JAZZTEL:
Q4 and full year 2011 Results

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Madrid,
February 29th,
2012

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JAZZTEL exceeded 2011 guidance achieving over 1.1 million broadband customers and 75K net adds in Q4

	Q4 2011	2011	YoY % growth	2011 guidance
Broadband customers (000s)	1,123		+30%	1,030 – 1,050
Revenue €m	206.7	753.9	+23%	730 - 750
EBITDA €m	36.8	139.5	+49%	120 - 130
Net Profit €m	6.4	50.7*	x7	25 – 35*

(*): Includes 12.8 million euros net effect of tax credits activation and corporate tax expenses. This effect was not included in the company's 2010-12 business plan guidance.

JAZZTEL becomes a significant player in all segments of the Spanish telecoms market

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Year-on-Year customer base growth

Broadband

+30%

Fastest growing broadband provider in Spain

1

JAZZTEL leverages its ADSL success to firmly establish itself in television and mobile

Pay TV

2.7x

First Over-the-Top TV solution in the market

1

Mobile

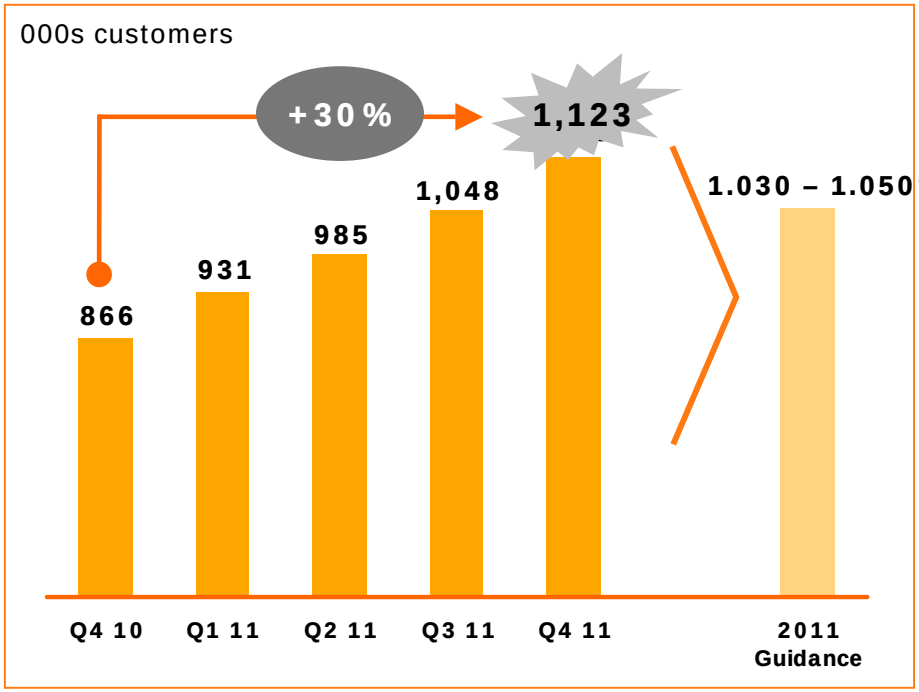
2.6x

Second fastest growing virtual mobile operator (MVNO)

2

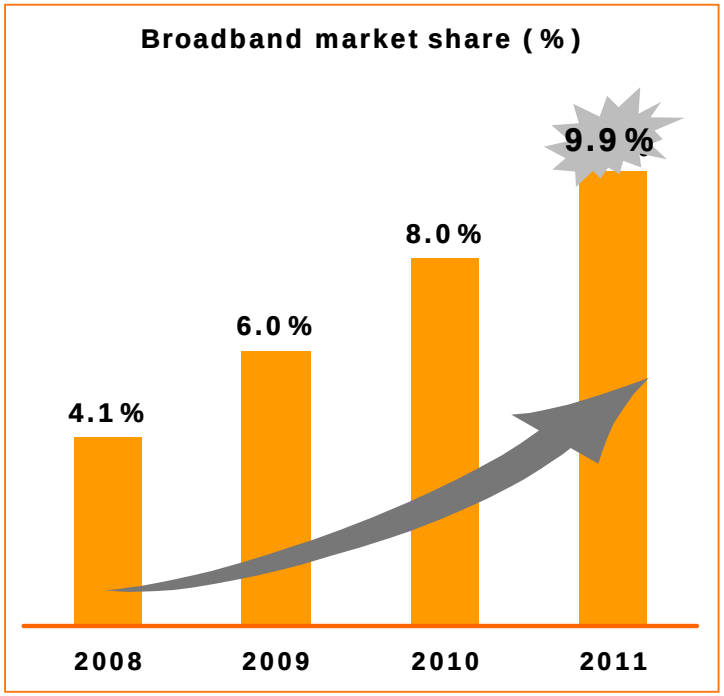
JAZZTEL's 75K broadband net adds in Q4 mark one of the best quarters in its history

Contracted broadband customer base



(*): 2010-12 Business Plan guidance for active broadband customers

JAZZTEL's Market share %



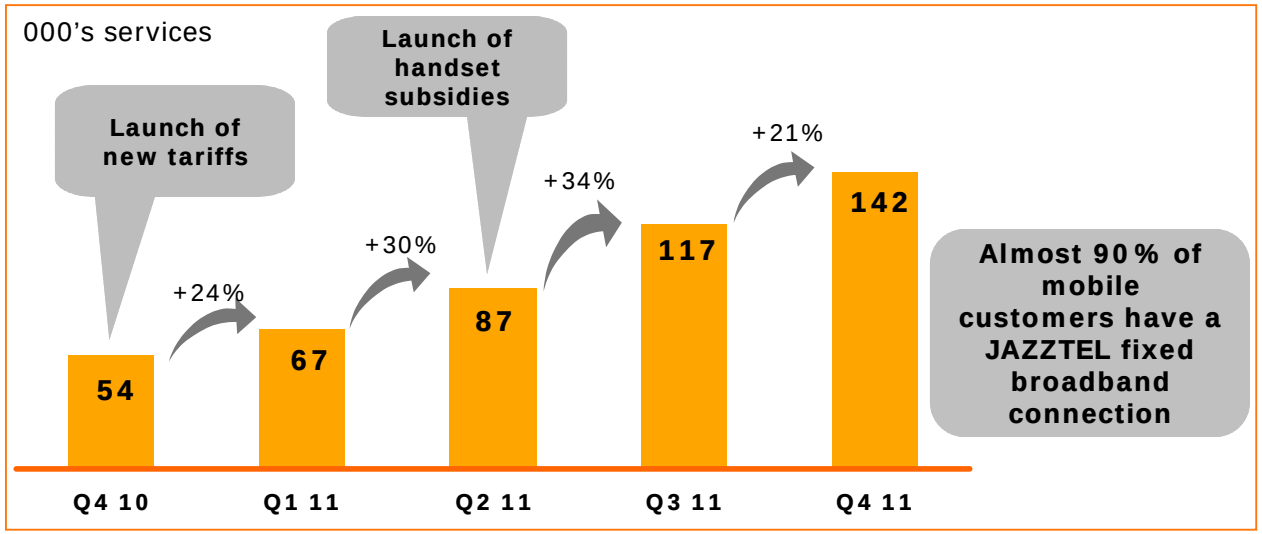
Source: JAZZTEL; CMT.

Improvements in Broadband adds driven by:

- **Commercial activities**
  - New products (e.g. VDSL net adds were 21K in Q4)
  - Good bundle offers; combination of broadband with TV and mobile offers
- **Churn reduction:**
  - Age of customer base is improving churn profile
  - Bundle offers act as a good retention tool

JAZZTEL's Broadband growth is leveraging on a highly competitive mobile offer....

JAZZTEL has almost tripled its mobile services during 2011



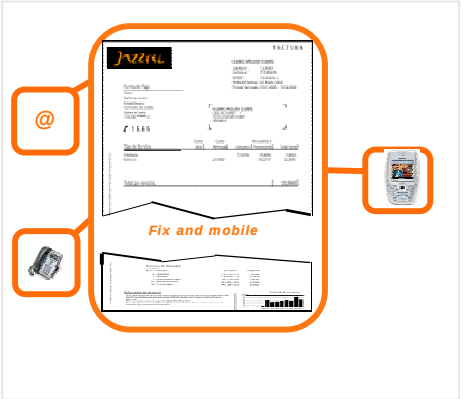
Simple and competitive tariffs

+

Latest handsets

+

Bundle integration



The first Over-the-Top TV offering in Spain will drive future growth

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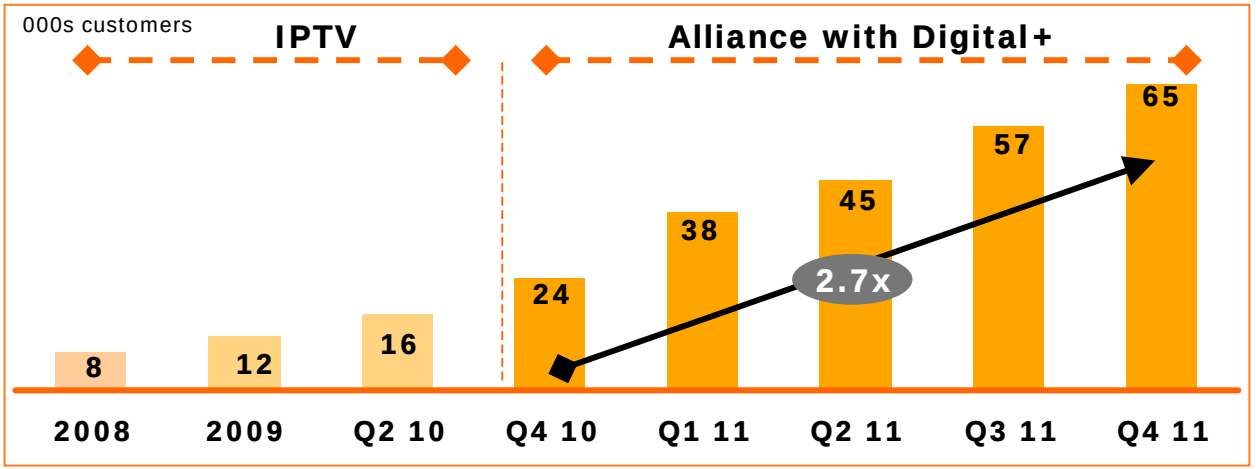
JAZZTEL offers the best Over-the-Top TV solution in Spain...

Commercial launch: February 7th

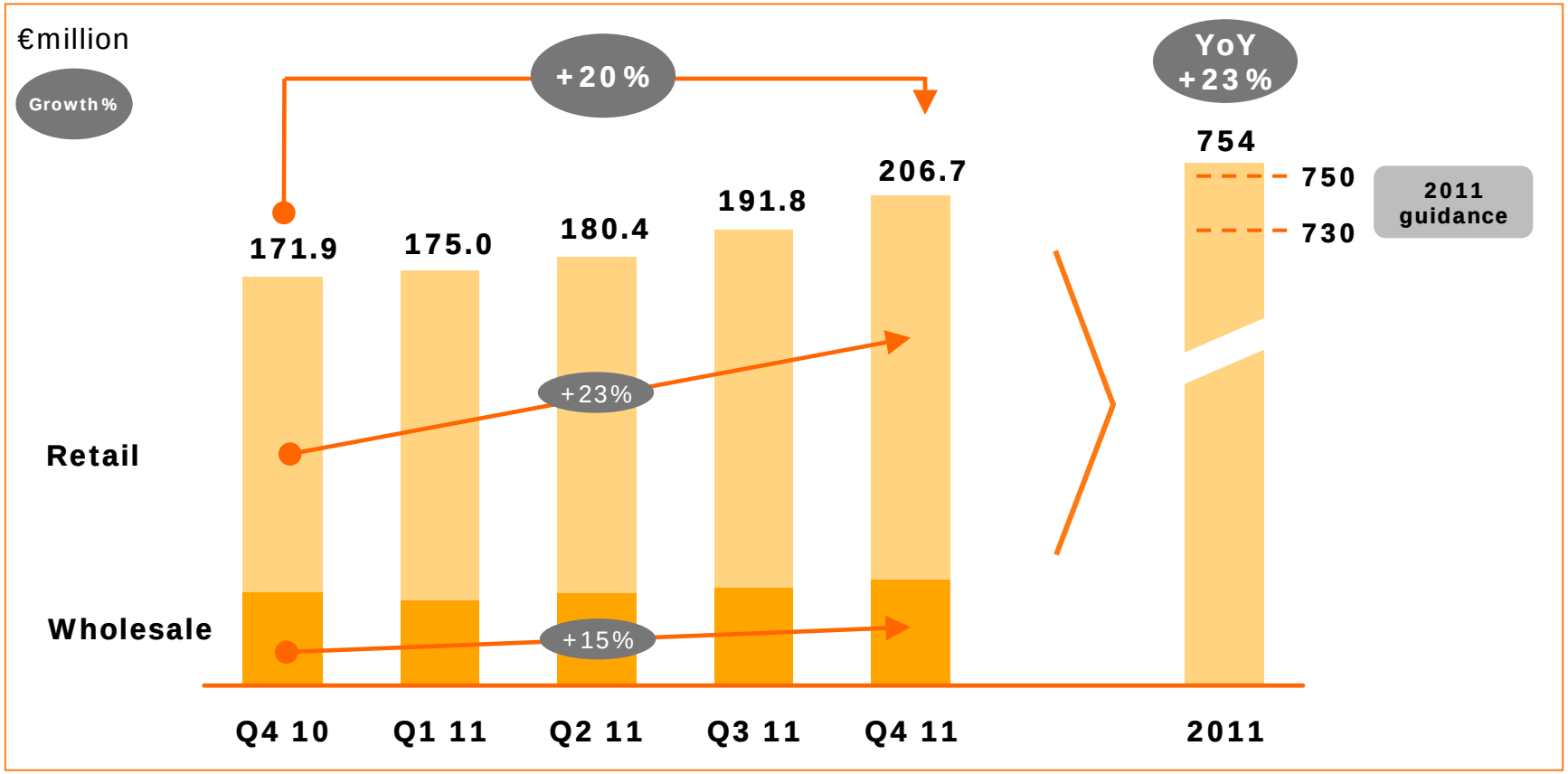
... and reinforces its current pay TV bundle proposition



Financials

JAZZTEL's revenue growth continues to be driven by the Retail business

Quarterly revenue



Strong gross margin growth and efficient SG&A expense management

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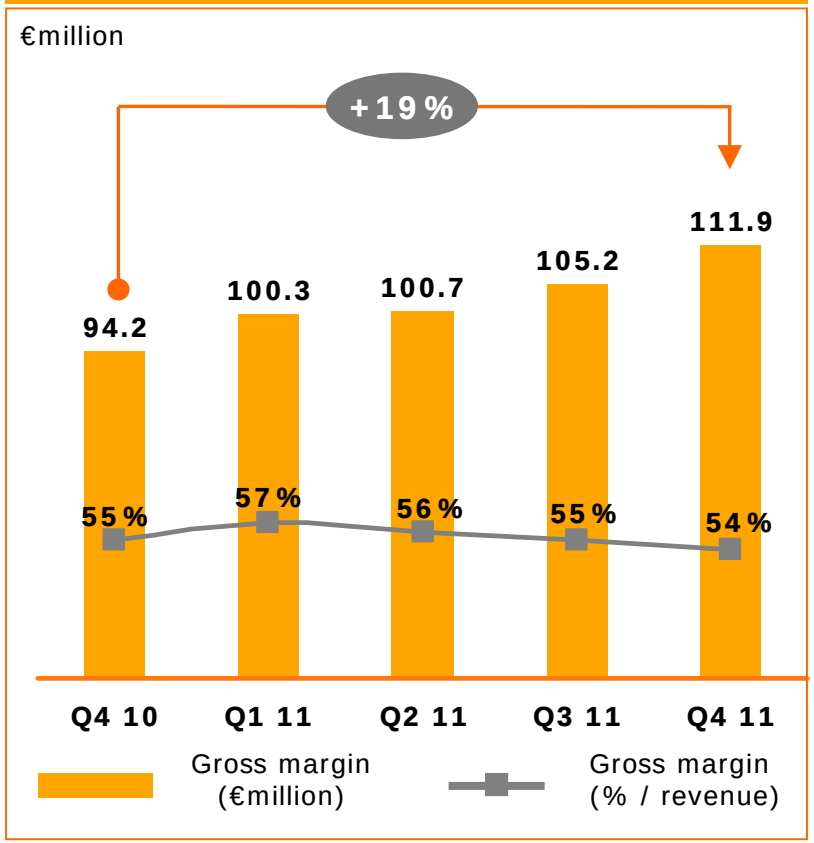
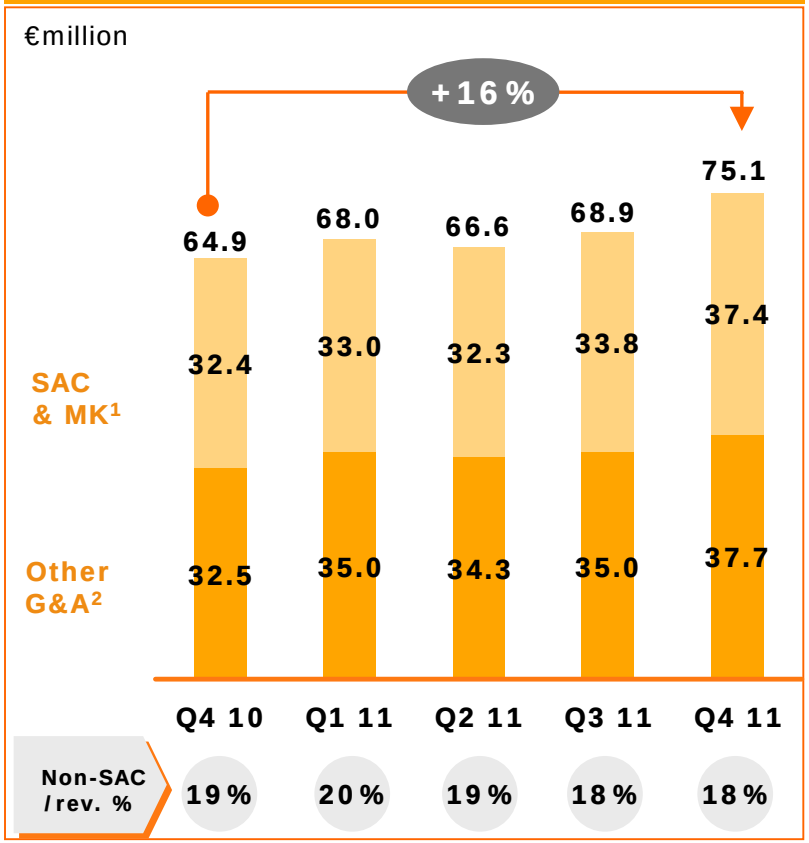
Gross margin - % revenue



SG&A Expenses – Non-SAC % revenue



1) SAC & MK: sales, acquisition costs and marketing.
2) Other G&A expenses includes network, IT, personnel, customer care, other business lines and others.

Operating leverage drives EBITDA margin improvements despite strong customer growth

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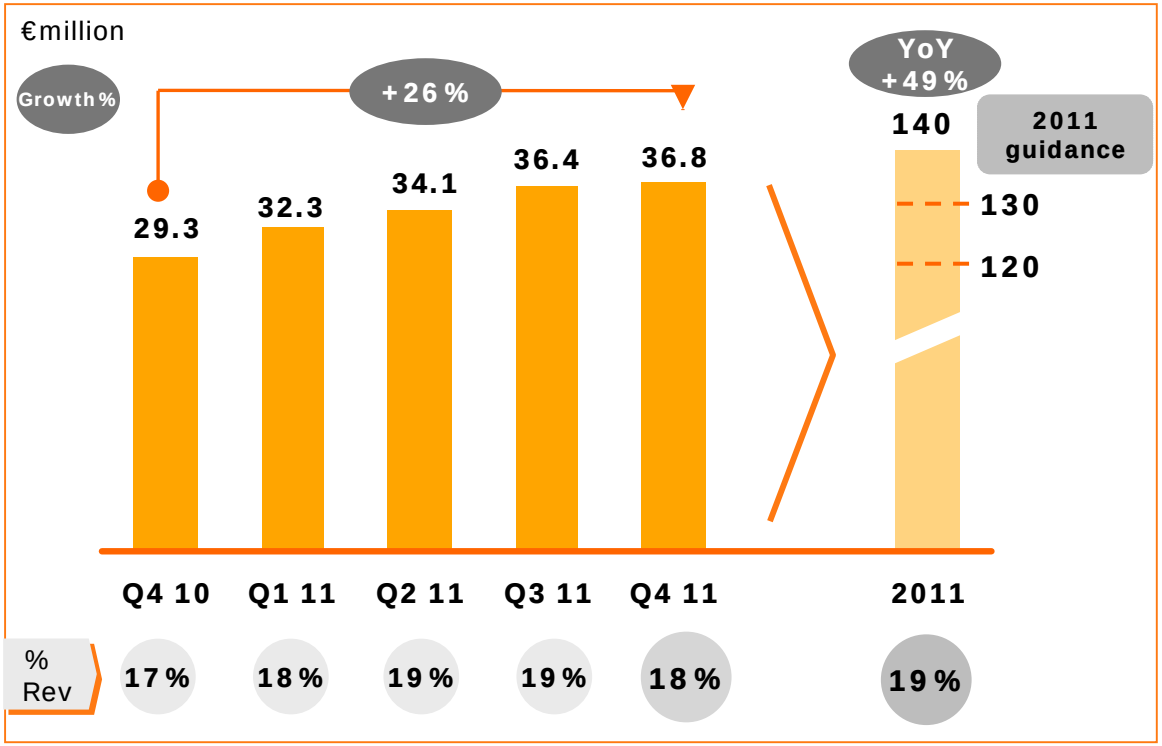
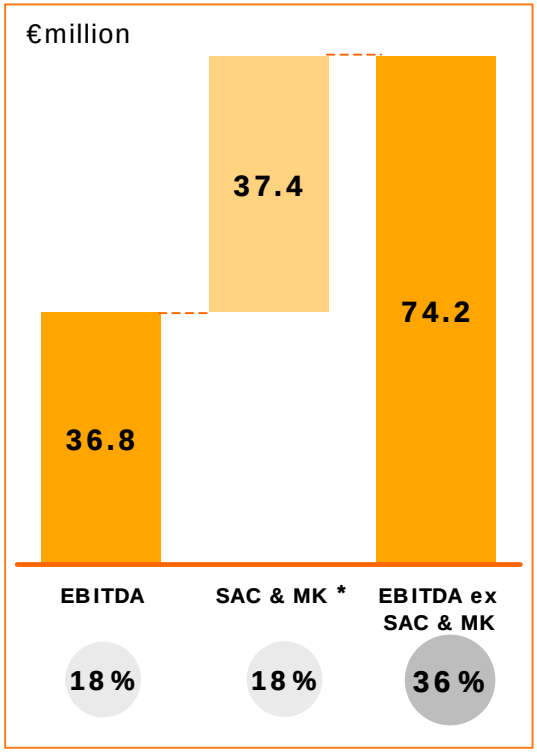
EBITDA margin



Q4 2011 EBITDA margin ex SAC & MK

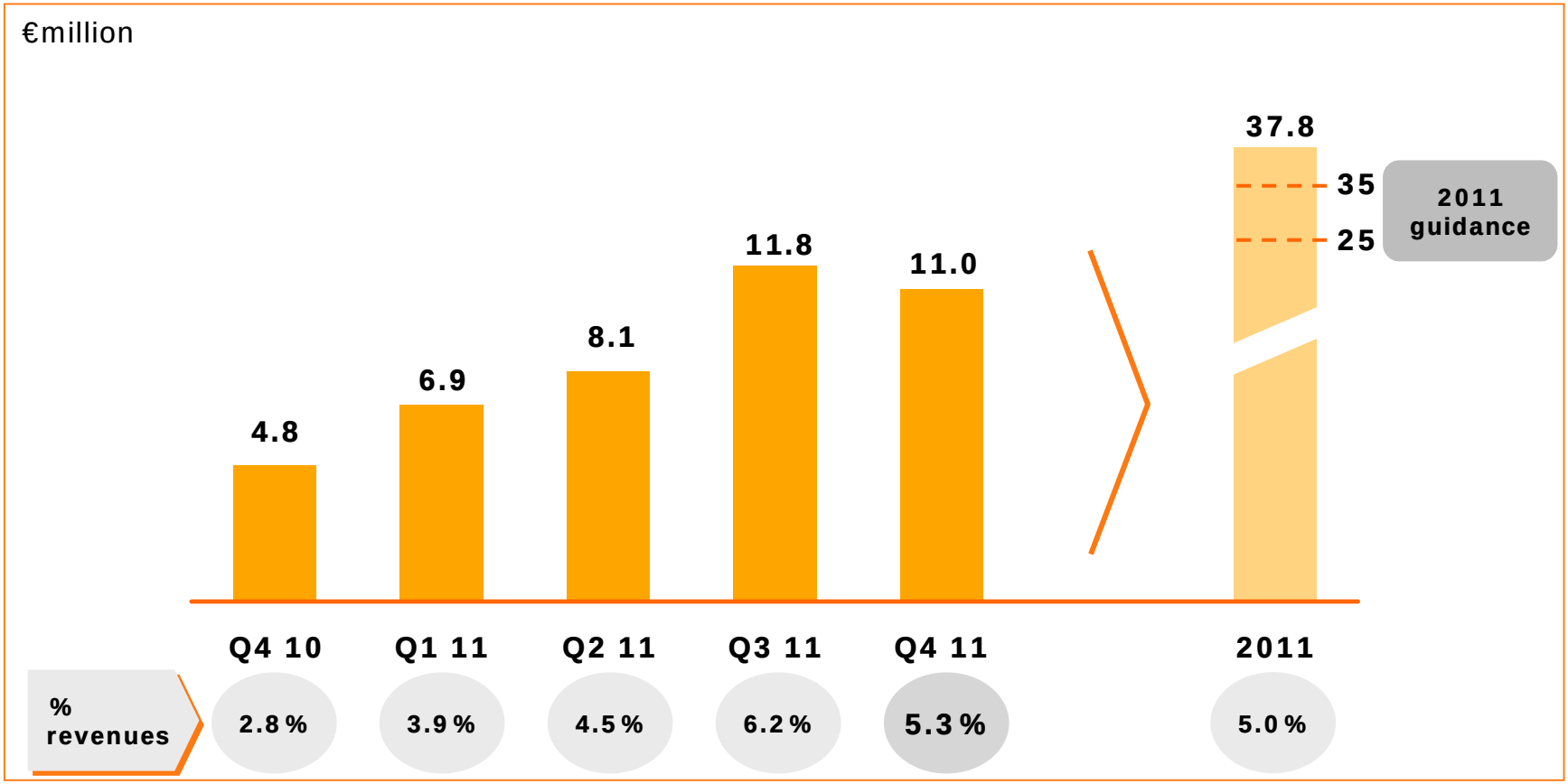


JAZZTEL's customer base is generating over 74.2 million Euros of EBITDA per quarter, excluding SAC and MK*

(*) SAC and MK: Sales, acquisition costs and marketing.

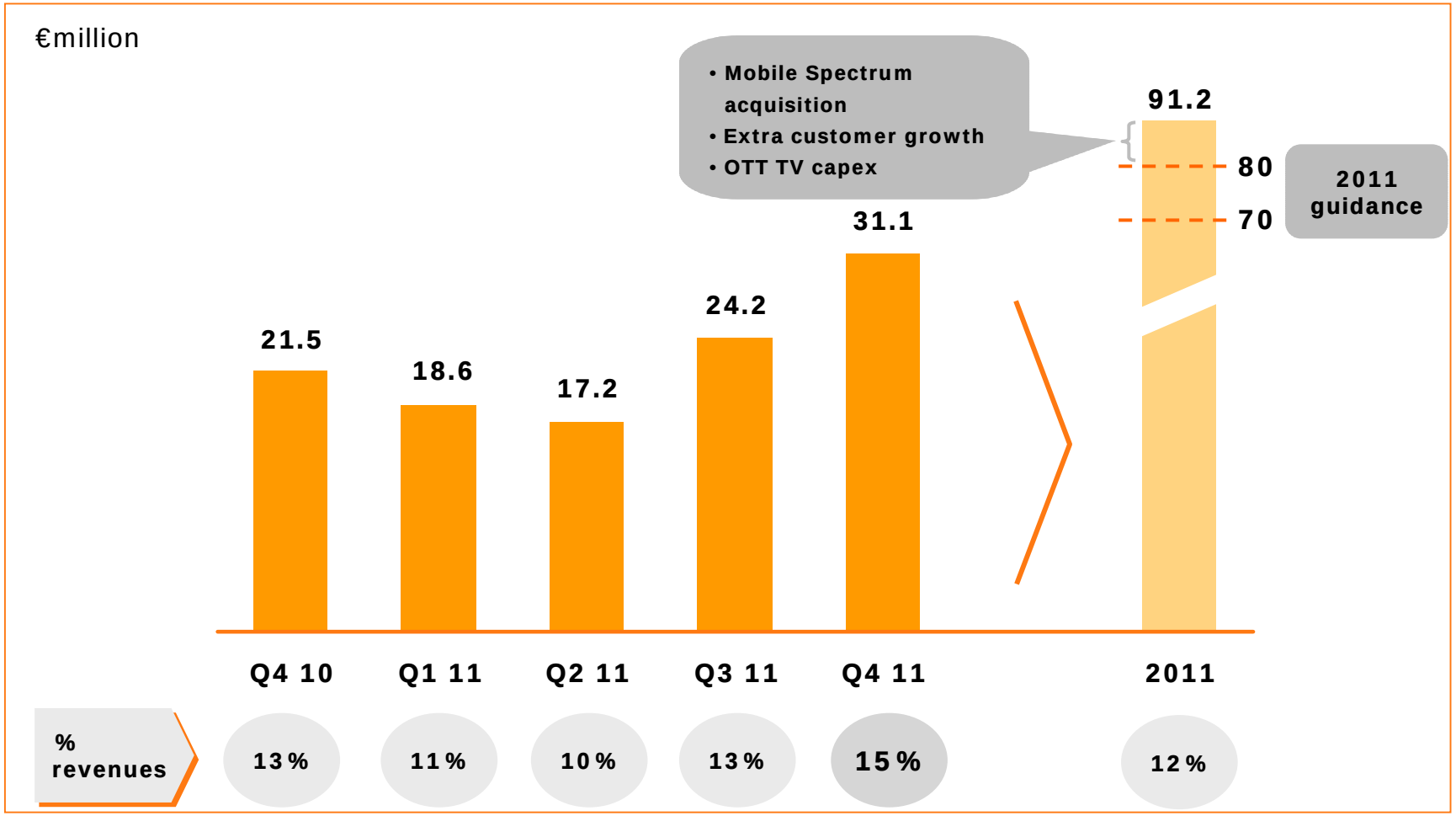
Net profit continues to grow strongly and in line with operating profit

Net Profit (before taxes)



Capex remains tightly controlled despite strong customer growth and the launch of new projects

Quarterly Capex



Operating cash flow continues to grow

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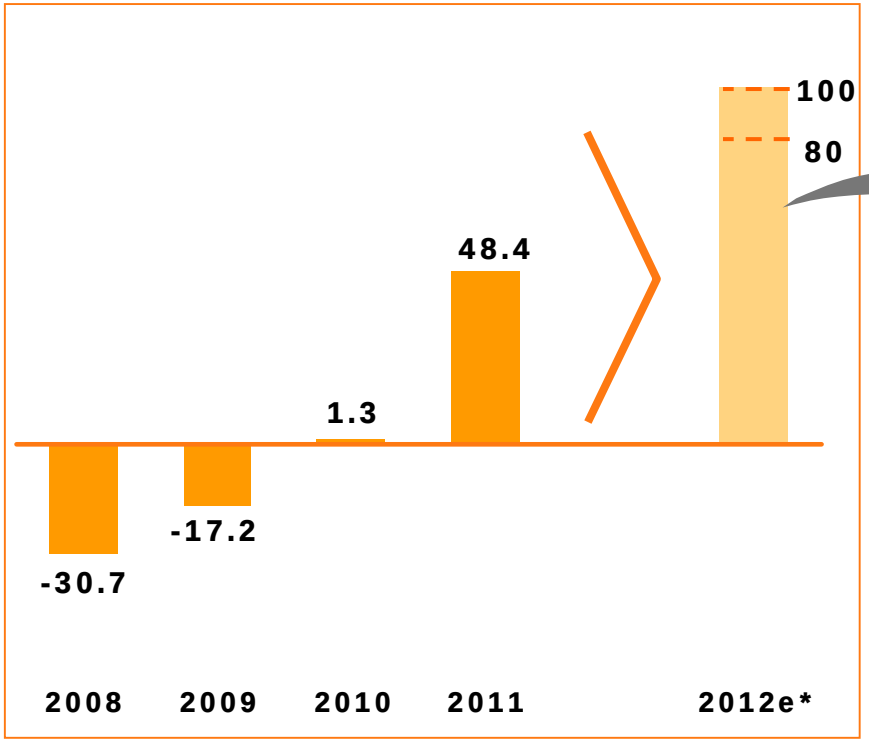
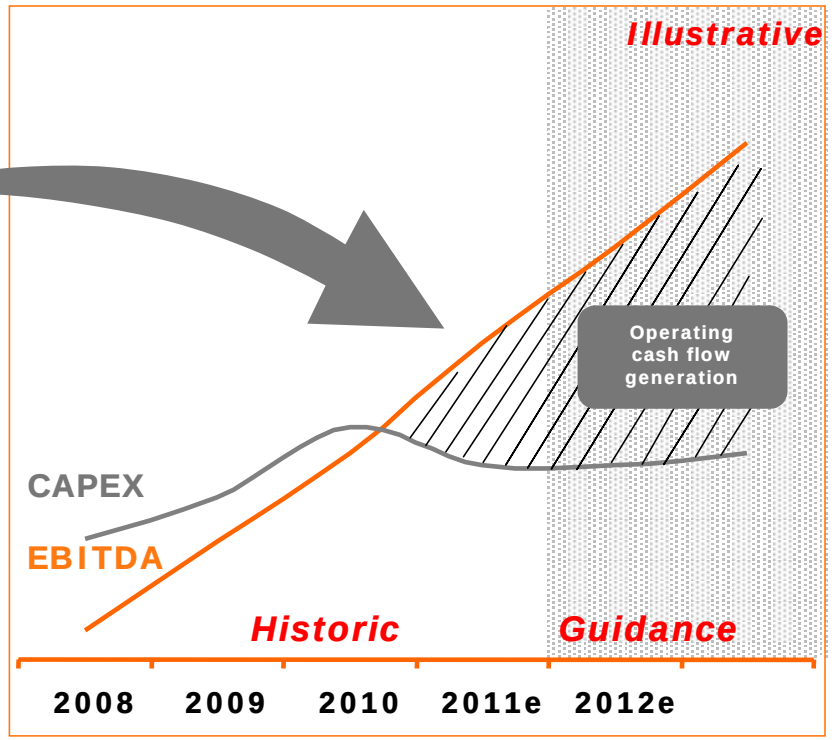
Operating cash flow (EBITDA-CAPEX)



(*): Based on new 2012 guidance

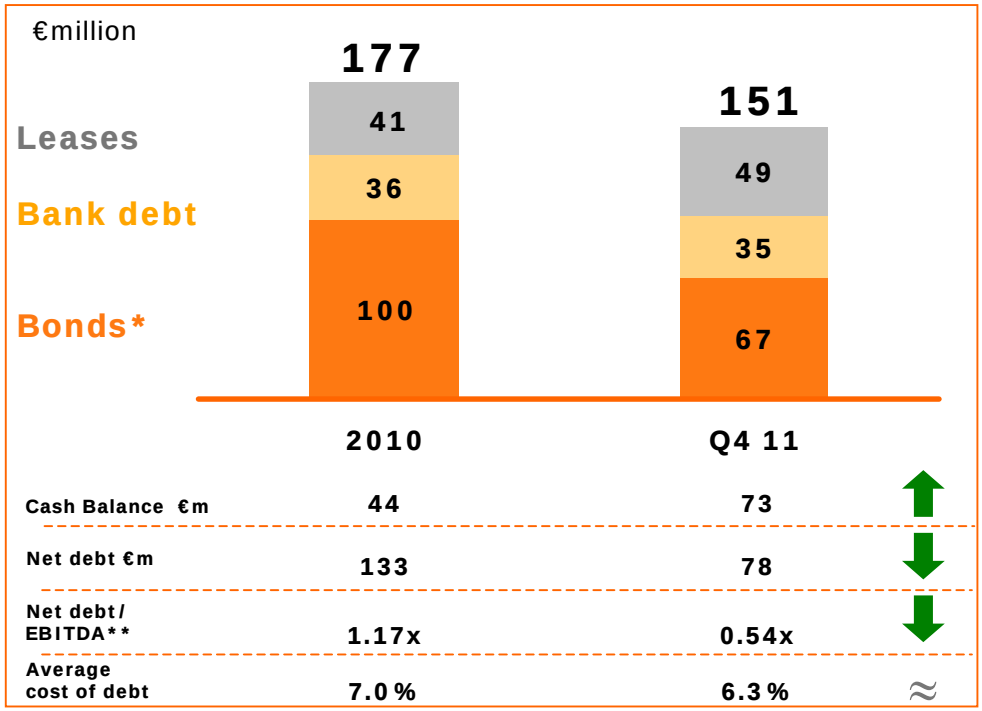
JAZZTEL is increasing operating cash flow generation



Operating cash flow is rapidly growing due to an efficient business model and operational leverage

JAZZTEL continues to strengthen its balance sheet, supporting shareholder value creation

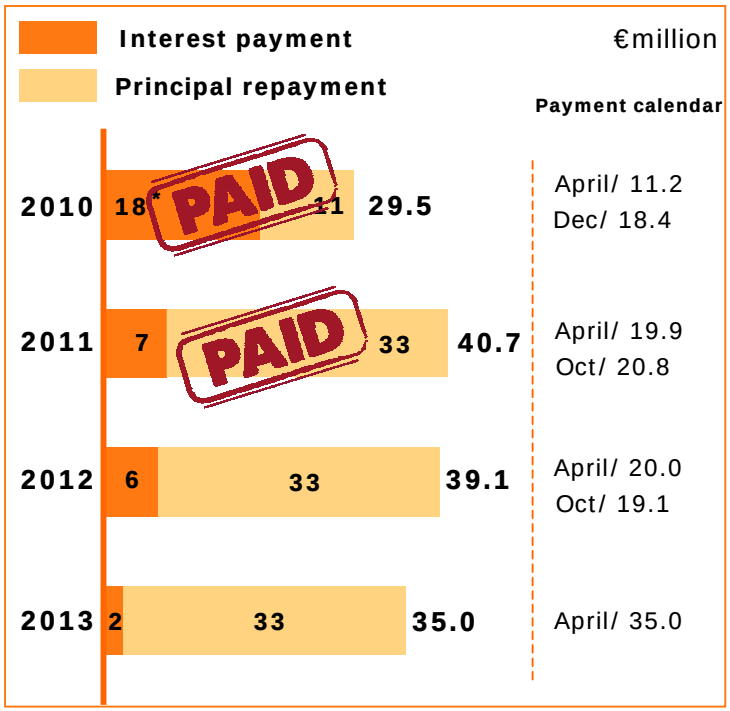
Total Gross Financial Debt



(*): Includes principal and accrued interest

(**): Based on the last two reported quarters' EBITDA run rate.

Bond repayment schedule



(*): Includes 20 months' interest (from April 2009 to December 2010)

In Q4 JAZZTEL reduced its net debt/EBITDA ratio to 0.54x (vs. 1.17x in 2010)

JAZZTEL raises its 2012 guidance

	Old 2012 guidance	New 2012 guidance	2012e* vs. 2011 (%)
Broadband customers (000s)	1,200 - 1,250	1,300 - 1,350	+20%
Revenue €m	850 - 890	870 - 900	+17%
EBITDA €m	145 - 165	170 - 180	+25%
Net Profit €m**	50 - 65	55 - 65	+18%
CAPEX €m	65 - 75	80 - 90	-7%

(*): growth based on mid-range of guidance

(**): net profit assuming corporate tax expenses and no further tax credit activation

Conclusion: Delivery of a Profitable Growth Story

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+ In 2011 JAZZTEL exceeded guidance to deliver strong operational and financial results ✓

+ JAZZTEL continues as market leader in broadband growth, with 257k net adds in 2011 ✓

+ JAZZTEL's efficient business model and customer base scale supports strong cash flow generation in the near future ✓

+ Guidance for 2012 has been raised due to confidence in the business outlook ✓

= **JAZZTEL is creating value for shareholders through profitable growth** ✓✓

Q&A

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