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INVESTOR RELEASE

ONO closes financing for Retecal

ONO, one of Spain's leading broadband service providers, today announced the successful closing of a new financing for Retecal, the cable operator for the region of Castilla y León. The €150 million loan is the first non-recourse cable financing in Spain since 2001.

The loan was arranged by a group of four banks, Banco Santander Central Hispano, Caixa Catalunya, ICO and Unicaja, with Banco Santander Central Hispano acting as agent. The €150 million loan has a maturity of seven years and pays a margin of 175 basis points over EURIBOR. The loan, which will be used to refinance existing shareholder guaranteed facilities, fully funds the Retecal business plan and will allow the company to increase its level of investment in offering telephony, television, internet and value added services to the residential and business markets in Castilla y León.

Commenting on the transaction, Richard Alden, Chief Executive Officer of ONO, stated: "I am delighted to announce the closing of this important transaction. It has been a pleasure to work with a group of banks that truly understand the cable sector and who have helped us close this challenging financing in such a short period of time. This is the second in a series of financing transactions that we set out to complete at the beginning of 2004 in preparation for a potential IPO in 2005. The first was the refinancing of our bond debt and the next will be the refinancing of the Cableuropa syndicated loan."

About ONO

ONO is one of the leading broadband services 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 principal shareholders are Bank of America, Caisse de dépôt et placement du Quebec, General Electric, Grupo Ferrovial, Grupo Multitel, Santander Central Hispano and VAL Telecomunicaciones. In February 2004, as a result of the acquisition of Retecal, the Castilla y León cable operator, the majority of the former shareholders of Retecal joined the ONO shareholder group.

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