



ONO SIGNS COMMITMENT FOR €3,500 MILLION FINANCING

- **Proceeds will be used to fund the acquisition of Auna Tlc and to refinance ONO's €1,250 million existing facilities**
- **Will allow for growth and integration of Auna Tlc**

Madrid - 8 August 2005

ONO, one of Spain's leading broadband service providers, today announced that on 4 August 2005 it has signed commitment letters with 16 financial institutions for a new €3,500 million financing which will enable the acquisition of Auna Tlc, refinance the outstanding senior facilities of ONO and provide sufficient funding for the enlarged ONO group to reach free cash flow positive. The financing is structured in €3,100 million senior secured facilities, €130 million subordinated facility and €270 million subordinated high yield bridge.

The self arranged €3,100 million senior secured credit facilities have been fully committed by a club of banks formed by: ABN AMRO, Ahorro Corporación Financiera, Banco Santander Central Hispano, Banesto, Bank of Scotland, Caixa Catalunya, CALYON, Instituto de Crédito Oficial (ICO), Fortis Bank, JP Morgan, Rabobank, Royal Bank of Scotland, SabadellAtlántico, Société Générale and WestLB as mandated lead arrangers. Although the transaction has been arranged as a club deal, it is anticipated that there would be general syndication. This syndication would be lead by the four bookrunners: ABN AMRO, Banco Santander Central Hispano, CALYON and Fortis Bank.

The €130 million subordinated facility has been fully committed by ABN AMRO, CALYON, Fortis Bank and Banco Santander Central Hispano as bookrunners and Axis as mandated lead arranger.

The €270 million subordinated high yield bridge has been fully committed by JP Morgan, Royal Bank of Scotland and CALYON as bookrunners and ABN AMRO, Fortis Bank and WestLB as mandated lead arrangers.

The €3,100 million senior secured credit facilities consists of €3,000 million of senior secured credit facilities in five separate tranches and a €100 million senior secured bank guarantees tranche. The senior secured credit facilities, which have final maturity dates of 31 December 2013, will pay an initial margin of between 225 and 275 basis points over EURIBOR. The facilities will contain standard covenants for this type of transaction.

These new senior secured credit facilities will be used to partially fund the acquisition of Auna Tlc, to refinance and replace the existing €1,250 million senior credit facilities of ONO. Additionally, it will provide sufficient funding for the enlarged ONO group to reach free cash flow positive and will allow, on the dates and under the conditions set forth in the indentures thereunder, the refinancing of ONO's 2011 notes bond debt. The €130 million subordinated facility and the €270 million subordinated high yield bridge will rank *pari passu* with the existing bonds and will be used to fund the acquisition of Auna Tlc.

ONO expects that the €3,500 million financing will close once the approval of the relevant competition authorities is obtained for the acquisition of Auna Tlc.



About ONO

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

Safe Harbor Statement under the Private Securities Litigation Reform Act 1995

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

Further information

ONO

Jonathan Cumming, Chief Financial Officer

Telephone: +34 91 180 9444

E-mail: jonathan.cumming@ono.es

Grupo Albion

Hiedra Fuentes / Alejandra Moore

Telephone: +34 91 531 2388

E-mail: hfuentes@grupoalbion.net / amoore@grupoalbion.net

Other

www.ono.es – Investor Relations

www.sec.gov – EDGAR

