



ONO SIGNS EURO 125 MILLION AGREEMENT WITH ALCATEL

Madrid, Spain – 26 June 2001

ONO, (www.ono.es), Spain's leading broadband service provider, today announced the signing of a Euro 125 million contract with Alcatel to supply telecommunications equipment.

Alcatel has worked closely with ONO since its launch in 1998 and will supply the group with Alcatel 1000 switching centres, Litespan multi-service access nodes, CATV and SDH transport networks, intelligent networks, voice mail, fibre optic cables as well as other services and materials.

ONO currently has more than 3,950 km of local networks in operation deployed throughout its franchise areas in Spain.

About ONO and Alcatel:

ONO is the largest integrated broadband service provider in the Spain, offering telecommunications, television and internet services to residential and business customers in franchises serving over 4 million homes and 300,000 businesses. ONO is managed by Callahan Associates International and its shareholders include BSCH, GE Capital, Bank of America, Caisse de dépôt et placement du Québec, Grupo Ferrovial, Grupo Multitel and VAL Telecomunicaciones.

Alcatel manufactures next generation networks supplying end-to-end integrated voice and data solutions for established operators and newcomers, as well as to businesses and consumers around the world. Alcatel has 130,000 employees, sales of euro 31 billion in 2000 and operations in more than 130 countries.

Safe Harbour Statement Under the Private Securities Litigation Reform Act of 1995:

Certain statements in this release are forward looking statements that 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 its businesses, which include among others, competitive developments, risks associated with the Group's growth, the development of the Group's markets, regulatory risks, dependence on its major customers and their spending patterns and other risks which are presented in the Group's filings with the Securities and Exchange Commission.

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