



eircom

Current Cost and Long Run Incremental Cost Statements

FOR YEAR ENDED 31 MARCH 2004

**FINANCIAL
STATEMENTS**

eircom Current Cost and Long Run Incremental Cost Statements

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***eircom* Current Cost and Long Run Incremental Cost Statements**

Introduction

eircom is required under Condition 15 of its General Telecommunications Licence, granted by the office of the Director of Telecommunications Regulation (“ODTR”), now known as the Commission for Communications Regulation (“ComReg”), on 1st 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 current cost and long run incremental cost statements for the year ended 31st March 2004 have been prepared in accordance with this requirement and the detailed framework and financial statements requirements set out in the ComReg Decision Notices. The transposition of the new EU Regulatory Framework into Irish Law now means that the governing legislation requiring separated accounts has changed. From the 25th July 2003 these requirements on electronic communications network providers are now imposed under Regulation 24 of S.I. No. 307 2003 and Regulation 12 of S.I. No. 305 of 2003.

The detailed framework and financial statement disclosure has been set out in the 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*’

The framework for the preparation of Long Run Incremental cost statements is set out in ComReg Decision Notice D6/99 “The Development of Long Run Incremental Costing for Interconnection” dated June 1999 (the ‘Decision Notices’).

These Current Cost and Long Run Incremental Cost Statements (the Financial Statements), have been prepared in accordance with the Accounting Documents dated 30th September 2004 and the Decision Notices insofar as they apply to the 2003/2004 accounts.

Introduction (Cont'd.)

Accounting Documents

The Financial Statements have been prepared according to the principles detailed in the Accounting Documents dated 30th September 2004 (“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.
5. Current Cost Valuation Methodology – which sets out the principles followed in preparing the underlying current cost financial information.
6. Long Run Incremental Cost Methodology – which sets out the principles followed to derive the long run incremental costs.

Applicable Rate of Return

The applicable Rate of Return used in these Financial Statements is 11.5% (2003:12%). The Rate of Return has been mandated by ComReg in Decision 4.3.4 of Decision Notice D9/00, maintained in Decision Notice D7/01 and amended in D3/03.

Introduction (Cont'd.)

Basis of preparation of the Financial Statements

The structure of the Businesses required under the Decision Notices does not correspond to the way in which *eircom* is organised, nor to the way in which the statutory accounting records are structured. The Current Cost Financial Statements are therefore prepared by overlaying the requirements of the Decision Notices on the accounting records and management structure of *eircom*.

The Current Cost Financial Statements are prepared by attributing the balances in *eircom*'s general ledgers and other accounting records to the Businesses and disaggregated Activities. 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.

In selecting appropriate attribution methods and appropriate non-financial data for use within the attribution models employed in the production of these 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.

The Core Network Financial Statements include current cost adjustments prepared under the financial capital maintenance convention, including adjustments to historical cost depreciation and fixed assets to reflect current values. In addition, to reflect the appropriate allocation of the modern equivalent assets to Businesses, Activities and Network Elements, the apportionment of certain fixed assets and their related depreciation has been modified compared with the Financial Statements for Businesses and Activities published on 31st August 2004, which were on an historical cost basis. The attribution of other operating costs and transfer charges between the Businesses remain unchanged. The valuation methods that underlie the current cost accounts are set out in the Accounting Documents dated 30th September 2004.

Introduction (Cont'd.)

Inland Core Conveyance Network Statements

The Inland Core Conveyance Network Statements are prepared under a top down modelling approach whereby:

- the costs and net assets measured according to current cost accounting conventions are analysed at a detailed level;
- the causal drivers associated with the cost are identified;
- the relationship between cost and cost driver is described identifying the fixed and variable components of costs and presented as a dimensional graph of volume and cost (cost volume relationship);
- cost driver volumes are identified with the increments to be measured;
- the change in cost associated with the removal or addition of an increment is measured by reference to its cost volume relationship;
- comparison of *eircom*'s total costs and incremental cost of Access Network and Inland Core Conveyance Network allows the identification of fixed common costs; and
- statements are presented detailing the recovery of fixed common and joint costs.

Statement of Responsibility

for preparing the Financial Statements

eircom is required under Condition 15 of its General Telecommunications Licence, granted by the office of the Director of Telecommunications Regulation (“ODTR”), now known as the Commission for Communications Regulation (“ComReg”), on 1st 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 current cost and long run incremental cost financial statements for the year ended 31st March 2004 have been prepared in accordance with this requirement and the detailed framework and financial statements requirements set out in the ComReg Decision Notices. The transposition of the new EU Regulatory Framework into Irish Law now means that the governing legislation requiring separated accounts has changed. From the 25th July 2003 these requirements on electronic communications network providers are now imposed under Regulation 24 of S.I. No. 307 2003 and Regulation 12 of S.I. No. 305 of 2003.

Switching Attribution Method

Decision Notice D9/00 relating to the attribution of Switching costs introduced the concept of predominance with respect to attributions to Call sensitive elements.

eircom are currently in discussions with ComReg in relation to superseding this concept with unmodified attribution data from *eircom*’s exchange suppliers.

eircom reached agreement with ComReg that the financial statements would be based upon these manufacturers’ attributions pending final approval by ComReg. The Historic Cost separated accounts were published on this basis.

To be consistent with the approach adopted in the Historic Cost separated accounts, these CCA/LRIC financial statements continue to apply attributions based on the manufacturers’ data.

The Current Cost and Long Run Incremental Cost Financial Statements

1. include
 - 1.1 a Core Network profit and loss statement including CCA adjustments;
 - 1.2 a Core Network statement of mean capital employed including CCA adjustments;
 - 1.3 a Core Network statement of costs including CCA adjustments;
 - 1.4 a statement of costs for the Inland Core Conveyance Network
 - 1.4.1 on a Long run incremental costs basis

- 1.4.2 on a Distributed Long run incremental costs basis
 - 1.4.3 on a Distributed Long run incremental costs basis plus recovery of inter-increment fixed and common costs
- 1.5 a statement of costs of network services
 - 1.5.1 on a CCA fully allocated cost basis
 - 1.5.2 on a Distributed Long run incremental costs basis plus recovery of inter-increment fixed and common costs
- 2. are 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 the Financial Statements are 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;
 - 2.5 the Current Cost Valuation Methodology;
 - 2.6 the Long Run Incremental Cost Methodology.
- 3. are reconciled with the Annual Report and that reconciliation is demonstrated.

eircom confirms that the Financial Statements for the year ended 31st March 2004 have been prepared in accordance with the requirements of the governing legislation.

Peter E Lynch
Chief Financial Officer
30th September 2004

Report of the Independent Auditors to eircom Limited

To *eircom* Limited issued in accordance with Decision 4.1 of Decision Notice D8/99 and Decision 5.1 of Decision Notice D9/00 issued by the Commission for Communications Regulation (“ComReg”), formerly the Office of the Director of Telecommunications Regulation (“ODTR”).

1. We have examined the financial statements on pages 12 to 34 which have been prepared under the current cost convention in accordance with Decision Notices 5/99, 6/99, 8/99, 10/99, 9/00, 10/00, 2/01, 7/01 and 12/01 (“the Decision Notices”) issued by ComReg and in accordance with *eircom* Limited (“the company”)’s costing methodologies (“the cost accounting system”) which are articulated in the accounting documents dated 30th September 2004, published with the financial statements (“the Accounting Documents”).
2. The financial statements comprise current cost financial statements for the year ended 31st March 2004 for the Core Network Business and incremental cost statements for the Inland Core Conveyance Network. The financial statements of the Core Network Business include the Network Statement of Costs and the Statement of Costs of Core Network Services. The incremental cost statements for the Inland Core Conveyance Network include the Statement of Costs on an Incremental Cost Basis (including incremental costs, distributed incremental costs and distributed incremental costs including recovery of inter increment common and joint costs).

Respective responsibilities of the company and auditors

3. The company is responsible for preparing and approving, as described on page 6, the financial statements. Our responsibilities, as independent auditors, are established by the Decision Notices, the Auditing Practices Board 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 each of the financial statements is fairly presented in accordance with the Accounting Documents dated 30th September 2004, whether the financial statements comply with the Decision Notices 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 of the Financial Statements” on pages 4 and 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 2003, and used, in accordance with those Acts, for the preparation of the company’s statutory consolidated financial statements for the year ended 31st March 2004 (“the Statutory Financial Statements”).
7. Decision Notice D7/01 and directions by way of letter dated 18th April 2001, inter alia, require the company to:-
 - use 1997/98 asset lives for core network and 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 (“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 ledgers. Our statutory audit work concluded upon signature of our opinion on the Statutory Financial Statements. In conducting our subsequent examination of the 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.

12. Having regard to the above:-

- (i) We conducted our audit in accordance with relevant Auditing Standards issued by the Auditing Practices Board. Our work 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.

13. 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 pages 4 and 5 in the "Basis of Preparation of the Financial Statements", in selecting appropriate attribution methods and appropriate non-financial data for use within the attribution models employed in the production of 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.

14. **Switching Attribution Method**

We draw your attention to note 3 to the Financial Statements outlining the switching attribution method adopted by the company. The company is currently in discussions with ComReg in relation to superseding the predominance concept with unmodified attribution data from *eircom*'s exchange suppliers. These current cost and long run incremental cost statements continue to apply attributions based on manufacturers' data as adopted in the historic cost separated accounts. Our opinion is not qualified in this respect.

Opinion

15. In our opinion each of the financial statements for the year ended 31st March 2004:-
- is fairly presented in accordance with the Accounting Documents dated 30th September 2004;
 - 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 of 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

30th September 2004

Core Network Business

PROFIT AND LOSS ACCOUNT INCLUDING CCA ADJUSTMENTS

for the year ended 31 March 2004

	2004	2003
	€'000	€'000
Turnover		
From Other Operators	147,417	195,921
Regulated Rate of Return Adjustment	(4,489)	5,330
From Retail and Other	454,578	505,210
Total Turnover	597,506	706,461
Operating Costs	568,172	661,422
Exceptional Operating Costs	-	-
Holding Gain and Other Adjustments	(18,951)	(11,431)
Supplementary Depreciation	4,492	5,166
Total Operating Costs	553,713	655,157
Return	43,793	51,304
RETURN ON MEAN CAPITAL EMPLOYED		
	2004	2003
	€'000	€'000
Return	43,793	51,304
Mean Capital Employed	380,807	430,164
Return on Mean Capital Employed	11.5%	12%
Return on Turnover	7%	7%

The basic inland services covering call origination, call termination and domestic transit carry a current cost valuation. All other core network services are included at their historical costs, as modified by the revaluation of assets shared with the basic inland service.

Core Network Business

STATEMENT OF MEAN CAPITAL EMPLOYED INCLUDING CCA ADJUSTMENTS
as at 31 March 2004

	2004	2003
	€'000	€'000
Fixed assets		
Tangible Fixed Assets	550,769	619,310
Intangible Fixed Assets	-	-
Total Fixed Assets	550,769	619,310
Current Assets		
Stocks	608	722
Debtors	22,545	30,039
Cash at Bank and in Hand	51,042	104,060
Total Current Assets	74,195	134,821
Creditors	(227,209)	(286,182)
Provisions for Liabilities and Charges	(16,948)	(37,785)
Mean Capital Employed	380,807	430,164

The basic inland services covering call origination, call termination and domestic transit carry a current cost valuation. All other core network services are included at their historical costs, as modified by the revaluation of assets shared with the basic inland service.

Core Network Business

STATEMENT OF COSTS INCLUDING CCA ADJUSTMENTS

FULLY ALLOCATED COSTS
for the year ended 31 March 2004

	Operating costs €'000	Exceptional Operating costs €'000	Supplementary Depreciation €'000	Holding Gain/Loss €'000	Capital employed €'000	Rate of return %	Capital costs €'000	Total operating and capital costs €'000	Total unit volume 000's	Average cost cents per unit
<i>Call Sensitive</i>										
Subscriber Unit	5,201	0	-552	-470	12,126	11.5%	1,394	5,573	7,045,188	0.0791
Primary Switch	8,129	0	421	-667	17,122	11.5%	1,969	9,852	4,137,889	0.2381
Secondary Switch	6,760	0	350	-493	16,123	11.5%	1,854	8,471	3,436,137	0.2465
Tertiary Switch	4,818	0	36	-391	7,948	11.5%	914	5,377	1,956,895	0.2748
<i>Traffic Sensitive</i>										
Subscriber Unit	8,403	0	-869	-616	19,187	11.5%	2,206	9,124	28,720,127	0.0318
Primary Switch	7,243	0	824	-526	11,338	11.5%	1,304	8,845	15,517,773	0.0570
Secondary Switch	7,070	0	587	-429	12,534	11.5%	1,441	8,669	11,288,204	0.0768
Tertiary Switch	8,070	0	-555	-494	7,396	11.5%	851	7,872	5,599,779	0.1406
<i>Transmission - Non-Length Dependent</i>										
RSU to Primary/Secondary Link	13,884	0	-1,093	-1,278	42,452	11.5%	4,882	16,395	17,523,959	0.0936
Primary to Primary Link	477	0	-36	-20	1,357	11.5%	156	577	663,097	0.0870
Primary to Secondary Link	2,032	0	-140	-160	6,492	11.5%	747	2,479	5,077,578	0.0488
Primary to Tertiary Link	1,444	0	-94	-119	4,841	11.5%	557	1,788	2,650,260	0.0675
Secondary to Secondary Link	1,093	0	-63	-96	3,727	11.5%	429	1,363	1,089,851	0.1251
Secondary to Tertiary Link	1,913	0	-121	-190	6,852	11.5%	788	2,390	2,865,545	0.0834
Tertiary to Tertiary Link	93	0	-7	-4	324	11.5%	37	119	192,598	0.0618
<i>Transmission - Length dependent (Note (c))</i>										
RSU to Primary/Secondary Length	9,044	0	5,016	-2,795	72,257	11.5%	8,310	19,575	3,754,567	0.5214
Primary to Primary Length	77	0	27	-20	493	11.5%	57	141	142,050	0.0993
Primary to Secondary Length	406	0	175	-121	2,922	11.5%	336	796	1,947,365	0.0409
Primary to Tertiary Length	373	0	151	-105	2,585	11.5%	297	716	1,887,443	0.0379
Secondary to Secondary Length	190	0	84	-54	1,314	11.5%	151	371	1,381,668	0.0269
Secondary to Tertiary Length	462	0	176	-131	3,146	11.5%	362	869	4,120,955	0.0211
Tertiary to Tertiary Length (Note (b))	0	0	0	0	0	11.5%	0	0	2,661	0.0000
Inland directory enquiries	20,881	0	-337	-1,704	3,440	11.5%	396	19,236	(a)	(a)
International directory enquiries	1,319	0	-26	-114	268	11.5%	31	1,210	(a)	(a)
National Operator Assistance	6,881	0	-84	-283	-645	11.5%	-74	6,440	(a)	(a)
International Operator Assistance	433	0	-9	-41	111	11.5%	13	396	(a)	(a)
Carrier administration	9,728	0	-221	-447	441	11.5%	51	9,111	(a)	(a)
Carrier billing	7,587	0	-659	-202	2,449	11.5%	282	7,008	(a)	(a)
Intelligent network	3,241	0	133	-247	7,076	11.5%	814	3,941	(a)	(a)
Outpayments	342,658	0	0	0	-112,636	11.5%	-12,953	329,705	(a)	(a)
International transmission	26,244	0	56	-688	33,600	11.5%	3,864	29,476	(a)	(a)
Private circuits network	48,236	0	1,049	-4,687	136,975	11.5%	15,752	60,350	(a)	(a)
Interconnect connections and rentals	7,842	0	-202	-528	30,284	11.5%	3,483	10,595	(a)	(a)
Other costs	5,940	0	475	-831	26,908	11.5%	3,092	8,676	(a)	(a)
Total	568,172	0	4,492	-18,951	380,807		43,793	597,506		

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

(b) Tertiary to tertiary length costs appear as zero because balances are less than €1,000.

(c) Unit of length is 100km.

Core Network Business

STATEMENT OF COSTS INCLUDING CCA ADJUSTMENTS

FULLY ALLOCATED COSTS

for the year ended 31 March 2003

	Operating costs €'000	Exceptional Operating costs €'000	Supplementary Depreciation €'000	Holding Gain/Loss €'000	Capital employed €'000	Rate of return %	Capital costs €'000	Total operating and capital costs €'000	Total unit volume 000's	Average cost cents per unit
<i>Call Sensitive</i>										
Subscriber Unit	5,032	0	-361	-92	13,470	12.00%	1,616	6,195	7,363,523	0.0841
Primary Switch	9,501	0	158	87	21,868	12.00%	2,624	12,370	4,205,278	0.2942
Secondary Switch	8,550	0	-13	-171	18,401	12.00%	2,208	10,574	3,796,248	0.2785
Tertiary Switch	3,586	0	-131	4	8,497	12.00%	1,020	4,479	1,934,036	0.2316
<i>Traffic Sensitive</i>										
Subscriber Unit	8,484	0	-574	-114	21,232	12.00%	2,548	10,344	29,344,660	0.0353
Primary Switch	11,349	0	871	96	15,783	12.00%	1,894	14,210	16,167,951	0.0879
Secondary Switch	10,562	0	556	-376	15,551	12.00%	1,866	12,608	13,723,972	0.0919
Tertiary Switch	6,425	0	-26	100	7,411	12.00%	889	7,388	5,200,795	0.1421
<i>Transmission - Non-Length Dependent</i>										
RSU to Primary/Secondary Link	14,232	0	-1,035	26	48,004	12.00%	5,760	18,983	16,422,527	0.1156
Primary to Primary Link	541	0	-29	-28	1,465	12.00%	176	660	1,201,269	0.0549
Primary to Secondary Link	2,233	0	-120	-43	6,803	12.00%	816	2,886	7,287,867	0.0396
Primary to Tertiary Link	1,578	0	-86	-23	5,064	12.00%	608	2,077	2,434,250	0.0853
Secondary to Secondary Link	1,166	0	-51	-4	3,808	12.00%	457	1,568	1,686,980	0.0929
Secondary to Tertiary Link	2,188	0	-132	-7	7,492	12.00%	899	2,948	2,459,570	0.1199
Tertiary to Tertiary Link	104	0	-6	-9	335	12.00%	40	129	192,429	0.0670
<i>Transmission - Length dependent (Note (c))</i>										
RSU to Primary/Secondary Length	8,087	0	3,699	-5,940	66,293	12.00%	7,955	13,801	3,564,515	0.3872
Primary to Primary Length	120	0	49	-78	782	12.00%	94	185	281,575	0.0656
Primary to Secondary Length	474	0	173	-286	3,206	12.00%	385	746	1,975,843	0.0378
Primary to Tertiary Length	487	0	195	-318	3,366	12.00%	404	768	1,958,243	0.0392
Secondary to Secondary Length	192	0	71	-114	1,303	12.00%	156	305	1,438,249	0.0212
Secondary to Tertiary Length	471	0	172	-283	3,257	12.00%	391	751	3,455,431	0.0217
Tertiary to Tertiary Length (Note (b))	0	0	0	0	0	12.00%	0	0	2,766	0.0000
Inland directory enquiries	22,053	0	-470	895	2,038	12.00%	245	22,723	(a)	(a)
International directory enquiries	1,472	0	-37	69	197	12.00%	24	1,528	(a)	(a)
National Operator Assistance	3,926	0	-90	154	281	12.00%	34	4,024	(a)	(a)
International Operator Assistance	685	0	-16	33	92	12.00%	11	713	(a)	(a)
Carrier administration	10,248	0	-7	375	795	12.00%	95	10,711	(a)	(a)
Carrier billing	11,340	0	-681	486	5,536	12.00%	664	11,809	(a)	(a)
Intelligent network	3,821	0	49	-86	8,271	12.00%	993	4,777	(a)	(a)
Outpayments	413,317	0	0	0	-117,745	12.00%	-14,129	399,188	(a)	(a)
International transmission	29,341	0	1,134	881	37,020	12.00%	4,442	35,798	(a)	(a)
Private circuits network	52,728	0	1,492	-4,526	163,662	12.00%	19,639	69,333	(a)	(a)
Interconnect connections and rentals	10,905	0	-394	-266	19,757	12.00%	2,371	12,616	(a)	(a)
Other costs	6,224	0	806	-1,873	36,869	12.00%	4,424	9,581	(a)	(a)
Total	661,422	0	5,166	-11,431	430,164		51,619	706,776		

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

(b) Tertiary to tertiary length costs appear as zero because balances are less than €1,000.

(c) Unit of length is 100km.

Inland Core Conveyance Network

STATEMENT OF COSTS INCLUDING CCA ADJUSTMENTS

LONG RUN INCREMENTAL COSTS

For the year ended 31 March 2004	Operating costs €'000	Mean capital employed €'000	Rate of return %	Capital costs €'000	Total operating & capital costs €'000	Total unit volume 000's	Average unit cost cents
<i>Call Sensitive</i>							
Subscriber Unit	2,173	6,284	11.5%	723	2,896	7,045,188	0.0411
Primary Switch	3,135	6,576	11.5%	756	3,891	4,137,889	0.0940
Secondary Switch	2,160	5,139	11.5%	591	2,751	3,436,137	0.0801
Tertiary Switch	1,415	2,342	11.5%	269	1,684	1,956,895	0.0861
<i>Traffic Sensitive</i>							
Subscriber Unit	2,888	7,723	11.5%	888	3,776	28,720,127	0.0131
Primary Switch	2,809	3,456	11.5%	397	3,206	15,517,773	0.0207
Secondary Switch	5,016	8,599	11.5%	989	6,005	11,288,204	0.0532
Tertiary Switch	5,697	5,427	11.5%	624	6,321	5,599,779	0.1129
<i>Transmission - Non-Length Dependent</i>							
RSU to Primary/Secondary Link	5,381	19,781	11.5%	2,275	7,656	17,523,959	0.0437
Primary to Primary Link	143	455	11.5%	52	195	663,097	0.0294
Primary to Secondary Link	572	2,060	11.5%	237	809	5,077,578	0.0159
Primary to Tertiary Link	390	1,480	11.5%	170	560	2,650,260	0.0211
Secondary to Secondary Link	304	1,208	11.5%	139	443	1,089,851	0.0406
Secondary to Tertiary Link	479	1,953	11.5%	225	704	2,865,545	0.0246
Tertiary to Tertiary Link	31	135	11.5%	16	47	192,598	0.0244
<i>Transmission - Length dependent (Note (b))</i>							
RSU to Primary/Secondary Length	1,569	8,984	11.5%	1,033	2,602	3,754,567	0.0693
Primary to Primary Length	12	56	11.5%	6	18	142,050	0.0127
Primary to Secondary Length	65	350	11.5%	40	105	1,947,365	0.0054
Primary to Tertiary Length	59	304	11.5%	35	94	1,887,443	0.0050
Secondary to Secondary Length	31	158	11.5%	18	49	1,381,668	0.0035
Secondary to Tertiary Length	73	369	11.5%	42	115	4,120,955	0.0028
Tertiary to Tertiary Length (Note (a))	0	0	11.5%	0	0	2,661	0.0000

(a) Tertiary to Tertiary length costs appear as zero because balances are less than € 1,000.

(b) Unit of length is 100km.

Inland Core Conveyance Network

STATEMENT OF COSTS INCLUDING CCA ADJUSTMENTS

LONG RUN INCREMENTAL COSTS

For the year ended 31 March 2003	Operating costs €'000	Mean capital employed €'000	Rate of return %	Capital costs €'000	Total operating & capital costs €'000	Total unit volume 000's	Average unit cost cents
<i>Call Sensitive</i>							
Subscriber Unit	2,534	6,857	12%	823	3,357	7,363,523	0.0456
Primary Switch	3,941	7,381	12%	886	4,827	4,205,278	0.1148
Secondary Switch	2,892	4,662	12%	559	3,451	3,796,248	0.0909
Tertiary Switch	1,111	1,959	12%	235	1,346	1,934,036	0.0696
<i>Traffic Sensitive</i>							
Subscriber Unit	3,329	8,065	12%	968	4,297	29,344,660	0.0146
Primary Switch	4,714	3,118	12%	374	5,088	16,167,951	0.0315
Secondary Switch	7,283	9,236	12%	1,108	8,391	13,723,972	0.0611
Tertiary Switch	5,529	5,496	12%	660	6,189	5,200,795	0.1190
<i>Transmission - Non-Length Dependent</i>							
RSU to Primary/Secondary Link	4,557	12,010	12%	1,441	5,998	16,422,527	0.0365
Primary to Primary Link	197	604	12%	73	270	1,201,269	0.0225
Primary to Secondary Link	785	2,505	12%	301	1,086	7,287,867	0.0149
Primary to Tertiary Link	527	1,765	12%	212	739	2,434,250	0.0304
Secondary to Secondary Link	413	1,444	12%	173	586	1,686,980	0.0347
Secondary to Tertiary Link	671	2,284	12%	274	945	2,459,570	0.0384
Tertiary to Tertiary Link	37	153	12%	18	55	192,429	0.0286
<i>Transmission - Length dependent (Note (b))</i>							
RSU to Primary/Secondary Length	1,091	12,458	12%	1,495	2,586	3,564,515	0.0726
Primary to Primary Length	17	160	12%	19	36	281,575	0.0128
Primary to Secondary Length	70	631	12%	76	146	1,975,843	0.0074
Primary to Tertiary Length	72	676	12%	81	153	1,958,243	0.0078
Secondary to Secondary Length	30	256	12%	31	61	1,438,249	0.0042
Secondary to Tertiary Length	76	652	12%	78	154	3,455,431	0.0045
Tertiary to Tertiary Length (Note (a))	0	0	12%	0	0	2,766	0.0000

(a) Tertiary to Tertiary length costs appear as zero because balances are less than € 1,000.

(b) Unit of length is 100km.

Inland Core Conveyance Network

STATEMENT OF COSTS INCLUDING CCA ADJUSTMENTS

DISTRIBUTED LONG RUN INCREMENTAL COSTS

For the year ended 31 March 2004	Operating costs €'000	Mean capital employed €'000	Rate of return %	Capital costs €'000	Total operating & capital costs €'000	Total unit volume 000's	Average unit cost cents
<i>Call Sensitive</i>							
Subscriber Unit	3,688	11,242	11.5%	1,293	4,981	7,045,188	0.0707
Primary Switch	6,848	15,808	11.5%	1,818	8,666	4,137,889	0.2094
Secondary Switch	5,431	14,287	11.5%	1,643	7,074	3,436,137	0.2059
Tertiary Switch	3,622	6,634	11.5%	763	4,385	1,956,895	0.2241
<i>Traffic Sensitive</i>							
Subscriber Unit	5,060	14,646	11.5%	1,684	6,744	28,720,127	0.0235
Primary Switch	6,184	9,261	11.5%	1,065	7,249	15,517,773	0.0467
Secondary Switch	6,608	12,180	11.5%	1,401	8,009	11,288,204	0.0710
Tertiary Switch	6,885	7,557	11.5%	869	7,754	5,599,779	0.1385
<i>Transmission - Non-Length Dependent</i>							
RSU to Primary/Secondary Link	8,664	35,676	11.5%	4,103	12,767	17,523,959	0.0729
Primary to Primary Link	223	769	11.5%	88	311	663,097	0.0469
Primary to Secondary Link	885	3,467	11.5%	399	1,284	5,077,578	0.0253
Primary to Tertiary Link	607	2,502	11.5%	288	895	2,650,260	0.0338
Secondary to Secondary Link	476	2,053	11.5%	236	712	1,089,851	0.0653
Secondary to Tertiary Link	748	3,324	11.5%	382	1,130	2,865,545	0.0394
Tertiary to Tertiary Link	45	198	11.5%	23	68	192,598	0.0353
<i>Transmission - Length dependent (Note (b))</i>							
RSU to Primary/Secondary Length	1,729	8,873	11.5%	1,020	2,749	3,754,567	0.0732
Primary to Primary Length	13	55	11.5%	6	19	142,050	0.0134
Primary to Secondary Length	72	342	11.5%	39	111	1,947,365	0.0057
Primary to Tertiary Length	66	300	11.5%	34	100	1,887,443	0.0053
Secondary to Secondary Length	35	155	11.5%	18	53	1,381,668	0.0038
Secondary to Tertiary Length	81	362	11.5%	42	123	4,120,955	0.0030
Tertiary to Tertiary Length (Note (a))	0	0	11.5%	0	0	2,661	0.0000

(a) Tertiary to Tertiary length costs appear as zero because balances are less than € 1,000.

(b) Unit of length is 100km.

Inland Core Conveyance Network

STATEMENT OF COSTS INCLUDING CCA ADJUSTMENTS

DISTRIBUTED LONG RUN INCREMENTAL COSTS

For the year ended 31 March 2003	Operating costs €'000	Mean capital employed €'000	Rate of return %	Capital costs €'000	Total operating & capital costs €'000	Total unit volume 000's	Average unit cost cents
<i>Call Sensitive</i>							
Subscriber Unit	4,028	11,939	12%	1,433	5,461	7,363,523	0.0742
Primary Switch	7,904	18,462	12%	2,215	10,119	4,205,278	0.2406
Secondary Switch	6,195	14,875	12%	1,785	7,980	3,796,248	0.2102
Tertiary Switch	2,740	7,021	12%	843	3,583	1,934,036	0.1852
<i>Traffic Sensitive</i>							
Subscriber Unit	5,487	15,118	12%	1,814	7,301	29,344,660	0.0249
Primary Switch	9,388	10,998	12%	1,320	10,708	16,167,951	0.0662
Secondary Switch	9,173	13,364	12%	1,604	10,777	13,723,972	0.0785
Tertiary Switch	6,144	7,390	12%	887	7,031	5,200,795	0.1352
<i>Transmission - Non-Length Dependent</i>							
RSU to Primary/Secondary Link	5,202	15,398	12%	1,848	7,050	16,422,527	0.0429
Primary to Primary Link	210	697	12%	84	294	1,201,269	0.0245
Primary to Secondary Link	873	3,030	12%	364	1,237	7,287,867	0.0170
Primary to Tertiary Link	598	2,200	12%	264	862	2,434,250	0.0354
Secondary to Secondary Link	467	1,766	12%	212	679	1,686,980	0.0402
Secondary to Tertiary Link	792	3,022	12%	363	1,155	2,459,570	0.0470
Tertiary to Tertiary Link	39	173	12%	21	60	192,429	0.0312
<i>Transmission - Length dependent (Note (b))</i>							
RSU to Primary/Secondary Length	1,128	12,187	12%	1,462	2,590	3,564,515	0.0727
Primary to Primary Length	18	156	12%	19	37	281,575	0.0131
Primary to Secondary Length	72	610	12%	73	145	1,975,843	0.0073
Primary to Tertiary Length	74	658	12%	79	153	1,958,243	0.0078
Secondary to Secondary Length	30	248	12%	30	60	1,438,249	0.0042
Secondary to Tertiary Length	77	632	12%	76	153	3,455,431	0.0044
Tertiary to Tertiary Length (Note (a))	0	0	12%	0	0	2,766	0.0000

(a) Tertiary to Tertiary length costs appear as zero because balances are less than € 1,000.

(b) Unit of length is 100km.

Inland Core Conveyance Network

STATEMENT OF COSTS INCLUDING CCA ADJUSTMENTS

DISTRIBUTED LONG RUN INCREMENTAL COSTS PLUS RECOVERY OF INTER-INCREMENT FIXED COMMON AND JOINT COSTS

For the year ended 31 March 2004	Operating costs €'000	Mean capital employed €'000	Rate of return %	Capital costs €'000	Total operating & capital costs €'000	Total unit volume 000's	Average unit cost cents
<i>Call Sensitive</i>							
Subscriber Unit	4,303	12,967	11.5%	1,491	5,794	7,045,188	0.0822
Primary Switch	8,161	17,910	11.5%	2,060	10,221	4,137,889	0.2470
Secondary Switch	6,404	15,602	11.5%	1,794	8,198	3,436,137	0.2386
Tertiary Switch	4,343	7,378	11.5%	848	5,191	1,956,895	0.2653
<i>Traffic Sensitive</i>							
Subscriber Unit	6,596	18,751	11.5%	2,156	8,752	28,720,127	0.0305
Primary Switch	7,933	11,743	11.5%	1,350	9,283	15,517,773	0.0598
Secondary Switch	8,108	14,366	11.5%	1,652	9,760	11,288,204	0.0865
Tertiary Switch	8,069	8,873	11.5%	1,020	9,089	5,599,779	0.1623
<i>Transmission - Non-Length Dependent</i>							
RSU to Primary/Secondary Link	12,535	52,003	11.5%	5,980	18,515	17,523,959	0.1057
Primary to Primary Link	327	1,086	11.5%	125	452	663,097	0.0682
Primary to Secondary Link	1,331	5,171	11.5%	595	1,926	5,077,578	0.0379
Primary to Tertiary Link	941	3,870	11.5%	445	1,386	2,650,260	0.0523
Secondary to Secondary Link	725	3,024	11.5%	348	1,073	1,089,851	0.0985
Secondary to Tertiary Link	1,193	5,405	11.5%	622	1,815	2,865,545	0.0633
Tertiary to Tertiary Link	69	287	11.5%	33	102	192,598	0.0530
<i>Transmission - Length dependent (Note (b))</i>							
RSU to Primary/Secondary Length	9,103	70,500	11.5%	8,108	17,211	3,754,567	0.4584
Primary to Primary Length	65	480	11.5%	55	120	142,050	0.0845
Primary to Secondary Length	362	2,852	11.5%	328	690	1,947,365	0.0354
Primary to Tertiary Length	329	2,517	11.5%	289	618	1,887,443	0.0327
Secondary to Secondary Length	176	1,283	11.5%	148	324	1,381,668	0.0234
Secondary to Tertiary Length	393	3,063	11.5%	352	745	4,120,955	0.0181
Tertiary to Tertiary Length (Note (a))	0	0	11.5%	0	0	2,661	0.0000

(a) Tertiary to Tertiary length costs appear as zero because balances are less than € 1,000.

(b) Unit of length is 100km.

Inland Core Conveyance Network

STATEMENT OF COSTS INCLUDING CCA ADJUSTMENTS

DISTRIBUTED LONG RUN INCREMENTAL COSTS PLUS RECOVERY OF INTER-INCREMENT FIXED COMMON AND JOINT COSTS

For the year ended 31 March 2003	Operating costs €'000	Mean capital employed €'000	Rate of return %	Capital costs €'000	Total operating & capital costs €'000	Total unit volume 000's	Average unit cost cents
<i>Call Sensitive</i>							
Subscriber Unit	4,451	13,582	12%	1,630	6,081	7,363,523	0.0826
Primary Switch	9,922	22,358	12%	2,683	12,605	4,205,278	0.2997
Secondary Switch	7,526	17,360	12%	2,083	9,609	3,796,248	0.2531
Tertiary Switch	3,109	7,817	12%	938	4,047	1,934,036	0.2093
<i>Traffic Sensitive</i>							
Subscriber Unit	7,159	20,347	12%	2,442	9,601	29,344,660	0.0327
Primary Switch	12,556	15,328	12%	1,839	14,395	16,167,951	0.0890
Secondary Switch	12,031	17,303	12%	2,076	14,107	13,723,972	0.1028
Tertiary Switch	7,017	8,999	12%	1,080	8,097	5,200,795	0.1557
<i>Transmission - Non-Length Dependent</i>							
RSU to Primary/Secondary Link	8,641	29,809	12%	3,577	12,218	16,422,527	0.0744
Primary to Primary Link	352	1,249	12%	150	502	1,201,269	0.0418
Primary to Secondary Link	1,424	5,380	12%	646	2,070	7,287,867	0.0284
Primary to Tertiary Link	982	3,921	12%	471	1,453	2,434,250	0.0597
Secondary to Secondary Link	734	2,973	12%	357	1,091	1,686,980	0.0647
Secondary to Tertiary Link	1,316	5,573	12%	669	1,985	2,459,570	0.0807
Tertiary to Tertiary Link	63	284	12%	34	97	192,429	0.0504
<i>Transmission - Length dependent (Note (b))</i>							
RSU to Primary/Secondary Length	3,978	60,583	12%	7,270	11,248	3,564,515	0.3156
Primary to Primary Length	62	768	12%	92	154	281,575	0.0547
Primary to Secondary Length	245	3,155	12%	379	624	1,975,843	0.0316
Primary to Tertiary Length	245	3,304	12%	396	641	1,958,243	0.0327
Secondary to Secondary Length	103	1,284	12%	154	257	1,438,249	0.0179
Secondary to Tertiary Length	241	3,212	12%	385	626	3,455,431	0.0181
Tertiary to Tertiary Length (Note (a))	0	0	12%	0	0	2,766	0.0000

(a) Tertiary to Tertiary length costs appear as zero because balances are less than € 1,000.

(b) Unit of length is 100km.

Notes to the Current Cost and Long Run Incremental Cost Financial Statements

1 Statutory Accounts

These Current Cost and Long Run Incremental Cost Statements (the Financial Statements), which are not statutory accounts within the meaning of the Companies Acts, 1963 to 2003, have been prepared in accordance with the Accounting Documents dated 30th September 2004. The Statutory Accounts for the year ended 31st March 2004, on which the auditors made an unqualified report, which did not contain a statement under Section 40(1) of the Companies (Amendment) Act, 1983, are due to be filed late December 2004.

2 Comparative Figures

ComReg has directed eircom, in D9/00, that where methods of attribution are amended, comparative information presented should be appropriately re-stated. Certain comparative figures have been re-grouped and re-stated where necessary on the same basis as those for the current year.

Turnover attributable to the core and access networks has been adjusted in order to maintain the return in these businesses at the ComReg determined rate of 11.5% (2003: 12%). These adjustments have been made within the Other-Remaining Business.

3 Switching Attribution Method

Decision Notice D9/00 relating to the attribution of Switching costs introduced the concept of predominance with respect to attributions to Call sensitive elements.

eircom are currently in discussions with ComReg in relation to superseding this concept with unmodified attribution data from *eircom*'s exchange suppliers.

eircom reached agreement with ComReg that the financial statements would be based upon these manufacturers' attributions pending final approval by ComReg. The Historic Cost separated accounts were published on this basis.

To be consistent with the approach adopted in the Historic Cost separated accounts, these CCA/LRIC financial statements continue to apply attributions based on the manufacturers' data.

Notes to the Current Cost and Long Run Incremental Cost Financial Statements (Cont'd.)

4 Current Cost Accounting (“CCA”) Adjustments

The Current Cost Financial Statements are prepared under the Financial Capital Maintenance convention in accordance with the principles set out in the handbook "Accounting for the Effects of Changing Prices", published in 1986 by the UK Accounting Standards Committee.

Set out below is a summary of the treatment of the CCA adjustments within the Statements:

- Changes in fixed asset values, referred to as holding gains or losses arising during the year, are attributed between all Businesses, increments and elements on the same basis as the associated assets.
- A supplementary depreciation adjustment on fixed assets arising from differences between Historical Cost Accounting ("HCA") and CCA valuations is also attributed between all Businesses, increments and elements on this basis.

6. Reconciliation statement

Profit and loss items	Operating			Operating		
for the year ended 31 March 2004 & 31 March 2003	Turnover 2004 €'000	costs 2004 €'000	Return 2004 €'000	Turnover 2003 €'000	costs 2003 €'000	Return 2003 €'000
As per Annual Report and Accounts	1,628,271	1,342,576	(372,728)	1,682,498	1,325,449	19,914
Adjustments:						
Interest payable / (receivable) and similar charges			2,397			(9,506)
Share of profit from related companies			(323)			(57)
Tax on profit on ordinary activities			38,349			46,698
Dividend paid and proposed			618,000			300,000
Add inter-business turnover	1,052,647	1,052,647	-	1,099,916	1,099,916	-
	2,680,918	2,395,223	285,695	2,782,414	2,425,365	357,049
Non relevant Core Network exceptional operating costs		(3,668)	3,668		(6,464)	6,464
Impact of change to asset lives		6,850	(6,850)		6,259	(6,259)
As per Historic Cost Separated Accounts	2,680,918	2,398,405	282,513	2,782,414	2,425,160	357,254
Elimination of inter Business transfer charges:						
Local Access Network Business	(533,502)	(533,502)	-	(537,535)	(537,535)	-
Core Network Business	(469,945)	(469,945)	-	(515,539)	(515,539)	-
Sub-total	1,677,471	1,394,958	282,513	1,729,340	1,372,086	357,254
Holding losses/(gains)		(90,532)	90,532		(74,759)	74,759
Supplementary depreciation		59,532	(59,532)		72,256	(72,256)
Group including CCA revaluation adjustments	1,677,471	1,363,958	313,513	1,729,340	1,369,583	359,757
Incremental cost statements						
Access Network	See Note 5	412,864		419,339		
Inland Core Conveyance Network	See Note 5	86,269		96,585		
The Rest	See Note 5	778,205		761,388		
Inter increment fixed common and joint costs	See Note 5	86,620		92,271		
As in Incremental Cost Statements		1,363,958		1,369,583		

6. Reconciliation statement (continued)

Mean capital employed for the year ended 31 March 2004 & 31 March 2003	2004 €'000	2003 €'000
Shareholders' funds as per Annual Report and Accounts	1,024,668	1,343,039
Reconciling items:		
Interest receivable	-13,696	-13,527
Interest payable on long term bonds	0	315
Proposed dividend	159,821	0
Taxation	65,112	76,371
Current portion of long term liabilities	0	105,171
Deferred Taxation provision	62,187	57,561
Closing capital employed at 31 March 2003 & 31 March 2002	1,298,092	1,568,930
Opening capital employed at 1 April 2002 & 1 April 2001	1,568,930	1,588,365
Total mean capital employed before determined adjustments	1,433,511	1,578,648
Impact of change to asset lives	199,828	206,922
Non relevant Core Network exceptional costs provision	32,080	34,715
Total Mean capital employed as per Historic Cost Separated Accounts	1,665,418	1,820,285
Net revaluation of fixed assets *	397,849	407,315
Adjusted Group including CCA revaluation adjustments	2,063,267	2,227,600
Mean capital employed including current cost adjustments	2,063,268	2,227,600
Incremental cost statements		
Access Network	See Note 5 1,204,852	1,234,939
Inland Core Conveyance Network	See Note 5 209,009	204,122
The Rest	See Note 5 325,970	450,198
Inter increment fixed common and joint costs	See Note 5 323,437	338,341
As in Incremental Cost Statements	2,063,268	2,227,600

* this balance includes adjustments relating to studies in the valuation of duct and transmission equipment.

Statement of Costs of Network Services
CCA FULLY ALLOCATED COSTS

	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	0.079	0.238	0.247	0.275	0.032	0.057	0.077	0.141	0.094	0.087	0.049	0.067	0.125	0.083	0.062	0.521	0.099	0.041	0.038	0.027	0.021	0.000
Total Costs (€'000)	5,573	9,852	8,471	5,377	9,124	8,845	8,669	7,872	16,395	577	2,479	1,788	1,363	2,390	119	19,575	141	796	716	371	869	0
Routing Factors:-																						
Retail Services																						
Local Calls	1.871	0.924	0.530	0.040	1.899	0.957	0.511	0.073	1.363	0.144	0.274	0.051	0.060	0.031	0.000	0.285	0.027	0.052	0.030	0.018	0.039	0.000
Trunk Calls	1.932	1.271	1.390	0.368	1.909	1.287	1.371	0.397	1.349	0.030	0.898	0.302	0.426	0.391	0.010	0.336	0.023	0.405	0.243	0.743	0.439	0.000
International Calls	1.000	0.694	0.445	1.000	1.000	0.691	0.468	1.000	0.717	0.000	0.158	0.532	0.000	0.468	0.040	0.155	0.000	0.079	0.328	0.000	0.778	0.001
Calls To Mobile	1.000	0.700	0.810	0.330	1.000	0.700	0.810	0.330	0.730	0.000	0.510	0.180	0.000	0.150	0.010	0.168	0.000	0.158	0.219	0.000	0.220	0.000
Calls to Internet	1.714	0.693	0.382	0.047	1.712	0.693	0.379	0.045	0.720	0.006	0.078	0.041	0.018	0.031	0.000	0.148	0.001	0.026	0.020	0.031	0.042	0.000
Premium Rate Services	1.470	1.110	1.010	0.610	1.420	1.000	0.970	0.570	1.050	0.020	0.620	0.340	0.190	0.380	0.020	0.204	0.002	0.204	0.218	0.348	0.491	0.000
Inland Directory Enquiries	1.000	0.676	0.488	1.000	1.000	0.680	0.483	1.000	0.693	0.000	0.163	0.517	0.000	0.483	0.040	0.166	0.000	0.091	0.344	0.000	0.821	0.001
International Directory Enquiries	1.000	0.660	0.490	1.000	1.000	0.660	0.500	1.000	0.700	0.000	0.160	0.500	0.000	0.500	0.040	0.153	0.000	0.081	0.308	0.000	0.797	0.001
National Operator Assistance	2.000	1.370	0.930	2.000	2.000	1.370	0.950	2.000	1.410	0.000	0.320	1.050	0.000	0.950	0.010	0.325	0.000	0.176	0.684	0.000	1.589	0.000
International Operator Assistance	1.000	0.700	0.460	1.000	1.000	0.700	0.450	1.000	0.700	0.000	0.150	0.550	0.000	0.450	0.040	0.130	0.000	0.068	0.248	0.000	0.750	0.001
Supplemental Services	1.000	0.670	0.500	1.000	1.000	0.680	0.490	1.000	0.700	0.000	0.170	0.510	0.000	0.490	0.040	0.162	0.000	0.083	0.328	0.000	0.850	0.001
Remaining Activities	1.706	1.037	0.990	0.373	1.623	0.989	0.907	0.360	0.953	0.027	0.526	0.399	0.204	0.248	0.017	0.160	0.003	0.162	0.153	0.267	0.282	0.000
Internet Service Supply																						
Leased Lines																						
Retail Access																						
Other Retail Services																						
RIO Services																						
Call Termination	1.000	0.667	0.617	0.231	1.000	0.656	0.604	0.257	0.700	0.000	0.237	0.099	0.026	0.157	0.010	0.156	0.000	0.126	0.093	0.015	0.239	0.000
Call Origination	1.000	0.660	0.542	0.296	1.000	0.685	0.532	0.260	0.704	0.000	0.212	0.095	0.002	0.165	0.010	0.152	0.000	0.127	0.089	0.000	0.289	0.000
Transit	0.000	0.001	0.019	0.996	0.000	0.001	0.035	0.996	0.000	0.000	0.001	0.000	0.004	0.028	0.040	0.000	0.000	0.000	0.000	0.003	0.015	0.001
Access to PRS services	0.630	0.420	0.370	1.000	0.790	0.340	0.570	1.000	0.330	0.000	0.120	0.220	0.000	0.570	0.040	0.015	0.000	0.016	0.023	0.000	0.034	0.001
Access to Freefone services	1.000	0.610	0.820	1.000	1.000	0.620	0.820	1.000	0.690	0.000	0.440	0.180	0.000	0.820	0.040	0.122	0.000	0.164	0.047	0.000	0.961	0.001
Access to LoCall services	1.000	0.740	0.610	1.000	1.000	0.660	0.670	1.000	0.430	1.000	0.340	0.330	1.000	0.670	0.040	0.046	0.010	0.077	0.177	0.010	0.646	0.001
Access to Callsave services	1.000	0.610	0.840	1.000	1.000	0.600	0.770	1.000	0.480	0.000	0.370	0.230	0.000	0.770	0.040	0.046	0.000	0.072	0.166	0.000	0.611	0.001
Plaging 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	0.040	0.000	0.000	0.000	0.000	0.000	0.000	0.001
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	0.040	0.000	0.000	0.000	0.000	0.000	0.000	0.001
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	0.040	0.000	0.000	0.000	0.000	0.000	0.000	0.001
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	0.040	0.000	0.000	0.000	0.000	0.000	0.000	0.001
Access to Intl 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	0.040	0.000	0.000	0.000	0.000	0.000	0.000	0.001
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	0.040	0.000	0.000	0.000	0.000	0.000	0.000	0.001
Customer Care Access	0.000	0.910	0.890	0.890	0.000	0.940	0.870	0.920	0.000	0.000	0.750	0.190	0.060	0.740	0.030	0.000	0.000	0.343	0.258	0.020	0.927	0.001
Access to emergency service	1.000	0.320	0.810	2.000	1.000	0.320	0.810	2.000	0.610	0.000	0.130	0.190	0.000	0.810	0.070	0.060	0.000	0.055	0.211	0.000	0.954	0.001
Partial Private Circuits																						
Fiat 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	1.000	0.620	0.380	0.000	1.000	0.620	0.380	0.000	0.680	0.000	0.000	0.000	0.000	0.000	0.000	0.114	0.000	0.000	0.000	0.000	0.000	0.000
Tandem Long	1.000	0.620	0.730	0.630	1.000	0.720	0.720	0.550	0.720	0.000	0.430	0.280	0.000	0.270	0.020	0.183	0.000	0.262	0.210	0.000	0.500	0.000
Tandem Short	1.000	0.970	0.890	0.960	1.000	0.970	0.890	0.960	0.800	0.000	0.840	0.130	0.020	0.830	0.040	0.284	0.000	0.487	0.271	0.001	1.384	0.001
Subset of Call Termination																						
Primary	1.000	0.570	0.430	0.000	1.000	0.580	0.420	0.000	0.660	0.000	0.000	0.000	0.000	0.000	0.000	0.104	0.000	0.000	0.000	0.000	0.000	0.000
Tandem Long	1.000	0.780	0.740	0.480	1.000	0.710	0.760	0.520	0.740	0.000	0.480	0.240	0.000	0.280	0.020	0.222	0.000	0.254	0.184	0.000	0.478	0.000
Tandem Short	1.000	0.800	1.140	0.610	1.000	0.860	1.030	0.740	0.780	0.000	0.680	0.180	0.210	0.550	0.030	0.221	0.000	0.363	0.278	0.121	0.701	0.000

Statement of Costs of Network Services
CCA FULLY ALLOCATED COSTS

	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	0.148	0.220	0.131	0.011	0.060	0.055	0.039	0.010	0.128	0.013	0.013	0.003	0.007	0.003	0.000	0.149	0.003	0.002	0.001	0.000	0.001	0.000	
Trunk Calls	0.153	0.303	0.343	0.101	0.061	0.073	0.105	0.056	0.126	0.003	0.044	0.020	0.053	0.033	0.001	0.175	0.002	0.017	0.009	0.020	0.009	0.000	
International Calls	0.079	0.185	0.110	0.275	0.032	0.039	0.036	0.141	0.067	0.000	0.008	0.036	0.000	0.039	0.002	0.081	0.000	0.003	0.012	0.000	0.016	0.000	
Calls To Mobile	0.079	0.167	0.200	0.091	0.032	0.040	0.062	0.046	0.068	0.000	0.025	0.012	0.000	0.013	0.001	0.087	0.000	0.006	0.008	0.000	0.005	0.000	
Calls to Internet	0.136	0.185	0.094	0.013	0.054	0.040	0.029	0.006	0.067	0.001	0.004	0.003	0.002	0.003	0.000	0.077	0.000	0.001	0.001	0.001	0.001	0.000	
Premium Rate Services	0.116	0.264	0.249	0.168	0.045	0.057	0.074	0.080	0.098	0.002	0.030	0.023	0.024	0.032	0.001	0.106	0.000	0.008	0.008	0.009	0.010	0.000	
Inland Directory Enquiries	0.079	0.161	0.120	0.275	0.032	0.039	0.037	0.141	0.065	0.000	0.008	0.035	0.000	0.040	0.002	0.087	0.000	0.004	0.013	0.000	0.017	0.000	
International Directory Enquiries	0.079	0.157	0.121	0.275	0.032	0.038	0.038	0.141	0.065	0.000	0.008	0.034	0.000	0.042	0.002	0.080	0.000	0.003	0.012	0.000	0.017	0.000	
National Operator Assistance	0.158	0.326	0.229	0.550	0.064	0.078	0.073	0.281	0.132	0.000	0.016	0.071	0.000	0.079	0.001	0.170	0.000	0.007	0.026	0.000	0.033	0.000	
International Operator Assistance	0.079	0.167	0.113	0.275	0.032	0.040	0.035	0.141	0.065	0.000	0.007	0.037	0.000	0.038	0.002	0.068	0.000	0.003	0.009	0.000	0.016	0.000	
Supplemental Services	0.079	0.160	0.123	0.275	0.032	0.039	0.038	0.141	0.065	0.000	0.008	0.034	0.000	0.041	0.002	0.084	0.000	0.003	0.012	0.000	0.018	0.000	
Remaining Activities	0.135	0.247	0.244	0.103	0.052	0.056	0.070	0.051	0.089	0.002	0.026	0.027	0.026	0.021	0.001	0.083	0.000	0.007	0.006	0.007	0.006	0.000	
RIO Services																							
Call Termination	0.079	0.159	0.152	0.063	0.032	0.037	0.046	0.036	0.066	0.000	0.012	0.007	0.003	0.013	0.001	0.082	0.000	0.005	0.004	0.000	0.005	0.000	
Call Origination	0.079	0.157	0.134	0.081	0.032	0.039	0.041	0.036	0.066	0.000	0.010	0.006	0.000	0.014	0.001	0.079	0.000	0.005	0.003	0.000	0.006	0.000	
Transit	0.000	0.000	0.005	0.274	0.000	0.000	0.003	0.140	0.000	0.000	0.000	0.000	0.000	0.002	0.002	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Access to PRS services	0.050	0.100	0.091	0.275	0.025	0.019	0.044	0.141	0.031	0.000	0.006	0.015	0.000	0.048	0.002	0.008	0.000	0.001	0.001	0.000	0.001	0.000	
Access to Freefone services	0.079	0.145	0.202	0.275	0.032	0.035	0.063	0.141	0.065	0.000	0.021	0.012	0.000	0.068	0.002	0.063	0.000	0.007	0.002	0.000	0.020	0.000	
Access to LoCall services	0.079	0.176	0.150	0.275	0.032	0.038	0.051	0.141	0.040	0.087	0.017	0.022	0.125	0.056	0.002	0.024	0.001	0.003	0.007	0.000	0.014	0.000	
Access to Callsave services	0.079	0.145	0.207	0.275	0.032	0.034	0.059	0.141	0.045	0.000	0.018	0.016	0.000	0.064	0.002	0.025	0.000	0.003	0.006	0.000	0.013	0.000	
Paging Service Access	0.000	0.000	0.000	0.275	0.000	0.000	0.000	0.141	0.000	0.000	0.000	0.000	0.000	0.000	0.002	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
National DQ	0.000	0.000	0.000	0.275	0.000	0.000	0.000	0.141	0.000	0.000	0.000	0.000	0.000	0.000	0.002	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
International DQ	0.000	0.000	0.000	0.275	0.000	0.000	0.000	0.141	0.000	0.000	0.000	0.000	0.000	0.000	0.002	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Access to operator assistance	0.000	0.000	0.000	0.275	0.000	0.000	0.000	0.141	0.000	0.000	0.000	0.000	0.000	0.000	0.002	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	0.275	0.000	0.000	0.000	0.141	0.000	0.000	0.000	0.000	0.000	0.000	0.002	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
International access including NI	0.000	0.000	0.000	0.275	0.000	0.000	0.000	0.141	0.000	0.000	0.000	0.000	0.000	0.000	0.002	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Customer Care access	0.000	0.217	0.219	0.245	0.000	0.054	0.067	0.129	0.000	0.000	0.037	0.013	0.008	0.062	0.002	0.000	0.000	0.014	0.010	0.001	0.020	0.000	
Access to emergency service	0.079	0.076	0.200	0.550	0.032	0.018	0.062	0.281	0.057	0.000	0.006	0.013	0.000	0.068	0.004	0.031	0.000	0.002	0.008	0.000	0.020	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	
Other Wholesale 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	
Subset of Call Origination																							
Primary	0.079	0.148	0.094	0.000	0.032	0.035	0.029	0.000	0.064	0.000	0.000	0.000	0.000	0.000	0.000	0.059	0.000	0.000	0.000	0.000	0.000	0.000	
Tandem Long	0.079	0.148	0.180	0.173	0.032	0.041	0.055	0.077	0.067	0.000	0.021	0.019	0.000	0.023	0.001	0.096	0.000	0.011	0.008	0.000	0.011	0.000	
Tandem Short	0.079	0.231	0.219	0.264	0.032	0.055	0.068	0.135	0.075	0.000	0.041	0.009	0.003	0.069	0.002	0.148	0.000	0.020	0.010	0.000	0.029	0.000	
Subset of Call Termination																							
Primary	0.079	0.136	0.106	0.000	0.032	0.033	0.032	0.000	0.062	0.000	0.000	0.000	0.000	0.000	0.000	0.054	0.000	0.000	0.000	0.000	0.000	0.000	
Tandem Long	0.079	0.186	0.182	0.132	0.032	0.040	0.058	0.073	0.069	0.000	0.023	0.016	0.000	0.023	0.001	0.116	0.000	0.010	0.007	0.000	0.010	0.000	
Tandem Short	0.079	0.190	0.281	0.168	0.032	0.049	0.079	0.104	0.073	0.000	0.033	0.012	0.026	0.046	0.002	0.115	0.000	0.015	0.011	0.003	0.015	0.000	

Statement of Costs of Network Services

CCA FULLY ALLOCATED COSTS

NON CONVEYANCE COSTS																	
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	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 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
Total Costs (€'000)						19,236	1,210	6,440	396	9,111	7,008	3,941	329,705	29,476	60,350	10,595	8,676
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%	5.4%	16.0%	20.4%	1.3%	0.0%	0.0%	0.1%	0.2%
Trunk Calls						0.0%	0.0%	0.0%	0.0%	1.8%	4.1%	5.2%	0.5%	0.8%	0.0%	0.0%	0.1%
International Calls						0.0%	0.0%	0.0%	0.0%	2.8%	6.9%	5.4%	13.1%	28.0%	0.0%	0.0%	0.1%
Calls To Mobile						0.0%	0.0%	0.0%	0.0%	1.7%	9.0%	11.4%	45.1%	0.0%	0.0%	1.9%	0.1%
Calls to Internet						0.0%	0.0%	0.0%	0.0%	7.7%	4.3%	5.7%	4.4%	0.0%	0.0%	1.0%	2.6%
Premium Rate Services						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Inland Directory Enquiries						65.8%	0.0%	0.0%	0.0%	0.0%	0.2%	0.6%	1.1%	0.0%	0.0%	0.0%	2.2%
International Directory Enquiries						0.0%	71.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
National Operator Assistance						0.0%	0.0%	98.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
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%	0.0%	0.0%	0.0%	13.1%	0.2%	0.0%	55.9%	
Remaining Activities						0.0%	0.0%	0.0%	0.0%	0.9%	3.8%	4.4%	9.2%	0.6%	0.0%	0.8%	0.4%
Internet Service Supply						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.8%	17.4%
Leased Lines						0.0%	0.0%	0.0%	0.0%	36.2%	13.7%	0.0%	0.0%	55.8%	99.1%	0.0%	0.8%
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%	0.2%	0.0%	0.0%	0.8%	3.5%	0.0%	0.0%	0.0%	0.0%	0.0%	10.4%
RIO Services																	
Call Termination						0.0%	0.0%	0.0%	0.0%	3.9%	15.8%	20.2%	0.0%	0.0%	0.0%	0.0%	0.2%
Call Origination						0.0%	0.0%	0.0%	0.0%	3.1%	9.1%	11.6%	0.0%	0.0%	0.0%	0.0%	0.1%
Transit						0.0%	0.0%	0.0%	0.0%	0.9%	5.0%	6.5%	19.1%	0.0%	0.0%	3.0%	1.3%
Access to PRS 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%
Access to Freefone services						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.6%	0.0%	0.0%	0.0%	0.0%	0.0%
Access to LoCall services						0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Access to Callsave services						0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Flaging 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						34.2%	0.0%	0.0%	0.0%	0.0%	0.2%	0.3%	0.0%	0.0%	0.0%	0.0%	1.0%
International DQ						0.0%	28.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Access to operator assistance						0.0%	0.0%	1.4%	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%	0.5%	1.0%	1.2%	4.1%	1.7%	0.0%	0.0%	-3.0%
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%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%
Partial Private Circuits						0.0%	0.0%	0.0%	0.0%	2.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Flat Rate Internet Access Call Origination						0.0%	0.0%	0.0%	0.0%	1.4%	0.4%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Interconnect paths						0.0%	0.0%	0.0%	0.0%	16.6%	5.7%	0.0%	-0.1%	0.0%	0.7%	92.4%	10.0%
Carrier Preselect - non conveyance charge						0.0%	0.0%	0.0%	0.0%	7.5%	0.3%	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%	5.6%	0.0%	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%	0.0%	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%	0.0%	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%	0.6%	0.6%	4.9%	0.1%	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 Network Services

CCA FULLY ALLOCATED COSTS

	NON CONVEYANCE COSTS																	
	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	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	1.2857	0.7165	0.6598	1.282	0.714	0.658												
Trunk Calls	1.2857	0.7165	0.6598	2.194	1.223	1.126												
International Calls	1.2857	0.7165	0.6598	1.467	0.818	0.753												
Calls To Mobile	1.2857	0.7165	0.6598	1.211	0.675	0.621												
Calls to Internet	1.2857	0.7165	0.6598	0.897	0.500	0.460												
Premium Rate Services	1.2857	0.7165	0.6598	1.809	1.008	0.928												
Inland Directory Enquiries	1.2857	0.7165	0.6598	1.484	0.827	0.762												
International Directory Enquiries	1.2857	0.7165	0.6598	1.469	0.819	0.754												
National Operator Assistance	1.2857	0.7165	0.6598	2.948	1.643	1.513												
International Operator Assistance	1.2857	0.7165	0.6598	1.448	0.807	0.743												
Supplemental Services	1.2857	0.7165	0.6598	1.485	0.828	0.762												
Remaining Activities	1.2857	0.7165	0.6598	1.616	0.901	0.829												
RIO Services																		
Call Termination	1.2857	0.7165	0.6598	1.030	0.574	0.529												
Call Origination	1.2857	0.7165	0.6598	1.016	0.566	0.521												
Transit	1.2857	0.7165	0.6598	0.549	0.306	0.282												
Access to PRS services	1.2857	0.7165	0.6598	1.101	0.614	0.565												
Access to Freefone services	1.2857	0.7165	0.6598	1.585	0.884	0.814												
Access to LoCall services	1.2857	0.7165	0.6598	1.723	0.960	0.884												
Access to Callsave services	1.2857	0.7165	0.6598	1.497	0.834	0.768												
Paging Service Access	1.2857	0.7165	0.6598	0.537	0.299	0.276												
National DQ	1.2857	0.7165	0.6598	0.537	0.299	0.276												
International DQ	1.2857	0.7165	0.6598	0.537	0.299	0.276												
Access to operator assistance	1.2857	0.7165	0.6598	0.537	0.299	0.276												
Access to Intl operator assistance	1.2857	0.7165	0.6598	0.537	0.299	0.276												
International access including NI	1.2857	0.7165	0.6598	0.537	0.299	0.276												
Customer Care access	1.2857	0.7165	0.6598	1.407	0.784	0.722												
Access to emergency service	1.2857	0.7165	0.6598	1.939	1.080	0.995												
Partial Private Circuits	1.2857	0.7165	0.6598	0.000	0.000	0.000												
Flat Rate Internet Access Call Origination	1.2857	0.7165	0.6598	0.000	0.000	0.000												
Interconnect paths	1.2857	0.7165	0.6598	0.000	0.000	0.000												
Carrier Preselect - non conveyance charge	1.2857	0.7165	0.6598	0.000	0.000	0.000												
Serving operators - IN Dip	1.2857	0.7165	0.6598	0.000	0.000	0.000												
Packet services access	1.2857	0.7165	0.6598	0.000	0.000	0.000												
Non-geographical number portability	1.2857	0.7165	0.6598	0.000	0.000	0.000												
Universal number access	1.2857	0.7165	0.6598	0.000	0.000	0.000												
Personal number access	1.2857	0.7165	0.6598	0.000	0.000	0.000												
Geographic number portability	1.2857	0.7165	0.6598	0.000	0.000	0.000												
Other Wholesale Services	1.2857	0.7165	0.6598	0.000	0.000	0.000												
Subset of Call Origination																		
Primary	1.2857	0.7165	0.6598	0.694	0.387	0.356												
Tandem Long	1.2857	0.7165	0.6598	1.338	0.746	0.687												
Tandem Short	1.2857	0.7165	0.6598	1.915	1.068	0.983												
Subset of Call Termination																		
Primary	1.2857	0.7165	0.6598	0.687	0.383	0.352												
Tandem Long	1.2857	0.7165	0.6598	1.362	0.759	0.699												
Tandem Short	1.2857	0.7165	0.6598	1.714	0.955	0.879												

Statement of Costs of Network Services

DISTRIBUTED LONG RUN INCREMENTAL COSTS PLUS RECOVERY OF FIXED COMMON AND JOINT COST

	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	
Unit cost	cents	0.0822	0.2470	0.2386	0.2653	0.0305	0.0598	0.0865	0.1623	0.1057	0.0682	0.0379	0.0523	0.0985	0.0633	0.0530	0.4584	0.0845	0.0354	0.0327	0.0234	0.0181	0.0000
Total Costs	€'000	5,794	10,221	8,198	5,191	8,752	9,283	9,760	9,089	18,515	452	1,926	1,386	1,073	1,815	102	17,211	120	690	618	324	745	0
Routing Factors:-																							
Retail Services																							
Local Calls	1.871	0.924	0.530	0.040	1.899	0.957	0.511	0.073	1.363	0.144	0.274	0.051	0.060	0.031	0.000	0.285	0.027	0.052	0.030	0.018	0.039	0.000	0.000
Trunk Calls	1.932	1.271	1.390	0.368	1.909	1.287	1.371	0.397	1.349	0.030	0.898	0.302	0.426	0.391	0.010	0.336	0.023	0.405	0.243	0.743	0.439	0.000	0.000
International Calls	1.000	0.694	0.445	1.000	1.000	0.691	0.468	1.000	0.717	0.000	0.158	0.532	0.000	0.468	0.040	0.155	0.000	0.079	0.328	0.000	0.778	0.001	0.000
Calls To Mobile	1.000	0.700	0.810	0.330	1.000	0.700	0.810	0.330	0.730	0.000	0.510	0.180	0.000	0.150	0.010	0.168	0.000	0.158	0.219	0.000	0.220	0.000	0.000
Calls to Internet	1.714	0.693	0.382	0.047	1.712	0.693	0.379	0.045	0.720	0.006	0.078	0.041	0.018	0.031	0.000	0.148	0.001	0.026	0.020	0.031	0.042	0.000	0.000
Premium Rate Services	1.470	1.110	1.010	0.610	1.420	1.000	0.970	0.570	1.050	0.020	0.620	0.340	0.190	0.380	0.020	0.204	0.002	0.204	0.180	0.348	0.491	0.000	0.000
Inland Directory Enquiries	1.000	0.676	0.488	1.000	1.000	0.680	0.483	1.000	0.693	0.000	0.163	0.517	0.000	0.483	0.040	0.166	0.000	0.091	0.344	0.000	0.821	0.001	0.000
International Directory Enquiries	1.000	0.660	0.490	1.000	1.000	0.660	0.500	1.000	0.700	0.000	0.160	0.500	0.000	0.500	0.040	0.153	0.000	0.081	0.308	0.000	0.797	0.001	0.000
National Operator Assistance	2.000	1.370	0.930	2.000	2.000	1.370	0.950	2.000	1.410	0.000	0.320	1.050	0.000	0.950	0.010	0.325	0.000	0.176	0.684	0.000	1.589	0.000	0.000
International Operator Assistance	1.000	0.700	0.460	1.000	1.000	0.700	0.450	1.000	0.700	0.000	0.150	0.550	0.000	0.450	0.040	0.130	0.000	0.068	0.248	0.000	0.750	0.001	0.000
Supplemental Services	1.000	0.670	0.500	1.000	1.000	0.680	0.490	1.000	0.700	0.000	0.170	0.510	0.000	0.490	0.040	0.162	0.000	0.083	0.328	0.000	0.850	0.001	0.000
Remaining Activities	1.706	1.037	0.990	0.373	1.623	0.989	0.907	0.360	0.953	0.027	0.526	0.399	0.204	0.248	0.017	0.160	0.003	0.162	0.153	0.267	0.282	0.000	0.000
Internet Service Supply																							
Leased Lines																							
Retail Access																							
Other Retail Services																							
RIO Services																							
Call Termination - from ccmp file	1.000	0.667	0.617	0.231	1.000	0.656	0.604	0.257	0.700	0.000	0.237	0.099	0.026	0.157	0.010	0.156	0.000	0.126	0.093	0.015	0.239	0.000	0.000
Call Origination - from ccmp file	1.000	0.660	0.542	0.296	1.000	0.685	0.532	0.260	0.704	0.000	0.212	0.095	0.002	0.165	0.010	0.152	0.000	0.127	0.089	0.000	0.289	0.000	0.000
Transit	0.000	0.001	0.019	0.996	0.000	0.001	0.035	0.996	0.000	0.000	0.001	0.000	0.004	0.028	0.040	0.000	0.000	0.000	0.000	0.003	0.015	0.001	0.000
Access to PRS services	0.630	0.420	0.370	1.000	0.790	0.340	0.570	1.000	0.330	0.000	0.120	0.220	0.000	0.570	0.040	0.015	0.000	0.016	0.023	0.000	0.034	0.001	0.000
Access to Freefone services	1.000	0.610	0.820	1.000	1.000	0.620	0.820	1.000	0.690	0.000	0.440	0.180	0.000	0.820	0.040	0.122	0.000	0.164	0.047	0.000	0.961	0.001	0.000
Access to LoCall services	1.000	0.740	0.610	1.000	1.000	0.660	0.670	1.000	0.430	1.000	0.340	0.330	1.000	0.670	0.040	0.046	0.010	0.077	0.177	0.010	0.646	0.001	0.000
Access to Callsave services	1.000	0.610	0.840	1.000	1.000	0.600	0.770	1.000	0.480	0.000	0.370	0.230	0.000	0.770	0.040	0.048	0.000	0.072	0.166	0.000	0.611	0.001	0.000
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	0.040	0.000	0.000	0.000	0.000	0.000	0.000	0.001	0.000
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	0.040	0.000	0.000	0.000	0.000	0.000	0.000	0.001	0.000
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	0.040	0.000	0.000	0.000	0.000	0.000	0.000	0.001	0.000
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	0.040	0.000	0.000	0.000	0.000	0.000	0.000	0.001	0.000
Access to Int'l 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	0.040	0.000	0.000	0.000	0.000	0.000	0.000	0.001	0.000
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	0.040	0.000	0.000	0.000	0.000	0.000	0.000	0.001	0.000
Customer Care Access	0.000	0.910	0.890	0.890	0.000	0.940	0.870	0.920	0.000	0.000	0.750	0.190	0.060	0.740	0.030	0.000	0.000	0.343	0.258	0.020	0.927	0.001	0.000
Access to emergency service	1.000	0.320	0.810	2.000	1.000	0.320	0.810	2.000	0.610	0.000	0.130	0.190	0.000	0.810	0.070	0.060	0.000	0.055	0.211	0.000	0.954	0.001	0.000
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																							
Subset of Call Origination																							
Tandem Short	1.000	0.620	0.380	0.000	1.000	0.620	0.380	0.000	0.680	0.000	0.000	0.000	0.000	0.000	0.000	0.114	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Tandem Long	1.000	0.620	0.730	0.630	1.000	0.720	0.720	0.550	0.720	0.000	0.430	0.280	0.000	0.270	0.020	0.183	0.000	0.262	0.210	0.000	0.500	0.000	0.000
Tandem Short	1.000	0.970	0.890	0.960	1.000	0.970	0.890	0.960	0.800	0.000	0.840	0.130	0.020	0.830	0.040	0.284	0.000	0.487	0.271	0.001	1.384	0.001	0.000
Subset of Call Termination																							
Primary	1.000	0.570	0.430	0.000	1.000	0.580	0.420	-	0.660	0.000	0.000	0.000	0.000	0.000	0.000	0.104	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Tandem Long	1.000	0.780	0.740	0.480	1.000	0.710	0.760	0.520	0.740	0.000	0.480	0.240	0.000	0.280	0.020	0.222	0.000	0.254	0.184	0.000	0.478	0.000	0.000
Tandem Short	1.000	0.800	1.140	0.610	1.000	0.860	1.030	0.740	0.780	0.000	0.680	0.180	0.210	0.550	0.030	0.221	0.000	0.363	0.278	0.121	0.701	0.000	0.000

Statement of Costs of Network Services

DISTRIBUTED LONG RUN INCREMENTAL COSTS PLUS RECOVERY OF FIXED COMMON AND JOINT COST.

		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	cents	0.154	0.228	0.126	0.011	0.058	0.057	0.044	0.012	0.144	0.010	0.010	0.003	0.006	0.002	0.000	0.131	0.002	0.002	0.001	0.000	0.000	0.000
Trunk Calls	cents	0.159	0.314	0.332	0.098	0.058	0.077	0.119	0.064	0.142	0.002	0.034	0.016	0.042	0.025	0.001	0.154	0.002	0.014	0.008	0.017	0.008	0.000
International Calls	cents	0.082	0.171	0.106	0.265	0.030	0.041	0.040	0.162	0.076	0.000	0.006	0.028	0.000	0.030	0.002	0.071	0.000	0.003	0.011	0.000	0.014	0.000
Calls To Mobile	cents	0.082	0.173	0.193	0.088	0.030	0.042	0.070	0.054	0.077	0.000	0.019	0.009	0.000	0.010	0.001	0.077	0.000	0.006	0.007	0.000	0.004	0.000
Calls to Internet	cents	0.141	0.171	0.091	0.012	0.052	0.041	0.033	0.007	0.076	0.000	0.003	0.002	0.002	0.000	0.000	0.068	0.000	0.001	0.001	0.001	0.001	0.000
Premium Rate Services	cents	0.121	0.274	0.241	0.162	0.043	0.060	0.084	0.093	0.111	0.001	0.024	0.018	0.019	0.024	0.001	0.094	0.000	0.007	0.007	0.008	0.009	0.000
Inland Directory Enquiries	cents	0.082	0.167	0.116	0.265	0.030	0.041	0.042	0.162	0.073	0.000	0.006	0.027	0.000	0.031	0.002	0.076	0.000	0.003	0.011	0.000	0.015	0.000
International Directory Enquiries	cents	0.082	0.163	0.117	0.265	0.030	0.039	0.043	0.162	0.074	0.000	0.006	0.026	0.000	0.032	0.002	0.070	0.000	0.003	0.010	0.000	0.014	0.000
National Operator Assistance	cents	0.164	0.338	0.222	0.531	0.061	0.082	0.082	0.325	0.149	0.000	0.012	0.055	0.000	0.060	0.001	0.149	0.000	0.006	0.022	0.000	0.029	0.000
International Operator Assistance	cents	0.082	0.173	0.110	0.265	0.030	0.042	0.039	0.162	0.074	0.000	0.006	0.029	0.000	0.029	0.002	0.060	0.000	0.002	0.008	0.000	0.014	0.000
Supplemental Services	cents	0.082	0.166	0.119	0.265	0.030	0.041	0.042	0.162	0.074	0.000	0.006	0.027	0.000	0.031	0.002	0.074	0.000	0.003	0.011	0.000	0.015	0.000
Remaining Activities	cents	0.140	0.256	0.236	0.099	0.049	0.059	0.078	0.058	0.101	0.002	0.020	0.021	0.020	0.016	0.001	0.073	0.000	0.006	0.005	0.006	0.005	0.000
Internet Service Supply																							
Leased Lines																							
Retail Access																							
Other Retail Services																							
RIO Services																							
Call Termination	cents	0.082	0.165	0.147	0.061	0.030	0.039	0.052	0.042	0.074	0.000	0.009	0.005	0.003	0.010	0.001	0.072	0.000	0.004	0.003	0.000	0.004	0.000
Call Origination	cents	0.082	0.163	0.129	0.079	0.030	0.041	0.046	0.042	0.074	0.000	0.008	0.005	0.000	0.010	0.001	0.069	0.000	0.004	0.003	0.000	0.005	0.000
Transit	cents	0.000	0.000	0.004	0.264	0.000	0.000	0.003	0.162	0.000	0.000	0.000	0.000	0.000	0.002	0.002	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Access to PRS services	cents	0.052	0.104	0.088	0.265	0.024	0.020	0.049	0.162	0.035	0.000	0.005	0.012	0.000	0.036	0.002	0.007	0.000	0.001	0.001	0.000	0.001	0.000
Access to Freephone services	cents	0.082	0.151	0.196	0.265	0.030	0.037	0.071	0.162	0.073	0.000	0.017	0.009	0.000	0.052	0.002	0.056	0.000	0.006	0.002	0.000	0.017	0.000
Access to LoCall services	cents	0.082	0.183	0.146	0.265	0.030	0.039	0.058	0.162	0.045	0.068	0.013	0.017	0.098	0.042	0.002	0.021	0.001	0.003	0.006	0.000	0.012	0.000
Access to Callsave services	cents	0.082	0.151	0.200	0.265	0.030	0.036	0.067	0.162	0.051	0.000	0.014	0.012	0.000	0.049	0.002	0.022	0.000	0.003	0.005	0.000	0.011	0.000
Paging Service Access	cents	0.000	0.000	0.000	0.265	0.000	0.000	0.000	0.162	0.000	0.000	0.000	0.000	0.000	0.000	0.002	0.000	0.000	0.000	0.000	0.000	0.000	0.000
National DQ	cents	0.000	0.000	0.000	0.265	0.000	0.000	0.000	0.162	0.000	0.000	0.000	0.000	0.000	0.000	0.002	0.000	0.000	0.000	0.000	0.000	0.000	0.000
International DQ	cents	0.000	0.000	0.000	0.265	0.000	0.000	0.000	0.162	0.000	0.000	0.000	0.000	0.000	0.000	0.002	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Access to operator assistance	cents	0.000	0.000	0.000	0.265	0.000	0.000	0.000	0.162	0.000	0.000	0.000	0.000	0.000	0.000	0.002	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Access to Intl operator assistance	cents	0.000	0.000	0.000	0.265	0.000	0.000	0.000	0.162	0.000	0.000	0.000	0.000	0.000	0.000	0.002	0.000	0.000	0.000	0.000	0.000	0.000	0.000
International access including NI	cents	0.000	0.000	0.000	0.265	0.000	0.000	0.000	0.162	0.000	0.000	0.000	0.000	0.000	0.000	0.002	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Customer Care access	cents	0.000	0.225	0.212	0.236	0.000	0.056	0.075	0.149	0.000	0.000	0.028	0.010	0.006	0.047	0.002	0.000	0.000	0.012	0.008	0.000	0.017	0.000
Access to emergency service	cents	0.082	0.079	0.193	0.531	0.030	0.019	0.070	0.325	0.064	0.000	0.005	0.010	0.000	0.051	0.004	0.028	0.000	0.002	0.007	0.000	0.017	0.000
Partial Private Circuits	cents																						
Flat Rate Internet Access Call Origination	cents																						
Interconnect paths	cents																						
Carrier Preselect - non conveyance charge	cents																						
Serving operators - IN Dip	cents																						
Packet services access	cents																						
Non-geographical number portability	cents																						
Universal number access	cents																						
Personal number access	cents																						
Geographic number portability	cents																						
Subset of Call Origination																							
Primary	cents	0.0822	0.1532	0.0907	0.0000	0.0305	0.0371	0.0329	0.0000	0.0718	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0521	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Tandem Long	cents	0.0822	0.1532	0.1742	0.1671	0.0305	0.0431	0.0623	0.0893	0.0761	0.0000	0.0163	0.0146	0.0000	0.0171	0.0011	0.0840	0.0000	0.0093	0.0069	0.0000	0.0090	0.0000
Tandem Short	cents	0.0822	0.2396	0.2123	0.2546	0.0305	0.0580	0.0770	0.1558	0.0845	0.0000	0.0319	0.0068	0.0020	0.0526	0.0021	0.1302	0.0000	0.0172	0.0089	0.0000	0.0250	0.0000
Subset of Call Termination																							
Primary	cents	0.0822	0.1408	0.1026	0.0000	0.0305	0.0347	0.0363	0.0000	0.0697	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0479	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Tandem Long	cents	0.0822	0.1927	0.1766	0.1273	0.0305	0.0425	0.0657	0.0844	0.0782	0.0000	0.0182	0.0125	0.0000	0.0177	0.0011	0.1019	0.0000	0.0090	0.0060	0.0000	0.0086	0.0000
Tandem Short	cents	0.0822	0.1976	0.2720	0.1618	0.0305	0.0514	0.0891	0.1201	0.0824	0.0000	0.0258	0.0094	0.0207	0.0348	0.0016	0.1011	0.0000	0.0129	0.0091	0.0028	0.0127	0.0000

Statement of Costs of Network Services

DISTRIBUTED LONG RUN INCREMENTAL COSTS PLUS RECOVERY OF FIXED COMMON AND JOINT COST.

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	Call Conveyance Cost Per Minute - OFF PEAK	Call Conveyance Cost Per Minute - WEEKEND
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Unit cost

Total Costs

Routing Factors:-

Retail Services

Local Calls
Trunk Calls
International Calls
Calls To Mobile
Calls to Internet
Premium Rate Services
Inland Directory Enquiries
International Directory Enquiries
National Operator Assistance
International Operator Assistance
Supplemental Services
Remaining Activities
Internet Service Supply
Leased Lines
Retail Access
Other Retail Services

RIO Services

Call Termination - from ccmp file
Call Origination - from ccmp file
Transit
Access to PRS services
Access to Freefone services
Access to LoCall services
Access to Callsave services
Paging Service Access
National DQ
International DQ
Access to operator assistance
Access to Intl operator assistance
International access including NI
Customer Care Access
Access to emergency service
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

Subset of Call Origination

Tandem Short
Tandem Long
Tandem Short

Subset of Call Termination

Primary
Tandem Long
Tandem Short

Statement of Costs of Network Services

DISTRIBUTED LONG RUN INCREMENTAL COSTS PLUS RECOVERY OF FIXED COMMON AND JOINT COST.

	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	Call Conveyance Cost Per Minute - OFF PEAK	Call Conveyance Cost Per Minute - WEEKEND
Average Cost per Minute:-								
Retail Services								
Local Calls	1.2857	0.7165	0.6598	1.2892	0.7179	0.6611		
Trunk Calls	1.2857	0.7165	0.6598	2.1671	1.2077	1.1121		
International Calls	1.2857	0.7165	0.6598	1.4648	0.8164	0.7517		
Calls To Mobile	1.2857	0.7165	0.6598	1.2105	0.6746	0.6212		
Calls to Internet	1.2857	0.7165	0.6598	0.9080	0.5060	0.4660		
Premium Rate Services	1.2857	0.7165	0.6598	1.7998	1.0031	0.9237		
Inland Directory Enquiries	1.2857	0.7165	0.6598	1.4796	0.8246	0.7593		
International Directory Enquiries	1.2857	0.7165	0.6598	1.4661	0.8171	0.7524		
National Operator Assistance	1.2857	0.7165	0.6598	2.9417	1.6395	1.5097		
International Operator Assistance	1.2857	0.7165	0.6598	1.4482	0.8071	0.7432		
Supplemental Services	1.2857	0.7165	0.6598	1.4805	0.8251	0.7598		
Remaining Activities	1.2857	0.7165	0.6598	1.6106	0.8976	0.8266		
Internet Service Supply								
Leased Lines								
Retail Access								
Other Retail Services								
RIO Services								
Call Termination	1.2857	0.7165	0.6598	1.0339	0.5762	0.5306		
Call Origination	1.2857	0.7165	0.6598	1.0200	0.5694	0.5234		
Transit	1.2857	0.7165	0.6598	0.5634	0.3140	0.2892		
Access to PRS services	1.2857	0.7165	0.6598	1.1096	0.6184	0.5694		
Access to Freephone services	1.2857	0.7165	0.6598	1.5790	0.8800	0.8104		
Access to LoCall services	1.2857	0.7165	0.6598	1.6650	0.9279	0.8545		
Access to Callsave services	1.2857	0.7165	0.6598	1.4949	0.8331	0.7672		
Paging Service Access	1.2857	0.7165	0.6598	0.5524	0.3079	0.2835		
National DQ	1.2857	0.7165	0.6598	0.5524	0.3079	0.2835		
International DQ	1.2857	0.7165	0.6598	0.5524	0.3079	0.2835		
Access to operator assistance	1.2857	0.7165	0.6598	0.5524	0.3079	0.2835		
Access to Intl operator assistance	1.2857	0.7165	0.6598	0.5524	0.3079	0.2835		
International access including NI	1.2857	0.7165	0.6598	0.5524	0.3079	0.2835		
Customer Care access	1.2857	0.7165	0.6598	1.3944	0.7771	0.7156		
Access to emergency service	1.2857	0.7165	0.6598	1.9509	1.0873	1.0012		
Partial Private Circuits	1.2857	0.7165	0.6598					
Flat Rate Internet Access Call Origination	1.2857	0.7165	0.6598					
Interconnect paths	1.2857	0.7165	0.6598					
Carrier Preselect - non conveyance charge	1.2857	0.7165	0.6598					
Serving operators - IN Dip	1.2857	0.7165	0.6598					
Packet services access	1.2857	0.7165	0.6598					
Non-geographical number portability	1.2857	0.7165	0.6598					
Universal number access	1.2857	0.7165	0.6598					
Personal number access	1.2857	0.7165	0.6598					
Geographic number portability	1.2857	0.7165	0.6598					
Subset of Call Origination								
Primary	1.2857	0.7165	0.6598	0.7076	0.3944	0.3632		
Tandem Long	1.2857	0.7165	0.6598	1.3322	0.7425	0.6837		
Tandem Short	1.2857	0.7165	0.6598	1.8916	1.0542	0.9708		
Subset of Call Termination								
Primary	1.2857	0.7165	0.6598	0.7003	0.3903	0.3594		
Tandem Long	1.2857	0.7165	0.6598	1.3565	0.7560	0.6962		
Tandem Short	1.2857	0.7165	0.6598	1.6945	0.9444	0.8696		

Definitions of the Businesses

The full definition of the Businesses and their Activities are set out on pages 5 to 8 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 include 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 end users is therefore recorded in the Retail Business.

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. Network charges to other operators and *eircom* Retail Business are based on their consumption of bundles of Network Elements into standard network services. The unit costs for components are based on the fully allocated costs of components, including a cost of capital, set at 11.5% (2003: 12%) as directed by ComReg.

The Core Network also includes payments to other operators, dedicated transmission and capacity for leased lines and the provision of directory enquiry services.

Definitions of Increments

Three increments are defined for the calculation of long run incremental costs. These are:

- Access Network
- Inland Core Conveyance Network
- The Rest

The Access Network increment has the same definition as the Local Access Network provided above. The remaining increments are defined below.

Inland Core Conveyance Network

The Core Network is defined as the PSTN and ISDN switched network comprising all conveyance circuit switches (primary, secondary and tertiary) and remote or co-located subscriber units. It includes all transmission routes connecting these switch nodes including capacity provided for leased lines and other data services. The data transmission network continues to be confined to traditional data services associated with leased lines (includes Eirpac, DCN, Broadcast and Frame Relay). Emerging data services such as BIP, DSL and ATM have been included in the Rest increment as they do not sit entirely within the Core or Access network. Any specific equipment for the provision of leased lines and data services remains within the Rest increment. The Inland Core Conveyance Network also includes the specific costs of carrier services.

The boundary between the Inland Core Conveyance Network and Access Network has been defined, by ComReg, as lying at the Inland Core Conveyance Network side of the line card in the remote or co-located subscriber units.

The Inland Core Conveyance Network is further sub-divided into the following network elements:

Switching components

- Subscriber unit (Call sensitive);
- Subscriber unit (Traffic sensitive);

- Primary switch (Call sensitive);
- Primary Switch (Traffic sensitive);
- Secondary switch (Call sensitive);
- Secondary switch (Traffic sensitive);
- Tertiary switch (Call sensitive);
- Tertiary switch (Traffic sensitive);

Transmission components

- Remote subscriber unit to Primary/Secondary switch transmission link – non length related;
- Primary to Primary switch transmission link – non length related;
- Primary to Secondary switch transmission link – non length related;
- Primary to Tertiary switch transmission link – non length related;
- Secondary to Secondary switch transmission link – non length related;
- Secondary to Tertiary switch transmission link – non length related;
- Tertiary to Tertiary switch transmission link – non length related;
- Remote subscriber unit to Primary/Secondary switch transmission link – length related;
- Primary to Primary switch transmission link – length related;
- Primary to Secondary switch transmission link – length related;
- Primary to Tertiary switch transmission link – length related;

- Secondary to Secondary switch transmission link – length related;
- Secondary to Tertiary switch transmission link – length related;
- Tertiary to Tertiary switch transmission link – length related;

Non conveyance components

- Leased lines and data transmission; and
- Interconnection specific costs.

The Rest

The Rest comprises the costs and net investments of *eircom* that are not included in the Access Network or Inland Core Conveyance Network. It includes all retail activities and those parts of the network not included in Access or Inland Core Conveyance Networks.

Other Definitions

Long run incremental cost

Long run incremental cost is the additional cost that would be caused in the long run by the addition of the defined increment given that all other output is already produced. In the long run, this definition can be reversed so that long run incremental costs can be defined as those costs that are avoided by not producing that increment of output given that all other outputs are produced.

Distributed long run incremental cost

Distributed long run incremental cost is equal to the sum of the long run incremental cost of network elements (e.g. subscriber unit, primary switch, etc.) and a pro-rated mark up of fixed common and joint costs which lie entirely within the Inland Core Conveyance Network on the long run incremental cost of network elements. The mark up is performed at a detailed cost category level such that fixed common and joint costs are recovered only on the incremental costs of network elements to which they are common. After recovery, the sum of long run distributed incremental costs of Inland Core Conveyance Network elements is equal to the long run incremental cost of the Inland Core Conveyance Network as a whole.

The company has implemented two part charging. In order to ensure that the change from one part charging to two part charging does not result in a change in overall costs attributed to switching, an initial step has been initiated in the DLRIC process to attribute the costs associated solely with switching not already attributed to individual two part charging switching elements. This initial attribution is performed on the following basis:

1. Direct Switching Equipment Cost Categories: Attributed based upon the results of manufacturers' studies of the utilisation of the relevant switching equipment.
2. Indirect costs are attributed between switching elements on an equi-proportional mark up basis based on the distribution of the fully allocated costs.

For the year ended 31st March 2004, the company has introduced an initial step in respect of transmission costs to capture any costs solely associated with PSTN transmission not already attributed to individual PSTN transmission elements. These fixed and common costs are then distributed over the individual PSTN transmission elements based on an equi-proportional mark-up based on LRIC results.

The residual costs wholly attributable to the core network which have not already been attributed as part of the initial steps above are distributed on an equi-proportional basis using the incremental costs.

Distributed long run incremental costs plus recovery of inter-increment fixed common and joint cost

Distributed long run incremental cost plus recovery of inter-increment fixed common and joint costs (i.e. common to Access Network, Inland Core Conveyance Network and The Rest) is the sum of the long run incremental cost of increments (and within the Inland Core Conveyance Network, on the distributed long run incremental cost of its elements) and a pro-rated mark up of inter-increment fixed common and joint costs. The mark up is performed at a detailed cost category level such that fixed common and joint costs are recovered only on the long run incremental costs of Access Network, Inland Core Conveyance Network, and within that on the distributed incremental costs of Inland Core Conveyance Network elements, to which they are common. After recovery, the sum of long run incremental costs plus recovery of inter-increment fixed common and joint costs of Access Network, Inland Core Conveyance Network and The Rest is equal to the total incremental cost of the Group as a whole.