eircom Holdings Limited
Level 23 Chifley Tower . 2 Chifley Square . Sydney NSW 2000 Australia
T +61 9229 1800 F +61 2 9216 1753 . www.eircomholdings.com
ABN 31 112 119 203

ASX RELEASE

27 May 2009

MARCH QUARTER 2009 OPERATIONAL UPDATE

eircom Holdings Limited (ASX: ERC) today released the unaudited March 2009 quarterly operational update for eircom Group Limited ("eircom") and Golden Pages.

eircom

eircom achieved a Fixed Line EBITDA[1] of €141 million and revenue of €386 million for the March 2009 quarter, down on the €148 million EBITDA and €414 million in revenue achieved in the March 2008 quarter. The decline reflects the difficult economic conditions in Ireland and increased competition.

Broadband revenue of €45 million for the quarter was 14% up on the prior corresponding period as a result of an increasing subscriber base. The rate of broadband growth has slowed as a result of increased competition particularly from mobile broadband offerings. Net adds for the quarter of 19,000 were down from the net adds of 37,000 from the previous corresponding quarter to March 2008.

In order to address the effects of an easing in broadband revenue growth, eircom continues to roll out bundled broadband packages as an effective acquisition and retention proposition. eircom fixed line broadband subscribers increased by 11% from 593,000 at 31 March 2008 to 658,000 at 31 March 2009.

The Meteor mobile business increased EBITDA to €36 million, the largest quarterly result since Meteor's inception. Despite this result, the level of subscribers fell from 1,032,000 to 1,024,000 for the quarter. This reduction is the result of significant competition in the prepaid mobile market.

Lower subscriber levels and lower minutes of use, resulted in a revenue decline for the quarter. Revenue in Meteor of €117 million was 2% down in the corresponding quarter in the prior year.

Mobile market share has reached 19.6%, increasing slightly from 18.9% in the corresponding quarter of the prior year. Excluding MBB, which was only released by eircom in March 2009, market share is 20.9%.

eircom continues to meet its quarterly banking covenants and eircom's debt is unaffected by the termination of the Management Agreement with Babcock & Brown.

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[1] Pre: MASTCo sale, management fee, fair value adjustments and restructuring costs and management incentive costs

Golden Pages

Golden Pages achieved a 54% increase in consolidated EBITDA compared to the prior corresponding period from NIS 13.6 million in the March 2008 quarter to NIS 20.9 million in the March 2009 quarter. Increases were reported in all areas of the business. Print had a strong quarter reporting EBITDA of NIS 12.7 million (NIS 10.3 million in March 2008), Golden Pages online reported EBITDA of NIS 4.1 million well above the prior corresponding quarter of NIS 0.9 million and local search & information reported EBITDA of NIS 4.1 million compared to NIS 2.4 million in March 2008. This is despite the more challenging economic environment in Israel.

Consolidated EBITDA improvements resulted from increased revenues of 8% from NIS 75 million in the March 2008 quarter to NIS 81 million in March 2009, as well as significant sales and marketing cost savings, in the current quarter.

Golden Pages continues to implement a number of strategies to mitigate the expected global decline in print revenues including utilising its print customer base to gain critical mass across all distribution platforms and further developing bundled advertising offerings across multiple distribution platforms.

As previously disclosed, Golden Pages have agreed with bondholders to waive the debt covenant breach for three months. The ERC Board believes this will allow sufficient time to conclude the disposal of this investment.

Attachments

An investor presentation which includes information intended to provide investors with the metrics for evaluating the performance and underlying value of eircom and Golden Pages.

ENDS

Further Information:
Andrew Day
CEO
eircom Holdings Limited
+44 20 7203 7328

Haydn Vella
Company Secretary
eircom Holdings Limited
+61 2 9229 1800

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.

eircom HOLDINGS LIMITED

March 09 Quarter Operational Update

27 May 2009

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STRATEGIC UPDATE

STRATEGIC MILESTONES		STATUS
1.	Capital Return of 60 cents per share	✓
2.	Management Internalisation	✓
3.	Change of name to eircom Holdings (“ERC”)	✓
4.	Appoint New CEO at eircom	✓
5.	Operational Change at eircom	Union accord 2 weeks ago
6.	ERC Review Process	Ongoing
7.	Golden Pages Sale Process	Ongoing

STRATEGIC UPDATE: REVIEW PROCESS

Update

- Several proposals have been received from international financial and strategic groups, with certain parties now conducting further due diligence on eircom and ERC
- Board requires any proposal involving change of control of ERC to reflect appropriate value for ERC's controlling stake in eircom, in excess of ERC's net asset backing of approximately A$1.05 (unaudited) per share
- Management presentations in Dublin this week
- No assurance can be given that a change of control transaction will eventuate from the Review Process, but the Board remains committed to exploring proposals in best interests of all Shareholders
- Still targeting to have proposal for Shareholders to consider by 30 June 2009
- If no change of control proposal for ERC has been announced before 30 June 2009, subject to capital markets conditions, objective will be to pursue a restructure of ERC's interest in eircom in order to achieve the following:
  - establish more sustainable capital structure for eircom;
  - simplify ownership structure; and
  - replace current constraints contained in the eircom shareholder agreement with improved governance and performance accountability arrangements

CAPITAL MANAGEMENT INITIATIVE

Net Asset Position

- Approximately A$175 million (equivalent to ~A$1.05 (unaudited) per ERC share)
- After taking into account:
  - the recent capital return of A$100.7 million;
  - the net effect of the A$42 million cost of closing out ERC’s derivative positions;
  - A$5 million one-off payment to terminate the outsourced Management Agreement; and
  - transaction costs of approximately A$3 million to date

Investment Reserves

- If no suitable change of control proposal is announced before 30 June 2009, Board intends to return approximately A$135 million (A$0.80 per ERC share) dependent on available cash, receivables and known liabilities
- ~A$40 million to be retained as prudent reserve
- In July 2009 the Board will meet to consider second capital return for 2009

SALE OF GOLDEN PAGES

Sale Process

- ERC's objective is to have disposed of its investment in Golden Pages by 30 June 2009
- Discussions continue with a number of parties
  - Several offers have been received in relation to a change of control
  - Active discussions with lenders (whose consent is required for a change of control)
- No further equity will be invested in Golden Pages and ERC's capital management proposal reflects this position

Bondholders

- Bondholders have agreed to waive the existing debt covenant breach for three months while a restructuring with potential buyers is negotiated
  - Covenant breach resulted from the non-cash loss recorded at 31 December 2008 causing the equity position to fall below required threshold

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eircom – OPERATIONAL UPDATE

Accord with Unions

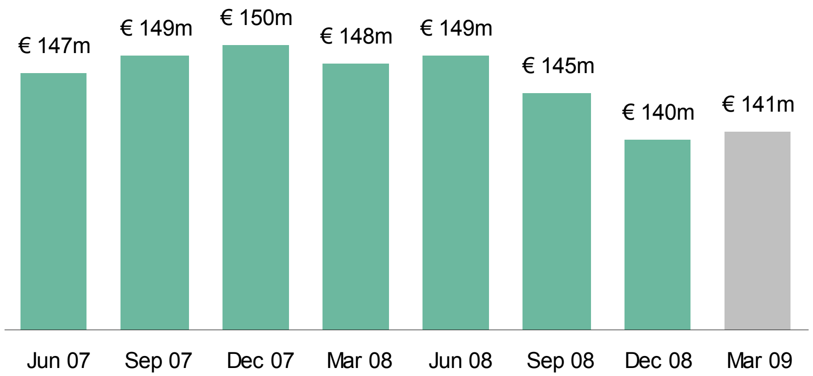
- eircom has reached an accord with the unions regarding Stage One of its restructuring programme, including
  - a headcount reduction of 1200 by June 2011;
  - a group wide freeze on base pay for two years until June 2011;
  - reductions in the order of 25% for certain staff allowances;
  - no performance related bonus until June 2011; and
  - in addition further cost saving measures have commenced and eircom is seeking costs savings of €130 per annum by June 2010/2011

CEO Appointment

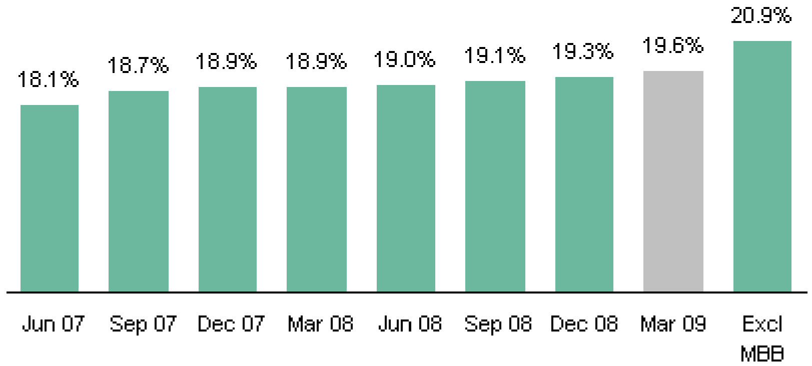
- ERC announced on 18 May the appointment of Paul Donovan as the new CEO of eircom
- This appointment came from the result of a global search over a number of months to find the most suitable candidate to lead eircom into its next phase
- The ERC Board are delighted with the appointment of Mr Donovan who has extensive experience in the telecommunications industry, where his most recent role was on the executive of Vodafone in the UK.
- The ERC Board welcomes Mr Donovan and also thanks Mr Cathal Magee for his contribution as Acting CEO of eircom over the past several months

eircom – INVESTMENT SCORECARD

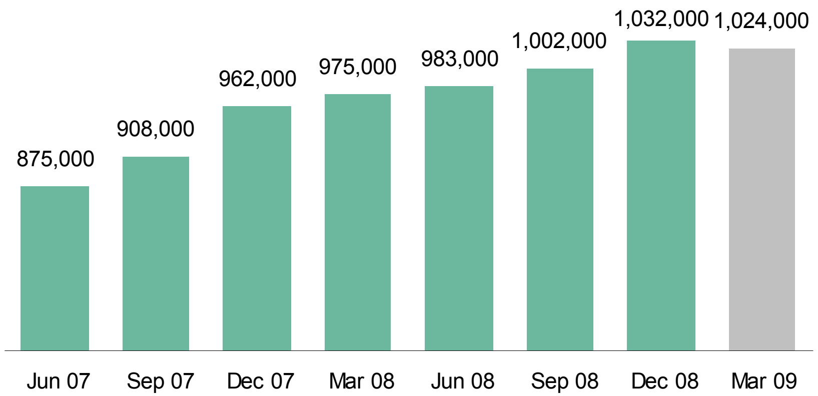
FIXED LINE – Actual EBITDA[1] per quarter
KPI: Maintain Fixed Line EBITDA



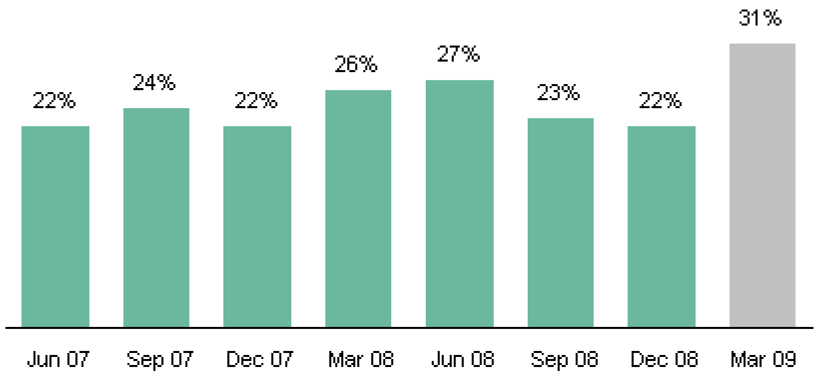
MOBILE – Actual Subscriber Market Share per quarter[2]
KPI: Attain historical European average 3rd player market share of 20%[4]



MOBILE – Actual Subscribers per quarter[2]
KPI: Grow mobile phone subscribers



MOBILE – Actual EBITDA Margin % per quarter[3]
KPI: Attain historical European average 3rd player EBITDA margin of 30%[4]

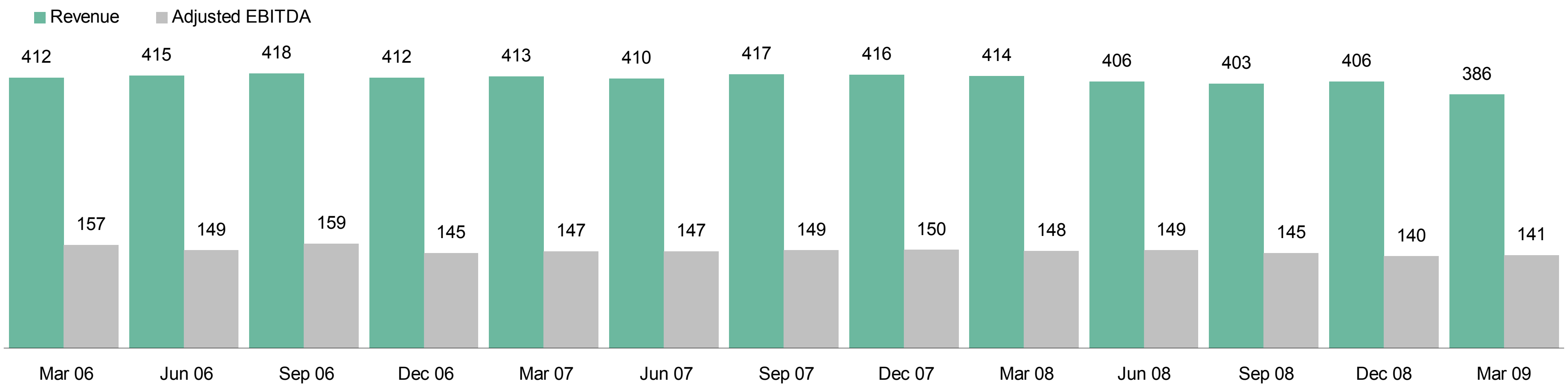


1 Pre: MASTCo sale, management fee, fair value adjustments and restructuring costs and management incentive costs
2 Source: ComReg quarterly reports and company estimates.
3 Before management incentive costs and fair value adjustments
4 JP Morgan

eircom – FIXED LINE

- EBITDA[1] of €141 million for the quarter, a 5% decrease on prior corresponding period due to deteriorating economic conditions results in reductions in PSTN lines, voice substitute fixed line to mobiles and deteriorated use of on-net substitutes (e.g. VoIP), but up € 1 million on the previous quarter to December 2008
- Revenue of €386[2] million for the quarter a 7% decrease on prior corresponding period attributed to pressure on voice and data traffic
- Win back for the quarter at 59% vs 77% for the quarter to 31 March 2009 due to increased competitor activity, particularly in broadband
- Increased focus on cost control across the group
- Investment in the fixed network continues with a focus on increasing capacity, broadband roll-out, demand-led growth and Next Generation Networks (NGN) developments

Quarterly revenue and Adjusted EBITDA[1]
(Mar 06 to Mar 09)



Source: eircom annual and interim reports
1 Pre: MASTCo sale, management fee, fair value adjustments and restructuring costs and management incentive costs
2 Pre fair value adjustments and incentive costs

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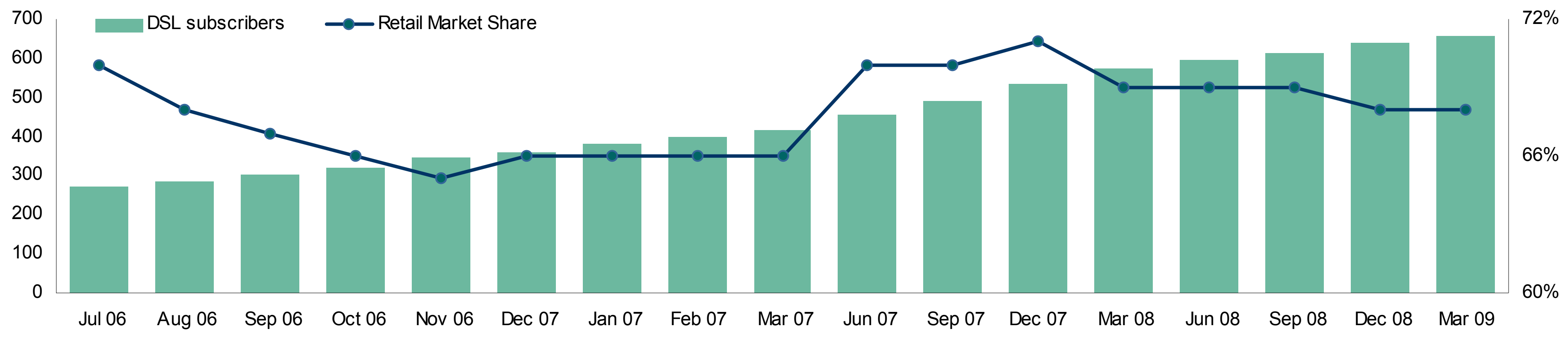
eircom – FIXED LINE (continued)

Broadband

- Broadband revenues of €45 million for the quarter, up 14% on the prior corresponding quarter off growing subscriber base
- Rate of growth continues to slow as a result of increased competition from mobile broadband
- Mobile broadband was launched during the quarter. Subscriber numbers are still low at approximately 3,400
- New bundled packages launched in October beginning to have positive impact in counteracting competitive pressures
- Broadband rollout – a total of almost 743 exchange sites enabled as at 31 March 2009, connecting more than 1.4 million lines pre-qualifying for broadband
- 19,000 net DSL customer adds during the quarter resulting in 658,000 total subscribers at 31 March 2009 a 11% increase year on year as rollout of broadband continues
- eircom has a retail share of total DSL market (retail, bitstream, LLU) of 68% and total broadband market share (both Wholesale and Retail and excluding LLU) of 55%[1]

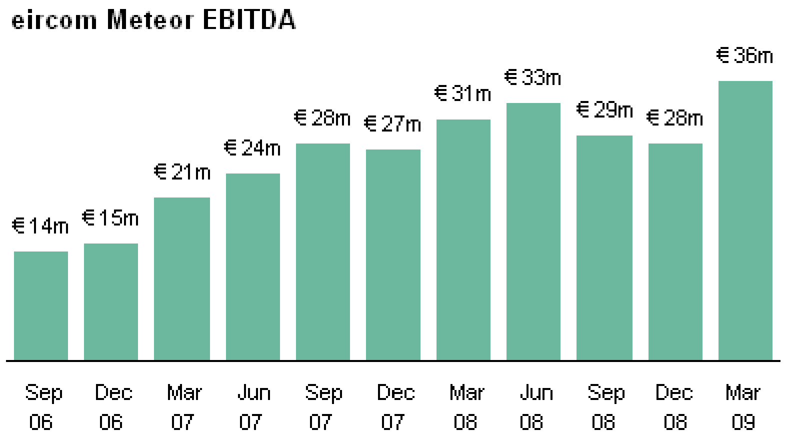
1 Including mobile broadband

DSL Market Trends

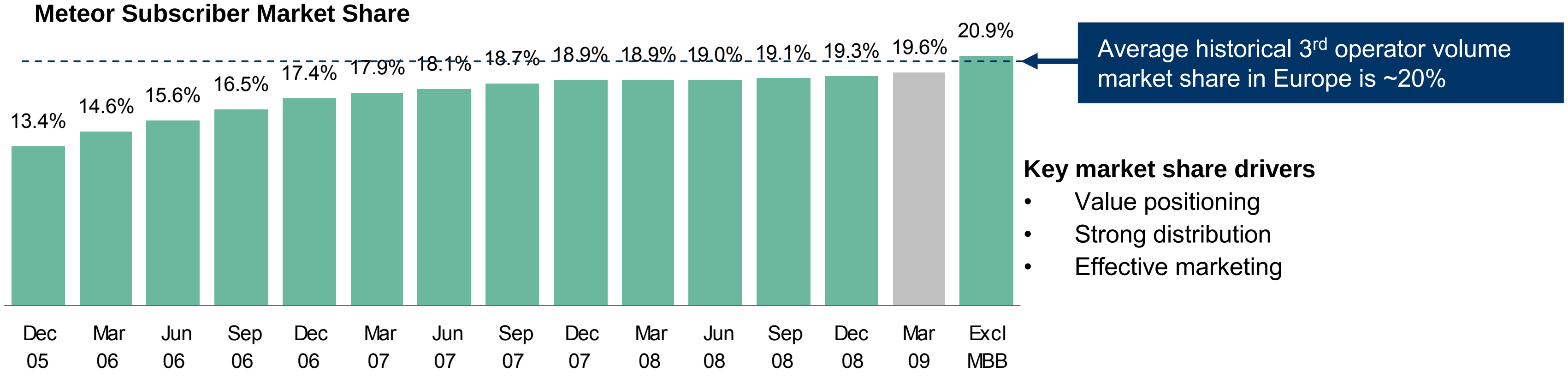


eircom – METEOR

- EBITDA of €36[1] million for the quarter, a €3m or 16% increase year on year. EBITDA for the March quarter was 25% (€7million) above Dec quarter.
- Revenue of €117 million for the quarter down 2.5% on prior year largely due to:
  - Increased competitive pressures resulting in higher numbers of bundled minute packages and other promotions, leading to lower ARPU. ARPU YTD to March 09 was €37.52 (March 08: €39.84)
  - Increase in Meteor market share to 19.6% from 18.9% in March 2008[2] (market share excluding mobile broadband is 20.9%)
  - Slower growth rate in Irish mobile market attributed to, slowing economy and high existing levels of penetration
  - Slower than budgeted growth in subscriber number, Q3 showed a reduction in subscriptions from 1,032,000 to 1,024,000.



1 Pre management incentive costs and fair value adjustments
2 Source: ComReg quarterly reports and company estimates



Key market share drivers

- Value positioning
- Strong distribution
- Effective marketing

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

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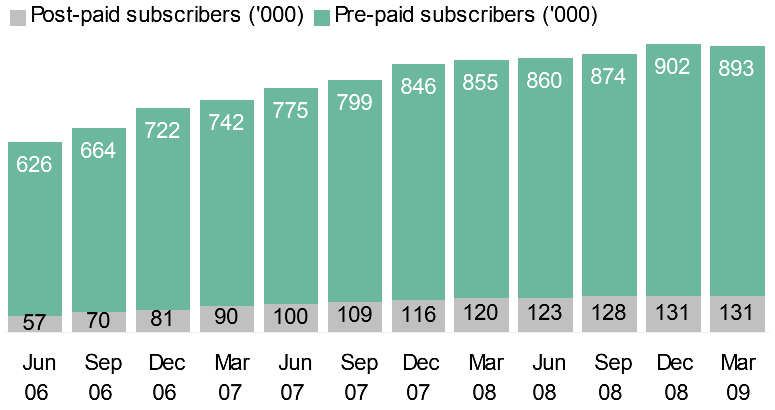
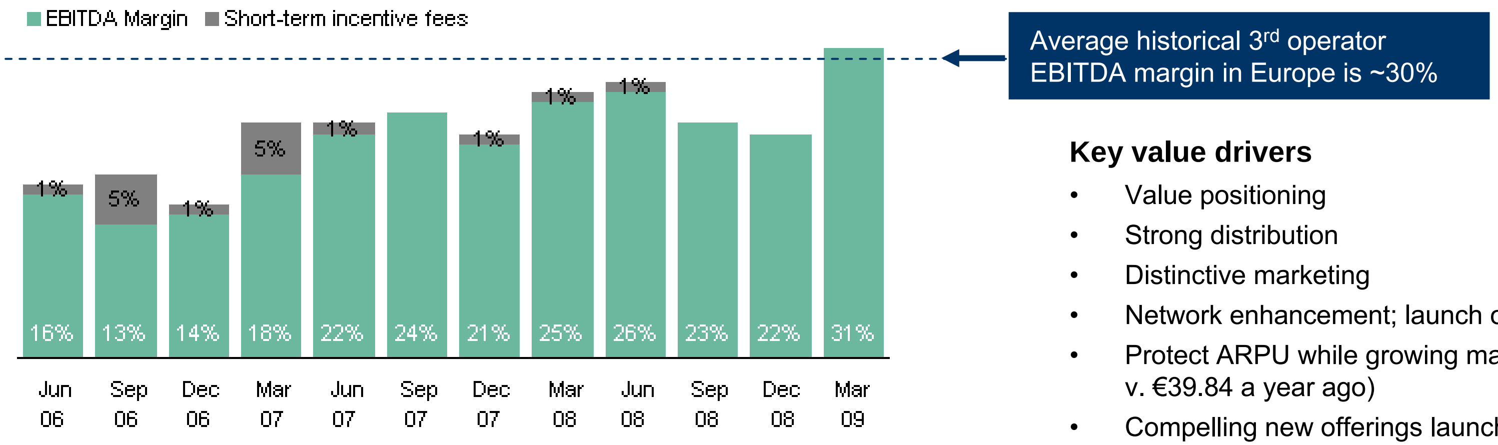
eircom – METEOR (continued)

- EBITDA margin for the March quarter 31% up from 26% in the March 2008 quarter due to a reduction in sales and marketing costs and the successful implementation of targeted cost savings
- 5% increase in the number of net subscribers from 975,000 to 1,024,000 year on year
  - post-paid increased to 13% of the total base (Mar 2008 – 12%)
- Blended monthly ARPU of €37.52 – a 6% decrease on March 2008 due to increased competition in the prepaid markets and increased promotions



Source: eircom management results

Quarterly EBITDA Margin



Source: eircom management results, JPMorgan for average 3rd operator margin
* incentive fee costs are highlighted separately

Key value drivers

- Value positioning
- Strong distribution
- Distinctive marketing
- Network enhancement; launch of 3G in March 2009
- Protect ARPU while growing market share (ARPU €37.52 v. €39.84 a year ago)
- Compelling new offerings launched

eircom – KEY OPERATIONAL UPDATES

Mobile

3G	• Achieved 33% 3G population coverage in September 2008, moving towards 53% coverage by September 2009 • Commercial launch of mobile broadband in March 2009 - ~3,400 customers at 31 March 2009, now ~ 7,000 customers.

Broadband

Broadband Rollout	• Extended broadband rollout plan underway – 743 sites enabled as at 31 March 2009, connecting more than 1.4 million lines pre-qualifying for broadband • Speed upgrades being rolled out • Broadband penetration in Ireland, including mobile broadband now estimated at ~28.5% (Company estimate)

Fixed Line

Voice	• Introduction of call set-up charges from 2 September 2008 • New bundled offerings from October 2008
Tetra	• Dublin network rollout near completion. On track to go live in June 2009
Digital Terrestrial Television (DTT)	• Part of One Vision consortium in discussion with the Irish Broadcasting Authority in relation to take up of DTT licences

Regulatory

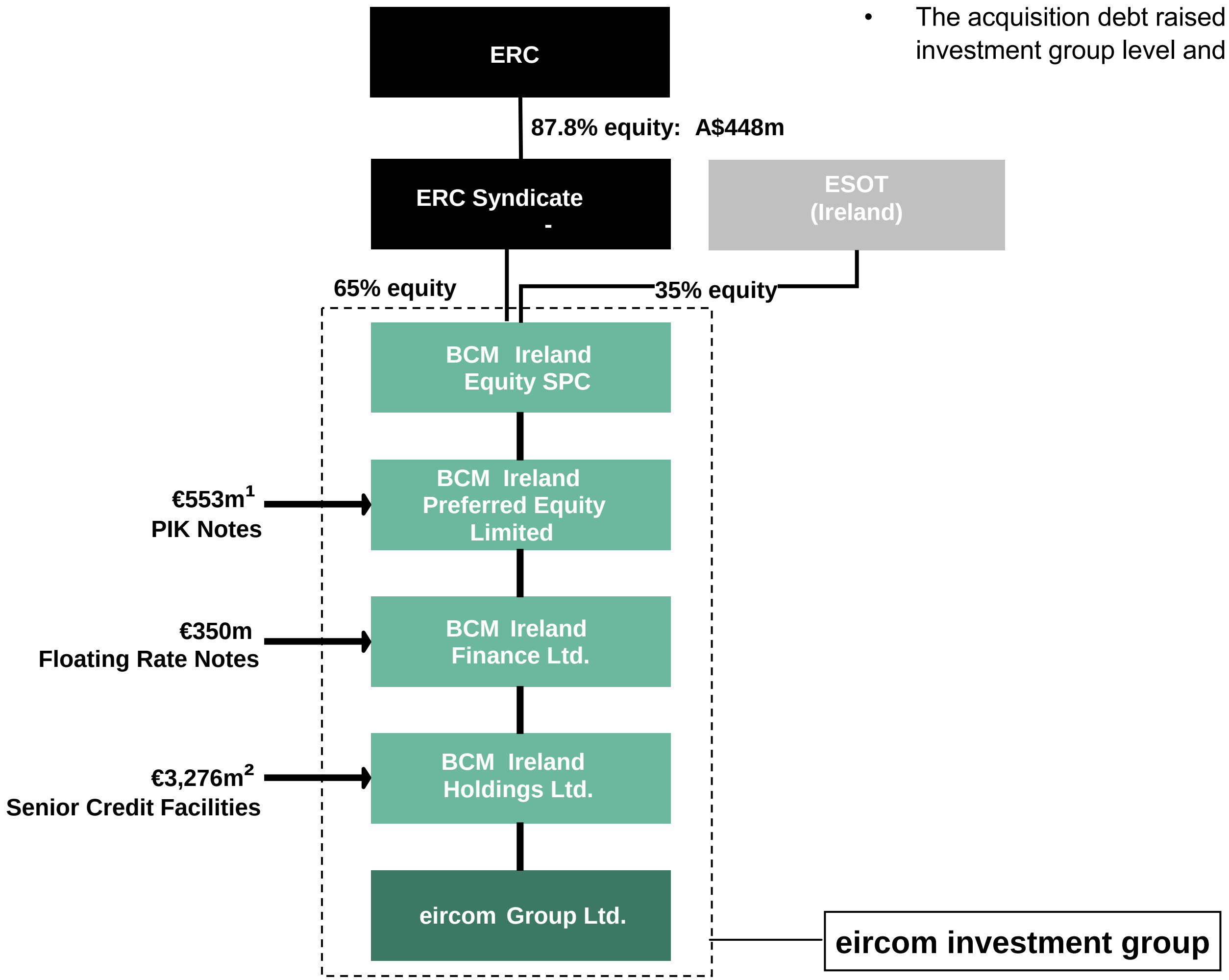
Line Shares	• ComReg set aside its decision to reduce monthly rental to €2.94 in August 2008, leaving monthly line rental at €8.41 • ComReg issued new Draft Decision on 23 December 2008 proposing to reduce monthly price to €0.75 • Final decision expected in second quarter 2009
LLU	• ComReg is consulting on the current €16.43 price per month. ComReg issued a consultation on its draft direction on 8 May 2009 proposing a LLU price of €12.18 based on a subset of exchanges where unbundling is likely. The consultation closes on 12 June 2009
Bundling	• ComReg has not concluded consultation on regulated products in bundles but recent ruling against eircom re Talktime broadband bundles

eircom – KEY UPDATES

General

Restructuring Program	• Target headcount reduction of 1,200 by 2011
Union Accord	• eircom have reached agreement with our Unions on a range of cost cutting measure, including a pay freeze, to achieve overall annual opex savings of ~€130 million by 2011
Goodwill Impairment	• €720 million recognised in BCMIF accounts at 31 December 2008 for goodwill impairment as a result of deteriorating economic conditions and pension deficit
S&P Downgrade	• S&P have downgraded eircom's debt portfolio and corporate credit rating. The corporate credit rating reduced from B+ to B. The eircom senior debt package was downgraded from BB to BB- and the subordinated floating rate notes and PIK were downgraded from B- to CCC+
Pension Fund	• IAS 19 pension deficit of €433 million at the end of December 2008

eircom - CORPORATE DEBT STRUCTURE



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

[1] Includes capitalised interest

[2] A total of €224 million loan principal repaid to end of March 2009, including €111million repaid in November re annual cash sweep.
Initial draw down €3,500 million.

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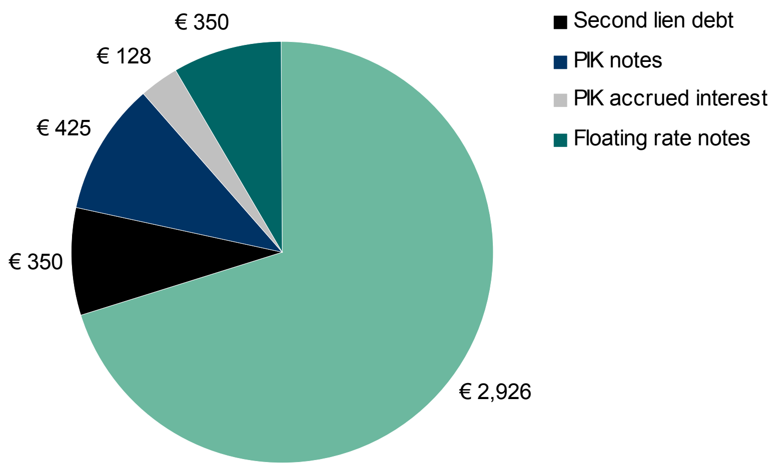
eircom – CORPORATE DEBT PROFILE AT 31 MAR 2009

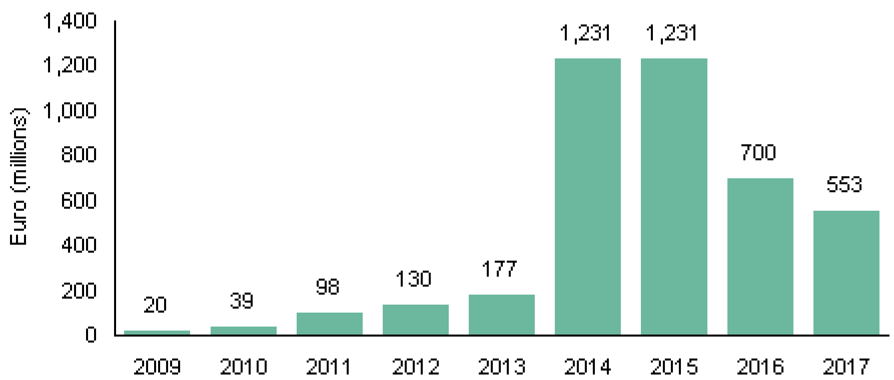
Facility



- All eircom debt is non-recourse to ERC
- Bulk of debt repayable from September 2014
- eircom's weighted average cost of cash pay debt is ~5.7%
- eircom continues to meet its quarterly covenants
- Internalisation does not cause a change of control in eircom debt

- eircom has total cash-pay debt of €3.4 billion
- PIK notes of €425 million with €128 million accrued interest issued on new notes
- eircom has cash of €244 million at 31 March 2009 after payment of €111m in annual cash sweep in November and 6 monthly interest and scheduled debt payments in March
- eircom has a ~ €110 million revolving credit facility available to draw on
- Interest rate swaps in place for over €3 billion (~80% of total cash pay debt) with ~80% hedged for the next three years which reduces to ~60% in year four

Redemption Profile (incl principal amortisation)[1]



1 Worked on calendar year. Tranche A debt of €464 million is an amortising loan with a maturity date of 2013

Includes PIK debt value as at March 2009

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eircom - CORPORATE DEBT STRUCTURE AT 31 MAR 2009

Facility	Amount (EUR m)	Maturity	Repayment	Margin (bps)
Tranche A	464[1]	Sep 2013	Amortising	E + 175
Tranche B	1,231	Sep 2014	Bullet	E + 187.5
Tranche C	1,231	Sep 2015	Bullet	E + 212.5
Total First Lien Debt	**2,926**			
Second Lien Debt	350	Mar 2016	Bullet	E + 425
Total Senior Debt	**3,276**			
Floating Rate Notes	350	Sep 2016	Bullet	E + 500
Total Cash Pay Debt	**3,626**			
PIK Notes[2]	553	Feb 2017	Bullet	E + 700
Total Debt	**4,179**			
Cash	(244)			
Net Debt	**3,935**			

All debt is non-recourse.
1 Initial draw down €650 million
2 Includes capitalised interest on initial face value of €425 million

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GOLDEN PAGES –OPERATIONAL UPDATE

Net Revenue

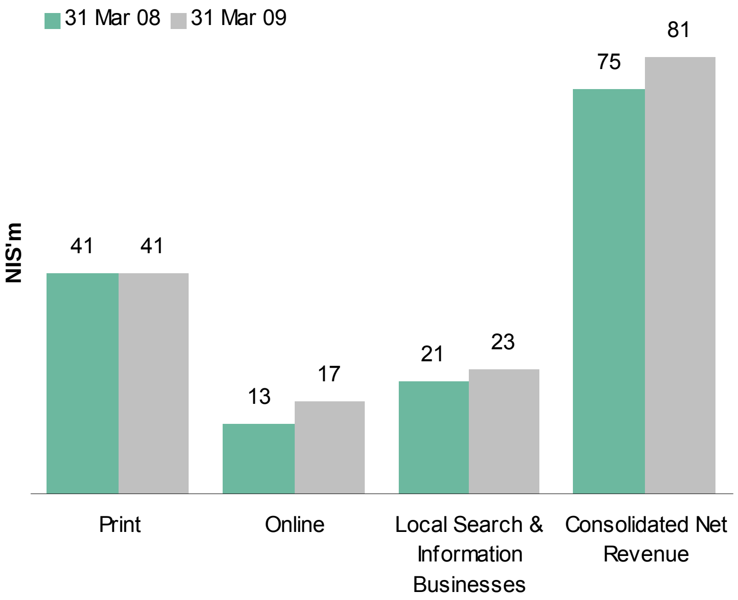
7% increase in consolidated net revenue

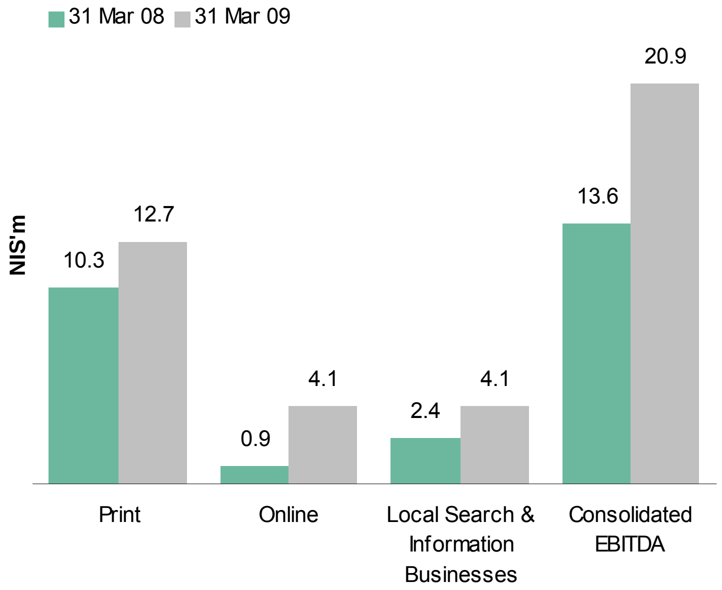
- Print revenue remained consistent with prior year
- Significant increase of 31% in online revenue
- Local Search & Information businesses continued to grow year on year but this is expected to be impacted by a slow down in the economy

EBITDA

54% increase in consolidated EBITDA

- 23% increase in Print EBITDA as compared to March 2008
- 356% increase in Online EBITDA and 71% increase in Local Search & Information Businesses as compared to March 2008



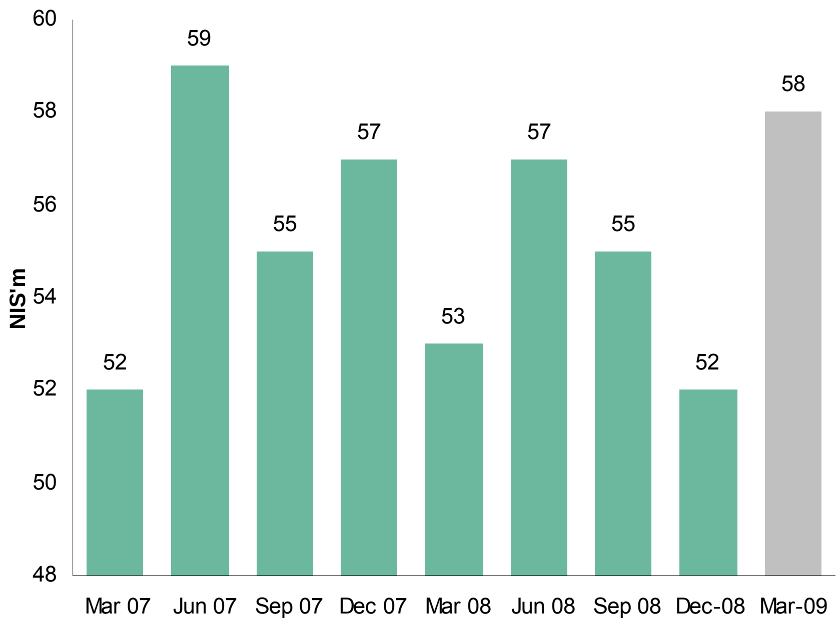


eircom Holdings Limited

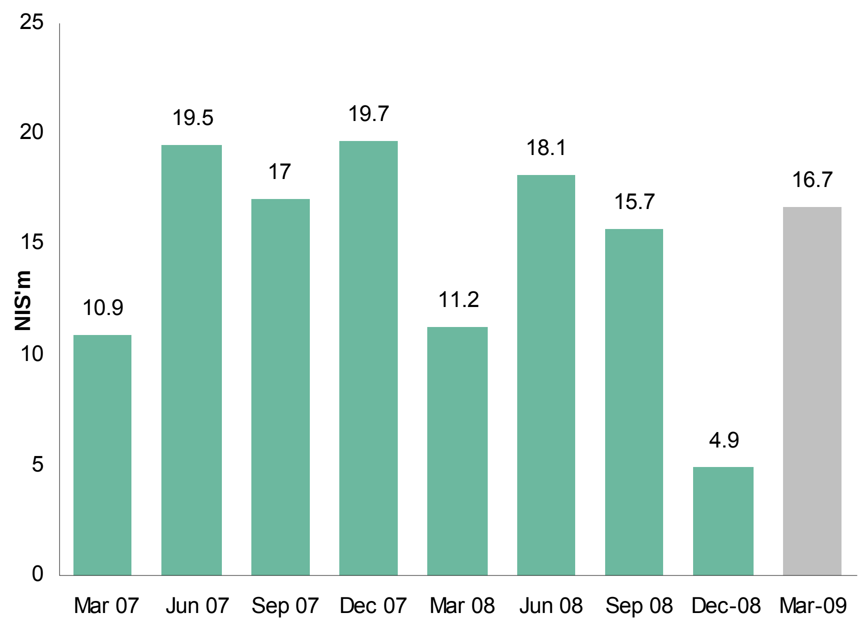
GOLDEN PAGES – PRINT & ONLINE INVESTMENT SCORECARD

- Revenue for March 2009 quarter NIS 58 million increase of 9.4% vs March 2008 quarter of NIS 53 million
- Revenue and EBITDA are higher quarter-on-quarter due to strong cost control, particularly in the area of sales and marketing.

Net Revenue per quarter



EBITDA per quarter



GOLDEN PAGES – CORPORATE DEBT STRUCTURE AT 31 MARCH 2009

Capital	Mar 08 (NIS'm)	Maturity	Repayment	Interest Rate (%)[1]
Bank Facility	156.1	Feb 2015[3]	Partial Bullet	WRI+1.85% (eff 6.15)[2]
Bank Debt	**156.1**			
Bond	355.1	Apr 2019	Amortising from 2010	5.65[4]
Total Debt	**511.2**			
Credit Line C [5]				

All debt is non-recourse. All debt is held within the GPM Group
1 Fixed Rate Facilities and bond, CPI linked
2 Rates set using 3 month MAKAM (@ 4.15%) on 20 February 2008
3. Three year grace, 50% Bullet loan
4. Margin reduction of 0.65% on listing, potential 0.5% margin increase if rating decreased due to refinancing
5. Credit Line C has been cancelled during the quarter. The bank has indicated that the credit line may become on specific request, which requires approval of the bank.

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