

eircom Statement on Proposal Deadline

(Issued Friday, 2 December 2011) The Independent Directors of ERC Ireland Holdings Ltd. are today in receipt of two proposals concerning the balance sheet remediation of eircom Group. These include proposals from the First Lien Co-ordinating Committee (FLCC) on behalf of a group of first lien senior lenders, and a group of the second lien senior lenders, respectively.

The Independent Directors will evaluate the two proposals and submit a report to the full Board of eircom Group. The Board will then hold discussions with the FLCC to seek agreement on a course of action. Details of each proposal remain confidential.

The Company has been informed that due to macro-economic concerns over the wider Eurozone, ST Telemedia and the ESOT will not be submitting a proposal by today's deadline and they will continue to evaluate whether they submit a proposal at a later date.

Discussions between management and all parties will continue to take place.

Commenting on developments, Paul Donovan, eircom Group CEO said, "While the current shareholders have not yet submitted a proposal the Independent Directors and Management will continue to encourage both shareholders to do so. However, the immediate priority is to ensure that practical progress with regard to the balance sheet remediation process takes place, working with the support of the FLCC.

Separately yesterday, the Board has requested a covenant waiver extension from the senior lenders. If approved, this would extend the duration of the waiver from 15 December 2011 through 31 January 2012. The Company will provide an update on that waiver request by 15 December 2011.

ENDS

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