



First quarter 2010 results

18 May 2010



Grupo Corporativo ONO, S.A.



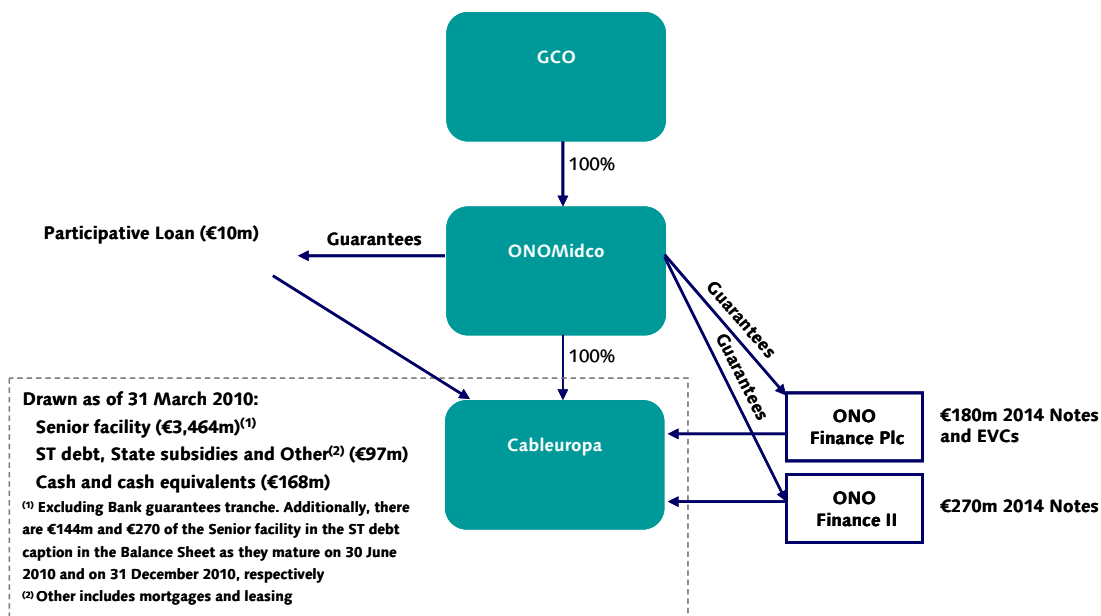
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1. GROUP AND REPORTING STRUCTURE

Group main structure



We are reporting the quarter ended 31 March 2010 consolidated results of Grupo Corporativo ONO, S.A. ("GCO") and its subsidiaries.

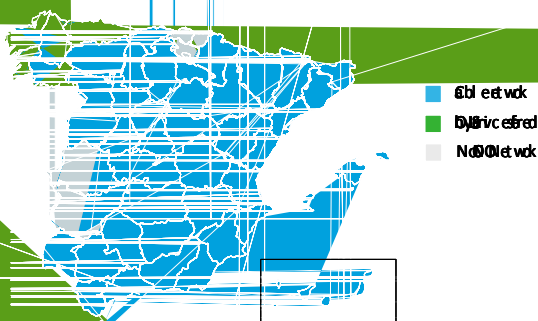
The financial information contained in this document has been prepared under Spanish GAAP. This financial information is unaudited and, therefore, is subject to potential future modifications.

Certain numerical figures included in this document have been rounded. Therefore, discrepancies in tables between totals and the sums of the amounts listed may occur due to such rounding.



OVERVIEW OF GRUPO CORPORATIVO 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. As of 31 March 2010, ONO provides over 4.3 million services to residential customers and SMEs, using its own digital high capacity fibre optic network, which gives direct access to over 7 million homes across most of Spain, including the nine largest cities. ONO is the leading triple play operator and the principal competitor to the incumbent telecommunications and pay television operators in Spain. For the year ended 31 March 2010, ONO generated revenues of €1,716 million and EBITDA of €176 million.



Residential	
Homes in Spain (*)	17,545
Homes in ONO cable franchises (*)	14,741
Homes released to marketing	7,012
Residential cable customers	1,824
Residential ULL customers	80
Total residential customers	1,904
Business	
SMEs customers	67

Grupo Corporativo ONO (*)			Cableuropa (*)		
€m	% of debt	Debt/ EBITDA	€m	% of debt	Debt/ EBITDA
498	12.3%	0.69x	481	12.0%	0.67x
50	75.5%	4.22x	3,050	75.9%	4.22x
	0.2%	0.01x	10	0.2%	0.01x
	11.1%	0.62x	450	11.2%	0.62x
	0.7%	0.04x	30	0.7%	0.04x
	0.7%	4.89x	3,540	88.0%	4.90x
			4,021		
			168		
		5.35x	3,853		5.33x
			722		





























c) Wholesale and other

Revenues from wholesale and other are derived from carrier services, voice traffic services, leased and dedicated lines and ISP solutions, provided to other telecommunications operators and from the provision of intelligent network services.

This caption also includes revenues from other services such as revenues obtained from third parties by our 100% affiliate Teuve^(*) (television content aggregator)

	Quarter ended				
	31-Mar-10	31-Dec-09	% change	31-Mar-09	% change
Revenues	21	26	(17.5%)	26	(16.5%)

Revenues from wholesale and other decreased by 16.5%, from €26 million in the first quarter of 2009 to €21 million in the first quarter of 2010. This reduction is mainly due to the migration of circuits by Orange to its own networks. This loss of revenue is in line with our expectations.

3.2.2. Cost of services and Gross profit

The following table sets forth ONO's gross profit and the percentage change for the periods indicated:

	Quarter ended				
	31-Mar-10	31-Dec-09	% change	31-Mar-09	% change
Total revenues	372	372	0.2%	388	(4.1%)
Cost of services	(83)	(69)	21.1%	(90)	(7.8%)
Gross profit	289	303	(4.6%)	298	(3.0%)
Gross margin	77.6%	81.5%	(3.9 pp)	76.7%	0.9 pp

Cost of services principally consists of interconnection and backbone network costs for telecommunications services, Internet connectivity costs, circuit rental expenses and programming costs for cable television services.

Interconnection costs for telephony services are generated by calls made by our customers that terminate outside our network. Internet connectivity costs mainly consist of fees for the bandwidth used for our Internet transit outside of Spain. Cable television programming fees consist primarily of fees paid to television content owners to distribute their cable television content and fees paid to distribute movies and football on a pay-per-view basis.



Our cost of services decreased by €7 million if compared to the first quarter of 2009. As a percentage of total revenues, our cost of services decreased to 22.4% in the first three months of 2010 from 23.3% in the same period of 2009

This reduction has mainly been driven by (i) our focus on higher margin revenue streams and to the change in revenue mix, (ii) lower interconnection costs due to less fixed to mobile traffic and lower unitary costs, and (iii) the renegotiation of cable television programming agreements.

Consequently gross margin increased by 0.9 pp to 77.6% in the first quarter of 2010 versus 76.7% in the first quarter of 2009.

3.2.3. Operating expenses

The following table sets forth ONO's operating expenses and the percentage change from period to period for each of the periods indicated:

	Quarter ended				
	31-Mar-10	31-Dec-09	% change	31-Mar-09	% change
Gross opex	(130)	(129)	0.7%	(130)	(0.1%)
Capitalised costs	17	16	3.9%	15	10.5%
Net opex	(113)	(113)	0.2%	(115)	(1.5%)
% of revenues	30.5%	30.4%	0 pp	29.7%	0.8 pp

Gross operating expenses consists principally of expenses related to wages and salaries and other operating expenses, including professional services, marketing and selling expenses, network operation and maintenance, information systems, administrative overhead and billing costs. Capitalised costs relate to, , direct labour costs associated with the development and construction of our network and the installations carried out at our customer premises.

Net opex decreased by 1.5% to reach €113 million at the end of the first quarter of 2010, as compared to €115 million for the same period of 2009. This reduction is mainly driven by (i) the headcount reduction plan implemented in Q1 2009 with direct impact on personnel expenses; (ii) the new sales strategy with focus on cost-efficient sales channels and (iii) other restructuring initiatives.

The reduction in operating expenses was partially offset by the introduction of Law 8/2009 28 August 2009. In September 2009 and in January 2010, ONO started to contribute with 1.5% of its television revenues and with 0.9% of its telecommunication revenues, respectively, to subsidise the sustainability of the public broadcasting entity RTVE.

3.2.4. Depreciation and amortisation

The following table sets forth our depreciation and amortisation and the percentage change for each of the periods indicated:



	Quarter ended				
	31-Mar-10	31-Dec-09	% change	31-Mar-09	% change
Depreciation and amortisation	(98)	(97)	0.4%	(98)	(0.0%)

Depreciation and amortisation is related to the depreciation of our network, customer premise equipment and installation costs incurred in connection with the addition of new subscribers, and to the amortisation of intangible assets.

3.2.5. Net financial expense

The following table sets forth ONO's net financial expense and the percentage change for each of the periods indicated:

	Quarter ended				
	31-Mar-10	31-Dec-09	% change	31-Mar-09	% change
Net financial expense	(57)	(67)	(14.7%)	(66)	(13.3%)

Our net financial expense is mainly comprised of interest expense from our financing and hedge agreements. Net financial expense decreased by 13.3% to €57 million in the first quarter of 2010 from €66 million in the same period of 2009. The main reasons for this reduction relates to the lower interest expense derived from the lower Euribor rates that sharply fell during 2009.

3.2.6. Income tax

In spite of the current macroeconomic environment, the Company considers that it will probably generate sufficient profit to offset its tax credits. Nevertheless, there are risks and uncertainties in the general economic environment and the financial markets that may adversely affect the Company's ability to generate enough profits to offset all of these tax credits in a timely manner. (For additional information on Risks Relating to our Financial Profile, see "Risk Factors" in the 2009 Annual Report of ONO Midco, that will shortly be posted on our Investor Relations website).

The following table sets forth ONO's income tax and the percentage change from period to period for each of the periods indicated:

	Quarter ended				
	31-Mar-10	31-Dec-09	% change	31-Mar-09	% change
Income tax credit	(7)	(7)	4.3%	(6)	16.0%



3.3 Notes to the Condensed Consolidated Balance Sheet

3.3.1. Intangible assets

	31-Dec-09	Additions	Disposals	Transfers to non current assets held for sale	Transfers	31-Mar-10
Rights over fixed assets	66	-	-	-	-	66
Concessions	13	-	-	-	-	13
Computer software	148	3	-	-	-	151
Other intangible fixed assets	57	3	-	-	-	60
Total cost	283	7	-	-	-	290
Accumulated amortisation	(171)	(9)	-	0	-	(179)
Intangible assets, net	112	(2)	-	0	-	110

3.3.2. Tangible assets

	31-Dec-09	Additions	Disposals	Transfers to non current assets held for sale	Transfers	31-Mar-10
Land and natural assets	15	-	-	-	-	15
Network and technical equipment	6,634	28	-	-	22	6,684
Computer hardware	203	0	-	-	0	203
Other tangible fixed assets	62	-	-	-	-	62
Advances and fixed assets under construction	82	27	(1)	-	(22)	86
Total cost	6,996	56	(1)	-	-	7,051
Accumulated amortisation	(2,588)	(89)	1	0	-	(2,675)
Provisions	(69)	-	-	-	-	(69)
Tangible assets, net	4,340	(33)	(0)	0	-	4,306



3.3.3. Debt and liquidity

<u>Type of debt</u>	<u>Maximum available</u>	<u>Short term debt</u>	<u>Long term debt</u>	<u>Total debt</u>	<u>Availability</u>
Debt with credit entities:					
Senior facility	3,464	414	3,050	3,464	0
Participative loan	10	-	10	10	-
Other credit facilities	110	72	8	80	29
Total debt with credit entities	3,584	486	3,068	3,554	30
Other debt:					
Senior subordinated notes	450	-	450	450	-
State subsidies (**)	34	12	22	34	-
Total other debt	484	12	472	484	-
Total debt	4,068	498	3,540	4,038	30
Cash and cash equivalents				168	168
Total net debt				3,870	
EBITDA LTM				723	
Total net debt/EBITDA LTM				5.35x	

<u>Type of debt</u>	<u>Maturity (as per financing contracts in force in March 2010)</u>							
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>Thereafter</u>	<u>Total</u>
Debt with credit entities:								
Senior facility	414	590	960	1,500	-	-	-	3,464
Participative loan	-	-	-	-	10	-	-	10
Other credit facilities	69	4	6	1	0	0	-	80
Total debt with credit entities	483	594	966	1,501	10	0	-	3,554
Other debt:								
Senior subordinated notes	-	-	-	-	450	-	-	450
State subsidies and other	12	10	8	1	0	0	2	34
Total other debt	12	10	8	1	450	0	2	484
Total	495	604	973	1,502	461	0	2	4,038



	Maturity (proforma post-refinancing)						
	2010	2011	2012	2013	2014	2015	Thereafter Total
Type of debt							
Debt with credit entities:							
Senior facility	80	109	235	3.104	-	-	- 3.528
Participative loan	-	-	-	-	10	-	- 10
Other credit facilities	16	-	-	-	-	-	16
Total debt with credit entities	96	109	235	3.104	10	-	- 3.554
Other debt:							
Senior subordinated notes	-	-	-	-	450	-	- 450
State subsidies and other	12	10	8	1	0	0	2 34
Total other debt	12	10	8	1	450	0	2 484
Total	108	119	243	3.105	461	0	2 4.038

The current macroeconomic environment, the outlook for the Spanish economy and the liquidity constraints in the financial markets, may adversely offset the Company's ability to generate enough cash flow to meet all of the scheduled debt amortisation in the forecoming years.

In order to mitigate this risk, the Company has taken a series of decisions to optimise liquidity (discontinuation of network buildout, cost saving programme, etc), and positions itself to take advantage of any opportunities that arise to adjust its financing profile.

In addition the company has recently closed a refinancing plan with the strong support of shareholders, banks and bondholders. This plan substantially benefits the near and medium term liquidity of the company while relieves any potential constrains in financial covenants until 2013

Nevertheless, the Company should continue working on improving its medium and long term liquidity risk as it still faces significant maturities in 2013 and onwards. (For additional information on Risks Relating to our Financial Profile, see "Risk Factors" in the 2009 Annual Report of ONO Midco, that will shortly be posted on our Investor Relations website).

For further details on our main financing arrangements, please see our Investor Relations website.

3.4 Notes to the Condensed Consolidated Cash Flow

3.4.1. Capex

Our capital expenditure ("Capex") has historically been principally related to network build-out, set-top box purchases, installations, network upgrades, computer hardware/software and other investments.

	Quarter ended				
	31-Mar-10	31-Dec-09	% change	31-Mar-09	% change
Capital expenditures	(62)	(70)	(10.9%)	(51)	21.8%



Capital expenditure increased by 21.8% to €62 million in the first three months of 2010 from €51 million in the same period of 2009. This has mainly been driven by the increase in customer installation activity as well as the nation wide deployment of Docsis 3,0 as part of our decision to provide fast and reliable internet services.

3.4.2. Working capital variation

The change in working capital includes the variation of the captions "accounts payable and other current liabilities", "inventories", "prepayments and accrued income" and "accounts receivable and other current assets". The working capital variation excludes the effect of the classification of the deferred Auna acquisition payment to short-term and the reclassification of amounts between accounts payables or receivables to other lines within the balance sheet.



4. ONO MIDCO

	31-Mar-10	31-Dec-09	31-Mar-09
ASSETS			
Intangible assets, net	110	112	114
Tangible assets, net	4,306	4,340	4,496
Shareholdings in group companies	3	3	5
Financial assets	7	7	4
Tax credit and deferred tax	1,138	1,151	1,186
Non current assets	5,564	5,612	5,804
Non current assets held for sale	16	15	-
Inventories	2	2	20
Accounts receivable and other current assets	122	119	151
Short-term investments, net	7	5	8
Prepayments and accrued income	14	6	7
Cash and cash equivalents	168	238	184
Current assets	330	385	371
TOTAL ASSETS	5,894	5,997	6,175
LIABILITIES AND SHAREHOLDERS' EQUITY			
Common stock	131	131	263
Share premium reserve	-	-	24
Reserves	126	126	126
Prior year losses	(32)	(89)	(244)
Net profit/(loss) for the period	16	57	12
Shareholder's equity	241	225	181
Hedge agreements	(26)	(38)	(64)
State subsidies	1	1	2
Minority interest	4	3	7
Participative loan	963	963	955
Net equity	1,183	1,154	1,081
Provisions for liabilities and charges	112	120	139
Senior facility	3,040	3,040	3,451
Participative loan	10	10	10
Senior subordinated notes	450	450	450
Other	28	28	46
Long-term debt	3,529	3,528	3,957
Hedge agreements	-	16	91
Other long-term liabilities	1	1	1
Other long-term liabilities	1	17	92
Deferred income	0	0	2
Non current liabilities	3,642	3,665	4,190
Provisions for liabilities and charges	32	33	39
Short-term debt with banks	481	498	166
Accrued interests	31	54	42
Hedge agreement	36	39	-
Other	23	96	115
Short-term payables	571	687	323
Accounts payable and other current liabilities	413	407	500
Accruals and deferred income	52	52	42
Current liabilities	1,068	1,178	904
TOTAL LIABILITIES AND NET EQUITY	5,894	5,997	6,175



	Quarter ended		
	31-Mar-10	31-Mar-09	% change
Revenues	372	388	(4.1%)
Cost of services	(83)	(90)	(7.8%)
Net Opex	(112)	(113)	(0.7%)
EBITDA	177	185	(4.4%)
Restructuring costs and other extraordinary costs	-	-	na
Deprec. and amortis.	(98)	(98)	(0.1%)
Reversal of provisions	-	-	na
Loss on fixed assets	2	(1)	na
EBIT / Operating profit	81	86	(6.2%)
Net financial expense	(58)	(67)	(13.8%)
EBT / Profit/(loss) before tax	23	20	19.5%
Income tax credit	(7)	(7)	2.0%
Profit/(loss) before minority interests	16	13	29.2%
Minority interests	(0)	(0)	(43.8%)
Net profit/(loss)	16	12	30.7%

	Quarter ended		
	31-Mar-10	31-Mar-09	% change
EBITDA	177	185	(4.4%)
Capex	(62)	(51)	21.8%
OPERATING FREE CASH FLOW	115	134	(14.3%)
Change in working capital	(4)	(50)	(92.2%)
Other ⁽¹⁾	(9)	(48)	(81.2%)
FREE CASH FLOW (pre-interest)	102	36	183.2%
Paid interests, net	(80)	(98)	(18.2%)
FREE CASH FLOW AFTER DEBT SERVICE	22	(62)	na
FINANCING ACTIVITIES			
Senior facility	-	(0)	na
State subsidies	1	1	(47.3%)
Short-term credit lines	(18)	(20)	(9.5%)
Short-term investments	(3)	0	na
Financial assets	(0)	(0)	na
Other financing items	(0)	(6)	(93.1%)
Deferred Auna acquisition payment	(71)	(71)	0.0%
CASH FLOW FROM FINANCING ACTIVITIES	(92)	(96)	(4.5%)
NET CASH FLOW	(70)	(157)	(55.8%)
CASH BEGINNING OF PERIOD	238	342	(30.4%)
CASH END OF PERIOD	168	184	(8.6%)



	Common stock	Share premium reverse	Reserves	Prior year losses	Net profit/(loss) for the period	Hedge agreements	State subsidiaries	Minority interest	Participative loan	Total
Balance 31 December 2009	131	-	126	(89)	57	(38)	1	3	963	1,154
Capital Reduction	-	-	-	-	-	-	-	-	-	-
Previous year result distribution	-	-	-	57	(57)	-	-	-	-	-
Net loss for the year	-	-	-	-	16	-	-	-	-	16
Change in fair value	-	-	-	-	-	13	-	-	-	13
New participative loan	-	-	-	-	-	-	-	-	-	-
Transfer to financial income	-	-	-	-	-	-	(0)	-	-	(0)
Transfer to income statements	-	-	-	-	-	-	-	0	-	0
Balance 31 March 2010	131	-	126	(32)	16	(26)	1	4	963	1,183

In this section, we are reporting the first quarter of 2009 Condensed Consolidated Financial Statements of ONO Midco, S.A.U. and its subsidiaries. For a detailed analysis of the trends followed in the periods indicated, please see information on GCO in section 3 of this document.



5. CABLEEUROPA

5.1 Condensed Consolidated Financial Statements

	31-Mar-10	31-Dec-09	31-Mar-09
ASSETS			
Intangible assets, net	110	112	114
Tangible assets, net	4,306	4,340	4,496
Shareholdings in group companies	3	3	5
Financial assets	7	7	4
Tax credit and deferred tax	1,138	1,151	1,186
Non current assets	5,564	5,612	5,804
Non current assets held for sale	16	15	-
Inventories	2	2	20
Accounts receivable and other current assets	122	120	151
Short-term investments, net	7	5	8
Prepayments and accrued income	14	6	7
Cash and cash equivalents	168	238	184
Current assets	330	385	371
TOTAL ASSETS	5,894	5,997	6,175
LIABILITIES AND SHAREHOLDERS' EQUITY			
Common stock	263	263	263
Share premium reserve	1,637	1,637	1,637
Reserves	807	807	807
Prior year losses	(2,482)	(2,539)	(2,539)
Net profit/(loss) for the period	16	57	12
Shareholder's equity	242	225	181
Hedge agreements	(26)	(38)	(64)
State subsidies	1	1	2
Minority interest	4	3	7
Participative loan	963	963	955
Net equity	1,183	1,154	1,082
Provisions for liabilities and charges	112	120	139
Senior facility	3,040	3,040	3,451
Participative loan	10	10	10
Senior subordinated notes	450	450	450
Other	28	28	46
Long-term debt	3,529	3,528	3,957
Hedge agreements	-	16	91
Other long-term liabilities	1	1	1
Other long-term liabilities	1	17	92
Deferred income	0	0	2
Non current liabilities	3,642	3,665	4,190
Provisions for liabilities and charges	32	33	39
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Accrued interests	31	54	42
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Other	23	96	115
Short-term payables	571	687	323
Accounts payable and other current liabilities	413	407	499
Accruals and deferred income	52	52	42
Current liabilities	1,068	1,178	903
TOTAL LIABILITIES AND NET EQUITY	5,894	5,997	6,175



	Quarter ended		
	31-Mar-10	31-Mar-09	% change
Revenues	372	388	(4.1%)
Cost of services	(83)	(90)	(7.8%)
Net Opex	(112)	(113)	(0.8%)
EBITDA	177	185	(4.3%)
Restructuring costs and other extraordinary costs	-	-	na
Deprec. and amortis.	(98)	(98)	(0.1%)
Reversal of provisions	-	-	na
Loss on fixed assets and impairment loss	2	(1)	na
EBIT / Operating profit	81	86	(6.2%)
Net financial expense	(58)	(67)	(13.8%)
EBT / Profit/(loss) before tax	23	19	20.0%
Income tax credit	(7)	(7)	2.2%
Profit/(loss) before minority interests	16	13	29.7%
Minority interests	(0)	(0)	(43.8%)
Net profit/(loss)	16	12	31.3%

	Quarter ended		
	31-Mar-10	31-Mar-09	% change
EBITDA	177	185	(4.3%)
Capex	(62)	(51)	21.8%
OPERATING FREE CASH FLOW	115	134	(14.3%)
Change in working capital	(4)	(50)	na
Other ⁽¹⁾	(9)	(48)	(81.2%)
FREE CASH FLOW (pre-interest)	102	36	183.2%
Paid interests, net	(80)	(98)	(18.2%)
FREE CASH FLOW AFTER DEBT SERVICE	22	(62)	na
FINANCING ACTIVITIES			
Senior facility	-	(0)	(100.0%)
State subsidies	1	1	(47.3%)
Short-term credit lines	(18)	(20)	(9.5%)
Short-term investments	(3)	0	na
Financial assets	(0)	(0)	na
Other financing items	(0)	(6)	(93.1%)
Deferred Auna acquisition payment	(71)	(71)	0.0%
CASH FLOW FROM FINANCING ACTIVITIES	(92)	(96)	(4.5%)
NET CASH FLOW	(70)	(157)	(55.8%)
CASH BEGINNING OF PERIOD	238	342	(30.4%)
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	Common stock	Share premium reverse	Reserves	Prior year losses	Net profit/(loss) for the period	Hedge agreements	State subsidies	Minority interest	Participative loan	Total
Balance 31 December 2009	263	1,637	807	(2,539)	57	(38)	1	3	963	1,154
Previous year result distribution	-	-	-	57	(57)	-	-	-	-	-
Net loss for the year	-	-	-	-	16	-	-	-	-	16
Change in fair value	-	-	-	-	-	13	-	-	-	13
New participative loan	-	-	-	-	-	-	-	-	-	-
Transfer to financial income	-	-	-	-	-	-	(0)	-	-	(0)
Transfer to income statements	-	-	-	-	-	-	-	0	-	0
Balance 31 March 2010	263	1,637	807	(2,482)	16	(26)	1	4	963	1,183



5.2 Debt and liquidity

	Maximum available	Short-term debt	Long-term debt	Total debt	Availability
Type of debt					
Debt with credit entities:					
Senior facility (**)	3,464	414	3,050	3,464	0
Participative loan	10	-	10	10	-
Other credit facilities (***)	78	55	8	63	14
Total debt with credit entities	3,552	469	3,068	3,537	15
Other debt:					
Senior subordinated notes	450	-	450	450	-
State subsidies and other (***)	34	12	22	34	-
Total other debt	484	12	472	484	-
Total debt	4,035	481	3,540	4,021	15
Cash and cash equivalents				168	168
Total net debt				3,853	
EBITDA LTM				722	
Total net debt/EBITDA LTM				5.33x	

	Maturity (as per financing contracts in force in March 2010)							Total
	2010	2011	2012	2013	2014	2015	Thereafter	
Type of debt								
Debt with credit entities:								
Senior facility	414	590	960	1,500	-	-	-	3,464
Participative loan	-	-	-	-	10	-	-	10
Other credit facilities	52	4	6	1	0	0	-	63
Total debt with credit entities	466	594	966	1,501	10	0	-	3,537
Other debt:								
Senior subordinated notes	-	-	-	-	450	-	-	450
State subsidies	12	10	8	1	0	0	2	34
Total other debt	12	10	8	1	450	0	2	484
Total	478	604	973	1,502	461	0	2	4,021



	Maturity (proforma post-refinancing)							Total
	2010	2011	2012	2013	2014	2015	Thereafter	
Type of debt								
Debt with credit entities:								
Senior facility	80	109	235	3.104	-	-	-	3.528
Participative loan	-	-	-	-	10	-	-	10
Other credit facilities	-	-	-	-	0	-	-	-
Total debt with credit entities	80	109	235	3.104	10	-	-	3.538
Other debt:								
Senior subordinated notes	-	-	-	-	450	-	-	450
State subsidies and other	12	10	8	1	0	0	2	34
Total other debt	12	10	8	1	450	0	2	484
Total	92	119	243	3.105	461	0	2	4.021

In this section, we are reporting the first quarter of 2010 Condensed Consolidated Financial Statements of Cableuropa, S.A.U. and its subsidiaries. For a detailed analysis of the trends followed in the periods indicated, please see information on GCO in section 3 of this document.

The current macroeconomic environment, the outlook for the Spanish economy and the liquidity constraints in the financial markets, may adversely offset the Company's ability to generate enough cash flow to meet all of the scheduled debt amortisation in the forecoming years.

In order to mitigate this risk, the Company has taken a series of decisions to optimise liquidity (discontinuation of network buildout, cost saving programme, etc), and positions itself to take advantage of any opportunities that arise to adjust its financing profile.

In addition the company has recently closed a refinancing plan with the strong support of shareholders, banks and bondholders. This plan substantially benefits the near and medium term liquidity of the company while relieves any potential constrains in financial covenants until 2013

Nevertheless, the Company should continue working on improving its medium and long term liquidity risk as it still faces significant maturities in 2013 and onwards. (For additional information on Risks Relating to our Financial Profile, see "Risk Factors" in the 2009 Annual Report of ONO Midco, that will shortly be posted on our Investor Relations website).

For further details on our main financing arrangements, please see our Investor Relations website.



6. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

6.1 Quantitative and qualitative disclosure about market risk

Market risk represents the risk of changes in the value of financial instruments, derivative or non-derivative, caused by fluctuations in the markets.

It is our treasury policy to monitor and manage exposure to variable interest rate risk by managing the amount of our outstanding variable interest bearing debt. In order to reduce such market and interests risks, and as market conditions warrant, we may vary our position on interest rate hedging transactions and may purchase or trade the Notes or other financial debt from time to time in privately negotiated or open market transactions using funds available to us.

6.2 Interest rate sensitivity (*)

Borrowings under our €3,500 million Senior bank facility (other than those relating to Bank guarantees) bear interest at a floating rate determined by reference to Euribor plus a margin, which currently ranges from 1.75% to 2.25% depending on the tranche.

Borrowings under our €10 million Participative loan bear interest at a floating rate determined by reference to Euribor plus a margin, which currently is 2.75%.

In addition, our other outstanding debt with credit entities usually bear interest at Euribor plus a margin.

Accordingly, as of 31 March 2010 our main financial agreements (excluding Senior Subordinated Notes) are linked to variable interest rates. The outstanding of €3,474 million are exposed to risk due to fluctuations of interest rates.

We have contracted a series of interest rate swaps to fix Euribor applicable to our financial debt. To date, we have covered €2,565 million, 74% of the total drawn amount under the aforementioned facilities, hedging our exposure up to July 2010 for €2,065 million and up to January 2011 for €500 million.

The table below shows our variable interest long-term debt main agreements as of 31 March 2010:

	Expected maturity date (*)					Total
	2010	2011	2012	2013	2014	
Senior bank facility (Euribor+1.75%-2.25%)	414	590	960	1,500	-	3,464
Participative loan (Euribor+2.75%)	-	-	-	-	10	10
Total	414	590	960	1,500	10	3,474

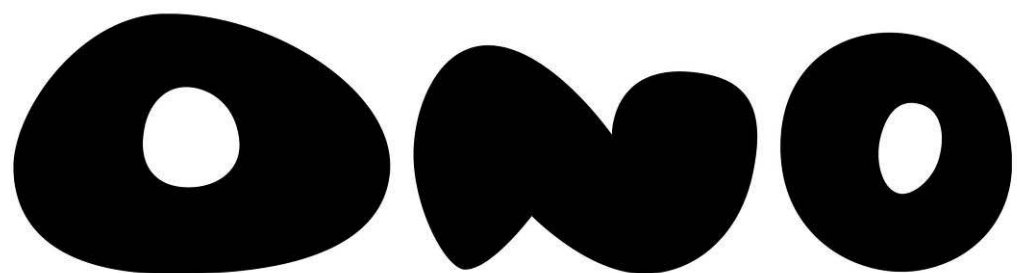


7. DISCLAIMER

The Projections, defined as all data in this release, contain forward-looking statements (any statement other than those made solely with respect to historical facts) based upon management's beliefs, as well as assumptions made by and data currently available to management. 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, results of operations and the Guidance for 2010 that 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 fulfil their obligations under, service and operate pursuant to the terms of, their existing credit facilities and arrangements; the state of the Spanish and global economy and its impact on the company's business; 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 cash flow, revenue and achieve assumed margins; the ability of the Company to attract, retain and compensate key executives and other personnel; the Company's ability to successfully integrate acquired businesses; the ability of the Company to maintain existing arrangements and / or enter into new arrangements with third party providers and contract partners; changes in applicable law, regulations or interpretation thereof; continued presence of a fair, competitive market; potential adverse publicity; as well as other factors detailed from time to time in the Company's public reports. Given these and other uncertainties, readers are cautioned not to place undue reliance on the forward-looking statements contained in the Projections.

The financial information contained in this document has been prepared under new Spanish GAAP. This financial information is unaudited and pending Board approval, therefore, is subject to potential future modifications.



FURTHER INFORMATION

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