



Second quarter and first half 2006 results

EBITDA growth continues

- **Over 1.8 million residential customers**
- **Strong growth in RGUs per customer**
- **EBITDA margin rises to 33.8%**

Madrid - 3 August 2006

Grupo Corporativo ONO, S.A. ("ONO"), one of Spain's leading broadband services providers, announced today the consolidated unaudited results for the second quarter and first half ended 30 June 2006. A complete set of results is available at www.ono.es. Highlights are as follows:

FINANCIAL HIGHLIGHTS

Data in €million	Quarter ended					Year to date		
	30-Jun-06	31-Mar-06	% change	30-Jun-05	% change	30-Jun-06	30-Jun-05	% change
	Combined	Combined		Statutory		Combined	Statutory	
Revenues	409	422	(3.0%)	148	177.3%	831	291	185.4%
Gross margin	68.2%	67.1%	1.1 pp	73.4%	(5.2 pp)	67.7%	72.7%	(5.0 pp)
EBITDA	138	133	4.1%	61	126.0%	271	116	134.1%
EBITDA margin	33.8%	31.5%	2.3 pp	41.5%	(7.7 pp)	32.6%	39.8%	(7.2 pp)
Annualised EBITDA	553	531	4.1%	245	126.0%			
Total net debt	3,001	2,889	3.9%	1,454	106.4%			
Leverage	5.4x	5.4x	0.0x	5.9x	(0.5x)			

OPERATING HIGHLIGHTS

	30-Jun-06	31-Mar-06	% change	30-Jun-05	% change
Customers (thousands):					
Residential direct access	1,811	1,782	1.6%	838	116.0%
Business (incl. indirect access)	105	115	(8.6%)	24	334.7%
Other data – Cable:					
Homes marketable (thousands)	5,886	5,756	2.3%	2,738	115.0%
Penetration	29.2%	29.3%	(0.0 pp)	30.6%	(1.4 pp)
ARPU (€)	52.3	52.8	(1.0%)	53.8	(2.7%)
RGUs (thousands)	3,335	3,218	3.6%	1,570	112.4%
RGUs per customer	1.94	1.91	1.5%	1.87	3.5%

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

“ONO celebrates the first anniversary of reaching agreement to purchase Auna Telecomunicaciones with a solid set of results. . We have added 120,000 new cable services in the second quarter of 2006 to reach over 3.3 million services from a total residential customer base of over 1.8 million. Our focus on the triple play strategy took us to an impressive 1.94 RGUs per customer ratio, amongst the best in the cable sector in Europe.

We produced good growth from all three residential services, with good advances in television customers, surpassing 900,000, and more than 937,000 households now benefit from an ONO broadband service, up by 6% from the figure of the previous quarter.

These results give a small indication of what ONO is capable of. We continue to work hard at the integration of the Auna business and the transformation of the new ONO into a world-class operator. As we progress with that exercise I am convinced that we will be able to offer customers better services with better quality and at competitive prices, allowing us to grow the ONO business further.”

Jonathan Cumming, Chief Financial Officer of ONO, added:

“We have delivered a good financial performance in the second quarter. As anticipated, revenues are down as we concentrate on high quality, high margin revenue streams. This, coupled with our continued focus on efficiency and cost control, has led to a strong EBITDA result of €138 million in the second quarter and an important improvement in the EBITDA margin by 2.3pp to 33.8%.”



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 direct access residential and 105,000 business customers as of 30 June 2006, 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.

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 and the development of the group's markets regulatory risks.

Further information

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