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ASX RELEASE

27 May 2009

FINANCIAL ACCOUNTS BCM IRELAND FINANCE LIMITED AND BCM IRELAND PREFERRED EQUITY LIMITED

Please find attached Financial accounts for BCM Ireland Finance Limited ("BCMIF") and BCM Ireland Preferred Equity Limited ("BCMIPE"). BCMIF and BCMIPE are single purpose financing entities in the eircom Holdings / eircom Group corporate structure.

ENDS

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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% or eircom through their share ownership trust, the ESOT, and the remaining 7.9% of eircom is held by other wholesale investors.

ERC owns 100% of Golden Pages, the leading Israeli directories business with a portfolio of complementary directory and search businesses operating across four distribution platforms.

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

BCM Ireland Finance Limited

3rd quarter and nine-month results announcement
31 March 2009

3rd QUARTER AND NINE MONTHS RESULTS ANNOUNCEMENT TO 31 MARCH 2009

Issued Wednesday 27th May 2009: eircom today announced its results for the third quarter and nine month financial period ended 31 March 2009.

Group EBITDA, before non-cash pension credit and net construction income, was €173 million, down €2 million on the corresponding quarter of the prior year. Group revenue was €488 million, down 5% for the quarter.

EBITDA figures are supported by a 17% year on year growth to €35 million from Meteor EBITDA. Meteor revenues, before intra-company eliminations, are €117 million in the period, down 2% on the corresponding period. The slight decline is mostly in the pre-paid segment as a result of lower ARPU. Mobile subscribers are up 5% on the corresponding quarter.

Meteor also launched mobile broadband services on the 3G network in Dublin and Cork during the period. It has performed well since its launch and, up to 24 May 2009, 7,400 customers have signed up for the service.

In the fixed line segment, revenues before intra-company eliminations declined 7% on the corresponding quarter to €385 million for the quarter. Fixed line EBITDA declined 5% on the corresponding quarter to €138 million. eircom added 19,000 DSL broadband customers during the quarter. eircom lost 22,000 Retail PSTN telephone customers in the quarter, compared with 24,000 in the previous quarter.

Capex cash outflow was €270 million for the nine months to 31 March 2009, reflecting our continued commitment to rollout broadband and 3G, and to increase network capacity on both our fixed and mobile networks.

During May 2009 eircom reached a watershed ‘Accord’ with the Unions that at ‘Stage 1, provides for a substantial reduction to eircom’s cost base via a range of initiatives including a pay freeze, reductions in allowances and significant headcount reductions over the period to July 2011. ‘Stage 2’ discussions are underway to agree further cost savings and appropriate remedial measures in respect of eircom’s Defined Benefit pension scheme.

27 May 2009

HIGHLIGHTS FOR THE QUARTER ENDED 31 MARCH 2009

- Group revenue of €488 million, down 5% on the corresponding quarter ended 31 March 2008.
- Group EBITDA, before non-cash pension credit and net construction income, of €173 million, down €2 million on the corresponding quarter of the prior year.
- Fixed line revenue, before intra-company eliminations, of €385 million, down 7% on the corresponding quarter ended 31 March 2008, reflecting reduced ARPUs across key products and bundles, lower traffic and PSTN volumes as well as higher discounts.
- Fixed Line EBITDA of €138 million, down 5% on the corresponding quarter ended 31 March 2008.
- DSL customer net adds of 19,000 for the quarter ended 31 March 2009, down from 25,000 in the quarter to December 2008, and from 37,000 in the quarter to 31 March 2008.
- Net Retail PSTN line losses of 22,000 for the quarter ended 31 March 2009, while WLR lines remained unchanged. This compares to net Retail PSTN line losses of 24,000, offset by 9,000 WLR net gains in the quarter to 31 December 2008, and net Retail PSTN line losses of 7,000, offset by 3,000 WLR net gains in the quarter to 31 March 2008. Retail PSTN lines at 31 March 2009 were 1,242,000 while WLR lines were 317,000.
- Meteor revenue, before intra-company eliminations, of €117 million, down 2% on the corresponding quarter in the prior year, mainly in the pre-paid segment which was impacted by lower ARPU, partially offset by subscriber growth.
- Meteor EBITDA of €35 million for the quarter ended 31 March 2009, 17% higher than in the corresponding quarter ended 31 March 2008.
- Mobile subscriber net losses of 8,000 in the quarter, compared with net adds of 13,000 in the corresponding prior year quarter.

HIGHLIGHTS FOR THE NINE-MONTH PERIOD ENDED 31 MARCH 2009

- Group revenue of €1,518 million, down 2% compared with the nine months ended 31 March 2008.
- Group EBITDA, before non-cash pension credit, net construction income and profit on disposal of property and investments, of €506 million, down 3% on the corresponding nine-month period in the prior year.
- Fixed line revenue, before intra-company eliminations, of €1,191 million, down 4% on the nine months ended 31 March 2008, as a result of reduced ARPUs across key products and bundles, lower traffic and PSTN volumes as well as higher discounts.
- Fixed line EBITDA of €414 million in the nine months to 31 March 2009, down 5% on the corresponding prior year period.
- DSL customers increased to 658,000 at 31 March 2009, up 87,000 compared with 31 March 2008. Retail DSL subscribers at 31 March 2009 stood at 472,000.
- Net Retail PSTN line losses of 78,000, partially offset by 20,000 WLR PSTN net gains since 31 March 2008.
- Meteor revenue, before intra-company eliminations, of €372 million, up 4% on the corresponding nine months to 31 March 2008 due to subscriber growth, offset by a decline in ARPU.
- Meteor EBITDA of €92 million for the nine months to 31 March 2009, up 10% from €84 million for the corresponding prior period.
- Total Meteor subscribers, including Mobile Broadband, of 1,024,000 as of 31 March 2009, up 49,000 from 975,000 subscribers at 31 March 2008. Post paid subscribers stood at 131,000, up 9% on 31 March 2008.
- Average monthly Meteor blended ARPU of €37.52 for the nine-month period to 31 March 2009, down 6% compared with prior year, due mainly to the increased number of promotions in the year, and lower activity.

- Capex cash outflow of €270 million in the nine-month period, as we continue to focus on increasing fixed and mobile network capacity, rolling out broadband, developing our Next Generation and 3G Networks, and the roll out of the Tetra Digital Radio Network.
- Net debt stood at €3,355 million at 31 March 2009, down €111 million since 30 June 2008. Cash on hand was €243 million, after payment of interest and capital in March 2009.
- Goodwill impairment of €720 million and pension scheme deficit of €433 million previously reported at 31 December 2008. No assessments have been undertaken since 31 December 2008.

BCM Ireland Finance Limited

Financial Highlights

	Quarter ended March 2008 €'m	Quarter ended March 2009 €'m	% Change[1]	9 months ended March 2008 €'m	9 months ended March 2009 €'m	% Change[1]
Revenue	515	488	(5)	1,549	1,518	(2)
EBITDA before, non-cash pension credit, net construction income and profit on disposal of property and investments	175	173	(1)	521	506	(3)
Operating profit/(loss) before, non-cash pension credit, net construction income and profit on disposal of property and investments	70	66	(6)	218	(519)	N/r
Group operating profit/(loss)	95	69	(27)	369	(506)	N/r

*N/r - Not Relevant

Operational Highlights

	Quarter ended March 2008	Quarter ended March 2009	% Change[1]	9 months ended March 2008	9 months ended March 2009	% Change[1]
Fixed line services:						
Period-end total access channels (including DSL) (thousands)				2,601	2,627	1
Period end DSL lines (thousands)				571	658	15
Retail voice traffic minutes (millions)	1,441	1,295	(10)	4,295	3,960	(8)
Retail data traffic minutes (millions)	473	246	(48)	1,595	869	(46)
Wholesale interconnect minutes (millions)	2,367	2,181	(8)	7,097	6,829	(4)
Period-end headcount (excluding agency)				6,549	6,367	(3)
Mobile services:						
Period-end total mobile subscribers (thousands)				975	1,024	5
Period-end headcount for mobile services (excluding agency)				811	789	(3)

Key Ratios

	Quarter ended March 2008 %[1]	Quarter ended March 2009 %[1]	9 months ended March 2008 %[1]	9 months ended March 2009 %[1]
EBITDA margin before non-cash pension charge, net construction income and profit on disposal of property and investments	34	35	34	33
Operating profit margin before non-cash pension charge, net construction income and profit on disposal of property and investments	14	14	14	(34)
Operating profit margin	18	14	24	(33)

BCM Ireland Finance Limited

Reconciliation of earnings before interest, taxation, depreciation, amortisation, impairment, non-cash pension credit, net construction income and profit on disposal of property and investments to operating profit

	Quarter ended March 2008 €'m	Quarter ended March 2009 €'m	Nine months ended March 2008 €'m	Nine months ended March 2009 €'m
Operating profit/(loss)	95	**69**	369	**(506)**
Profit on disposal of property and investments	-	**-**	(78)	**-**
Net construction income	(12)	**-**	(34)	**(6)**
Non-cash pension credit	(13)	**(3)**	(39)	**(7)**
Operating profit/(loss) before non-cash pension credit, net construction income and profit on disposal of property and investments	70	**66**	218	**(519)**
Depreciation	84	**85**	242	**243**
Amortisation	21	**22**	61	**62**
Goodwill impairment	-	**-**	-	**720**
EBITDA before non-cash pension credit, net construction income and profit on disposal of property and investments	175	**173**	521	**506**

EBITDA before non-cash pension credit, net construction income and profit on disposal of property and investments is split as follows:

Fixed line	145	**138**	437	**414**
Mobile	30	**35**	84	**92**
	175	**173**	521	**506**

BCM Ireland Finance Limited

Consolidated Income Statement - unaudited
For the Quarter ended 31 March 2009

	31 March 2008	31 March 2009
	€'m	€'m
Revenue	515	**488**
Operating costs excluding amortisation and depreciation	(327)	**(312)**
Amortisation	(21)	**(22)**
Depreciation	(84)	**(85)**
Net construction income	12	**-**
Operating profit	95	**69**
Finance costs	(71)	**(78)**
Finance income	5	**1**
Finance costs – net	(66)	**(77)**
Profit/(loss) before tax	29	**(8)**
Income tax charge	(3)	**(9)**
Profit/(loss) for the period	26	**(17)**

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

BCM Ireland Finance Limited

Consolidated Income Statement - unaudited
For the nine-month period ended 31 March 2009

	Notes	31 March 2008	31 March 2009
		€'m	€'m
Revenue	3	1,549	**1,518**
Operating costs excluding amortisation, depreciation and impairment		(989)	**(1,005)**
Amortisation		(61)	**(62)**
Depreciation		(242)	**(243)**
Net construction income		34	**6**
Profit on disposal of property and investments		78	**-**
Goodwill impairment	6	-	**(720)**
Operating profit/(loss)	3	369	**(506)**
Finance costs		(209)	**(304)**
Finance income		9	**9**
Finance costs – net	4	(200)	**(295)**
Share of profit of associates		-	**2**
Profit/(loss) before tax		169	**(799)**
Income tax charge	5	(18)	**(17)**
Profit/(loss) for the period		151	**(816)**

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

BCM Ireland Finance Limited

Consolidated Balance Sheet - unaudited
As at 31 March 2009

	Notes	30 June 2008	31 March 2009
		€'m	€'m
Assets			
Non-current assets			
Goodwill	6	2,342	**1,622**
Other intangible assets		740	**707**
Property, plant and equipment		2,161	**2,139**
Derivative financial instruments		89	**-**
Deferred tax assets		20	**15**
Other assets		25	**24**
		5,377	**4,507**
Current assets			
Inventories		13	**15**
Trade and other receivables	7	504	**358**
Receivables due from group undertakings and related parties		6	**7**
Financial assets at fair value through income statement		30	**12**
Other assets		26	**4**
Restricted cash		10	**10**
Cash and cash equivalents		358	**243**
		947	**649**
Total assets		6,324	**5,156**
Liabilities			
Non-current liabilities			
Borrowings	8	3,570	**3,566**
Derivative financial instruments		-	**77**
Trade and other payables		50	**52**
Deferred tax liabilities		254	**225**
Retirement benefit liability	9	113	**106**
Provisions for other liabilities and charges	10	183	**187**
		4,170	**4,213**
Current liabilities			
Borrowings	8	254	**32**
Derivative financial instruments		-	**81**
Trade and other payables		790	**638**
Inter-company payables to group undertakings		18	**25**
Current tax liabilities		43	**56**
Provisions for other liabilities and charges	10	78	**75**
		1,183	**907**
Total liabilities		5,353	**5,120**
Equity			
Equity share capital		2	**2**
Share premium account		861	**861**
Revaluation reserve		3	**3**
Cash flow hedging reserve		63	**(56)**
Retained profit/(loss)		42	**(774)**
Total equity		971	**36**
Total liabilities and equity		6,324	**5,156**

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

BCM Ireland Finance Limited

Consolidated cash flow statement - unaudited
For the Quarter ended 31 March 2009

	31 March 2008	31 March 2009
	€'m	€'m
Cash flows from operating activities		
Cash generated from operations	131	**128**
Interest received	5	**1**
Interest paid	(115)	**(84)**
Income tax refund	2	**-**
Income tax paid	-	**(2)**
Dividends paid to preference shareholders	(2)	**(1)**
Net cash generated from operating activities	21	**42**
Cash flows from investing activities		
Purchase of property, plant and equipment (PPE)	(57)	**(63)**
Proceeds from sale of PPE and investments (net of expenses)	(2)	**1**
Purchase of intangible assets	(15)	**(10)**
Net cash used in investing activities	(74)	**(72)**
Cash flows from financing activities		
Repayment of borrowings	(19)	**(19)**
Lease payments	(1)	**-**
Proceeds from loan borrowings	12	**9**
Debt issue costs paid	-	**(1)**
Net cash used in financing activities	(8)	**(11)**
Net decrease in cash, cash equivalents and bank overdrafts	(61)	**(41)**
Cash, cash equivalents and bank overdrafts at beginning of period	342	**284**
Cash, cash equivalents and bank overdrafts at end of period	281	**243**

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

BCM Ireland Finance Limited

Consolidated cash flow statement - unaudited
For the nine-month period ended 31 March 2009

	Note	31 March 2008	31 March 2009
		€'m	€'m
Cash flows from operating activities			
Cash generated from operations	11	422	**587**
Interest received		9	**10**
Interest paid		(239)	**(230)**
Income tax refund		35	**-**
Income tax paid		-	**(2)**
Dividends paid to preference shareholders		(5)	**(3)**
Net cash generated from operating activities		222	**362**
Cash flows from investing activities			
Dividend received from associate undertaking		-	**2**
Purchase of property, plant and equipment (PPE)		(194)	**(242)**
Proceeds from sale of PPE and investments		154	**4**
Purchase of intangible assets		(35)	**(28)**
Net cash used in investing activities		(75)	**(264)**
Cash flows from financing activities			
Repayment of borrowings		(58)	**(221)**
Lease payments		(4)	**(2)**
Proceeds from loan borrowings		36	**17**
Debt issue costs paid		-	**(1)**
Net cash used in financing activities		(26)	**(207)**
Net increase/(decrease) in cash, cash equivalents and bank overdrafts		121	**(109)**
Cash, cash equivalents and bank overdrafts at beginning of period		160	**352**
Cash, cash equivalents and bank overdrafts at end of period		281	**243**

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

BCM Ireland Finance Limited

Consolidated statement of changes in shareholders' equity – unaudited
For the nine-month period ended 31 March 2009

	Equity share capital €'m	Share premium account €'m	Revaluation €'m	Cash flow hedging reserve €'m	Retained (loss)/ profit €'m	Total equity €'m
Balance at 30 June 2007	**2**	**861**	**3**	**37**	**(130)**	**773**
Currency translation differences	-	-	-	-	(2)	(2)
Cash flow hedge	-	-	-	(33)	-	(33)
Net expense recognised directly in equity	-	-	-	(33)	(2)	(35)
Profit for the period	-	-	-	-	151	151
Total recognised (expense)/income for the period	-	-	-	(33)	149	116
Balance at 31 March 2008	**2**	**861**	**3**	**4**	**19**	**889**
Balance at 30 June 2008	**2**	**861**	**3**	**63**	**42**	**971**
Cash flow hedge:						
- Fair value loss in period	-	-	-	(119)	-	(119)
- Tax on fair value loss	-	-	-	26	-	26
- Transfer to income statement	-	-	-	(26)	-	(26)
Net expense recognised directly in equity	-	-	-	(119)	-	(119)
Loss for the period	-	-	-	-	(816)	(816)
Total recognised expense for the period	-	-	-	(119)	(816)	(935)
Balance at 31 March 2009	**2**	**861**	**3**	**(56)**	**(774)**	**36**

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

BCM Ireland Finance Limited

Selected notes to the condensed interim financial information – unaudited

1. General information

BCM Ireland Finance Limited ('the Company') and its subsidiaries together, ('the Group') provide fixed line and mobile telecommunications services in Ireland. BCM Ireland Finance Limited ("BCMIF") is registered in the Cayman Islands and is tax resident in Ireland. The address of its registered office is Maples & Calder Corporate Services Limited, Ugland House, South Church Street, Grand Cayman, Cayman Islands.

This condensed consolidated interim financial information was approved, for issue on 27 May 2009.

2. Basis of preparation

The financial information, as at and for the period ended 31 March 2009, in respect of the group has been prepared using the same accounting policies as applied for the year ended 30 June 2008. 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 BCMIF for the year ended 30 June 2008.

After making appropriate enquiries and on the basis of current financial projections and debt facilities available, the Directors believe that the group has adequate resources to meet the group's financial needs and obligations for the foreseeable future and therefore the Directors consider it appropriate to adopt the going concern basis in preparing the financial information.

This financial information has been prepared to meet the group's commitment to make available certain unaudited condensed consolidated financial information to the holders of the group's Floating Rate 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 or an updated valuation of the group's pension scheme liabilities as at 31 March 2009.

3. Segment information

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

The segment results for the nine months ended 31 March 2009 are as follows:

	Fixed line €'m	Mobile €'m	Inter-segment €'m	Group €'m
Revenue	**1,191**	**372**	**(45)**	**1,518**
Goodwill impairment (Note 6)	**(405)**	**(315)**	**-**	**(720)**
Operating loss/Segment result	**(210)**	**(296)**	**-**	**(506)**

The segment results for the nine months ended 31 March 2008 are as follows:

	Fixed line €'m	Mobile €'m	Inter-segment €'m	Group €'m
Revenue	1,246	358	(55)	1,549
Operating profit/Segment result	353	16	-	369

4. Finance costs – net

	31 March 2008 €'m	31 March 2009 €'m
Finance costs	(209)	**(304)**
Finance income	9	**9**
Finance costs - net	(200)	**(295)**

In the nine months ended 31 March 2009, finance costs includes €102 million to reflect movements in the fair value of derivatives, which did not qualify for hedge accounting during the period.

5. Income tax charge

Reconciliation of effective tax rate

The tax on the group's profit/(loss) before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profit/(loss) of the group as follows: -

	31 March 2008 €'m	31 March 2009 €'m
Profit/(loss) before tax	169	**(799)**
Tax calculated at Irish standard tax rate of 12.5%	21	**(100)**
Effects of:-		
Goodwill impairment – non deductible	-	**90**
Other non deductible expenses	9	**21**
Effect of changes in tax rates	-	**8**
Income not subject to taxation	(10)	**-**
Tax losses utilised	(1)	**-**
Income taxable at higher rate	1	**-**
Adjustment in respect of prior periods	(2)	**(2)**
Tax charge for the period	18	**17**

6. Goodwill

	30 June 2008 €'m	31 March 2009 €'m
Opening balance	2,403	**2,342**
Disposals	(61)	**-**
At end of financial period	2,342	**2,342**
Accumulated impairments	-	**(720)**
At end of financial period	-	**(720)**
Net book value at end of financial period	2,342	**1,622**

Goodwill is not subject to amortisation. Goodwill is carried at cost less accumulated impairment losses. A goodwill impairment test was performed at 31 December 2008. No impairment test has been performed since that date.

Impairment test of goodwill and other indefinite life assets

The goodwill arising on the acquisition of eircom Group was allocated to the group's CGUs identified according to business segments. The group has two CGU's, fixed line and mobile. A segment level summary of goodwill and other indefinite lived assets is presented below.

	30 June 2008 €'m	31 March 2009 €'m
Goodwill:		
- Fixed line	1,631	1,631
- Accumulated impairments	-	(405)
Fixed line goodwill	1,631	**1,226**
Fixed line trademark	262	**262**
Fixed line goodwill and other indefinite lived assets	1,893	**1,488**
- Mobile	711	711
- Accumulated impairments	-	(315)
Mobile goodwill	711	**396**
Goodwill	2,342	**1,622**
Total goodwill and other indefinite lived assets	2,604	**1,884**

The carrying value of goodwill of the group's fixed line and mobile operations have been impaired by €720 million (30 June 2008: €Nil) following a test for impairment at 31 December 2008. The impairment charge reflects the pension deficit at 31 December 2008 and the deterioration in the Irish economic environment and the outlook for the business.

6. Goodwill - continued

At 31 December 2008, the recoverable amount of each CGU was determined on the basis of value-in-use, using the discounted cash flow (DCF) method. The calculation, as at 31 December 2008, used cash flow projections based on business plans approved by management, covering the period to 30 June 2011. Cash flows beyond this period were extrapolated using the estimated growth rates stated below.

The key assumptions used for value-in-use calculations, as at 31 December 2008, were as follows:

	Fixed line %	**Mobile %**
Growth rates	0.25%	0.75%
Discount rates (Pre-tax)	9.44%	9.83%
Discount rates (Post-tax)	8.25%	8.75%

The above key assumptions were based on past experience, adjusted for expected changes in future conditions and were evaluated with regard to external information on comparable companies in similar markets. Any adverse change in a key assumption underpinning the value in use calculation may cause a further impairment loss to be recognised in the future.

7. Trade and other receivables

During the nine months ended 31 March 2009, the group recognised a provision for impaired receivables of €10 million (31 March 2008: €11 million), reversed provisions for impaired receivables of €Nil (31 March 2008: €1 million) and utilised provisions for impaired receivables of €4 million (31 March 2008: €6 million). The creation and reversal of provisions for impaired receivables have been included in "operating costs" in the income statement.

Trade receivables at 31 March 2009 include construction revenue receivable of €Nil (30 June 2008: €128 million).

8. 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 31 March 2009					
Floating rate notes due 2016	**-**	**-**	**-**	**350**	**350**
Other borrowings	**39**	**68**	**362**	**2,821**	**3,290**
Debt issue costs	**(12)**	**(12)**	**(33)**	**(13)**	**(70)**
Finance leases – defeased	**4**	**23**	**-**	**-**	**27**
Finance leases	**1**	**-**	**-**	**-**	**1**
	32	**79**	**329**	**3,158**	**3,598**
As at 30 June 2008					
Floating rate notes due 2016	-	-	-	350	350
Other borrowings	233	69	344	2,848	3,494
Debt issue costs	(13)	(12)	(33)	(20)	(78)
Finance leases – defeased	26	22	1	-	49
Finance leases	2	1	-	-	3
Bank overdraft	6	-	-	-	6
	254	80	312	3,178	3,824

Other borrowings, at 31 March 2009, include Senior Preference Shares of €72 million (30 June 2008: €72 million), borrowings under a Senior Credit Facility of €3,201 million (30 June 2008: €3,350 million), borrowings by our property development company of €Nil (30 June 2008: €72 million) and our share of borrowings in respect of our joint venture, Tetra Ireland Communications Limited ("Tetra"), of €17 million (30 June 2008: €Nil).

Interest accrued on borrowings at 31 March 2009 is €4 million (30 June 2008: €58 million). This is included in trade and other payables.

9. Pensions

The group's pension commitments are funded through separately administered Superannuation Schemes and are principally of a defined benefit nature. The group has applied the corridor approach, which leaves some actuarial gains and losses unrecognised as permitted by IAS 19. The corridor approach has been applied from the acquisition date of eircom Group, 18 August 2006.

Pension scheme obligation

The status of the principal scheme at 31 December 2008 is as follows:

	30 June 2008 €'m	31 Dec 2008 €'m
Fair value of scheme assets	2,746	**2,143**
Present value of funded obligations	(2,726)	**(2,576)**
Scheme assets in excess of benefit obligation/(Benefit obligation in excess of scheme assets)	20	**(433)**
Unrecognised actuarial (gains)/losses	(133)	**324**
Liability recognised in the Balance Sheet	(113)	**(109)**

Under the corridor approach, excess gains and losses are recognised as a pension credit or charge over the expected average remaining working lives of the employees based on the unrecognised actuarial gains and losses at the start of the financial year (i.e. 1 July 2008) and consequently the charge for the nine months ended 31 March 2009 does not reflect the movements in the assets and liabilities of the pension scheme since 1 July 2008.

No valuation of the fair value of the scheme assets or the present valuation of the funded obligations has been performed since 31 December 2008.

Assumptions of actuarial calculations

The main financial assumptions used in the valuations were:

	At 30 June 2007	At 30 June 2008	At 31 Dec 2008
Rate of increase in salaries	3.50%	3.50%	**2.50%**
Rate of increase in pensions in payment	3.50%	3.50%	**2.50%**
Discount rate	5.35%	6.25%	**5.75%**
Inflation assumption	2.25%	2.50%	**1.70%**

Mortality assumptions used at 30 June 2008 were considered to be still applicable at 31 December 2008. Details of mortality assumptions are set out in the annual report and financial statements of BCMIF for the year ended 30 June 2008.

10. Provisions for other liabilities and charges

	TIS Annuity Scheme €'m	Onerous Contracts €'m	Restruc-turing €'m	Other €'m	Total €'m
At 30 June 2008	**103**	**14**	**61**	**83**	**261**
Charged to consolidated income statement:					
- Additional provisions	3	12	-	4	19
- Reversals /other	7	-	-	(2)	5
Increase in provision capitalised as asset retirement obligation	-	-	-	5	5
Utilised in the period	(16)	(2)	(5)	(5)	(28)
At 31 March 2009	**97**	**24**	**56**	**85**	**262**

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

	30 June 2008 €'m	31 March 2009 €'m
Non-current	183	**187**
Current	78	**75**
	261	**262**

11. Cash generated from operations

	31 March 2008 €'m	31 March 2009 €'m
Profit/(loss) after tax	151	**(816)**
Add back:		
Income tax charge	18	**17**
Share of profit of associates	-	**(2)**
Finance costs – net	200	**295**
Operating profit/(loss)	369	**(506)**
Adjustments for:		
- Profit on disposal of property and investments	(78)	**-**
- Net construction income	(34)	**(6)**
- Depreciation and amortisation	303	**305**
- Goodwill impairment	-	**720**
- Non cash retirement benefit credit	(39)	**(7)**
Cash flows relating to restructuring, onerous contracts and other provisions	(47)	**(24)**
Cash flows relating to construction contract	(40)	**124**
Changes in working capital		
Inventories	(1)	**(2)**
Trade and other receivables	(49)	**17**
Trade, other payables and other provisions	34	**(41)**
Inter-company payables to group undertakings (net)	4	**7**
Cash generated from operations	422	**587**

12. Contingent liabilities

In connection with the demerger of eircom's masts business, and its subsequent acquisition by Towercom Holdings Limited on 18 September 2007, eircom gave warranties to Towercom Holdings Limited in respect of various matters. On 12 March 2009, Towercom Holdings Limited instituted a claim in the Commercial division of the High Court for €22 million in respect of alleged breaches of those warranties. A Statement of Claim was delivered on 25 March 2009. In order to understand the basis on which the claim was made eircom raised detailed queries in respect of the claim in a Notice for Particulars delivered on 14 April 2009. Towercom Holding delivered its replies to those queries on 27 April 2009. A request for further Particulars is being drafted. eircom's Defence has been filed. Towercom served its Notice for Particulars on eircom 19 May 2009 and investigations are continuing.

eircom has received letters before action in relation to potential hearing loss claims from one hundred and thirteen current and former employees. These claims will have to progress through the compulsory injuries Board process (formerly the Personal Injuries Assessment Board), twenty-nine of these claims have progressed to the stage where Court proceedings have issued. In seventeen of these cases, Court proceedings have been served on eircom and are progressing through the Court process and are at various stages in this process. eircom denies liability in all cases and is defending all claims.

There have been no other material changes in our contingent liabilities since the filing of the annual report and financial statements of BCMIF for the year ended 30 June 2008.

13. Guarantees

Credit guarantees
The credit guarantees comprise guarantees and indemnities of bank or other facilities, including those in respect of the group's subsidiary undertakings. The group has guaranteed financial indebtedness for €3.8 billion in respect of the Senior Credit Facility and Floating Rate Notes.

Senior Credit Facility
The Senior Credit Facility of the group consists of a €3.3 billion term and revolving credit facility which has the benefit of guarantees and security for all amounts borrowed under the terms of the Senior Credit Facility. The Senior Credit Facility is secured by a first-priority pledge over the assets of BCM Ireland Holdings Limited ("BCMIH"), a wholly owned subsidiary of BCMIF, and, a pledge over all of the assets of BCM Luxembourg Limited Sarl, eircom Group Limited, Valentia Telecommunications, eircom Limited, Irish Telecommunications Investments Limited and Meteor Mobile Communications Limited. The subsidiaries guaranteeing the Senior Credit Facility are BCM Luxembourg Limited Sarl, eircom Group Limited, Valentia Telecommunications, eircom Limited, Irish Telecommunications Investments Limited and Meteor Mobile Communications Limited.

13. Guarantees - continued

Floating Rate Notes
The Floating Rate Notes of €350 million issued by BCMIF, are guaranteed on a senior subordinated basis by BCMIH and the subsidiaries guaranteeing the Senior Credit Facility. The Floating Rate Notes are general senior obligations of BCMIF and rank equally in right of payment with all existing and future senior indebtedness of BCMIF. The Floating Rate Notes are also secured by a first-priority pledge over all the shares of BCMIH.

14. Seasonality

Fixed line
eircom's traffic volumes tend to decline during December and March or April as a result of a decline in business traffic over the Christmas and Easter holiday periods. eircom also tend to experience relatively higher fixed line traffic volumes in the Spring and Winter months, other than Christmas and Easter of each year. The group does not believe this 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 prepaid subscriber growth and related costs of handset subsidy and commissions in November and December. Visiting-roaming revenues are also seasonally significant because Ireland is a popular tourist destination during the summer months.

15. Commitments

Operating lease commitments
The group's operating lease contractual obligations and commitment payments were €478 million at 31 March 2009 (30 June 2008: €515 million). The payments due on operating leases are in respect of lease agreements in respect of properties, vehicles, plant and equipment for which the payments extend over a number of years.

Capital commitments
The group's capital contractual obligations and commitment payments were €98 million at 31 March 2009 (30 June 2008: €96 million).

16. Related party transactions

The following transactions occurred with related parties:

a) Purchase of goods and services

During the nine months ended 31 March 2009, the group paid €0.3 million (31 March 2008: €0.3 million) on behalf of the Employee Share Ownership Trust (ESOT) for the administrative expenses incurred in its capacity as trustee of the ESOT and the Approved Profit Share Scheme (APSS). These were recharged to BCM ESOT Services Limited and the amount outstanding in respect of these costs is €1.2 million at 31 March 2009 (30 June 2008: €0.9 million).

b) Other transactions

During the period, the group recharged operating costs and other costs incurred on behalf of Tetra of €3.4 million (31 March 2008: €Nil). The amount outstanding in respect of these costs is €3.5 million at 31 March 2009 (30 June 2008: €1.2 million).

During the year ended 30 June 2008, costs amounting to €3 million were paid, on behalf of BCM Ireland Equity SPC ("BCMIE"). The amount outstanding in respect of these costs is €3 million at 31 March 2009 (30 June 2008: €3 million).

During the period ended 30 June 2007, BCM Ireland Preferred Equity Limited was lent €1 million by the BCMIF Group. This loan is still outstanding at 31 March 2009.

The income statement includes management charges from BCMIE of €7.2 million (31 March 2008: €7.3 million). The amount outstanding in respect of these costs, net of tax paid on behalf of BCMIE, is €24.4 million at 31 March 2009 (30 June 2008: €17.2 million).

The income statement includes salary-related charges from BCM Enterprises Limited of €0.3 million (31 March 2008: €0.6 million). There are no amounts outstanding in respect of these costs at 31 March 2009 (30 June 2008: €0.02 million).

16. Related party transactions - continued

During the period ended 30 June 2007, eircom Holdings Limited (formerly Babcock & Brown Capital Limited) paid costs on behalf of the BCMIF group in relation to refinancing of the group and the acquisition of eircom Group by BCMIH. The amount outstanding in respect of these costs is €0.5 million at 31 March 2009 (30 June 2008: €0.5 million).

During the prior year the company's parent company, BCMIE committed to introducing an incentive scheme for certain executives and key management of the BCMIF Group. The costs of this scheme will be borne by BCMIE and BCMIF and its subsidiaries will not be recharged for the costs incurred by BCMIE in meeting its obligations under this incentive scheme. Consequently, no charge or liability in respect of this incentive scheme is reflected in the BCMIF Group.

Commentary on results of operations for the quarter ended 31 March 2009

Overview
Group EBITDA from continuing operations, before non-cash pension credit and net construction income, of €173 million decreased by 1% for the quarter ended 31 March 2009, from €175 million for the corresponding quarter ended 31 March 2008. Lower contribution from our Fixed line business, due to lower revenues, was partially offset by an increase in the contribution from our mobile business.

Revenue
The following table shows certain segmental information relating to our business for the periods indicated:

	In the quarter ended		% Change[2]
	31 Mar 2008	31 Mar 2009	2008/2009
	€ 'm	€ 'm	%
Fixed line services and other revenue	413	385	(7)
Mobile services revenue	120	117	(2)
Total segmental revenue	**533**	**502**	**(6)**
Intracompany eliminations	(18)	(14)	(20)
Total revenue	**515**	**488**	**(5)**

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

	In the quarter ended		% Change[2]
	31 Mar 2008	31 Mar 2009	2008/2009
	€ 'm	€ 'm	%
Access (rental and connections)	**168**	**168**	**-**
Voice traffic	94	93	(1)
Advanced voice services traffic	17	16	(4)
Total voice traffic	**111**	**109**	**(1)**
Data traffic	10	6	(41)
Total voice and data traffic	**121**	**115**	**(5)**
Data communications	47	43	(9)
Interconnect services	56	50	(12)
Other products and services	47	43	(7)
Revenue before discounts	**439**	**419**	**(4)**
Discounts*	(26)	(34)	32
Total fixed line services and other revenue	**413**	**385**	**(7)**
Intracompany eliminations	(7)	(7)	(2)
Total fixed line services and other revenue	**406**	**378**	**(7)**

**Discounts are primarily related to revenue derived from access, voice and data traffic and ADSL and bitstream, which are presented on a gross basis in the table above.*

Total fixed line services and other revenues, in the quarter ended 31 March 2009, decreased by 7% (after discounts), compared with the corresponding quarter ended 31 March 2008, due to lower Voice and Data traffic, reduced interconnect and data communications revenues and higher discounts.

Access (rental and connections)

The following table shows rental, connection and other charges (before discounts) and the number of access channels in service, including public payphones, and the percentage changes for the periods indicated:

	In the quarter ended 31 Mar 2008 € 'm	31 Mar 2009 € 'm	% Change[2] 2008/2009 %
Total access revenue			
Line and equipment rental	107	101	(5)
Connection and other charges	3	2	(4)
ADSL and bitstream rental and connection	39	45	14
WLR rental and connection	19	20	6
Total access revenue	**168**	**168**	**-**
Access channels (in thousands at period end, except percentages)			
PSTN	1,320	1,242	(6)
PSTN WLR	297	317	7
Total PSTN	1,617	1,559	(4)
ISDN	362	348	(4)
ISDN WLR	51	62	23
Total ISDN	413	410	(1)
ADSL and bitstream	571	658	15
Total access channels	**2,601**	**2,627**	**1**

Revenue (before discounts) from access remained unchanged in the quarter ended 31 March 2009, compared with the corresponding quarter ended 31 March 2008. Lower line and equipment rental revenue was offset by increased ADSL and bitstream revenue arising from continuing customer demand for our ADSL service, and higher Wholesale Line Rental ("WLR") rental and connection revenue.

Line and equipment revenue decreased by 5% in the quarter ended 31 March 2009, compared with the corresponding quarter ended 31 March 2008, due to a decline in the total PSTN market as a result of slowing economic activity, as well as a reduction in the number of Retail PSTN and ISDN access channels caused by the migration of customers to lower margin WLR.

Revenue (before discounts) from connection and other charges decreased by 4%, compared with the corresponding quarter ended 31 March 2008, due to lower PSTN and ISDN connection activity.

ADSL and bitstream revenue (before discounts) increased by 14% in the quarter ended 31 March 2009, as a result of continued customer demand, although overall ARPU was marginally lower in the period. By 31 March 2009, the number of ADSL and bitstream lines had increased to approximately 658,000, up from approximately 571,000 at 31 March 2008.

As at 31 March 2009, approximately 317,000 PSTN lines and 62,000 ISDN channels had transferred to other authorised operators on WLR, an increase of 7% and 23% respectively, over volumes as at 31 March 2008. WLR rental and connection yielded revenues of approximately €20 million in the quarter ended 31 March 2009, an increase of 6% compared with the corresponding quarter ended 31 March 2008, due to the increased line base, particularly higher value ISDN lines. The impact of these increased volumes was partially offset by the WLR margin for Other Authorised Operators ("OAOs") increasing to 14% from 10%, with effect from 1 May 2008.

Traffic

The following table shows information relating to our total traffic revenue (before discounts) and volumes and the percentage change for the periods indicated:

	In the quarter ended		% Change[2]
	31 Mar 2008	31 Mar 2009	2008/2009
	€ 'm	€ 'm	%
Revenue			
Basic voice traffic revenue			
Local	22	23	7
National	12	13	8
Fixed to mobile	39	37	(5)
International	21	20	(7)
Total basic voice traffic revenue	**94**	**93**	**(1)**
Advanced voice services traffic revenue	17	16	(4)
Total voice traffic revenue	**111**	**109**	**(1)**
Data traffic revenue			
PSTN data	7	4	(49)
ISDN data	3	2	(19)
Total data traffic revenue	**10**	**6**	**(41)**
Total traffic revenue	**121**	**115**	**(5)**
Traffic (in millions of minutes, except percentages)			
Local	657	592	(10)
National	238	222	(7)
Fixed to mobile	242	205	(15)
International	103	92	(11)
Total basic voice traffic minutes	**1,240**	**1,111**	**(10)**
Advanced voice services minutes	201	184	(9)
Total voice minutes	**1,441**	**1,295**	**(10)**
Data traffic volume			
PSTN data	397	184	(54)
ISDN data	76	62	(19)
Total traffic data minutes	**473**	**246**	**(48)**
Total traffic minutes	**1,914**	**1,541**	**(20)**

Overall revenue (before discounts) from voice and data traffic decreased by 5% in the quarter ended 31 March 2009.

Voice traffic

Basic voice traffic revenue (before discounts) decreased by 1% for the quarter ended 31 March 2009, compared with the corresponding quarter ended 31 March 2008. This was primarily due to an overall decline in traffic volumes arising from the weakness in the traditional voice market, due to the economic downturn and substitution by mobiles as well as some loss of market share. This was partially offset by the impact of a minimum call set-up charge introduced in September 2008. Voice traffic discounts represent a significant proportion of total discounts.

Revenue relating to advanced voice services (before discounts) decreased by 4% in the quarter ended 31 March 2009. This is due to a continuing decline in high value premium rate services, VPN and other advanced voice services traffic volumes, partially offset by improved Premium Rate Services ("PRS") traffic mix and higher Freefone volumes.

Data traffic

Revenue from data traffic (before discounts) decreased by 41% in the quarter ended 31 March 2009, compared with the corresponding quarter ended 31 March 2008, due to the continuing decline in data traffic volumes, primarily due to the ongoing migration of internet users to ADSL and other higher speed services.

Data communications

The following table shows information relating to revenue (before discounts) from data communications products and services, the number of leased lines and the percentage change for the periods indicated:

	In the quarter ended		% Change[2]
	31 Mar 2008	**31 Mar 2009**	**2008/2009**
	€ 'm	**€ 'm**	
Data communications revenue			
Leased lines (including Partial Private Circuits)	27	23	(14)
Switched data and IP network services	15	16	2
ISP & VAS revenue	5	4	(21)
Total data communications revenue	**47**	**43**	**(9)**
Number of leased lines (at period end, except percentages)			
National leased lines	11,150	8,785	(21)
Partial private circuits	5,416	5,433	-
International leased lines	276	277	-
Interconnect paths	1,697	1,094	(36)
Total leased lines	**18,539**	**15,589**	**(16)**

Revenue from data communications (before discounts) decreased by 9% in the quarter ended 31 March 2009, primarily due to lower leased line revenue as customers migrate to alternative higher speed services, and lower ISP and Value Added Services ("VAS") revenue. This was partially offset by higher revenue from Switched Data and IP network services which grew by 2% due to increased take up of Business IP products.

Interconnect services

The following table shows information relating to revenue and traffic from interconnect services and the percentage change for the periods indicated:

	In the quarter ended		% Change[2]
	31 Mar 2008	**31 Mar 2009**	**2008/2009**
	€ 'm	**€ 'm**	%
Interconnect services revenue			
Interconnect	34	27	(20)
Foreign terminating traffic	22	23	2
Total interconnect services revenue	**56**	**50**	**(12)**
Interconnect services traffic (in millions of minutes, except percentages)			
Call origination	638	555	(13)
Call termination	725	695	(4)
Transit to mobile/fixed	222	162	(27)
Ancillary	56	46	(18)
International	111	124	11
Total interconnect	**1,752**	**1,582**	**(10)**
Foreign terminating traffic	615	599	(2)
Total interconnect services traffic	**2,367**	**2,181**	**(8)**

Interconnect services revenue fell by 12% in the quarter ended 31 March 2009, as a result of lower interconnect revenue, partially offset by higher foreign terminating traffic revenue.

Revenue from interconnect fell by 20% in the quarter ended 31 March 2009, compared with the quarter ended 31 March 2008, Domestic transit volumes were 27% lower as a result of operators directly interconnecting with each other. Call origination, and termination volumes decreased by 13% and 4% respectively, arising from a reduction in the traffic from OAOs, increased transfers to WLR, as well as lower overall traffic market volumes. Ancillary traffic fell by 18% reflecting declining demand for these services. This was partially offset by higher international interconnect traffic revenue.

Revenue from foreign terminating traffic increased by 2% in the quarter ended 31 March 2009, as lower traffic volumes were offset by a change in mix towards higher value mobile and international transit traffic.

Other products and services

Other products and services revenues (before discounts) include our sales of Customer Premises Equipment ("CPE") to corporate and business customers in eircom Business Systems, Operator Services, Card and payphones, Phonewatch, LAN Communications and other revenue.

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

	In the quarter ended		% Change[2]
	31 Mar 2008	**31 Mar 2009**	**2008/2009**
	€ 'm	**€ 'm**	**%**
Customer premises equipment	3	3	(16)
Operator Services	9	8	(7)
Card and payphones	2	1	(44)
Phonewatch	7	6	(10)
LAN Communications	9	6	(37)
Other revenue	17	19	15
Other products and services revenue	**47**	**43**	**(7)**

Revenue from other products and services (before discounts) in the quarter ended 31 March 2009 decreased by 7% compared with the quarter ended 31 March 2008. This is mainly due to lower CPE sales, Operator Services, Phonewatch and LAN Communications, which have been impacted by the slowing economy, partially offset by the group's share of revenues from Tetra, our joint venture to operate the country's digital radio network service. Card and payphones turnover was lower due to continuing mobile substitution and is in line with our decision to remove over 1,860 uneconomic payphones throughout the country.

Discounts

Discounts in the quarter ended 31 March 2009 were 32% higher compared with the quarter ended 31 March 2008, reflecting an increased take up of subscriptions to bundled phone, broadband and mobile packages, including our latest family and friends bundles and increased Freefone discounts. This affects the pre-discount discussion and analysis in the revenue categories above.

Mobile services revenue

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

	In the quarter ended		% Change[2]
	31 Mar 2008	**31 Mar 2009**	**2008/2009**
	€ 'm	**€ 'm**	%
Mobile services:			
Prepaid	83	79	(5)
Postpaid	31	32	2
Services revenue	**114**	**111**	**(3)**
Other revenue	6	6	3
Total mobile services revenue	**120**	**117**	**(2)**
Intracompany eliminations	(11)	(7)	(33)
Total mobile services revenue	**109**	**110**	**1**

	As at		% Change[2]
	31 Mar 2008	**31 Mar 2009**	**2008/2009**
Total subscribers (thousands)*:			
Pre-paid subscribers (thousands)	855	893	5
Post-paid subscribers (thousands)	120	131	9
Total subscribers (thousands)	**975**	**1,024**	**5**

** eircom staff represents approximately 4,950 of these subscriber numbers at 31 March 2009 (31 March 2008: 4,720).*

**Includes approximately 3,370 Mobile Broadband subscribers as at 31 March 2009 (31 March 2008: nil)*

Total revenue, before intra-company eliminations, was €117 million for the quarter ended 31 March 2009, down 2% on the corresponding quarter to 31 March 2008, due primarily to the impact of the slowing economy on usage, particularly in the pre-paid segment, and new bundled minute packages and other promotions introduced during the period. This was partially offset by the higher overall subscriber base compared with the quarter ended 31 March 2008, and greater proportion of higher value post-paid subscribers. Services revenue comprises prepaid, post paid and interconnect revenue, and from the quarter ended 31 March 2009 includes revenues from our new Mobile Broadband service. Other revenue is derived mainly from handset sales and roaming revenue.

At 31 March 2009 there were 1,024,000 subscribers, an increase of 5% compared with 31 March 2008. Subscriber numbers include 3,370 Mobile Broadband subscribers arising from the introduction of this service in March 2009.

Operating costs before depreciation, amortisation and impairment.

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

	In the quarter ended 31 Mar 2008 € 'm	31 Mar 2009 € 'm	% Change[2] 2008/2009 %
Staff costs			
Fixed line			
Wages and salaries and other staff costs	96	85	(11)
Social welfare costs	4	3	(12)
Pension paid and payable	8	6	(23)
Pay costs before non-cash pension credit and capitalisation	**108**	**94**	**(12)**
Non-cash pension credit	(13)	(3)	(76)
Pay costs before capitalisation	**95**	**91**	**(3)**
Capitalised labour	(16)	(17)	9
Total fixed line services staff costs	**79**	**74**	**(6)**
Mobile services staff costs (net of capitalised labour)	**15**	**14**	**(7)**
Total staff costs	**94**	**88**	**(6)**
Other operating costs			
Fixed line costs			
Payments to telecommunications operators	79	68	(14)
Purchase of goods for resale, commission and related costs	21	20	(5)
Materials and services	12	15	23
Other network costs	6	6	(2)
Accommodation	14	20	38
Sales and marketing	11	11	7
Transport and travel	5	3	(32)
IT costs	3	3	(8)
Other costs	25	24	(5)
Total other fixed line operating costs	**176**	**170**	**(3)**
Mobile services costs	75	68	(9)
Total other operating costs	**251**	**238**	**(5)**
Intracompany eliminations	(18)	(14)	(20)
Total other operating costs	**233**	**224**	**(4)**
Total operating costs before depreciation, amortisation and impairment	**327**	**312**	**(4)**

Total operating costs before depreciation, amortisation and impairment decreased by 4% on the corresponding quarter ended 31 March 2008, due to lower staff and other operating costs, particularly lower Fixed line pay costs and payments to other telecommunications operators. This was partially offset by higher materials and services and accommodation costs.

Staff costs

Total staff costs decreased by 6% in the quarter ended 31 March 2009, primarily due to lower Fixed line pay costs and pension paid and payable, as well as lower Mobile services staff costs, partially offset by a reduction in the non-cash pension credit to €3 million from €13 million in the quarter ended 31 March 2008.

The group has adopted the corridor approach in accounting for pension obligations under IAS 19. Accordingly the pension charges and the amounts included in the balance sheet are determined based on the pension assets, liabilities and unamortised actuarial surplus as at 30 June 2008 and not the actual assets and liabilities of the pension scheme. No adjustments have been made to the income statement pension charge to reflect movements in the pension scheme position since 30 June 2008 (see note 9).

Fixed line staff costs decreased by 6% in the quarter ended 31 March 2009. This was primarily due to a reduction in bonus costs and accruals, as well as lower fixed line headcount, partially offset by a €10 million decrease in the non-cash pension credit. Fixed line pay costs, before non-cash pension credit and capitalisation, decreased by 12% compared with the quarter ended 31 March 2008, primarily due to lower wages and salaries including bonuses and commissions, and a reduction in cash pension paid and payable costs. Fixed line capitalised labour increased by 9% in the quarter due mainly to increased Tetra activity. Mobile services staff costs decreased by 7% due to lower bonus and commissions costs, reduced headcount and higher capitalised labour due to the implementation of a new Meteor billing system.

Headcount in fixed line services at 31 March 2009 was 6,367, down 3% from 6,549 at 31 March 2008. Agency staff at 31 March 2009 had increased to 58 from 23 at 31 March 2008. Meteor headcount at 31 March 2009 was 789 with an additional 203 agency staff, down from 811 with an additional 247 agency staff at 31 March 2008, a reduction of 3%. The costs of agency staff are included within staff costs.

Total other operating costs

Total other operating costs decreased by 4% in the quarter ended 31 March 2009, due primarily to lower payments to other telecommunications operators, transport and travel costs and Mobile services costs, partially offset by higher accommodation and materials and services costs.

Fixed line operating costs

Overall fixed line operating costs in the quarter ended 31 March 2009 decreased by 3% compared with the quarter to 31 March 2008. Payments to other telecommunications operators decreased by 14%, compared with the corresponding quarter to 31 March 2008, mainly due to lower interconnect traffic volumes to other operators in the period, particularly transit volumes as mobile operators interconnect directly with one another. Transport and travel costs were lower due to a reduction in leasing costs, and a decline in foreign travel in the current quarter. The cost of goods for resale, commissions and related costs decreased by 5% as a result of lower CPE costs and agents commissions. This was partially offset by higher materials and services costs as a result of the inclusion of our share of the expenses incurred by our joint venture Tetra in the ongoing rollout of its network. Accommodation costs increased by 38% as a result of an onerous contract provision in the quarter and the relatively higher rental costs for our new head office building.

Mobile operating costs

Total operating costs for the mobile segment were €68 million for the quarter, a 9% decrease over the corresponding quarter ended 31 March 2008, primarily due to lower cost of equipment sold including mobile phones, as customers moved towards less expensive handsets, top-up commissions paid to third parties, roaming and other network costs as well as other cost savings achieved.

Amortisation

Amortisation for the quarter ended 31 March 2009 was in line with the quarter ended 31 March 2008.

Depreciation

Depreciation for the quarter ended 31 March 2009 was in line with the corresponding quarter ended 31 March 2008.

Net construction income

The group's property development subsidiary, Osprey, has recognised €12 million on its construction contract in respect of work carried out in the quarter ended 31 March 2008. There was no construction income in the quarter ended 31 March 2009.

Restructuring programme costs

A provision of €157 million was created in the period ended 30 June 2007 for committed future voluntary leaving costs. Restructuring programme provisions of €2 million have been utilised in the quarter to 31 March 2009.

Finance costs (net)

The Group's net finance costs for the quarter to 31 March 2009 increased to €77 million, compared with €66 million in the corresponding quarter ended 31 March 2008. Finance costs in the current quarter include a €19 million charge relating to the movement in the fair value of derivatives recognised in the Income Statement during the period, as certain derivatives were deemed not to be effective hedges from an accounting perspective at 31 March 2009. This is an accounting charge and is a non-cash item. The economic impact of these hedges remains unchanged.

Commentary on results of operations for the nine-month period ended 31 March 2009

Overview

Group EBITDA from continuing operations, before non-cash pension credit, net construction income and profit on disposal of property and investments of €506 million decreased by 3% for the nine-month period ended 31 March 2009 compared with €521 million for the nine-month period ended 31 March 2008. The decrease was primarily driven by lower contribution from our Fixed line business, partially offset by a higher contribution from our Mobile business.

Revenue

Overall revenue for the period decreased by 2% compared with the prior year period. The following table shows certain segmental information relating to our business for the periods indicated:

	In the nine months ended 31 Mar 2008 € 'm	31 Mar 2009 € 'm	% Change[2] 2008/2009 %
Fixed line services and other revenue	1,246	1,191	(4)
Mobile services revenue	358	372	4
Total segmental revenue	**1,604**	**1,563**	**(3)**
Intracompany eliminations	(55)	(45)	(18)
Total revenue	**1,549**	**1,518**	**(2)**

Fixed line services and other revenue

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

	In the nine months ended 31 Mar 2008 € 'm	31 Mar 2009 € 'm	% Change[2] 2008/2009 %
Access (rental and connections)	**497**	**510**	**3**
Voice traffic	286	283	(1)
Advanced voice services traffic	49	47	(3)
Total voice traffic	**335**	**330**	**(1)**
Data traffic	35	21	(40)
Total voice and data traffic	**370**	**351**	**(5)**
Data communications	139	129	(7)
Interconnect services	174	157	(10)
Other products and services	140	140	-
Revenue before discounts	**1,320**	**1,287**	**(2)**
Discounts*	(74)	(96)	30
Total fixed line services and other revenue	**1,246**	**1,191**	**(4)**
Intracompany eliminations	(22)	(22)	2
Total fixed line services and other revenue	**1,224**	**1,169**	**(5)**

**Discounts are primarily related to revenue derived from access, voice and data traffic and ADSL and bitstream, which are presented on a gross basis in the table above.*

Total fixed line services and other revenue for the nine-month period ended 31 March 2009 was 5% lower than for the corresponding prior year period. Higher revenues from Access, particularly DSL and WLR revenues, were offset by lower voice and data traffic, data communication and interconnect services revenues, and higher discounts.

Access (rental and connections)

The following table shows rental, connection and other charges (before discounts) and the number of access channels in service, including public payphones, and the percentage changes for the periods indicated:

	In the nine months ended		% Change[2]
	31 Mar 2008	**31 Mar 2009**	**2008/2009**
	€ 'm	**€ 'm**	**%**
Total access revenue			
Line and equipment rental	320	310	(3)
Connection and other charges	9	10	16
ADSL and bitstream rental and connection	113	131	16
WLR rental and connection	55	59	7
Total access revenue	**497**	**510**	**3**
Access channels (in thousands at period end, except percentages)			
PSTN	1,320	1,242	(6)
PSTN WLR	297	317	7
Total PSTN	1,617	1,559	(4)
ISDN	362	348	(4)
ISDN WLR	51	62	23
Total ISDN	413	410	(1)
ADSL and bitstream	571	658	15
Total access channels	**2,601**	**2,627**	**1**

Revenue (before discounts) from access increased by 3% in the nine-month period ended 31 March 2009 compared with the corresponding prior year period, due primarily to an increase in ADSL and bitstream revenue as a result of ongoing customer demand for our ADSL service, WLR revenue, and connection and other charges. This was partially offset by lower line and equipment rental revenue.

Line and equipment revenue decreased by 3% in the nine months to 31 March 2009, compared with the corresponding prior year period due to a decline in the total PSTN market as a result of slowing economic activity, as well as a reduction in the number of Retail PSTN and ISDN access channels, caused by the migration of customers to lower margin WLR.

Revenue (before discounts) from connection and other charges increased by 16% compared with the corresponding prior year period ended 31 March 2008 due to a once-off provision release, offset by lower PSTN and ISDN connection activity.

ADSL and bitstream revenue (before discounts) increased by 16% in the nine-month period ended 31 March 2009 as a result of continued customer demand, offset by marginally lower ARPU in the current period. By 31 March 2009, the number of ADSL and bitstream lines had increased to approximately 658,000 lines, up from approximately 571,000 at 31 March 2008.

As at 31 March 2009 approximately 317,000 PSTN lines and 62,000 ISDN channels had transferred to other authorised operators on WLR, an increase of 7% and 23% respectively over volumes at 31 March 2008. WLR rental and connection yielded revenues of approximately €59 million in the nine-month period ended 31 March 2009, an increase of 7% compared with the corresponding prior year period, due to the increased line base, particularly higher value ISDN lines. The impact of these increased volumes was partially offset by the WLR margin increase for Other Authorised Operators to 14% from 10%, with effect from 1 May 2008.

Traffic

The following table shows information relating to our total traffic revenue (before discounts) and volumes, and the percentage change for the periods indicated:

	In the nine months ended		% Change[2]
	31 Mar 2008	**31 Mar 2009**	**2008/2009**
	€ 'm	**€ 'm**	**%**
Revenue			
Basic voice traffic revenue			
Local	64	68	7
National	37	40	8
Fixed to mobile	121	114	(6)
International	64	61	(5)
Total basic voice traffic revenue	**286**	**283**	**(1)**
Advanced voice services traffic revenue	49	47	(3)
Total voice traffic revenue	**335**	**330**	**(1)**
Data traffic revenue			
PSTN data	26	13	(48)
ISDN data	9	8	(16)
Total data traffic revenue	**35**	**21**	**(40)**
Total traffic revenue	**370**	**351**	**(5)**
Traffic (in millions of minutes, except percentages)			
Local	1,945	1,791	(8)
National	709	674	(5)
Fixed to mobile	745	646	(13)
International	309	286	(7)
Total basic voice traffic minutes	**3,708**	**3,397**	**(8)**
Advanced voice services minutes	587	563	(4)
Total voice minutes	**4,295**	**3,960**	**(8)**
Data traffic volume			
PSTN data	1,337	660	(51)
ISDN data	258	209	(19)
Total traffic data minutes	**1,595**	**869**	**(46)**
Total traffic minutes	**5,890**	**4,829**	**(18)**

Overall revenue from voice and data traffic (before discounts) decreased by 5% in the nine-month period ended 31 March 2009.

Voice traffic

Basic voice traffic revenue (before discounts) decreased by 1% in the nine-month period ended 31 March 2009. This was primarily due to an overall decline in traffic volumes arising from loss of market share and weakness in the traditional voice market, and lower fixed to mobile rates, partially offset by the impact of a minimum call set-up charge introduced in September 2008. The lower fixed to mobile rates are a result of savings arising from the reduction in mobile termination rates in January 2008 being passed onto our customers. Voice traffic discounts represent a significant proportion of total discounts.

Revenue relating to advanced voice services (before discounts) decreased by 3% in the nine-month period ended 31 March 2009. This is due to a continuing decline in high value premium rate services, VPN and other advanced voice services traffic volumes, partially offset by an improved PRS traffic mix and higher Freefone volumes.

Data traffic

Revenue from data traffic (before discounts) decreased by 40% in the nine-month period ended 31 March 2009, due to a continuing decline in data traffic volumes. The decrease in data traffic volumes is primarily due to the ongoing migration of internet users to ADSL and other higher speed services.

Data communications

The following table shows information relating to revenue from data communications products and services (before discounts), the number of leased lines, and the percentage change for the periods indicated:

	In the nine months ended		% Change[2]
	31 Mar 2008	31 Mar 2009	2008/2009
	€ 'm	€ 'm	
Data communications revenue			
Leased lines (including Partial Private Circuits)	81	69	(15)
Switched data and IP network services	44	49	11
ISP & VAS revenue	14	11	(15)
Total data communications revenue	**139**	**129**	**(7)**
Number of leased lines (at period end, except percentages)			
National leased lines	11,150	8,785	(21)
Partial private circuits	5,416	5,433	-
International leased lines	276	277	-
Interconnect paths	1,697	1,094	(36)
Total leased lines	**18,539**	**15,589**	**(16)**

Revenue from data communications (before discounts) decreased by 7% in the nine-month period ended 31 March 2009, compared with the prior year period, as a result of lower leased line revenues as customers migrate to alternative higher speed services, and lower ISP and VAS revenue. This was partially offset by higher Switched data and IP network services revenue due to increased take up of Business IP products.

Interconnect services

The following table shows information relating to revenue and traffic from interconnect services and the percentage change for the periods indicated:

	In the nine months ended		% Change[2]
	31 Mar 2008	31 Mar 2009	2008/2009
	€ 'm	€ 'm	%
Interconnect services revenue			
Interconnect	109	89	(19)
Foreign terminating traffic	65	68	4
Total interconnect services revenue	**174**	**157**	**(10)**
Interconnect services traffic (in millions of minutes, except percentages)			
Call origination	1,935	1,706	(12)
Call termination	2,250	2,122	(6)
Transit to mobile/fixed	675	514	(24)
Ancillary	179	142	(20)
International	398	404	2
Total interconnect	**5,437**	**4,888**	**(10)**
Foreign terminating traffic	1,660	1,941	17
Total interconnect services traffic	**7,097**	**6,829**	**(4)**

Interconnect services revenue fell by 10% in the nine-month period ended 31 March 2009, compared with the corresponding prior year period, due to reduced interconnect traffic, partially offset by higher foreign terminating traffic.

Revenue from interconnect fell by 19% in the nine-month period ended 31 March 2009, compared with the corresponding prior year period. Domestic transit volumes were 24% lower as a result of operators directly interconnecting with each other. Call origination, and termination volumes decreased by 12% and 6% respectively, arising from a reduction in the traffic from OAOs, increased transfers to WLR as well as lower overall traffic market volumes. Ancillary traffic fell by 20% reflecting declining demand for these services. This was partially offset by higher international interconnect traffic revenue.

Revenue from foreign terminating traffic increased by 4% in the nine-month period ended 31 March 2009, compared with the prior year period, primarily as a result of increased incoming traffic, partially offset by a lower value traffic mix and a reduction in rates.

Other products and services

Other products and services revenues (before discounts) include our sales of Customer Premises Equipment ("CPE") to corporate and business customers in eircom Business Systems, Operator Services, Card and payphones, Phonewatch, LAN Communications and other revenue.

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

	In the nine months ended		% Change[2]
	31 Mar 2008	**31 Mar 2009**	**2008/2009**
	€ 'm	**€ 'm**	**%**
Customer premises equipment	10	8	(16)
Operator Services	27	25	(9)
Card and payphones	6	4	(44)
Phonewatch	20	21	2
LAN Communications	31	25	(18)
Other revenue	46	57	26
Other products and services revenue	**140**	**140**	**-**

Revenue from other products and services (before discounts) in the nine-month period ended 31 March 2009 was in line with the corresponding prior year period. Lower revenues were earned from CPE sales, Operator services and LAN Communications, which have all been impacted by the slowing economy. Card and payphones turnover was lower due to continuing mobile substitution and is in line with our decision to remove over 1,860 uneconomic payphones throughout the country. These decreases were offset by higher other revenues, which includes the group's share of revenues from Tetra, our joint venture.

Discounts

Discounts in the nine months to 31 March 2009 were 30% higher compared with the corresponding prior year period, reflecting an increased proportion of subscriptions to bundled phone, broadband and mobile packages, including our latest family and friends bundles and increased Freefone discounts. This affects the pre-discount discussion and analysis in the revenue categories above.

Mobile services revenue

The following table shows our revenue from Meteor analysed by major products and services:

	In the nine months ended		% Change[2]
	31 Mar 2008	**31 Mar 2009**	**2008/2009**
	€ 'm	**€ 'm**	%
Mobile services:			
Prepaid	243	243	-
Postpaid	90	99	11
Services revenue	**333**	**342**	**3**
Other revenue	25	30	21
Total mobile services revenue	**358**	**372**	**4**
Intracompany eliminations	(33)	(23)	(31)
Total mobile services revenue	**325**	**349**	**7**

	As at		% Change[2]
	31 Mar 2008	**31 Mar 2009**	**2008/2009**
Total subscribers (thousands)*:			
Pre-paid subscribers (thousands)	855	893	5
Post-paid subscribers (thousands)	120	131	9
Total subscribers (thousands)	**975**	**1,024**	**5**
ARPU[3] (€)	**39.84**	**37.52**	**(6)**

** eircom staff represents approximately 4,950 of these subscriber numbers at 31 March 2009 (31 March 2008: 4,720).*
**Includes approximately 3,370 Mobile Broadband subscribers as at 31 March 2009 (31 March 2008: nil)*

Total revenue, before intra-company eliminations, was €372 million for the nine-month period ended 31 March 2009, an increase of 4% over the corresponding prior year period. This is primarily due to a 5% increase in subscribers at 31 March 2009, an increase in the proportion of higher value post-paid subscribers and a once-off provision release of €2 million in December 2008. These increases were partially offset by the impact of the slowing economy on usage, particularly in the pre-paid segment, and high level of new bundled minute packages and other promotions introduced during the year, as well as a reduction in Mobile Termination Rates in January 2008.

Services revenue comprises prepaid, post paid and interconnect revenue, and for the period ended 31 March 2009 includes revenues from our new Mobile Broadband service launched in March 2009. Other revenue is derived mainly from handset sales and roaming revenue. ARPU for the nine-month period was €37.52, a decrease of 6% over the prior year period, due to lower Mobile Termination Rates and the impact of new bundled minute packages and lower volumes, partially offset by a higher proportion of post-paid subscribers. At 31 March 2009 there were 1,024,000 subscribers, an increase of 5% compared with 31 March 2008. Subscriber numbers include 3,370 Mobile Broadband subscribers arising from the introduction of our service in March 2009.

Operating costs before depreciation, amortisation and impairment

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

	In the nine months ended		% Change[2]
	31 Mar 2008	31 Mar 2009	2008/2009
	€ 'm	€ 'm	%
Staff costs			
Fixed line			
Wages and salaries and other staff costs	287	273	(5)
Social welfare costs	12	11	(4)
Pension paid and payable	23	16	(31)
Pay costs before non-cash pension credit and capitalisation	**322**	**300**	**(7)**
Non-cash pension credit	(39)	(7)	(82)
Pay costs before capitalisation	**283**	**293**	**4**
Capitalised labour	(49)	(53)	8
Total fixed line services staff costs	**234**	**240**	**3**
Mobile services staff costs (net of capitalised labour)	**43**	**43**	**(1)**
Total staff costs	**277**	**283**	**2**
Other operating costs			
Fixed line costs			
Payments to telecommunications operators	248	220	(11)
Purchase of goods for resale, commission and related costs	66	69	5
Materials and services	34	39	13
Other network costs	18	18	(1)
Accommodation	41	56	38
Sales and marketing	35	37	5
Transport and travel	14	13	(7)
IT costs	10	9	(8)
Other costs	70	69	(2)
Total other fixed line operating costs	**536**	**530**	**(1)**
Mobile services costs	231	237	3
Total other operating costs	**767**	**767**	**-**
Intracompany eliminations	(55)	(45)	(18)
Total other operating costs	**712**	**722**	**1**
Total operating costs before depreciation, amortisation and impairment	**989**	**1,005**	**2**

Total operating costs before depreciation, amortisation and impairment were 2% higher than in the corresponding prior year period, mainly due to higher staff costs, Mobile services costs, purchase of goods for resale, commission and related costs, materials and services costs, accommodation costs, and sales and marketing costs, partially offset by lower payments to other telecommunications operators, transport and travel, IT and other costs.

Staff costs

Total staff costs increased by 2% in the nine-month period ended 31 March 2009, primarily due to a reduction in the non-cash pension credit to €7 million from €39 million in the corresponding period ended 31 March 2008. This was partially offset by lower fixed line wages and salaries, and lower pension paid and payable as a result of a reduction in the agreed rate of contributions to the pension scheme during the year.

The group has adopted the corridor approach to accounting for pension obligations under IAS 19. Accordingly the pension charges and the amounts included in the balance sheet are determined based on the pension assets, liabilities and unamortised actuarial surplus as at 30 June 2008 and not the actual assets and liabilities of the pension scheme. No adjustments have been made to the income statement pension charge to reflect movements in the pension scheme position since 30 June 2008 (see note 9).

Fixed line staff costs increased by 3% in the nine-month period ended 31 March 2009. This was primarily due to a decrease in the non-cash pension credit in the nine-month period ended 31 March 2009. Fixed line pay costs, before non-cash pension credit and capitalisation, decreased by 7%, mainly due to a reduction in bonus costs and accruals, as well as lower fixed line headcount and lower cash pension paid and payable costs. Fixed line capitalised labour increased by 8%, due mainly to increased Tetra activity. Mobile services staff costs decreased by 1% due to lower overtime, bonus and commissions costs as well as higher capitalised labour, due to the implementation of a new Meteor billing system, partially offset by increased pay costs.

Headcount in fixed line services at 31 March 2009 was 6,367, down 3% from 6,549 at 31 March 2008. At the end of March 2009 there were also 58 agency staff compared with 23 at 31 March 2008. Meteor headcount at 31 March 2009 was 789 with an additional 203 agency staff, down from 811 with an additional 247 agency staff at 31 March 2008, a reduction of 3%. The costs of agency staff are included within staff costs.

Total other operating costs

Total other operating costs increased by 1% in the nine-month period ended 31 March 2009. This was mainly due to higher Mobile services costs and higher Fixed line accommodation, materials and services and sales and marketing costs, offset by lower fixed line payments to other telecommunications operators, transport and travel, IT and other costs.

Fixed line operating costs
Overall fixed line operating costs in the nine-month period ended 31 March 2009 decreased by 1%, compared with the corresponding period to 31 March 2008. Payments to other telecommunications operators decreased by 11%, mainly due to decreasing interconnect traffic volumes to other operators in the period, particularly transit volumes as mobile operators interconnect directly with one another, and a reduction in mobile termination charges. Transport and travel costs were lower due to a reduction in leasing costs, and a decline in foreign travel in the period. This was partially offset by higher materials and services costs as a result of inclusion of our share of expenses incurred by our joint venture Tetra in the ongoing rollout of its network. Accommodation costs increased by 38% mainly due to provisions in respect of onerous contracts, rental costs for our new head office building and higher electricity charges, partially offset by a once-off credit due to the receipt of a premium on the assignment of a lease in the quarter ended 31 December 2008. The cost of goods for resale, commissions and related costs also increased by 5% as a result of activity in Tetra, partially offset by lower CPE costs and agents commissions.

Mobile operating costs
Total operating costs for the mobile segment were €237 million, an increase of 3% over the corresponding prior year period. The majority of these costs are related to Accommodation, equipment sold including mobile phones, top-up commissions paid to third parties and Sales and Marketing costs for the promotion of Meteor products and services.

Amortisation
Amortisation in the nine months ended 31 March 2009 remained broadly in line with the prior corresponding period. Decreases from certain intangibles arising on the acquisition of the eircom group being fully amortised, were offset by amortisation of Mobile licence costs.

Depreciation
Depreciation charge for the nine months ended 31 March 2009 of €243 million, was broadly in line with the charge for the corresponding nine-month period ended 31 March 2008.

Net construction income
The group's property development subsidiary, Osprey, recognised €6 million on its construction contract in respect of work carried out in the nine months ended 31 March 2009, compared with €34 million in the corresponding period of the prior year. The reduction in revenue is due to lower activity in the current nine-month period, compared with the corresponding prior year period, as work in respect of the construction contract has now been completed.

Profit on the disposal of property and investments
There was a profit of €78 million before tax in the nine months ended 31 March 2008 arising from the disposal of our Masts Access business in September 2007.

Restructuring programme costs
A provision of €157 million was created in the period ended 30 June 2007 for committed future voluntary leaving costs. Restructuring programme provisions of €5 million have been utilised in the period to 31 March 2009.

Finance costs (net)
The group's net finance costs for the nine months ended 31 March 2009 were €295 million, compared with €200 million in the corresponding prior year period. Finance costs in the current period include a charge of €102 million relating to a loss arising on the movement in the fair value of derivatives recognised in the Income Statement during the period, as certain derivatives were deemed not to be effective hedges from an accounting perspective at 31 March 2009. This is an accounting charge and is a non-cash item. The economic impact of these hedges remains unchanged.

Taxation
The tax charge for the period to 31 March 2009 was €17 million, compared with €18 million in the prior year. This is mainly due to lower taxable profits in the current period, offset by the effect of an increased rate of Capital Gains Tax on deferred taxation.

Liquidity
Net cash generated from operating activities
Our primary source of liquidity is cash generated from operations, which represents operating profit, adjusted for non-cash items which are principally depreciation, amortisation, impairment and non-cash pension credit. Cash flows from operating activities are also impacted by working capital movements. During the nine-month period ended 31 March 2009, net cash generated from operating activities increased to €362 million from €222 million in the corresponding prior year period. This was mainly due to the receipt of proceeds relating to the group's subsidiary Osprey's construction contract in the period ended 31 March 2009, and lower payments in respect of our voluntary leaving scheme, partially offset by a tax refund of €35 million received in the prior period.

Cash flows from investing activities
In the nine months ended 31 March 2009, we made payments in respect of capital expenditure of €270 million, compared with €229 million in the corresponding prior year period. Capital expenditure is used primarily to grow and renew our networks, including the 3G network, payments in respect of our share of Tetra's investment in its network and expenditure on a new Meteor billing system.

Cash flows from financing activities
In the nine months ended 31 March 2009, the group made repayments of €221 million in respect of its borrowings, including €72 million in respect of our subsidiary Osprey's loan relating to its construction contract.

Forward looking statements

This document includes statements that are, or may be deemed to be, "forward looking statements". These forward looking statements include all matters that are not historical facts and include statements regarding the intentions, beliefs or current expectations of BCMIF concerning, amongst other things, the results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of the group and the industries in which it operates. By their nature, forward looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward looking statements are not guarantees of future performance. The group's actual results of operations, financial condition, liquidity, and the development of the industries in which it operates may differ materially from the impression created by the forward looking statements contained in this document.

Notes:

1. Percentage changes have been calculated based on the data presented.
2. Percentage changes have been calculated based on unrounded data rather than on the rounded data presented in this table.
3. Mobile ARPU (Average Revenue per User) is calculated by dividing year-to-date total mobile service revenues by the average number of subscribers during the same period, divided by the number of months in the calculation period. The average number of subscribers in the period is the average of the monthly average subscriber base. A subscriber base consists of active subscribers i.e. the SIMs have been used within the 90 days prior to period end.

A conference call will be held on 27 May 2009 at 11.30am local time in Ireland.
The dial-in number is + 353 1 664 7603, Pin number 84311#

BCM Ireland Preferred Equity Limited (“BCMIPE”)

3rd quarter and nine-month results announcement
31 March 2009

BCM Ireland Preferred Equity Limited

Reconciliation of earnings before interest, taxation, depreciation, amortisation, impairment, non-cash pension credit, net construction income and profit on disposal of property and investments to operating profit

	Quarter ended March 2008 €'m	Quarter ended March 2009 €'m	Nine months ended March 2008 €'m	Nine months ended March 2009 €'m
Operating profit/(loss)	95	**69**	369	**(506)**
Profit on disposal of property and investments	-	**-**	(78)	**-**
Net construction income	(12)	**-**	(34)	**(6)**
Non-cash pension credit	(13)	**(3)**	(39)	**(7)**
Operating profit/(loss) before non-cash pension credit, net construction income and profit on disposal of property and investments	70	**66**	218	**(519)**
Depreciation	84	**85**	242	**243**
Amortisation	21	**22**	61	**62**
Goodwill impairment	-	**-**	-	**720**
EBITDA before non-cash pension credit, net construction income and profit on disposal of property and investments	175	**173**	521	**506**

EBITDA before non-cash pension credit, net construction income and profit on disposal of property and investments is split as follows:

Fixed line	145	**138**	437	**414**
Mobile	30	**35**	84	**92**
	175	**173**	521	**506**

BCM Ireland Preferred Equity Limited

Consolidated Income Statement - unaudited
For the Quarter ended 31 March 2009

	31 March 2008	31 March 2009
	€'m	€'m
Revenue	515	**488**
Operating costs excluding amortisation and depreciation	(327)	**(312)**
Amortisation	(21)	**(22)**
Depreciation	(84)	**(85)**
Net construction income	12	**-**
Operating profit	95	**69**
Finance costs	(85)	**(92)**
Finance income	5	**1**
Finance costs – net	(80)	**(91)**
Profit/(loss) before tax	15	**(22)**
Income tax charge	(3)	**(9)**
Profit/(loss) for the period	12	**(31)**

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

BCM Ireland Preferred Equity Limited

Consolidated Income Statement - unaudited
For the nine-month period ended 31 March 2009

	Notes	31 March 2008	31 March 2009
		€'m	€'m
Revenue	3	1,549	**1,518**
Operating costs excluding amortisation, depreciation and impairment		(989)	**(1,005)**
Amortisation		(61)	**(62)**
Depreciation		(242)	**(243)**
Net construction income		34	**6**
Profit on disposal of property and investments		78	**-**
Goodwill impairment	6	-	**(720)**
Operating profit/(loss)	3	369	**(506)**
Finance costs		(250)	**(349)**
Finance income		9	**9**
Finance costs – net	4	(241)	**(340)**
Share of profit of associates		-	**2**
Profit/(loss) before tax		128	**(844)**
Income tax charge	5	(18)	**(17)**
Profit/(loss) for the period		110	**(861)**

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

BCM Ireland Preferred Equity Limited

Consolidated Balance Sheet - unaudited
As at 31 March 2009

	Notes	30 June 2008	31 March 2009
		€'m	€'m
Assets			
Non-current assets			
Goodwill	6	2,342	**1,622**
Other intangible assets		740	**707**
Property, plant and equipment		2,161	**2,139**
Derivative financial instruments		89	**-**
Deferred tax assets		20	**15**
Other assets		25	**24**
		5,377	**4,507**
Current assets			
Inventories		13	**15**
Trade and other receivables	7	504	**358**
Receivables due from group undertakings and related parties		5	**6**
Financial assets at fair value through income statement		30	**12**
Other assets		26	**4**
Restricted cash		10	**10**
Cash and cash equivalents		359	**244**
		947	**649**
Total assets		6,324	**5,156**
Liabilities			
Non-current liabilities			
Borrowings	8	4,061	**4,105**
Derivative financial instruments		-	**77**
Trade and other payables		50	**52**
Deferred tax liabilities		254	**225**
Retirement benefit liability	9	113	**106**
Provisions for other liabilities and charges	10	183	**187**
		4,661	**4,752**
Current liabilities			
Borrowings	8	254	**31**
Derivative financial instruments		-	**81**
Trade and other payables		798	**644**
Inter-company payables to group undertakings		18	**25**
Current tax liabilities		43	**56**
Provisions for other liabilities and charges	10	78	**75**
		1,191	**912**
Total liabilities		5,852	**5,664**
Equity			
Equity share capital		2	**2**
Share premium account		447	**447**
Revaluation reserve		3	**3**
Cash flow hedging reserve		63	**(56)**
Retained profit/(loss)		(43)	**(904)**
Total equity		472	**(508)**
Total liabilities and equity		6,324	**5,156**

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

BCM Ireland Preferred Equity Limited

Consolidated cash flow statement - unaudited
For the Quarter ended 31 March 2009

	31 March 2008	31 March 2009
	€'m	€'m
Cash flows from operating activities		
Cash generated from operations	132	**128**
Interest received	5	**1**
Interest paid	(115)	**(84)**
Income tax refund	2	**-**
Income tax paid	-	**(2)**
Dividends paid to preference shareholders	(2)	**(1)**
Net cash generated from operating activities	22	**42**
Cash flows from investing activities		
Purchase of property, plant and equipment (PPE)	(57)	**(63)**
Proceeds from sale of PPE and investments (net of expenses)	(2)	**1**
Purchase of intangible assets	(15)	**(10)**
Net cash used in investing activities	(74)	**(72)**
Cash flows from financing activities		
Repayment of borrowings	(19)	**(19)**
Lease payments	(1)	**-**
Proceeds from loan borrowings	12	**9**
Debt issue costs paid	-	**(1)**
Net cash used in financing activities	(8)	**(11)**
Net decrease in cash, cash equivalents and bank overdrafts	(60)	**(41)**
Cash, cash equivalents and bank overdrafts at beginning of period	342	**285**
Cash, cash equivalents and bank overdrafts at end of period	282	**244**

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

BCM Ireland Preferred Equity Limited

Consolidated cash flow statement - unaudited
For the nine-month period ended 31 March 2009

	Note	31 March 2008	31 March 2009
		€'m	€'m
Cash flows from operating activities			
Cash generated from operations	11	422	**587**
Interest received		9	**10**
Interest paid		(239)	**(230)**
Income tax refund		35	**-**
Income tax paid		-	**(2)**
Dividends paid to preference shareholders		(5)	**(3)**
Net cash generated from operating activities		222	**362**
Cash flows from investing activities			
Dividend received from associate undertaking		-	**2**
Purchase of property, plant and equipment (PPE)		(194)	**(242)**
Proceeds from sale of PPE and investments		154	**4**
Purchase of intangible assets		(35)	**(28)**
Net cash used in investing activities		(75)	**(264)**
Cash flows from financing activities			
Repayment of borrowings		(58)	**(221)**
Lease payments		(4)	**(2)**
Proceeds from loan borrowings		36	**17**
Debt issue costs paid		-	**(1)**
Net cash used in financing activities		(26)	**(207)**
Net increase/(decrease) in cash, cash equivalents and bank overdrafts		121	**(109)**
Cash, cash equivalents and bank overdrafts at beginning of period		161	**353**
Cash, cash equivalents and bank overdrafts at end of period		282	**244**

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

BCM Ireland Preferred Equity Limited

Consolidated statement of changes in shareholders' equity – unaudited
For the nine-month period ended 31 March 2009

	Equity share capital €'m	Share premium account €'m	Revaluation €'m	Cash flow hedging reserve €'m	Retained (loss)/ profit €'m	Total equity €'m
Balance at 30 June 2007	**2**	**447**	**3**	**37**	**(159)**	**330**
Currency translation differences	-	-	-	-	(2)	(2)
Cash flow hedge	-	-	-	(33)	-	(33)
Net expense recognised directly in equity	-	-	-	(33)	(2)	(35)
Profit for the period	-	-	-	-	110	110
Total recognised (expense)/income for the period	-	-	-	(33)	108	75
Balance at 31 March 2008	**2**	**447**	**3**	**4**	**(51)**	**405**
Balance at 30 June 2008	**2**	**447**	**3**	**63**	**(43)**	**472**
Cash flow hedge:						
- Fair value loss in period	-	-	-	(119)	-	(119)
- Tax on fair value loss	-	-	-	26	-	26
- Transfer to income statement	-	-	-	(26)	-	(26)
Net expense recognised directly in equity	-	-	-	(119)	-	(119)
Loss for the period	-	-	-	-	(861)	(861)
Total recognised expense for the period	-	-	-	(119)	(861)	(980)
Balance at 31 March 2009	**2**	**447**	**3**	**(56)**	**(904)**	**(508)**

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

BCM Ireland Preferred Equity Limited

Selected notes to the condensed interim financial information – unaudited

1. General information

BCM Ireland Preferred Equity Limited ('the Company') and its subsidiaries together, ('the Group') provide fixed line and mobile telecommunications services in Ireland. BCM Ireland Preferred Equity Limited ("BCMIPE") is registered in the Cayman Islands and is tax resident in Ireland. The address of its registered office is Maples & Calder Corporate Services Limited, Ugland House, South Church Street, Grand Cayman, Cayman Islands.

This condensed consolidated interim financial information was approved, for issue on 27 May 2009.

2. Basis of preparation

The financial information, as at and for the period ended 31 March 2009, in respect of the group has been prepared using the same accounting policies as applied for the year ended 30 June 2008. 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 BCMIPE for the year ended 30 June 2008.

After making appropriate enquiries and on the basis of current financial projections and debt facilities available, the Directors believe that the group has adequate resources to meet the group's financial needs and obligations for the foreseeable future and therefore the Directors consider it appropriate to adopt the going concern basis in preparing the financial information.

This financial information has been prepared to meet the group's commitment to make available certain unaudited condensed consolidated financial information to the holders of the group's Floating Rate Senior PIK 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 or an updated valuation of the group's pension scheme liabilities as at 31 March 2009.

3. Segment information

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

The segment results for the nine months ended 31 March 2009 are as follows:

	Fixed line €'m	Mobile €'m	Inter-segment €'m	Group €'m
Revenue	**1,191**	**372**	**(45)**	**1,518**
Goodwill impairment (Note 6)	**(405)**	**(315)**	**-**	**(720)**
Operating loss/Segment result	**(210)**	**(296)**	**-**	**(506)**

The segment results for the nine months ended 31 March 2008 are as follows:

	Fixed line €'m	Mobile €'m	Inter-segment €'m	Group €'m
Revenue	1,246	358	(55)	1,549
Operating profit/Segment result	353	16	-	369

4. Finance costs – net

	31 March 2008 €'m	31 March 2009 €'m
Finance costs	(250)	**(349)**
Finance income	9	**9**
Finance costs - net	(241)	**(340)**

In the nine months ended 31 March 2009, finance costs includes €102 million to reflect movements in the fair value of derivatives, which did not qualify for hedge accounting during the period.

5. Income tax charge

Reconciliation of effective tax rate

The tax on the group's profit/(loss) before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profit/(loss) of the group as follows: -

	31 March 2008 €'m	31 March 2009 €'m
Profit/(loss) before tax	128	**(844)**
Tax calculated at Irish standard tax rate of 12.5%	16	**(105)**
Effects of:-		
Goodwill impairment – non deductible	-	**90**
Other non deductible expenses	14	**26**
Effect of changes in tax rates	-	**8**
Income not subject to taxation	(10)	**-**
Tax losses utilised	(1)	**-**
Income taxable at higher rate	1	**-**
Adjustment in respect of prior periods	(2)	**(2)**
Tax charge for the period	18	**17**

6. Goodwill

	30 June 2008 €'m	31 March 2009 €'m
Opening balance	2,403	**2,342**
Disposals	(61)	**-**
At end of financial period	2,342	**2,342**
Accumulated impairments	-	**(720)**
At end of financial period	-	**(720)**
Net book value at end of financial period	2,342	**1,622**

Goodwill is not subject to amortisation. Goodwill is carried at cost less accumulated impairment losses. A goodwill impairment test was performed at 31 December 2008. No impairment test has been performed since that date.

Impairment test of goodwill and other indefinite life assets

The goodwill arising on the acquisition of eircom Group was allocated to the group's CGU's identified according to business segments. The group has two CGU's, fixed line and mobile. A segment level summary of goodwill and other indefinite lived assets is presented below.

	30 June 2008 €'m	31 March 2009 €'m
Goodwill:		
- Fixed line	1,631	1,631
- Accumulated impairments	-	(405)
Fixed line goodwill	1,631	**1,226**
Fixed line trademark	262	**262**
Fixed line goodwill and other indefinite lived assets	1,893	**1,488**
- Mobile	711	711
- Accumulated impairments	-	(315)
Mobile goodwill	711	**396**
Goodwill	2,342	**1,622**
Total goodwill and other indefinite lived assets	2,604	**1,884**

The carrying value of goodwill of the group's fixed line and mobile operations have been impaired by €720 million (30 June 2008: €Nil) following a test for impairment at 31 December 2008. The impairment charge reflects the pension deficit at 31 December 2008 and the deterioration in the Irish economic environment and the outlook for the business.

6. Goodwill - continued

At 31 December 2008, the recoverable amount of each CGU was determined on the basis of value-in-use, using the discounted cash flow (DCF) method. The calculation, as at 31 December 2008, used cash flow projections based on business plans approved by management, covering the period to 30 June 2011. Cash flows beyond this period were extrapolated using the estimated growth rates stated below.

The key assumptions used for value-in-use calculations, as at 31 December 2008, were as follows:

	Fixed line	**Mobile**
	%	**%**
Growth rates	0.25%	0.75%
Discount rates (Pre-tax)	9.44%	9.83%
Discount rates (Post-tax)	8.25%	8.75%

The above key assumptions were based on past experience, adjusted for expected changes in future conditions and were evaluated with regard to external information on comparable companies in similar markets. Any adverse change in a key assumption underpinning the value in use calculation may cause a further impairment loss to be recognised in the future.

7. Trade and other receivables

During the nine months ended 31 March 2009, the group recognised a provision for impaired receivables of €10 million (31 March 2008: €11 million), reversed provisions for impaired receivables of €Nil (31 March 2008: €1 million) and utilised provisions for impaired receivables of €4 million (31 March 2008: €6 million). The creation and reversal of provisions for impaired receivables have been included in "operating costs" in the income statement.

Trade receivables at 31 March 2009 include construction revenue receivable of €Nil (30 June 2008: €128 million).

8. 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 31 March 2009					
Floating rate notes due 2016	**-**	**-**	**-**	**350**	**350**
Floating rate senior PIK notes due 2017	**-**	**-**	**-**	**547**	**547**
Other borrowings	**39**	**68**	**362**	**2,821**	**3,290**
Debt issue costs	**(13)**	**(13)**	**(35)**	**(18)**	**(79)**
Finance leases – defeased	**4**	**23**	**-**	**-**	**27**
Finance leases	**1**	**-**	**-**	**-**	**1**
	31	**78**	**327**	**3,700**	**4,136**
As at 30 June 2008					
Floating rate notes due 2016	-	-	-	350	350
Floating rate senior PIK notes due 2017	-	-	-	501	501
Other borrowings	233	69	344	2,848	3,494
Debt issue costs	(13)	(13)	(36)	(26)	(88)
Finance leases – defeased	26	22	1	-	49
Finance leases	2	1	-	-	3
Bank overdraft	6	-	-	-	6
	254	79	309	3,673	4,315

Other borrowings, at 31 March 2009, include Senior Preference Shares of €72 million (30 June 2008: €72 million), borrowings under a Senior Credit Facility of €3,201 million (30 June 2008: €3,350 million), borrowings by our property development company of €Nil (30 June 2008: €72 million) and our share of borrowings in respect of our joint venture, Tetra Ireland Communications Limited ("Tetra"), of €17 million (30 June 2008: €Nil).

Interest accrued on borrowings at 31 March 2009 is €10 million (30 June 2008: €66 million). This is included in trade and other payables.

9. Pensions

The group's pension commitments are funded through separately administered Superannuation Schemes and are principally of a defined benefit nature. The group has applied the corridor approach, which leaves some actuarial gains and losses unrecognised as permitted by IAS 19. The corridor approach has been applied from the acquisition date of eircom Group, 18 August 2006.

Pension scheme obligation
The status of the principal scheme at 31 December 2008 is as follows:

	30 June 2008 €'m	31 Dec 2008 €'m
Fair value of scheme assets	2,746	**2,143**
Present value of funded obligations	(2,726)	**(2,576)**
Scheme assets in excess of benefit obligation/(Benefit obligation in excess of scheme assets)	20	**(433)**
Unrecognised actuarial (gains)/losses	(133)	**324**
Liability recognised in the Balance Sheet	(113)	**(109)**

Under the corridor approach, excess gains and losses are recognised as a pension credit or charge over the expected average remaining working lives of the employees based on the unrecognised actuarial gains and losses at the start of the financial year (i.e. 1 July 2008) and consequently the charge for the nine months ended 31 March 2009 does not reflect the movements in the assets and liabilities of the pension scheme since 1 July 2008.

No valuation of the fair value of the scheme assets or the present valuation of the funded obligations has been performed since 31 December 2008.

Assumptions of actuarial calculations
The main financial assumptions used in the valuations were:

	At 30 June 2007	At 30 June 2008	At 31 Dec 2008
Rate of increase in salaries	3.50%	3.50%	**2.50%**
Rate of increase in pensions in payment	3.50%	3.50%	**2.50%**
Discount rate	5.35%	6.25%	**5.75%**
Inflation assumption	2.25%	2.50%	**1.70%**

Mortality assumptions used at 30 June 2008 were considered to be still applicable at 31 December 2008. Details of mortality assumptions are set out in the annual report and financial statements of BCMIPE for the year ended 30 June 2008.

10. Provisions for other liabilities and charges

	TIS Annuity Scheme €'m	Onerous Contracts €'m	Restruc-turing €'m	Other €'m	Total €'m
At 30 June 2008	**103**	**14**	**61**	**83**	**261**
Charged to consolidated income statement:					
- Additional provisions	3	12	-	4	19
- Reversals /other	7	-	-	(2)	5
Increase in provision capitalised as asset retirement obligation	-	-	-	5	5
Utilised in the period	(16)	(2)	(5)	(5)	(28)
At 31 March 2009	**97**	**24**	**56**	**85**	**262**

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

	30 June 2008 €'m	31 March 2009 €'m
Non-current	183	**187**
Current	78	**75**
	261	**262**

11. Cash generated from operations

	31 March 2008 €'m	31 March 2009 €'m
Profit/(loss) after tax	110	**(861)**
Add back:		
Income tax charge	18	**17**
Share of profit of associates	-	**(2)**
Finance costs – net	241	**340**
Operating profit/(loss)	369	**(506)**
Adjustments for:		
- Profit on disposal of property and investments	(78)	**-**
- Net construction income	(34)	**(6)**
- Depreciation and amortisation	303	**305**
- Goodwill impairment	-	**720**
- Non cash retirement benefit credit	(39)	**(7)**
Cash flows relating to restructuring, onerous contracts and other provisions	(47)	**(24)**
Cash flows relating to construction contract	(40)	**124**
Changes in working capital		
Inventories	(1)	**(2)**
Trade and other receivables	(49)	**17**
Trade, other payables and other provisions	34	**(41)**
Inter-company payables to group undertakings (net)	4	**7**
Cash generated from operations	422	**587**

12. Contingent liabilities

In connection with the demerger of eircom's masts business, and its subsequent acquisition by Towercom Holdings Limited on 18 September 2007, eircom gave warranties to Towercom Holdings Limited in respect of various matters. On 12 March 2009, Towercom Holdings Limited instituted a claim in the Commercial division of the High Court for €22 million in respect of alleged breaches of those warranties. A Statement of Claim was delivered on 25 March 2009. In order to understand the basis on which the claim was made eircom raised detailed queries in respect of the claim in a Notice for Particulars delivered on 14 April 2009. Towercom Holding delivered its replies to those queries on 27 April 2009. A request for further Particulars is being drafted. eircom's Defence has been filed. Towercom served its Notice for Particulars on eircom 19 May 2009 and investigations are continuing.

eircom has received letters before action in relation to potential hearing loss claims from one hundred and thirteen current and former employees. These claims will have to progress through the compulsory injuries Board process (formerly the Personal Injuries Assessment Board), twenty-nine of these claims have progressed to the stage where Court proceedings have issued. In seventeen of these cases, Court proceedings have been served on eircom and are progressing through the Court process and are at various stages in this process. eircom denies liability in all cases and is defending all claims.

There have been no other material changes in our contingent liabilities since the filing of the annual report and financial statements of BCMIPE for the year ended 30 June 2008.

13. Guarantees

Credit guarantees
The credit guarantees comprise guarantees and indemnities of bank or other facilities, including those in respect of the group's subsidiary undertakings. The group has guaranteed financial indebtedness for €3.8 billion in respect of the Senior Credit Facility and Floating Rate Notes.

Senior Credit Facility
The Senior Credit Facility of the group consists of a €3.3 billion term and revolving credit facility which has the benefit of guarantees and security for all amounts borrowed under the terms of the Senior Credit Facility. The Senior Credit Facility is secured by a first-priority pledge over the assets of BCM Ireland Holdings Limited ("BCMIH"), a wholly owned subsidiary of BCM Ireland Finance Limited ("BCMIF"), and a pledge over all of the assets of BCM Luxembourg Limited Sarl, eircom Group Limited, Valentia Telecommunications, eircom Limited, Irish Telecommunications Investments Limited and Meteor Mobile Communications Limited. The subsidiaries guaranteeing the Senior Credit Facility are BCM Luxembourg Limited Sarl, eircom Group Limited, Valentia Telecommunications, eircom Limited, Irish Telecommunications Investments Limited and Meteor Mobile Communications Limited.

13. Guarantees - continued

Floating Rate Notes
The Floating Rate Notes of €350 million issued by BCMIF, are guaranteed on a senior subordinated basis by BCMIH and the subsidiaries guaranteeing the Senior Credit Facility. The Floating Rate Notes are general senior obligations of BCMIF and rank equally in right of payment with all existing and future senior indebtedness of BCMIF. The Floating Rate Notes are also secured by a first-priority pledge over all the shares of BCMIH.

PIK notes
The Payment-In-Kind ("PIK") notes of €547 million are senior obligations of BCMIPE and rank equally in right of payment with all existing and future senior indebtedness of BCMIPE. These Notes are effectively subordinated to any existing and future indebtedness of BCMIPE's subsidiaries.

14. Seasonality

Fixed line
eircom's traffic volumes tend to decline during December and March or April as a result of a decline in business traffic over the Christmas and Easter holiday periods. eircom also tend to experience relatively higher fixed line traffic volumes in the Spring and Winter months, other than Christmas and Easter of each year. The group does not believe this 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 prepaid subscriber growth and related costs of handset subsidy and commissions in November and December. Visiting-roaming revenues are also seasonally significant because Ireland is a popular tourist destination during the summer months.

15. Commitments

Operating lease commitments
The group's operating lease contractual obligations and commitment payments were €478 million at 31 March 2009 (30 June 2008: €515 million). The payments due on operating leases are in respect of lease agreements in respect of properties, vehicles, plant and equipment for which the payments extend over a number of years.

Capital commitments
The group's capital contractual obligations and commitment payments were €98 million at 31 March 2009 (30 June 2008: €96 million).

16. Related party transactions

The following transactions occurred with related parties:

a) Purchase of goods and services

During the nine months ended 31 March 2009, the group paid €0.3 million (31 March 2008: €0.3 million) on behalf of the Employee Share Ownership Trust (ESOT) for the administrative expenses incurred in its capacity as trustee of the ESOT and the Approved Profit Share Scheme (APSS). These were recharged to BCM ESOT Services Limited and the amount outstanding in respect of these costs is €1.2 million at 31 March 2009 (30 June 2008: €0.9 million).

b) Other transactions

During the period, the group recharged operating costs and other costs incurred on behalf of Tetra of €3.4 million (31 March 2008: €Nil). The amount outstanding in respect of these costs is €3.5 million at 31 March 2009 (30 June 2008: €1.2 million).

During the year ended 30 June 2008, costs amounting to €3 million were paid, on behalf of BCM Ireland Equity SPC ("BCMIE"). The amount outstanding in respect of these costs is €3 million at 31 March 2009 (30 June 2008: €3 million).

The income statement includes management charges from BCMIE of €7.2 million (31 March 2008: €7.3 million). The amount outstanding in respect of these costs, net of tax paid on behalf of BCMIE, is €24.4 million at 31 March 2009 (30 June 2008: €17.2 million).

The income statement includes salary-related charges from BCM Enterprises Limited of €0.3 million (31 March 2008: €0.6 million). There are no amounts outstanding in respect of these costs at 31 March 2009 (30 June 2008: €0.02 million).

16. Related party transactions - continued

During the period ended 30 June 2007, eircom Holdings Limited (formerly Babcock & Brown Capital Limited) paid costs on behalf of the BCMIPE group in relation to refinancing of the group and the acquisition of eircom Group by BCMIH. The amount outstanding in respect of these costs is €0.5 million at 31 March 2009 (30 June 2008: €0.5 million).

During the prior year the company's parent company, BCMIE committed to introducing an incentive scheme for certain executives and key management of the BCMIPE Group. The costs of this scheme will be borne by BCMIE and BCMIPE and its subsidiaries will not be recharged for the costs incurred by BCMIE in meeting its obligations under this incentive scheme. Consequently, no charge or liability in respect of this incentive scheme is reflected in the BCMIPE Group.