



Second quarter 2005 results

EBITDA up by 29%

- Annualized revenues grow to €590 million
- EBITDA margin rises to 41%
- Total debt leverage falls below 6x

Madrid - 28 July 2005

Grupo Corporativo ONO, S.A. ("ONO"), one of Spain's leading broadband services providers, announced today the consolidated unaudited results for the second quarter ended 30 June 2005. Highlights are as follows:

GRUPO CORPORATIVO ONO

FINANCIAL HIGHLIGHTS	Quarter ended	Quarter ended	%	Quarter ended	%
	30-Jun-05	31-Mar-05	change	30-Jun-04	change
Revenues (euro thousand)	147.533	143.597	2,7%	125.340	17,7%
Gross profit (euro thousand)	108.277	103.276	4,8%	88.047	23,0%
Gross margin (%)	73%	72%	1,5 pp	70%	3,1 pp
EBITDA (euro thousand)	61.202	54.633	12,0%	47.425	29,1%
EBITDA (margin)	41%	38%	3,4 pp	38%	3,6 pp

OPERATING HIGHLIGHTS	Quarter ended	Quarter ended	%	Quarter ended	%
	30-Jun-05	31-Mar-05	change	30-Jun-04	change
Total customers	862.561	836.141	3,2%	745.434	15,7%
Residential market					
Customers	838.347	813.645	3,0%	726.412	15,4%
Penetration	31,0%	31,0%	0 pp	30,8%	0,2 pp
Average monthly revenue per customer (€)	53,8	54,3	-0,9%	52,7	2,1%
Business market					
Customers	24.214	22.496	7,6%	19.022	27,3%
Average monthly revenue per customer (€)	192,2	186,2	3,2%	193,9	-0,9%
Infrastructure					
Homes passed	2.971.845	2.893.629	2,7%	2.656.352	11,9%

Commenting on the results, Richard Alden, ONO's Chief Executive Officer, said:

“ONO has grown successfully during the second quarter in an increasingly competitive environment. We have added over 25,000 net new customers to take our total to over 850,000. The significant amount of deliberately misleading advertising in the sector is however undoubtedly having an impact on our levels of customer acquisition and customer churn. I would urge regulatory authorities, consumer associations and the press to focus attention on these practices.

“ONO is a serious operator delivering market leading services at competitive prices to both new and existing customers. We will continue to take an honest and open attitude in our communication with both residential and business customers as I do not believe that there is a commercial offer in the Spanish market today that can equal ours in terms of quality of service, value for money and service offering.”

Jonathan Cumming, Chief Financial Officer of ONO, added:

“We have delivered a strong financial performance in the second quarter. EBITDA has grown by 29% year on year to reach an annualised figure of €245 million. The EBITDA margin of 41% for the quarter places ONO as probably the most efficient cable operator in Europe.”



About ONO

ONO is one of the leading broadband service providers in Spain. It offers direct access telephony, pay television and internet access services to the residential market where it has a potential market of over seven million homes. In the business market, ONO offers advanced voice, data and value added services across its own high capacity local access and national backbone networks. ONO's shareholders are Bank of America, Caisse de dépôt et placement du Québec, General Electric, Grupo Ferrovial, Grupo Multitel, Santander Central Hispano, Sodinteleco and VAL Telecomunicaciones.

Safe Harbor Statement under the Private Securities Litigation Reform Act 1995

Certain statements in this release are "forward-looking statements" intended to qualify for the safe harbour under liability established by the Private Securities Litigation Reform Act of 1995 and are subject to material risks and uncertainties. Actual results could differ materially from those stated or implied by those forward looking statements due to risks and uncertainties associated with the ONO group business which include, among others, competitive developments, risks associated with the group's growth, the development of the group's markets regulatory risks and other risks which are presented in the group's filings with the Securities and Exchange Commission.

Further information

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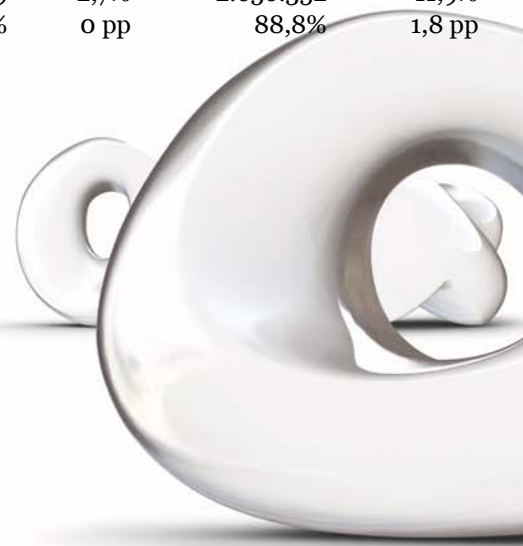
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**GRUPO CORPORATIVO ONO
OPERATING STATISTICS**

	Quarter ended 30-Jun-05	Quarter ended 31-Mar-05	% change	Quarter ended 30-Jun-04	% change
Residential services					
Customers	838.347	813.645	3,0%	726.412	15,4%
Penetration	31,0%	31,0%	0 pp	30,8%	0,2 pp
ARPU - euro	53,8	54,3	-0,9%	52,7	2,1%
Telephony					
Customers	737.416	718.456	2,6%	654.919	12,6%
Penetration	27,3%	27,3%	0 pp	27,8%	-0,5 pp
ARPU - euro	30,3	30,8	-1,6%	29,9	1,3%
Television					
Customers	455.826	448.357	1,7%	426.560	6,9%
Penetration	17,0%	17,1%	-0,1 pp	18,1%	-1,1 pp
ARPU - euro	25,2	24,5	2,9%	23,1	9,1%
Broadband internet					
Customers	372.246	345.053	7,9%	264.498	40,7%
Penetration	13,8%	13,2%	0,6 pp	11,2%	2,6 pp
ARPU - euro	30,3	31,8	-4,7%	32,8	-7,6%
Customer churn (annualised)	13,7%	14,4%	-0,7 pp	13,0%	0,7 pp
Business services					
Customers	24.214	22.496	7,6%	19.022	27,3%
ARPU - euro	192,2	186,2	3,2%	193,9	-0,9%
Infrastructure					
Homes passed	2.971.845	2.893.629	2,7%	2.656.352	11,9%
Homes released / homes passed	90,6%	90,6%	0 pp	88,8%	1,8 pp



GRUPO CORPORATIVO ONO
CONDENSED CONSOLIDATED BALANCE SHEETS

Unaudited figures (Euro thousand)

	30-Jun-05	31-Dec-04
ASSETS		
Current assets		
Cash	1.969	4.669
Short-term investments, net	38.370	22.370
Accounts receivable and other current assets	66.774	63.044
Total current assets:	107.113	90.083
Fixed assets		
Start-up costs, net	10.886	13.229
Intangible assets, net	185.951	191.209
Tangible assets, net	1.704.292	1.658.792
Financial assets, net	274.319	273.583
Total fixed assets:	2.175.448	2.136.813
Goodwill on consolidation	229.434	239.304
Deferred expenses, net	49.878	35.228
TOTAL ASSETS	2.561.873	2.501.428
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Short-term debt	88.713	38.345
Accrued interest expense	18.355	15.697
Accounts payable and other current liabilities	300.410	367.889
Total current liabilities:	407.478	421.931
Long-term debt		
Senior bank facility	878.000	789.000
Senior subordinated notes	462.399	456.547
Other	65.129	36.703
Total long-term debt:	1.405.528	1.282.250
Other long-term liabilities	28.796	49.642
Commitments and contingencies	10.658	10.095
Shareholders' loan	3.400	3.400
Shareholders' equity		
Common stock	979.346	979.346
Share premium	174	173
Accumulated deficit, beginning of period	(245.417)	(160.495)
Net loss for the period	(28.090)	(84.914)
Total shareholders' equity:	706.013	734.110
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2.561.873	2.501.428

GRUPO CORPORATIVO ONO
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

Unaudited figures (Euro thousand)

	Quarter ended 30-Jun-05	Quarter ended 31-Mar-05	Quarter ended 30-Jun-04
REVENUES			
Residential services			
Telephony	65.631	65.335	57.734
Television	34.156	32.819	29.033
Internet	32.878	31.903	26.000
Business and other services	14.868	13.540	12.573
Total revenues:	147.533	143.597	125.340
COST OF SERVICES	(39.256)	(40.321)	(37.293)
GROSS PROFIT	108.277	103.276	88.047
OPERATING EXPENSES			
Gross expense	(52.537)	(54.318)	(46.090)
Capitalized costs	5.462	5.675	5.468
Total operating expenses:	(47.075)	(48.643)	(40.622)
EBITDA	61.202	54.633	47.425
DEPRECIATION & AMORTIZATION	(35.211)	(34.372)	(31.472)
OPERATING PROFIT	25.991	20.261	15.953
OTHER EXPENSE			
Amortization of goodwill	(4.935)	(4.935)	(4.881)
Interest expense, net	(29.145)	(27.373)	(25.254)
Total other expense:	(34.080)	(32.308)	(30.135)
LOSS FROM ORDINARY ACTIVITIES	(8.089)	(12.047)	(14.182)
Extraordinary income / (expense), net	10.605	(17.782)	(36.655)
Income tax	(5.631)	4.854	14.827
Minority interests	0	0	1.698
NET LOSS	(3.115)	(24.975)	(34.312)

GRUPO CORPORATIVO ONO
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Unaudited figures (Euro thousand)

	Quarter ended 30-Jun-05	Quarter ended 31-Mar-05	Quarter ended 30-Jun-04
EBITDA	61.202	54.633	47.425
Capex	(59.740)	(58.972)	(61.557)
Change in working capital	(4.211)	(15.452)	(6.004)
Other	(4.668)	(2.352)	(6.446)
OPERATING FREE CASH FLOW	(7.417)	(22.143)	(26.582)
Shares acquisition	(28.755)	0	0
Paid interests, net	(20.671)	(25.540)	(21.380)
FREE CASH FLOW AFTER DEBT SERVICE	(56.843)	(47.683)	(47.962)
Senior bank facilities	28.000	61.000	28.414
Other long term bank facilities	22.000	0	0
Sale of notes	0	0	27.295
State subsidies	10.485	(509)	779
Short term credit lines	36.496	10.861	7.055
Other financing items	(39.327)	(27.180)	(20.439)
CASH FLOW FROM FINANCING	57.654	44.172	43.104
NET CASH FLOW	811	(3.511)	(4.858)
CASH BEGINNING OF PERIOD	1.158	4.669	6.282
CASH END OF PERIOD	1.969	1.158	1.424

