

Q2 2008 Results

31 July 2008

ONO

Disclaimer

The Projections, defined as all data and comments in this release with regards to full year 2008 or to subsequent years, 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. 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 2008 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 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 Spanish GAAP. This financial information is unaudited and, therefore, is subject to potential future modifications.

Additionally, on 16 November 2007 the Spanish Government issued a new Spanish GAAP Royal Decree. The new standards take effect from 1 January 2008. We are currently assessing the impact of these new accounting standards on our records and will report under these new standards in due course.



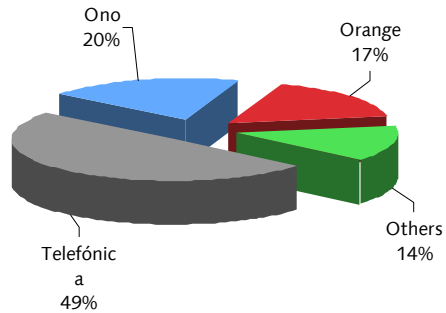
Richard Alden – Operating performance

Operating performance

	Q2 07	Q3 07	Q4 07	Q1 08	Q2 08	YoY
Homes released to marketing ('000)	6,551	6,670	6,793	6,850	6,915	5.6%
Residential cable customers ('000)	1,823	1,830	1,859	1,878	1,889	3.6%
Customer penetration (%)	27.8%	27.4%	27.4%	27.4%	27.3%	-0.5 pp
Revenue generating units ('000)	3,642	3,664	3,768	3,868	3,954	8.6%
Broadband	1,146	1,160	1,203	1,241	1,272	10.9%
Television	904	909	960	1,011	1,052	16.4%
Telephony	1,592	1,595	1,605	1,616	1,631	2.4%
RGUs per customer (#)	2.00	2.00	2.03	2.06	2.09	4.8%
Triple play (%)	31.1%	31.8%	31.2%	32.0%	32.9%	1.7 pp
Churn (%)	20.4%	16.3%	19.9%	19.3%	19.4%	-1.0 pp
Net churn (%)	18.7%	14.3%	18.2%	17.5%	17.5%	-1.2 pp
ARPU (€)	52.4	52.6	52.2	52.0	53.3	1.7%

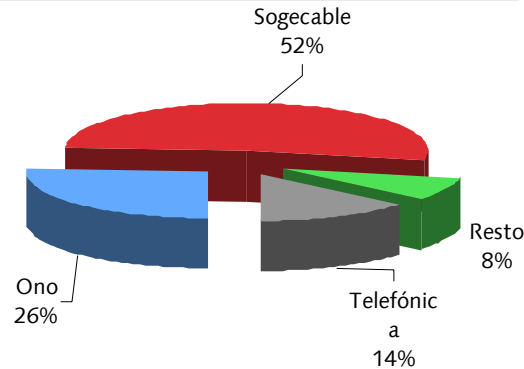
Market positioning – Q1 2008

Broadband



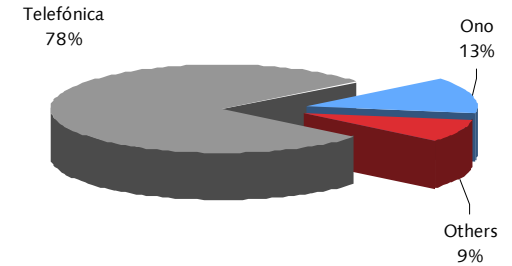
Source: CMT Q1 Report

Pay TV



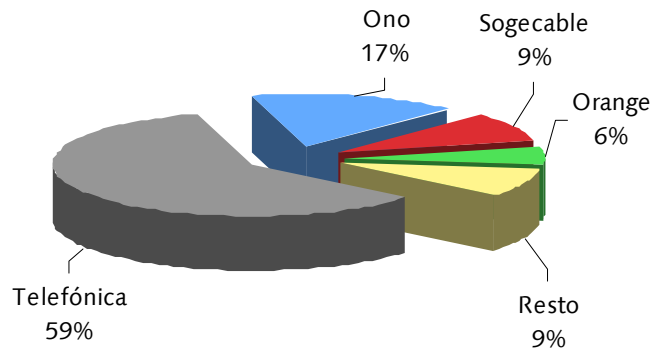
Source: CMT Q1 Report

Telephony



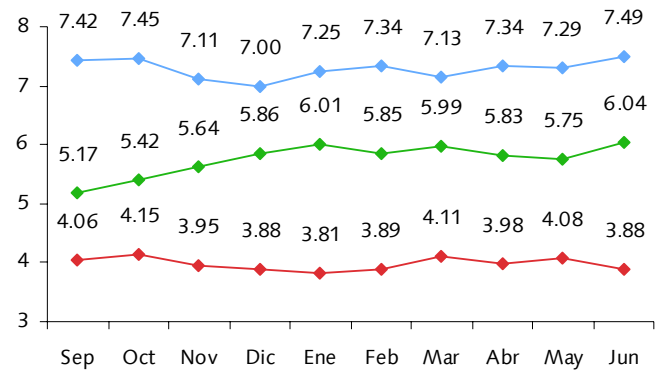
Source: CMT Q1 Report

Total retail market share of customers



Source: CMT Q1 Report

Pay TV Audiences (%)



Source: TNS Sofres

— ONO — Digital+ — Other

Residential broadband



Internet

ONO residential broadband

- 1.3 million customers
- 31,000 net adds in Q2 08
- 18% penetration of homes, 67% penetration of customers
- Mobile broadband launched



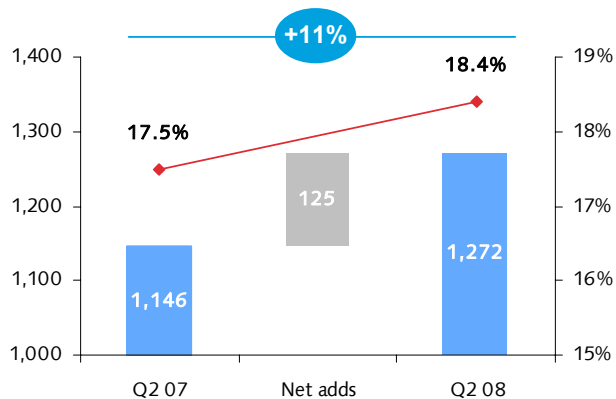
BAMG!
Banda Ancha Móvil **GRATIS**

5 Mb
GRATIS
todos los días

SIN

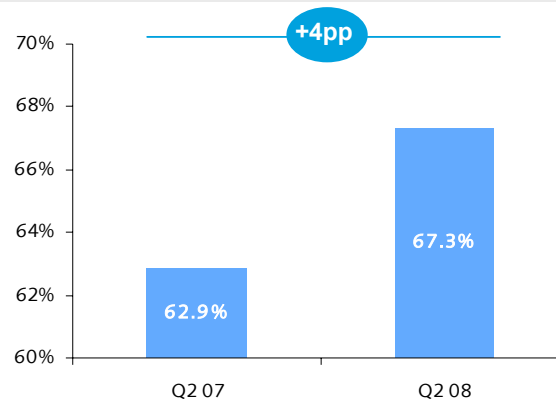
Cuota mensual
Consumo mínimo
Compromiso
Costes ocultos

BB Internet customers ('000) & penetration (%)



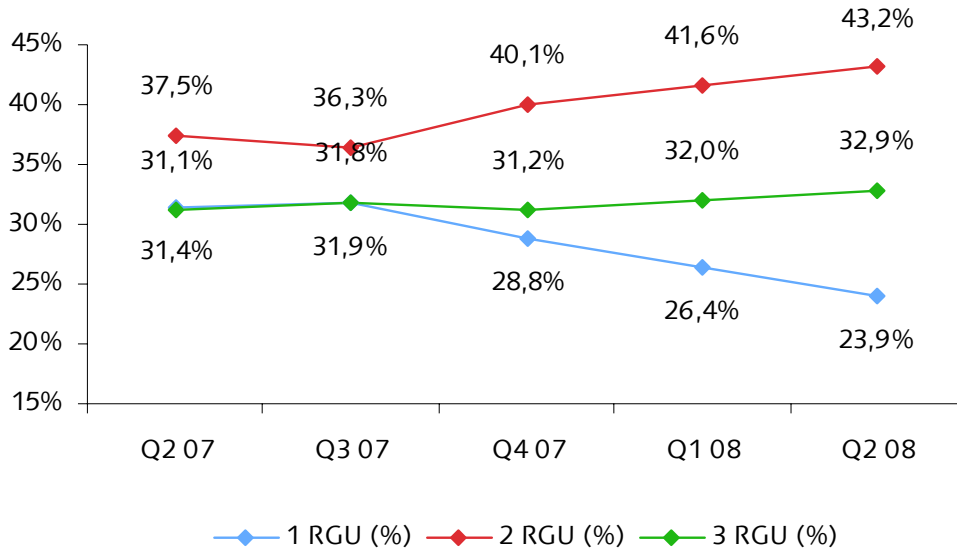
Internet customers — Internet penetration

% of customers taking BB Internet

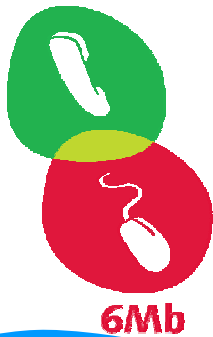
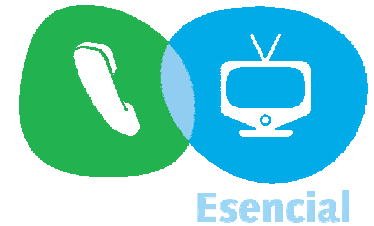


Success of the bundling strategy

Bundling customers (%)



- Launch of “Essential” products to drive market share
- High demand for double play
- Increased market segmentation



Television

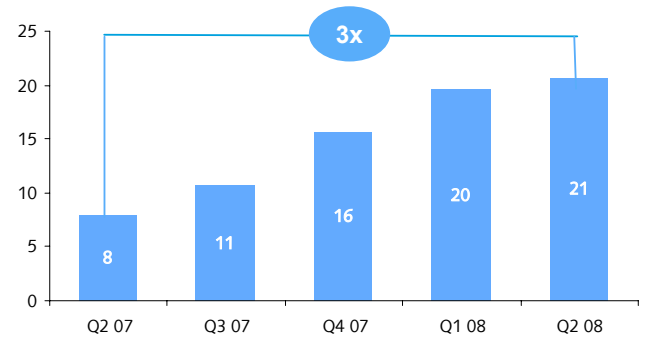


Television

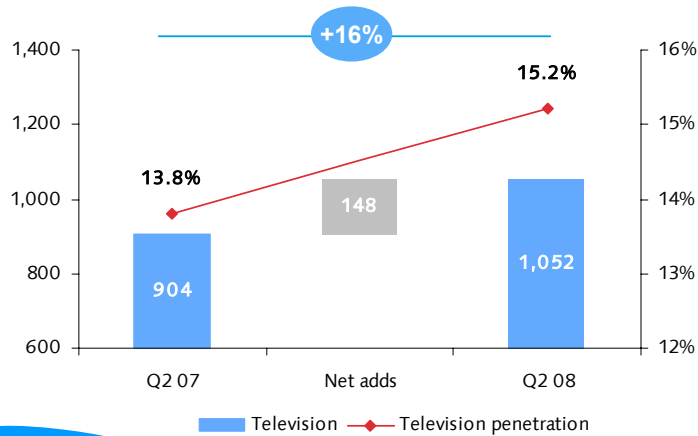
ONO residential television

- 1.1 million customers
- 41,000 net adds in Q2 08
- >90% digitalised
- Strong progress of VoD

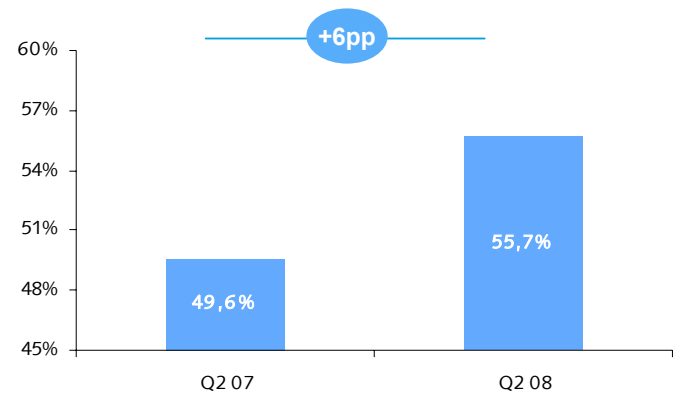
VoD events (million)



Television customers ('000) & penetration (%)



% of customers taking TV



Residential telephony

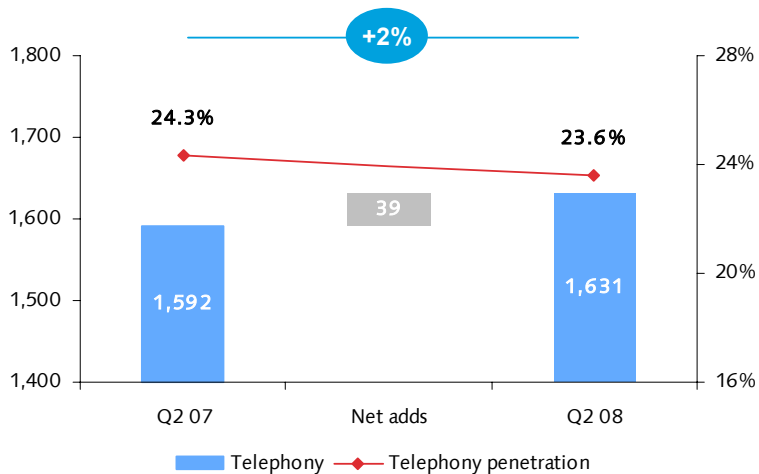


Telephony

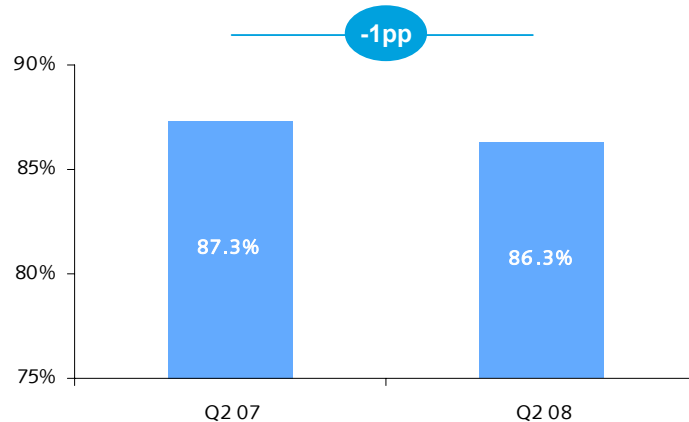
ONO residential telephony

- 1.6 million customers
- 14,000 net adds in Q2 08
- Usage patterns remain strong

Telephony customers ('000) & penetration (%)



% of customers taking telephony





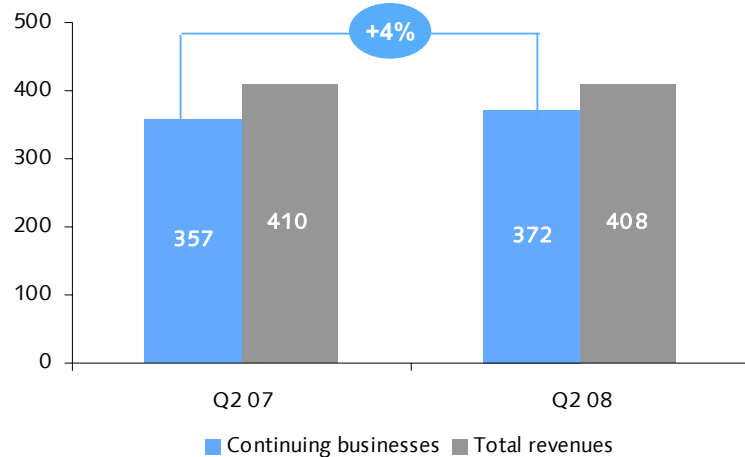
Jonathan Cumming – Financial performance

Financial performance

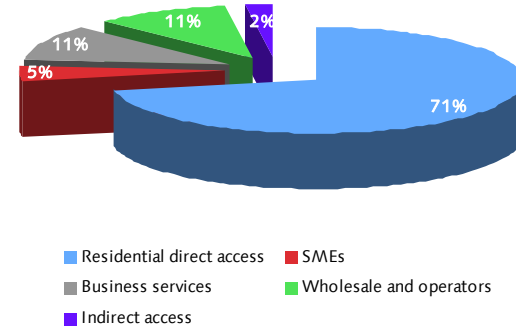
	Q2 07	Q3 07	Q4 07	Q1 08	Q2 08	YoY
Continuing businesses (€m)	357	359	361	361	372	4.2%
Residential direct access	295	297	298	300	310	5.1%
SMEs	18	18	18	18	18	0.2%
Business services	44	43	45	43	44	-0.2%
Partial continuing businesses-Wholesale (€m)	43	38	33	33	31	-28.2%
Discontinuing businesses-Indirect access (€m)	9	8	6	6	5	-44.6%
Total revenues (€m)	410	405	400	400	408	-0.3%
Gross Profit (€m)	294	297	297	301	313	6.4%
Gross Margin (%)	71.9%	73.4%	74.3%	75.1%	76.7%	4.9 pp
Net Opex (€m)	-134	-125	-135	-137	-134	0.0%
EBITDA (€m)	160	172	162	164	179	11.8%
EBITDA margin (%)	39.1%	42.5%	40.4%	40.9%	43.8%	4.8 pp
Capex (€m)	-138	-126	-151	-98	-101	-27.1%
Op. FCF (€m)	22	45	10	66	78	260.2%

Diversified revenue streams

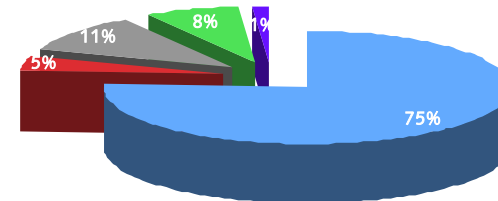
Revenues and Continuing businesses revenues (€m)



Revenue breakdown Q2 2007 (%)

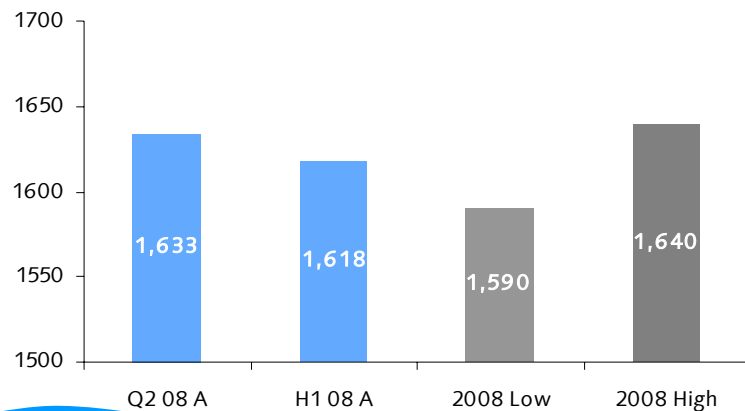


Revenue breakdown Q2 2008 (%)



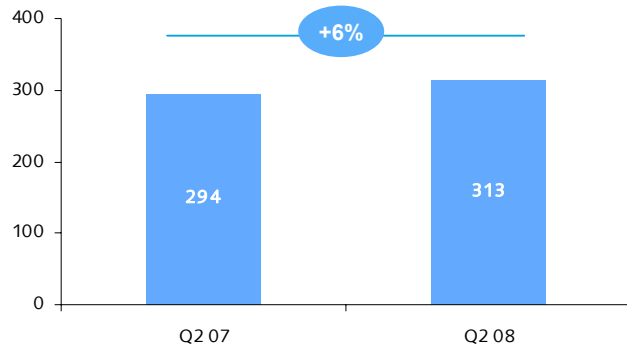
- Residential direct access revenues increased to 75% of total revenues
- Continuing businesses increased by €15m Q2 08 vs Q2 07 (4%)

Guidance compliance (€m)

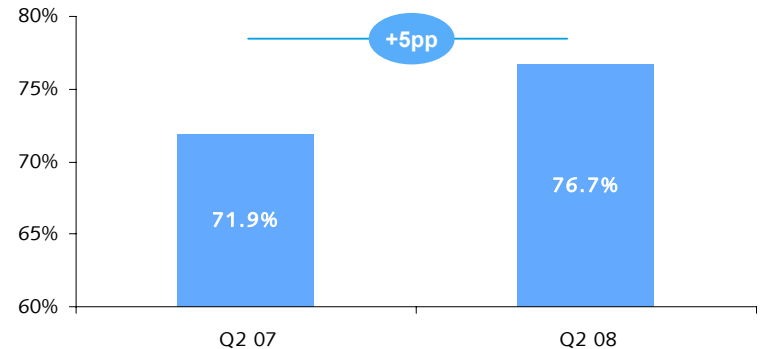


Good progress on margin

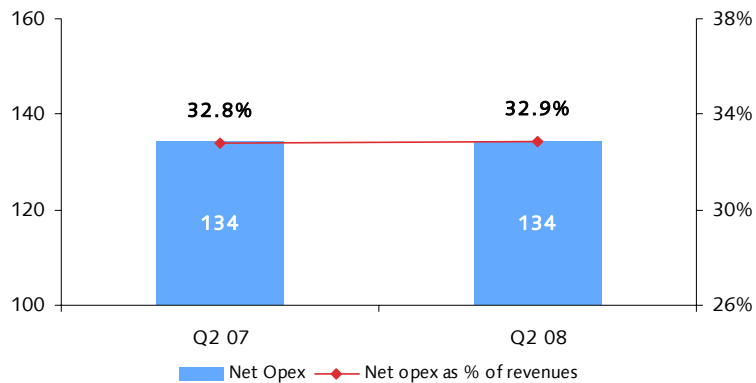
Gross profit (€m)



Gross margin (%)



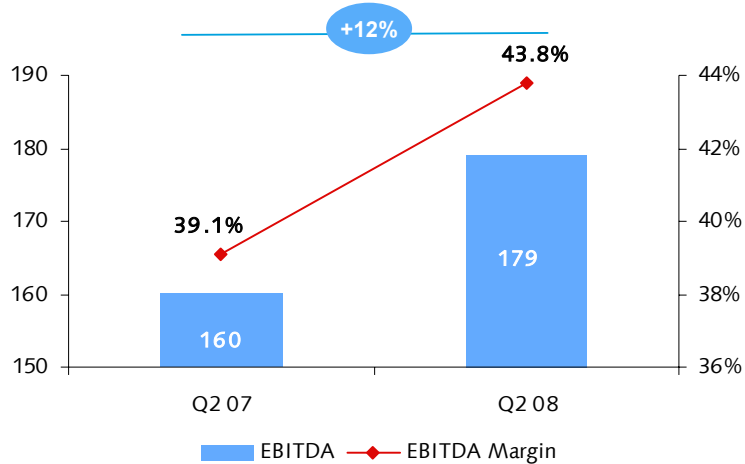
Net opex (€m) and net opex as % of revenues



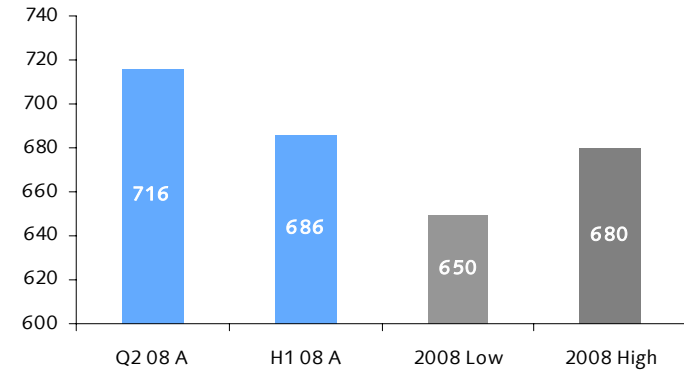
- Gross margin grew to 76.7% in Q2 2008 due to change in revenue mix and improved cost base
- Net opex remained flat despite the increased activity level and CPI running at 4%-5% p.a.

Sound EBITDA performance

Quarterly EBITDA (€m) and EBITDA margin (%)



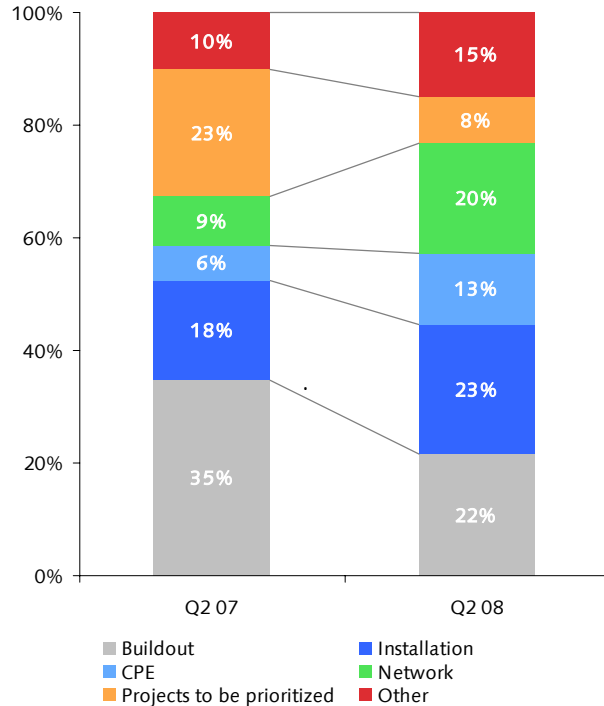
Guidance compliance (€m)



- EBITDA growth of 12% in Q2 08 vs Q2 07
- EBITDA margin up to 43.8% in Q2 08

Capex

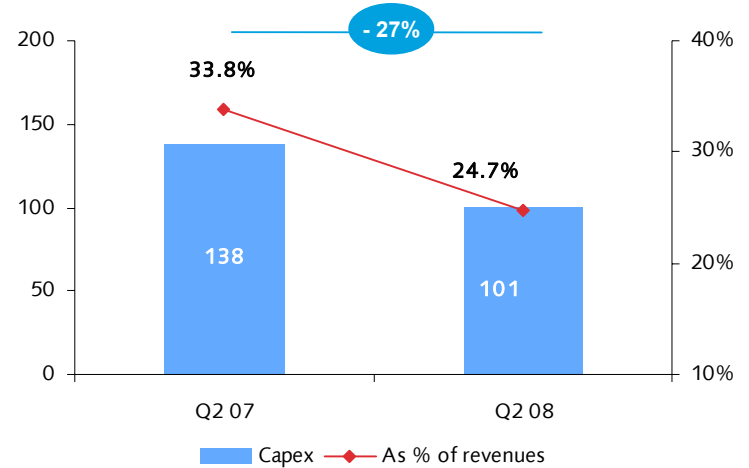
Capex breakdown (%)



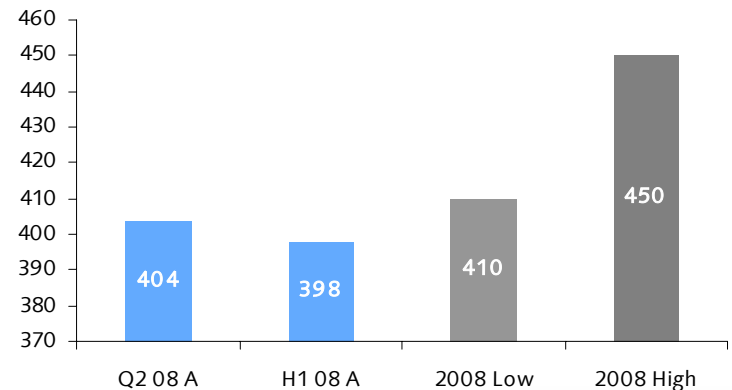
Note: "Other" includes, capitalized costs, IT costs and other costs

- €37m less capex in Q2 08 mainly due to lower network extension
- Strong focus on liquidity and optimisation of usage of capital

Capex (€m) and Capex as % of revenues (%)

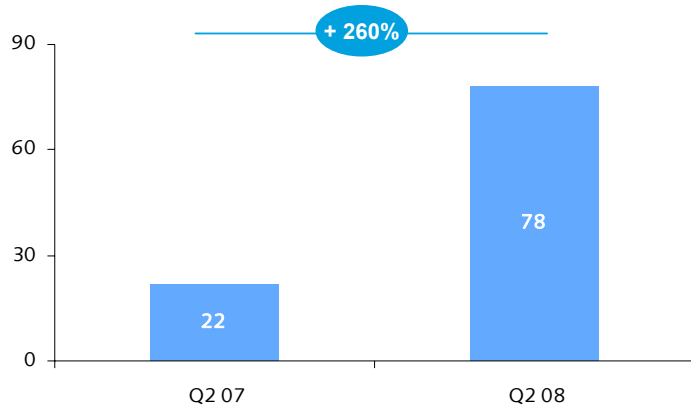


Guidance compliance (€m)

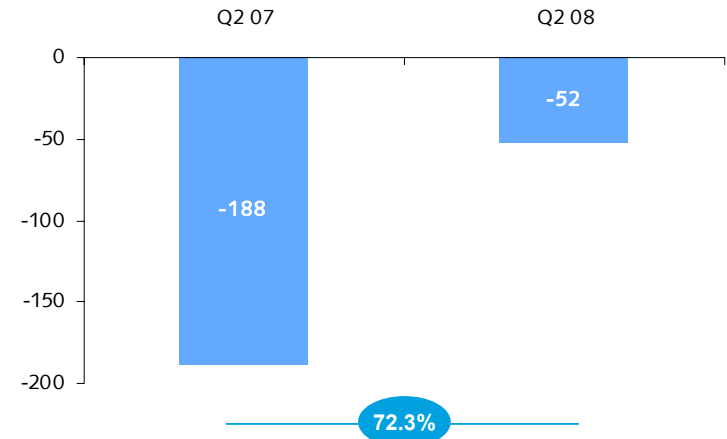


Operating Free Cash Flow

Quarterly Op. FCF (€m)



Quarterly FCF (€m)



- €144m of Op.FCF in the first six-months vs €107m for the whole 2007
- €148m negative of FCF in the first six-months vs €282m negative in the same period of 2007

Senior facility amendment

- On 31 July 2008, ONO signed an amendment agreement which modifies a number of its financial covenants
- ONO received near unanimous approval from its bank group to its proposal to adjust the financial covenant structure in the 2009 and 2010 time frame in the light of a worsening macroeconomic environment
- Aside from amending the existing financial covenants, ONO agreed with the bank syndicate the reinstatement of a maximum capital expenditure covenant for the years 2008, 2009 and 2010
- Moreover, ONO has negotiated a further extension of the payment terms for the remaining part of the deferred AUNA acquisition consideration. Half of the remaining payment of €143 million has now been deferred to 15 January 2010 from its previous due date of 15 January 2009
- ONO has agreed that EVCs will no longer represent a liability for Cableuropa, as GCO will meet the payment obligations

Senior facility amendment (cont'd)

Total debt to annualized EBITDA

	2008				2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Former covenant	6.75x	6.75x	6.50x	6.25x	6.00x	5.75x	5.50x	5.25x	5.00x	4.75x	4.50x	4.25x
New covenant	6.75x	6.75x	6.45x	6.20x	6.15x	6.10x	6.05x	5.95x	5.85x	5.75x	5.50x	5.35x

Total senior debt to annualized EBITDA

	2008				2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Former covenant	5.75x	5.75x	5.75x	5.50x	5.25x	5.00x	4.75x	4.50x	4.25x	4.00x	3.75x	3.50x
New covenant	5.75x	5.75x	5.70x	5.45x	5.15x	5.10x	5.05x	4.95x	4.90x	4.75x	4.60x	4.40x

Interest cover ratio

	2008				2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Former covenant	2.25x	2.25x	2.25x	2.25x	2.50x	2.75x	2.75x	3.00x	3.00x	3.25x	3.25x	3.50x
New covenant	2.25x	2.25x	2.25x	2.25x	2.35x	2.40x	2.40x	2.50x	2.50x	2.50x	2.50x	2.50x

Current financial structure - Cableuropa

Type of debt	Max available (€m)	Drawn @ 31/06/08 (€m)	Liquidity	Average Interest rate	Leverage (Cableuropa)
Senior facility	3,500	3,206	294	6.33%	
Tranche A, B, C & I	2,800	2,506	294	6.24%	
Tranche D	700	700	-	6.67%	
State subsidies and other	55	55	-	1.75%	
Other credit facilities ⁽¹⁾	174	172	2	5.45%	
Senior Subordinated Notes:	450	450	-	9.00%	
10.5% Fixed Rate Notes 2014	180	180	-	10.50%	
8% Fixed Rate Notes 2014	270	270	-	8.00%	
Participative Loan	10	10		7.71%	
Total	4,190	3,894	296	6.54%	
Total (Hedging included)				6.34%	
EBITDA LQA Q2 2008		725			
Total Net debt / EBITDA LQA		3,866			5.28x

Note: Excluding Tranche S of Bank Guarantees (€72.3m) to avoid any double counting

(1) Including short term credit lines, mortgages and leasing

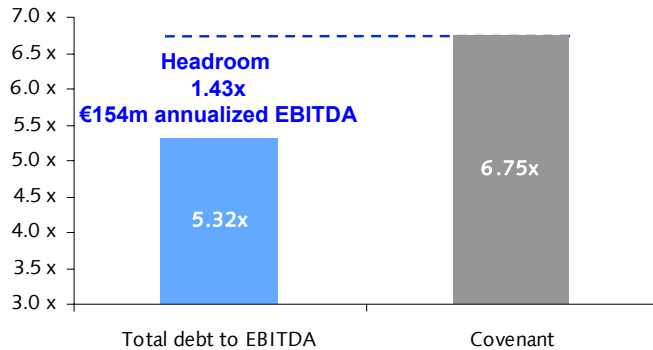
Corporate, Bond and Bank debt ratings

	Corporate	Bond debt	Bank debt	Outlook	Last Report Date
Moody's	B1	B3	NR	Stable	22/06/2007
Fitch	B+	B-	BB	Stable	19/06/2007
Standard & Poor's	B	CCC+	NR	Positive	21/02/2008

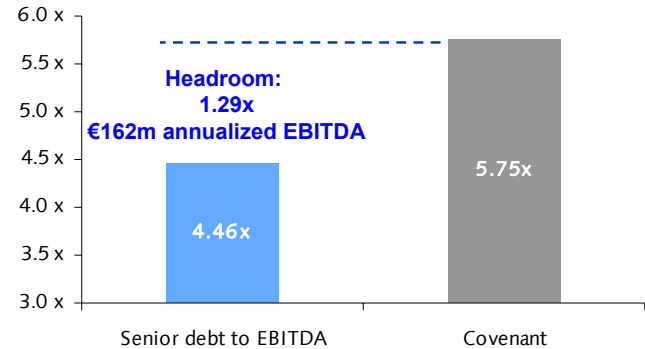


Q2 2008 Covenants compliance (Cableuropa)

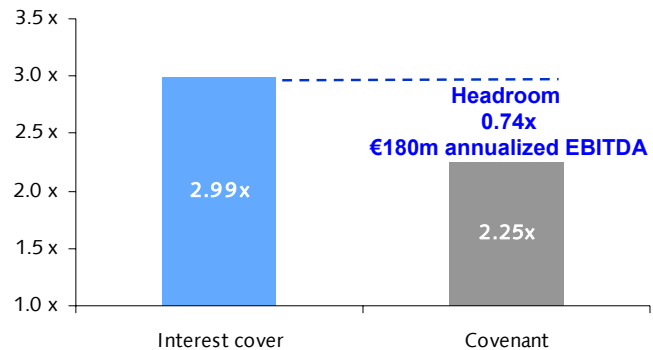
Total debt to EBITDA (x)



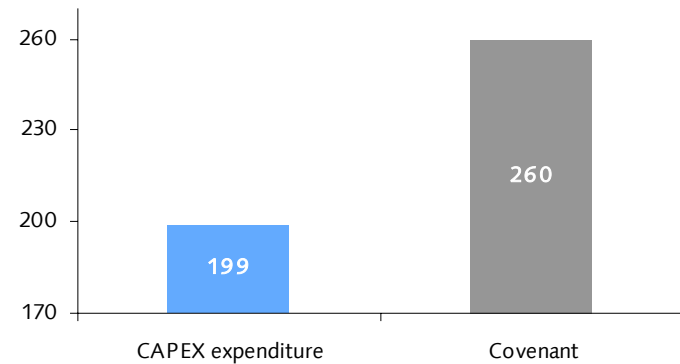
Senior debt to EBITDA (x)



Interest cover (x)



CAPEX Expenditure (€m) (YTD)



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For additional information, please contact
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