

The logo for Jazztel Telecomunicaciones is centered on a dark grey background with a subtle, embossed circular pattern. The word "JAZZTEL" is written in a large, bold, yellow, stylized font. Below it, the word "TELECOMUNICACIONES" is written in a smaller, yellow, sans-serif font. Two thin yellow horizontal lines are positioned above and below the main text.

# JAZZTEL

TELECOMUNICACIONES

4Q and FY 2000 results announcement  
March 1, 2001

[www.jazztel.com](http://www.jazztel.com)

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.

## Financial Highlights

- Year-end 2000 revenues of Euro 124.4 million compared to Euro 23.3 million in 1999, representing a 433.9% growth. From the third to the fourth quarter revenues grew 9.8% to Euro 35.7 million.
- Gross Margin for the year 2000 was positive 10.0%, compared to a negative 36.0% in 1999. Gross Margin also improved to 15.6% in the fourth quarter 2000 up from 11.9% in the third quarter 2000.
- Adjusted EBITDA was negative Euro 119.7 million in 2000 compared with negative Euro 85.4 million in 1999. EBT improved from negative Euro 163.9 in 1999 to negative Euro 74.3 million in the year 2000.
- Jazztel's pro-forma liquidity position at the end of the year included Euro 507.4 million of available cash and marketable securities and Euro 207.2 million of restricted funds escrowed to pay High Yield Debt interests.

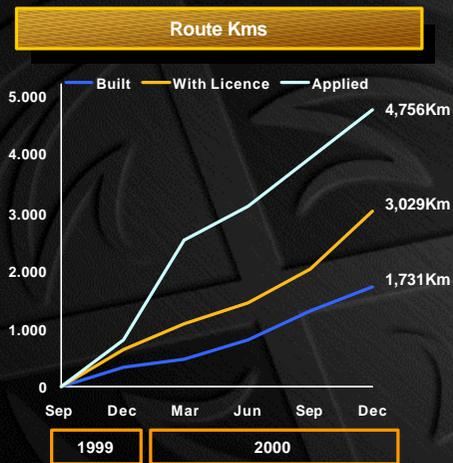
## Operational Highlights

- Total traffic carried on Jazztel's network increased from 210 million minutes in 1999 to 1.8 billion in 2000 which represents an increase of 757.1%
- Network deployment is on target, with 1,731 km of local area network build by year-end 2000 and a total of 13 metropolitan area networks operational.
- Direct access is ahead of plan with 577 new sites connected during the year 2000 reaching a total of 581 by year-end. 323 customer sites were connected during the fourth quarter 2000. Total contracts signed for direct access provisioning were 1,258 by the end of the year.

## Other

- Sale of Yacom, Jazztel's former residential internet subsidiary
- Acquisition of Adatel, a telecommunication's systems integrator, and CCS (Centro de Cálculo de Sabadell) a software developer and systems integrator.
- Further consolidation of Jazztel's shareholder base through the entry of Banco Sabadell (4<sup>th</sup> largest bank in Spain) and Grupo Dragados (one of the largest construction and service companies in Spain) as long term strategic investors.
- Successful listing on the Nuevo Mercado of the Madrid Stock Exchange. Jazztel is now the only publicly traded alternative telecommunications operator in Spain.

## Network Deployment Update

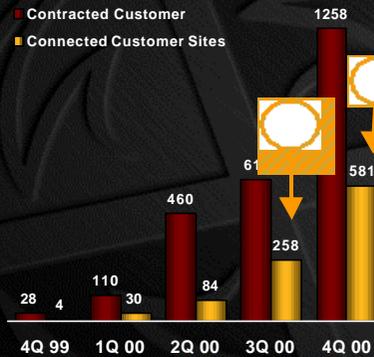


- 1,381 new km built during the year, and 429 new km built during the fourth quarter
- Pre-emptive efforts on licensing with 1,298 additional km with licenses and 1,727 additional km in the licensing process

Network development on target to reach 3,000 km by year-end 2001

## Strong Direct Access Customer Take-Up and Connection Rates ...

### Direct Customer<sup>(a)</sup> Sites Take-Up



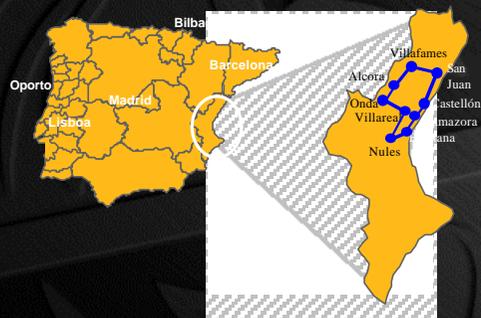
(a) Including leased lines

- 323 new clients with service provisioned
- Focus on optimizing the provisioning process with initial results already apparent as the number of connected sites per day improved from 3 to 5 in the last quarter
- Adatel acquisition as a major catalyst to improve the process further

Surpassed initial targets of 550 connected sites by year-end 2000

... coupled with significant bulk contracts like ASCER agreement...

#### Main elements of the ASCER agreement



- Broadband services to 500 main offices of the 280 associated companies
- Fiber-optic network over a distance of 100 Km extended with LMDS in remote areas
- Services
  - Voice
  - Data and value added services
  - Internet solutions
  - ASCERDATA (Internet services, ceramic industry portal)
- Coverage
  - Initiation - May 2001 (First 4 cities)
  - Finish - Q1 2002

## ... and ADECA agreement ...

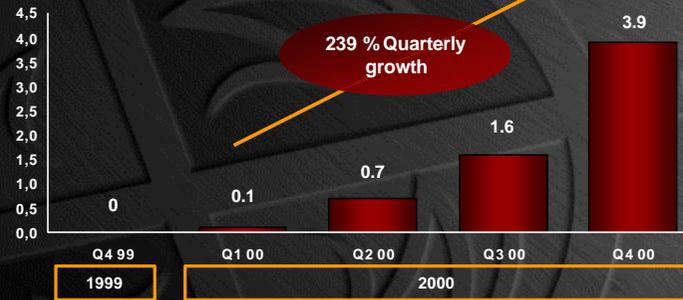


### Main elements of the ADECA agreement

- Voice, data and Internet services to 700 companies and 10,000 professionals
- Telecommunications network extended over a distance of more than 17 km
  - Voice
  - Data and value added services
  - Internet solutions
- Schedule
  - Initiation of services - July 2001
  - Completed - before December 2001

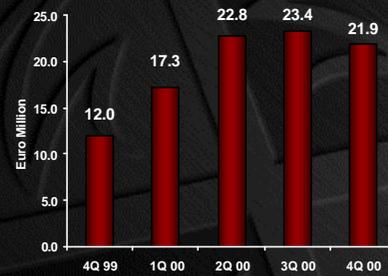
... leading to Strong Growth on Direct Access Revenues ...

Euro Million

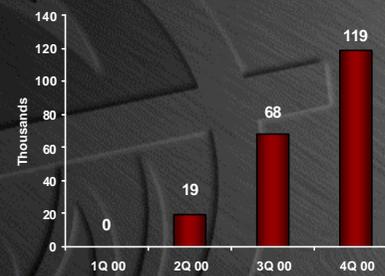


## Indirect Services: De-Emphasis on Customer Acquisition and focus on Preselection for increasing ARPUs and profitability

Revenues

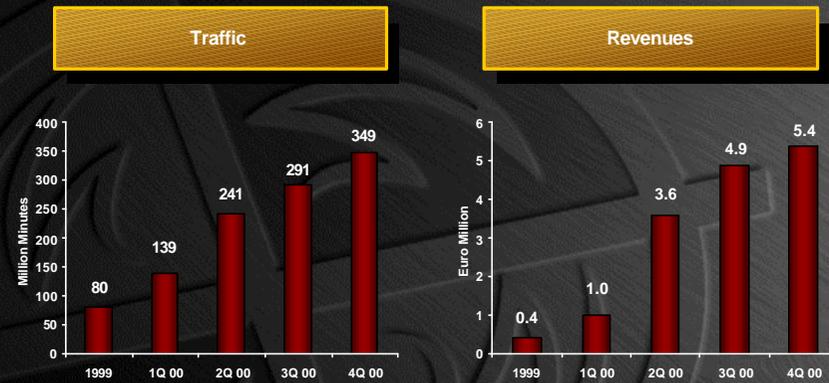


Pre-selected lines



- Over 694,000 clients: 40% business
- Over 1,135,000 lines: 61 % business
- 1.7 million min/day: 63% business

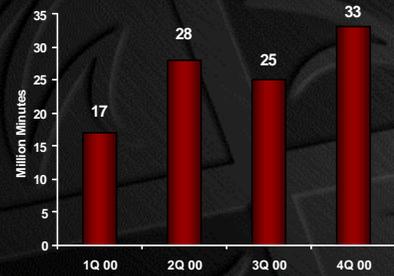
## Internet services: continuing growth in revenues and traffic



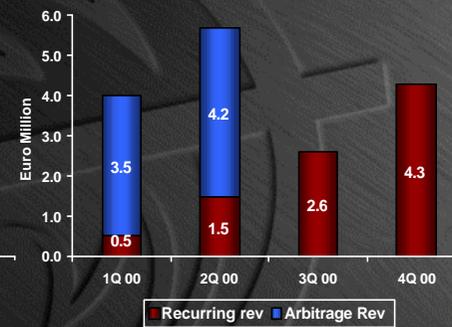
- 5,893 active jazznet customers
- 467 active ADSL customers
- 29 ISPs receiving wholesale services

## Carrier services: recovering the pace of growth after the initial arbitrage opportunities

Traffic



Revenues



- 28 traffic termination contracts
- 17 wholesale capacity contracts

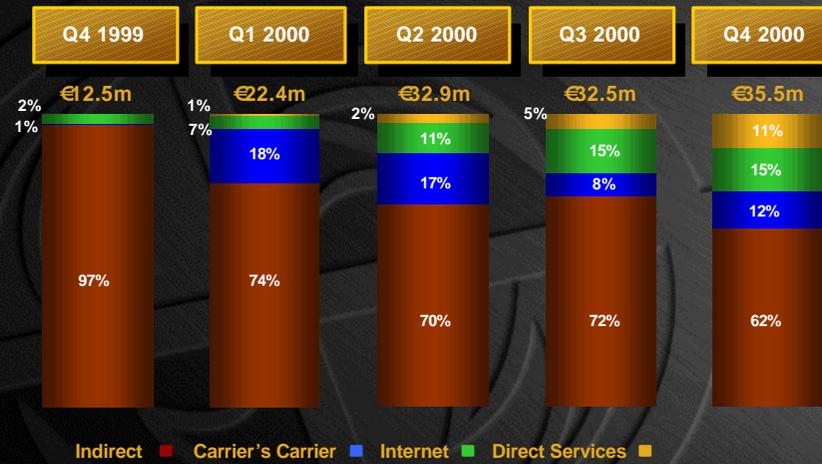
## P&L Comparison<sup>(a)</sup>

Euro millions	Q3 2000	Q4 2000	FY 1999	FY 2000
Revenues	32.5	35.7	23.3	124.4
Cost of Sales	(28.6)	(30.1)	(31.8)	(112.0)
Gross Margins	3.9	5.6	(8.5)	12.4
as % of sales	11.9%	15.6%	-36.7%	10.0%
SG&A <sup>(b)</sup>	(28.8)	(37.2)	(28.9)	(132.1)
EBITDA	(24.9)	(31.6)	(85.4)	(119.7)
as % of sales	-77%	-89%	-367%	-96%

<sup>(a)</sup> Excludes the impact of Yacom Internet Factory

<sup>(b)</sup> Excludes the impact of non cash accounting charges of employee stock option plan

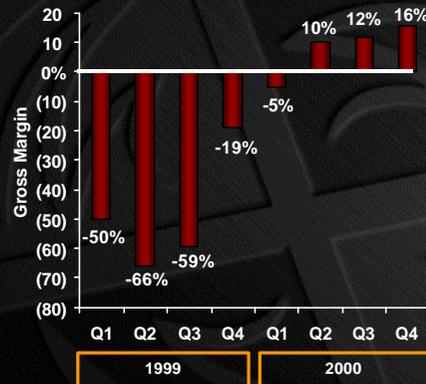
### Favourable Evolution of revenue mix<sup>(a)</sup>



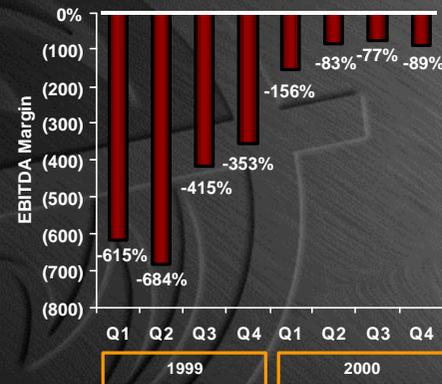
<sup>(a)</sup> Excludes the impact of Yacom Internet Factory and €1.1million of other revenues

## Leading to Improvement in Gross Margins

Gross Margin as % of Sales  
excluding YIF

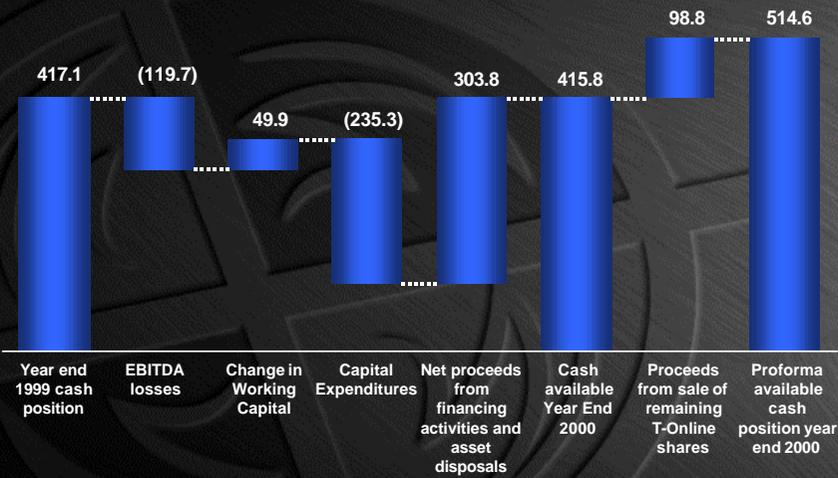


EBITDA Margin as % of Sales  
excluding YIF



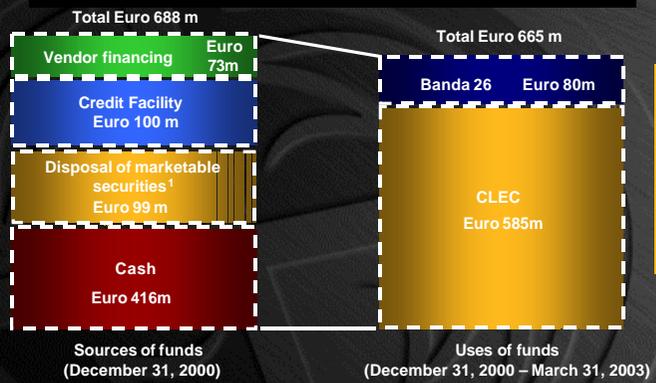
(a) Excludes non-cash stock option charges

### Proforma cash position after sale of remaining T-Online shares



## The Jazztel Group has a strong financial position with resources to fund its operations until at least Q1 2003

December 31, 2000 – March 31, 2003



- Expected EBITDA break-even in second half 2002
- Cash Flow break-even end 2004

<sup>1)</sup> Proceeds from sale of T-Online shares from December 31st 2000 to February 7th, 2001