



Second quarter 2007 results

1 August 2007

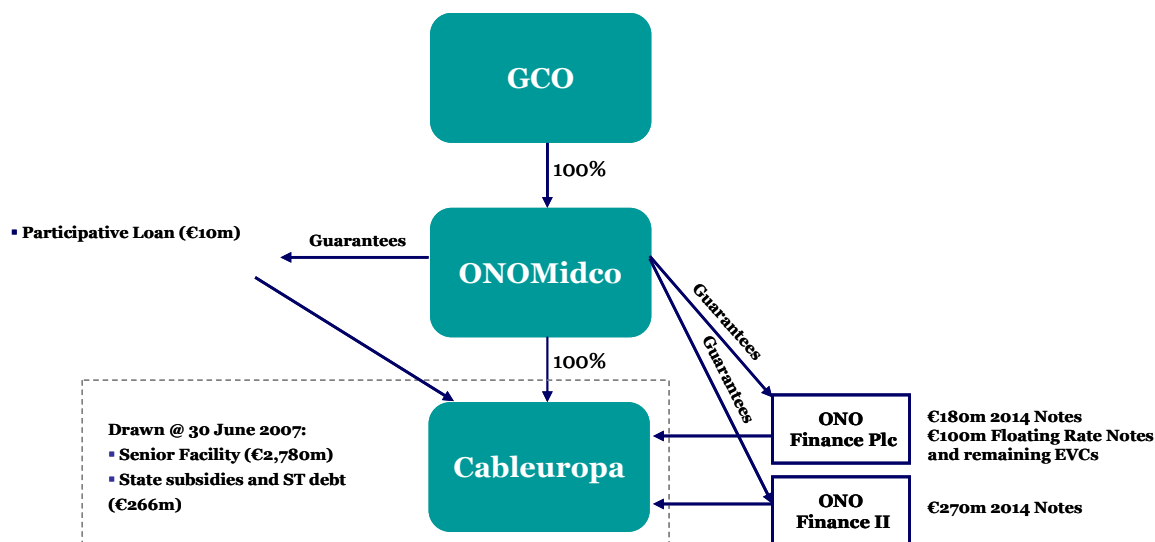


Grupo Corporativo ONO, S.A.
Investor Relations

CONTENT

1.	GROUP AND REPORTING STRUCTURE	3
2.	OVERVIEW ON GRUPO CORPORATIVO ONO	5
2.1	Financial Highlights	6
2.2	Key financial events	7
2.3	Operating Highlights	9
2.4	Key operating events	10
3.	GRUPO CORPORATIVO ONO	11
3.1	Condensed Consolidated Financial Statements	11
3.2	Key factors affecting our business	13
3.3	Second quarter 2007 results of operations	14
3.4	Notes to the Condensed Consolidated Balance Sheet	22
3.5	Notes to the Condensed Consolidated Cash Flow	26
4.	ONOMidco	27
4.1	Condensed Consolidated Financial Statements	27
5.	CABLEEUROPA	29
5.1	Condensed Consolidated Financial Statements	29
5.2	Debt and Liquidity	31
6.	Quantitative and Qualitative disclosure about Market Risk	32
6.1	Quantitative and Qualitative Disclosure about Market Risk	32
6.2	Interest Rate Sensitivity	32
7.	DISCLAIMER	33

1. GROUP AND REPORTING STRUCTURE



We are reporting the quarter ended 30 June 2007 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.

2006 Corporate structure reorganization

After the closing of the Auna Acquisition on 4 November 2005, we carried out the following corporate structure reorganization:

- On 3 May 2006, we incorporated an intermediate holding company between GCO and Cableuropa, S.A.U. (“Old Cableuropa”) called ONOMidco, S.A.U. (“ONOMidco”). ONOMidco is 100% owned by GCO and owns 100% of the shares of Cableuropa. In accordance with the terms of our subordinated facilities and with the indentures for the 10.5% Notes due 2014, the Floating Rate Notes due 2014 and the 8% Notes due 2014, ONOMidco guarantees our Senior Subordinated Notes and our subordinated facilities.
- During 2006, our Board of Directors approved the corporate merger between Cableuropa and Auna. For economic and financial efficiency reasons, the merger was executed as a reverse merger and, accordingly, Auna absorbed Cableuropa (the “Old Cableuropa”). We believe that this merger simplifies the management of the ONO Group and reduces costs. The reverse merger was completed on 2 October 2006, with accounting effect from 1 January 2006.

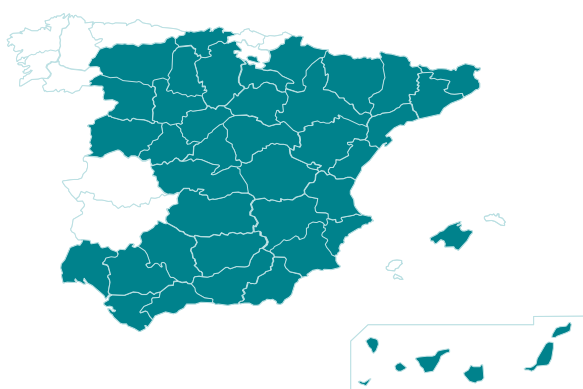
DISCLAIMER: Please see important disclaimer in section 7 of this document

- On 7 November 2006, we changed the corporate name of the surviving entity of the reverse merger between Auna and Old Cableuropa to Cableuropa, S.A.U. (the “New Cableuropa” or “Cableuropa” hereinafter) in the Mercantile Registry.
- As a result of these changes, the Cableuropa financial statements presented as of and for the quarters ended 30 June 2007 and 31 March 2007 correspond to “New Cableuropa” whereas the financial statements presented as of and for the three months ended 30 June 2006 correspond to “Old Cableuropa”.
- After the completion of our corporate structure reorganization and the merger of the companies in the Cableuropa Group, the Company has decided to book extraordinary expenses to accelerate the amortisation of the goodwill raised prior to the acquisition of Auna, as a result of the acquisition of minority interests in the former Cableuropa subsidiaries.

2. OVERVIEW ON 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. ONO offers its direct access services to over 1.9 million residential cable and 69,000 business customers as of 30 June 2007, through its own state of the art networks which give direct access to over 6.3 million homes in franchises which cover the majority of Spain, including the nine largest cities. ONO is the principal competitor to the incumbent telecommunications and pay television operators in Spain. On an annualized basis for the quarter ended 30 June 2007, ONO generated revenues of €1,638 million and EBITDA of €640 million.

Cable franchises



	<i>in thousands</i>
Homes in Spain (*)	17,594
Homes in ONO franchises (*)	14,773
Coverage	84%
Cable homes released to marketing	6,334
Coverage	43%
Residential cable customers	1,863
Cable penetration	29%
SMEs customers	69

(*) Source: INE

Table 1: Capitalisation

As of 30 June 2007	Grupo Corporativo ONO			Cableuropa		
	€m	% of debt	Debt/ EBITDA LQA	€m	% of debt	Debt/ EBITDA LQA
Short-term debt	181	5.0%	0.28x	163	4.6%	0.25x
Senior facility	2,780	77.1%	4.34x	2,780	78.0%	4.30x
Participative loan	10	0.3%	0.02x	10	0.3%	0.02x
Senior subordinated notes	550	15.2%	0.86x	550	15.4%	0.85x
State subsidies & other	86	2.4%	0.13x	60	1.7%	0.09x
Long-term debt	3,426	95.0%	5.35x	3,400	95.4%	5.26x
Total debt	3,607		5.63x	3,563		5.50x
Cash and cash equivalents	18			18		
Total net debt	3,589		5.60x	3,545		5.48x
EBITDA LQA	640			647		

Note: To avoid any double counting, the caption Senior Facility excludes bank guarantees drawn under Tranche S to counterguarantee debt reported under the caption "State subsidies & other" and "Short-term debt".

DISCLAIMER: Please see important disclaimer in section 7 of this document

2.1 Financial Highlights

Table 2: Financial highlights

	Quarter ended					Year to date		
	30-Jun-07	31-Mar-07	% change	30-Jun-06	% change	30-Jun-07	30-Jun-06	% change
<i>Data in €million</i>								
Revenues	410	402	1.9%	407	0.7%	812	827	(1.8%)
Gross profit	294	285	3.3%	277	6.2%	579	559	3.7%
Gross margin	71.9%	70.9%	1.0 pp	68.1%	3.7 pp	71.4%	67.6%	3.8 pp
EBITDA	160	148	8.2%	137	17.0%	308	268	14.9%
EBITDA margin	39.1%	36.8%	2.3 pp	33.6%	5.5 pp	38.0%	32.4%	5.5 pp
Total Net debt	3,589	3,402	5.5%	3,001	19.6%	3,589	3,001	19.6%
Capex	(138)	(119)	16.6%	(115)	20.8%	(257)	(236)	9.0%
Operating FCF	22	29	(26.0%)	22	(2.7%)	51	32	58.0%
Net result	(187)	(13)	na	(14)	na	(200)	(35)	na
Net debt/EBITDA LQA (x)	5.60x	5.75x	(0.15x)	5.48x	0.12x	5.82x	5.60x	0.23x

Table 3: Revenue split

	Quarter ended					Year to date		
	30-Jun-07	31-Mar-07	% change	30-Jun-06	% change	30-Jun-07	30-Jun-06	% change
<i>Data in €million</i>								
Resid. direct acc.	295	287	2.9%	273	7.9%	582	547	6.4%
Indirect access	9	10	(7.7%)	22	(56.8%)	20	50	(60.3%)
SMEs	18	20	(7.8%)	19	(4.0%)	38	37	2.8%
Business	44	39	12.6%	47	(6.1%)	83	96	(14.0%)
Wholesale & ops.	43	46	(5.9%)	46	(5.6%)	89	96	(7.8%)
Total revenues	410	402	1.9%	407	0.7%	812	827	(1.8%)

DISCLAIMER: Please see important disclaimer in section 7 of this document

2.2 Key financial events

- Refinancing

On 20 June 2007, we announced the closing of the self-arranged amendment and upsizing of our €3,100 million Senior Facility.

We mandated Calyon Crédit Agricole CIB, Fortis Bank S.A./N.V., The Royal Bank of Scotland plc, Banco Santander Central Hispano, S.A. and Société Générale Corporate & Investment Banking (together the “Bookrunners”) to act as bookrunners of the amendment and restatement of our €3,100 million syndicated credit facility; Instituto de Crédito Oficial and Ahorro Corporación Financiera (together the “Mandated Lead Institutions”) and Caixa Catalunya, Bank of Scotland, Sucursal en España, Rabobank, Natixis, WestLB AG, Banc of America Securities Limited, GE Commercial Finance and Caja Madrid (together the “Mandated Lead Arrangers”) for this transaction.

The purpose of the amendment and restatement was to provide ONO with increased flexibility and reduced interest margins. The Bookrunners and the Mandated Lead Arrangers also underwrote an additional €500 million of new monies for general corporate purposes, refinancing of junior debt and to provide additional liquidity for new projects and investments. This amendment was subsequently approved and signed by the remaining lenders of the Senior Facility syndicate.

The principal amendments consist of:

- (i) an increase of the original facility of €3,100 million in an amount of €500 million
- (ii) the refinancing of the €110 million Subordinated Facility
- (iii) the refinancing of the €100 million of Floating Rate Notes due 2014
- (iv) an increase in financial flexibility
- (v) provision of additional liquidity for the development of new projects, including the launch of the personal communications business;
- (vi) the delay of two-thirds of the Auna deferred purchase payment by one year to January 2009
- (vii) the amendment of the debt amortisation schedules;
- (viii) a restored level of covenants;
- (ix) an overall reduction of the interest margins to reflect the performance of the Company; and
- (x) amendments to certain clauses, including permitted indebtedness, permitted financial accommodation, permitted investments and acquisitions and amendments.

- Rating agencies revised Cableuropa credit rating

On 19 June 2007, Fitch upgraded Cableuropa long-term corporate credit rating on the group, from “B” to “B+”, its long-term debt rating on the senior secured bank debt, from “BB-” to “BB” and affirmed its “B-” long-term debt rating on the senior unsecured notes issued by ONO Finance and ONO Finance II and guaranteed by Cableuropa and ONOMidco. The outlook was revised from positive to stable.

On 22 June 2007, Moody’s affirmed Cableuropa “B1” long-term corporate credit rating on the group and the stable outlook and its “B3” long-term debt rating on the senior unsecured notes issued by ONO Finance and ONO Finance II and guaranteed by Cableuropa and ONOMidco.

On 7 July 2007, Standard & Poor’s affirmed Cableuropa “B” long-term corporate credit rating on the group and the positive outlook, revised from stable on 2 February 2007, and its “CCC+” long-term debt rating on the senior unsecured notes issued by ONO Finance and ONO Finance II and guaranteed by Cableuropa and ONOMidco.

Table 4: Credit Ratings

	Last report date	Corporate	Bond debt	Bank debt	Outlook
Fitch	19 June 2007	B+	B-	BB	Stable
Moody’s	22 June 2007	B1	B3	NR	Stable
Standard & Poor’s	7 July 2007	B	CCC+	NR	Positive

- Redemption of Floating Rate Notes

In July 2007, ONO Finance Plc announced its intention to redeem all of its outstanding Floating Rate Notes, which amount to €100 million. The redemption date will be 14 August 2007.

The Floating Rate Notes will be redeemed at a price of €1,020.00 per €1,000.00 principal amount of Notes, or 102.000% of their principal amount, plus accrued and unpaid interest.

The Floating Rate Notes currently bear interest at 3 month EURIBOR plus 850 bps and will be refinanced by the Senior Facility at EURIBOR plus 175 bps.

2.3 Operating Highlights

Table 5: Operating highlights

Data in thousand, except if otherwise stated

	Quarter ended 30-Jun-07	Quarter ended 31-Mar-07	% change	Quarter ended 30-Jun-06	% change
Customers:					
Cable	1,863	1,847	0.9%	1,721	8.3%
Other direct access	74	73	1.0%	70	5.0%
Residential direct access	1,937	1,920	0.9%	1,791	8.2%
Indirect access	129	164	(21.4%)	292	(55.8%)
SMEs	69	69	0.1%	69	(0.1%)
Other data – Cable:					
Homes released to marketing	6,334	6,220	1.8%	5,886	7.6%
Penetration	29.4%	29.7%	(0.3 pp)	29.2%	0.2 pp
ARPU (€)	51.4	50.8	1.2%	52.0	(1.1%)
RGUs	3,708	3,662	1.3%	3,335	11.2%
RGUs per customer	1.99	1.98	0.3%	1.94	2.7%
Churn	18.0%	17.2%	0.8 pp	15.6%	2.4 pp
Residential cable customers:					
Telephony	1,616	1,599	1.1%	1,497	8.0%
As % of customers	86.7%	86.6%	0.1 pp	87.0%	(0.2 pp)
Internet	1,169	1,138	2.8%	937	24.8%
As % of customers	62.8%	61.6%	1.2 pp	54.5%	8.3 pp
Television	922	925	(0.3%)	901	2.3%
As % of customers	49.5%	50.1%	(0.6 pp)	52.4%	(2.9 pp)
Residential cable penetration:					
Telephony	25.5%	25.7%	(0.2 pp)	25.4%	0.1 pp
Internet	18.5%	18.3%	0.2 pp	15.9%	2.5 pp
Television	14.6%	14.9%	(0.3 pp)	15.3%	(0.8 pp)

DISCLAIMER: Please see important disclaimer in section 7 of this document

2.4 Key operating events

- **ONO, the best operator in terms of complaints**

According to information published on 11 April 2007 by the Spanish Government (Secretaría de Estado de Telecomunicaciones), ONO was the best operator in terms of complaints during 2006. We were the operator with the least number of complaints received from our customers, both in fixed telephony and in Internet services. In 2006, ONO received 1.79 telephony related complaints per 10,000 subscribers, compared to 2.25 received by Telefónica and 1.07 Internet related complaints per 10,000 subscribers, compared to 1.69 received by Telefónica.

- **Pay television audiences leadership**

According to TNS Sofres, the company measuring television audiences and consumption data in Spain, ONO achieved a total television market share of 7.25% in June 2007. Over the course of the last year, ONO has increased its share by more than 34%.

- **2007 Shareholders' meeting**

On 29 June 2007, our annual general shareholders' meeting, held in Madrid, approved our 2006 audited financial statements. Our annual report, including our audited financial statements for 2006 can be accessed at <http://www.ono.es/investorrelations/anual.aspx>

3. GRUPO CORPORATIVO ONO

3.1 Condensed Consolidated Financial Statements

Table 6: Condensed Consolidated Balance Sheet

<i>Data in €million</i>	Note	30-Jun-07	31-Dec-06	30-Jun-06
ASSETS				
Current assets				
Cash		17	7	26
Short-term investments, net	3.4.1	12	12	18
Accounts receivable & other	3.4.2	270	247	260
Total current assets		299	265	304
Fixed assets				
Start-up costs, net	3.4.3	20	17	18
Intangible assets, net	3.4.4	134	337	366
Tangible assets, net	3.4.5	4,416	4,340	4,199
Financial assets, net	3.4.6	1,338	1,311	1,222
Total fixed assets		5,908	6,005	5,805
Deferred expenses, net		24	23	25
TOTAL ASSETS		6,231	6,293	6,134
LIABILITIES AND SHAREHOLDER'S EQUITY				
Current liabilities				
Short term debt	3.4.8	181	177	163
Accrued interest expenses		9	9	8
Accounts payable and other	3.4.7	784	915	985
Total current liabilities		973	1,102	1,156
Long term debt				
Senior facility	3.4.8	2,780	2,351	2,105
Subordinated facilities	3.4.8	10	130	130
Senior subordinated notes	3.4.8	550	550	550
Other	3.4.8	86	108	89
Total long term debt		3,426	3,139	2,874
Other long term liabilities	3.4.9	248	274	250
Deferred income	3.4.10	116	116	3
Commitments and contingencies	3.4.10	376	427	371
Negative goodwill	3.4.10	-	-	241
Minority interests		2	2	2
Shareholders' equity				
Common stock	3.4.11	1,672	1,630	1,630
Share Premium	3.4.11	368	353	353
Accumulated deficit	3.4.11	(750)	(711)	(711)
Net loss for the period	3.4.11	(200)	(39)	(35)
Total shareholders' equity		1,090	1,233	1,236
TOTAL LIABILITIES AND SHRS' EQUITY		6,231	6,293	6,134

DISCLAIMER: Please see important disclaimer in section 7 of this document

Table 7: Condensed Consolidated Statements of Operations

Data in €million	Quarter ended					Year to date		
	30-Jun-07	31-Mar-07	% change	30-Jun-06	% change	30-Jun-07	30-Jun-06	% change
Revenues	410	402	1.9%	407	0.7%	812	827	(1.8%)
Cost of services	(115)	(117)	(1.6%)	(130)	(11.2%)	(232)	(268)	(13.4%)
Opex	(134)	(137)	(2.0%)	(140)	(4.3%)	(271)	(290)	(6.6%)
EBITDA	160	148	8.2%	137	17.0%	308	268	14.9%
Deprec. and amortiz.	(85)	(105)	(19.4%)	(107)	(20.6%)	(190)	(221)	(14.0%)
EBIT/Oper. profit	75	43	75.6%	30	149.4%	118	47	149.5%
Net financial expense	(56)	(55)	3.0%	(48)	17.0%	(111)	(90)	24.0%
Net extraordinary exp.	(205)	2	na	1	na	(202)	(2)	na
EBT	(186)	(9)	na	(17)	na	(195)	(44)	na
Income tax	(1)	(4)	(62.5%)	2	na	(5)	8	na
Loss bef. min. inter	(187)	(13)	na	(15)	na	(200)	(36)	na
Minority interests	(0)	0	na	1	(102.3%)	0	0	na
Net result	(187)	(13)	na	(14)	na	(200)	(35)	na

EBITDA increased in the second quarter of 2007 by €12 million or 8.2% to €160 million, from €148 million in the first quarter of 2007, mainly due to the increase of revenues by €8m, or 1.9%, in the quarter and to our continued cost control. EBITDA increased by 17.0% in the second quarter of 2007 as compared to the same period of the previous year. The EBITDA margin increased up to 39.1% in the second quarter of 2007 from 33.6% in the second quarter of 2006.

Table 8: Condensed Consolidated Cash Flow

Data in €million	Quarter ended				Year to date		
	30-Jun-07	31-Mar-07	% change	30-Jun-06	30-Jun-07	30-Jun-06	% change
EBITDA	160	148	8.2%	137	308	268	14.9%
Capex	(138)	(119)	16.6%	(115)	(257)	(236)	9.0%
OPERATING FCF	22	29	(26.0%)	22	51	32	58.0%
Change in working capital	(58)	(93)	(38.0%)	(27)	(151)	(136)	11.4%
Other ⁽¹⁾	(50)	(23)	120.3%	(36)	(73)	(89)	(18.5%)
FCF (pre-interest)	(86)	(87)	(0.7%)	(40)	(173)	(193)	(10.2%)
Paid interest, net	(102)	(7)	na	(64)	(109)	(91)	19.8%
FCF	(188)	(93)	101.4%	(103)	(282)	(283)	(0.5%)
Senior facility	348	81	330.9%	62	429	284	51.1%
Subordinated facilities	(120)	-	na	-	(120)	-	na
Senior subordinated notes	-	-	na	-	-	(62)	(100.0%)
State subsidies	(9)	(2)	na	(5)	(11)	(5)	127.2%
Short term debt	(16)	16	na	48	(0)	84	(100.0%)
Short term investments	(1)	0	na	(4)	(1)	18	(103.6%)
Other financing items	(5)	(1)	na	(4)	(5)	(17)	(68.0%)
FINANCING	197	94	108.9%	97	292	302	(3.4%)
NET CASH VARIATION	9	1	na	(6)	10	19	(46.6%)
Cash Beginning of Period	8	7	15.3%	33	7	7	(8.6%)
Cash End of Period	17	8	118.8%	26	17	26	(36.0%)

⁽¹⁾ Includes integration costs, commitments & contingencies, refinancing costs and other one-off items.

3.2 Key factors affecting our business

3.2.1. Customers

Table 9: Customer split

Data in thousand, except if otherwise stated

	30-Jun-07	31-Mar-07	% change	30-Jun-06	% change
Customers					
Cable	1,863	1,847	0.9%	1,721	8.3%
Other direct access	74	73	1.0%	70	5.0%
Residential direct access	1,937	1,920	0.9%	1,791	8.2%
Indirect access	129	164	(21.4%)	292	(55.8%)
SMEs	69	69	0.1%	69	(0.1%)
Residential Cable ARPU (€)	51.4	50.8	1.2%	52.0	(1.1%)

Our residential direct access customer base increased by 0.9% in the quarter, reaching 1,937,000 as of 30 June 2007. This growth is mainly due to the continued effort in acquiring new customers through our continuous development of new competitive offers and to the improvements to our commercial methods and policies including the launch of our new web-based sales channel.

The level of net sales in the second quarter was impacted significantly by internal projects. The transfer of customers from the old Auna residential billing systems to the ONO billing and CRM platforms led to disruption in sales, installations and fault resolution. These issues continued into the third quarter of the year as the final migrations of residential customer occurred at the beginning of July.

SMEs customers remained stable in the quarter, at 69,000 customers as of 30 June 2007.

Indirect access customers decreased by 21.4% in the second quarter of 2007, as expected, due to our focus on increasing the weight of our higher margin direct access business.

ARPU for residential cable services in ONO was €51.4 in the second quarter of 2007 compared to €50.8 in the previous quarter. Residential cable ARPU increased by 1.2% mainly due to the continuing increase in RGUs per customer.

3.3 Second quarter 2007 results of operations

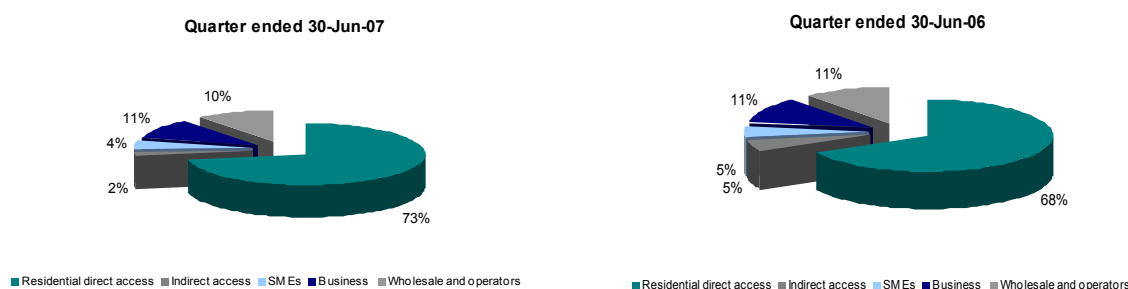
3.3.1. Revenues

ONO's revenues are derived from residential direct access services (which comprise revenues from individual service offerings or a combination of telephony, Internet and pay television services), indirect access services, SMEs services (which comprise voice and data services to SME business customers), business services (which comprise voice and data services and other value added services provided to large corporations and public entities) and wholesale and operators services (which principally comprise 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).

The following table sets forth a detail of ONO's revenues and the percentage change from period to period for each of the periods indicated.

Table 10: Revenue split

Data in €million	Quarter ended					Year to date		
	30-Jun-07	31-Mar-07	% change	30-Jun-06	% change	30-Jun-07	30-Jun-06	% change
Resid. direct acc.	295	287	2.9%	273	7.9%	582	547	6.4%
Indirect access	9	10	(7.7%)	22	(56.8%)	20	50	(60.3%)
SMEs	18	20	(7.8%)	19	(4.0%)	38	37	2.8%
Business	44	39	12.6%	47	(6.1%)	83	96	(14.0%)
Wholesale & opers.	43	46	(5.9%)	46	(5.6%)	89	96	(7.8%)
Total revenues	410	402	1.9%	407	0.7%	812	827	(1.8%)



Revenues increased in Q2 2007 by 1.9% to €410 million from €402 million in the previous quarter. This revenue increase is mainly due to the continuous growth of residential direct access and business revenues reflecting our strategy to maintain and increase margin accretive revenues and avoid low margin revenues. Residential direct access revenues continue to be the main revenue source, contributing 73% to overall revenues in Q2 2007 from 68% in Q2 2006.

DISCLAIMER: Please see important disclaimer in section 7 of this document

3.3.1.1 Residential direct access services

a) Cable

Cable services provide us with revenues from monthly fees and initial connection charges from residential bundled and individual services, usage charges from residential telephony services; set top box rental charges; and variable fees for pay-per-view services from cable television services. The following tables set forth information on residential cable services, and the percentage change from period to period:

Table 11: Residential cable services

Data in thousand, except if otherwise stated	Quarter ended				
	30-Jun-07	31-Mar-07	% change	30-Jun-06	% change
Resid. Cable Services					
HRTM	6,334	6,220	1.8%	5,886	7.6%
Customers	1,863	1,847	0.9%	1,721	8.3%
Penetration	29.4%	29.7%	(0.3 pp)	29.2%	0.2 pp
Churn	18.0%	17.2%	0.8 pp	15.6%	2.4 pp
ARPU (€)	51.4	50.8	1.2%	52.0	(1.1%)
RGUs	3,708	3,662	1.3%	3,335	11.2%
RGUs per customer	1.99	1.98	0.3%	1.94	2.7%

Total cable customers increased during the last quarter by 17,000 or 0.9% to 1,863,000. Cable customers increased by 8.3% from the quarter ended 30 June 2006 to the quarter ended 30 June 2007. Our penetration ratio decreased to 29.4% as of 30 June 2007 due to a higher deployment level than the previous quarter. Our focus on bundled services brought an improvement in RGUs per customer reaching 1.99 as at 30 June 2007.

Churn increased in the second quarter of 2007 to 18.0%, from 17.2% in the previous quarter. This was driven by the operational disruption of the systems migration projects referenced in Section 3.2.1., price adjustments for the customer base and a number of analogue television switch-off projects which occurred in June.

- **Telephony**

The following table sets forth certain information with respect to ONO's telephony services and the percentage change from period to period:

Table 12: Telephony services

Data in thousand, except if otherwise stated	Quarter ended				
	30-Jun-07	31-Mar-07	% change	30-Jun-06	% change
Telephony customers	1,616	1,599	1.1%	1,497	8.0%
Proportion of total customers	86.7%	86.6%	0.1 pp	87.0%	(0.2 pp)
Penetration	25.5%	25.7%	(0.2 pp)	25.4%	0.1 pp

DISCLAIMER: Please see important disclaimer in section 7 of this document

Telephony customers increased by 17,000 or 1.1% in the second quarter of 2007 to reach 1,616,000 mainly due to our upselling campaigns launched during the quarter. Telephony continues to account for the largest portion of our RGUs, with 86.7% of our customers subscribing to this service, in line with the previous quarter.

- **Internet**

The following table sets forth certain information with respect to ONO's Internet services and the percentage change from period to period:

Table 13: Internet services

	Quarter ended				
	30-Jun-07	31-Mar-07	% change	30-Jun-06	% change
<i>Data in thousand, except if otherwise stated</i>					
Internet customers	1,169	1,138	2.8%	937	24.8%
Proportion of total customers	62.8%	61.6%	1.2 pp	54.5%	8.3 pp
Penetration	18.5%	18.3%	0.2 pp	15.9%	2.5 pp

Internet customers increased by 32,000 or 2.8% in the second quarter of 2007 to reach 1,169,000 as of 30 June 2007. This growth surpasses our total customer adds by 15,000, showing the success of our efforts in cross-selling internet to existing customers. Internet customers as a proportion of total customers increased by 1.2 pp to 62.8% in the second quarter of 2007 from 61.6% in the previous quarter. Our residential Internet penetration increased to 18.5% in the second quarter of 2007 from 18.3% in the previous quarter.

- **Television**

The following table sets forth certain information with respect to ONO's television services and the percentage change from period to period:

Table 14: Television services

	Quarter ended				
	30-Jun-07	31-Mar-07	% change	30-Jun-06	% change
<i>Data in thousand, except if otherwise stated</i>					
Television customers	922	925	(0.3%)	901	2.3%
Proportion of total customers	49.5%	50.1%	(0.6 pp)	52.4%	(2.9 pp)
Penetration	14.6%	14.9%	(0.3 pp)	15.3%	(0.8 pp)

Cable television customers decreased slightly by 3,000 or 0.3% in the quarter to reach 922,000 as of 30 June 2007 mainly due to a number of analogue television switch-off projects which were executed during the second quarter.

Cable television customers as a proportion of total customers decreased by 0.6 pp to 49.5% in the quarter and penetration of cable television services over homes released to marketing decreased slightly in the second quarter by 0.3 pp to 14.6%.

At the end of the second quarter of 2007, 89% of our total television customer base enjoyed our digital offering. In addition, we launched "ojo", our video on demand

DISCLAIMER: Please see important disclaimer in section 7 of this document

service, in Madrid and Barcelona in December 2006 and we expect to launch it in the rest of the former Auna areas in due course.

b) Other direct access

Other direct access services include services offered through full unbundling of Telefónica's local loop. These services provide us with revenues from monthly fees from telephony and broadband Internet services and usage charges from telephony services. Our ULL customers increased in the second quarter of 2007 from 73,000 to 74,000 mainly due to the opening of 6 new switches in Madrid and 2 in Catalunya during June and despite the closing of switches overlapped with our cable networks. We consider our ULL operations, mostly in Madrid and Barcelona, as a complement to our core cable business.

In the quarter ended 30 June 2007, ULL customers subscribing to bundled services surpassed, for the second consecutive quarter, customers subscribing only to telephony services.

Table 15: Other direct access services

Data in thousand, except if otherwise stated	Quarter ended				
	30-Jun-07	31-Mar-07	% change	30-Jun-06	% change
Customers	74	73	1.0%	70	5.0%
RGUs	117	113	3.4%	83	40.9%
RGUs per customer (#)	1.59	1.55	2.3%	1.18	34.2%

3.3.1.2 Indirect access services

Indirect access revenues relate to usage charges from indirect access telephony services to residential and SMEs customers. The following table sets forth revenues and customers from indirect access services, and the percentage change from period to period:

Table 16: Indirect access

Oper. data in thousand Fin. data in €million	Quarter ended					Year to date		
	30-Jun-07	31-Mar-07	% change	30-Jun-06	% change	30-Jun-07	30-Jun-06	% change
Customers	129	164	(21.4%)	292	(55.8%)	129	292	(55.8%)
Revenues	9	10	(7.7%)	22	(56.8%)	20	50	(60.3%)

Indirect access customers decreased by 21.4% to 129,000 customers as of 30 June 2007 as a consequence of our focus on our direct access business. We expect this trend of reducing customers and revenues to continue in the future.

3.3.1.2 SMEs services

Revenues from SMEs services are derived from fees paid by small and medium sized enterprises, for voice and data services, offered individually or as a bundle.

The following table sets forth revenues and customers from SMEs services, and the percentage change from period to period:

Table 17: SMEs services

Oper. data in thousand Fin. data in €million	Quarter ended					Year to date		
	30-Jun-07	31-Mar-07	% change	30-Jun-06	% change	30-Jun-07	30-Jun-06	% change
Customers	69	69	0.1%	69	(0.1%)	69	69	(0.1%)
Revenues	18	20	(7.8%)	19	(4.0%)	38	37	2.8%

ONO's SMEs customers remained stable at 69,000 customers in the second quarter of 2007.

Despite this customer stability, SMEs revenues decreased by 7.8% to €18 million in the second quarter of 2007, from €20 million in the previous quarter.

3.3.1.3 Business services

Revenues from business services are derived from customized solutions designed to satisfy the communications needs (voice, internet, data solutions and equipment) of large corporate groups, institutions and central and autonomous government agencies, through an integrated range of tailored services.

The following table sets forth revenues from business services, and the percentage change from period to period:

Table 18: Business services

Fin. data in €million	Quarter ended					Year to date		
	30-Jun-07	31-Mar-07	% change	30-Jun-06	% change	30-Jun-07	30-Jun-06	% change
Revenues	44	39	12.6%	47	(6.1%)	83	96	(14.0%)

Business revenues increased by 12.6% to €44 million in the second quarter of 2007, from €39 million in the previous quarter. This significant increase in revenues includes one off charges and is not expected to be maintained in the coming quarters.

3.3.1.4. Wholesale and Operators & Other Services

Revenues from wholesale and operators 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, as well as other revenues.

DISCLAIMER: Please see important disclaimer in section 7 of this document

Revenues from wholesale and operators decreased by 5.9%, from €46 million for the first quarter of 2007 to €43 million for the second quarter of 2007, in line with our expectations.

3.3.2. Cost of Services and Gross Profit

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

Table 18: Cost of services and gross profit

Data in €million	Quarter ended					Year to date		
	30-Jun-07	31-Mar-07	% change	30-Jun-06	% change	30-Jun-07	30-Jun-06	% change
Total revenues	410	402	1.9%	407	0.7%	812	827	(1.8%)
Cost of services	(115)	(117)	(1.6%)	(130)	(11.2%)	(232)	(268)	(13.4%)
Gross Profit	294	285	3.3%	277	6.2%	579	559	3.7%
Gross Margin	71.9%	70.9%	1.0 pp	68.1%	3.7 pp	71.4%	67.6%	3.8 pp

Cost of services principally consist of interconnection and backbone network costs for telecommunication services, internet connectivity costs, circuit renting expenses and programming fees 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 slightly by €2 million from 31 March 2007 to 30 June 2007. As a percentage of total revenues, our cost of services decreased to 28.1% for the three months ended 30 June 2007 as compared to 29.1% for the previous quarter and gross margin increased by 1.0 pp to 71.9% in the second quarter of 2007.

3.3.3. 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:

Table 19: Operating expenses

Data in €million	Quarter ended					Year to date		
	30-Jun-07	31-Mar-07	% change	30-Jun-06	% change	30-Jun-07	30-Jun-06	% change
Gross Opex	(151)	(156)	(3.2%)	(154)	(1.7%)	(307)	(318)	(3.3%)
Capitalised Costs	17	19	(11.7%)	14	25.6%	36	27	32.5%
Net Opex	(134)	(137)	(2.0%)	(140)	(4.3%)	(271)	(290)	(6.6%)
<i>as % of revenues</i>	32.8%	34.1%	(1.3 pp)	34.5%	(1.7 pp)	33.4%	35.1%	(1.7 pp)

Gross operating expenses consist 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. Capitalized costs relate to, *inter alia*, direct labour costs associated with the development and construction of our network.

Net opex decreased from €137 million to €134 million or from 34.1% to 32.8% of revenues in the second quarter of 2007 from the previous quarter. The decrease in selling general and administrative expenses as a percentage of revenues reflects our focus on cost management as part of our integration process and the aim to converge with the efficiency ratios obtained by Old ONO before the Auna acquisition.

Net Opex decreased, on a cumulative year to date basis, by €19 million or 6.6% from 30 June 2006 to 30 June 2007. Net Opex as percentage of revenues decreased by 1.7 pp to 33.4% for the first half of 2007 from 35.1% for the same period of the previous year.

3.3.4. Depreciation and Amortisation

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

Table 20: Depreciation and amortisation

Data in €million	Quarter ended					Year to date		
	30-Jun-07	31-Mar-07	% change	30-Jun-06	% change	30-Jun-07	30-Jun-06	% change
D&A	(85)	(105)	(19.4%)	(107)	(20.6%)	(190)	(221)	(14.0%)

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 and start-up costs.

3.3.5. Net Financial Expense

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

Table 21: Net financial expense

Data in €million	Quarter ended					Year to date		
	30-Jun-07	31-Mar-07	% change	30-Jun-06	% change	30-Jun-07	30-Jun-06	% change
Net fin. expenses	(56)	(55)	3.0%	(48)	17.0%	(111)	(90)	24.0%

Our net financial expense is mainly comprised of interest expense from our financing agreements. Net financial expense increased by 3.0% in the second quarter of 2007 due to our debt drawings under the €3,600 million Senior Bank Facility during the second quarter of the year.

3.3.6. Other Income and Expense

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

Table 22: Other income and expense

Data in €million	Quarter ended					Year to date		
	30-Jun-07	31-Mar-07	% change	30-Jun-06	% change	30-Jun-07	30-Jun-06	% change
Net extraordinary income / (expense)	(205) (*)	2	na	1	na	(202)	(2)	na
Income tax	(1)	(4)	(62.5%)	2	na	(5)	8	na

(*) See 1. "2006 Corporate structure reorganisation"

3.4 Notes to the Condensed Consolidated Balance Sheet

3.4.1. Short term investments

Table 23: Short term investments, net

<i>Data in €million</i>	<u>30-Jun-07</u>	<u>31-Dec-06</u>	<u>% change</u>
Investment in non consolidated companies	2	2	10.1%
Fixed interest securities	0	1	(98.9%)
Other short term investments	12	11	12.3%
Provisions	(2)	(2)	10.1%
Short term investments, net	12	12	3.0%

3.4.2. Accounts receivable

Table 24: Accounts receivable, net

<i>Data in €million</i>	<u>30-Jun-07</u>	<u>31-Dec-06</u>	<u>% change</u>
Receivables from related parties	1	1	(5.2%)
Accounts receivable and other debtors	384	346	11.0%
Tax receivables	6	11	(44.2%)
Allowance for doubtful accounts	(157)	(142)	10.8%
Other	36	31	15.6%
Accounts receivable, net	270	247	9.2%

3.4.3. Start-up costs

Table 25: Start-up costs

<i>Data in €million</i>	<u>31-Dec-06</u>	<u>Additions</u>	<u>Amortisation</u>	<u>30-Jun-07</u>
Start-up costs, net	5	4	(1)	9
Stock issuance costs, net	12	1	(2)	11
Start-up costs, net	17	6	(3)	20

3.4.4. Intangible assets

Table 26: Intangible assets, net

Data in €million	31-Dec-06	Additions	Disposals	Transfers	30-Jun-07
Goodwill (*)	478	-	-	-	478
Licensed assets	61	0	-	-	62
Franchise acquisition costs	13	-	-	-	13
Computer software	94	19	-	1	113
Finance leases	41	0	-	-	42
Other intangible fixed assets	3	0	(0)	-	3
Total cost	689	19	(0)	1	710
Accumulated amortisation (*)	(353)	(223)	-	(1)	(576)
Provisions	-	-	-	-	-
Intangible assets, net	337	(203)	(0)	0	134

(*) See 1. "2006 Corporate structure reorganisation"

3.4.5. Tangible assets

Table 27: Tangible assets, net

Data in €million	31-Dec-06	Additions	Disposals	Transfers	30-Jun-07
Land and natural assets	17	-	-	-	17
Network and technical equipment	5,537	85	(16)	138	5,743
Computer hardware	179	3	-	2	184
Other tangible fixed assets	72	1	-	-	73
Total operating tangible fixed assets	5,806	88	(17)	140	6,016
Payments on account and assets in course of construction	207	149	(11)	(142)	203
Total cost	6,012	237	(28)	(2)	6,220
Accumulated amortisation	(1,577)	(154)	3	-	(1,727)
Provisions	(96)	-	19	-	(76)
Tangible assets, net	4,340	83	(5)	(2)	4,416

3.4.6. Financial assets

Table 28: Financial assets

Data in €million	30-Jun-07	31-Dec-06	% change
Tax credit and deferred tax	1,251	1,256	(0.4%)
Other financial assets (*)	119	86	38.1%
Shareholdings in unconsolidated companies	4	4	(10.1%)
Provisions	(35)	(35)	0.8%
Financial assets	1,338	1,311	2.1%

(*) This caption includes the EVCs bought by GCO both in open market transactions and in a tender offer carried out in September and October 2006. Currently GCO owns in the region of 84% of the total EVCs issued by ONO Finance in 1999 and 2001. The liability in Cableuropa sits in "Other long term liabilities" (see 3.4.9 below) and the value of the EVCs is based on the price paid in the purchases made by GCO. It also includes the undisbursed portion of a capital increase for an amount of €31.4 million.

DISCLAIMER: Please see important disclaimer in section 7 of this document

3.4.7. Accounts payable

Table 29: Accounts payable

<i>Data in €million</i>	30-Jun-07	31-Dec-06	% change
Commercial suppliers	340	431	(21.1%)
Taxes payable	10	10	4.0%
Fixed asset suppliers	378	412	(8.2%)
Other	56	62	(9.7%)
Accounts payable	784	915	(14.3%)

3.4.8. Debt and liquidity

Table 30: Debt and liquidity

<i>As of 30 June 2007 Data in €million</i>	Maximum available	Short term debt	Long term debt	Total debt	Availability
Type of debt					
Debt with credit entities:					
Senior facility	3,500	-	2,780	2,780	720
Participative loan	10	-	10	10	-
Other credit facilities	244	167	35	202	42
Total debt with credit entities	3,754	167	2,825	2,992	762
Other debt:					
Senior subordinated notes	550	-	550	550	-
State subsidies and other	65	14	51	65	-
Total other debt	615	14	601	615	-
Total debt	4,369	181	3,426	3,607	762
Cash and cash equivalents				18	
Total net debt				3,589	
EBITDA LQA				640	
Total net debt/EBITDA				5.60x	

Note: To avoid any double counting, the caption Senior Facility excludes bank guarantees drawn under Tranche S to counter-guarantee debt reported under the caption "State subsidies and other".

Table 31: Debt by maturity

As of 30 June 2007 Data in €million	Maturity						Total
	2007	2008	2009	2010	2011	Thereafter	
Type of debt							
Debt with credit entities:							
Senior facility	-	-	31	357	515	1,878	2,780
Participative loan	-	-	-	-	-	10	10
Other credit facilities	43	126	2	28	1	2	202
Total debt with credit entities	43	126	33	384	516	1,890	2,992
Other debt:							
Senior subordinated notes (*)	-	-	-	-	-	550	550
State subsidies and other	4	16	15	12	10	8	65
Total other debt	4	16	15	12	10	558	615
Total	46	141	48	397	526	2,448	3,607

(*) €100 million of the Senior subordinated notes correspond to the Floating Rate Notes that will be redeemed on 14 August 2007.

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

3.4.9. Other long term liabilities

Table 32: Other long term liabilities

Data in €million	30-Jun-07	31-Dec-06	% change
Deferred Auna Acquisition payment	214	214	-
EVCs and other (*)	33	33	-
Other	1	27	(95.6%)
Other long term liabilities	248	274	(9.3%)

(*) See 3.4.6 above

3.4.10. Deferred income, commitments and contingencies and negative goodwill

The Negative Goodwill caption sitting in the Balance Sheet was reclassified to Commitments and Contingencies after the merger amongst Auna and Old Cableuropa.

In addition, after finalising the Purchase Price Allocation of the acquisition of Auna, according to Spanish GAAP, an unassigned balance of €116 million was allocated to the Deferred Income caption as of 31 December 2006. This item cannot be reassessed in the future and once we transfer our accounting to IFRS this caption will be reallocated to the net equity caption.

3.4.11. Shareholders' equity

Table 33: Shareholders' equity

<i>Data in €million</i>	Common stock	Share premium	Accumulated deficit	Net loss	Total
31 December 2006	1,630	353	(711)	(39)	1,233
Capital increases	42	16	-	-	57
Previous year result distribution	-	-	(39)	39	-
Net result for the three-months period	-	-	-	(200)	(200)
30 June 2007	1,672	368	(750)	(200)	1,090

3.5 Notes to the Condensed Consolidated Cash Flow

3.5.1. Capex

Capital expenditure increased by 16.6% to €138 million for the second quarter of 2007, as delayed project expenditure returned to its normalised level. Capital expenditure for the first half of 2007 includes €19 million of intangible assets and €237 million of tangible assets.

Our capital expenditure ("Capex") is principally related to network build-out, set-top box purchases, installations, network upgrades, computer hardware and software and investments necessary for the integration of Auna.

Table 34: Capital expenditure

<i>Data in €million</i>	Quarter ended					Year to date		
	30-Jun-07	31-Mar-07	% change	30-Jun-06	% change	30-Jun-07	30-Jun-06	% change
Capex	(138)	(119)	16.6%	(115)	20.8%	(257)	(236)	9.0%

3.5.2. Working Capital variation

The change in working capital includes the variation of the captions "accounts payable and other" and "accounts receivable and other". The negative trend of this caption in the quarter relates to the decrease in accounts payable as a consequence of the decreased expenditures as compared with previous quarters and the increase of accounts receivable as revenues increased in the second quarter.

4. ONOMIDCO

4.1 Condensed Consolidated Financial Statements

Table 35: Condensed Consolidated Balance Sheet (ONOMidco)

Data in €million

	30-Jun-07	31-Dec-06
ASSETS		
Current assets		
Cash	17	7
Short-term investments, net	12	12
Accounts receivable and other	270	246
Total current assets	299	265
Fixed assets		
Start-up costs, net	11	8
Intangible assets, net	134	337
Tangible assets, net	4,416	4,340
Financial assets, net	1,244	1,249
Total fixed assets	5,805	5,934
Deferred expenses, net	43	44
TOTAL ASSETS	6,147	6,242
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities		
Short term debt	163	161
Accrued interest expenses	9	9
Accounts payable and other	797	937
Total current liabilities	968	1,107
Long term debt		
Senior facility	2,780	2,351
Subordinated facilities	10	130
Senior subordinated notes	550	550
Other	60	78
Total long term debt	3,400	3,109
Other long term liabilities	248	248
Deferred income	116	116
Commitments and contingencies	375	427
Minority interests	5	5
Participative loan	955	955
Shareholder's equity		
Common stock	263	263
Share premium	24	24
Accumulated deficit	(11)	-
Net loss for the period	(196)	(11)
Total shareholder's equity	80	276
TOTAL LIABILITIES AND SHR'S EQUITY	6,147	6,242

DISCLAIMER: Please see important disclaimer in section 7 of this document

Table 36: Condensed Consolidated Statement of Operations (ONOMidco)

	Quarter ended			Year to date
	30-Jun-07	31-Mar-07	% change	30-Jun-07
<i>Data in €million</i>				
Revenues	410	402	1.9%	812
Cost of services	(115)	(117)	(1.6%)	(232)
Opex	(133)	(135)	(1.3%)	(267)
EBITDA	162	150	7.5%	312
Deprec. and amortiz.	(84)	(104)	(19.4%)	(188)
EBIT/Oper. profit	78	46	68.2%	124
Net financial expense	(57)	(55)	3.0%	(112)
Net extraordinary exp.	(205)	2	na	(202)
EBT	(184)	(7)	na	(191)
Income tax credit	(1)	(4)	(62.5%)	(5)
Loss before minority interests	(185)	(10)	na	(196)
Minority interests	(0)	(0)	(7.7%)	(0)
Net result	(186)	(11)	na	(196)

Table 37: Condensed Consolidated Cash Flow (ONOMidco)

	Quarter ended			Year to date
	30-Jun-07	31-Mar-07	% change	30-Jun-07
<i>Data in €million</i>				
EBITDA	162	150	7.5%	312
Capex	(138)	(119)	16.6%	(257)
OPERATING FCF	23	32	(26.9%)	55
Change in working capital	(56)	(104)	(46.8%)	(160)
Other ⁽¹⁾	(49)	(22)	123.5%	(70)
FCF (pre-interests)	(81)	(94)	(14.2%)	(175)
Paid interests, net	(101)	(7)	na	(108)
FCF	(182)	(101)	80.4%	(284)
Senior facility	348	81	na	429
Senior subordinated notes	(120)	-	na	(120)
State subsidies	(9)	(2)	na	(11)
Short term debt	(26)	24	na	(2)
Short term investment	(1)	0	na	(1)
Other financing items	(1)	(1)	47.3%	(2)
FINANCING	192	102	87.6%	294
NET CASH VARIATION	9	1	na	10
Cash Beginning of Period	8	7	15.4%	7
Cash End of Period	17	8	120.5%	17

⁽¹⁾ Includes integration costs, commitment & contingencies and other one off items

In this section, we are reporting the second quarter of 2007 condensed consolidated financial statements of ONOMidco, 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.

DISCLAIMER: Please see important disclaimer in section 7 of this document

5. CABLEUROPA

5.1 Condensed Consolidated Financial Statements

Table 38: Condensed Consolidated Balance Sheet (Cableuropa)

Data in €million

	30-Jun-07	31-Dec-06	30-Jun-06
	New Cableuropa	New Cableuropa	Old Cableuropa
ASSETS			
Current assets			
Cash	17	7	19
Short-term investments, net	12	12	9
Accounts receivable and other	270	246	237
Total current assets	299	265	265
Fixed assets			
Start-up costs, net	11	8	8
Intangible assets, net	134	337	365
Tangible assets, net	4,416	4,340	4,198
Financial assets, net	1,244	1,249	1,219
Total fixed assets	5,805	5,934	5,790
Deferred expenses, net	43	44	47
TOTAL ASSETS	6,147	6,242	6,102
LIABILITIES AND SHAREHOLDER'S EQUITY			
Current liabilities			
Short term debt	163	161	143
Accrued interest expenses	9	9	7
Accounts payable and other	797	936	975
Total current liabilities	968	1,106	1,126
Long term debt			
Senior facility	2,780	2,351	2,105
Subordinated facilities	10	130	130
Senior subordinated notes	550	550	550
Other	60	78	83
Total long term debt	3,400	3,109	2,868
Other long term liabilities	248	248	250
Deferred income	116	116	3
Commitments and contingencies	375	427	371
Negative goodwill	-	-	241
Minority interests	5	5	2
Participative loan	955	955	955
Shareholder's equity			
Common stock	263	263	1,088
Share premium	1,637	1,637	338
Accumulated deficit	(1,624)	(1,581)	(1,107)
Net loss for the period	(196)	(43)	(34)
Total shareholder's equity	80	276	285
TOTAL LIABILITIES AND SHR'S EQUITY	6,147	6,242	6,102

DISCLAIMER: Please see important disclaimer in section 7 of this document

Table 39: Condensed Consolidated Statement of Operations (Cableuropa)

Data in €million	Quarter ended					Year to date		
	30-Jun-07	31-Mar-07	% change	30-Jun-06	% change	30-Jun-07	30-Jun-06	% change
	New Cab	New Cab		Old Cab		New Cab	Old Cab	
Revenues	410	402	1.9%	406	1.0%	812	824	(1.5%)
Cost of services	(115)	(117)	(1.6%)	(131)	(11.9%)	(232)	(270)	(14.0%)
Opex	(133)	(134)	(1.3%)	(137)	(3.0%)	(267)	(284)	(6.0%)
EBITDA	162	150	7.5%	138	17.2%	312	270	15.7%
Deprec. and amortiz.	(84)	(104)	(19.4%)	(106)	(20.4%)	(188)	(219)	(14.0%)
EBIT/Oper. profit	78	46	68.1%	32	140.3%	124	51	143.6%
Net financial expense	(57)	(55)	3.0%	(49)	16.7%	(112)	(91)	23.6%
Net extraordinary exp.	(205)	2	na	1	na	(202)	(2)	na
EBT	(184)	(7)	na	(15)	na	(191)	(42)	na
Income tax credit	(1)	(4)	(62.5%)	2	na	(5)	8	na
Loss bef. min. inter	(185)	(10)	na	(13)	na	(196)	(34)	na
Minority interests	(0)	(0)	(7.7%)	1	(118.3%)	(0)	0	na
Net result	(186)	(11)	na	(13)	na	(196)	(34)	na

Table 40: Condensed Consolidated Cash Flow (Cableuropa)

Data in €million	Quarter ended				Year to date		
	30-Jun-07	31-Mar-07	% change	30-Jun-06	30-Jun-07	30-Jun-06	% change
	New Cab	New Cab		Old Cab	New Cab	Old Cab	
EBITDA	162	150	7.5%	138	312	270	15.7%
Capex	(138)	(119)	16.6%	(115)	(257)	(236)	9.0%
OPERATING FCF	23	32	(26.9%)	23	55	34	62.3%
Change in working capital	(56)	(104)	(46.8%)	(24)	(160)	(138)	16.0%
Other ⁽¹⁾	(49)	(22)	123.5%	(34)	(70)	(75)	(6.0%)
FCF (pre-interest)	(81)	(94)	(14.2%)	(36)	(175)	(179)	(2.0%)
Paid interest, net	(101)	(7)	na	(64)	(108)	(92)	18.3%
FCF	(182)	(101)	80.4%	(100)	(284)	(270)	4.8%
Senior facility	348	81	na	62	429	284	51.1%
Subordinated facilities	(120)	-	na	-	(120)	-	na
Senior subordinated notes	-	-	na	-	-	(62)	(100.0%)
State subsidies	(9)	(2)	na	(6)	(11)	(6)	94.8%
Short term debt	(26)	24	na	43	(2)	71	(102.8%)
Short term investments	(1)	0	na	(6)	(1)	(6)	(89.1%)
Other financing items	(1)	(1)	47.3%	4	(2)	1	na
FINANCING	192	102	87.6%	98	294	282	4.0%
NET CASH VARIATION	9	1	na	(2)	10	12	(14.2%)
Cash Beginning of Period	8	7	15.5%	21	7	7	(5.8%)
Cash End of Period	17	8	120.5%	19	17	19	(11.1%)

⁽¹⁾ Includes integration costs, commitment & contingencies and other one-off items

5.2 Debt and Liquidity

Table 41: Debt and liquidity (Cableuropa)

As of 30 June 2007 Data in €million	Maximum available	Short term debt	Long term debt	Total debt	Availability
Type of debt					
Debt with credit entities:					
Senior facility	3,500	-	2,780	2,780	720
Participative loan	10	-	10	10	-
Other credit facilities	166	148	9	158	8
Total debt with credit entities	3,676	148	2,799	2,948	728
Other debt:					
Senior subordinated notes	550	-	550	550	-
State subsidies and other	65	14	51	65	-
Total other debt	615	14	601	615	-
Total debt	4,291	163	3,400	3,563	728
Cash and cash equivalents				18	
Total net debt				3,545	
EBITDA LQA				647	
Total net debt/EBITDA				5.48x	

Note: To avoid any double counting, the caption Senior Facility excludes bank guarantees drawn under Tranche S to counter guarantee debt reported under the caption "State subsidies and other".

Table 42: Debt by maturity

As of 30 June 2007 Data in €million	Maturity						Total
	2007	2008	2009	2010	2011	Thereafter	
Type of debt							
Debt with credit entities:							
Senior facility	-	-	31	357	515	1,878	2,780
Participative loan	-	-	-	-	-	10	10
Other credit facilities	36	114	2	2	1	2	158
Total debt with credit entities	36	114	33	358	516	1,890	2,948
Other debt:							
Senior subordinated notes (*)	-	-	-	-	-	550	550
State subsidies and other	4	16	15	12	10	8	65
Total other debt	4	16	15	12	10	558	615
Total	39	130	48	371	526	2,448	3,563

(*) €100 million of the Senior subordinated notes correspond to the Floating Rate Notes that will be redeemed on 14 August 2007.

In this section, we are reporting the second quarter of 2007 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.

DISCLAIMER: Please see important disclaimer in section 7 of this document

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 interest rates.

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 interest rate risk, 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 €3,600 million Senior Bank Facility 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. In addition, our other outstanding debt with credit entities, usually bear interest at EURIBOR plus a margin. Accordingly, as at 30 June 2007 we had long term variable interest rate debt outstanding of €2,890 million and exposure to risk due to fluctuations of interest rates.

We have contracted a series of swaps to lock into low levels of EURIBOR. To date, we have covered €1,300 million (52% of the total drawn amount under the aforementioned tranches), hedging our exposure for periods between 3 and 5 years.

In addition, borrowings under our €10 million Participative Loan bear interest at a floating rate determined by reference to EURIBOR plus a margin, which is 2.75%, and finally matures in May 2014.

On May 7, 2004, ONO Finance issued €100 million of floating rate notes, priced at three months EURIBOR plus a margin of 8.5%, which were on-lent to us on substantially the same terms. These floating rate notes will be redeemed on 14 August 2007.

The table below shows our variable interest long-term debt main agreements as of 30 June 2007:

Table 43: Variable interest long term debt

Data in €million	Expected maturity date						Total
	2007	2008	2009	2010	2011	Thereafter	
Senior Bank Facility (Euribor + 1.75%-2.25%)	-	-	31	357	515	1,878	2,780
Participative Loan (Euribor + 2.75%)	-	-	-	-	-	10	10
2014 EUR Floating Rate Notes (Euribor+8.50%)	-	-	-	-	-	100	100
Total	-	-	31	357	515	1,988	2,890

DISCLAIMER: Please see important disclaimer in section 7 of this document

7. DISCLAIMER

This document contains forward looking statements. These forward looking statements include matters that are not historical facts. Statements containing the words "believe," "expect," "intend," "anticipate," "will," "positioned," "project," "risk," "plan," "may," "estimate" or, in each case, their negative and words of similar meaning are forward looking statements.

By their nature, forward looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future.

We caution you that forward looking statements are not guarantees of future performance and that our actual financial condition, results of operations and cash flows, and the development of the industry in which we operate, may differ materially from those made in or suggested by the forward looking statements contained in this release as a result of various factors.

Consequently, anticipated actions and future financial condition, results of operations and cash flows, as well as the anticipated development of the industry in which we operate, may differ materially from those expressed in any forward looking statements made by us. These forward looking statements are uncertain and we cannot assure you that any such statements will prove to be correct. Actual results and developments may be materially different from those expressed or implied by such statements. We encourage you to consult our Annual Report.

We have no obligation to, and do not intend to, update publicly or revise any forward looking statements contained in the document, whether as a result of new information, future events or otherwise.

In addition, 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.



FURTHER INFORMATION

Investor Relations
E-mail: investor.relations@ono.es
Website: www.ono.es – Investor Relations