

eircom Holdings Limited

Level 3, 50 Pitt Street · Sydney · NSW 2000 · Australia
T +61 9008 4102 · F +61 2 9008 4108 · www.eircomholdings.com
ABN 31 112 119 203

ASX RELEASE

15 December 2009

SCHEME MEETING AND ANNUAL GENERAL MEETING

Please see attached the Chairman's address and Scheme Meeting and Annual General Meeting presentations, to be given today at the Scheme Meeting and Annual General Meeting of eircom Holdings Limited (ASX:ERC).

ENDS

Further Information:

Andrew Day
Chief Executive Officer
eircom Holdings Limited
+44 20 7203 7328

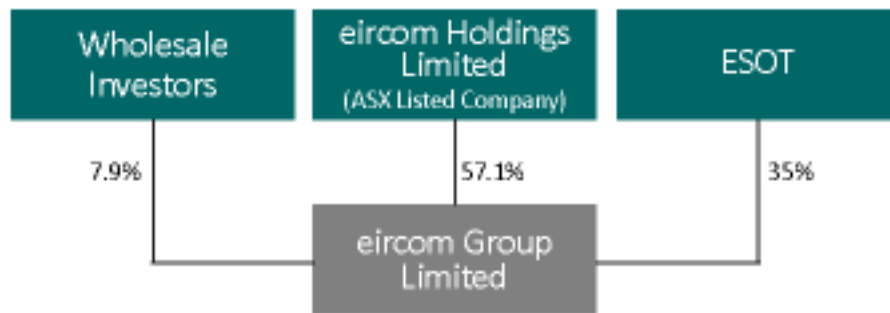
Haydn Vella
Company Secretary
eircom Holdings Limited
+61 2 9008 4102

For personal use only

eircom Holdings Limited

eircom Holdings Limited is listed on the Australian Securities Exchange (ASX) under the ticker ERC.

ERC holds a 57.1% interest in eircom Group Limited (eircom), Ireland's incumbent telecommunications provider. Existing and former employees of eircom hold 35% of eircom through their share ownership trust, the ESOT, and the remaining 7.9% of eircom is held by other wholesale investors.



ERC changed its name from Babcock & Brown Capital Limited (BCM) on 27 April 2009. ERC has been listed on the ASX since February 2005.

For personal use only

1 Opening remarks

1.1 Introduction

Good morning Ladies and Gentlemen and welcome to the Scheme Meeting and 2009 Annual General Meeting of eircom Holdings Limited (**ERC**). My name is Kerry Roxburgh and I am the Chairman of ERC. Before I go any further, I would be grateful if you could all please check to ensure that your mobile phones have been switched off.

I'd like to now introduce my fellow Directors who are seated at the top table.

- Mr Andrew Day, our CEO and Executive Director based in London;
- Dr Gregory Clark who is an Independent Director and is also Chairman of the Nomination, Governance & Remuneration Committee; and
- Mr Andrew Love who is an Independent Director and also Chairman of the Audit, Risk & Compliance Committee.

I might add that I am also an Independent Director, a member of the Audit, Risk & Compliance Committee and a member of the Nomination, Governance & Remuneration Committee.

Also seated at the top table is Haydn Vella, our CFO and Company Secretary.

As shareholders would be aware, on 14 September 2009 ERC announced that it had entered into a Scheme Implementation Agreement with STT Communications Ltd (**STTC**) and Emerald Communications (Cayman) SPC (**ECC**) in relation to a proposal for ECC to acquire the entire issued share capital of ERC by way of a Court approved Scheme of Arrangement (**Scheme**) and inter-conditional Capital Reduction (together the **Proposal**). The purpose of today's meetings is to ask you, our shareholders, to consider, and if thought fit, to approve the Proposal as well as the items of ordinary business to be considered at the Annual General Meeting.

A broad outline of today's meetings are as follows:

- as Chairman of the meetings I will make some opening comments about the Proposal;
- we will then hold the Scheme Meeting; and
- the Annual General Meeting will be held immediately following the Scheme Meeting.

1.2 Overview of the Proposal

I'd like to now provide some background and comments on the Proposal as it is one of the main reasons we are here today.

If the Proposal is implemented, ERC Shareholders on the register on the Record Date (being 7pm on 24 December 2009) will receive:

- (a) the Capital Reduction Amount of \$0.145 for each ERC Share held by an ERC Shareholder on the Record Date; and
- (b) either:
 - (i) \$0.40 cash for each ERC Share held by an ERC Shareholder on the Record Date (the **Cash Consideration**); or

- (ii) subject to certain conditions, 1 ECC share for each ERC Share held by an ERC Shareholder on the Record Date (the **Scrip Consideration**); or
- (iii) a combination of Cash Consideration and Scrip Consideration, depending on the election or deemed election of an ERC Shareholder. I will discuss the Scheme Consideration options in more detail shortly. The Proposal is conditional on, amongst other things, the approval of the Scheme by:

- a majority (in number) of ERC Shareholders present and voting (either in person or by proxy) at the Scheme Meeting; and
- at least 75% of the votes cast on the resolution at the Scheme Meeting,

and the approval of the Capital Reduction by ERC Shareholders at the Annual General Meeting. Full details of the conditions to the Proposal are set out in section 1.1 of Attachment E to the Scheme Booklet.

As at today's date:

- FIRB has given ECC a statement of no objection to its acquisition of the shares in ERC under the Proposal;
- the ATO has issued a Class Ruling in relation to the Capital Reduction, which confirms that no part of the Capital Reduction will be treated as a dividend for Australian tax purposes;
- requisite Irish competition approvals and US telecommunications approvals have been obtained;
- the ESOT has obtained approvals from its beneficiaries in relation to the ESOT Conversion described in the Scheme Booklet and the Irish Revenue Commissioners have provided certain taxation clarifications and/or approvals in relation to such conversion; and
- the disposal of Golden Pages has occurred.

Shareholders should be aware that the Capital Reduction and the Scheme are inter-conditional meaning the Proposal will only go ahead if both the Scheme and the Capital Reduction are approved by ERC Shareholders and all other conditions to the Proposal are satisfied or waived (if applicable).

A detailed Scheme Booklet, including a copy of the Independent Expert's Report prepared by Deloitte, has been dispatched to ERC Shareholders. All of you should have received a copy of the Scheme Booklet. The Scheme Booklet provides ERC Shareholders with a detailed overview of the Proposal.

The Board of ERC has unanimously recommended that ERC Shareholders vote in favour of the resolutions to approve the Scheme and the Capital Reduction in the absence of a superior proposal.

The reasons for recommending the Proposal are set out in the Scheme Booklet. In summary, the Board recommends that you vote in favour of the Proposal for the following reasons:

- **fair value/Independent Expert Report:** the Independent Expert has concluded that the Proposal is fair and reasonable and therefore in the best interests of ERC Shareholders. Accordingly, your Directors consider that if the Proposal is implemented you will receive fair value for your ERC Shares and in a timely manner;

- **Capital Reduction:** if the Scheme is not approved and is not implemented, you will not receive any amount under the Capital Reduction at this time and ERC's surplus cash will be retained for the ongoing costs of running ERC's business and will not, in the foreseeable future, be available for return to ERC Shareholders;
- **ERC Share price may fall if the Proposal is not implemented:** if the Proposal is not implemented and ERC Shares remain quoted on ASX, it is possible that ERC shares will trade at lower prices than those at which they have recently traded;
- **no superior proposal:** since the announcement of the Proposal on 14 September 2009, no superior proposal has been received or announced; and
- **alternative to receive Scrip Consideration:** for those ERC Shareholders who wish to maintain an ongoing investment in eircom, ERC Shareholders may elect to receive the Scrip Consideration which allows for an ongoing indirect investment in eircom through holding ECC Shares (subject to certain conditions, which I will discuss shortly).

If ERC Shareholders today approve the Scheme and the Capital Reduction, the Scheme will also need to be approved by the Federal Court of Australia at the second court hearing which is scheduled for 16 December 2009. If the Federal Court approves the Scheme, ERC Shareholders on the Register at 7:00 pm on 24 December 2009 are expected to be issued the Scheme Consideration to which they are entitled on or around 4 January 2010.

1.3 Background to the Proposal

The background to the Proposal which the ERC Board asks ERC Shareholders to take into account when considering the Proposal, is:

- for over 12 months now the ERC Board has been engaged in a formal strategic review process the overriding objective of which was to maximise the value of ERC Shares for the benefit of ERC Shareholders. As part of that process, and with ERC Shareholder approval:
 - ERC internalised management, which brought to an end the outsourced management arrangements with Babcock & Brown; and
 - ERC has so far returned to ERC Shareholders in 2009, by way of capital returns \$1.40 per ERC Share (aggregating \$235.1 million).
- the ERC Board undertook a formal process to ascertain whether any third party was interested to make an offer to acquire ERC, which resulted in the announcement of the Proposal; and
- ERC implemented a formal process to sell Golden Pages.

Having recently disposed of Golden Pages, ERC now has two assets:

- a 57.1% interest in eircom; and
- cash of approximately \$32 million, after taking into account actual and expected liabilities and all costs associated with the Proposal and associated transactions. If the Scheme becomes Effective,

ERC's cash will be reduced to approximately \$24 million because other contingent amounts will become payable.

ERC's major asset, eircom, has a high level of debt and there are risks associated with ERC's investment in eircom which are detailed in section 4.8 of the Scheme Booklet.

It is on this basis that the ERC Directors make their unanimous recommendation that Shareholders vote in favour of the resolutions to approve the Proposal.

I will now explain the Scheme Consideration alternatives available to ERC Shareholders.

1.4 Scheme Consideration alternatives

(a) Cash Consideration

The Cash Consideration is \$0.40 per ERC Share. When added to the Capital Reduction amount of \$0.145 per ERC Share, this equals a total of \$0.545 per ERC Share.

Shareholders should be aware that the Cash Consideration is the default consideration. Accordingly if Shareholders do not make an election, they will receive the Cash Consideration for each ERC Share held on the Record Date.

(b) Scrip Consideration

The availability of the Scrip Consideration is subject to two conditions:

- **Minimum Scrip Election Condition:** for the Scrip Consideration to be available, scrip elections must be received in respect of 10% or more of the total ERC Shares on issue. If the Minimum Scrip Election Condition is not satisfied, then all ERC Shareholders will receive the Cash Consideration for their ERC Shares held on the Record Date and no Scrip Consideration will be issued under the Scheme; and
- **Scaleback:** there will be a pro rata scale back if total elections for the Scrip Consideration exceed 25% of the total issued ERC Shares. To the extent that an ERC Shareholder's entitlement to Scrip Consideration is scaled back, the ERC Shareholder will receive Cash Consideration for each ERC Share for which Scrip Consideration was not received.

Subject to the Minimum Scrip Election Condition and the Scaleback, ERC Shareholders who elect to receive Scrip Consideration will receive one ECC Share for each ERC Share they hold on the Record Date which is subject to a Scrip Election. Note ERC Shareholders may elect to receive Scrip Consideration for all of the ERC Shares they hold on the Record Date or for a specified percentage of ERC Shares they hold on the Record Date.

While the ERC Directors unanimously recommend that ERC Shareholders vote in favour of the resolutions to approve the Proposal, the ERC Directors make no recommendation to ERC Shareholders in relation to the Scrip Consideration except that ERC Shareholders who are considering electing the Scrip Consideration for all or part of their ERC Shares should:

- be aware of the features of the Scrip Consideration including those matters set out in sections 4.5, 10 and 11 of the Scheme Booklet; and
- consider the risks factors set out in section 4.8 of the Scheme Booklet in relation to eircom; and
- consult their financial adviser, accountant or stockbroker about whether an investment in ECC suits their particular investment objectives.

Further, this morning ERC released a trading update to ASX in relation to eircom for the five months to 30 November 2009 which ERC Shareholders who are considering electing the Scrip Consideration for all or part of their ERC Shares should consider. Copies of the announcement are available at the front table and on our website.

Finally, I note that if the Proposal is implemented, then each ERC Shareholder will receive the Capital Reduction Amount of \$0.145 for each ERC Share held on the Record Date, irrespective of whether they make a Scrip Election or not.

I will now move to the procedural part of today's Meetings.

eircom Holdings Limited Scheme Meeting

15 December 2009

AGENDA

- Welcome
- Overview of Proposal
- Capital Return
- Formal Business
- Close

For personal use only

INTRODUCTION

Kerry Roxburgh	Independent Chairman
Andrew Day	Chief Executive Officer and Executive Director
Andrew Love	Non Executive Director
Greg Clark	Non Executive Director
Haydn Vella	Chief Financial Officer and Company Secretary

AGENDA

- Welcome
- Overview of Proposal
- Capital Return
- Formal Business
- Close

OVERVIEW OF PROPOSAL

ERC BOARD RECOMMENDS PROPOSAL FROM STT COMMUNICATIONS LTD

On 10 November 2009, ERC released to ASX the Scheme Booklet in relation to the proposal from Emerald Communications (Cayman) SPC (ECC), a subsidiary of STT Communications Ltd (STTC) to acquire all of the shares in ERC pursuant to a court approved scheme of arrangement and inter- conditional capital reduction (Proposal).

DETAILS OF THE PROPOSAL

- ECC Offer and capital return together equivalent to A\$0.545 per ERC share.
- Represents a 26.1% premium to the closing price on 24 June 2009 of A\$0.43 (the last close prior to the announcement of STTC's initial proposal, adjusted for A\$0.80 capital return in September).
- Represents a 36.4% premium to the three month volume weighted average price on 24 June 2009 of A\$0.40 (adjusted for A\$0.80 capital return in September).
- Scrip alternative to allow ongoing investment in eircom (subject to a minimum election condition and scale back mechanism), however the ERC Directors make no recommendation in relation to the Scrip alternative.
- The Proposal is **unanimously recommended by ERC Directors**.
- The Independent Expert (Deloitte) has concluded that the Proposal is in the best interests of shareholders.

OVERVIEW OF PROPOSAL

SCHEME RESOLUTION

The Proposal is conditional on, amongst other things, the approval of the Scheme by:

- A majority (in number) of ERC Shareholders present and voting (either in person or by proxy) at the Scheme Meeting; and
- At least 75% of votes cast on the resolution at the Scheme Meeting (either in person or by proxy),

and the approval of the Capital Reduction by ERC Shareholders at the Annual General Meeting.

CONDITIONS UPDATE

- FIRB has given ECC a statement of no objection to its acquisition of the shares in ERC under the Proposal;
- the ATO has issued a Class Ruling in relation to the Capital Reduction, which confirms that no part of the Capital Reduction will be treated as a dividend for Australian tax purposes;
- requisite Irish competition approvals and US telecommunications approvals have been obtained;
- the ESOT has obtained approvals from its beneficiaries in relation to the ESOT Conversion described in the Scheme Booklet and the Irish Revenue Commissioners have proved certain taxation clarifications and/or approvals in relation to such conversion; and
- the disposal of Golden Pages has occurred.

OVERVIEW OF PROPOSAL

REASONS FOR UNANIMOUS RECOMMENDATION OF ERC DIRECTORS

- **Fair value/Independent Expert Report:** the Independent Expert has concluded that the Proposal is fair and reasonable and therefore in the best interests of ERC Shareholders. Accordingly, your Directors consider that if the Proposal is implemented you will receive fair value for your ERC Shares and in a timely manner;
- **Capital Reduction:** if the Scheme is not approved and is not implemented, you will not receive any amount under the Capital Reduction at this time and ERC's surplus cash will be retained for the ongoing costs of running ERC's business and will not, in the foreseeable future, be available for return to ERC Shareholders;
- **ERC Share price may fall if the Proposal is not implemented:** if the Proposal is not implemented and ERC Shares remain quoted on ASX, it is possible that ERC shares will trade at lower prices than those at which they have recently traded;
- **No superior proposal:** since the announcement of the Proposal on 14 September 2009, no superior proposal has been received or announced; and
- **Alternative to receive Scrip Consideration:** for those ERC Shareholders who wish to maintain an ongoing investment in eircom, ERC Shareholders may elect to receive the Scrip Consideration which allows for an ongoing indirect investment in eircom through holding ECC Shares (subject to certain conditions).

OVERVIEW OF PROPOSAL

BACKGROUND TO PROPOSAL

The ERC Board has been engaged in a formal strategic review process the overriding objective of which was to maximise the value of ERC Shares for the benefit of ERC Shareholders. As part of that process, and with ERC Shareholder approval:

- ERC internalised management, which brought to an end the outsourced management arrangements with Babcock & Brown; and
- ERC has so far returned to ERC Shareholders in 2009, by way of capital returns \$1.40 per ERC Share (aggregating \$235.1 million).
- the ERC Board undertook a formal process to ascertain whether any third party was interested to make an offer to acquire ERC, which resulted in the announcement of the Proposal; and
- ERC implemented a formal process to sell Golden Pages.

OVERVIEW OF PROPOSAL

BACKGROUND TO PROPOSAL (con't)

Having recently disposed of Golden Pages, ERC now has two assets:

- a 57.1% interest in eircom; and
- cash of approximately \$32 million (inclusive of the proposed Capital Reduction), after taking into account actual and expected liabilities and all costs associated with the Proposal and associated transactions. If the Scheme becomes Effective, ERC's cash will be reduced to approximately \$24 million because other contingent amounts will become payable.

ERC's major asset, eircom, has a high level of debt and there are risks associated with ERC's investment in eircom which are detailed in section 4.8 of the Scheme Booklet.

It is on this basis that the ERC Directors make their **unanimous recommendation** that Shareholders **vote in favour** of the resolutions to approve the Proposal.

OVERVIEW OF PROPOSAL

CONSIDERATION ALTERNATIVES AVAILABLE UNDER THE PROPOSAL

Under the Proposal shareholders have a choice of **three alternative forms of consideration**, namely:

- 1) **Cash Alternative:** capital return currently estimated at A\$0.145, plus cash consideration of A\$0.40 for each ERC share; or
- 2) **Scrip Alternative:** participation in the capital return and subject to the Scrip conditions, one ordinary share in ECC for every ERC share held by an ERC shareholder; or
- 3) **Cash and Scrip Alternative:** participation in the capital return and subject to the Scrip conditions, the Scrip Alternative for a specified percentage of ERC shares and the Cash Alternative for the remainder

Consideration election forms must be received by ERC's registry in accordance with the instructions on the election form by no later than 7.00pm on 24 December 2009.

OVERVIEW OF PROPOSAL

SCRIP ALTERNATIVE

- If scrip elections account for <10% of ERC shares on issue, shareholders will be deemed to have elected the Cash Alternative and no Scrip Consideration will be offered.
- If scrip elections account for >25% of ERC Shares on issue, the issue of the scrip consideration will be subject to a pro-rata scale back.
- The Scrip Alternative is only available to shareholders resident in Australia, Hong Kong and United Kingdom.
- In the event that an ERC shareholder fails to make an election, the default election is the Cash Alternative.
- The ERC Directors make no recommendation to ERC Shareholders in relation to the Scrip Consideration except that ERC Shareholders who are considering electing the Scrip Consideration for all or part of their ERC Shares should:
 - be aware of the features of the Scrip Consideration including those matters set out in sections 4.5, 10 and 11 of the Scheme Booklet; and
 - consider the risks factors set out in section 4.8 of the Scheme Booklet in relation to eircom; and
 - review the eircom Trading Update set out in today's ASX announcement; and
 - consult their financial adviser, accountant or stockbroker about whether an investment in ECC suits their particular investment objectives.

OVERVIEW OF PROPOSAL

CAPITAL RETURN

- Contingent on the Scheme becoming effective, shareholders will be asked to vote on the third and final capital return from ERC for the year. (Total of A\$1.545 for the year)
- The capital return of A\$0.145 per share will be completed by ERC from available cash reserves on completion.
- If the Scheme becomes effective, payment date will be 4 January 2009.

AGENDA

- Welcome
- Overview of Proposal
- **Formal Business**
- Close

ORDINARY BUSINESS

The resolution before the Scheme Meeting is:

“That, pursuant to and in accordance with section 411 of the Corporations Act, the Scheme, the terms of which are contained in and more particularly described in the Scheme Booklet (of which this Notice of Scheme Meeting forms part) is approved (with or without modification as approved by the Court).”

AGENDA

- Welcome
- Overview of Proposal
- Formal Business
- Close

DISCLAIMER

The information contained in this presentation is given without any liability whatsoever to eircom Holdings Limited or any of its related entities (collectively “ERC”) or their respective directors or officers, and is not intended to constitute legal, tax or accounting advice or opinion. No representation or warranty, expressed or implied, is made as to the accuracy, completeness or thoroughness of the content of the information. The recipient should consult with its own legal, tax or accounting advisers as to the accuracy and application of the information contained herein and should conduct its own due diligence and other enquiries in relation to such information.

The information in this presentation has not been independently verified by ERC. ERC disclaims any responsibility for any errors or omissions in such information, including the financial calculations, projections and forecasts set forth herein. No representation or warranty is made by or on behalf of ERC that any projection, forecast, calculation, forward-looking statement, assumption or estimate contained in this presentation should or will be achieved.

Please note that, in providing this presentation, ERC has not considered the objectives, financial position or needs of the recipient. The recipient should obtain and rely on its own professional advice from its tax, legal, accounting and other professional advisers in respect of the addressee’s objectives, financial position or needs.

This presentation does not carry any right of publication. This presentation is incomplete without reference to, and should be viewed solely in conjunction with, the oral briefing provided by ERC. Neither this presentation nor any of its contents may be reproduced or used for any other purpose without the prior written consent of ERC.

eircom Holdings Limited Annual General Meeting

15 December 2009

AGENDA

- **Welcome – Kerry Roxburgh**
- Chairman's Address – Kerry Roxburgh
- Operational Update – Andrew Day
- Formal Business – Kerry Roxburgh
- Close

For personal use only

INTRODUCTION

Kerry Roxburgh	Independent Chairman
Andrew Day	Chief Executive Officer and Executive Director
Andrew Love	Non Executive Director
Greg Clark	Non Executive Director
Haydn Vella	Chief Financial Officer and Company Secretary

AGENDA

- Welcome
- **Chairman's Address – Kerry Roxburgh**
- Operational Update – Andrew Day
- Formal Business – Kerry Roxburgh
- Close

ERC 2009 Highlights

STRATEGIC MILESTONES - 2009

STATUS

- | | |
|---|----------------|
| 1. Capital Return of 60 cents per share | ✓ |
| 2. Management Internalisation | ✓ |
| 3. CEO and executive appointments at eircom Holdings Limited (“ERC”) | ✓ |
| 4. Change of name to eircom Holdings Limited | ✓ |
| 5. Appoint New CEO at eircom | ✓ |
| 6. Operational Change at eircom | ✓ |
| 7. Second Capital Return of 80 cents per share | ✓ |
| 8. Golden Pages Disposal | ✓ |
| 9. ERC Change of Control Proposal from ECC and Third Capital Return of 14.5 cents | Meetings Today |

For personal use only

ERC FY09 Financial Highlights

- Consolidated operating revenue of \$3,813.5 million, up 8% on pcp
- Consolidated EBITDA of \$1,284.4 up 0.3% on pcp
- eircom impairment charges of \$1,422.6 million
- Golden Pages write-down's of \$129.8 million
- Consolidated Loss of \$1,484.6 million

For personal use only

AGENDA

- Welcome
- Chairman's Address – Kerry Roxburgh
- **Operational Update – Andrew Day**
- Formal Business – Kerry Roxburgh
- Close

eircom – KEY OPERATIONAL UPDATES

Mobile

3G	<ul style="list-style-type: none"> Reached target of 53% 3G population coverage by September 2009. Commercial launch of mobile broadband in March 2009 - ~17,000 customers at 30 September 2009. Non-SMS data revenue now at c11.5% of outbound revenues for the quarter to Sep 09
Broadband Rollout	<ul style="list-style-type: none"> Extended broadband rollout plan underway – 828 sites enabled as at 30 September 2009, connecting more than 1.4 million lines pre-qualifying for broadband Speed upgrades being rolled out – 64% of Retail customer base on 3Mb or over at 30 September 2009 Broadband penetration in Ireland, including mobile broadband now estimated at 31.2% (Company estimate)

Fixed Line

Voice	<ul style="list-style-type: none"> New bundled offerings Call set-up charges in place
Tetra	<ul style="list-style-type: none"> Network launched mid-June, c7,000 active users (Sep 09)
Digital Terrestrial Television (DTT)	<ul style="list-style-type: none"> Part of One Vision consortium in discussion with the Irish Broadcasting Authority in relation to take up of DTT licences

Regulatory

LLU	<ul style="list-style-type: none"> ComReg has issued a Draft Decision proposing to reduce the LLU price from €16.43 per month to €12.24 per month
Line Share	<ul style="list-style-type: none"> ComReg issued a Decision in August 2009 to reduce the line share price from €8.41 to €0.77 per month. eircom does not agree with ComReg's approach to setting the line share price and has lodged an appeal in the High Court against the Decision on this basis
Bundling	<ul style="list-style-type: none"> Recently settled court case with Comreg in relation to bundles – Comreg will issue a consultation in relation to the matter

eircom – INVESTMENT SCORECARD

For personal use only

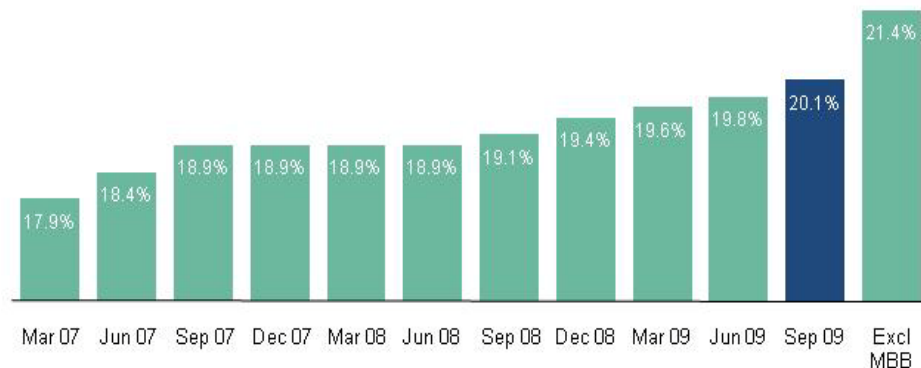
FIXED LINE – Actual EBITDA¹ per quarter

KPI: Maintain Fixed Line EBITDA



MOBILE – Actual Subscriber Market Share per quarter²

KPI: Attain historical European average 3rd player market share of 20%⁴



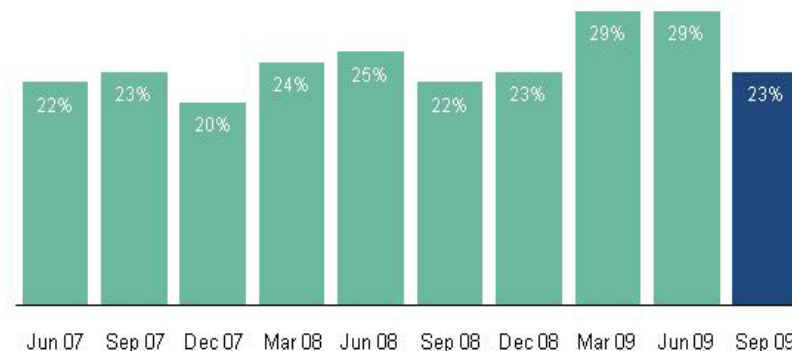
MOBILE – Actual Subscribers per quarter²

KPI: Grow mobile phone subscribers



MOBILE – Actual EBITDA Margin % per quarter³

KPI: Attain historical European average 3rd player EBITDA margin of 30%⁴



¹ Adjusted EBITDA before non-cash pension charge, net construction income and profit on disposal of property and investments and management charges due to parent

² Source: ComReg quarterly reports and company estimates (includes mobile broadband).

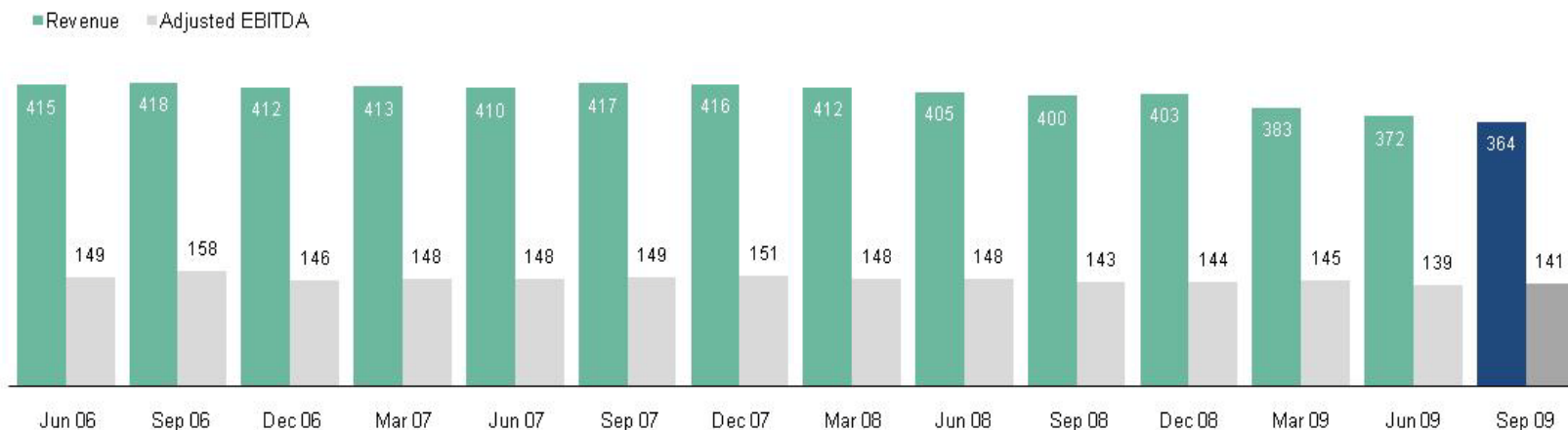
³ After management incentive costs

⁴ JP Morgan

eircom – FIXED LINE

- EBITDA¹ for the quarter totalled €141 million, a 1% decrease on prior corresponding period due to deteriorating economic conditions resulting in reductions in PSTN lines, substitution of voice traffic from fixed line to mobiles and increased use of on-net substitutes (e.g. VoIP)
- Revenue of €364² million for the quarter, a 9% decrease on prior corresponding period attributed to pressure on voice and data traffic
- Win back for the quarter at 82% vs 65% for the previous quarter due to increased competitor activity, particularly in broadband
- Increased focus on cost control across the group, resulting in EBITDA margins increasing from 36% to 39% from previous corresponding period
- Investment in the fixed network continues with a focus on increasing capacity, broadband roll-out, demand-led growth and Next Generation Networks (NGN) developments.

Quarterly revenue and Adjusted EBITDA¹ (Jun 06 to Sep 09)



¹ Adjusted EBITDA before non-cash pension charge, net construction income and profit on disposal of property and investments and management charges due to parent
² Post fair value adjustments

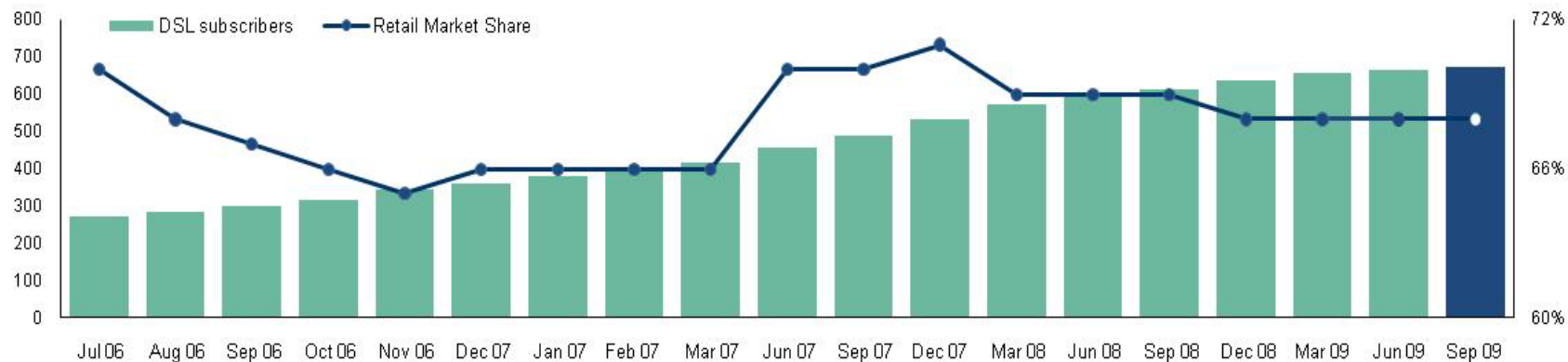
eircom – FIXED LINE (continued)

Broadband

- Broadband revenues of €45 million for the quarter, up 7% on the prior corresponding quarter off growing subscriber base
- Rate of growth continues to slow as a result of increased competition from mobile broadband
- Mobile broadband subscriber numbers now stand at ~17,000
- New bundled packages launched in October beginning to have positive impact in counteracting competitive pressures
- Broadband rollout – a total of 828 exchange sites enabled as at 30 September 2009, connecting more than 1.4 million lines pre-qualifying for broadband
- 8,000 net DSL customer adds during the quarter resulting in 673,000 total subscribers at 30 September 2009, a 10% increase year on year as rollout of broadband continues
- eircom has a retail share of total DSL market (retail, bitstream, LLU) of 69% and total broadband market share (both Wholesale and Retail and excluding LLU) of 50%¹

¹ Including mobile broadband, company estimates

DSL Market Trends



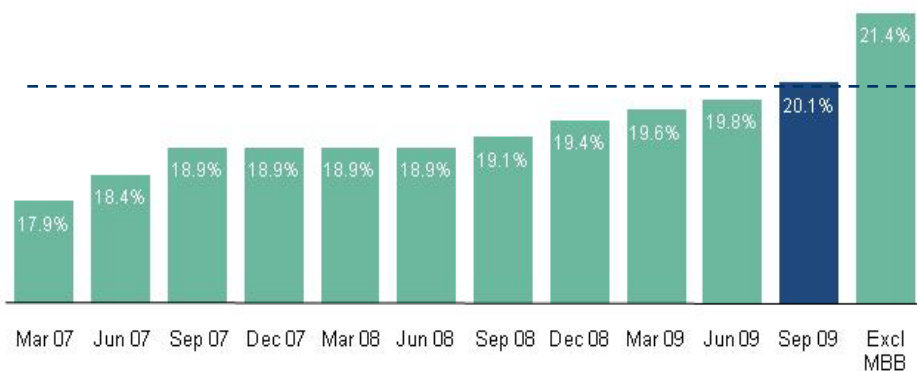
eircom – Mobile

- EBITDA of €28 million for the quarter, in line with the previous year. Reduction compared to preceding quarter to June due in part to high subscriber acquisition costs arising from increased number of net adds in the current quarter.
- Revenue of €119 million for the quarter, a decrease of 6% on prior year
- Increase in Meteor market share to 20.1% (21.4% excluding MBB) from 19.1% in September 2008²
- Increase in subscriber numbers year on year from 1,008,000 to 1,046,000
- Increase in EBITDA margins from 22% as at September 2008 to 23% as at September 2009.
- Increase in mobile broadband customers of 8,000 to ~17,000.

eircom/Meteor Mobile EBITDA



Meteor Subscriber Market Share



Average historical 3rd operator volume market share in Europe is ~20%

Key market share drivers

- Value positioning
- Strong distribution
- Effective marketing

Source: ComReg and company estimates for market share. JPMorgan for average 3rd operator market share

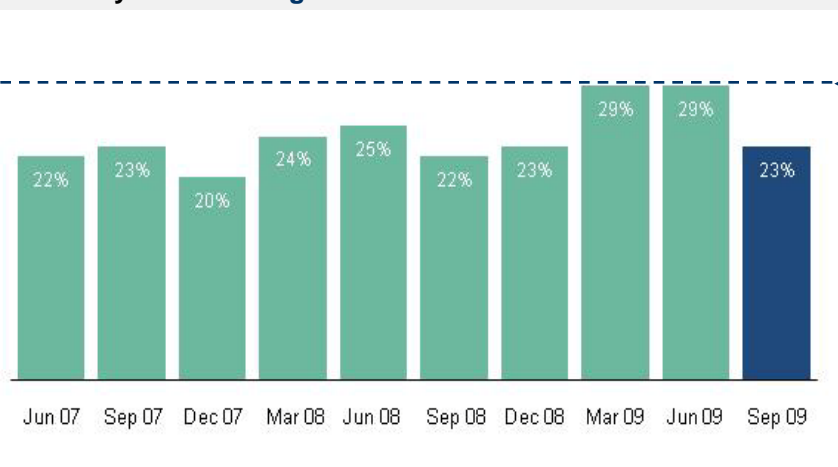
eircom – Mobile (continued)

For personal use only

- EBITDA¹ margin for the September 2009 quarter 23% up from 22% in the September 2008 quarter due to a reduction in sales and marketing costs and the successful implementation of targeted cost savings
- 4% increase in the number of net subscribers from 1,008,000 to 1,046,000 year on year
 - post-paid increased to 14% of the total base (September 2008 – 13%)
- Blended monthly ARPU of €36.02 – an 8% decrease on September 2008 due to, increased competition in the prepaid markets and increased promotions

1 Post incentive costs

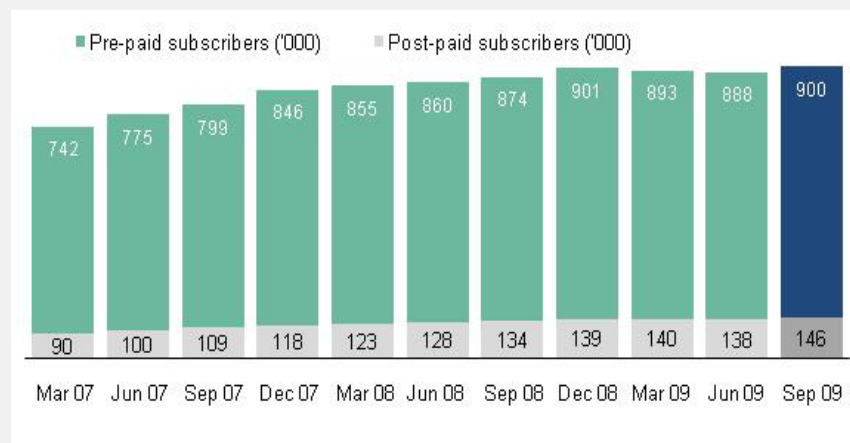
Quarterly EBITDA Margin



Source: eircom management results, JPMorgan for average 3rd operator margin

13

Mobile Subscribers



Source: eircom management results

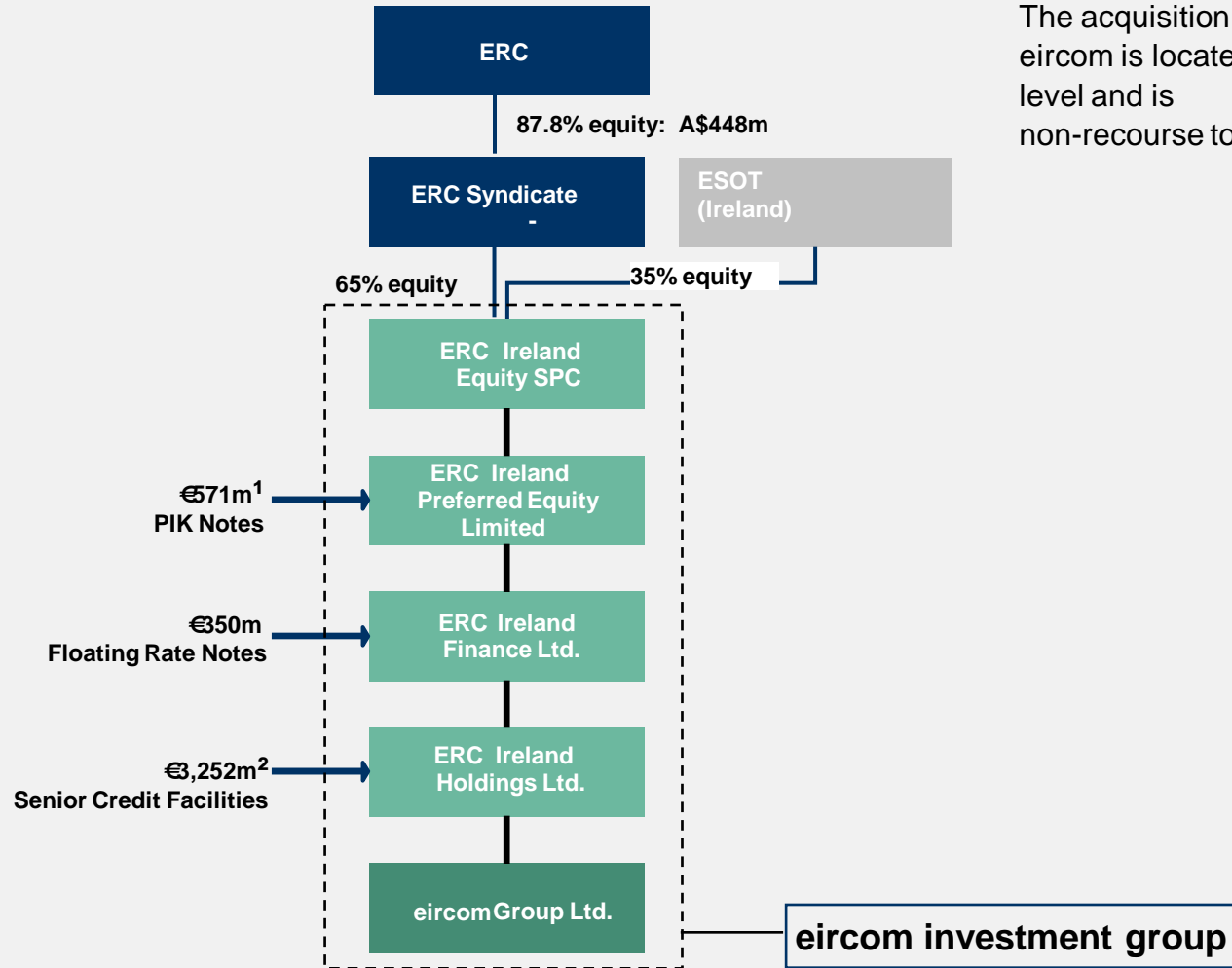
Average historical 3rd operator EBITDA margin in Europe is ~30%

Key EBITDA drivers

- Increased net subscriber base
- Value positioning
- Strong distribution
- Distinctive marketing
- Network enhancement; launch of 3G in March 2009
- Protect ARPU while growing market share (ARPU €36.02)
- New offerings launched, including Mobile broadband in March

eircom - CORPORATE DEBT STRUCTURE

The acquisition debt raised to acquire eircom is located at the investment group level and is non-recourse to ERC



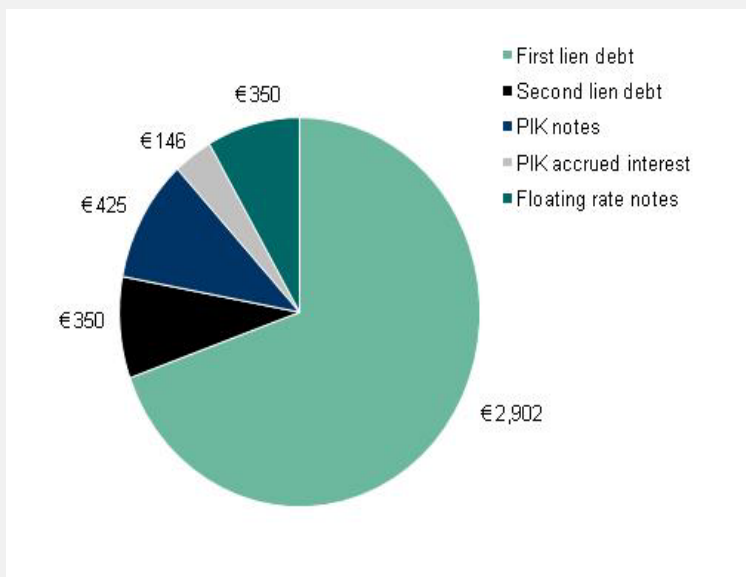
¹ Includes capitalised interest

² A total of €248 million loan principal repaid to end of September 2009, including €111 million repaid in November 2008 re annual cash sweep. Initial draw down €3,500 million.

eircom – CORPORATE DEBT PROFILE AT 30 SEP 2009

For personal use only

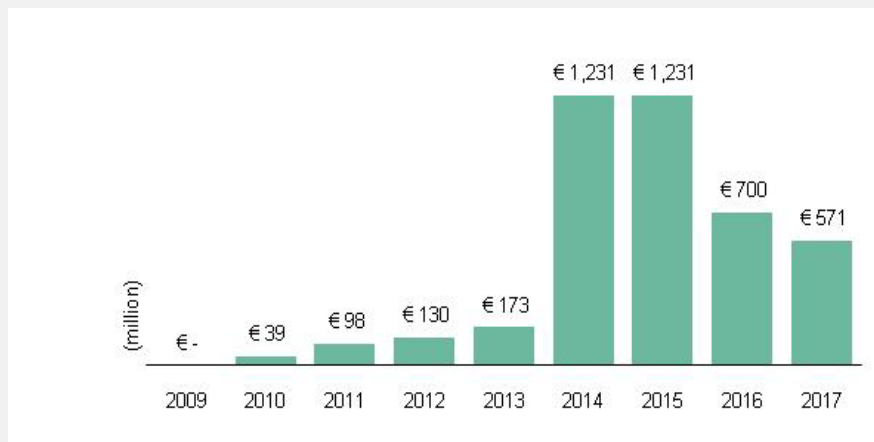
Facility



- All eircom debt is non-recourse to ERC
- Bulk of debt repayable from September 2014
- eircom's weighted average cost of cash pay debt is ~5.5%
- eircom continues to meet its quarterly covenants

- eircom has total cash-pay debt of €3.60 billion
- PIK notes of €425 million with €146 million accrued interest issued on new notes
- eircom has cash of €217 million at 30 September 2009 after payment of €111m in annual cash sweep in November 2008 and 6 monthly interest and scheduled debt payments in March and September
- eircom has a ~€110 million revolving credit facility available to draw on
- Interest rate swaps in place for over €2.75 billion (~76% of total cash pay debt shown above) with ~76% hedged for the next two years which reduces to ~42% in following year

Redemption Profile (incl principal amortisation and PIK)¹



1. Worked on calendar year. Tranche A debt of €440 million is an amortising loan with a maturity date of 2013

eircom - CORPORATE DEBT STRUCTURE AT 30 SEP 2009

Facility	Amount (EUR m)	Maturity	Repayment	Margin (bps)
Tranche A	440 ¹	Sep 2013	Amortising	E + 175
Tranche B	1,231	Sep 2014	Bullet	E + 187.5
Tranche C	1,231	Sep 2015	Bullet	E + 212.5
Total First Lien Debt	2,902			
Second Lien Debt	350	Mar 2016	Bullet	E + 425
Total Senior Debt	3,252			
Floating Rate Notes	350	Sep 2016	Bullet	E + 500
Total Cash Pay Debt	3,602			
PIK Notes ²	571	Feb 2017	Bullet	E + 700
Total Debt	4,173			
Cash	(217)			
Net Debt	3,956			

All debt is non-recourse.

¹ Initial draw down €650 million

² Includes capitalised interest on initial face value of €425 million

For personal use only

AGENDA

- Welcome
- Chairman's Address – Kerry Roxburgh
- Operational Update – Andrew Day
- **Formal Business – Kerry Roxburgh**
- Close

For personal use only

ORDINARY BUSINESS

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That the Remuneration Report for the year ended 30 June 2009 is approved for the purposes of the Corporations Act 2001(Cth).”

ORDINARY BUSINESS

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That Kerry Roxburgh, retiring in accordance with ASX Listing Rule 14.4 and rule 20.1(a) of ERC’s Constitution, be re-elected as a director of ERC.”

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolution as a special resolution:

“That for the purposes of section 256C(1) of the Corporations Act and subject to and conditional on the Scheme becoming Effective, approval be given for the share capital of ERC to be reduced by returning to the persons who are registered as the holders of fully paid ordinary shares in ERC on the Record Date the amount of 14.5 cents per fully paid ordinary share registered in their name (provided that any entitlements of a holder, after aggregating all holdings of that holder, to a fraction of a cent will be rounded down to the nearest whole cent), such return aggregating approximately \$24,346,213.”

AGENDA

- Welcome
- Capital Return
- Strategic Update
- Formal Business
- Close

For personal use only

DISCLAIMER

The information contained in this presentation is given without any liability whatsoever to eircom Holdings Limited or any of its related entities (collectively “ERC”) or their respective directors or officers, and is not intended to constitute legal, tax or accounting advice or opinion. No representation or warranty, expressed or implied, is made as to the accuracy, completeness or thoroughness of the content of the information. The recipient should consult with its own legal, tax or accounting advisers as to the accuracy and application of the information contained herein and should conduct its own due diligence and other enquiries in relation to such information.

The information in this presentation has not been independently verified by ERC. ERC disclaims any responsibility for any errors or omissions in such information, including the financial calculations, projections and forecasts set forth herein. No representation or warranty is made by or on behalf of ERC that any projection, forecast, calculation, forward-looking statement, assumption or estimate contained in this presentation should or will be achieved.

Please note that, in providing this presentation, ERC has not considered the objectives, financial position or needs of the recipient. The recipient should obtain and rely on its own professional advice from its tax, legal, accounting and other professional advisers in respect of the addressee’s objectives, financial position or needs.

This presentation does not carry any right of publication. This presentation is incomplete without reference to, and should be viewed solely in conjunction with, the oral briefing provided by ERC. Neither this presentation nor any of its contents may be reproduced or used for any other purpose without the prior written consent of ERC.