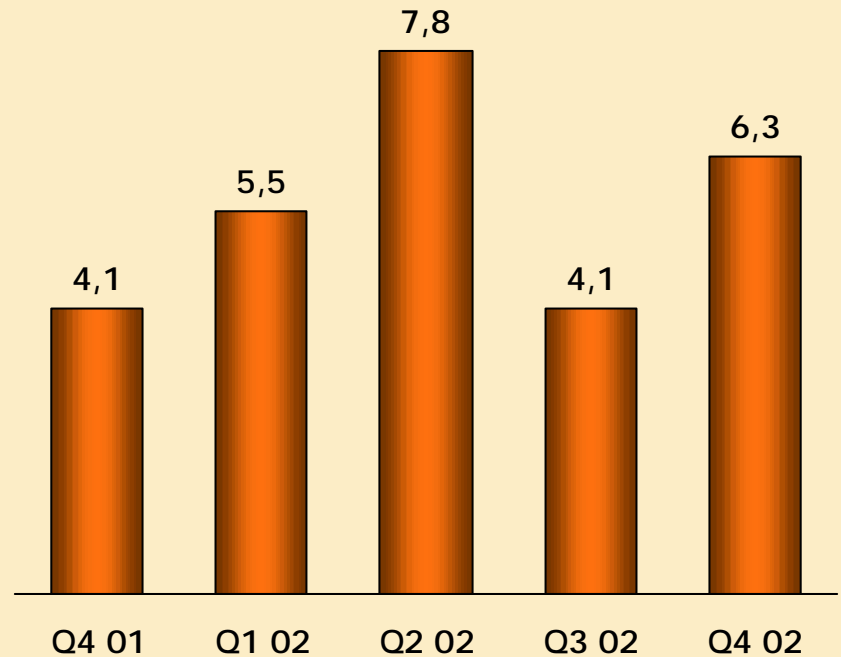
Carrier Services Revenues

Million Euros

Annual evolution



Quarterly evolution

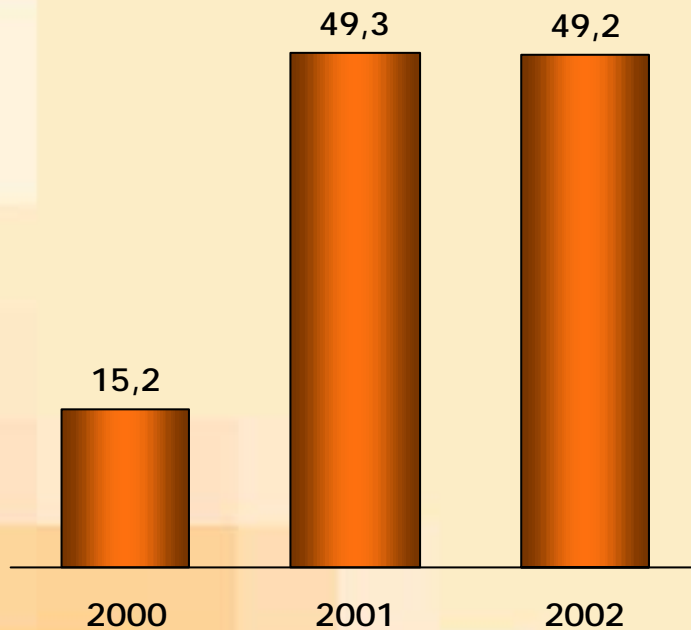


JAZZTEL

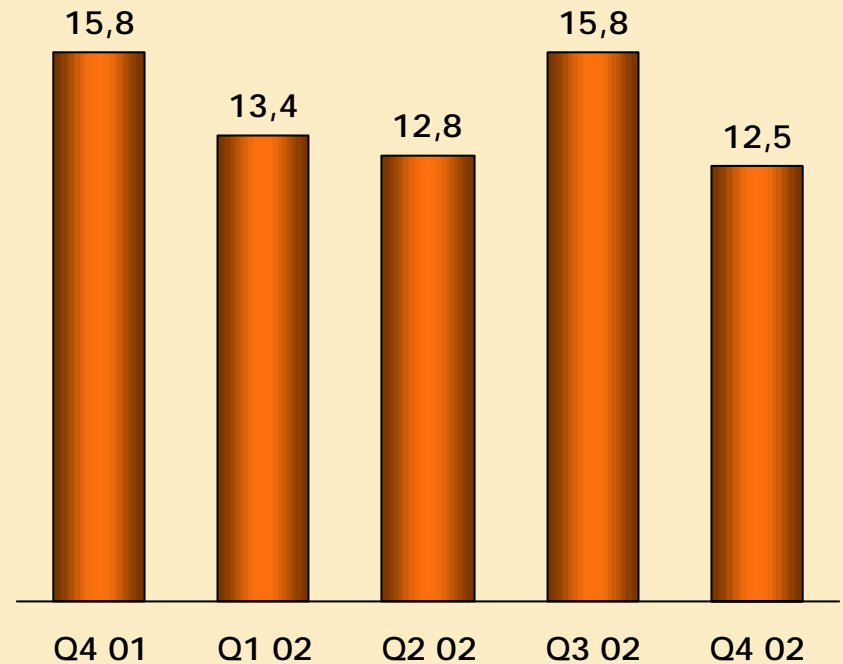
Internet and Value Added Services Revenues

Million Euros

Annual evolution



Quarterly evolution



JAZZTEL

P&L Comparison

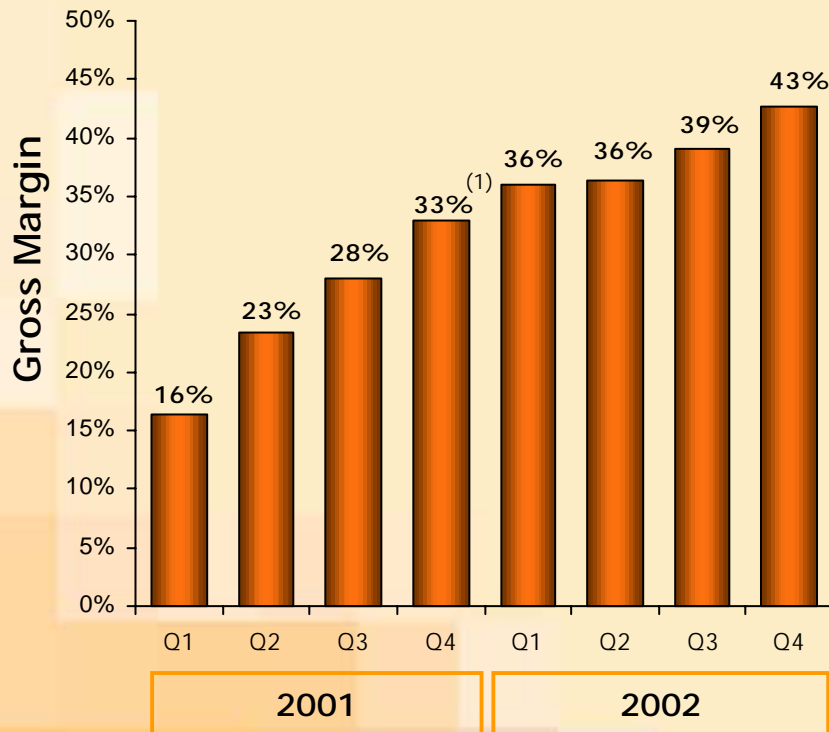
Million Euros

	Q3 2002	Q4 2002	FY 2001	FY 2002
Revenues	52.2	57.7	220.3	219.0
Cost of Sales	(32.1)	(33.1)	(159.0)	(135.1)
Gross Margin	20.2	24.6	61.3	83.9
<i>as % of sales</i>	38.7%	42.6%	27.8%	38.3%
SG&A	(27.8)	(28.3)	(143.6)	(124.3)
EBITDA	(7.6)	(3.7)	(82.3)	(40.5)
<i>as % of sales</i>	-14.6%	-6.4%	-37.4%	-18.5%
Restructuring Costs	0	(1.0)	0	(5.7)
EBITDA (excl. Restructuring costs)	(7.6)	(2.7)	(82.3)	(34.8)
<i>as % of sales</i>	-14.6%	-4.7%	-37.4%	-15.9%
CAPEX	(8.3)	(7.3)	(230.7)	(51.3)
<i>as % of sales</i>	15.9%	12.7%	104.7%	23.4%

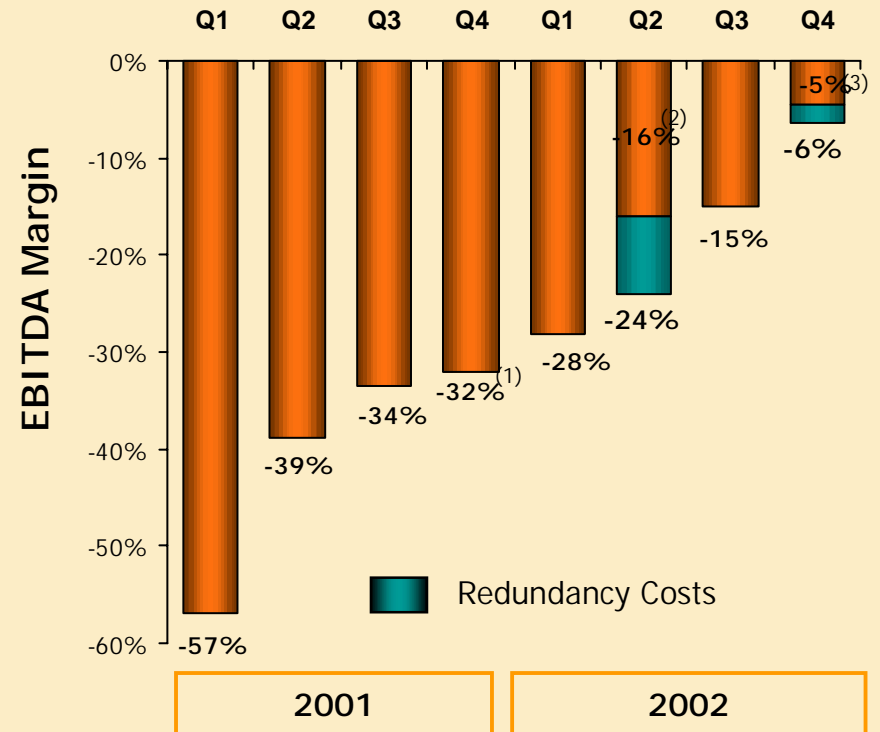
JAZZTEL

Margin Evolution

Gross Margin as % of Sales



EBITDA Margin as % of Sales



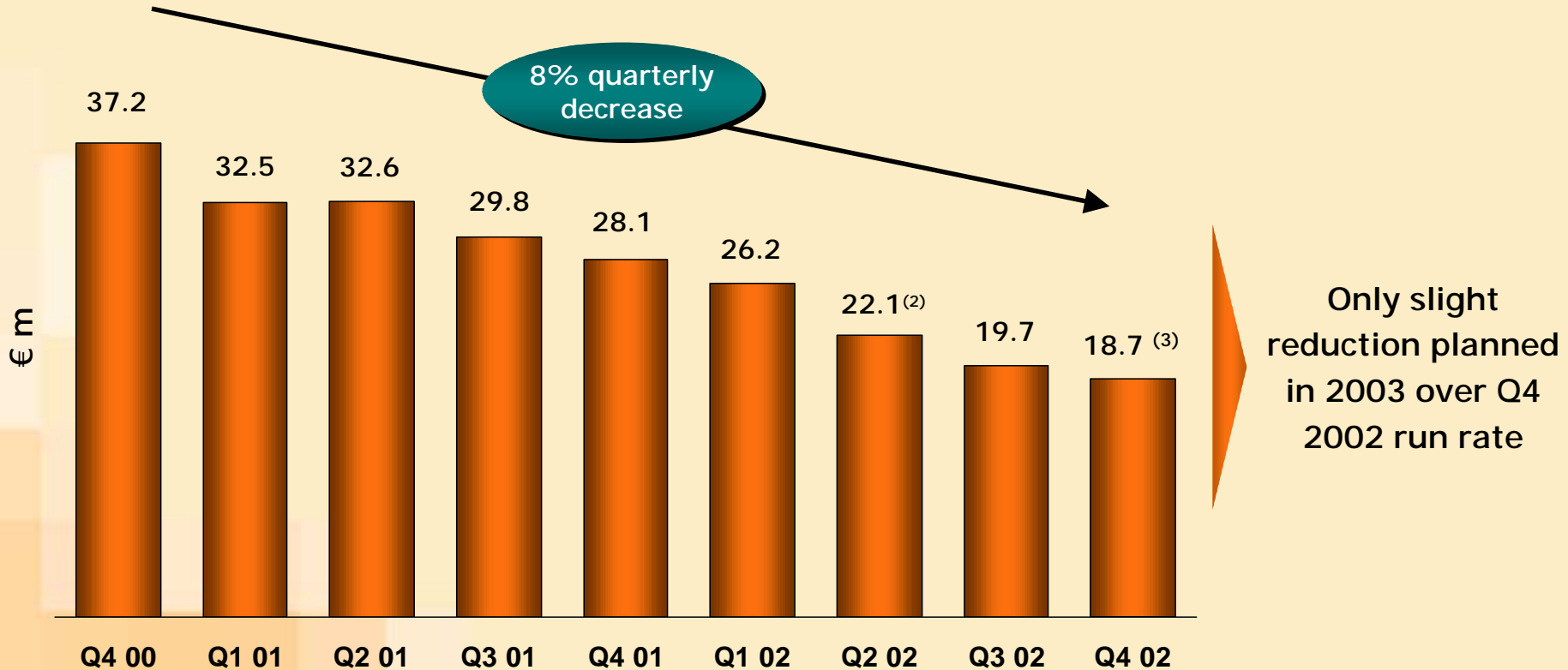
⁽¹⁾ Gross margin calculation for the quarter excludes the impact of a one time-consolidation adjustment of Euro 4.9 million. Adjusted EBITDA calculation excludes the impact of a one time-consolidation adjustment of Euro 5.2 million.

⁽²⁾ Second Quarter 2002 EBITDA losses excluding one-off Redundancy Costs of Euro 4.7 million.

⁽³⁾ Fourth quarter 2002 EBITDA losses excluding one-off Redundancy Costs of Euro 1.0 million.

Evolution of SG&A

Telecom Business⁽¹⁾ SG&A costs



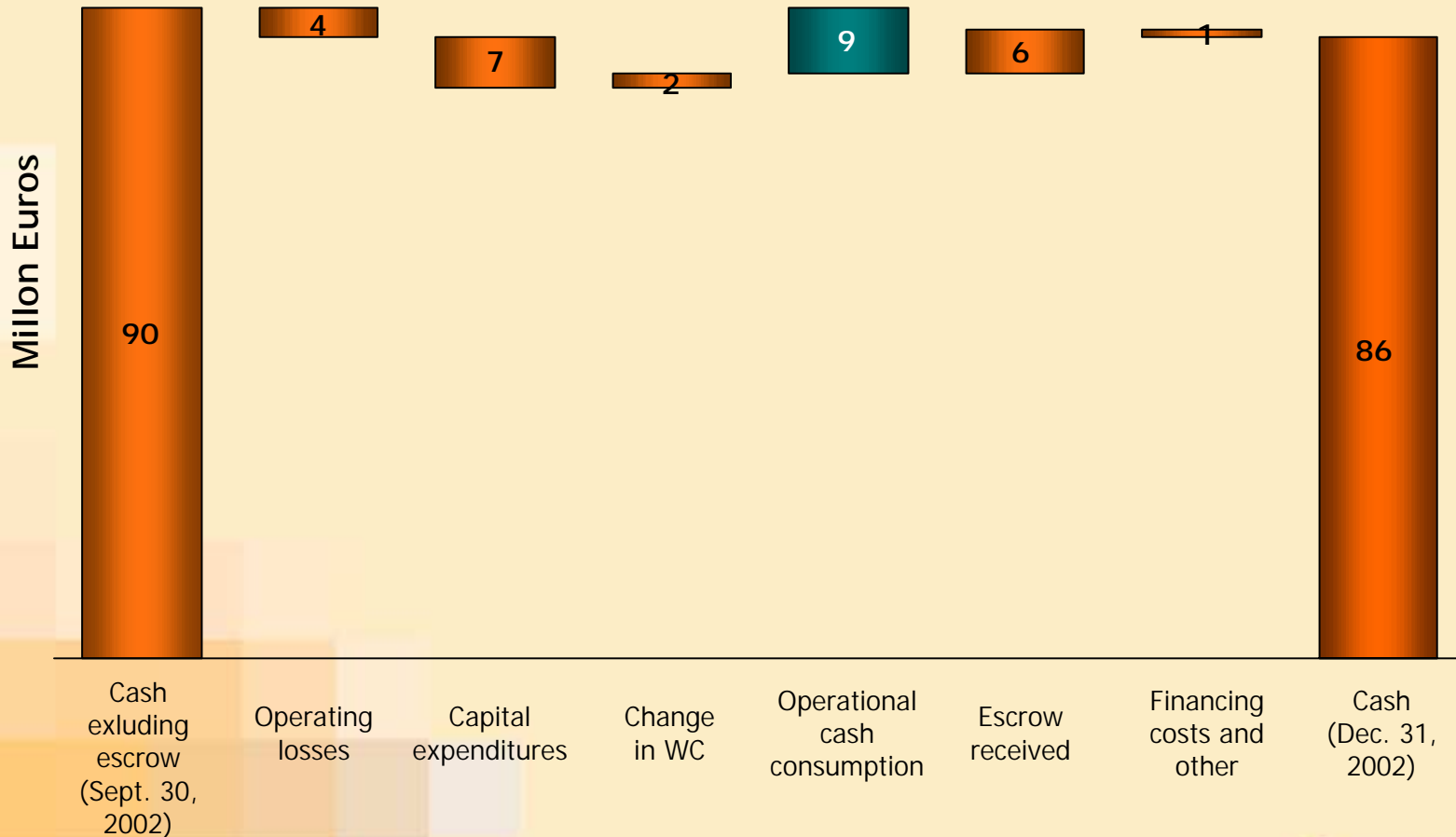
(1) Excluding non-cash accounting charges, Adatel and CCS

(2) Does not include one-off personnel restructuring cost of €4.7m

(3) Does not include one-off personnel restructuring cost of €1.0m

Cash Burn of the Quarter

December 31st 2002; Euro Million



Current Cash Position

December 31st 2002; Euro Million

