



## Fourth quarter and full year 2005 results

# ONO forecasts 20% EBITDA growth in 2006

- EBITDA of €458 million for full year 2005
- 1.8 million residential direct access customers
- 5.7 million homes marketable

Madrid - 22 March 2006

Grupo Corporativo ONO, S.A. ("ONO"), one of Spain's leading broadband services providers, announced today the consolidated unaudited results for the fourth quarter and the full year ended 31 December 2005. A complete set of results is available at [www.ono.es](http://www.ono.es). Highlights are as follows:

### FINANCIAL HIGHLIGHTS

	Year 2005	Year 2004	Quarter ended 31-Dec-05	Quarter ended 30-Sep-05	% change
	Pro forma (*)	Statutory (*)	Pro forma (*)	Pro forma (*)	
Revenues (€ million)	1,726	502	425	416	2.2%
Gross margin	64.1%	71.2%	66.0%	66.5%	(0.5 pp)
EBITDA (€ million)	458	185	116	121	(4.2%)

### OPERATING HIGHLIGHTS

	31-Dec-05	30-Sep-05	% change	31-Dec-04	% change
	Combined (*)	Combined (*)		Standalone (*)	
<b>Customers</b> (thousands):					
Residential direct access	1,771	1,753	1.0%	784	126.0%
Businesses	122	128	(5.2%)	21	na
<b>Other data – Cable:</b>					
Homes marketable (thousands)	5,652	5,418	4.3%	2,550	121.7%
Penetration	29.4%	30.2%	(0.8 pp)	30.7%	(1.4 pp)
ARPU (€)	51.9	-	-	53.3	(2.6%)
RGUs (thousands)	3,129	3,032	3.2%	1,468	113.2%
RGUs per customer	1.89	1.86	1.6%	1.87	0.7%

(\*) For a detailed description of the information included in our pro forma and our statutory financial data or of our combined and our standalone operating data, please see our complete set of results available at [www.ono.es](http://www.ono.es)

Commenting on the results, **Eugenio Galdón**, ONO's President, said:

"In 2005, ONO consolidated its position as a leading European broadband telecommunications company with the purchase of Auna Telecomunicaciones. We have created a national broadband operator of significant scale that starts life with over €450 million of annual EBITDA and can draw on seven years of valuable operational experience in a very dynamic market.

"I am grateful to the many people that helped us to achieve the goal of bringing ONO and Auna together - the staff and management of both companies, the shareholders of ONO, both new and old, and the financial institutions that helped to finance the transaction. Above all, I am grateful to the customers that put their faith in ONO every day.

"2006 will be a year of significant challenges as we look to turn around the performance of the Auna business applying ONO's tried and tested processes and procedures. There are many problems to overcome but I am convinced that with time, dedication, and measured investment, residential and business customers across all of the ONO franchises will soon start to notice benefits."

**Richard Alden**, ONO's Chief Executive Officer, commented:

"Today, ONO offers direct access services to 1.8 million residential and over 120,000 business customers. Our infrastructure covers nearly six million homes across the whole of Spain and we continue to invest to extend our networks in order to take our services to new areas and new customers.

"We face a fiercely competitive environment and significant operational challenges as we integrate the two businesses. However, we now have the ability to bring the ONO experience to a much larger market and I believe that our commitment to operational excellence, high quality of customer service and competitively priced products and services will be recognized and valued by existing and potential customers.

"In 2006, we forecast strong growth in the knowledge that this can only be achieved by providing our customers with the service that they demand."

### **Guidance for 2006**

The management of ONO believes that, absent any significant change in the operating environment in Spain, the following results should be achievable for the full year 2006:

(in millions of euro)	<b>Range</b>
Revenue	€1,700 - €1,800
EBITDA	€550 - €580
Capital expenditure	€530 - €565
Net debt to EBITDA	5.25x - 5.50x
New homes marketable (thousands)	450 - 475

These Projections are based on the current ONO plans for 2006. In keeping with past practice, the ONO management will be constantly reassessing these plans against on-going operational and financial performance. Please see an important disclaimer on these Projections below.

## About ONO

ONO is the leading alternative provider of telecommunications, broadband Internet and pay television services in Spain and the only cable operator with national coverage. ONO offers its services to approximately 1.8 million residential and 122,000 business direct access customers as of December 31, 2005, through its own state of the art networks which give direct access to nearly six million homes in franchises which cover the majority of Spain, including the eight largest cities. ONO's shareholders are Caisse de Dépôt et Placement du Québec, GE Structured Finance Inc., Grupo Multitel, Grupo Santander, JPMorgan Partners, Providence Equity Partners, Quadrangle Capital Partners, Sodinteleco and Thomas H. Lee Partners.

## Disclaimer

The Projections, set forth above, contain forward-looking statements (any statement other than those made solely with respect to historical fact) based upon management's beliefs, as well as assumptions made by and data currently available to management. This information has been, or in the future may be, included in reliance on the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on a variety of assumptions that may not be realized and are subject to significant business, economic, judicial and competitive risks and uncertainties, including those set forth above, many of which are beyond ONO's ("the Company") control. The Company's actual operations, financial condition, cash flows or operating results may differ materially from those expressed or implied by any such forward-looking statements and the Company undertakes no obligation to update or revise any such forward-looking statements.

The Projections set forth above are based on certain estimates with respect to the Company's liquidity, capital resources and results of operations for the full year 2006 and are subject to a number of risks and uncertainties including, but not limited to, the following: the ability of the Company to continue as a going concern; the ability of the Company and its subsidiaries to operate pursuant to the terms of their existing credit facilities and arrangements; the ability to fund, develop and execute the Company's business plan; competitive pressures from other companies in the same or similar lines of business as the Company; trends in the economy as a whole which may affect subscriber confidence and demand for the goods and services supplied by the Company; the ability of the Company to predict consumer demand as a whole, as well as demand for specific goods and services; the acceptance and continued use by subscribers and potential subscribers of the Company's services; changes in technology and competition; the Company's ability to achieve expected operational efficiencies and economies of scale and its ability to generate expected revenue and achieve assumed margins; the ability of the Company to attract, retain and compensate key executives and other personnel; the ability of the Company to maintain existing arrangements and / or enter into new arrangements with third party providers and contract partners; potential adverse publicity; as well as other factors detailed from time to time in the Company's filings with the SEC. Given these and other uncertainties, readers are cautioned not to place undue reliance on the forward-looking statements contained in the Projections.

## Further information

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### Other

[www.ono.es](http://www.ono.es) – Investor Relations  
[www.sec.gov](http://www.sec.gov) – EDGAR

