

ERC IRELAND PREFERRED EQUITY LIMITED

ERC IRELAND FINANCE LIMITED

13 December 2011

This press release includes forward-looking statements. These forward-looking statements include matters that are not historical facts, statements regarding the intentions, beliefs or current expectations of ERC Ireland Preferred Equity Limited ("ERCIPE"), ERC Ireland Finance Limited ("ERCIF") and their subsidiaries, including ERC Ireland Holdings Limited and eircom Limited (together "eircom", which term may also refer to only specific members of the group where the context so permits) concerning, among other things, eircom's results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which eircom operates. By their nature, forward-looking statements involve risks and uncertainties, including, without limitation, the risks and uncertainties set forth in eircom's other periodic reports, because they relate to events and depend on circumstances that may or may not occur in the future. eircom cautions you that forward-looking statements are not guarantees of future performance and that the actual results of operations, financial condition and liquidity and the development of the industry in which eircom operates may differ materially from those made in or suggested by the forward-looking statements contained in this release. In addition, even if eircom's results of operations, financial condition and liquidity and the development of the industry in which eircom operates are consistent with the forward-looking statements contained in this release, those results or developments may not be indicative of results or developments in future periods. eircom does not assume any obligation to review or confirm analyst expectations or estimates. Additionally, eircom does not assume any obligation to comment on, update or revise the statements included herein or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise after the date of this release. eircom does not (by issuing this press release or otherwise) assume any obligation to issue any further or other press releases, announcements or trading updates at any future time whether relating to matters referred to in this press release or otherwise.

The Senior Notes and the Senior PIK Notes have not been registered under US Securities Act of 1933, as amended (the "US Securities Act"), or any state securities laws, and were offered and sold only outside the United States pursuant to Regulation S under the US Securities Act and to "qualified institutional buyers" in the United States in reliance on Rule 144A under the US Securities Act.

eircom Trading Update

1. Trading Update

eircom yesterday presented estimated results for the month of October 2011 on a private basis to lenders under the Senior Facility Agreement in accordance with the provisions of a covenant waiver that has been agreed with those lenders. The estimated consolidated EBITDA for the month of October 2011 and for the financial year through 31 October 2011 for ERCIH is on plan and in line with expectations. The estimated results show a significant reduction in performance compared to the corresponding periods in 2010, as expected. The consolidated EBITDA for ERCIPE and ERCIF is consistent with the performance of ERCIH.

eircom remains on target to commence its Phase 1 fibre build in January 2012, which is expected to deliver fibre connections to 100,000 premises by Summer 2012

While overall results for the month and cumulative to date are broadly in line with the plan, there were some pluses and minuses in individual areas of the business. The large business, government and wholesale segments continue to perform in line with and better than the plan respectively. The retail, consumer and small business segments' cumulative fixed line and mobile customer numbers are also broadly on plan. However lower consumer confidence and competition in these consumer and small business segments are putting continued pressure on fixed line and mobile ARPU's.

Compared to plan, the overall decline in revenues has been largely balanced by continued cost savings. Operating costs are lower than the plan for the month of October. Therefore EBITDA performance remains largely in line with the budget. There are some early signals that consumer confidence continues to weaken performance and may result in some emerging trends that could impact the existing budget.

Cash held by ERCIPE and its subsidiaries amounted to approximately €392m at 31 October 2011.

2. Restructuring Update

The lenders at this private side meeting were also advised on progress regarding the restructuring. At the present time, the independent directors of ERCIH are in receipt of three proposals (one from one of its incumbent shareholders, Singapore Technologies Telemedia, one from the co-ordinating committee of the first lien lenders and the other from an ad hoc committee of certain holders of facility D under the Senior Facilities Agreement). The Company understands that the eircom Employee Share Ownership Trust, (eircom's other incumbent shareholder) is committed to further constructive discussions with regard to its participation in Singapore Technologies Telemedia's proposal.

The Independent Directors will now evaluate these three proposals and report to the full board of directors, in accordance with the agreed corporate governance protocols.

An update on the covenant waiver extension requested by eircom will be provided on 15 December, following the conclusion of voting by senior lenders.

Ends

For media queries, please contact:

Paul Bradley
Head of Communications, eircom
Tel: 01 600 4281
Mobile: 085 1744281
Email: paul_bradley@eircom.ie

Brian Bell
WHPR
Tel: 01 669 0030
Mob: 087 2436130
Email: brian.bell@ogilvy.com

For investor relations queries, please contact:

Yseult O'Driscoll
Head of Investor Relations, eircom
Tel: 01 600 8293
Email: yodriscoll@eircom.ie