



Fourth quarter and full year 2006 results

ONO forecasts 20% EBITDA growth in 2007

- Over 1.0 million residential internet customers at year end
- EBITDA of €558 million for the full year 2006
- EBITDA margin rises to 37.3% in fourth quarter
- Positive net result for first time in fourth quarter

Madrid - 14 March 2007

Grupo Corporativo ONO, S.A. ("ONO"), the leading alternative provider of telecommunications, broadband Internet and pay television services in Spain, announced today the consolidated unaudited results for the fourth quarter and the full year 2006. A complete set of results is available at www.ono.es/investorrelations. Highlights are as follows:

FINANCIAL HIGHLIGHTS

Data in €million	Quarter ended					Year to date		
	31-Dec-06	30-Sep-06	% change	31-Dec-05	% change	31-Dec-06	31-Dec-05	% change
				Pro Forma			Pro Forma	
Revenues	404	403	0.4%	425	(5.0%)	1,633	1,726	(5.0%)
Gross margin	69.8%	68.5%	1.4 pp	66.0%	3.8 pp	68.4%	64.1%	4.3 pp
EBITDA	151	139	8.2%	116	30.2%	558	458	21.8%
EBITDA margin	37.3%	34.6%	2.7 pp	27.2%	10.1 pp	34.2%	26.5%	7.7 pp
Annualised EBITDA	603	558	8.2%	464	30.0%			
Net result	8	(11)	na	(427)	na	(39)	(466)	(91.7%)
Total net debt	3,308	3,058	8.2%	2,699	22.6%			
Leverage	5.48x	5.48x	0.0x	5.81x	(0.33x)			

Note: information for 2005 on a pro forma basis, including the addition of ONO and Auna for the quarter and the full year, except net result, which corresponds to statutory figures.

OPERATING HIGHLIGHTS

	31-Dec-06	30-Sep-06	% change	31-Dec-05	% change
Cable data:					
Homes marketable (thousands)	6,119	5,998	2.0%	5,652	8.3%
Resid. customers (thousands)	1,802	1,751	2.9%	1,662	8.4%
Penetration	29.4%	29.2%	0.3 pp	29.4%	0.0 pp
RGUs (thousands)	3,554	3,425	3.8%	3,129	13.6%
ARPU (€)	51.4	50.7	1.4%	51.9	(0.9%)
RGUs per customer	1.97	1.96	0.8%	1.88	4.8%

Commenting on the results, **Eugenio Galdón**, President of ONO, said:

“2006 has been a transforming year for ONO; we have carried out a crucial internal change process to prepare ONO for the future and at the same time have managed to deliver solid growth in our customer base and our earnings. In 2006, our challenge was to position ONO back at the efficiency levels that we used to experience before the acquisition of Auna. We achieved this by cutting both costs and low margin revenues.

“Overall, ONO reinforced its position in the market as the leading alternative to the incumbent operator albeit in a difficult competitive environment. We will look to enhance further our position in the market later this year with the launch of mobile services.”

Richard Alden, Chief Executive Officer of ONO, added:

“ONO performed well in 2006; we added 140,000 net new residential cable customers, increased the level of RGUs per customer to 1.97 from 1.88, due to successful bundling offers and upsales, and launched *ojo*, our video on demand service, in Madrid and Barcelona.”

“In 2006, we focussed our efforts on the unification of our services portfolio and carried out a significant network upgrade in the former Auna to comply with the standards of ONO. In the fourth quarter we passed the important milestone of 1.0 million customers enjoying our market leading broadband service.

“I am also delighted to report that we achieved our first quarter of net profitability at the end of 2006.”

Jonathan Cumming, Chief Financial Officer of ONO, commented:

“We are reporting a full year EBITDA of €558 million, which represents a 22% increase as compared with 2005 on a pro forma basis. Revenues decreased slightly to €1,600 million, as anticipated, as we focused on improving profitability and as a result the EBITDA margin reached 34.2%, over 8 pp higher than that of 2005. The last quarter of the year showed an impressive €151 million EBITDA, over €600 million on an annualised basis.”

Guidance for 2007

The management of ONO believes that, absent any significant change in the operating environment in Spain, the following results (“Projections”) should be achievable for the full year 2007:

(in millions of euro)	Range
Revenue	€1,680 - €1,750
EBITDA	€650 - €680
Capital expenditure	€540 - €570
Operating FCF	€80 - €140
Net debt to EBITDA	4.80x - 5.30x
New homes marketable (thousands)	425 - 475

In keeping with past practice, the ONO management will be constantly reassessing these plans against on-going operational and financial performance.

Please see an important disclaimer on these Projections below.

About 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 services to approximately 1.9 million direct access residential and 69,000 business customers as of 31 December 2006, through its own state of the art networks which give direct access to more than six million homes in franchises which cover the majority of Spain, including the nine largest cities. ONO's shareholders are Caisse de Dépôt et Placement du Québec, CCMP Capital, GE Structured Finance Inc., Grupo Multitel, Grupo Santander, Providence Equity Partners, Quadrangle Capital Partners, Sodinteleco and Thomas H. Lee Partners.

Disclaimer

The Projections, set forth above, contain forward-looking statements (any statement other than those made solely with respect to historical fact) 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 2007 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 filings with the SEC and/or on the Company's web site. Given these and other uncertainties, readers are cautioned not to place undue reliance on the forward-looking statements contained in the Projections.

Further information

Investor Relations

E-mail: investor.relations@ono.es

Website: www.ono.es/investorrelations

