



## Third quarter results 2004 STRONG GROWTH CONTINUES

- 750,000 residential and 20,000 business customers
- Network reach now at 2.75 million homes passed
- Annualised revenue at €500 million
- EBITDA grows by 60% to reach €50 million for the quarter

Grupo Corporativo ONO, S.A., one of Spain's leading broadband service providers, today announced the consolidated unaudited results for its wholly owned subsidiary Cableuropa, and its subsidiary companies, for the quarter ended 30 September 2004. Detailed results are not presented for Grupo Corporativo ONO's other wholly owned subsidiary, Retecal, the cable operator for the region of Castilla y León. Highlights for Cableuropa are as follows:

### Financial highlights

	Quarter ended 30.09.04	Quarter ended 30.06.04	Quarter ended 30.09.03	% change 2004 vs. 2003
Revenues (euro million)	110.0	109.2	92.4	19.0%
Gross margin	72%	71%	71%	1.2pp
EBITDA (euro million)	44.6	43.8	28.0	59.3%
EBITDA margin	41%	40%	30%	10.3pp

### Operating highlights

	As at 30.09.04	As at 30.06.04	As at 30.09.03	% change 2004 vs. 2003
<b>Residencial market</b>				
Customers	646,235	626,221	556,142	16.2%
Telephony	600,913	585,017	521,935	15.1%
Television	360,587	354,668	333,601	8.1%
Broadband internet	240,871	224,893	167,757	43.6%
Penetration				
Customer	33.2%	33.6%	33.0%	0.2pp
Telephony	30.9%	31.4%	31.0%	-0.1pp
Television	18.5%	19.1%	19.8%	-1.3pp
Broadband internet	12.4%	12.1%	10.0%	2.4pp
Customer ARPU	€52.5	€54.1	€51.6	1.7%
<b>Business market</b>				
Customers	16,088	15,374	12,054	33.5%
Customer ARPU	€195	€209	€213	-8.4%
<b>Infrastructure</b>				
Homes passed	2,206,388	2,125,535	1,949,792	13.2%



**investor release**

22/11/04

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

"This has been another very good quarter of growth for the ONO group. Including Castilla y León, ONO now has 750,000 households as customers, which means that there are over two and a half million people enjoying ONO services in our franchise areas around Spain. Even during the traditionally quiet third quarter of the year, we have seen strong demand for our competitively priced bundles of communications and entertainment services in the residential sector, and strong interest in the bundled voice and data services that we offer in the business sector.

"We now have close to 300,000 customers taking a broadband internet service from ONO. The independent consumer association in Spain, "OCU", recently published a study that showed our internet services as the highest quality and the most competitive in Spain and it is this sort of public recognition for quality of service, value for money and ease of use that is driving the consistently strong demand for ONO services.

"Our residential telephony offer also continues to be a very popular service. Over 90% of our residential customers take telephony from us, usually in combination with broadband internet or digital television, and these 675,000 households are able to benefit from our compelling offer of free local and provincial calls between ONO customers.

"With regard to television, we are seeing a strong demand to migrate from our analogue service to our digital offer. Today 150,000 customers already experience our digital service and we expect this number to grow as we launch this offer in Castilla y León."

**Jonathan Cumming, ONO's Chief Financial Officer, added:**

"Our revenues have remained relatively flat in this traditionally slow summer period, but are up by 19% in comparison to this time last year driven by 100,000 new customers that have signed up for our services over that period.

"That revenue growth, coupled with our very strong focus on cost control and operational efficiency, has given us an EBITDA of close to €50 million for the quarter, around 60% higher than the figure for the corresponding period of last year. Our EBITDA margin of around 40% demonstrates that ONO is possibly the most efficient cable operator in Europe today.

"We have continued to invest over the last quarter to extend our network reach, such that there are now over 2.75 million homes passed by ONO networks. In this year alone, investment in the ONO franchise areas is already close to €200 million, taking our total cumulative investment over the last six years to well over €2,000 million. This is part of our



**investor release**

22/11/04

well established strategy to create a world-class, modern, high-capacity communications infrastructure in order to provide a multitude of services to our customers with a high degree of service quality.

“The investment in network extension that we are making today will allow us to take our services to more potential customers and continue to grow the ONO story.”

Note: The results referred to in the titles of this press release and within the comments made by Richard Alden and Jonathan Cumming refer to the results of the combined Cableuropa and Retecal businesses. All of the results shown within tables are for Cableuropa only.

Note: A detailed explanation of Cableuropa’s results is included in Form 6-K filed today with the US Securities and Exchange Commission and available at [www.sec.gov](http://www.sec.gov) and at [www.ono.es](http://www.ono.es).

#### **About ONO**

ONO is one of the leading broadband services providers in Spain. It offers direct access telephony, pay television and internet access services to the residential market where it has a potential market of over seven million homes. In the business market, ONO offers advanced voice, data and value added services across its own high capacity local access and national backbone networks. ONO’s principal shareholders are Bank of America, Caisse de dépôt et placement du Québec, General Electric, Grupo Ferrovial, Grupo Multitel Santander Central Hispano, Sodinteleco and VAL Telecomunicaciones.

#### **Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995**

Certain statements in this release are “forward looking statements” intended to qualify for the safe harbor under liability established by the Private Securities Litigation Reform Act of 1995 and are subject to material risks and uncertainties. Actual results could differ materially from those stated or implied by those forward looking statements due to risks and uncertainties associated with the ONO group business which include among others, competitive developments, risks associated with the group’s growth, the development of the group’s markets regulatory risks and other risks which are presented in the group’s filings with the Securities and Exchange Commission.

#### **For further information, please contact:**

**Jonathan Cumming** (Chief Financial Officer). (+ 34) 91 180 9444 - E-mail: [jonathan.cumming@ono.es](mailto:jonathan.cumming@ono.es)  
**Hiedra Fuentes** (Grupo Albion). (+ 34) 91 531 2388 - E-mail: [hfuentes@grupoalbion.net](mailto:h fuentes@grupoalbion.net)



investor release

22/11/04

**CABLEUROPA, S.A.U.  
OPERATING STATISTICS**

	Quarter ended 30.09.04	Quarter ended 30.06.04	Quarter ended 31.03.04	Quarter ended 31.12.03	Quarter ended 30.09.03
<b>Residencial services</b>					
Customers:	646,235	626,221	604,032	581,345	556,142
Penetration	33.2%	33.6%	33.7%	33.3%	33.0%
ARPU - euro	52.5	54.1	54.0	54.1	51.6
Telephony:					
Customers	600,913	585,017	564,988	544,271	521,935
Penetration	30.9%	31.4%	31.5%	31.2%	31.0%
ARPU - euro	29.3	30.4	30.7	31.4	30.2
Television:					
Customers	360,587	354,668	345,790	339,378	333,601
Penetration	18.5%	19.1%	19.3%	19.5%	19.8%
ARPU - euro	23.9	24.3	23.9	23.1	21.9
Internet:					
Customers	240,871	224,893	206,939	186,447	167,757
Penetration	12.4%	12.1%	11.5%	10.7%	10.0%
ARPU - euro	31.7	33.1	32.8	33.3	31.3
Customers churn (annualised)	13.4%	13.2%	12.7%	13.6%	14.0%
<b>Business services</b>					
Customers	16,088	15,374	14,087	13,133	12,054
ARPU - euro	195	209	210	229	213
<b>Infrastructure</b>					
Number of cities with service	116	109	102	98	89
Homes passed	2,206,388	2,125,535	2,056,700	2,003,233	1,949,792
Route km. of local access networks	7,938	7,647	7,292	6,992	6,830
Homes released / homes passed	88.2%	87.6%	87.2%	87.0%	86.3%



investor release

22/11/04

**CABLEUROPA, S.A.U.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Euro thousand) (Spanish GAAP - unaudited)

	Quarter ended 30 September 2004	Quarter ended 30 June 2004	Quarter ended 30 September 2003
<b>REVENUES</b>			
Residencial services			
Telephony	52,101	52,378	46,574
Television	25,642	25,532	21,747
Internet	22,477	21,908	16,437
Business and other services	9,820	9,345	7,678
	<b>110,040</b>	<b>109,163</b>	<b>92,436</b>
<b>COST OF SERVICES</b>	<b>(30,687)</b>	<b>(31,873)</b>	<b>(26,850)</b>
<b>GROSS PROFIT</b>	<b>79,353</b>	<b>77,290</b>	<b>65,586</b>
<b>OPERATING EXPENSES</b>			
Gross expenses	(39,447)	(38,360)	(40,952)
Capitalised costs	4,708	4,824	3,366
	<b>(34,739)</b>	<b>(33,536)</b>	<b>(37,586)</b>
<b>EBITDA</b>	<b>44,614</b>	<b>43,754</b>	<b>28,000</b>
<b>DEPRECIATION &amp; AMORTISATION</b>	<b>(25,109)</b>	<b>(24,237)</b>	<b>(26,684)</b>
<b>OPERATING PROFIT</b>	<b>19,505</b>	<b>19,517</b>	<b>1,316</b>
<b>OTHER EXPENSE</b>			
Amortisation of goodwill	(3,348)	(3,347)	(3,348)
Interest expense, net	(24,936)	(26,177)	(27,471)
Foreign exchange (loss) / profit	(46)	(491)	6,051
	<b>(28,330)</b>	<b>(30,015)</b>	<b>(24,768)</b>
<b>LOSS FROM ORDINARY ACTIVITIES</b>	<b>(8,825)</b>	<b>(10,498)</b>	<b>(23,452)</b>
Extraordinary income / (expense), net	435	(44,445)	75
Income tax	(1,916)	16,952	3,583
Minority interests	93	422	-
<b>NET PROFIT / (LOSS)</b>	<b>(10,213)</b>	<b>(37,569)</b>	<b>(19,794)</b>



investor release

22/11/04

**CABLEUROPA, S.A.U.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
*(Euro thousand) - (Spanish GAAP - unaudited)*

	30 September 2004	30 June 2004	30 September 2003
<b>ASSETS</b>			
Contributions due from shareholders	1,968	1,968	-
<b>Current assets</b>			
Cash	745	1,032	883
Short-term investments, net	9,474	154	27,179
Accounts receivable and other current assets	42,091	39,752	54,965
	<b>52,310</b>	<b>40,938</b>	<b>83,027</b>
<b>Fixed assets</b>			
Start-up costs, net	10,985	11,750	10,070
Intangible assets, net	118,536	117,998	125,651
Tangible assets	1,383,333	1,346,794	1,268,703
Financial assets	276,877	278,826	240,630
	<b>1,789,731</b>	<b>1,755,368</b>	<b>1,645,054</b>
Goodwill on consolidation	216,500	219,847	229,890
Deferred expenses, net	31,512	32,242	60,264
<b>TOTAL ASSETS</b>	<b>2,092,021</b>	<b>2,050,363</b>	<b>2,018,235</b>
<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>			
<b>Current liabilities</b>			
Short-term debt	26,304	31,197	34,927
Accrued interest expense	17,193	22,615	16,018
Accounts payable and other current liabilities	246,192	227,645	239,568
	<b>289,689</b>	<b>281,457</b>	<b>290,513</b>
<b>Long-term debt</b>			
Senior bank facility	625,000	580,000	490,000
Senior subordinated notes	449,222	450,214	422,097
Other	22,983	24,713	17,639
	<b>1,097,205</b>	<b>1,054,927</b>	<b>929,736</b>
Other long-term liabilities	41,838	40,844	52,682
Commitments and contingencies	9,662	9,202	11,179
Minority interests	427	520	-
Shareholder's loan	-	-	98,464
Participative loan	-	-	300,000
<b>Shareholders' equity</b>			
Common stock	883,127	883,127	484,663
Share premium	337,746	337,746	337,746
Accumulated deficit, beginning of period	(509,188)	(509,188)	(606,207)
Net (loss) / profit for the period	(58,485)	(48,272)	119,459
<b>Total Shareholders' equity</b>	<b>653,200</b>	<b>663,413</b>	<b>335,661</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>	<b>2,092,021</b>	<b>2,050,363</b>	<b>2,018,235</b>



investor release

22/11/04

**CABLEUROPA, S.A.U.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASHFLOWS**  
*(Euro thousand) - (Spanish GAAP - unaudited)*

	Quarter ended 30 September 2004	Quarter ended 30 June 2004	Quarter ended 30 September 2003
<b>OPERATING ACTIVITIES</b>			
Net profit / (loss)	(10,213)	(37,569)	(19,794)
<b>Adjustments to reconcile net profit / (loss) to net cash provided by operating activities</b>			
Depreciation and amortisation*	28,456	27,585	30,032
Amortisation and write-off of deferred expenses	2,695	9,418	2,393
(Profit) / loss on sale of assets	(80)	(300)	424
Start-up costs, net	(580)	(4,003)	(482)
Exchange rate difference in long-term debt	4	-	235
Commitments and contingencies	460	(2,665)	(3,525)
Income tax	1,916	(16,952)	(3,583)
Notes repurchase premium	-	36,801	-
Result on financial instruments	-	1,912	-
Minority interests	(93)	(422)	-
Other	(1,964)	3,483	5,014
Changes in operating assets and liabilities:			
Short-term investments	(9,320)	27	17,976
Accounts receivable	(2,429)	14,204	32,812
Other current assets	(160)	103	1,475
Accrued interest	(5,422)	3,468	(10,518)
Accounts payable	17,854	4,319	(8,784)
Other current liabilities	692	(267)	(34,592)
<b>Net cash provided by operating activities</b>	<b>21,816</b>	<b>39,142</b>	<b>9,083</b>
<b>INVESTING ACTIVITIES:</b>			
Purchases of property and equipment	(57,677)	(52,695)	(40,015)
Purchases of intangible assets	(3,484)	(1,287)	(1,258)
Proceeds from sale of fixed assets	650	401	543
Financial assets	33	(4)	-
<b>Net cash used in investing activities</b>	<b>(60,478)</b>	<b>(53,585)</b>	<b>(40,730)</b>
<b>FINANCING ACTIVITIES</b>			
Drawing of debt & credit lines	37,870	36,541	28,921
Notes issuance	-	273,173	-
Acquisition of notes	-	(276,135)	-
Financial instruments	-	(19,861)	-
Other, net	505	778	-
<b>Net cash provided by financing activities</b>	<b>38,375</b>	<b>14,496</b>	<b>28,921</b>
<b>(DECREASE) / INCREASE IN CASH &amp; CASH EQUIVALENTS</b>	<b>(287)</b>	<b>53</b>	<b>(2,276)</b>
<b>CASH &amp; CASH EQUIVALENTS AT START OF PERIOD</b>	<b>1,061</b>	<b>1,008</b>	<b>3,612</b>
<b>CASH &amp; CASH EQUIVALENTS AT END OF PERIOD</b>	<b>774</b>	<b>1,061</b>	<b>886</b>
<b>Cash paid for interest</b>	<b>27,280</b>	<b>20,466</b>	<b>30,549</b>

\* includes goodwill amortisation