

ZON

2009 RESULTS ANNOUNCEMENT PRESENTATION

02 MARCH 2010

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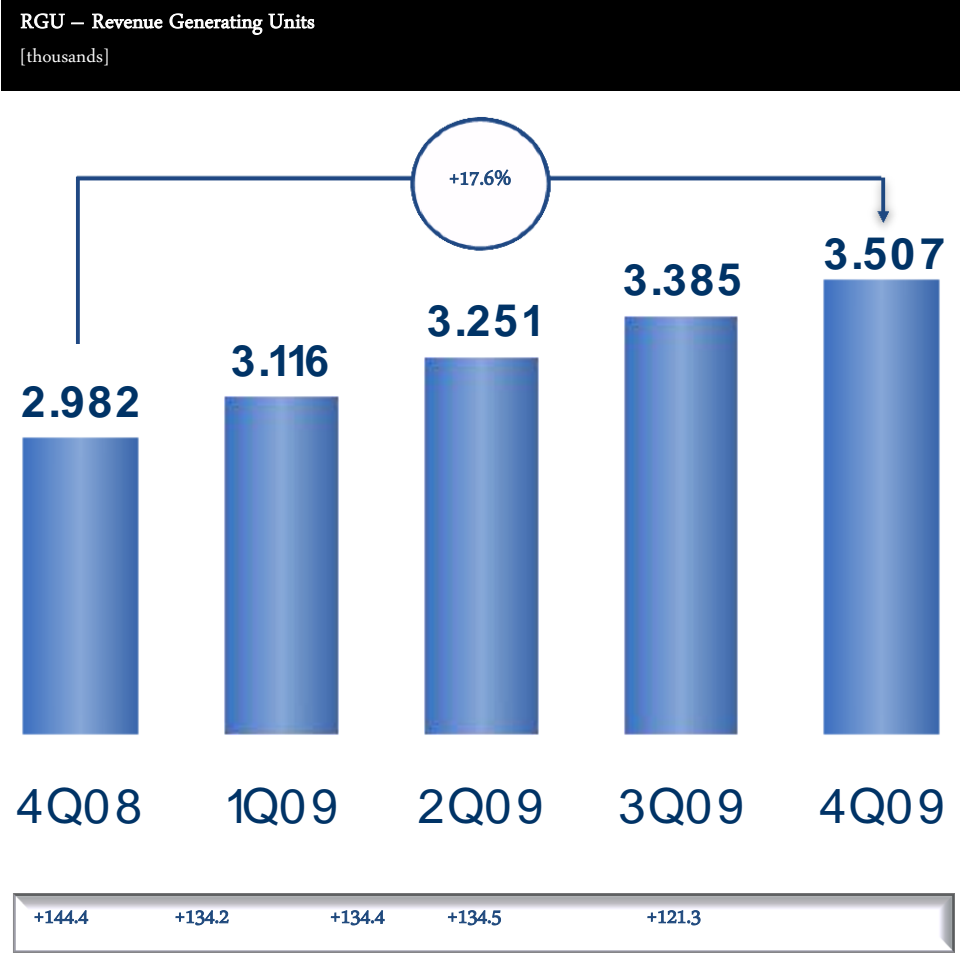
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1. Continued Strong
Operating Performance

ZON

Strong Operational Momentum

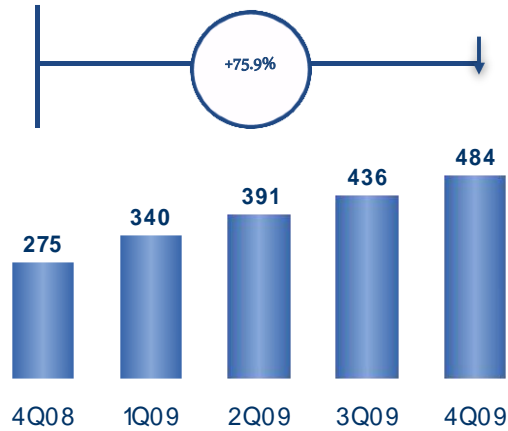
RGU Growth Remains Strong



[Net Adds - thousands]

3Play Penetration Over 40% of Cable Subscriber Base

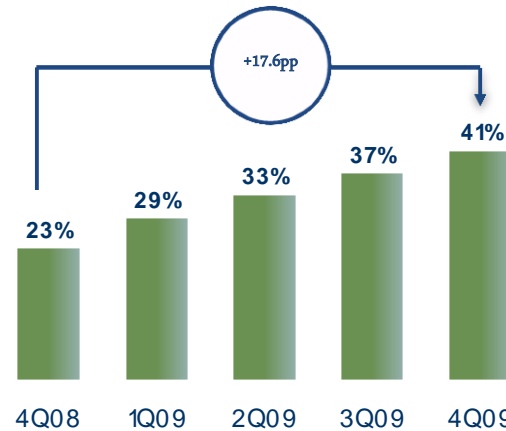
Triple Play Subscribers
[thousands]



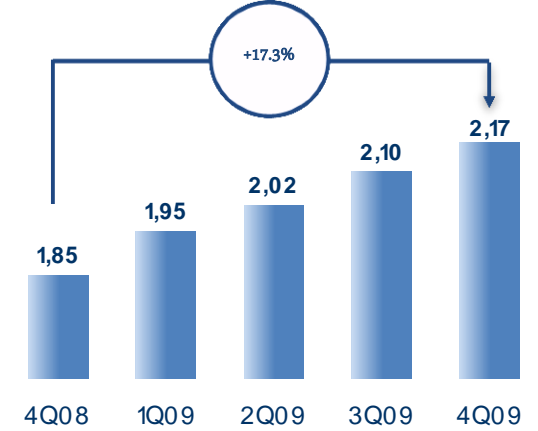
[Net Adds thousands]



Triple Play Subscribers Penetration of Cable Base



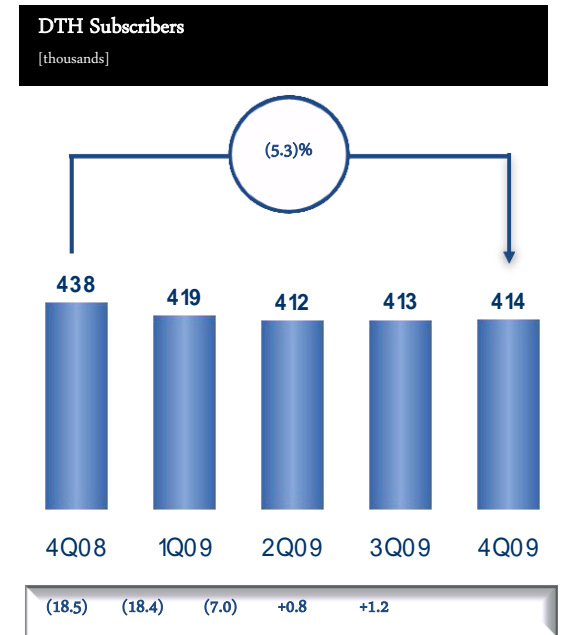
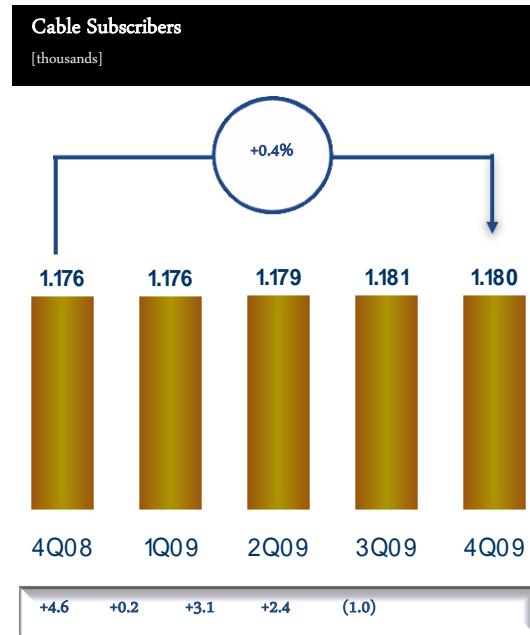
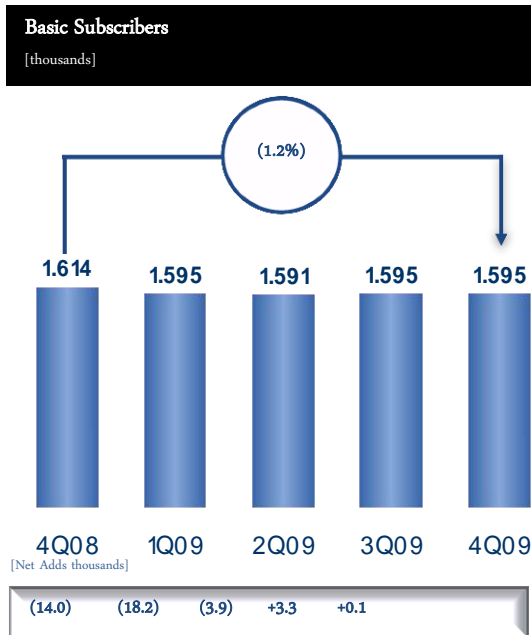
RGUs per Subscriber
[units]



2010 objective of 30% Triple Play Penetration achieved well ahead of schedule; ZON is the fastest growing Triple Play operator in Europe

Each customer now subscribes to 2.17 services, on average, compared with 1.85 a year ago

Pay TV – improving trends throughout 2009



Basic Customers showing positive net adds of 0.1 thousand in 4Q09

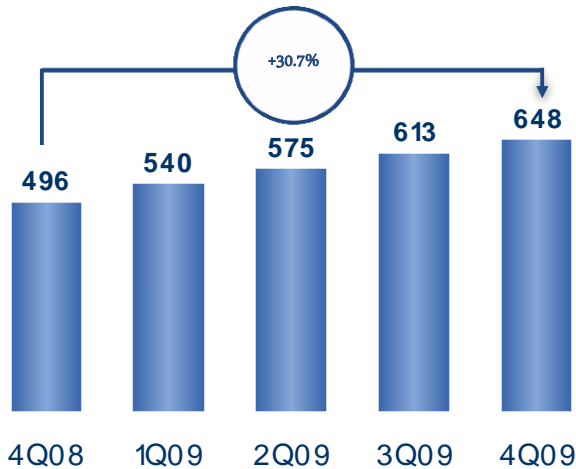
Cable base stable

Strong reduction in DTH disconnections in 2Q09, positive net adds of 0.8 thousand in 3Q09 and 1.2 in 4Q09

Strong take-up of higher value digital services

"Funtastic" Digital Subscribers

[thousands]

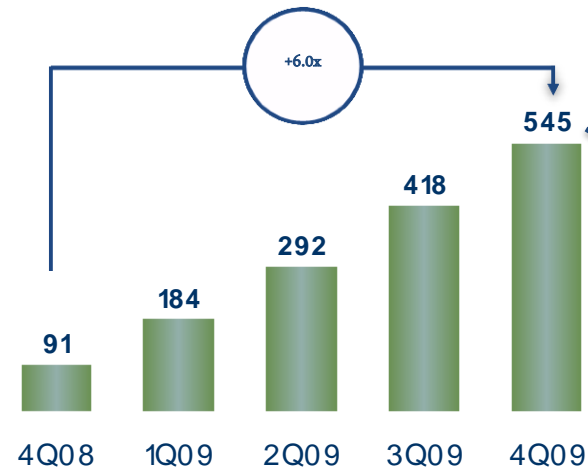


[Net Adds thousands]

+50.0	+43.7	+35.3	+38.2	+35.0
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ZON Boxes Installed

[thousands]



> 50% without PVR

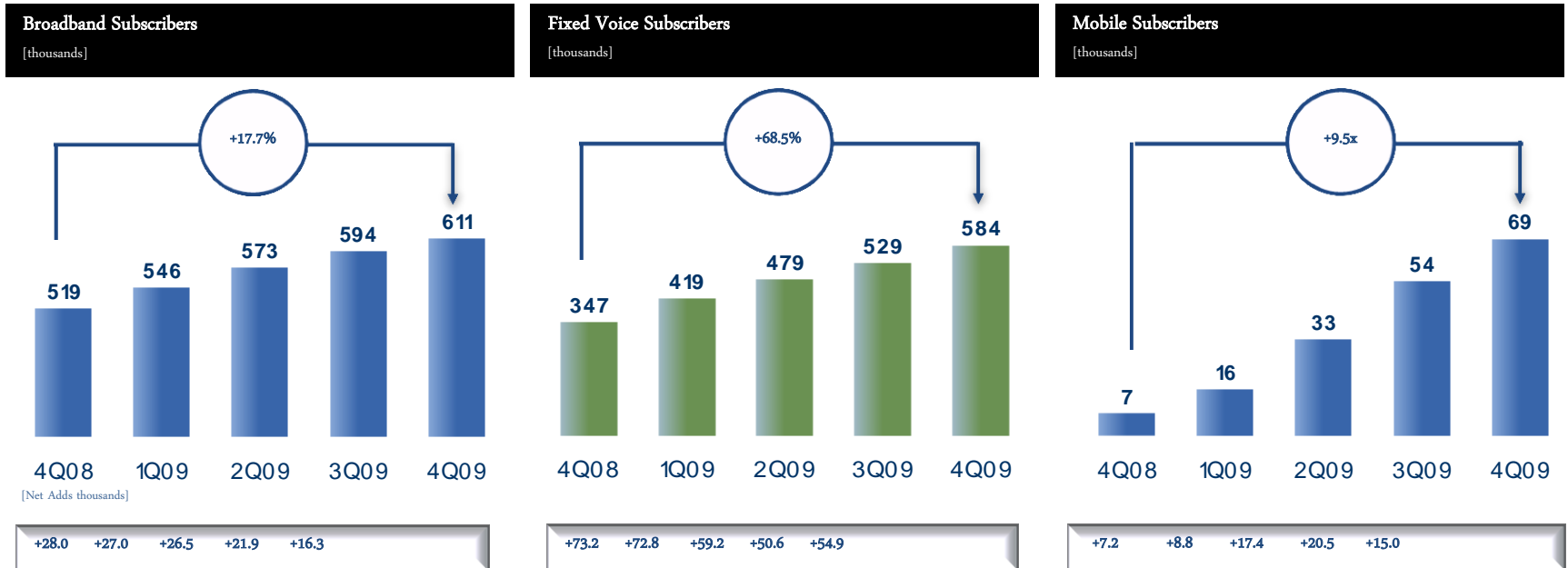
Take-up of higher value digital services driving ARPU growth

High penetration of HD ZON Boxes, enabling new TV viewing experiences – VoD, HD, EPG, PVR, Pause live TV...

ZON today has the broadest range of HD channels which have been instrumental in containing churn in Pay TV

Broadband, Fixed Voice and Mobile

Very Strong Momentum Maintained



In Broadband, the pace of growth remains strong with 16.3k subs per quarter; with ZON being the leading operator in terms of traffic. Importantly, latest operating data reveals that 17% of all broadband gross adds in 4Q09 subscribed to ZON Fibra offers

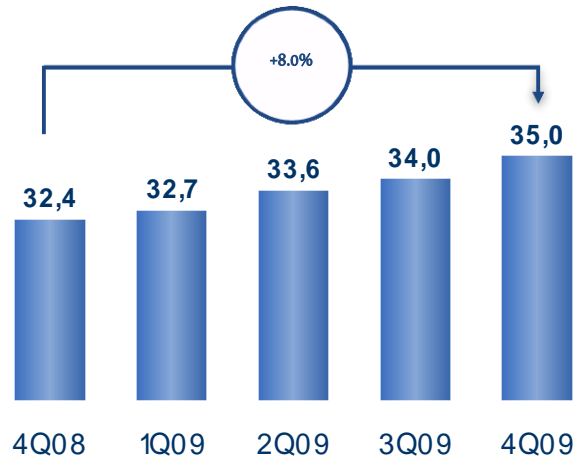
55k net adds in Fixed Voice during 4Q09, taking the total Fixed Voice customer base to almost 600k subscribers

The mobile business continues to show good pace, with 15.0k net adds in the quarter, supported in particular by the take-up of mobile broadband connections

Driving ARPU growth

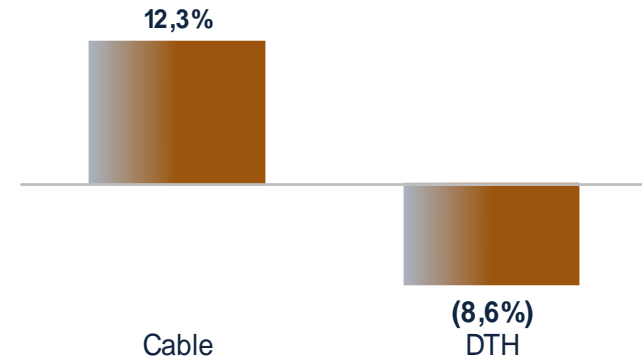
Blended ARPU

[euros]



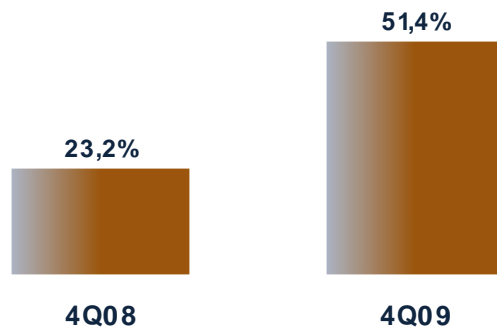
Cable & DTH ARPU y.o.y. Growth in 4Q09

[%]



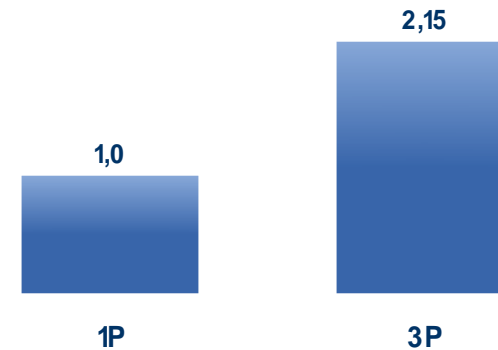
Premium between Cable and DTH ARPU

[%]



Multiple Service ARPU Differentiation

[Single Play ARPU = 1]



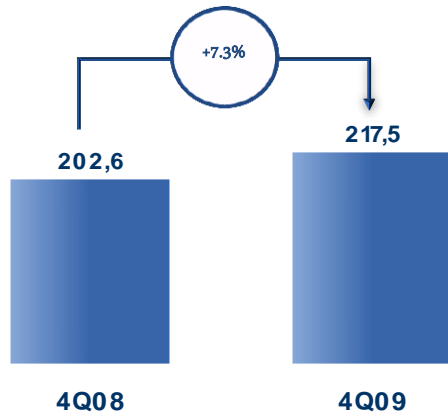
2. Supported by
Solid Financial Indicators

ZON

Revenues driven by RGU and ARPU growth

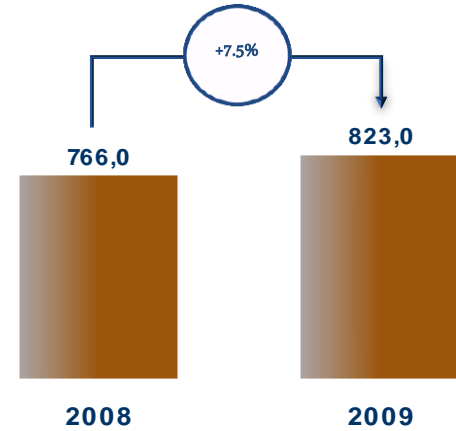
Operating Revenues 4Q09 / 4Q08

[millions of euros]



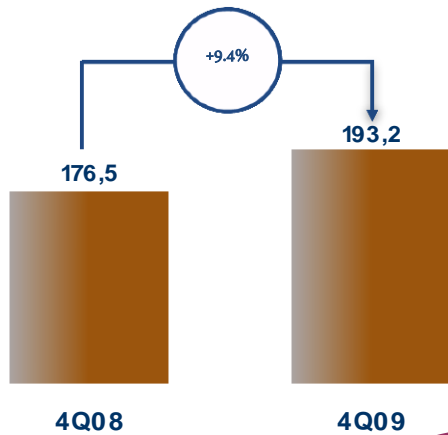
Operating Revenues FY09 / FY08

[millions of euros]



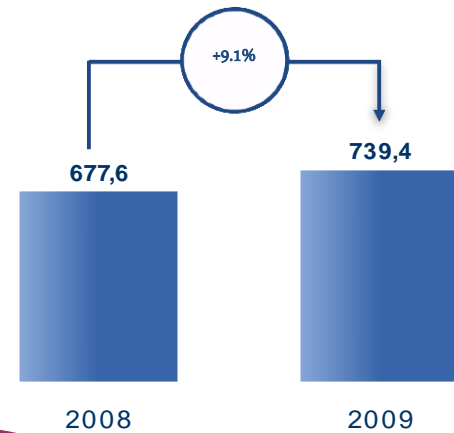
Pay TV, Broadband and Voice 4Q09 / 4Q08

[millions of euros]



Pay TV, Broadband and Voice FY09 / FY08

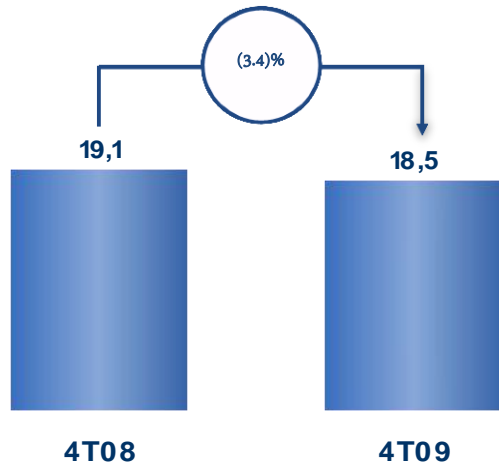
[millions of euros]



Improving Sequential Trends in Audiovisuals and Cinema Revenues

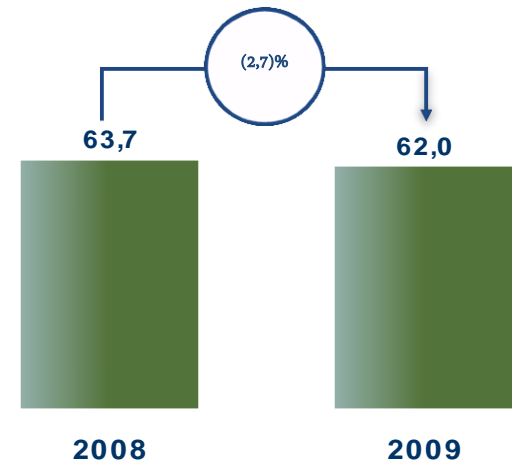
Audiovisuals 4Q09 / 4Q08

[millions of euros]



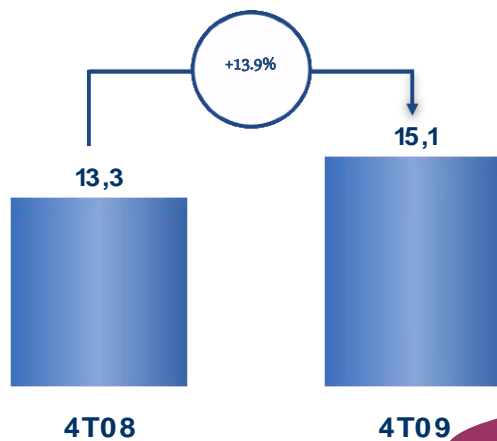
Audiovisuals 2009 / 2008

[millions of euros]



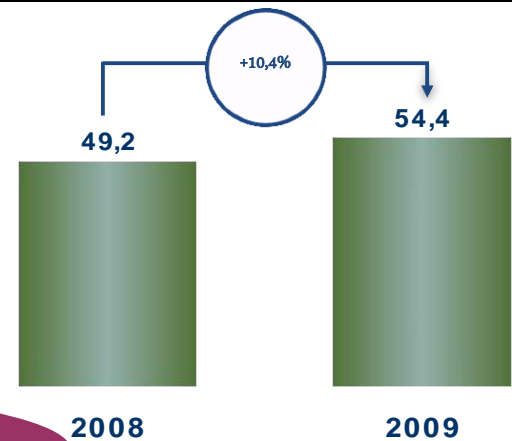
Cinema 4Q09 / 4Q08

[millions of euros]



Cinema 2009 / 2008

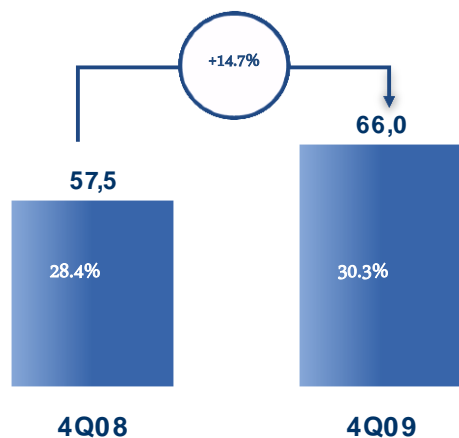
[millions of euros]



Operational Profitability – Solid EBITDA growth

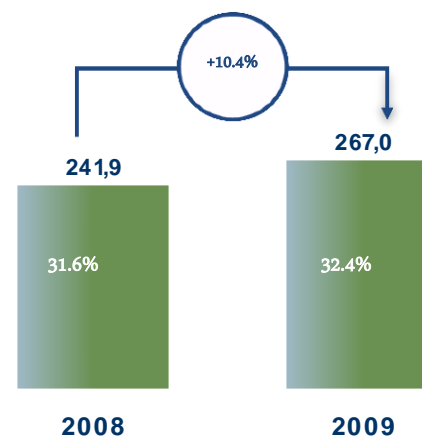
EBITDA and EBITDA Margin 4Q09 / 4Q08

[millions of euros; %]



EBITDA and EBITDA Margin 2008 / 2009

[millions of euros; %]



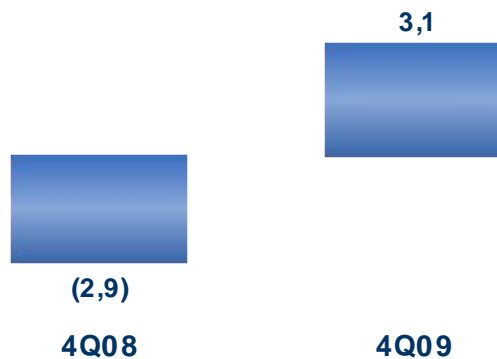
Operating Costs (millions of euros)	2009	Δ %	Drivers
W&S	58.2	10.4%	Impact of internalization of several functions Impact of acquisitions
Direct Costs	232.8	0.7%	Lower Programming Costs - impact of SIC and other content contracts renegotiation Increase in fixed and mobile traffic and capacity-related costs partially compensating the reduction in Programming Costs
Commercial Costs	80.5	16.5%	Higher sales commission charges, due to high level of commercial activity driving RGU growth Increase in COGS due to growth of Mobile subscriber base and subsequent increase of handsets sold
Other Operating Costs	184.5	7.8%	Higher customer care, maintenance and repair costs, due to increasing number and complexity of services subscribed by customers
Total Operating Costs	556.0	6.1%	

Net Income

Total Net Results of 3.1 Million Euros in 4Q09

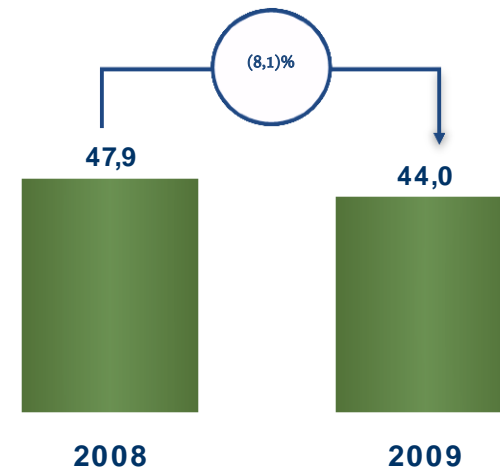
Net Income 4Q09 / 4Q08

[millions of euros]



Net Income 2008 / 2009

[millions of euros]



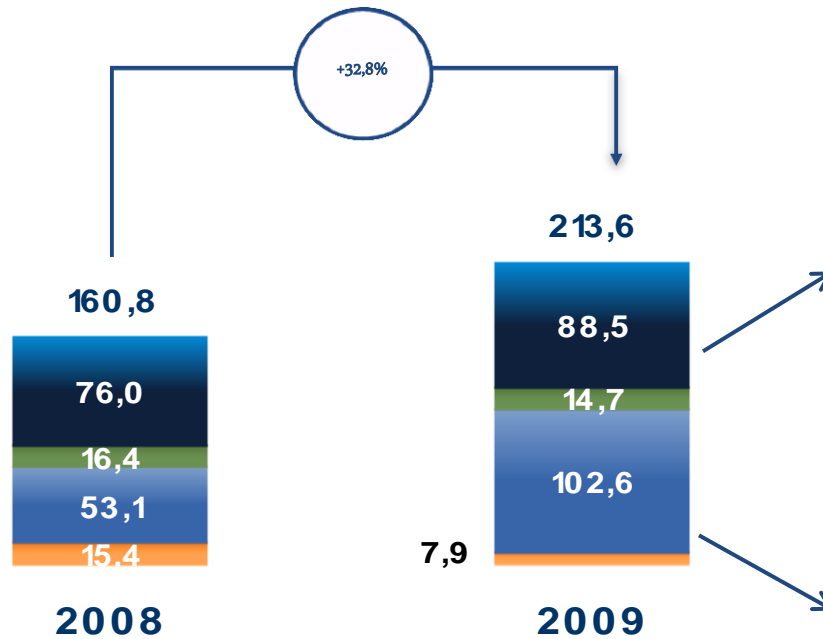
Depreciation increased by 34.3% to 188.6 million euros in 2009, driven by higher investment in terminal equipment and long term contracts

Net financial results were negative by 14.9 million euros, with net interest charges amounting to 26.0 million euros

Customer-Driven CAPEX y.o.y. Increase

Total CAPEX

[millions of euros]



Increase mostly due to upgrade to Eurodocsis 3.0 and cell splitting

Increase mostly due to the installation of a greater amount of terminal equipment

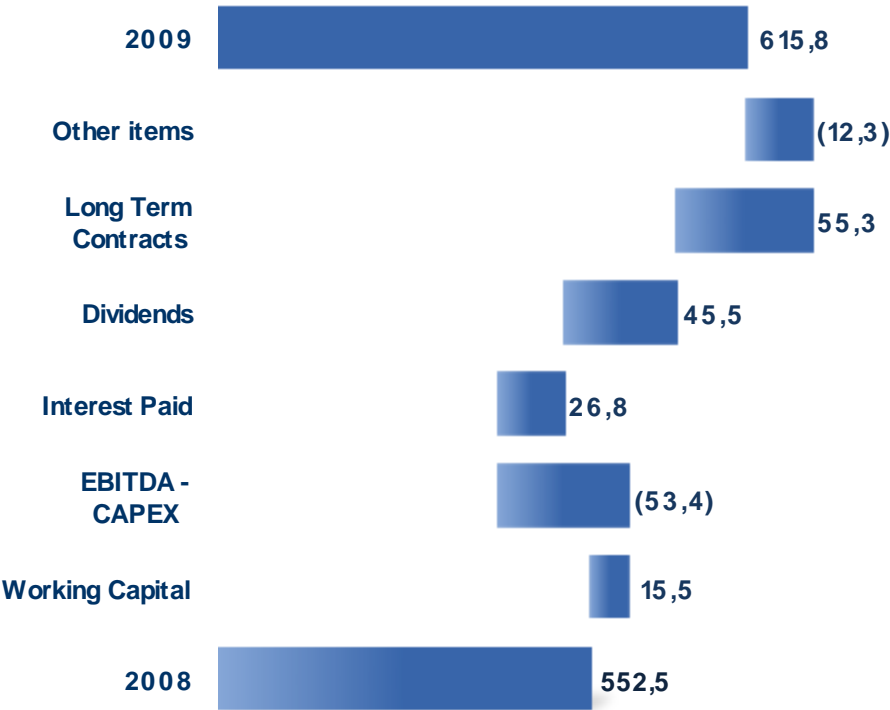
■ Non-Recurrent CAPEX
■ Other Recurrent CAPEX

■ Terminal Equipment
■ Pay TV, Broadband and Voice Infrastructure

Sound Capital Structures and Adequate Debt Maturity

Net Financial Debt

[millions of euros]



Net Financial Debt / EBITDA

[x]



Attractive Shareholder Remuneration

The Board has approved a dividend of 16 cents per share, subject to approval by the Shareholder Meeting.

Same dividend per share as in 2008

112% *Pay-out* ratio

4.3% dividend yield

3. Wrap Up

ZON

Wrap Up

Operational KPIs continue to show very strong performance: Pay TV trend continued with positive net adds in the last two quarters, and Triple Play penetration now at 41% (2010 year-end target was 30%)

Leading roll-out of Next Generation Networks and Services: 2.4 million homes covered, 200 Mbps Triple Play bundles

Still one of the highest growth companies of the peer group: +7.3% y.o.y. growth in Revenues, +9.4% in core Pay TV, Broadband and Voice business

Continued focus on profitable growth with EBITDA increasing above Revenues: + 10.4% in FY09 and +14.7% y.o.y. in 4Q09

Rational investment strategy – customer driven growth CAPEX to secure market share with attractive returns on investment, leveraging scalability of HFC network in place while leading in technological innovation

Attractive Shareholder Remuneration :

16 eurocents per share, 112% pay-out ratio.

Dividend yield 4.3%, amongst the highest in peer group.

Appendix

Financial Highlights
Operational Highlights

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Financial Highlights

(Millions of Euros)	4Q08	4Q09	Δ y.o.y.	2008	2009	Δ y.o.y.
Operating Revenues	202.6	217.5	7.3%	766.0	823.0	7.5%
Pay TV, Broadband and Voice	176.5	193.2	9.4%	677.6	739.4	9.1%
Audiovisuals	19.1	18.5	(3.4%)	63.7	62.0	(2.7%)
Cinema Exhibition	13.3	15.1	13.9%	49.2	54.4	10.4%
Other	(6.3)	(9.2)	47.8%	(24.6)	(32.7)	33.1%
EBITDA (1)	57.5	66.0	14.7%	241.9	267.0	10.4%
Income from Operations (2)	9.2	12.8	39.7%	101.5	78.4	(22.7%)
NET INCOME	(2.9)	3.1	n.a.	47.9	44.0	(8.1%)
CAPEX	53.2	69.6	30.8%	160.8	213.6	32.8%
EBITDA minus CAPEX	4.3	(3.6)	n.a.	81.1	53.4	(34.1%)
Net Financial Debt	552.5	615.8	11.5%	552.5	615.8	11.5%
EBITDA margin (%)	28.4%	30.3%	2.0pp	31.6%	32.4%	0.9pp
CAPEX as % of Revenues	26.3%	32.0%	5.7pp	21.0%	26.0%	5.0pp
Net Financial Debt / EBITDA	2.3x	2.3x	n.a.	2.3x	2.3x	n.a.

(1) EBITDA = income from operations + depreciation and amortisation. (2) Income from operations = income before financials and income taxes + work force reduction programme costs + impairment of goodwill + losses (gains) on disposal of fixed assets + other costs/income.

Operational Highlights

	4Q08	4Q09	Δ y.o.y.	2008	2009	Δ y.o.y.	
Pay TV, Broadband and Voice	Homes Passed ('000)	3,040	3,117	2.5%	3,040	3,117	2.5%
	RGUs ('000)	2,982	3,507	17.6%	2,982	3,507	17.6%
	Triple Play Customers	275	484	75.9%	275	484	75.9%
	Basic Subscribers	1,614	1,595	(12%)	1,614	1,595	(12%)
	"Funtastic" Digital Subscribers	496	648	30.7%	496	648	30.7%
	Fixed Broadband	519	611	17.7%	519	611	17.7%
	Fixed Voice	347	584	68.5%	347	584	68.5%
	Mobile	7	69	n.a.	7	69	n.a.
	Net Adds RGUs ('000)	144.4	121.3	(16.0%)	421.4	524.3	24.4%
	Triple Play Customers	64	49	(23.2%)	207	210	15%
	Basic Subscribers	(14)	0	n.a.	(22)	(19)	(15.0%)
	"Funtastic" Digital Subscribers	50	35	(30.0%)	114	152	33.8%
	Fixed Broadband	28	16	(42.0%)	79	92	16.4%
	Fixed Voice	73	55	(25.0%)	244	238	(2.5%)
	Mobile	7	15	107.1%	7	62	753.7%
	Blended ARPU (€)	32.4	35.0	8.0%	32.0	33.8	5.7%
Revenues per ticket (€)	4.2	4.5	8.2%	4.1	4.4	8.2%	
Tickets sold ('000)	2,234.8	2,300	2.9%	8,289.0	8,208	(10%)	
Cinema Exhibition							

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