



Fourth quarter 2000 - preliminary operating results

SPECTACULAR CUSTOMER GROWTH – BEST QUARTER IN ONO HISTORY:

- 47,000 NEW CUSTOMERS ADDED IN QUARTER
- RESIDENTIAL REVENUE GENERATING UNITS EXCEED 310,000
- CUSTOMER PENETRATION REACHES 27%

Madrid, Spain – 22 January 2001

ONO, (www.ono.es), Spain's leading broadband service provider, today announced its preliminary operating results for the three months ended 31 December 2000. Financial results will be released in March 2001 and will be followed by a conference call at that time.

	<u>31 Dec</u> <u>2000</u>	<u>31 Dec</u> <u>1999</u>	<u>%</u> <u>change</u>	<u>30 Sep</u> <u>2000</u>	<u>%</u> <u>change</u>
Residential services					
Revenues generating units (RGUs)	314,334	63,818	+ 393%	216,511	+ 45%
RGUs per customer	1.87	1.58	+ 18.4%	1.78	+ 5.1%
Customers	168,237	40,306	+ 317%	121,495	+ 38%
Telecommunications customers	152,115	33,278	+ 357%	109,405	+ 39%
Television customers	128,242	30,237	+ 324%	95,737	+ 34%
Broadband internet access customers	13,459	303	+ 4342%	6,686	+ 101%
Narrowband internet access customers	20,518	n.a.	n.a.	4,683	+ 338%
Penetration					
Telecommunications penetration	24.6%	18.2%	+ 6.4 pp	22.8%	+ 1.8 pp
Television penetration	20.7%	15.3%	+ 5.4 pp	19.9%	+ 0.8 pp
Broadband internet access penetration	2.2%	0.2%	+ 2.0 pp	1.4%	+ 0.8 pp
Narrowband internet access penetration	3.3%	n.a.	+ 3.3 pp	1.0%	+ 2.3 pp
Business services					
Customers contracted	3,381	478	+ 607%	2,078	+ 63%
Customers in service	3,053	333	+ 817%	1,879	+ 62%
Infrastructure					
Number of cities under construction	40	20	+ 100%	36	+ 11%
Number of cities in service	31	11	+ 182%	21	+ 48%
Route km. of national backbone	3,138	3,000	+ 4.6%	3,138	+ 0%
Route km. of local networks	3,438	1,242	+ 177%	2,865	+ 20%
Homes passed - telecom services	885,462	326,111	+ 172%	731,648	+ 21%
Homes passed - television services	885,462	364,803	+ 143%	731,648	+ 21%

Commenting on ONO's continued solid performance, **Eugenio Galdón, ONO's President** said:

"The year 2000 was a tremendously important year for the company. We grew solidly throughout the year. In particular we placed additional focus on customer acquisition and market penetration in the latter part of the year, while maintaining network deployment rates. This has clearly started to pay off. We added about 75% more customers in the fourth quarter than we did in any previous quarter, lifting customer penetration rates to over 27% after only two years of operations. I am also particularly proud of the fact that over 70% of our customers take more two or more services from us and that 10% have selected the full triple play.

ONO has become, in record time, the alternative to the incumbent telephony and narrowband internet access operator, a leader in the pay television market and the leader in the high speed internet access market in its franchise areas."

Richard Alden, Chief Executive Officer of ONO added:

"During the fourth quarter of last year the challenge for us was to continue network construction whilst dramatically increasing our customer base. We have succeeded in both of these, demonstrating some of the true potential of this business. We added 47,000 customers in the quarter, compared to approximately 27,000 during each of the first three quarters of the year. Not only have we grown our customer base, but we also have continued to increase the number of services sold per customer to 1.87.

Sales of internet access services contributed strongly to the underlying growth. Internet access penetration now stands at 5.5%, equivalent to close to 50% of the internet access market in the areas where we have built network. All of our internet access customers pay a monthly fixed fee for access to the internet either via the traditional dial-up service or via our high speed cable-modem service.

On the business side, having started the year 2000 with 333 direct access customers, we now have surpassed the 3,000 mark, which is a remarkable achievement in only 12 months."

About ONO

ONO is the largest broadband service provider in Spain, offering integrated telecommunications, television and internet access services to residential customers and business in franchises serving 4.0 million homes and 0.3 million businesses in Spain. It also holds a license to provide cable television service to 0.8 million homes and 0.1 million businesses in Portugal, principally in the cities of Lisbon and Porto. 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 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 will be presented in the Group's filings with the Securities and Exchange Commission.

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