



ONO CONTINUES WITH CORPORATE STRUCTURE SIMPLIFICATION

- **SEVEN GROUP OPERATING COMPANIES MERGED INTO CABLEUROPA**
- **NEW HOLDING COMPANY CREATED FOR ONO GROUP**

Madrid, Spain – 10 January 2002

ONO, (www.ono.es), Spain's leading integrated broadband service provider, today announced the completion of a further stage of its corporate structure simplification. Seven of the operating companies in the ONO group, all of which were 100% owned by Cableuropa, have been merged into Cableuropa, S.A., their immediate parent company. At the same time a holding company, Grupo Corporativo ONO, S.A., has been created to own all of the outstanding shares of Cableuropa.

The award of cable licences in Spain in 1997 and 1998 was made to a different corporate body in each of the relevant franchise areas. The ONO group has twelve cable franchise areas and thus previously had twelve individual legal entities in the group each holding a cable licence, with Cableuropa providing centralised management services to them. In a number of cases these cable licence holding companies were not 100% owned by Cableuropa, although all were controlled by Cableuropa, principally due to the strategy adopted by Cableuropa and its shareholders for the licence bidding process.

Over the past three years, Cableuropa and its shareholders have worked together to simplify the ONO group structure. This has entailed Cableuropa gradually acquiring 100% ownership of its cable licence holding subsidiaries. This has been done principally through the roll-up of minority shareholder's shareholdings in the cable licence holding companies into the VAL Telecomunicaciones vehicle, which has a direct shareholding in Cableuropa.

Seven of these cable licence holding companies have now been merged into Cableuropa. Aside from the simplification of the group structure, other reasons for this exercise include the reduction of the administrative burden of having to maintain a large number of different group companies. It is anticipated that this reduction will lead to cost savings.

Two corporate structure diagrams are attached to this release, one showing the situation before the merger and one after.

About ONO:

ONO is the largest integrated broadband service provider in 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.

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 the ONO group businesses, which include among others, competitive developments, risks associated with ONO's growth, the development of its markets, regulatory risks, dependence on its major customers and their spending patterns and other risks which are presented in the ONO (Cableuropa, S.A.) filings with the Securities and Exchange Commission.

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