



Q4 and full year 2007 results

25 March 2008

¡1 millón de clientes de TV!

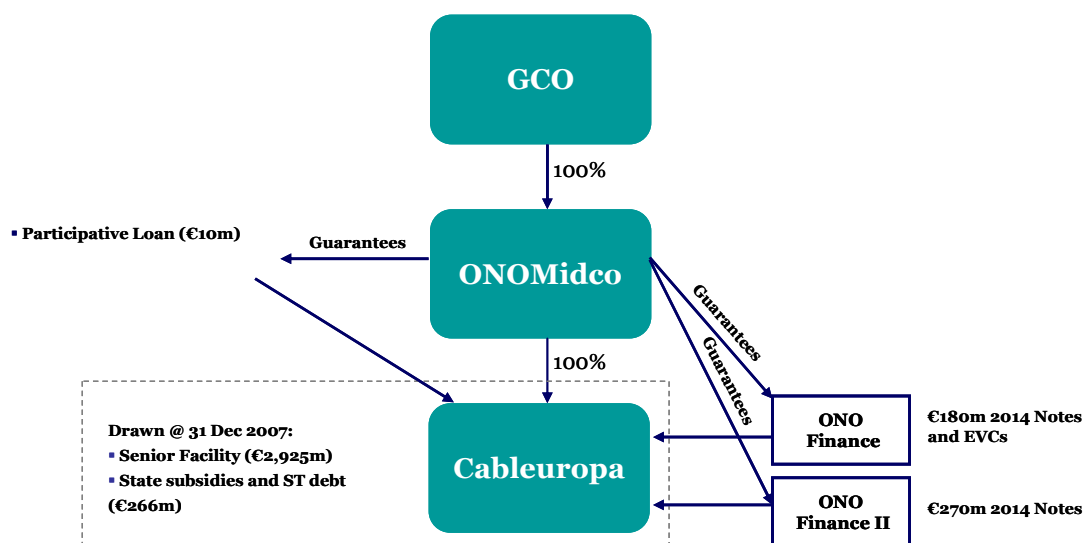


Grupo Corporativo ONO, S.A.
Investor Relations

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1. GROUP AND REPORTING STRUCTURE



We are reporting the quarter and the year ended 31 December 2007 consolidated results of Grupo Corporativo ONO, S.A. ("GCO") and its subsidiaries.

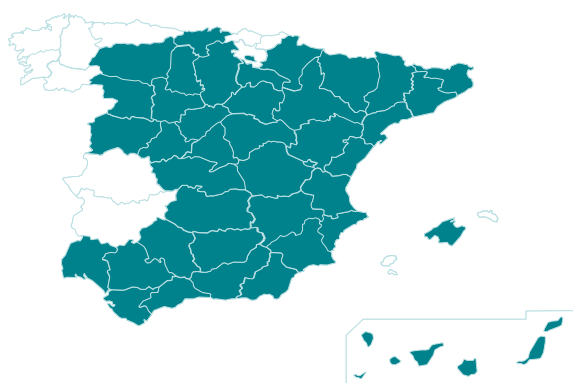
The financial information contained in this document has been prepared under Spanish GAAP. This financial information is unaudited and, therefore, is subject to potential future modifications.

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.

2. 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. ONO offers its direct access services to over 1.9 million residential cable and 69,000 business customers as of 31 December 2007, through its own state of the art networks which give direct access to 6.8 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. For the year 2007, ONO generated revenues of €1,616 million and EBITDA of €642 million.

Cable franchises



	<i>in thousands</i>
Homes in Spain (*)	17,594
Homes in ONO franchises (*)	14,773
<i>Coverage</i>	<i>84%</i>
Cable homes released to marketing	6,793
<i>Coverage</i>	<i>46%</i>
Residential cable customers	1,859
<i>Cable penetration</i>	<i>27%</i>
SMEs customers	69

(*) Source: INE

Table 1: Capitalisation

As of 31 December 2007	Grupo Corporativo ONO			Cableuropa		
	€m	% of debt	Debt/ EBITDA LQA	€m	% of debt	Debt/ EBITDA LQA
Short-term debt	187	5.1%	0.29x	173	4.8%	0.26x
Senior facility	2,925	80.1%	4.52x	2,925	81.0%	4.46x
Participative loan	10	0.3%	0.02x	10	0.3%	0.02x
Senior subordinated notes	450	12.3%	0.70x	450	12.5%	0.69x
State subsidies & other	79	2.2%	0.12x	53	1.5%	0.08x
Long-term debt	3,464	94.9%	5.36x	3,438	95.2%	5.24x
Total debt	3,651		5.65x	3,611		5.50x
Cash and cash equivalents	4			4		
Total net debt	3,647		5.64x	3,607		5.50x
EBITDA LQA	647			656		

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 & other" and "Short-term debt".

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2.1 Financial Highlights

Table 2: Financial highlights

Data in €million	Quarter ended					Year to date		
	31-Dec-07	30-Sept-07	% change	31-Dec-06	% change	31-Dec-07	31-Dec-06	% change
Revenues	400	405	(1.1%)	404	(1.0%)	1,616	1,633	(1.1%)
Gross profit	297	297	(0.0%)	282	5.2%	1,173	1,117	5.1%
Gross margin	74.3%	73.4%	0.8 pp	69.8%	4.4 pp	72.6%	68.4%	4.2 pp
EBITDA	162	172	(5.9%)	151	7.2%	642	558	14.9%
EBITDA margin	40.4%	42.5%	(2.0 pp)	37.3%	3.1 pp	39.7%	34.2%	5.5 pp
Total Net debt	3,647	3,623	0.7%	3,308	10.3%	3,647	3,308	10.3%
Capex	(151)	(126)	19.7%	(221)	(31.5%)	(535)	(590)	(9.3%)
Operating FCF	10	45	(77.2%)	(70)	(114.7%)	107	(32)	na
Net result	(13)	14	(189.2%)	8	na	(198)	(39)	na
Net debt/EBITDA LQA (x)	5.64x	5.27x	0.37x	5.48x	0.16x	5.64x	5.48x	0.16x

Table 3: Revenue split

Data in €million	Quarter ended					Year to date		
	31-Dec-07	30-Sept-07	% change	31-Dec-06	% change	31-Dec-07	31-Dec-06	% change
Continuing businesses	316	316	0.2%	304	4.1%	1,252	1,178	6.2%
Residential direct access	298	297	0.1%	283	5.1%	1,176	1,101	6.8%
SMEs	18	18	0.6%	21	(10.6%)	76	77	(1.8%)
Partial continuing businesses	78	81	(4.2%)	90	(13.8%)	330	381	(13.2%)
Business services	45	43	4.2%	43	4.9%	171	188	(9.2%)
Wholesale and operators	33	38	(13.8%)	47	(30.7%)	159	192	(17.1%)
Discontinuing businesses	6	8	(21.3%)	10	(39.8%)	34	75	(54.5%)
Indirect access	6	8	(21.3%)	10	(39.8%)	34	75	(54.5%)
Total revenues	400	405	(1.1%)	404	(1.0%)	1,616	1,633	(1.1%)

2.2 Key financial events

- Rating agencies revised Cableuropa credit rating

On 21 February 2008, Standard & Poor's affirmed Cableuropa's "B" long-term corporate credit rating with positive outlook on the group 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
Standard & Poor's	21 February 2008	B	CCC+	NR	Positive
Moody's	22 June 2007	B1	B3	NR	Stable
Fitch	19 June 2007	B+	B-	BB	Stable

- Hedging

In addition to our existing hedge agreements amounting €2,065 million and covering our exposure up to July 2010, in December 2007 we contracted additional €500 million to lock-up our interest rate risk up to January 2011. As at 31 December 2007 €2,565 million, or 87%, of our total debt link to variable interest rate was hedged.

Moreover and in order to benefit from the current downward trend of the Euribor forecast, in January 2008 we counterhedged €2,382 million up to January 2009. The structure consists on a typical basis Swap agreements in which the banks will pay ONO each month Euribor 1-month interest and ONO will pay Euribor 6-months interest, in July 2008 and January 2009.

- Renewal of Short Term Credit Lines ("STCL")

As at 31 December 2007 we had committed short-term credit lines of €178 million of which €165 million were drawn. These are typically short-term bilateral facilities maturing within 12-months. In the first quarter of 2008 to date, we have renewed €122 million of these lines as they became due. The remaining lines are due to be renewed later in the year.

2.3 Operating Highlights

Table 5: Operating highlights

<i>Data in thousand, except if otherwise stated</i>	Quarter ended 31-Dec-07	Quarter ended 30-Sept-07	% change	Quarter ended 31-Dec-06	% change
Customers:					
Cable	1,859	1,830	1.6%	1,792	3.7%
Other direct access	68	68	(1.1%)	68	(1.1%)
Residential direct access	1,927	1,899	1.5%	1,861	3.6%
Indirect access	104	116	(10.0%)	203	(48.7%)
SMEs	69	69	0.8%	69	0.3%
Other data – Cable:					
Homes released to marketing	6,793	6,670	1.8%	6,335	7.2%
Penetration	27.4%	27.4%	(0.1 pp)	28.3%	(0.9 pp)
ARPU (€)	52.2	52.6	(0.9%)	51.6	1.2%
RGUs	3,768	3,664	2.8%	3,541	6.4%
RGUs per customer	2.03	2.00	1.2%	1.98	2.6%
Churn	19.9%	16.3%	3.6 pp	19.5%	0.5 pp
Residential cable customers:					
Telephony	1,605	1,595	0.6%	1,565	2.6%
<i>As % of customers</i>	<i>86.3%</i>	<i>87.1%</i>	<i>(0.8 pp)</i>	<i>87.3%</i>	<i>(1.0 pp)</i>
Internet	1,203	1,160	3.6%	1,056	13.9%
<i>As % of customers</i>	<i>64.7%</i>	<i>63.4%</i>	<i>1.3 pp</i>	<i>58.9%</i>	<i>5.7 pp</i>
Television	960	909	5.6%	920	4.4%
<i>As % of customers</i>	<i>51.6%</i>	<i>49.7%</i>	<i>2.0 pp</i>	<i>51.3%</i>	<i>0.3 pp</i>
Residential cable penetration (RGU):					
Telephony	23.6%	23.9%	(0.3 pp)	24.7%	(1.1 pp)
Internet	17.7%	17.4%	0.3 pp	16.7%	1.0 pp
Television	14.1%	13.6%	0.5 pp	14.5%	(0.4 pp)

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2.4 Key operating events

- **ONO launches a new telephony and television offer for €28/month**

In September 2007, ONO launched a new telephony and "Esencial" television offer for €28/month which includes national free calls, more than 40 television channels, video on demand and the set top box rental.

- **ONO launches the fastest broadband Internet offer in the market**

In August 2007, ONO launched three new Internet access offers: 25, 12 and 6 Mbps.

- **ONO launches a new Internet access offer of 2 megabytes**

In December 2007, ONO launched a new entry-level broadband Internet service of 2 Mbps, with unlimited use, in order to reduce entry barriers to Broadband Internet in Spain. This product is commercialized on a telephony and broadband bundled basis.

- **ONO launches new television packages**

In August 2007, ONO launched three new television offers: "Esencial" (more than 40 channels), "Extra" (more than 70 channels) and "Total" (more than 95 channels). All these television offers include video on demand, "ojo", in the areas where it is available.

- **ONO strengthens its pay TV offer with new channels**

ONO strengthened its pay TV offer with the introduction of new channels in its programming line-up from January. ONO enlarged its offer with channels for children such as "Baby TV"; entertainment channels such as "Canal Telenovelas"; documentary channels such as "Biography Channel"; and the music channel "Pacha TV".

- **Pay television audiences leadership**

According to TNS Sofres, a company measuring television audiences and consumption data in Spain, ONO achieved a total television market share of 7% in December 2007, the leading audience share among pay-TV operators.

- **ONO launches ONO io**

In November 2007, ONO launched ONO io, the first convergent fixed-mobile offer in Spain, to all its residential customers. The handsets behave as fixed telephone at home and as mobile telephones outside, generating important savings for our customers. The new mobile services are fully integrated with the products and services currently offered to our customers.

- **ONO launches a new broadband and telephony offer for SMEs**

In September 2007, ONO launched three new broadband and telephony packages for SMEs: "ONO Comercios", "ONO Negocios" and "ONO Oficinas". These packages include 25 Mbps download speed with 1 Mbps upload speed or 12 Mbps download speed with 600 Kbps upload speed, several flat rate telephony lines and value added services such as mobile or international vouchers, amongst others.

- **ONO launches a customer loyalty program called "Zona cosas buenas"**

In December 2007, ONO launched a customer loyalty program called "Zona cosas buenas" in which customers can accumulate reward points to be redeemed in exchange for ONO services. This is the first such program among fixed line operators in Spain.

2.5 Guidance for 2008 (GCO)

Table 6: Guidance for 2008 (*)

Operating data in thousand. Financial data in €million.	Guidance low	Guidance high	2007	Annual change	
				Guidance low	Guidance high
Revenues	1,590	1,640	1,616	(1.61%)	1.49%
EBITDA	650	680	642	1.25%	5.92%
Capex	410	450	535	(23.36%)	(15.89%)
FCF	(190)	(120)	(335)	(43.3%)	(64.2%)

(*) Please, see important disclaimer at the end of this document

3. GRUPO CORPORATIVO ONO

3.1 Condensed Consolidated Financial Statements

Table 7: Condensed Consolidated Balance Sheet

<i>Data in €million</i>	Note	31-Dec-07	30-Sept-07	31-Dec-06
ASSETS				
Current assets				
Cash		4	4	7
Short-term investments, net	3.4.1	15	13	12
Accounts receivable & other	3.4.2	209	258	247
Total current assets		227	275	265
Fixed assets				
Start-up costs, net	3.4.3	28	22	17
Intangible assets, net	3.4.4	135	136	337
Tangible assets, net	3.4.5	4,518	4,452	4,340
Financial assets, net	3.4.6	1,344	1,301	1,311
Total fixed assets		6,025	5,911	6,005
Deferred expenses, net		26	25	23
Uncalled share capital		31	31	-
TOTAL ASSETS		6,310	6,242	6,293
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Short term debt	3.4.8	187	177	177
Accrued interest expenses		78	46	9
Accounts payable and other	3.4.7	884	814	915
Total current liabilities		1,149	1,036	1,102
Long term debt				
Senior facility	3.4.8	2,925	2,910	2,351
Subordinated facilities	3.4.8	10	10	130
Senior subordinated notes	3.4.8	450	450	550
Other	3.4.8	79	80	108
Total long term debt		3,464	3,450	3,139
Other long term liabilities	3.4.9	177	177	274
Deferred income		116	116	116
Commitments and contingencies		310	356	427
Minority interests		3	3	2
Shareholders' equity				
Common stock	3.4.10	1,672	1,672	1,630
Share Premium	3.4.10	368	368	353
Accumulated deficit	3.4.10	(750)	(750)	(711)
Net loss for the period	3.4.10	(198)	(186)	(39)
Total shareholders' equity		1,092	1,104	1,233
TOTAL LIABILITIES AND SHRS' EQUITY		6,310	6,242	6,293

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Table 8: Condensed Consolidated Statements of Operations

	Quarter ended					Year to date		
	31-Dec-07	30-Sept-07	% change	31-Dec-06	% change	31-Dec-07	31-Dec-06	% change
<i>Data in €million</i>								
Revenues	400	405	(1.1%)	404	(1.0%)	1,616	1,633	(1.1%)
Cost of services	(103)	(107)	(4.1%)	(122)	(15.5%)	(443)	(517)	(14.3%)
Opex	(135)	(125)	8.0%	(132)	2.9%	(532)	(558)	(4.7%)
EBITDA	162	172	(5.9%)	151	7.2%	642	558	14.9%
Deprec. and amortis.	(89)	(87)	2.8%	(91)	(1.7%)	(366)	(415)	(11.8%)
EBIT/Oper. profit	72	85	(14.8%)	60	20.8%	276	143	92.3%
Net financial expense	(66)	(63)	5.4%	(49)	34.9%	(260)	(187)	39.4%
Net extraordinary exp.	(50)	(2)	na	6	na	(234)	3	na
EBT	(44)	21	na	16	na	(218)	(41)	na
Income tax	31	(6)	na	(8)	na	20	2	na
Profit/(loss) before minority interests	(13)	14	(187.1%)	8	na	(198)	(39)	na
Minority interests	(0)	(0)	(40.3%)	(0)	(59.3%)	(0)	(0)	na
Net result	(13)	14	(189.2%)	8	na	(198)	(39)	na

EBITDA increased in the fourth quarter of 2007 by €11 million as compared to the last quarter of 2006 mainly due to the decrease of direct costs by €19 million, or 15.5%. The seasonality of the business is reflected in the EBITDA decrease of the last quarter of 2007, as compared to the previous quarter. EBITDA for the year amounted to €642 million, an increase of 14.9% in the year mainly due to the decrease of direct costs by €74m, or 14.3%, and the decrease of operating expenses by €26m, or 4.7%, as consequence of our continued cost control policy. The EBITDA margin increased up to 39.7% in 2007 from 34.2% in the previous year.

Table 9: Condensed Consolidated Cash Flow

	Quarter ended				Year to date		
	31-Dec-07	30-Sept-07	% change	31-Dec-06	31-Dec-07	31-Dec-06	% change
<i>Data in €million</i>							
EBITDA	162	172	(5.9%)	151	642	558	14.9%
Capex	(151)	(126)	19.7%	(221)	(535)	(590)	(9.3%)
OPERATING FCF	10	45	(77.2%)	(70)	107	(32)	na
Change in working capital	35	(26)	na	(41)	(143)	(228)	(37.4%)
Other ⁽¹⁾	(44)	(28)	54.9%	(80)	(145)	(174)	(16.6%)
FCF (pre-interest)	1	(9)	(113.4%)	(192)	(181)	(434)	(58.3%)
Paid interest, net	(24)	(21)	15.3%	(90)	(154)	(187)	(17.6%)
FCF	(23)	(30)	(24.0%)	(281)	(335)	(620)	(46.0%)
Senior facility	15	130	(88.5%)	178	574	547	4.9%
Subordinated facilities	-	-	na	-	(120)	-	na
Senior subordinated notes	-	(100)	na	-	(100)	(62)	61.3%
State subsidies	(1)	(5)	(70.6%)	5	(17)	1	na
Short term debt	10	(0)	na	45	10	81	(87.6%)
Short term investments	(2)	(1)	na	(1)	(3)	25	(111.5%)
Other financing items	1	(7)	(107.3%)	48	(12)	28	(144.3%)
FINANCING	23	17	31.1%	275	332	620	(46.4%)
NET CASH VARIATION	(0)	(13)	(98.6%)	(7)	(3)	(1)	na
Cash Beginning of Period	4	17	(76.2%)	13	7	7	(8.6%)
Cash End of Period	4	4	(4.4%)	7	4	7	(42.6%)

⁽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 10: Customer split

Data in thousand, except if otherwise stated

	31-Dec-07	30-Sept-07	% change	31-Dec-06	% change
Customers					
Cable	1,859	1,830	1.6%	1,792	3.7%
Other direct access	68	68	(1.1%)	68	(1.1%)
Residential direct access	1,927	1,899	1.5%	1,861	3.6%
Indirect access	104	116	(10.0%)	203	(48.7%)
SMEs	69	69	0.8%	69	0.3%
Residential Cable ARPU (€)	52.2	52.6	(0.9%)	51.6	1.2%

Our residential direct access customer base increased by 1.5% in the quarter, reaching 1,927,000 as of 31 December 2007. This growth is driven by a residential cable customers increase due to the continued effort in acquiring new customers through our continuous development of new competitive offers.

Sales in the fourth quarter recovered to normal levels after concluding the system integration and migration of our residential customer base in the second and third quarters of 2007.

SMEs customers remained stable at 69,000 customers in the quarter.

Indirect access customers decreased by 10.0% in the fourth 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 €52.2 in the fourth quarter of 2007 compared to €52.6 in the previous quarter. Residential cable ARPU decreased slightly due to a series of temporary promotions of our services in the sales process. ARPU for residential cable services in the fourth quarter of 2007 increased by 1.2% compared to the same period of the previous year as a consequence of the pricing homogenisation across our customer base and the increase of the proportion of customers taking bundled services from us.

3.3 Fourth quarter and full year 2007 results of operations

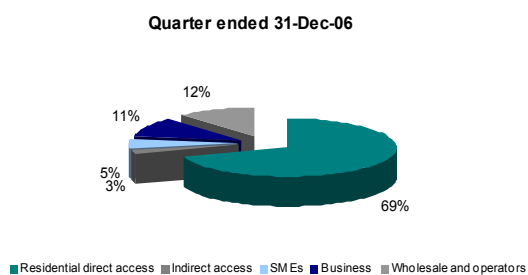
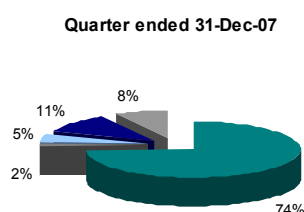
3.3.1. Revenues

ONO's revenues are derived from individual service offerings or a combination of telephony, Internet and pay television services provided to residential direct access customers, indirect access customers, SMEs, 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 11: Revenue split

Data in €million	Quarter ended					Year to date		
	31-Dec-07	30-Sept-07	% change	31-Dec-06	% change	31-Dec-07	31-Dec-06	% change
Continuing businesses	316	316	0.2%	304	4.1%	1,252	1,178	6.2%
Residential direct access	298	297	0.1%	283	5.1%	1,176	1,101	6.8%
SMEs	18	18	0.6%	21	(10.6%)	76	77	(1.8%)
Partial continuing businesses	78	81	(4.2%)	90	(13.8%)	330	381	(13.2%)
Business services	45	43	4.2%	43	4.9%	171	188	(9.2%)
Wholesale and operators	33	38	(13.8%)	47	(30.7%)	159	192	(17.1%)
Discontinuing businesses	6	8	(21.3%)	10	(39.8%)	34	75	(54.5%)
Indirect access	6	8	(21.3%)	10	(39.8%)	34	75	(54.5%)
Total revenues	400	405	(1.1%)	404	(1.0%)	1,616	1,633	(1.1%)



Revenues decreased in Q4 2007 by 1.1% to €400 million from €405 million in the previous quarter. This revenue decrease is mainly due to a 21.3% reduction in discontinuing businesses (residential indirect access) revenues, reflecting our focus on direct access business, and to a 4.2% reduction in partial continuing businesses revenues mainly as consequence of Orange's circuit migration to its own networks. Continuing businesses are our main revenue source, contributing 79% to overall revenues in Q4 2007 from 75% in Q4 2006.

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Revenues for the year amounted to €1,616 million, a decrease of 1.1% or €17 million as compared to 2006.

3.3.1.1 Continuing businesses

a) Residential direct access

- **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 table set forth information on residential cable services, and the percentage change from period to period:

Table 12: Residential cable services

<i>Data in thousand, except if otherwise stated</i>	Quarter ended				
	31-Dec-07	30-Sept-07	% change	31-Dec-06	% change
Resid. Cable Services					
HRTM	6,793	6,670	1.8%	6,335	7.2%
Customers	1,859	1,830	1.6%	1,792	3.7%
Penetration	27.4%	27.4%	(0.1 pp)	28.3%	(0.9 pp)
Churn	19.9%	16.3%	3.6 pp	19.5%	0.5 pp
ARPU (€)	52.2	52.6	(0.9%)	51.6	1.2%
RGUs	3,768	3,664	2.8%	3,541	6.4%
RGUs per customer (x)	2.03	2.00	1.2%	1.98	2.6%

We have carried out an audit process of our network in which we have identified 216,000 HRTM in old Auna franchises that were not previously included in our systems. These additional HRTM have been taken into account from the third quarter of 2006. As a consequence of this reconciliation, our penetration rates, as previously reported, have been diluted.

Total cable customers increased during the last quarter by 29,000 or 1.6% to 1,859,000. Cable customers increased by 3.7% from the quarter ended 31 December 2006 to the quarter ended 31 December 2007. Our penetration ratio remained stable at 27.4% as of 31 December 2007 due to the continued deployment of our network. Our focus on bundles lead the RGUs per customer ratio to 2.03 as at 31 December 2007.

Churn increased in the fourth quarter of 2007 to 19.9%, from 16.3% in the previous quarter. The high level continues as a result of the integration projects concluded in the second and third quarters.

- **Telephony**

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

Table 13: Telephony services

	Quarter ended				
	31-Dec-07	30-Sept-07	% change	31-Dec-06	% change
<i>Data in thousand, except if otherwise stated</i>					
Telephony customers	1,605	1,595	0.6%	1,565	2.6%
Proportion of total customers (%)	86.3%	87.1%	(0.8 pp)	87.3%	(1.0 pp)
Penetration (%)	23.6%	23.9%	(0.3 pp)	24.7%	(1.1 pp)

Telephony customers increased by 10,000 or 0.6% in the fourth quarter of 2007 to reach 1,605,000. An upselling campaign launched from September to November 2007 helped to drive total customers growth. Telephony continues to account for the largest portion of our RGUs, with 86.3% of our customers subscribing to this service, slightly lower than 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 14: Internet services

	Quarter ended				
	31-Dec-07	30-Sept-07	% change	31-Dec-06	% change
<i>Data in thousand, except if otherwise stated</i>					
Internet customers	1,203	1,160	3.6%	1,056	13.9%
Proportion of total customers (%)	64.7%	63.4%	1.3 pp	58.9%	5.7 pp
Penetration (%)	17.7%	17.4%	0.3 pp	16.7%	1.0 pp

Internet customers increased by 43,000 or 3.6% in the fourth quarter of 2007 to reach 1,203,000 as of 31 December 2007. This growth surpasses our total customer adds by 14,000, showing the success of the launch, in August, of the increased broadband speeds (6, 12 and 25 Mbps), the launch, in December, of a low entry internet access service of 2 Mbps and the upselling campaign launched from September to the end of the year. Internet customers as a proportion of total customers increased by 1.3 pp to 64.7% in the fourth quarter of 2007 from 63.4% in the previous quarter. Our residential Internet penetration increased to 17.7% in the fourth quarter of 2007 from 17.4% 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 15: Television services

<i>Data in thousand, except if otherwise stated</i>	Quarter ended				
	31-Dec-07	30-Sept-07	% change	31-Dec-06	% change
Television customers	960	909	5.6%	920	4.4%
Proportion of total customers (%)	51.6%	49.7%	2.0 pp	51.3%	0.3 pp
Penetration (%)	14.1%	13.6%	0.5 pp	14.5%	(0.4 pp)

Cable television customers increased by 51,000 or 5.6% in the quarter to reach 960,000 as of 31 December 2007, mainly due to the launch of new television packages in the third quarter, including a low entry option, "TV Esencial".

Cable television customers as a proportion of total customers increased by 0.5 pp to 51.6% in the quarter and penetration of cable television services over homes released to marketing increased in the fourth quarter by 0.5 pp to 14.1%, representing an inflection point in the trend experienced by this RGU in the last years.

At the end of the fourth quarter of 2007, 90% of our total television customer base enjoyed our digital offering.

- **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 remained stable in the fourth quarter of 2007 compared to the previous quarter and the fourth quarter of 2006, despite closing 24 switches which overlapped with our cable networks in September. We consider our ULL operations, focused mainly in Madrid and Barcelona (28 switches opened in 2007), as a complement to our core cable business.

Table 16: Other direct access services

<i>Data in thousand, except if otherwise stated</i>	Quarter ended				
	31-Dec-07	30-Sept-07	% change	31-Dec-06	% change
Customers	68	68	(1.1%)	68	(1.1%)
RGUs	107	110	(2.3%)	101	5.8%
RGUs per customer (#)	1.58	1.60	(1.3%)	1.48	7.0%

b) 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. We offer SMEs services over cable and over ULL.

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		
	31-Dec-07	30-Sept-07	% change	31-Dec-06	% change	31-Dec-07	31-Dec-06	% change
Customers	69	69	0.8%	69	0.3%	69	69	0.3%
Revenues	18	18	0.6%	21	(10.6%)	76	77	(1.8%)

ONO's SMEs customers remained stable at 69,000 customers in the fourth quarter of 2007. In the same way, SMEs revenues remained flat at €18 million in the fourth quarter of 2007 compared to the previous quarter. SMEs revenues for the year decreased by 1.8%.

3.3.1.2 Partial continuing businesses

a) Business services

Revenues from business services are derived from customised 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		
	31-Dec-07	30-Sept-07	% change	31-Dec-06	% change	31-Dec-07	31-Dec-06	% change
Revenues	45	43	4.2%	43	4.9%	171	188	(9.2%)

Business revenues increased by 4.2% to €45 million in the fourth quarter of 2007, from €43 million in the previous quarter in line with our expectations. Business revenues for the year decreased by 9.2% from €188 million in 2006 to €171 million in 2007 as consequence of our focus on high value customers generating good quality margins. This change in strategy has led to a lower apparent level of growth but to an increase in profitability of the division.

b) 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.

Revenues from wholesale and operators decreased by 13.8%, from €38 million for the third quarter of 2007 to €33 million for the fourth quarter of 2007. Revenues for the year decreased by 17.1%, from €192 million for the year 2006 to €159 million for the year 2007. This reduction is mainly due to the migration by Orange of circuits away from ONO to its own networks. This loss of revenue has been reported previously and is in line with our expectations. The reduction in revenues from Orange will continue.

In addition, there are a number of contracts within this business division which are not considered strategic as they produce low margin revenues. We anticipate further reductions in revenues as a result of our focus on margin.

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

3.3.1.3 Discontinuing businesses

a) 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 19: Indirect access

	Quarter ended				Year to date			
	31-Dec-07	30-Sept-07	% change	31-Dec-06	% change	31-Dec-07	31-Dec-06	% change
<i>Oper. data in thousand</i>								
<i>Fin. data in €million</i>								
Customers	104	116	(10.0%)	203	(48.7%)	104	203	(48.7%)
Revenues	6	8	(21.3%)	10	(39.8%)	34	75	(54.5%)

Indirect access customers decreased by 10.0% to 104,000 customers as of 31 December 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.

3.3.2. Cost of Services and Gross Profit

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

Table 20: Cost of services and gross profit

<i>Data in €million</i>	Quarter ended					Year to date		
	31-Dec-07	30-Sept-07	% change	31-Dec-06	% change	31-Dec-07	31-Dec-06	% change
Total revenues	400	405	(1.1%)	404	(1.0%)	1,616	1,633	(1.1%)
Cost of services	(103)	(107)	(4.1%)	(122)	(15.5%)	(443)	(517)	(14.3%)
Gross Profit	297	297	(0.0%)	282	5.2%	1,173	1,117	5.1%
Gross Margin	74.3%	73.4%	0.8 pp	69.8%	4.4 pp	72.6%	68.4%	4.2 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 by €4 million from 30 September 2007 to 31 December 2007. As a percentage of total revenues, our cost of services decreased to 25.7% for the three months ended 31 December 2007 as compared to 26.6% for the previous quarter and gross margin increased by 0.8 pp to 74.3% in the fourth quarter of 2007. These reductions in direct costs are related to our focus on higher margin revenue streams. Our cost of services decreased by €74 million in 2007 as compared to the previous year and gross margin increased by 4.2 pp to 72.6% in 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 21: Operating expenses

Data in €million	Quarter ended					Year to date		
	31-Dec-07	30-Sept-07	% change	31-Dec-06	% change	31-Dec-07	31-Dec-06	% change
Gross Opex	(154)	(141)	9.0%	(146)	5.5%	(602)	(613)	(1.7%)
Capitalised Costs	19	16	17.1%	14	30.0%	71	54	29.5%
Net Opex	(135)	(125)	8.0%	(132)	2.9%	(532)	(558)	(4.7%)
<i>as % of revenues</i>	33.8%	31.0%	2.9 pp	32.5%	1.3 pp	32.9%	34.2%	(1.3 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. Capitalised costs relate to, *inter alia*, direct labour costs associated with the development and construction of our network.

Net opex increased from €125 million to €135 million or from 31.0% to 33.8% of revenues in the fourth quarter of 2007 as a consequence of the seasonally low Opex of our business in the third quarter. Net opex decreased from €558 million to €532 million or from 34.2% to 32.9% of revenues in 2007 from 2006. 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.

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 22: Depreciation and amortisation

Data in €million	Quarter ended					Year to date		
	31-Dec-07	30-Sept-07	% change	31-Dec-06	% change	31-Dec-07	31-Dec-06	% change
D&A	(89)	(87)	2.8%	(91)	(1.7%)	(366)	(415)	(11.8%)

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 23: Net financial expense

<i>Data in €million</i>	Quarter ended					Year to date		
	31-Dec-07	30-Sept-07	% change	31-Dec-06	% change	31-Dec-07	31-Dec-06	% change
Net fin. expenses	(66)	(63)	5.4%	(49)	34.9%	(260)	(187)	39.4%

Our net financial expense is mainly comprised of interest expense from our financing agreements. Net financial expense increased by 5.4% in the fourth quarter of 2007 due to our debt drawings under the €3,600 million Senior Facility during the fourth quarter of the year.

3.3.6. Other Income and Expense

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

Table 24: Other income and expense

<i>Data in €million</i>	Quarter ended					Year to date		
	31-Dec-07	30-Sept-07	% change	31-Dec-06	% change	31-Dec-07	31-Dec-06	% change
Net extraordin. income/(expense)	(50)	(2)	na	6	na	(234)	3	na
Income tax	31	(6)	na	(8)	na	20	2	na

3.4 Notes to the Condensed Consolidated Balance Sheet

3.4.1. Short term investments

Table 25: Short term investments, net

<i>Data in €million</i>	31-Dec-07	31-Dec-06	% change
Investment in non consolidated companies	2	2	10.1%
Fixed interest securities	0	1	(71.2%)
Other short term investments	14	11	29.8%
Provisions	(2)	(2)	10.1%
Short term investments, net	15	12	21.4%

3.4.2. Accounts receivable

Table 26: Accounts receivable, net

<i>Data in €million</i>	31-Dec-07	31-Dec-06	% change
Receivables from related parties	1	1	(27.7%)
Accounts receivable and other debtors	175	204	(14.4%)
Tax receivables	1	11	(90.9%)
Other	33	31	5.5%
Accounts receivable, net	209	247	(15.4%)

3.4.3. Start-up costs

Table 27: Start-up costs

<i>Data in €million</i>	31-Dec-06	Additions	Amortisation	31-Dec-07
Start-up costs, net	5	16	(3)	19
Stock issuance costs, net	12	1	(4)	9
Start-up costs, net	17	18	(7)	28

3.4.4. Intangible assets

Table 28: Intangible assets, net

<i>Data in €million</i>	31-Dec-06	Additions	Disposals & write-offs	Transfers	31-Dec-07
Goodwill	478	-	(478)	-	-
Licensed assets	61	0	-	-	62
Franchise acquisition costs	13	-	-	-	13
Computer software	94	33	-	1	128
Finance leases	41	0	-	-	42
Other intangible fixed assets	3	0	(0)	-	3
Total cost	689	34	(478)	1	246
Accumulated amortisation	(353)	(46)	288	(1)	(111)
Intangible assets, net	337	(13)	(189)	0	135

3.4.5. Tangible assets

Table 29: Tangible assets, net

<i>Data in €million</i>	31-Dec-06	Additions	Disposals & write-offs	Transfers	31-Dec-07
Land and natural assets	17	-	(0)	0	17
Network and technical equipment	5,537	163	(21)	421	6,101
Computer hardware	179	4	-	4	188
Other tangible fixed assets	72	4	(0)	-	76
Total operating tangible fixed assets	5,806	171	(21)	426	6,381
Payments on account and assets in course of construction	207	330	(12)	(427)	97
Total cost	6,012	501	(34)	(2)	6,478
Accumulated amortisation	(1,577)	(313)	5	-	(1,885)
Provisions	(96)	-	21	-	(75)
Tangible assets, net	4,340	188	(8)	(2)	4,518

3.4.6. Financial assets

Table 30: Financial assets

<i>Data in €million</i>	31-Dec-07	31-Dec-06	% change
Tax credit and deferred tax	1,270	1,256	1.1%
Other financial assets (*)	86	86	(0.1%)
Shareholdings in unconsolidated companies	4	4	(10.1%)
Provisions	(15)	(35)	(56.4%)
Financial assets	1,344	1,311	2.5%

(*) 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 approximately 84% of the total EVCs issued by ONO Finance in 1999 and 2001. This liability sits in the "Other long term liabilities" (see 3.4.9 below) item of Cableuropa's balance sheet. The value of the EVCs is based on the price paid in the purchases made by GCO.

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3.4.7. Accounts payable

Table 31: Accounts payable

Data in €million

	31-Dec-07	31-Dec-06	% change
Commercial suppliers	399	431	(7.5%)
Taxes payable	11	10	9.6%
Fixed asset suppliers	327	412	(20.8%)
Other (*)	147	62	137.5%
Accounts payable	884	915	(3.4%)

(*) In 2007 includes €71m corresponding to the short term portion of the Auna Deferred Payment of €214m (see note 3.4.9 below) paid in January 2008.

3.4.8. Debt and liquidity

Table 32: Debt and liquidity

As of 31 December 2007

Data in €million

Type of debt	Maximum available	Short term debt	Long term debt	Total debt	Availability
Debt with credit entities:					
Senior facility	3,500	-	2,925	2,925	575
Participative loan	10	-	10	10	-
Other credit facilities	253	171	34	205	48
Total debt with credit entities	3,763	171	2,969	3,140	623
Other debt:					
Senior subordinated notes	450	-	450	450	-
State subsidies and other	61	16	45	61	-
Total other debt	511	16	495	511	-
Total debt	4,274	187	3,464	3,651	623
Cash and cash equivalents				4	
Total net debt				3,647	
EBITDA LQA				647	
Total net debt/EBITDA				5.64x	

Note: To avoid any double counting, the caption Senior Facility excludes bank guarantees drawn under Tranche 5 to counter-guarantee debt reported under the caption "State subsidies and other".

Table 33: Debt by maturity

As of 31 December 2007 Data in €million	Maturity						Total
	2008	2009	2010	2011	2012	Thereafter	
Type of debt							
Debt with credit entities:							
Senior facility	-	33	380	545	893	1,075	2,925
Participative loan	-	-	-	-	-	10	10
Other credit facilities	171	2	28	1	1	1	205
Total debt with credit entities	171	35	407	546	893	1,086	3,140
Other debt:							
Senior subordinated notes	-	-	-	-	-	450	450
State subsidies and other	16	15	12	10	7	1	61
Total other debt	16	15	12	10	7	451	511
Total	187	50	420	556	901	1,537	3,651

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

3.4.9. Other long term liabilities

Table 34: Other long term liabilities

Data in €million	31-Dec-07	31-Dec-06	% change
Deferred Auna Acquisition payment (*)	143	214	(33.3%)
EVCs and other (**)	33	33	-
Other	1	27	(96.4%)
Other long term liabilities	177	274	(35.5%)

(*) See 3.4.7 above

(**) See 3.4.6 above

3.4.10. Shareholders' equity

Table 35: 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 nine-months period	-	-	-	(198)	(198)
31 December 2007	1,672	368	(750)	(198)	1,092

3.5 Notes to the Condensed Consolidated Cash Flow

3.5.1. Capex

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 36: Capital expenditure

<i>Data in €million</i>	Quarter ended					Year to date		
	31-Dec-07	30-Sept-07	% change	31-Dec-06	% change	31-Dec-07	31-Dec-06	% change
Capex	(151)	(126)	19.7%	(221)	(31.5%)	(535)	(590)	(9.3%)

Capital expenditure increased by 19.7% to €151 million for the fourth quarter of 2007, in line with the trend experienced by our business in previous years. Capital expenditure decreased by €55m or 9.3% in 2007 as compared to the previous year.

Capital expenditure for the year 2007 includes €34 million of intangible assets and €501 million of tangible assets.

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 positive trend of this caption in the quarter relates to the increase in accounts payable as a consequence of the increased expenditures, both Opex and Capex, as compared with the previous quarter. In addition, the figures presented in the fourth quarter are net of the extraordinary non-cash expenses in relation with the accounts payable and the accounts receivable.

4. ONOMIDCO

4.1 Condensed Consolidated Financial Statements

Table 37: Condensed Consolidated Balance Sheet (ONOMidco)

Data in €million

	31-Dec-07	30-Sept-07	31-Dec-06
ASSETS			
Current assets			
Cash	4	4	7
Short-term investments, net	14	13	12
Accounts receivable and other	218	258	246
Total current assets	236	275	265
Fixed assets			
Start-up costs, net	21	14	8
Intangible assets, net	135	136	337
Tangible assets, net	4,518	4,452	4,340
Financial assets, net	1,283	1,238	1,249
Total fixed assets	5,957	5,840	5,934
Deferred expenses, net	43	43	44
TOTAL ASSETS	6,235	6,159	6,242
LIABILITIES AND SHAREHOLDER'S EQUITY			
Current liabilities			
Short term debt	173	157	161
Accrued interest expenses	78	45	9
Accounts payable and other	913	827	937
Total current liabilities	1,165	1,030	1,107
Long term debt			
Senior facility	2,925	2,910	2,351
Subordinated facilities	10	10	130
Senior subordinated notes	450	450	550
Other	53	54	78
Total long term debt	3,438	3,424	3,109
Other long term liabilities	177	177	248
Deferred income	116	116	116
Commitments and contingencies	310	356	427
Minority interests	6	5	5
Participative loan	955	955	955
Shareholder's equity			
Common stock	263	263	263
Share premium	24	24	24
Accumulated deficit	(11)	(11)	-
Net loss for the period	(206)	(180)	(11)
Total shareholder's equity	70	96	276
TOTAL LIABILITIES AND SHR'S EQUITY	6,235	6,159	6,242

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Table 38: Condensed Consolidated Statement of Operations (ONOMidco)

Data in €million	Quarter ended					Year to date		
	31-Dec-07	30-Sept-07	% change	31-Dec-06	% change	31-Dec-07	31-Dec-06 (*)	% change
Revenues	400	405	(1.1%)	408	(2.1%)	1,616	1,078	49.9%
Cost of services	(103)	(107)	(4.1%)	(119)	(13.8%)	(443)	(335)	32.3%
Opex	(133)	(123)	8.1%	(134)	(0.9%)	(523)	(355)	47.5%
EBITDA	164	174	(5.8%)	155	6.0%	650	389	67.3%
Deprec. and amortiz.	(89)	(86)	2.8%	(91)	(2.4%)	(363)	(263)	37.9%
EBIT/Oper. profit	75	88	(14.2%)	64	18.0%	287	125	129.0%
Net financial expense	(87)	(63)	36.6%	(63)	37.4%	(283)	(140)	101.5%
Net extraordinary exp.	(48)	(2)	na	6	na	(232)	3	na
EBT	(60)	23	na	7	na	(228)	(12)	na
Income tax credit	34	(6)	na	(4)	na	23	1	na
Profit/(loss) before minority interests	(26)	17	na	3	na	(205)	(11)	na
Minority interests	(0)	(0)	na	(0)	na	(1)	0	na
Net result	(26)	16	na	3	na	(206)	(11)	na

(*) Year to date amounts correspond to ONO Midco's results from inception in May 2006

Table 39: Condensed Consolidated Cash Flow (ONOMidco)

Data in €million	Quarter ended					Year ended
	31-Dec-07	30-Sept-07	% change	31-Dec-06	% change	31-Dec-07
EBITDA	164	174	(5.8%)	155	6.0%	650
Capex	(151)	(126)	19.7%	(221)	(31.5%)	(535)
OPERATING FCF	13	48	(73.4%)	(66)	(119.1%)	115
Change in working capital	24	(27)	(189.2%)	(53)	(146.4%)	(163)
Other ⁽¹⁾	(41)	(28)	45.3%	11	(474.5%)	(140)
FCF (pre-interest)	(4)	(8)	(50.6%)	(108)	(96.3%)	(187)
Paid interest, net	(24)	(21)	17.7%	(103)	(76.2%)	(154)
FCF	(29)	(29)	(1.6%)	(211)	(86.5%)	(341)
Senior facility	15	130	(88.5%)	178	(91.6%)	574
Subordinated facilities	-	-	na	-	na	(120)
Senior subordinated notes	-	(100)	(100.0%)	-	na	(100)
State subsidies	(1)	(5)	(70.6%)	5	(126.3%)	(17)
Short term debt	16	(2)	na	43	(62.3%)	12
Short term investments	(1)	(1)	168.9%	(1)	19.0%	(3)
Other financing items	(0)	(6)	(96.4%)	(13)	(98.2%)	(8)
FINANCING	28	16	73.1%	212	(86.6%)	338
NET CASH VARIATION	(0)	(13)	(97.9%)	1	(131.7%)	(3)
Cash Beginning of Period	4	17	(75.3%)	6	(32.0%)	7
Cash End of Period	4	4	(6.5%)	7	(44.1%)	4

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

(*) Year to date cash flow amounts not mentioned to avoid misleading the reader, since the company was incorporated in May 2006

In this section, we are reporting the fourth quarter and full year 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.

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5. CABLEUROPA

5.1 Condensed Consolidated Financial Statements

Table 40: Condensed Consolidated Balance Sheet (Cableuropa)

<i>Data in €million</i>	31-Dec-07	30-Sept-07	31-Dec-06
ASSETS			
Current assets			
Cash	4	4	7
Short-term investments, net	14	13	12
Accounts receivable and other	218	258	246
Total current assets	236	275	265
Fixed assets			
Start-up costs, net	21	14	8
Intangible assets, net	135	136	337
Tangible assets, net	4,518	4,452	4,340
Financial assets, net	1,283	1,238	1,249
Total fixed assets	5,957	5,840	5,934
Deferred expenses, net	43	43	44
TOTAL ASSETS	6,235	6,158	6,242
LIABILITIES AND SHAREHOLDER'S EQUITY			
Current liabilities			
Short term debt	173	157	161
Accrued interest expenses	78	45	9
Accounts payable and other	913	827	936
Total current liabilities	1,164	1,029	1,106
Long term debt			
Senior facility	2,925	2,910	2,351
Subordinated facilities	10	10	130
Senior subordinated notes	450	450	550
Other	53	54	78
Total long term debt	3,438	3,424	3,109
Other long term liabilities	177	177	248
Deferred income	116	116	116
Commitments and contingencies	310	356	427
Minority interests	6	5	5
Participative loan	955	955	955
Shareholder's equity			
Common stock	263	263	263
Share premium	1,637	1,637	1,637
Accumulated deficit	(1,624)	(1,624)	(1,581)
Net loss for the period	(206)	(180)	(43)
Total shareholder's equity	70	96	276
TOTAL LIABILITIES AND SHR'S EQUITY	6,235	6,158	6,242

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Table 41: Condensed Consolidated Statement of Operations (Cableuropa)

Data in €million	Quarter ended					Year to date		
	31-Dec-07	30-Sept-07	% change	31-Dec-06	% change	31-Dec-07	31-Dec-06	% change
Revenues	400	405	(1.1%)	408	(2.1%)	1,616	1,633	(1.1%)
Cost of services	(103)	(107)	(4.1%)	(119)	(13.8%)	(443)	(517)	(14.3%)
Opex	(133)	(123)	8.1%	(134)	(0.9%)	(523)	(551)	(5.1%)
EBITDA	164	174	(5.8%)	155	6.0%	650	565	15.1%
Deprec. and amortiz.	(89)	(86)	2.8%	(91)	(2.4%)	(363)	(412)	(11.9%)
EBIT/Oper. profit	75	88	(14.2%)	64	18.1%	287	153	88.0%
Net financial expense	(87)	(63)	36.6%	(63)	37.4%	(283)	(199)	41.8%
Net extraordinary exp.	(48)	(2)	na	6	na	(232)	(0)	na
EBT	(60)	23	na	7	na	(228)	(47)	na
Income tax credit	34	(6)	na	(4)	na	23	4	na
Profit/(loss) before minority interests	(26)	17	na	3	na	(205)	(43)	na
Minority interests	(0)	(0)	(41.7%)	-	na	(1)	0	na
Net result	(26)	16	na	3	na	(206)	(43)	na

Table 42: Condensed Consolidated Cash Flow (Cableuropa)

Data in €million	Quarter ended				Year to date		
	31-Dec-07	30-Sept-07	% change	31-Dec-06	31-Dec-07	31-Dec-06	% change
EBITDA	164	174	(5.8%)	155	650	565	15.1%
Capex	(151)	(126)	19.7%	(221)	(535)	(590)	(9.3%)
OPERATING FCF	13	48	(73.4%)	(66)	115	(25)	na
Change in working capital	24	(27)	(189.1%)	(53)	(163)	(219)	(25.7%)
Other ⁽¹⁾	(41)	(28)	45.3%	11	(140)	(85)	64.0%
FCF (pre-interest)	(4)	(8)	(50.6%)	(108)	(187)	(329)	(43.1%)
Paid interest, net	(24)	(21)	17.7%	(103)	(154)	(202)	(23.9%)
FCF	(29)	(29)	(1.6%)	(211)	(341)	(531)	(35.8%)
Senior facility	15	130	(88.5%)	178	574	547	4.9%
Subordinated facilities	-	-	na	-	(120)	-	na
Senior subordinated notes	-	(100)	(100.0%)	-	(100)	(62)	61.3%
State subsidies	(1)	(5)	(70.6%)	5	(17)	1	na
Short term debt	16	(2)	na	43	12	70	(82.8%)
Short term investments	(1)	(1)	168.9%	(1)	(3)	(9)	(70.8%)
Other financing items	(0)	(6)	(96.4%)	(13)	(8)	(16)	(48.9%)
FINANCING	28	16	73.1%	212	338	531	(36.3%)
NET CASH VARIATION	(0)	(13)	(97.9%)	1	(3)	(0)	na
Cash Beginning of Period	4	17	(75.3%)	6	7	7	(5.8%)
Cash End of Period	4	4	(6.4%)	7	4	7	(41.1%)

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

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5.2 Debt and Liquidity

Table 43: Debt and liquidity (Cableuropa)

As of 31 December 2007
Data in €million

Type of debt	Maximum available	Short term debt	Long term debt	Total debt	Availability
Debt with credit entities:					
Senior facility	3,500	-	2,925	2,925	575
Participative loan	-	-	-	-	-
Other credit facilities	10	-	10	10	-
Total debt with credit entities	179	157	8	165	14
	3,689	157	2,943	3,100	589
Other debt:					
Senior subordinated notes	450	-	450	450	-
State subsidies and other	61	16	45	61	-
Total other debt	511	16	495	511	-
Total debt	4,200	173	3,438	3,611	589
Cash and cash equivalents				4	
Total net debt				3,607	
EBITDA LQA				656	
Total net debt/EBITDA				5.5x	

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 44: Debt by maturity

Type of debt	Maturity						Total
	2008	2009	2010	2011	2012	Thereafter	
Debt with credit entities:							
Senior facility	-	33	380	545	893	1,075	2,925
Participative loan	-	-	-	-	-	10	10
Other credit facilities	157	2	2	1	1	1	165
Total debt with credit entities	157	35	381	546	893	1,086	3,100
Other debt:							
Senior subordinated notes	-	-	-	-	-	450	450
State subsidies and other	16	15	12	10	7	1	61
Total other debt	16	15	12	10	7	451	511
Total	173	50	394	556	901	1,537	3,611

In this section, we are reporting the fourth quarter and full year 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.

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

In addition, 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%, and finally matures in May 2014.

Accordingly, as at 31 December 2007 we had long term variable interest rate debt outstanding of €2,935 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 €2,565 million (87% 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 December 2007:

Table 45: Variable interest long term debt

Data in €million	Expected maturity date						Total
	2008	2009	2010	2011	2012	Thereafter	
Senior Bank Facility (Euribor + 1.75%-2.25%)	-	33	380	545	893	1,075	2,925
Participative Loan (Euribor + 2.75%)						10	10
Total	-	33	380	545	893	1,085	2,935

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7. OUR MAIN FINANCIAL AGREEMENTS

7.1 €3,600 million Senior Facility

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

- Tranche B to €800m (upsized by €250m) to fund, inter alia, the refinancing of the €100m 2014 FRNs, premium fees and other transaction costs,
- Tranche C to €600m (upsized by €100m) to provide additional liquidity,
- Tranche D to €700m (upsized by €150m) to fund the refinancing of the €110m Subordinated Facility, interest, premium fees and other transaction costs and general corporate purposes.

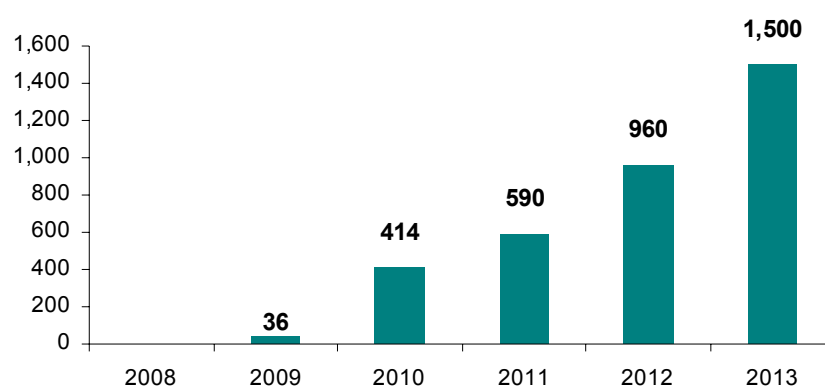
Our €3,600 million Senior Facility structure is as follows:

Table 46: Senior Facility structure

Tranches	Amount (€m)	Drawn	Pricing	Repayment	Maturity
Tranche A – Term Loan	1,000	1,000	E+1.75%	Amort. starts in FY 09	H2 FY 2012
Tranche B – Term Loan	800	650	E+1.75%	Amort. starts in FY 09	H2 FY 2012
Tranche C – Revolving Facility	600	175	E+1.75%	Bullet	H1 FY 2013
Tranche D – Term Loan	700	700	E+2.25%	Bullet	H2 FY 2013
Tranche I – Term Loan	400	400	E+1.75%	Amort. starts in FY 11	H1 FY 2013
Total Senior Bank Facility	3,500	2,925			

Note: excludes tranche S (Bank guarantees tranche)

Excluding the €100m bank guarantee tranche, and assuming 100% drawings, the repayment calendar of our Senior Facility is as follows:



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The main financial covenants currently applicable under the Senior Facility are as follows:

- Debt interest ratio

Table 47: Debt interest ratio

31 Mar 2008	30 Jun 2008	30 Sep 2008	31 Dec 2008	31 Mar 2009	30 Jun 2009	30 Sep 2009	31 Dec 2009
2,25x	2,25x	2,25x	2,25x	2,50x	2,75x	2,75x	3,00x
31 Mar 2010	30 Jun 2010	30 Sep 2010	Thereafter				
3,00x	3,25x	3,25x	3,50x				

- Total debt/Consolidated Annualised EBITDA

Table 48: Total debt/Consolidated Annualised EBITDA

31 Mar 2008	30 Jun 2008	30 Sep 2008	31 Dec 2008	31 Mar 2009	30 Jun 2009	30 Sep 2009	31 Dec 2009
6,75x	6,75x	6,50x	6,25x	6,00x	5,75x	5,50x	5,25x
31 Mar 2010	30 Jun 2010	30 Sep 2010	31 Dec 2010	31 Mar 2011	30 Jun 2011	Thereafter	
5,00x	4,75x	4,50x	4,25x	4,00x	3,75x	3,50x	

- Senior debt/Consolidated Annualised EBITDA

Table 49: Senior debt/Consolidated Annualised EBITDA

31 Mar 2008	30 Jun 2008	30 Sep 2008	31 Dec 2008	31 Mar 2009	30 Jun 2009	30 Sep 2009	31 Dec 2009
5,75x	5,75x	5,75x	5,50x	5,25x	5,00x	4,75x	4,50x
31 Mar 2010	30 Jun 2010	30 Sep 2010	Thereafter				
4,25x	4,00x	3,75x	3,50x				

7.2 Senior Subordinated Notes

Table 50: Senior Subordinated Notes

	€270m 8% 2014	€180m 10.5% 2015
Issue date	2 February 2006	17 May 2004
Amount	270,000,000	180,000,000
Currency	€	€
Annual Coupon	8%	10.5%
Maturity	16 May 2014	15 May 2014
First call date	15 May 2009	15 May 2009
First coupon	15 May 2006	15 November 2004
Coupon payments		
Q1	-	-
Q2	15 May	15 May
Q3	-	-
Q4	15 November	15 November

8. DISCLAIMER

The Projections, defined as all data in this release, and comments with regards to 2008, 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.



FURTHER INFORMATION

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