



ONO Q3 2007 results

Grupo Corporativo ONO, S.A.

Investor Relations

14 November 2007

Disclaimer

This document contains statements that can constitute forward-looking statements in its general meaning and within the meaning of the Private Securities Litigation Reform Act of 1995. The forward-looking statements in this document can be identified, in some instances, by the use of words such as “believe,” “expect,” “intend,” “will,” “positioned,” “guidance”, “project,” “risk,” “plan,” “may,” “eliminate” or words of similar meaning or their negative thereof. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future.

You are cautioned not to rely unduly on forward-looking statements when evaluating the information presented in this document as forward-looking statements are not guarantees of future performance and that our actual financial condition, results of operations and cash flows, and the development of the industry in which we operate, may differ materially from those made in or suggested by the forward-looking statements contained in this document as a result of various factors.

Consequently, our current business plan, anticipated actions and future financial condition, results of operations and cash flows, as well as the anticipated development of the industry in which we operate, may differ from those expressed in any forward-looking statements made by us.

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

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.

ONO



Richard Alden

Our residential cable operating performance...

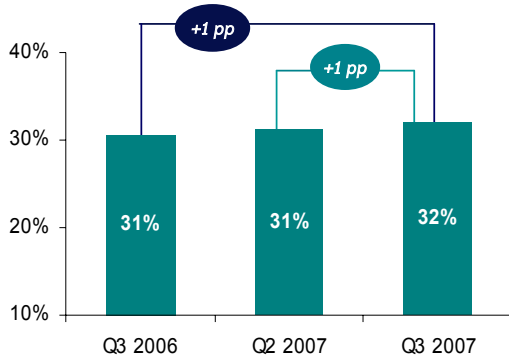


	Q3 06	Q2 07	Q3 07	QoQ	YoY
Homes Released to marketing ('000)	6,214	6,551	6,670	1.8%	7.3%
Residential cable customers ('000)	1,751	1,823	1,830	0.4%	4.5%
Customer penetration (%)	28.2%	27.8%	27.4%	(0.4 pp)	(0.7 pp)
Revenue Generating Units ('000)	3,425	3,642	3,664	0.6%	7.0%
Telephony	1,525	1,592	1,595	0.2%	4.5%
Broadband	986	1,146	1,160	1.2%	17.7%
Television	914	904	909	0.6%	-0.5%
RGUs per customer (#)	1.96	2.00	2.00	0.2%	2.3%
Triple play (%)	30.6%	31.1%	32.0%	0.9 pp	1.4 pp
Churn (%)	16.2%	20.4%	16.3%	(4.0 pp)	0.2 pp
ARPU (€)	50.7	52.4	52.6	0.4%	3.7%

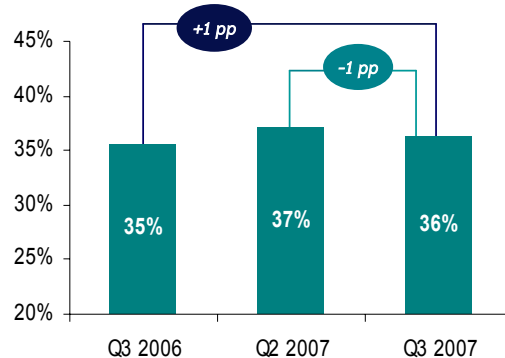
...is supported by the triple play strategy...



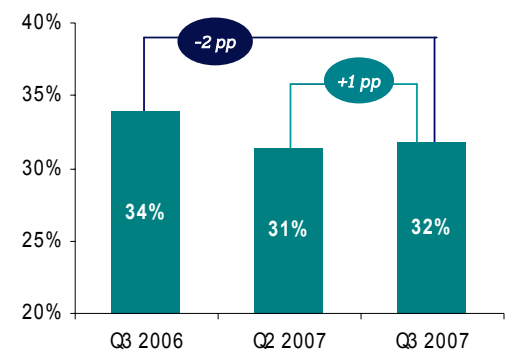
3 play customers (%)



2 play customers (%)



1 play customers (%)



National free calls
 +
 TV Especial €56.5
 +
 6 Mbps

National free calls
 +
 6 Mbps €50

 National free calls €28
 +
 TV Especial

National free calls €28

 6 Mbps €40

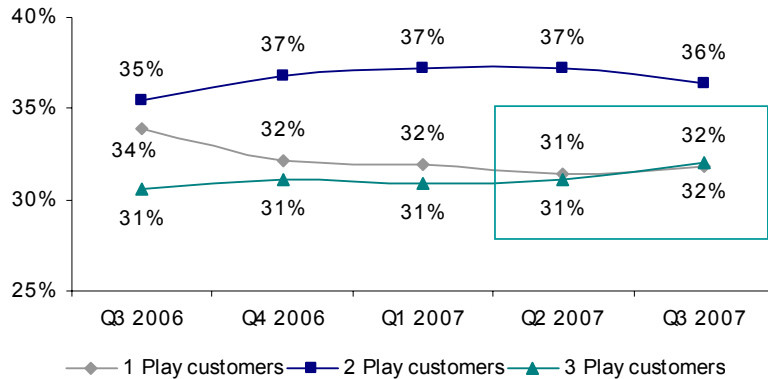
Annual Growth
 Quarterly growth

Note: these prices are considering full cost for the customer and do not include any promotion

...and a proven track record...



Triple play customers (%)



Enjoy ONO triple play for only €1 a day

What we are doing?

New products launched in September 2007

Deployment of Ono shops throughout Spain

Launch of mobile at the end of 2007

Growth opportunities in the SME sector

Operational and cost efficiencies

Extension of our network reach

How we are doing it?

6Mb, 12Mb, 25Mb + TV Esencial, Extra, Total

1,500 sales points (21 new shops opened in Q3 2007)

Ono 'io' - convergent services

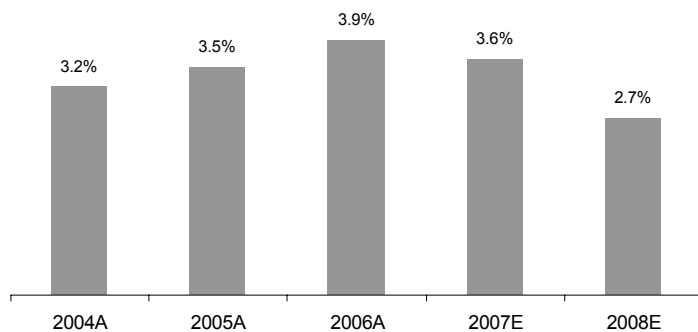
Reengineering of approach to SME sector

Improved processes, Opex and Capex control

Increase our HRTM by over 100,000 per quarter

GDP growth (%)

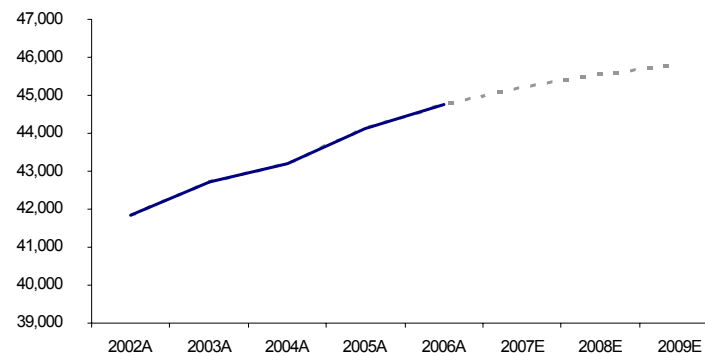
2008 GDP growth estimate of 2.7% vs. 3.6% for 2007



Source: OCDE

Population ('000)

Continued population growth, helped by immigration



Source: INE, UN ,Ono estimates

Economic backdrop expected to remain buoyant in 2007 but to slow down in 2008

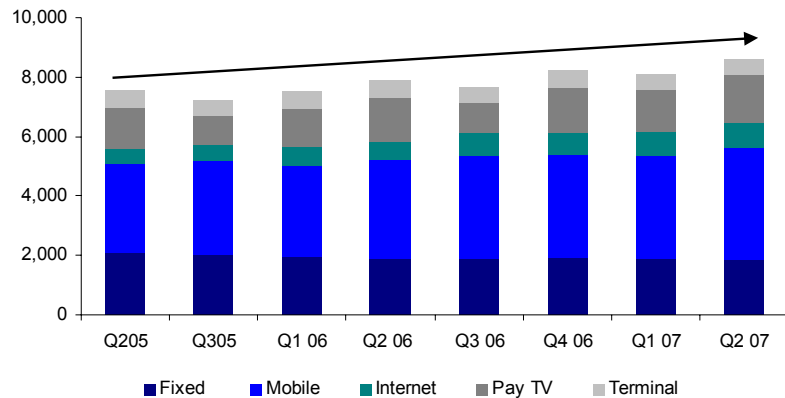
- Pretty stable inflation expectations for 2008E at 2.7% (vs. 2.5% for 2007E), though still above EU average
- Unemployment rates expected stable, with 8.2% for 2008E (vs. 8.1% for 2007E)
- Private consumption to remain high, although growth is expected to drop to 2.8% in 2008 from 3.6% in 2007
- There are some perceived risks of a property market bubble burst, which would impact the whole economy

Source: OCDE, IMF

...with cope for growth in the Spanish telecoms market



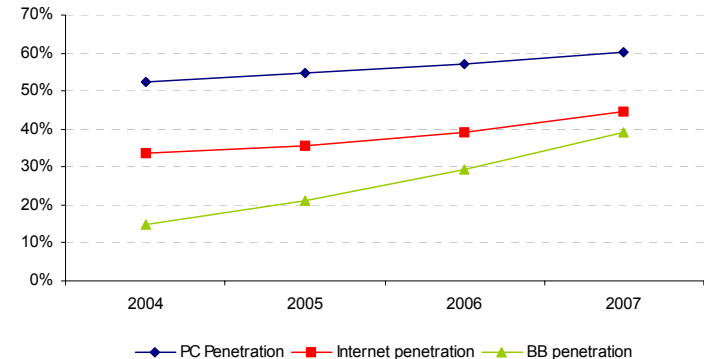
Household expenditure on telecoms (€m)



Source: CMT

- Household expenditure on telecoms growing at ~8% YoY
- Highest growth in Internet (~32%), followed by Mobile (~14%). Fixed line decline decelerating. Pay TV stable
- Pay TV penetration low

PC and Internet household penetration (%)



Source: INE, October 2007

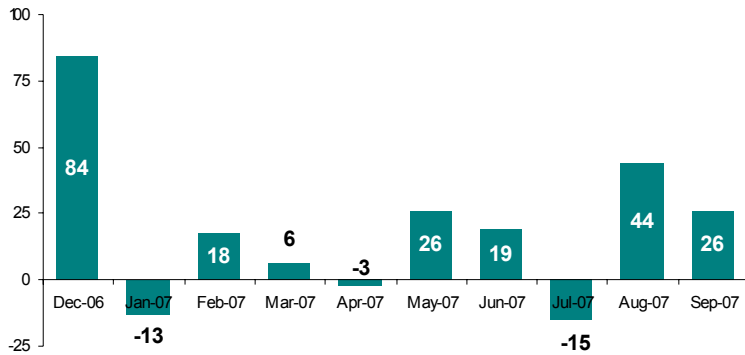
- PC penetration growing at 2-3 pts per year
- Gap between Internet and PC penetration still wide, at ~16pts
- BB penetration below European average (~52%) and well below highest levels in Europe (e.g. 74% in Netherlands, 72% in Finland)

Spanish market evolution



Telephony net adds ('000)

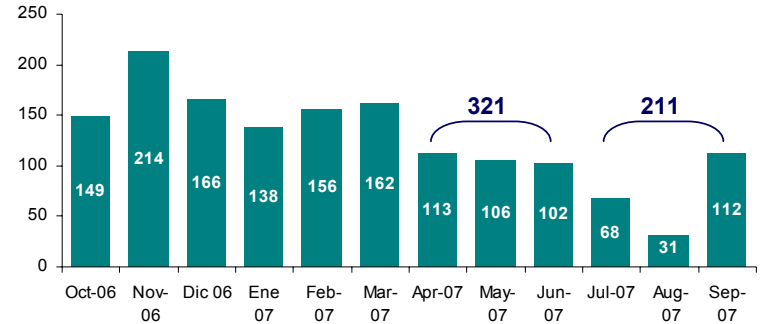
Stable market with some growth



Source: Comisión del Mercado de las Telecomunicaciones (CMT)

Broadband net adds ('000)

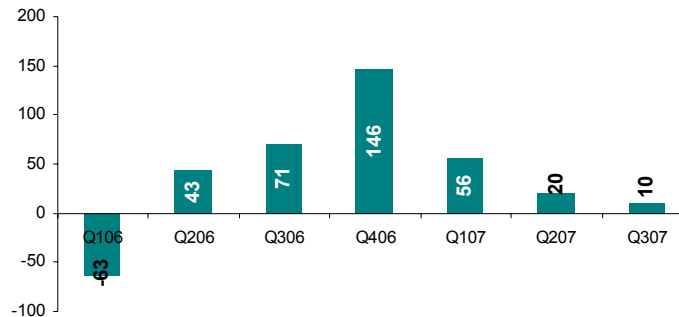
Broadband market sees seasonal reduction



Source: Comisión del Mercado de las Telecomunicaciones (CMT)

Pay TV net adds ('000)

Pay TV market impacted by conflicts



Source: Comisión del Mercado de las Telecomunicaciones (CMT) and ONO estimates

Six months of major disruption



Project...

Systems integration

Call centre outsourcing

Other migrations and insourcing

Sales re-engineering

Price and product homogenisation

...implications

- Migration of all “Auna” customers to “ONO” billing and CRM systems
- Cable and ULL customers completed
- Business customers in process

- Simultaneous outsourcing and offshoring
- Automation - implementation of IVR

- Insourcing of local maintenance operations in “Auna” areas to assure quality and efficiency
- Provision and technical support back office migration




- Adjustment to sales channels to focus on profitability - more: stores, on-line, outbound, direct; less: task forces, distributors, indirect.
- Sales commissions structure amended
- Minimum productivity rates imposed

- Old product discontinuations - analogue TV, ULL switches with cable overlap closed, Elche...
- New product launches in September - 6 / 12 / 25 Mb internet; Esencial, Extra, Total TV. Personal communications coming.

- Systems migrations imply unification of processes across ONO:
 - Sales
 - Installations
 - Customer care
 - Billing and collection
- The result is improved operational flexibility and efficiency in medium term...
- ...but short term disruption - all major KPIs impacted: churn, customer care, provisioning, sales, faults and claims management, amongst others...
- ...and software bugs in equipment, provisioning problems etc. means more short term manual intervention.
- Significant training requirement in new CRM and business processes for:
 - call centre agents
 - installers
 - sales entry staff

Residential pricing - Triple play



Company	Promotional price	After-promo price(1)	Promotion key features
	€1/day For the first 3 months	€56.5	<ul style="list-style-type: none"> Unlimited national fixed calls 40 channels and VoD 6 Mb BBI speed
	€0 For the first month (only on-line)	€64.1	<ul style="list-style-type: none"> Unlimited national fixed calls 30 channels and VoD 3 Mb BBI speed
	€34.95	€34.95	<ul style="list-style-type: none"> Unlimited national fixed calls 16 channels and VoD Up to 20 Mb BBI speed

Source: companies websites (October 31, 2007)

ONO and Orange include line and STB rental in the promo-price. Telefónica and Jazztel do not include line rental (€13.70 Telefónica; €12.95 Jazztel) and STB rental (€6.50 Telefónica; €6.00 Jazztel) in the promo-price. After promo-price include line and STB rental.

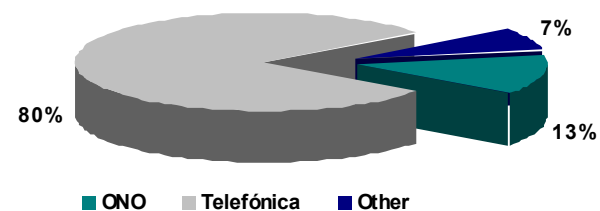
Residential telephony



ONO residential telephony

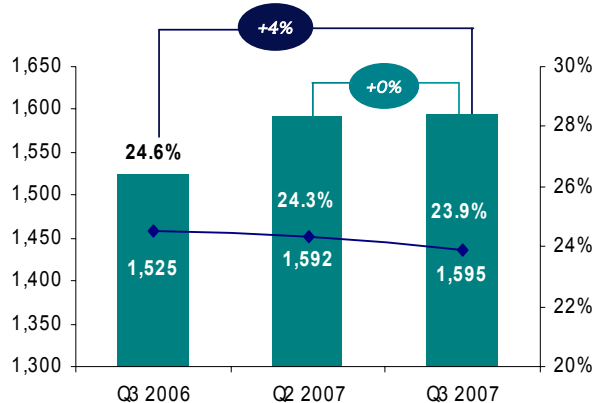
- Almost 1.6 million customers
- 3,000 net adds in Q3 2007
- Free information service 11828
- Approx. 13% market share

Q3 2007 market share (%)



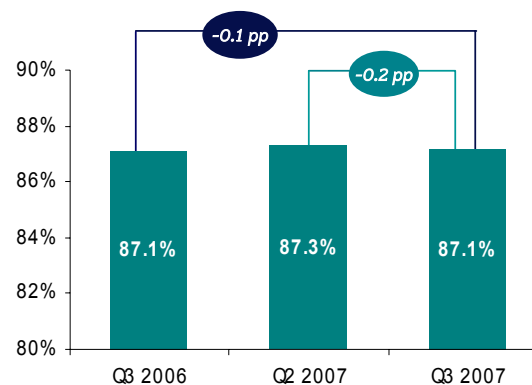
Source: company reports, CMT and ONO estimates
(All figures approximate)

Telephony customers ('000) & penetration (%)



Annual Growth
Quarterly growth

% of customers taking telephony



Residential broadband

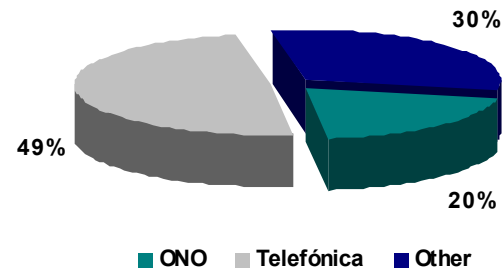


ONO residential broadband



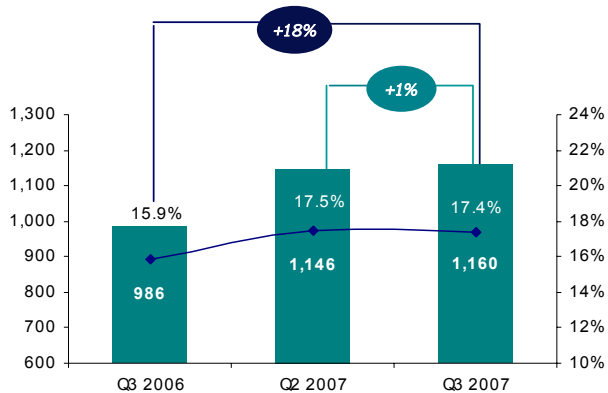
- Almost 1.2 million customers
- 14,000 net adds in Q3 2007
- Market leading speeds of 6, 12 and 25MB
- Best broadband provider in Spain: "PC Actual" magazine
- Approx. 20% market share

Q3 2007 market share (%)



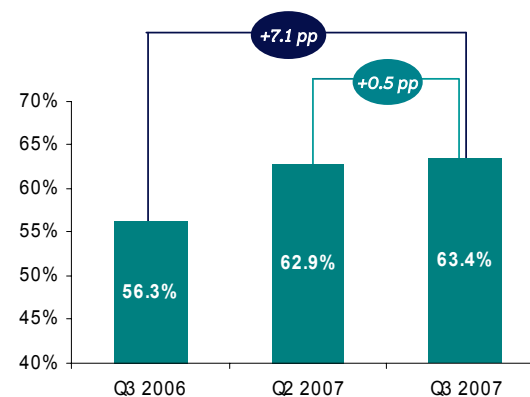
Source: company reports, CMT and ONO estimates
(All figures approximate)

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



● Annual Growth
● Quarterly growth

% of customers taking BB Internet



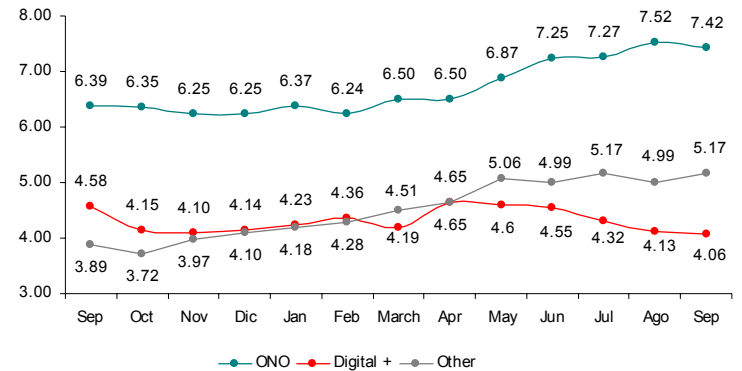
Television



ONO residential television

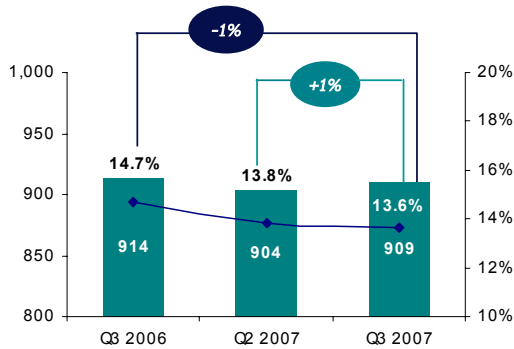
- Close to 1.0 million customers
- 5,000 net adds in Q3
- VoD available in Madrid and Barcelona
- 89% + digitalised
- Approx. 25% market share
- ONO taking 7.42% of all TV audiences

2006 Audiences (%)

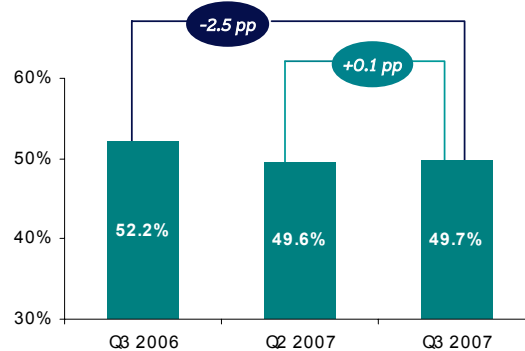


Source: TNS Sofres

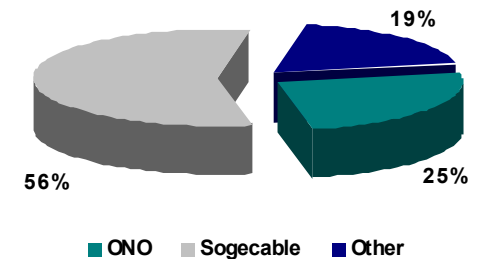
Television customers ('000) & penetration (%)



% of customers taking TV



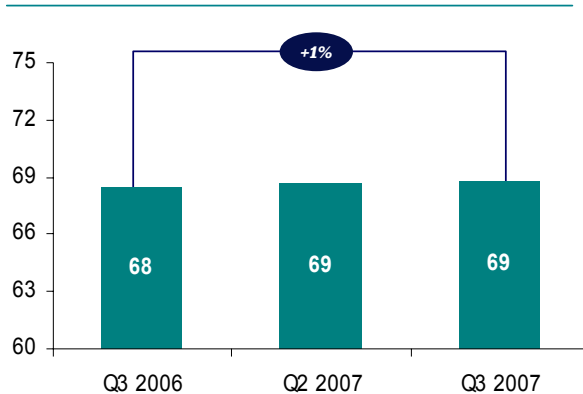
Q3 2007 market share (%)



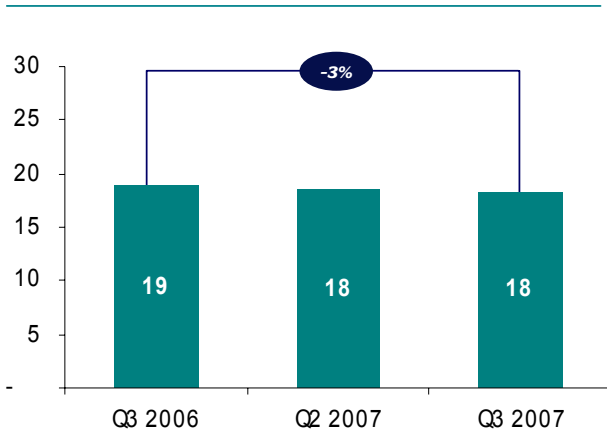
Source: company reports, CMT and ONO estimates (All figures approximate)

Annual Growth
 Quarterly growth

SMEs customers ('000)



SMEs revenues (€m)



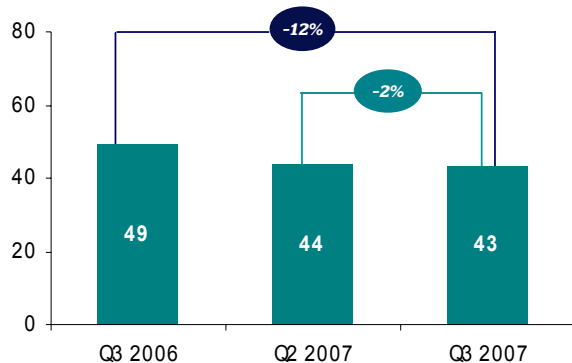
- Focus on direct access
- Stabilising following strategic re-focus on good quality revenues
- New BBI and Telephony offer consisting of:
 - ONO Comercios (12 Mb/600 K)
 - ONO Negocios (12 Mb/600 K)
 - ONO Oficinas (25 Mb/1 Mb)



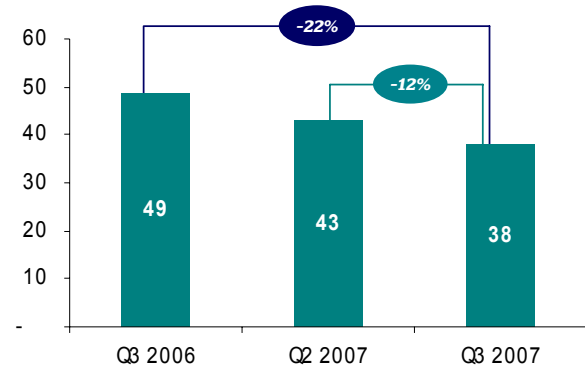
- Comercios
- Negocios
- Oficinas

Annual growth

Business revenues (€m)



Wholesale revenues (€m)



Annual growth
 Quarterly growth



Rabobank



GRUPO OSBORNE



- We provide communication solutions to our corporate clients and wholesale services
- Strong focus on high quality revenue business with good gross margins
- With an ample product offer...
 - Voice (Intelligent Network, IP Centrex,...), Data (MPLS, VPLS,...), Internet and Managed Services (Hosting...)
 - 'ONO Capital' ...to help our clients finance their telecommunications needs
 - Mobility ...coming soon



Jonathan Cumming

Financial performance

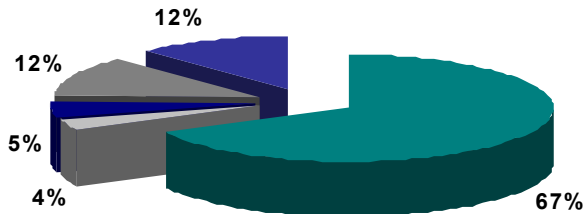


	Q3 06	Q4 06	Q1 07	Q2 07	Q3 07	QoQ	YoY
Continuing businesses (€m)	290	304	307	313	316	0.8%	8.7%
Residential direct access	271	283	287	295	297	0.8%	9.5%
SMEs	19	21	20	18	18	(0.4%)	(2.8%)
Partial continuing businesses (€m)	98	90	85	87	81	(6.8%)	(17.2%)
Business services	49	43	39	44	43	(1.8%)	(12.3%)
Wholesale and operators	49	47	46	43	38	(11.9%)	(22.2%)
Discontinuing businesses (€m)	14	10	10	9	8	(16.3%)	(44.8%)
Indirect access	14	10	10	9	8	(16.3%)	(44.8%)
Total revenues (€m)	403	404	402	410	405	(1.2%)	0.5%
Gross Profit (€m)	276	282	285	294	297	0.9%	7.8%
Gross Margin (%)	68.5%	69.8%	70.9%	71.9%	73.4%	1.6 pp	5.0 pp
Net Opex (€m)	(136)	(132)	(137)	(134)	(125)	(6.7%)	(8.1%)
EBITDA (€m)	139	151	148	160	172	7.3%	23.2%
EBITDA margin (%)	34.6%	37.3%	36.8%	39.1%	42.5%	3.4 pp	7.8 pp
Capex (€m)	(133)	(221)	(119)	(138)	(126)	(8.7%)	(5.1%)
Op. FCF (€m)	6	(70)	29	22	45	109.2%	636.1%

Diversified revenue streams

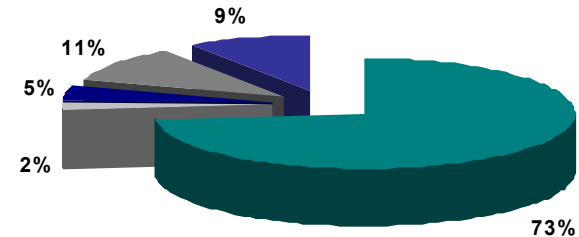


Revenue breakdown Q3 2006 (%)



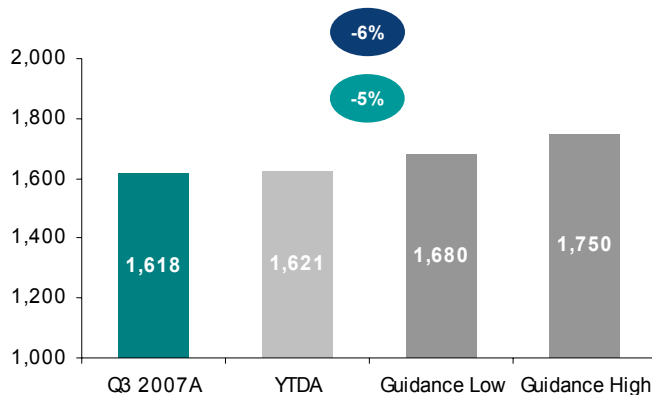
■ Residential direct access
 ■ Indirect access
■ SMEs revenues
 ■ Business revenues
■ Wholesale & Operators

Revenue breakdown Q3 2007 (%)



■ Residential direct access
 ■ Indirect access
■ SMEs revenues
 ■ Business revenues
■ Wholesale & Operators

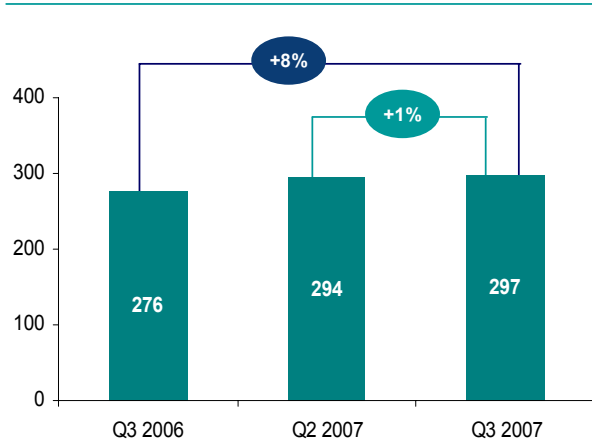
Q3 2007A & YTD Revenues vs 2007 Guidance (€m)



- Residential direct access revenues increase to 73% of total revenues
- Q3 07 annualised and YTD annualised revenues below revenue guidance (6% and 5% respectively)

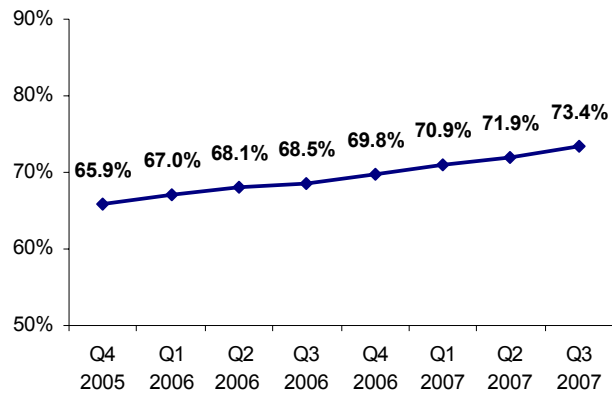
● Q3 2007A growth vs mid point of the guidance
● YTD growth vs mid point of the guidance

Gross profit (€m)



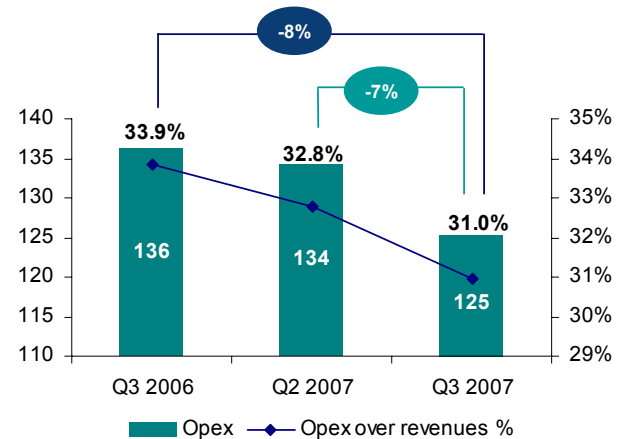
- Gross margin continues growing up to 73.4% due to high quality revenues performance
- Lower weight of Indirect access with lower contribution
- Net Opex decreases €9 million in the last quarter reflecting focus on cost control

Gross margin (%)



● Annual growth
● Quarterly growth

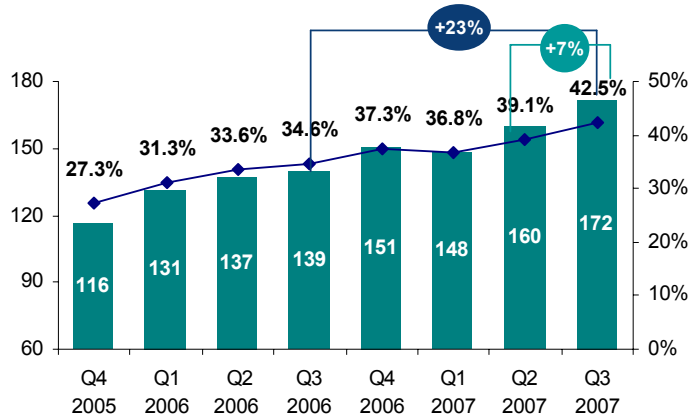
Net Opex as % of revenues (%)



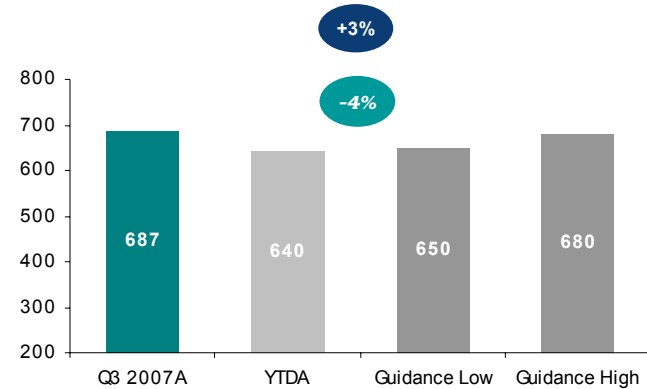
On the road of efficiency levels achieved in the past



EBITDA (€m) & EBITDA margin (%)

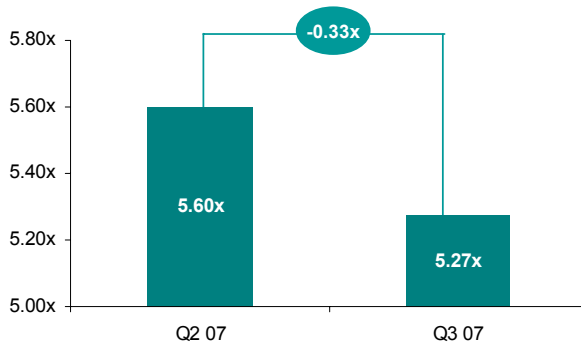


Q3 2007A & YTDA EBITDA vs 2007 Guidance (€m)



● Q3 2007A growth vs mid point of the guidance
● YTDA growth vs mid point of the guidance

Leverage (x)

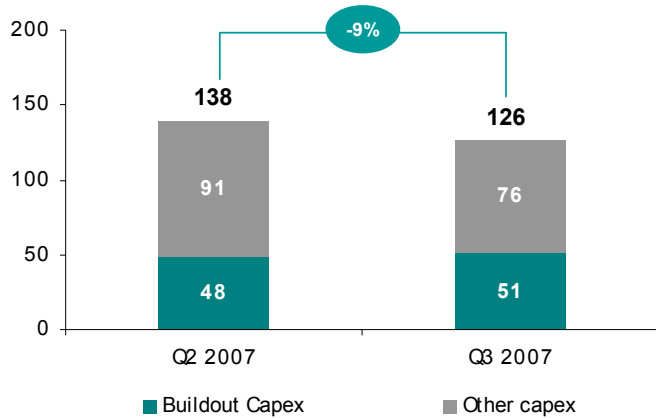


Note: GCO

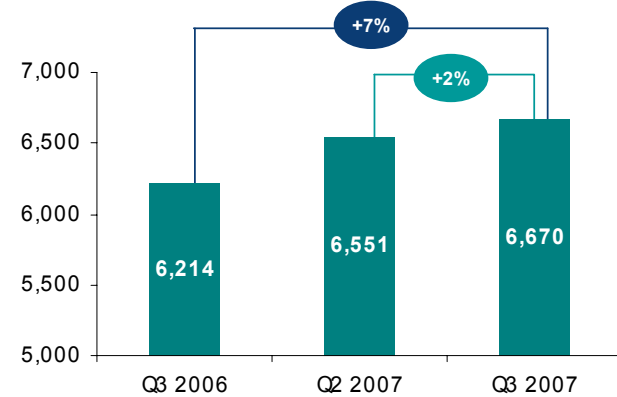
- EBITDA up 7% in the quarter
- EBITDA expansion reduces leverage by 0.33x

● Annual growth
● Quarterly growth

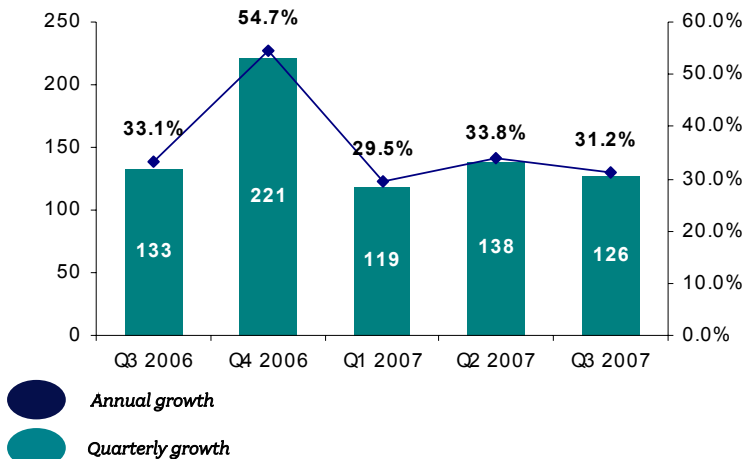
Capex split (€m)



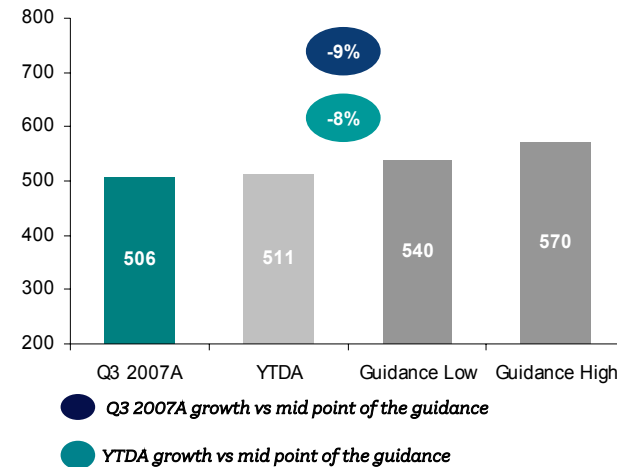
HRTM ('000)



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



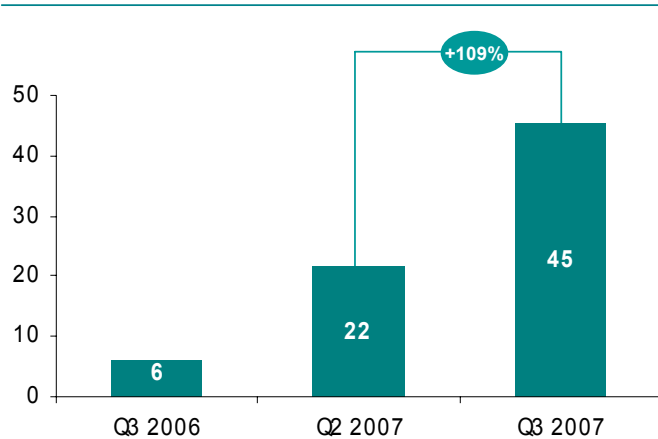
Q3 2007A & YTDA Capex vs 2007 Guidance (€m)



Operating Free Cash Flow

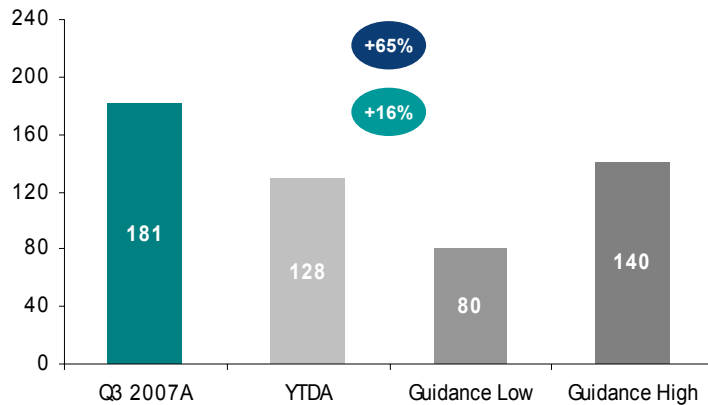


Op FCF (€m)



- Highest operating FCF in ONO's history

Q3 2007A & YTD Op FCF vs 2007 Guidance (€m)



- Operating FCF in line with Guidance

● Q3 2007A growth vs mid point of the guidance

● YTD growth vs mid point of the guidance

● Annual growth

● Quarterly growth

Current financial structure



Type of debt	Max available (€m)	Drawn @ 30/09/07 (€m)	Liquidity	Average Interest rate
Senior facility	3,500	2,910	590	6.25%
Tranche A, B, C & I	2,800	2,210	590	6.13%
Tranche D	700	700	-	6.63%
State subsidies and other	62	62	-	1.75%
Other credit facilities	261	195	66	5.02%
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%
Senior Subordinated Facilities:	10	10	-	7.13%
Participative Loan	10	10	-	7.13%
Total	4,283	3,627	656	6.45%
Total (Hedging included)				6.06%

Our refinancing – Financing structure



Ono refinances its senior facility:

- We completed a refinancing transaction in June with four objectives:
 - Lower cost of debt
 - Increase funding for new projects
 - Lengthen average life of the facilities
 - Repay subordinated facility and FRN with senior debt
- This transaction allows ONO to save around €20 million per year in interest costs

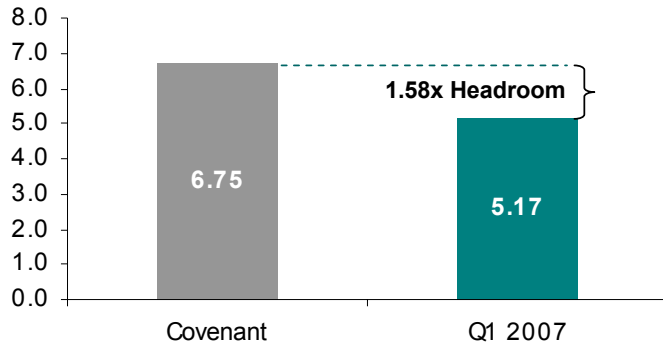
Sources and Uses

Sources	€m	Uses	€m
New SBF	500	Refinance Sub. Facility	110
		Refinance FRN	100
		New projects	100
		Financing headroom & fees	190
Total Sources	500	Total Uses	500

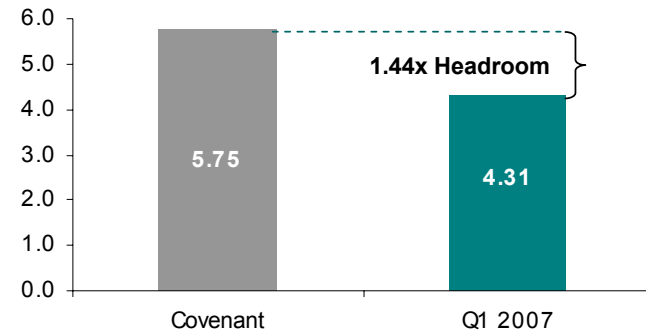
Covenants (Cableuropa)



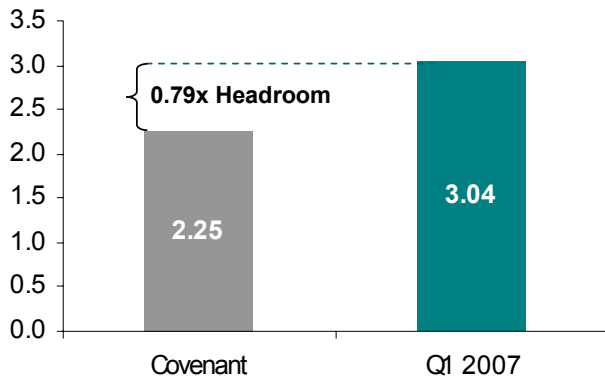
Total Debt to EBITDA (x)



Senior Debt to EBITDA (x)



Interest Cover (x)



- Wide headroom under financial covenants

www.ono.com

www.ono.es

***For additional information, please contact
investor.relations@ono.es***

