

eircom:

2nd quarter and 1st half year results
to 31 December 2007

28 February 2008

The published BCMIF results, on which this presentation is based, contain comparative figures that have been prepared on a pro-forma basis. The company, through its subsidiary BCMIH, acquired eircom Group on 18 August 2006 and under IFRS and on a statutory accounting basis would therefore only consolidate eircom Group from that date. The comparative pro-forma financial information contained in this presentation comprises the consolidated results of eircom Group for the full six months trading to 31 December 2006, overlaid with the BCMIF group's actual capital and debt structure effective from the date of acquisition.

Overview of performance

Rex Comb: CEO

Highlights for the Group

- Group revenue for the quarter of €520m is up 6% on the quarter to 31 December 2006
- Adjusted EBITDA** for the group of €173 million, up 12%.
- Fixed line revenue of €416m¹, up 2%, as gains in access revenues more than compensate for declines in traffic revenue.
- Fixed Line Adjusted EBITDA of €147m, up 4% on the corresponding quarter to 31 December 2006, as a result of increased revenue and continued cost control
- Meteor revenue of €122m¹ for the quarter is up 28% on prior year, on the back of strong subscriber growth and higher ARPUs.
- Meteor adjusted EBITDA of €26 million for the quarter, up from €14m in the prior year.
- €157m of capex cash outflow in H1, as we continue to focus on increasing fixed and mobile network capacity, rolling out broadband, and developing our Next Generation and 3G Networks.

** Adjusted EBITDA before restructuring programme costs, transaction costs, non cash pension credit, net construction income and profit on disposal of property and investments.

¹. Before consolidation adjustments

Highlights for the group - continued

- DSL customers increased to 534,000 at 31 December 2007, up 48% from 360,000 at 31 December 2006. As of 14 February 2008 this number had increased to 561,000 (including pendings), of which 402,000 were Retail customers. Net adds in the quarter were 44,000, up 26% on the quarter to 30 September 2007.
- Total mobile subscribers of 962,000 at of 31 December 2007, up 20% from 803,000 at 31 December 2006. Net subscriber additions in the quarter of 54,000, as against 33,000 in the previous quarter.

eircom – Strategy to Drive Value



- Maintain eircom Fixed Line EBITDA at ~€150 million per quarter: reduce costs, defend market share and grow new services
- Grow Mobile: achieve 20% mobile market share and 30% EBITDA margin in Meteor
- Annual capex envelope of €250m, as well as up to an additional €250m over three years for special initiatives

- **Investment initiatives**

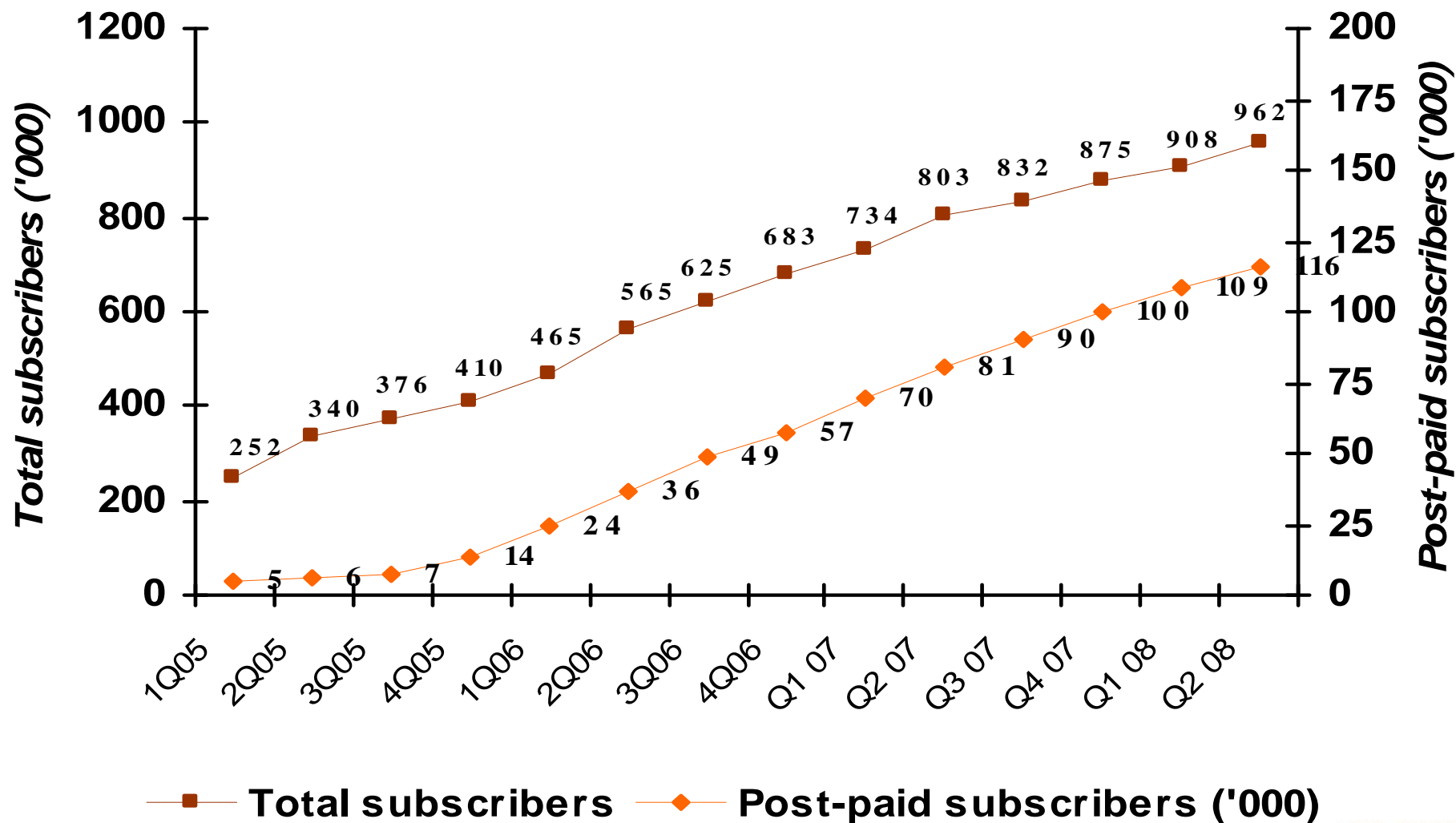
- Broadband
- Access renewal
- NGN IP Core
- NGN Fibre access trials in Dublin
- Mobile - network parity
- Mobile - IT infrastructure
- Mobile - 3G

- Focus on cash generation: cash of €342m at 31 December, up from €160m at 30 June, after prepaying €19m of senior debt during the quarter.

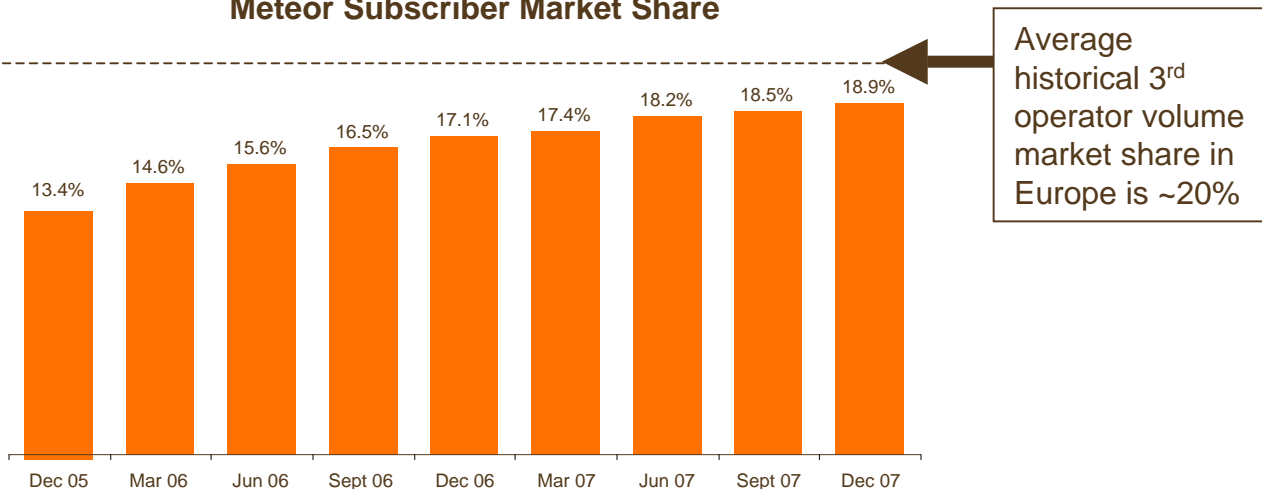


- **3G**
 - Target of 10% population coverage by October 2007 has been met, on track to achieve 33% by September '08 and commercial launch soon thereafter.
- **Broadband rollout**
 - Extended broadband rollout plan to 917 exchanges underway - 569 sites enabled as at 31 January 2008, connecting more than 1.4 million lines pre-qualifying for broadband.
 - Broadband penetration in Ireland now estimated at 21.2%¹
- **Northern Ireland Business**
 - Contract signed for provision of connectivity to Northern Irish Civil Service - running for 6 to 10 years, worth up to €100m. Network buildout is underway and first phase is complete with most government departments now connected.
- **Restructuring programme** progressing well - headcount reduced by 237 in the six-months period.
 - On track to achieve 900 voluntary leavers by 2009/10
- **Property**
 - Reviewed future property needs, identified surplus buildings and adopted a 3-year disposal programme
- **Regulatory**
 - Commenced dialogue with Government with a view to obtaining a framework that encourages investment and offers regulatory certainty to enable rollout of our networks
- **Debt**
 - Further €500m 5 year interest rate swaps entered into in December - our weighted average cost of cash pay debt is now ~6.4%. Weighted average debt term is 8 years.

Meteor Subscribers



Meteor Subscriber Market Share

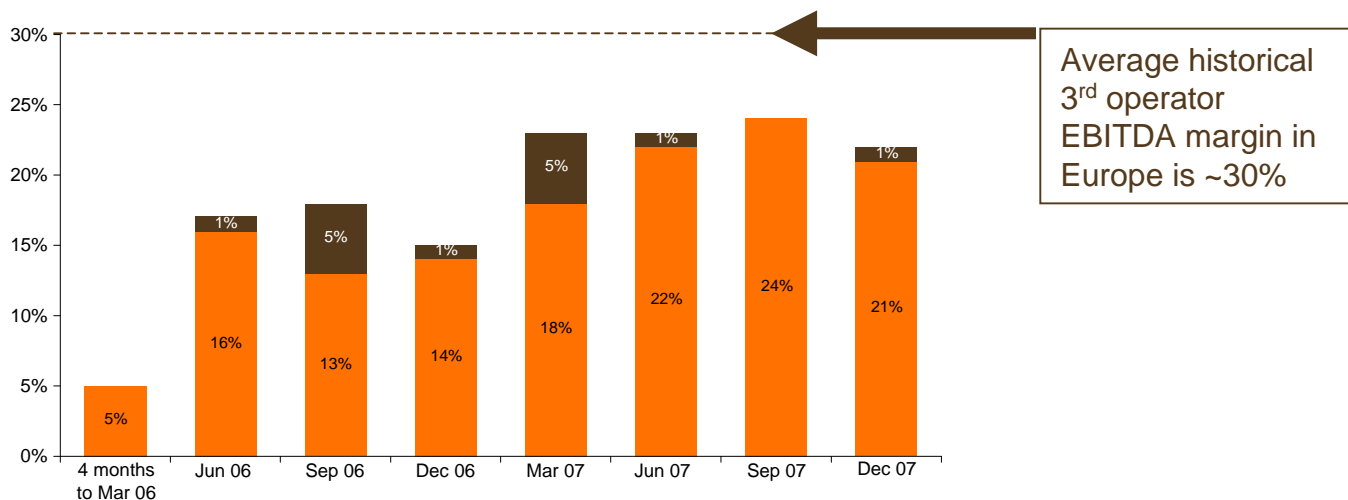


Average historical 3rd operator volume market share in Europe is ~20%

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



Average historical 3rd operator EBITDA margin in Europe is ~30%

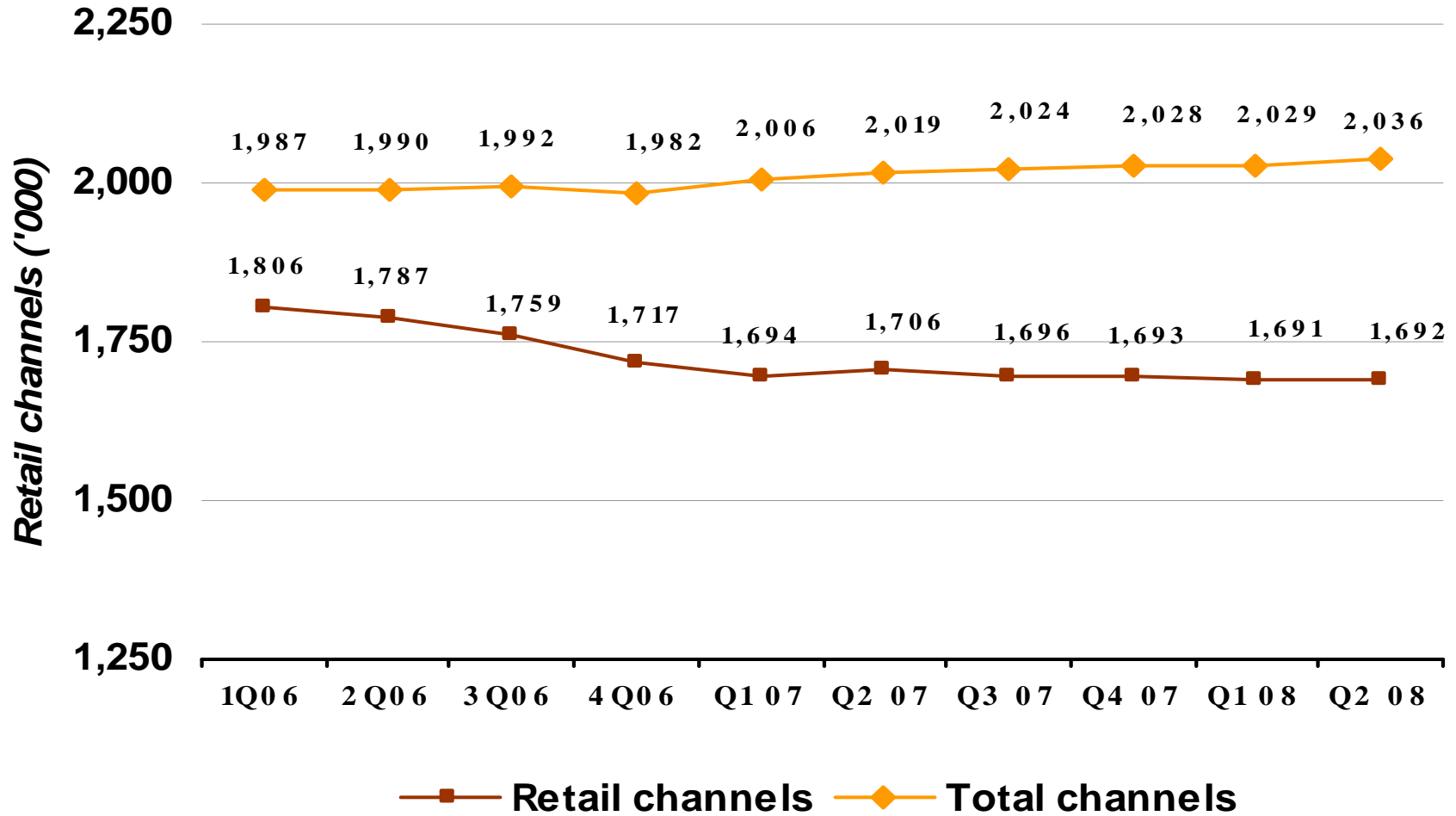
Key Market share and EBITDA drivers

- Increased net subscriber base
- Network enhancement
- Scale effect
- Increasing post-paid share leading to ARPU of €39.9 up 5% on the prior year
- December quarter typically returns lower EBITDA margin due to heavy subscriber acquisition at Christmas

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



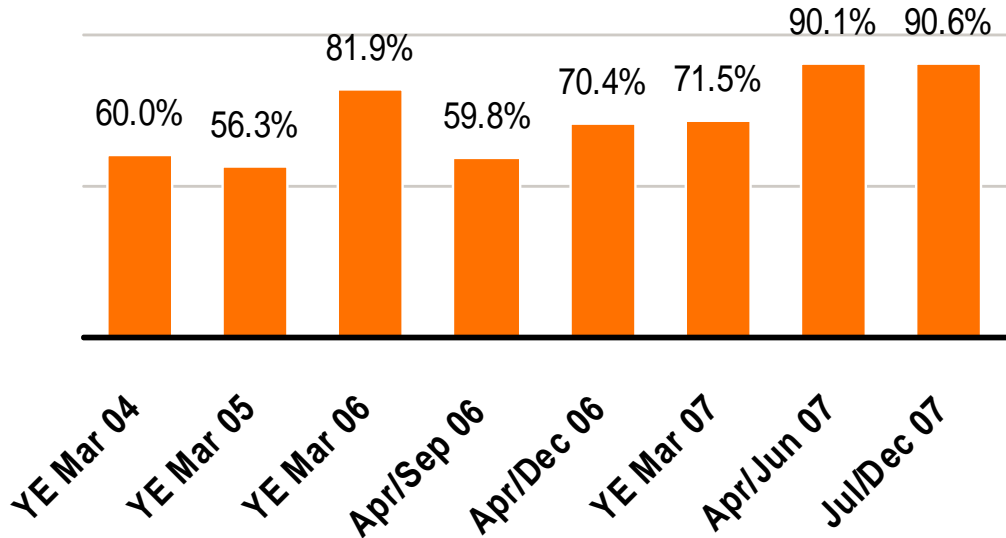
Fixed Line Access channels (excluding DSL)



Fixed Line - Customer Winbacks

- Strong and increasing winback of fixed line customers enabling defence of fixed line market share
- Increased service levels will have a long-term effect
- Tailored bundled packages to better suit customer usage profile
- Sales channels capabilities: call centre and door-to-door sales force

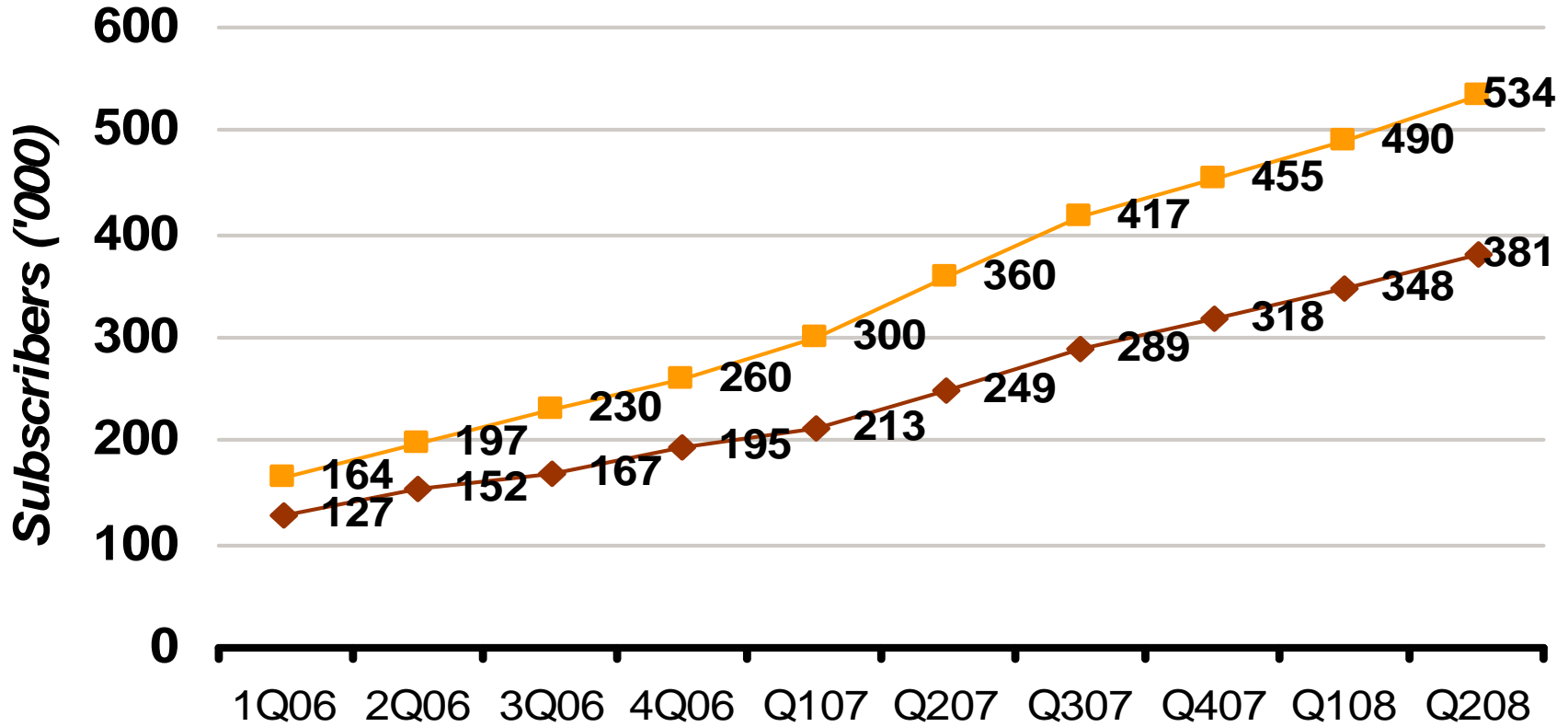
Winback as a percentage of gross losses



Source: eircom published information and management accounts



Broadband Subscriber Trends



◆ Retail DSL Lines

■ Total eircom DSL lines

Source: company information

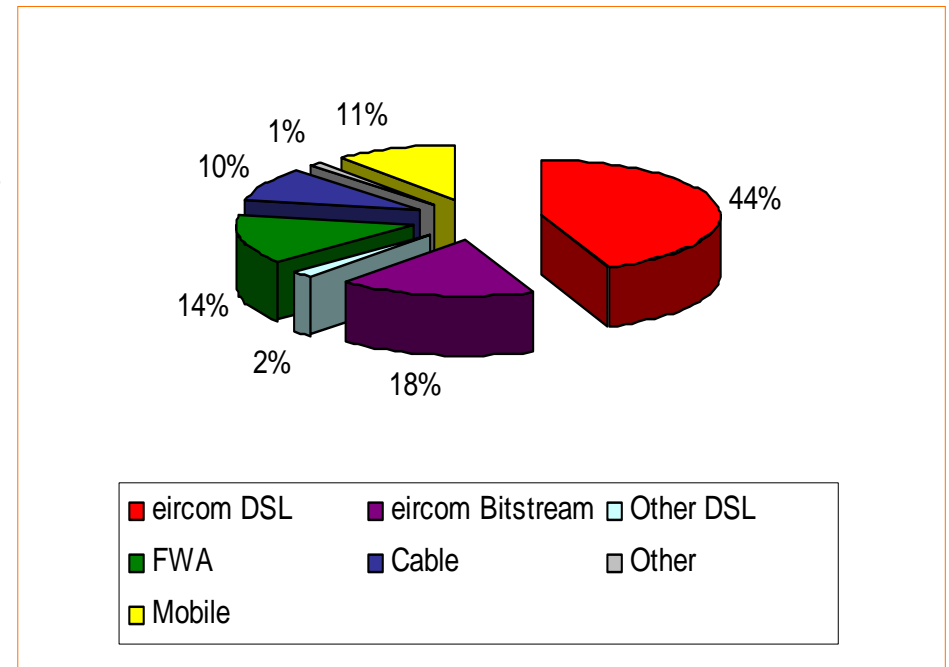
- Eircom broadband lines up 48% year on year
 - Net adds 44,000 in the quarter, up 26% on the previous quarter
- Retail share of DSL market is c. 71% at 31 December 07
- Retail broadband up 53%
 - Net adds 33,000, against 30,000 in previous quarter

Target of 500,000 DSL subscribers by Dec 2007 was achieved early

- Strong growth continues
- Accelerate journey toward 100% availability
 - Rolling out Broadband to 917 exchanges , 569 enabled as at end December. A further 90+ sites planned by end of financial year.
 - Government process to fund enablement of non-viable rural areas has commenced
- ~90% of all lines in Ireland connected to broadband enabled exchanges, resulting in 82% of the population with potential to access broadband.
- eircom estimates that broadband penetration in Ireland now stands at 21.2% by population, broadly in line with our European peers.
- In February 2008, eircom announced significant enhancements to its broadband product, increasing speeds - up to 12Mb/s - at no extra cost.

Broadband customers in Ireland ('000)

Over 794K subscribers, up 82% YoY



Source: Comreg review of Irish Communication Market December 2007, based on September 2007 figures

eircom – Financial Review - Q2 and H1 2007/08

6 months to 31 December 2007

Peter Cross: CFO

Income Statement for BCMIF – Second Quarter to December 2007¹

	Fixed Line pre FV adjs (1)	Fixed Line post FV adjs. (1)	Meteor	Consol adjust	Group	Prior Year	% change
	€M	€M	€M	€M	€M	€M	
Revenue	418	416	122	(18)	520	491	5.9%
Operating costs: pay	(89)	(89)	(13)		(102)	(100)	-2.0%
Operating costs: non pay	(178)	(178)	(83)	18	(243)	(234)	-3.9%
	151	149	26	0	175	158	11.1%
Management fees	(2)	(2)			(2)	(3)	
Adjusted EBITDA*	149	147	26	0	173	155	11.4%
- Non-cash pension credit					13	2	
- Depreciation & amortisation					(101)	(100)	
- Net construction income					13	0	
- Transaction costs					0	(4)	
- Restructuring costs					0	(7)	
EBIT					98	46	
Net finance costs					(68)	(63)	
Profit/(Loss) before tax					30	(17)	
Tax					(4)	(2)	
Profit/(Loss) after tax					26	(19)	

(1) Fair value adjustments of €1.5m in the period (€2.9m in the prior year)

*Adjusted EBITDA before restructuring programme costs, transaction costs, non cash pension charge/credit, net construction income and profit on disposal of property and investments

¹ Based on unaudited management accounts for the group

Income Statement for BCMIF – Half Year to December 2007¹

	Fixed Line pre FV adjs (1)	Fixed Line post FV adjs. (1)	Meteor	Consol adjust	Group	Prior Year	% change
	€M	€M	€M	€M	€M	€M	
Revenue	837	833	238	(37)	1,034	984	5.1%
Operating costs: pay	(181)	(181)	(26)		(207)	(199)	-3.9%
Operating costs: non pay	(355)	(355)	(158)	37	(476)	(460)	-3.4%
	301	297	54	0	351	325	8.0%
Management fees	(5)	(5)			(5)	(3)	
Adjusted EBITDA*	296	292	54	0	346	322	7.4%
- Non-cash pension credit					26	5	
- Depreciation & amortisation					(198)	(188)	
- Net construction income					22	0	
- Transaction costs					0	(28)	
- Restructuring costs					0	(12)	
- Profit on disposal of property					78	0	
EBIT					274	99	
Net finance costs					(134)	(99)	
Profit/(Loss) before tax					140	0	
Tax					(15)	(8)	
Profit/(Loss) after tax					125	(8)	

(1) Fair value adjustments of €3.4m in the period (€2.9m in the prior year)

*Adjusted EBITDA before restructuring programme costs, transaction costs, non cash pension charge/credit, net construction income and profit on disposal of property and investments

¹ Based on unaudited management accounts for the group

Cash generation

	H1 to Dec. 06	H1 to Dec. 07
BCMIF group	€M	€M
Consolidated cash flow		
Adjusted EBITDA before restructuring programme costs and non-cash pension charges	322	346
- Restructuring costs	(15)	(29)
- Working capital movement / Tax	30	32
Cash flow from operations¹	337	349
Capex	(160)	(157)
Sale of property & investments	51	156
Cashflow before interest	228	348
Interest paid (net)*	(93)	(123)
Cash flow before financing¹	135	225
Loan repayments		(42)
Construction contract cash outflow		(25)
New property finance		24
Net cash flow		182
Opening cash 1 July 2007		160
Cosing cash 30 September 2007		342

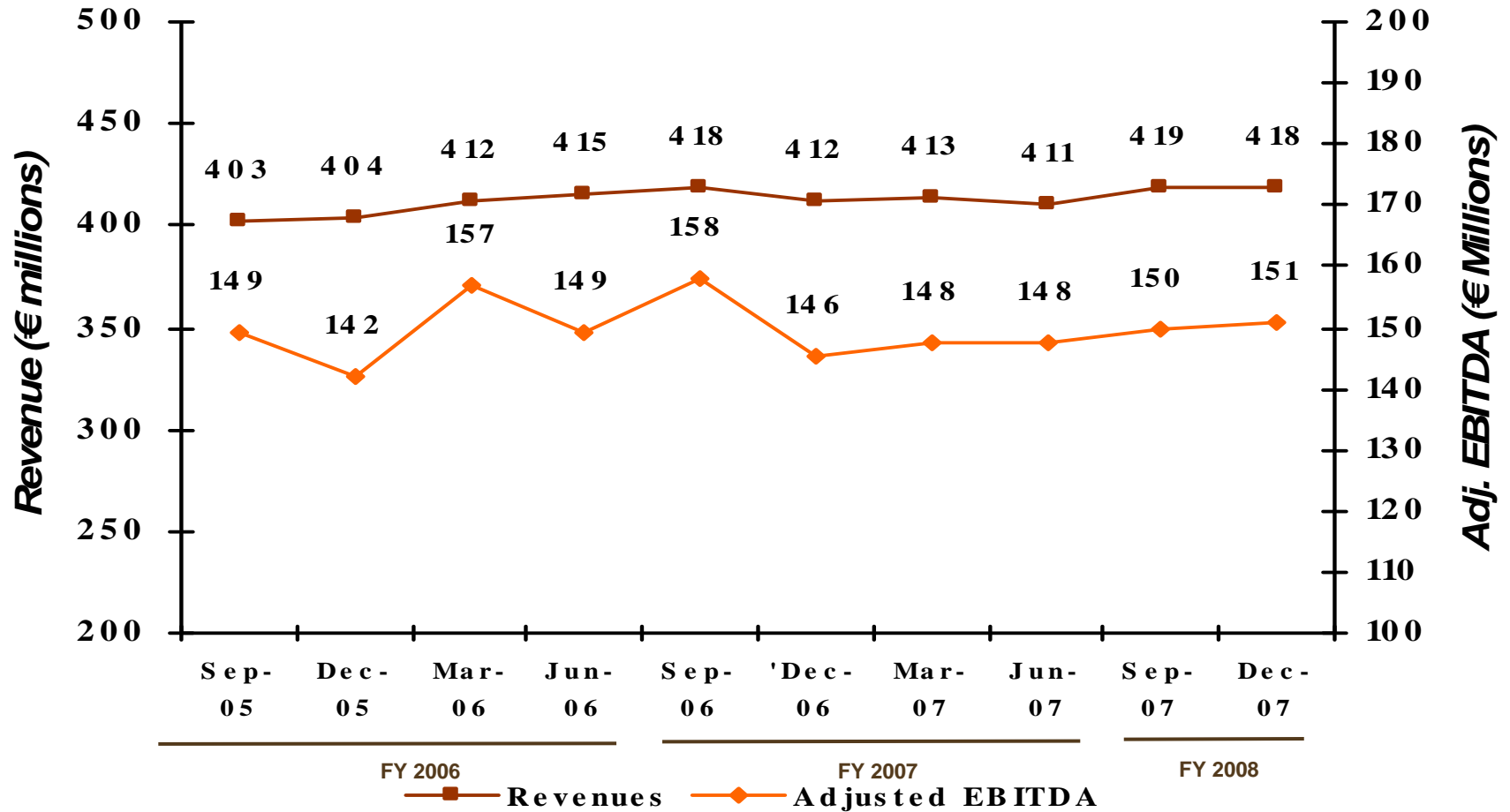
* includes preference dividends and lease payments

¹ Excluding cashflows relating to property development

Fixed Line Trends

Quarterly Fixed Line revenue and Adjusted EBITDA¹

Before Fair Value adjustments and management charges



Source: unaudited eircom management accounts

¹ Adjusted EBITDA before restructuring programme costs, transaction costs, non cash pension charge, net construction income and profit on disposal of property and investments

² Management estimate

Fixed Line Volume Trends

	Dec-06	Dec-07	Change
Access - thousands of channels			
	<i>At Period End</i>		
- PSTN/ISDN	1,706	1,692	-0.8%
- WLR	313	344	9.9%
Channels before DSL	2,019	2,036	0.8%
- DSL / bitstream	360	534	48.3%
Total Access channels	2,379	2,570	8.0%
Traffic - millions of minutes			
	<i>In the Quarter</i>		
- Retail voice	1,487	1,428	-4.0%
- Retail data / dial-up internet	829	507	-38.8%
- Wholesale (incl interconnect)	2,351	2,221	-5.5%
Total traffic volumes	4,667	4,156	-10.9%

Changing Fixed Line Revenue Mix

Quarterly revenue movements	Q2 Revenue €M	Q on Q change €M	Y on Y change €M
- PSTN / ISDN access *	113	4	3
- WLR access	18	-	2
- DSL / bitstream	38	3	9
- Voice traffic	112	(1)	(4)
- Dial-up internet / ISDN	11	(2)	(5)
- Interconnect	57	(4)	(3)
- Datacomms incl ISP	46	1	1
- Other revenues / discounts	23	-	5
Total	418	1	8

* before Fair Value adjustment

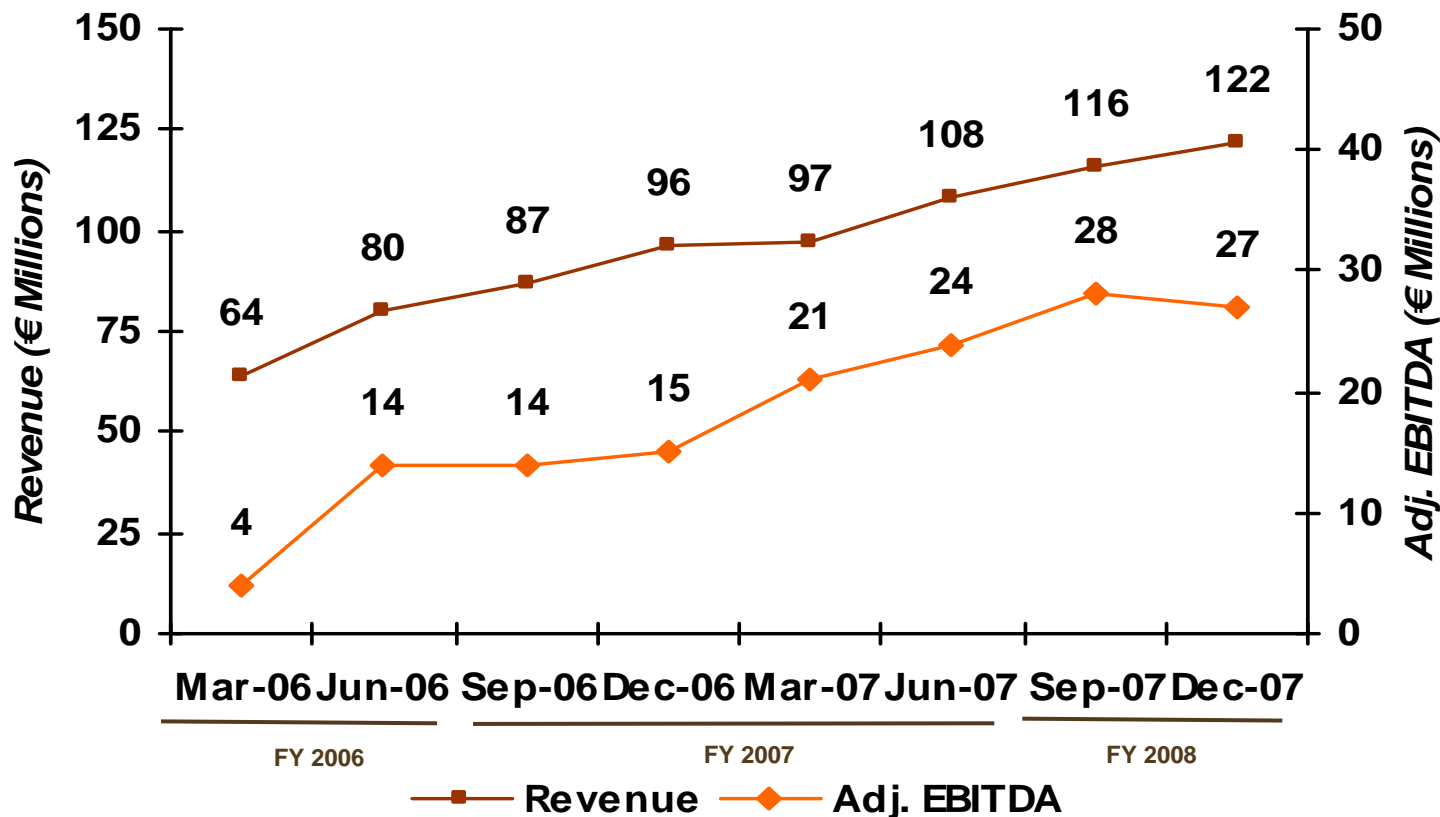
Fixed Line Staff Costs

	Q2 06/07 €M	Q2 07/08 €M	% change	H1 06/07 €M	H1 07/08 €M	% change
Fixed Line staff costs:						
- Wages & salaries	94	94	0%	184	191	4%
- Social welfare	4	4	-8%	8	8	3%
- Pension costs	8	8	-1%	15	15	3%
	106	106	-1%	207	214	3%
Non cash pension credit	(2)	(13)	312%	(5)	(26)	337%
Pay costs before capitalisation	104	93		202	188	-7%
Capitalised labour	(17)	(17)	-3%	(32)	(33)	5%
Total Fixed Line staff costs	87	76	-13%	170	155	-9%
Excluding non-cash pension	89	89	0%	175	181	3%
Headcount:				30-Dec-06	30-Dec-07	
Total Fixed Line				7,042	6,791	
% change					-4%	
Agency				64	21	
% change					-67%	

- Wage inflation has offset in Q2 by headcount reductions.
- Headcount of 6,791 at the end of December, a reduction in the year of 4% as VL programmes take off. FTE reduction of 237 in the period.
- VL programmes progressing well.
- Reduction in Agency staff headcount due to further outsourcing operations to third parties.

Quarterly Revenue and adjusted EBITDA

Before SARS costs



Source: unaudited eircom management accounts

¹ Adjusted EBITDA before restructuring programme costs, transaction costs, non cash pension charge, net construction income and profit on disposal of property and investments and SARS costs

eircom - Mobile Quarterly Breakdown ¹

€m	Q1	Q2	Q3	Q4	Q1	Q2	Year on Year growth %
	Sep	Dec	Mar	Jun	Sep	Dec	
	06/07	06/07	06/07	06/07	07/08	07/08	
	€M	€M	€M	€M	€M	€M	
Revenue	87	96	97	108	116	122	27%
- Pay cost	(12)	(11)	(12)	(13)	(13)	(13)	
- Non-pay cost	(64)	(71)	(69)	(72)	(75)	(83)	
Total operating costs	(76)	(82)	(81)	(85)	(88)	(96)	17%
Adjusted EBITDA *	11	14	16	24	28	26	85%
Adjusted EBITDA before SARS	14	15	21	24	28	27	80%

Source: eircom management results

- Revenue has been growing by avg 7% per quarter - in line with subscriber growth
- Reported EBITDA of €26m in the quarter to December 2007, lower than previous quarter due to seasonal impact of Christmas
- 86% growth over prior year

¹ Includes unaudited eircom management accounts

* Adjusted EBITDA before restructuring programme costs, transaction costs, non cash pension charge, net construction income and profit on disposal of property and investments

Debt Profile

	Jun-07 €m	Dec-07 €m	Margin %
Loan borrowings A	(487)	(448)	1.75%
Loan borrowings B	(1,250)	(1,250)	1.88%
Loan borrowings C	(1,250)	(1,250)	2.13%
Loan borrowings D	(350)	(350)	4.25%
FRNs	(350)	(350)	5.00%
Total	(3,687)	(3,648)	2.47%
SPS shares	(143)	(143)	
Total debt for BCMIF group *	(3,830)	(3,791)	
PIK Note (incl. Accrued interest)	(447)	(473)	7.00%
Cash	160	342	

* excluding finance leases, defeased leases , Osprey property debt and capitalised expenses

- Interest rates on c. €3 billion (80%) of our cash pay debt have been fixed for between 2 and 4 years by way of hedging instruments
- A prepayment of €19 million was made on Tranche A loan in November 2008

Conclusion

Financial Highlights for Half Year to December 2007 ¹

- Fixed line
 - Broadband customer base of 534k at 31 December 2007, increased by almost 50% from December 2006.
 - Continuing focus on reducing costs, retaining customers and growing new revenues
- Meteor
 - Customer base increased to 962,000 as at 31 December 07 of which c.116k are post paid
 - Significant growth in revenues and EBITDA
 - 3G network rollout continuing successfully
- Group revenue up by 6% at €520m for the quarter
- Group adjusted EBITDA up 12% at €173m
- Cash generated after debt service of €182m for the half year.

¹ Based on unaudited eircom management accounts

DISCLAIMER

Delivery of this information to any other person or any reproduction of this information, in whole or in part, without the prior consent of *eircom* Group plc is prohibited.

This presentation is intended to provide a general overview of *eircom*'s business and does not purport to deal with all aspects and details regarding *eircom*. Accordingly, neither *eircom* nor any of its directors, officers, employees or advisers nor any other person makes any representation or warranty, express or implied, as to, and accordingly no reliance should be placed on, the fairness, accuracy or completeness of the information contained in the presentation or of the views given or implied. Neither *eircom* nor any of its directors, officers, employees or advisers nor any other person shall have any liability whatsoever for any errors or omissions or any loss howsoever arising, directly or indirectly, from any use of this information or its contents or otherwise arising in connection therewith.

The material contained in this presentation reflects the business and financial affairs of *eircom* which are subject to change, audit and the provisions contained within legislation.