



## **2004 ONO FINANCIAL STATEMENTS (Unaudited)**

- **GRUPO CORPORATIVO ONO**  
Condensed Consolidated Financial Statements
  
- **CABLEEUROPA**  
Condensed Consolidated Financial Statements
  
- **CABLEEUROPA + RETECAL**  
Combined Condensed Financial Statements



# **GRUPO CORPORATIVO ONO**

## **Condensed Consolidated Financial Statements**

- **Balance Sheet**
- **Statement of operations**
- **Cash flow**

**GRUPO CORPORATIVO ONO**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

Unaudited figures (Euro thousand)

	<b>31-Dec-04</b>	<b>30-Sep-04</b>	<b>31-Dec-03</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash	4.669	4.592	6.802
Short-term investments, net	22.370	42.637	26.450
Accounts receivable and other current assets	63.044	50.971	54.876
<b>Total current assets:</b>	<b>90.083</b>	<b>98.200</b>	<b>88.128</b>
<b>Fixed assets</b>			
Start-up costs, net	13.229	14.677	11.502
Intangible assets, net	191.209	140.424	121.443
Tangible assets, net	1.658.792	1.609.718	1.295.143
Financial assets, net	274.360	284.518	263.577
<b>Total fixed assets:</b>	<b>2.137.590</b>	<b>2.049.337</b>	<b>1.691.665</b>
<b>Goodwill on consolidation</b>	<b>239.304</b>	<b>258.066</b>	<b>226.543</b>
<b>Deferred expenses, net</b>	<b>33.578</b>	<b>33.878</b>	<b>57.260</b>
<b>TOTAL ASSETS</b>	<b>2.500.555</b>	<b>2.439.481</b>	<b>2.063.596</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
Short-term debt	38.345	28.475	22.418
Accrued interest expense	15.697	14.917	25.184
Accounts payable and other current liabilities	369.716	297.476	266.380
<b>Total current liabilities:</b>	<b>423.758</b>	<b>340.868</b>	<b>313.982</b>
<b>Long-term debt</b>			
Senior bank facility	789.000	769.000	515.000
Senior subordinated notes	456.547	449.222	410.427
Other	36.703	28.337	25.460
<b>Total long-term debt:</b>	<b>1.282.250</b>	<b>1.246.559</b>	<b>950.887</b>
<b>Other long-term liabilities</b>	<b>49.642</b>	<b>45.721</b>	<b>63.208</b>
<b>Commitments and contingencies</b>	<b>10.095</b>	<b>10.483</b>	<b>11.349</b>
<b>Minority interests</b>	<b>0</b>	<b>24.158</b>	<b>0</b>
<b>Shareholders' loan</b>	<b>3.400</b>	<b>3.400</b>	<b>3.400</b>
<b>Shareholders' equity</b>			
Common stock	979.346	974.469	881.263
Share premium	173	0	0
Accumulated deficit, beginning of period	(160.495)	(160.495)	(38.867)
Net loss for the period	(87.614)	(45.682)	(121.626)
<b>Total shareholders' equity:</b>	<b>731.410</b>	<b>768.292</b>	<b>720.770</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>2.500.555</b>	<b>2.439.481</b>	<b>2.063.596</b>

**GRUPO CORPORATIVO ONO**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

Unaudited figures (Euro thousand)

	Quarter ended <b>31-Dec-04</b>	Quarter ended <b>30-Sep-04</b>	Year <b>2004</b>	Year <b>2003</b>
<b>REVENUES</b>				
Residential services				
Telephony	61.197	58.292	231.451	184.035
Television	31.955	29.405	117.398	83.032
Internet	29.331	26.615	104.806	62.299
Business and other services	13.694	10.669	48.029	29.221
<b>Total revenues:</b>	<b>136.177</b>	<b>124.981</b>	<b>501.684</b>	<b>358.587</b>
<b>COST OF SERVICES</b>	<b>(38.021)</b>	<b>(35.332)</b>	<b>(144.626)</b>	<b>(105.597)</b>
<b>GROSS PROFIT</b>	<b>98.156</b>	<b>89.649</b>	<b>357.058</b>	<b>252.990</b>
<b>OPERATING EXPENSES</b>				
Gross expense	(54.092)	(47.614)	(193.588)	(165.206)
Capitalized costs	6.021	5.442	21.654	15.247
<b>Total operating expenses:</b>	<b>(48.071)</b>	<b>(42.172)</b>	<b>(171.934)</b>	<b>(149.959)</b>
<b>EBITDA</b>	<b>50.085</b>	<b>47.477</b>	<b>185.124</b>	<b>103.031</b>
<b>DEPRECIATION &amp; AMORTIZATION</b>	<b>(35.581)</b>	<b>(32.316)</b>	<b>(128.170)</b>	<b>(107.496)</b>
<b>OPERATING PROFIT</b>	<b>14.504</b>	<b>15.161</b>	<b>56.954</b>	<b>(4.465)</b>
<b>OTHER EXPENSE</b>				
Amortization of goodwill	(2.153)	(4.354)	(14.881)	(13.390)
Interest expense, net	(26.667)	(25.536)	(101.887)	(102.658)
Foreign exchange profit / (loss)	113	(36)	(893)	(10.452)
<b>Total other expense:</b>	<b>(28.707)</b>	<b>(29.926)</b>	<b>(117.661)</b>	<b>(126.500)</b>
<b>LOSS FROM ORDINARY ACTIVITIES</b>	<b>(14.203)</b>	<b>(14.765)</b>	<b>(60.707)</b>	<b>(130.965)</b>
Extraordinary (expense) / income, net	(27.449)	16.732	(45.387)	(55.404)
Income tax	(3.226)	(5.319)	9.066	64.743
Minority interests	2.946	2.194	9.414	0
<b>NET LOSS</b>	<b>(41.932)</b>	<b>(1.158)</b>	<b>(87.614)</b>	<b>(121.626)</b>

**GRUPO CORPORATIVO ONO**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

Unaudited figures (Euro thousand)

	Quarter ended <b>31-Dec-04</b>	Quarter ended <b>30-Sep-04</b>	Year <b>2004</b>	Year <b>2003</b>
<b>EBITDA</b>	<b>50.085</b>	<b>47.476</b>	<b>185.124</b>	<b>103.031</b>
Capex - Tangible	(96.697)	(68.074)	(265.579)	(187.691)
Capex - Intangible	(3.038)	(3.724)	(10.427)	(5.804)
Capex - Leasehold improvements	(1.043)	(582)	(1.351)	(1.803)
Change in working capital	62.519	10.982	49.182	85.241
Other	(2.927)	5.534	1.564	(16.189)
<b>OPERATING FREE CASH FLOW</b>	<b>8.899</b>	<b>(8.388)</b>	<b>(41.487)</b>	<b>(23.215)</b>
Shares acquisition	(28.755)	0	(29.369)	0
Paid interests, net	(22.889)	(26.980)	(117.983)	(112.145)
<b>FREE CASH FLOW AFTER DEBT SERVICE</b>	<b>(42.745)</b>	<b>(35.368)</b>	<b>(188.839)</b>	<b>(135.360)</b>
Senior bank facilities	20.000	62.698	155.222	245.000
Contributions / debt from shareholders	0	5.050	5.706	(55.049)
Sale / (acquisition) of notes	5.057	0	(236.065)	0
Issuance of notes, net	0	0	273.173	0
State subsidies	9.315	(1.285)	10.176	8.057
Short term credit lines	9.118	(25.300)	(2.747)	(13.016)
Other financing items	(668)	(2.628)	(18.759)	(55.216)
<b>CASH FLOW FROM FINANCING</b>	<b>42.822</b>	<b>38.535</b>	<b>186.706</b>	<b>129.776</b>
<b>NET CASH FLOW</b>	<b>77</b>	<b>3.167</b>	<b>(2.133)</b>	<b>(5.584)</b>
<b>CASH BEGINNING OF PERIOD</b>	<b>4.592</b>	<b>1.425</b>	<b>6.802</b>	<b>12.386</b>
<b>CASH END OF PERIOD</b>	<b>4.669</b>	<b>4.592</b>	<b>4.669</b>	<b>6.802</b>

# **CABLEUROPA**

## **Condensed Consolidated Financial Statements**

- **Balance Sheet**
- **Statement of operations**
- **Cash flow**



**CABLEUROPA GROUP**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

Unaudited figures (Euro thousand)

	<b>31-Dec-04</b>	<b>30-Sep-04</b>	<b>31-Dec-03</b>
<b>ASSETS</b>			
<b>Contributions due from shareholders</b>	<b>0</b>	<b>1.968</b>	<b>0</b>
<b>Current assets</b>			
Cash	4.064	745	1.315
Short-term investments, net	9.475	9.474	24.753
Accounts receivable and other current assets	55.108	42.091	54.673
<b>Total current assets:</b>	<b>68.647</b>	<b>52.310</b>	<b>80.741</b>
<b>Fixed assets</b>			
Start-up costs, net	10.228	10.985	8.767
Intangible assets, net	170.719	118.536	121.443
Tangible assets, net	1.414.422	1.383.333	1.295.143
Financial assets, net	281.341	276.877	259.108
<b>Total fixed assets:</b>	<b>1.876.710</b>	<b>1.789.731</b>	<b>1.684.461</b>
<b>Goodwill on consolidation</b>	<b>171.058</b>	<b>216.500</b>	<b>226.543</b>
<b>Deferred expenses, net</b>	<b>31.403</b>	<b>31.512</b>	<b>59.084</b>
<b>TOTAL ASSETS</b>	<b>2.147.818</b>	<b>2.092.021</b>	<b>2.050.829</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
Short-term debt	30.754	26.304	16.301
Accrued interest expense	15.443	17.193	24.925
Accounts payable and other current liabilities	277.172	246.192	272.474
<b>Total current liabilities:</b>	<b>323.369</b>	<b>289.689</b>	<b>313.700</b>
<b>Long-term debt</b>			
Senior bank facility	645.000	625.000	515.000
Senior subordinated notes	456.547	449.222	410.427
Other	31.782	22.983	25.459
<b>Total long-term debt:</b>	<b>1.133.329</b>	<b>1.097.205</b>	<b>950.886</b>
<b>Other long-term liabilities</b>	<b>46.060</b>	<b>41.838</b>	<b>63.209</b>
<b>Commitments and contingencies</b>	<b>9.213</b>	<b>9.662</b>	<b>11.349</b>
<b>Minority interests</b>	<b>0</b>	<b>427</b>	<b>0</b>
<b>Shareholders' loan</b>	<b>0</b>	<b>0</b>	<b>98.464</b>
<b>Participative loan</b>	<b>0</b>	<b>0</b>	<b>300.000</b>
<b>Shareholders' equity</b>			
Common stock	891.168	883.127	484.663
Share premium	337.746	337.746	337.746
Accumulated deficit, beginning of period	(509.188)	(509.188)	(606.207)
Net (loss) / profit for the period	(83.879)	(58.485)	97.019
<b>Total shareholders' equity:</b>	<b>635.847</b>	<b>653.200</b>	<b>313.221</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>2.147.818</b>	<b>2.092.021</b>	<b>2.050.829</b>

**CABLEUROPA GROUP**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

Unaudited figures (Euro thousand)

	Quarter ended 31-Dec-04	Quarter ended 30-Sep-04	Year 2004	Year 2003
<b>REVENUES</b>				
Residential services				
Telephony	55.240	52.101	210.848	184.035
Television	28.213	25.642	103.990	83.032
Internet	24.941	22.477	89.588	62.299
Business and other services	10.900	9.820	38.946	29.221
<b>Total revenues:</b>	<b>119.294</b>	<b>110.040</b>	<b>443.372</b>	<b>358.587</b>
<b>COST OF SERVICES</b>	<b>(33.254)</b>	<b>(30.687)</b>	<b>(126.855)</b>	<b>(119.041)</b>
<b>GROSS PROFIT</b>	<b>86.040</b>	<b>79.353</b>	<b>316.517</b>	<b>239.546</b>
<b>OPERATING EXPENSES</b>				
Gross expense	(44.911)	(39.447)	(163.179)	(152.675)
Capitalized costs	5.199	4.708	19.078	15.247
<b>Total operating expenses:</b>	<b>(39.712)</b>	<b>(34.739)</b>	<b>(144.101)</b>	<b>(137.428)</b>
<b>EBITDA</b>	<b>46.328</b>	<b>44.614</b>	<b>172.416</b>	<b>102.118</b>
<b>DEPRECIATION &amp; AMORTIZATION</b>	<b>(28.428)</b>	<b>(25.109)</b>	<b>(101.841)</b>	<b>(106.732)</b>
<b>OPERATING PROFIT / (LOSS)</b>	<b>17.900</b>	<b>19.505</b>	<b>70.575</b>	<b>(4.614)</b>
<b>OTHER EXPENSE</b>				
Amortization of goodwill	(186)	(3.348)	(10.229)	(13.390)
Interest expense, net	(25.108)	(24.936)	(103.100)	(120.340)
Foreign exchange profit / (loss)	107	(46)	(905)	(9.908)
<b>Total other expense:</b>	<b>(25.187)</b>	<b>(28.330)</b>	<b>(114.234)</b>	<b>(143.638)</b>
<b>LOSS FROM ORDINARY ACTIVITIES</b>	<b>(7.287)</b>	<b>(8.825)</b>	<b>(43.659)</b>	<b>(148.252)</b>
Extraordinary (expense) / income, net	(22.571)	435	(64.669)	298.260
Income tax	4.464	(1.916)	22.252	(52.989)
Minority interests	0	93	2.197	0
<b>NET LOSS</b>	<b>(25.394)</b>	<b>(10.213)</b>	<b>(83.879)</b>	<b>97.019</b>

**CABLEUROPA GROUP****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

Unaudited figures (Euro thousand)

	Quarter ended 31-Dec-04	Quarter ended 30-Sep-04	Year 2004	Year 2003
<b>EBITDA</b>	<b>46.328</b>	<b>44.614</b>	<b>172.416</b>	<b>102.118</b>
Capex - Tangible	(71.025)	(57.677)	(223.541)	(198.598)
Capex - Intangible	(3.027)	(3.484)	(9.039)	(5.756)
Capex - Leasehold improvements	(556)	(550)	(1.351)	(826)
Change in working capital	17.709	6.636	41.198	78.157
Other	4.407	(921)	1.103	(9.305)
<b>OPERATING FREE CASH FLOW</b>	<b>(6.164)</b>	<b>(11.382)</b>	<b>(19.214)</b>	<b>(34.210)</b>
Paid interests, net	(23.768)	(27.280)	(107.660)	(111.168)
<b>FREE CASH FLOW AFTER DEBT SERVICE</b>	<b>(29.932)</b>	<b>(38.662)</b>	<b>(126.874)</b>	<b>(145.378)</b>
Senior bank facilities	20.000	45.000	130.000	245.000
Contributions / debt from shareholders	0	0	656	98.464
Acquisition of notes	0	0	(276.135)	(143.815)
Issuance of notes, net	0	0	273.173	0
State subsidies	9.396	(603)	9.571	19.134
Short term credit lines	3.616	(7.130)	10.873	(25.888)
Other financing items	239	1.108	(18.515)	(47.810)
<b>CASH FLOW FROM FINANCING</b>	<b>33.251</b>	<b>38.375</b>	<b>129.623</b>	<b>145.085</b>
<b>NET CASH FLOW</b>	<b>3.319</b>	<b>(287)</b>	<b>2.749</b>	<b>(293)</b>
<b>CASH BEGINNING OF PERIOD</b>	<b>745</b>	<b>1.032</b>	<b>1.315</b>	<b>1.608</b>
<b>CASH END OF PERIOD</b>	<b>4.064</b>	<b>745</b>	<b>4.064</b>	<b>1.315</b>

# **CABLEUROPA + RETECAL**

## **Combined Condensed Financial Statements**

- **Balance Sheet**
- **Statement of operations**



**CABLEUROPA and RETECAL**  
**COMBINED CONDENSED BALANCE SHEET**  
Unaudited figures (Euro thousand)

**31-Dec-04**

**ASSETS**

**Current assets**

Cash	4.234
Short-term investments, net	22.376
Accounts receivable and other current assets	65.128
<b>Total current assets:</b>	<b>91.738</b>

**Fixed assets**

Start-up costs, net	11.178
Intangible assets, net	190.942
Tangible assets, net	1.658.134
Financial assets, net	293.813
<b>Total fixed assets:</b>	<b>2.154.067</b>

**Goodwill on consolidation** 171.058

**Deferred expenses, net** 34.506

**TOTAL ASSETS** 2.451.369

**LIABILITIES AND SHAREHOLDERS' EQUITY**

**Current liabilities**

Short-term debt	32.483
Accrued interest expense	15.474
Accounts payable and other current liabilities	345.253
<b>Total current liabilities:</b>	<b>393.210</b>

**Long-term debt**

Senior bank facility	789.000
Senior subordinated notes	456.547
Other	36.397
<b>Total long-term debt:</b>	<b>1.281.944</b>

**Other long-term liabilities** 51.029

**Commitments and contingencies** 10.096

**Shareholders' equity**

Common stock	1.085.080
Share premium	337.747
Accumulated deficit, beginning of period	(578.912)
Net (loss) / profit for the period	(128.825)
<b>Total shareholders' equity:</b>	<b>715.090</b>

**TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** 2.451.369

**CABLEUROPA and RETECAL**  
**COMBINED STATEMENT OF OPERATIONS**

Unaudited figures (Euro thousand)

	<b>Year</b> <b>2004</b>
<b>REVENUES</b>	
Residential services	
Telephony	233.209
Television	118.542
Internet	106.104
Business and other services	49.302
<b>Total revenues:</b>	<b>507.157</b>
<b>COST OF SERVICES</b>	<b>(146.515)</b>
<b>GROSS PROFIT</b>	<b>360.642</b>
<b>OPERATING EXPENSES</b>	
Gross expense	(197.109)
Capitalized costs	21.857
<b>Total operating expenses:</b>	<b>(175.252)</b>
<b>EBITDA</b>	<b>185.390</b>
<b>DEPRECIATION &amp; AMORTIZATION</b>	<b>(129.223)</b>
<b>OPERATING PROFIT</b>	<b>56.167</b>
<b>OTHER EXPENSE</b>	
Amortization of goodwill	(10.229)
Interest expense, net	(113.121)
Foreign exchange (loss) / profit	(890)
<b>Total other expense:</b>	<b>(124.240)</b>
<b>LOSS FROM ORDINARY ACTIVITIES</b>	<b>(68.073)</b>
Extraordinary income / (expense), net	(85.201)
Income tax	22.252
Minority interests	2.197
<b>NET PROFIT / (LOSS)</b>	<b>(128.825)</b>

