

eircom Confirms Senior Lender Consent to Covenant Waiver

(Issued 15 September 2011) ERC Ireland Holdings Limited (“the Company”) today received agreement from the senior lenders under the €3.65bn Senior Facilities Agreement (the “SFA”) dated 22 May 2006 (as amended and restated from time to time) and entered into between, amongst others, the Company, which is a subsidiary of ERC Ireland Preferred Equity Limited and ERC Ireland Finance Limited, and J.P. Morgan Europe Limited acting as Agent and Security Trustee, to temporarily waive the breach of the senior debt/EBITDA covenant under the SFA as at 30 June 2011 until 15 December 2011. This follows the request for such a waiver issued by the Company to the SFA lenders on Friday 26 August 2011.

The consent agreement contains certain relevant termination events and imposes tighter restrictions on certain of eircom’s activities, such as disposing of assets and granting further security, than are contained in the SFA.

The consent agreement is expected to provide the stability necessary for eircom to develop an appropriate permanent solution in respect of a restructuring of its balance sheet.

In line with eircom’s previous covenant guidance, the Company confirms a breach of the senior debt/EBITDA covenant under the SFA as at 30 June 2011.

Commenting on the announcement, Paul Donovan, CEO eircom Group said, “The waiver consent is another important milestone in the process to address the Group’s balance sheet. It provides a necessary period of stability that allows restructuring discussions to take place during the next three months.”

ENDS

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