ONO SECURES EURO 1.1 BILLION FINANCING PACKAGE

- **BUSINESS PLAN FULLY FINANCED**

- **EURO 800 MILLION BANK FACILITY UNDERWRITTEN**

- **EURO 300 MILLION SHAREHOLDER COMMITMENT**

Madrid, Spain – 26 June 2001

ONO, (www.ono.es), Spain's leading broadband service provider, today announced the signing of a Euro 1.1 billion financing package which fully finances the group's business plan. The financing is made up of:

- a Euro 800 million senior secured credit facility that replaces ONO's existing Euro 225 million senior facility,

- a legally binding commitment from ONO's current shareholders to invest Euro 300 million of equity in the first quarter of 2002 pro-rata to their existing shareholding.

The Euro 800 million senior secured credit facility has been fully underwritten by the following banks as Mandated Lead Arrangers: Bank of America, Bank of Scotland, Barclays Capital, BNP Paribas, CIBC World Markets, Citibank, Credit Lyonnais, Deutsche Bank, Fortis, Royal Bank of Scotland, Scotia Capital, and Toronto Dominion. A limited general syndication of the debt has been launched.

The Euro 800 million senior secured credit facility, which matures on 31 December 2008, is structured in a series of tranches. These have been designed to provide ONO with finance in the pre-cashflow positive stage of its business plan with availability being subject to standard tests and covenants. In the post-cashflow positive stage availability of debt is structured as a multiple of cashflow.

The equity commitment from ONO's shareholders will take the total cash equity injected into the company to Euro 850 million. The commitment provides that Euro 100 million will be invested at the end of January 2002 and Euro 200 million at the end of March 2002, unless at least a similar amount of public or private capital has been raised prior to that time. The equity commitments will be provided to the lenders of the Euro 800 million senior secured credit facility on closing.

The financing package of Euro 1.1 billion will be used by ONO to complete the construction of its triple play cable business in Spain, and fully covers ONO's long term financing requirements according to its current business plan. ONO's current Euro 225 million senior secured facility, which is not currently drawn, will be cancelled on closing of the Euro 800 million facility.

ONO expects that the senior secured credit facility will be closed by the end of July.

In relation to the closing of the underwriting phase of the senior facility, Eugenio Galdón, President of ONO, said, "To have secured a financing package of over Euro 1 billion when the financial markets for telecom transactions are worse than anyone can remember is an amazing feat. Our business plan is now fully financed and I believe that this is a very positive development for ONO. I am convinced that the support that the financial community has provided to ONO is a result of our strong execution to date and our excellent management team."

Richard Alden, ONO's chief executive officer, commented: "For me, one of the greatest rewards in professional life is participating in defining moments in the evolution of a business. This is one of those. I am pleased and obviously relieved that we have completed this landmark transaction. The support of the banking community, together with that of our shareholders, is a fantastic demonstration that there is a continuing strong belief in the value creation that is the ONO story. Now that the deal is done, I want to get on with running our broadband business and focus, if possible even more than before, on the execution of our business objectives. In that regard, I am pleased to be able to announce that we have now passed the milestone of 250,000 active residential customers."

About ONO:

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.

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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