

HISTORICAL COST SEPARATED ACCOUNTS

For the Year Ended 30 June 2009

FINANCIAL STATEMENTS

eircom Historical Cost Separated Accounts

Regulatory Statements

Contents

	Page
Introduction	2
Statement of Responsibility for preparing the Financial Statements	7
Report of the Independent Auditors to eircom Limited	8
Local Access Network Business	12
Local Access Network Business - Statement of Costs	14
Core Network Business	16
Core Network Business - Statement of Costs	18
Retail Business	20
Retail Business	22
Access	22
Local Calls	24
National Calls	26
International Calls	28
Calls to Mobile	30
Directory Enquiry	32
Leased Lines	34
Public Payphones	36
Calls to Internet	38
Internet Service Supply	40
Supplemental Services	42
Remaining Activities	44
Retail Business Reconciliation	46
Other Business	47
Other Business	49
Apparatus Supply	49
Other Remaining Activities	51
Meteor	53
Other Subsidiaries	55
Other Business Reconciliation	57
Notes to the Financial Statements	
Note 1 - Comparative Figures	58
Note 2 - Return on Capital Employed of the Core Network	62
Note 3 - Core Network Turnover from Other Operators	62
Note 4 - Public Payphone Transfer Charge	63
Note 5 - Payphone Memorandum Notes	65
Note 6 - Payphone Access Charge	66
Note 7 - Capital Attribution for the purposes of calculating ROCE	67
Note 8 - Retail Costs applicable to NTC and Internet Access	68
Note 9 - Inter Business Turnover	69
Note 9a - Intra Business Turnover (Other Business)	70
Note 10 - Profit and Loss Reconciliation	71
Note 11 - Mean Capital Employed Reconciliation	72
Statement of Costs of Access Network Services	73
Statement of Costs of Core Network Services	74
Transfer Charge Statement	78
Definitions of the Businesses	79

eircom Historical Cost Separated Financial Statements

Introduction

eircom are required, under Condition 15 of its General Telecommunications Licence, granted by the Commission for Communications Regulation (“ComReg”), on 1 December 1998 to maintain accounting records in a form which enables the activities of any business unit specified in any direction given by the Director of Telecommunications Regulation (“the Director”) to be separately identifiable, and which the Director considers to be sufficient to show and explain the transactions of each of these business units. The requirements on electronic communications network providers are imposed under Regulation 24 of S.I. No. 307 of 2003 and Regulation 12 of S.I. No. 305 of 2003.

The Historical Cost Separated Accounts for the year ended 30 June 2009 were prepared in accordance with this requirement and the detailed framework and financial statements requirements set out in the following ComReg Decision Notices (the ‘Decision Notices’):

- D5/99, D10/99 ‘Accounting Separation and Publication of Financial Information for Telecommunications Operators’, dated May 1999 and August 1999 respectively
- D8/99 ‘Costing methodologies for use in Accounting Separation’, dated July 1999
- D9/00 and D10/00 ‘Accounting Separation and Publication of Financial Information for Telecommunications Operators’, dated August 2000 and September 2000 respectively
- D2/01 ‘Accounting Separation for Internet Service Provision and Report on Investigation into Indigo and eircom.net’ and D7/01 ‘eircom’s Reference Interconnection Offer & Accounting Separation and Publication of Financial Information for Telecommunications Operators’, dated February 2001 and April 2001 respectively
- D12/01 ‘Revision of timetable for publication of separated accounts and financial information by eircom’, dated August 2001
- D3/03 ‘Review of the Price Cap on certain Telecommunications Services’, dated February 2003
- D1/08 ‘eircom’s cost of capital’, dated May 2008

The Financial Statements have been prepared in accordance with the framework and financial statement disclosure set out in these Decision Notices insofar as they apply to the year ended 30 June 2009.

Introduction (Cont'd.)

Financial Statements have to be prepared for the following Businesses and, where applicable, Activities within the Businesses:-

Business	Activities
Local Access Network	not applicable
Core Network	not applicable
Retail	Access Local Calls National Calls International Calls Calls to Mobile Directory Enquiry Leased Lines Public Payphones Calls to Internet Internet Services Supply Supplemental Services Remaining Activities
Other Business	Apparatus Supply Other Remaining Activities Meteor Other Subsidiaries

The definitions of the Businesses and Activities are set out in the Financial Statements on pages 79 to 82.

Introduction (Cont'd.)

Accounting Documents

The Financial Statements have been prepared by applying the costing methodology detailed in the Accounting Documents dated 30 November 2009 (“the Accounting Documents”) which set out the framework under which the Financial Statements are prepared. These statements should be read in conjunction with the Accounting Documents.

The Accounting Documents consist of the following:

1. Regulatory Accounting Principles – which lay out the general rules by which the Financial Statements should be prepared, for example that all balances should be attributed with reference to cost causality.
2. Attribution Methods – which explain how revenue, costs including transfer charges, assets and liabilities are attributed to the Businesses and Network Elements and Activities within those Businesses, following the Regulatory Accounting Principles, on a fully allocated basis.
3. Transfer Charges – which explain how charges are raised from the Core Network and Local Access Network Businesses to the Retail Business for the use of the respective networks.
4. Accounting Policies – which detail the accounting policies adopted in preparing the underlying financial information.

Applicable Rate of Return

The applicable Rate of Return used in these Financial Statements is 10.21% (2008: 11.36%). The annual Rate of Return was mandated by ComReg in Decision 4.3.4 of Decision Notice D9/00, maintained in D7/01 and amended in D1/08. The annual rate of return was 11.5% from 1 July 2007 to 22 May 2008 and 10.21% from 22 May 2008 to 30 June 2008. The rate of return for the year ended 30 June 2008, reflects the applicable rates of return for the financial year on a time-apportioned basis.

Introduction (Cont'd.)

Basis of preparation of the Financial Statements

The structure of the Businesses required under the Decision Notices (i.e. Local Access Network, Core Network, Retail and Other Business) does not correspond to the way in which the group is organised and hence the way the statutory accounting records are structured. The Financial Statements are therefore prepared by overlaying the requirements of the Decision Notices on the accounting records and management structure of eircom.

These Financial Statements are prepared by attributing the balances in eircom's general ledgers and other accounting records to the Businesses and disaggregated Activities (as amended by Directions published by ComReg). As required by the Decision Notices, wherever possible, revenue, costs, assets and liabilities are directly associated with a Business, Activity or Network Element using information recorded within eircom's accounting records and are directly attributed to that item. Where no such direct attribution is possible the revenue, costs, assets and liabilities are apportioned between two or more Activities, Network Elements or Businesses on a basis that reflects the causality of the revenue, cost, asset or liability. Residual costs for which no direct or indirect method of apportionment can be identified are allocated using an equal proportionate mark-up method. Details of this process are given in the Attribution Methods section within the Accounting Documents.

Typically, in a fully allocated accounting system, a number of attribution methods are available. In selecting financial attribution methods and appropriate non-financial data for use within the attribution models employed in the production of Financial Statements, eircom has had to make certain estimates and exercise its judgement, having regard to the regulatory principles, including cost causality and objectivity, in order to comply with the requirements of the Accounting Documents.

Certain non-financial data used in the preparation of these Financial Statements has been derived using sampling techniques appropriate to that data. eircom will continue to review and update attribution methods on an ongoing basis and, where deemed appropriate, will make necessary improvements.

Introduction (Cont'd.)

Contents of the Financial Statements

Each Financial Statement, which should be read in conjunction with the Accounting Documents, comprises:

1. a profit and loss account, including a statement of the fully allocated costs calculated on a basis not inconsistent with eircom's Annual Report, as amended by ComReg directions; and
2. a statement of mean capital employed.

The Financial Statements also include:

3. for the Core Network Business, a statement of costs;
4. for the Core Network Business, a statement of costs of network services;
5. for the Local Access Network Business, a statement of costs;
6. for the Local Access Network Business, a statement of costs of network services; and
7. a reconciliation between the aggregate turnover, operating profit and mean capital employed of all the Businesses and the turnover, operating profit and capital employed of the eircom Limited group as disclosed in its Annual Report.

Statement of Responsibility for preparing the Financial Statements

eircom is required under Condition 15 of its General Telecommunications Licence, to maintain accounting records in a form which enables the activities of any business unit specified in any direction given by the Director of Telecommunications Regulation (“the Director”) to be separately identifiable, and which the Director considers to be sufficient to show and explain the transactions of each of these business units. The Historical Cost Separated Accounts for the year ended 30 June 2009 were prepared in accordance with this requirement and the detailed framework and financial statements requirements set out in the Commission for Communications Regulation (“ComReg”) Decision Notices. The requirements on electronic communications network providers are imposed under Regulation 24 of S.I. No. 307 2003 and Regulation 12 of S.I. No. 305 of 2003.

Each financial statement;

1. includes
 - 1.1 a profit and loss account;
 - 1.2 a statement of mean capital employed;
 - 1.3 a statement of costs (if applicable); and
 - 1.4 a statement of costs of network services (if applicable)

2. is prepared in accordance with the Accounting Documents published with these financial statements. Insofar as there is any inconsistency between any or all of the Accounting Documents, the company ensures that each financial statement is prepared in accordance with the Accounting Documents in the following order of priority:
 - 2.1 the regulatory accounting principles;
 - 2.2 the attribution methods;
 - 2.3 the transfer charges;
 - 2.4 the accounting policies; and

3. is reconciled with the Annual Report and that reconciliation is demonstrated and explained.

eircom confirms that the Financial Statements for the year ended 30 June 2009 have been prepared in accordance with the requirements of the governing legislation. eircom also confirms that, to the best of its knowledge and in good faith, the company has complied with the commitments agreed with the Competition Authority arising as a result of its acquisition of Meteor Mobile Communications Limited and which form part of the Competition Authority's determination dated 18 November 2005 in case M/05/050.

Peter Cross
Chief Financial Officer
30 November 2009

Report of the Independent Auditors to eircom Limited

To eircom Limited issued in accordance with Decision 4.1 of Decision Notice 8/99 and Decision Notice 9/00 issued by the Commission for Communications Regulation (“ComReg”).

1. We have examined the Financial Statements on pages 12 to 78 which have been prepared under the historical cost convention in accordance with Decision Notices 5/99, 8/99, 10/99, 9/00, 10/00, 2/01, 7/01, 12/01, 3/03 and 01/08 (“the Decision Notices”) issued by ComReg and in accordance with eircom Limited’s (“the company”) costing methodologies (“the cost accounting system”) which are articulated in the Accounting Documents published with the Financial Statements (“the Accounting Documents”).
2. The Financial Statements comprise separate historical cost financial statements for the year ended 30 June 2009 for each of the Businesses listed on page 3 (“the Businesses”) and, in so far as each Business has been disaggregated in terms of activities of the business, each of the disaggregated activities listed on page 3, (“the Activities”). The financial statements of the Core Network Business include the Core Network Statement of Costs and the Statement of Costs of Core Network Services. The financial statements of the Local Access Network include the Local Access Statement of Costs and the Statement of Costs of Access Network Services.

Respective responsibilities of the company and auditors

3. The company is responsible for preparing and approving, as described on page 7, the Financial Statements. Our responsibilities, as independent auditors, are established by the Decision Notices, International Standards on Auditing (UK and Ireland) and our profession’s ethical guidance. This report, including the opinion, has been prepared for, and only for, the Company and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.
4. We report our opinion as to whether the company’s cost accounting system complies with the requirements of the Interconnection Regulations, whether each of the financial statements is fairly presented in accordance with the Accounting Documents dated 30 November 2009, whether the financial statements comply with the Decision Notices noted above and, whether the information specified by the Decision Notices to be published in the financial statements, has been published in the financial statements. We also report if, in our opinion, the “Introduction” by the company, setting out the basis upon which the financial statements have been prepared, is not consistent with the financial statements, if the company has not kept proper accounting records and if we have not received all of the information and explanations we require for our examination.
5. We read the “Definitions of the Businesses” and consider the implications for our report if we became aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

6. As explained in the “Basis of Preparation” on page 5, in accordance with the Accounting Documents, the Financial Statements are prepared by disaggregating balances recorded in the general ledgers and other accounting records of the company and its subsidiaries (“the group”) maintained in accordance with the Companies Acts, 1963 to 2009, and used, in accordance with those Acts, for the preparation of the company’s statutory consolidated financial statements for the year ended 30 June 2009 (“The Statutory Financial Statements”).
7. Decision Notice D7/01 and directions by way of letter dated 18 April 2001, inter alia, require the company to:-
 - use 1997/98 asset lives for Core Network and Local Access Network assets except for local network overhead fibre cable, local network overhead copper cable and local network poles, where specific lives of 10 years, 10 years and 15 years respectively were directed; and
 - exclude exceptional costs from the Core Network.
8. In order for the company to comply with Decision Notice D7/01 it has had to amend certain balances obtained from the general ledgers and other accounting records of the company. This is a departure from the general principles for preparation of “top down” separated financial statements.
9. Paragraph 4 of Section 21 of Statutory Instrument No 71 of 1999 of the Interconnection Regulations states that “tariffs for facilities additional to the provision of connection to its fixed public telephone network and fixed public telephone services shall be sufficiently unbundled, so that the user is not required to pay for facilities which are not necessary for the service requested”.
10. In the context of the cost accounting system, eircom holds primary responsibility for ensuring that the number and definition of network charging elements is sufficient to meet the requirements of Paragraph 4 of Section 21 of Statutory Instrument No 71 of 1999 of the Interconnection Regulations. ComReg has approved eircom’s proposals in this regard through the determinations contained within Decision 3.8 of D5/99 as amended by Decision 4.3.3 of D9/00.
11. We have audited the Statutory Financial Statements on which we expressed an unqualified audit opinion. In performing our audit of the Statutory Financial Statements, we carried out such tests of the transactions and balances recorded in the general ledgers and other accounting records of the group as we considered necessary to enable us to express that opinion. This included examination and evaluation of the company’s principal accounting and control systems, analytical review of key balances, assessment of accuracy of the coding of transactions and balances, enquiries of directors and managers of the company and substantive tests of balances and transactions recorded in the group’s general ledger. Our statutory audit work concluded upon signature of our opinion on the Statutory Financial Statements.
12. Our work on the Historical Cost Separated Financial Statements included examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also included an assessment of the significant estimates and judgements made

by the company in the preparation of the financial statements. In conducting our audit of the Historical Cost Separated Financial Statements we have not performed any additional tests of the transactions and balances recorded in the general ledgers and other accounting records beyond those already performed for the purpose of our audit of the Statutory Financial Statements.

13. Having regard to the above:-

- (i) We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. Our work on the Historical Cost Separated Financial Statements included examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also included an assessment of the significant estimates and judgements made by the company in the preparation of the financial statements.
- (ii) We planned and performed our examination so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that each of the financial statements is fairly presented in accordance with the Accounting Documents and that it complies with the Decision Notices and contains the information specified by the Decision Notices to be published in the financial statements. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

14. Many of the group's revenues, costs, assets and liabilities are not directly identifiable with individual activities and the preparation of the financial statements requires a significant number of apportionments. As explained on page 5 in the "Basis of Preparation", in selecting appropriate attribution methods and appropriate non-financial data for use within the attribution models employed in the production of the financial statements, the company has had to make certain estimates and exercise its judgement, having regard to the regulatory principles specified in the Accounting Documents, including cost causality and objectivity, in order to comply with the requirements of the Accounting Documents. The company has decided that attribution methods and non-financial data sources will continue to be reviewed and, where appropriate, improved.

Opinion

15. In our opinion, each of the financial statements of each of the Businesses and each of the Activities for the year ended 30 June 2009:-

- fairly presents in accordance with the Accounting Documents, dated 30 November 2009, the result and mean capital employed of, and costs incurred by, each of the Businesses and each of the Activities;
- complies with the Decision Notices;
- contains information specified by the Decision Notices to be published in the financial statements.

16. In respect of the requirement in paragraph 4 of Section 21 of Statutory Instrument No 71 of 1999 (“the Interconnection Regulations”) and in the context of the Basis of audit opinion above, we are not aware of any matters of non-compliance. In respect of all other requirements of the Interconnection Regulations, in our opinion, the cost accounting system complies with the requirements of the Interconnection Regulations.

PricewaterhouseCoopers

Chartered Accountants and Registered Auditors

Dublin

30 November 2009

Local Access Network Business

PROFIT AND LOSS ACCOUNT for the year ended 30 June 2009		12 months to 30-Jun-09	12 months to 30-Jun-08 Restated
	Notes	€'000	€'000
Turnover			
From other operators		113,975	106,430
Regulated rate of return adjustment		8,052	2,608
Transfer charges to Retail & Other		450,540	440,828
Total turnover	10	572,567	549,866
Operating costs		443,365	439,940
Exceptional operating costs		28,841	376
Total operating costs	10	472,206	440,316
Return	10	100,361	109,550
RETURN ON MEAN CAPITAL EMPLOYED		12 months to 30-Jun-09	12 months to 30-Jun-08 Restated
		€'000	€'000
Return		100,361	109,550
Mean capital employed		982,970	964,340
Return on mean capital employed		10.21%	11.36%
Return on turnover		18%	20%

Local Access Network Business

STATEMENT OF MEAN CAPITAL EMPLOYED as at 30 June 2009			
	Notes	30-Jun-09	30-Jun-08 Restated
		€'000	€'000
Fixed assets			
Tangible fixed assets		1,120,659	1,113,565
Intangible fixed assets		12,709	11,982
Total fixed assets		1,133,368	1,125,547
Current assets			
Stocks		3,487	5,983
Debtors		27,264	35,987
Cash at bank and in hand		58,656	61,160
Total current assets		89,407	103,130
Creditors		(125,610)	(110,853)
Provisions for liabilities and charges		(114,195)	(153,484)
Mean capital employed	11	982,970	964,340

Local Access Network Business

STATEMENT OF COSTS for the year ended 30 June 2009										
	Operating costs €'000	Exceptional operating costs €'000	Capital employed €'000	Rate of return %	Capital costs €'000	Total operating and capital costs €'000	Volume (Line Equivalents)	Cost per Line Equivalents €		
Subscriber Unit	25,030	1,324	73,093	10.21%	7,463	33,817	1,700,243	19.89		
<u>Copper Access Network</u>										
<i>Length Dependent Costs</i>										
Distribution Side Network (D-Side)	186,595	13,079	429,511	10.21%	43,853	243,527	1,744,513	204.43		
Exchange Side Network (E-Side)	44,780	2,854	156,399	10.21%	15,968	63,602				
<i>Non-Length Dependent Costs</i>										
Distribution Side Network (D-Side)	16,059	821	61,715	10.21%	6,301	23,181				
Exchange Side Network (E-Side)	18,182	967	70,320	10.21%	7,180	26,329				
<u>Fibre/High Speed Access Network</u>										
Length Dependent Costs	2,791	171	13,627	10.21%	1,391	4,353	9,873	731.59		
Non-Length Dependent Costs	2,340	48	4,719	10.21%	482	2,870				
Carrier Administration & Billing	6,475	-54	2,988	10.21%	305	6,726	(a)	(a)		
Other Access Equipment	6,094	296	17,757	10.21%	1,813	8,203	(a)	(a)		
Access Backhaul	26,964	1,340	76,951	10.21%	7,857	36,161	(a)	(a)		
DSL Equipment	24,467	1,319	67,805	10.21%	6,923	32,709				
Provisioning	56,985	4,785	7,346	10.21%	750	62,520	(a)	(a)		
Repair	26,603	1,891	739	10.21%	75	28,569	(a)	(a)		
Total	443,365	28,841	982,970		100,361	572,567				

(a) These components include a number of different elements which are used in different proportions for the delivery of services within this heading

Local Access Network Business

STATEMENT OF COSTS

for the year ended 30 June 2008

	Operating costs Restated €'000	Exceptional operating costs Restated €'000	Capital employed Restated €'000	Rate of return %	Capital costs Restated €'000	Total operating and capital costs Restated €'000	Volume (Line Equivalents)	Cost per Line Equivalents Restated €
Subscriber Unit	25,821	120	79,137	11.36%	8,990	34,931	1,759,058	19.86
<u>Copper Access Network</u>								
<i>Length Dependent Costs</i>								
Distribution Side Network (D-Side)	184,328	-57	428,568	11.36%	48,685	232,956	}	
Exchange Side Network (E-Side)	41,710	-10	150,656	11.36%	17,115	58,815		
<i>Non-Length Dependent Costs</i>								
Distribution Side Network (D-Side)	17,636	12	68,747	11.36%	7,810	25,458	}	189.37
Exchange Side Network (E-Side)	16,397	94	74,596	11.36%	8,474	24,965		
<u>Fibre/High Speed Access Network</u>								
Length Dependent Costs	2,943	-1	12,943	11.36%	1,470	4,412	}	912.27
Non-Length Dependent Costs	2,914	0	7,910	11.36%	899	3,813		
Carrier Administration & Billing	7,400	-2	-89	11.36%	-10	7,388	(a)	(a)
Other Access Equipment	4,493	21	14,685	11.36%	1,668	6,182	(a)	(a)
Access Backhaul	21,473	114	62,210	11.36%	7,067	28,654	(a)	(a)
DSL Equipment	20,422	114	66,874	11.36%	7,597	28,133		
Provisioning	71,814	-21	827	11.36%	94	71,887	(a)	(a)
Repair	22,589	-8	-2,724	11.36%	-309	22,272	(a)	(a)
Total	439,940	376	964,340		109,550	549,866		

(a) These components include a number of different elements which are used in different proportions for the delivery of services within this heading

Core Network Business

PROFIT AND LOSS ACCOUNT for the year ended 30 June 2009	Notes	12 months to 30-Jun-09 €'000	12 months to 30-Jun-08 Restated €'000
Turnover			
From other operators *		149,191	181,511
Regulated rate of return adjustment		(20,414)	(21,703)
Transfer charges to Retail and Other		300,356	329,840
Total turnover	10	429,133	489,648
Operating costs		408,087	466,818
Transfer charges from Core Network		-	-
Exceptional operating costs		-	-
Transfer charges from Local Access Network		-	-
Exceptional transfer charges from Core Network		-	-
Exceptional transfer charges from Local Access Network		-	-
Total operating costs	10	408,087	466,818
Return	10	21,046	22,830
* includes provisions and adjustments for payments on finalisation of RIO rates			
RETURN ON MEAN CAPITAL EMPLOYED			
		12 months to 30-Jun-09 €'000	12 months to 30-Jun-08 Restated €'000
Return		21,046	22,830
Mean capital employed		206,121	200,973
Return on mean capital employed		10.21%	11.36%
Return on turnover		5%	5%

Core Network Business

STATEMENT OF MEAN CAPITAL EMPLOYED			
as at 30 June 2009			
	Notes	30-Jun-09	30-Jun-08
		€'000	Restated €'000
Fixed assets			
Tangible fixed assets		283,167	305,515
Intangible fixed assets		5,532	3,195
Total fixed assets		288,699	308,710
Current assets			
Stocks		3,005	2,079
Debtors		40,255	38,838
Cash at bank and in hand		63,202	68,773
Total current assets		106,462	109,690
Creditors		(169,791)	(202,940)
Provisions for liabilities and charges		(19,249)	(14,487)
Mean capital employed	11	206,121	200,973

Core Network Business

STATEMENT OF COSTS

for the year ended 30 June 2009

	Operating costs €'000	Exceptional operating costs €'000	Capital employed €'000	Rate of return %	Capital costs €'000	Total operating and capital costs €'000	Total Units (Note (b))	Average cost cent per unit
<i>Call Sensitive</i>								
Subscriber unit	4,122	0	12,408	10.21%	1,267	5,389	4,828,468	0.112
Primary switch	4,037	0	5,457	10.21%	557	4,594	2,973,922	0.154
Secondary switch	1,147	0	2,579	10.21%	263	1,410	2,544,528	0.055
Tertiary switch	1,187	0	4,777	10.21%	488	1,675	1,905,045	0.088
<i>Traffic sensitive</i>								
Subscriber unit	4,887	0	13,562	10.21%	1,385	6,272	15,559,902	0.040
Primary switch	2,740	0	5,042	10.21%	515	3,255	9,353,242	0.035
Secondary switch	1,403	0	3,875	10.21%	396	1,799	7,230,268	0.025
Tertiary switch	1,580	0	7,635	10.21%	780	2,360	5,795,120	0.041
<i>Transmission: Non-length dependent</i>								
RSU to primary/secondary link	16,310	0	37,735	10.21%	3,853	20,163	11,334,076	0.178
Primary to primary link	332	0	823	10.21%	84	416	338,369	0.123
Primary to secondary link	1,351	0	3,212	10.21%	328	1,679	3,283,063	0.051
Primary to tertiary link	721	0	1,722	10.21%	176	897	1,714,279	0.052
Secondary to secondary link	627	0	1,480	10.21%	151	778	650,109	0.120
Secondary to tertiary link	920	0	2,196	10.21%	224	1,144	2,341,793	0.049
Tertiary to tertiary link	135	0	349	10.21%	36	171	218,663	0.078
<i>Transmission: Length dependent</i>								
RSU to primary/secondary length	6,294	0	31,252	10.21%	3,191	9,485	2,700,153	0.351
Primary to primary length	47	0	205	10.21%	21	68	86,021	0.079
Primary to secondary length	198	0	929	10.21%	95	293	1,408,358	0.021
Primary to tertiary length	181	0	792	10.21%	81	262	1,452,384	0.018
Secondary to secondary length	84	0	389	10.21%	40	124	809,965	0.015
Secondary to tertiary length	185	0	830	10.21%	85	270	3,408,261	0.008
Tertiary to tertiary length	6	0	23	10.21%	2	8	16,720	0.048
Inland directory enquiries	16,098	0	6,455	10.21%	659	16,757	(a)	(a)
International directory enquiries	543	0	303	10.21%	31	574	(a)	(a)
National Operator Assistance	5,795	0	2,016	10.21%	206	6,001	(a)	(a)
International Operator Assistance	13	0	61	10.21%	6	19	(a)	(a)
Carrier administration	4,818	0	-1,460	10.21%	-149	4,669	(a)	(a)
Carrier billing	1,470	0	2,196	10.21%	224	1,694	(a)	(a)
Intelligent network	2,244	0	1,412	10.21%	144	2,388	(a)	(a)
Outpayments	281,773	0	-29,246	10.21%	-2,986	278,787	(a)	(a)
International transmission	5,143	0	-24,440	10.21%	-2,495	2,648	(a)	(a)
Private circuits network	27,687	0	70,012	10.21%	7,147	34,834	(a)	(a)
Interconnect connections and rentals	4,795	0	14,368	10.21%	1,467	6,262	(a)	(a)
Other costs	9,214	0	27,172	10.21%	2,774	11,988	(a)	(a)
Total	408,087	0	206,121		21,046	429,133		

(a) These components include a number of different elements which are used in different proportions for the delivery of services within this heading

(b) Unit of length is 100 km.

Core Network Business

STATEMENT OF COSTS for the year ended 30 June 2008

	Operating costs Restated €'000	Exceptional operating costs Restated €'000	Capital employed Restated €'000	Rate of return %	Capital costs Restated €'000	Total operating and capital costs Restated €'000	Total Units (Note (b))	Average cost cent per unit Restated
<i>Call Sensitive</i>								
Subscriber unit	4,277	0	13,461	11.36%	1,529	5,806	5,549,889	0.105
Primary switch	3,171	0	5,248	11.36%	596	3,767	3,497,223	0.108
Secondary switch	1,855	0	3,031	11.36%	344	2,199	2,885,349	0.076
Tertiary switch	1,646	0	5,397	11.36%	613	2,259	2,291,759	0.099
<i>Traffic sensitive</i>								
Subscriber unit	4,984	0	14,921	11.36%	1,695	6,679	18,920,703	0.035
Primary switch	2,448	0	5,155	11.36%	586	3,034	11,313,637	0.027
Secondary switch	1,920	0	4,363	11.36%	496	2,416	8,405,908	0.029
Tertiary switch	2,340	0	8,709	11.36%	989	3,329	6,788,583	0.049
<i>Transmission: Non-length dependent</i>								
RSU to primary/secondary link	17,248	0	41,371	11.36%	4,700	21,948	13,397,672	0.164
Primary to primary link	358	0	912	11.36%	104	462	378,917	0.122
Primary to secondary link	1,506	0	3,686	11.36%	419	1,925	3,904,654	0.049
Primary to tertiary link	851	0	2,094	11.36%	238	1,089	2,102,005	0.052
Secondary to secondary link	709	0	1,726	11.36%	196	905	710,815	0.127
Secondary to tertiary link	1,072	0	2,634	11.36%	299	1,371	2,646,756	0.052
Tertiary to tertiary link	134	0	354	11.36%	40	174	260,318	0.067
<i>Transmission: Length dependent</i>								
RSU to primary/secondary length	7,971	0	37,531	11.36%	4,264	12,235	3,199,859	0.382
Primary to primary length	42	0	192	11.36%	22	64	97,483	0.066
Primary to secondary length	212	0	987	11.36%	112	324	1,657,451	0.020
Primary to tertiary length	169	0	778	11.36%	88	257	1,731,408	0.015
Secondary to secondary length	73	0	338	11.36%	38	111	956,271	0.012
Secondary to tertiary length	179	0	826	11.36%	94	273	3,851,309	0.007
Tertiary to tertiary length	4	0	19	11.36%	2	6	19,285	0.031
Inland directory enquiries	20,608	0	5,376	11.36%	611	21,219	(a)	(a)
International directory enquiries	1,039	0	274	11.36%	31	1,070	(a)	(a)
National Operator Assistance	6,657	0	2,109	11.36%	240	6,897	(a)	(a)
International Operator Assistance	108	0	37	11.36%	4	112	(a)	(a)
Carrier administration	5,859	0	-1,731	11.36%	-197	5,662	(a)	(a)
Carrier billing	2,240	0	-2,741	11.36%	-311	1,929	(a)	(a)
Intelligent network	1,879	0	1,591	11.36%	181	2,060	(a)	(a)
Outpayments	324,332	0	-51,801	11.36%	-5,885	318,447	(a)	(a)
International transmission	6,163	0	-24,580	11.36%	-2,792	3,371	(a)	(a)
Private circuits network	29,604	0	73,594	11.36%	8,359	37,963	(a)	(a)
Interconnect connections and rentals	4,811	0	14,621	11.36%	1,661	6,472	(a)	(a)
Other costs	10,349	0	30,491	11.36%	3,464	13,813	(a)	(a)
Total	466,818	0	200,973		22,830	489,648		

(a) These components include a number of different elements which are used in different proportions for the delivery of services within this heading

(b) Unit of length is 100 km.

Retail Business

PROFIT AND LOSS ACCOUNT for the year ended 30 June 2009		12 months to 30-Jun-09	12 months to 30-Jun-08 Restated
	Notes	€'000	€'000
Turnover			
Connections		26,012	26,218
Rental		648,731	659,573
Call charges		451,574	505,608
Other		14,585	18,366
Total turnover	10	1,140,902	1,209,765
Operating costs			
Operating costs specific to Retail		244,791	269,205
Transfer charges from Core Network		301,644	329,165
Transfer charges from Local Access Network		427,235	440,537
Exceptional operating costs		9,412	8
Exceptional transfer charges from Core Network		-	-
Exceptional transfer charges from Local Access Network		23,305	291
Total operating costs	10	1,006,387	1,039,206
Return	10	134,515	170,559
RETURN ON MEAN CAPITAL EMPLOYED			
		12 months to 30-Jun-09	12 months to 30-Jun-08 Restated
		€'000	€'000
Return		134,515	170,559
Mean capital employed		77,498	112,825
Return on mean capital employed		174%	151%
Return on turnover		12%	14%

Retail Business

STATEMENT OF MEAN CAPITAL EMPLOYED as at 30 June 2009			
	Notes	30-Jun-09	30-Jun-08 Restated
		€'000	€'000
Fixed assets			
Tangible fixed assets		108,358	114,331
Intangible fixed assets		16,992	17,748
Total fixed assets		125,350	132,079
Current assets			
Stocks		518	325
Debtors		190,654	211,445
Cash at bank and in hand		35,191	39,221
Total current assets		226,363	250,991
Creditors		(198,775)	(195,201)
Provisions for liabilities and charges		(75,440)	(75,044)
Mean capital employed	11	77,498	112,825

Retail Business - Access

PROFIT AND LOSS ACCOUNT for the year ended 30 June 2009	Notes	12 months to 30-Jun-09	12 months to 30-Jun-08 Restated
		€'000	€'000
Turnover			
Connections		14,566	17,991
Rental		516,412	512,332
Call charges		-	-
Other		-	-
Total turnover		530,978	530,323
Operating costs			
Operating costs specific to Retail		120,915	126,266
Payphone transfer charge		(1,256)	(1,377)
Transfer charges from Core Network		-	-
Transfer charges from Local Access Network		410,305	422,338
Exceptional operating costs		3,545	-
Exceptional transfer charges from Core Network		-	-
Exceptional transfer charges from Local Access Network		22,588	287
Total operating costs		556,097	547,514
Return		(25,119)	(17,191)
<hr/>			
RETURN ON MEAN CAPITAL EMPLOYED		12 months to 30-Jun-09	12 months to 30-Jun-08 Restated
		€'000	€'000
Return		(25,119)	(17,191)
Mean capital employed		(10,749)	4,678
Return on mean capital employed		n/a	(367%)
Return on turnover		(5%)	(3%)

Retail Business - Access

STATEMENT OF MEAN CAPITAL EMPLOYED as at 30 June 2009	Notes	30-Jun-09	30-Jun-08 Restated
		€'000	€'000
Fixed assets			
Tangible fixed assets		32,649	31,088
Intangible fixed assets		6,698	6,030
Total fixed assets		39,347	37,118
Current assets			
Stocks		237	-
Debtors		51,510	57,141
Cash at bank and in hand		17,731	18,191
Total current assets		69,478	75,332
Creditors		(87,245)	(78,451)
Provisions for liabilities and charges		(32,329)	(29,321)
Mean capital employed		(10,749)	4,678

Retail Business - Local Calls

PROFIT AND LOSS ACCOUNT for the year ended 30 June 2009	Notes	12 months to 30-Jun-09	12 months to 30-Jun-08 Restated
		€'000	€'000
Turnover			
Connections		-	-
Rental		-	-
Call charges		60,275	63,769
Other		-	-
Total turnover		60,275	63,769
Operating costs			
Operating costs specific to Retail		12,716	13,150
Payphone transfer charge		(19)	(54)
Transfer charges from Core Network		21,512	23,556
Transfer charges from Local Access Network		-	-
Exceptional operating costs / (income)		663	(2)
Exceptional transfer charges from Core Network		-	-
Exceptional transfer charges from Local Access Network		-	-
Total operating costs		34,872	36,650
Return		25,403	27,119
<hr/>			
RETURN ON MEAN CAPITAL EMPLOYED		12 months to 30-Jun-09	12 months to 30-Jun-08 Restated
		€'000	€'000
Return		25,403	27,119
Mean capital employed		10,197	12,077
Return on mean capital employed		249%	225%
Return on turnover		42%	43%

Retail Business - Local Calls

STATEMENT OF MEAN CAPITAL EMPLOYED as at 30 June 2009	Notes	30-Jun-09	30-Jun-08
		€'000	€'000
Fixed assets			
Tangible fixed assets		4,550	4,621
Intangible fixed assets		2,195	2,769
Total fixed assets		6,745	7,390
Current assets			
Stocks		-	-
Debtors		10,989	11,774
Cash at bank and in hand		1,832	1,948
Total current assets		12,821	13,722
Creditors		(5,266)	(4,728)
Provisions for liabilities and charges		(4,103)	(4,307)
Mean capital employed		10,197	12,077

Retail Business - National Calls

PROFIT AND LOSS ACCOUNT for the year ended 30 June 2009	Notes	12 months to 30-Jun-09	12 months to 30-Jun-08 Restated
		€'000	€'000
Turnover			
Connections		-	-
Rental		-	-
Call charges		33,078	34,578
Other		-	-
Total turnover		33,078	34,578
Operating costs			
Operating costs specific to Retail		6,354	6,405
Payphone transfer charge		(21)	(164)
Transfer charges from Core Network		11,796	12,830
Transfer charges from Local Access Network		-	-
Exceptional operating costs / (income)		265	(1)
Exceptional transfer charges from Core Network		-	-
Exceptional transfer charges from Local Access Network		-	-
Total operating costs		18,394	19,070
Return		14,684	15,508
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RETURN ON MEAN CAPITAL EMPLOYED		12 months to 30-Jun-09	12 months to 30-Jun-08 Restated
		€'000	€'000
Return		14,684	15,508
Mean capital employed		5,004	6,029
Return on mean capital employed		293%	257%
Return on turnover		44%	45%

Retail Business - National Calls

STATEMENT OF MEAN CAPITAL EMPLOYED			
as at 30 June 2009			
	Notes	30-Jun-09	30-Jun-08
		€'000	€'000
Fixed assets			
Tangible fixed assets		2,034	1,988
Intangible fixed assets		847	974
Total fixed assets		2,881	2,962
Current assets			
Stocks		-	-
Debtors		5,983	6,413
Cash at bank and in hand		914	929
Total current assets		6,897	7,342
Creditors		(2,707)	(2,350)
Provisions for liabilities and charges		(2,067)	(1,925)
Mean capital employed		5,004	6,029

Retail Business - International Calls

PROFIT AND LOSS ACCOUNT for the year ended 30 June 2009	Notes	12 months to 30-Jun-09 €'000	12 months to 30-Jun-08 Restated €'000
Turnover			
Connections		-	-
Rental		-	-
Call charges		143,140	153,265
Other		-	-
Total turnover		143,140	153,265
Operating costs			
Operating costs specific to Retail		11,305	12,028
Payphone transfer charge		(143)	(394)
Transfer charges from Core Network		78,988	79,796
Transfer charges from Local Access Network		-	-
Exceptional operating costs / (income)		275	(2)
Exceptional transfer charges from Core Network		-	-
Exceptional transfer charges from Local Access Network		-	-
Total operating costs		90,425	91,428
Return		52,715	61,837
RETURN ON MEAN CAPITAL EMPLOYED			
		12 months to 30-Jun-09 €'000	12 months to 30-Jun-08 Restated €'000
Return		52,715	61,837
Mean capital employed		43,467	42,282
Return on mean capital employed		121%	146%
Return on turnover		37%	40%

Retail Business - International Calls

STATEMENT OF MEAN CAPITAL EMPLOYED as at 30 June 2009	Notes	30-Jun-09	30-Jun-08
		€'000	€'000
Fixed assets			
Tangible fixed assets		3,021	3,279
Intangible fixed assets		900	961
Total fixed assets		3,921	4,240
Current assets			
Stocks		-	-
Debtors		46,744	45,598
Cash at bank and in hand		1,630	1,693
Total current assets		48,374	47,291
Creditors		(5,252)	(5,506)
Provisions for liabilities and charges		(3,576)	(3,743)
Mean capital employed		43,467	42,282

Retail Business - Calls to Mobile

PROFIT AND LOSS ACCOUNT for the year ended 30 June 2009	Notes	12 months to 30-Jun-09	12 months to 30-Jun-08 Restated
		€'000	€'000
Turnover			
Connections		-	-
Rental		-	-
Call charges		132,505	152,738
Other		-	-
Total turnover		132,505	152,738
Operating costs			
Operating costs specific to Retail		13,505	14,273
Payphone transfer charge		(261)	(446)
Transfer charges from Core Network		94,755	110,648
Transfer charges from Local Access Network		-	-
Exceptional operating costs / (income)		611	(2)
Exceptional transfer charges from Core Network		-	-
Exceptional transfer charges from Local Access Network		-	-
Total operating costs		108,610	124,473
Return		23,895	28,265
RETURN ON MEAN CAPITAL EMPLOYED			
		12 months to 30-Jun-09	12 months to 30-Jun-08 Restated
		€'000	€'000
Return		23,895	28,265
Mean capital employed		14,552	19,509
Return on mean capital employed		164%	145%
Return on turnover		18%	19%

Retail Business - Calls to Mobile

STATEMENT OF MEAN CAPITAL EMPLOYED as at 30 June 2009	Notes	30-Jun-09	30-Jun-08
		€'000	€'000
Fixed assets			
Tangible fixed assets		4,109	3,957
Intangible fixed assets		1,737	2,030
Total fixed assets		5,846	5,987
Current assets			
Stocks		-	-
Debtors		19,447	23,560
Cash at bank and in hand		1,949	2,073
Total current assets		21,396	25,633
Creditors		(8,440)	(8,316)
Provisions for liabilities and charges		(4,250)	(3,795)
Mean capital employed		14,552	19,509

Retail Business - Directory Enquiry

PROFIT AND LOSS ACCOUNT for the year ended 30 June 2009	Notes	12 months to 30-Jun-09	12 months to 30-Jun-08 Restated
		€'000	€'000
Turnover			
Connections		-	-
Rental		-	-
Call charges		15,231	17,939
Other		-	-
Total turnover		15,231	17,939
Operating costs			
Operating costs specific to Retail		461	444
Payphone transfer charge		-	(27)
Transfer charges from Core Network		10,835	13,401
Transfer charges from Local Access Network		-	-
Exceptional operating costs		61	-
Exceptional transfer charges from Core Network		-	-
Exceptional transfer charges from Local Access Network		-	-
Total operating costs		11,357	13,818
Return		3,874	4,121
RETURN ON MEAN CAPITAL EMPLOYED			
		€'000	€'000
Return		3,874	4,121
Mean capital employed		1,798	2,123
Return on mean capital employed		215%	194%
Return on turnover		25%	23%

Retail Business - Directory Enquiry

STATEMENT OF MEAN CAPITAL EMPLOYED as at 30 June 2009	Notes	30-Jun-09	30-Jun-08
		€'000	€'000
Fixed assets			
Tangible fixed assets		124	81
Intangible fixed assets		57	60
Total fixed assets		181	141
Current assets			
Stocks		-	-
Debtors		2,341	2,681
Cash at bank and in hand		65	63
Total current assets		2,406	2,744
Creditors		(613)	(652)
Provisions for liabilities and charges		(176)	(110)
Mean capital employed		1,798	2,123

Retail Business - Leased Lines

PROFIT AND LOSS ACCOUNT for the year ended 30 June 2009	Notes	12 months to 30-Jun-09	12 months to 30-Jun-08 Restated
		€'000	€'000
Turnover			
Connections		5,071	5,778
Rental		66,917	80,948
Call charges		-	-
Other		-	-
Total turnover		71,988	86,726
Operating costs			
Operating costs specific to Retail		7,330	10,744
Transfer charges from Core Network		37,662	40,156
Transfer charges from Local Access Network		10,898	13,995
Exceptional operating costs / (income)		358	(2)
Exceptional transfer charges from Core Network		-	-
Exceptional transfer charges from Local Access Network		496	4
Total operating costs		56,744	64,897
Return		15,244	21,829
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RETURN ON MEAN CAPITAL EMPLOYED			
		12 months to 30-Jun-09	12 months to 30-Jun-08 Restated
		€'000	€'000
Return		15,244	21,829
Mean capital employed		(7,902)	(13,095)
Return on mean capital employed		n/a	n/a
Return on turnover		21%	25%

Retail Business - Leased Lines

STATEMENT OF MEAN CAPITAL EMPLOYED as at 30 June 2009	Notes	30-Jun-09	30-Jun-08
		€'000	€'000
Fixed assets			
Tangible fixed assets		13,760	13,143
Intangible fixed assets		349	379
Total fixed assets		14,109	13,522
Current assets			
Stocks		-	-
Debtors		21,360	23,994
Cash at bank and in hand		1,137	1,719
Total current assets		22,497	25,713
Creditors		(38,530)	(43,401)
Provisions for liabilities and charges		(5,978)	(8,929)
Mean capital employed		(7,902)	(13,095)

Retail Business - Public Payphones

PROFIT AND LOSS ACCOUNT for the year ended 30 June 2009	Notes	12 months to 30-Jun-09	12 months to 30-Jun-08
		€'000	€'000
Turnover			
Connections		-	-
Rental		-	-
Call charges		3,786	6,353
Other		523	783
Total turnover		4,309	7,136
Operating Costs			
Operating costs specific to Retail		7,729	9,669
Transfer charge from Retail		1,741	2,532
Transfer charges from Core Network		24	-
Exceptional operating (income)		(857)	(2)
Exceptional transfer charges from Core Network		-	-
Total Operating Costs		8,637	12,199
Return		(4,328)	(5,063)
RETURN ON MEAN CAPITAL EMPLOYED			
		12 months to 30-Jun-09	12 months to 30-Jun-08
		€'000	€'000
Return		(4,328)	(5,063)
Mean capital employed		(1,533)	(931)
Return on mean capital employed		n/a	n/a
Return on turnover		(100%)	(71%)

Retail Business - Public Payphones

STATEMENT OF MEAN CAPITAL EMPLOYED as at 30 June 2009	Notes	30-Jun-09	30-Jun-08
		€'000	€'000
Fixed assets			
Tangible fixed assets		1,705	2,752
Intangible fixed assets		46	63
Total fixed assets		1,751	2,815
Current assets			
Stocks		211	243
Debtors		262	586
Cash at bank and in hand		793	1,096
Total current assets		1,266	1,925
Creditors		(3,095)	(2,478)
Provisions for liabilities and charges		(1,455)	(3,193)
Mean capital employed		(1,533)	(931)

Retail Business - Calls to Internet

PROFIT AND LOSS ACCOUNT for the year ended 30 June 2009	Notes	12 months to 30-Jun-09	12 months to 30-Jun-08 Restated
		€'000	€'000
Turnover			
Connections		-	-
Rental		-	-
Call charges		14,805	27,676
Other		-	-
Total turnover		14,805	27,676
Operating costs			
Operating costs specific to Retail		2,790	7,111
Transfer charges from Core Network		3,445	5,817
Transfer charges from Local Access Network		-	-
Exceptional operating costs		134	6
Exceptional transfer charges from Core Network		-	-
Exceptional transfer charges from Local Access Network		-	-
Total operating costs		6,369	12,934
Return		8,436	14,742
RETURN ON MEAN CAPITAL EMPLOYED			
		12 months to 30-Jun-09	12 months to 30-Jun-08 Restated
		€'000	€'000
Return		8,436	14,742
Mean capital employed		5,334	8,064
Return on mean capital employed		158%	183%
Return on turnover		57%	53%

Retail Business - Calls to Internet

STATEMENT OF MEAN CAPITAL EMPLOYED as at 30 June 2009	Notes	30-Jun-09	30-Jun-08
		€'000	€'000
Fixed assets			
Tangible fixed assets		5,705	7,703
Intangible fixed assets		199	521
Total fixed assets		5,904	8,224
Current assets			
Stocks		-	-
Debtors		2,245	4,414
Cash at bank and in hand		255	903
Total current assets		2,500	5,317
Creditors		(2,582)	(3,809)
Provisions for liabilities and charges		(488)	(1,668)
Mean capital employed		5,334	8,064

Retail Business - Internet Services Supply

PROFIT AND LOSS ACCOUNT for the year ended 30 June 2009	Notes	12 months to 30-Jun-09	12 months to 30-Jun-08 Restated
		€'000	€'000
Turnover			
Connections		-	-
Rental		6,308	9,283
Call charges		-	-
Other		13,519	15,830
Total turnover		19,827	25,113
Operating costs			
Operating costs specific to Retail		14,234	19,118
Transfer charges from Core Network		861	1,696
Transfer charges from Local Access Network		-	-
Exceptional operating costs / (income)		899	(2)
Exceptional transfer charges from Core Network		-	-
Exceptional transfer charges from Local Access Network		-	-
Total operating costs		15,994	20,812
Return		3,833	4,301
<hr/>			
RETURN ON MEAN CAPITAL EMPLOYED		12 months to 30-Jun-09	12 months to 30-Jun-08 Restated
		€'000	€'000
Return		3,833	4,301
Mean capital employed		1,494	5,455
Return on mean capital employed		257%	79%
Return on turnover		19%	17%

Retail Business - Internet Services Supply

STATEMENT OF MEAN CAPITAL EMPLOYED as at 30 June 2009	Notes	30-Jun-09	30-Jun-08
		€'000	€'000
Fixed assets			
Tangible fixed assets		4,279	6,438
Intangible fixed assets		1,334	1,277
Total fixed assets		5,613	7,715
Current assets			
Stocks		70	82
Debtors		5,139	6,615
Cash at bank and in hand		2,958	3,485
Total current assets		8,167	10,182
Creditors		(7,862)	(8,227)
Provisions for liabilities and charges		(4,424)	(4,215)
Mean capital employed		1,494	5,455

Retail Business - Supplemental Services

PROFIT AND LOSS ACCOUNT for the year ended 30 June 2009	Notes	12 months to 30-Jun-09	12 months to 30-Jun-08 Restated
		€'000	€'000
Turnover			
Connections		5,359	1,431
Rental		47,694	45,416
Call charges		-	214
Other		264	188
Total turnover		53,317	47,249
Operating costs			
Operating costs specific to Retail		28,792	27,825
Transfer charges from Core Network		9,481	9,065
Transfer charges from Local Access Network		6,032	4,204
Exceptional operating costs		1,967	17
Exceptional transfer charges from Core Network		-	-
Exceptional transfer charges from Local Access Network		221	-
Total operating costs		46,493	41,111
Return		6,824	6,138
RETURN ON MEAN CAPITAL EMPLOYED			
		12 months to 30-Jun-09	12 months to 30-Jun-08 Restated
		€'000	€'000
Return		6,824	6,138
Mean capital employed		19,076	25,700
Return on mean capital employed		36%	24%
Return on turnover		13%	13%

Retail Business - Supplemental Services

STATEMENT OF MEAN CAPITAL EMPLOYED as at 30 June 2009	Notes	30-Jun-09	30-Jun-08
		€'000	€'000
Fixed assets			
Tangible fixed assets		29,128	29,347
Intangible fixed assets		1,289	1,153
Total fixed assets		30,417	30,500
Current assets			
Stocks		-	-
Debtors		16,623	19,681
Cash at bank and in hand		3,364	4,289
Total current assets		19,987	23,970
Creditors		(20,009)	(20,096)
Provisions for liabilities and charges		(11,319)	(8,674)
Mean capital employed		19,076	25,700

Retail Business - Remaining Activities

PROFIT AND LOSS ACCOUNT for the year ended 30 June 2009	Notes	12 months to 30-Jun-09	12 months to 30-Jun-08 Restated
		€'000	€'000
Turnover			
Connections		1,016	1,018
Rental		11,400	11,594
Call charges		48,754	49,076
Other		279	1,565
Total turnover		61,449	63,253
Operating costs			
Operating costs specific to Retail		18,660	22,171
Payphone transfer charge		(41)	(70)
Transfer charges from Core Network		32,285	32,200
Transfer charges from Local Access Network		-	-
Exceptional operating costs / (income)		1,491	(1)
Exceptional transfer charges from Core Network		-	-
Exceptional transfer charges from Local Access Network		-	-
Total operating costs		52,395	54,300
Return		9,054	8,953
<hr/>			
RETURN ON MEAN CAPITAL EMPLOYED		12 months to 30-Jun-09	12 months to 30-Jun-08 Restated
		€'000	€'000
Return		9,054	8,953
Mean capital employed		(3,240)	934
Return on mean capital employed		n/a	959%
Return on turnover		15%	14%

Retail Business - Remaining Activities

STATEMENT OF MEAN CAPITAL EMPLOYED			
as at 30 June 2009			
	Notes	30-Jun-09	30-Jun-08
		€'000	€'000
Fixed assets			
Tangible fixed assets		7,294	9,934
Intangible fixed assets		1,341	1,531
Total fixed assets		8,635	11,465
Current assets			
Stocks		-	-
Debtors		8,011	8,988
Cash at bank and in hand		2,563	2,832
Total current assets		10,574	11,820
Creditors		(17,174)	(17,187)
Provisions for liabilities and charges		(5,275)	(5,164)
Mean capital employed		(3,240)	934

Retail Business reconciliation

RETURN	12 months to	12 months to
for the year ended 30 June 2009	30-Jun-09	30-Jun-08
	€'000	Restated
		€'000
Access	(25,119)	(17,191)
Local Calls	25,403	27,119
National Calls	14,684	15,508
International Calls	52,715	61,837
Calls to Mobile	23,895	28,265
Directory Enquiry	3,874	4,121
Leased Lines	15,244	21,829
Public Payphones	(4,328)	(5,063)
Calls to Internet	8,436	14,742
Internet Services Supply	3,833	4,301
Supplemental Services	6,824	6,138
Remaining Activities	9,054	8,953
TOTAL RETAIL BUSINESS	134,515	170,559
MEAN CAPITAL EMPLOYED		
as at 30 June 2009		
	30-Jun-09	30-Jun-08
	€'000	Restated
		€'000
Access	(10,749)	4,678
Local Calls	10,197	12,077
National Calls	5,004	6,029
International Calls	43,467	42,282
Calls to Mobile	14,552	19,509
Directory Enquiry	1,798	2,123
Leased Lines	(7,902)	(13,095)
Public Payphones	(1,533)	(931)
Calls to Internet	5,334	8,064
Internet Services Supply	1,494	5,455
Supplemental Services	19,076	25,700
Remaining Activities	(3,240)	934
TOTAL RETAIL BUSINESS	77,498	112,825

Other Business

PROFIT AND LOSS ACCOUNT for the year ended 30 June 2009	Notes	12 months to 30-Jun-09	12 months to 30-Jun-08 Restated
		€'000	€'000
Turnover			
Turnover from operations		686,026	677,503
Intra business turnover adjustment		(8,028)	(3,708)
Regulated rate of return adjustment		12,354	19,096
Total turnover	10	690,352	692,891
Operating costs			
Operating costs specific to business		644,028	578,201
Intra business operating costs adjustment		(8,028)	(3,708)
Transfer charges from Core Network		(1,288)	675
Transfer charges from Local Access Network		-	-
Exceptional operating costs / (income)		12,914	(140,345)
Exceptional transfer charges from Core Network		-	-
Exceptional transfer charges from Local Access Network		-	-
Exceptional loss on disposal of subsidiaries		-	-
Total operating costs	10	647,626	434,823
Return	10	42,726	258,068
RETURN ON MEAN CAPITAL EMPLOYED			
		12 months to 30-Jun-09	12 months to 30-Jun-08 Restated
		€'000	€'000
Return		42,726	258,068
Mean capital employed		636,456	717,377
Return on mean capital employed		7%	36%
Return on turnover		6%	37%

Other Business

STATEMENT OF MEAN CAPITAL EMPLOYED as at 30 June 2009			
	Notes	30-Jun-09	30-Jun-08
		€'000	Restated €'000
Fixed assets			
Tangible fixed assets		266,483	252,225
Intangible fixed assets		192,366	166,731
Total fixed assets		458,849	418,956
Current assets			
Stocks		4,332	5,419
Debtors		671,093	740,957
Cash at bank and in hand		191,205	85,639
Total current assets		866,630	832,015
Creditors		(657,119)	(509,954)
Provisions for liabilities and charges		(31,904)	(23,640)
Mean capital employed	11	636,456	717,377

Other Business - Apparatus Supply

PROFIT AND LOSS ACCOUNT for the year ended 30 June 2009	Notes	12 months to 30-Jun-09	12 months to 30-Jun-08
		€'000	€'000
Turnover			
Turnover from operations		27,051	29,949
Operating costs			
Operating costs specific to business		19,591	27,023
Transfer charges from Core Network		-	-
Transfer charges from Local Access Network		-	-
Exceptional operating costs / (income)		2,257	(6)
Exceptional transfer charges from Local Access Network		-	-
Total operating costs		21,848	27,017
Return		5,203	2,932
RETURN ON MEAN CAPITAL EMPLOYED			
		12 months to 30-Jun-09	12 months to 30-Jun-08
		€'000	€'000
Return		5,203	2,932
Mean capital employed		(299)	(694)
Return on mean capital employed		n/a	n/a
Return on turnover		19%	10%

Other Business - Apparatus Supply

STATEMENT OF MEAN CAPITAL EMPLOYED as at 30 June 2009	Notes	30-Jun-09	30-Jun-08
		€'000	€'000
Fixed assets			
Tangible fixed assets		7,567	9,854
Intangible fixed assets		573	714
Total fixed assets		8,140	10,568
Current assets			
Stocks		1,416	1,284
Debtors		3,587	4,594
Cash at bank and in hand		4,461	3,927
Total current assets		9,464	9,805
Creditors		(12,692)	(15,422)
Provisions for liabilities and charges		(5,211)	(5,645)
Mean capital employed		(299)	(694)

Other Business - Other Remaining Activities

PROFIT AND LOSS ACCOUNT for the year ended 30 June 2009	Notes	12 months to 30-Jun-09 €'000	12 months to 30-Jun-08 Restated €'000
Turnover			
Turnover from operations		58,261	49,658
Regulated rate of return adjustment		12,354	19,096
Total turnover		70,615	68,754
Operating costs			
Operating costs specific to business		69,507	46,021
Transfer charges from Core Network		(1,288)	675
Transfer charges from Local Access Network		-	-
Exceptional operating costs / (income)		2,691	(140,325)
Exceptional transfer charges from Local Access Network		-	-
Total operating costs		70,910	(93,629)
Return		(295)	162,383
RETURN ON MEAN CAPITAL EMPLOYED		12 months to 30-Jun-09 €'000	12 months to 30-Jun-08 Restated €'000
Return		(295)	162,383
Mean capital employed		295,502	412,706
Return on mean capital employed		0%	39%
Return on turnover		-1%	236%

Other Business - Other Remaining Activities

STATEMENT OF MEAN CAPITAL EMPLOYED as at 30 June 2009	Notes	30-Jun-09	30-Jun-08
		€'000	€'000
Fixed assets			
Tangible fixed assets		48,231	40,032
Intangible fixed assets		615	45,154
Total fixed assets		48,846	85,186
Current assets			
Stocks		-	-
Debtors		489,718	543,878
Cash at bank and in hand		13,989	9,373
Total current assets		503,707	553,251
Creditors		(240,485)	(211,831)
Provisions for liabilities and charges		(16,566)	(13,900)
Mean capital employed		295,502	412,706

Other Business - Meteor

PROFIT AND LOSS ACCOUNT for the year ended 30 June 2009	Notes	12 months to 30-Jun-09	12 months to 30-Jun-08
		€'000	€'000
Turnover			
Turnover from operations		491,242	480,982
Operating costs			
Operating costs specific to business		454,077	429,993
Transfer charges from Core Network		-	-
Transfer charges from Local Access Network		-	-
Exceptional operating costs		2,982	-
Exceptional transfer charges from Local Access Network		-	-
Total operating costs		457,059	429,993
Return		34,183	50,989
RETURN ON MEAN CAPITAL EMPLOYED			
		12 months to 30-Jun-09	12 months to 30-Jun-08
		€'000	€'000
Return		34,183	50,989
Mean capital employed		225,941	201,735
Return on mean capital employed		15%	25%
Return on turnover		7%	11%

Other Business - Meteor

STATEMENT OF MEAN CAPITAL EMPLOYED as at 30 June 2009	Notes	30-Jun-09	30-Jun-08
		€'000	€'000
Fixed assets			
Tangible fixed assets		174,013	179,732
Intangible fixed assets		186,931	116,952
Total fixed assets		360,944	296,684
Current assets			
Stocks		404	586
Debtors		85,307	81,083
Cash at bank and in hand		21,058	10,853
Total current assets		106,769	92,522
Creditors		(234,262)	(183,376)
Provisions for liabilities and charges		(7,510)	(4,095)
Mean capital employed		225,941	201,735

Other Business - Other Subsidiaries

PROFIT AND LOSS ACCOUNT for the year ended 30 June 2009	Notes	12 months to 30-Jun-09	12 months to 30-Jun-08
		€'000	€'000
Turnover			
Turnover from operations		109,472	116,914
Operating costs			
Operating costs specific to business		100,853	75,164
Transfer charges from Core Network		-	-
Transfer charges from Local Access Network		-	-
Exceptional operating costs / (income)		4,984	(14)
Exceptional transfer charges from Local Access Network		-	-
Exceptional loss on disposal of subsidiaries		-	-
Total operating costs		105,837	75,150
Return		3,635	41,764
RETURN ON MEAN CAPITAL EMPLOYED			
		12 months to 30-Jun-09	12 months to 30-Jun-08
		€'000	€'000
Return		3,635	41,764
Mean capital employed		115,312	103,630
Return on mean capital employed		3%	40%
Return on turnover		3%	36%

Other Business - Other Subsidiaries

STATEMENT OF MEAN CAPITAL EMPLOYED		
as at 30 June 2009		
Notes	30-Jun-09	30-Jun-08
	€'000	€'000
Fixed assets		
Tangible fixed assets	36,672	22,607
Intangible fixed assets	4,247	3,911
Total fixed assets	40,919	26,518
Current assets		
Stocks	2,512	3,549
Debtors	92,481	111,402
Cash at bank and in hand	151,697	61,486
Total current assets	246,690	176,437
Creditors	(169,680)	(99,325)
Provisions for liabilities and charges	(2,617)	-
Mean capital employed	115,312	103,630

Other Business reconciliation

RETURN for the year ended 30 June 2009	12 months to 30-Jun-09 €'000	12 months to 30-Jun-08 Restated €'000
Apparatus Supply	5,203	2,932
Other Remaining	(295)	162,383
Meteor	34,183	50,989
Other Subsidiaries	3,635	41,764
TOTAL OTHER BUSINESS	42,726	258,068
MEAN CAPITAL EMPLOYED as at 30 June 2009	30-Jun-09 €'000	30-Jun-08 Restated €'000
Apparatus Supply	(299)	(694)
Other Remaining	295,502	412,706
Meteor	225,941	201,735
Other Subsidiaries	115,312	103,630
TOTAL OTHER BUSINESS	636,456	717,377

Notes to the Financial Statements

1. **Comparative Figures**

Restructuring of Local Access Network Statement of Costs and reclassification of cost items

The framework under which the Local Access Network Statement of Costs has historically been published has been in place for a number of years. Certain amendments to the structure of the Local Access Network Statement of Costs, and the Network Elements disclosed therein, have been made in 2009. The revised structure is intended to reflect the key components of the Local Access Network more clearly.

Certain costs were identified for reclassification between the Retail Access business and the Local Access Network business. These costs comprised certain data network costs and certain Retail customer-facing service costs.

- Data network costs used in supporting the delivery of Access services, such as Retail DSL, have been reassigned from the Retail Access Business to the Network Element “Other Access Equipment”.
- Customer-facing service costs have been reassigned from the Local Access Network Element “Repair” directly to the Retail Access Business. Previously this cost was transfer charged in full to the Retail Access business.

This reclassification of costs impacts on the level of Transfer Charge from the Local Access Network to the Retail Access Business. The Local Access Network Business was required to make a Return on Capital Employed of 11.36% in the year to June 2008, and the related adjustment for this return was made within the Other Remaining Business.

As noted above, in addition to these reclassifications of costs, eircom has restructured some of the Network Elements in the Local Access Network Statement of Costs. The definitions and cost components of the revised Network Elements are set out in the Accounting Documents. The prior year comparatives have been restated in respect of these amendments to ensure consistency.

Restatement in respect of methodology amendment for Access and Transmission Studies

The Access network cost allocation processes were reviewed and updated during the year in the context of the increasing use of fibre optic cable in the provision of services. A review of the nature of the weightings applied to the cost allocation process for services of diverse capacity was performed and the attribution method was updated.

The Transmission cost methodology for length (duct/cable) cost allocations has also been reviewed and updated during the year to reflect the fact that cost causation for such infrastructure is no longer directly driven by capacity but rather by system utility. This revision was required in the context of the changing mix of services and capacity provided over the network. The prior year comparatives have been restated to ensure consistency.

The schedule below sets out the Local Access Network Elements and costs as disclosed in 2008 along with the reclassifications of costs noted previously, re-categorises those costs under the new Network Element structure and shows the impact of the change in duct and transmission methodologies:

Local Access Network Statement of Costs	Original Operating Costs as disclosed in 2008	Reclassification of customer service and data network costs	Realignment of network elements	Impact of change in methodologies	Restated Operating Costs for 2008
	€'000	€'000	€'000	€'000	€'000
Subscriber Unit	25,821	-	-	-	25,821
Copper Access Network (previously named Narrowband Access Network (<2MB))					
Length Dependent Costs					
<i>Distribution Side Network (D-Side)</i>	183,217	-	-	1,111	184,328
<i>Exchange Side Network (E-Side)</i>	41,315	-	-	395	41,710
Non-Length Dependent Costs					
<i>Distribution Side Network (D-Side)</i>	17,636	-	-	-	17,636
<i>Exchange Side Network (E-Side)</i>	16,397	-	-	-	16,397
Fibre/High Speed Access Network (previously named Broadband Access Network (>2MB))					
<i>Length Dependent Costs</i>	4,015	-	-	(1,072)	2,943
<i>Non-Length Dependent Costs</i>	9,999	-	(7,085)	-	2,914
Carrier Administration & Billing	8,811	-	(1,411)	-	7,400
DSL Equipment (previously DSLAM)	20,030	-	392	-	20,422
Access Backhaul	-	-	17,697	3,776	21,473
Other DSL	12,742	2,756	(15,498)	-	-
Other Access Equipment	-	-	4,493	-	4,493
Provisioning	70,672	-	1,142	-	71,814
Repair	31,219	(8,901)	271	-	22,589
Local Access Network Statement	441,874	(6,145)	1	4,210	439,940

The table below sets out the Core Network Statement of Costs as disclosed in 2008 and shows the impact of the change in duct and transmission methodologies:

Core Network Statement of Costs	Original Operating Costs as disclosed in 2008	Impact of change in methodologies	Restated Operating Costs for 2008
	€'000	€'000	€'000
Call Sensitive	10,949	-	10,949
Traffic sensitive	11,692	-	11,692
Transmission: Non-length dependent	21,878	-	21,878
<i>Transmission: Length dependent</i>			
RSU to primary/secondary length	5,803	2,168	7,971
Primary to primary length	119	(77)	42
Primary to secondary length	844	(632)	212
Primary to tertiary length	851	(682)	169
Secondary to secondary length	627	(554)	73
Secondary to tertiary length	1,490	(1,311)	179
Tertiary to tertiary length	35	(31)	4
Inland directory enquiries	20,608	-	20,608
International directory enquiries	1,039	-	1,039
National Operator Assistance	6,657	-	6,657
International Operator Assistance	108	-	108
Carrier administration	5,859	-	5,859
Carrier billing	2,204	36	2,240
Intelligent network	1,913	(34)	1,879
Outpayments	324,332	-	324,332
International transmission	6,964	(801)	6,163
Private circuits network	30,782	(1,178)	29,604
Interconnect connections and rentals	5,695	(884)	4,811
Other costs	10,542	(193)	10,349
Core Network Statement	470,991	(4,173)	466,818

The comparative figures in respect of the 2008 HCA Financial Statements for the following Businesses have been restated to reflect the Local Access Network reclassifications previously noted and the impact of the change in duct & transmission methodologies, including the impact of these changes on the transfer charges to the Retail business.

Business	Original Return	Restated Return	Original Mean Capital Employed ("MCE")	Restated Mean Capital Employed ("MCE")
	2008	2008	2008	2008
	€'000	€'000	€'000	€'000
Local Access Network	106,313	109,550	935,858	964,340
Core Network	25,103	22,830	221,013	200,973
Retail Business				
Retail Access	(10,866)	(17,191)	13,120	4,678
Retail Local Calls	27,655	27,119	12,077	12,077
Retail National Calls	14,620	15,508	6,029	6,029
Retail International Calls	59,908	61,837	42,282	42,282
Retail Calls to Mobile	28,097	28,265	19,509	19,509
Retail Directory Enquiries	4,089	4,121	2,123	2,123
Retail Leased Lines	18,735	21,829	(13,095)	(13,095)
Retail Public Payphones	(5,063)	(5,063)	(931)	(931)
Retail Calls to Internet	15,251	14,742	8,064	8,064
Retail Internet Services Supply	4,487	4,301	5,455	5,455
Retail Supplemental Services	6,086	6,138	25,700	25,700
Retail Remaining Activities	8,513	8,953	934	934
Other Business				
Apparatus Supply	2,932	2,932	(694)	(694)
Other Remaining Activities	162,394	162,383	412,706	412,706
Meteor	50,989	50,989	201,735	201,735
Other Subsidiaries	41,764	41,764	103,630	103,630
Total	561,007	561,007	1,995,515	1,995,515

2 Return on Capital Employed of the Core Network

The turnover of the Core Network Business includes revenue received from eircom Retail Business and Other Authorised Operators. The Return on Capital Employed for this business is 10.21% (2008: 11.36%). As per Decision 4.3.4 of Decision Notice D9/00 and D7/01 and amended in D1/08, the directed rate of return is 10.21% as of 22 May 2008. eircom have used the rate of 10.21% for the year ended 30 June 2009. eircom have used a weighted average rate of 11.36% for the year ended 30 June 2008.

Turnover attributable to the Core and Access networks has been adjusted in order to maintain the return in these businesses at the determined rate of 10.21% (2008: 11.36%). These adjustments have been made within the Other Remaining Business.

3 Core Network Turnover from Other Operators

Turnover from Other Operators consists of the following:

	2009 €'000	2008 €'000
Call Origination	10,919	12,570
Call Termination	15,979	17,399
Carrier Pre Select	129	184
Number Portability	209	196
Interconnect Links	16,417	16,374
International Access	33,319	33,919
Transit	46,217	71,559
FRIACO	285	823
Access to PRS	4,135	5,025
Access to DQ	14,945	15,290
Other Ancillary Services	6,637	8,172
Total Core Network Turnover	149,191	181,511

4 Public Payphone Transfer Charge

The Access transfer charge is for local loop use, connecting Public Payphones to the local exchange of the Access Business. The transfer price is determined to be a retail price.

The Local, National, International, Directory Enquiry, Calls to Mobile and Access transfer charges are a transfer of revenue from the Public Payphone Business to the respective business to which the call relates. These transfer charges are determined to be the retail price less a volume discount. The discounts applied are based on the multi-line discount schemes, which are available to all businesses.

The eircom payphone business is just one of a number of payphone operators using the eircom network. Charging the eircom Payphone Business a retail related charge for network usage ensures that eircom does not discriminate in terms of prices between competitors and its own service providing entity.

Note 4 - Public Payphone Transfer Charge (continued)

	Retail Access €'000	Local Calls €'000	National Calls €'000	Int'l Calls €'000	Calls to Mobile €'000	Directory Enquiry €'000	Retail Remaining €'000
Operating costs specific to Retail	153	6	5	27	23	-	4
Transfer charge from Access/Core Network	1,206	8	6	111	13	23	-
Exceptional operating costs	10	-	-	1	1	-	-
Exceptional transfer charges from Access/Core Network	65	-	-	-	-	-	-
Retail Area markup	(178)	5	10	4	224	(23)	37
Transfer charge to Public Payphone	1,256	19	21	143	261	-	41

Note 5 - Payphone Memorandum Notes

2008/2009 Regulatory Accounts	€'000
Return per Payphone P&L	(4,328)
Return earned by Retail Business	79
Return earned by Core Network	(2)
Return earned by Access Network	386
	<hr/>
Total return to eircom from Payphone Business	(3,865)

Note 6 - Payphone Access Charge

	€
Other operating costs	744,048
Network costs	2,347,774
Depreciation	<u>1,532,438</u>
Total allowable costs for Payphone Access Charge	4,624,260
No. of traffic minutes	<u>6,092,908</u>
Average cost per traffic minute in cents	<u><u>75.90</u></u>

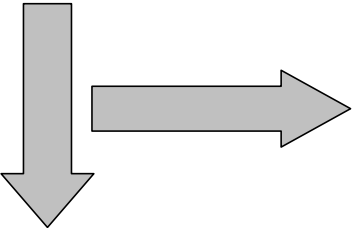
Note 7 - Capital Attribution for the purposes of calculating ROCE

	Total Retail	Access	Local Calls	National Calls	International Calls	Calls to Mobile	Directory Enquiry	Leased Lines	Public Payphones	Calls to Internet	Internet Services Supply	Supplemental Services	Remaining Activities
	30-Jun-09 €'000	30-Jun-09 €'000	30-Jun-09 €'000	30-Jun-09 €'000	30-Jun-09 €'000	30-Jun-09 €'000	30-Jun-09 €'000	30-Jun-09 €'000	30-Jun-09 €'000	30-Jun-09 €'000	30-Jun-09 €'000	30-Jun-09 €'000	30-Jun-09 €'000
Turnover	1,140,902	530,978	60,275	33,078	143,140	132,505	15,231	71,988	4,309	14,805	19,827	53,317	61,449
Total operating costs	1,006,387	556,097	34,872	18,394	90,425	108,610	11,357	56,744	8,637	6,369	15,994	46,493	52,395
Original return	134,515	-25,119	25,403	14,684	52,715	23,895	3,874	15,244	-4,328	8,436	3,833	6,824	9,054
Plus: Exceptional operating costs	9,412	3,545	663	265	275	611	61	358	-857	134	899	1,967	1,491
Exceptional transfer charge from Core Network	0	0	0	0	0	0	0	0	0	0	0	0	0
Exceptional transfer charge from Access Network	23,305	22,588	0	0	0	0	0	496	0	0	0	221	0
Recalculated return including capital charge	167,232	1,014	26,066	14,949	52,990	24,506	3,935	16,098	-5,185	8,570	4,732	9,012	10,545
Access capital charges	78,767	74,846	0	0	0	0	0	2,480	0	0	0	1,441	0
Core capital charges	16,322	0	3,513	1,658	-95	1,241	364	5,300	0	848	229	2,062	1,202
Recalculated return excluding capital charge	262,321	75,860	29,579	16,607	52,895	25,747	4,299	23,878	-5,185	9,418	4,961	12,515	11,747
Mean capital employed	77,498	-10,749	10,197	5,004	43,467	14,552	1,798	-7,902	-1,533	5,334	1,494	19,076	-3,240
Plus: Exceptional provision	44,950	30,109	729	370	623	748	38	5,091	191	77	866	4,972	1,136
	122,448	19,360	10,926	5,374	44,090	15,300	1,836	-2,811	-1,342	5,411	2,360	24,048	-2,104
Attributed Access capital	771,463	733,063	0	0	0	0	0	24,286	0	0	0	14,114	0
Attributed Core Network capital	159,864	0	34,404	16,238	-926	12,155	3,562	51,913	-1	8,304	2,247	20,200	11,768
Recalculated mean capital employed	1,053,775	752,423	45,330	21,612	43,164	27,455	5,398	73,388	-1,343	13,715	4,607	58,362	9,664
ROCE before capital attribution	137%	5%	239%	278%	120%	160%	214%	n/a	386%	158%	201%	37%	n/a
ROCE after capital attribution	25%	10%	65%	77%	123%	94%	80%	33%	386%	69%	108%	21%	122%

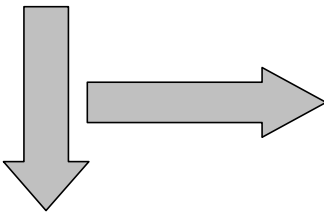
Note 8 - Retail Costs applicable to Number Translation Codes and Internet Access

Allocated to Number Translation Code Services	Number of calls '000	Call related costs €'000	Revenue related costs €'000	Total costs €'000
Access to Premium Rate Services	7,412,231	33,614	250,794	284,408
Access to Freephone Services	76,942,425	430,163	70,973	501,136
Access to Shared Cost Timed Services	40,820,324	198,800	41,107	239,907
Access to Shared Cost Fixed Services	27,582,265	115,031	66,295	181,326
Chargecard	0	0	0	0
Allocated to Internet Access	37,153,248	246,742	257,477	504,219
	<hr/>	<hr/>	<hr/>	<hr/>
	189,910,493	1,024,350	686,646	1,710,996

Note 9 - Inter Business Turnover

FROM / TO						TOTAL
		Local Access Network Business	Core Network Business	Retail Business	Other Business	
		30-Jun-09 €'000	30-Jun-09 €'000	30-Jun-09 €'000	30-Jun-09 €'000	30-Jun-09 €'000
Turnover originating in:						
LOCAL ACCESS NETWORK BUSINESS	Transfer charge turnover	-	-	450,540	-	450,540
	Other inter business turnover	-	-	-	-	-
CORE NETWORK BUSINESS	Transfer charge turnover	-	-	301,644	(1,288)	300,356
	Other inter business turnover	-	-	-	25,187	25,187
RETAIL BUSINESS	Other inter business turnover:					
	Access	-	-	-	670	670
	Local Calls	-	-	-	-	-
	National Calls	-	-	-	-	-
	International Calls	-	9,766	-	-	9,766
	Calls to Mobile	-	-	-	-	-
	Directory Enquiries	-	-	-	2,642	2,642
	Leased Lines	-	-	-	3,282	3,282
	Public Payphones	-	-	-	-	-
	Calls to Internet	-	-	-	-	-
	Internet Services Supply	-	-	-	-	-
	Supplemental Services	-	-	-	-	-
	Remaining Activities	-	-	-	-	-
OTHER BUSINESS	Other inter business turnover:					
	Apparatus Supply	-	-	-	-	-
	Other Remaining Activities	-	-	-	-	-
	Meteor	-	3,658	20,592	-	24,250
	Other Subsidiaries	-	11,100	3,557	-	14,657
TOTAL		-	24,524	776,333	30,493	831,350

Note 9 (a) - Intra Business Turnover (Other Business)

<i>FROM / TO</i>		Apparatus Supply Business	<i>eircom Mobile Business</i>	<i>Other Remaining Business</i>	Total Other Remaining Activities Business	Meteor Business	Other Subsidiaries Business	TOTAL
		30-Jun-09 €'000	30-Jun-09 €'000	30-Jun-09 €'000	30-Jun-09 €'000	30-Jun-09 €'000	30-Jun-09 €'000	30-Jun-09 €'000
Turnover originating in:								
OTHER BUSINESS	Other intra business turnover:							
	Other Remaining	-	-	-	-	-	2,150	2,150
	Meteor	-	2,932	2,246	5,178	-	459	5,637
	Other Subsidiaries	-	-	190	190	51	-	241
TOTAL		-	2,932	2,436	5,368	51	2,609	8,028

* Intra Business turnover is eliminated within the Other Business statements; this elimination includes turnover between Meteor & eircom Mobile

Note 10 - Profit and Loss Reconciliation

Consolidated profit and loss account for the year ended 30 June 2009	Operating			Operating		
	Turnover	Costs	Return	Turnover	Costs	Return
	30-Jun-09	30-Jun-09	30-Jun-09	30-Jun-08 Restated	30-Jun-08 Restated	30-Jun-08 Restated
	€'000	€'000	€'000	€'000	€'000	€'000
Business						
Local Access Network Business	572,567	472,206	100,361	549,866	440,316	109,550
Core Network Business	429,133	408,087	21,046	489,648	466,818	22,830
Retail Business	1,140,902	1,006,387	134,515	1,209,765	1,039,206	170,559
Other Business	690,352	647,626	42,726	692,891	434,823	258,068
Total	2,832,954	2,534,306	298,648	2,942,170	2,381,163	561,007
Adjustments						
Elimination of Inter Business turnover and costs	(831,350)	(831,350)	-	(873,771)	(873,771)	-
Interest payable and similar charges			(5,623)			(8,490)
Share of profit of associates		(1,767)	1,767		(201)	201
Tax on profits on ordinary activities			(31,746)			(65,383)
Non relevant Core Network operating costs		-	-		(3)	3
Non relevant Core Network exceptional operating costs		(1,323)	1,323		436	(436)
Impact of change to asset lives		(13,245)	13,245		(15,340)	15,340
IFRS Pension Adjustment		(33,757)	33,757		(61,236)	61,236
Amortisation of Intangible Assets		6,725	(6,725)		5,922	(5,922)
Non relevant eircom operating costs		(6,900)	6,900		6,321	(6,321)
As in the Annual Report	2,001,604	1,652,689	311,546	2,068,399	1,443,291	551,235

Note 11 - Mean Capital Employed Reconciliation

Consolidated mean capital employed as at 30 June 2009	30-Jun-09 €'000	30-Jun-08 Restated €'000
Shareholders' funds as in the Annual Report	1,706,031	2,264,777
Reconciling items		
Investments in Associated Undertakings	(543)	(286)
Finance Income Payable (Net)	2,739	8,400
Corporation Taxation	23,393	90,286
Deferred Taxation provision (net)	93,738	91,243
Pension Benefit Asset	(168,654)	(164,212)
Goodwill	(219,926)	(219,926)
Intangible Assets	(21,785)	(28,509)
Non relevant eircom operating costs	3,209	10,823
Closing capital employed at 30 June 2009 & 30 June 2008	1,418,202	2,052,596
Opening capital employed at 30 June 2008 & 30 June 2007	2,052,596	1,545,139
Total mean capital employed before determined adjustments	1,735,399	1,798,868
Impact of change to asset lives	143,602	159,027
Non relevant Core Network provisions	24,044	37,620
Total mean capital employed	1,903,045	1,995,515
Mean capital employed of the Businesses	30-Jun-09 €'000	30-Jun-08 Restated €'000
Local Access Network Business	982,970	964,340
Core Network Business	206,121	200,973
Retail Business	77,498	112,825
Other Business	636,456	717,377
Total mean capital employed	1,903,045	1,995,515

Statement of Costs of Access Network Services

	Subscriber Unit	Copper Access	Fibre/High Speed Access	Provisioning	Repair	DSL Equipment	Access Backhaul	Other Access Equipment	Carrier Administration & Billing
Average Cost per Line Equivalent (€)	19.89	204.43	731.59	n/a	n/a	n/a	n/a	n/a	n/a
Total Cost (€'000's)	33,817	356,639	7,223	62,520	28,569	32,709	36,161	8,203	6,726
Usage Factors									
PSTN	0.86	1.00		68.9%	59.9%		1%		
ISDN BRA	1.98	1.00		0.2%	5.1%		0.2%	0.7%	
ISDN PRA	14.71	2.00	1.00	5.5%	2.6%		14%	15%	
Single Billing - Wholesale Line Rental	0.92	1.00		5.0%	19.3%		2%		35.7%
Private Circuits		2.00	1.00				1%		
Other Services				20.4%	13.0%	100%	81%	84.3%	64.3%
Access Line Costs per Service (€)									
Rental									
PSTN	17.07	204.43	-	n/a	n/a	n/a	n/a	n/a	n/a
ISDN BRA	39.35	204.43	-	n/a	n/a	n/a	n/a	n/a	n/a
ISDN PRA	292.65	408.87	731.59	n/a	n/a	n/a	n/a	n/a	n/a
Single Billing - Wholesale Line Rental	18.25	204.43	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Private Circuits	-	408.87	731.59	n/a	n/a	n/a	n/a	n/a	n/a
Other Services	-	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Statement of Costs of Core Network Services

	CALL SENSITIVE				TRAFFIC SENSITIVE				NON LENGTH DEPENDENT						LENGTH DEPENDENT							
	Subscriber Unit	Primary Switch	Secondary Switch	Tertiary Switch	Subscriber Unit	Primary Switch	Secondary Switch	Tertiary Switch	RSU to Primary/Secondary Link	Primary to Primary Link	Primary to Secondary Link	Primary to Tertiary Link	Secondary to Secondary Link	Secondary to Tertiary Link	Tertiary to Tertiary Link	RSU to Primary/Secondary Link	Primary to Primary Link	Primary to Secondary Link	Primary to Tertiary Link	Secondary to Secondary Link	Secondary to Tertiary Link	Tertiary to Tertiary Link
Average Cost cent/min	0.112	0.154	0.055	0.088	0.040	0.035	0.025	0.041	0.178	0.123	0.051	0.052	0.120	0.049	0.078	0.351	0.079	0.021	0.018	0.015	0.008	0.048
Total Costs (£'000)	5,389	4,594	1,410	1,675	6,272	3,255	1,799	2,360	20,163	416	1,679	897	778	1,144	171	9,485	68	293	262	124	270	8
Routing Factors:-																						
Retail Services																						
Local Calls	1.836	0.901	0.545	0.100	1.867	0.920	0.531	0.104	1.416	0.122	0.263	0.051	0.057	0.062	0.004	0.324	0.025	0.058	0.036	0.011	0.072	0.000
Trunk Calls	1.857	1.258	1.371	0.436	1.847	1.271	1.338	0.452	1.405	0.036	0.896	0.317	0.387	0.434	0.017	0.357	0.025	0.388	0.265	0.663	0.537	0.001
International Calls	0.496	0.329	0.233	1.000	0.492	0.332	0.238	1.000	0.368	0.000	0.078	0.254	0.000	0.238	0.037	0.086	0.000	0.039	0.178	0.000	0.399	0.003
Calls To Mobile	1.000	0.677	0.788	0.342	1.000	0.678	0.789	0.345	0.765	0.000	0.466	0.196	0.000	0.150	0.013	0.186	0.000	0.152	0.200	0.000	0.195	0.001
Calls to Internet	1.578	0.723	0.366	0.062	1.511	0.723	0.336	0.037	0.920	0.001	0.058	0.023	0.000	0.014	0.001	0.303	0.000	0.029	0.025	0.000	0.022	0.000
Premium Rate Services	1.015	0.682	0.820	0.943	1.027	0.690	0.853	0.950	0.754	0.000	0.518	0.168	0.012	0.794	0.035	0.164	0.000	0.172	0.147	0.022	0.887	0.003
Inland Directory Enquiries	1.000	0.668	0.809	1.000	1.000	0.672	0.810	1.000	0.753	0.000	0.482	0.190	0.000	0.810	0.037	0.189	0.000	0.182	0.178	0.000	1.084	0.003
International Directory Enquiries	1.000	0.681	0.492	1.000	1.000	0.681	0.494	1.000	0.762	0.000	0.175	0.506	0.000	0.494	0.037	0.186	0.000	0.094	0.375	0.000	0.894	0.003
National Operator Assistance	2.000	1.400	1.185	2.000	2.000	1.407	1.203	2.000	1.540	0.000	0.611	0.796	0.000	1.203	0.074	0.318	0.000	0.237	0.639	0.000	1.608	0.006
International Operator Assistance	2.000	1.400	1.185	2.000	2.000	1.407	1.203	2.000	1.540	0.000	0.611	0.796	0.000	1.203	0.074	0.318	0.000	0.237	0.639	0.000	1.608	0.006
Supplemental Services	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Remaining Activities	1.517	0.842	0.993	0.406	1.463	0.778	0.944	0.392	0.853	0.013	0.417	0.344	0.203	0.380	0.022	0.148	0.001	0.153	0.260	0.282	0.384	0.002
Internet Service Supply																						
Leased Lines (excl PPCs)																						
Retail Access																						
Other Retail Services																						
RIO Services																						
Call Termination	1.000	0.679	0.535	0.222	1.000	0.684	0.515	0.208	0.737	0.002	0.183	0.069	0.011	0.142	0.008	0.164	0.001	0.104	0.066	0.004	0.208	0.001
Call Origination	0.999	0.686	0.515	0.296	0.999	0.697	0.496	0.271	0.768	0.001	0.191	0.083	0.001	0.188	0.010	0.181	0.000	0.124	0.089	0.000	0.368	0.001
Transit	0.000	0.005	0.027	0.990	0.000	0.005	0.032	0.993	0.000	0.000	0.004	0.001	0.000	0.025	0.037	0.000	0.000	0.000	0.021	0.000	0.000	0.003
Access to PRS services	0.065	0.025	0.056	1.003	0.126	0.038	0.107	1.002	0.065	0.000	0.019	0.019	0.000	0.107	0.039	0.003	0.000	0.002	0.003	0.000	0.018	0.003
Access to Freephone services	1.000	0.652	0.832	0.863	0.999	0.628	0.837	0.837	0.699	0.002	0.463	0.134	0.000	0.703	0.031	0.157	0.000	0.177	0.124	0.000	0.882	0.002
Access to LoCall services	0.000	0.002	0.001	0.996	0.000	0.003	0.002	0.995	0.000	0.000	0.000	0.000	0.000	0.000	0.037	0.000	0.000	0.000	0.000	0.000	0.000	0.003
Access to Callsave services	0.000	0.001	0.005	0.994	0.000	0.002	0.010	0.987	0.000	0.000	0.000	0.000	0.000	0.000	0.037	0.000	0.000	0.000	0.000	0.000	0.000	0.003
Paging Service Access	0.000	0.000	0.000	1.000	0.000	0.000	0.000	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.037	0.000	0.000	0.000	0.000	0.000	0.000	0.003
National DQ	0.000	0.000	0.000	1.000	0.000	0.000	0.000	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.037	0.000	0.000	0.000	0.000	0.000	0.000	0.003
International DQ	0.000	0.000	0.000	1.000	0.000	0.000	0.000	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.037	0.000	0.000	0.000	0.000	0.000	0.000	0.003
Access to operator assistance	0.000	0.000	0.000	1.000	0.000	0.000	0.000	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.037	0.000	0.000	0.000	0.000	0.000	0.000	0.003
Access to Inlt operator assistance	0.000	0.000	0.000	1.000	0.000	0.000	0.000	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.037	0.000	0.000	0.000	0.000	0.000	0.000	0.003
International access including NI	0.000	0.000	0.000	1.000	0.000	0.000	0.000	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.037	0.000	0.000	0.000	0.000	0.000	0.000	0.003
Customer Care Access	1.000	0.965	0.981	0.889	1.000	0.974	0.965	0.898	0.763	0.019	0.839	0.094	0.038	0.845	0.033	0.208	0.009	0.355	0.156	0.041	1.087	0.003
Access to emergency service	1.000	0.669	0.463	1.000	1.000	0.676	0.481	1.000	0.749	0.000	0.157	0.519	0.000	0.481	0.037	0.177	0.000	0.081	0.368	0.000	0.809	0.003
Partial Private Circuits																						
Flat Rate Internet Access Call Origination																						
Interconnect paths																						
Carrier Preselect - non conveyance charge																						
Serving operators - IN Dip																						
Packet services access																						
Non-geographical number portability																						
Universal number access																						
Personal number access																						
Geographic number portability																						
Other Wholesale Services																						
Subset of Call Origination																						
Primary	0.998	0.650	0.358	0.000	0.999	0.661	0.346	0.000	0.746	0.001	0.004	0.000	0.001	0.000	0.000	0.145	0.000	0.001	0.000	0.000	0.000	0.000
Tandem Long	1.000	0.995	0.901	1.000	1.000	0.995	0.895	1.000	0.855	0.000	0.890	0.105	0.000	0.895	0.037	0.321	0.000	0.545	0.261	0.000	1.704	0.003
Tandem Short	1.000	0.623	0.705	0.666	0.999	0.647	0.706	0.641	0.786	0.000	0.353	0.293	0.000	0.348	0.023	0.210	0.000	0.251	0.241	0.000	0.703	0.002
Subset of Call Termination																						
Primary	1.000	0.625	0.376	0.000	1.000	0.638	0.363	0.000	0.721	0.000	0.000	0.000	0.000	0.000	0.140	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Tandem Long	1.000	0.965	0.981	0.889	1.000	0.974	0.965	0.898	0.763	0.019	0.839	0.094	0.038	0.845	0.033	0.208	0.009	0.355	0.156	0.041	1.087	0.003
Tandem Short	1.000	0.700	0.767	0.529	1.000	0.700	0.770	0.526	0.774	0.000	0.441	0.258	0.029	0.267	0.017	0.217	0.000	0.300	0.219	0.002	0.449	0.001

Statement of Costs of Core Network Services

	CALL SENSITIVE				TRAFFIC SENSITIVE				NON LENGTH DEPENDENT					LENGTH DEPENDENT								
	Subscriber Unit	Primary Switch	Secondary Switch	Tertiary Switch	Subscriber Unit	Primary Switch	Secondary Switch	Tertiary Switch	RSU to Primary/Secondary Link	Primary to Primary Link	Primary to Secondary Link	Primary to Tertiary Link	Secondary to Secondary Link	Secondary to Tertiary Link	Tertiary to Tertiary Link	RSU to Primary/Secondary Link	Primary to Primary Link	Primary to Secondary Link	Primary to Tertiary Link	Secondary to Secondary Link	Secondary to Tertiary Link	Tertiary to Tertiary Link
Average Cost per Minute:-																						
Retail Services																						
Local Calls	0.205	0.139	0.030	0.009	0.075	0.032	0.013	0.004	0.252	0.015	0.013	0.003	0.007	0.003	0.000	0.114	0.002	0.001	0.001	0.000	0.001	0.000
Trunk Calls	0.207	0.194	0.076	0.038	0.074	0.044	0.033	0.018	0.250	0.004	0.045	0.017	0.046	0.021	0.001	0.125	0.002	0.008	0.005	0.010	0.004	0.000
International Calls	0.055	0.051	0.013	0.088	0.020	0.012	0.006	0.041	0.065	0.000	0.004	0.013	0.000	0.012	0.003	0.030	0.000	0.001	0.003	0.000	0.003	0.000
Calls To Mobile	0.112	0.105	0.044	0.030	0.040	0.024	0.020	0.014	0.136	0.000	0.024	0.010	0.000	0.007	0.001	0.065	0.000	0.003	0.004	0.000	0.002	0.000
Calls to Internet	0.176	0.112	0.020	0.005	0.061	0.025	0.008	0.001	0.164	0.000	0.003	0.001	0.000	0.001	0.000	0.107	0.000	0.001	0.000	0.000	0.000	0.000
Premium Rate Services	0.113	0.105	0.045	0.083	0.041	0.024	0.021	0.039	0.134	0.000	0.026	0.009	0.001	0.039	0.003	0.058	0.000	0.004	0.003	0.000	0.007	0.000
Inland Directory Enquiries	0.112	0.103	0.045	0.088	0.040	0.023	0.020	0.041	0.134	0.000	0.025	0.010	0.000	0.040	0.003	0.067	0.000	0.004	0.003	0.000	0.009	0.000
International Directory Enquiries	0.112	0.105	0.027	0.088	0.040	0.024	0.012	0.041	0.136	0.000	0.009	0.026	0.000	0.024	0.003	0.065	0.000	0.002	0.007	0.000	0.007	0.000
National Operator Assistance	0.223	0.216	0.066	0.176	0.081	0.049	0.030	0.081	0.274	0.000	0.031	0.042	0.000	0.059	0.006	0.112	0.000	0.005	0.012	0.000	0.013	0.000
International Operator Assistance	0.223	0.216	0.066	0.176	0.081	0.049	0.030	0.081	0.274	0.000	0.031	0.042	0.000	0.059	0.006	0.112	0.000	0.005	0.012	0.000	0.013	0.000
Supplemental Services	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Remaining Activities	0.169	0.130	0.055	0.036	0.059	0.027	0.023	0.016	0.152	0.002	0.021	0.018	0.024	0.019	0.002	0.052	0.000	0.003	0.005	0.004	0.003	0.000
Internet Service Supply																						
Leased Lines																						
Retail Access																						
RIO Services																						
Call Termination	0.112	0.105	0.030	0.020	0.040	0.024	0.013	0.008	0.131	0.000	0.009	0.004	0.001	0.007	0.001	0.058	0.000	0.002	0.001	0.000	0.002	0.000
Call Origination	0.111	0.106	0.029	0.025	0.040	0.024	0.012	0.011	0.137	0.000	0.010	0.004	0.000	0.006	0.001	0.064	0.000	0.003	0.002	0.000	0.003	0.000
Transit	0.000	0.001	0.001	0.087	0.000	0.000	0.001	0.040	0.000	0.000	0.000	0.000	0.000	0.001	0.003	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Access to PRS services	0.007	0.004	0.003	0.088	0.005	0.001	0.003	0.041	0.012	0.000	0.001	0.001	0.000	0.005	0.003	0.001	0.000	0.000	0.000	0.000	0.000	0.000
Access to Freephone services	0.112	0.101	0.046	0.076	0.040	0.022	0.021	0.034	0.124	0.000	0.024	0.007	0.000	0.034	0.002	0.055	0.000	0.004	0.002	0.000	0.007	0.000
Access to LoCall services	0.000	0.000	0.000	0.088	0.000	0.000	0.000	0.041	0.000	0.000	0.000	0.000	0.000	0.003	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Access to Callsave services	0.000	0.000	0.000	0.087	0.000	0.000	0.000	0.040	0.000	0.000	0.000	0.000	0.000	0.003	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Paging Service Access	0.000	0.000	0.000	0.088	0.000	0.000	0.000	0.041	0.000	0.000	0.000	0.000	0.000	0.003	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
National DQ	0.000	0.000	0.000	0.088	0.000	0.000	0.000	0.041	0.000	0.000	0.000	0.000	0.000	0.003	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
International DQ	0.000	0.000	0.000	0.088	0.000	0.000	0.000	0.041	0.000	0.000	0.000	0.000	0.000	0.003	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Access to operator assistance	0.000	0.000	0.000	0.088	0.000	0.000	0.000	0.041	0.000	0.000	0.000	0.000	0.000	0.003	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Access to Intl operator assistance	0.000	0.000	0.000	0.088	0.000	0.000	0.000	0.041	0.000	0.000	0.000	0.000	0.000	0.003	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
International access including NI	0.000	0.000	0.000	0.088	0.000	0.000	0.000	0.041	0.000	0.000	0.000	0.000	0.000	0.003	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Customer Care access	0.112	0.149	0.054	0.078	0.040	0.034	0.024	0.037	0.136	0.002	0.043	0.005	0.005	0.041	0.003	0.073	0.001	0.007	0.003	0.001	0.009	0.000
Access to emergency service	0.112	0.103	0.026	0.088	0.040	0.024	0.012	0.041	0.133	0.000	0.008	0.027	0.000	0.023	0.003	0.062	0.000	0.002	0.007	0.000	0.006	0.000
Partial Private Circuits	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Flat Rate Internet Access Call Origination	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Interconnect paths	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Carrier Preselect - non conveyance charge	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Serving operators - IN Dip	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Packet services access	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Non-geographical number portability	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Universal number access	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Personal number access	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Geographic number portability	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Subset of Call Origination																						
Primary	0.111	0.100	0.020	0.000	0.040	0.023	0.009	0.000	0.133	0.000	0.000	0.000	0.000	0.000	0.051	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Tandem Long	0.112	0.154	0.050	0.088	0.040	0.035	0.022	0.041	0.152	0.000	0.046	0.006	0.000	0.044	0.003	0.113	0.000	0.011	0.005	0.000	0.013	0.000
Tandem Short	0.112	0.096	0.039	0.059	0.040	0.023	0.018	0.026	0.140	0.000	0.018	0.015	0.000	0.017	0.002	0.074	0.000	0.005	0.004	0.000	0.006	0.000
Subset of Call Termination																						
Primary	0.112	0.097	0.021	0.000	0.040	0.022	0.009	0.000	0.128	0.000	0.000	0.000	0.000	0.000	0.049	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Tandem Long	0.112	0.149	0.054	0.078	0.040	0.034	0.024	0.037	0.136	0.002	0.043	0.005	0.005	0.041	0.003	0.073	0.001	0.007	0.003	0.001	0.009	0.000
Tandem Short	0.112	0.108	0.043	0.046	0.040	0.024	0.019	0.021	0.138	0.000	0.023	0.014	0.003	0.013	0.001	0.076	0.000	0.006	0.004	0.000	0.004	0.000

Statement of Costs of Core Network Services

	Gradient - PEAK	Gradient - OFF PEAK	Gradient - WEEKEND	Call Conveyance Cost Per Minute - Peak	Call Conveyance Cost Per Minute - OFF PEAK	Call Conveyance Cost Per Minute - WEEKEND	NON CONVEYANCE COSTS									Interconnect Connections and Renta	Other Costs			
							Inland Directory Enquiries	International Directory Enquiries	National Operator Assistance	International Operator Assistance	Carrier administration	Carrier Billing	Intelligent Network	Outpayments	International Transmission	Private Circuits Network				
Average Cost cent/min							n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Total Costs (£'000)							16,757	574	6,001	19	4,669	1,694	2,388	278,787	2,648	34,834		6,262	11,988	
Routing Factors:-							100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		100.0%	100.0%	
Retail Services																				
Local Calls							0.0%	0.0%	0.0%	0.0%	4.3%	12.1%	14.9%	1.9%	0.1%	0.0%		0.3%	0.3%	
Trunk Calls							0.0%	0.0%	0.0%	0.0%	1.6%	3.9%	4.7%	1.5%	0.2%	0.0%		0.1%	0.1%	
International Calls							0.0%	0.0%	0.0%	0.0%	3.6%	7.5%	8.8%	25.6%	95.9%	0.0%		0.1%	0.1%	
Calls To Mobile							0.0%	0.0%	0.0%	0.0%	1.6%	7.4%	9.7%	32.2%	0.0%	0.0%		4.8%	0.7%	
Calls to Internet							0.0%	0.0%	0.0%	0.0%	1.3%	1.0%	0.7%	0.1%	0.0%	0.0%		1.0%	2.6%	
Premium Rate Services							0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	2.1%	0.0%	0.0%		0.0%	0.0%	
Inland Directory Enquiries							37.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.3%	1.5%	0.0%	0.0%		0.0%	0.5%	
International Directory Enquiries							0.0%	56.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	
National Operator Assistance							0.1%	0.0%	42.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.4%	0.4%	
International Operator Assistance							0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	
Supplemental Services							0.0%	0.0%	0.0%	0.0%	9.4%	0.2%	0.0%	0.0%	0.0%	0.5%		0.0%	72.7%	
Remaining Activities							0.0%	0.0%	0.0%	0.0%	1.2%	5.6%	5.9%	6.7%	0.1%	0.0%		0.9%	0.5%	
Internet Service Supply							0.0%	0.0%	0.0%	0.0%	0.6%	0.2%	0.1%	0.0%	0.0%	0.0%		1.6%	0.3%	
Leased Lines (excl PPCs)							0.0%	0.0%	0.0%	0.0%	14.3%	-2.0%	0.0%	0.0%	-16.2%	81.4%		0.0%	0.7%	
Retail Access							0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	
Other Retail Services							0.0%	0.0%	0.0%	0.0%	8.7%	1.2%	0.0%	0.0%	-0.1%	0.0%		0.0%	0.9%	
RIO Services																				
Call Termination							0.0%	0.0%	0.0%	0.0%	5.1%	26.5%	23.9%	0.0%	0.0%	0.0%		0.0%	0.3%	
Call Origination							0.0%	0.0%	0.0%	0.0%	4.1%	16.7%	14.7%	0.0%	0.0%	0.0%		0.0%	0.2%	
Transit							0.0%	0.0%	0.0%	0.0%	-0.5%	8.1%	5.1%	16.0%	0.0%	0.0%		2.1%	0.3%	
Access to PRS services							0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.9%	0.0%	0.0%		0.0%	0.0%	
Access to Freefone services							0.0%	0.0%	0.0%	0.0%	0.2%	3.6%	3.3%	0.0%	0.0%	0.0%		0.0%	0.0%	
Access to LoCall services							0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	
Access to Callsave services							0.0%	0.0%	0.0%	0.0%	0.1%	0.2%	0.2%	0.0%	0.0%	0.0%		0.0%	0.0%	
Paging Service Access							0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	
National DQ							63.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.4%	0.1%	0.0%	0.0%		0.0%	0.9%	
International DQ							0.0%	44.0%	0.0%	0.0%	0.0%	0.4%	0.4%	0.0%	0.0%	0.0%		0.0%	0.0%	
Access to operator assistance							0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	
Access to Intl operator assistance							0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	
International access including NI							0.0%	0.0%	0.0%	0.0%	1.0%	4.1%	3.6%	11.5%	19.8%	0.0%		0.0%	0.0%	
Customer Care Access							0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	
Access to emergency service							0.0%	0.0%	57.7%	0.0%	0.0%	0.3%	0.0%	0.0%	0.0%	0.0%		0.0%	0.2%	
Partial Private Circuits							0.0%	0.0%	0.0%	0.0%	3.3%	-2.1%	0.0%	0.0%	0.0%	16.8%		0.0%	9.1%	
Flat Rate Internet Access Call Origination							0.0%	0.0%	0.0%	0.0%	-0.5%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.2%	
Interconnect paths							0.0%	0.0%	0.0%	0.0%	15.8%	2.2%	0.0%	0.0%	0.0%	1.3%		88.7%	8.7%	
Carrier Preselect - non conveyance charge							0.0%	0.0%	0.0%	0.0%	6.1%	0.4%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	
Serving operators - IN Dip							0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	
Packet services access							0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	
Non-geographical number portability							0.0%	0.0%	0.0%	0.0%	6.3%	0.4%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	
Universal number access							0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%		0.0%	0.0%	
Personal number access							0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	
Geographic number portability							0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	
Other Wholesale Services							0.0%	0.0%	0.0%	0.0%	12.2%	1.3%	3.1%	0.0%	0.0%	0.0%		0.0%	0.0%	
Subset of Call Origination																				
Primary																				
Tandem Long																				
Tandem Short																				
Subset of Call Termination																				
Primary																				
Tandem Long																				
Tandem Short																				

Statement of Costs of Core Network Services

	Gradient - PEAK	Gradient - OFF PEAK	Gradient - WEEKEND	Call Conveyance Cost Per Minute - Peak	Call Conveyance Cost Per Minute - OFF PEAK	Call Conveyance Cost Per Minute - WEEKEND	NON CONVEYANCE COSTS											
							Inland Directory Enquiries	International Directory Enquiries	National Operator Assistance	International Operator Assistance	Carrier administration	Carrier Billing	Intelligent Network	Outpayments	International Transmission	Private Circuits Network	Interconnect Connections and Renta	Other Costs
Average Cost per Minute:-																		
Retail Services																		
Local Calls	1.302	0.693	0.617	1.197	0.637	0.567												
Trunk Calls	1.302	0.693	0.617	1.596	0.850	0.757												
International Calls	1.302	0.693	0.617	0.547	0.291	0.259												
Calls To Mobile	1.302	0.693	0.617	0.833	0.443	0.395												
Calls to Internet	1.302	0.693	0.617	0.893	0.476	0.423												
Premium Rate Services	1.302	0.693	0.617	0.985	0.524	0.467												
Inland Directory Enquiries	1.302	0.693	0.617	0.997	0.530	0.472												
International Directory Enquiries	1.302	0.693	0.617	0.948	0.505	0.450												
National Operator Assistance	1.302	0.693	0.617	1.920	1.022	0.910												
International Operator Assistance	1.302	0.693	0.617	1.920	1.022	0.910												
Supplemental Services	1.302	0.693	0.617	0.000	0.000	0.000												
Remaining Activities	1.302	0.693	0.617	1.068	0.569	0.506												
Internet Service Supply	1.302	0.693	0.617	0.000	0.000	0.000												
Leased Lines	1.302	0.693	0.617	0.000	0.000	0.000												
Retail Access	1.302	0.693	0.617	0.000	0.000	0.000												
RIO Services																		
Call Termination	1.302	0.693	0.617	0.738	0.393	0.350												
Call Origination	1.302	0.693	0.617	0.770	0.410	0.365												
Transit	1.302	0.693	0.617	0.176	0.094	0.084												
Access to PRS services	1.302	0.693	0.617	0.229	0.122	0.108												
Access to Freefone services	1.302	0.693	0.617	0.926	0.493	0.439												
Access to LoCall services	1.302	0.693	0.617	0.172	0.091	0.081												
Access to Callsave services	1.302	0.693	0.617	0.171	0.091	0.081												
Paging Service Access	1.302	0.693	0.617	0.171	0.091	0.081												
National DQ	1.302	0.693	0.617	0.171	0.091	0.081												
International DQ	1.302	0.693	0.617	0.171	0.091	0.081												
Access to operator assistance	1.302	0.693	0.617	0.171	0.091	0.081												
Access to Intl operator assistance	1.302	0.693	0.617	0.171	0.091	0.081												
International access including NI	1.302	0.693	0.617	0.171	0.091	0.081												
Customer Care access	1.302	0.693	0.617	1.114	0.593	0.528												
Access to emergency service	1.302	0.693	0.617	0.933	0.497	0.442												
Partial Private Circuits	1.302	0.693	0.617	0.000	0.000	0.000												
Flat Rate Internet Access Call Origination	1.302	0.693	0.617	0.000	0.000	0.000												
Interconnect paths	1.302	0.693	0.617	0.000	0.000	0.000												
Carrier Preselect - non conveyance charge	1.302	0.693	0.617	0.000	0.000	0.000												
Serving operators - IN Dip	1.302	0.693	0.617	0.000	0.000	0.000												
Packet services access	1.302	0.693	0.617	0.000	0.000	0.000												
Non-geographical number portability	1.302	0.693	0.617	0.000	0.000	0.000												
Universal number access	1.302	0.693	0.617	0.000	0.000	0.000												
Personal number access	1.302	0.693	0.617	0.000	0.000	0.000												
Geographic number portability	1.302	0.693	0.617	0.000	0.000	0.000												
Subset of Call Origination																		
Primary	1.302	0.693	0.617	0.635	0.338	0.301												
Tandem Long	1.302	0.693	0.617	1.215	0.647	0.576												
Tandem Short	1.302	0.693	0.617	0.902	0.480	0.428												
Subset of Call Termination																		
Primary	1.302	0.693	0.617	0.622	0.331	0.295												
Tandem Long	1.302	0.693	0.617	1.114	0.593	0.528												
Tandem Short	1.302	0.693	0.617	0.906	0.482	0.429												

TRANSFER CHARGE STATEMENT

	Retail Services												Other Activities Services			
	Access	Local Calls	National Calls	International Calls	Calls to Mobile	Directory Enquiry	Leased Lines	Public Payphones	Calls to Internet	Internet Services Supply	Supplemental Services	Remaining Activities	Apparatus Supply	Other Remaining Activities	Meteor	Other Subsidiaries
COSTS/SERVICES	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Core Network Costs	-	21,512	11,796	78,988	94,755	10,835	37,662	24	3,445	861	9,481	32,285	-	(1,288)	-	-
Local Access Network Costs	432,893	-	-	-	-	-	11,394	-	-	-	6,253	-	-	-	-	-
Public Payphone	(1,256)	(19)	(21)	(143)	(261)	-	-	1,741	-	-	-	(41)	-	-	-	-
Total Transfer Charges	431,637	21,493	11,775	78,845	94,494	10,835	49,056	1,765	3,445	861	15,734	32,244	-	(1,288)	-	-

Definitions of the Businesses

The full definition of the Businesses and their activities are set out on pages 4 to 7 of the introduction to the Accounting Documents. They are summarised as follows:

Local Access Network

The Local Access Network provides connections to the Core Network both internally and externally. The accounts for the Local Access Network Business includes the costs and capital employed associated with providing and maintaining these connections. For Accounting Separation, the Local Access Network Business includes all the customer-dedicated components of the network including, for example, the line cards and ports located at concentrators and/or exchanges. In respect of DSL, the Local Access Network Business includes all relevant equipment between the MDF and the ISP point of presence. The Core Network Business includes all other network components. Customer line rental is a service provided by the Retail Business. The revenue from line rental and connections provided to eircom's retail customers is therefore recorded in the Retail Business. The cost of providing customer lines is recorded against the Local Access Network Business and a transfer charge of costs to the Retail Business is levied in order to match revenues with their associated costs. Costs charged to the Retail Business are based on the fully allocated costs of Local Access Network Elements including a cost of capital, set at 10.21% (2008: 11.36%), as directed by ComReg.

The revenue from providing services on a wholesale basis to other authorised operators is included in the Local Access Network.

Core Network

The Core Network Business provides a range of interconnection services internally and externally in order to allow the customer of one operator to communicate with customers of the same or another operator, or to access services provided by another operator. These services include the switching and conveyance of calls. The revenues of the Core Network Business will derive from the sale of interconnection services to the Retail Business of eircom and to other operators.

The Core Network also includes payments to other operators, dedicated transmission and capacity for leased lines and the provision of directory enquiry services. Costs charged to the Retail Business are based on the fully allocated costs of the Core Network including a cost of capital, as directed by ComReg.

Definitions of the Businesses (Cont'd.)

Retail

The Retail Business includes all those Activities involving the selling of telephony services to end-users, including line rental, leased lines, calls, payphones and the provision of directory information. The accounts for the Retail Business include the costs, revenues and capital employed associated with the provision of these services to end-users. The costs allocated to the Retail Business include the transfer charges related to the use of network resources or services provided by the Local Access Network Business and the Core Network Business, and the marketing, billing and other costs associated with the provision of end-user services.

The disaggregated activities within the Retail Business are as follows:-

1. Access

The business relating to the supply of customer line connections and rental (PSTN, ISDN, DSL and VPN) and its associated costs.

2. Local Calls

Local (inland calls charged at local rates, including calls to Northern Ireland, excluding calls to internet using geographic numbers) dialled calls originating from any telephone exchange line, including a public telephone exchange line.

3. National Calls

National (inland calls charged at national or regional call rates, including calls to Northern Ireland and excluding calls to internet using geographic numbers) dialled calls originating from any telephone exchange line, including a public telephone exchange line.

4. International Calls

International dialled calls (excluding calls to Northern Ireland) originating from any telephone exchange line, including a public telephone exchange line. Also includes international inpayments revenue.

5. Calls to Mobile

Calls to national mobile telephones originating on any telephone exchange line, including a public telephone exchange line.

Definitions of the Businesses (Cont'd.)

6. Directory Enquiry

Calls to Directory Enquiry Service originating from any telephone exchange line, including a public telephone exchange line, whereby a telephone caller may be advised of telephone numbers of persons identified by the telephone caller.

7. Leased Lines

Business of connection, rental, maintenance, and change of national and international leased lines, including Partial Private Circuits, which provide for transparent transmission capacity between network termination points and which do not include connection to the PSTN network.

8. Public Payphones

Local, national, international dialled calls and calls to mobile, originating from public payphones, using cash, phone cards or credit cards. Advertising costs earned from public payphones is included as public payphones revenue.

9. Calls to Internet

Calls to non-geographic (1891, 1892, excess 1893 minutes and equivalent numbers as and when brought into service) and geographic numbered internet service providers, originating from any ordinary exchange lines, excluding public telephone exchange lines and excluding periodic subscription charges.

10. Internet Services Supply

The business relating to the subscription for narrowband Internet services, including Internet-related Value Added Services (VAS) such as online advertising, security products and traditional web hosting for ISP customers.

11. Supplemental Services

The business relating to the supply of certain advanced data services. Examples of these services are BIP, Ethernet, Frame Relay and ATM.

Definitions of the Businesses (Cont'd.)

12. Remaining Activities

All other telecommunications services that are within the Retail Business. This includes operator assistance, freephone (excluding those elements of freephone calls charged at local rates), premium rate services, managed answering services, fixed SMS, and VPN/IVPN & VOIP calls.

Other Business

eircom provides a wide range of other services including the rental, repair and maintenance of customer equipment. For the purposes of Accounting Separation, the costs, revenues and capital employed associated with these Activities will be separately identified.

The disaggregated activities within Other Business are as follows:-

1. Apparatus Supply

The business relating to the rental, maintenance and sale of customer premises equipment.

2. Other Remaining Activities

All other remaining activities such as repayment works, other Web hosting and eircom Mobile.

3. Meteor

The business relating to the provision of mobile telephony services by Meteor.

4. Other Subsidiaries

Activities of eircom's subsidiaries other than Meteor.