

eircom Holdings Limited

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ASX RELEASE

8 July 2009

GOLDEN PAGES ANNOUNCEMENT

eircom Holdings Limited (ASX:ERC) announces today that it has reached a conditional agreement with the trustee and appointed representatives of the bondholders (**Bondholders**) of Golden Pages (**GPM**) regarding a restructure of GPM's debt obligations and ERC's investment in GPM post restructure.

This restructure follows a covenant breach attaching to the GPM Bonds resulting from the impairment of assets held by ERC's wholly owned subsidiary, Babcock and Brown Capital (Israel Holdings 2008) Ltd. This conditional agreement with the Bondholders will, on completion of the restructure, dilute ERC's shareholding interest in GPM to a nominal interest (approximately 0.01%).

Therefore, at completion of the restructure, which is expected to be in approximately 3 months, GPM will cease to be a subsidiary of ERC and ERC's remaining investment in GPM will be nominal.

On completion of the restructure, ERC will receive a total payment of up to US\$1 million, of which US\$500,000 will be payable upon completion of the restructure and US\$500,000 will be payable if a change in control of GPM eventuates within 3 years of completion of the restructure. If a change in control of GPM does not eventuate within 3 years of completion, ERC will be entitled to receive US\$300,000. ERC also has an entitlement to a number of other potential economic benefits in the form of rights and payments to ERC in relation to GPM, conditional on various outcomes over the next 3 years. In aggregate these rights and entitlements do not in the view of ERC amount to a material value and they are freely transferrable by ERC at any time. They are not likely to result in ERC owning more than a nominal stake in GPM.

As a result of this agreement, it is expected that the book value of ERC's investment in GPM will be written down to a maximum of US\$1 million at 30 June 2009, compared with the current book value of this investment of approximately A\$11 million. Costs associated with the restructure will be recognised in ERC's accounts in the 30 June 2009 financial year.

The restructure agreement is conditional on a number of procedural steps being completed and a number of approvals being obtained, including the consent of Bank

Hapoalim (senior lender to GPM), approval of the agreement by the Bondholders of GPM in general meeting and, if required, approval of the Israeli Court. As noted, completion is expected to occur in approximately 3 months, subject to all approvals being obtained.

BACKGROUND

As previously reported, a non-cash loss recorded by GPM for the period ended 31 December 2008, flowing from the requirement to impair goodwill, resulted in the equity value of GPM falling below the threshold required under certain covenants in the relevant agreement for GPM's Bondholders. ERC has previously advised it would not be providing further financial support for GPM.

In April 2009, the Bondholders agreed with GPM to waive the debt covenant breach for a period of three months to enable negotiations around a restructure of GPM's debt obligations to be conducted in an orderly manner. As part of today's agreement, the covenant waiver will remain in place until completion of the proposed restructure referred to above.

ENDS

Further Information:

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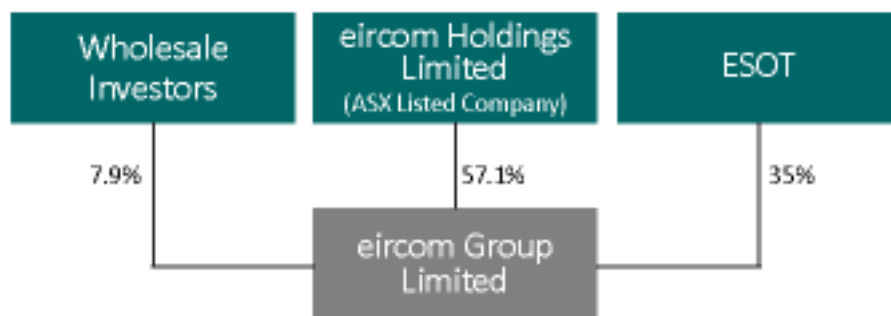
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ABOUT EIRCOM HOLDINGS LIMITED

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

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



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