

eircom Holdings (Ireland) Limited

Unaudited results report for the nine months to September 2023

23 November 2023



eircom Holdings (Ireland) Limited

Unaudited results for the nine months to September 2023

Table of contents	Page
1. Trading highlights for the nine months to September 2023	2
2. KPIs as at 30 September 2023	3
3. Reconciliation of statutory financial statements to the results presented in the management discussion and analysis section within this quarterly document	4
4. Reconciliation of EBITDA to operating profit for the nine months to September 2023	5
5. Consolidated income statement for the third quarter to September 2023	6
6. Consolidated income statement for the nine months to September 2023	7
7. Consolidated balance sheet as at 30 September 2023	9
8. Consolidated cash flow statement for the third quarter to September 2023	10
9. Consolidated cash flow statement for the nine months to September 2023	11
10. Consolidated statement of changes in shareholders' equity for the nine months to September 2023	12
11. Selected notes to the condensed interim financial information for the nine months to September 2023	13-20
12. Commentary on results of operations for the nine months to September 2023	20-28

eircom Holdings (Ireland) Limited

Trading highlights for the nine months to September 2023¹

- Revenue of €937 million for the nine months to September 2023 increased by 4% or €37 million year on year. Growth in postpay mobile and bundling, as well as an increase in NBP access revenue and Evros revenue, was offset by revenue reductions in traditional access.
- Group adjusted EBITDA² of €455 million decreased by 4% or €19 million year on year; €8 million relating to gross margin, driven by handset costs and product mix changes and €11 million relating to pay and non-pay costs, driven by rising costs of living.
- Fixed line revenue of €707 million increased by €9 million year on year, driven by an increase in voice traffic and managed services revenues.
- The group broadband customer base³ at quarter end was 947,000, a decline of 1% or 10,000 customers year on year driven by a wholesale base decrease of 5% or 27,000 offset by an increase of 17,000 retail customers. There were 860,000 customers availing of fibre based high speed broadband services, an increase of 2% or 20,000 year on year.
- Group fixed access paths decreased by 3% or 39,000 year on year, with a reduction in fixed line access net losses of 76,000⁴. Standalone broadband (SABB) lines increased by 37,000 year on year.
- Mobile revenue of €258 million increased by 12% or €28 million year on year driven by growth in service revenue from a 16% increase in the postpay base.
- Total mobile customers at quarter end were 1,400,000⁵, including 1,073,000 postpay customers and 327,000 prepay customers. The postpay customer base increased by 12% or 113,000 year on year, bringing the number of customers on postpay contracts to 77%, an increase of 3 percentage points year on year. The prepay base decreased by 8,000 customers year on year, primarily driven by migration of customers to postpay contracts.
- Group operating costs⁶ of €265 million increased by 4% or €11 million year on year, primarily due to increased mobile network costs as the company increases its mobile sites footprint.
- Full Time Equivalent (FTE) staff totalled 3,344 at quarter end, down 4% year on year.
- Cash on hand of €97 million at quarter end.

¹ The figures presented above include amounts relating to the Groups 56% share in Tetra Ireland Communication Limited (“Tetra”) in the prior year. Following the adoption of IFRS 11, Joint Arrangements, Tetra is reported in the financial statements under the equity method as opposed to proportionate consolidation. The management discussion and analysis section of this quarterly report presents results on a management accounting basis and therefore includes the results of the Group’s joint ventures on a proportionate basis, reflected in Group revenue, operating costs and EBITDA.

² Adjusted EBITDA is earnings before interest, taxation, amortisation, depreciation, non-cash lease fair value credits, non-cash pension charge, management charge, profit on disposal of Property, Plant and Equipment and exceptional items.

³ Combined retail and wholesale excluding LLU and line share, including SABB.

⁴ Combined retail and wholesale access line losses including LLU.

⁵ Mobile base is a combination of handset subscriptions, machine to machine and mobile broadband subscriptions.

⁶ Operating costs are cost of sales, pay costs, and non-pay costs, excluding non-cash pension charge, fair value lease credits, and management charge.

eircom Holdings (Ireland) Limited
KPIs as at 30 September 2023 (unaudited)

	As at and for the nine months ended		
	30 Sep 2022 (unaudited)	30 Sep 2023 (unaudited)	% Change ^{N1}
Group Access Paths ('000)			
Retail Access Lines	563	566	-
Retail SABB	19	16	(16%)
Wholesale Access Lines	339	260	(23%)
Wholesale SABB ⁷	295	335	13%
Wholesale LLU ⁸	1	1	(22%)
Total Group Access Paths	1,217	1,178	(3%)
Retail Voice Traffic (millions of minutes)	472	328	(31%)
Broadband Line Base ('000)			
Retail Broadband Lines	438	455	4%
Wholesale Broadband Lines	519	492	(5%)
Total Broadband Lines	957	947	(1%)
- of which fibre broadband lines	840	860	2%
Mobile Customer Base ('000)			
Prepay Handset Customers	334	326	(2%)
Prepay MBB Customers	1	1	-
Total Prepay Customers	335	327	(2%)
Postpay Handsets (including M2M)	906	1,011	12%
Postpay MBB	54	62	16%
Total Postpay Customers	960	1,073	12%
Total Mobile Customers	1,295	1,400	8%
ARPU's (€) ^{N2 & N3}			
Consumer Blended ARPU	49.0	48.2	(2%)
WLR PSTN ARPU	16.7	16.5	(1%)
Bitstream ARPU (including SABB)	17.2	18.5	5%
Prepay ARPU (including MBB)	15.8	15.8	(1%)
Postpay ARPU (including MBB/M2M)	16.4	17.3	4%
Closing FTE Headcount	3,487	3,344	(4%)

⁷ SABB: Standalone Broadband.

⁸ LLU: Local Loop Unbundled.

eircom Holdings (Ireland) Limited

This financial information has been prepared to make available certain unaudited condensed consolidated financial information to the holders of the group's Senior Secured Notes. Accordingly, the group has not prepared this financial information in accordance with IAS 34 – “Interim Financial Information” and has not carried out an impairment review of the carrying value of goodwill and other non-current assets as at 30 September 2023. In addition, the fair values of the assets and liabilities acquired on the acquisition of the Evros Technology Group have not been determined in accordance with IFRS 3, “Business Combinations” and the values included in the financial information for the Evros Technology Group are provisional for the period ended 30 September 2023.

This condensed interim financial information has been prepared on the going concern basis, which assumes that eircom Holdings (Ireland) Limited will continue in operational existence for the foreseeable future.

The financial information, as at and for the period ended 30 September 2023, in respect of the group has been prepared using the same accounting policies as applied for the financial period ended 31 December 2022. For a more complete discussion of our significant accounting policies and other information, including our critical accounting judgements and estimates, this report should be read in conjunction with the financial statements of EHIL for the financial period ended 31 December 2022.

Reconciliation of statutory financial statements⁹ to the results presented in the management discussion and analysis section within this quarterly document

	In the quarter ended 30 September 2022			In the quarter ended 30 September 2023		
	Reported €m	Adjusted €m	Statutory €m	Reported €m	Adjusted €m	Statutory €m
Revenue	900	(4)	896	938	(1)	937
Operating costs excluding management charge and non-cash pension charge	(426)	2	(424)	(517)	35	(482)
Adjusted EBITDA¹⁰	474	(2)	472	421	34	455
Closing Cash	659		659	97	-	97

⁹ The statutory financial statements are prepared in accordance with IFRS accounting principles and include the results of the group's joint ventures using the equity accounting basis rather than on a proportionate consolidation basis. The management discussion and analysis section of this quarterly report presents results on a management accounting basis and therefore includes the results of the group's joint ventures on a proportionate basis, reflected in group revenue, operating costs and EBITDA.

¹⁰ Adjusted EBITDA is earnings before interest, taxation, amortisation, depreciation, non-cash pension charge, management charge, non-cash lease contracts, exceptional items and profit on disposal of property, plant and equipment.

eircom Holdings (Ireland) Limited

Reconciliation of earnings before interest, taxation, amortisation, depreciation, non-cash lease fair value credits, non-cash pension charges, management charge and exceptional items to operating profit

	Third quarter ended Sept22 €m	Third quarter ended Sept23 €m	Nine months ended Sept22 €m	Nine months ended Sept23 €m
Operating (loss)/profit	(77)	49	116	172
Profit on disposal of property, plant and equipment	-	-	-	(7)
Exceptional gain on exit from joint venture	-	-	(68)	-
Exceptional items	149	15	165	29
Management charge	2	2	5	5
Non-cash pension charge	3	1	3	-
Operating profit before non-cash pension charges, management charge and exceptional items	77	67	221	199
Depreciation of right of use assets	13	12	37	38
Depreciation of property, plant and equipment	61	62	184	184
Amortisation	12	12	31	35
EBITDA before non-cash pension charges, management charge and exceptional items	163	153	473	456
IFRS 3 unfavourable lease fair value adjustment	(1)	(1)	(1)	(1)
Adjusted EBITDA before non-cash lease fair value credits, non-cash pension charges, management charge and exceptional items	162	152	472	455
EBITDA** of joint ventures using proportionate consolidation	-	-	2	-
Reported EBITDA** before non-cash lease fair value credits, non-cash pension charges, management charge and exceptional items	162	152	474	455
Reported EBITDA** before non-cash lease fair value credits, non-cash pension charges, management charge and exceptional items is split as follows:				
Fixed line	128	115	375	347
Mobile	34	37	99	108
	162	152	474	455

**** Reported EBITDA includes the results of the group's joint ventures on a proportionate basis. The statutory basis includes the results of the group's joint ventures using the equity accounting basis rather than on a proportionate consolidation basis.**

eircom Holdings (Ireland) Limited

Consolidated Income Statement – unaudited *For the third quarter ended 30 September 2023*

	30 Sept 2022	30 Sept 2023
	€m	€m
Revenue	303	315
Operating costs excluding amortisation, depreciation and exceptional items	(145)	(165)
Amortisation	(12)	(12)
Depreciation of property, plant and equipment	(61)	(62)
Depreciation of right of use assets	(13)	(12)
Exceptional items	(149)	(15)
Operating (loss)/profit	(77)	49
Finance costs – net	(22)	(34)
(Loss)/profit before tax	(99)	15
Income tax charge	(14)	(3)
(Loss)/profit for the period	(113)	12
Attributable to:		
Equity holders of the parent	(32)	10
Non-controlling interests	(81)	2
	(113)	12

eircom Holdings (Ireland) Limited

Consolidated Income Statement – unaudited *For the nine-month period ended 30 September 2023*

	Notes	30 Sept 2022 €m	30 Sept 2023 €m
Revenue	3	896	937
Operating costs excluding amortisation, depreciation and exceptional items		(431)	(486)
Amortisation	3	(31)	(35)
Depreciation of property, plant and equipment	3	(184)	(184)
Depreciation of right of use assets	3	(37)	(38)
Exceptional items	3, 4	(165)	(29)
Exceptional gain on exit from joint venture	3, 5	68	-
Profit on disposal of property, plant and equipment	3	-	7
Operating profit	3	116	172
Finance costs – net	6	(72)	(93)
Share of profit of joint venture		1	-
Profit before tax		45	79
Income tax charge	7	(26)	(15)
Profit for the period		19	64
Attributable to:			
Equity holders of the parent		100	63
Non-controlling interests		(81)	1
		19	64

The accompanying notes form an integral part of the condensed interim financial information.

eircom Holdings (Ireland) Limited

Group statement of comprehensive income – unaudited *For the nine-month period ended 30 September 2023*

	30 Sept 2022	30 Sept 2023
	€m	€m
Profit for the financial period	19	64
Other comprehensive income/(expense):		
<i>Items that will not be reclassified to profit or loss</i>		
Defined benefit pension scheme remeasurement gain/(losses):		
- Remeasurement gain/(loss) in period	357	(59)
- Tax on defined benefit pension scheme remeasurement (gain)/losses	(44)	7
	313	(52)
<i>Items that may be reclassified subsequently to profit or loss</i>		
Net changes in cash flow hedge reserve:		
- Fair value loss in period	(17)	(1)
- Tax on cash flow hedge movements	2	-
Currency translation differences	(2)	1
	(17)	-
Other comprehensive income/(expense), net of tax	296	(52)
Total comprehensive income for the financial period	315	12
Attributable to:		
Equity holders of the parent	403	11
Non-controlling interests	(88)	1
	315	12

eircom Holdings (Ireland) Limited

Consolidated Balance Sheet – unaudited As at 30 September 2023

	Notes	31 Dec 2022	30 Sept 2023
		€m	€m
Assets			
Non-current assets			
Goodwill		235	235
Other intangible assets		195	240
Property, plant and equipment		1,301	1,297
Right of use assets		369	358
Retirement benefit asset	11	716	677
Derivative financial instruments		17	12
Deferred tax assets		2	1
Other assets		13	13
		2,848	2,833
Current assets			
Inventories		37	46
Trade and other receivables	8	195	198
Contract assets		25	23
Derivative financial instruments		7	11
Restricted cash		56	1
Cash and cash equivalents		507	97
		827	376
Total assets		3,675	3,209
Liabilities			
Non-current liabilities			
Borrowings	9	2,945	2,832
Lease liabilities	10	572	555
Trade and other payables		29	24
Deferred tax liabilities		109	96
Provisions for other liabilities and charges	12	87	82
		3,742	3,589
Current liabilities			
Lease liabilities	10	58	58
Trade and other payables		518	437
Provisions for other liabilities and charges	12	36	29
		612	524
Total liabilities		4,354	4,113
Equity			
Equity share capital		-	-
Capital contribution		62	62
Cash flow hedging reserve		11	10
Retained loss		(1,302)	(1,490)
Equity attributable to equity holders of the parent		(1,229)	(1,418)
Non-controlling interests		550	514
Total equity		(679)	(904)
Total liabilities and equity		3,675	3,209

The accompanying notes form an integral part of the condensed interim financial information.

eircom Holdings (Ireland) Limited

Consolidated cash flow statement – unaudited *For the third quarter ended 30 September 2023*

	30 Sept 2022	30 Sept 2023
	€m	€m
Cash flows from operating activities		
Cash generated from operations	(41)	115
Interest paid	(20)	(34)
Income tax paid	(1)	(1)
Net cash / (used in)/ generated from operating activities	(62)	80
Cash flows from investing activities		
Purchase of property, plant and equipment (PPE)	(79)	(79)
Purchase of intangible assets	(14)	(9)
Net cash used in investing activities	(93)	(88)
Cash flows from financing activities		
Dividends paid to equity shareholder	(500)	(119)
Payment of principal on lease liabilities	(8)	(10)
Proceeds from disposal of subsidiary interest to non-controlling interest	624	-
Proceeds from loan borrowings	765	-
Proceeds from Facility C borrowings	-	30
Repayment on Facility B borrowings	(18)	(8)
Repayment of 3.5% Senior Secured Notes	(60)	-
Repayment of 1.75% Senior Secured Notes	(1)	-
Repayment of 2.625% Senior Secured Notes	(8)	-
Debt related fees paid in respect of new loan borrowings	(17)	-
Net cash generated from/ (used in) financing activities	777	(107)
Net increase/(decrease) in cash, cash equivalents and bank overdrafts	622	(115)
Cash, cash equivalents and bank overdrafts at beginning of period	37	212
Cash, cash equivalents and bank overdrafts at end of period	659	97

eircom Holdings (Ireland) Limited

Consolidated cash flow statement – unaudited *For the nine-month period ended 30 September 2023*

	Notes	30 Sept 2022	30 Sept 2023
		€m	€m
Cash flows from operating activities			
Cash generated from operations	13	215	325
Interest received		-	4
Interest paid		(71)	(111)
Income tax paid		(25)	(18)
Net cash generated from operating activities		119	200
Cash flows from investing activities			
Disposal of joint venture		76	-
Purchase of property, plant and equipment (PPE)		(180)	(210)
Purchase of intangible assets		(39)	(79)
Proceeds from sale of PPE assets		-	17
Restricted cash		(55)	55
Net cash used in investing activities		(198)	(217)
Cash flows from financing activities			
Dividends paid to equity shareholder		(800)	(237)
Payment of principal on lease liabilities		(34)	(44)
Proceeds from disposal of subsidiary interest to non-controlling interest		624	-
Proceeds from loan borrowings		765	-
Proceeds from Facility C borrowings		-	45
Repayment on Facility B borrowings		(18)	(89)
Repayment of 3.5% Senior Secured Notes		(60)	(36)
Repayment of 1.75% Senior Secured Notes		(1)	(32)
Repayment of 2.625% Senior Secured Notes		(8)	-
Debt related fees paid in respect of new loan borrowings		(17)	-
Net cash generated from/ (used in) financing activities		451	(393)
Net increase/(decrease) in cash, cash equivalents and bank overdrafts		372	(410)
Cash, cash equivalents and bank overdrafts at beginning of period		287	507
Cash, cash equivalents and bank overdrafts at end of period		659	97

The accompanying notes form an integral part of the condensed interim financial information.

eircom Holdings (Ireland) Limited

Consolidated statement of changes in shareholders' equity – unaudited *For the nine-month period ended 30 September 2023*

	Attributable to the equity holders of the parent				Non-	Total
	Equity share capital €m	Capital contribution €m	Cash flow hedging reserve €m	Retained loss €m	controlling interests €m	equity €m
Balance at 31 December 2021	-	62	-	(956)	-	(894)
Profit/(loss) for the nine month period	-	-	-	100	(81)	19
Defined benefit pension scheme remeasurement gain	-	-	-	357	-	357
Tax on defined benefit pension scheme remeasurement gain	-	-	-	(44)	-	(44)
Cash flow hedge fair value loss in period	-	-	(9)	-	(8)	(17)
Tax on cash flow hedge movements	-	-	1	-	1	2
Currency translation differences	-	-	-	(2)	-	(2)
Total comprehensive (expense)/income	-	-	(8)	411	(88)	315
Non-controlling interests arising on a business combination	-	-	-	-	624	624
Dividends relating to equity shareholder	-	-	-	(800)	-	(800)
Balance at 30 September 2022	-	62	(8)	(1,345)	536	(755)
Balance at 31 December 2022	-	62	11	(1,302)	550	(679)
Profit for the period	-	-	-	63	1	64
Defined benefit pension scheme remeasurement loss	-	-	-	(59)	-	(59)
Tax on defined benefit pension scheme remeasurement loss	-	-	-	7	-	7
Cash flow hedge fair value loss in period	-	-	(1)	-	-	(1)
Currency translation differences	-	-	-	1	-	1
Total comprehensive (expense)/income	-	-	(1)	12	1	12
Dividends relating to equity shareholder	-	-	-	(200)	(37)	(237)
Balance at 30 September 2023	-	62	10	(1,490)	514	(904)

The accompanying notes form an integral part of the condensed interim financial information.

eircom Holdings (Ireland) Limited

Selected notes to the condensed interim financial information – unaudited

1. General information

eircom Holdings (Ireland) Limited ("the company" or "EHIL") and its subsidiaries together ("the group" or "eircom Holdings (Ireland) Limited group" or "EHIL Group"), provide fixed line and mobile telecommunications services in Ireland.

This condensed consolidated interim financial information was approved for issue on 23 November 2023.

2. Basis of preparation

This financial information has been prepared to make available certain unaudited condensed consolidated financial information to the holders of the group's Senior Secured Notes. Accordingly, the group has not prepared this financial information in accordance with IAS 34 – "Interim Financial Information" and has not carried out an impairment review of the carrying value of goodwill and other non-current assets as at 30 September 2023.

This condensed interim financial information has been prepared on the going concern basis, which assumes that eircom Holdings (Ireland) Limited will continue in operational existence for the foreseeable future.

The financial information, as at and for the period ended 30 September 2023, in respect of the group has been prepared using the same accounting policies as applied for the year ended 31 December 2022. For a more complete discussion of our significant accounting policies and other information, including our critical accounting judgements and estimates, this report should be read in conjunction with the financial statements of EHIL for the year ended 31 December 2022.

eircom Holdings (Ireland) Limited

Selected notes to the condensed interim financial information – unaudited (continued)

3. Segment information

The group provides communications services, principally in Ireland. The group is organised into two main operating segments: fixed line and mobile.

The segment results for the nine-month period ended 30 September 2023 are as follows:

	Fixed line €m	Mobile €m	Inter-segment €m	Reported €m	Adjusted €m	Statutory €m
Revenue	707	258	(28)	937	-	937
EBITDA *	347	108	-	455	-	455
Non-cash lease fair value credits	1	-	-	1	-	1
Management charge	(5)	-	-	(5)	-	(5)
Amortisation	(17)	(18)	-	(35)	-	(35)
Depreciation of PPE	(158)	(26)	-	(184)	-	(184)
Depreciation of right of use assets	(13)	(25)	-	(38)	-	(38)
Exceptional items	(34)	5	-	(29)	-	(29)
Profit on disposal of property, plant and equipment	7	-	-	7	-	7
Operating profit	128	44	-	172	-	172

The segment results for the nine-month period ended 30 September 2022 are as follows:

	Fixed line €m	Mobile €m	Inter-segment €m	Reported* €m	Adjusted €m	Statutory* €m
Revenue	698	230	(28)	900	(4)	896
EBITDA **	375	99	-	474	(2)	472
Non-cash lease fair value credits	1	-	-	1	-	1
Non-cash pension charges	(3)	-	-	(3)	-	(3)
Management charge	(5)	-	-	(5)	-	(5)
Amortisation	(17)	(14)	-	(31)	-	(31)
Depreciation of PPE	(162)	(23)	-	(185)	1	(184)
Depreciation of right of use assets	(13)	(24)	-	(37)	-	(37)
Exceptional items	(161)	(4)	-	(165)	-	(165)
Exceptional gain on exit from joint venture	68	-	-	68	-	68
Operating profit	83	34	-	117	(1)	116

* EBITDA is earnings before interest, taxation, amortisation, depreciation of property, plant & equipment and right of use assets, non-cash pension charges, management charge and exceptional items.

** Reported EBITDA includes the results of the group's joint ventures on a proportionate basis. The statutory basis includes the results of the group's joint ventures using the equity accounting basis rather than on a proportionate consolidation basis.

eircom Holdings (Ireland) Limited

Selected notes to the condensed interim financial information – unaudited (continued)

4. Exceptional items

	30 Sept 2022 €m	30 Sept 2023 €m
Restructuring programme costs	12	14
Covid-19 related costs	1	-
Strategic review and other related costs	144	2
Group re-organisation costs	3	2
Other exceptional items	5	11
	165	29

The group has adopted an income statement format which seeks to highlight significant items within group results for the period. The group believe that this presentation provides additional analysis as it highlights significant or one-off items. Judgement is used by the group in assessing the particular items, which by virtue of their scale and nature are disclosed in the group income statement and related notes as exceptional items.

Restructuring programme costs

The group included an exceptional charge of €14 million (30 September 2022: €12 million) for restructuring programme costs in respect of staff that had committed to exiting the business in the period ended 30 September 2023.

No provision has been included in respect of future staff exits not committed at 30 September 2023, and any further costs will be charged to the income statement and impact cash flows in future periods.

Covid-19 related costs

The group included an additional charge of €1 million for the cost impact of the Covid-19 pandemic, mainly due to staff costs and the purchase of Personal Protective Equipment (PPE), in the period ended 30 September 2022.

Strategic review and other related costs

The group incurred costs of €2 million for various projects in relation to the corporate group structure in the period ended 30 September 2023.

The group recognised an exceptional charge of €144 million for strategic related costs; which is mainly stamp duty of €138 million that was paid to the Irish Revenue (tax authority) following the sale of the fibre business and assets to the group's subsidiary with InfraVia, Fibre Network Ireland Limited. The group also incurred various other costs in relation to the corporate group structure in the period ended 30 September 2022.

Group re-organisation costs

The group included an exceptional charge of €2 million (30 September 2022: €3 million) for re-organisation costs in the period ended 30 September 2023.

Other exceptional items

During the period ended 30 September 2023, the group recognised an exceptional charge of €11 million (30 September 2022: €5 million) in respect of legal and other related matters.

5. Exceptional gain on exit from joint venture

	30 Sept 2022 €m	30 Sept 2023 €m
Disposal consideration	76	-
Net assets disposed	(8)	-
	68	-

In March 2022, the group completed the sale of its majority stake in Tetra Ireland Communications Limited, a provider of secure communications for use by emergency services and non-commercial public bodies.

eircom Holdings (Ireland) Limited

Selected notes to the condensed interim financial information – unaudited (continued)

6. Finance costs – net

	30 Sept 2022 €m	30 Sept 2023 €m
(a) Finance costs:		
Interest payable on bank loans and other debts	63	98
Net interest cost on net pension asset	(3)	(22)
Amortisation of debt issue costs and debt fees	3	2
Interest on lease liabilities	19	22
Other	(1)	1
	81	101
(b) Finance income:		
Interest income	-	(4)
Discount on redemption of Senior Secured Notes	(8)	(2)
Gain on extinguishment of debt	(1)	(2)
	(9)	(8)
Finance costs – net	72	93

The group prepaid €91 million of the principal amount of the Facility B borrowings for cash of €89 million during the period ended 30 September 2023 which resulted in a gain on extinguishment of debt of €2 million. This is the difference between the fair value of the consideration paid to extinguish the liability and the carrying value of the liability at that date.

Also during the period ended 30 September 2023, the group redeemed €38 million of the 3.5% Senior Secured Notes due 2026 and €32 million of the 1.75% Senior Secured Notes due 2024. In total, the group repurchased €70 million of the principal amount of the Senior Secured Notes for cash of €68 million resulting in a gain of €2 million and this is included in the income statement as discount on redemption of Senior Secured Notes.

Interest on FNI Facility B borrowings for the period ended 30 September 2023 was €27 million (30 September 2022: €5 million). This is included in “Interest payable on bank loans and other debt”.

7. Income tax charge

The tax on the group’s profit before tax differs from the amount that would arise using the tax rate applicable to the profit of the group as follows: -

	30 Sept 2022 €m	30 Sept 2023 €m
Profit before tax	45	79
Tax calculated at Irish standard tax rate of 12.5%	6	10
Effects of:-		
Non-deductible expenses	24	2
Income taxable at higher rate	1	3
Income not subject to taxation	(9)	-
Utilisation/creation of losses	5	-
Adjustments in respect of prior periods	(1)	-
Tax charge for the period	26	15

8. Trade and other receivables

During the period ended 30 September 2023, the group recognised a provision for impaired receivables of €7 million (30 September 2022: €5 million) and utilised provisions for impaired receivables of €11 million (30 September 2022: €2 million). The creation and reversal of provisions for impaired receivables have been included in “operating costs” in the income statement.

eircom Holdings (Ireland) Limited

Selected notes to the condensed interim financial information – unaudited (continued)

9. Borrowings

The maturity profile of the carrying amount of the group's borrowings is set out below.

	Within 1 Year €m	Between 1 & 2 Years €m	Between 2 & 5 Years €m	After 5 Years €m	Total €m
As at 30 September 2023					
Bank borrowings - Facility B	-	-	959	-	959
Debt fees	-	-	(3)	-	(3)
	-	-	956	-	956
Bank borrowings - Facility B (FNI)	-	-	-	765	765
Debt fees	-	-	-	(15)	(15)
	-	-	-	750	750
3.5% Senior Secured Notes due 2026	-	-	552	-	552
1.75% Senior Secured Notes due 2024	-	248	-	-	248
2.625% Senior Secured Notes due 2027	-	-	281	-	281
	-	248	833	-	1,081
Bank borrowings - Facility C (FNI)	-	-	-	45	45
	-	248	1,789	795	2,832
As at 31 December 2022					
Bank borrowings (Facility B)	-	-	1,050	-	1,050
Debt fees	-	-	(5)	-	(5)
	-	-	1,045	-	1,045
Bank borrowings (FNI Facility B)	-	-	-	765	765
Debt fees	-	-	-	(16)	(16)
	-	-	-	749	749
3.5% Senior Secured Notes due 2026	-	-	590	-	590
1.75% Senior Secured Notes due 2024	-	280	-	-	280
2.625% Senior Secured Notes due 2027	-	-	281	-	281
	-	280	871	-	1,151
	-	280	1,916	749	2,945

At 30 September 2023, the group has Senior Bank borrowings of €959 million with a maturity date of 15 May 2026 and Senior Secured Notes of €552 million with a maturity date of 15 May 2026, €248 million with a maturity date of 1 November 2024 and €281 million with a maturity date of 15 February 2027.

At 30 September 2023, the group has a €50 million revolving credit facility, which was undrawn at 30 September 2023.

At 30 September 2023, Fibre Networks Ireland Limited ("FNI"), the group's subsidiary with InfraVia, has Facility B borrowings of €765 million, with a maturity date of 30 June 2029. FNI also has a Facility C commitment of €200 million, with €45 million drawn down at 30 September 2023, and a revolving credit facility of €35 million, which is undrawn at 30 September 2023.

Interest accrued on borrowings at 30 September 2023 is €19 million (31 December 2022: €10 million). This is included in trade and other payables.

eircom Holdings (Ireland) Limited

Selected notes to the condensed interim financial information – unaudited (continued)

10. Lease liabilities

The carrying amounts of lease liabilities and the movements during the period are set out below:

	31 Dec 2022 €m	30 Sept 2023 €m
At beginning of period 1 January	627	630
Additions	52	12
Modifications	1	17
Disposals	(3)	(2)
Interest	26	22
Payments	(73)	(66)
	630	613
Non-current	572	555
Current	58	58
	630	613

11. Pensions

The group's pension commitments are funded through separately administered Superannuation Schemes and are principally of a defined benefit nature. The group undertakes a full review of the retirement benefit liability at each quarter end in accordance with IAS 19 (Revised). The balance sheet presented as at 30 September 2023 reflects the IAS 19 (Revised) surplus of €677 million as at 30 September 2023.

Pension scheme obligation

The status of the principal scheme at 30 September 2023 is as follows:

	31 Dec 2022 €m	30 Sept 2023 €m
Present value of funded obligations	(3,151)	(2,987)
Fair value of scheme assets	3,867	3,664
Asset recognised in the Balance Sheet	716	677

Assumptions of actuarial calculations

The main financial assumptions used in the valuations were:

	At 31 Dec 2022	At 30 Sept 2023
Rate of increase in salaries	2.3%	2.3%
Rate of increase in pensions in payment	2.3%	2.3%
Discount rate	4.15%	4.5%
Inflation assumption	2.5%	2.5%
Mortality assumptions – Pensions in payment – Implied life expectancy for 65 year old male	87 years	87 years
Mortality assumptions – Pensions in payment – Implied life expectancy for 65 year old female	89 years	89 years
Mortality assumptions – Future retirements – Implied life expectancy for 65 year old male	90 years	90 years
Mortality assumptions – Future retirements – Implied life expectancy for 65 year old female	91 years	91 years

The above assumptions reflect the imposition of a cap on the increases in pensionable pay to the lower of CPI, salary inflation or agreed fixed annual rates.

eircom Holdings (Ireland) Limited

Selected notes to the condensed interim financial information – unaudited (continued)

12. Provisions for other liabilities and charges

	Onerous Contracts	TIS Annuity Scheme	Asset Retirement Obligations	Deferred Consideration /Completion Scheme	Other	Total
	€m	€m	€m	€m	€m	€m
At 31 December 2022	29	3	51	4	36	123
Charged to consolidated income statement:						
- Additional provisions	-	-	-	-	2	2
- Unused amounts reversed	-	-	-	-	(1)	(1)
Utilised in the financial period	(4)	-	(1)	(4)	(4)	(13)
At 30 September 2023	25	3	50	-	33	111

Provisions have been analysed between non-current and current as follows:

	31 Dec 2022	30 Sept 2023
	€m	€m
Non-current	87	82
Current	36	29
	123	111

13. Cash generated from operations

	30 Sept 2022	30 Sept 2023
	€m	€m
Profit after tax	19	64
Add back:		
Income tax charge	26	15
Share of profit of joint venture	(1)	-
Finance costs – net	72	93
Operating profit	116	172
Adjustments for:		
- Gain on exit from joint venture	(68)	-
- Profit on disposal of property, plant and equipment	-	(7)
- Depreciation and amortisation	252	257
- Non-cash lease fair value credits	(1)	(1)
- Non cash retirement benefit charge/(credit)	3	-
- Management charge	5	5
- Restructuring programme costs	12	14
- Non cash exceptional items	(2)	(2)
- Other non-cash movements in provisions	4	1
Cash flows relating to restructuring and provisions	(27)	(45)
Changes in working capital		
Inventories	(8)	(9)
Trade and other receivables	(18)	(5)
Trade and other payables	(53)	(55)
Cash generated from operations	215	325

eircom Holdings (Ireland) Limited

Selected notes to the condensed interim financial information – unaudited (continued)

14. Post Balance Sheet Events

There have been no significant events affecting the group since the period ended 30 September 2023.

15. Contingent liabilities

There have been no material changes in our contingent liabilities since the publication of the financial statements of EHIL in the bondholder's report for the year ended 31 December 2022.

16. Guarantees

There have been no material changes in our credit guarantees since the publication of the financial statements of EHIL in the bondholder's report for the year ended 31 December 2022.

17. Seasonality

Fixed line

The group does not believe that seasonality has a material impact on our fixed line business.

Mobile

The group's mobile business tends to experience an increase in sales volumes in the weeks approaching Christmas due to the seasonal nature of its retail business. The group's mobile business experiences significant postpay and prepay subscriber growth and related costs of handset subsidies and commissions in November and December. Visitor roaming revenues are also seasonally significant because Ireland is a popular tourist destination during the summer months.

18. Commitments

The group's capital contractual obligations and commitment payments were €68 million at 30 September 2023 (31 December 2022: €62 million).

19. Related party transactions

There have been no material changes in our related party transactions since the publication of the financial statements of EHIL in the bondholder's report for the year ended 31 December 2022.

Management discussion and analysis on results of operations for the six months ended 30 September 2023

The amounts and commentary presented in the management discussion below include the results of the group's joint venture in Tetra Ireland Communications Limited ("Tetra") on a proportionate consolidation basis. In accordance with IFRS 11 'Joint Arrangements' the EHIL consolidated financial statements applies the equity method of accounting for the investment in Tetra. This applies for all periods ended to the 31 March 2022 when eir's shareholding in the entity was sold.

Revenue

The following table shows a segmental split of revenues for the period from our fixed line and mobile businesses:

	For the nine months ended		
	30 Sep 2022	30 Sep 2023	% Change
	(unaudited)	(unaudited)	
	€m	€m	
Fixed line services and other revenue	698	707	1%
Mobile services revenue	230	258	12%
Total segmental revenue	928	965	4%
Intracompany eliminations	(28)	(28)	1%
Total revenue	900	937	4%

Reported group revenue of €937 million for the nine months to September 2023 increased by 4% or €37 million year on year. The fixed line revenue increased by €9 million. Mobile revenue increased by 12% or €28 million.

Fixed line services and other revenue

The following table shows revenue from the fixed line segment, analysed by major products and services, and the percentage change for each category, for the periods indicated:

	For the nine months ended		
	30 Sep 2022	30 Sep 2023	% Change
	(unaudited)	(unaudited)	
	€m	€m	
Access (Rental and Connections)	296	261	(12%)
Voice Traffic (including Foreign Inpayments)	127	146	15%
Data Services	85	90	7%
Subsidiaries and Other	190	210	10%
Total fixed line services and other revenue	698	707	1%

Total fixed line services and other revenue for the nine months to September 2023 (before intra company eliminations) increased by 1% or €9 million year on year. The increase was driven by the increase in voice traffic of 15% and an increase in data services revenue of 7% while other products and services revenue increased 10% year on year, driven by an increase in Evros revenue and NBP access revenue.

eircom Holdings (Ireland) Limited

Access (rental and connections)

The following table shows rental, connection and other charges and the percentage changes for the periods indicated:

	For the nine months ended		
	30 Sep 2022	30 Sep 2023	% Change
	(unaudited)	(unaudited)	
Access revenue	€m	€m	
Retail PSTN/ISDN rental and connection	121	109	(10%)
Wholesale PSTN/ISDN/LLU rental and connection	59	48	(19%)
Broadband rental and connection	116	104	(10%)
Total access revenue	296	261	(12%)
Access paths	‘000	‘000	
Retail Access Lines	563	566	1%
Wholesale Access Lines	339	260	(23%)
Wholesale LLU	1	1	-
SABB	314	351	12%
Total PSTN/ISDN/LLU/SABB	1,217	1,178	(3%)
Broadband and Bitstream	‘000	‘000	
Retail Broadband	438	455	4%
Wholesale Broadband	519	492	(5%)
Total Broadband (including SABB)	957	947	(1%)

Access revenue of €261 million for the nine months to September 2023 decreased by 12% or €35 million year on year.

Retail access revenue declined by 10%, primarily due to declines in PSTN and ISDN lines. Retail access lines of 566,000 increased 1% year on year.

Wholesale access revenue declined by 19%, primarily due to a decline in wholesale access lines. Wholesale access lines of 260,000 declined by 23% year on year.

Broadband revenue declined by 10%. The Group broadband base of 947,000 as at the end of September 2023 decreased by 1% or 10,000 customers year on year. Retail broadband customers of 455,000 increased by 4%, while the wholesale broadband base of 492,000 declined by 5%.

eir are committed to growing its broadband reach and have invested in a multi-year programme to rollout Fibre to the Home (FTTH) to 2.1 million premises giving customers reliable and uncongested speeds of up to 1000mbs. 1.1m premises are passed at the end of September 2023 with FTTH, up 22% or 205,000 year on year. The Group fibre base increased by 20,000 customers or 2% year on year to 860,000 at the end of September 2023, with FTTH connections driving growth.

eircom Holdings (Ireland) Limited

Voice Traffic

The following table shows total traffic revenue and volumes and the percentage changes for the periods indicated:

	For the nine months ended		
	30 Sep 2022	30 Sep 2023	% Change
	(unaudited)	(unaudited)	
	€m	€m	
Voice traffic revenue			
Retail	109	130	19%
Wholesale (including Foreign Inpayments)	18	16	(10%)
Total voice traffic revenue	127	146	15%
Voice traffic minutes (in millions of minutes, except percentages)			
Retail	472	328	(31%)
Wholesale (including Foreign Traffic Minutes)	1,872	1,499	(20%)
Total voice traffic minutes	2,344	1,827	(23%)

Group voice traffic revenue for the nine months to September 2023 increased by 15% or €19 million year on year. Retail voice traffic revenue increased by 19%, notwithstanding a 31% decline in retail traffic minutes, wholesale voice traffic revenue decreased by 10% and minutes decreased by 20% year on year.

Data communications

The following table shows information relating to revenue from data communications products and services and the percentage change for the periods indicated:

	For the nine months ended		
	30 Sep 2022	30 Sep 2023	% Change
	(unaudited)	(unaudited)	
	€m	€m	
Data communications revenue			
Leased lines	49	46	(6%)
Switched data services	7	4	(43%)
Next generation data services	29	40	38%
Total data communications revenue	85	90	6%

Data communications revenue for the nine months to September 2023 increased by 6% or €5 million year on year mainly due to a 38% increase in Next generation data services revenue with leased lines revenue down 6% and switched data services revenue down 43% for the period.

eircom Holdings (Ireland) Limited

Subsidiaries and Other

Other products and services revenue includes our 56% share of revenue from Tetra, eir Evo, our operations in UK/NI, operator services, managed services, data centres and other revenue.

The following table shows information relating to revenue from other products and services, and the percentage change for the periods indicated:

	For the nine months ended		
	30 Sep 2022	30 Sep 2023	% Change
	(unaudited)	(unaudited)	
	€ m	€ m	
Subsidiaries and Other			
eir Evo	79	97	23%
eir UK	8	9	8%
Tetra	5	-	(100%)
Managed services and solutions	28	40	45%
National Broadband Access	19	24	27%
TV and content	10	10	-
Data centre	6	6	-
Other revenue	35	24	(36%)
Subsidiaries and Other Revenue	190	210	10%

Other products and services revenue for the nine months to September 2023 increased by 10% or €20 million year on year. The increase was driven by a €8 million increase in eir Evo revenue mainly due to the large one off sales in March 2023. This was offset by a €5 million decrease in Tetra revenue as a result of the sale of eir shareholding in Tetra in March 2022. eir UK revenues increased by 8% or €1 million year on year. Access rental revenues in supply to the National Broadband Plan (NBP) increased by €5 million or 27% year on year as demand continues to grow. Managed Services and Solutions also increased by €12 million or 45% year on year.

eircom Holdings (Ireland) Limited

Mobile services revenue

The following table shows revenue from Mobile services, analysed by major products and services:

	For the nine months ended		% Change
	30 Sep 2022	30 Sep 2023	
	(unaudited)	(unaudited)	
	€m	€m	
Mobile revenue			
Prepay handset	48	47	-
Postpay handset (incl. M2M)	129	149	16%
Mobile broadband	8	11	30%
Roaming	9	13	42%
Other	36	38	7%
Total mobile revenue	230	258	12%
Mobile subscribers			
Prepay handset customers	334	326	(2%)
Postpay handset customers (incl. M2M)	906	1,011	12%
Mobile broadband customers	55	63	15%
<i>Of which are prepay customers</i>	<i>1</i>	<i>1</i>	-
<i>Of which are postpay customers</i>	<i>54</i>	<i>62</i>	<i>16%</i>
Total mobile subscribers	1,295	1,400	8%

Total mobile revenue for the nine months to 30 September 2023 of €258 million increased by 12% or €28 million year on year.

Prepay handset revenue remained stable year on year, despite an decrease in prepay handset customers of 8,000 which was offset by traffic decline and mix.

Postpay handset revenue increased by 16% or €20 million year on year, primarily driven by an increase in postpay handset (including M2M) subscribers of 12% or 105,000 year on year. GoMo, the Group's SIM only postpay offering, has been the principal driver of the changing subscriber base mix.

Mobile broadband revenue increased by 30%, driven by growth in the mobile broadband base of 15% or 8,000 subscribers. Roaming revenue increased by 42% or €4 million, while other mobile revenue increased by 7% or €2 million.

There were a total of 1,400,000 mobile subscribers as at quarter end, an increase of 8% year on year. The mix of customers continues to improve, with the proportion of postpay customers (including mobile broadband and M2M) of 77% increasing by 3 percentage points year on year, representing an increase of 113,000 net additional postpay subscribers (including mobile broadband and M2M subscribers).

eircom Holdings (Ireland) Limited

Operating costs before amortisation, depreciation and exceptional items

The following table shows information relating to our operating costs before amortisation, depreciation, and exceptional items, and the percentage change for the periods indicated.

	For the nine months ended		
	30 Sep 2022	30 Sep 2023	% Change
	(unaudited)	(unaudited)	
	€m	€m	
Cost of sales			
Foreign outpayments	5	5	-
Interconnect	24	29	21%
Equipment cost of sales	38	42	9%
Subsidiaries (eir Evo, EUK & Tetra)	53	70	33%
Other including TV,NBP, ICT & managed services	52	71	36%
Total cost of sales	172	217	26%
Pay costs			
Wages and salaries and other staff costs	149	148	(1%)
Social welfare costs	12	12	-
Pension cash costs—defined contribution plans	4	4	-
Pension cash costs—defined benefit plans	7	3	(58%)
Pay costs before non-cash pension charge and capitalisation	172	167	(3%)
Capitalised labour	(30)	(31)	2%
Total pay costs before non-cash pension charge	142	136	(4%)
Non pay costs			
Materials and services	9	11	11%
Other network costs	11	12	7%
Accommodation	46	51	11%
Sales and marketing	7	11	45%
Provision for credit losses	5	7	31%
Transport and travel	7	7	-
Customer services	5	5	-
Insurance and compensation	3	3	-
Professional and regulatory fees	3	4	23%
IT costs	12	12	-
Other non-pay costs	4	6	(50%)
Total non-pay costs	112	129	15%
Operating costs before non-cash pension charge, non-cash fair value lease credits, management charge, amortisation, depreciation of PPE, and exceptional items	426	482	13%
Non cash pension charge/(credit)	3	-	(100%)
Non cash fair value lease credits	(1)	(1)	N.M
Management charge	5	5	N.M
Operating costs before amortisation, depreciation of PPE, and exceptional items	433	486	12%

Total operating costs before non-cash pension charge, amortisation, depreciation of PPE, and exceptional items of €486 million for the nine months to September 2023 increased by 12% or €53 million year on year.

Cost of Sales

Cost of sales for the nine months to September 2023 of €217 million increased by 26% or €45 million year on year.

- Foreign outpayments remained stable year on year.
- Equipment costs of sales increased by 9% for the period year on year driven by timing of investment.
- Subsidiaries increased by 33% driven by eir Evo costs relating to large one off sales.
- Other cost of sales increased by 36%, driven mainly by direct handset purchasing and increased NBI costs.

eircom Holdings (Ireland) Limited

Pay costs

Total pay costs before non-cash pension charge of €167 million for the nine months to September 2023 decreased by 3% or €5 million year on year. The decrease is primarily due to reduction in headcount year on year. FTE headcount was 3,344 at quarter end, representing a net decrease 143 FTE year on year.

Total non-pay costs

Total non-pay costs of €129 million for the nine months to September 2023 increased by 15% or €17 million year on year.

- Sales and marketing increased by €4 million due to the commercial decision to drive revenue from marketing investment.
- Accommodation costs increased by 11% or €5 million, due to an increase in rent and facility costs.

The remaining costs for the period were broadly stable year on year.

Non-cash pension charge/ (credit)

The non-cash pension charge represents the difference between the amount of cash contributions that the company has agreed to make to the fund during the period, on an accruals basis, and the accounting charges recognised in operating profit in accordance with IAS 19 (Revised). The IAS 19 (Revised) accounting charge is not aligned with the principles that the company applies in measuring its EBITDA. Therefore the non-cash pension charge is included as an adjustment in the reconciliation of EBITDA to operating profit.

Non-cash lease fair value credits

The non-cash lease fair value credit included in the income statement during the period is in respect of the unfavourable lease fair value adjustment which arose on acquisition of eircom Limited following Examinership. At the date of acquisition, we were required to recognise a liability for the difference between the amount of future rental payments that had been contractually committed to and the market rent that would have been payable if those contracts had been entered into at that date. The liability is released as a credit to the income statement over the period of the relevant leases. The IFRS accounting treatment is not aligned with the principles we apply in measuring our EBITDA. As a result, non-cash lease fair value credit is included as an adjustment to our EBITDA.

Amortisation

Amortisation charges for the nine-month period ended 30 September 2023 were €35 million, which is €4 million higher than the €31 million charge for the corresponding nine-month period ended 30 September 2022. The increase is due to higher amortisation on computer software and 5G licence.

Depreciation of property, plant and equipment

The depreciation charge on property, plant and equipment for the nine-month period ended 30 September 2023 was €184 million, which is €1 million lower than the charge for the corresponding nine-month period ended 30 September 2022 of €185 million (including our share of Tetra). The decrease in depreciation is due to lower depreciation on property and Tetra (due to disposal) and lower fair value depreciation adjustment relating to the acquisition of eircom Limited assets in 2012, partially offset by higher depreciation on mobile assets.

Depreciation of right of use assets

The depreciation charge on right of use assets for the nine-month period ended 30 September 2023 was €38 million, which is €1 million higher than the charge for the corresponding nine-month period ended 30 September 2022 of €37 million. The increase is due to higher depreciation on leased property.

Exceptional costs

The exceptional charge of €29 million in the nine-month period ended 30 September 2023 is mainly due to restructuring programme costs of €14 million and legal and other costs of €11 million. Other exceptional charges included in the period were €2 million for strategic corporate related costs and €2 million for group re-organisation costs.

The exceptional charge in the nine-month period ended 30 September 2022 of €165 million includes €12 million for restructuring programme costs, €144 million for strategic related costs, €3 million for group re-organisation costs, €1 million for Covid-19 related costs and €5 million for other costs in relation to legal matters. The strategic related costs of €144 million is mainly stamp duty of €138 million paid to the Irish Revenue (tax authority) following the sale of the group's fibre business and assets to the group's joint subsidiary with InfraVia, Fibre Network Ireland Limited.

Finance costs (net)

The group's net finance costs for the nine-month period ended 30 September 2023 were €93 million compared to €72 million for the corresponding nine-month period ended 30 September 2022. The increase is mainly due to higher interest costs of €22 million on the Fibre Network Ireland borrowings and €21 million on the Facility B borrowings due 2026 and lower redemption discounts on Senior Secured Notes of €6 million (debt purchased below par) offset by lower pension costs of €19 million and lower interest costs on Senior Secured Notes of €8 million.

Taxation

The tax charge for the nine-month period ended 30 September 2023 was €15 million, compared to the corresponding nine-month period ended 30 September 2022 of €26 million. The decrease is mainly due to lower non-deductible expenses in the current period; the prior year included non-deductible stamp duty on the sale of the fibre business and assets to Fibre Network Ireland Limited.

In the prior year period ended 30 September 2022, the income not subject to taxation of €9 million is in relation to the exceptional gain on the sale of the majority stake in Tetra.

eircom Holdings (Ireland) Limited

Disclaimer and Forward Looking Statements

This document is for information purposes only. It does not constitute or form part of, and should not be construed as an advertisement, an offer or an invitation to subscribe to or to purchase securities of any member of the group nor is the information meant to serve as a basis for any kind of contractual or other obligation. This document does not constitute a prospectus or a prospectus equivalent document.

By reviewing the information in this document you agree to the terms of this disclaimer.

This document should not be treated as giving investment advice. No specific investment objectives, financial situation or particular needs of any recipient have been taken into consideration in connection with the preparation of this document.

This document may include forward-looking statements within the meaning of Section 21E of the US Securities Exchange Act of 1934 and Section 27A of the US Securities Act of 1933 regarding certain of the group's plans and its current goals, intentions, beliefs and expectations concerning, among other things, the group's future results of operation, financial condition, liquidity, prospects, growth, strategies and the industries in which the group operates. These forward looking statements can be identified by the fact that they do not relate only to historical or current facts. Generally, but not always, words such as 'may,' 'could,' 'should,' 'will,' 'expect,' 'intend,' 'estimate,' 'anticipate,' 'assume,' 'believe,' 'plan,' 'seek,' 'continue,' 'target,' 'goal,' 'would', or their negative variations or similar expressions identify forward looking statements. By their nature, forward-looking statements are inherently subject to risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The group cautions you that forward-looking statements are not guarantees of future performance and that its actual results of operations, financial condition and liquidity and the development of the industries in which the group operates may differ materially from those made in or suggested by the forward-looking statements contained in the document. In addition, even if the group's results of operations, financial condition and liquidity and the development of the industries in which the group operates are consistent with the forward-looking statements contained in this document, those results of developments may not be indicative of results or developments in future periods.

The group does not undertake any obligation to review, update or confirm expectations or estimates or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise after the date of this document.

No warranty or representation of any kind, express or implied, is or will be made in relation to, and to the fullest extent permissible by law, no responsibility or liability in contract, tort, or otherwise is or will be accepted by the group any of the group's officers, employees, advisers or agents or any of their affiliates as to the accuracy, completeness or reasonableness of the information contained in this document, including any opinions, forecasts or projections. Nothing in this document shall be deemed to constitute such a representation or warranty or to constitute a recommendation to any person to acquire any Notes or other securities of any member of the group or otherwise become a lender of any member of the group. Any estimates and projections in this document were developed solely for the use of the group at the time at which they were prepared and for limited purposes which may not meet the requirements or objectives of the recipient of this document. Nothing in this document should be considered to be a forecast of future profitability or financial position and none of the information in this document is or is intended to be a profit forecast or profit estimate.

The group and its officers, affiliates, agents, directors, partners and employees accept no liability whatsoever for any loss or damage howsoever arising from any use of this document or its contents or otherwise arising in connection therewith.

The group has not assumed any responsibility for independent verification of any of the information contained herein including, but not limited to, any forward looking statements made herein. In addition, the group assumes no obligation to update or to correct any inaccuracies which may become apparent in this document.

This document has not been approved by any regulatory authority. This document has been prepared by, and is the sole responsibility of, the group and has not been independently verified. All financial and operating information in this document is based on unaudited management information unless otherwise specified.

Other Data

Certain numerical figures set out in this document, including financial data presented in millions or thousands, certain operating data, and percentages describing movements in quarters, have been subject to rounding adjustments and, as a result, the totals of the data in this document may vary slightly from the information presented in this document or the actual arithmetic totals of such information.

eircom Holdings (Ireland) Limited

Notes:

1. Percentage changes have been calculated based on unrounded data rather than on the rounded data presented in these tables. Certain comparative figures have been re-grouped and re-stated where necessary on the same basis as those for the current financial quarter.
 2. Fixed ARPU Calculations:
 - A. We define “Blended consumer fixed ARPU” as the average of the total consumer subscriber revenue divided by the average number of access subscribers (including SABB) in each month. Subscriber revenue is equal to total fixed line consumer revenue excluding revenue from eir Sport and Operator Services.
 - B. We define “WLR PSTN ARPU” as the average of Wholesale PSTN line rental revenue divided by the average number of PSTN WLR access subscribers in each month.
 - C. We define “Bitstream ARPU” as the average of bitstream rental revenue including SABB (recurring revenue) divided by the average number of Wholesale bitstream (including SABB) subscribers in each month.
 - D. We define “the average number of subscribers in the month” as the average of the total number of subscribers at the beginning of the month and the total number of subscribers at the end of the month.
 - E. All Fixed ARPUs are adjusted to reflect the average number of days in a month.
 3. Mobile ARPU Calculations:
 - A. We define “Prepay ARPU” as the measure of the sum of the total prepay mobile subscriber revenue including revenue from incoming traffic in the period divided by the average number of prepay mobile subscribers in the period divided by the number of months in the period.
 - B. We define “Postpay ARPU” as the measure of the sum of the total postpay mobile subscriber revenue including revenue from incoming traffic and handset recovery in a period divided by the average number of postpay mobile subscribers in the period divided by the number of months in the period.
 - C. We define “the average number of mobile subscribers in the period” as the average of the total number of mobile subscribers at the beginning of the year and the total number of mobile subscribers at the end of the year.
 4. N/M - percentage movement is not meaningful.
-