

The logo for Jazztel, featuring the word "JAZZTEL" in a bold, black, stylized script font. The letters are thick and have a slightly irregular, hand-drawn appearance. 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 semester 2003 results
announcement**

July 30th, 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 modest growth :**

- First semester revenues increased by 4.0% to Euro 114.0 million up from Euro 109.6 million in the first semester of 2002. Revenues flat quarter on quarter at Euro 56.6 million.

- **Good margin performance:**

- Gross margin improved over the first semester from Euro 39.6 million and 36.1% of sales to Euro 47.4 million and 41.6% of sales. Gross margin in the second quarter of 2003 also increased substantially compared with the first quarter of 2002, from Euro 20.6 million to Euro 23.1 million, an increase of 6.3% percentage points over the same period of last year.

- **Aggressive 2002 cost reduction program continues to have impact:**

- Selling, General and Administrative Expenses (SG&A) showed a significant decline of 26.4% from Euro 68.2 million in the first half of 2002 to Euro 50.2 million in 2003. On a quarterly basis, SG&A decreased by 32.9%, from Euro 34.3 million in Q2 2002 to Euro 23.0 million in Q2 2003.

- **EBITDA break even in the second quarter:**

- Adjusted EBITDA improved from negative Euro 13.7 million in the second quarter of 2002 to positive Euro 0.1 million in Q2 2003. On a year to date basis, adjusted EBITDA improved by Euro 26.0 million from negative Euro 28.6 million in the first half of 2002 to negative Euro 2.8 million in 2003.

- **Tight capex control:**

- Capital expenditure decreased by 85,5% from Euro 35,9 million in the first half of 2002 to Euro 5,2 million in the first half of 2003. The reduction in Capex from Q2 of last year to Q2 of this year amounted to 82,5%, from Euro 14,3 million to Euro 2,5 million.

- **Very limited cash burn in the second quarter**

- Cash balance decreased by Euro 2.6 million from Euro 72.7 million to Euro 70.1 million in the second quarter.

The logo for Jazztel, featuring the word "JAZZTEL" in a stylized, handwritten-style font.

Operational Highlights

- **Steady improvement in traffic:**

- Total traffic on the Jazztel network amounted to 1,879 million minutes in the first half of 2003, a 7.6% increase over the same period of 2002. Traffic in the quarter increased by 7.4% compared to the second quarter of 2002.

- **Strong customers sign ups:**

- Total contracts signed for direct access provisioning reached 4,020 by the end of the first six months of 2003, a 38.3% increase over the same period of last year. A total of 367 new contracts were signed during the second quarter of 2003, compared with 170 in the second quarter of 2002.
- The number of pre-selected lines grew from 121,023 in the first semester of last year to 200,451 in the first semester of 2003, a 65.6% increase.

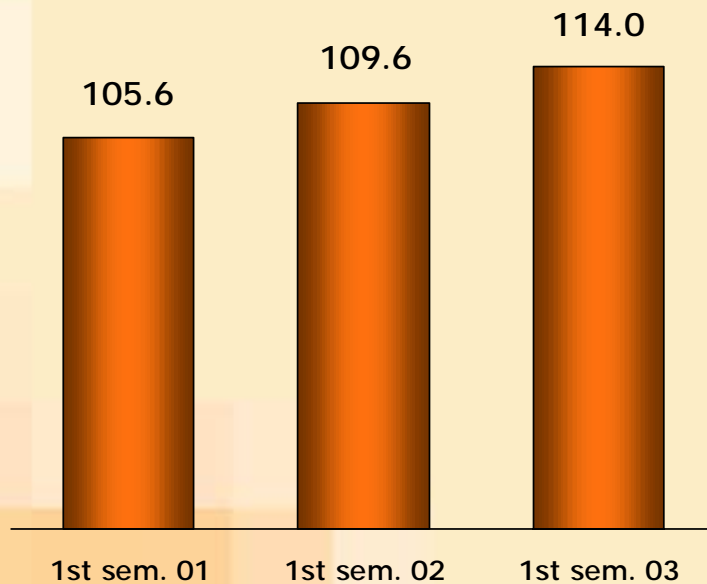
- **Accelerated growth in xDSL services:**

- A similar strong growth took place in xDSL services with contracts signed for “masDSL” services growing from 102 customers at the end of the first six months of 2002 to 1,196 at the end of the second quarter of 2003.

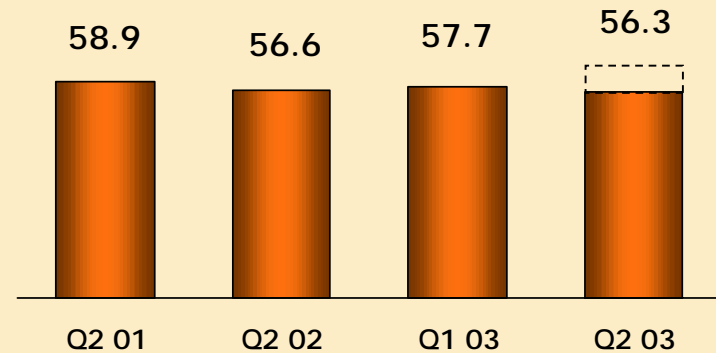
Evolution of Top Line


Million Euros

Year to date evolution



Quarterly evolution



 Adatel extraordinary impact

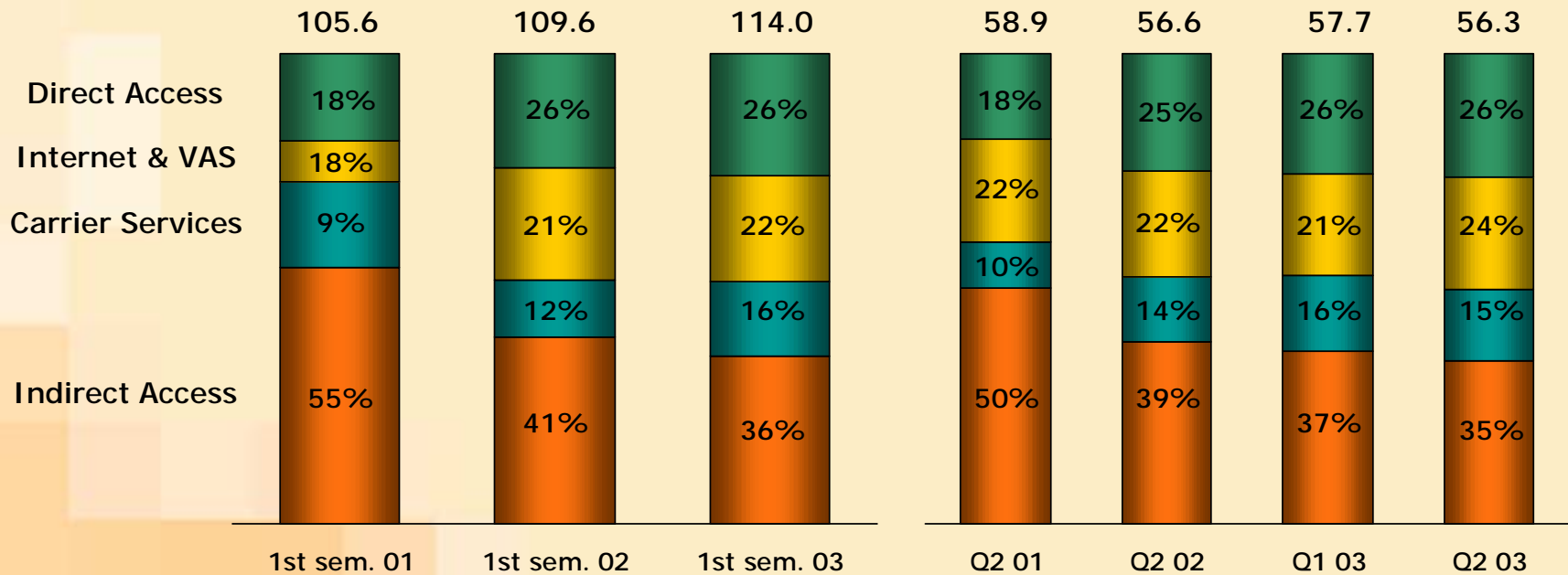
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Revenue Mix Evolution

Million Euros

Year to date evolution

Quarterly evolution

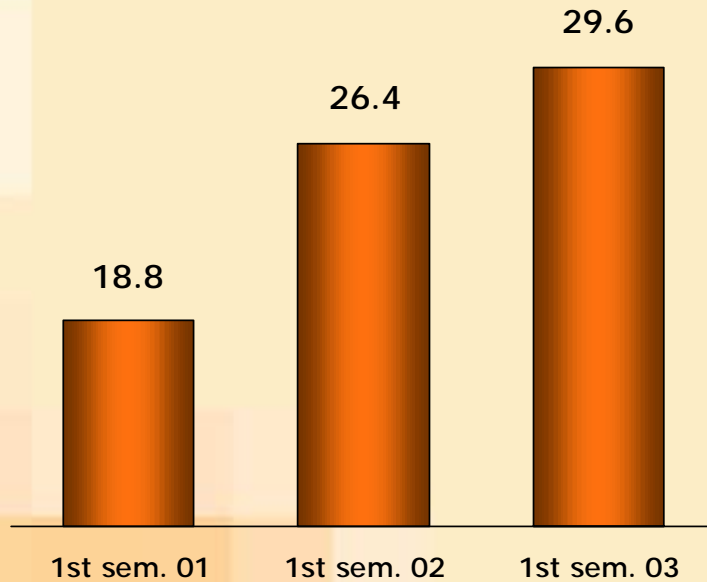


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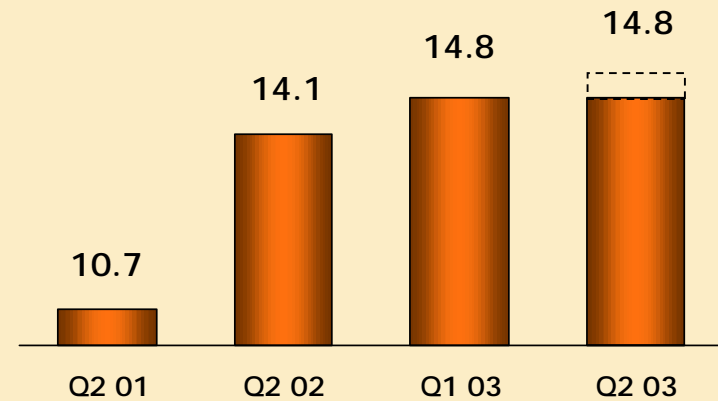
Direct Access Revenues


Million Euros

Year to date evolution



Quarterly evolution

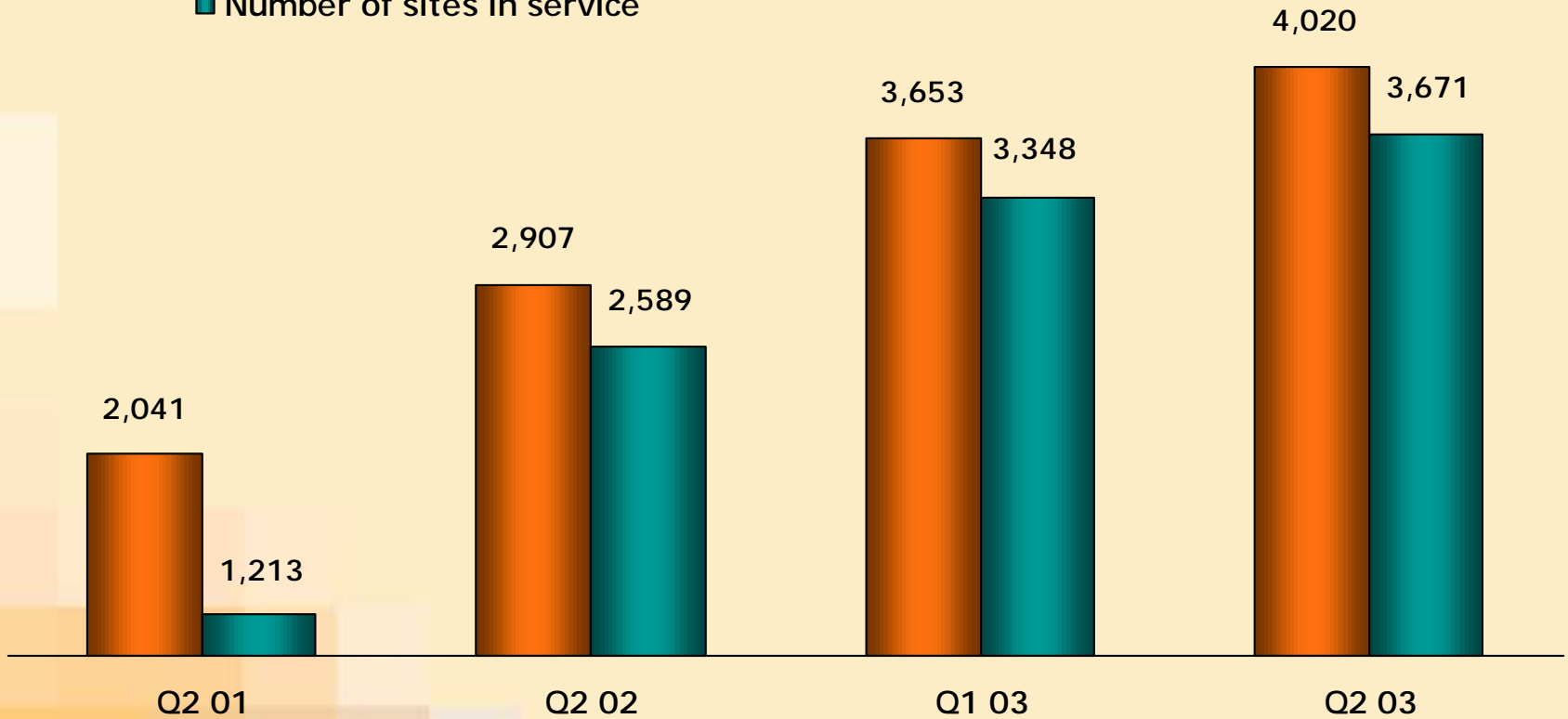


 Adatel extraordinary impact

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Direct Access Customer Take-Up

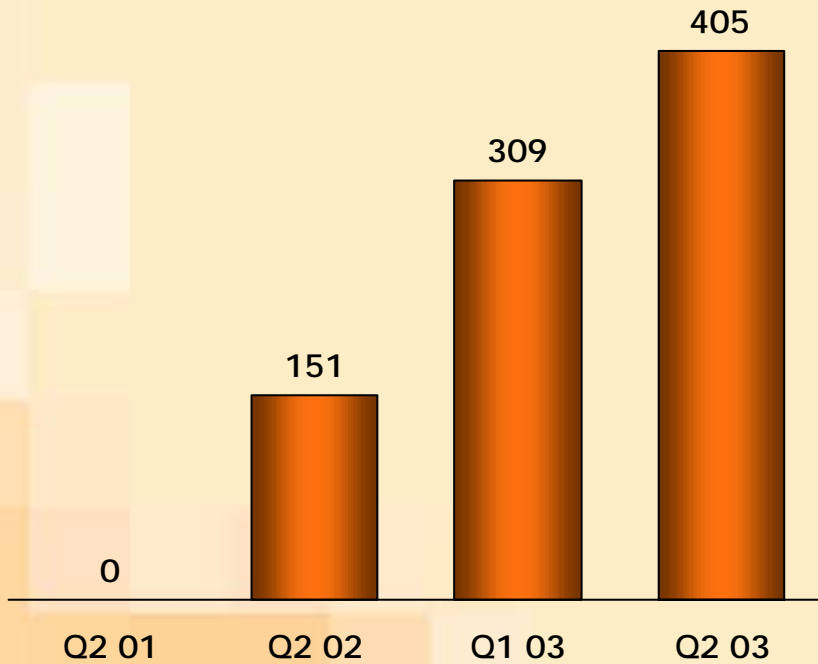
- Number of contracted customers
- Number of sites in service



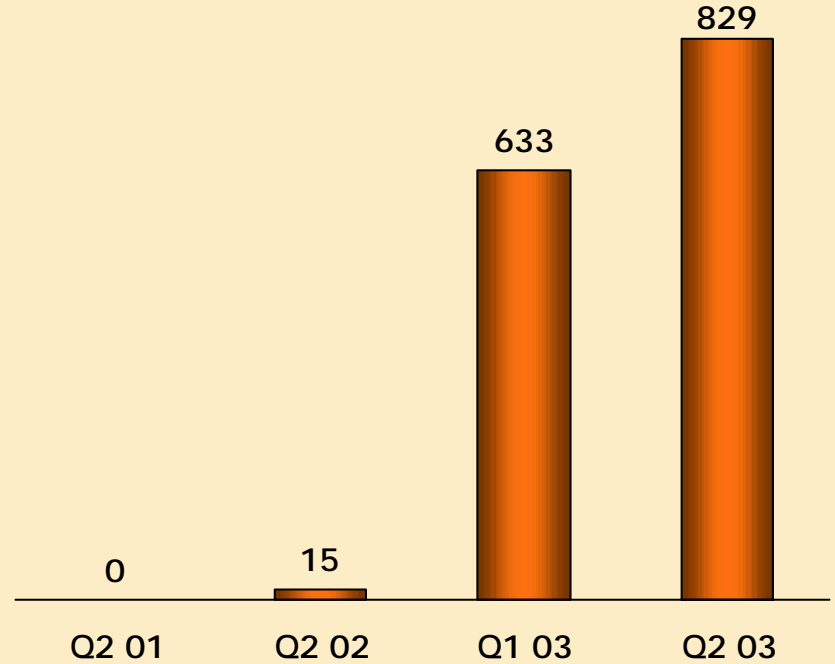
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Evolution of VPNs and xDSL

Number of VPN Services



Number of xDSL provisioned sites



Number of operational Central Offices

0

9

34

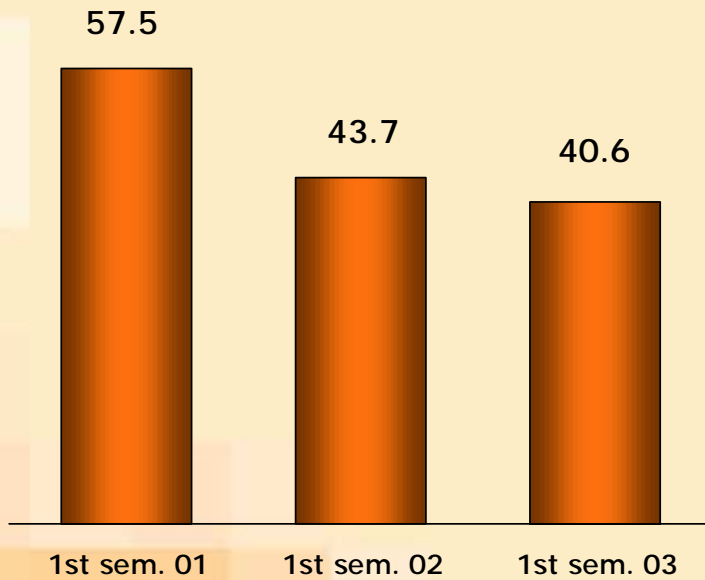
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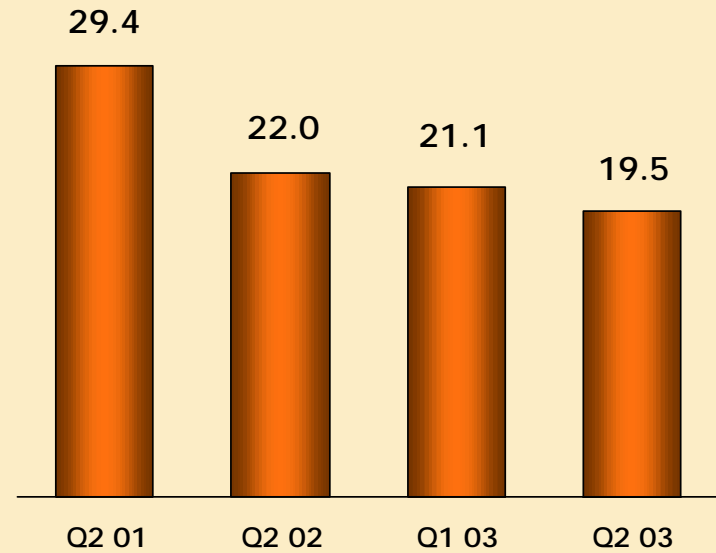
Indirect Access Revenues

Million Euros

Year to date evolution

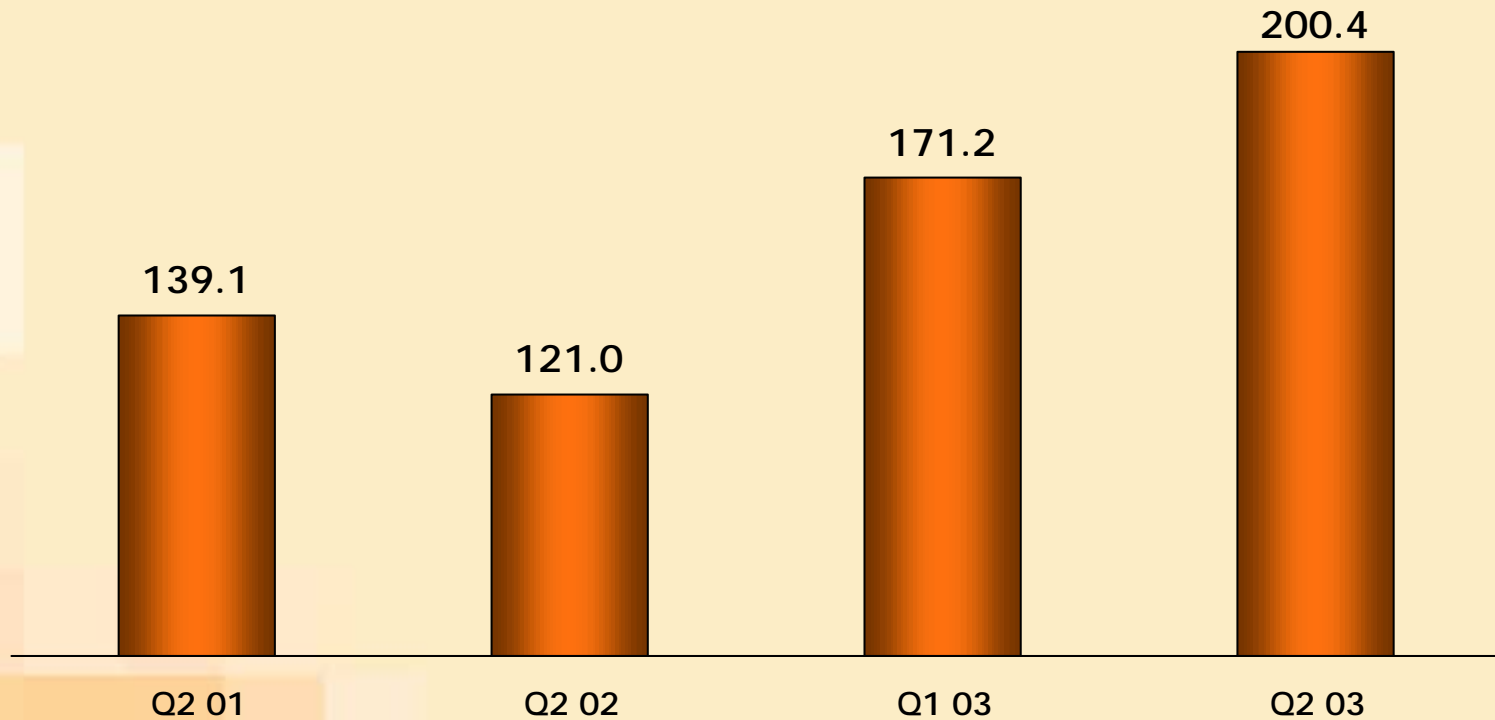


Quarterly evolution



Pre-selected Lines Evolution

Thousands of lines

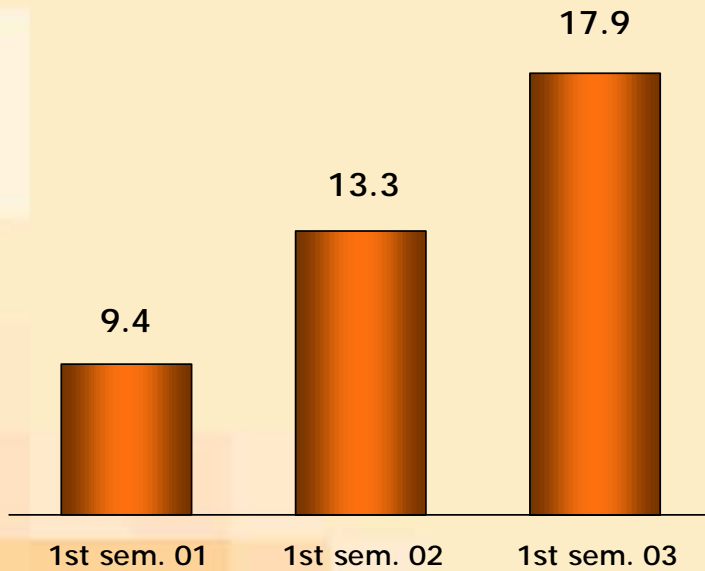


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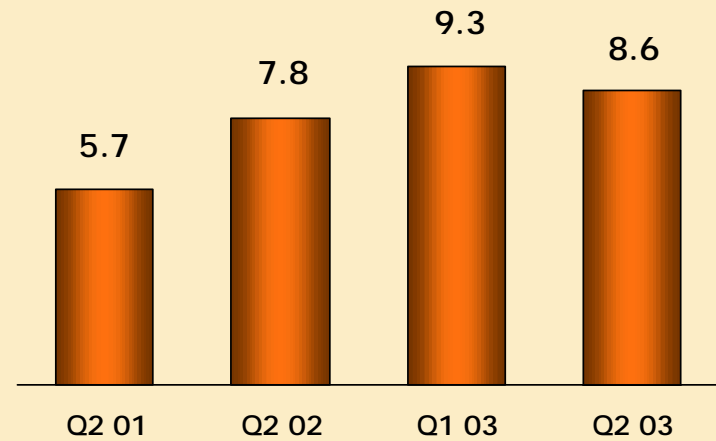
Carrier Services Revenues

Million Euros

Year to date evolution



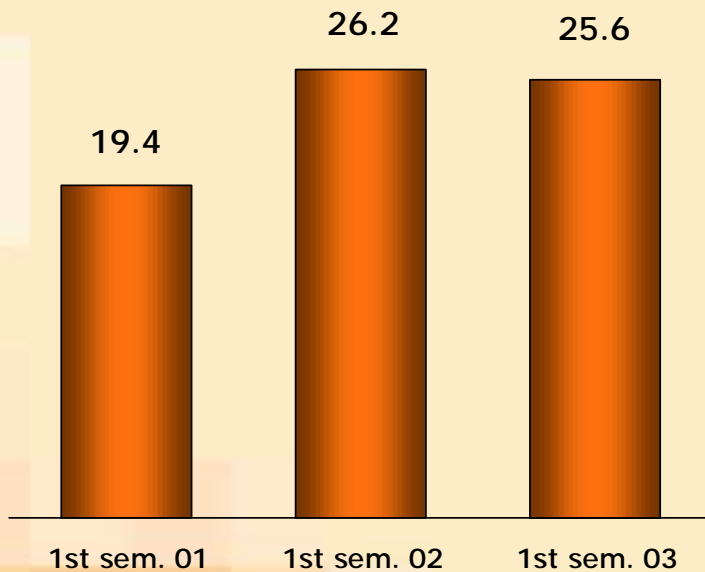
Quarterly evolution



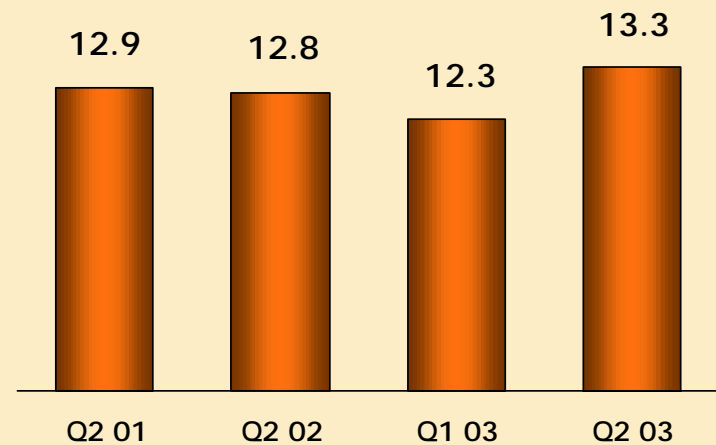
Internet and Value Added Services Revenues

Million Euros

Year to date evolution



Quarterly evolution



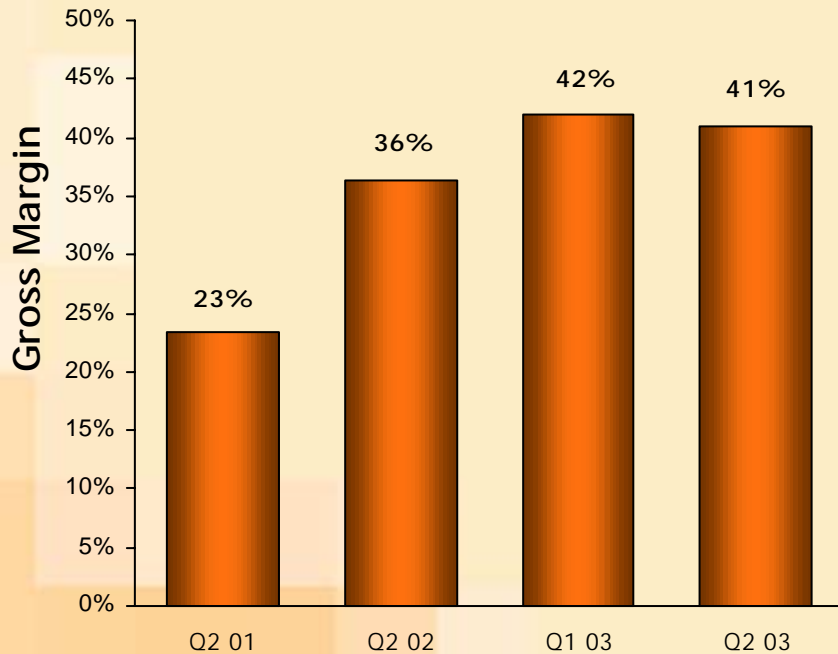
P&L Comparison

Million Euros	1st Sem 2002	1st Sem 2003	Q2 2002	Q1 2003	Q2 2003
Revenues	109.6	114.0	56.6	57.7	56.3
Gross Margin	39.6	47.4	20.6	24.3	23.1
<i>as % of sales</i>	36.1%	41.6%	36.4%	42.1%	41.0%
SG&A	(68.2)	(50.2)	(34.3)	(27.2)	(23.0)
<i>as % of sales</i>	62.2%	44.0%	60.6%	47.1%	40.9%
Adjusted EBITDA ⁽¹⁾	(28.6)	(2.8)	(13.7)	(2.9)	0.1
<i>as % of sales</i>	-26.1%	-2.5%	-24.2%	-5.0%	0.2%
Net Profit / (Loss)	(78.3)	(51.5)	(45.2)	(26.8)	(24.7)
<i>as % of sales</i>	-71.4%	-45.2%	-79.9%	-46.4%	-43.9%
CAPEX	(35.9)	(5.2)	(14.3)	(2.7)	(2.5)
<i>as % of sales</i>	32.8%	4.6%	25.3%	4.7%	4.4%

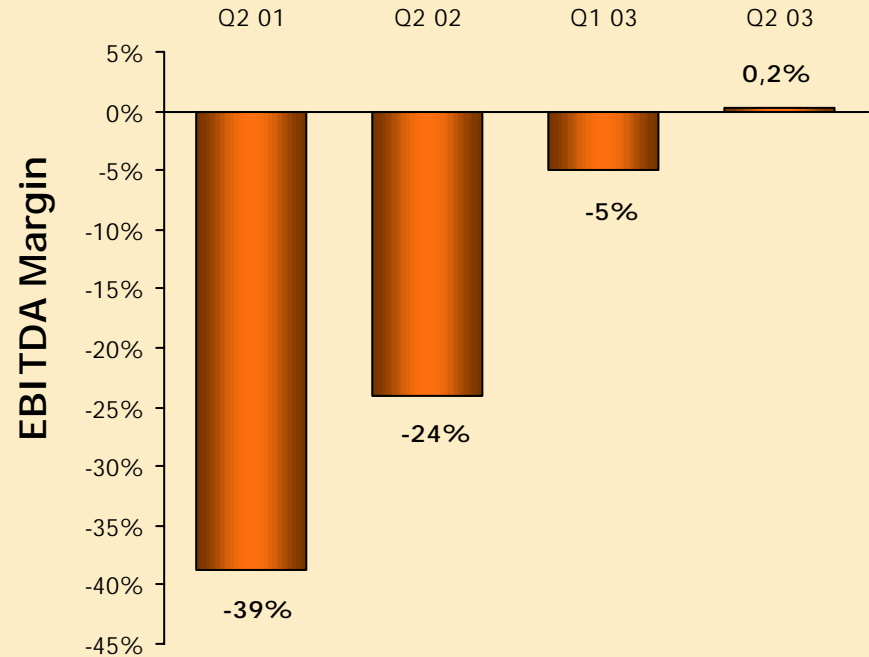
⁽¹⁾ Excludes impact of non-cash accounting charges for option grants of Euro 2.0 million in the first quarter of 2002, Euro 2.0 million in the second quarter of 2002, Euro 0.3 million in the first quarter of 2003, and nil in the second quarter of 2003.

Margin Evolution

Gross Margin as % of Sales



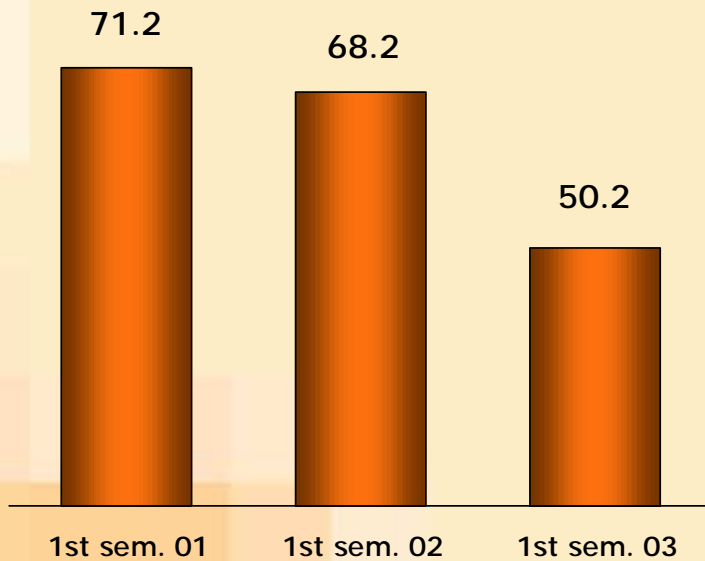
EBITDA Margin as % of Sales



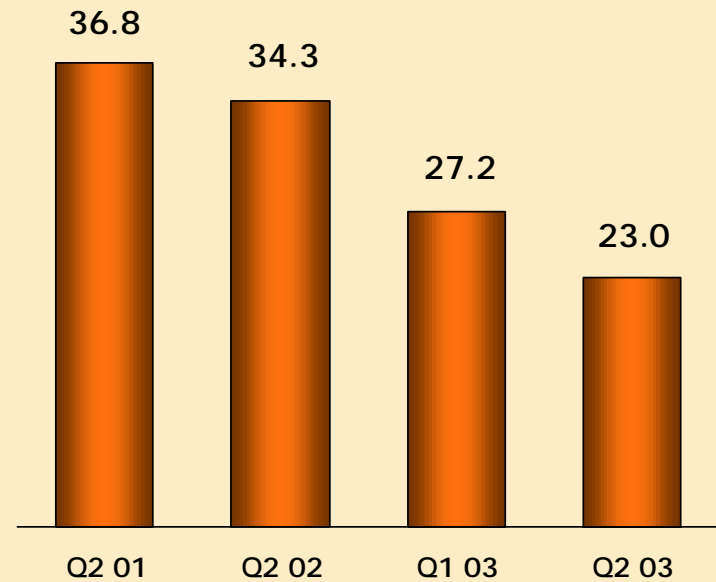
SG&A Evolution

Million Euros

Year to date evolution



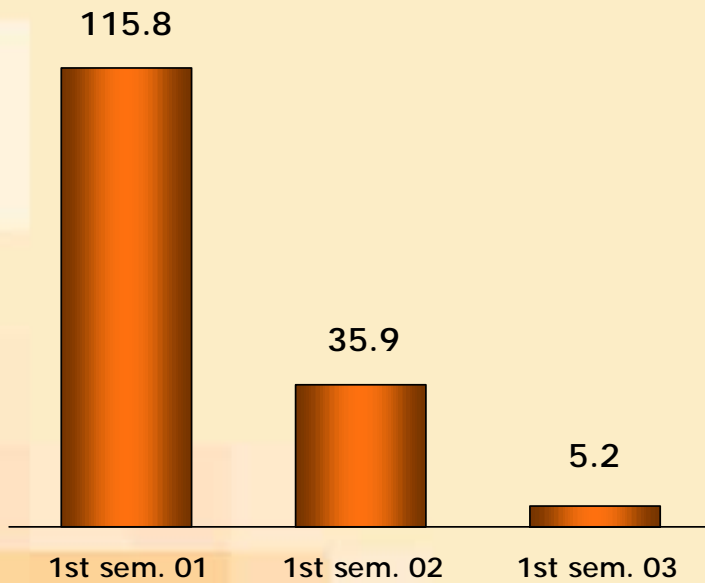
Quarterly evolution



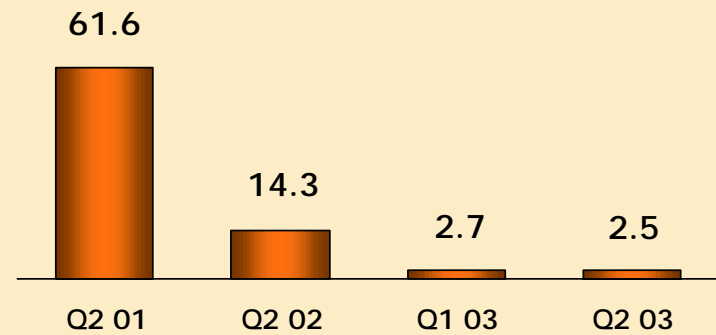
CAPEX Evolution

Million Euros

Year to date evolution

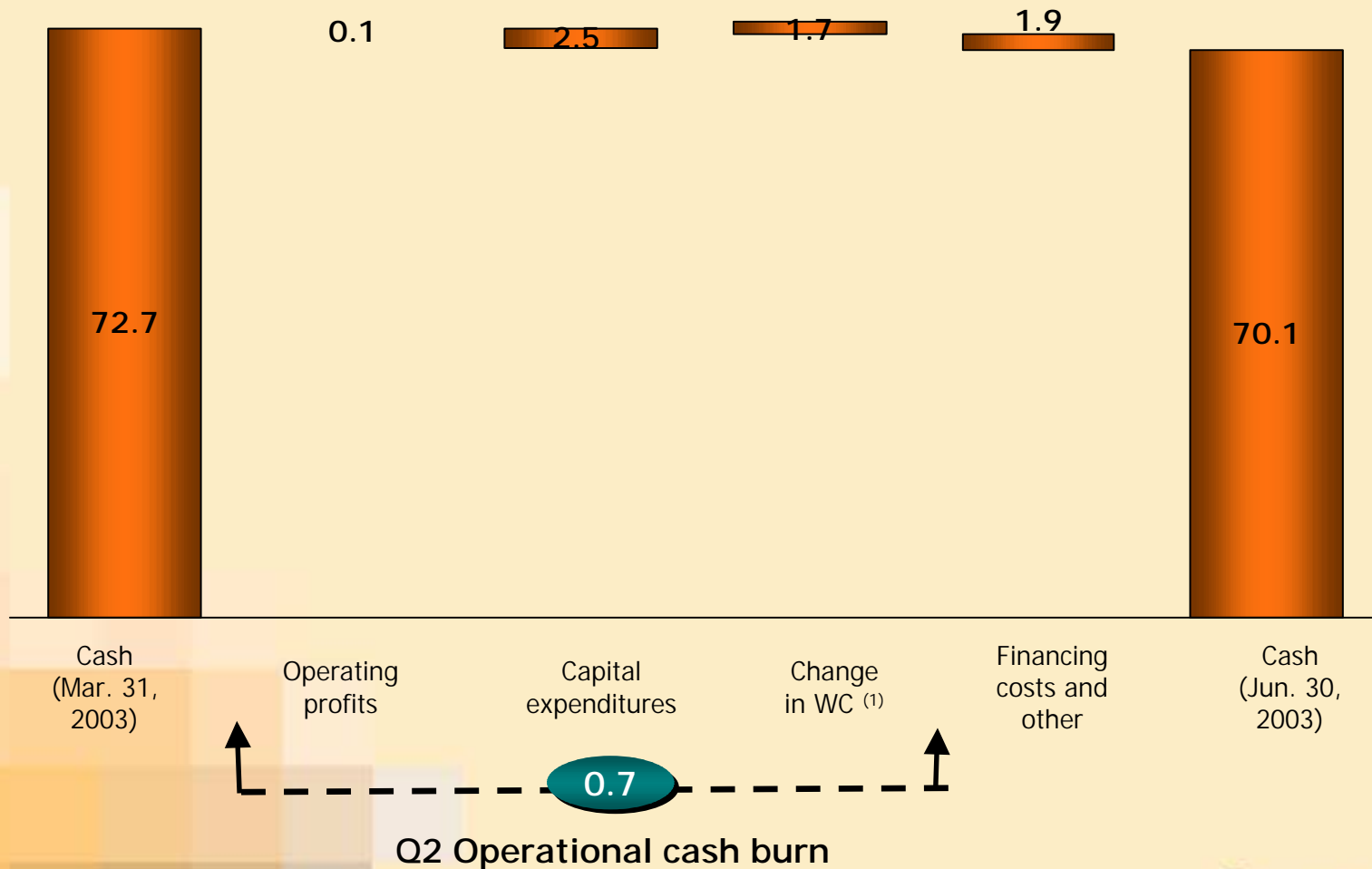


Quarterly evolution



Cash Burn of the Quarter

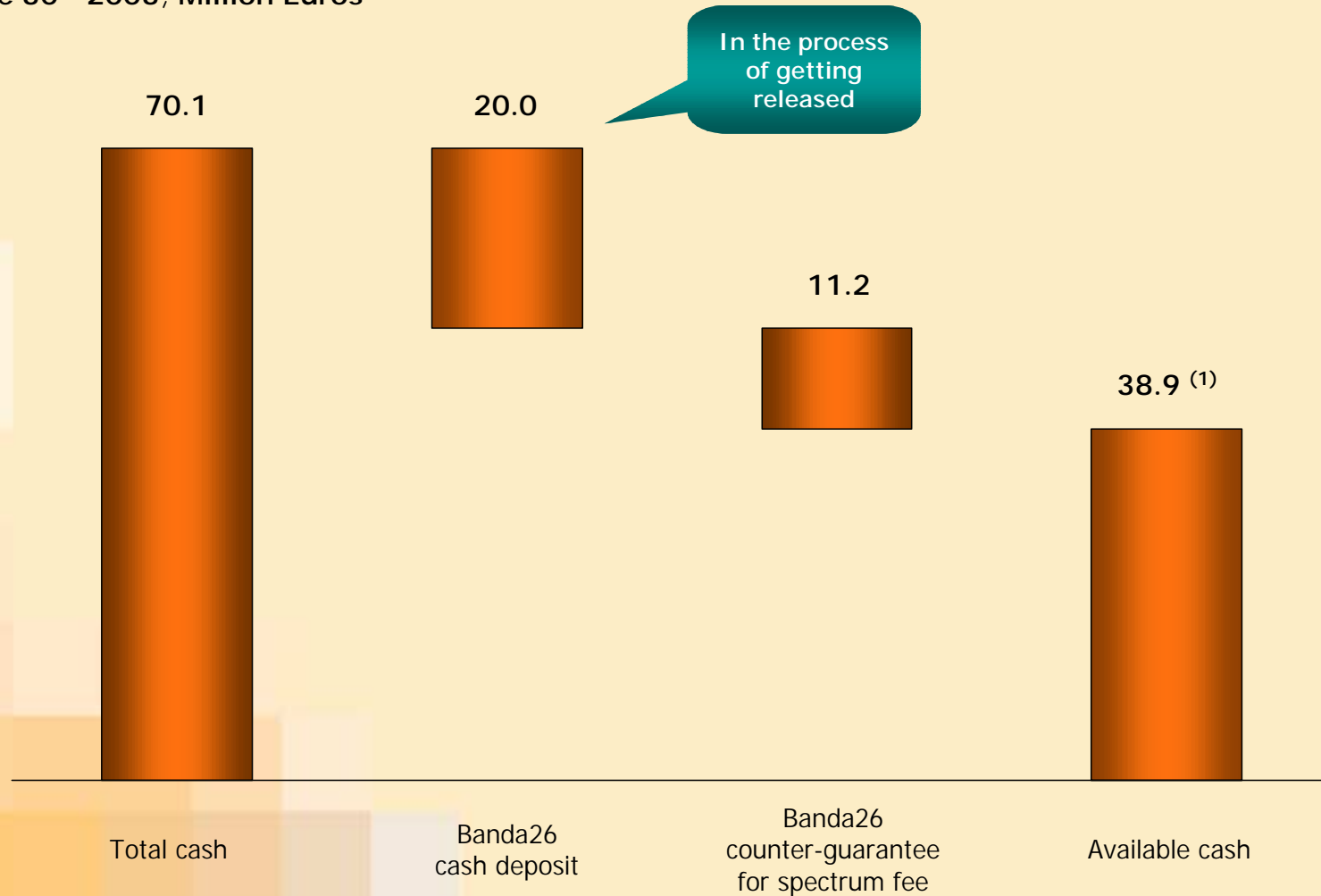
June 30th 2003; Million Euros



⁽¹⁾ Includes euro 7.7 million of VAT refund in Spain

Current Cash Position

June 30th 2003; Million Euros



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