

eircom Balance Sheet Remediation Update

(Issued 12 January, 2012) eircom today confirmed that it is in the process of updating the financial projections within the business plan in light of recent developments in the Irish economic environment. This update will take into account the half year results to 31 December 2011 and the exercise is expected to conclude by the end of January. The business plan continues to be built upon a strategy of network investment in high speed fibre broadband.

The current covenant waiver for ERC Ireland Holdings Limited (“the Company”) extended on 15 December 2011 is due to expire on 31 January 2012. The Company intends to seek a new waiver next week from the senior lenders under the €3.65bn Senior Facilities Agreement (“the SFA”) dated 22 May, 2006.

Due to the growing demands of both the balance sheet remediation process and the management of the Group’s business performance, the Company has separated the roles of Chief Financial Officer (CFO) and Chief Restructuring Officer (CRO). Michael Corner-Jones, Managing Director of Alvarez & Marsal has been appointed as CRO with immediate effect. Michael will report to Paul Donovan, Chief Executive Officer and will work alongside Mark Wilson, CFO.

ENDS

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