

## eircom Holdings Limited

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### ASX RELEASE

15 December 2009

#### General Shareholder Update

eircom Holdings Limited (ASX: ERC) today provides the following shareholder update, including an operational update for eircom Group Limited (“eircom”), based on eircom’s unaudited November 2009 results.

#### eircom

eircom achieved EBITDA<sup>1</sup> of €109.4 million and revenue of €308.6 million for the two month period of October/November 2009, down on the €109.5 million EBITDA<sup>1</sup> and €335.0 million in revenue achieved in October/November 2008. The October/November results brings year-to-date EBITDA<sup>1</sup> to €278.6 million and year-to-date revenue to €776.6 million, compared with EBITDA<sup>1</sup> of €280.3 million and revenue of €847.7 million for the corresponding period in 2008.

eircom’s EBITDA<sup>1</sup> composition is summarised in the following table:

	<b>Q1-Sep09</b>	<b>Oct/Nov09</b>	<b>vs Oct/Nov 08</b>	<b>Year to Date</b>	<b>vs Prior YTD</b>
Fixed	141.0	93.4	2.4	234.4	0.0
Mobile	28.1	16.0	-2.5	44.2	-1.8
<b>Group</b>	<b>169.1</b>	<b>109.4</b>	<b>-0.1</b>	<b>278.6</b>	<b>-1.7</b>

These results reflect the continued challenging operating and economic environment in Ireland, as well as increased competition. Various short and medium term remediation initiatives to improve cost performance are planned.

Specifically, fixed line EBITDA<sup>1</sup> was impacted by flooding across Ireland causing c.€1.1 million extra overtime costs in November relative to previous months this year. Mobile EBITDA<sup>1</sup> for November includes an additional c.€1 million of discretionary advertising spend in the month and by additional stock shipped into retail channels.

<sup>1</sup> Adjusted EBITDA before management fees, non-cash pension charge, net construction income and profit on disposal on property and investments.

**ERC scheme of arrangement – scheme consideration elections**

ERC shareholders will meet today to consider Emerald Communications (Cayman) SPC's ("ECC") proposal to acquire all of the issued shares in ERC pursuant to a court approved scheme of arrangement and inter-conditional reduction of capital (the "Proposal") that was announced by ERC on 14 September 2009.

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

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 that are set out in the Scheme Booklet being satisfied, 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.

ERC Shareholders who do not make a valid election before the Record Date will be deemed to have elected the Cash Consideration for all 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 in relation to the Scrip Consideration.

ERC Shareholders considering electing the Scrip Consideration 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
- review the eircom Trading Update set out in this announcement; 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.

ERC Shareholders can elect the form of Scheme Consideration they would prefer to receive by completing the Election Form that accompanies the Scheme Booklet and returning it in accordance with the instructions on the Election Form so that it is received by ERC's Registry prior to 7.00 pm on the Record Date. ERC Shareholders may also vary their Scheme Consideration election by lodging a new Election Form in accordance with the instructions on the Election Form prior to 7.00pm on the Record Date.

#### **BBIG Offer Update**

As disclosed in the Scheme Booklet, ECC was required to make an offer to each BBIG Minority Shareholder for ECC, or its nominee, to acquire shares in BBIG on the following terms:

- (i) the consideration for the transfer of any BBIG share pursuant to the BBIG Offer will be \$0.40 multiplied by 0.78348053 per BBIG share;
- (ii) the BBIG Offer will be subject to the following conditions being satisfied (or waived):
  - a. the Scheme becoming Effective; and
  - b. the relevant BBIG Minority Shareholder waiving certain rights under the BBIG shareholders agreement dated 15 August 2006 and agreeing to cease being a party to the BBIG shareholders agreement.

The BBIG Offer has been accepted by BB Capital Holdings who hold 2,002,863 shares, representing 0.8% of the issued capital of BBIG.

Completion of the transfer of BBIG shares under the BBIG Offer to ECC, or its nominee, will occur five Business Days after the Scheme Implementation Date, scheduled for 4 January 2010.

#### **ENDS**

#### **Further Information:**

Andrew Day

Chief Executive Officer

eircom Holdings Limited

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Haydn Vella

Company Secretary

eircom Holdings Limited

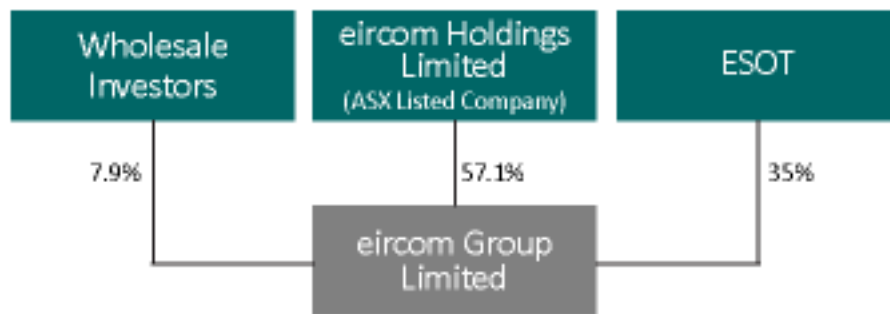
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## eircom Holdings Limited

### ABOUT 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.